NEPI ROCKCASTLE

Company Profile

September 2020

All figures are as at 31 August 2020 unless otherwise stated

Paradise Center, Bulgaria

Ozas Shopping and Entertainment Center, Lithuania

Company overview

1

NEPI Rockcastle profile

- Active in 9 countries in CEE with robust economic outlook compared to European average
- Investments in high-quality commercial real estate which benefit from strong medium and long-term fundamentals and prospects
- Strong record of consistent growth, backed-up by prudent financial policy since 2007
- Highly experienced management team, operating an integrated platform which includes internalised key functions such as asset management, leasing, investment and development, and finance
- Active management of properties providing investors with sustainable cash flows

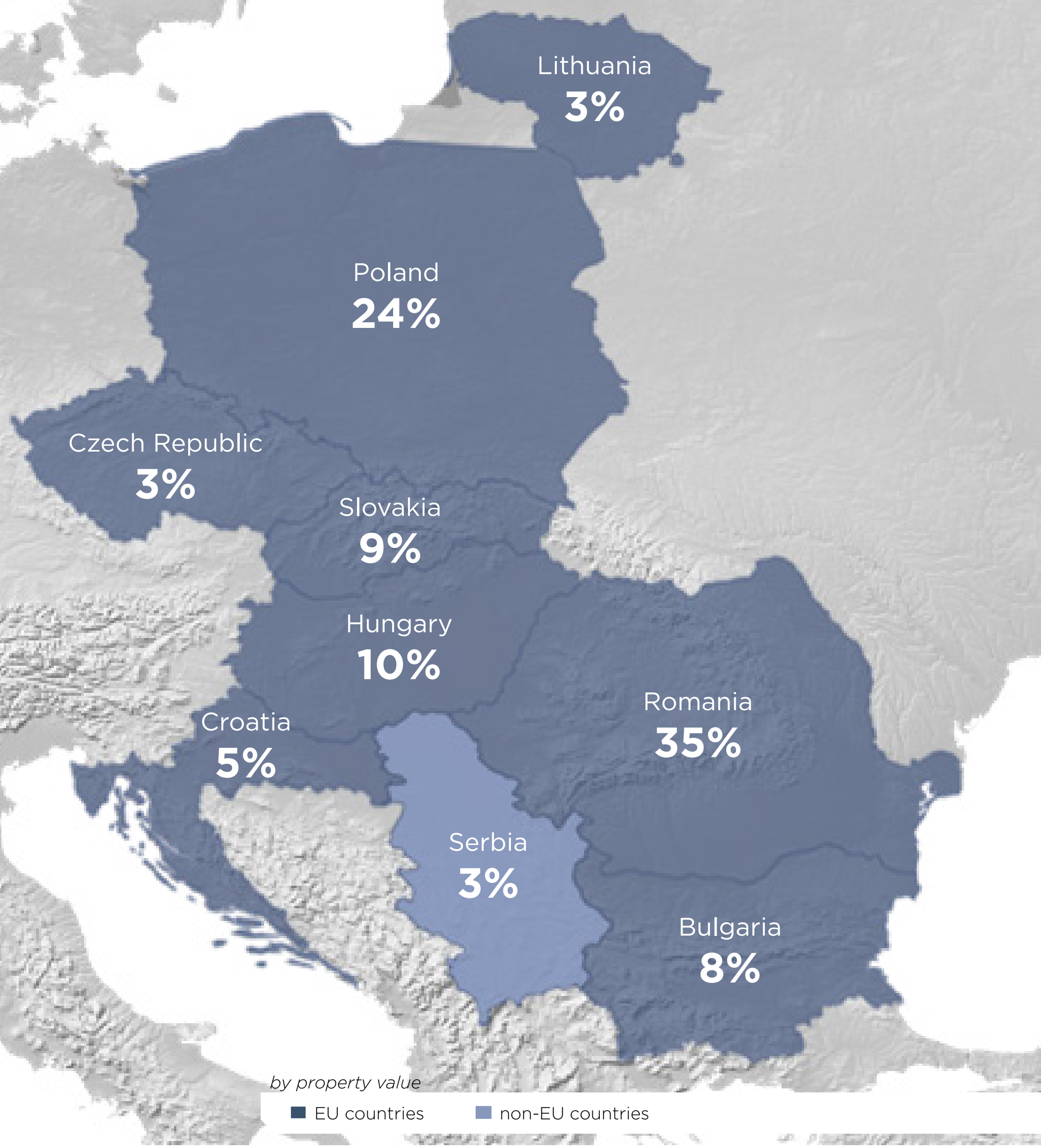
Mammut Shopping Centre, Hungary

Leading commercial real estate company in CEE

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

CEE countries where the Group operates*	
Population (m inhabitants)	**104**
Total GDP (€m)	**1 452 757**
Average GDP per country (€m)	**298 190**
GDP per capita (€)	**13 115**
Purchasing power per inhabitant (€)	**8 267**
Visits to Group's properties in 2019 (m)	**325**

Group portfolio highlights	
Property value (€bn)	**5.8**
Rentable space (m²)	**2.0 million**
EPRA Occupancy rate (%)	**96.0**
EPRA Net Initial Yield (%)	**6.83**



Source: World Bank and Gfk 2019 reports

NEPI Rockcastle at a glance

33%
LTV

96%
EPRA Occupancy rate

Mega Mall, Romania

Paradise Center, Bulgaria

€5.8bn
Investment property value

2 million
m² of GLA

€6.65
NAV per share*

Bonarka City Center, Poland

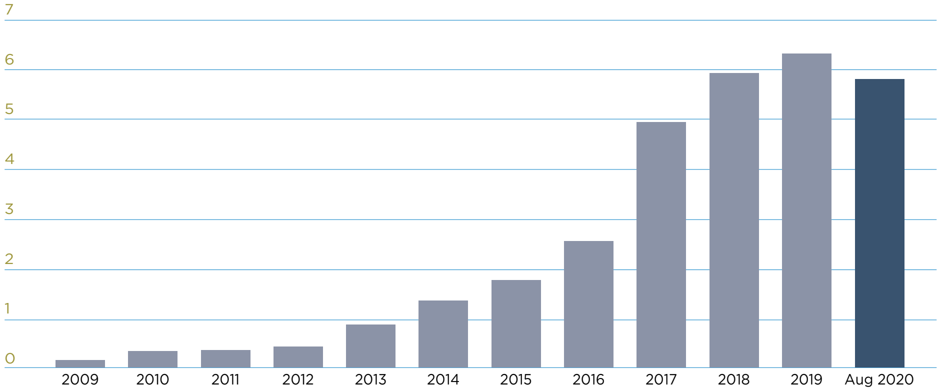

56.33
euro cents
Distribution per share in 2019

6.6% growth compared to 2018

As at June 2020

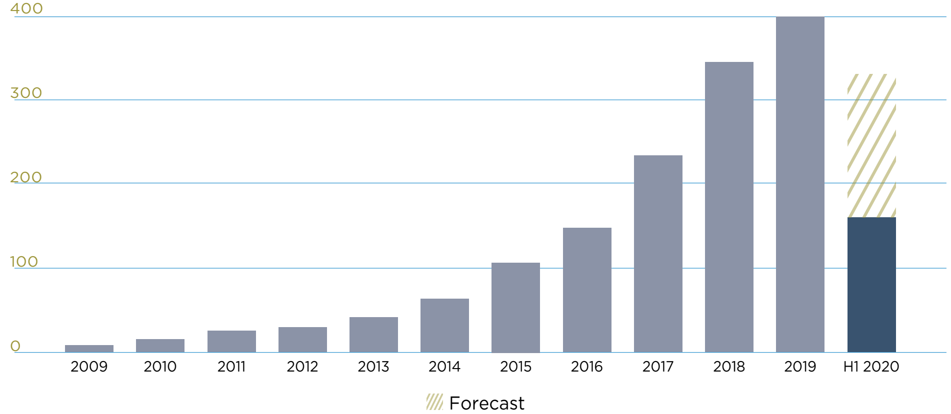
Strong record of consistent growth

Fair Value of Investment property (€bn)

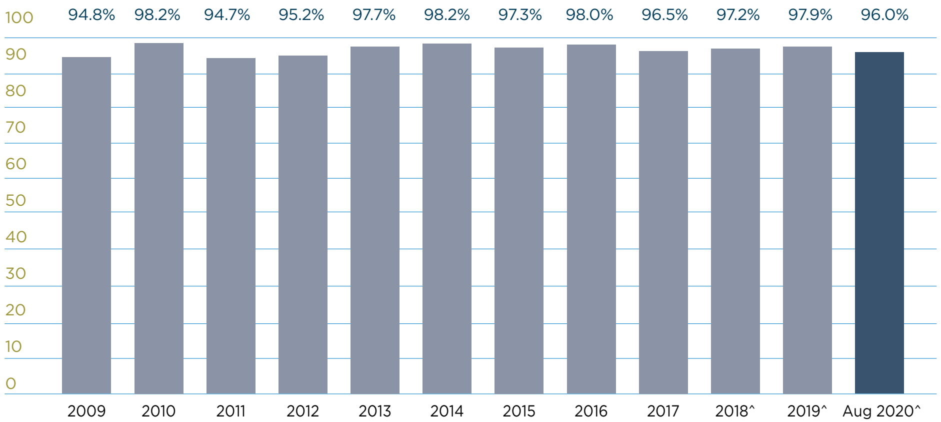


The decrease in fair value of investment property in 2020 derives from €237m devaluation generated by COVID-19 context and €307m disposal of Romanian office portfolio

Net operating income (€m)

