



NEPI
ROCKCASTLE

SHOPPING
CITY



COMPANY PROFILE

May 2021

*All figures are as at 31 March 2021
unless otherwise stated*

Company overview	3
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Response to COVID-19	25
Way forward	30



NEPI Rockcastle profile

- Active in 9 countries in CEE with robust economic outlook, above the 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



EPRA Gold Award

for compliance with Best Practices
Recommendations for financial reporting



Top 5 Sustainalytics rated companies

(low risk - 12.5/100)



AA ESG rating leader

Leading commercial real estate company in CEE

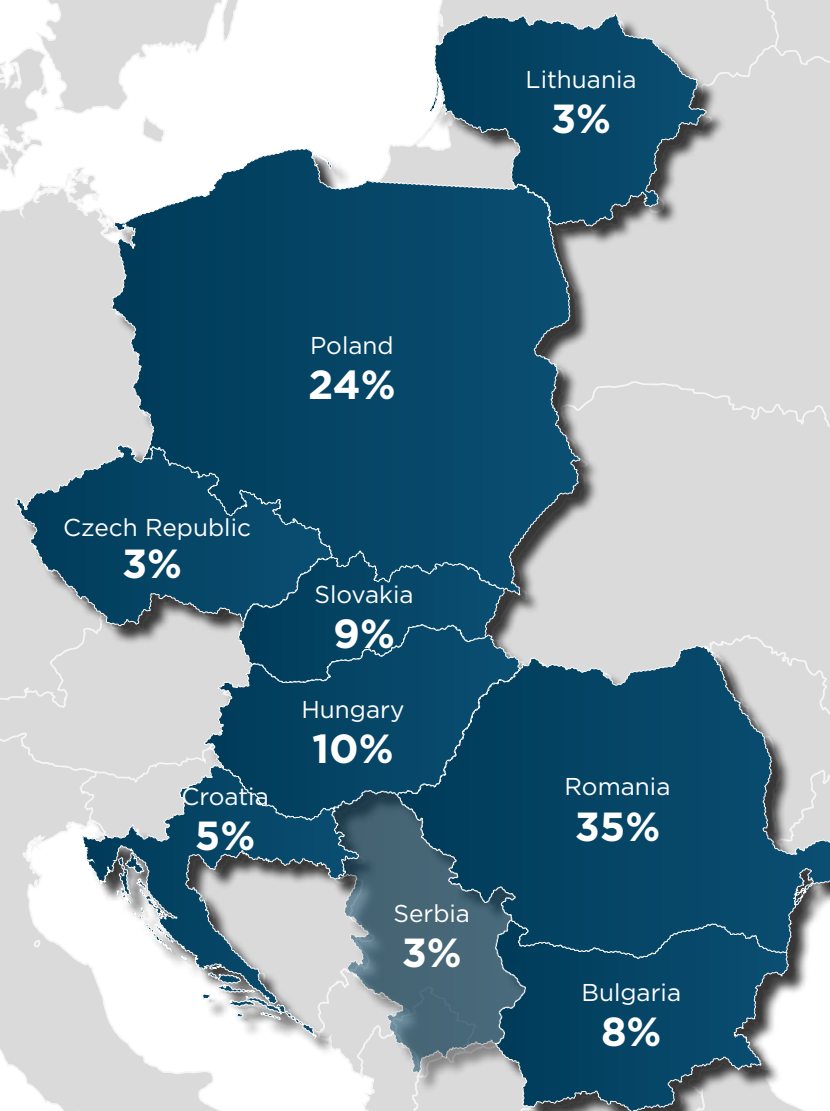
97% of the properties are located in EU investment-grade countries

CEE countries where the Group operates*

Population (m inhabitants)	104
Total GDP (€m)	1 296 647
Average GDP per country (€m)	261 841
GDP per capita (€)	12 485
Purchasing power per inhabitant (€)	8 059
Visits to Group's properties in 2020 (m)	221

Group portfolio highlights

Property value (€bn)	5.8
Rentable space (m ²)	2.0 million
EPRA Occupancy rate (%)	95.2
EPRA Net Initial Yield** (%)	6.70



by property value

■ EU countries

■ non-EU countries

* Source: World Bank (2019 and 2020)

** Figure as at 31 December 2020

NEPI Rockcastle at a glance

32.9%
Loan-to-value

95.2%
EPRA Occupancy rate



€5.8bn
Investment property value

2 million
m² of GLA

€6.36
EPRA NRV per share

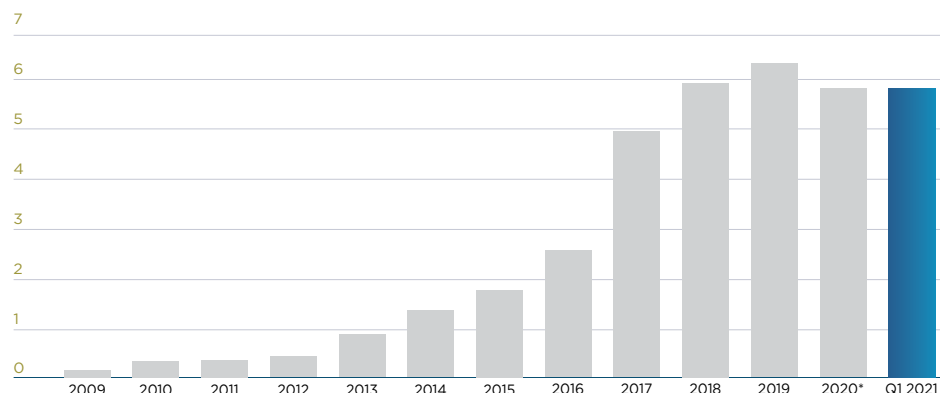
7%
Dividend yield*



* As of December 2020

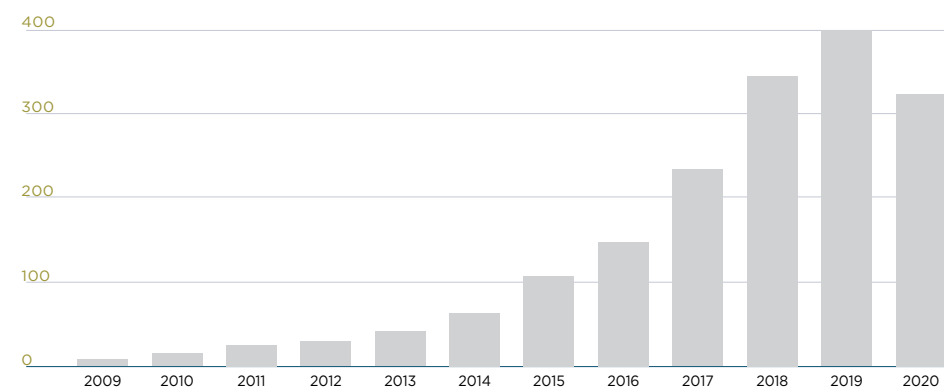
Strong record of consistent growth

Fair Value of Investment property (€bn)

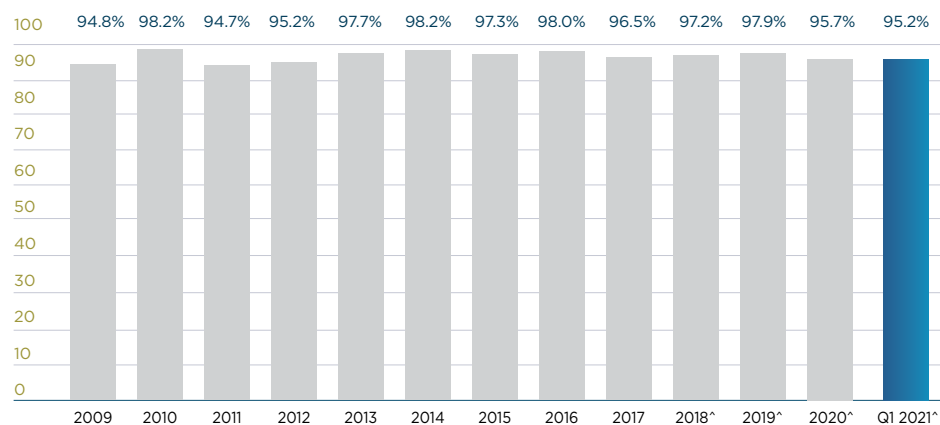


* The decrease in fair value of investment property in 2020 derives from €345m devaluation generated by COVID-19 context and €307m disposal of Romanian office portfolio

