

NEPI Rockcastle plc

Incorporated and registered in the Isle of Man

Registered number 014178V

Share code: NRP

ISIN: IM00BDD7WV31

(“NEPI Rockcastle” or the “Group”)



PRE-CLOSING UPDATE

“The last nine months were the most challenging in recent history. Despite uncertainties, NEPI Rockcastle maintained a high occupancy rate and stable rents across the portfolio, while adopting a fair and equitable approach with tenants, aimed at ensuring the long-term success of the retail ecosystem. The Group already collected over 90% of the adjusted rental and service charge income for the first 11 months of the year. Leasing activity continued, with commercial terms mostly unchanged compared to 2019. The geographically diversified and high-quality asset base, together with our strong balance sheet, continue to be key advantages allowing us to weather this storm well. We remain confident that we are well placed to deliver on our commitments and have a strong performance in the coming years. We thank our teams and stakeholders for their support and wish everyone a relaxing holiday season.” – Alex Morar, CEO.

Operational update

The Group has provided regular updates of the changes in its operations and performance throughout the year, aiming to provide a high level of transparency on the impact of the COVID-19 pandemic on the business.

Further to the temporary closure of the non-essential stores implemented by the Slovak Government, referred to in the announcement from 17 December, tenants occupying approximately 80% of the Group’s GLA are operational at 21 December.

The Polish Government announced new restrictions effective between 28 December and 17 January, including a temporary trading ban on non-essential stores. The official communication from authorities related to the restricted activities was not released yet, but the announced measures are expected to affect a further 15% of the Group's GLA.

Collection for the first 11 months now surpasses 90% and continues to improve during the holiday season. New leases and extensions to existing agreements have been signed, and the tenant mix has improved with new retailer openings and concepts. Works on key extension and refurbishment projects are progressing well.

Financial policy and ESG

The Group remains committed to maintaining its prudent financial policy and further improving its credit ratings, reaffirmed during the year by S&P and Fitch Ratings at BBB. Total liquidity at year-end 2020, including cash and undrawn revolving facilities, is estimated at approximately €1.2 billion.

During 2020, the liquidity and debt maturity profile were significantly strengthened through the sale of the Romanian office portfolio (on the terms agreed in 2019), the €500 million green bond issuance and the extension of revolving facilities. The Loan-to-Value ratio was 31.8% at 30 September, significantly below the 35% strategic target.

The Group has recently disposed of its remaining portfolio of listed securities and invested the proceeds in a buyback of its own shares. This transaction is estimated to be accretive from an EPRA Net Reinstatement Value per share perspective from 2020, and in terms of Distributable Earnings per share and EPRA Earnings per share from 2021.

Other achievements during the year included improvement of the ESG rating provided by Sustainalytics and receiving the Gold Award of the European Public Real Estate Association for compliance with its Best Practices Recommendations for financial reporting. The Group's commitment towards its ESG targets was further re-affirmed by the launch of its Green Finance Framework, which integrates sustainability targets with financing activities.

The Group contributed to the fight against the spread of COVID-19 by providing donations to the Red Cross and other charities, and other support activities were also organised across the shopping centres.

For further information please contact:

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