NEPI ROCKCASTLE

CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

NEPI Rockcastle plc is incorporated and registered in the Isle of Man with registered number 014178V
Registered office: 2nd Floor, 30 Athol Street Douglas, Isle of Man, IM1 1JB
Share code: NEPI Rockcastle ISIN: IM00BDD7WV31 ('NEPI Rockcastle', 'the Group' or 'the Company')

DIRECTORS' COMMENTARY

All information below excludes joint ventures, unless otherwise stated

"We are delighted to report that the Group has achieved the targeted results in a competitive market. Twelve years since inception and three since the successful merger, our assets continue to outperform. Solidly growing footfall and retail sales are driven by our continued asset management efforts, focused on delivering locally-optimal tenant mixes and customer experience. The retail portfolio has further increased with the opening of high-quality developments and remains the largest and most dominant in the CEE. As we maintain a sound business profile with strong liquidity, we are delivering on our growing development pipeline and are confident of our ability to take advantage of all attractive opportunities in our markets." Alex Morar, CEO.

HIGHLIGHTS

STRONG GROWTH IN DISTRIBUTABLE EARNINGS

- Distributable earnings per share for the second half of 2019 (H2 2019) of 27.31 eurocents.
- Combined with interim distribution of 29.02 eurocents, produces an annual distribution of 56.33 eurocents.
- Distributable earnings are 6.6% higher than 2018 (52.86 eurocents), slightly above previously issued guidance of 6.5%.

OPERATIONAL PERFORMANCE

- Net rental and related income (referred to as Net Operating Income or 'NOI') of €401 million, 16% growth compared to €346 million in 2018.
- NOI increase for retail sector 6.2% on a like-for-like ('LFL') basis, with total rent increase 4.9%, driven by successful lease revisions and vacancy reduction.
- Lease agreements indexed on average by 1.7%.
- Turnover (variable) rent and overage rent (on top of fixed rent) represent 5.5% and 3.3% of gross rental income respectively.
- 325 million visits, 5.9% increase compared to 2018 and 1.5% increase LFL.
- Tenant turnover increased 6.8% LFL (excluding hypermarkets).
- Tenant turnover/m^2 increased 6.4% LFL (excluding hypermarkets).
- Collection rate remained 99.9%, with €0.8 million net expected credit losses and no significant retail failures.
- Sustainable occupancy cost ratio ('OCR') 11.9% on a total basis and 12.2% on a LFL basis (excluding hypermarkets), similar to 2018.
- EPRA vacancy rate across income-producing portfolio 2.1% as of December 2019, excluding 14,000m^2 Gross Leasable Area ('GLA') under refurbishment at Focus Mall Zielona Gora, Shopping City Buzau and Forum Liberec Shopping Centre. All properties have an EPRA occupancy of over 90%.

ROBUST BALANCE SHEET

- Portfolio valued at €6.3 billion, including Romanian offices held for sale and excluding carrying value of right-of-use asset related to leased land areas recognised as per IFRS 16, compared to €5.9 billion at the end of 2018.
- EPRA Net Asset Value ('EPRA NAV') per share of €7.32 and International Financial Reporting Standards ('IFRS NAV') per share of €6.83 compared to €7.09 and €6.66 in the previous year, respectively.
- Significant liquidity of €861 million, including cash, unused revolving facilities and a €77 million net listed securities portfolio (comprising Unibail-Rodamco-Westfield shares less related debt).
- Unsecured revolving facility increased from €400 million to €575 million (the new facility is Environmental, Social and Governance 'ESG'-linked).
- Fair value gains from the property portfolio of €135 million, mostly arising from higher NOI, while average portfolio yield is 6.82%, similar to the 6.84% average yield in 2018.
- Agreement signed to dispose of Romanian offices at IFRS NAV.
- Loan-to-value ratio ('LTV') 32%, below 35% strategic target and comfortably within 60% unsecured debt covenant (including investment property held for sale and excluding immaterial impact from IFRS 16).
- Investment grade ratings by Standard & Poor's and Fitch Ratings (BBB, stable outlook).
- Corporate Governance continuously improved.
- Developing a green framework, aimed at improving asset efficiency and attracting environmentally friendly (green) financing.
- Weighted average cost of debt 2.4%.
- Long-term interest rate exposure 100% hedged (excluding revolving facilities, fully available at year-end), with a remaining weighted average hedge term of 4.6 years.

EXCELLENT TENANT PERFORMANCE

Tenants' turnover grew strongly during 2019, illustrating high-performance of assets and strength of the Central and Eastern Europe ('CEE') economies.

COUNTRY HIGHLIGHTS (LFL)

Retail Performance Review 2019	NOI growth	Tenant sales growth	Footfall growth	OCR
	%	%	%	%
Retail LFL	**6.2**	**6.8**	**1.5**	**12.2**
Romania	6.3	10.5	1.3	12.2
Poland	5.2	2.7	2.7	11.0
Bulgaria	8.2	4.8	4.3	12.7
Slovakia	2.5	5.3	0.6	14.0
Hungary	9.9	5.8	(4.5)	13.4
Czech Republic	5.5	8.4	2.0	12.8
Serbia	9.7	13.7	3.2	11.9

**Croatia and Lithuania are excluded due to non-LFL portfolios.*

Romania: Very strong turnover reported by tenants as more items sold per purchase, due to more relevant retail mix, enhanced dominance and increased consumption.

Poland: Despite fewer trading days compared to the previous year, NOI improved due to increased footfall and turnover and rising rental income. Vacancy rose temporarily as a result of the strategy of substituting low-performing tenants for successful brands and new facilities. The Group will continue that strategy going forward. For example, in Bonarka City Center, Leroy Merlin will be replaced with fashion and fitness tenants and in Karolinka Shopping Centre, Agata Meble with Helios Cinema.

Bulgaria: NOI increased faster than tenant turnover, as temporarily empty units were leased during Paradise Center refurbishment: vacancy will gradually decrease until third quarter ('Q3') 2020 when work is estimated to complete. Additionally, the centre has introduced higher parking charges, following increased public parking taxes.

Slovakia: NOI growth lags behind average, despite increase in tenant turnover, because renewal cycles at Aupark Kosice Mall and Aupark Zilina have not yet commenced.

Hungary: Recently introduced parking charges, which typically decrease passive footfall in the short term, led to a reduction in footfall, further affected by Budapest's ongoing work on road infrastructure. NOI grew rapidly, mainly due to tenancy reviews.

OCR, comparing tenant costs (rent, service charges and marketing) with tenant turnover, is similar to 2018, although operating charges have generally risen due to increasing cost of utilities and labour throughout CEE. Current OCR levels are sustainable and healthy.