Net operating income (€m)

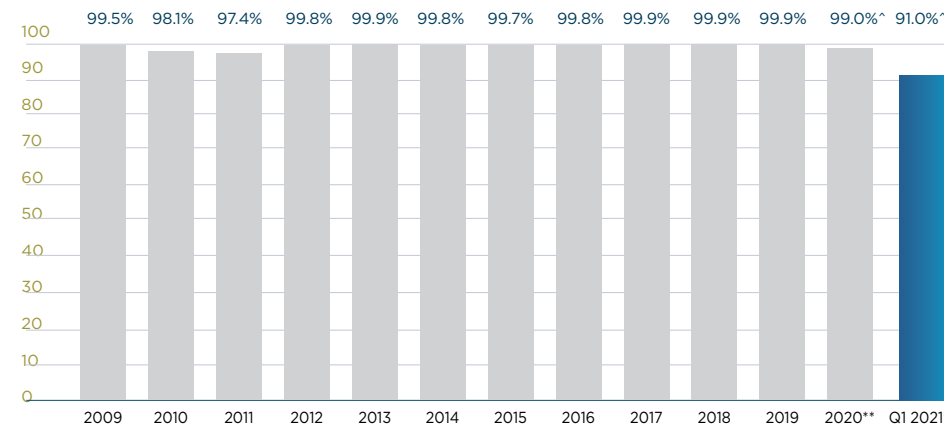


Occupancy rate (%)



^ EPRA Occupancy rate

Collection rate* (%)



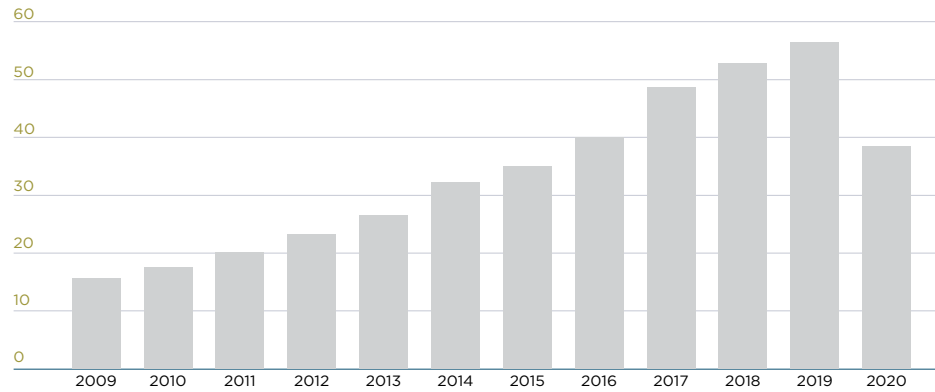
* Relative to reported gross rental and service charge income

** Gross rental and service charge income adjusted for concessions granted in the year

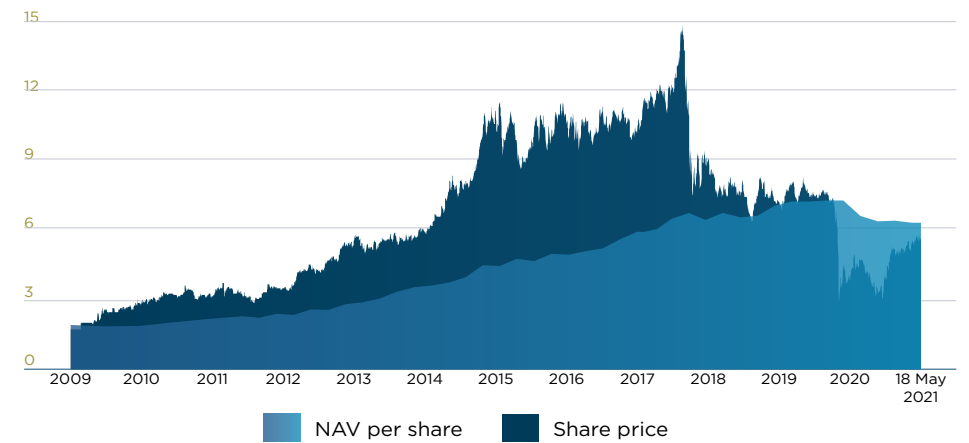
^ As of April 2021

Strong record of consistent growth » continued

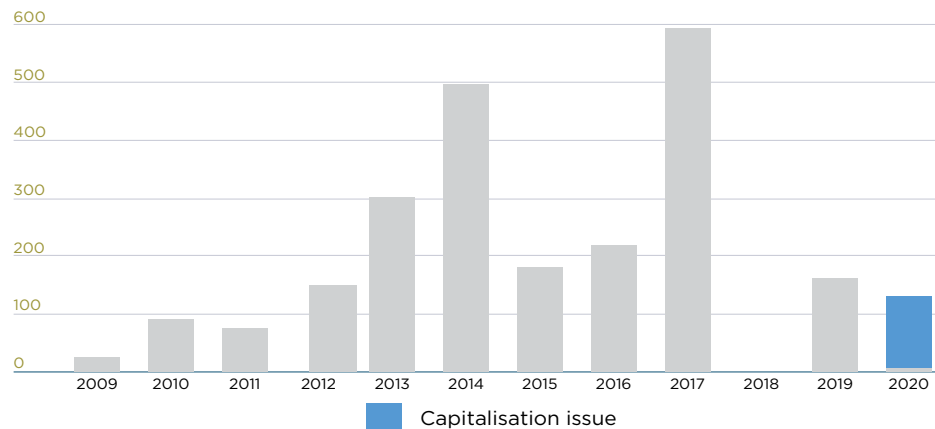
Distribution per share (€cents)



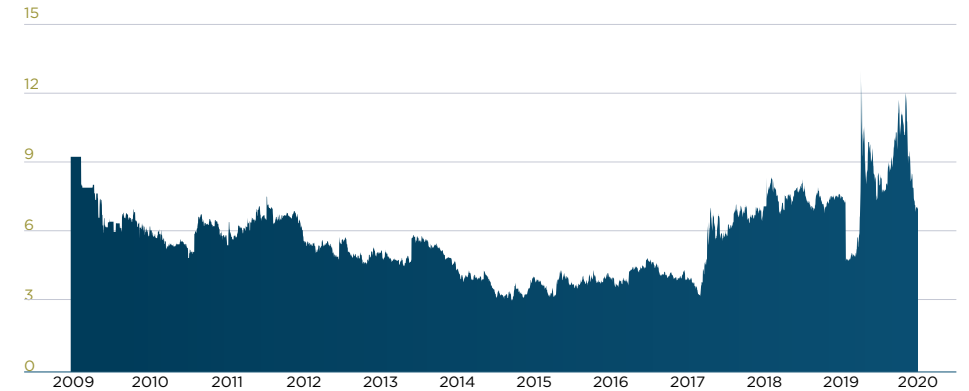
Share price vs. NAV (€)



Equity raised (€m)

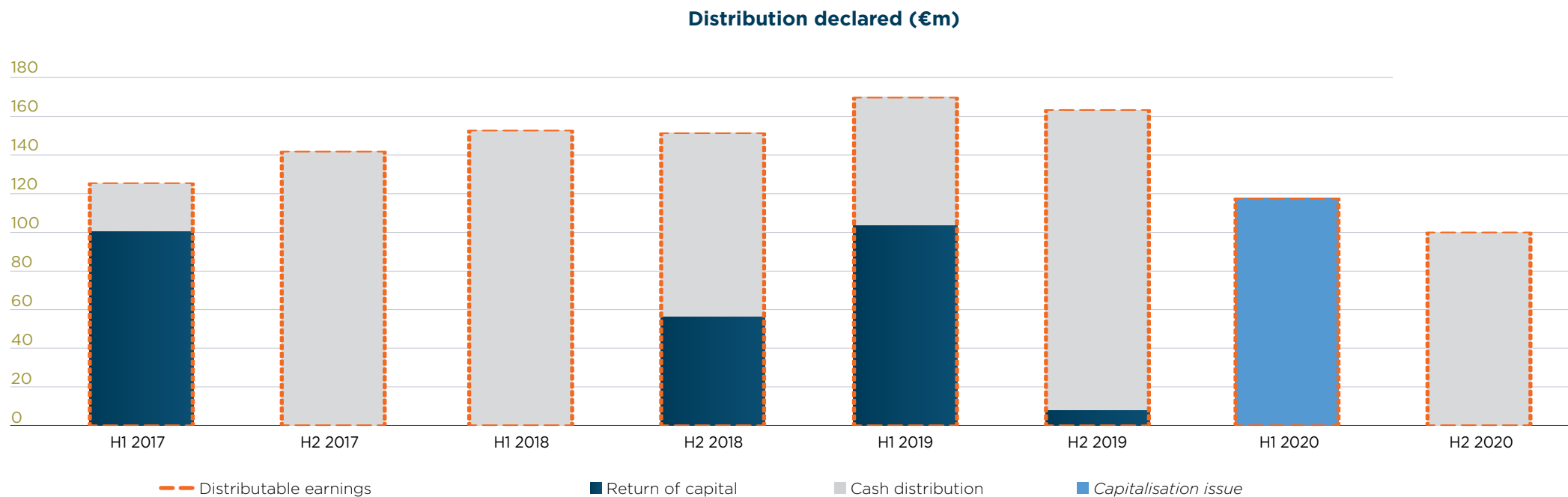


Dividend yield (%)



