

## NEPI Rockcastle N.V.

Incorporated and registered in the Netherlands

Registration number 87488329

Share code: NRP

ISIN: NL0015000RT3

(“NEPI Rockcastle” or “the Group” or “the Company”)



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## ACQUISITION OF MAGNOLIA PARK (WROCLAW, POLAND) AND BUSINESS UPDATES

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### ACQUISITION OF MAGNOLIA PARK

Stakeholders are advised that, on 27 September 2024, NEPI Rockcastle, through its wholly owned subsidiary NE Property B.V., entered into binding agreement to acquire all the issued shares in Kasama Investments sp. z.o.o. (**‘the Target’**), owning Magnolia Park (**‘Magnolia’** or **‘the Property’**), from Union Investment Real Estate GmbH\* on the account of open-ended real estate fund UniImmo: Europa (**‘the Transaction’**).

Magnolia is a 100,000 m<sup>2</sup> gross lettable area (**‘GLA’**) shopping center, situated in Wroclaw, the third largest city in Poland by population, with over 670,000 inhabitants. Wroclaw is economically one of the strongest cities in Poland with an average spending power which exceeds the national average by 37.5%. The city has a steadily growing population, which has accelerated in recent years, driven by Wroclaw’s status as a major university and business centre attracting many young people from the provinces, its proximity to other major urban areas, and a significant influx of foreigners.

\* Union Investment Real Estate GmbH is 90% directly held by Union Asset Management Holding AG and the remainder held by various investors, none of whom are related parties to the Company.

### **RATIONALE FOR THE TRANSACTION**

The acquisition represents the biggest single asset shopping centre transaction by value in CEE since at least 2022 and is accretive to the Group’s distributable earnings. The Transaction is in line with NEPI Rockcastle’s investment strategy to increase the concentration of its portfolio in countries with an investment grade rating and focus on core dominant properties in their local markets.

With an immediate catchment area of over 360,000 people (within 15 minutes’ drive) and a regional catchment of almost 1.4 million people (within a one-hour drive), the Property enjoys a strategic location in the city, with excellent visibility and access both by car and public transport.

Magnolia has a BREEAM Excellent (Asset Performance) certification and an outstanding occupancy rate of more than 99%, including anchor tenants such as Carrefour, Primark, Castorama, Decathlon, Media Markt, Peek & Cloppenburg, Zara, Half Price, H&M, Reserved, TK Maxx and Helios. The Property has outstanding operational performance and is well positioned for future growth, both organically and through further value enhancement.

*“NEPI Rockcastle has just acquired one of the top retail assets in Poland. Magnolia has a GLA of 100,000 m<sup>2</sup> and is a dominant shopping centre in one of the country’s largest and richest cities. The acquisition will significantly strengthen the Group’s portfolio, consolidating its position as the premier retail real estate owner in CEE with a solid track record of adding significant value to the assets acquired, as evidenced by our most recent acquisitions. The Property has significant upside that will fuel NEPI Rockcastle’s growth in coming years.” – Rüdiger Dany, CEO.*

## SALIENT TERMS OF THE TRANSACTION

The aggregate purchase price for the Transaction is €373 million (“**Purchase Price**”), including the full settlement of the Target’s outstanding debt.

Closing of the Transaction is conditional only on settlement of the Purchase Price with the effective date of the Transaction estimated to be 1 October 2024. The Purchase Price will be funded from the Company’s cash resources and credit facilities.

The purchase agreement for the Transaction contains undertakings, warranties and indemnities, which are typical for a transaction of this nature.

## DETAILS OF THE PROPERTY

Property	Location	Sector	Monthly average weighted rent per m <sup>2</sup>	GLA m <sup>2</sup>	Purchase Price	Valuation	Total cash consideration paid
Magnolia Park	Wroclaw, Poland	Retail	€19.40	100,300	€373 million	€373 million**	€353 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 estimates the net operating income for financial year 2024 to be €25 million while the net operating income to be achieved following the integration of the Property in the NEPI Rockcastle group is expected to be €26.9 million. This forecast, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors of the Company and has not been reviewed or reported on by the Company’s auditors.

As required by the JSE Listings Requirements, NEPI Rockcastle reports that the Target registered a statutory profit of PLN 15,756 thousand for the year ended 31 December 2023. This information has been extracted from the 2023 annual audited financial statements of the Target, prepared in terms of Polish accounting standards. For the purposes of this announcement NEPI Rockcastle is satisfied with the quality of the financial statements of the Target.

## 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.

## BUSINESS UPDATES

### FURTHER GROWTH OPPORTUNITIES

Resilient economic growth and rising household consumption in Central and Eastern Europe (CEE), mean NEPI Rockcastle is benefitting from strong demand from international retailers seeking space in its core markets. As the region’s leading owner, operator, and developer of shopping centres, the Group

is well-positioned to capitalize on these trends while actively advancing its acquisition pipeline. The CEE retail sector remains one of the most attractive real estate asset classes, backed by solid operational fundamentals, and NEPI Rockcastle continues to invest in and optimize its portfolio to enhance asset performance.

Building on this favorable macroeconomic backdrop, the Group is also seeing increased interest from analysts, debt, and equity investors, providing further opportunities to optimize its capital structure and expand its shareholder base. NEPI Rockcastle remains committed to evaluating a range of financing options, including both debt and equity, to support its growth ambitions and capitalize on market opportunities as they emerge.

## **FUNDING**

NEPI Rockcastle issued a EUR 500 million green bond maturing January 2032. The considerable interest for the issue, which was 6 times oversubscribed, and the very competitive coupon of 4.25% over more than 7 years, are strong indicators of the Group's attractiveness for capital providers.

The Company is also pleased to announce the successful increase of one of its existing revolving credit facilities (RCF) by EUR 50 million. This increase, made possible through strong collaboration with the Group's funding partners, raising the total available committed RCFs of the Group from EUR 620 million to EUR 670 million, further enhances NEPI Rockcastle's financial flexibility and liquidity to support its strategic growth initiatives.

## **SUSTAINABILITY FOCUS**

In the 2024 European Public Real Estate Association (EPRA) Awards, NEPI Rockcastle was awarded the EPRA Gold in Sustainability Best Practices Recommendations (sBPR), an improvement from the Silver award received in 2023. This distinction reflects the Group's ongoing dedication to enhancing environmental, social, and governance (ESG) reporting and performance. NEPI Rockcastle has also successfully maintained its EPRA Gold award for Financial Best Practices Recommendations (BPR), highlighting the Company's continued focus on transparency and the highest standards of financial disclosures.

For further information please contact:

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27 September 2024