

NEPI Rockcastle plc
(Incorporated and registered in the Isle of Man)
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(“NEPI Rockcastle” or “the Company”)



UPDATE ON ACQUISITIONS AND DEVELOPMENTS

ACQUISITION OF AURA SHOPPING CENTRE IN OLSZTYN, POLAND

NEPI Rockcastle is pleased to announce that, on 30 May 2018, through its subsidiary Rockcastle Global Real Estate Holdings B.V, it acquired 100% of the shares in Milvus sp. z o.o., which owns Aura shopping centre in the city of Olsztyn in Poland (“**Aura Centrum**”), from Rockspring NPS European Alfa B.V.

Aura Centrum is a prominent shopping and entertainment destination in the heart of Olsztyn city centre with a gross lettable area (“**GLA**”) of over 25,000m² and annual footfall of 5.5 million people. Opened in 2005, the centre was extended in 2009 and was further modernised in 2013 and 2016 to keep it at the forefront of modern shopping. Aura Centrum is 94.2% let, including key anchors such as Carrefour, H&M, Helios cinema, LPP brands (Reserved, Cropp, House, Mohito, Sinsay, Home & You), Martes Sport, New Yorker, RTV Euro AGD and Smyk.

Olsztyn is a city of 173,000 people in north-eastern Poland and the capital of the Warmińsko-Mazurskie province, which has a population of over 1.4 million. Olsztyn has large regional importance as it is the only major city in a c.100km radius. It hosts a wide range of administrative functions and is the only city in the province with developed industry, including manufacturers that supply the automobile industry. With 35,000 students currently enrolled at the university in Olsztyn and entering the job market over time, the city is also well-positioned to become a hub for high-tech industry in the region. Olsztyn has recently undergone a major infrastructure upgrade, aimed at modernising the city and marked by the introduction of an 11km tram line as well as a vast road and public infrastructure redevelopment.

The acquisition of Aura Centrum creates regional synergies for NEPI Rockcastle, which also owns Galeria Warmińska, the dominant shopping centre in Olsztyn. Consolidation of both properties in the Company’s portfolio allows for a more bespoke positioning of the two centres and a tailoring of the offering to their respective customers in the regional catchment area, thereby creating a more diversified shopping and leisure selection.

The aggregate purchase price for Aura Centrum was EUR 64.9 million. The centre has a current net operating income of EUR 5.3 million per annum, excluding potential income from vacancies.

ACQUISITION OF OZAS SHOPPING AND ENTERTAINMENT CENTRE

NEPI Rockcastle is also pleased to announce that, on 31 May 2018, through its subsidiary UAB “Ozas property”, it acquired 100% of the shares in Uždaroji akcinė bendrovė "Ozantis", which owns Ozas Shopping and Entertainment Centre (“**Ozas**”) in Vilnius, Lithuania, from ARENA Zweite Verwaltungs GmbH.

Ozas is located in Vilnius, the capital city of Lithuania, and has a GLA of over 60,000m². The centre has a strong fashion and entertainment-oriented tenant mix and attracts an affluent customer base with above average disposable income. Ozas opened in 2009 and benefits from a simple and effective layout. It has a wide retail offering, including numerous international tenants such as Adidas, Bershka, CCC, Deichmann, Gant, H&M, Karen Millen, Jack&Jones, Lindex, LPP brands (Reserved, Cropp, House, Mohito, Sinsay),

Maxima, Multikino, New Yorker, Peek & Cloppenburg, Pierre Cardin, Salamander, Swarovski, Timberland, Tommy Hilfiger, Top Shop, and Zara.

The catchment area of 432,000 inhabitants within 30 minutes includes residential districts and the main office area of Vilnius. The centre is located at the crossing of two highly frequented north-south traffic axes, benefitting from excellent transportation links within its catchment area.

With 574,000 inhabitants, Vilnius is the economic and cultural centre of Lithuania. Lithuania is an investment grade country (A3/A/A-) that has recently shown robust development, with GDP growth of 2.3% in 2016 and 3.8% in 2017. According to European Commission forecast data, growth in GDP for 2018 and 2019 is expected to be 3.1% and 2.7%, respectively.

The acquisition of Ozas marks the Company's entry point into the Baltic region, one of the most developed areas in Central and Eastern Europe ("CEE") with an affluent and highly educated population. It also consolidates NEPI Rockcastle's market position in the CEE and its ability to leverage off its best-in-class operating platform. A presence in the Baltics provides the Company's stakeholders with additional geographic diversification and further strengthens the Company's offering as CEE's leading retail-focused landlord.

The aggregate purchase price for Ozas was EUR 124.6 million. The centre has a current net operating income of EUR 8.8 million per annum, excluding potential income from vacancies.

FUNDING OF THE TRANSACTIONS, WARRANTIES AND CONDITIONS PRECEDENT

The acquisitions of Aura Centrum and Ozas have been funded by divestments from various listed security positions (consistent with management's strategy of decreasing this exposure), supplemented by existing liquidity resources.

The purchase agreements for the acquisitions contain warranties typically associated with transactions of this nature and there are no outstanding conditions precedent.

CATEGORISATION

The acquisitions of Aura Centrum and Ozas are not categorisable in terms of the JSE Listings Requirements.

OTHER UPDATES

The Company is well advanced with several transactions at various stages of the due diligence process. Further announcements in this regard will be made in due course.

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