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; for H2 2020 the Board decided to pay 90% of its distributable earnings
- Target payout is at least 90% of its distributable earnings on a semi-annual basis, under stable macroeconomic conditions
- LTV estimated to remain below 35% strategic threshold



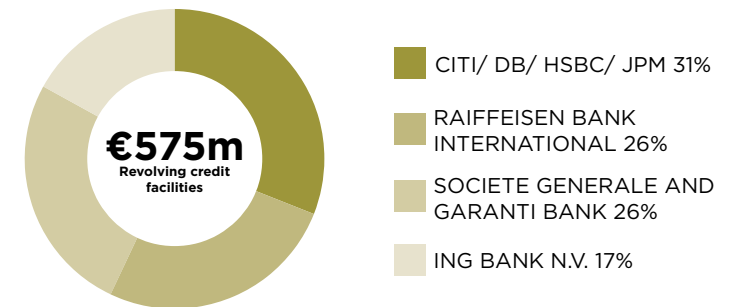
Shareholding overview

- 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 67.5%
- NEPI Rockcastle is part of the JSE Top 40, All Share, SA Listed Property and Capped Property Indexes

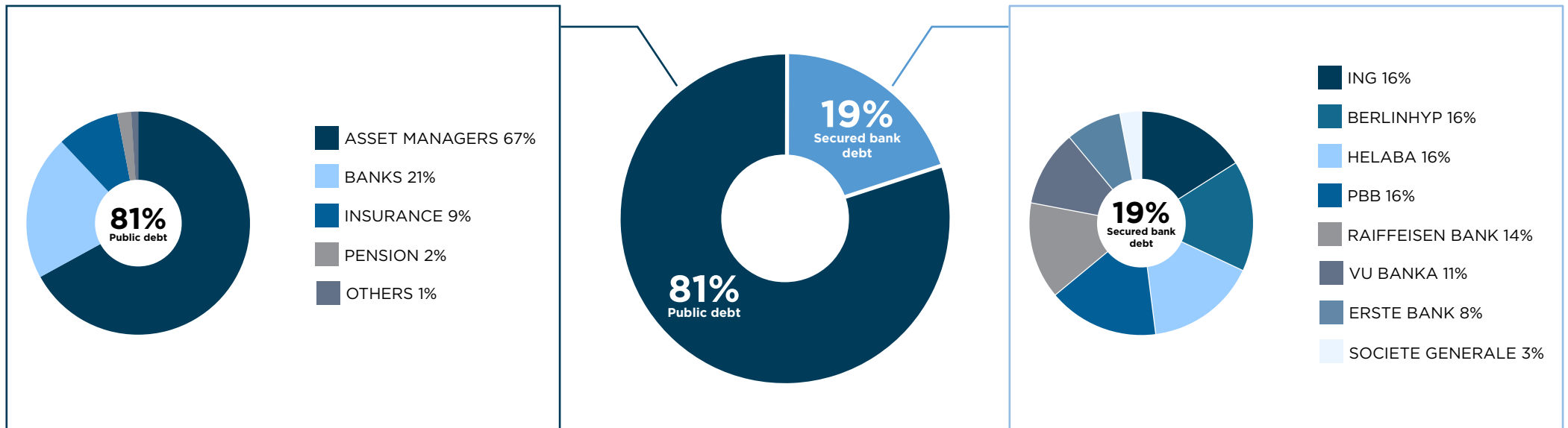
Shareholders as of 18 May 2021	Shareholding (%)	Comments
Fortress REIT	22	<ul style="list-style-type: none"> • JSE listed REIT owning a significant portfolio of logistics and retail focused properties • main investments as at Dec 2020 include listed securities of commercial property investment companies valued at R13.5 bn (€0.7 bn) and investment property of R27.7 bn (€1.5 bn) • Loan-to-value as at Dec 2020: 38.1% • common directors: Steven Brown
Public Investment Corporation	10	<ul style="list-style-type: none"> • PIC is one of the largest investment managers in Africa. • assets under management of R1.9 tn (€97 bn) as at Mar 2020 • key sectors of focus are economic, environmental and social infrastructure; energy; small and medium enterprise; and priority sectors that create higher numbers of jobs, such as agriculture, tourism, manufacturing and mining beneficiation.
Resilient REIT	6	<ul style="list-style-type: none"> • JSE listed REIT focused on retail • founding shareholder • main investments as at Dec 2020 include listed securities of commercial property investment companies valued at R7.5 bn (€0.41 bn) and investment property of R23.4 bn (€1.3 bn) • Loan-to-value at Dec 2020: 33.7%
State Street Bank and Trust Company (Custodian)	5	
>10,000 public shareholders	57	<ul style="list-style-type: none"> • includes various institutional investors
Total	100	

Debtholders overview

- €2 billion bonds raised from European investors, ranging from large asset managers, banks, pension and insurance companies to international financial institutions
- €1.2 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





**Strategic positioning
and key strengths**

LONG-TERM SUSTAINABILITY

SCALE

DOMINANT,
HIGH-QUALITY
PORTFOLIO

CEE
GEOGRAPHIES
WITH POSITIVE
PROSPECTS

OPERATIONAL
OPTIMISATION
AND
ESG FOCUS

PRUDENT
FINANCIAL
STRATEGY

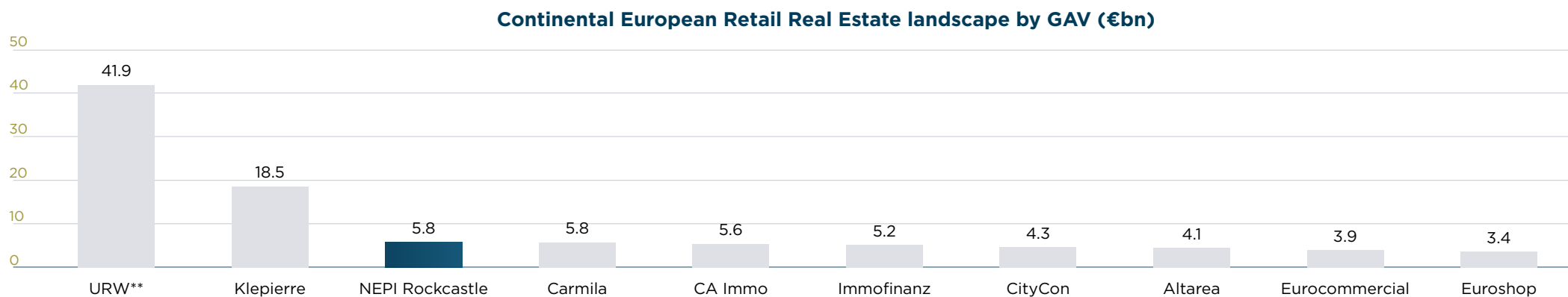
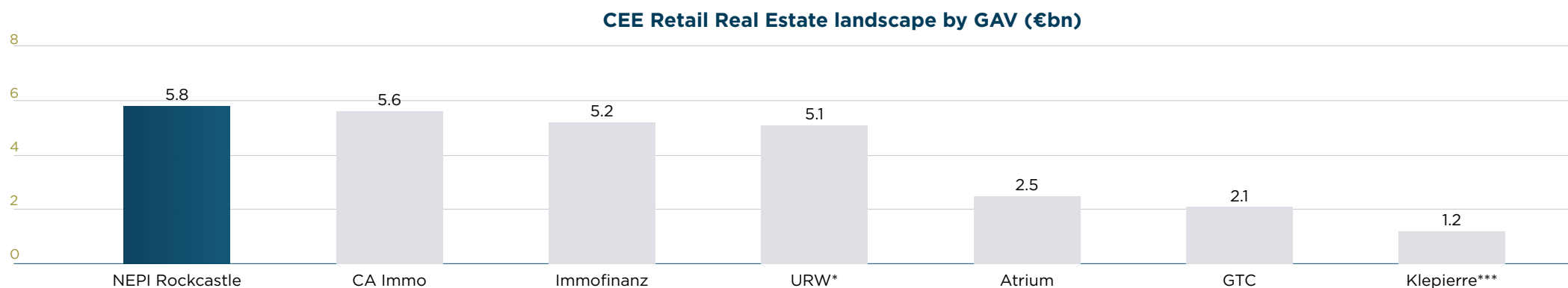