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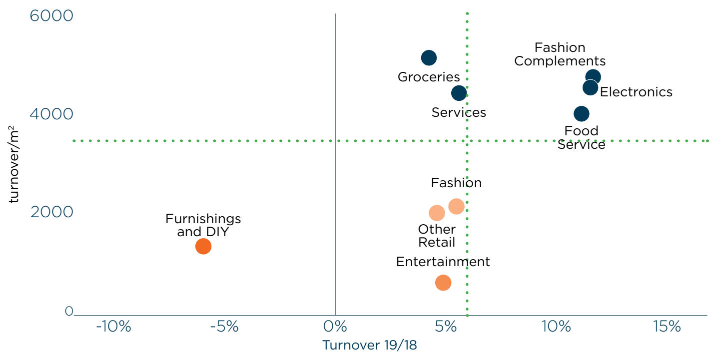
RETAIL SEGMENTS PERFORMANCE

Retail performance (tenant turnover/m² versus turnover growth LFL)

RETAIL CATEGORIES GROWTH*
2019 VS 2018 (LFL basis)



* *Excluding Non-GLA & Hypermarkets, including joint ventures*
LFL retail portfolio average

The fastest growing segments are Fashion Complements (jewellery, cosmetics, perfumeries, eyewear and fashion accessories), and Electronics, illustrating a change of shopping habits and an increase in disposable income across CEE. Food service (cafes, restaurants and fast food outlets) had the third biggest growth, highlighting an increase in socialising and leisure activities. The Group continuously monitors segment and tenant performance, developing strategies for individual properties. Refurbishment of Mega Mall and Forum Liberec Shopping Centre food courts illustrates active asset management initiatives aimed at maintaining or improving appeal.

Furnishing and DIY account for 6.5% of the total retail GLA. The turnover decrease is due to the replacement of Agata Meble with an entertainment operator, Helios Cinema, in Karolinka Shopping Centre.

Entertainment and wellness options include cinemas, bowling alleys, fitness clubs, kids' zone or children's areas, outdoor square for events, skating rinks, spa services, hair and nails salon services, massage therapy. Groceries had a slower growth than other segments despite maintaining high turnover/m², as neighbourhood convenience stores are increasingly popular across CEE at the expense of super and hyper-markets. The segment retains relevance as it drives footfall, and the Group is actively attracting smaller outlets, such as Kaufland in Promenada Sibiu.

Leisure and entertainment options such as cinemas, bowling, gyms, kids' playgrounds, spas and beauty salons and sit-down restaurants add significant value, by transforming the Group's centres into lifestyle destinations in their catchment areas.

ADAPTING TO THE CHANGING RETAIL ENVIRONMENT

BEST LOCATIONS IN RAPIDLY GROWING ECONOMIES

The Group's retail strategy is to own dominant malls in prime locations within the EU's fastest growing economies, in unsaturated markets.

97% of the portfolio is located in cities with catchment areas of over 150,000 inhabitants, while 45% of the portfolio is located in capital cities (and Krakow, considered similar to a capital city). Purchasing power in NEPI Rockcastle's catchment areas generally exceeds the national average. Additionally, investments in smaller cities are based on market factors, such as tenant demand and limited competition.

The vast majority of the properties are located centrally in those cities, at the intersection of main traffic arteries, with good access and visibility. Over 95% of NEPI Rockcastle's properties are accessible by public transportation, while more environmentally friendly amenities, such as bikes racks or electrical car charging stations are available or extended across the portfolio.

HIGH-QUALITY, DOMINANT CENTRES

During 2019, the Group enlarged its portfolio by 83,700m² through its developments and extensions completed in Romania, Poland, Croatia and Serbia. The Group's expansion is ongoing with 9 projects (developments and extensions) totaling more than 280,000m² GLA across four CEE countries.

The Group focuses on modern, high-quality assets, with 94% of the properties being less than 15 years old. Long-term, strong relationships with tenants lead to being the destination of choice for international retailers entering the Group's respective markets. The comprehensive offering and tenant mix drive rental growth, and extension options deter future competition.

NEPI Rockcastle has continually increased the quality of its portfolio by active asset management, and also by acquiring and developing dominant assets. In 2017, after merger, the Group operated in six countries, owning 34 retail assets (excluding strip centres) with an average GLA of 36,600m²; by the end of 2019 the Group was present in 9 countries with 46 malls (excluding strip centres) averaging 41,000m².

Total retail GLA has increased by 642,800m² since the merger, with €701 million investment in developments and €1.4 billion investment in acquisitions.

MIXED USE

The Group continues to invest in the development of mixed-use properties providing synergies with its shopping malls. For example, NEPI Rockcastle is committed to the development of the office component of the Promenada Mall extension in Bucharest, for an estimated cost (including additional parking) of €55 million. The Group is also planning residential developments adjacent to its shopping malls. These developments are currently in the design and permitting phase, have an estimated construction cost of €83 million, and the first units are expected to be completed in two years.

ONGOING STRATEGIC REVIEW

In May 2019, the Group sold its 50% stake in The Office Cluj-Napoca at a premium to IFRS NAV. Also, during December 2019 the Group entered into an agreement for the disposal of the Romanian office portfolio. The unconditional approval of the Romania Competition Council was obtained and the formalities with Trade Registry were successfully implemented in February 2020; the transaction is scheduled to close at the end of March 2020. Proceeds from disposals will fund the acquisition and development pipeline, which is estimated to have higher growth potential than offices. The new investments will continuously improve overall portfolio quality. The Group is constantly reviewing the portfolio performance, and non-core assets will be considered for disposal.

ACTIVE ASSET MANAGEMENT

The Group developments and extensions take into consideration the latest trends. Emphasis is placed on creating a modern, yet comfortable and friendly atmosphere, and ensuring sufficient entertainment options, the main factor attracting customers. The Group focuses on improving lighting, using quality materials and attractive colours, creating enticing and memorable entrances, raising ceiling height and designing attractive shopfronts. Similarly, improving accessibility and visibility is essential.

Particular attention is paid to the food and entertainment facilities, creating social and entertainment hubs. Typically, this involves improving tenant space quality and size, favouring full-service, sit-down restaurants and popular local cuisine, enlarging seating areas, adding terraces and maximising natural light. These initiatives produce measurable results. Footfall increase for recently completed refurbishments, extensions and redevelopments, ranges from 12% (Arena Centar) to 32% (Platan Shopping Centre). At Arena Centar, Zagreb, the partial refurbishment and extension raised tenant turnover by 12.2%. Similarly, the Mega Mall food court refurbishment (completed July 2019) improved turnover by 23.1% (64% higher than Romanian growth average). The Group also modernized food courts in Forum Liberec Shopping Centre, Shopping City Sibiu and Shopping City Buzau, increasing area and upgrading tenant mixes.

Opened in November 2019, Promenada Sibiu has a 3,500m² outdoor terrace while the dining and entertainment area accounts for 18% of total GLA.

DIRECTORS' COMMENTARY » continued

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Given Sibiu's appeal to tourists, and changes in visitor expectations, the new mall includes a large selection of full-service, sit-down restaurants, of which almost 30% are local operators, providing a wide variety of local, national and international flavours.

Similarly, Shopping City Targu Mures, opening in the second quarter ('Q2') 2020, will have sizeable food court and entertainment facilities, combining renowned brands such as Cineplexx, Chopstix, KFC, Mesopotamia and Salad Box as well as an arcade, a playground and a pub.