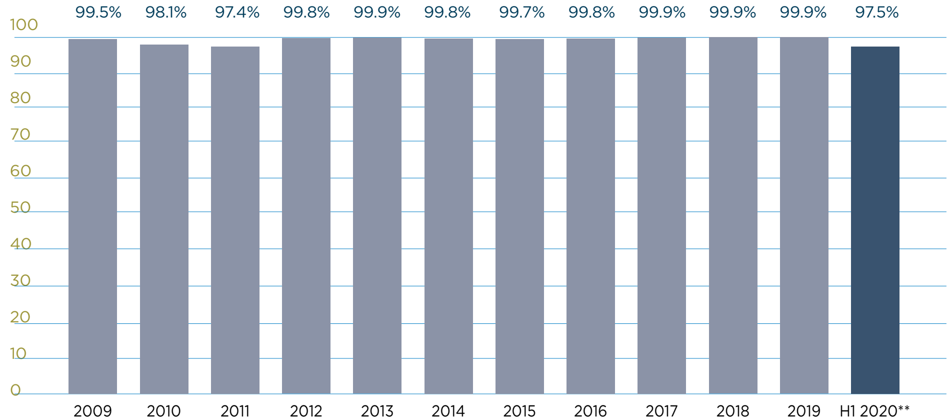


Occupancy rate (%)



^ EPRA Occupancy rate

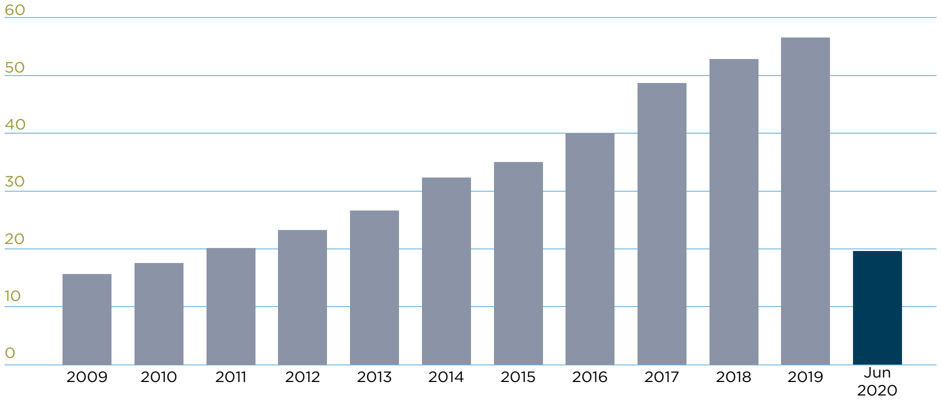
Collection rate* (%)



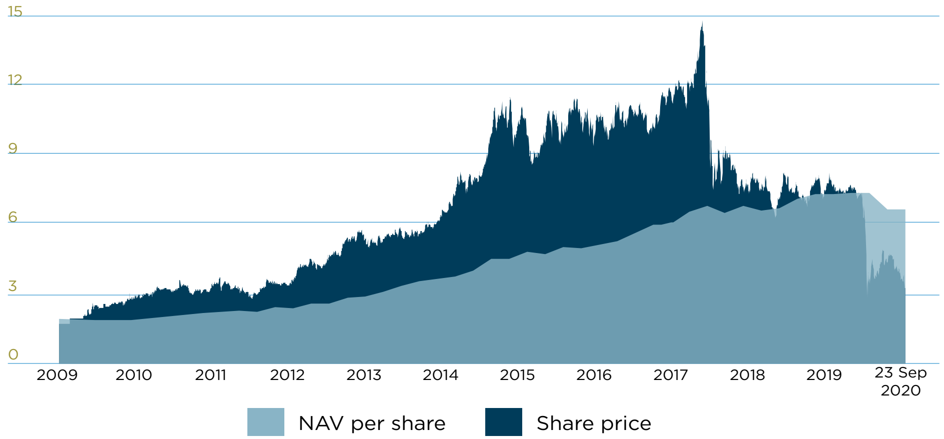
** Relative to reported gross rental and service charge income*
*** Gross rental and service charge income adjusted for partial forgiveness of receivables (COVID-19 forgiveness)*

Strong record of consistent growth » continued

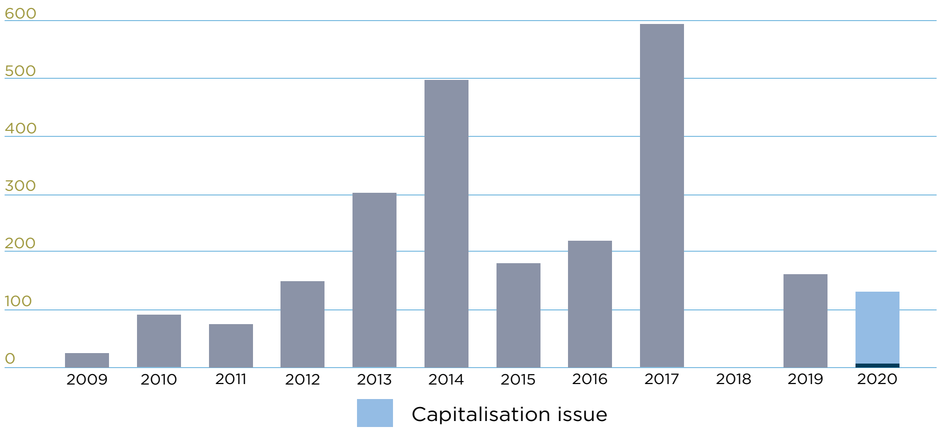
Distribution per share (€cents)



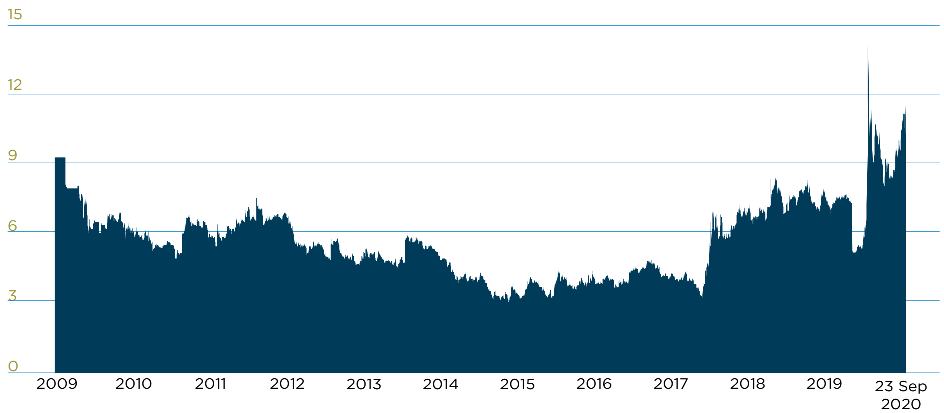
Share price vs. NAV (€)



Equity raised (€m)

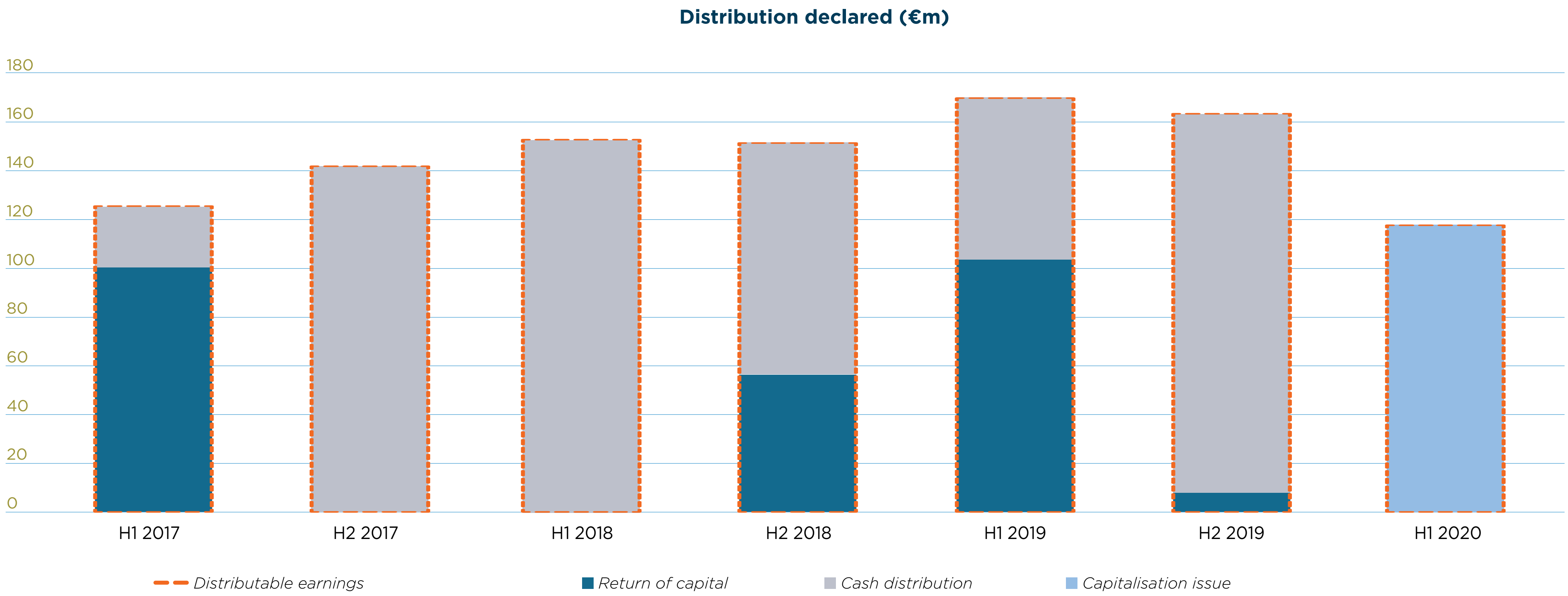


Dividend yield (%)



