

RESULTS PRESENTATION

DECEMBER 2018



Table of contents

2018 Highlights	3
Company overview	6
CEE market prospects	16
Retail transformation	21
Completed pipeline	28
Pipeline	38
Corporate Governance update	48
Outlook	52



Paradise Center, Bulgaria

1

2018 Highlights

Shopping City Galati, Romania

Successful delivery on our commitments for 2018

52.86

€cents
distribution per share

9.5% GROWTH COMPARED TO 2017

€305m

distributable earnings

13.2% GROWTH COMPARED TO 2017



€5.9bn

Investment property value

20% GROWTH COMPARED TO 2017

2.8%

EPRA vacancy rate

99.9%

Collection rate



2.3%

Cost of debt

Executing the strategy



€594m

Acquisition pipeline completed

€260m

Invested in land and developments

€396m

Decrease in listed securities



2 million

m² GLA

33%

Prudent loan-to-value

72%

Unencumbered assets





Galeria Warminska, Poland

2

Company overview

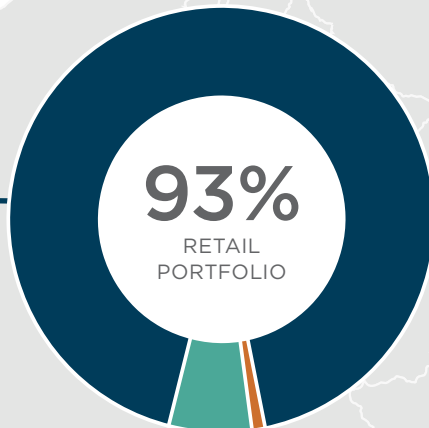


**NEPI
ROCKCASTLE**

THE LEADING RETAIL PROPERTY INVESTMENT AND DEVELOPMENT GROUP IN CEE*

Retail 93%

51 income-producing properties
1,837,700m² GLA
€5,290m property value

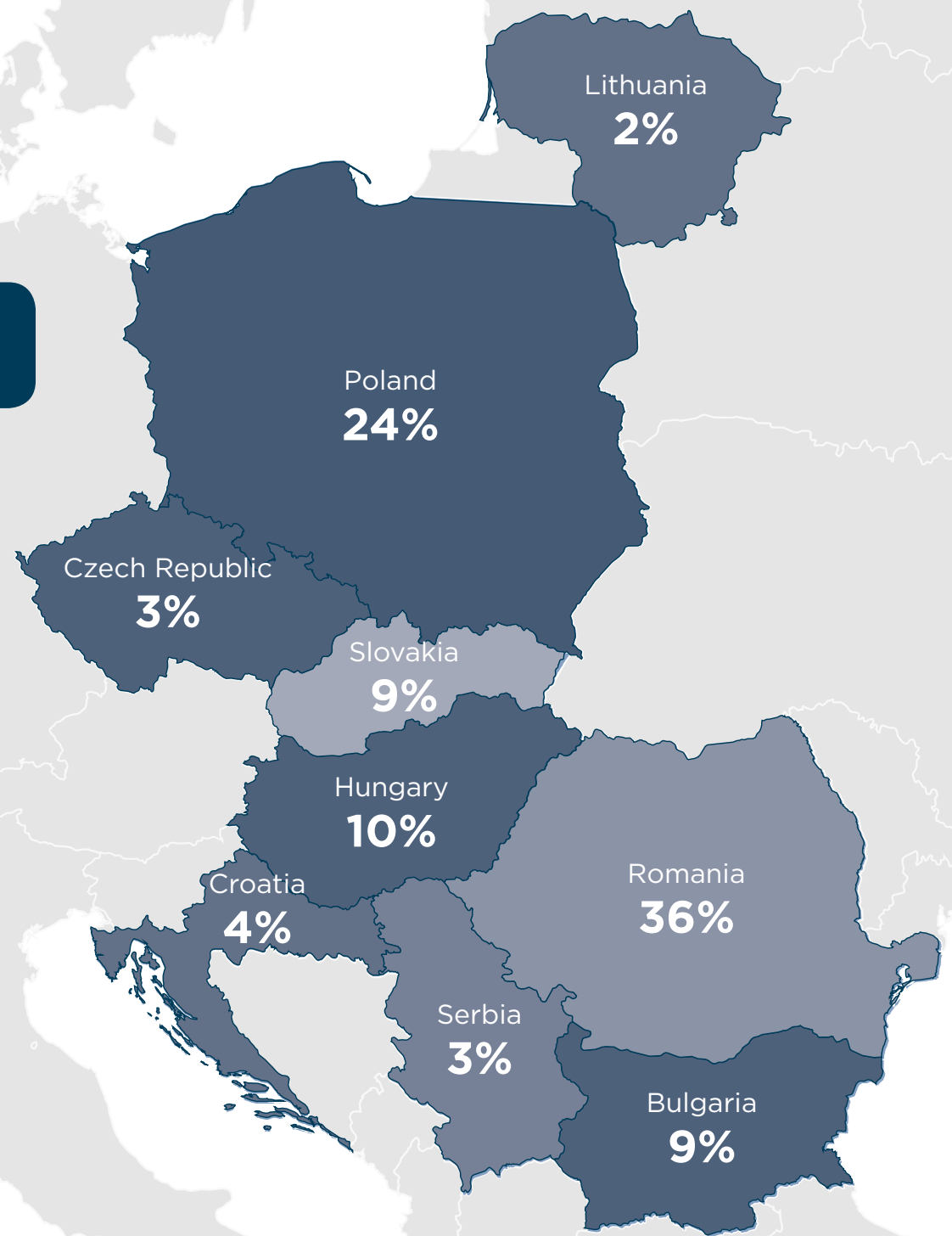


Office 6.7%

6 income-producing properties
158,800m² GLA
€383m property value

Industrial 0.3%

2 income-producing properties
27,800m² GLA
€16m property value



* Excluding joint ventures and non-core properties

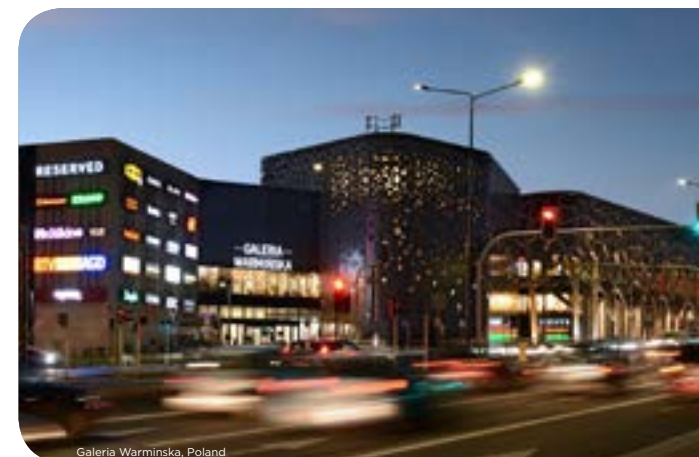
by market value

Strategic positioning oriented towards long-term growth



OPERATIONAL EXCELLENCE

- **Strong corporate culture** focused on planning, quality of execution, sustainability, ethics and early risk assessment
- **In-house** expertise in all key functions
- **Outstanding knowledge and expertise** in the CEE retail markets illustrated by best-in-class indicators
- The Group **adapts its business model** to the changing consumer preferences



DOMINANT, HIGH-QUALITY PORTFOLIO

- **Sizeable, geographically diverse** and high quality retail property portfolio
- **Located in densely populated areas** with good macroeconomics
- **Assets with limited or no competition**
- **Limited e-commerce** penetration
- **Extension** options to deter future competition
- Adequate **size**
- **Access**
- **Visibility**
- **Design**
- Comprehensive offering and **tenant mix**



PRUDENT FINANCIAL STRATEGY

Growth funded through a combination of:

- **Equity issues**
- **Debt**
- **Sale of listed securities**

Debt strategy focused on a targeted **35% loan-to-value (LTV)**

Prudent liquidity profile which includes cash accounts and deposits held with investment-grade banks, and significant committed unsecured revolving facilities

Dominant portfolio by scale and geographical diversification

93% of the properties are located in investment-grade countries

Country	Segment	No. of assets*	Country rating	Rentable area m²	Property value €m
			Moody's / S&P / Fitch		
Romania	Retail	24	Baa3 / BBB- / BBB-	736 600	1 699
Poland	Retail	12	A2 / A- / A-	454 500	1 345
Hungary	Retail	2	Baa3 / BBB / BBB-	121 900	584
Slovakia	Retail	5	A2 / A+ / A+	117 800	514
Bulgaria	Retail	2	Baa2 / BBB- / BBB	133 000	430
Romania	Office	4	Baa3 / BBB- / BBB-	117 500	309
Croatia	Retail	1	Ba2 / BB+ / BB+	65 700	243
Czech Republic	Retail	2	A1 / AA- / AA-	74 300	174
Serbia	Retail	2	Ba3 / BB / BB	71 500	173
Lithuania	Retail	1	A3 / A / A-	62 400	128
Bulgaria	Office	1	Baa2 / BBB- / BBB	28 500	53
Slovakia	Office	1	A2 / A+ / A+	12 800	21
Romania	Industrial	2	Baa3 / BBB- / BBB-	27 800	16
Total		59		2 024 300	5 689

* Excluding joint ventures and non-core properties



Bonarka City Center, Poland

Portfolio overview

DIRECT PORTFOLIO AT 31 DECEMBER 2018^

	Number of properties	GLA '000m ²	Valuation €m	Annualised Passing rent/ERV €m	EPRA Occupancy* %
TOTAL PROPERTIES	73	2 311	5 923	410	
INCOME PRODUCING	59	2 024	5 689	389	97.2%
Retail	51	1 838	5 290	357	97.2%
Office	6	159	383	30	97.7%
Industrial	2	27	16	2	98.3%
DEVELOPMENTS	4	268	222	20	
Under construction**	2	94	83	20	
Under permitting and pre-leasing***	2	174	78		
Land held for developments			61		
NON-CORE	10	19	12	1	

