

NEPI Rockcastle plc

Incorporated and registered in the Isle of Man

Registered number 014178V

Share code: NRP

ISIN: IM00BDD7WV31

(“NEPI Rockcastle” or “the Company”)



UPDATE ON DISPOSAL OF ROMANIAN OFFICE PORTFOLIO

The company refers to the announcement dated 16 December 2019 indicating that through its wholly owned subsidiaries mentioned therein and collectively referred to as the “**sellers**”, it had entered into an agreement (the “**agreement**”) to dispose of the Romanian office portfolio (“**Portfolio**”) to AFI Europe NV (“**AFI Europe**” or the “**purchaser**”), a wholly-owned subsidiary of Africa Israel Properties Limited (the “**disposal**”). As announced, the disposal was subject to the fulfilment of conditions precedent, being the unconditional approval of the Romanian Competition Council and the successful conclusion of formalities with Trade Registry.

The Company advises that the conditions precedent have been fulfilled within the contractually agreed timeline and, according to the agreement, the completion of the transaction should have occurred on 31 March 2020. However, the disposal was not completed as the purchaser’s obligations related to the completion procedures were not fulfilled, leading to a breach in the agreement which entitled the sellers to terminate the agreement and claim the contractual guarantee.

The current restrictions due to the situation generated by COVID-19 did not prevent completion, as the authorities involved in processing the share transfer (i.e. the Trade Registry) were open to the public, and the contractual mechanism allowed for electronic completion. Moreover, legislation recently passed specifically requires public authorities and professionals, including law firms and notaries, to continue exercising their functions and providing services, while observing the precautionary measures imposed by the authorities, thus permitting also in-person completion, using, if needed, power of attorney.

Following its legal assessment, the Company’s stand is that the sellers have duly fulfilled their contractual obligations, while also considering the emergency orders issued by the authorities in Romania. Discussions on extending the completion date included both parties proposing terms, and the Company’s recent announcement noted an estimated postponement until April; however, consensus on those terms was not reached.

The sellers are currently assessing a suitable course of action in accordance with the contractual mechanisms in place and claiming the contractual guarantee provided by the purchaser regarding the closing procedures.

For further information please contact:

NEPI Rockcastle plc

Alex Morar

+ 40 21 232 1398

JSE sponsor

Java Capital

+27 11 722 3050

Euronext Listing Agent
ING Bank

+31 20 563 6855

Media Relations
Brunswick Group

+44 20 7404 5959
+27 11 502 7300
nepirockcastle@brunswick.com

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