Dividend policy

- Peers dividend policy often impacted by “REITs” legislation, on average over 80% of FFO
- Although not incorporated as a REIT, historically the Company paid out 100% of its distributable earnings
- Target payout is at least 90% of its distributable earnings on a semi-annual basis, under stable macroeconomic conditions
- For H1 2020, under COVID-19 context, a capitalisation issue was offered, providing value to shareholders while maintaining a good liquidity and a low LTV



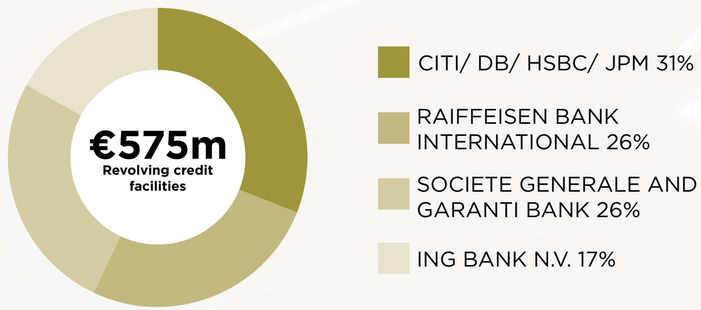
Shareholding overview

- Shareholders' structure consisting of **institutional** shareholders and **individual** investors
- Independently managed with **access to property expertise** from strategic shareholders
- The largest shareholders have **low gearing** and significant investment capacity
- Free Float of 78%
- NEPI Rockcastle is part of the JSE Top 40, All Share, SA Listed Property and Capped Property Indexes

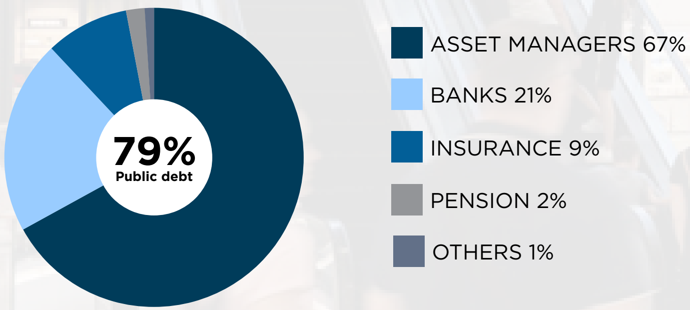
Shareholders as of 15 Sep 2020	Shareholding (%)	Comments
Fortress REIT	22	• JSE listed REIT owning a significant portfolio of logistics and retail focused properties • loan-to-value as at June 2020: 38.5% • common directors: Steven Brown - CEO of Fortress, Non-executive director in NEPI Rockcastle
Resilient REIT	8	• JSE listed REIT focused on retail • loan-to-value at Jun 2020: 34.8% • common directors: Andries de Lange - former COO of Resilient, Non-executive director in NEPI Rockcastle
Public Investment Corporation	9	• PIC is one of the largest investment managers in Africa. • assets under management of R2.1 tn (€117 bn) as at Dec 2019 • focused on four investment areas: economic infrastructure (roads and bridges), social infrastructure (hospitals and housing), green economy projects, small enterprise development and black economic empowerment initiatives
>10,000 public shareholders	61	• includes various institutional investors
Total	**100**	

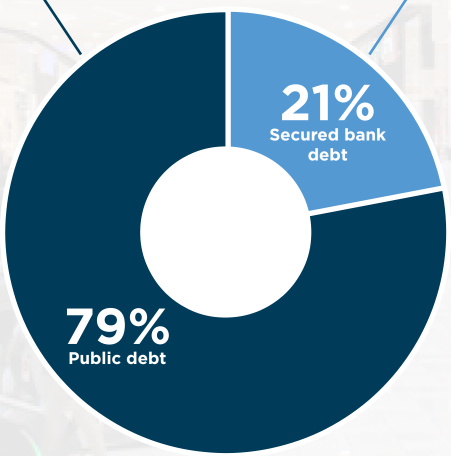
Debt holders overview

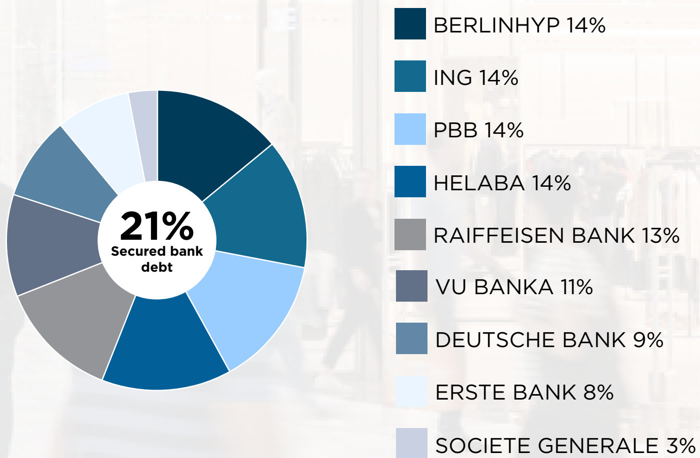
- €2 billion bonds raised from European investors, ranging from large asset managers, banks, pension and insurance companies to international financial institutions
- €1.1 billion bank loans and revolving credit facilities obtained from reputable European or international banks, out of which €0.6 billion of revolving credit facilities are undrawn



Debt breakdown







Mega Mall, Romania

Strategic positioning and key strengths

2

Strategic positioning

LONG-TERM SUSTAINABILITY

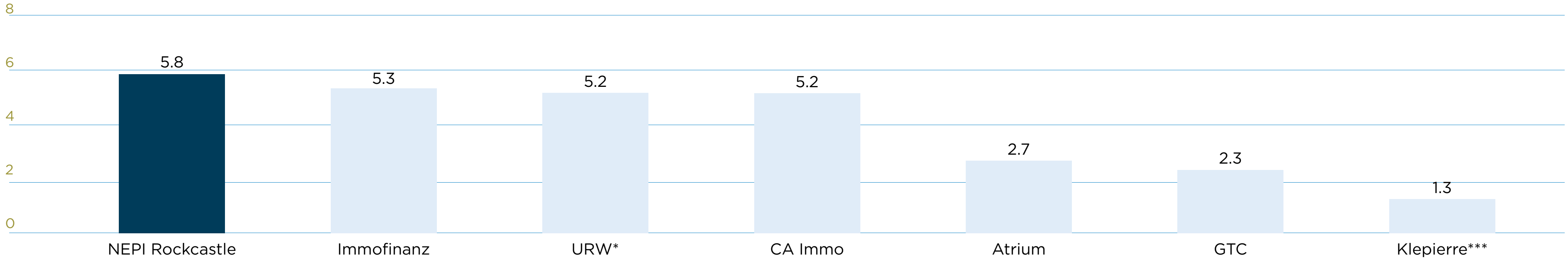
- SCALE
- DOMINANT, HIGH-QUALITY PORTFOLIO
- CEE GEOGRAPHIES WITH POSITIVE PROSPECTS
- OPERATIONAL OPTIMISATION AND ESG FOCUS
- PRUDENT FINANCIAL STRATEGY

City Park, Romania

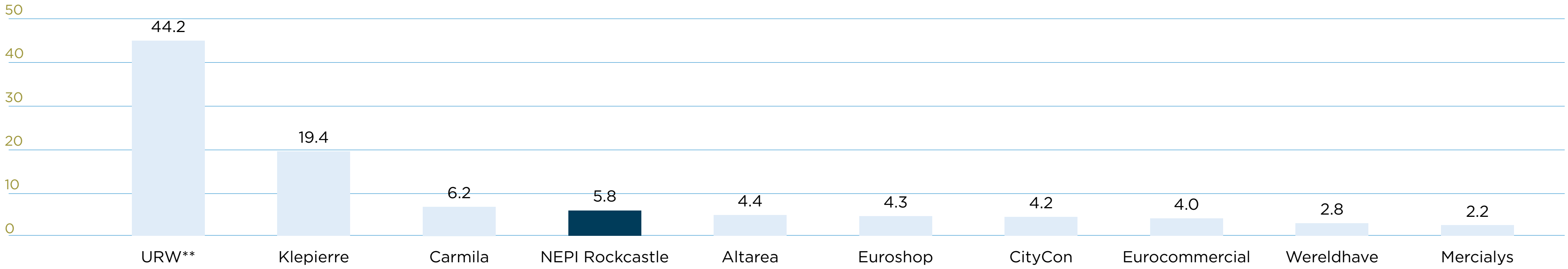
Largest listed retail real estate company in CEE markets

	NEPI Rockcastle	URW	Klepierre	CA Immo^	Immofinanz	Atrium	GTC^
EPRA Net Initial Yield	6.83%	4.20%	5.10%	5.40%	5.80%	5.00%	6.90%

CEE Retail Real Estate landscape by GAV (€bn)



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



* Unibail-Rodamco-Westfield portfolio value only includes CEE assets
** Unibail-Rodamco-Westfield portfolio value only includes European assets
*** Includes CEE and Turkish assets
^Not EPRA measure

Source: NEPI Rockcastle information as at 31 August 2020. Peers company data are based on last reported financial statements.