Largest listed retail real estate company in CEE markets

	NEPI Rockcastle	URW [^]	Klepierre [^]	CA Immo [^]	Immofinanz	Atrium [^]	GTC ^{^^}
EPRA Net Initial Yield	6.70%	5.10%	7.00%	6.00%	5.60%	5.70%	7.80%

[^] EPRA NIY for CEE portfolio

^{^^} Not an EPRA measure



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

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

*** Includes CEE and Turkish assets

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

High quality dominant retail assets with large catchment areas

Portfolio at 31 March 2021*

	Number of properties	GLA '000m ²	Valuation €m	Annualised Passing rent/ERV €m
TOTAL PROPERTIES	62	2 226	5 779	391
INCOME-PRODUCING	58	2 029	5 559	391
Retail	54	1 961	5 468	383
Office	2	41	74	6
Industrial	2	27	17	2
DEVELOPMENTS	2	197	220	-
Under construction**	-	20	57	-
Under permitting and pre-leasing***	2	177	106	-
Land bank			57	
NON-CORE	2	2	2	-

* Excluding joint ventures

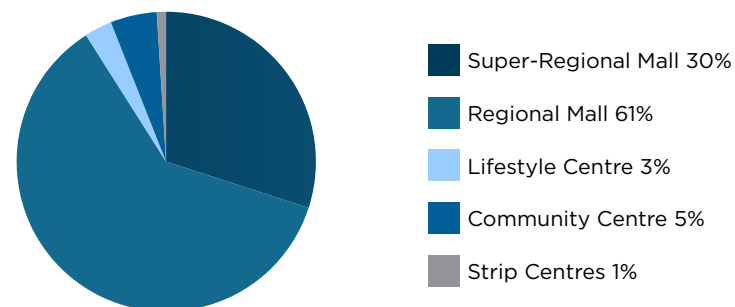
** The properties under construction are extensions or refurbishments of existing properties

*** Out of the five properties under permitting and pre-leasing, three are extensions or refurbishments of existing properties

- Modern, high-quality assets (over 94% of the properties are less than 15 years old)
- Located in densely populated areas with good demographics (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

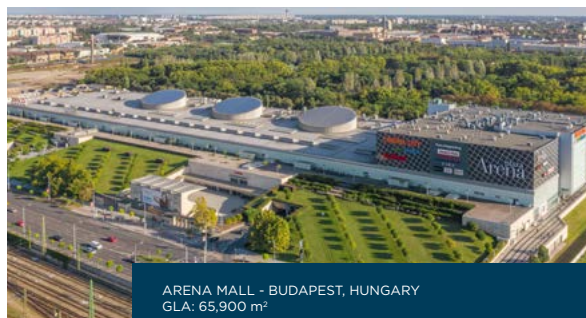
- Locations with no or limited competition
- Purchasing power* in NEPI Rockcastle's catchment areas generally exceeding the national average
- Superior access, visibility and footfall
- Comprehensive offering and tenant mix, driving rental growth
- Extension options to deter future competition
- Destination 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: 74,700 m²



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



ARENA MALL - BUDAPEST, HUNGARY
GLA: 65,900 m²



ARENA CENTAR AND RETAIL PARK - ZAGREB, CROATIA
GLA: 75,300 m²



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



CITY PARK - CONSTANTA, ROMANIA
GLA: 51,900 m²



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



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

* Source: GfK

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

Sustainable anchor tenant base as at 31 December 2020, with limited exposure to concentration risk

Top 10 Retail 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%
	23.9%

* Cropp Town, House, Mohito, Reserved, Sinsay

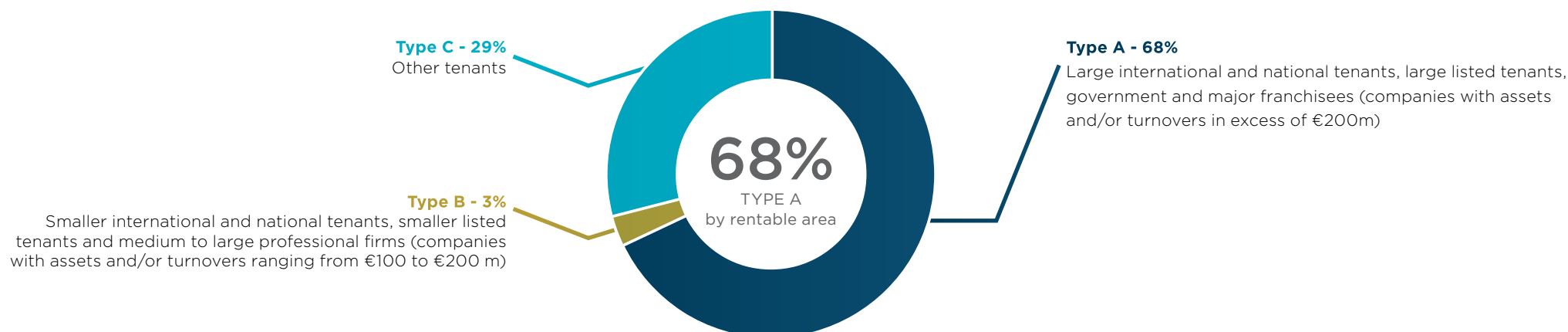
** Bershka, Massimo Dutti, Oysho, Pull and Bear, Stradivarius and Zara

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



Approximately 67% of the rental income from fashion tenants, groceries and services.

Tenant profile as at 31 December 2020



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 4.4% and 3.1% of gross rental income respectively at December 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

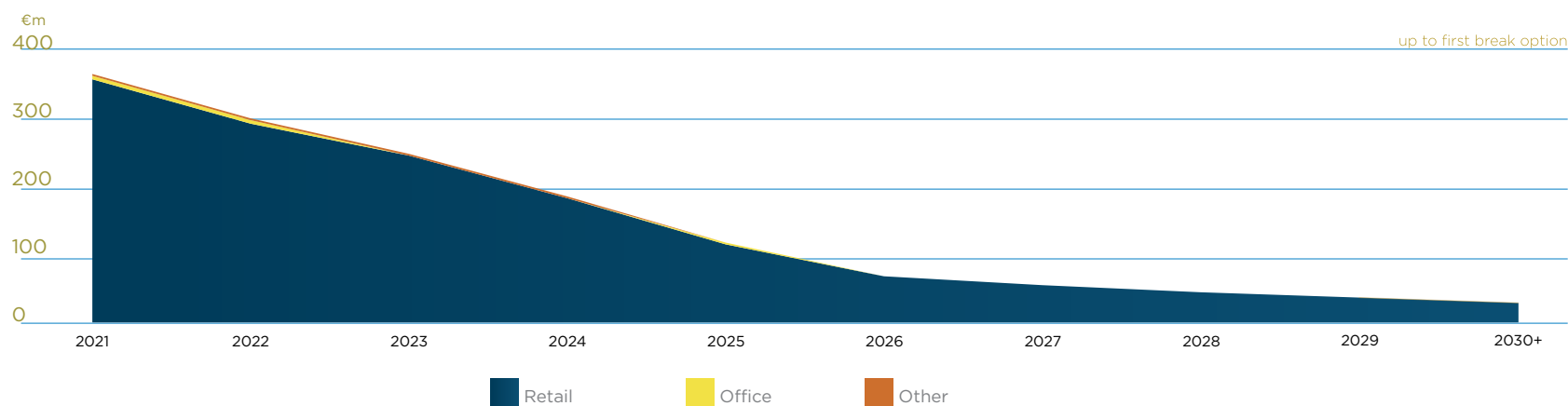
Typically equivalent to three months' rent, service charge and VAT; parent company guarantee required for major retail tenants