OMNICHANNEL FOCUS

NEPI Rockcastle's omni-channel strategy includes: (i) all centres adopting all delivery methods; (ii) adding successful omnichannel and online-only retailers to tenant mix, and (iii) building a platform enabling retailers to communicate with the catchment area community. Integration of omni-channel into the Group's activities is ongoing, and partnership with delivery companies and online retailers is already established.

Lower CEE e-commerce penetration, highly popular shopping centres and less high street outlets provide the perfect opportunity to successfully combine off and online retail, providing customers with the best of both worlds. The Group's collaboration with online retailers continued throughout 2019, with several new openings across the portfolio, including eobuwie, eMag and Notino. Notino has cross-border cooperation with NEPI Rockcastle and opened its first shops in Bulgaria, Hungary, Poland and Romania. Similarly, eobuwie extended its Polish portfolio, opening stores in Galeria Warminska and Karolinka Shopping Centre, while eMag, Romania's largest online marketplace operator, with a presence in Bulgaria and Hungary, relocated Sibiu's high-street showroom to the new Promenada Sibiu.

The assimilation of online delivery into the physical retail environment, click-and-collect, delivery points, integrates retailers' operations with customers' habits, resulting in higher footfall and increased sales due to up-selling.

Throughout 2019, the Group's portfolio hosted significant events and campaigns, such as light shows, educational lectures (including TEDx), stand-up comedy, fashion shows, rooftop parties, food truck events, culinary performances and live, national television broadcasts, which increased community integration. Children were treated to stimulating and educational presentations, including an interactive PAW Patrol exhibition, LEGO festival, sciences fairs and virtual reality (VR) contests.

DYNAMIC LEASING

LEASING STRATEGY

Leveraging the Group's strategic position and knowledge, all 2019 completed developments and extensions opened with over 93% letting.

In the past two years NEPI Rockcastle completed five greenfield retail projects totalling 137,500m² GLA, and 14 asset management initiatives resulting in extensions or refurbishments, of 243,000m² GLA, together representing 20% of the total portfolio. This demonstrates the Group's commitment to upgrading the portfolio and reacting to the latest trends.

In 2019, 715 new leases were signed (excluding extensions), of which 483 (9% of total active leases at portfolio level) were for existing properties, illustrating the Group's pro-active approach to improving tenant mix and offering customers the most successful concepts. In 2019, 165,000m² of new leases were secured. This extensive activity created a lower EPRA vacancy rate of 2.1% including temporary vacancies that allow new entries and improvements in the tenant mix. High occupancy is consistent throughout portfolio.

Electronics segment turnover is growing rapidly (11.5% LFL increase in 2019). During the past two years, the Group has attracted high-tech retailers, such as Hewlett-Packard, Garmin, Lenovo, Miele, Sony and Xiaomi, and right-sized the multi-brand concepts such as Altex, Elipso and Technopolis.

Lease terms have not changed significantly in recent years: the majority of tenants pay fixed rent plus turnover (on top of fixed rent), all leases are in euros, with rent and marketing fees annually indexed with consumer prices indices, and the vast majority of service charges are recoverable.

NEPI Rockcastle monitors tenant sales and replaces underperforming tenants in order to increase customer attractiveness and boost income potential. In Bulgaria, Forever 21 was replaced with the latest concept of the German shoe store, Humanic (929m²), in Paradise Center, and with Turkish retailer DeFacto (1,400m²) a market entry in the country, in Serdika Center (currently being furbished). Also, two underperforming cinemas were replaced with Cinema City in Mammut Shopping Centre and with Cineplexx in Iris Titan Shopping Center.

ANCHOR TENANTS

Top 10 tenants by passing rent*	
LPP Fashion (Cropp Town, House, Mohito, Reserved, Sinsay)	3.8%
Auchan	3.5%
Inditex (Bershka, Massimo Dutti, Oysho, Pull and Bear, Stradivarius and Zara)	3.1%
Carrefour	2.7%
H&M	1.9%
New Yorker	1.6%
CCC	1.4%
Peek&Clopenburg	1.3%
Deichmann	1.1%
C&A	1.1%
TOTAL	**21.5%**

** For turnover only tenants, the percentage above includes the fixed rent advanced payments only.*

Key tenant relationships are managed at group level by a dedicated team. Relying on its in-house expertise, the Group maintains direct and constant communication with important tenants and, as the CEE's largest retail landlord, has significant leverage when negotiating leases.

TENANT MIX

The Group ensures that its centres are customers' favourite places where they enjoy spending their time, whether shopping, dining or seeking entertainment. NEPI Rockcastle offers a strong, diversified range of retail and leisure activities, keeping pace with consumer needs and preferences. Management thoroughly assesses every opportunity to improve tenant mix during leasing cycle and reassert its dominant position via extensions or redevelopments.

Cross-border dialog with anchors leads to constant re-sizing and upgrading of leased areas, thus keeping properties refreshed, while the best and latest concepts always add value. The Group's strong relationship with major tenants has brought notable market entries and new concepts across portfolio throughout 2019.

In **Arena Mall (Budapest, Hungary)**, several new retailers, including Hugo Boss and Tommy Hilfiger, opened mono brand stores, while online perfumery Notino launched its first Hungarian store. Intimissimi Uomo opened its first Hungarian outlet, while Armani Exchange and Xiaomi joined the tenant mix, securing the centre's position as Budapest's premier retail destination.

In **Arena Centar (Zagreb, Croatia)**, Body Shop launched its first Croatian store, followed by the opening of the capital's first Hugo Boss mono-brand store. The adjacent retail park was joined by LC Waikiki.

At **Bonarka City Center (Krakow, Poland)**, Under Armour launched its second Polish outlet, while Levi's and Distance opened flagships. Monki also opened its first Polish store. Zara launched an enlarged concept, introducing the new branding.

Cocodrillo, Diverse and Top Secret opened new stores in **Focus Mall Piotrkow Trybunalski (Piotrkow Trybunalski, Poland)**.

At **Focus Mall Zielona Gora (Zielona Gora, Poland)**, Starbucks launched its first regional cafe, while YES jewellery and Pizza Hut opened stores.

DIRECTORS' COMMENTARY » continued

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Intimissimi and Tezenis enriched tenant mix at **Galeria Mlyny (Nitra, Slovakia)**. In **Galeria Warminska (Olsztyn, Poland)**, Pandora opened the first mono-brand outlet in the region.

50 style and Sizeer opened, increasing the variety of sporting goods on offer at **Galeria Wołomin (Wołomin, Poland).**

Several cinemas opened: Cineplexx at **Iris Titan Shopping Center (Bucharest, Romania)**, Cinema City at **Mammut Shopping Centre (Budapest, Hungary)** in December 2019, improving leisure facilities, and Helios is scheduled to open a cinema at **Karolinka Shopping Centre (Opole, Poland)** in the fourth quarter ('Q4') 2020.

In **Mega Mall (Bucharest, Romania)**, new food court tenants, such as Burger King (first in the country), Noodle Pack, Starbucks and Taco Bell opened, increasing the variety of cuisine on offer.

At **Paradise Center (Sofia, Bulgaria)**, Hippoland, the toy retailer, opened a sizeable playground, enhancing the recently remodelled basement level. Technopolis, the market-leading electronics retailer, relocated to the refurbished basement floor. CCC and Nespresso opened their largest Bulgarian outlets, Humanic launched a new shop and Notino opened its first Bulgarian offline store. Burger King, Pizza Lab and OLA joined the food court.

