

# RESULTS PRESENTATION

December  
2019





Aupark Zilina, Slovakia

## 2019 Highlights

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## 2019 unboxed

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## CEE as an opportunity

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## Way forward

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Promenada

2019  
Highlights

1



## Strong portfolio driving robust growth

**6.6%**  
growth in  
distribution per share

€56.33 euro cents



Promenada Mall, Romania

**€6.3bn**  
Investment property value\*

6.5% growth compared to Dec 2018

**2.1 million**  
m<sup>2</sup> GLA\*

**325m**  
visits in 2019

5.9% growth compared to Dec 2018

\* Includes Romanian office portfolio held for sale

## Strong portfolio driving robust growth» continued

**€334m**

distributable earnings

9.3% growth compared to 2018

**€284m**

Invested in land and  
developments

**99.9%**

Collection rate



Mammut Shopping Centre, Hungary

**32%**

Prudent loan-to-value\*

**83%**

Unencumbered assets\*\*

**2.4%**

Cost of debt

\* Including investment property held for sale and excluding immaterial impact from IFRS 16

\*\* Percentage of investment property



# Main performance pillars

**Asset management**

**Developments**

# Robust net rental income growth

**6.2%**  
like-for-like NOI growth

## LIKE-FOR-LIKE NET OPERATING INCOME ('NOI') GROWTH (BY COUNTRY)

Romania	+6.3%
Poland	+5.2%
Bulgaria	+8.2%
Slovakia	+2.5%
Hungary	+9.9%
Czech Republic	+5.5%
Serbia	+9.7%
<b>TOTAL</b>	<b>+6.2%</b>



**16%**

total growth in NOI (€401m)  
compared to 2018

**4.5%**

like-for-like increase in  
NOI above indexation



**11.9%**

stable and sustainable  
occupancy  
cost ratio

**2.1%**

EPRA  
Vacancy ratio



**4.9%**

like-for-like total rent  
increase

**3.3%**

gross rental generated  
by overage rent

# Solid retail sales growth<sup>^</sup>

## 6.8%

tenant sales increase  
(like-for-like) in 2019

Performance driven by **14 asset management initiatives** carried out in 2018/2019 totaling **243,000m<sup>2</sup> GLA** (13% of total portfolio):

- Update tenant mix and commercial layout
- GLA optimisation
- Refurbishment of leisure areas
- Retailers partnerships across CEE portfolio

### Best performing retail segments



11.5%

Electronics



11.4%

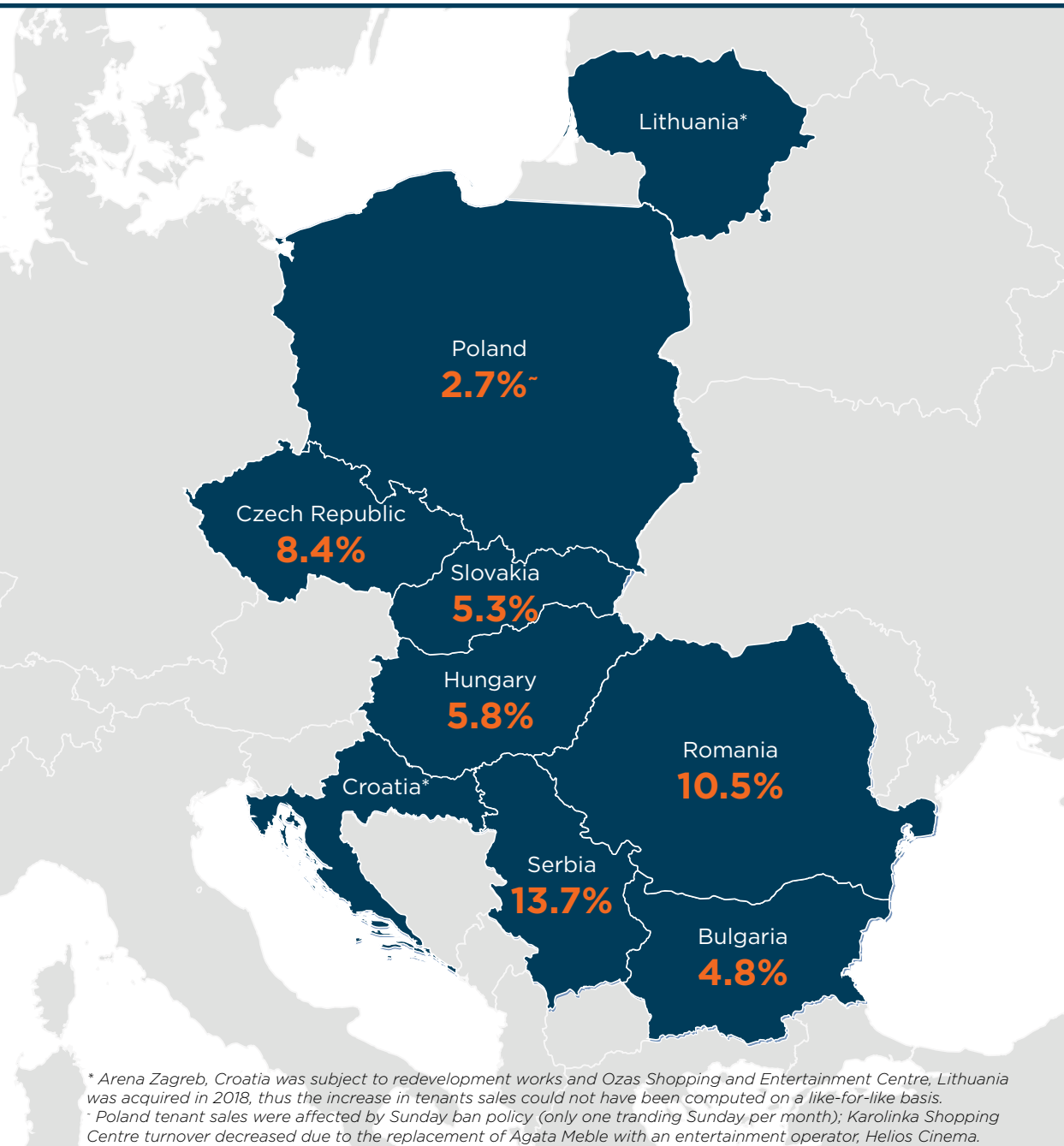
Fashion  
complements



10.5%

Food

<sup>^</sup> Like-for-like excluding hypermarkets' sales, as they don't consistently report turnover data across portfolio.





## Strong leasing activity

# 715

new leases signed in 2019\*

- Completed development projects opened with over 93% letting.
- Over 5,400 retail tenants across the portfolio
- Large brands with multiple international locations account for 67% of tenants



\* Excluding renewals of existing lease agreements and short-term leases



# Successful delivery of developments

**83,700**

m<sup>2</sup> GLA in 2019



Promenada Sibiu, Romania



Solaris Shopping Centre, Poland



# Office disposals

5

Romanian office  
assets disposed  
or held for sale



Floreasca Business Park



The Office Cluj-Napoca



Victoriei Office



Timisoara Business Centre



The Lakeview



# Intense capital markets activity

€1 bn  
unsecured bond issues

- Over €750 million active liability management
- €175 million new ESG linked revolving facility
- €575 million available unsecured revolving facilities
- Low cost of debt
- €161 million equity issue resulting from scrip dividend



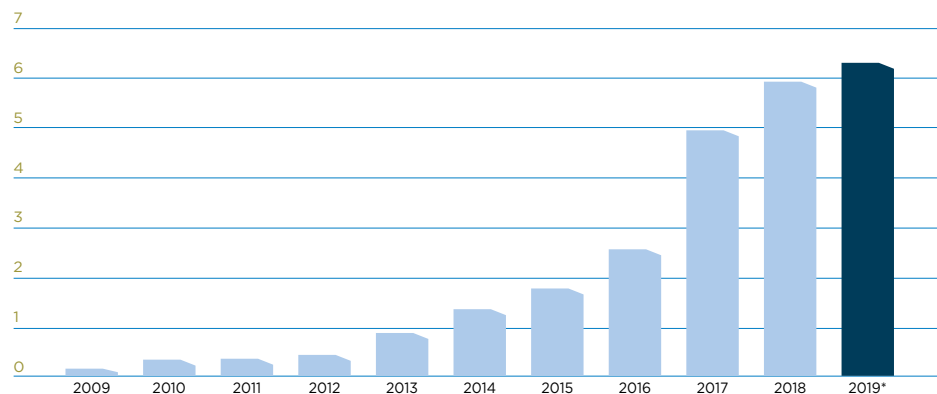
Aura Centrum, Poland



# Consistent sound business fundamentals

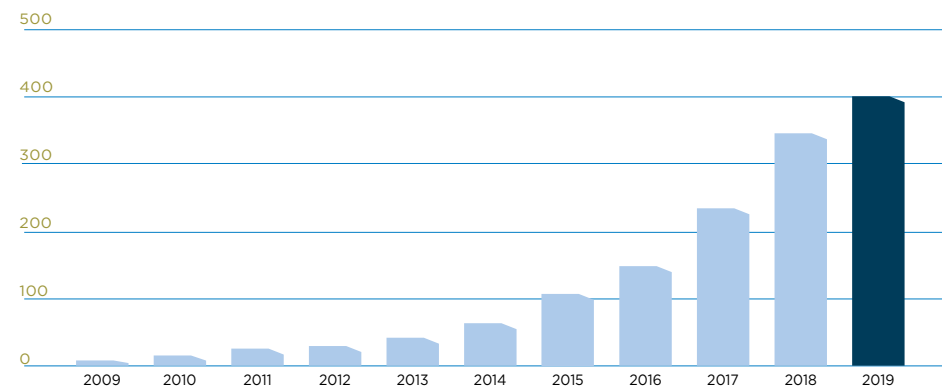
## BEST IN CLASS KEY INDICATORS

FAIR VALUE OF INVESTMENT PROPERTY (€bn)