^ Excluding joint ventures

* Occupancy ratio = 1 - EPRA Vacancy ratio

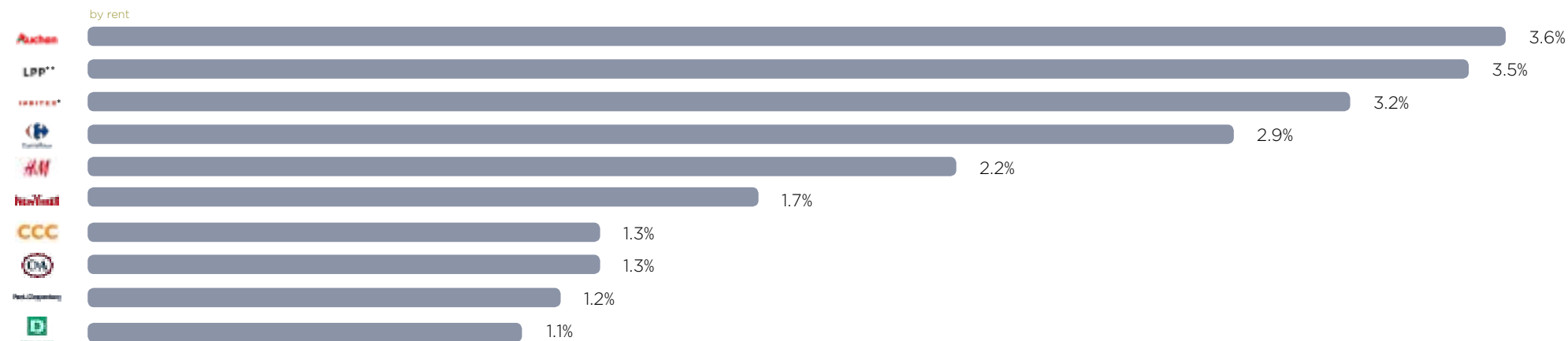
** Out of the eight projects under construction, six are extensions to existing properties

*** Out of the four projects under permitting and pre-leasing, two are extensions to existing properties

- 59 income-producing properties in nine CEE countries
- Entry into the Lithuanian market and acquisition of further assets in Poland, Slovakia and Hungary
- 93% of the income-producing properties located in investment-grade countries
- Continued focus on dominant retail assets
- Over 2 million m² GLA of income-producing properties
- 267,800m² GLA under development
- Customer footfall: 307 million visitors in 2018

Top 10 retail tenants and contracted gross rent

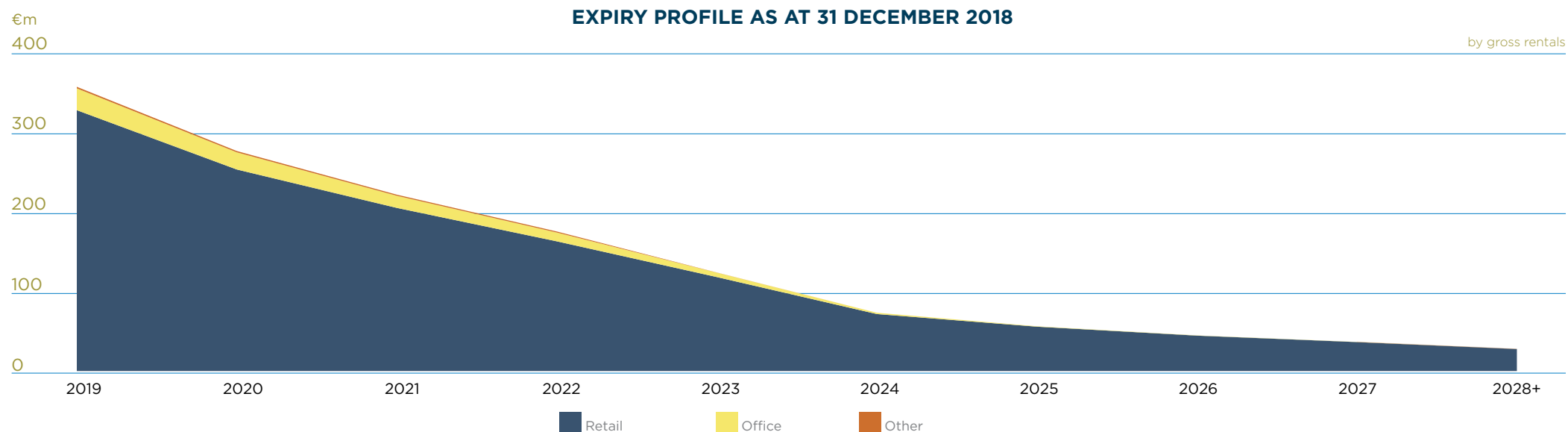
SUSTAINABLE ANCHOR TENANT BASE



*Bershka, Massimo Dutti, Oysho, Pull and Bear, Stradivarius and Zara

**Reserved, Cropp Town, House, Mohito, Sinsay

LONG-TERM LEASE DURATION



Weighted average remaining lease duration is 4 years

Sustained growth in retailer sales



Tenant sales increased by 7.5% (like-for-like) in 2018



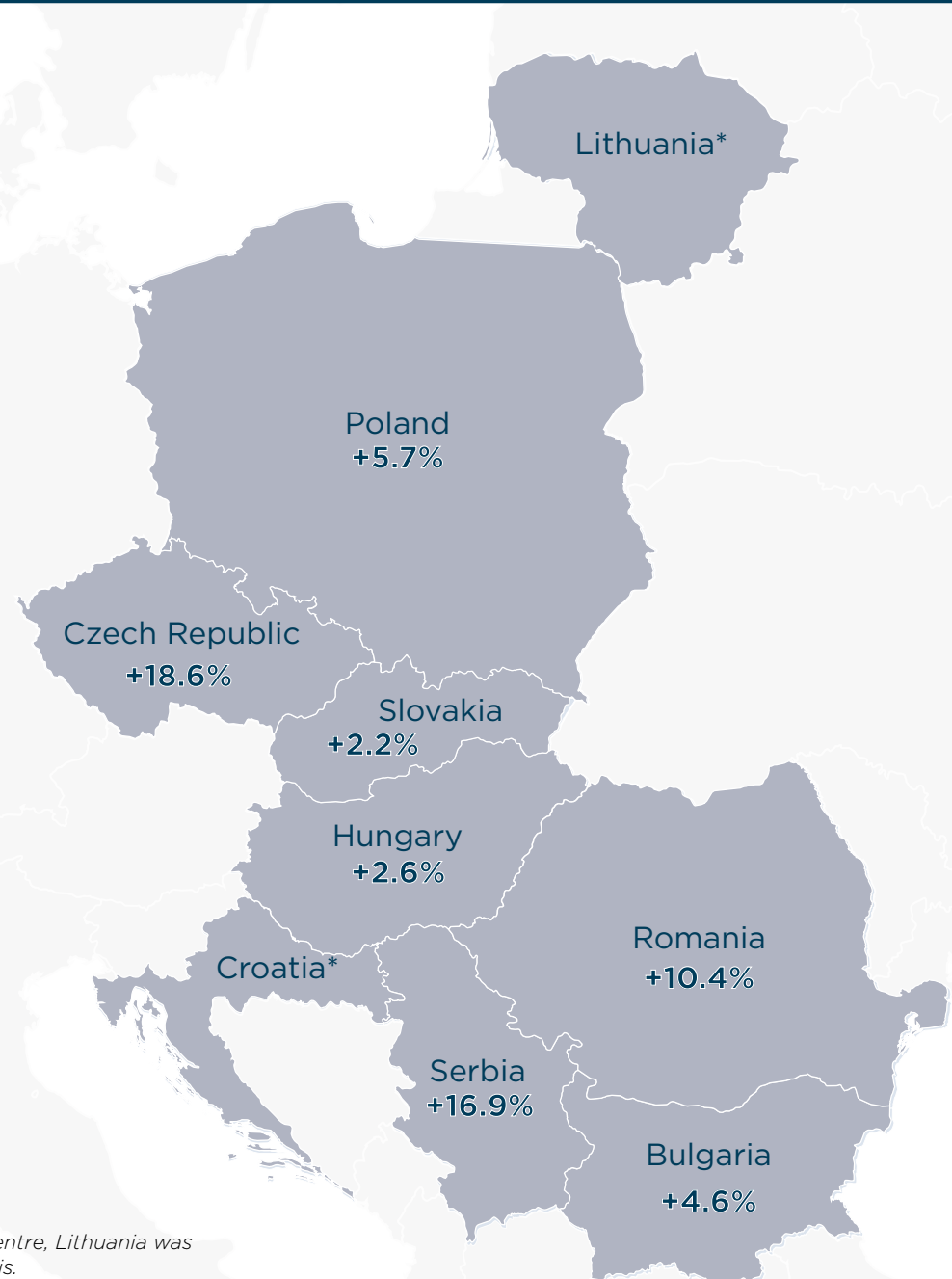
Performance driven by:

16.1% Electronics
13.3% Services
13.0% Fashion complements
12.6% Food



Sales benefited from **asset management initiatives**:

- Zoning and tenant mix
- GLA optimisation
- Special services
- Partnership models



* Arena Zagreb, Croatia was subject to redevelopment works and Ozas Shopping and Entertainment Centre, Lithuania was acquired in 2018, thus the increase in tenants sales could not have been computed on a like-for-like basis.

Strong performance indicators

Operational performance indicators

Net Rental and Related Income (NOI)	€346m
NOI growth (like-for-like)	4.9%
Weighted average remaining lease term	4 years
Collection rate	99.9%
EPRA occupancy ratio	97.2%
Turnover/m ² increase (like-for-like)	5.7%
Tenants turnover growth (like-for-like)	7.5%
Occupancy cost ratio*	11.9%

* Base and overage rent, service charge and marketing contribution, divided by tenant sales; excludes sales reported by hypermarkets.

Financial performance indicators

Loan-to-value*	33%
Unencumbered assets (% of total assets)	72%
Cost of debt	2.3%
Average remaining debt maturity	3.1 years
Long-term interest rate hedge coverage	100%**
Distributable earnings per share (eurocents)	52.86
EPRA NAV per share (euro)	7.09

* Interest bearing debt less cash divided by investment property and net listed securities

** Excluding revolving facilities



Strong performance indicators» continued

53.43*

€CENTS

EPRA EARNINGS PER SHARE

52.86*

€CENTS

DISTRIBUTABLE EARNINGS PER SHARE

€7.09

EPRA NAV/SHARE

6.74%

EPRA

NET INITIAL YIELD

6.82%

EPRA 'TOPPED-UP'

NET INITIAL YIELD

* Reconciliation of profit for the period to EPRA earnings and distributable earnings is presented in Appendix.