Premium brands, including Bigotti, Lynne and Nissa opened, enhancing the variety of fashions brands on offer in **Promenada Mall (Bucharest, Romania)**.

In **Serdika Center (Sofia, Bulgaria)**, Ginger Layout opened a 330-seat restaurant, out of which 110 are located in a spacious perennial garden. Also, multinational sporting brand ASICS opened a concept store. Kenvelo, Miniso and s.Oliver joined the centre.

Czas na Herbate, home&you, Minty Dot, Semilac and Tatuum opened in **Solaris Shopping Centre (Opole, Poland)**.

CEE AS AN OPPORTUNITY

CEE economies are demonstrating high potential for growth, with Gross Domestic Product ('GDP') growth outperforming Western Europe, and strong fundamentals in terms of inflation, employment and consumption per capita.

Private consumption per capita in CEE countries is starting from a much lower base, ranging between 20%-61% of the EU15 average. Consumer spending has demonstrated healthy growth in the past 15 years, and is expected to grow at impressive rates over the next ten-year period: from 45%-55% in Czech Republic and Slovakia to 64%-71% in Poland, Romania and Hungary and 89% in Serbia (compared to 32% for EU15). Such impressive growth is expected to attract significant investments in the public and real estate sector, resulting in resilient yields for dominant shopping centres.

Real GDP follows a positive trend in 2019-2024, with an average growth of 3% in Eastern Europe, compared to 1.6% on a European level. On average, the Compound Annual Growth Rate ('CAGR') of real personal disposable income in Bulgaria, Hungary, Poland, Romania and Serbia is set to grow 2.5% between 2020 and 2024, almost double the CAGR average of developed economies such as France, Italy, Germany, Spain and the United Kingdom.

An additional supporting factor is the existence of significant traditional grocery trade in CEE: approximately 40% of the grocery trade in Romania and Poland is still traditional, compared to 3% in Germany; its expected convergence to modern retail will provide additional growth to the Group's assets.

Physical retail's full potential is yet to be reached: the shopping centres per capita quota is lower in CEE than Western Europe represents one tenth of the US supply, while the former's malls are more modern. Furthermore, online penetration in the Group's top five markets is low 5.5%, compared to Western Europe (10%) and North America (13.8%).

Retail stock is more modern in the CEE, with an average of 60% of total stock having been developed between 2007-2017 compared to the overall 40% European average. At the same time, most of the Group's markets are undersupplied compared to the European average; countries such as Bulgaria, Serbia and Romania are heavily undersupplied, with a density almost three times lower than continental averages.

Selective macroeconomic indicators in NEPI Rockcastle's main markets compared with Western Europe and US:

	RO	PL	BG	HU	SK	*WE*	*US*
GDP growth	3.8%	4%	3.8%	4.8%	2.4%	1.2%	2.3%
Inflation	3.9%	2.2%	2.9%	3.2%	2.7%	1.3%	1.8%
Consumption growth per capita (10 years horizon)	71%	64%	60%	71%	54%	32%	48%
Modern retail supply (m²/'000 inhabitants)	107	281	103	127	227	351	2,000
E-commerce penetration (2019)	4%	7%	2%	6%	6%	10%	14%

Markets not included in table account for 12% of the portfolio, based on the fair value of the NEPI Rockcastle's properties; Sources: GlobalData 2018;

The resilience of the asset base valuations is supported by more prudent yields in CEE than in Western Europe. For example, prime shopping centre yields in CEE capital cities range between 5% and 8%, compared to 3-5% in Western Europe.

DEVELOPMENTS AND EXTENSIONS

The Group strategically invests in developments contributing to growth in distributable earnings or improving the portfolio's long-term prospects. NEPI Rockcastle's development pipeline exceeds €1.1 billion (including redevelopments and extensions, estimated at cost), of which €201 million was spent by December 2019. Of the capital, only 16% has been committed, providing flexibility with regard to prioritising and scheduling projects.

COMPLETED DEVELOPMENTS AND EXTENSIONS

Shopping City Sibiu extension and refurbishment (Sibiu, Romania; 4 April 2019)
With 83,200m² GLA, this is the region's largest shopping centre, catering to diverse tastes with numerous fashion brands and two hypermarkets. The Group finalised a 3,800m² GLA extension and 56,100m² refurbishment in April, including a new level dedicated to dining and entertainment, with an open-air terrace. Several fashion anchors were added, such as Cropp, DeFacto (first Romanian store), House, LC Waikiki, Mohito, Reserved and Smyk. Some existing stores were refurbished and extended, for instance CCC, Douglas, Humanic and Noriel. The new food court combines international brands like KFC and Taco Bell with successful national tenants such as Insieme, Pepp&Pepper and Salad Box. Based on the updated schedule, the cinema will be operational in Q1 2020.

Braila Mall food court refurbishment (Braila, Romania; 20 April 2019)
The newly refurbished food court with additional seating and new fast food outlets, plus a new playground, refreshed this mall in Braila, the county capital and a Danube port with 205,000 residents.

Pogoria Shopping Centre extension (Dabrowa Gornicza, Poland; 30 April 2019)
Pogoria Shopping Centre, located in the city centre, is the largest shopping and entertainment destination for 121,000 residents. The extension involved extending CCC and Deichmann with limited impact on operations, and generated an increase in tenant turnover.

Solaris Shopping Centre (Opole, Poland; 9 May 2019)
Solaris Shopping centre, located in central Opole, is the city's main fashion and lifestyle destination, boasting the latest facilities in entertainment and the only cinema. It appeals to a broad range of customers and is a popular venue for shopping, business and socialising. Opole is the historic capital of Upper Silesia with 128,000 residents, 275,000 within 30-minutes drive. The 9,000m²

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GLA extension was completed in May 2019, and boasts a new multi-storey underground car park and new town square abutting the main thoroughfare. The extension unlocks the centre's full potential, providing additional space for tenants' latest concepts, attracting new brands, creating a modern food court and improving cinema access. The design visually and functionally integrates the existing centre with the new extension. Not only were common areas refurbished, but most shops were also renovated.

Arena Park (Zagreb, Croatia; 17 May 2019)
NEPI Rockcastle opened a fully-occupied retail park, in excess of 8,000m², in Zagreb, the Croatian capital with 802,000 residents, raising the total area of the Arena retail scheme to 75,200m² GLA and consolidating its position as the country's premier retail destination.

Krusevac Shopping Park (Krusevac, Serbia; 26 September 2019)
This 8,600m² completed construction was fully-let at opening, housing seventeen well-known national and international brands such as CCC, DeFacto, Deichmann, dm, LC Waikiki, LPP, New Yorker, Tom Tailor.

Promenada Sibiu (Sibiu, Romania; 14 November 2019)
This 42,500m² GLA mall, within walking distance of the historical centre and next to the train station, opened with 99% occupancy after 16-months' construction. It has 140 tenants, open-air terrace, three floors of retail and leisure and a three storey car park.

