

NEPI Rockcastle plc

Incorporated and registered in the Isle of Man

Registered number 014178V

JSE, A2X and Euronext share code: NRP

ISIN: IM00BDD7WV31

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



SHORT-FORM ANNOUNCEMENT: REVIEWED INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

“The last six months were the most economically challenging in recent history. The measures taken by governments in the fight against the spread of COVID-19 led to the temporary closure of non-essential retailers in all the countries where NEPI Rockcastle operates, which had an adverse impact on the first half (H1 2020) results. The same strengths that made NEPI Rockcastle the premier shopping centre owner in Central and Eastern Europe (CEE), such as a well-balanced portfolio of high-quality properties, conservative financial management and exceptional employees, are now helping it to successfully overcome this period. Evidence is already very encouraging, 96% of total gross leasable area (GLA) is now functional and fully-operating tenant sales are gradually returning to prior year levels (88% in June). NEPI Rockcastle engaged constructively with its business partners and the wider communities, prioritising safety and aiming for a fair and equitable approach that would ensure the long-term success of our retail ecosystem. Moving forward, we intend to accelerate the digital transformation of our operations and the transition to a more integrated, omnichannel business model. At the same time, we appreciate that the COVID-19 context might still impact the economies of our region and we will continue to manage our capital prioritising long-term sustainability, while also returning value to shareholders even through these unprecedented times. To this end we decided to propose a capitalisation issue that benefits shareholders while ensuring that the Group maintains a strong balance sheet and ample liquidity.” Alex Morar, CEO NEPI Rockcastle

DISTRIBUTABLE EARNINGS

The Group achieved 19.66 euro cents in distributable earnings per share for the first half of 2020, 32% lower compared to 29.02 euro cents in H1 2019, the decrease being directly attributable to the impact of COVID-19.

As over 95% of the leases were not subject to formally agreed modifications by 30 June 2020, government-imposed reliefs and negotiated concessions during H1 2020 were recognised in the Income Statement of the period, as a reduction of rental income (€11 million) and as an expense with partial forgiveness of receivables (€37 million). This approach translated into a significant impact on the H1 2020 results, which reflects transparently the current business circumstances. For more details on the accounting of rental concessions, please refer to Note 2 of the interim consolidated financial statements.

DIVIDEND DECLARATION

Shareholders are advised that the Company has not declared a dividend for the six month period ended 30 June 2020.

CAPITALISATION ISSUE

The board of directors of NEPI Rockcastle's has resolved to allot and issue fully paid ordinary shares as a capitalisation issue to the Company's shareholders, pro-rata to their current shareholding. An announcement containing full details of the capitalisation issue will be released separately on the JSE, A2X and Euronext Amsterdam.

KEY FINANCIAL INFORMATION

	30 June 2020	30 June 2019	% Change
Net rental and related income (€ thousand)	160,257	199,773	(19.78%)
Distributable earnings (€ thousand)	118,168	170,030	(30.50%)
EPRA Earnings (€ thousand)	123,710	168,077	(26.40%)
Distributable earnings per share (€ cents)	19.66	29.02	(32.25%)
Distribution per share (€ cents)	-	29.02	(100%)
EPRA Earnings per share (€ cents)	20.59	28.69	(28.23%)
Headline (loss)/earnings per share (€ cents)	(1.03)	24.56	(104.19%)
Basic/diluted (loss)/earnings per share (€ cents)	(34.41)	38.71	(188.89%)
Net Asset Value (NAV) per share (€)	6.21	6.79	(8.54%)
EPRA Net Reinstatement Value (NRV) (€)	6.65	7.26	(8.40%)
EPRA Net Tangible Assets (NTA) (€)	6.59	7.20	(8.47%)
EPRA Net Disposal Value (NDV) (€)	6.13	6.62	(7.40%)
EPRA Net Initial Yield (NIY)	6.83%	6.64%	2.86%
EPRA 'topped-up' NIY	6.89%	6.71%	2.68%
EPRA vacancy rate	4.20%	2.60%	61.54%

EXTERNAL AUDIT REVIEW AND EMPHASIS OF MATTER

The limited review report on the Group's interim consolidated financial statements has been issued by PricewaterhouseCoopers (PwC) Isle of Man, after having reviewed and obtained the necessary comfort from PwC local offices in the jurisdictions where the Group operates through its subsidiaries. The local PwC offices review the stand alone IFRS financial statements of the respective subsidiaries and issue their interoffice review reports to PwC Isle of Man.

PwC's review report is unmodified and includes an emphasis of matter in respect of material valuation uncertainty statement included by the external appraisers in their valuation reports, considering the current context and lack of transactions since the pandemic. PwC's review report is unmodified and this emphasis of matter only highlights that assumptions included in valuation reports may change until the next valuation in December 2020. The inclusion of the material valuation uncertainty clause does not mean that external appraisers' valuation cannot be relied upon (see more details in the Directors commentary and interim condensed consolidated financial statements).

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the board of directors of NEPI Rockcastle. This short-form 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 consolidated financial statements published on the Company's website at:

https://nepirockcastle.com/wp-content/uploads/2020/08/Interim_Financial_Report_H1_2020.pdf

and on the long-form announcement (interim condensed consolidated financial results) available on the Company's website at:

https://nepirockcastle.com/wp-content/uploads/2020/08/Condensed_Consolidated_Financial_Results_H1_2020.pdf

and on the JSE website at <https://senspdf.jse.co.za/documents/2020/jse/isse/NRPE/H12020.pdf>

The full announcement, together with the auditors review report is also available for inspection at the registered offices of the Company (2nd Floor, 30 Athol Street Douglas, Isle of Man, IM1 1JB) and at the offices of the JSE sponsor, Java Capital (6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196) at no charge during normal business hours from Friday, 21 August 2020 to Friday, 28 August 2020.

For further information please contact:

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