

NEPI Rockcastle N.V.

Incorporated and registered in the Netherlands

Registration number 87488329

Share code: NRP

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("NEPI Rockcastle" or "the Company")



ACQUISITION OF SILESIA CITY CENTER (KATOWICE, POLAND)

Stakeholders are informed that on 6 December 2024, NEPI Rockcastle, through its wholly owned subsidiary NE Property B.V., signed a binding agreement to acquire all the issued shares of HELIOS SCC SP. Z O.O. ("**the Target**"), which owns Silesia City Center ("**Silesia City Center**" or "**the Property**"), from Allianz Finance VII Luxembourg S.A.* (45%), Kamsa Luxco 2 S.à r.l.* (45%) and Cura Beteiligungsgesellschaft International m.b.H.* (10%) ("**the Transaction**"). NEPI Rockcastle has concurrently signed a binding agreement to acquire all issued shares of Elco Energy sp. z o.o. and Elco ICT sp. z o.o. ("**the Elco Companies**") from ECE Projektmanagement Polska sp. z o.o. These companies provide communication infrastructure and energy services for the tenants in the Property.

Silesia City Center is a shopping centre located in Katowice, in the Silesia Province of southern Poland comprising of a 88,400 m² gross lettable area ("**GLA**"). The city is one of the strongest in Poland economically, with an average spending power exceeding the national average per capita by 35%. The Katowice conurbation, consisting of 22 adjacent population centres, is one of Europe's most industrialized and urbanized areas. While heavy industry continues to be a significant pillar of the region's economy, Katowice has evolved into a dynamic business services hub, characterized by an expanding presence in sectors including professional outsourcing, innovation-driven research and advanced technology.

RATIONALE FOR THE TRANSACTION

The acquisition of Silesia City Center follows the purchase of Magnolia Park in Wroclaw in southwest Poland in September 2024. The acquisition further advances NEPI Rockcastle's investment strategy to strengthen its portfolio by focusing on countries with an investment-grade rating and prioritizing core, income-producing dominant properties.

The Property is well located in the city, with an immediate catchment area of over 280,000 people (within 15 minutes' drive) and a regional catchment of almost 2.2 million people (within a 45-minute drive) offering excellent visibility and access by both private and public transport.

Silesia City Center has an occupancy rate of 98.4% as of November 2024, including anchor tenants such as Cinema City, Half Price, H&M, Kaufland, Media Markt, Primark, Reserved, TK Maxx and Zara. The Property not only exhibits a strong operational performance but also benefits from a dominant position in the region.

Rüdiger Dany, CEO, remarked: *"We are grateful for the confidence that NEPI Rockcastle's investors have placed in our company during the recent equity raise as we continue to deliver on our strategy with the acquisition of Silesia City Center. This high-quality shopping centre has a commanding market position in Katowice, one of Poland's largest and wealthiest cities, and we look forward bringing our asset management expertise to bear in the execution of long-term value growth initiatives*

* Allianz Finance VII Luxembourg S.A. is 30% directly held by Allianz Finance VIII Luxembourg S.A. and 70% directly held by Allianz Leben Real Estate Holding II S.à r.l., Kamsa Luxco 2 S.à r.l. is 100% directly held by Kamsa Luxco 1 S.à r.l. and Cura Beteiligungsgesellschaft International is 100% directly held by KG CURA Vermögensverwaltung GmbH & Co. KG, none of which are related parties to NEPI Rockcastle.

in this latest investment.”

SALIENT TERMS OF THE TRANSACTION

The aggregate purchase price for the Target is €405 million (“**the Purchase Price**”), including the full settlement of the Target’s outstanding debt. Additionally, the purchase price for the Elco Companies is €1.5 million.

Closing of the Transaction is conditional on settlement of the Purchase Price with the effective date of the Transaction targeted to be 6 December 2024.

The Purchase Price will be funded from the Company’s existing cash resources, primarily derived from the equity raise completed in October 2024. The agreement for the Transaction contains undertakings, warranties and indemnities, that are typical for a transaction of this nature.

DETAILS OF THE PROPERTY

Property	Location	Sector	Monthly average weighted rent per m ²	GLA m ²	Purchase Price	Valuation	Total cash consideration paid
Silesia City Center	Katowice, Poland	Retail	€27.50	88,400	€405 million	€405 million**	€403.7 million

***The Purchase Price reflects the price for the acquisition of the issued shares in the Target and settlement of debt, whilst the valuation amount reflects the value attributed to the Property by the directors of the Company. The directors of the Company are not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No 47 of 2000 in South Africa.*

NEPI Rockcastle has projected a net operating income of €30.3 million for the Target for the financial year ending 31 December 2024, while the net operating income anticipated after the integration of the Property into the NEPI Rockcastle group and implementing asset management initiatives is expected to stabilize at €32 million.

The Elco Companies are also expected to generate an additional €0.3 million from communication infrastructure and energy services provided to the tenants at the Property.

This forecast, along with the underlying assumptions, as well as the financial information used to prepare the forecast, is the responsibility of the Company’s directors and has not been reviewed or reported on by the Company’s auditors.

NEPI Rockcastle reports that the Target registered a statutory loss of PLN 57,683 thousand for the year ended 31 December 2023, as required by the JSE Listings Requirements. This information is sourced from the Target’s 2023 annual audited financial statements, prepared in accordance with Polish accounting standards. NEPI Rockcastle is satisfied with the quality of Target’s financial statements for the purpose of this announcement.

CATEGORISATION OF THE TRANSACTION

The Transaction is classified as a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by NEPI Rockcastle’s shareholders***.

**** A category 2 transaction, as defined in the JSE Listings Requirements, refers to a transaction where the size of the transaction value is 5% or more but less than 30% of the Company’s market capitalization*

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