Shopping City Buzau extension and refurbishment (Buzau, Romania; 4 December 2019)
Already the city's star attraction, due to its location and unrivalled infrastructure, this mall was refurbished and extended to include a Cinema City, food court and several new fashion brands, with work commencing in October 2018. Buzau is a city with 133,000 residents and the capital of a county with approximately 430,000 inhabitants. The first phase successfully opened at the beginning of August 2019, fully let. The second phase, including the food court, was opened on 4 December 2019. The final phase, the refurbishment of the existing ground floor, construction of an outdoor terrace, adjacent to the food court, and a cinema is planned for Q2 2020. When completed, the centre will have 23,700m² GLA.

DEVELOPMENT AND EXTENSION PIPELINE

Arena Mall (Budapest, Hungary)
Extension and refurbishment designs are progressing, with the Environmental Impact Assessment application submitted on 5 December 2019.

Bonarka City Center (Krakow, Poland)
Following previous extension, which involved opening a larger, refurbished Zara and adding new tenants such as Reserved and Peek & Cloppenburg, the next extension phase continues, adding more GLA, improving vertical communication and upgrading communal areas. Units will be available from February 2020 and 60% of structural works are complete.

Forum Liberec Shopping Centre (Liberec, Czech Republic)
In Q4 2019, the food court was refurbished, dm-drogerie was extended and renovated and vertical communication was upgraded, significantly improving access and visibility between floors. The full refurbishment of the shopping centre is scheduled to be completed by May 2020.

Focus Mall Zielona Gora (Zielona Gora, Poland)
Extension and refurbishment are progressing smoothly. In the extension, earthworks, foundations and two floors are complete, with only two parking levels remaining unfinished. Renovation of existing common areas, food court and new toilets will be completed by November 2020.

Promenada Mall (Bucharest, Romania)
Planning permission was obtained in October 2019, and the building permit is estimated to be obtained during 2020. Procurement commenced, and the updated schedule includes an estimated completion for the retail extension in Q2 2022 and the offices in Q3 2022. The extension of this centrally located mall, will add a multiplex cinema, hypermarket and a selection of trendy restaurants and fashion brands.

The mall is located in Bucharest's main office district, and this extension has always included an integrated office tower working in synergy with the retail component.

Promenada Craiova (Craiova, Romania)
The Group is planning to construct a 56,500m² GLA modern retail and entertainment destination in Craiova, one of Romania's major cities. An inner-city development, with more than 300,000 inhabitants, the mall will have a diverse tenant mix, including regional and international fashion and beauty brands, leisure and entertainment areas and over 2,500 parking bays. Planning permission is ongoing, and opening is scheduled for Q3 2021.

Ozas Shopping and Entertainment Centre (Vilnius, Lithuania)
Basement refurbishment and extension commenced, creating additional GLA, while leases were signed with Adventica, Lithuania's biggest children's playground provider (opening April 2020) and Pet City (opening November 2020).

Promenada Plovdiv (Plovdiv, Bulgaria)
After receiving zoning approval the building permit is being completed, and work is scheduled for completion in Q3 2021.

Shopping City Buzau (Buzau, Romania)
After the successful extension opening, the refurbishment is scheduled for completion in Q2 2020.

Shopping City Targu Mures (Targu Mures, Romania)
Shopping City Targu Mures, in the south-eastern part of Targu Mures, the capital of Mures County, is near completion. Vibrant and multicultural, with 149,000 inhabitants, Targu Mures is home to one of the largest urban Hungarian community in Romania. The project is scheduled to open in Q2 2020, and tenants include Carrefour, CCC, Cineplex, Flanco, eMag, Hervis, Intersport, KFC, LC Waikiki, LPP (Cropp, House, Reserved, Sinsay) and New Yorker.

CASH MANAGEMENT AND DEBT

The Group strengthened its liquidity profile consisting of €209 million in cash, €575 million in available unsecured revolving facilities and €77 million in net-listed securities. An ESG-linked €175 million three-year unsecured revolving credit facility (RCF) with two one-year extension options was signed during December 2019, and includes a non-committed accordion clause allowing the increase of the facility by up to an additional €150 million. The facility's interest margin varies based on the Group's credit and ESG rating.

NEPI Rockcastle's LTV was 32% on 31 December 2019, below the 35% strategic target and comfortably within the 60% unsecured debt covenant. The Group has complied with all financial covenants during the year. The ratios calculated for all unsecured loans and bonds continue to show ample headroom compared to the covenants:

- Solvency Ratio: 37% (maximum 60%);
- Consolidated Coverage Ratio: 6.58 (minimum 2); and
- Unsecured Ratio: 290% (minimum 150%/180%)

In May and October 2019, after roadshows with European fixed-income investors, NEPI Rockcastle issued a total of €1 billion unsecured Eurobonds. These successful issues enable the Group to compete more effectively long-term in CEE real estate markets. Part of the proceeds were used for refinancing of secured and unsecured loans and the repurchase of €200 million nominal value of the bonds due in February 2021. The remaining 2021 bond outstanding amount of €197.8 million was fully repurchased in January 2020.

The active liability management approach has increased the average debt maturity, which further to these bond issues and full repurchase of the February 2021 bonds reached 4.1 years. Currently, NEPI Rockcastle has no outstanding loans or bonds due in 2020, and only €243 million due in 2021 (12% of total debt).

On 31 December 2019, fixed-coupon bonds represented 74% of outstanding debt, and, of the remaining long-term debt exposed to Euribor, 68% was hedged with interest rate caps and 32% with interest rate swaps.

During the year, 50% of shareholders elected to receive their dividend as a return of capital, by way of an issue of new shares instead of cash, leading to a €161 million equity issue. The significant support from its shareholders empowers NEPI Rockcastle to further invest in its acquisition and development pipeline.

DIRECTORS' COMMENTARY » continued

All information below excludes joint ventures, unless otherwise stated

The Company continually evaluates its financing options, including debt and equity capital raising alternatives, to support its future growth and will assess market opportunities as they arise, while keeping in mind the strategic objective to broaden its shareholder base and maintain an optimal capital structure. Depending on market conditions, the Group may initiate a repurchase of issued bonds or shares during the following reporting periods.

ACCOUNTING, AUDIT AND VALUATION MATTERS

VALUATION

NEPI Rockcastle fair values its portfolio bi-annually. Fair value is determined by external, independent professional valuers, with appropriate and recognised qualifications and recent experience in the location and category of property being assessed.

Appraiser	Locations	Percentage of total portfolio
Jones Lang LaSalle (JLL)	Bulgaria, Croatia, Czech Republic, Hungary, Serbia, Slovakia	32%
Cushman & Wakefield	Hungary, Lithuania, Poland	31%
Colliers International	Romania	32%
DTZ (Cushman & Wakefield affiliate partners)	Romania	5%
Total		**100%**

The fair value gain on investment property during 2019 was €135 million, mainly due to increases in NOI. The average yield resulting from the fair value of the Group's portfolio and its passing rent was 6.82% (including the Romanian office portfolio held for sale), similar to the average yield for 2018 of 6.84%. The constant level of valuation yield supports the sustainable valuation of the Group's high-quality portfolio.

