



# RESULTS PRESENTATION 2020





**NEPI  
ROCKCASTLE**

**EXCELLENCE. INNOVATION. EXPERIENCE.**

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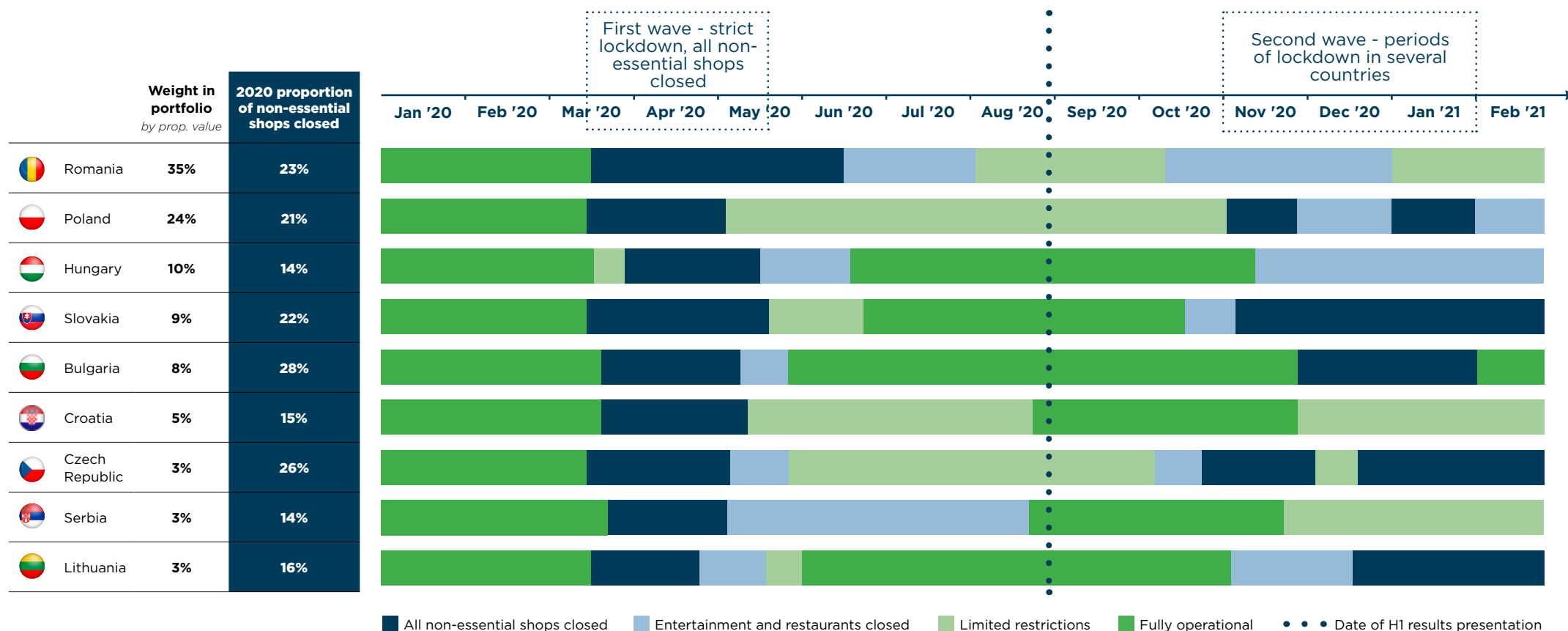
# 1

## Overview



# 2020 context

- Non-essential stores **closed in 2020 for an average period of 73 days** (20% of calendar days in the year)
- COVID-19 started in spring 2020 with strict lockdown in all countries of operation and continued with partial or full restrictions throughout the remainder of the year



# Key business figures

2020	2019	Variance
<b>38.42</b> € cents Distributable earnings per share	<b>56.33</b> € cents Distributable earnings per share	<b>-31.8%</b>
<b>€323m</b> NOI	<b>€401m</b> NOI	<b>-19.4%</b> -18.5% retail only
<b>95.7%</b> EPRA Occupancy	<b>97.9%</b> EPRA Occupancy	<b>-2.2pp</b>
<b>95%</b> Collection rate	<b>99.9%</b> Collection rate	<b>-4.9pp</b>
<b>221m</b> Footfall	<b>325m</b> Footfall	<b>-32%</b>
<b>2.2bn</b> Turnover	<b>3.1bn</b> Turnover	<b>-29.4%*</b>

90% cash distribution payout ratio for H2 2020

Retail GLA added: 44,300m<sup>2</sup>

Sale of Romanian office portfolio

Divestment from URW listed securities and repurchase of NEPI Rockcastle shares

\* Excluding hypermarkets

# Key business figures» continued

Dec 2020	Dec 2019	Variance
<b>€5.8bn</b> Investment property value*	<b>€6.3bn</b> Investment property value*	<b>-5.2%**</b>
<b>€6.45</b> EPRA NRV per share	<b>€7.32</b> EPRA NRV per share	<b>-11.9%</b>
<b>31.5%</b> Loan-to-value*	<b>32%</b> Loan-to-value*	<b>-0.5pp</b>
<b>83%</b> Unencumbered assets^	<b>83%</b> Unencumbered assets^	<b>-</b>
<b>4.1 years</b> Average debt maturity	<b>4.1 years</b> Average debt maturity	<b>-</b>

€1.2bn liquidity

€500m inaugural green bond

Investment grade credit ratings

\* Including investment property held for sale and excluding immaterial impact of right of use assets

\*\* Investment property in use on a like-for-like basis (excluding other properties held for sale)

^ Percentage of investment property

# Strategy during 2020

**Ensure stability of retail eco-system**

**Deliver on committed projects**

**Focus on liquidity**

**Customer safety and maintaining asset quality**



# Stable retail eco-system

## Approach to retailers

- Fair and balanced criteria
- Impact of restrictions on the tenant's business
- Authorities support measures
- Maintain a vibrant and relevant tenant mix
- In the case of multi-location tenants, negotiations held at Group level



**95.7%**

Solid EPRA Occupancy rate

**14.5%\***

Sustainable Occupancy Cost Ratio

**97%**

Negotiations finalised and agreed contractually during 2020

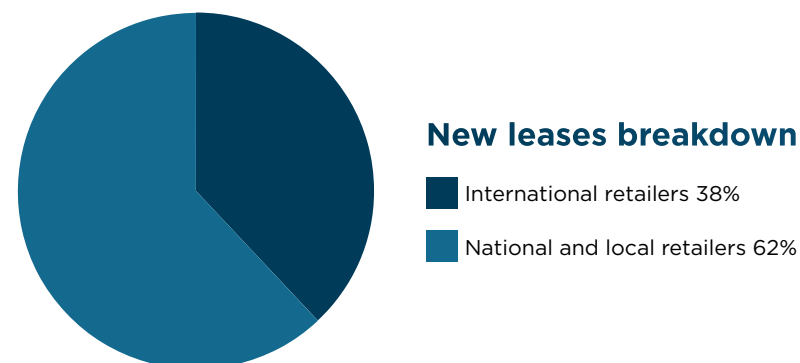
**No notable insolvencies**  
of retailers

*\* Excluding hypermarkets*

# Stable retail eco-system» continued

## Anchor and national chains retailers continued their expansion

- **310 new leases** signed (43% of 2019 new leases)  
  
55% of which represented either new tenants to the Group or tenants expanding in new assets their stores network
- **388 lease renewals**  
  
99% of the expired lease agreements renewed with lease terms similar to those pre-COVID-19



## Top tenants with strong liquidity and good prospects

Top 10 tenants^	Annual rent
LPP*	4.2%
Auchan	3.7%
Inditex**	3.4%
Carrefour	3.1%
H&M	2.3%
New Yorker	1.8%
CCC	1.6%
Peek & Cloppenburg	1.4%
C&A	1.2%
Deichmann	1.2%
<b>Total</b>	<b>23.9%</b>

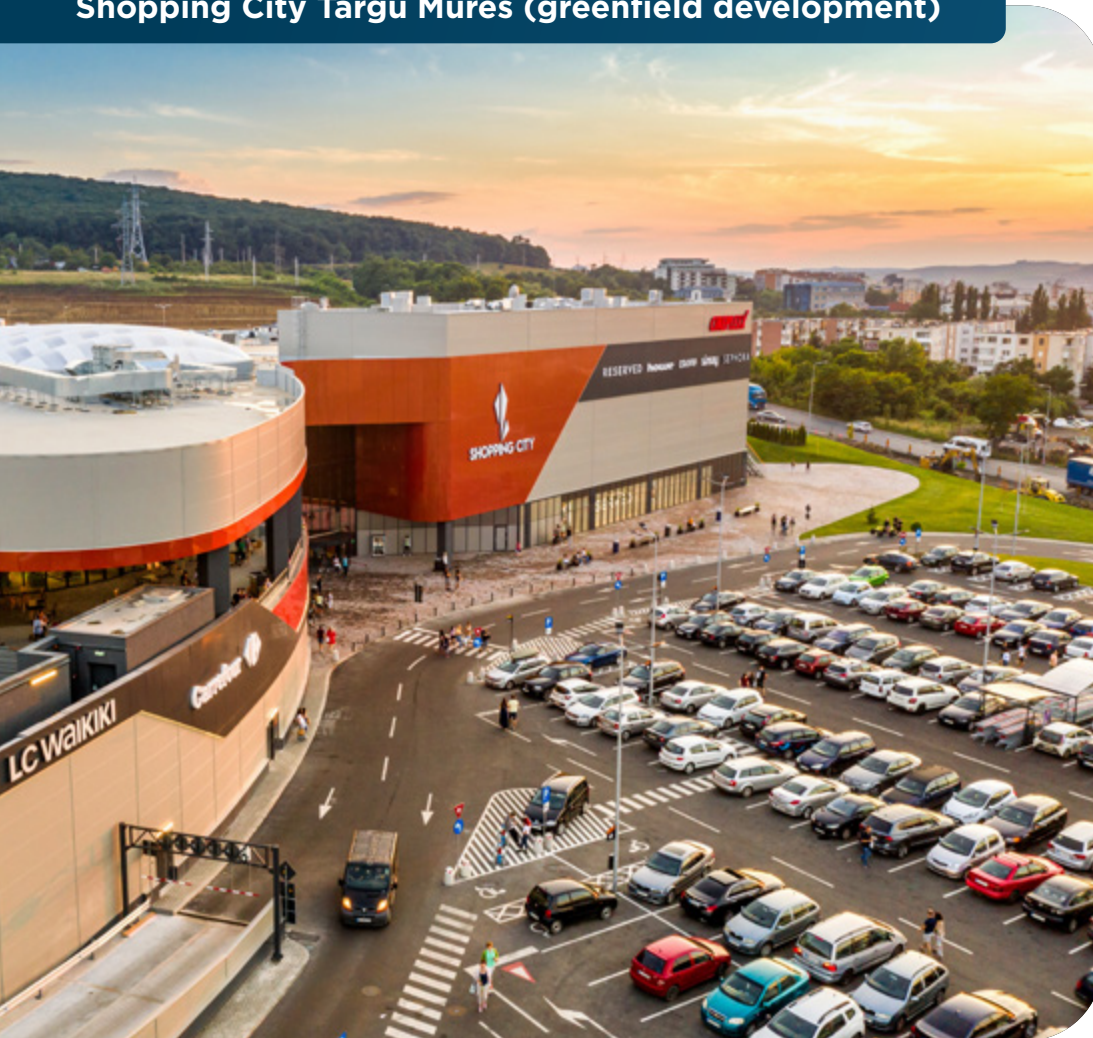
\* Cropp Town, House, Mohito, Reserved, Sinsay