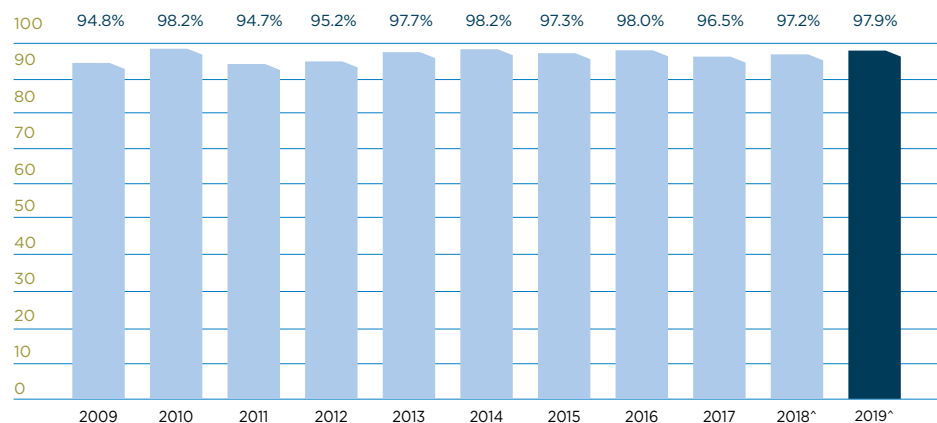


\* Including Romanian office portfolio held for sale

NET OPERATING INCOME (€m)

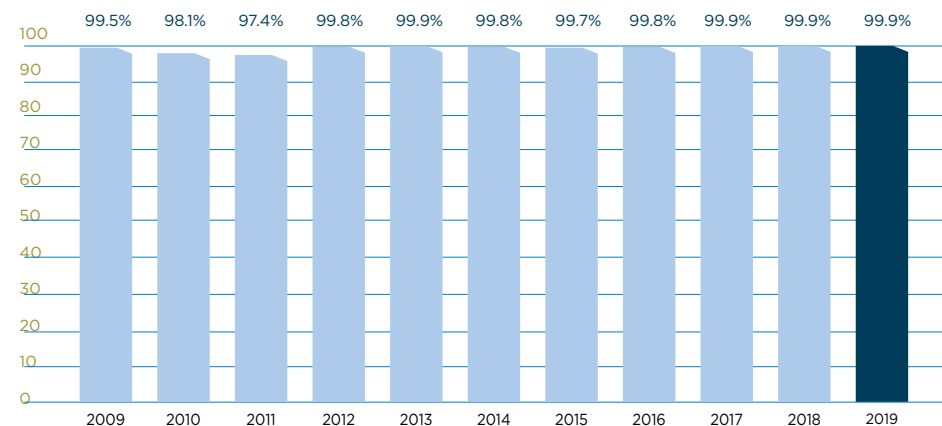


OCCUPANCY RATE (%)



^ EPRA Occupancy rate

COLLECTION RATE (%)





**megamall**

**Shoppingburg**

**ZARA**  
**Bershka**  
**CROPP**  
**NEW YORKER**

**CINEMACITY 4D**

**H&M**  
**MANUFACTURA**  
**DONCAFÉ**

**2019**  
**unboxed**

**2**



# Strategic positioning

**DOMINANT, HIGH-QUALITY  
PORTFOLIO**

**OPERATIONAL  
EXCELLENCE**

**PRUDENT FINANCIAL  
STRATEGY**

# LONG-TERM GROWTH

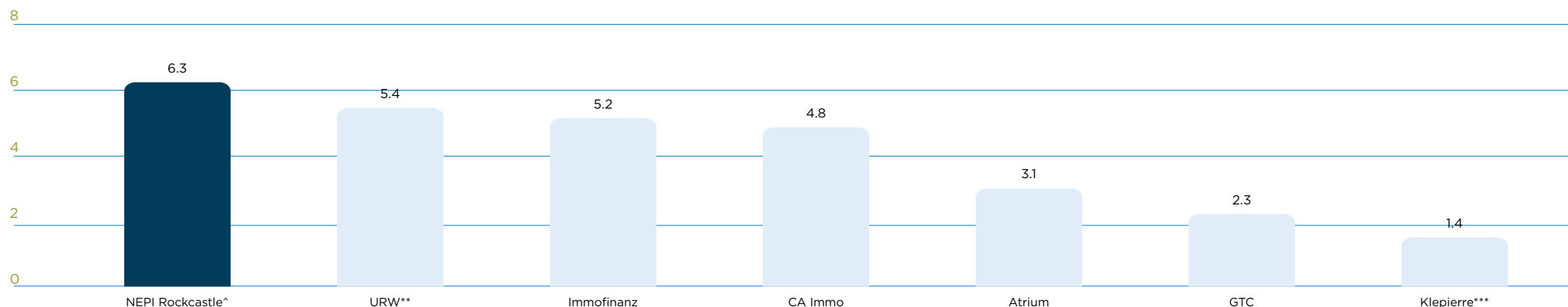
City Park, Romania



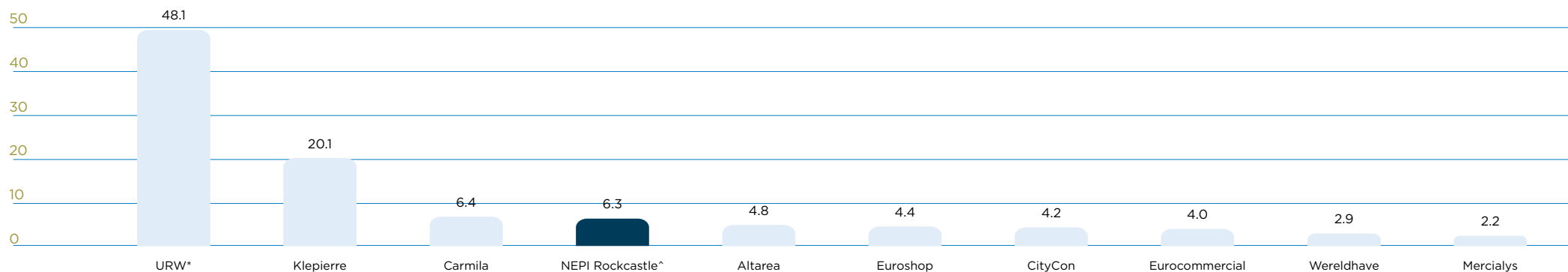
# Dominant high-quality portfolio by scale and geographical diversification

NEPI Rockcastle is the **largest** CEE retail real estate company and top five in Continental Europe by GAV

CEE Retail Real Estate landscape by GAV (€bn)



Continental European Retail Real Estate landscape by GAV (€bn)



Source: NEPI Rockcastle information as at 31 December 2019. Peers company data are based on last reported financial statements.