EPRA Earnings: Profit after tax attributable to the equity holders of the Company, excluding non-controlling interest, fair value adjustments of investment property, profits or losses on investment property disposals and related tax adjustment for losses on disposals, gains on acquisition of subsidiaries, acquisition costs, fair value and net result on sale of financial investments at fair value through profit or loss and deferred tax expense.

EPRA Earnings Per Share: EPRA Earnings divided by the number of shares outstanding at the period or year-end.

EPRA Net Assets (EPRA NAV): Net assets per the statement of financial position, excluding the goodwill, deferred taxation net balance and mark-to-market of interest rate derivatives.

EPRA NAV Per Share: EPRA NAV divided by the number of shares outstanding at the period end or year-end.

EPRA Vacancy Ratio: vacancy ratio computed based on estimated rental value of vacant space compared to the estimated rental value of the entire property.



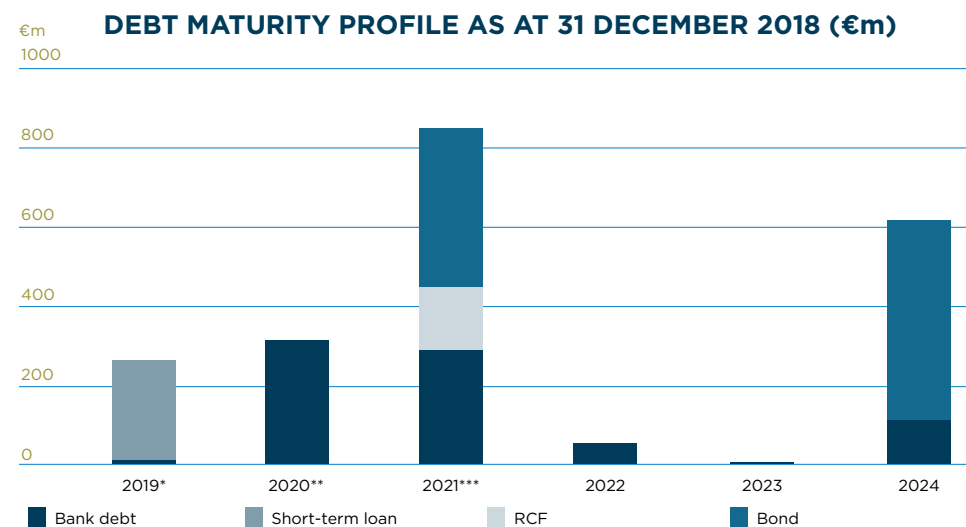
Mammut Shopping Centre, Hungary

Robust balance sheet

- Versatile funding profile via a combination of equity and debt
- **72%** of the portfolio is unencumbered
- **Investment grade credit ratings:**
 - Baa3, stable outlook - Moody's (to be discontinued in 2019)
 - BBB, stable outlook - Standard & Poor's
 - BBB, stable outlook - Fitch
- **LTV[^] target: 35%** (currently 33%)
- Long-term interest rate risk 100%^{^^} hedged via caps and swaps; remaining weighted average hedge term: **4.1 years**
- **Weighted average cost of debt: 2.3%** in an increasing interest rate environment

[^] $(\text{loans} - \text{cash}) / (\text{investment property} + \text{listed securities})$

^{^^} Excluding revolving facilities



* The Company expects to repay in March over €100m outstanding balance of the debt maturing in 2019.

** Negotiations have started to extend the loan of Bonarka City Center (€187.9m outstanding debt). The €88.4m outstanding debt of Aupark Kosice and the €34.8m outstanding debt of Solaris Shopping Centre will be subject to renegotiation for extension closer to maturity.

*** Galeria Mlyny outstanding debt (€47m) is in advanced negotiation for extension until 2023. Karolinka Shopping Centre, Pogoria Shopping Centre, Platan Shopping Centre and Focus Mall Zielona Gora outstanding debt of €229.6m will be subject to renegotiation for extension closer to maturity.

Shopping City Ramnicu Valcea, Romania



3

CEE market prospects



Attractive CEE markets with good fundamentals

CEE countries where the Group operates	
Population (m inhabitants)	104.5
Visits to Group's properties (m)	306.6
GDP (€m)	233 856
GDP per capita (€/capita)	11 066

Poland	
Population (m inhabitants)	38.0
Visits to Group's properties (m)	69.0
GDP (€m)	437 505
GDP per capita (€/capita)	11 521

Czech Republic	
Population (m inhabitants)	10.6
Visits to Group's properties (m)	21.8
GDP (€m)	179 877
GDP per capita (€/capita)	16 983

Croatia	
Population (m inhabitants)	4.1
Visits to Group's properties (m)	8.7
GDP (€m)	46 027
GDP per capita (€/capita)	11 159

Serbia	
Population (m inhabitants)	7.1
Visits to Group's properties (m)	5.2
GDP (€m)	34 604
GDP per capita (€/capita)	4 919



Lithuania	
Population (m inhabitants)	2.8
Visits to Group's properties (m)	5.3
GDP (€m)	39 330
GDP per capita (€/capita)	13 909

Slovakia	
Population (m inhabitants)	5.4
Visits to Group's properties (m)	38.7
GDP (€m)	79 854
GDP per capita (€/capita)	14 679

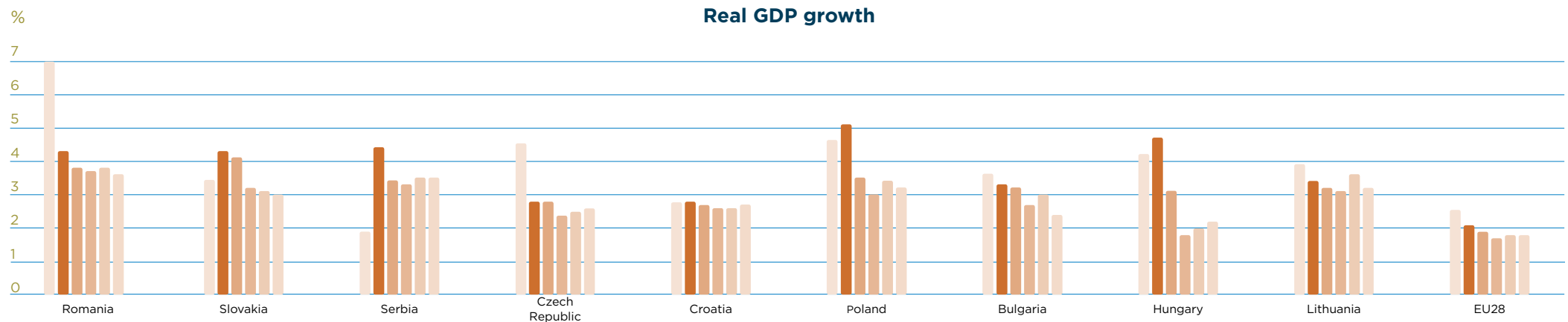
Hungary	
Population (m inhabitants)	9.8
Visits to Group's properties (m)	25.9
GDP (€m)	116 014
GDP per capita (€/capita)	11 861

Romania	
Population (m inhabitants)	19.6
Visits to Group's properties (m)	114.5
GDP (€m)	176 686
GDP per capita (€/capita)	9 023

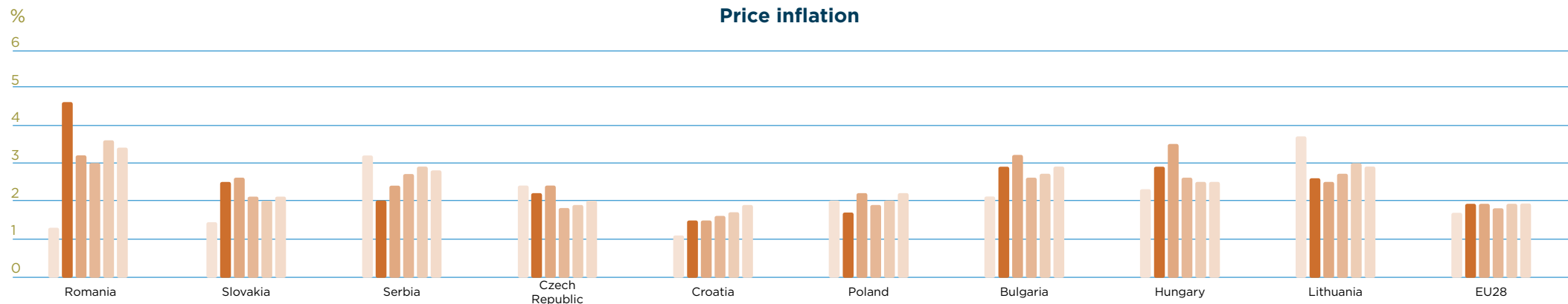
Bulgaria	
Population (m inhabitants)	7.1
Visits to Group's properties (m)	17.5
GDP (€m)	46 527
GDP per capita (€/capita)	6 576

Source: World Bank

Solid macroeconomic fundamentals and growth prospects in CEE



The European economy is expected to grow for the seventh year in a row in 2019. Cee countries are expected to continue growing at a better pace than the EU average. Real GDP growth of Poland accelerated to 5.1% in 2018, and is expected to reach an annual average of 3.2% in the 2019-23 forecast period. The economic upswing that began in Romania in 2017 slowed in 2018. Real GDP growth slowed from 7% in 2017 to 4.3% in 2018. The expected average GDP for 2019-22 is 3.6%.