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

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

# Deliver on committed projects

**Shopping City Targu Mures (greenfield development)**



**Shopping City Buzau redevelopment and extension**

## Deliver on committed projects » continued



**Forum Liberec Shopping Centre refurbishment**

**Focus Mall Zielona Gora refurbishment and extension ongoing**



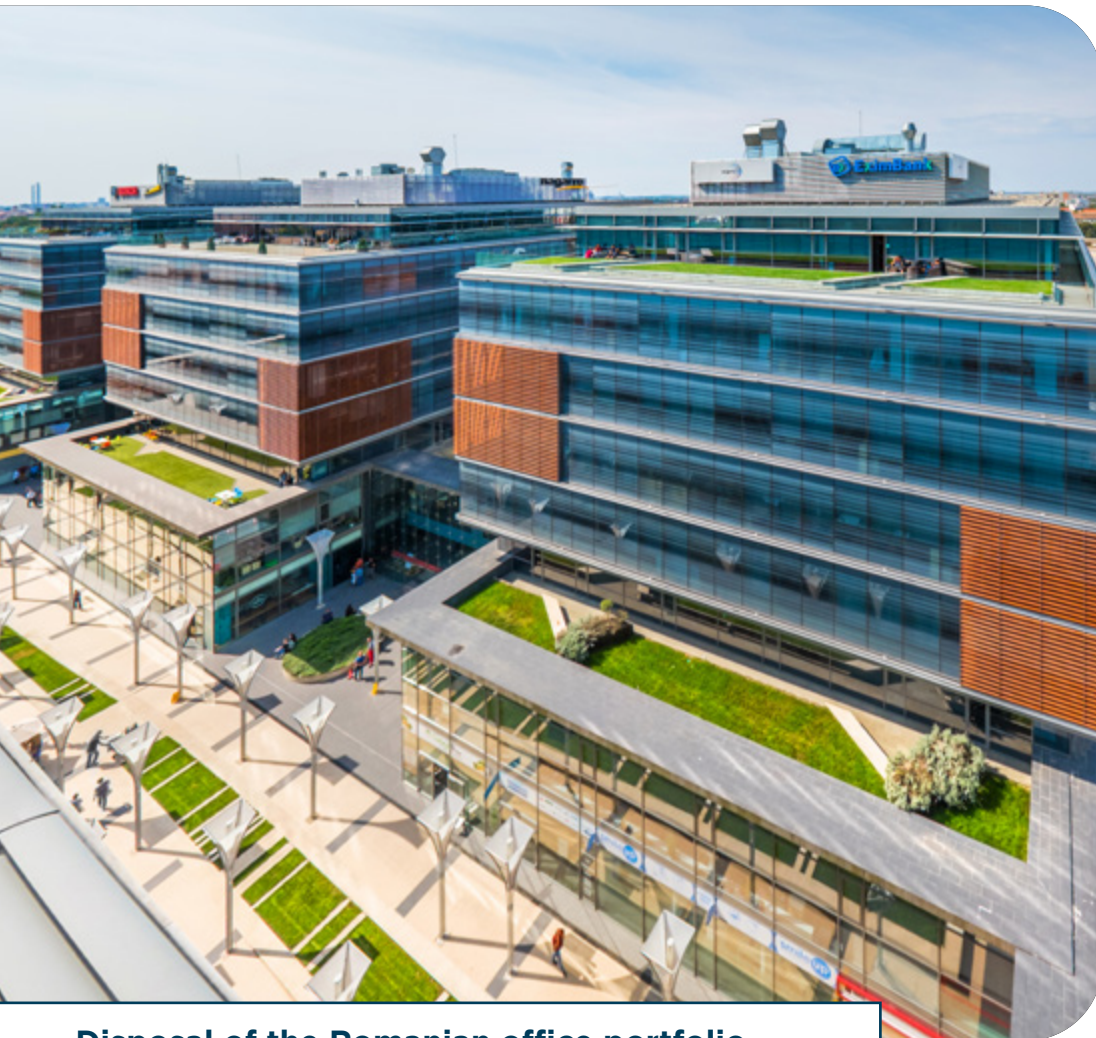
## Deliver on committed projects » continued

**Bonarka City Center refurbishment ongoing**



**Ozas Shopping and Entertainment Centre refurbishment**

# Milestones achieved



**Disposal of the Romanian office portfolio**



**Issue of inaugural €500 million green bond**

# 2

## Asset management



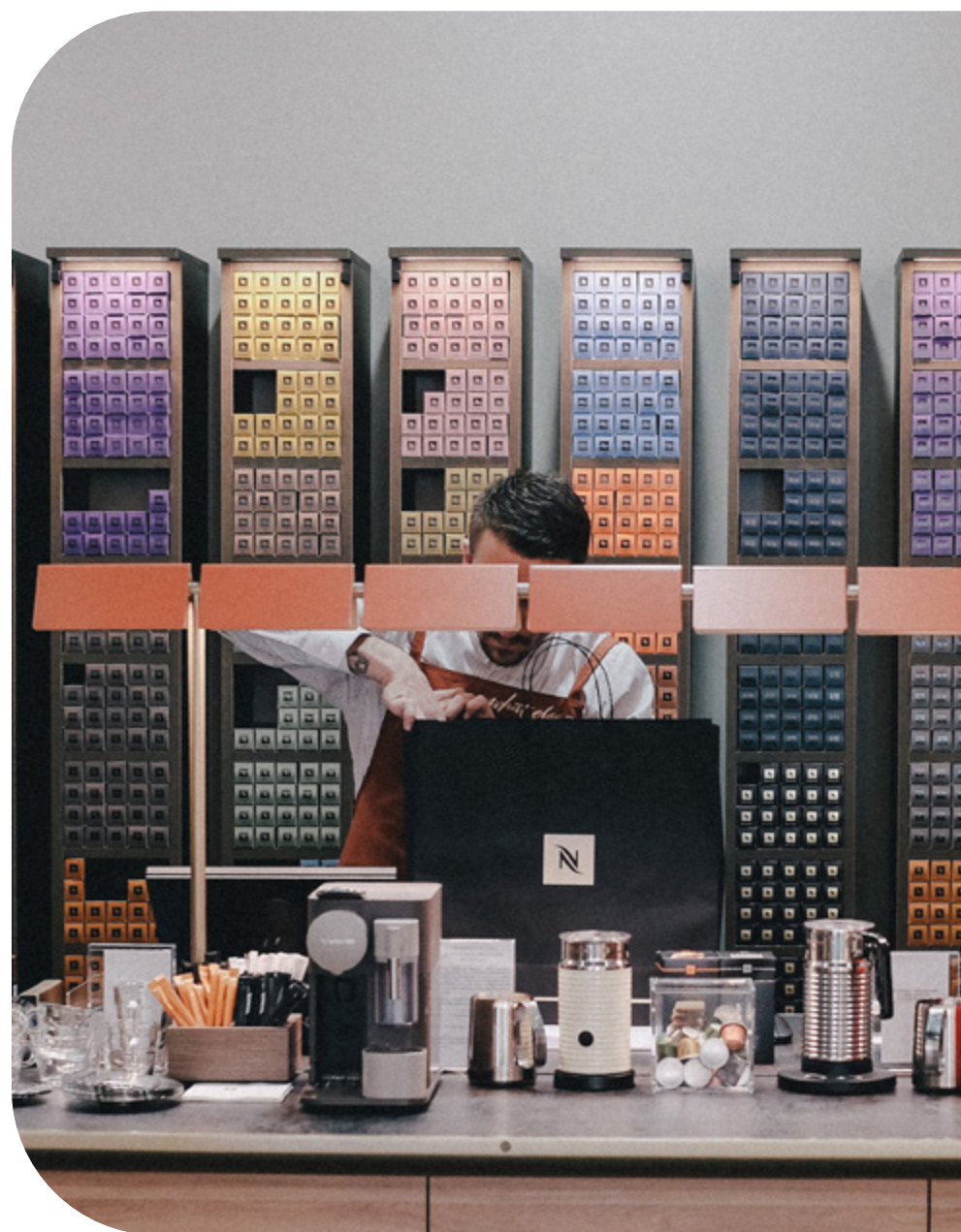
# Adapted asset management

## Fast adaptation to COVID-19 challenges:

- Immediate creation of international team to liaise with the tenants on group level
- Intense coordination - no tenant discussion outside of Group framework
- Discussions based on data
- Systems in place to allow dealing with multiple issues
- Prompt operational/marketing /capital expenses revision
- 6,150 addenda signed by end of 2020, in addition to new leases and lease renewals
- Various lease agreements improvements received in exchange for rental concessions
- 95% collection rate
- Managed to keep EPRA vacancy ratio at low level of 4.3%

## Typical lease terms signed in 2020

- Intensive GLA over extensive GLA
- Lease term remains minimum 5 years
- Commercial terms comprise base rent, service charges, marketing fees and additional turnover rent
- No additional break option
- All leases are in euro
- Rent and marketing fees are annually indexed with consumer prices indices, and the vast majority of service charges are recoverable



# Tenant sales recovered faster than footfall

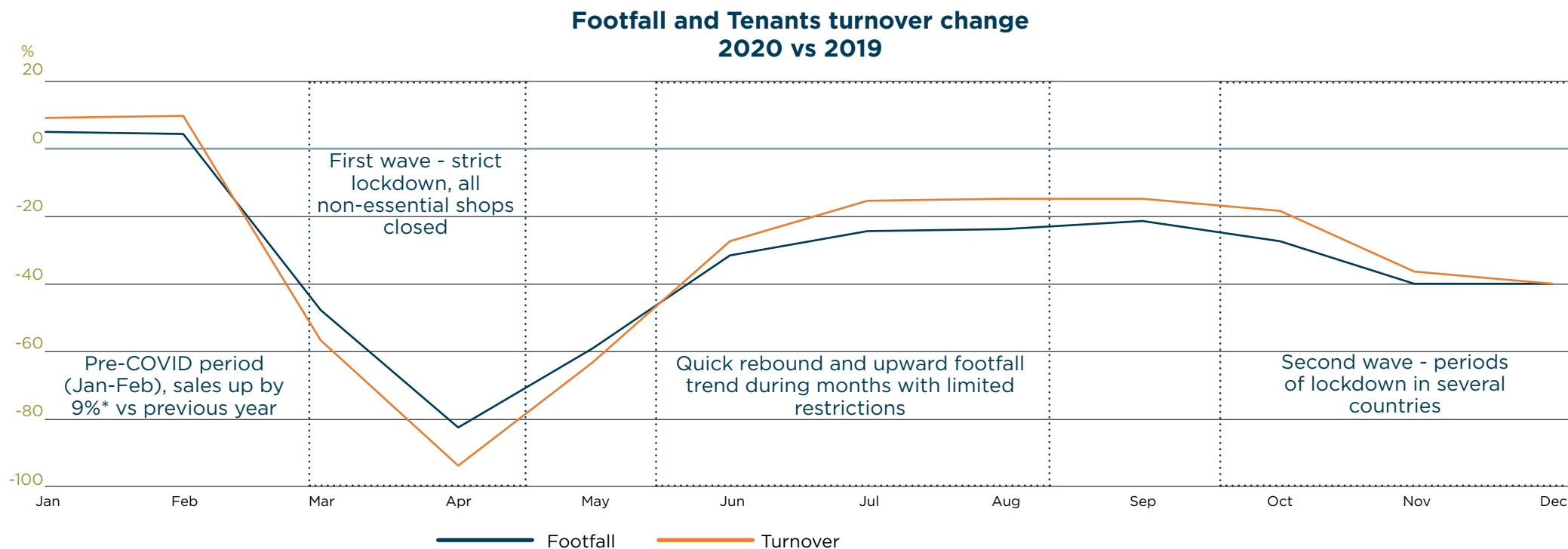
Footfall decreases by 32.9%\* vs 2019, but higher spending is noted (tenant sales decrease only by 31.5%\*)