Sustainable long-term lease duration

Expiry profile as at 31 December 2020

by gross rentals

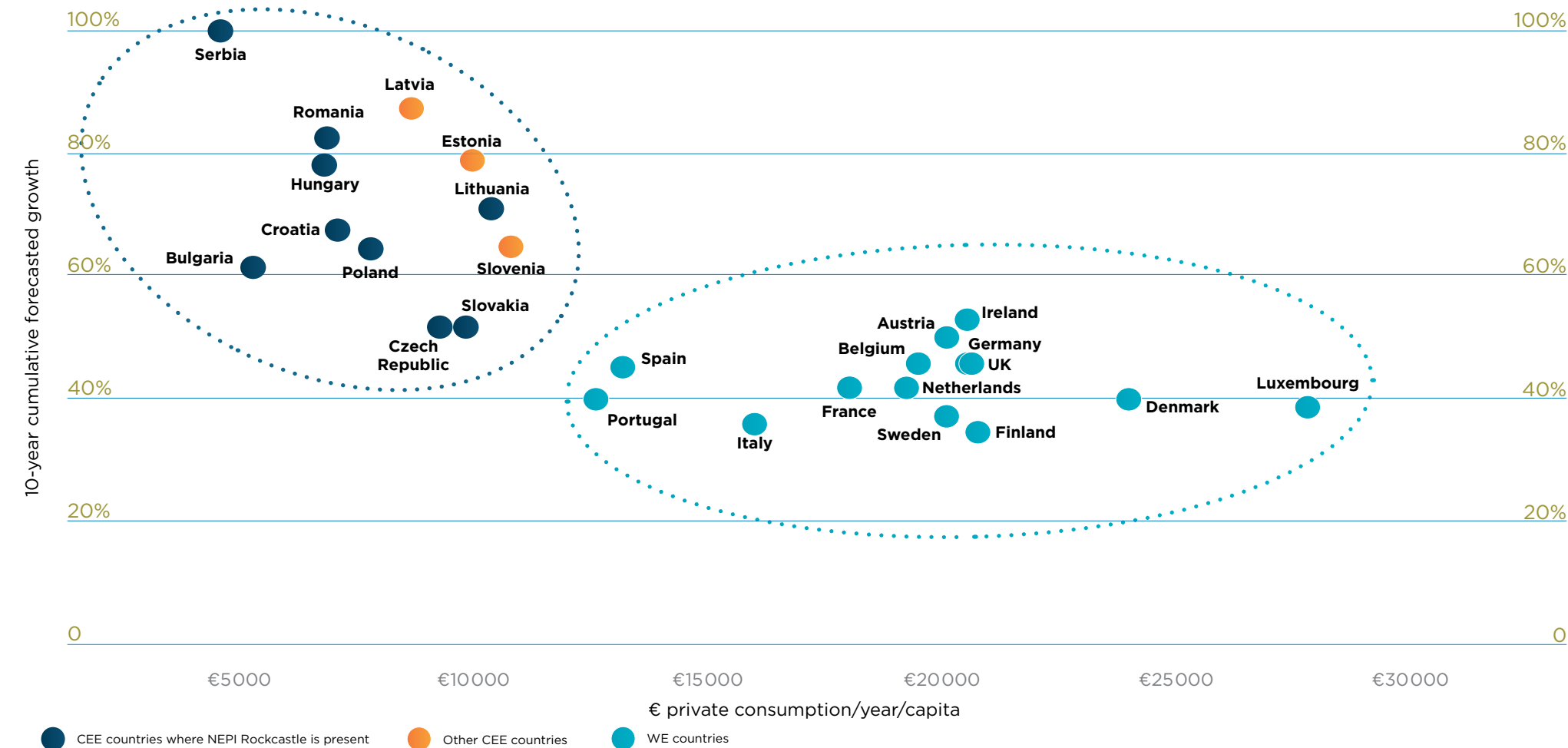
Year	% of expiry
2021	7.4%
2022	16.6%
2023	13.4%
2024	15.8%
2025	17.3%
2026	12.1%
2027	3.5%
2028	2.9%
2029	2.1%
>=2030	8.9%
Total	100%



Weighted average remaining lease duration is 4 years

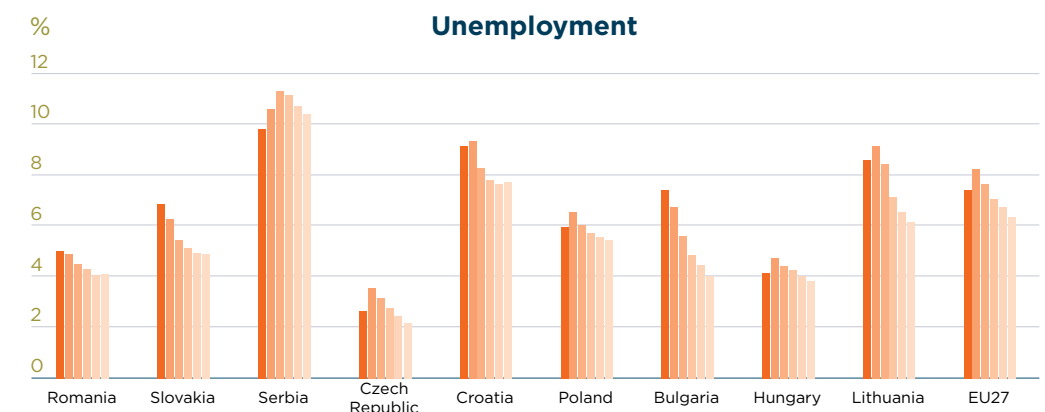
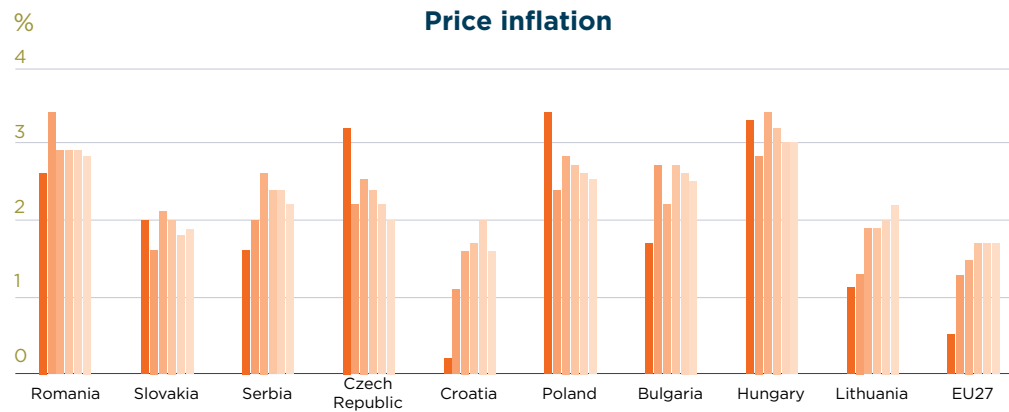
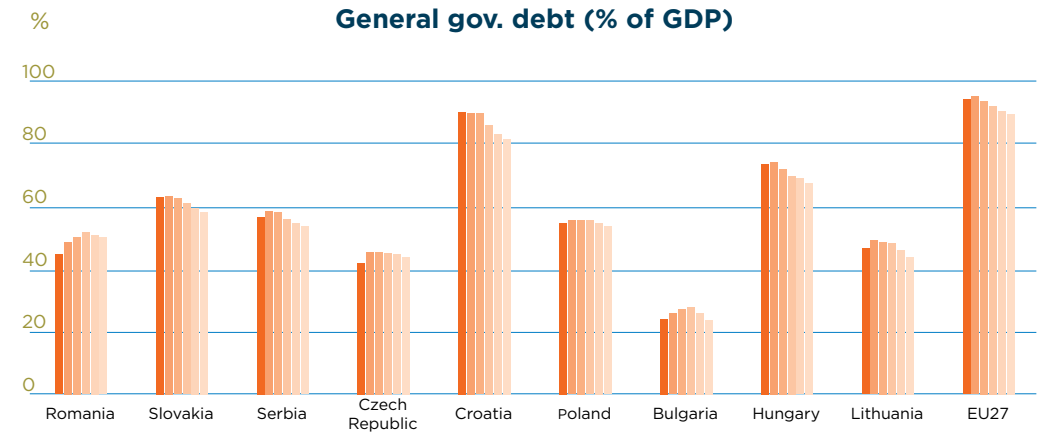
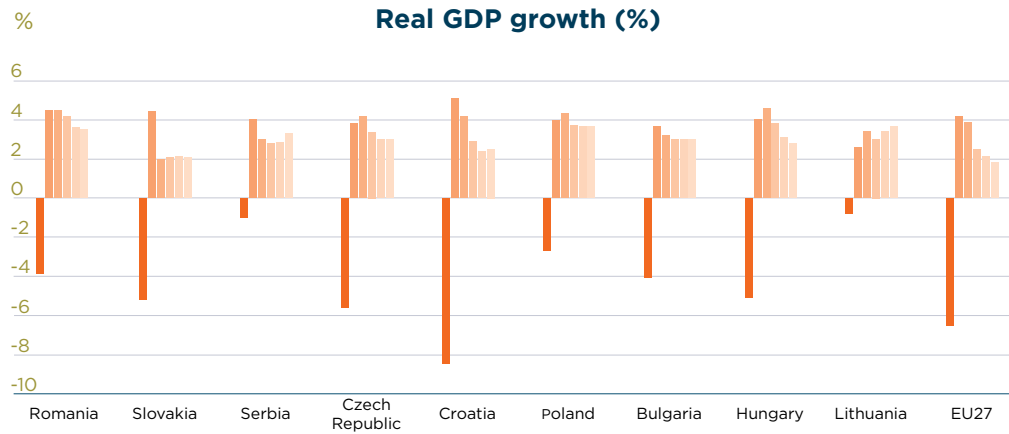
Macroeconomic fundamentals and prospects

