

NEPI Rockcastle N.V.

Incorporated and registered in the
Netherlands Registration number
87488329

Share code: NRP

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



PRE-CLOSING UPDATE

Rüdiger Dany, CEO:

“The last few months of 2024 were some of the most eventful in the Group’s history. While operating results maintained a solid growing trajectory throughout the year, NEPI Rockcastle’s acquisitions and successful capital market events were truly momentous. We acquired two of Poland’s highest quality shopping centres for a total of EUR778 million in October and December consolidating our position as CEE’s premier retail real estate owner, while continuing to rank among the top three listed retail property companies in Europe.

Magnolia Park in Wroclaw and Silesia City Center in Katowice are already dominant in their catchment areas and show impressive operating results. Moreover, they have significant untapped growth potential that we are confident we can unlock by applying our asset management skills, making both assets a great fit for our portfolio. These successful transactions were the largest retail real estate deals completed in CEE in recent years, setting a new benchmark in this market segment and region. To finance the expansion of our portfolio, we took NEPI Rockcastle’s growth story to international equity and debt investors, who endorsed our strategy by providing EUR800 million in new funding on favourable terms for the Company. This robust investor support has allowed us to position the Group for future growth, while maintaining the loan-to-value ratio below our 35% threshold. We have made meaningful progress in advancing NEPI Rockcastle’s sustainability strategy focused on covering our energy requirements through on-site renewable energy production, the next step being to invest in photovoltaic projects in new, greenfield locations. We look ahead with optimism as we work to deliver continued value for our stakeholders in 2025.”

Operational Update

- Net Operating Income (NOI) is expected to increase by 13% in 2024 versus 2023, driven mainly by higher rentals and short-term income, alongside disciplined management of costs. The acquisitions made in Q4 2024 will make a marginal contribution to this year’s NOI, though are expected to contribute significantly to NOI in 2025 and beyond.
- Strong demand from tenants underpinned an EPRA occupancy rate of 97.9% as of 30 November 2024.
- At mid-December 2024, the collection rate for the first 11 months of the year was 98% (and 99% for the period January-September 2024).

- By the end of October 2024, year-to-date (YTD) cumulative tenant sales were 9% higher than for the comparable period in the prior year, on a like-for-like (LFL) basis.
- Footfall YTD after 10 months was 1.4% higher than in 2023, in LFL properties.

Investments

2024 was a record year for investments for NEPI Rockcastle, with close to EUR1 billion of capital deployed in acquisitions and developments. Since 30 September 2024, the Group has completed two of the largest real estate deals in CEE in recent years, adding to its portfolio two of Poland's best retail schemes.

Magnolia Park, a 100,000 sqm GLA shopping centre in Wroclaw (Poland's third largest city), was acquired on 1 October 2024 for a gross transaction value of EUR373 million. Magnolia Park combines very strong fundamentals (catchment, location, accessibility, tenant mix) with outstanding operational performance and significant growth potential through further value enhancement.

On 6 December 2024, the Group acquired Silesia City Center, an 88,400 sqm GLA retail asset in Katowice, one of Poland's densest and economically strongest urban agglomerations. The property is the dominant shopping destination in Silesia, with a size and tenant mix unrivalled in the region. Its already strong performance can be further improved through asset management initiatives. The gross transaction value was EUR405 million, making this the largest acquisition of a single asset in the Group's history (and one of the largest in Europe this year).

The year also brought about a step change in the Company's ambitious plans to become a major green energy producer, in line with the Company's ambitious environmental objectives. The first phase of this strategic project, the installation of photovoltaic panels across 27 of the Group's locations in Romania with a total installed power capacity of 38 MW, was completed and has already contributed EUR9 million to this year's NOI. The second phase will be a rollout to 24 of the Group's properties outside Romania, adding another 15 MW of installed capacity. The third phase, which was launched in the second half of 2024, will significantly accelerate the Company's green energy production and eventually enable NEPI Rockcastle to meet the energy needs of its Romanian portfolio from self-generated solar power. This third phase consists of developing greenfield photovoltaic projects on new sites, two of which have already been secured, with a total power capacity potential of more than 150 MW.

NEPI Rockcastle continues to bring to life a strong pipeline of retail developments, with the total value of projects under construction or permitting close to EUR800 million. Work on the extension of Promenada Bucharest, the redevelopment of Bonarka City Center and the refurbishment of Arena Mall Budapest continued throughout the year, on schedule and within budget. A 5,900 sqm extension of Ploiesti Shopping City was finalized in September 2024. Various projects, including the development of a 60,500 sqm dominant shopping centre in Plovdiv, Bulgaria's second largest city, are under permitting.

The Group continues to actively implement a strategic view on its capital allocation among the countries and properties in its portfolio, and selectively dispose of assets that are no longer part of its core strategy in order to redeploy the proceeds to more compelling investment opportunities. To this end, NEPI Rockcastle completed the sale of its last remaining property in Serbia, Promenada Novi Sad, for a cash consideration of EUR177 million in October 2024.

Financing and ESG

The major investments made in Q4 2024 were funded through a combination of new debt and equity. The Group took advantage of improving conditions on the capital markets to raise EUR500 million through a

green bond issuance in September and EUR300 million through placing newly issued shares in October 2024. Both capital raising projects attracted considerable interest from investors, which was reflected in the favourable financial terms achieved by the Company. The long dated 7 year unsecured green bond was more than 6 times oversubscribed and carries a fixed coupon of 4.25%. The shares were issued at less than a 1% discount to the last reported Net Reinstatement Value per share and were well supported by existing shareholders while attracting new investors. In addition, the election offered to shareholders the H1 2024 dividend distribution as a scrip issue had a 39% take-up rate, the equivalent of raising EUR70 million in equity, with no discount offered for this option.

The Group expects its loan-to-value ('LTV') ratio to remain below its 35% self-imposed threshold at the end of 2024, despite the recent major investments. Balance sheet discipline continues to be a key management focus. The Company has the resources to meet its anticipated liquidity needs, including from the fully undrawn committed revolving credit facilities (standing at EUR670 million). NEPI Rockcastle intends to continue accessing the capital markets to fund its future growth, while also actively managing the cost of debt, the debt maturity profile, as well maintaining conservative gearing levels.

Outlook

The Company reaffirms its guidance, as published in August 2024, of distributable earnings per share for 2024 being approximately 5.5% higher relative to 2023.

For further information please contact:

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