High quality dominant retail assets with large catchment areas

Portfolio at 31 August 2020*

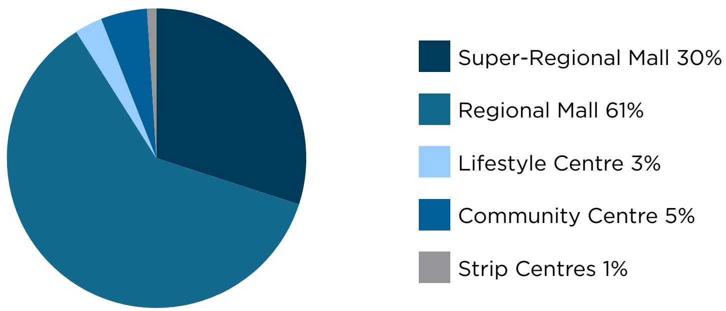
	Number of properties	GLA '000m²	Valuation €m	Annualised Passing rent/ERV €m
TOTAL PROPERTIES	**63**	**2 271**	**5 837**	**400**
INCOME-PRODUCING	**58**	**2 029**	**5 644**	**389**
Retail	54	1 961	5 554	381
Office	2	41	73	6
Industrial	2	27	17	2
DEVELOPMENTS	**2**	**234**	**187**	**11**
Under construction**	-	19	38	11
Under permitting and pre-leasing***	2	215	90	
Land bank			59	
NON-CORE	**3**	**8**	**6**	**-**

** Excluding joint ventures*
*** The properties under construction 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*

- Modern, high-quality assets (over 94% of the properties are less than 15 years)
- Located in densely populated areas with good macrodynamics (65% of the shopping centres located in capital or primary cities)
- 98% of the portfolio is located in cities with catchment areas of over 150,000 inhabitants
- Group-level managed, long-term relationships with key tenants

Portfolio classification breakdown

By market value



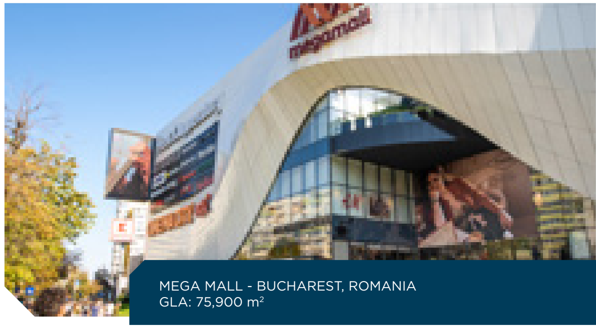
High quality dominant retail assets with large catchment areas » continued

36,300m² Average size per asset

- Locations with no or limited competition
- Purchasing power* in NEPI Rockcastle's catchment areas generally exceeding the national average
- Superior access, visibility and footfall
- Comprehensive offering and tenant mix, driving rental growth
- Extension options to deter future competition
- Destination of choice for international retailers entering respective markets
- Active asset rotation initiatives to upgrade the quality of the portfolio

BONARKA CITY CENTER - KRAKOW, POLAND
GLA: 74,900 m²

PARADISE CENTER - SOFIA, BULGARIA
GLA: 80,500 m²



MEGA MALL - BUCHAREST, ROMANIA
GLA: 75,900 m²

ARENA CENTAR AND RETAIL PARK - ZAGREB, CROATIA
GLA: 75,200 m²

ARENA MALL - BUDAPEST, HUNGARY
GLA: 65,800 m²

PROMENADA MALL - BUCHAREST, ROMANIA
GLA: 39,400 m²

MAMMUT SHOPPING CENTER - BUDAPEST, HUNGARY
GLA: 56,200 m²

CITY PARK - CONSTANTA, ROMANIA
GLA: 52,000 m²

* Source: Gfk

Well balanced mix of must-have retailers with favourable triple net leases

Sustainable anchor tenant base as at 30 June 2020, with limited exposure to concentration risk

Top 10 Retail Tenants	Annual rent
LPP*	4.0%
Auchan	3.6%
Inditex**	3.3%
Carrefour	3.0%
H&M	2.2%
CCC	1.8%
New Yorker	1.7%
Peek&Cloppenburg	1.4%
C&A	1.3%
Deichmann	1.2%
	23.5%

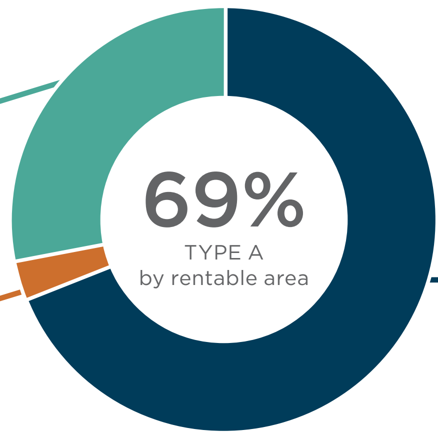
* Cropp Town, House, Mohito, Reserved, Sinsay
** Bershka, Massimo Dutti, Oysho, Pull and Bear, Stradivarius and Zara
^ For turnover only tenants, the percentage above includes the fixed rent advanced payments only.

Approximately 75% of the rental income from fashion tenants, groceries and services.

Tenant profile as at 30 June 2020

Type C - 28%
Other tenants

Type B - 3%
Smaller international and national tenants, smaller listed tenants and medium to large professional firms (companies with assets and/or turnovers ranging from €100 to €200 m)



Type A - 69%
Large international and national tenants, large listed tenants, government and major franchisees (companies with assets and/or turnovers in excess of €200m)

Well balanced mix of must-have retailers with favourable triple net leases

» continued

RENT

A large portion of retail tenants have a contractual obligation to report turnovers and pay the higher between base rent and turnover rent. Turnover (variable) rent and overage rent (on top of fixed rent) were 3.9% and 1.5% of gross rental income respectively at June 2020 (5.5% and 3.3% respectively at December 2019)

TRIPLE-NET LEASES

The Group's vast majority of lease agreements are triple net, where taxes, insurance, property management fees, utility costs, maintenance and common area costs are mostly recovered from tenants

CURRENCY

Leases are negotiated in **EUR**; rent is invoiced in local currency equivalent and currency differences above a particular threshold between invoice date and collection date are recovered from tenants

TERM TO FIRST BREAK OPTION

Ten years for hypermarkets, DIYs and cinemas, and three to five years for other tenants

INDEXATION

Rent and marketing charges are adjusted annually in line with indices of consumer prices (HICP, MUICP, etc) and selective lockup clause for conversion of turnover rent to base rent

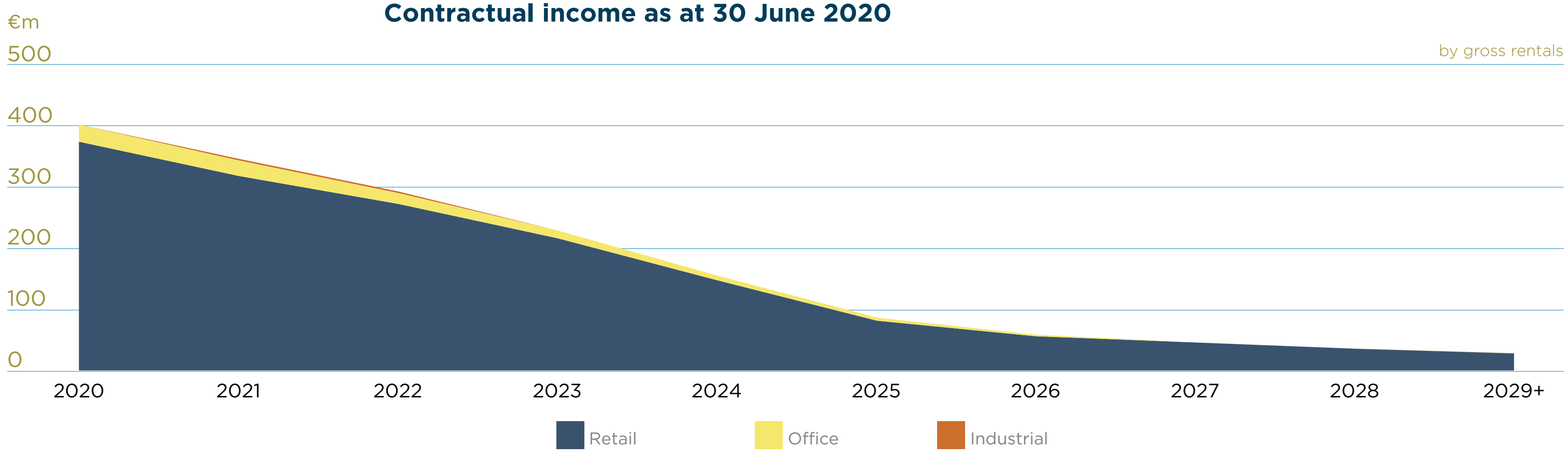
GUARANTEES

Typically equivalent to three months' rent, service charge and VAT; parent company guarantee required for major retail tenants

Sustainable long-term lease duration

Year	% of expiry
2020	1.8%
2021	14.1%
2022	12.8%
2023	15.3%
2024	18.1%
2025	16.9%
2026	6.9%
2027	3.0%
2028	2.5%
>=2029	8.6%
Total	**100%**