CEE private consumption growth well above WE average



Source: Thomson Reuters April 2021

CEE growth prospects expected to continue post COVID-19



2020 2021 2022 2023 2024 2025

Source: The Economist Intelligence Unit, March-April 2021 reports

Operational optimisation

Environmental responsibility

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

Enhanced **health
and safety measures**

"COVID-19 Compliant" certification
in all countries of operations

Reduce waste to landfill

Own **green energy** production

Safe destination
properties



Most efficient operations

**Smart buildings
and parkings**

**Automate Building
operations**

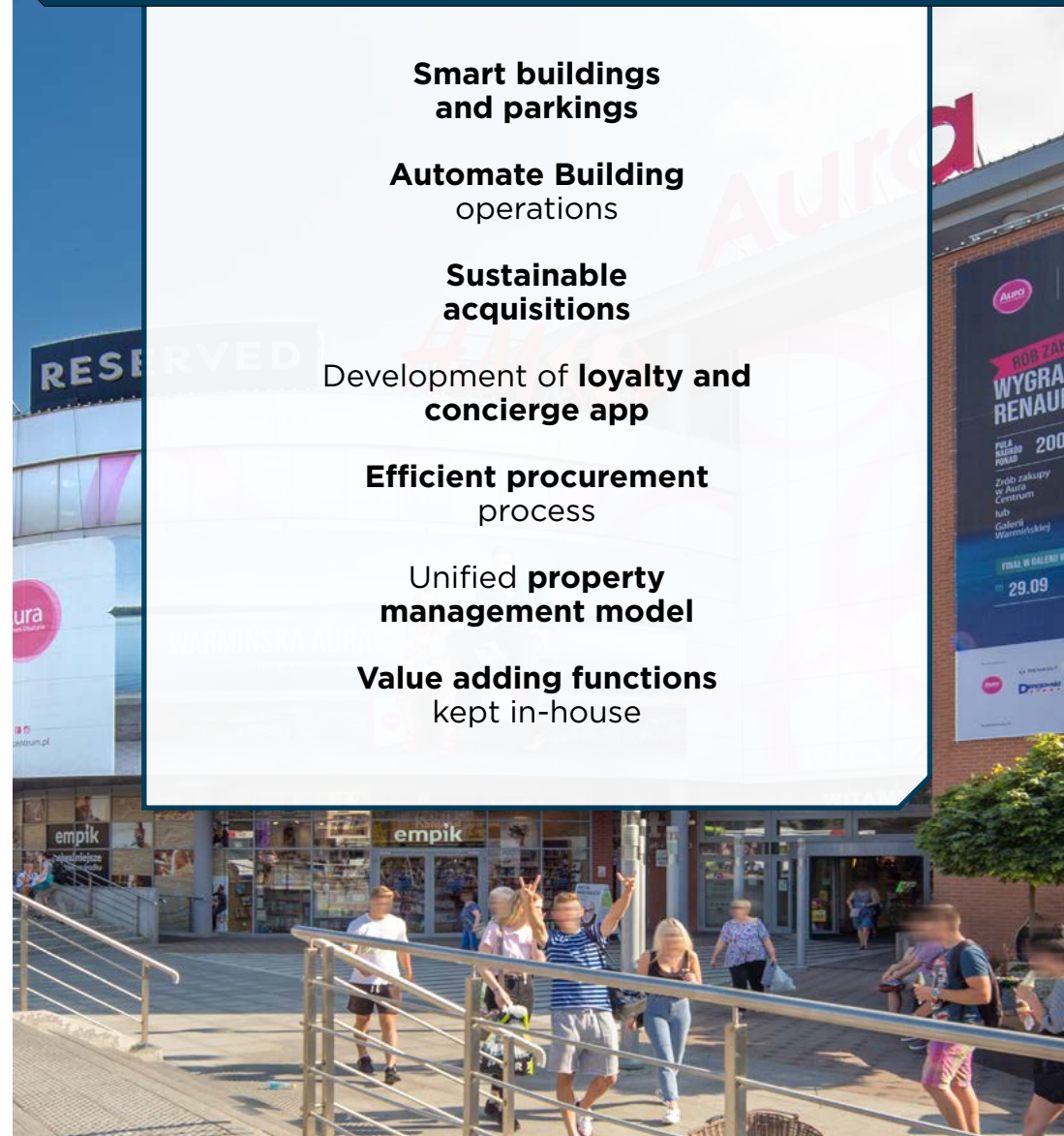
**Sustainable
acquisitions**

Development of **loyalty and
concierge app**

**Efficient procurement
process**

Unified **property
management model**

Value adding functions
kept in-house



Environmental, Social and Governance focus

Figures as at 31 Dec 2020

waste recycling

energy consumption


water consumption

gas consumption

100% renewable energy

used in all common areas of the shopping centres

Environmental





Social

over 110 partnerships, sponsorships and community engagements

25

Number of partner NGOs

employee commitment

over 1300 days of training and development

Top 5 Sustainalytics


EPRA

AA leader rating MSCI

FTSE4Good

Green Finance Framework

Governance



71% of the Group’s assets have “Very good” or “Excellent” **BREEAM certifications**, confirming they are resource-efficient.

Prudent financial strategy

Focus on liquidity and optimisation of capital allocation

- Reduced variable non-critical operating expenses during lockdown
- Deferred non-committed development projects
- 1st green bond issue of €500m in 2020
- Disposal of Romanian office portfolio in 2020 and preservation of cash proceeds
- Strong collection rate of 99% of reported revenues for 2020 and 91% for Q1 2021 (adjusted for concessions)

BBB

Investment grade rating

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

€1.2bn

Liquidity

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

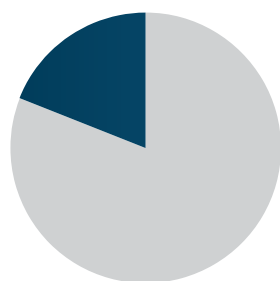
32.9%

Prudent LTV

with **35%** long term strategic threshold

Prudent financial strategy» continued

- **83%** of the investment property **unencumbered**
- **Weighted average remaining debt term: 3.9 years**
- **Interest rate risk 99% hedged**
- **Extension of €425m** revolving credit facilities, with added sustainability-linked clauses
- **Cost of debt: 2.3%** (Dec 2020: 2.3%)