\* Unibail-Rodamco-Westfield portfolio value only includes European assets

\*\* Unibail-Rodamco-Westfield portfolio value only includes CEE assets

\*\*\* Includes CEE and Turkish assets

^ Including Romanian office portfolio held for sale



# Dominant high-quality portfolio by scale and geographical diversification

» continued

97% of the properties are located in EU investment-grade countries

## CEE countries where the Group operates

Population (m inhabitants)	104.2
Visits to Group's properties (m)	325
Total GDP (€m)	1 368 413
Average GDP per country (€m)	276 475
GDP per capita (€)	13 115
Purchasing power per inhabitant (€)	7 790

Poland	
Population (m inhabitants)	38.0
Visits to Group's properties (m)	71
GDP (€m)	514 745
GDP per capita (€)	14 622
Purchasing power per inhabitant (€)	7 228

Czech Republic	
Population (m inhabitants)	10.6
Visits to Group's properties (m)	22
GDP (€m)	214 499
GDP per capita (€)	20 513
Purchasing power per inhabitant (€)	9 492

Croatia	
Population (m inhabitants)	4.1
Visits to Group's properties (m)	10
GDP (€m)	53 427
GDP per capita (€)	13 074
Purchasing power per inhabitant (€)	7 397

Serbia	
Population (m inhabitants)	7.0
Visits to Group's properties (m)	12
GDP (€m)	43 849
GDP per capita (€)	6 269
Purchasing power per inhabitant (€)	3 698

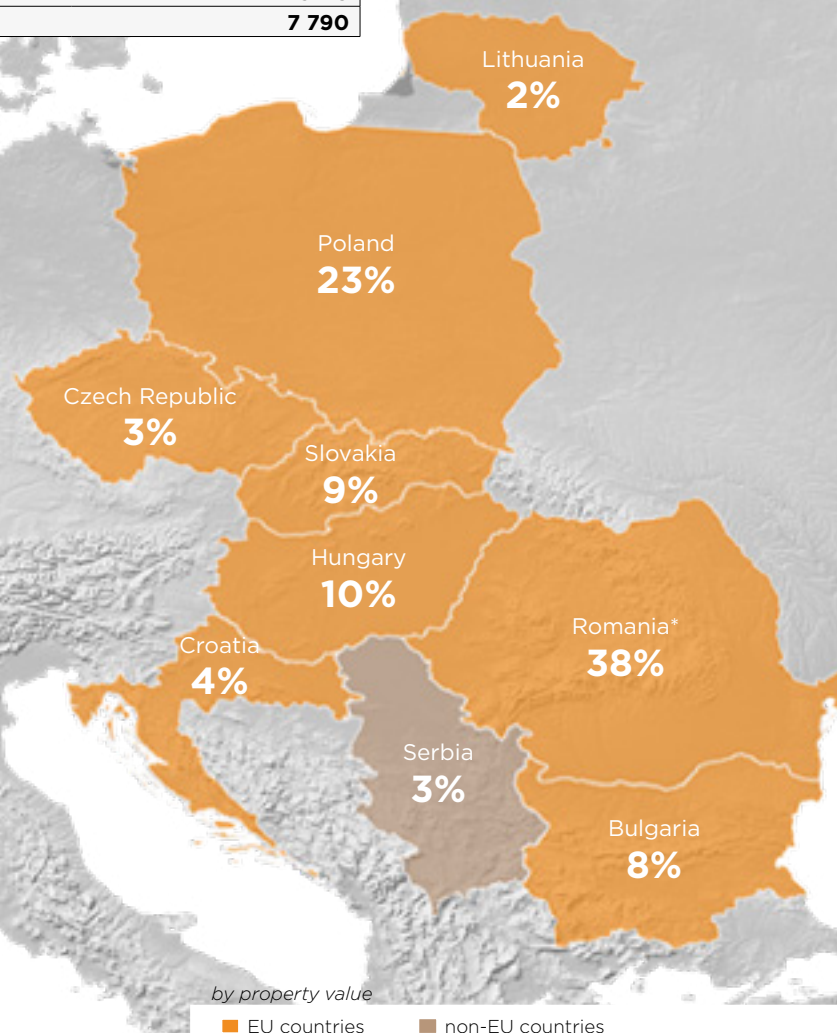
Lithuania	
Population (m inhabitants)	2.8
Visits to Group's properties (m)	6
GDP (€m)	46 793
GDP per capita (€)	16 775
Purchasing power per inhabitant (€)	9 006

Slovakia	
Population (m inhabitants)	5.4
Visits to Group's properties (m)	39
GDP (€m)	93 559
GDP per capita (€)	18 163
Purchasing power per inhabitant (€)	8 740

Hungary	
Population (m inhabitants)	9.8
Visits to Group's properties (m)	27
GDP (€m)	136 822
GDP per capita (€)	14 502
Purchasing power per inhabitant (€)	6 654

Romania	
Population (m inhabitants)	19.5
Visits to Group's properties (m)	120
GDP (€m)	210 501
GDP per capita (€)	10 809
Purchasing power per inhabitant (€)	5 083

Bulgaria	
Population (m inhabitants)	7.0
Visits to Group's properties (m)	18
GDP (€m)	54 218
GDP per capita (€)	7 726
Purchasing power per inhabitant (€)	4 489



\* including office portfolio held for sale

# Dominant high-quality portfolio by scale and geographical diversification

» continued

## PORTFOLIO AT 31 DECEMBER 2019^

	Number of properties	GLA '000m <sup>2</sup>	Valuation €m	Annualised Passing rent/ERV €m	EPRA Occupancy %
<b>TOTAL PROPERTIES</b>	<b>70</b>	<b>2 394</b>	<b>6 307</b>	<b>431</b>	
<b>INCOME PRODUCING</b>	<b>61</b>	<b>2 103</b>	<b>6 077</b>	<b>414</b>	<b>97.9%</b>
Retail	53	1 917	5 677	382	97.8%
Office*	6	159	383	30	99.6%
Industrial	2	27	17	2	95.5%
<b>DEVELOPMENTS</b>	<b>3</b>	<b>279</b>	<b>221</b>	<b>16</b>	
Under construction**	1	59	72	16	
Under permitting and pre-leasing***	2	220	94		
Land held for developments			55		
<b>NON-CORE</b>	<b>6</b>	<b>12</b>	<b>9</b>	<b>1</b>	

^ Excluding joint ventures, including Romanian office portfolio held for sale

\* Includes Romanian office portfolio held for sale.

\*\* Out of the five properties under construction, four are extensions or refurbishments of existing properties.

\*\*\* Out of the six properties under permitting and pre-leasing, four are extensions or refurbishments of existing properties.

- 94% of the properties are less than 15 years old.
- 45% of shopping centres are located in capital cities.
- 97% of the portfolio is located in cities with catchment areas of over 150,000 inhabitants
- Comprehensive offering and tenant mix, driving rental growth.
- Headquarter driven, long-term relationships with key tenants.
- Active asset management initiatives to enhance the quality of the portfolio on 13%\* of the GLA.

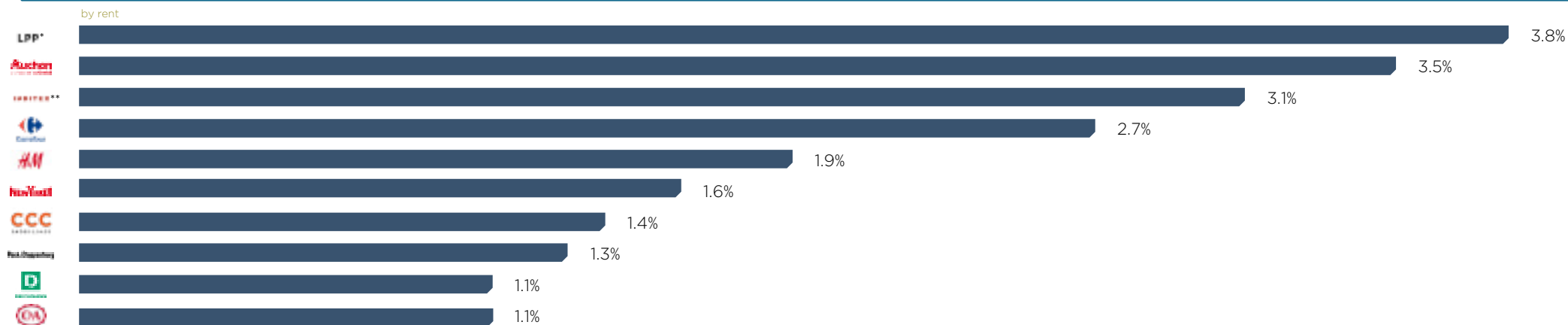


\* Figures referring to 2018 and 2019.



