

NEPI Rockcastle plc

Incorporated and registered in the Isle of Man

Registered number 014178V

Share code: NRP

ISIN: IM00BDD7WV31

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



PRE-CLOSING UPDATE

NEPI Rockcastle has provided regular updates of the significant 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.

Operational update

On 30 November 2021, approximately 96% of the Group’s gross lettable area (“GLA”) was operational, further to the temporary closure of the non-essential stores implemented by the Slovak Government on 25 November 2021.

In most of the countries, except for Slovakia, new measures implemented by authorities range from decreasing capacity limits for restaurants, food courts and cinemas to restriction of access to shopping centres or specific areas in the shopping centres to people with a Covid-19 certificate.

In the last two months, vaccination rates in the countries where the Group operates has increased and at the end of November 2021 vaccination rates ranged from 39% to 65% (except for Bulgaria at 26%). After reaching a peak in October 2021, the number of new Covid-19 cases in Romania, Bulgaria, Serbia and Lithuania is now on a downward trend. In the countries where the new wave started later, the peak was reached around the end of November 2021 (Poland, Hungary, Czech Republic, Slovakia, Croatia) and the number of Covid-19 cases is currently also on a downward trend. During this period, no category of tenants was banned from trading in any of the Group’s countries of operation, except for non-essential stores in Slovakia (as mentioned above).

At 30 November 2021, EPRA occupancy stood at 96%, excluding the Focus Mall Zielona Gora extension and refurbishment which was substantially completed by the end of Q3 2021 but for which fit-out works are still ongoing.

The strong performance during Q3 2021 allowed the Group to complete negotiations for rent relief with most tenants. The Group continues to apply its policy of monitoring tenant performance before agreeing to any concessions.

At the end of November 2021, the collection rate for the first 11 months is 94% and continues to improve during the holiday season, while the collection rate for the first nine months increased to 96%.

New leases and extensions to existing agreements have been signed, and the tenant mix has improved with new retailer openings and concepts. In Poland, Intersport opened their first omnichannel store in the extended area of Focus Mall Zielona Gora (Zielona Gora), while CCC, Deichmann, e-obouwie & Modivo and Footlocker opened their flagship stores in the refurbished part of Bonarka (Krakow). In Romania, JD Sports opened their first store in our Constanta Shopping City (Constanta), while Tesla opened their first pop-store in Promenada Mall (Bucharest).

The leases expiring in 2022 represent approximately 8% of rental income, and a major proportion of them have already been agreed.

Works on key refurbishment and development projects are progressing well. The Group's first residential project, Vulcan Residence in Bucharest, is witnessing significant interest from buyers, as indicated by the pre-selling demand.

By the end of October 2021, the year-to-date cumulative tenant sales were 21.7% higher than in prior year and 11.1% lower than in the same period of 2019. Footfall for the same period was 9.2% higher than in 2020 and 23.7% lower than in 2019.

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. During the year, S&P revised their credit outlook from Negative to Stable, while Fitch changed the outlook from Stable to Positive, reflecting the Group's long record of a conservative financial profile.

The Group had a strong liquidity position of over €1 billion on 30 November 2021, including undrawn available credit facilities of €620 million. The Loan-to-Value ratio was 31.7% at 30 September, significantly below the 35% strategic threshold.

In the last couple of months, NEPI Rockcastle extended the maturity of two of the unsecured committed revolving credit facilities ("RCFs") with one year each and increased the total maximum principal available under the RCFs by €50 million.

Other achievements during the year included:

- improvement of the ESG rating provided by Sustainalytics from a previously associated risk of 12.5 to 11.4;
- Gold Award of the European Public Real Estate Association ("EPRA") for compliance with its Best Practices Recommendations for financial reporting; and
- EPRA Bronze Award for compliance with its Best Practices Recommendations for sustainability reporting (sBPR).

The Group remains committed to transparency in reporting and compliance with industry best practices, with extended focus on sustainability and social responsibility.

Financial reporting schedule for 2022

24 February	Publication of 2021 Audited Consolidated Annual Financial Results
24 March	Publication of 2021 Annual Report
19 May	Q1 2022 Business update
25 August	Publication of the Reviewed Interim Condensed Consolidated Financial Results for the six months ended 30 June 2022
17 November	Q3 2022 Business update

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