NEPI Rockcastle's yield sustainability is well supported by the two disposal transactions entered into by the Group, at a premium or at the IFRS NAV of the respective properties: the disposal of NEPI Rockcastle's 50% stake in The Office Cluj-Napoca was completed in May 2019 at a premium to IFRS NAV, and the disposal of its Romanian office portfolio, to be finalised by the end of March 2020, is expected to be completed for an estimated cash consideration in line with the IFRS NAV of the properties (final price will be determined on the basis of the financial statements at the completion date; please refer to Note 16 in the Consolidated Financial Statements)

Country	Segment	Prime Yield*	NEPI Rockcastle Capitalization rate 2019 **
Romania	Retail	6.50%	7.25%
Romania	Office	7.25%	7.25%
Romania	Industrial	8.25%	9.75%
Poland	Retail	4.75%	6.00%
Slovakia	Retail	5.75%	6.50%
Slovakia	Office	5.75%	7.50%
Czech Republic	Retail	4.90%	6.50%
Bulgaria	Retail	7.25%	7.25%
Bulgaria	Office	8.00%	8.00%
Serbia	Retail	8.00%	8.25%
Hungary	Retail	5.00%	6.25%
Croatia	Retail	7.00%	7.50%
Lithuania	Retail	6.75%	7.25%

** Source: JLL, Colliers, Cushman & Wakefield, Q4 2019*
*** Percentages represent averages weighted by Market Values and rounded to the closest 25 bps*

IMPACT OF ADOPTION OF IFRS 16 LEASES

The IFRS 16 Leases Standard has replaced the IAS 17 standard, effective from 1 January 2019. The standard provides reporting entities with instructions on the accounting treatment of leases in the lessee's financial statements, changes the definition of leasing and sets the principles regarding the recognition of leases in the balance sheet, both as a right-of-use asset and a lease liability. The application of the standard did not result in any changes to the accounting treatment of leases where the Group acts as the lessor.

For the majority of the Group's leases where NEPI Rockcastle acts as the lessee, the Consolidated Financial Statements present assets and liabilities pertaining to these leases. NEPI Rockcastle recognised right-of-use assets from leases of land areas as part of investment property, in the amount of €32.5 million on 1 January 2019. The lease liability has been valued to a similar amount, by discounting the lease payment liabilities of the leases to their present value, using as the discounting factor the incremental borrowing rate on 1 January 2019 in the market where the lease agreement was concluded. The impact on the Consolidated Statement of Comprehensive Income and on the Consolidated Statement of Cash Flows is immaterial. Further details are presented in Note 3 to the Consolidated Financial Statements.

EXTERNAL AUDIT

The audit report on the Group's Consolidated Financial Statements has been issued by PricewaterhouseCoopers 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 audit the stand alone IFRS financial statements of the respective subsidiaries and issue their interoffice audit reports to PricewaterhouseCoopers Isle of Man.

EPRA INDICATORS

The Group became a member of EPRA in 2018, and already in the first year of reporting according to its guidelines it has received the BPR Silver award for the first year of EPRA membership. The Group is committed to continuously improving its disclosures, in alignment with best practices.

EPRA indicators	2019	2018
NAV per share (€)	7.32	7.09
Earnings (€million)	330.6	308.7
Earnings per share (eurocents)	55.12	53.43
Net Initial Yield (NIY) (%)	6.65	6.74
Topped-up NIY (%)	6.71	6.82
Vacancy rate (%)	2.1	2.8
Cost ratio (including direct vacancy costs) (%)	8.1	8.9
Cost ratio (excluding direct vacancy costs) (%)	8.0	8.8

ESG FOCUS

Corporate Governance is an integral part of the Group's strategy and continues to be a priority. NEPI Rockcastle is actively monitoring its compliance with the King IV Report on Corporate Governance in South Africa, and voluntarily implements selected principles recommended in the UK and Dutch codes. The Board nominated the Audit Committee to support this compliance and advise on best practice, which resulted in a comprehensive review of various internal policies. PricewaterhouseCoopers has been engaged to review the design effectiveness of the internal controls regarding corporate governance.

In April 2019, Sustainalytics, a leading independent global provider of ESG research and rating, appraised the Group's risk as Low, concluding that there is a small risk of experiencing material financial impact from such factors, due to low exposure to, and average management of, relevant issues. NEPI Rockcastle is noted for its strong corporate governance, reducing overall risk, and is committed to being a responsible corporate citizen focused on long-term sustainable growth. NEPI Rockcastle was also included in the FTSE4Good index (founded by FTSE Russell) measuring the performance of companies demonstrating strong ESG.

The Financial Services Conduct Authority (FSCA) in South Africa closed all pending investigations related to NEPI Rockcastle: namely, insider trading, false or misleading reporting and prohibited trading practices. The FSCA found no

DIRECTORS' COMMENTARY » continued

All information below excludes joint ventures, unless otherwise stated

substance in the allegations raised and closed the investigations with no claims against the Group.

In April 2019, the Group welcomed its newest independent non-executive director, Mr. Andreas Klingen, an experienced professional with strong expertise in financial markets, investments, real estate and retail.

NEPI Rockcastle is increasing its long-term commitment to sustainability by setting up a Green Framework, enhancing the portfolio and the transparency of its business operations, as well as disclosures.

On 31 December 2019, 51% portfolio was certified BREEAM Very Good or Excellent. The Group intends to have more than 60% of assets BREEAM certified at least Very Good by mid-2020, and 75% by the end of the year.

During 2019, the Group initiated a Centralised Building Operation System, integrating individual properties into a single Building Operations Centre, allowing coordinated asset management. Phase One, system implementation across at least 33% of the portfolio, will be completed by the end of 2020. Phase Two will extend the implementation to the rest of the portfolio by 31 December 2021.

NEPI Rockcastle's shopping centres hosted over 90 social responsibility campaigns, including educational, anti-pollution or environmentally sustainable initiatives, providing positive benefits for involved communities.

Further information will be included in the Group's 2019 Annual Report.

DISTRIBUTABLE EARNINGS

The Group achieved 27.31 eurocents in distributable earnings per share for the second half of 2019, which, aggregated with the 29.02 eurocents distribution for the six months ended 30 June 2019, resulted in a total distribution of 56.33 eurocents for the year ended 31 December 2019. The 2019 distribution is 6.6% higher than 2018's 52.86 eurocents, and slightly above previously issued guidance. The strong results reflect the solid performance of assets and management, and the quality of developments completed.
The Board of Directors declares a distribution of 27.31 eurocents per share for the second half of 2019.

Shareholders can elect to receive the distribution either in cash or as an issue of fully-paid shares based on a ratio between the distribution declared and the reference price. The reference price will be calculated based on the five-day volume-weighted average traded price, less distribution, of NEPI Rockcastle shares on the JSE. The Group reserves the right to limit the total allocation of shares as a percentage of the total distribution. 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 in due course.

PROSPECTS AND EARNINGS GUIDANCE

Distributable earnings per share for 2020 are expected to be approximately 6% higher than the 2019 distribution. This guidance is based on the assumptions that acquisitions are concluded as planned, developments are delivered as scheduled, a stable macroeconomic environment prevails and no major corporate failures occur.