# Long-term partnering with differentiating retailers

## SUSTAINABLE ANCHOR TENANT BASE^



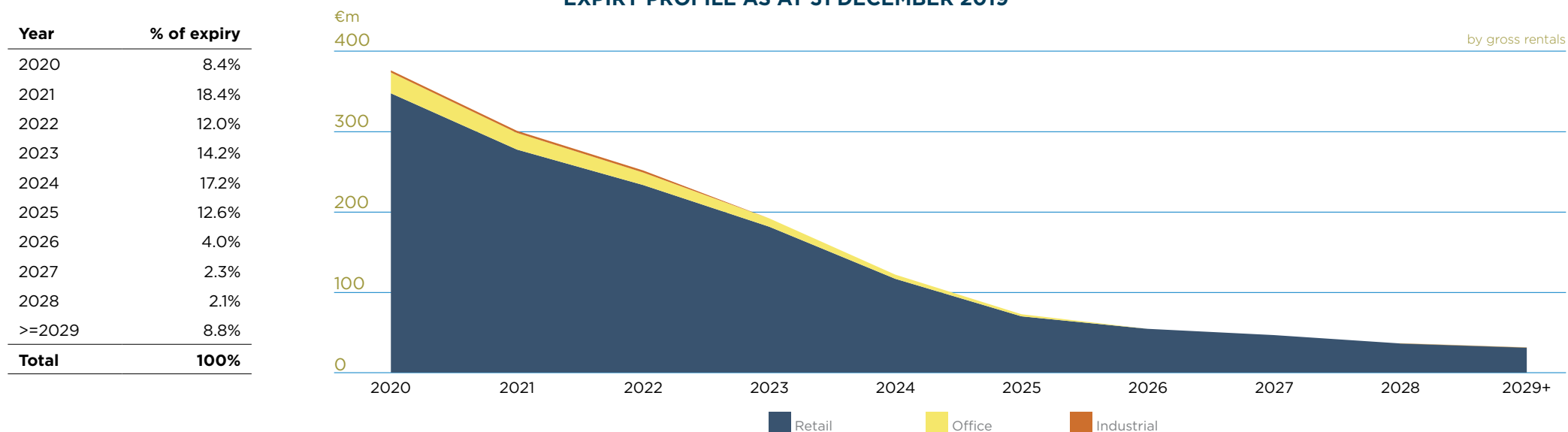
\* Cropp Town, House, Mohito, Reserved, Sinsay

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

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

## SUSTAINABLE LONG-TERM LEASE DURATION

### EXPIRY PROFILE AS AT 31 DECEMBER 2019



Weighted average remaining lease duration is 4 years

# Delivering sustainable value

## OPERATIONAL PERFORMANCE INDICATORS

Net Rental and Related Income (NOI)	€401m
NOI growth (like-for-like)	6.2%
Weighted average remaining lease term	4 years
Collection rate	99.9%
EPRA vacancy ratio	2.1%
Turnover/m <sup>2</sup> increase (like-for-like)*	6.4%
Tenants turnover growth (like-for-like)*	6.8%
Occupancy cost ratio**	11.9%

\* Like-for-like and exclude hypermarkets' sales, as they don't consistently report turnover data across portfolio.

\*\* Base rent, service charge and marketing contribution, divided by tenant sales; on a total basis; excluding hypermarket sales, which if included would have a decreasing impact.

## FINANCIAL PERFORMANCE INDICATORS

Loan-to-value (LTV)*	32%
Unencumbered assets (% of investment property)**	83%
Cost of debt	2.4%
Average remaining debt maturity	4.1 years
Long-term interest rate hedge coverage	100%
Distributable earnings per share (eurocents)	56.33
EPRA earnings per share (eurocents)^	55.79
EPRA NAV per share (euro)	7.32
EPRA net initial yield	6.65%
EPRA 'topped up' net initial yield	6.71%
EPRA Cost ratio (including direct vacancy costs)	8.1%
EPRA Cost ratio (excluding direct vacancy costs)	8.0%

\* Interest bearing debt less lease liabilities (IFRS 16) less cash, divided by investment property (including investment property held for sale) less right of use assets (IFRS 16) plus, listed securities.

\*\* Including investment property held for sale

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



Serdika Center, Bulgaria



# Prudent financial strategy

## ROBUST BALANCE SHEET

**32%**  
Prudent LTV

Remaining weighted average debt term:  
**4.1 years**

Long-term interest rate risk fully hedged  
via caps and swaps; remaining weighted  
average hedge term: **4.6 years**

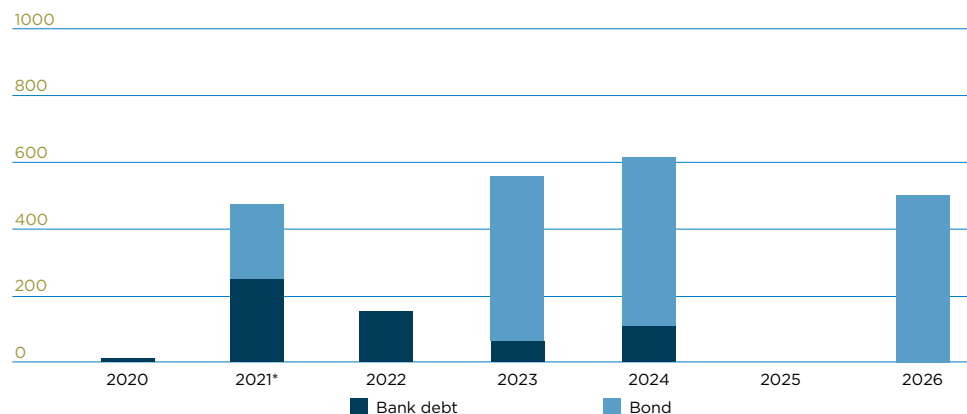
**€861m**  
liquidity

**€575 million** available committed  
unsecured revolving facilities  
at year end, plus cash and net listed  
securities portfolio

**BBB stable**  
Investment grade rating

Assigned by Standard & Poor's and Fitch.

### DEBT MATURITY PROFILE AS AT 31 DECEMBER 2019 (€m)



\* The bond notes due February 2021 (€197.8m in aggregate principal amount outstanding) have been repurchased in full in January 2020.

### BOND COVENANTS OVERVIEW

The ratios calculated for all unsecured loans and bonds show significant headroom compared to the covenants.

	2019	2018	Threshold
Solvency ratio	37%	36%	<60%
Consolidated coverage ratio	6.58	7.38	>2
Unsecured ratio	290%	315%	>180%/150%

# Key initiatives across the business

ACTIVE MANAGEMENT  
OF TENANT MIX AND  
RIGHT-SIZING

NEW RETAIL

(RE)DEVELOPMENTS

SUSTAINABILITY  
FOCUS



Promenada Mall, Romania



# Active management of tenant mix and right-sizing

## Market entries

MONKI

Bonarka City  
Centre,  
Krakow

intimissimi

Arena Mall,  
Budapest

TED BAKER  
LONDON

Arena  
Centar,  
Zagreb

CINEPLEX

Iris Titan Shopping  
Center, Bucharest and  
Shopping City Satu  
Mare, Satu Mare

LACOSTE

Arena  
Centar,  
Zagreb

THE  
BODY  
SHOP

Arena  
Centar,  
Zagreb

NOTINO  
TODAY IS TOMORROW

Arena  
Mall,  
Budapest

mi

Mega  
Mall,  
Bucharest

BURGER  
KING

Mega  
Mall,  
Bucharest

LC Waikiki

Arena  
Centar,  
Zagreb

DeFacto

Serdika  
Centar,  
Sofia

NESPRESSO

Paradise  
Center,  
Sofia



# Active management of tenant mix and right-sizing » continued

Extending and refreshing the tenant mix

## 57%

mix updated

Solaris Shopping Center,  
Poland

## 29%

mix updated

Shopping City Buzau, Romania

## 23%

mix updated

Shopping City Sibiu, Romania

## 13%

mix updated

Alfa Centrum Bialystok, Poland



Shopping City Sibiu,  
Romania  
full refurbishment

Solaris Shopping  
Center, Poland  
full refurbishment



Alfa Centrum  
Bialystok, Poland  
Extended from  
1,540m<sup>2</sup> to 2,280m<sup>2</sup>

Bonarka City Center,  
Poland  
Extended from  
1,800m<sup>2</sup> to 3,500m<sup>2</sup>



Pogoria Shopping  
Centre, Poland  
Extended from 480m<sup>2</sup>  
to 640m<sup>2</sup>

Shopping City Buzau,  
Romania  
full refurbishment



Shopping City  
Timisoara, Romania  
Extended from 411m<sup>2</sup>  
to 1590m<sup>2</sup>



Solaris Shopping  
Centre, Poland  
Extended from 680m<sup>2</sup>  
to 2,180m<sup>2</sup>

Bonarka City Center,  
Poland  
Extended from  
2,400m<sup>2</sup> to 2,600m<sup>2</sup>



Shopping City Buzau,  
Romania  
full refurbishment



Bonarka City Center,  
Poland  
Extended from  
3,000m<sup>2</sup> to 3,900m<sup>2</sup>



Shopping City Sibiu,  
Romania  
Extended from 390m<sup>2</sup>  
to 1,230m<sup>2</sup>

Solaris Shopping  
Centre, Poland  
Extended from 520m<sup>2</sup>  
to 1,170m<sup>2</sup>

Pogoria Shopping  
Centre, Poland  
Extended from 580m<sup>2</sup>  
to 1,500m<sup>2</sup>



# Adapting to new retail

## Extending the partnership with Digital Native Brands

- 7 new openings



## Click and Collect initiatives

- Pick-up points in 29% of the assets such as Promenada Mall Bucharest, Paradise Center Sofia, Serdika Center Sofia, Ozas Shopping and Entertainment Centre Vilnius.