Fast rebound of footfall gives an optimistic signal regarding the customers' appetite to return to shopping centers

Increased basket size:

+8.50% September 2020 vs 2019

+2.22% December 2020 vs 2019



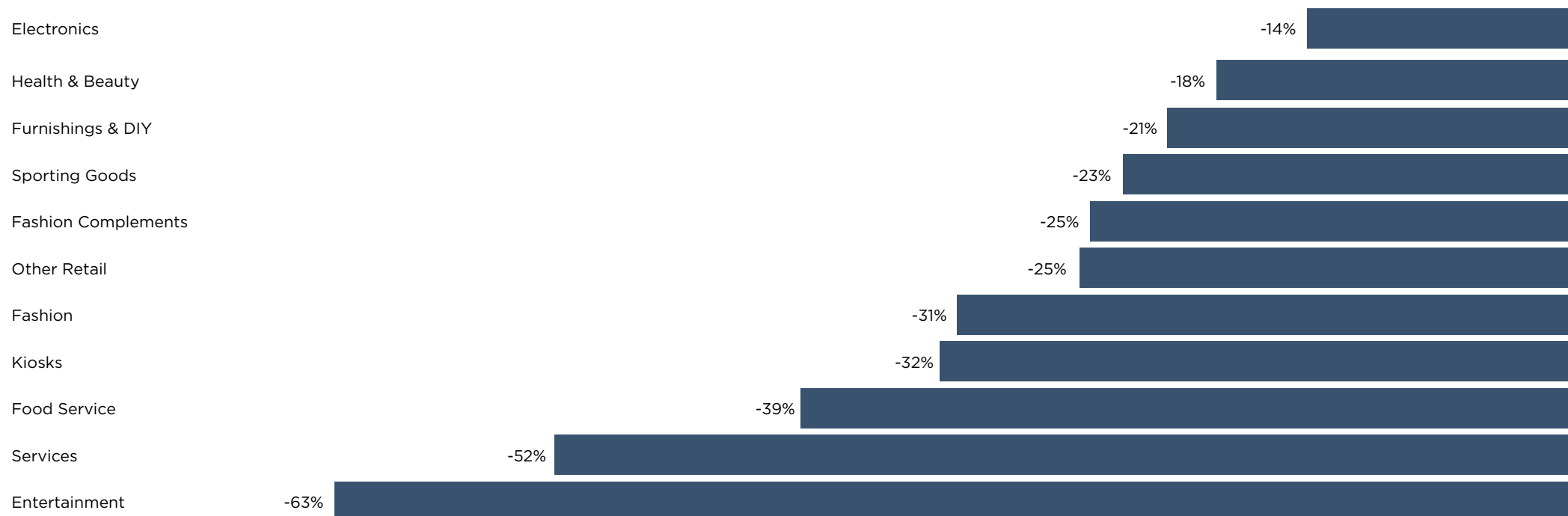
\* On a like-for-like basis

# Active management

- Tenants dependent on daily traffic (impulse shopping) performed weaker
- Customers adapting to 'Work From Home' spent more on home deco/electronics
- Leisure/dining/entertainment are expected to bounce back as customers are eager to return to their lifestyle pre-COVID-19

## Sales performance 2020 vs 2019

per retail category



# Active management » continued

## 2021 asset management approach

- Health and safety remains the highest priority
- Close monitoring of local legislation
- Cooperation with local authorities regarding opening protocols and healthy measures
- Close liaison with the tenants
- Intensive works aimed at cross-border leasing and bringing new tenants to the region

## Tenant mix management:

Focus on:

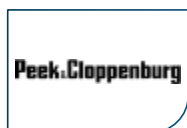
- tenant mix and layouts optimisation
- improving quality of offering-tenants entering new cities and locations



# Active management » continued

## New and strengthened partnership with tenants

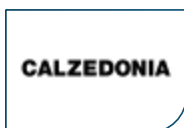
### Bonarka City Center



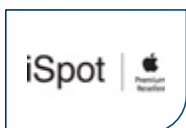
900m<sup>2</sup>  
extension



Relocation to  
a three times  
larger unit



Relocation



Refurbishment

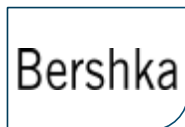


Refurbishment  
and  
enlargement



Refurbishment

### Solaris Shopping Centre



Lease  
extension



Lease  
extension



New lease  
agreement



New lease  
agreement

### Alfa Centrum Bialystok



Refurbishment



Refurbishment

### Focus Mall Zielona Gora



New lease  
agreement



Extension



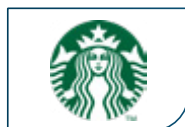
Refurbishment

### Galeria Warminska



New lease  
agreement

### Galeria Mlynny



New lease  
agreement



# Active management » continued

## New and strengthened partnership with tenants

### Shopping City Buzau



1<sup>st</sup>  
in the city



1<sup>st</sup>  
in the city



1<sup>st</sup>  
in the city



1<sup>st</sup>  
in the city



1<sup>st</sup>  
in the city



1<sup>st</sup>  
in the city

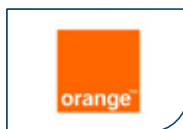


1<sup>st</sup>  
in the city

### Mega Mall



Refurbishment



Relocation  
and  
enlargement



Reopening



New lease  
agreement



New lease  
agreement

### Forum Usti nad Labem



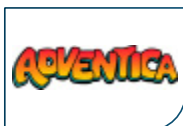
New lease  
agreement



# Active management » continued

## New and strengthened partnership with tenants

### Ozas Shopping and Entertainment Centre



New lease agreement



New lease agreement



Lease extension



New lease agreement



Lease extension

### Forum Liberec Shopping Centre



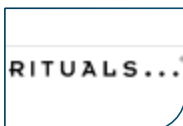
New lease agreement



New lease agreement



New lease agreement



New lease agreement



New lease agreement

### Aupark Zilina



New lease agreement



New lease agreement



New lease agreement

### Aupark Kosice Mall



1<sup>st</sup>  
store outside  
Bratislava



1<sup>st</sup>  
store outside  
Bratislava



# New face of entertainment

Creating leisure destinations in the shopping centers and strengthening the experience, offering an alternative to the home entertainment

In Ozas Shopping and Entertainment Centre - creation of a 6,000m<sup>2</sup> complex and fluid entertainment space, that encompasses:

- Adventica, a 4,300m<sup>2</sup> family entertainment park opened in June 2020, which includes a large **jumping area, a ninja-warrior arena, virtual screens, electric cars** and more
- The park brought in 70,000 customers high sales despite periods of closure



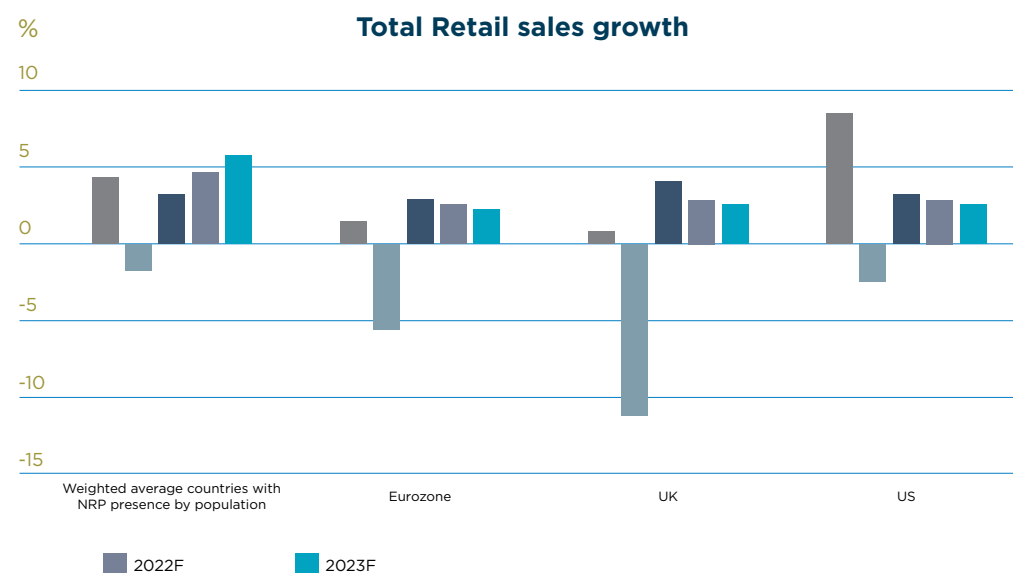
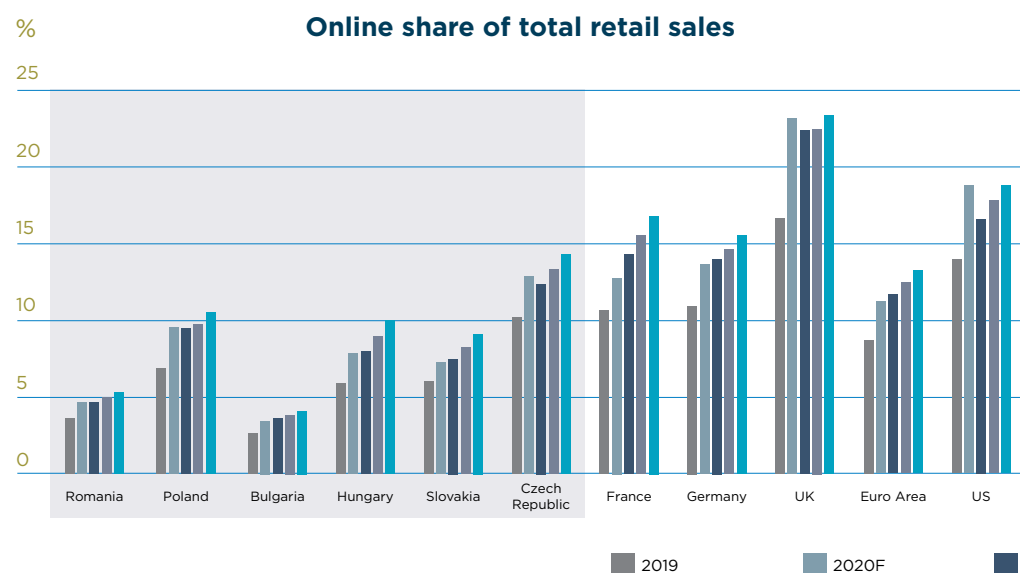
- O'Learys - a new concept bringing together a **cinema with dining experience, a VR gaming field, a basketball court** and many more. Construction works in progress



