

NEPI Rockcastle N.V.
(formerly NEPI Rockcastle S.A.)
Incorporated and registered in the Netherlands
Registration number 87488329
Share code: NRP
ISIN: NL0015000RT3



("NEPI Rockcastle" or "the Group" or "the Company")

REVIEWED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

"NEPI Rockcastle delivered operational excellence against a backdrop of resilient growth in CEE economies underpinned by higher consumer spending and retail sales in our markets. We have achieved a very strong increase in net operating income driven by solid rental growth, lower vacancy rates and disciplined cost control, together with the positive contribution of the acquisitions completed in the second half of 2022.

Economic growth is predicted for the majority of the markets that we operate in, and inflationary pressures seem to be receding, although the macroeconomic environment remains challenging. We continue to see growing interest from international retailers seeking to establish or expand their presence across the CEE in our shopping centres attracted by the solid underlying market fundamentals.

We continue to maintain high levels of liquidity and a conservative loan to value ratio, while also rewarding our shareholders. The scrip dividend for the H2 2022 distribution, which had an 85% take-up rate, contributed to bringing down the loan to value ratio to below our 35% threshold. An upward revaluation of the Group's property portfolio reflected the increasing operational performance of our shopping centres and further reduced the LTV. Distributable earnings per share increased by 25% in H1 2023 year-on-year and we are on track to deliver the estimated growth for the entire year."

Rüdiger Dany, Chief Executive Officer (CEO)

DISTRIBUTABLE EARNINGS

Distributable earnings per share ('DEPS') were 28.52 eurocents for the six months to 30 June 2023, 24.9% higher than in H1 2022.

DIVIDEND DECLARATION

The Board has declared a dividend of 25.67 euro cents per share for H1 2023, corresponding to a 90% dividend pay-out ratio, to be settled as capital repayment (default option). Shareholders can also elect for the settlement of the same dividend amount as ordinary cash distribution out of distributable profits.

Alternatively, shareholders may elect to receive an amount of 27.10 euro cents per share, corresponding to a 95% pay-out ratio, as a return of capital by way of an issue of new shares, each credited as fully paid up ('scrip issue'), based on the ratio that 27.10 euro cents per share bears to the scrip reference price. The scrip reference price will be calculated based on a 3% discount to the five-day volume-weighted average traded of NEPI Rockcastle's share price on JSE, less dividend declared of 25.67 euro cents per share.

In line with Dutch legislation, the capital repayment will be paid to shareholders unless they elect to receive either the scrip issue or the ordinary cash distribution options described above.

A circular containing full details of the election being offered to shareholders, accompanied by announcements on the Stock Exchange News Service (SENS) of the JSE, A2X and Euronext Amsterdam will be issued in due course.

KEY FINANCIAL INFORMATION

	30 June 2023	30 June 2022	%
			Change
Net rental and related income (€ thousand)	241,178	196,303	23%
Distributable earnings (€ thousand)	181,360	139,058	30.42%
Distributable earnings per share (€ cents)	28.52	22.83	24.9%
Distribution declared (€ thousand)	163,224	139,058	17.38%
Distribution declared per share (€ cents)	25.67	22.83	18.44%
Basic earnings per share (€ cents)	41.89	28.08	49.18%
Diluted earnings per share (€ cents)	41.82	28.08	48.93%
Headline earnings per share (€ cents)	27.51	19.54	40.79%
Diluted headline earnings per share (€ cents)	27.46	19.54	40.53%
EPRA Earnings (€ thousand)	177,599	139,335	27.46%
EPRA Earnings per share (€ cents per share)	27.93	22.88	22.07%
EPRA Net Initial Yield ('NIY')*	7.00%	6.70%	4.48%
EPRA topped-up NIY*	7.08%	6.75%	4.89%
EPRA vacancy rate	2.80%	3.40%	(17.65%)
EPRA Net Reinstatement Value ('NRV') (€ per share)	6.92	6.64	4.22%
EPRA Net Tangible Assets ('NTA') (€ per share)	6.89	6.61	4.24%
EPRA Net Disposal Value ('NDV') (€ per share)	6.59	6.38	3.29%
EPRA Cost ratio (including direct vacancy cost)	9.58%	12.50%	(23.36%)
EPRA Cost ratio (excluding direct vacancy cost)	9.44%	12.30%	(23.25%)

* Does not include investment property held for sale

BUSINESS HIGHLIGHTS

- Net operating income ('NOI') increased 23% to €241 million in H1 2023 (H1 2022: €196 million). On a like for like ('LFL') basis NOI was 15% higher in H1 2023 compared to H1 2022, excluding the contribution of the acquisitions completed in 2022 (Forum Gdansk Shopping Centre, Copernicus Shopping Centre in December and 50% of Shopping City Ploiesti in September).
- The operational costs recovery increased by 2% between H1 2022 and H1 2023, from 91% to 93%, despite a 30.5% increase in property operating expenses.
- The collection rate for H1 2023 reported revenues reached 97% by mid-August.
- On 30 June 2023, the property portfolio was independently valued by external appraisers, resulting in a fair value gain in relation to investment property of €103.7 million (+1.6% compared to 31 December 2022). The valuation result is once again confirmation of portfolio quality and improving operational performance of our shopping centres.
- LTV was 33.4% on 30 June 2023, below the 35% strategic threshold.
- The Group had a strong liquidity position of €967 million on 30 June 2023, consisting of cash and cash equivalents of €347 million and undrawn available credit facilities of €620 million.

INDEPENDENT AUDITOR'S REVIEW REPORT

The review report on the Group's interim condensed consolidated financial statements has been issued by Ernst & Young Inc. (EY South Africa), a JSE accredited auditor, who expressed an unmodified review report thereon.

A copy of the review report, together with the underlying interim condensed consolidated financial statements is available on the Company's website at:

<https://nepirockcastle.com/wp-content/uploads/2023/08/Interim-Financial-Report-H1-2023.pdf>

This results announcement is the responsibility of the Board of Directors of NEPI Rockcastle. This results announcement is only a summary of the information in the full announcement and does not contain complete details. Any investment decision should be based on consideration of the interim condensed consolidated financial statements published on the Company's website at:

<https://nepirockcastle.com/wp-content/uploads/2023/08/Interim-Financial-Report-H1-2023.pdf>

and on the reviewed interim condensed consolidated financial statements available on the Company's website at:

<https://nepirockcastle.com/wp-content/uploads/2023/08/Interim-Condensed-Consolidated-Financial-Statements-H1-2023.pdf>

and on the JSE's website at: <https://senspdf.jse.co.za/documents/2023/JSE/isse/NRPE/H12023.pdf>

Stakeholders may follow the results presentation via webcast or conference call commencing at 10:00 Central European time / 10:00 South Africa time on Wednesday, 23 August 2023. Webcast registration link and dial in details are available on the home page of the Company's website at: <https://nepi-rockcastle-august23.open-exchange.net/registration>

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