## Focus on leisure and entertainment

- Newly opened developments with significant GLA dedicated to leisure: Promenada Sibiu, Solaris Shopping Centre Opole, Shopping City Targu Mures.

## Results of Asset Management Initiatives\*

- Footfall increase: 32% (from 12%)
- Tenants' Turnover increase: >10%

## Digital Marketing tools

- CRM to Coordinate marketing communications in an omnichannel environment

\* Including refurbishments and extensions, excluding developments



Mega Mall, Romania

# (Re)developments

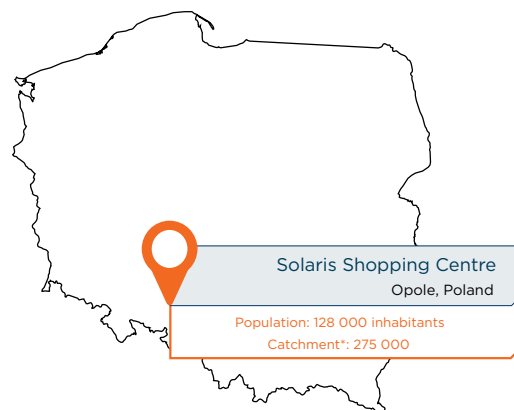
\* Catchment area presented for 30-min drive

## Solaris Shopping Centre extension



New Brands: 4f, Bajkowy, Deichmann, Hebe, House, Just Gym, Klooski, Labirynt, McDonald's, Mohito, Papa Diego, Pasibus, Pepco, Pizza Hut Express, Sizeer, Smyk, Thai Express, Yogoway.

Impact: (Traffic variation) +26%



## Shopping City Sibiu extension



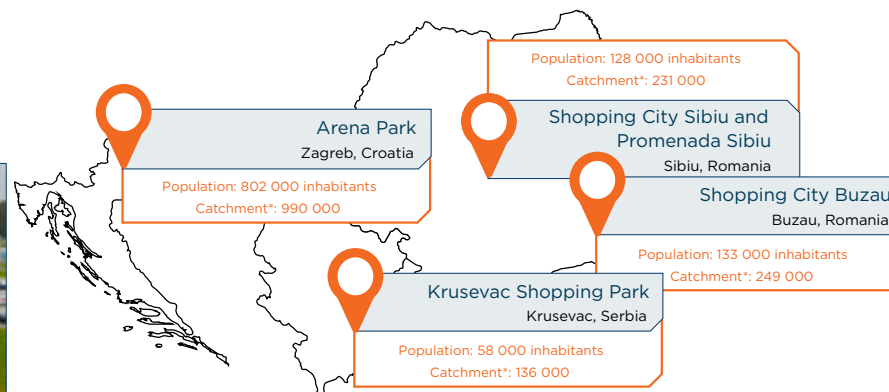
New Brands: Chefs, Cropp, De Facto, House, Intersport, Insieme, Jack's Burger, KFC, LC Waikiki, Mohito, Pepp&Pepper, Reserved, Salad Box, Smyk, Taco Bell.

Impact: (Traffic variation) +20%

## Arena Park



Tenants: CCC, Intersport, Jysk, LC Waikiki, Pepco.



## Promenada Sibiu



Tenants: CCC, CineGold, Douglas, Guess, H&M, Hervis, LC Waikiki, Mango, Massimo Dutti, Mohito, New Yorker, Oysho, Sephora, Sinsay, Starbucks, Tommy Hilfiger, Zara

## Shopping City Buzau

New Brands: Benvenuti, CCC, Deichmann, Intersport, Marionnaud, New Yorker, Office shoes, Sinsay

Impact: (Traffic variation) +22%



## Krusevac Shopping Park

Tenants: CCC, DeFacto, Deichmann, dm, LC Waikiki, LPP, New Yorker, Tom Tailor





# (Re)developments » continued

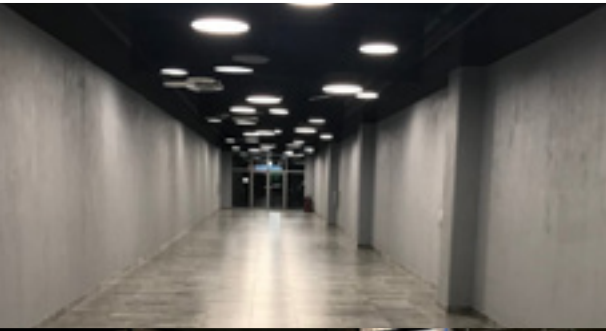
before



## Focus Mall Zielona Gora - redevelopment and extension (ongoing)

- Old wool factory rebuilt - with new parking, restaurants and cafes located at the ground floor

after



## Ozas Shopping and Entertainment Centre - redevelopment and extension (ongoing)

- Conversion of unused corridor and unfriendly entrance into entertainment area





# Enriching retail experience

food and dining



concept brands



Retail  
experience

entertainment



services





# Environmental, Social and Governance focus

waste  
recycling

energy  
consumption

water  
consumption

gas  
consumption

H1  
2020

green framework to  
be implemented

## Environmental



## Social

80  
partnerships and  
sponsorships

with local NGOs

over  
200

sustainability events  
and initiatives

employee  
commitment

over **450 days of training** and development  
over 100 employees participated in **social  
causes dedicated events**

EPRA

Sustainalytics

FTSE4Good

MSCI

## Governance



**Over 50%** of the Group's assets have "Very good" or "Excellent" **BREEAM certifications**, confirming they are resource-efficient. The Company's goal is to have the entire portfolio green-certified by the end of 2022.

# Environmental, Social and Governance Awards



**Silver Prize awarded**  
after the first year of  
EPRA membership



**ESG Risk** rated as **Low**



**AA**  
ESG rating

**"leader"**  
among 86 companies  
in the real estate  
management &  
services industry



# In-house expertise in key functions

- Teams structured by core business competencies
- Strong property knowledge across the business
- Adequate allocation of resources in line with operating model

Management split  
by area of competence



More than  
**75%**

of management have property related competency, knowledge and experience (property, retail, asset and development).



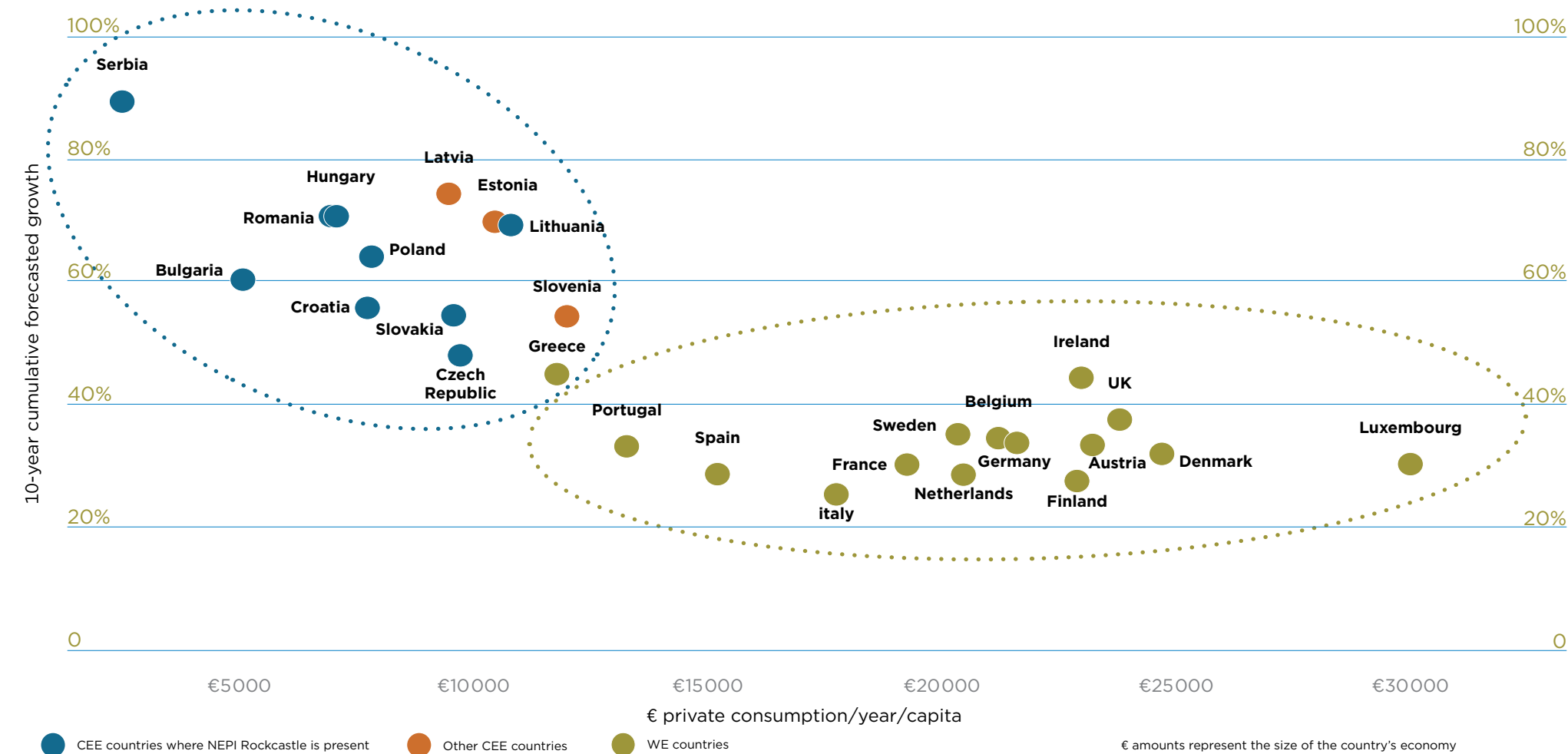
CEE as an opportunity

3



# Macroeconomic fundamentals and prospects

CEE private consumption growth well above WE average



Source: Thomson Reuters (2020)