- **Professional swimming pool** with 9 tracks for professionals and for a swimming school

# Adaptive retail - Physical Retail and E-commerce

- Online share of total retail sales in CEE countries still expected to remain below Western European countries and US
- Total retail sales forecasted to grow at higher pace than Western European countries and US



## Total shopping centre floorspace\*

	Romania	Poland	Bulgaria	Serbia	Hungary	Croatia	Slovakia	Czech Republic	Lithuania	Western Europe	USA
Shopping center density (m <sup>2</sup> / 1,000 population)	201.0	318.8	115.2	79.7	229.7	123.6	219.9	224.4	311.7	322.0	1,500
Population (million people)	19.4	38.0	6.9	6.9	9.8	4.0	5.5	10.7	2.8	420.5	330
Stock of shopping centre space (million m <sup>2</sup> )	3.9	12.1	0.8	0.6	2.24	0.5	1.2	2.4	0.9	135.4	509

Source: Colliers, JLL, CBRE

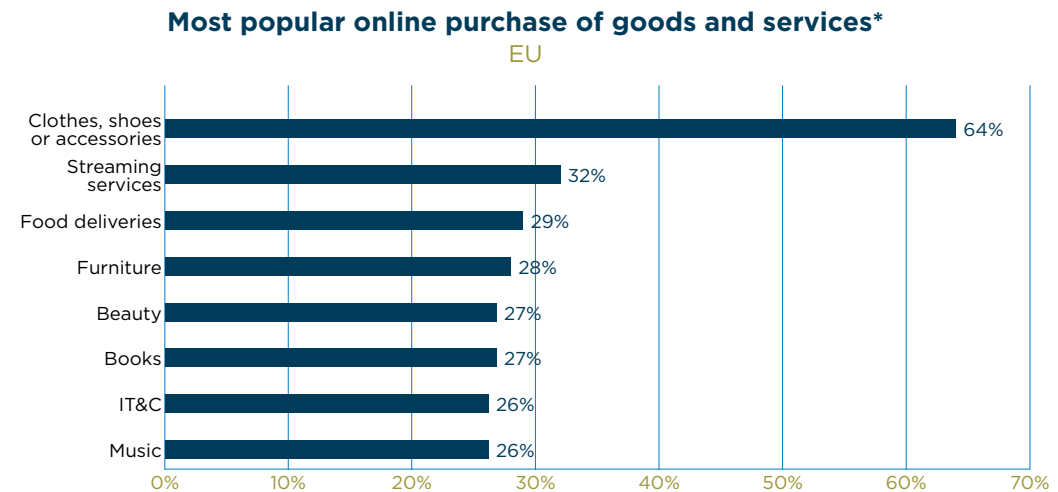
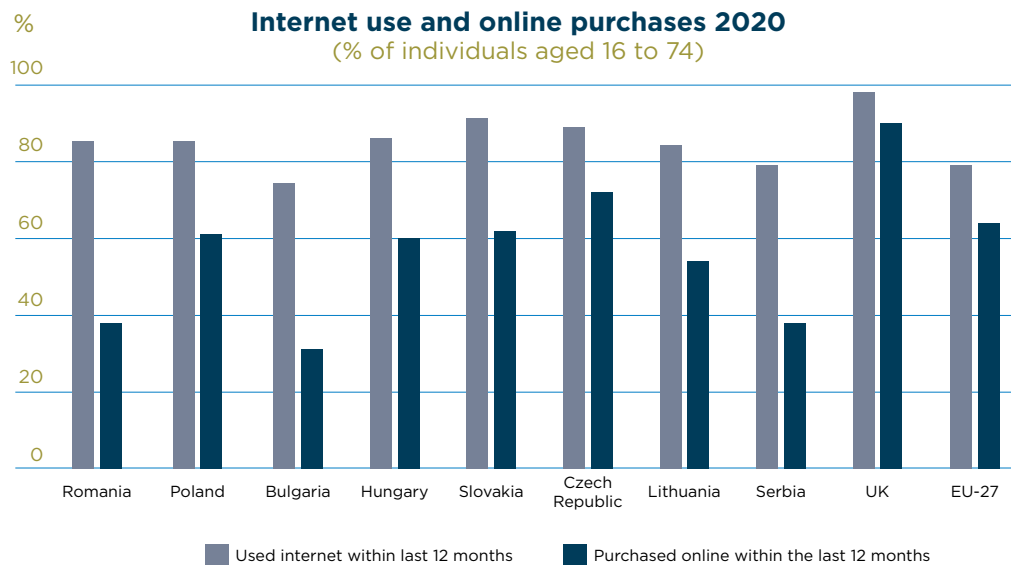
\* excludes high street retail space

# Adaptive retail - Physical Retail and E-commerce» continued

Conversion of internet users in online shoppers in CEE countries significantly below the EU-27

Limitations faced by E-commerce support the expectation that the 2020 E-commerce growth will partially reverse in 2021:

- Missing social element of a shopping trip
- Low consumer confidence in online payment
- Difficult logistics related to delivery/return



\* % of people who bought or ordered goods or services over internet for private use 3 months prior to February 2021

# Adaptive retail - Digital acceleration strategy

Create a customer-centric ecosystem that drives incremental footfall and turnover by offering surprising experience, personalisation and convenience to our loyal shoppers

**Unified  
Loyalty Program**

**Personalised  
communication**

**WOW shopping experience,  
Offline and Online**



# New initiatives focused on increasing footfall

## Increased digital communication and activities

- **SEZAM loyalty app** – the largest shopping center loyalty program in Poland, now expanding to other countries (**41,646 application downloads; registered receipts of €7.3 million**)
- **Click & Collect campaign** – digital advertising campaign to promote tenants with a collection service
- **Gamification events in Romania** – Christmas advent calendar (8x engagement), and Running Heroes app partnership in Mega Sport Challenge
- **Arena Mall Auction** – unprecedented campaign in Hungary, combining on-line auction with direct off-line sale (**769 conversions/participants on auction; €188 average basket value/player**)
- **Cultural events** with social media live-streams: Museum of Senses (Shopping City Timisoara), Retro cars and Romanian brands Museum (Mega Mall) , NASA Expo (Shopping City Targu Mures)
- **Increased Communication with customers** on their preferred media channels (YouTube, Tik Tok, vloggers)
- **#mALL Black Friday** creative concept – national campaign in Romania to communicate Black Friday offers

## New services

- Call & collect services
- Free gift shipping on Christmas season
- Loyalty program for all shopping centre employees in Romania: special discounts applicable in food courts, based on an access card
- Early Christmas campaigns across the whole portfolio and activities to encourage a safe and early shopping experience



# Continuous commitment to sustainability

## NEPI Rockcastle continues to be committed to sustainability strategy

- Focus on minimising waste to landfill – feasibility study finalised, waiting for submission and approval. Aiming at zero waste to landfill from 2025
- 100% of the energy used for common areas coming from renewable sources and 50% of purchased energy produced from renewable sources - certification received starting August 2020
- BREEAM certification or re-certification of all properties in progress (Very good or Excellent level)
- Compliant with all disclosing policies in regards to the environmental and sustainability reports (GRESB, GRI, UN SDGs)
- Car-charging stations, with the aim to increase their number and promote electrical car usage NEPI Rockcastle continues to be committed to sustainability strategy even in difficult times
- Implementation of Green Financing Framework and issue of the inaugural €500m green bond



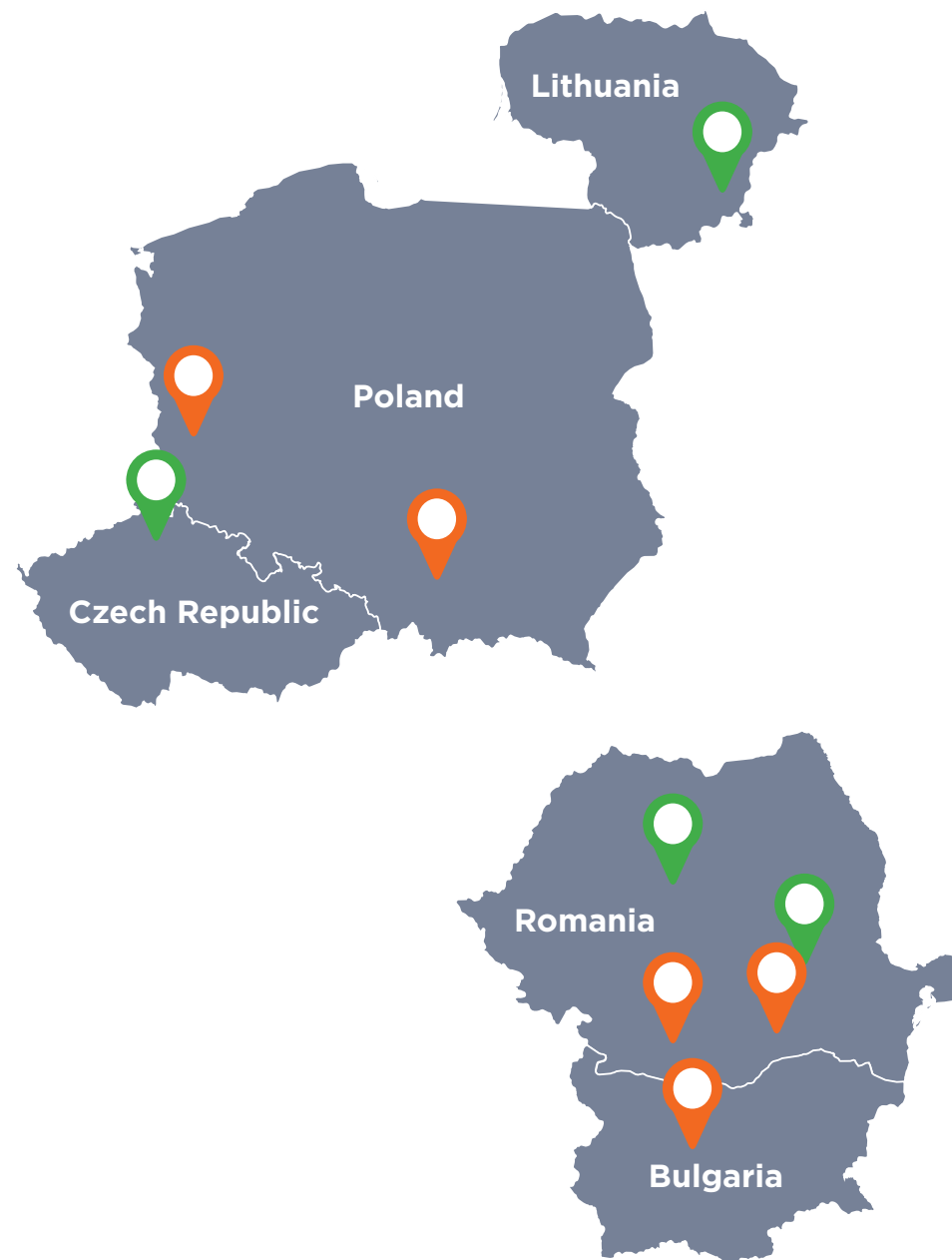
# Developments completed and ongoing

## Developments completed

Shopping City Targu Mures	Romania	Mall	Development
Shopping City Buzau	Romania	Mall	Refurbishment
Forum Liberec Shopping Centre	Czech Republic	Mall	Refurbishment
Ozas Shopping and Entertainment Centre	Lithuania	Mall	Refurbishment

