

NEPI Rockcastle N.V.
Incorporated 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 2024

“The Company continued to perform strongly in the first half (H1) of this year delivering a year-on-year rise of 13.5% in net operating income (NOI), amid clear signs that the economic outlook for our core Central and Eastern European markets is stabilising and consumer confidence is improving. Tenant sales increased across all retail categories in our shopping centres, underlining the attractiveness of our locations and the resilience of the CEE consumer. Base rents and turnover rents are going up, while recoveries of operating costs and occupancy cost ratio (OCR) remains at sustainable levels.

Strong underlying rental growth resulted in higher NOI forecasts and, in turn, higher valuations. NEPI Rockcastle’s portfolio was valued at €7 billion, contributing to a conservative loan-to-value ratio of 32.2%. We continue to be very prudent in our liability management and secured the resources to repay the €500 million bond maturing in November 2024 almost a year in advance. This sound financial position enables the Company to continue distributing 90% of earnings as dividends and the better-than-expected results led us to upgrade our guidance for this year’s growth in distributable earnings per share from 4% to 5.5%.”

Rüdiger Dany, Chief Executive Officer (CEO)

DISTRIBUTABLE EARNINGS

- Distributable earnings per share (‘DEPS’) were 30.12 eurocents for the six months to 30 June 2024, 5.6% higher than in H1 2023.
- The Board has declared a dividend of 27.11 eurocents per share for H1 2024, corresponding to a 90% dividend pay-out ratio, to be settled in cash, as capital repayment (default option). Shareholders may also elect for the settlement of the same dividend amount as ordinary cash distribution out of distributable profits. Alternatively, subject to the receipt of the relevant regulatory approvals, shareholders may elect to receive an amount of 27.11 eurocents per share, corresponding to a 90% 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 27.11 euro cents per share bears to the scrip reference price.

DIVIDEND DECLARATION

The Board has declared a dividend of 27.11 eurocents per share for H1 2024, corresponding to a 90% dividend pay-out ratio, to be settled in cash, as a capital repayment (default option). Shareholders can also elect for the settlement of the same dividend amount as a cash dividend out of distributable profits.

Alternatively, subject to the receipt of the relevant regulatory approvals, shareholders may elect to receive an amount of 27.11 eurocents per share, corresponding to a 90% 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 27.11 eurocents per share bears to the scrip reference price.

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

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 once the relevant regulatory approvals have been obtained.

OUTLOOK

The Company is on track for robust growth in 2024, based on the strong operational results. The Board has revised the guidance released in February 2024 and now expects DEPS for the year to be approximately 5.5% higher than the DEPS of 56.98 cents per share in 2023.

This guidance does not consider any impact of potential geopolitical instability, or major macroeconomic disruptions, and assumes current trading trends continue. In particular, it does not factor in an escalation of the military conflict currently going on in Ukraine that might affect the CEE markets. This guidance can be modified or withdrawn in the future if material changes unfold. This guidance has not been reviewed or reported on by NEPI Rockcastle’s auditors and is the responsibility of the Board of Directors.

KEY FINANCIAL INFORMATION

	30 June 2024	30 June 2023	% Change
Net rental and related income (€ thousand)	273,713	241,178	13.5%
Distributable earnings (€ thousand)	199,044	181,360	9.75%
Distributable earnings per share (€ cents)	30.12	28.52	5.6%
Distribution declared (€ thousand)	179,140	163,224	9.75%
Distribution declared per share (€ cents)	27.11	25.67	5.6%
Basic earnings per share (€ cents)	45.51	41.89	8.65%
Diluted earnings per share (€ cents)	45.41	41.82	8.58%
Headline earnings per share (€ cents)	28.49	27.51	3.56%
Diluted headline earnings per share (€ cents)	28.43	27.46	3.53%
EPRA Earnings (€ thousand)	199,964	177,599	12.59%
EPRA Earnings per share (€ cents per share)	30.26	27.93	8.34%
EPRA Net Initial Yield ('NIY')*	6.95%	7.00%	(0.71%)
EPRA topped-up NIY*	6.99%	7.08%	(1.27%)
EPRA vacancy rate	2.7%	2.8%	(3.57%)
EPRA Net Reinstatement Value ('NRV') (€ per share)	7.23	6.92	4.48%
EPRA Net Tangible Assets ('NTA') (€ per share)	7.20	6.89	4.50%
EPRA Net Disposal Value ('NDV') (€ per share)	6.66	6.59	1.06%
EPRA Cost ratio (including direct vacancy cost)	9.1%	9.6%	(5.2%)
EPRA Cost ratio (excluding direct vacancy cost)	9.0%	9.4%	(4.3%)
EPRA loan-to-value (LTV)	32.4%	34.7%	(6.6%)

* Does not include investment property held for sale

BUSINESS HIGHLIGHTS

- NOI increased 13.5% to €274 million in H1 2024 (H1 2023: €241 million). On a like for like ('LFL') basis, NOI was 10% higher in H1 2024 compared to H1 2023, excluding the impact of developments completed after 30 June 2023 (Promenada Craiova and photovoltaic plants) and the industrial property sold in January 2024 (Otopeni Warehouse and Logistics).
- Property operating expenses decreased by 3.3% between H1 2023 and H1 2024, driven by lower energy costs and operational efficiencies. The recovery rate increased from 93% to 94%.
- The Group had a strong liquidity position of almost €1.3 billion on 30 June 2024, consisting of cash and cash equivalents of €672 million and undrawn available credit facilities of €620 million.
- On 30 June 2024, the property portfolio was independently valued by external appraisers, resulting in a fair value gain of €134 million (+2% compared to 31 December 2023). The valuation uplift is the result of stronger operational performance of our shopping centres.
- LTV was 32.2% on 30 June 2024, the same as of 31 December 2023 and comfortably below the 35% strategic threshold.
- In July 2024, the Group entered into a binding agreement to sell its only retail asset in Serbia, Promenada Novi Sad, for a consideration of €177 million (book value: €145.6 million) payable on the completion date. The difference between the transaction value less transaction costs (including tax effect) and the book value represents a premium on disposal (estimated 18% premium to book value). The transaction, which is conditional on fulfilment of customary approvals and conditions precedent, is expected to be completed by the end of 2024. The net proceeds from the disposal will be used to fund NEPI Rockcastle's pipeline of acquisitions and developments.

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), 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/2024/08/Interim-Financial-Report-H1-2024.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 reviewed interim condensed consolidated financial statements published on the Company's website at:

<https://nepirockcastle.com/wp-content/uploads/2024/08/Interim-Financial-Report-H1-2024.pdf>

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

<https://nepirockcastle.com/wp-content/uploads/2024/08/Interim-Condensed-Consolidated-Financial-Statements-H1-2024.pdf>

and on the JSE's website at: <https://senspdf.jse.co.za/documents/2024/JSE/isse/NRPE/H12024.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, 21 August 2024. Webcast registration link and dial in

details are available on the home page of the Company's website at: <https://nepirockcastle.com/>.

For further information please contact:

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