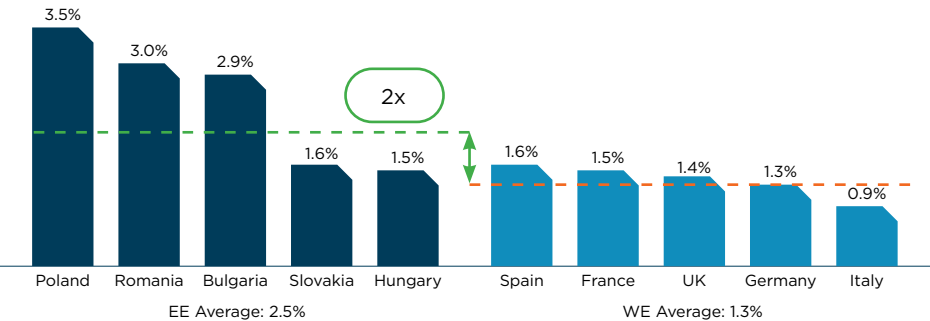
# Macroeconomic fundamentals and prospects

» continued

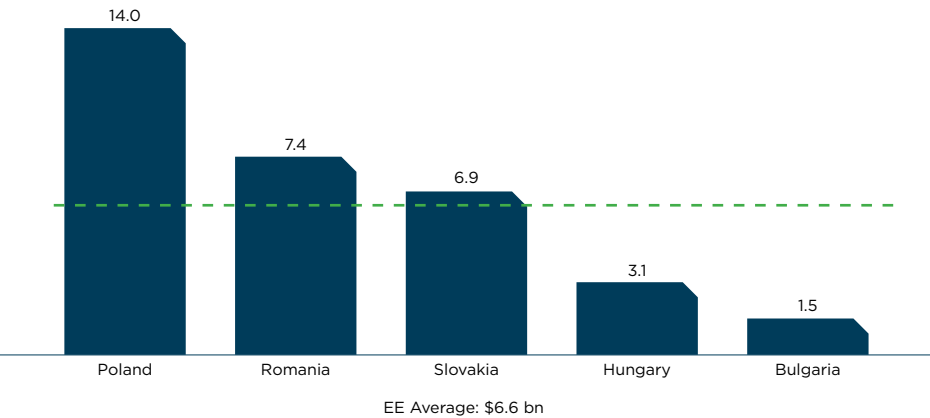
Continued strong market outlook

Expectation of increased disposable income across CEE compared to Western Europe – coupled with substantial FDI investment and GDP projections.

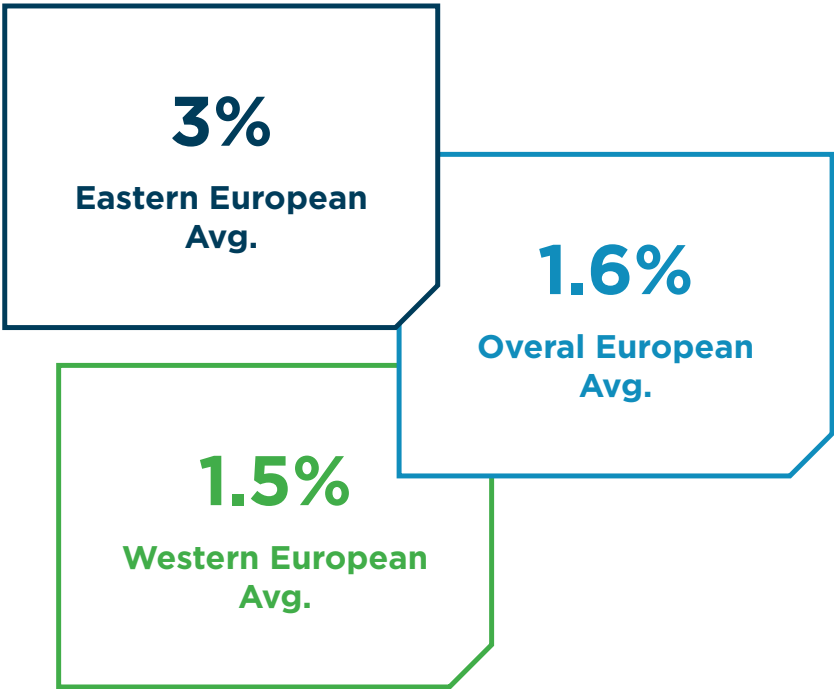
2020E - 2024E Real Personal Disposable Income (%CAGR)



2019 Foreign Direct Investment (\$bn)



2019 - 2024E Average Real GDP Growth



Source: EIU, OECD, Oxford Economics





Way forward

4



# Focus on value creation

## Purpose

Create modern communities and shape people's lifestyle

## Vision

Be the leading property investment and development Group in CEE, with dominant position in key geographies and a strong brand standing for excellence, sustainability and innovation.

## Values

Excellence, Teamwork & Communication, Integrity, Innovation and Learning



# Earnings guidance

## Strategy

**Maintain dominant  
CEE position**

**Diversify the business  
through enhanced  
pipeline**

**Generate value from  
existing properties**

**Prudent financial  
profile**

**Increased ESG Focus**

**6.0%**  
expected growth in  
distribution per share  
in 2020

# Development pipeline: opportunity for long-term growth

Focus on sustainable long-term growth through development of retail and/or mixed-use properties

## Leasing commitment

- Main anchors secured early in the process for all developments.

## Reinforcing dominance

- Extensions projects underway to reinforce dominance of our shopping centres.

## Prudent project management

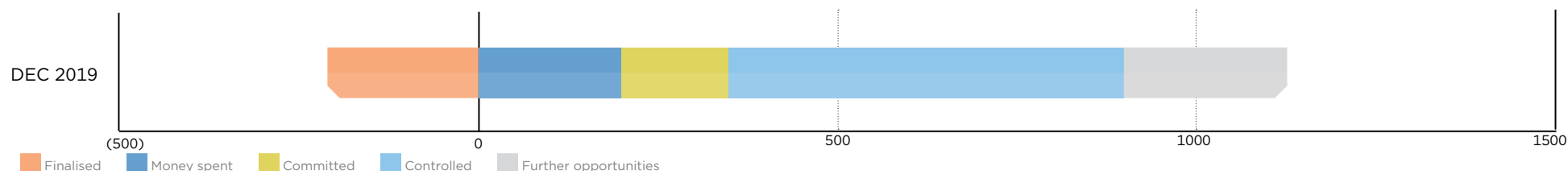
- Sound track record in managing development risk and maintaining discipline in investment criteria;
- Construction costs are committed to in a phased manner following the achievement of the pre-leasing targets and are limited to the internal sources of financing;
- Majority of works done by package contracting, with limited use of general contractors, allows flexibility to change non-performing suppliers and enables high degree of cash flow management.

