



NEPI Rockcastle Plc

Summary Letter

NEPI ROCKCASTLE PORTFOLIO, ROMANIA

Bucharest Office / January 31st, 2020

PREPARED BY:

Colliers Valuation and Advisory

PREPARED FOR:

NEPI ROCKCASTLE PLC

January 31st, 2020

To: NEPI ROCKCASTLE PLC

2nd Floor, 30 Athol Street, Douglas Isle of Man IM1 1JB

Re: Summary of the valuation report of the real estate portfolio owned by NEPI Rockcastle and its special purchase vehicles in the group.

In accordance with our valuation agreements no. V2080, V2081, V2082, V2083, V2084, V2085, V2086, V2087, V2088, V2089, V2090, V2091, V2092, V2093, V2094, V2095, V2096, V2097, V2098, V2099, V2100, V2101, V2106, V2107, V2108, V2109, V2110, V2111, V2111bis from 20.05.2019, we are pleased to submit the present valuation report regarding the real estate properties owned NEPI Rockcastle and its special purchase vehicles in the group. The portfolio consists in 49 properties representing retail, industrial properties and several vacant land plots.

The valuation has been completed in accordance to the International Valuation Standards (IVS) and ANEVAR Valuation Standards - 2018 Edition, as published by the National Association of Authorized Romanian Valuers (ANEVAR), which are including the International Valuation Standards.

We have been able to inspect all subject properties in the past three months and, based on the inspections, on the provided information and the current and prospective market conditions, we have arrived at a conclusion about the Fair Values of the subject properties.

Raluca Buciuc, Gabriela Bosinceanu-Otea, Anca Baldea and Mihai Pana have been the signatories for the Romanian portfolio reports for year 2019.

Our opinion of value should be read taking into consideration all the aspects included in the valuation report issued on January 31st 2020 by Colliers Valuation and Advisory, where we have estimated the Fair Value of NEPI Rockcastle portfolio as of December 31st, 2019.

Valuations were reported on the basis of Fair Value IFRS and our opinion of the Fair Value of each of the properties has been primarily derived using comparable recent market transactions on an arm's length terms.

The present report will be used by the client for financial reporting purposes.

Therefore, we will measure the fair values of the subject properties, which according to the ANEVAR valuation standards in force, *SEV 300 Valuation for Financial Reporting, paragraphs G1 and G2*, are defined as follows:

"G1. Fair Value is either the required measurement basis or a permitted option for many types of asset or liability under IFRSs. IFRS 13 Fair Value Measurement contains the following definition:

<<Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.>>

G2. This definition replaces earlier definitions appearing in various IFRSs. It should also be noted that this definition differs from that appearing in the SEV 100 Framework and that is commonly used for purposes other than financial reporting.

This definition and the associated commentary in IFRS 13 clearly indicate that fair value under IFRS is a different concept to fair value as defined and discussed in the IVS Framework. The commentary in IFRS 13 and, in particular, the references

to market participants, an orderly transaction, the transaction taking place in the principal or the most advantageous market and to the highest and best use of an asset, make it clear that fair value under IFRSs is generally consistent with the concept of market value as defined and discussed in the SEV Framework. For most practical purposes, therefore, market value under IVS will meet the fair value measurement requirement under IFRS 13 subject to some specific assumptions required by the accounting standard such as stipulations as to the unit of account or ignoring restrictions on sale.”

As stated in the above-mentioned standards, the Market Value is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.”

We have not made any allowance for vendor’s sale costs nor for any tax liabilities which may arise upon the disposal of any of the properties.

A full explanation of the Assumptions made in our valuation and details of the resources of information are contained within our reports.

The Company has provided us with the floor areas of the properties that are relevant to our valuations. As instructed, we have relied on these areas and have not checked them on site.

We have read the related documents provided to us by the Company and their various legal advisers. We have made an Assumption that copies of all relevant documents have been sent to us and that they are complete and up to date. Where leases have not been provided, we have relied on tenancy information provided by the Company.

Certain properties were subject to works of repair, refurbishment or construction as at 30th of June 2019 and in these cases the Company has advised us the amount of the outstanding costs, which have been incorporated into our valuations.

In respect of the properties held in joint ventures, our reports include our opinion of the Fair Value of the interests held by the joined ventures. In the table below, we have not include apportioned of the values based on the company’s share of the property interests in the joint ventures.

Our opinion of value should be read taking into consideration the assumptions, comments and limiting conditions expressed in the valuation report. Based on these assumptions, we have estimated the Fair Value of NEPI Rockcastle portfolio as of December 31st, 2019:

EUR 2,161,634,000

(Two Billion One Hundred and Sixty-One Million Six Hundred Thirty Four Thousand Euros)

The above value represents the sum of the values of all the subject properties as detailed below:

| Crt. No. | Type of property | Estimated Fair Value (EUR) |
|----------|-----------------------|----------------------------|
| 1 | Retail Properties | 2,144,764,000 |
| 2 | Industrial Properties | 16,870,000 |
| | Total | 2,161,634,000 |

The above values are exclusive of VAT.

The total value for retail properties includes the entire market value of Ploiesti Shopping City.

More details for each of the analyzed properties are included in our valuation reports provided directly to the client.

This summary report is confidential to the party to whom it is addressed for the specific purpose to which it refers, and no responsibility is accepted to any third parties. This summary is to be used in whole and not in part.

Nor the whole, nor any part of this summary may be reproduced in any form without our permission. Moreover, this shall not be distributed to any third party through advertising, public relations, news, sales, or other media, without our prior written consent.

Taking into account the purpose of the present summary valuation report, we have assumed that the analyzed portfolio will remain in the property of NEPI Rockcastle group and therefore we did not consider the adjustments that might appear, should the entire portfolio or a substantial number of properties be marketed.

We have welcomed the opportunity of preparing this summary report on your behalf.

Respectfully submitted,

Colliers Valuation and Advisory