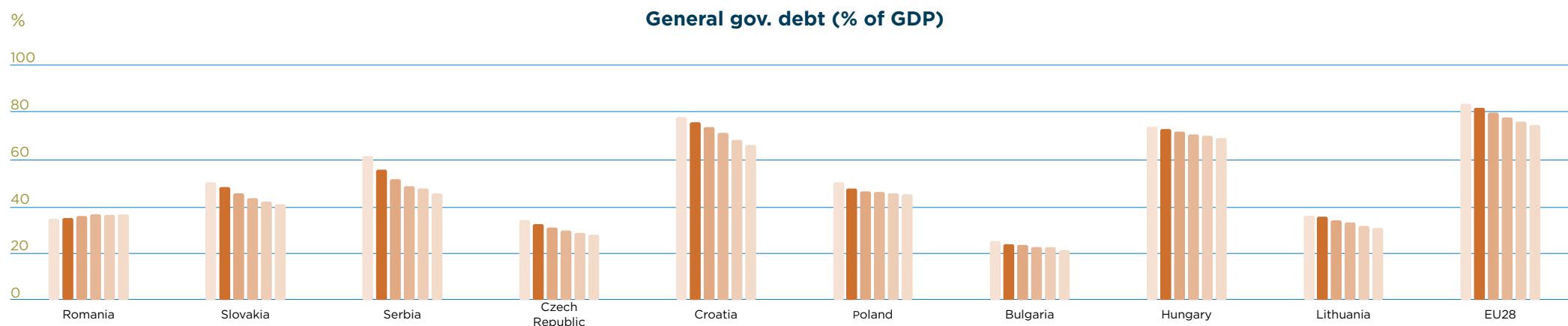
Inflation averaged 1.9% in the EU28 in 2018 and it is expected to remain at the same level in 2019-22.

2017 2018 2019 2020 2021 2022

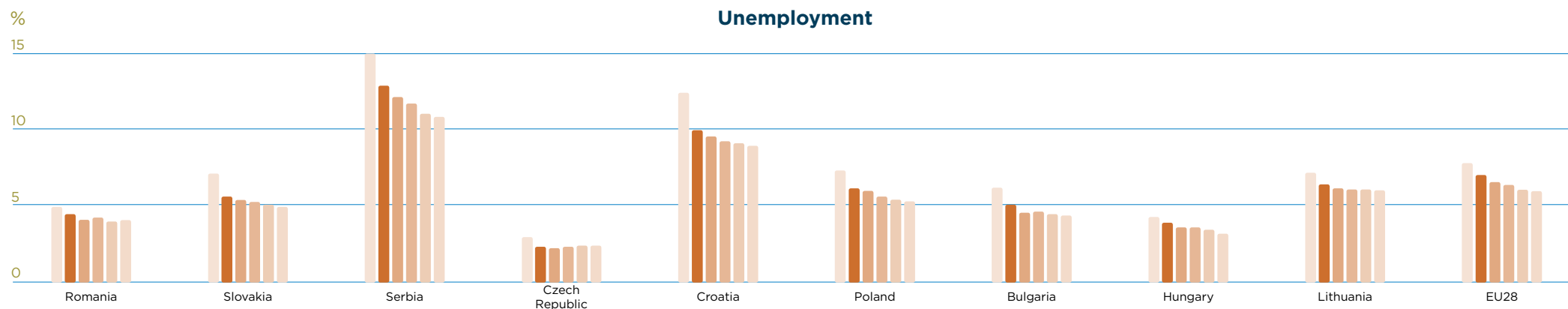
Source: Economist Intelligence Unit

Solid macroeconomic fundamentals and growth prospects in CEE

» continued



The general government debt ratio (% of GDP) is expected to decrease in almost all CEE countries in the coming years. Most CEE countries have significantly more prudent government debt compared to the EU average.



The unemployment rate decreased in 2018 in all the countries where the Group operates, as well as in EU28. The forecasted further decrease of unemployment rate for 2018-22. is a sign of a stable improvement in EU labor market conditions.

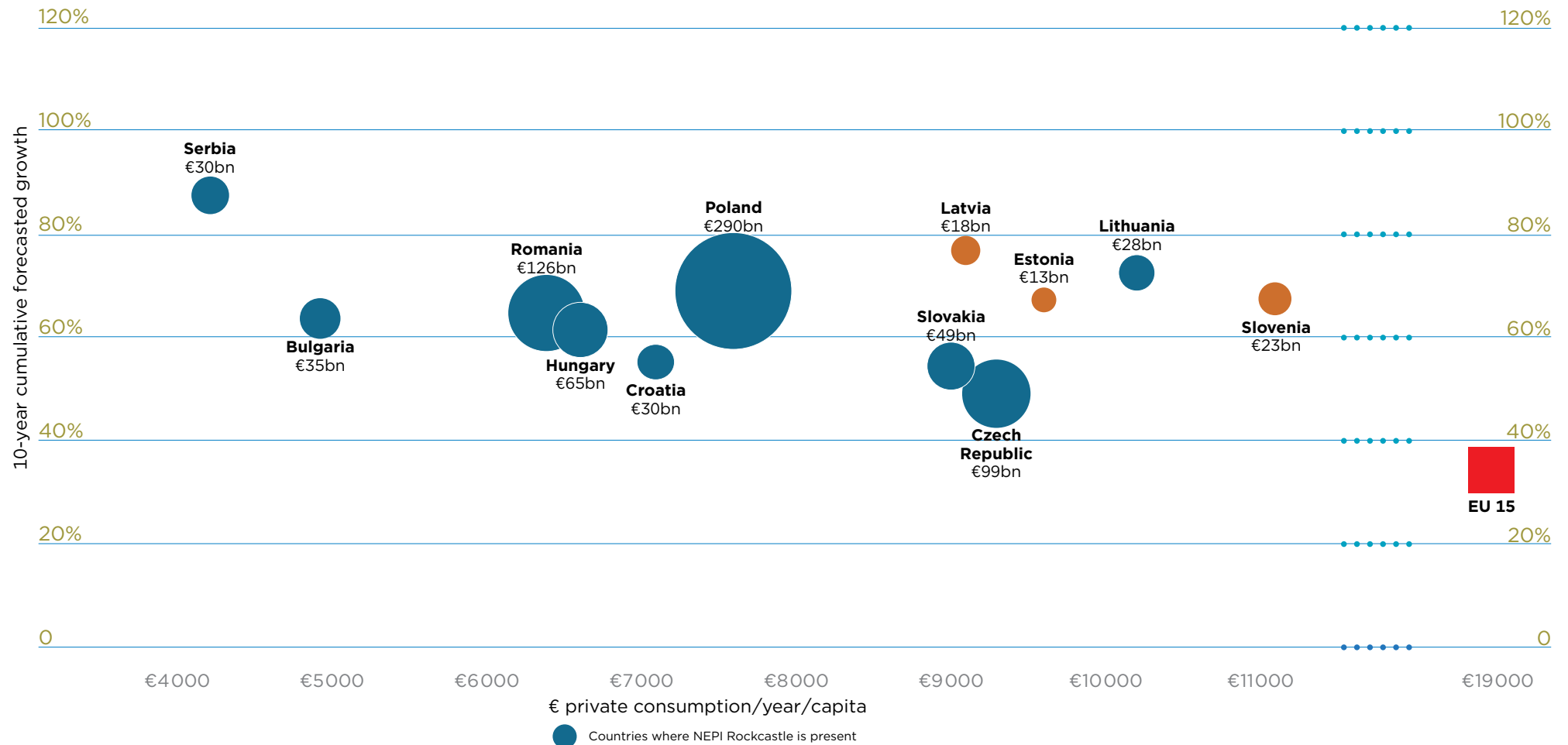
2017 2018 2019 2020 2021 2022

Source: Economist Intelligence Unit
*ESA measure

Solid macroeconomic fundamentals and growth prospects in CEE

» continued

CEE private consumption growth well above the EU average



Private consumption is expected to remain the main growth driver, supported by improvements in employment rates and a rise in nominal wage. Tight labor markets and fiscal stimulus are supporting booming consumption in the region.

Source: Thomson Reuters



4

Retail transformation

Strengthening the portfolio positioning

Extending the preferred retailers concepts missing from the region



Extending successful online retailers by introducing physical presence



Adapting tenant mix to attract and retain customers.
Increased spend by visitor + 6.6%.



Strengthening the portfolio positioning » continued

Focus on leisure

- Refurbishment and extension of food courts and leisure areas in:
 - » Kragujevac Plaza
 - » Shopping City Timisoara
 - » Ploiesti Shopping City
 - » Braila Mall
 - » City Park
 - » Mega Mall
 - » Shopping City Sibiu
 - » Aurora Mall Buzau
 - » Focus Mall Piotrków Trybunalski
 - » Karolinka Shopping Centre
- New design trends, introducing more attractive leisure areas int:
 - » Shopping City Satu Mare
 - » Promenada Novi Sad



Strengthening the portfolio positioning » continued

Focus on leisure



NEW SCREENX™ in Arena Mall Budapest - DIVE INTO THE MOVIE

- Introduced in September 2018
- Number of visitors in the hall increased from 6,600 to 8,300 per month
- Expands the traditional cinema screen to the side auditorium walls
- Creates 270-degree viewing experience for the audience

Strengthening the portfolio positioning » continued

Eobuwie offline store of online retailer

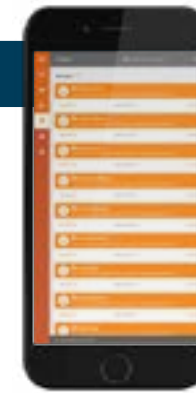
- E-commerce giant
- Cooperates with leading brands: Adidas, Armani Jeans, Calvin Klein, Clarks, Crocs, Ecco, Geox, Guess, New Balance, Nike, Pepe Jeans, Tommy Hilfiger
- Eobuwie in five of our locations
- Convenient service
- 100,000 items in offer
- Esize scanners



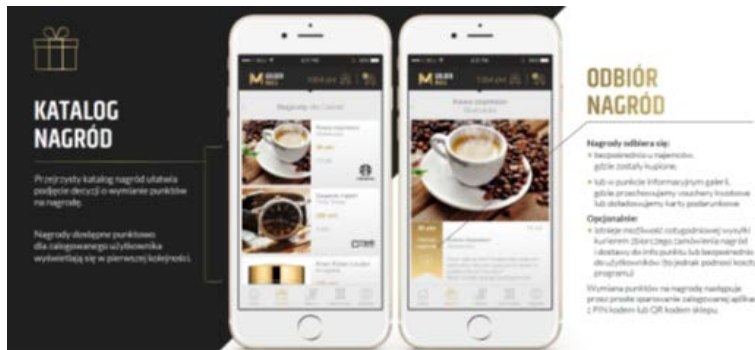
Engaging customer experience through new digital technology