**€1.1 bn**  
development pipeline



**Envisage diversification of the portfolio through mixed-use and residential projects.**

## DEVELOPMENTS AND EXTENSIONS PIPELINE (€ MILLION)



Committed: projects currently under construction

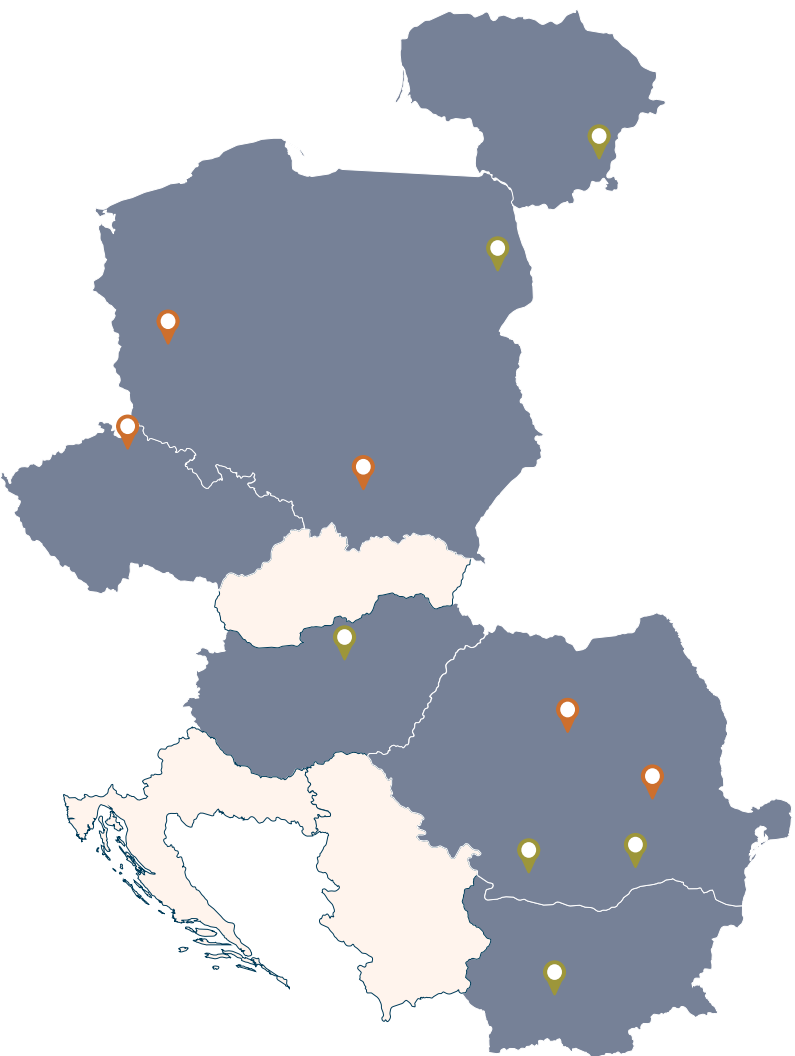
Controlled: projects where the land is controlled, but not yet under construction

Capitalised interest and fair value not included



# Development pipeline: opportunity for long-term growth» continued

## 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					174 000	59 000	65	218	
Focus Mall Zielona Gora	Poland	Mall	Extension and Refurbishment	Q4 2020	100	29 300	15 600	25	74
Shopping City Targu Mures	Romania	Mall	Development	Q2 2020	100	-	39 800	40	68
Bonarka City Center	Poland	Mall	Refurbishment	Q3/Q4 2021	100	74 400	3 600	-	58
Shopping City Buzau	Romania	Mall	Refurbishment	Q2 2020	100	23 700	-	-	11*
Forum Liberec Shopping Centre	Czech Republic	Mall	Refurbishment	Q2 2020	100	46 600	-	-	7*
Developments under permitting and pre-leasing					203 800	219 650	134	676	
Promenada Mall	Romania	Mall/Office	Extension	Q2 2022	100	39 400	62 300	33	189
Promenada Plovdiv	Bulgaria	Mall	Development	Q3 2021	100	-	58 300	24	141
Arena Mall	Hungary	Mall	Extension	Q4 2022	100	65 800	25 900	3	141
Promenada Craiova	Romania	Mall	Development	Q3 2021	100	-	56 500	24	115
Alfa Centrum Bialystok	Poland	Mall	Refurbishment	Q2 2022	100	36 900	1 200	-	21
Ozas Shopping and Entertainment Centre	Lithuania	Mall	Extension and Refurbishment	Q2 2022	100	61 700	15 450	-	19
Land held for future developments and extensions							50	50	
Further opportunities								235	
TOTAL DEVELOPMENTS						278 650	199	1 129	

### Notes:

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

Total cost includes development and land cost.

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

\* Forum Liberec Shopping Centre and Shopping City Buzau are existing projects subject to ongoing refurbishments. The costs incurred by 31 December 2019 related to the refurbishments of the properties were already capitalised on the existing property in use, subject to fair valuation at year-end. The total cost shown in the table represent the remaining cost to complete the project.

# Developments under construction » continued



Focus Mall Zielona Gora, Poland

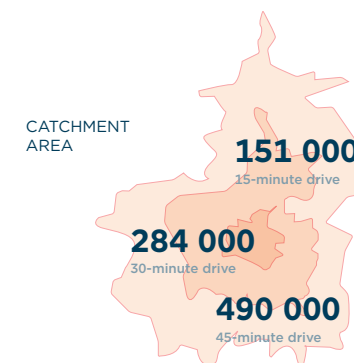
**29 300m<sup>2</sup>** **15 600m<sup>2</sup>** **Q4 2020**

Lettable area  
for property in use

Estimated lettable area  
for extension

Target opening

extension and refurbishment



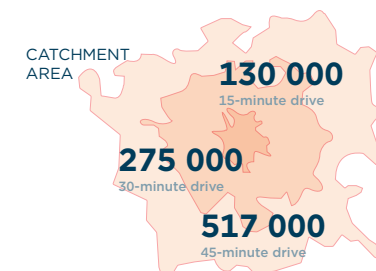
Shopping City Targu Mures, Romania

**39 800m<sup>2</sup>** **Q2 2020**

Lettable area

Target opening

development



Bonarka City Center, Poland

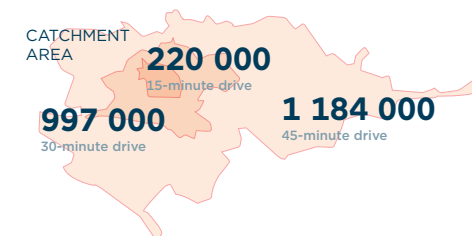
**74 400m<sup>2</sup>** **3 600m<sup>2</sup>** **Q3/Q4 2021**

Lettable area  
for property in use

Estimated lettable  
area for refurbishment

Target opening

refurbishment





# Developments under construction



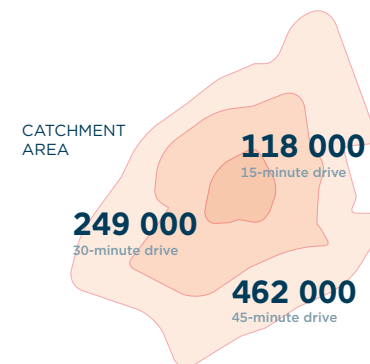
Shopping City Buzau, Romania

**23 700m<sup>2</sup> Q2 2020**

Lettable area  
for property in use

Target opening

refurbishment



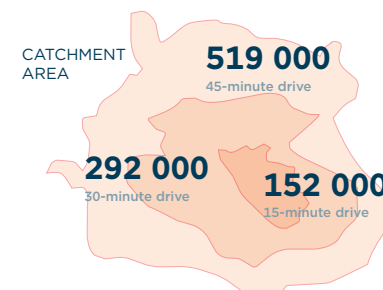
Forum Liberec Shopping Centre, Czech Republic

**46 600m<sup>2</sup> Q2 2020**

Lettable area  
for property in use

Target opening

refurbishment



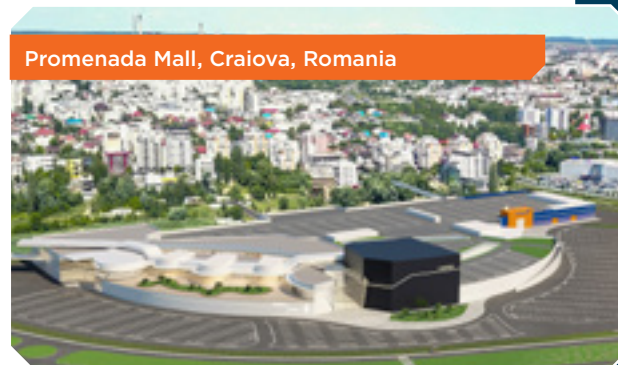
# Developments under permitting and pre-leasing

Promenada Mall, Bucharest, Romania



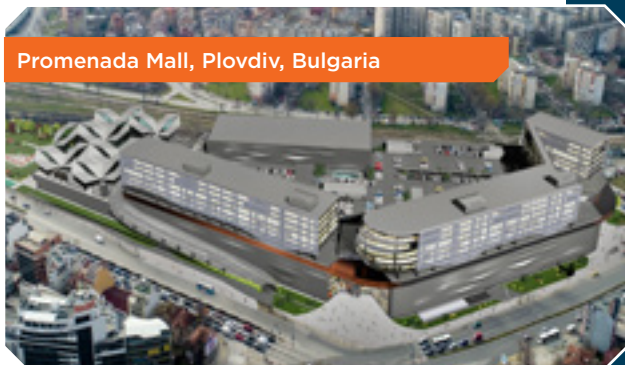
Type	extension
Lettable area property in use	39 400m <sup>2</sup>
Estimated new lettable area (retail)	31 600m <sup>2</sup>
Estimated new lettable area (office)	30 700m <sup>2</sup>
Target opening	Q2 2022