## Developments ongoing

Promenada Mall	Romania	Mall/ Office	Extension
Promenada Plovdiv	Bulgaria	Mall	Development
Promenada Craiova	Romania	Mall	Development
Bonarka City Center	Poland	Mall	Refurbishment
Focus Mall Zielona Gora	Poland	Mall	Refurbishment and extension



# Safety in our properties

**"COVID-19 Compliant" certification in all countries of operations**  
**32 shopping centres certified Safe Retail Destinations by SAFE Shopping Centers**

**Continuous dialog with authorities on the safe re-opening measures**

The Group adhered to the highest **health and safety standards**:

- **social distancing rules**
- **preventions measures** in line with World Health Organisation standards
- **fresh air ventilation in centers and HVAC filters antiseptic treatment**
- **hourly disinfection** of frequently used areas
- **use of new nanotechnology materials** for self-cleaning of all frequently touched areas
- **hand sanitising dispensers** in all access points of the properties
- **face masks acquisition points** are available in all shopping centres
- **temperature checks**



# 3

## Finance



# Prudent financial strategy

## Focus on liquidity and optimisation of capital allocation

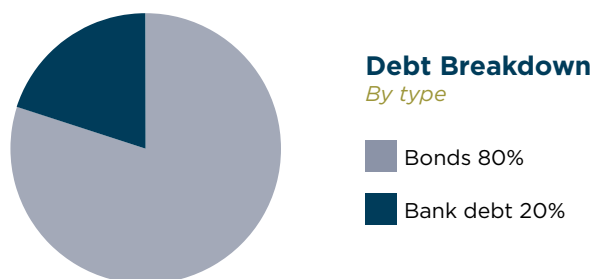
- Reduced variable non-critical operating expenses during lockdown
- Deferred non-committed development projects
- Supplementary cash capacity through partial drawdown of revolving credit facilities during H1 2020
- 1<sup>st</sup> green bond issue of €500m
- *Capitalisation issue* for H1 2020, allotting shares instead of a cash dividend
- Disposal of Romanian office portfolio and preservation of cash proceeds
- Strong collection rate of 95% of reported revenues (adjusted for concessions)

Liquidity as at 31 December 2020: **€1.2bn**

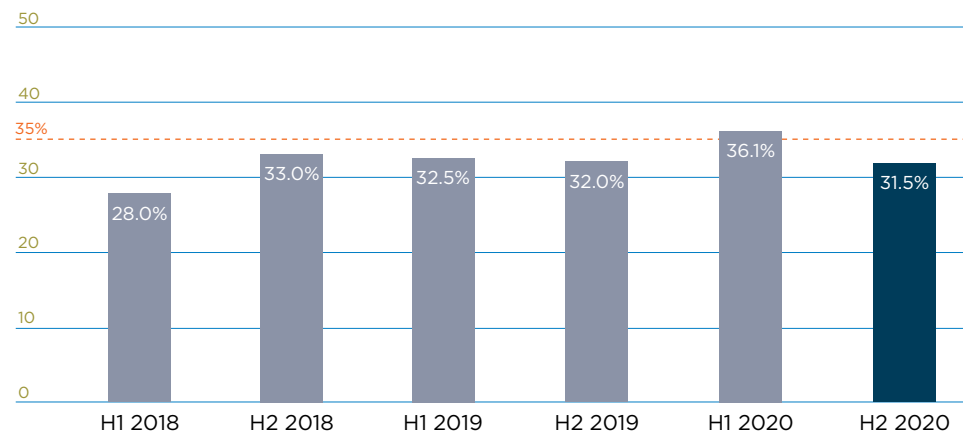


# Prudent financial strategy» continued

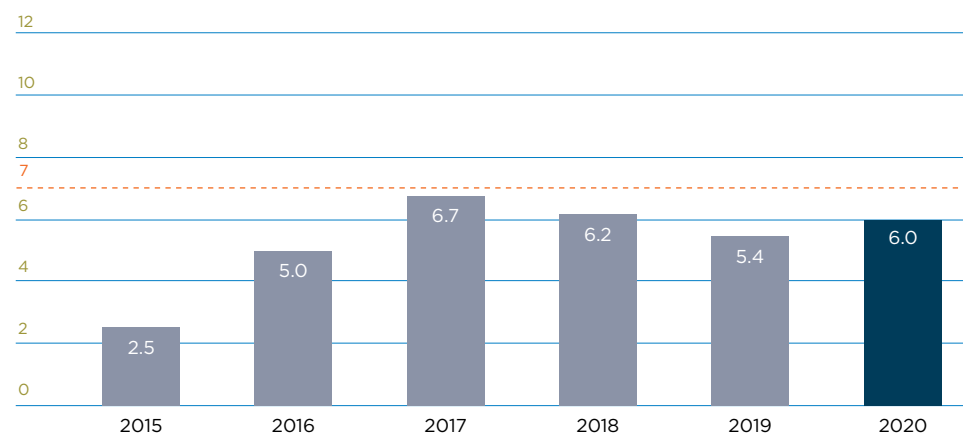
- **Investment grade credit ratings:**
  - » BBB, negative outlook - Standard & Poor's
  - » BBB, stable outlook - Fitch
- **LTV: 31.5%** (LTV target: 35%)
- **83%** of the investment property **unencumbered**
- **Weighted average remaining debt term: 4.1 years**
- **Interest rate risk 99% hedged**
- **Extension of €325m** revolving credit facilities, with added sustainability-linked clauses
- **Cost of debt: 2.3%** (2019: 2.4%)



**Prudent LTV (%)**



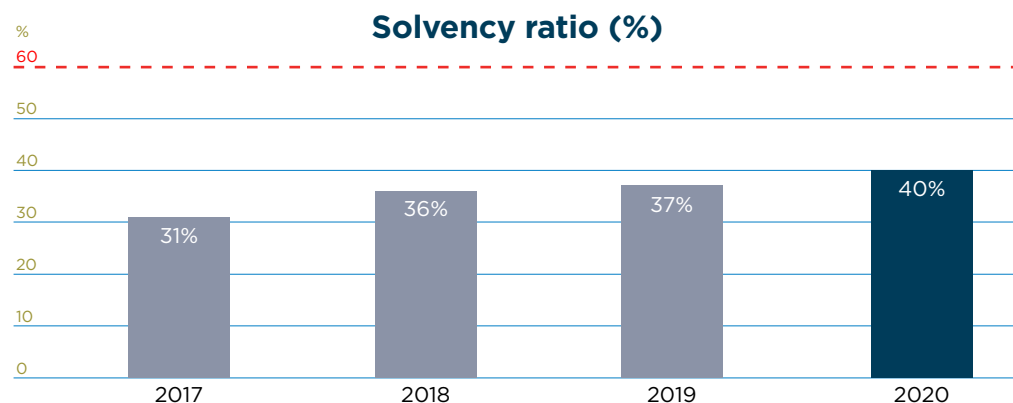
**Net debt/EBITDA**



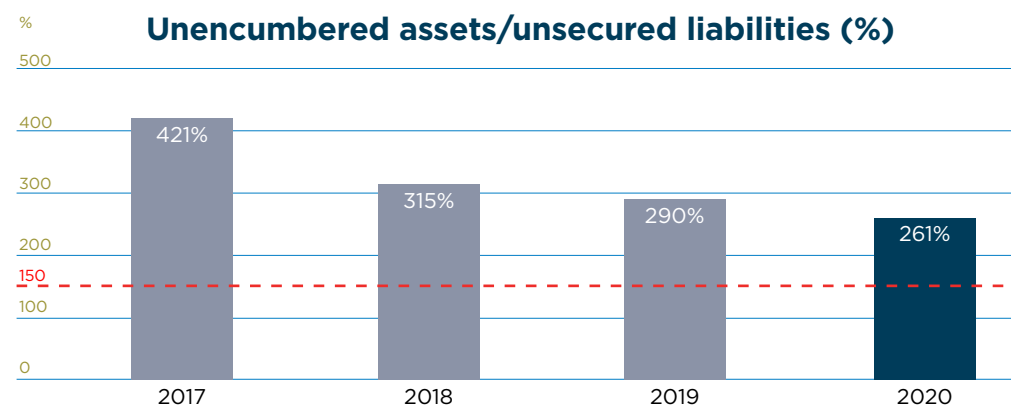
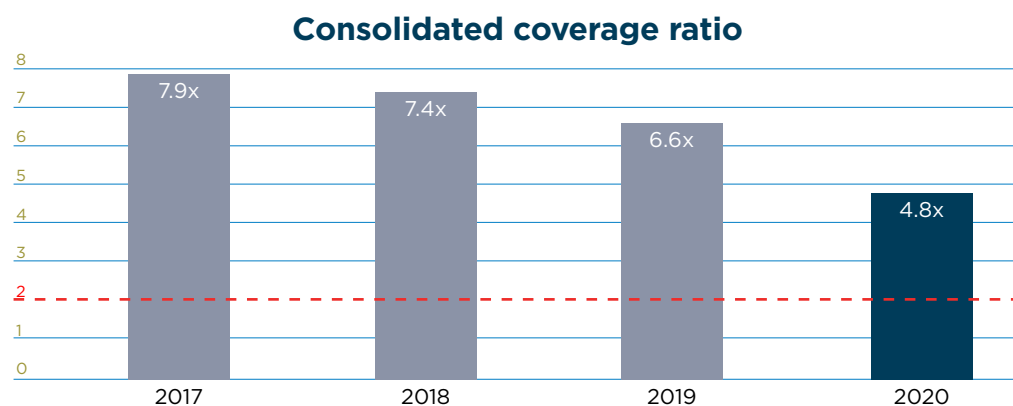
-- Threshold monitored by management and rating agencies

# Significant headroom on unsecured debt covenants

Solvency ratio could be breached only by a 800bps deterioration of valuation yields, which is unlikely



Solvency ratio is computed on a gross basis, not adjusted for cash balances



-- Threshold as per unsecured debt terms and conditions

# Overview of government measures

## Overview of the local legislation's impact on lease agreements in 2020

### Poland

*24% by market value*

Government - imposed relief of rent and service charges during lockdown, subject to a mandatory six-month lease extension plus the period when units were closed

### Slovakia, Czech Republic, Lithuania

*15% by market value*

Tenant payments to landlords partially covered by governments, which in return requested landlords to provide specific discounts

Additional reliefs were granted in H2 2020 in Czech Republic and Slovakia for the second wave closures and only to a limited extent in Lithuania

### Romania, Bulgaria, Hungary, Croatia, Serbia

*61% by market value*

No specific legislations enforced by 1<sup>st</sup> February 2021

## General support measures taken by governments in CEE

### Tax measures:

- payment deferral of tax liabilities
- exemptions/discounts granted for property tax (Romania, Poland and Croatia)

### Employment support measures:

- technical unemployment (with certain thresholds), flexible working time, other tax related benefits as an aid for preserving jobs in affected sectors

### Financial/liquidity measures:

- loans for working capital, guarantees and other similar grants especially for SMEs
- suspensions of loan payments obligations for 2020 applicable for companies and individuals