This forecast has not been audited or reviewed by NEPI Rockcastle's auditors and is the responsibility of the Board of Directors.

By order of the Board of Directors

Alex Morar
Chief Executive Officer

Mirela Covasa
Chief Financial Officer

20 February 2020

BASIS OF PREPARATION

The Condensed Consolidated Financial Results for the year ended 31 December 2019 have been extracted from the audited financial statements for the year ended 31 December 2019, without being audited itself.

The condensed consolidated financial results for the year ended 31 December 2019 have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB"), the presentation and the disclosure requirements of IAS 34 Interim Financial Reporting and the JSE Listings Requirements. The accounting policies which have been applied are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2018.

The directors take full responsibility for the preparation of the condensed report and for ensuring that the financial information has been correctly extracted from the underlying audited annual financial statements. The Directors confirm that the Condensed Consolidated Financial Statements give a true and fair view of the state of affairs of the Group for the year ended 31 December 2019 as well as the comparative period presented. The auditors, PwC, have issued their unmodified audit report on the annual financial statements for the year ended 31 December 2019 and a copy of the audit opinion, together with the underlying audited annual financial statements is available on the website.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial statements.

EPRA DEFINITIONS

EPRA Earnings: Profit after tax attributable to the equity holders of the Group, 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 or year-end.

EPRA Vacancy Rate: Vacancy rate computed based on estimated rental value of vacant space compared to the estimated rental value of the entire property.

EPRA Topp-up Yield: EPRA Net Initial Yield adjusted in respect of the annualised rent free at the balance sheet date.

EPRA Cost ratio: The purpose of the EPRA cost ratio is to reflect the relevant overhead and operating costs of the business. It is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administration expenses (excluding exceptional items) as a percentage of gross rental income.

CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

NEPI Rockcastle plc is incorporated and registered in the Isle of Man with registered number 014178V
Registered office: 2nd Floor, 30 Athol Street Douglas, Isle of Man, IM1 1JB
Share code: NEPI Rockcastle ISIN: IM00BDD7WV31 ('NEPI Rockcastle', 'the Group' or 'the Company')

All amounts in €'000s unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 Dec 2019	31 Dec 2018
ASSETS		
Non-current assets	**6 169 170**	**6 116 059**
Investment property	6 022 600	5 911 070
- Investment property in use	5 800 759	5 688 610
- Investment property under development	221 841	222 460
Goodwill	76 804	93 070
Deferred tax assets	15 209	13 739
Investments in joint ventures	22 844	49 185
Long-term loans granted to joint ventures	21 220	21 311
Other long-term assets	7 590	19 039
Derivatives financial assets at fair value through profit or loss	2 903	8 645
Current assets	**467 191**	**374 628**
Trade and other receivables	89 383	80 750
Financial investments at fair value through profit or loss	169 062	168 339
Cash collateral	-	27 784
Financial assets at fair value through profit or loss	-	831
Cash and cash equivalents	208 746	96 924
Assets held for sale	**337 739**	**11 957**
Total assets	**6 974 100**	**6 502 644**
EQUITY AND LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	**4 096 880**	**3 845 873**
Equity attributable to equity holders	**4 090 672**	**3 839 772**
Share capital	5 998	5 778
Share premium	3 625 348	3 625 568
Other reserves	(3 627)	-
Accumulated profit	462 953	208 426
Non-controlling interest	**6 208**	**6 101**
Total liabilities	**2 877 220**	**2 656 771**
Non-current liabilities	**2 687 397**	**2 221 338**
Bank loans	574 112	930 048
Bonds	1 677 779	892 397
Deferred tax liabilities	354 756	351 187
Other long-term liabilities	74 036	44 981
Derivatives financial liabilities at fair value through profit or loss	6 714	2 725
Current liabilities	**150 785**	**435 433**
Trade and other payables	130 411	159 786
Bank loans	9 815	265 006
Bonds	10 559	10 641
Liabilities held for sale	**39 038**	**-**
Total equity and liabilities	**6 974 100**	**6 502 644**
Net Asset Value per share (euro)	6.83	6.66
EPRA Net Asset Value per share (euro)	7.32	7.09
Number of shares for Net Asset Value/EPRA Net Asset Value per share	599 797 201	577 800 734

All amounts in €'000s unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 Dec 2019	31 Dec 2018
Net rental and related income	**400 738**	**346 070**
Gross rental income	407 139	349 907
Service charge income	176 841	151 826
Property operating expenses	(183 242)	(155 663)
Administrative expenses	(21 550)	(22 022)
EBITDA*	**379 188**	**324 048**
Net result from financial investments	**23 651**	**(122 915)**
Income from financial investments at fair value through profit or loss	12 560	29 132
Fair value and net result on sale of financial investments at fair value through profit or loss	11 091	(152 047)
Transaction fees	(5 411)	(6 079)
Fair value adjustments of investment property	134 709	108 411
Foreign exchange loss	(907)	(923)
Gain on acquisition of subsidiaries	446	6 933
Gain on disposal of assets held for sale	123	-
Gain on disposal of joint venture	3 588	-
Profit before net finance expense	**535 387**	**309 475**
Net finance expense	**(52 517)**	**(39 859)**
Interest income	1 938	2 444
Interest expense	(52 494)	(40 318)
Other net finance expense	(1 961)	(1 985)
Fair value adjustment of derivatives and losses on extinguishment of financial instruments	(23 743)	(1 432)
Share of profit of joint ventures	5 872	8 329
Impairment of goodwill	(5 956)	-
Profit before tax	**459 043**	**276 513**
Income tax expense	**(42 701)**	**(54 808)**
Current tax expense	(11 331)	(9 482)
Deferred tax expense	(31 370)	(45 326)
Profit after tax	**416 342**	**221 705**
Total comprehensive income for the year	**416 342**	**221 705**
Profit attributable to:		
Non-controlling interest	107	(150)
Equity holders	**416 235**	**221 855**
Total comprehensive income attributable to		
Non-controlling interest	107	(150)
Equity holders	**416 235**	**221 855**
Weighted average number of shares in issue	585 511 850	577 800 734
Diluted weighted average number of shares in issue	585 511 850	577 800 734
Basic/diluted earnings per share (euro cents)	71.09	38.40

** EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) represents the Group's Operating profit, defined as Net rental and related income less Administrative expenses.*

All amounts in €'000s unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share capital	Share premium	Other reserves	Accumulated profit	Non-controlling interest	Total
Balance at 1 January 2018	**5 778**	**3 625 568**	**-**	**282 897**	**476**	**3 914 719**
Transactions with owners	-	-	-	(296 326)	5 775	(290 551)
– Issue of shares	-	-	-	-	5 775	5 775
– Earnings distribution	-	-	-	(296 326)	-	(296 326)
Total comprehensive income	-	-	-	221 855	(150)	221 705
– Profit for the year	-	-	-	221 855	(150)	221 705
Balance at 31 December 2018	**5 778**	**3 625 568**	**-**	**208 426**	**6 101**	**3 845 873**
Balance at 1 January 2019	**5 778**	**3 625 568**	**-**	**208 426**	**6 101**	**3 845 873**
Transactions with owners	220	(220)	(3 627)	(161 708)	-	(165 335)
– Issue of shares	220	(220)	-	-	-	-
– Shares under the LTSIP*	-	-	(3 842)	-	-	(3 842)
– Share based payment expense	-	-	215	-	-	215
– Earnings distribution	-	-	-	(161 708)	-	(161 708)
Total comprehensive income	-	-	-	416 235	107	416 342
– Profit for the year	-	-	-	416 235	107	416 342
Balance at 31 December 2019	**5 998**	**3 625 348**	**(3 627)**	**462 953**	**6 208**	**4 096 880**

