

## NEPI Rockcastle N.V.

Incorporated and registered in the  
Netherlands Registration number  
87488329

Share code: NRP

ISIN: NL0015000RT3

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



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### PRE-CLOSING UPDATE

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Rüdiger Dany, CEO:

*“The last quarter of 2023 confirmed the robust growth trend reported in previous quarters, driven by strong tenant performance, high occupancy levels and active asset management. I was proud to witness in October, in the middle of a large crowd of enthusiastic visitors, the opening of Promenada Craiova, the largest shopping centre launched in CEE this year. The feedback received from tenants, and the early performance of the centre, confirm the NEPI Rockcastle team did a tremendous job. Over the last few days, our finance team has also successfully concluded several funding extensions and agreements, including a €387 million green unsecured sustainability-linked loan facility, syndicated by the International Finance Corporation (IFC). These agreements ensure that the Group not only has access to ample liquidity but also will have no material debt maturities until the end of 2025. We have accelerated our efforts to reduce emissions, increase the energy efficiency of our operations and produce renewable electricity, by placing sustainability at the core of everything we do. After another successful year, we look forward to the opportunities that will surely come in 2024.”*

### Operational Update

- Net Operating Income (NOI) is expected to increase by over 20% in 2023 versus 2022. Higher base rents explain most of the increase in absolute terms, together with strict management of costs, notwithstanding the challenging inflationary environment that prevailed in 2023. The acquisitions made in 2022 and better cost recoveries also contributed to the rise in NOI.
- Strong demand from tenants ensured an EPRA occupancy rate of 97% (98% for the retail portfolio) as of 30 November 2023.
- At mid-December, the collection rate for the first 11 months of the year was 97%. Collection typically improves during the holiday season.
- By the end of October, year-to-date (YTD) cumulative tenant sales were 13% higher than in the prior year like-for-like (LFL). A strong rebound in the performance of cinemas made Entertainment one of the top performing categories, with a 23% rise.
- Footfall YTD after 11 months was 6% higher than in 2022, in LFL properties.

### Investments

Promenada Craiova, which opened on 5 October 2023, was the largest new shopping centre launched in the CEE region this year. The 63,700 m<sup>2</sup> scheme (including the retail park component) had a 97%

occupancy rate at opening, attracting 55,000 visitors on the first day of trading, and more than 100,000 on the first weekend. The development, which was completed on time and on budget, entailed the construction of a new boulevard, improving traffic and accessibility not only for the asset but also for the whole neighbourhood. Promenada Craiova also has strong sustainability credentials and was the first development by the Group where renewable energy production was integrated over the parking areas, supplying 70% of the energy needed by the shopping centre and its retailers.

NEPI Rockcastle continues to have a very promising development pipeline, with a total current cost value of c. €600 million (including extensions and redevelopments of existing assets), which is expected to deliver significant growth over the coming years.

The acquisitions made by NEPI Rockcastle in 2022 contributed significantly to the NOI increase and improved the quality and attractiveness of the Group's portfolio. The performance of the two shopping centres acquired in Poland exceeded our initial expectations – tenant sales are estimated to increase in 2023 versus 2022 by more than 20% in both Forum Gdansk and Copernicus Shopping Centre in Torun. NEPI Rockcastle will continue to look for opportunities to make accretive, portfolio-strengthening acquisitions in the CEE region.

### **Financing and ESG**

In December 2023, NEPI Rockcastle entered into a €387 million green financing agreement with IFC, a member of the World Bank Group and the largest global development institution focused on the private sector in emerging markets. The senior unsecured facility is structured as a green loan with sustainability-linked features, aimed at reducing greenhouse gas emissions and increasing energy efficiency in the Group's property portfolio. The facility matures in January 2029 and will be disbursed in the first quarter of 2024 (as it has an availability period up to the end of March 2024). The funding has been secured at competitive pricing in the current market conditions, with reference to the Euribor rate. The facility has been put in place to cater for the repayment of the upcoming bond maturing in November 2024.

NEPI Rockcastle also extended a sustainability-linked €150 million revolving credit facility (RCF) with Deutsche Bank, Citi and HSBC, during December 2023. The new term is until January 2027. The current available RCF capacity is €570 million and the Group envisages adding another €50 million over the next 12 months. Two other funding facilities, secured by Forum Liberec and Galeria Warminska, that were due for repayment in 2024, were also extended (until December 2030 and March 2029, respectively).

The new IFC facility and the extension of existing loans are loan-to-value (LTV) neutral. The Group expects LTV to be around 33% at the end of 2023, following the high take-up of scrip dividends offered to shareholders during the year. The main outcome of the financing agreements concluded in December is a substantial increase in liquidity and average debt maturity. As a result, NEPI Rockcastle now has the available liquidity to cover its debt obligations for at least the next two years.

In 2023, the Group achieved substantial progress towards reaching its ambitious sustainability objectives.

The deployment of photovoltaic panels in Romania is on track, with 35 MW of power-generating capacity being installed in 26 properties by the end of 2023, covering approximately 25% of those properties' consumption needs, and will continue in 2024. Following the successful roll-out in Romania, management is assessing the opportunity to expand the development of photovoltaic plants in other geographies.

The Group has launched its Sustainability-Linked Finance Framework as an alternative green funding approach, and the new unsecured loan facilities referenced above have been concluded under this ambitious framework.

The Group's ESG ratings continued to improve, with Sustainalytics updating its risk rating for NEPI Rockcastle from Low to Negligible, while GRESB score increased by one notch, from two to three stars, in both operations and developments. The Group has affirmed its commitment to a net zero path, based on SBTi-aligned targets.

### **Outlook**

Based on the strong operational results and performance, the Company expects that distributable earnings per share ('DEPS') for 2023 will be approximately 7% higher relative to 2022 (and 14% higher than recurring 2022 DEPS, after excluding the impact of the Serenada settlement agreement).

For further information please contact:

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