# Impact of concessions in NOI

- **Prior to signing** lease addendum: receivable accrued as per the agreements in place written off as partial forgiveness of receivables, fully reflected in NOI
- **After the signing** of lease addendums: concessions agreed straight-lined over the lease term
- Tenant reliefs governed by local legislation: fully recognised in NOI, as decrease in rental income and service charge income
- Variable discounts contingent upon tenants performance: recognised in NOI as negative turnover
- **P&L effect: €69.5m; Cash effect: €72m**

## Accounting treatment for tenant **concessions**:

- rent reliefs governed by local legislation (Poland) **(€16.3m)**
- partial forgiveness of receivables in line with **IFRS 9 and IFRS 16** (no straight-lining applied) **(€47m)**
- variable discounts contingent on tenants' performance **(€5m)**
- discounts subject to straight-lining **(€1.2m)**



Impact recognised in 2020  
Income statement: **€69.5m**

- **€2.5m concessions to be recognised in the income statement over the remaining lease period (approx. 3 years)**

Profit or loss

Balance sheet

Tenant receivable reduced by the amount of concessions granted **€69.5m**

Additional **€6.3m** net expected credit losses recognised in the period

Recoverable trade receivable balance of **€36.4m**

**95%** of the reported revenues (adjusted for concessions) collected by year-end

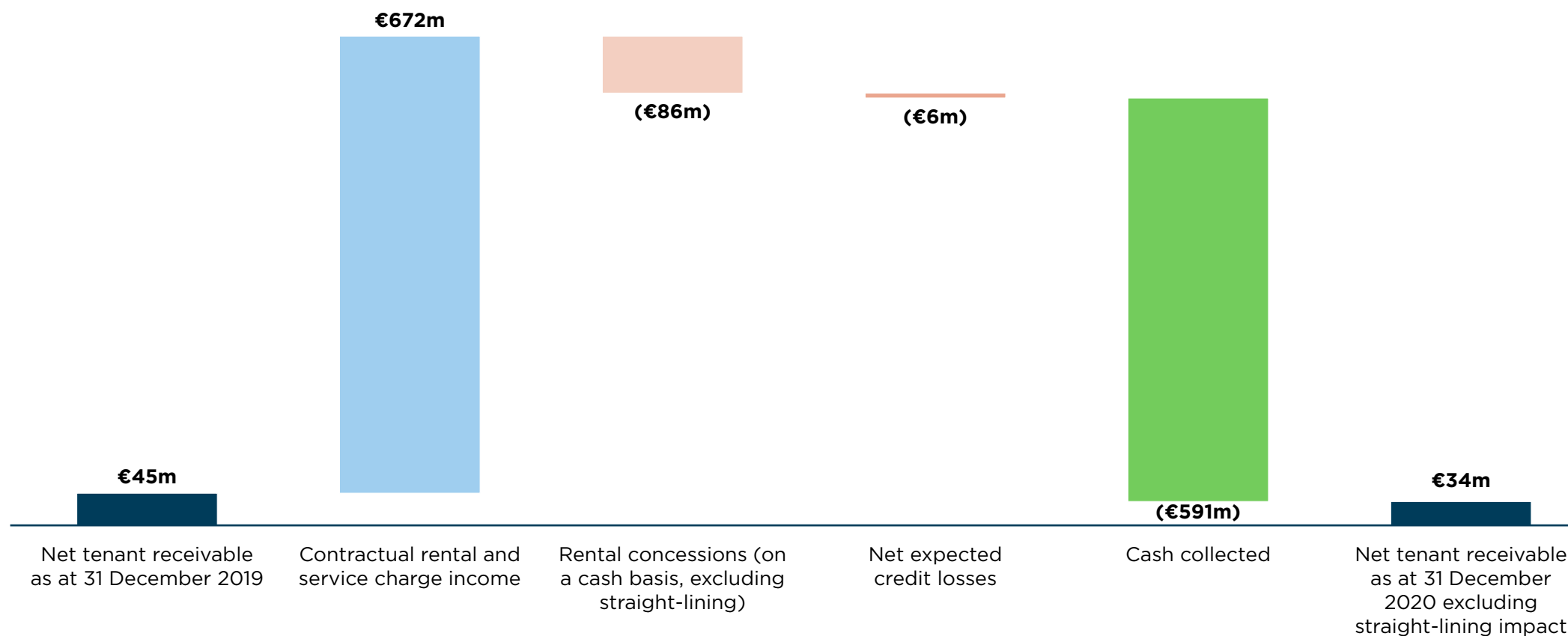
# Strong collection during the year

amounts include VAT

# 95%

Group collection rate at 31 December 2020

(97% at mid-February 2021)



# Fair value losses on property valuation driven by COVID-19 context

## External appraisers covering NEPI Rockcastle's portfolio

	Countries covered	Share of total portfolio (%)
Colliers International	Romania	35%
Jones Lang LaSalle	Bulgaria, Croatia, Czech Republic, Hungary, Serbia and Slovakia	33%
Cushman and Wakefield	Poland, Hungary and Lithuania	32%

## Valuation overview

### Changes in valuation assumptions:

- **Assumptions affecting short-term cash flows (2021/2022):**
  - » various levels of rent holidays
  - » prolonged void periods
  - » higher levels of unpaid rents for the period
  - » lower levels of tenants sales-based rents and ancillary income
- **Assumptions affecting long-term cash flows and values:**
  - » increased discount rates and exit rates to reflect greater uncertainty over long-term cash flows, liquidity, value and growth prospects on exit

**"Material valuation uncertainty"** clause excluded from the valuation reports, as property markets were predominantly functional by year-end



# Fair value losses on property valuation driven by COVID-19 context » continued

Fair value loss on property portfolio of €345m generated by COVID-19 context

Countries*	Exit rate		Discount rate		Prime yield	
	2020	2019	2020	2019	2020	2019
Romania	7.28%	7.25%	9.18%	8.85%	6.75%	6.50%
Poland	6.23%	6.00%	7.83%	7.80%	5.25%	4.75%
Hungary	6.38%	6.20%	7.74%	7.50%	6.00%	5.75%
Slovakia	6.71%	6.62%	7.47%	7.13%	6.00%	5.75%
Bulgaria	7.63%	7.41%	8.73%	8.36%	7.50%	7.25%
Croatia	7.78%	7.55%	8.69%	8.30%	7.25%	7.00%
Czech Republic	6.50%	6.38%	7.24%	6.70%	5.25%	4.90%
Serbia	8.41%	8.17%	9.42%	8.98%	8.25%	8.00%
Lithuania	7.45%	7.20%	9.05%	9.00%	7.10%	6.75%
<b>Portfolio average</b>	<b>7.15%</b>	<b>6.97%</b>	<b>8.37%</b>	<b>8.07%</b>	<b>6.59%</b>	<b>6.29%</b>

Source: Colliers, Cushman & Wakefield, JLL Q4 2020/Q4 2019 (retail properties)

**Property valuation is  
down 5.2%\*  
on a like-for-like basis**

**-3.8%  
market effect**

**-1.4%  
cash-flow effect**

\* Investment property in use on a like-for-like basis (excluding non-core properties held for sale)

# Disposal of URW shares and repurchase of NEPI Rockcastle shares

In Q4 2020, the URW share price showed a significant improvement

The Board noted that a divestment of the remaining URW holding coupled with a buyback of NEPI Rockcastle shares would be accretive, also taking into account the comparative balance sheet strength and growth perspectives of the companies

The transaction of €75 million was executed in late November - early December 2020, and 17,717,760 own shares were repurchased (2.95% of the share capital in issue)

EPRA Net Reinstatement Value at 31 December 2020 improved by approx. 1%

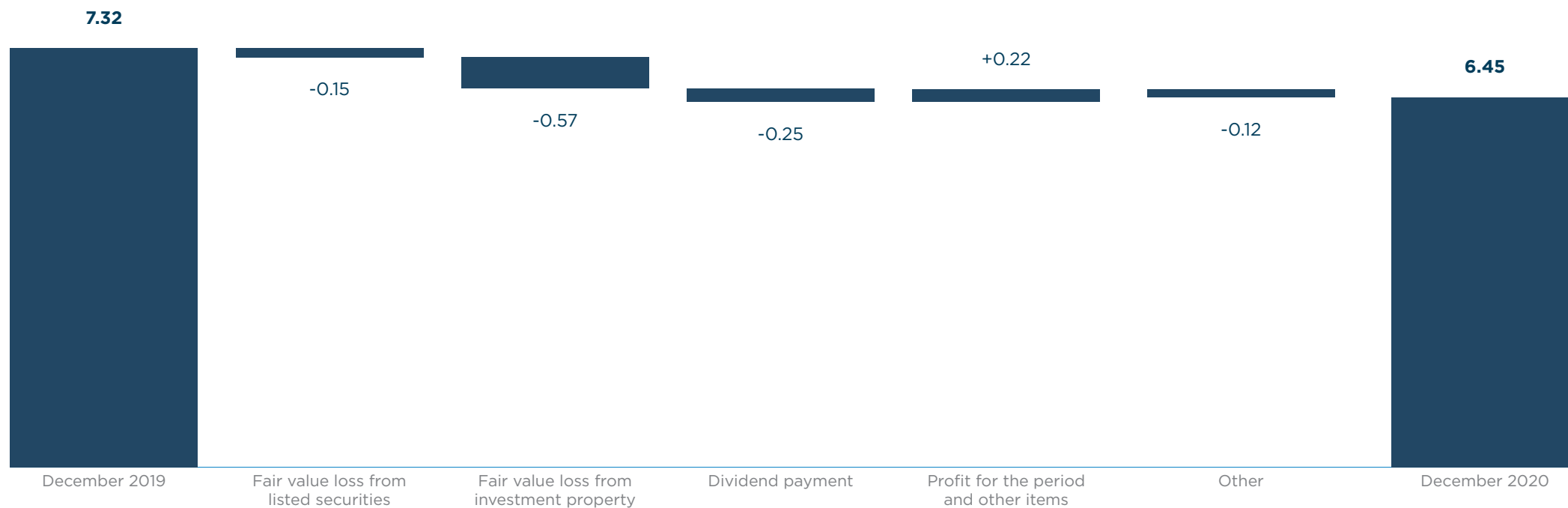
The lower number of shares in issue also leads to an improvement in the estimated growth in distributable earnings/share in 2021 vs 2020