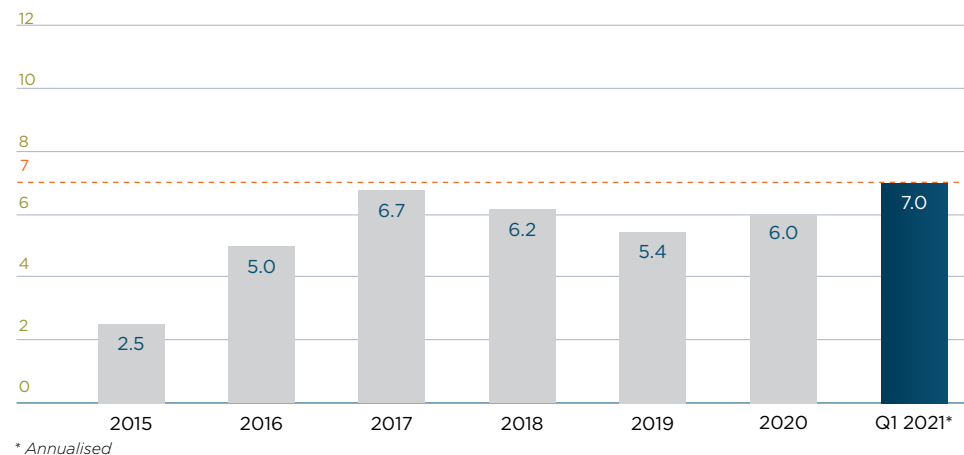


Debt Breakdown

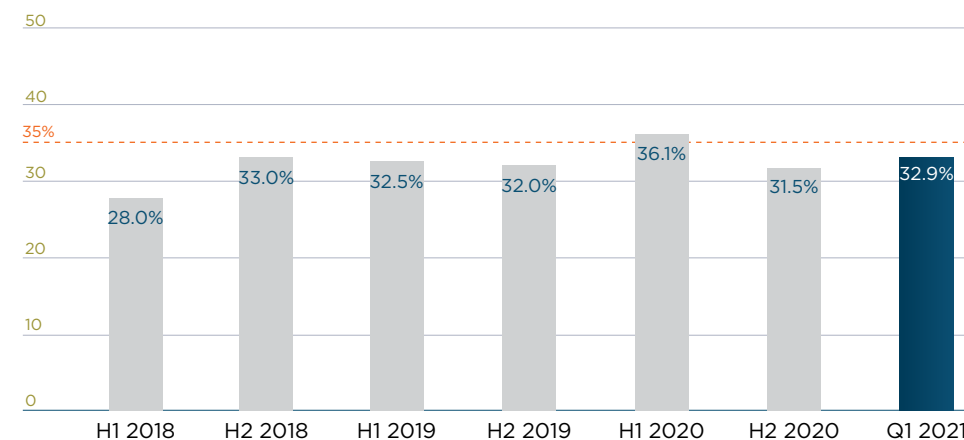
By type

- Bonds 81%
- Bank debt 19%

Net debt/EBITDA



Prudent LTV (%)



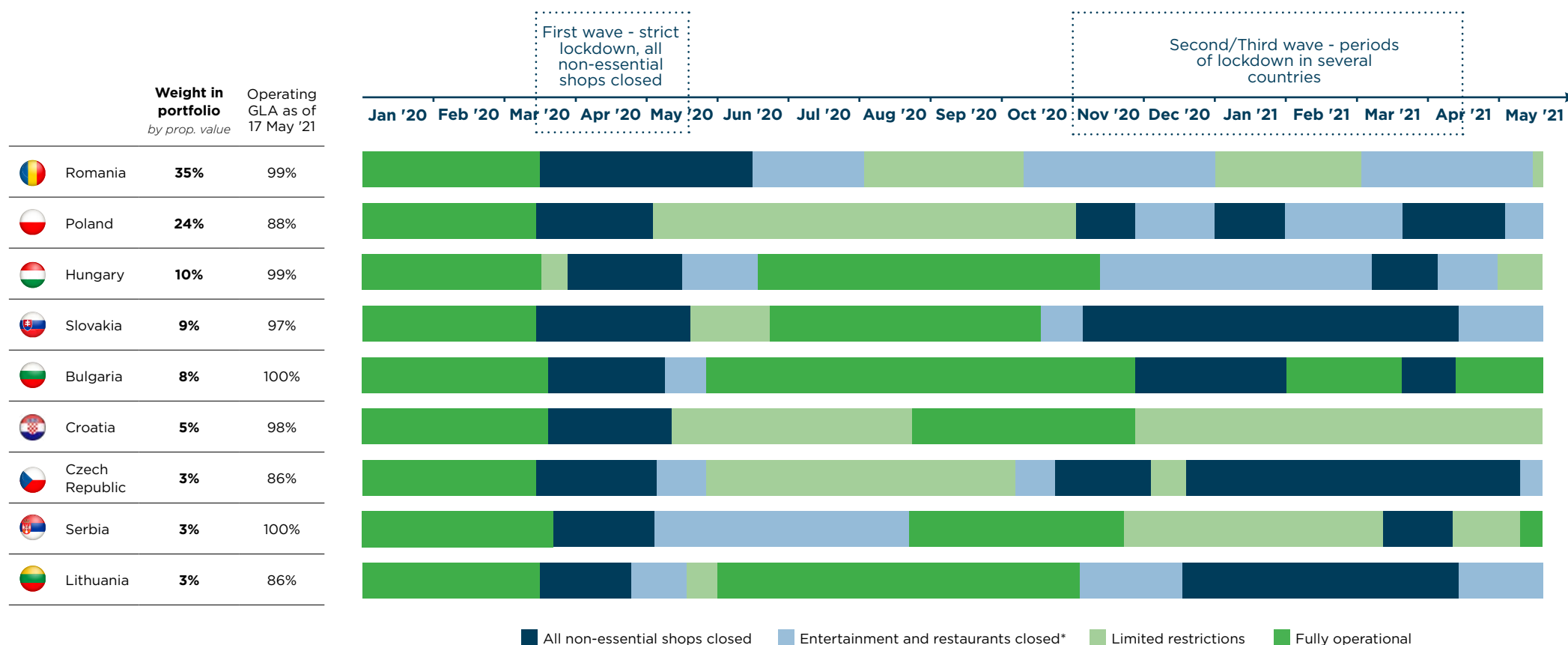
-- Threshold monitored by management and rating agencies



Response to COVID-19

Operations across portfolio

- Non-essential stores **closed in 2021 for an average of 60 days up until 17 May** (16% of calendar days in the year), while the **2020 average in the same period was 55 days** (15% 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
- 96% of the Group's GLA operational as of 17 May 2021**, expected to further increase as restrictions will be eased



* Restaurants closed except for takeaway and outdoor terraces

Tenant sales recovered faster than footfall

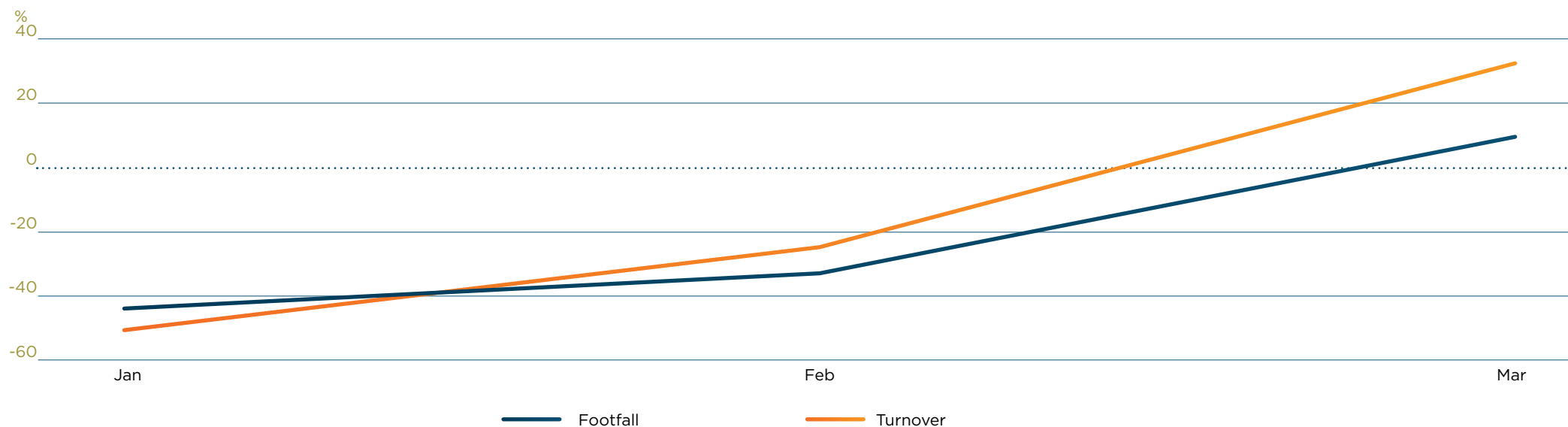
Footfall in Q1 2021 decreased by 29.5%* vs Q1 2020, but higher spending is noted (tenant sales decreased only by 26.0%*)