Romania - CRM automation tool

- Increase the marketing efficiency
- New automation tools using machine learning and Location Based Marketing Automation
- 4 times higher efficiency in our digital communication



Poland - Loyalty Application



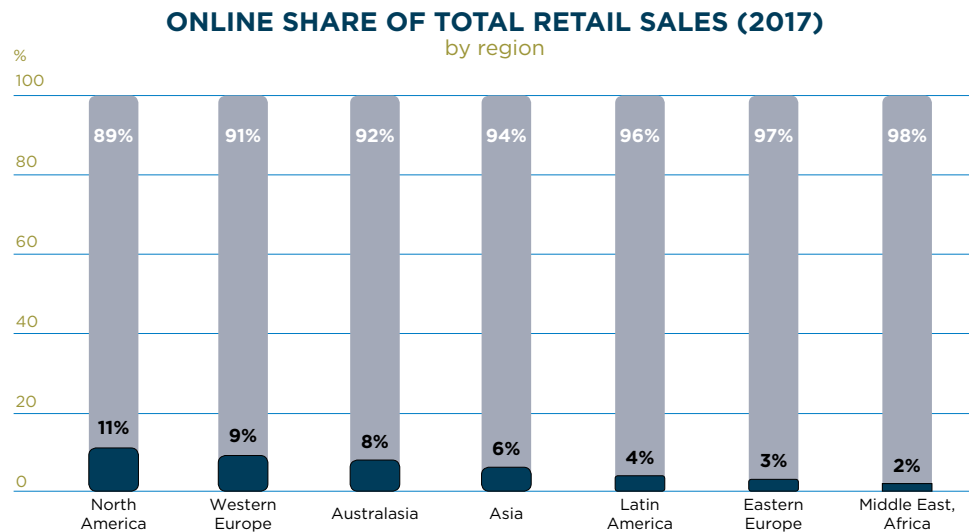
- Building loyalty and helping our tenants increase turnovers
- Simple and attractive loyalty program based on customer friendly application
- Motivate customers to instant and higher purchases
- Attractive prizes for our customers

Poland - Digital concierge programme – „wish&have”

- Enhance relationships with our customers
- User friendly application with additional services to our customers:
 - » wheelchair, baby stroller, scooter for a child, disposable bibs, baby bed, car battery charging, umbrella, shopping delivery etc.
- All services provided via app directly to the customers to their current location in the mall

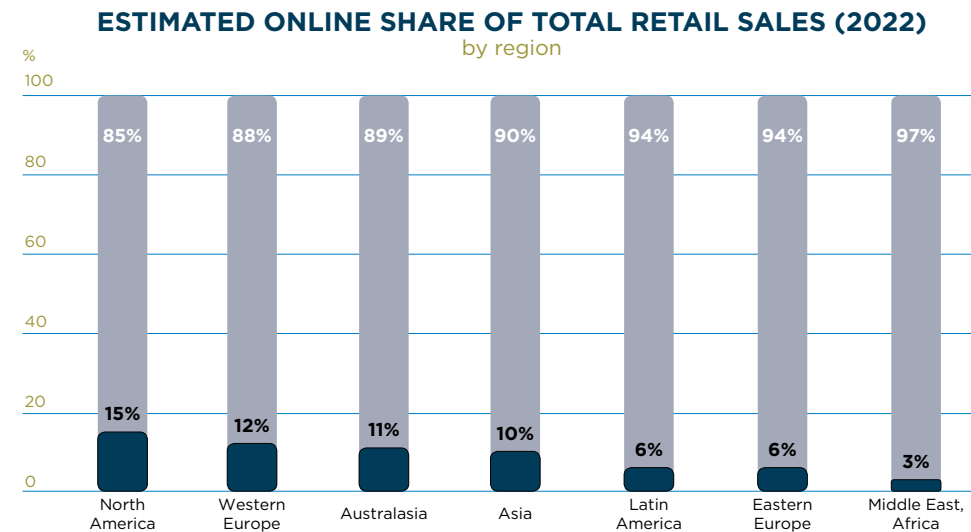


Physical retail and e-commerce



Source: GlobalData

■ Online ■ Offline



Overall supply of shopping centres per capita is lower in CEE than Western Europe or the US

CEE malls are relatively newer and more modern

Online penetration in Eastern Europe is low at 3%, compared to Western Europe at 9%

North America has the highest global penetration rate: 11%



5

Completed
pipeline

Successful delivery of acquisition and development pipeline

Acquisition drivers

Large and dominant shopping centres:

- Large cities
- Strong growth potential

Significant acquisitions in 2018

Operating properties

Aura Centrum	25 400m ² GLA
Ozas Shopping and Entertainment Centre	62 400m ² GLA
Galeria Mlyn	32 400m ² GLA
Mammut Shopping Centre	56 100m ² GLA

Land for developments

Festival Sibiu, Romania	3.4ha
Plovdiv, Bulgaria	6.5ha

Developments and extensions completed in 2018

Platan Shopping Centre extension	14 000m ² GLA
Promenada Novi Sad	49 200m ² GLA
Shopping City Satu Mare	29 200m ² GLA



Hungary



PEST PROVINCE
3 000 000*
INHABITANTS

BUDAPEST CITY
1 753 000

* Pest Province
together with Budapest City

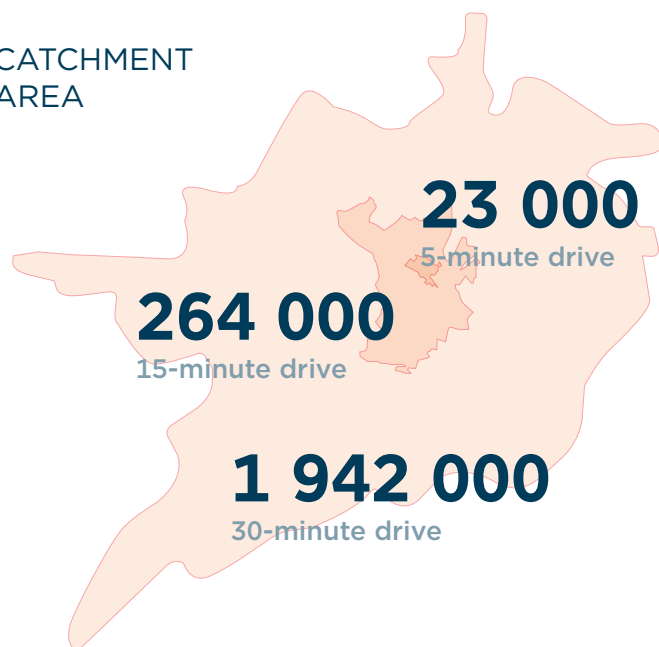
Mammut Shopping Centre

Mammut is one of the largest and most successful shopping and entertainment destinations in Budapest. It is prominently located at Kalman Square, the busiest interchange hub in the Buda side of the city, and benefits from a strong annual footfall of 15.6 million people.

The centre offers 61,300m² of total GLA (out of which 56,100 m² owned by the Group) in two buildings connected via a double-level pedestrian bridge, and includes key anchors such as Cinema Pink, H&M, Hervis, Interspar, Media Markt, New Yorker and Reserved.

Mammut is the second dominant asset that the group controls in the Hungarian capital.

CATCHMENT
AREA



100%
Ownership

56 100m²
Lettable area

92.3%
EPRA Occupancy

Poland



SILESIA VOIVODESHIP

4 559 000

INHABITANTS

ZABRZE CITY

175 000

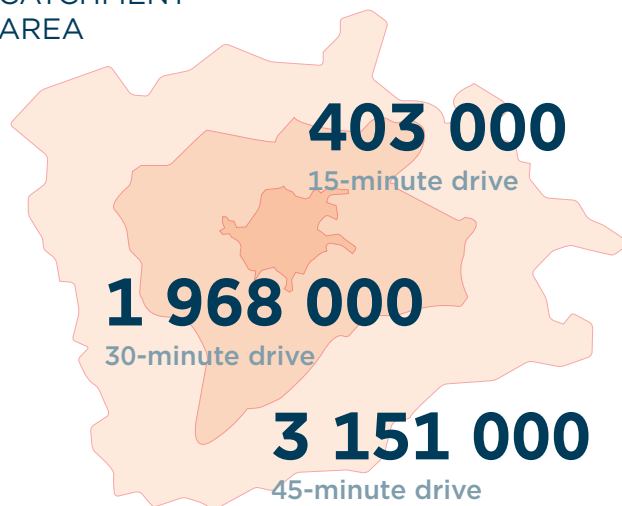
Platan Shopping Centre

After 15 months of works, the 14,000m² extension of Platan Shopping Centre opened in October 2018.

The city of Zabrze has a population of 175,000 residents and is part of the Silesian metropolitan area that has 4.6 million residents.

The extension upgraded Platan to a fourth generation, upscale shopping centre, with a total GLA of 39,400m². It now includes previously missing functions, such as a food court, fitness centre, cinema and intelligent parking, as well as new brands such as Carry, Cropp, Home & You, House, Kids Play, KIK, Martes Sport, Maxi Zoo, Neonet, Pepco, Reserved, Super-pharm and TEDI.

CATCHMENT AREA



100%
Ownership

39 400m²
Lettable area

93.6%
EPRA Occupancy

Serbia



VOJVODINA REGION

1 881 000

INHABITANTS

NOVI SAD CITY
319 000

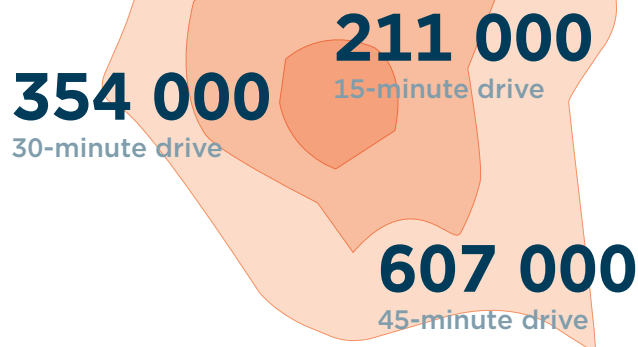
Promenada Novi Sad

After 16 months of works, NEPI Rockcastle opened its first greenfield development in Serbia. With a 49,200m² GLA, it is the largest mall in Serbia, located in Novi Sad, the country's second largest city.