The divestment from the legacy listed securities portfolio is now finalised



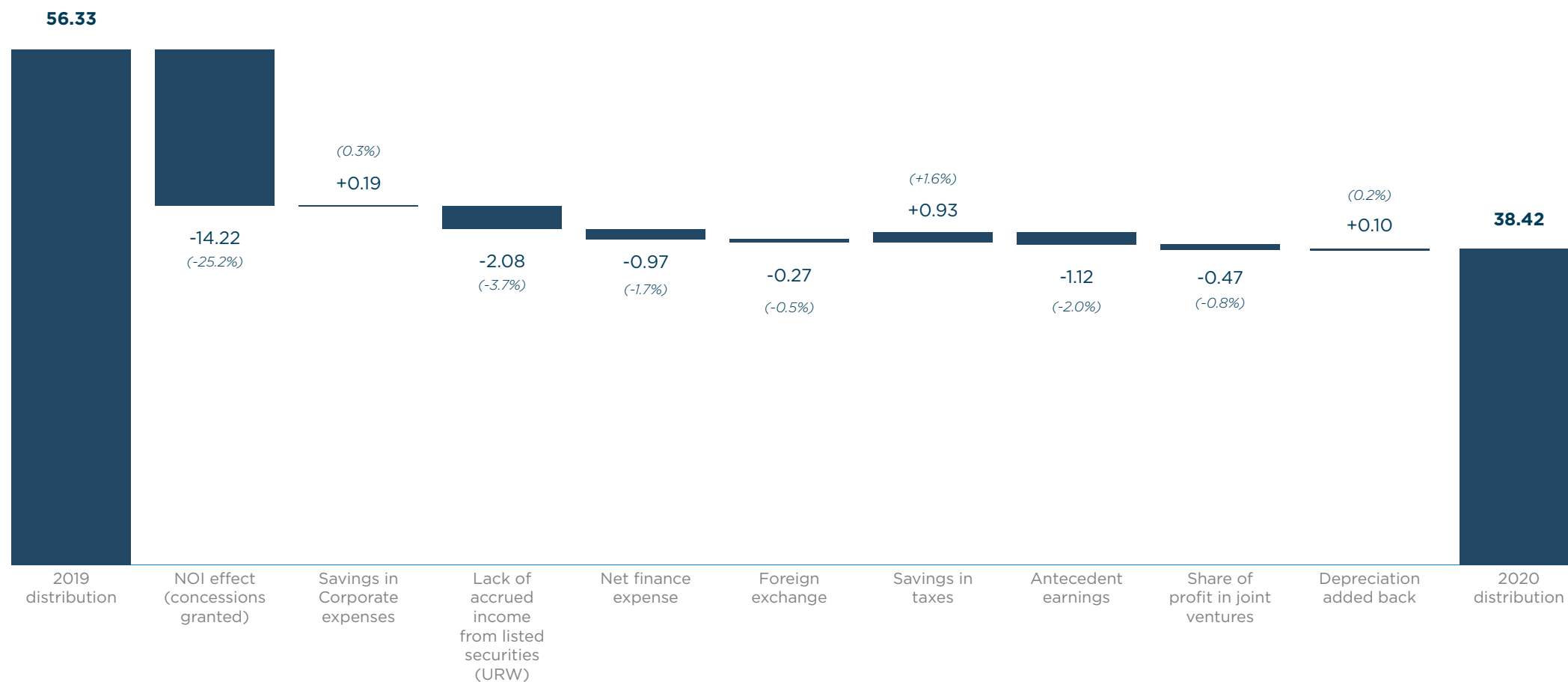
# EPRA NRV: from December 2019 to December 2020

amounts in €



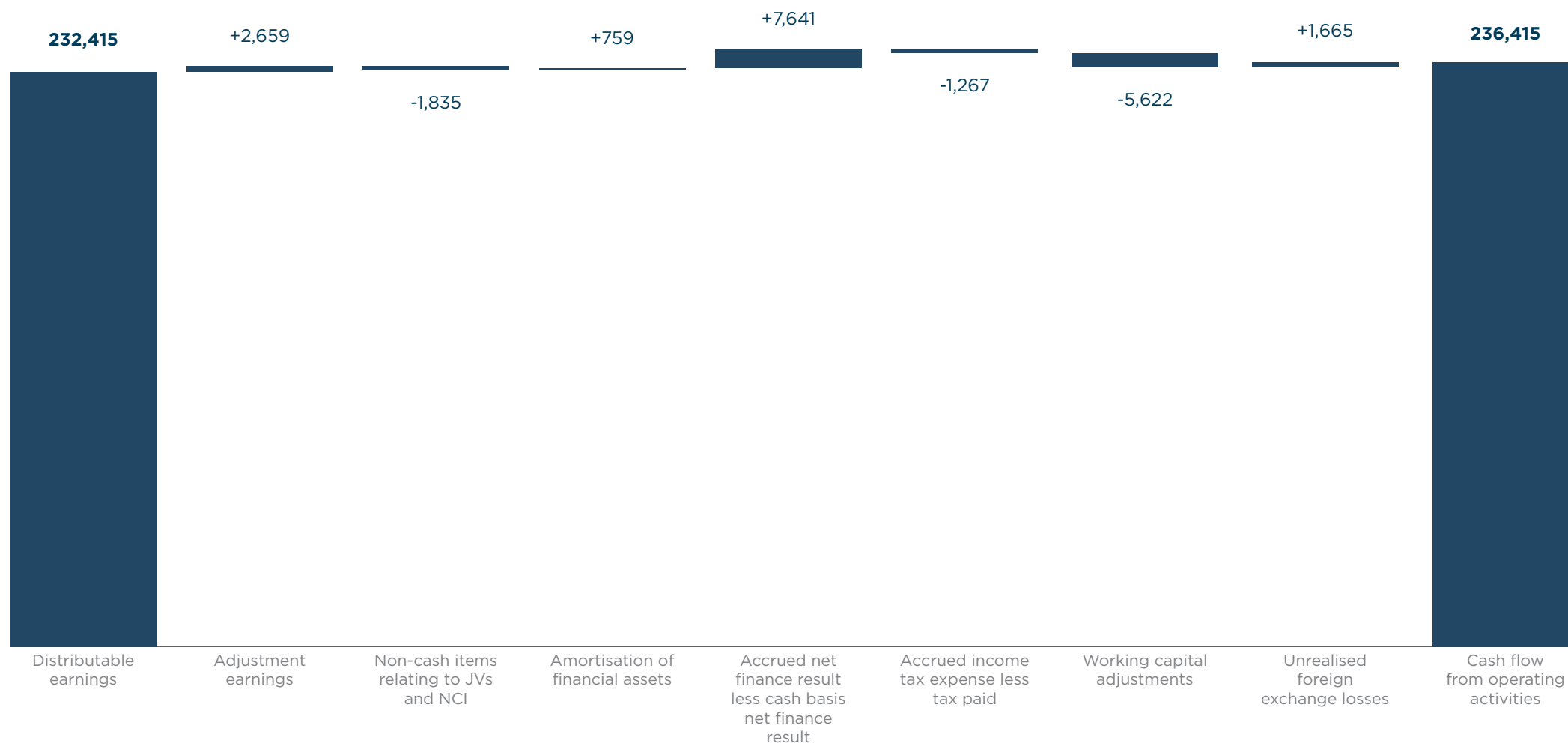
# 2020 distributable earnings

amounts in euro cents



# From distributable earnings to cash flow from operating activities

amounts in € thousand



# Declaration of H2 2020 dividend

- H2 2020 dividend declared for 90% of the distributable earnings, to be settled in cash
- Distribution policy unchanged: 90% or more of distributable earnings
- The Board decided to retain 10% as reserve
- LTV estimated to remain below 33% after H2 2020 dividend payment, still prudent
- No dividend reinvestment option offered due to dilution impact
- Cash payment to be done on 25<sup>th</sup> of March
- The economic effect of this 90% cash dividend for H2 together with the *capitalisation issue* for H1 is a 95% distribution for the year 2020



# 4

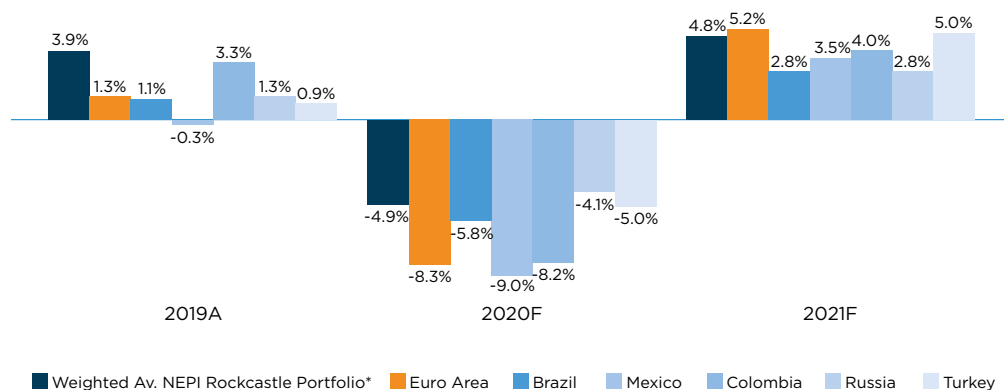
## Way forward



# CEE growth prospects expected to continue post COVID-19

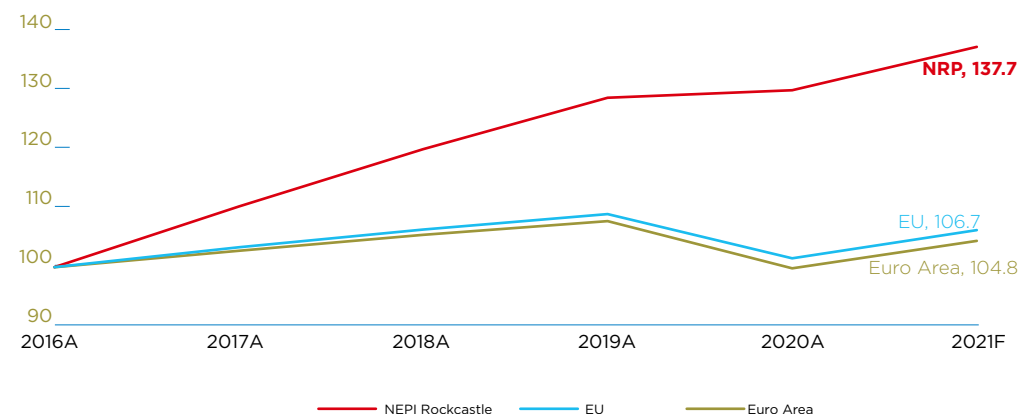
## Real GDP growth (%)

NEPI Rockcastle's portfolio countries are expected to experience a more muted recession than the EU / Euro area as well as compared to other Emerging markets



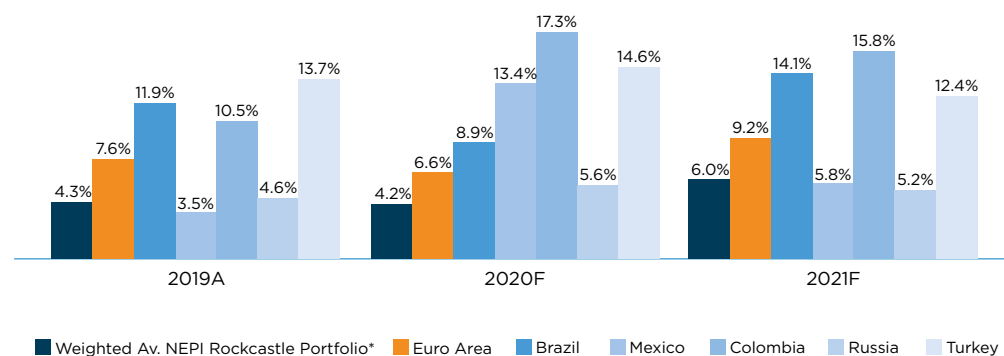
## Private Consumption Growth Index\*\*

Private consumption growth in CEE, above the EU average, to drive the growth in retail sales as well



