

## NEPI Rockcastle plc

Incorporated and registered in the Isle of Man

Registered number 014178V

Share code: NRP

ISIN: IM00BDD7WV31

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



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## UPDATE ON THE IMPACT OF COVID-19

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NEPI Rockcastle, the premier owner and operator of commercial real estate across nine countries in Central and Eastern Europe, continues to closely monitor the rapidly evolving situation concerning COVID-19 and follow the advice issued by governments in the countries in which it operates.

In recent days the governments in several markets in which the Company owns and operates commercial real estate have taken measures to contain the spread of the virus, in line with the World Health Organization recommendations. Such measures currently include closing non-essential businesses and shops in shopping centres in Bulgaria, Czech Republic, Lithuania, Poland and Slovakia, except for pharmacies, groceries and other food stores. Other services such as banking and insurance are still functional in some locations. The Group’s properties in Romania, Hungary, Serbia and Croatia are open, except for cinemas in Hungary. NEPI Rockcastle has decided to implement shorter trading hours in some locations, as a preventive measure. The above is subject to change as per information to be made available by the authorities in the respective countries.

NEPI Rockcastle is focusing on ensuring the safety and wellbeing of its employees, tenants and visitors, while minimising disruption. Extra sanitising measures have been implemented in all properties. All major events scheduled by the shopping centres until the end of March have been postponed, and the centres’ digital networks display prevention messages focused on increasing visitors’ awareness. The Group has also been in touch with international NGOs and plans to redirect its CSR budget to helping local communities navigate the current challenges.

Footfall and tenants’ sales in 2020 were comparable to the similar period of 2019, apart from the past two weeks, when decreases were noted in most locations. Rent and service charges for the first quarter of 2020 were generally invoiced in advance and the majority have already been collected. At this stage, determining the impact on the Group’s contractual obligations in relation to its tenants is difficult. NEPI Rockcastle has regular dialogue with its partners, and any support offered will be determined on a case-by-case basis. This assessment depends on other measures to be implemented by governments, including various forms of fiscal stimulus already announced in some countries, which the Group intends to use.

The Group has a strong liquidity position which includes significant cash and access to undrawn revolving facilities. Debt covenants show significant headroom to the required levels. As a result of the active liability management programme executed in 2019, the Group has no significant financial liabilities due in the following three years. The cash flow allocated to the development pipeline is currently unaffected. The Romanian office portfolio sale is expected to be finalised in April 2020. The Group will optimise non-urgent operational expenses, aiming to reduce service charges and their impact on tenants’ costs. The payment of the dividend corresponding to the second half of 2019, due in early April 2020, will proceed as planned.

NEPI Rockcastle will continue to assess the situation and provide further updates when appropriate. Once sufficient information is available, the Group will revert with any expected impact on the 2020 earnings. The Group is confident that its strong balance sheet and geographically diversified, dominant portfolio will prove resilient against this economic uncertainty.

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