The property hosts a great number of international brands such as: Adidas, Armani Exchange, Cineplexx, Diesel, Guess, Inditex (Bershka, Massimo Dutti, Oysho, Pull&Bear, Stradivarius, Zara, Zara Home), KFC, Lacoste, LC Waikiki, LPP (Cropp, House, Mohito, Reserved, Sinsay), McDonald's, New Yorker, Nike, Tommy Hilfiger and Univerexport Supermarket.

The Group's strategy to increase the size and quality of the food and leisure offering was implemented by accommodating a Cosmoland playground, Pro Fitness, two outdoor terraces used by four restaurants and a large, naturally-lit food court with cozy seating areas.

CATCHMENT
AREA



100%
Ownership

49 200m²
Lettable area

98.2%
EPRA Occupancy

Romania



SATU MARE COUNTY
337 000
INHABITANTS

SATU MARE CITY
123 000

Shopping City Satu Mare

The only modern shopping and entertainment destination in Satu Mare was open in December 2018.

The centre is located in the heart of Satu Mare, a city of 123,000 residents. The city is located in the north-west of Romania near the border with Hungary.

The centre has 29,200m² GLA and includes tenants such as Carrefour, CCC, Cineplexx (market entry in Romania), Deichmann, Douglas, Hervis, Intersport, KFC, LC Waikiki, New Yorker, Orsay, Reserved and Smyk.

CATCHMENT
AREA

130 000

15-minute drive

182 000

30-minute drive

288 000

45-minute drive



100%
Ownership

29 200m²
Lettable area

97.3%
EPRA Occupancy

6

Pipeline



Festival Sibiu render, Romania

Strong pipeline: sustainable growth with limited risk

Commitment to developments in a phased manner to limit risk, with high pre-leasing percentages for retail.



LEASING COMMITMENT

Main anchors secured early in the process for all developments

REINFORCING DOMINANCE

Eight extension projects to reinforce the dominant position of our shopping centres

PRUDENT PROJECT MANAGEMENT

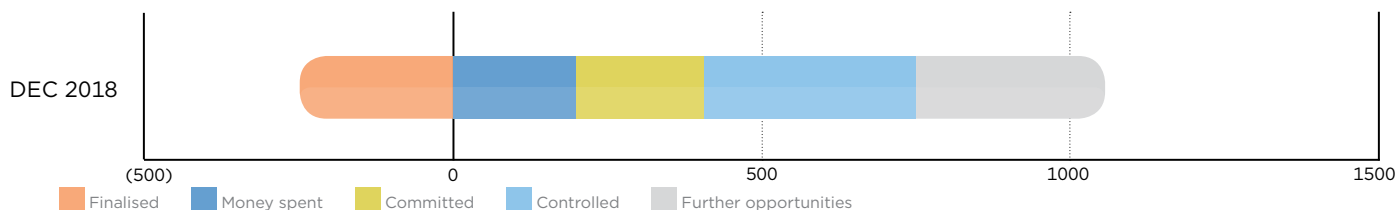
Focus on extensions and redevelopments

Construction cost committed on a gradual basis

The Group can suspend or terminate development activities at any time

OVER
€1 bn
DEVELOPMENT PIPELINE

DEVELOPMENTS AND EXTENSIONS PIPELINE (€ MILLION)



Committed: projects currently under construction

Controlled: projects where the land is controlled, but not yet under construction

Capitalised interest and fair value not included

Diversified developments to create value

CASH BASIS

	Country	Type	Category	Target opening date	Ownership	GLA of existing property	GLA of development	Cost to date	Total cost
					%	m²	m²	€m	€m
Developments under construction						245 700	93 700	79	281
Festival Sibiu	Romania	Mall	Development	Q4 2019	100	-	42 200	34	99
Focus Mall Zielona Gora	Poland	Mall	Extension and Refurbishment	Q4 2020	100	28 900	15 000	8	68
Solaris Shopping Centre	Poland	Mall	Extension and Refurbishment	Q2 2019	100	17 100^	8 900	15	41
Aurora Shopping Mall Buzau	Romania	Mall	Extension and Refurbishment	Q3 2019/ Q2 2020	100	17 900	6 000	7	31
Shopping City Sibiu - Phase II	Romania	Mall	Extension and Refurbishment	Q1/Q4 2019	100	79 400	3 700	3	14
Arena Centar Retail Park	Croatia	Mall	Extension	Q2 2019	100	65 700	8 300	9	13
Retail park Krusevac - Phase I	Serbia	Mall	Development	Q2 2019	100	-	8 500	2	10
Pogoria Shopping Centre	Poland	Mall	Extension and Refurbishment	Q2 2019	100	36 700	1 100	1	5
Developments under permitting and pre-leasing						55 500	174 100*	121	470
Promenada Mall	Romania	Mall/ Office	Extension	2021	100	39 400	62 300	33	182
Promenada Plovdiv	Bulgaria	Mall	Development	2020	100	-	59 500	24	141
Shopping City Targu Mures	Romania	Mall	Development	2020	100	-	41 300	11	67
Korzo Shopping Centre	Slovakia	Mall	Extension	2021	100	16 100	11 000	0	27
Land held for future developments and extensions								53	53
Further opportunities									304
TOTAL DEVELOPMENTS							267 800	200	1 055

Notes:

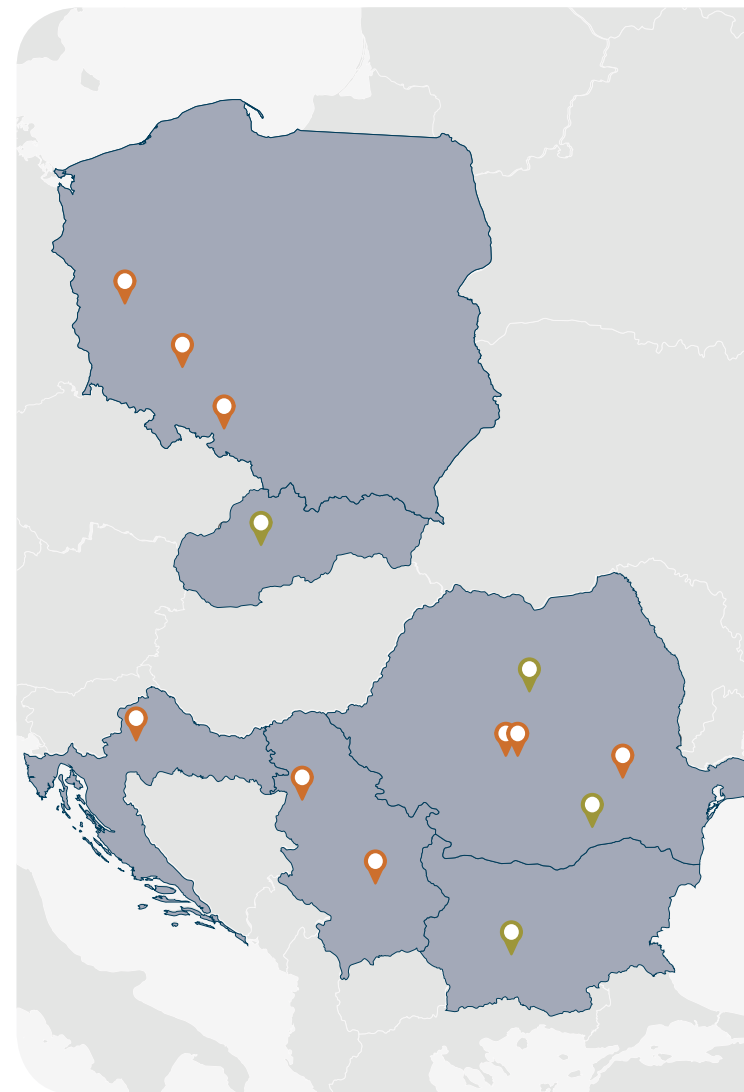
Amounts included in this schedule are estimates and may vary according to permitting, pre-leasing and actual physical configuration of the finished developments.

Weighted total cost includes development and land cost.

Weighted cost to date does not include capitalised interest or fair value adjustments.

* GLA depends on permitting.

[^] The operating GLA of Solaris Shopping Centre as at 31 December 2018 was 17,100m² out of which 3,200m² are subject to refurbishment works.



Sibiu Festival

UNDER CONSTRUCTION

100%

Ownership

42 200m²

Lettable area

Q4 2019

Target opening

The 42,200m² GLA of Festival Sibiu development, will complement the other retail property of the Group in the city, Shopping City Sibiu. Festival has an excellent location, within walking distance to Sibiu's historical centre and to the main train station.

The land was acquired in February 2018 and the construction started in May 2018.

Sibiu has a population of 170,000 residents and is one of the most vibrant economic centres of Romania.

Several tenants have been signed, including: CineGold, H&M, Inditex (Bershka, Massimo Dutti, Oysho, Pull&Bear, Stradivarius, Zara), Kaufland (their first unit in a shopping mall in Romania), New Yorker.

CATCHMENT
AREA

162 000

15-minute drive

212 000

30-minute drive

267 000

45-minute drive

Shopping City Sibiu - extension and refurbishment

UNDER CONSTRUCTION

100%

Ownership

79 400m²

Lettable area
for property in use

3 700m²

Estimated lettable area
for extension

**Q1/Q4
2019**

Target opening

Shopping City Sibiu was recently refurbished and extended, with several fashion brands added, such as Cropp, De Facto (first store in the country), House, LC Waikiki, Mohito, Reserved and Smyk. Some of the existing stores were refurbished and extended: CCC, Douglas, Humanic and Norriel.

The second phase of the extension will open in spring 2019, with the food-court, cinema and open-air terrace serviced by new tenants such as KFC, Pepp&Pepper, Salad Box and Taco Bell.

CATCHMENT
AREA

172 000

15-minute drive

231 000

30-minute drive

286 000

45-minute drive

Focus Mall Zielona Gora - extension and refurbishment

UNDER CONSTRUCTION

100%

Ownership

28 900m²

Lettable area
for property in use

15 000m²

Estimated lettable area
for extension

Q4 2020

Target opening

The Company has started the 15,000m² GLA extension of Focus Mall. Zielona Gora, a vibrant city which is well known for its annual wine festival, is the largest municipality and the seat of Lubuskie Voivodeship; it is also well connected to several roads and international rail routes.