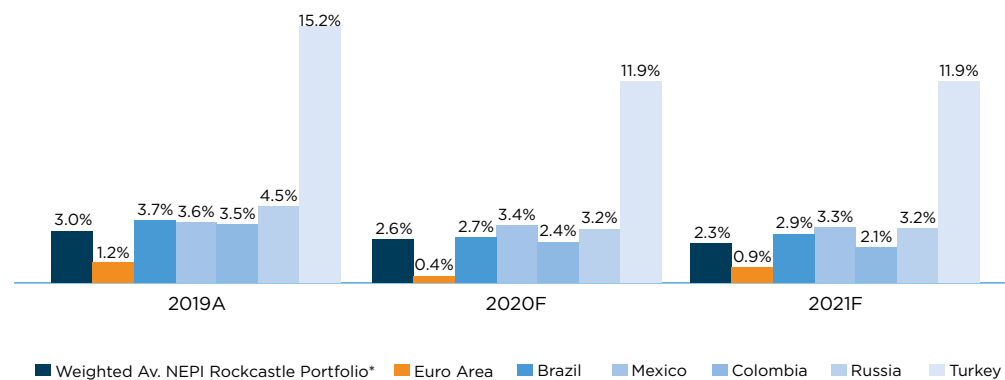
## Unemployment (%)

NEPI Rockcastle's portfolio countries are expected to be more stable in terms of employment than the EU / Euro area as well as compared to other Emerging markets



## Consumer Price Index (%)

CEE area to remain the most stable amongst the emerging economies



\* Weighted average by country share in NEPI Rockcastle portfolio (CEE countries)

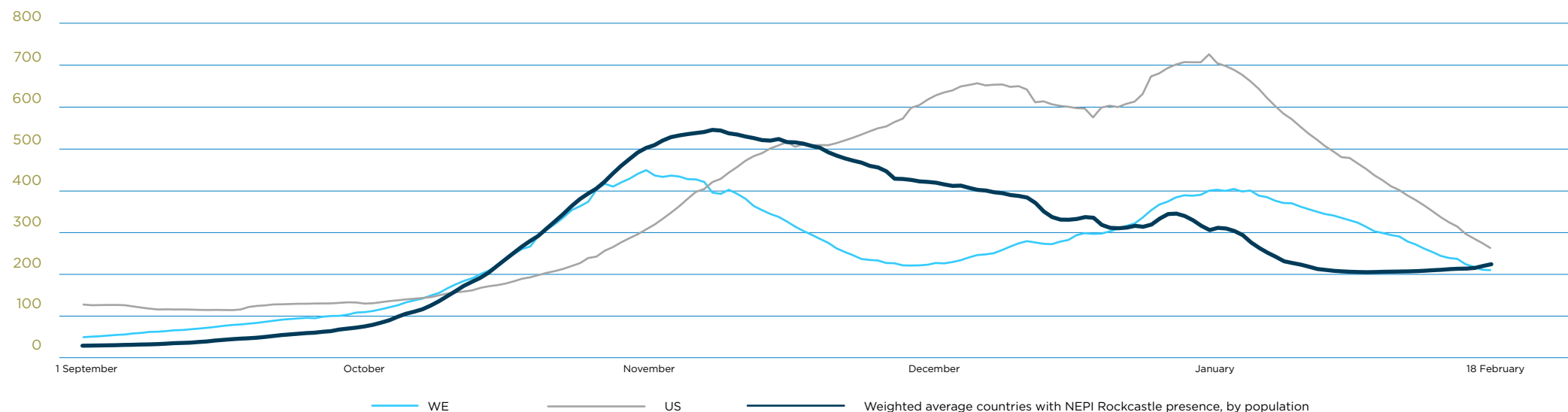
\*\* Index based on growth of private consumption expenditure per year

Source: IMF, Thomsons Reuters  
All growth rates based on local currency

# COVID-19 evolution and start of vaccination process in CEE

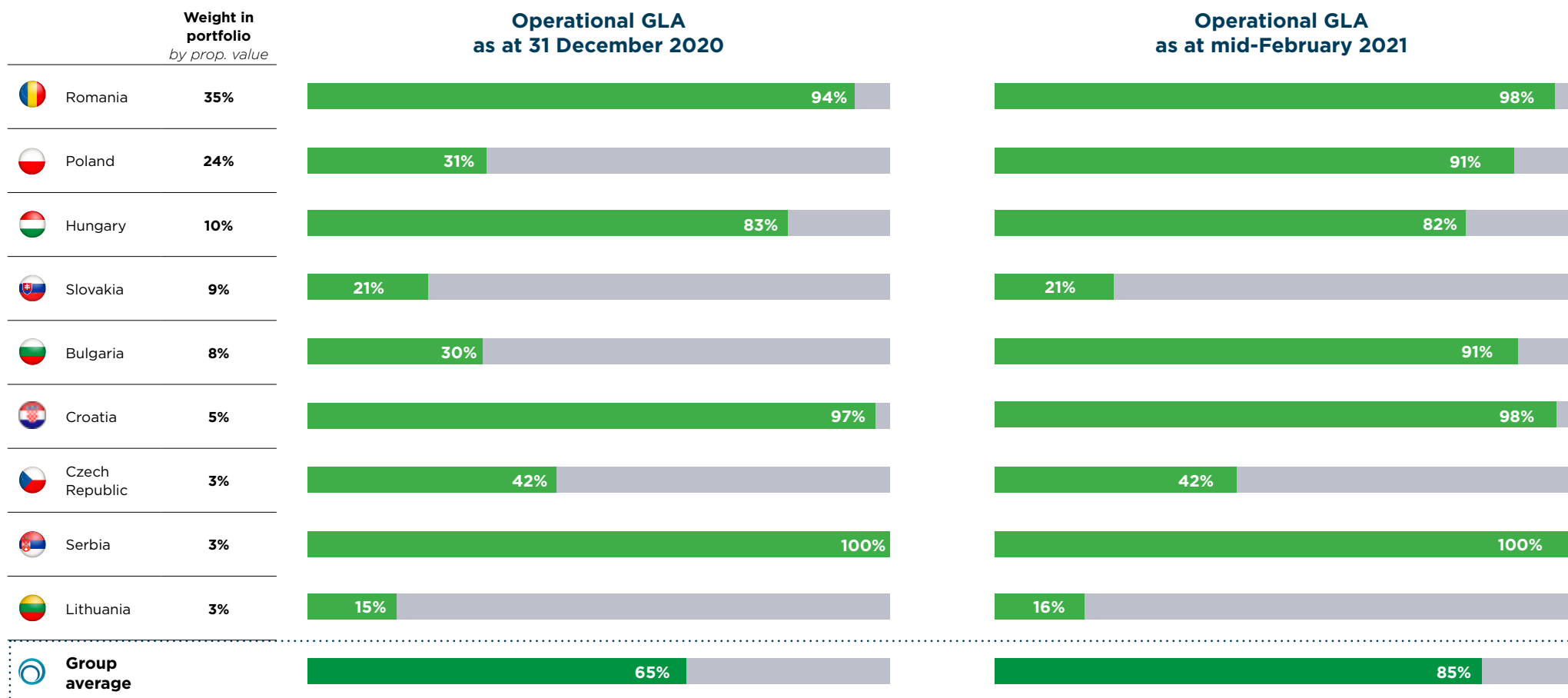
**Vaccination rate in NEPI Rockcastle countries progressing above EU average. According to European Commission, by summer 2021, Member States should have vaccinated 70% of the entire adult population.**

**14 days moving average of COVID-19 cases per 1 million inhabitants**  
**1 September 2020 - 18 February 2021**  
NEPI Rockcastle average vs WE and US



Number of COVID-19 cases in Group's portfolio is on a decreasing trend for the last 3 months.

# 85% of the Group's GLA operational as at mid-February 2021



All figures include vacancies;

# Development pipeline - Opportunity for long-term growth

Focus on sustainable long-term growth through development of retail and mixed-use properties and reinforcing dominance through extensions and redevelopments projects

€1 bn  
development pipeline

## Further opportunities

- cca. **€1 billion of controlled development pipeline**
- **Diversification** of the portfolio through **mixed use** (retail/residential) and **residential** projects
- Extensions planned to **reinforce dominance** of our shopping centres

## Prudent investment strategy

- 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**

# Outlook and strategy

## 2021 Focus

- Maximise sustainable NOI
- Digital acceleration
- Committed development pipeline
- Maintain balance sheet safety
- Leverage on the Group's strengths to benefit from arising opportunities

## 2021 Guidance

- **Distributable earnings per share for 2021** are expected to be approximately **10% higher than in 2020**.
- **Assumptions:**
  - » No further systemic macroeconomic disruptions
  - » A continuation of the trading trends observed to date
  - » Highly dependent on potential future measures taken by governments, such as further restrictions on trading or state support to tenants and/or landlords.



# 5

## Appendix



# Reconciliation of (loss)/profit for the period to EPRA Earnings and distributable earnings

amounts in €'000

EPRA Earnings	Dec 2020	Dec 2019
<b>(Loss)/earnings in IFRS Consolidated Statement of comprehensive income</b>	<b>(174 921)</b>	<b>416 235</b>
Fair value adjustments of investment property for controlled subsidiaries	345 253	(134 709)
Fair value loss/(gain) and net result on sale of financial investments at fair value through profit or loss	93 767	(11 091)
Gain on acquisition of subsidiaries	-	(446)
Gain on disposal of assets held for sale	(2 310)	(123)
Gain on disposal of joint ventures	-	(3 588)
Impairment of goodwill	-	5 956
Fair value adjustment of derivatives and losses of extinguishment of financial instruments	10 539	23 743
Transaction fees	-	5 411
Deferred tax (income)/expense for controlled subsidiaries	(32 440)	31 370
Adjustments above in respect of joint ventures	1 946	(2 272)
Non-controlling interests	(1 064)	137
<b>EPRA Earnings (interim)</b>	<b>123 710</b>	<b>168 077</b>
<b>EPRA Earnings (final)</b>	<b>117 060</b>	<b>162 545</b>
<b>EPRA Earnings</b>	<b>240 770</b>	<b>330 623</b>
<b>Number of shares for interim distribution</b>	<b>600 921 133</b>	<b>585 838 887</b>
<b>Number of shares for final distribution</b>	<b>608 994 907</b>	<b>599 797 201</b>
<b>EPRA Earnings per Share (EPS interim)</b>	<b>20.59</b>	<b>28.69</b>
<b>EPRA Earnings per Share (EPS final)</b>	<b>19.22</b>	<b>27.10</b>
<b>EPRA Earnings per Share (EPS)</b>	<b>39.81</b>	<b>55.79</b>
<b>Company specific adjustments:</b>		
Amortisation of financial assets	(759)	(1 533)
Reverse foreign exchange loss	-	907
Depreciation in relation to property, plant and equipment of an administrative nature	580	-
Add back realised foreign exchange loss	-	(37)
Reverse income from financial investments at fair value through profit or loss	(5 517)	(12 560)
Accrued income from financial investments at fair value through profit or loss	-	12 349
Antecedent earnings	(2 659)	4 062
<b>Distributable Earnings (Interim)</b>	<b>118 168</b>	<b>170 031</b>
<b>Distributable Earnings (final)</b>	<b>114 247</b>	<b>163 780</b>
<b>Distributable Earnings</b>	<b>232 415</b>	<b>333 811</b>
<b>Distributable Earnings per Share (interim)</b>	<b>19.66</b>	<b>29.02</b>
<b>Distributable Earnings per Share (final)</b>	<b>18.76</b>	<b>27.31</b>
<b>Distributable Earnings per Share</b>	<b>38.42</b>	<b>56.33</b>

# Disclaimer

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