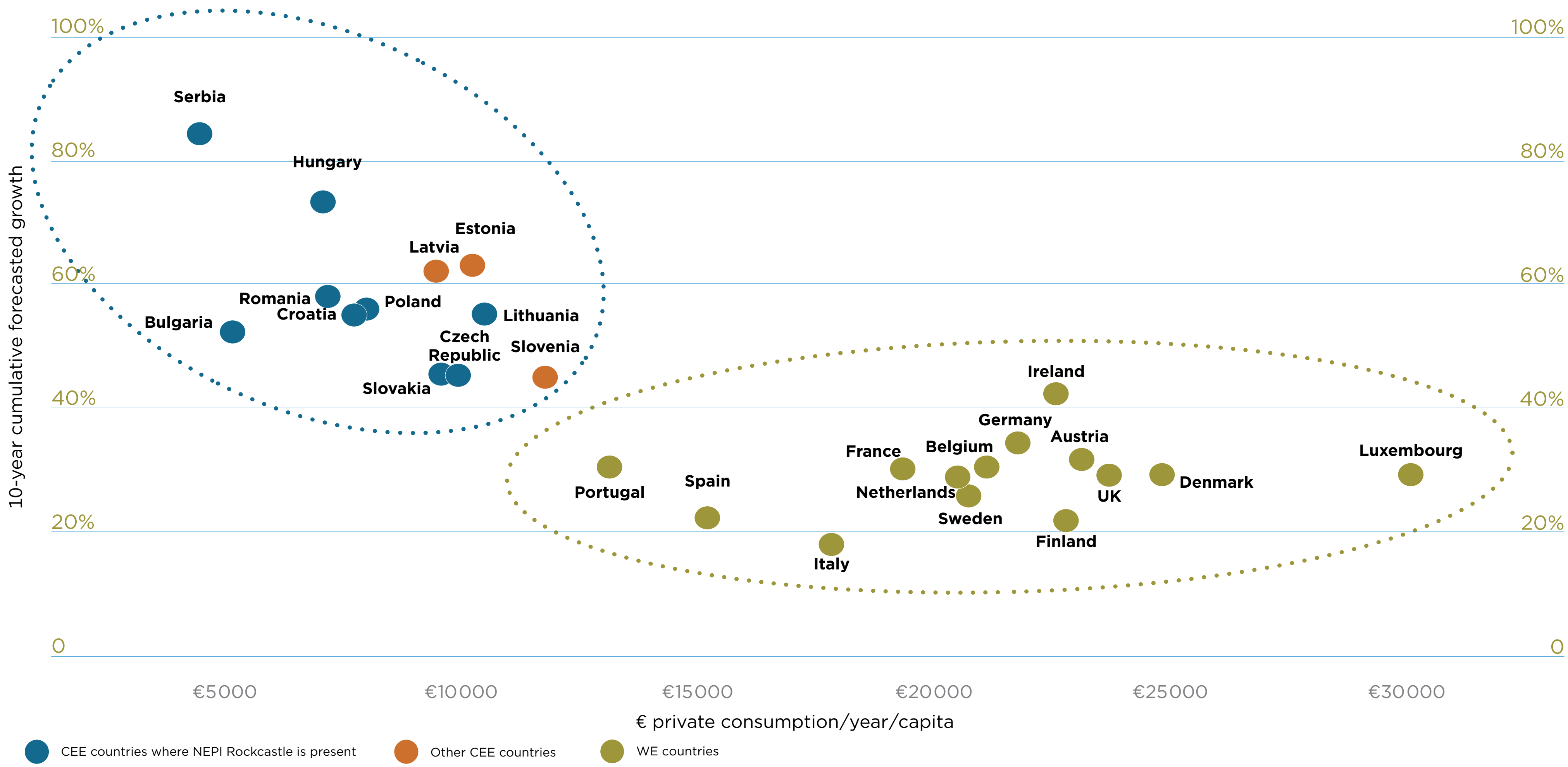
Contractual income as at 30 June 2020



Weigthed average remaining lease duration is 4 years

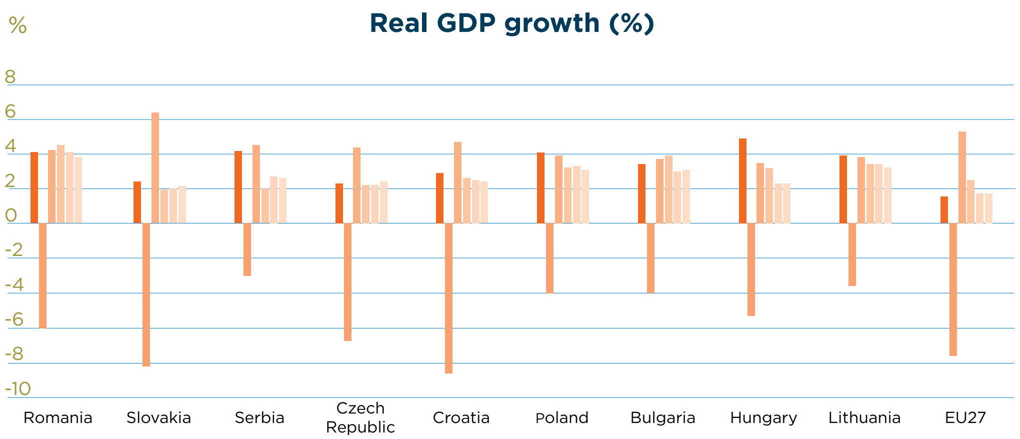
Macroeconomic fundamentals and prospects

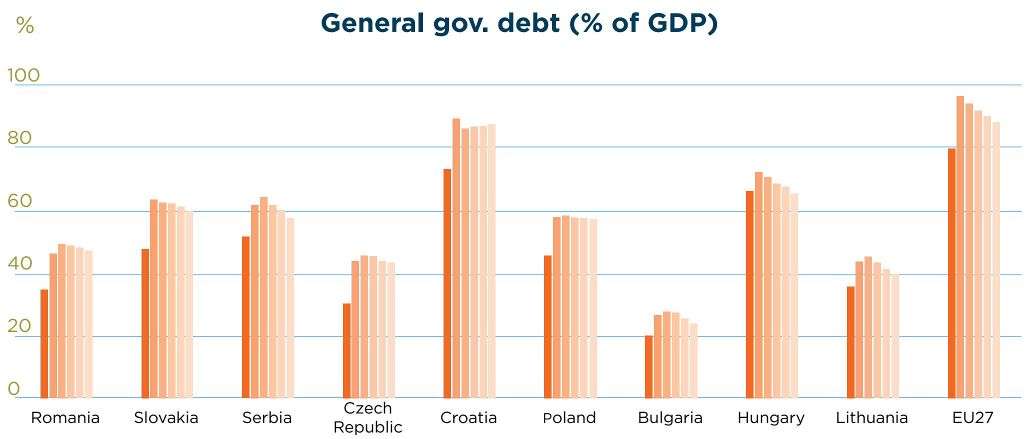
CEE private consumption growth well above WE average