Once completed, the 43,900m² GLA mall will be the main retail destination for 151,000 inhabitant in a 15-minute catchment area.

CATCHMENT
AREA

151 000

15-minute drive

284 000

30-minute drive

490 000

45-minute drive

Solaris Shopping Centre - extension

UNDER CONSTRUCTION

100%

Ownership

17 100m²*

Lettable area
for property in use

8 900m²

Estimated lettable area
for extension

Q2 2019

Target opening

The construction works have started in 2018 and are on-going.

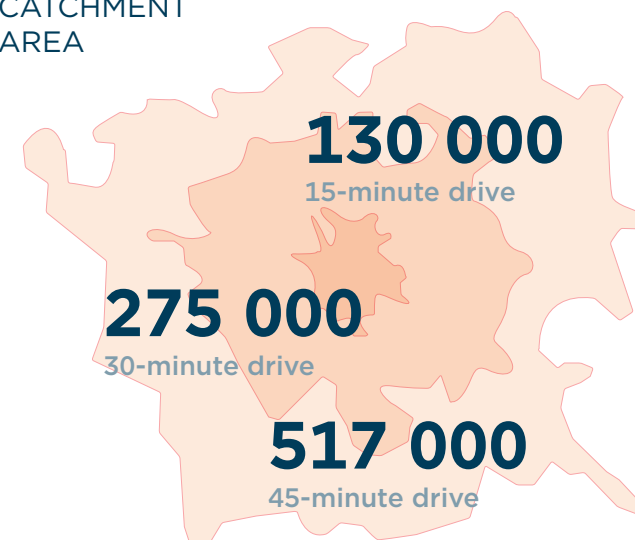
The project includes the development of multi-level basement parking and a new town square in front of the centre's main entrance.

Extension area is scheduled to be completed in the second quarter of 2019.

Tenant demand is strong and includes brands like C&A, CCC, Deichmann, Guess, Just Gym, KFC, LPP group brands, McDonald's, Smyk.

Following the extension, Solaris will be a 26,000m² dominant shopping centre serving the 128,000 citizens of Opole, a beautiful historical city.

CATCHMENT
AREA



* The operating GLA of Solaris Shopping Centre as at 31 December 2018 was 17,100m² out of which 3,200m² are subject to refurbishment works.

Aurora Shopping Mall

UNDER CONSTRUCTION

100%

Ownership

17 900m²

Lettable area
for property in use

6 000m²

Estimated lettable area
for extension

**Q3 2019/
Q2 2020**

Target opening

The Group started the development works of the extension and reconfiguration of Aurora Mall. The refurbishment will include a Cinema City, a food-court and several fashion anchors and is expected to be completed by the end of 2019 (except for Cinema City - opening in Q2 2020).

The extension will add 6,000m² GLA to the existing 17,900m² GLA of the shopping mall, that proved to be a top performer since its acquisition due to its unique location and access. Buzau, a city with a population of 133,000 residents, a major transit-hub that links Bucharest to the Romanian Moldavia region.

CATCHMENT
AREA

118 000

15-minute drive

249 000

30-minute drive

462 000

45-minute drive

Arena Centar Retail Park

UNDER CONSTRUCTION

100%

Ownership

65 700m²

Lettable area
for property in use

8 300m²

Estimated lettable area
for extension

Q2 2019

Target opening

The 8,300m² GLA retail park is adjacent to the shopping mall and is almost completed and is expected to open in May 2019.

The retail park will bring additional large-format tenants such as Extra Sport, Intersport, Jysk, LC Waikiki (market entry in Croatia), Pepco, Pitta Rosso and Sancta Domenica, creating a complete offering that will contribute to making Arena Centar the premier retail destination in Zagreb.

CATCHMENT
AREA

320 000

15-minute drive

990 000

30-minute drive

1 400 000

45-minute drive

Developments under permitting and pre-leasing



100%
Ownership

59 500m²
Estimated lettable area

2020
Target opening

The Group owns over 6.5ha in Plovdiv, the second largest city in Bulgaria, and is planning a 59,500m² shopping mall. Tenant interest is high and permitting efforts are ongoing.

The mall is expected to become the dominant scheme in Plovdiv, which is currently underserved by modern retail.

The land was acquired in December 2017 / April 2018 with the development scheduled to be finalised in two years.



100%
Ownership

41 300m²
Estimated lettable area

2020
Target opening

The Group is in progress of obtaining a building permit for the development of a 41,300m² GLA shopping mall in the south-eastern part of Targu-Mures, the seat of Mures county. A vibrant and multi-cultural city of 148,000 inhabitants, Targu Mures is also home to the most numerous urban Hungarian community in Romania.

The project will accommodate a large hypermarket, numerous fashion stores, food court and cinema with leisure areas.

Based on permitting and commercial factors it is expected that the project will be completed in 2020.

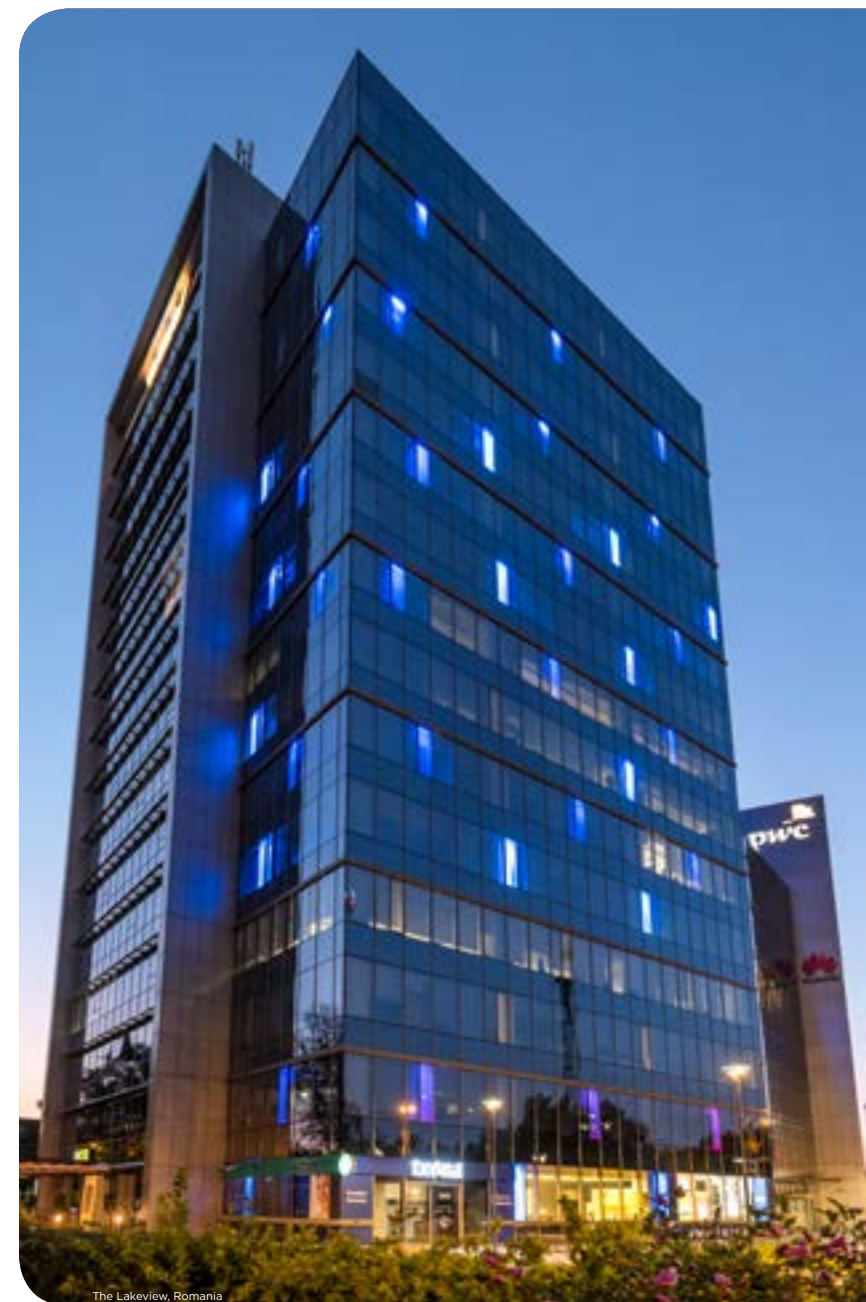
7

Corporate Governance update

Floreasca Business Park, Romania

Investor relations

- Public company with a broad range of regulators and oversight bodies in Europe and South Africa
 - Stock exchanges and financial services authorities in Europe and South Africa
 - Big 4 auditors
 - Local tax authorities and other regulators
 - Valuers
 - Rating agencies
- Quarterly business updates
- Whistleblowing hotline open with no relevant complaints to date
- Activists' campaigns: actions taken in light of recent market allegations:
 - Written rebuttal
 - Formal notification of all relevant regulatory bodies
 - Assessment of our legal options
- The Company encourages stakeholders to continuously monitor our website for first hand information and address their material concerns directly to us



Remuneration policy

Our Objectives

Remuneration related priorities

- To ensure our remuneration **motivates** people for performance while driving **value** delivery to **shareholders**
- To address to **shareholders' feedback** expressed at August 2018 AGM
- To align to **market standards**
- To be **compliant with King IV** requirements



Our Process

All Staff

- **Job analysis** and **pay benchmark** with international and local markets (Mercer pay survey)
- Reviewed and implemented **variable pay criteria linked directly to KPIs** and individual performance and salary increase principles

Executives

- **International benchmarks** for executives' pay, structure and policy – selected relevant comparison group
- **Gap analysis** – vs both European/ International/South African markets: Korn Ferry UK and PwC South Africa

Drivers of the process

- Process **driven by Remuneration Committee** – with close support of CEO and HR Director
- Use of professional consultants to achieve **most adequate policy** (PwC and Korn Ferry)

Our Way Forward

Disclosure

- **Increase transparency** of our remuneration policy, pay structures, pay levels, objectives and link between pay and business performance

