

NEPI Rockcastle N.V.
(Formerly NEPI Rockcastle S.A.)
Incorporated in the Netherlands
Registered number 87488329
Share code: NRP
ISIN: NL0015000RT3
(“NEPI Rockcastle” or the “Company”)



UPDATE ON THE DISPUTE REGARDING THE DISCONTINUED ACQUISITION OF SERENADA AND KROKUS SHOPPING CENTRES IN POLAND AND UPDATED GUIDANCE

Background

The Company refers to the 13 October 2017, 4 January 2019 and 31 January 2022 announcements and the information provided in its 2020 and 2021 Annual Report regarding the arbitration proceedings initiated against two wholly owned subsidiaries (Serenada Property sp. z.o.o. and Rockcastle Global Real Estate Holdings B.V., together the “**Respondents**”) in connection with the discontinued acquisition of two shopping centres, Serenada and Krokus, in Krakow, Poland (the “**Transaction**”). Further to the arbitration proceedings, an award was granted (the “**Award**”) by which the Arbitral Tribunal constituted under the International Chamber of Commerce Rules of Arbitration ordered the Respondents to pay to the owners of the Property (the “**Claimants**”) contractual penalties in the amount of €30 million plus cumulated interest and arbitration expenses. Further to the Award granted, the Company constituted a provision of €37.3 million in its 2021 financial statements (including the cumulated interest and arbitration expenses).

Settlement

Following negotiations, the parties to the Transaction agreed on 23 November 2022 on an amicable settlement (the “**Settlement**”). Pursuant to the Settlement, the Claimants have received the amount of €16 million and the parties to the Transaction have reciprocally waived, definitely and irrevocably, all and any present and potential rights and claims arising out of or in connection with the Transaction and Award.

Impact

As the provision amount of €37.3 million has been fully deducted from the Company’s 2021 distributable earnings, the reversal of the amount of €21.3 million in 2022 will positively impact the current year distributable earnings. As a result, the Settlement will have a positive impact of 10% on the revised earnings guidance of 38% published on 17 November 2022. As a result, the Company expects distributable earnings per share for the year to be approximately 48% higher than in 2021.

This revised guidance remains based on the assumptions as published on 17 November 2022, has not been reviewed or reported on by NEPI Rockcastle’s auditors and is the responsibility of the board of directors of the Company.

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