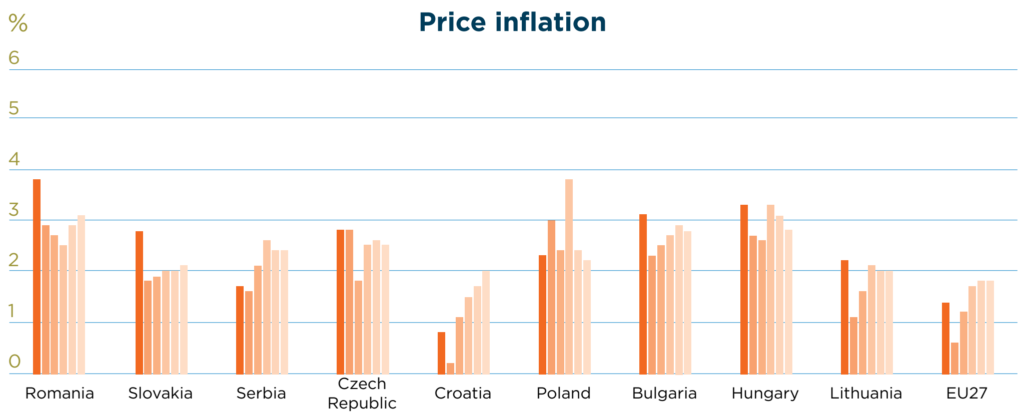


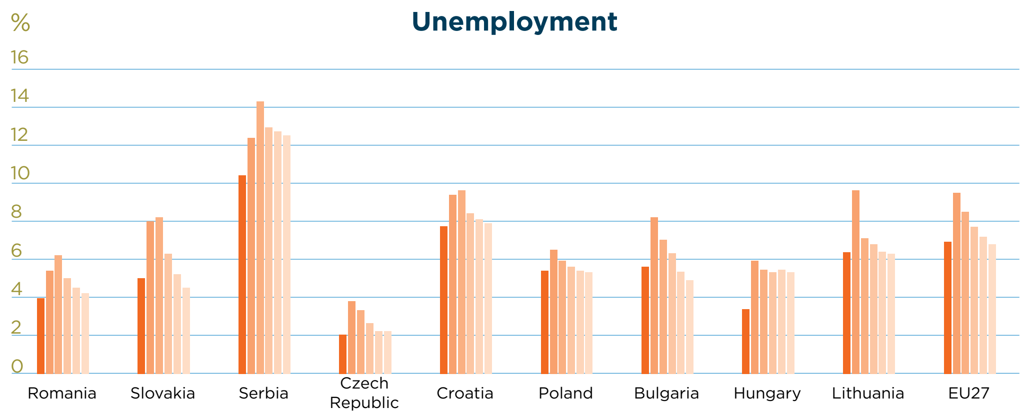
Source: Thomson Reuters September 2020

CEE growth prospects expected to continue post COVID-19









2019 2020 2021 2022 2023 2024

Source: The Economist Intelligence Unit, June-September 2020 reports

Operational optimisation

Environmental responsibility

100% renewable energy used in all common areas of the shopping centres

Enhanced **health and safety measures**

1st "COVID-19 COMPLIANT" certifications in 6 countries

Reduce waste to landfill

Own **green energy** production

Safe destination properties

Most efficient operations

Smart buildings and parkings

Automate Building operations

Sustainable acquisitions

Development of **loyalty and concierge app**

Efficient procurement process

Unified **property management model**

Value adding functions kept in-house

Environmental, Social and Governance focus

waste recycling

energy consumption

water consumption

gas consumption

100% renewable energy
used in all common areas of the shopping centres

Environmental

Social

over **80** partnerships, sponsorships and community engagements

over **200** **sustainability events** and initiatives

employee commitment

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

Top 5 Sustainalytics

EPRA

AA leader rating MSCI

FTSE4Good

Green Finance Framework

Governance

Over 50% (€2.7bn) 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

Prudent financial strategy

Robust balance sheet

33%
Prudent LTV

with **35%** long term strategic threshold

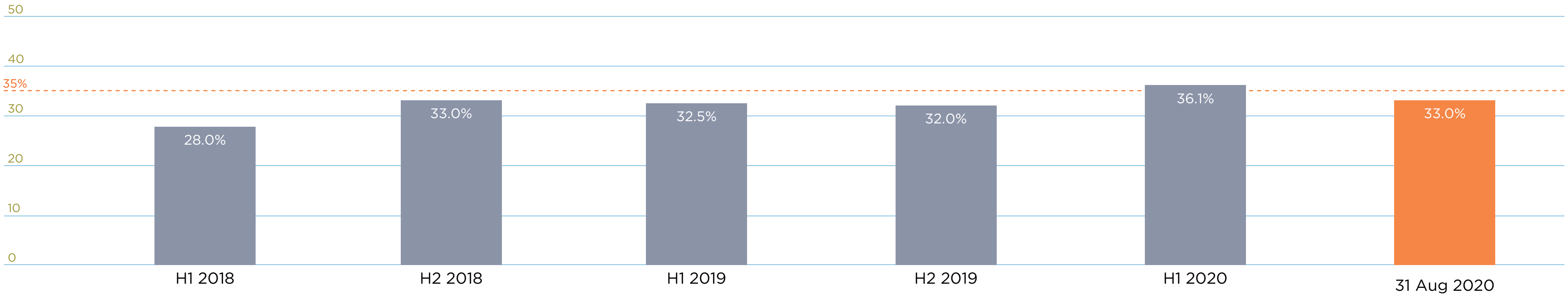
€1.2bn
Liquidity

including cash, cash collateral and available revolving facilities (€575m)

BBB
Investment grade rating

Assigned by Standard & Poor's (negative outlook) and Fitch (stable outlook)

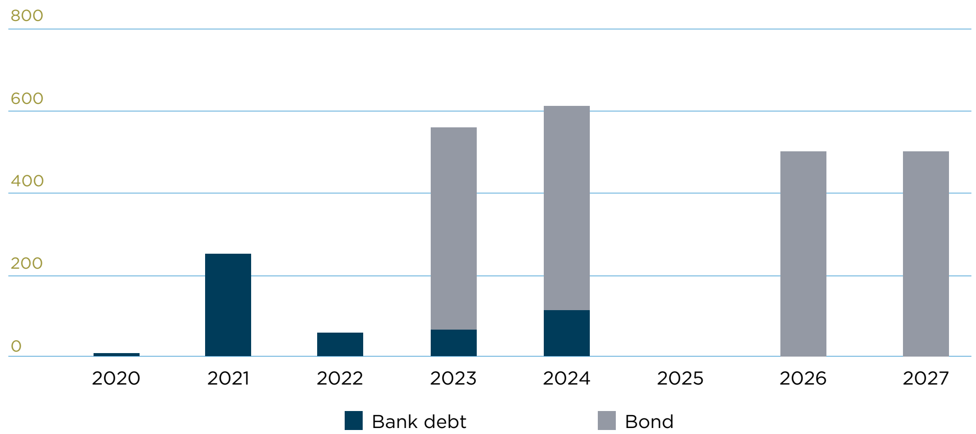
Prudent LTV (%)



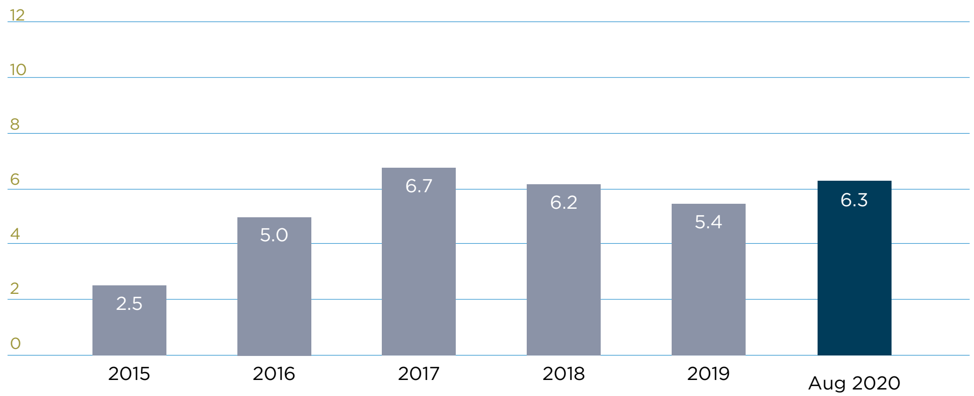
Prudent financial strategy» continued

- Versatile funding profile via a combination of equity, debt and sale of the listed securities portfolio
- **84%** of the portfolio is unencumbered
- Interest rate risk 100% hedged via caps and swaps; remaining **weighted average hedge term: 4.5 years** as at 31 August 2020
- Weighted average cost of debt for H1 2020: **2.1%**
- **Debt financing:**
  - **€2.4 billion** bonds issued since 2015, of which **€0.4 billion were repaid**
  - **€575 million** long-term committed revolving facilities

Debt maturity profile as at 31 August 2020 (€m)



Net debt/EBITDA



Galeria Warminska, Poland

Response to COVID-19

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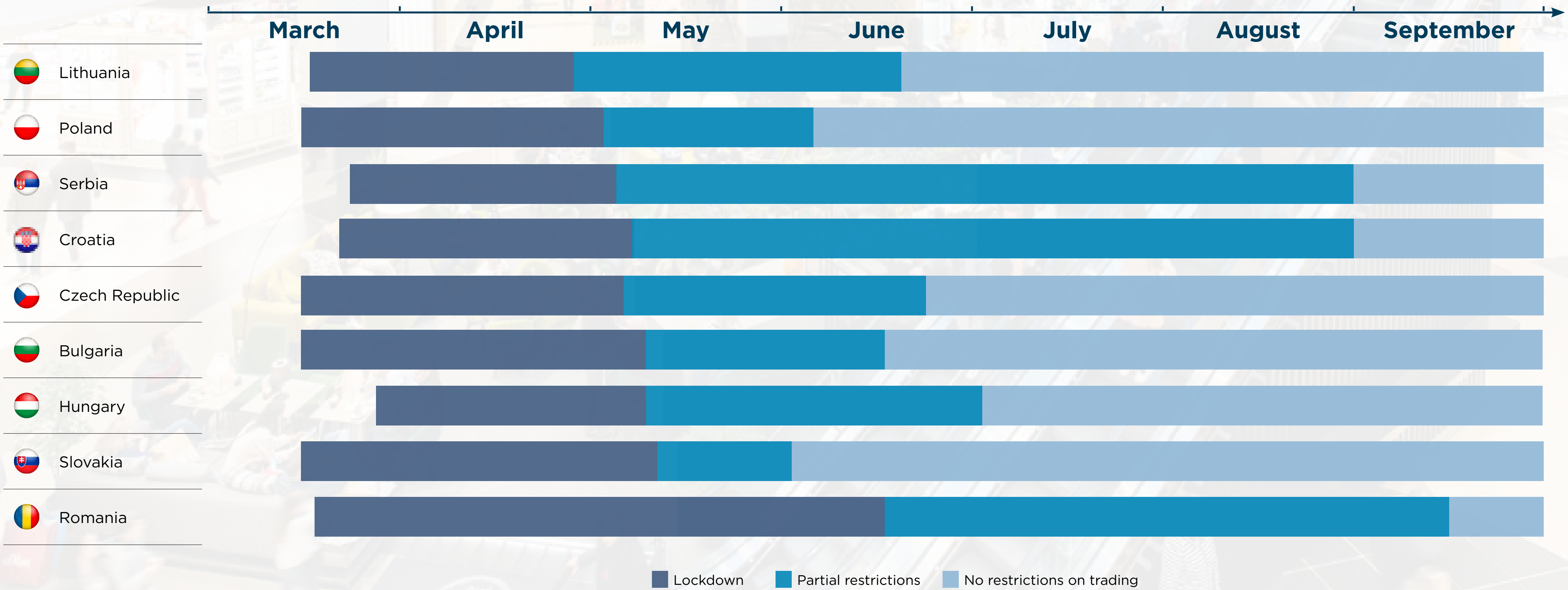
Operations across portfolio

100% **of the Group's GLA is operational at the end of September, compared to 34% in the lockdown period**

- Resumed operations starting end of April - beginning of May and continued until September