Promenada Mall, Craiova, Romania



Type	development
Estimated lettable area	56 500m <sup>2</sup>
Target opening	Q3 2021

Promenada Mall, Plovdiv, Bulgaria



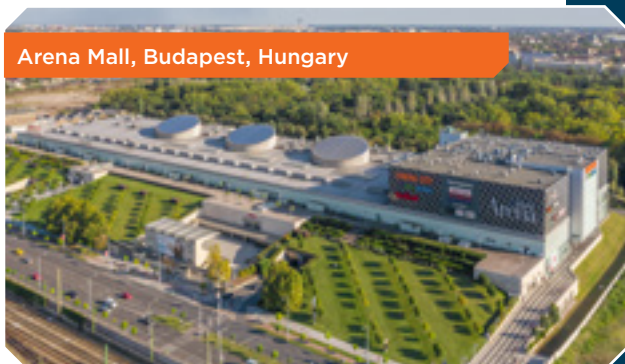
Type	development
Estimated lettable area	58 300m <sup>2</sup>
Target opening	Q3 2021

Alfa Centrum, Bialystok, Poland



Type	refurbishment
Lettable area property in use	36 900m <sup>2</sup>
Estimated new lettable area	1 200m <sup>2</sup>
Target opening	Q2 2022

Arena Mall, Budapest, Hungary



Type	extension
Lettable area property in use	65 800m <sup>2</sup>
Estimated new lettable area	25 900m <sup>2</sup>
Target opening	Q4 2022

Ozas Shopping and Entertainment Center, Vilnius, Lithuania



Type	refurbishment and extension
Lettable area property in use	61 700m <sup>2</sup>
Estimated new lettable area	15 450m <sup>2</sup>
Target opening	Q2 2022



# Conclusions

- **Achievements:**
  - » Earnings growth above guidance
  - » Solid NOI and Turnover growth, with low Occupancy Cost Ratios and high collection rate
  - » Successful expansion, re-designing and re-tenanting
  - » Strong balance sheet and investment grade rating
- **Focus on:**
  - » Asset management
  - » Selective development and acquisition pipeline
  - » Financial profile
  - » ESG improvement
  - » Streamline operations
- **Best placed, ahead of peers in our region and sector**
- **Critical mass, platform, skill and geographic diversity**
- **Guidance**



Aupark Zilina, Slovakia





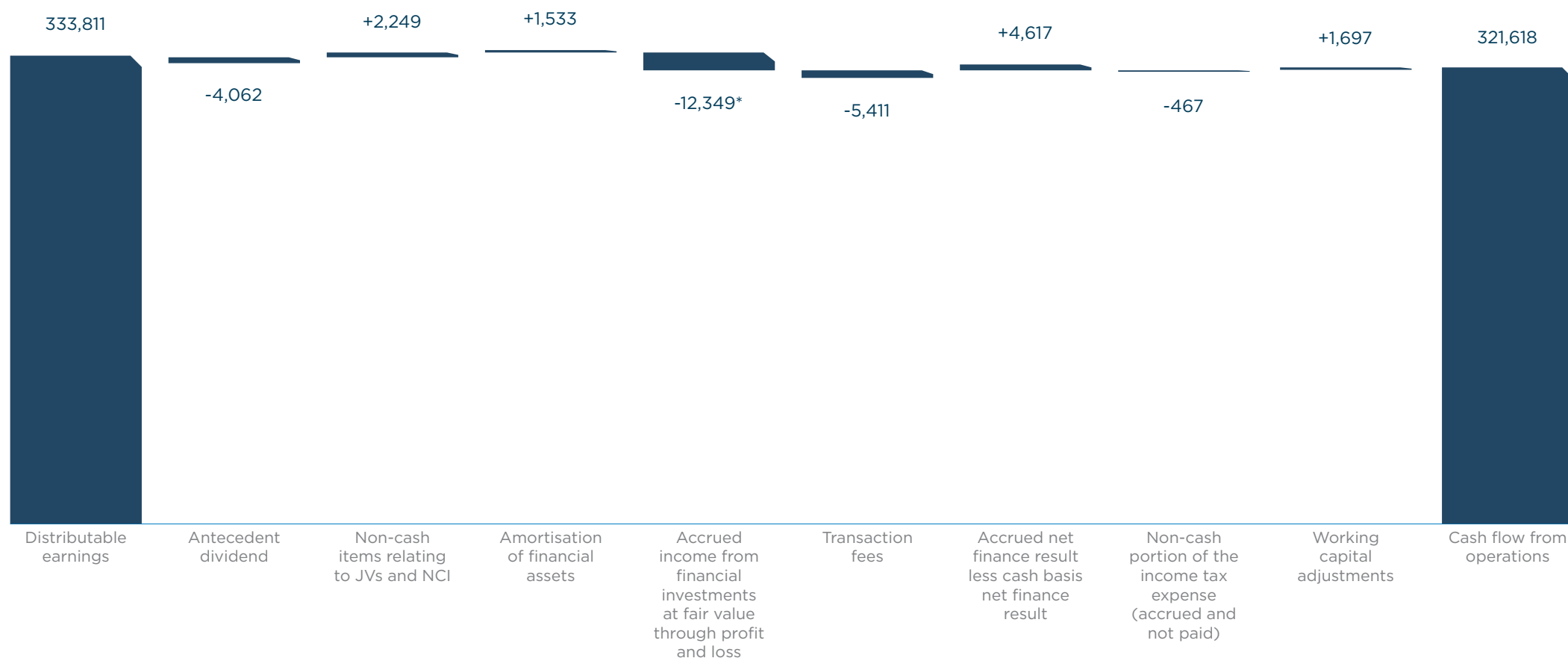


# Reconciliation of profit for the period to EPRA Earnings and distributable earnings

amounts in €'000

EPRA Earnings	Dec 2019	Dec 2018
<b>Earnings in IFRS Consolidated Statement of Comprehensive Income</b>	<b>416 235</b>	<b>221 855</b>
Fair value adjustments of investment property for controlled subsidiaries	(134 709)	(108 411)
Fair value and net result on sale of financial investments at fair value through profit or loss	(11 091)	152 047
Gain on acquisition of subsidiaries	(446)	(6 933)
Profit on disposal of assets held for sale	(123)	-
Profit on disposal of joint ventures	(3 588)	-
Impairment of goodwill	5 956	-
Fair value adjustment of derivatives and losses of extinguishment of financial instruments	23 743	1 432
Transaction fees	5 411	6 079
Deferred tax expense for controlled subsidiaries	31 370	45 326
Adjustments above in respect of joint ventures	(2 272)	(2 455)
Non-controlling interests	137	(236)
<b>EPRA Earnings (interim)</b>	<b>168 077</b>	<b>164 104</b>
<b>EPRA Earnings (final)</b>	<b>162 545</b>	<b>144 600</b>
<b>EPRA Earnings</b>	<b>330 623</b>	<b>308 704</b>
<b>Basic number of shares for interim distribution</b>	<b>585 838 887</b>	<b>577 800 734</b>
<b>Basic number of shares for final distribution</b>	<b>599 797 201</b>	<b>577 800 734</b>
<b>EPRA Earnings per Share (EPS interim)</b>	<b>28.69</b>	<b>28.40</b>
<b>EPRA Earnings per Share (EPS final)</b>	<b>27.10</b>	<b>25.03</b>
<b>EPRA Earnings per Share (EPS)</b>	<b>55.79</b>	<b>53.43</b>
<b>Company specific adjustments:</b>		
Amortisation of financial assets	(1 533)	(2 291)
Reverse foreign exchange loss	907	923
Add back realised foreign exchange loss	(37)	(913)
Reverse income from financial investments at fair value through profit or loss	(12 560)	(29 132)
Accrued income from financial investments at fair value through profit or loss	12 349	28 122
Antecedent dividend	4 062	-
<b>Distributable Earnings (Interim)</b>	<b>170 031</b>	<b>153 041</b>
<b>Distributable Earnings (final)</b>	<b>163 780</b>	<b>152 372</b>
<b>Distributable Earnings</b>	<b>333 811</b>	<b>305 413</b>
<b>Distributable Earnings per Share (interim)</b>	<b>29.02</b>	<b>26.49</b>
<b>Distributable Earnings per Share (final)</b>	<b>27.31</b>	<b>26.37</b>
<b>Distributable Earnings per Share</b>	<b>56.33</b>	<b>52.86</b>

# 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 and the amount of the dividend can be measured reliably. 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".



# Glossary

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**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.

# Disclaimer

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