

ADVISER INTERVIEW

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How is this deal a good reflection on the current Bulgarian market? What outcomes are you hoping to see from this deal?

2017 shall remain in history with high-profile real estate deals. The acquisition of Paradise Center is the biggest M&A deal in Bulgaria signed in 2017 and it marks NEPI's second investment in a commercial centre in the country. Having in mind the investor's expertise and long-term experience as a professional operator of commercial centres, this shall positively change the retail market. We expect a synergy between the big trade centres owned by NEPI and, thus, a notable economic impact.

You had a large team supporting this transaction; how did you ensure that all members were on par with one another to ensure everything ran smoothly as possible?

Fifteen team members is quite a small team for the scale of the project. Managing this project in this fashion became possible, as the client's in-house legal department was heavily involved. Of course, this resulted in a more intense communication and the need to build effective cooperation mechanisms. Combining various interests and attitudes was the main challenge. We navigated through the situations based on our rich experience and expertise, hard legal work, good team play and extremely professional approach by the client. Skillful management of individual human resources and getting constant feedback from the client was crucial in order to make the control of individual inputs efficient.

What was unique about this deal?

This is the biggest ever real estate deal in Bulgaria with a value of EUR 252.9 m. Further, the merger control clearance presented a unique challenge. This deal is second consecutive for the client on the Bulgarian market, and as a result it takes the position of market leader. I am glad that this hurdle was passed successfully due to the professional attitude of the Competition Authority, as well as due to our excellent cooperation with the client which enabled us to prepare a properly presented case.

NEPI Rockcastle plc acquires Paradise Center shopping center in Sofia for EUR 252.9 mln

Legal adviser to NEPI Rockcastle plc:



This announcement appears as a matter of record only

Transaction Report

NEPI Rockcastle and subsidiary NEPI Project Two EOOD have acquired Bulfeld EOOD

NEPI Rockcastle announced earlier this year that, through its subsidiary NEPI Project two EOOD, it has acquired all the issued shares in, and claims against, BULFELD EOOD, the owner of Paradise Center in Sofia, Bulgaria ('the Transaction'). The Transaction will be effective upon obtaining approval of the Bulgarian Competition Authority. This acquisition strengthens NEPI Rockcastle's position as the largest listed retail real estate company in Central and Eastern Europe ("CEE"), and together with the acquisition of Serdika Center earlier this year, its presence in the Bulgarian market.

The aggregate purchase price for the Transaction is EUR 252.9 million, resulting in an acquisition yield of approximately 7%. The acquisition has initially been funded by a combination of the Company's existing cash resources and debt facilities, combined with sale of listed securities held, in line with management's strategy of decreasing this exposure