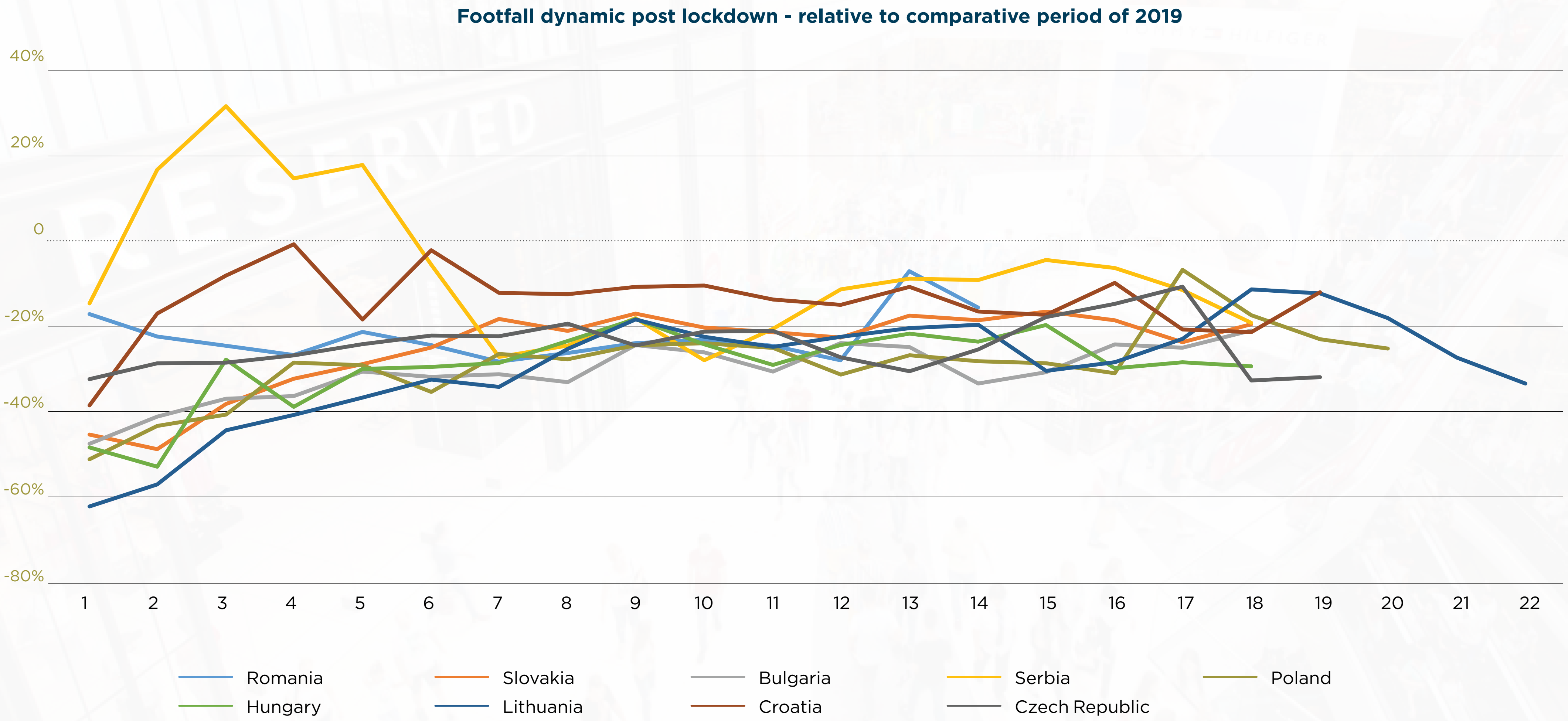


58 average days of lockdown period affecting NOI

Rebound post lockdown - Footfall

June 2020 at 70% of June 2019

September 2020 at 79% of September 2019



Rebound post lockdown - Tenant sales

NEPI Rockcastle tenant sales at 89%* of August 2019

Mirroring consumer's behavior, good sales performance of:

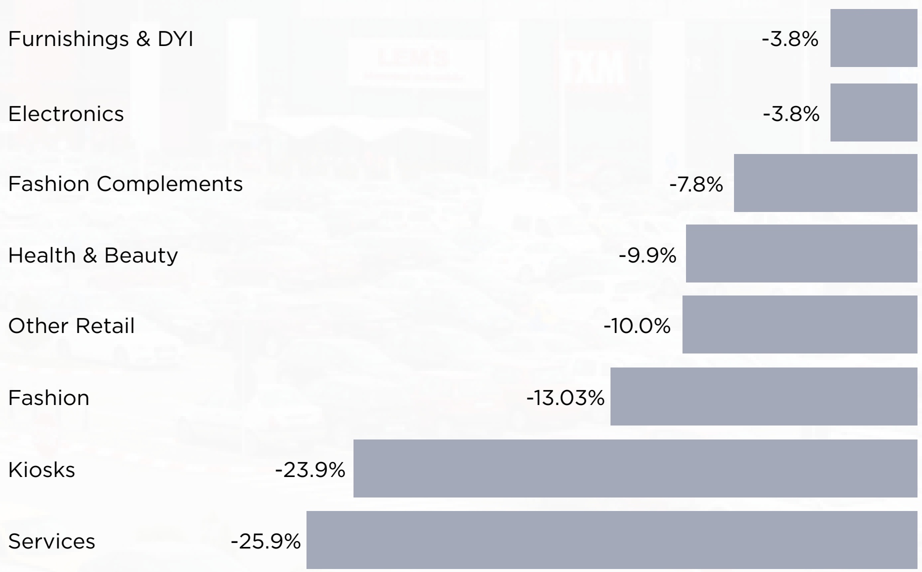
- Pet Shop (3.4%) included in Other Retail
- Electronics (-3.8%)
- Home Decorations (-4.4%) included in Furnishing & DIY
- Athletic Wear (-5.2%) included in Fashion

Sales performance

per country

Country	Turnover Jan & Feb (%)**	Turnover Aug (%)*
Romania	9.9%	-20.0%
Poland	6.1%	0.2%
Hungary	-2.3%	-15.5%
Slovakia	6.0%	-3.0%
Bulgaria	12.3%	-14.0%
Serbia	25.4%	7.4%
Lithuania	13.6%	-11.1%
Czech Republic	10.7%	5.4%
Total	8.5%	-11.2%

per retail category*

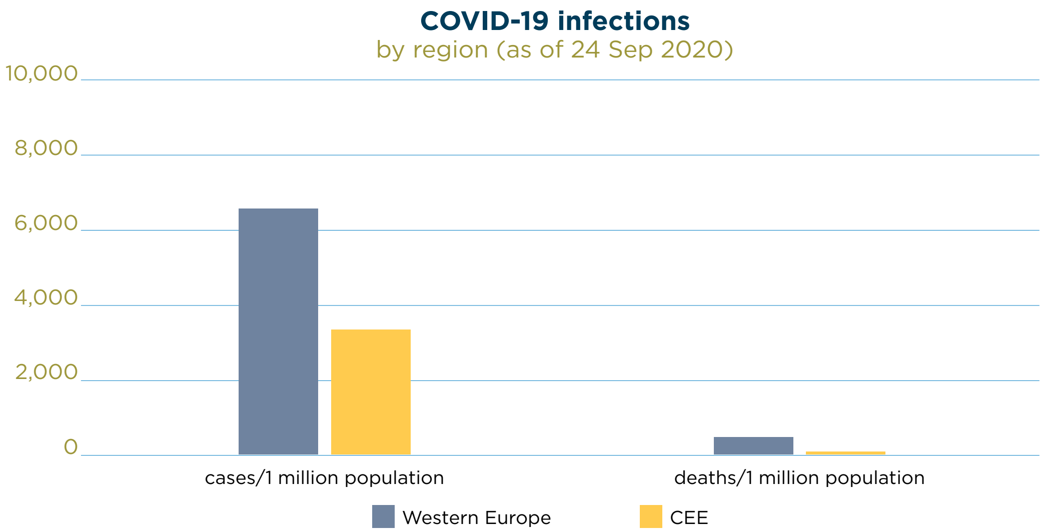


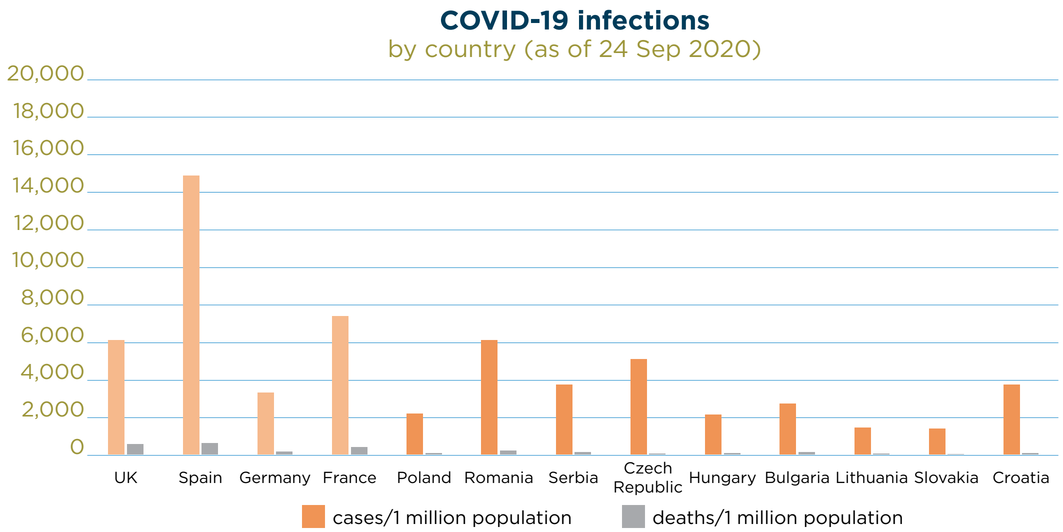
** LfL tenants and LfL properties that were opened throughout August, excluding entertainment, food services and hypermarkets. Croatian properties are not included as they are not LfL.*
*** LfL properties excluding hypermarkets. Croatian properties are not included as they are not LfL.*

COVID-19 in Central and Eastern Europe

CEE countries are recording less infections vs Western countries as restrictions were imposed faster