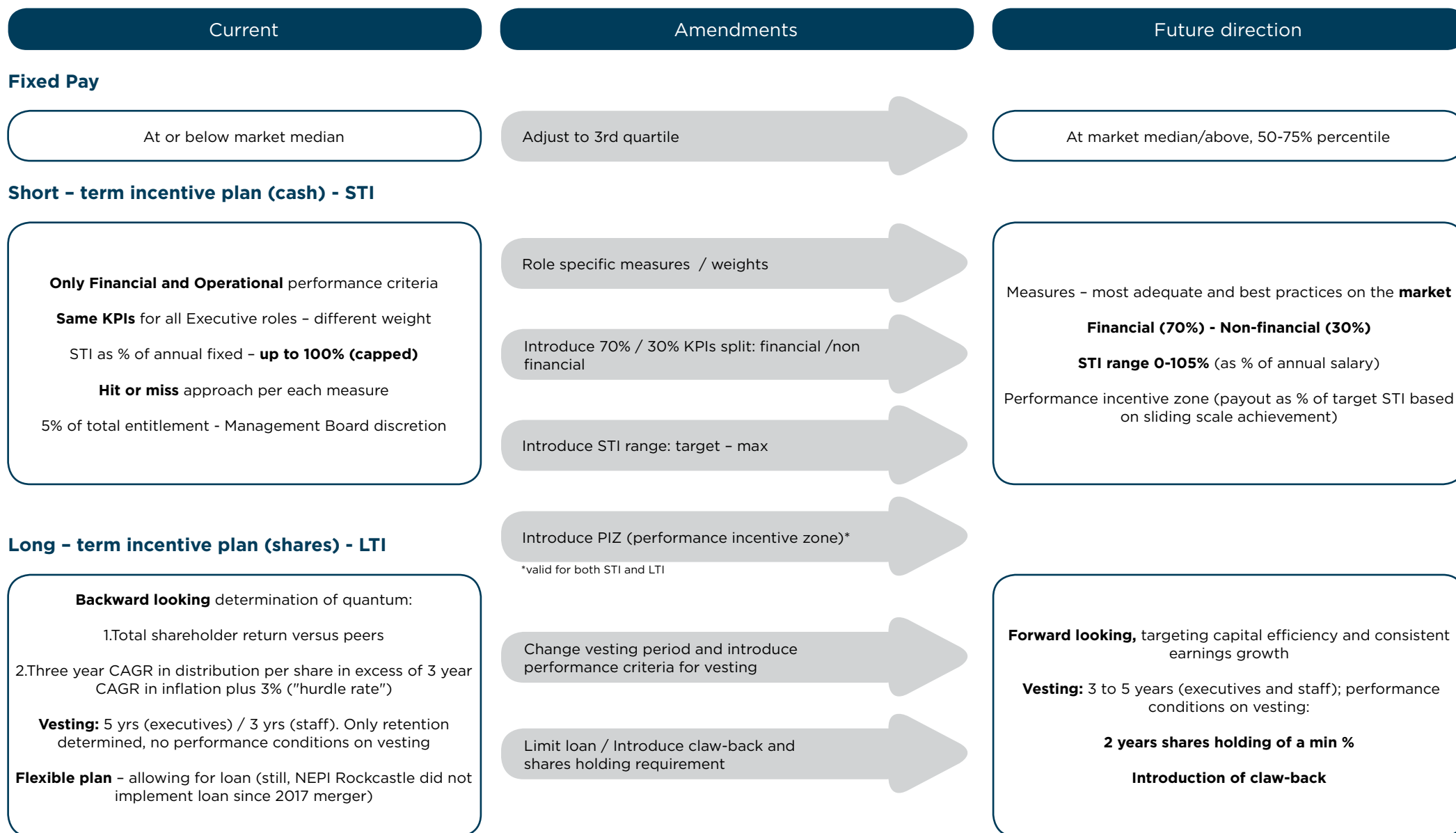
Alignment and Ethics of pay

- **Alignment** of all staff remuneration principles, pay structures **across all our countries**
- Bottom to top level **ratios** (increasing variable pay with seniority)

Principles of Executive pay

- Overall packages at **50%-75% percentile of relevant market**
- Conservative weight of **fixed / variable pay (approx. 30% / 70%)**
- Fixed pay – role, responsibilities and experience
- STIP – past performance, KPIs driven
- LTIP – forward looking, KPIs conditioned vesting

Remuneration policy » continued





8

Outlook

Conclusions

- Achievements:
 - » Earnings growth above peers
 - » Solid NOI and Turnover growth, with low Occupancy Cost Ratios and high collection rate
 - » Additional growth through acquisitions and development
 - » Strong balance sheet and investment grade rating
- Focus on:
 - » Asset management
 - » Selective development and acquisition pipeline
 - » Financial profile
- Best placed, ahead of peers in our region and sector
- Critical mass, platform, skill and geographic diversity
- Guidance - growth based on substantially controlled factors



Promenada Novi Sad, Serbia

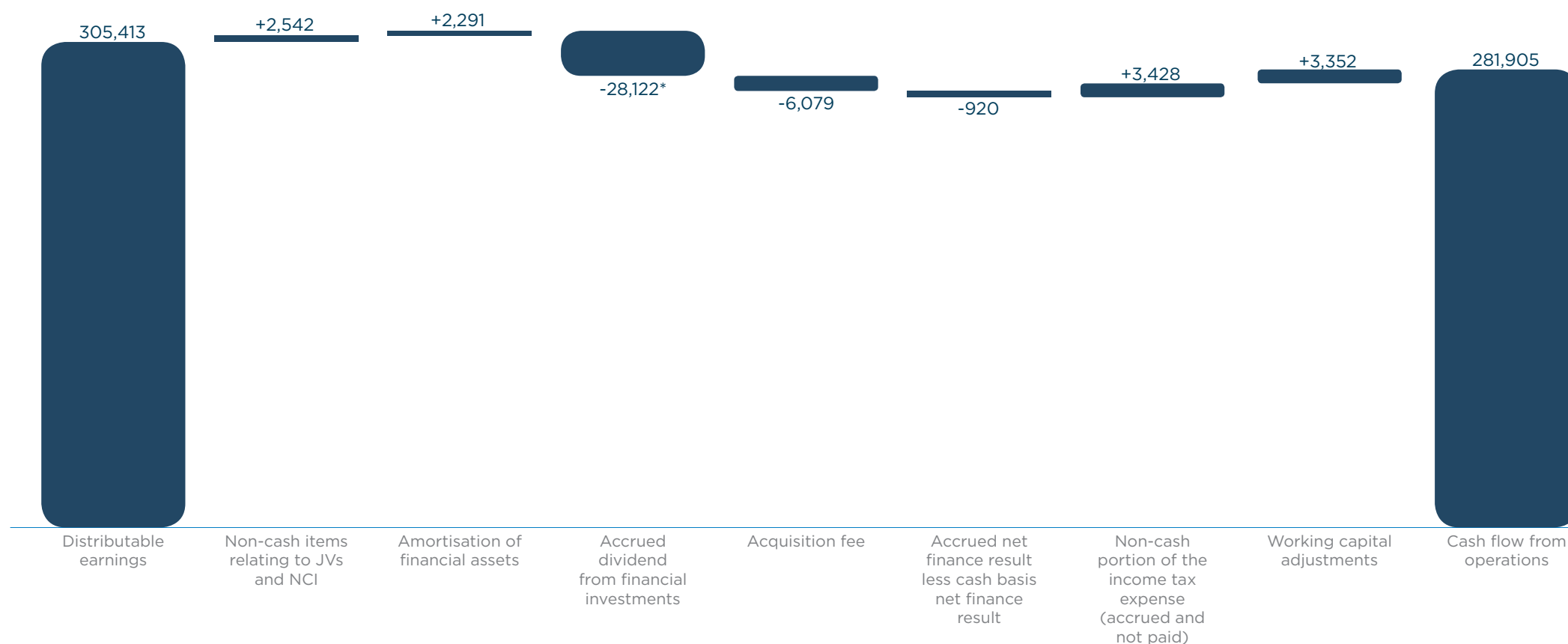
Appendix:

Reconciliation of profit for the period to EPRA Earnings and distributable earnings

amounts in €'000

EPRA Earnings	Dec 2018	Dec 2017
Earnings in IFRS Consolidated Statement of Comprehensive Income	221 855	(579 694)
Fair value adjustments of investment property	(108 411)	(162 022)
Fair value and net result on sale of financial investments at fair value through profit or loss	152 047	24 112
Gain on acquisition of subsidiaries / Sale of investment property	(6 933)	(9)
Goodwill impairment	-	886 167
Fair value adjustment of interest rate derivatives financial assets and liabilities	1 432	(500)
Acquisition fees	6 079	10 681
Deferred tax expense	45 326	46 199
Adjustments above in respect of joint ventures	(2 455)	(11 780)
Non-controlling interests	(236)	(226)
EPRA Earnings (interim)	164 104	76 743
EPRA Earnings (final)	144 600	136 185
EPRA Earnings	308 704	212 928
Basic number of shares for interim distribution	577 800 734	538 953 857
Basic number of shares for final distribution	577 800 734	577 800 734
EPRA Earnings per Share (EPS interim)	28.40	14.24
EPRA Earnings per Share (EPS final)	25.03	23.57
EPRA Earnings per Share (EPS)	53.43	37.81
Company specific adjustments:		
Amortisation of financial assets	(2 291)	(1 807)
Reverse foreign exchange loss	923	1 255
Add back realised foreign exchange loss	(913)	(766)
Reverse income from financial investments at fair value through profit or loss	(29 132)	(18 084)
Accrued income from financial investments at fair value through profit or loss	28 122	19 803
Antecedent dividend	-	56 392
Distributable Earnings (Interim)	153 041	126 423
Distributable Earnings (final)	152 372	143 298
Distributable Earnings	305 413	269 721
Distributable Earnings per Share (interim)	26.49	23.46
Distributable Earnings per Share (final)	26.37	24.80
Distributable Earnings per Share	52.86	48.26

From distributable earnings to cash flow from operating activities



*Dividends from financial investments are recognised on IFRS when the company's right to receive payment is established. For distribution purposes, whose computation is in line with the Best Practice Recommendations of the South African REIT Association, the dividends recognised under IFRS are reversed and an adjustment matching the income to the period for which the investment is held is made under "accrued dividend for financial investments". For cash purposes, the dividends from financial investments are recognised in "Cash flow used in investing activities" under the line "Income from financial investments at fair value through profit or loss".

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