**LTSIP = debt free Long-Term Share Incentive Plan with a vesting component*

All amounts in €'000s unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

RECONCILIATION OF PROFIT FOR THE YEAR TO DISTRIBUTABLE EARNINGS	31 Dec 2019	31 Dec 2018
Profit for the year attributable to equity holders	**416 235**	**221 855**
Reverse indirect result	**(97 402)**	**58 876**
Foreign exchange loss	907	923
Transaction fees	5 411	6 079
Fair value adjustments of investment property for controlled subsidiaries	(134 709)	(108 411)
Gain on acquisition of subsidiaries	(446)	(6 933)
Fair value and net result on sale of financial investments at fair value through profit or loss	(11 091)	152 047
Income from financial investments at fair value through profit or loss	(12 560)	(29 132)
Profit on disposal of assets held for sale	(123)	-
Fair value adjustment of derivatives and losses on extinguishment of financial instruments	23 743	1 432
Deferred tax expense for controlled subsidiaries	31 370	45 326
Profit on disposal of joint venture	(3 588)	-
Impairment of goodwill	5 956	-
Adjustments related to joint ventures		
Fair value adjustments of investment property for joint ventures	(3 227)	(4 374)
Fair value adjustment of derivatives and losses on extinguishment of financial instruments	(51)	(141)
Deferred tax expense for joint ventures	907	1 889
Foreign exchange loss for joint ventures	99	171
Company specific adjustments	**10 916**	**24 682**
Amortisation of financial assets	(1 533)	(2 292)
Realised foreign exchange loss for controlled subsidiaries	(30)	(912)
Realised foreign exchange loss for joint ventures	(7)	(1)
Accrued income from financial investments at fair value through profit or loss	12 349	28 122
Fair value adjustment of investment property for non-controlling interest	138	(350)
Deferred tax expense for non-controlling interest	(1)	115
Antecedent dividend	4 062	-
Distributable earnings	**333 811**	**305 413**
Less: Distribution declared	(333 811)	(305 413)
Interim distribution	(170 030)	(153 041)
Final distribution	(163 781)	(152 372)
Earnings not distributed	-	-
Number of shares entitled to interim distribution	585 838 887	577 800 734
Number of shares entitled to final distribution	599 797 201	577 800 734
Distributable earnings per share (euro cents)	**56.33**	**52.86**
Less: Distribution declared per share (euro cents)	(56.33)	(52.86)
Interim distribution per share (euro cents)	(29.02)	(26.49)
Final distribution per share (euro cents)	(27.31)	(26.37)
Earnings not distributed (euro cents)	-	-

All amounts in €'000s unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	31 Dec 2019	31 Dec 2018
Profit after tax	416 342	221 705
Adjustments	(36 693)	104 593
Interest and coupon paid	(48 007)	(42 895)
Changes in working capital	(10 024)	(3 228)
Cash flows from operating activities	**321 618**	**280 175**
Puchase of shares under the LTSIP*	(3 842)	-
Earnings distribution	(161 708)	(296 326)
Net movements in bank loans and bonds	172 513	401 835
Other proceeds/payments	(15 659)	(11 115)
Cash flows used in financing activities	**(8 696)**	**94 394**
Investments in acquisitions and developments	(248 048)	(759 231)
Net cash flow from/(used in) investments in financial assets	51 121	275 834
Other investments	-	10 208
Cash flows used in investing activities	**(196 927)**	**(473 189)**
Net increase/(decrease) in cash and cash equivalents	**115 995**	**(98 620)**
Cash and cash equivalents brought forward	96 924	195 544
Cash and cash equivalents classified as held for sale	(4 173)	-
Cash and cash equivalents carried forward	**208 746**	**96 924**

**LTSIP = debt free Long-Term Share Incentive Plan with a vesting component*

RECONCILIATION OF PROFIT FOR THE YEAR TO HEADLINE EARNINGS	31 Dec 2019	31 Dec 2018
Profit for the year attributable to equity holders	**416 235**	**221 855**
Fair value adjustments of investment property for controlled subsidiaries	(134 709)	(108 411)
Gain on disposal of assets held for sale	(123)	-
Gain on acquisition of subsidiaries	(446)	(6 933)
Impairment of goodwill	5 956	-
Profit on disposal of joint venture	(3 588)	-
Tax effects of adjustments for controlled subsidiaries	20 453	16 888
Fair value adjustments of investment property for joint ventures	(3 227)	(4 374)
Tax effects of adjustments for joint ventures	515	700
Headline earnings	**301 066**	**119 725**
Weighted average number of shares in issue	585 511 850	577 800 734
Diluted weighted average number of shares in issue	585 511 850	577 800 734
Headline earnings per share (euro cents)	51.42	20.72
Diluted headline earnings per share (euro cents)	51.42	20.72

All amounts in €'000s unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

RECONCILIATION OF NET ASSET VALUE TO ADJUSTED NET ASSET VALUE	31 Dec 2019	31 Dec 2018
Net Asset Value (per the Statement of financial position)	4 096 880	3 845 873
Deferred tax liabilities for subsidiaries	384 028	351 187
Deferred tax assets for subsidiaries	(15 209)	(13 739)
Goodwill	(87 114)	(93 070)
Derivatives financial assets at fair value through profit or loss	(2 903)	(8 645)
Derivatives financial liabilities at fair value through profit or loss	6 714	2 725
Deferred tax liabilities for joint ventures	5 301	10 744
Derivatives at fair value through profit or loss for joint ventures	810	916
EPRA Net Asset Value	**4 388 507**	**4 095 991**
Net Asset Value per share (euro)	**6.83**	**6.66**
EPRA Net Asset Value per share (euro)	**7.32**	**7.09**
Number of shares for Net Asset Value/ EPRA Net Asset Value per share	599 797 201	577 800 734

SEGMENTAL ANALYSIS	Retail	Office	Industrial	Corporate	Total
Year ended 31 December 2019					
Gross rental income and service charge income	540 272	41 558	2 150	-	583 980
Profit before Net finance expense	481 923	33 282	3 062	17 120	535 387
Total Assets	6 237 784	416 422	18 576	301 318	6 974 100
Total Liabilities	1 027 902	49 223	2 895	1 797 200	2 877 220
Year ended 31 December 2018					
Gross rental income and service charge income	458 986	40 628	2 119	-	501 733
Profit before Net finance expense	421 592	16 789	1 311	(130 217)	309 475
Total Assets	5 786 204	450 217	16 237	249 986	6 502 644
Total Liabilities	1 270 674	52 051	2 522	1 331 524	2 656 771