General lockdown is not expected but local/regional lockdowns/restrictions may occur





Ongoing restrictions: compulsory wearing of face masks in public places, ban on social, cultural and sports events, ban on people gatherings, bars/restaurants closing around midnight

Source: Worldometers

Tenant support measures

Measures implemented during lockdown

- deferral of rent payment for up to 60 days
- monthly instead of quarterly invoicing
- relief of marketing contribution during lockdown

45%^ signed lease addendums

Agreed terms for 78%^ of the leases

Post lockdown negotiations

Concessions granted

- reliefs and partial forgiveness of receivables
- no concessions granted to tenants with good trading in the lockdown (hypermarkets)
- monthly invoicing in arrears for turnover based agreements

Concessions obtained

- extension of lease period
- increase of sales based rents
- introduction of step rents
- landlord break options
- concessions clawback mechanism
- occupancy cost clauses improved

All concessions granted until 30 June 2020 have been fully recognised in Profit of Loss

No structural changes to lease agreements

Only one-off discounts agreed (no long term impact)

^ cumulative as of mid September 2020

4 Way forward

Shopping City Targu Mures, Romania

Development pipeline - Opportunity for long-term growth

Focus on sustainable long-term growth through development of retail and 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

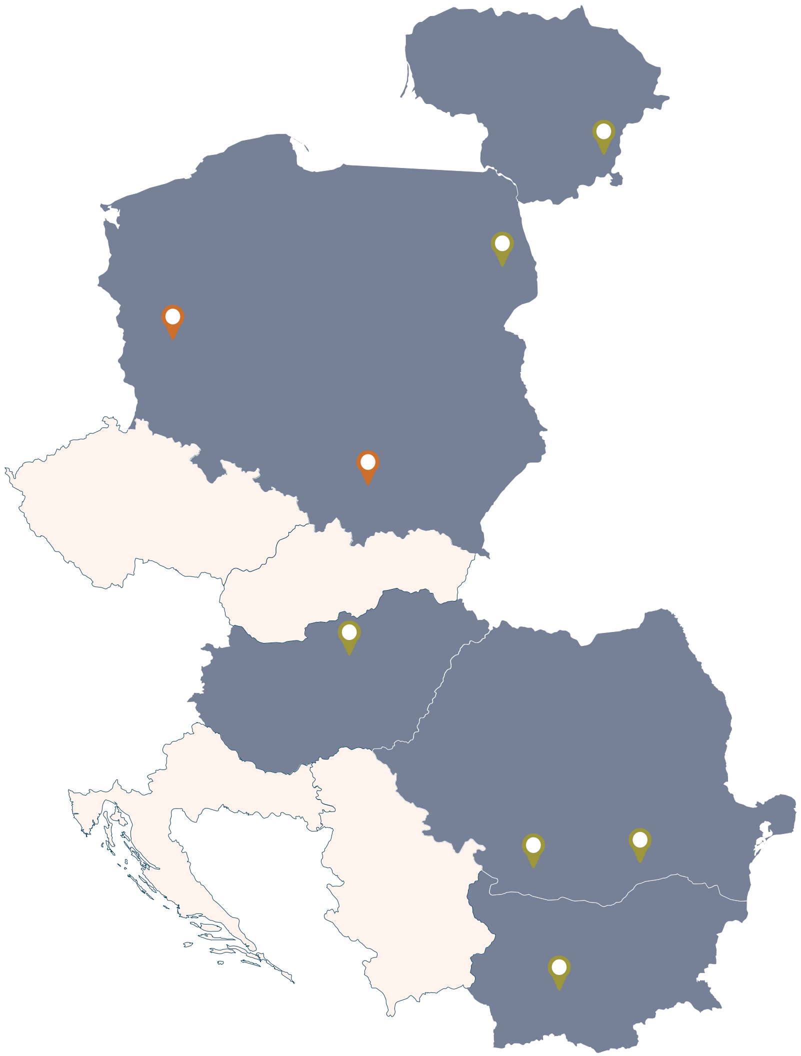
Prudent project management

- 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 bn
development pipeline

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

Development pipeline - Opportunity for long-term growth » continued



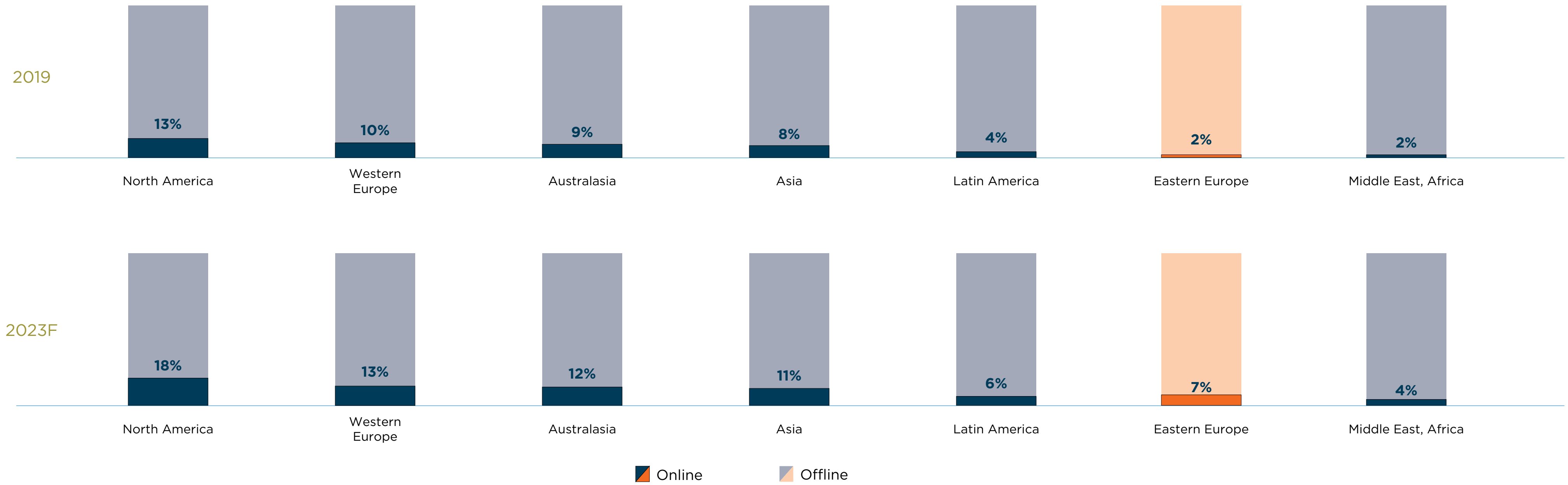
	Country	Type	Category	GLA of existing property	GLA of development	Estimated total cost
				m²	m²	€m
Developments under construction				**104 200**	**18 900**	**132**
Focus Mall Zielona Gora	Poland	Mall	Extension and Refurbishment	29 300	15 700	74
Bonarka City Center	Poland	Mall	Refurbishment	74 900	3 200	58
Developments under permitting and pre-leasing				**203 800**	**215 450**	**676**
Promenada Mall	Romania	Mall/Office	Extension	39 400	62 300	189
Promenada Plovdiv	Bulgaria	Mall	Development	-	58 300	141
Arena Mall	Hungary	Mall	Extension	65 800	25 900	141
Promenada Craiova	Romania	Mall	Development	-	56 500	115
Alfa Centrum Bialystok	Poland	Mall	Refurbishment	37 000	1 200	21
Ozas Shopping and Entertainment Centre	Lithuania	Mall	Extension and Refurbishment	66 000	11 250	19
Land held for future developments and extensions						50
Further opportunities						**235**
TOTAL DEVELOPMENTS					**234 350**	**1 043**

Notes:
Amounts included in this schedule are estimates as of December 2019 and will be updated according to permitting, pre-leasing, actual physical configuration of the finished developments and re-assessment of current environment.
Total cost includes development and land cost.

Adaptive retail - Physical Retail and E-commerce

COVID-19 crisis accelerated e-commerce growth. Online retail in CEE expected to reach 7% penetration by 2023, however, total market expected to grow overall as CEE retail space is significantly under-supplied compared to WE

Online share of total retail sales
by region



Source: GlobalData April 2020

Total shopping centre floorspace*

	Lithuania	Croatia	Poland	Slovakia	Czech Republic	Hungary	Romania	Serbia	Bulgaria	Western Europe	USA
Shopping center density (m² / 1,000 population)	377	313	281	227	220	127	107	88	103	351	2 000
Population (million people)	2.8	4.1	38.4	5.5	10.6	9.8	19.5	7.0	7.0	420.5	331
Stock of shopping centre space (million m²)	1.1	1.3	10.8	1.2	2.3	1.2	2.1	0.6	0.7	147.6	662.0

Source: Cushman & Wakefield European Shopping Centres study, Gfk, Worldometer

* excludes high street retail space

Adaptive retail - Physical Retail and E-commerce » continued

Resilience to online threats through:

- Dominant regional malls with city centre location
- Social destinations
- Modern design and structure layout
- Undersupply of modern retail with no or very limited street retail in the Group's countries of operations
- Good macroeconomic fundamentals with growth prospects for both online and offline retail

Adaptive retail - Digital acceleration strategy

Future of Retail is Omnichannel

NEPI Rockcastle aims at:

- Bridge physical and online retail by using Artificial Intelligence and Data Analysis powered platforms
- Create real-time analytics built on physical shopping behavior
- Improve the digital marketing and the customer relationship management capability
- Increase convenience, engagement and loyalty of our existing offline customers
- Adjusted corporate structure to increase digital transformation

NEPI
ROCKCASTLE