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

By the end of April, the year-to-date ('YTD') cumulative **footfall was 12.6%** lower than in 2020

+3.7% increase in basket size Q1 2021 vs Q1 2020

Turnover and Footfall variation to 2020*



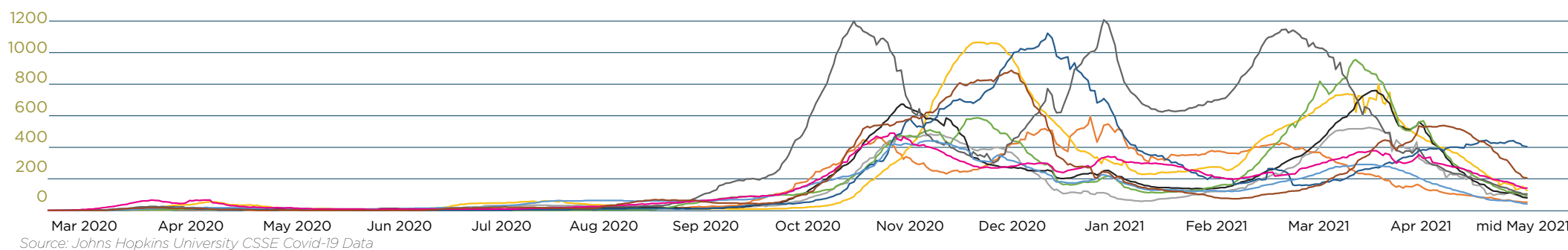
* Excluding hypermarkets

COVID-19 in Central and Eastern Europe

- New infections on a clear downward trend in most CEE countries
- Accelerated vaccination campaign could lead to full reopening of CEE economies by the end of summer 2021

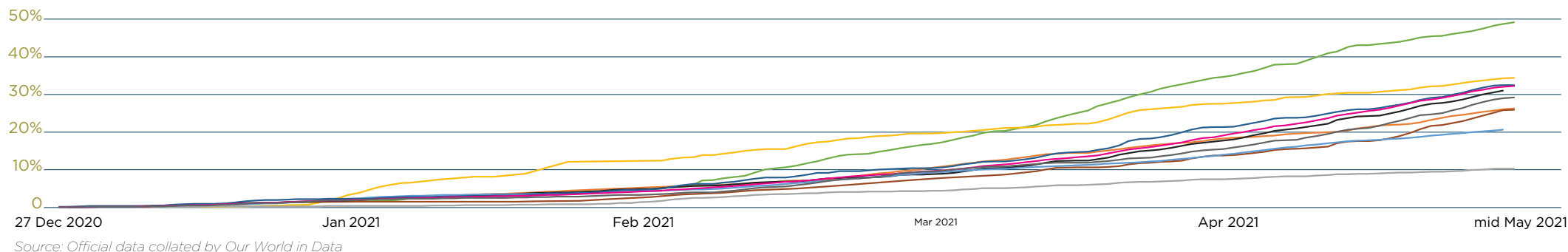
Daily new confirmed Covid-19 cases per million people

Rolling 7-day average



Share of people who received at least one dose of Covid-19 vaccine

Share of the total population that received at least one vaccine dose. This may not equal the share that are fully vaccinated if the vaccine requires two doses.



Romania Poland Bulgaria Hungary Slovakia
Czech Republic Croatia Serbia Lithuania EU

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



95.2%

Solid EPRA Occupancy rate

67%

Q1 2021 rent concessions
agreed by the end of April

No notable insolvencies
of retailers

Anchor and national chains retailers continued their expansion

- **296 new leases and lease renewals** for an area of more than 44,000m² (2.2% of GLA)
- Successful negotiations continued in April 2021, when **new lease agreements were signed for approximately 12,000m²**



Development pipeline - Opportunity for long-term growth

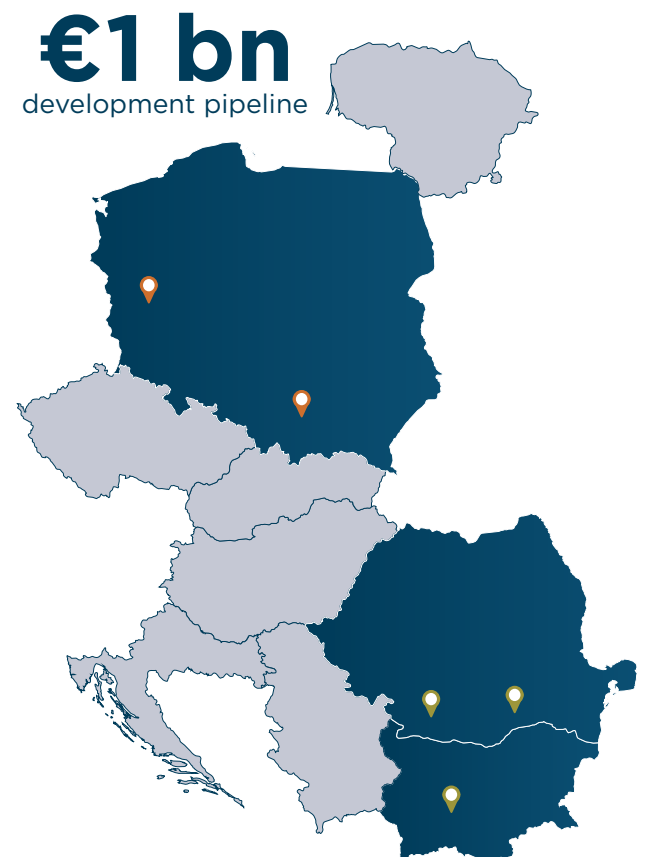
Focus on sustainable long-term growth through development of retail and mixed-use properties and reinforcing dominance through extensions and redevelopments projects

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**

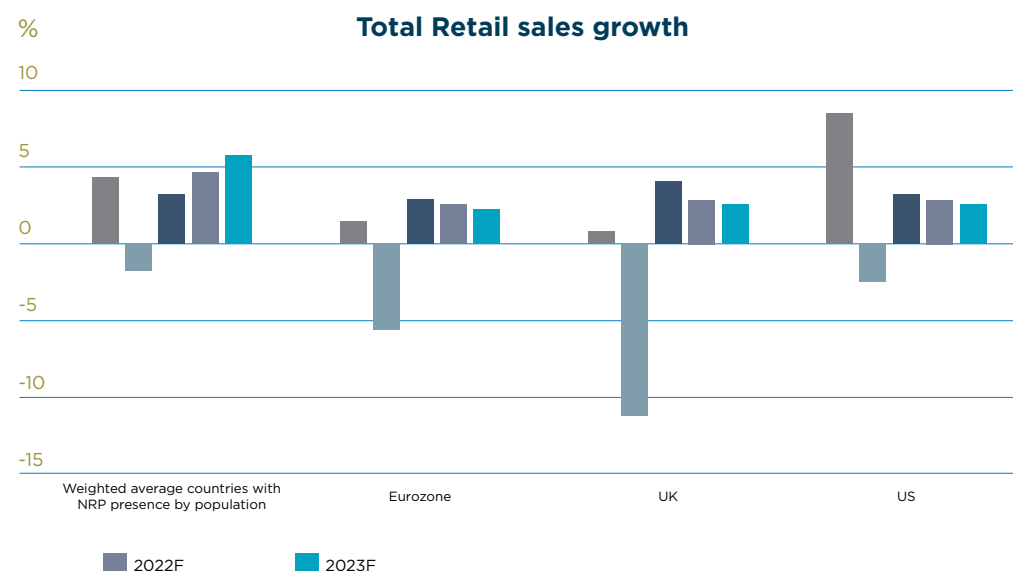
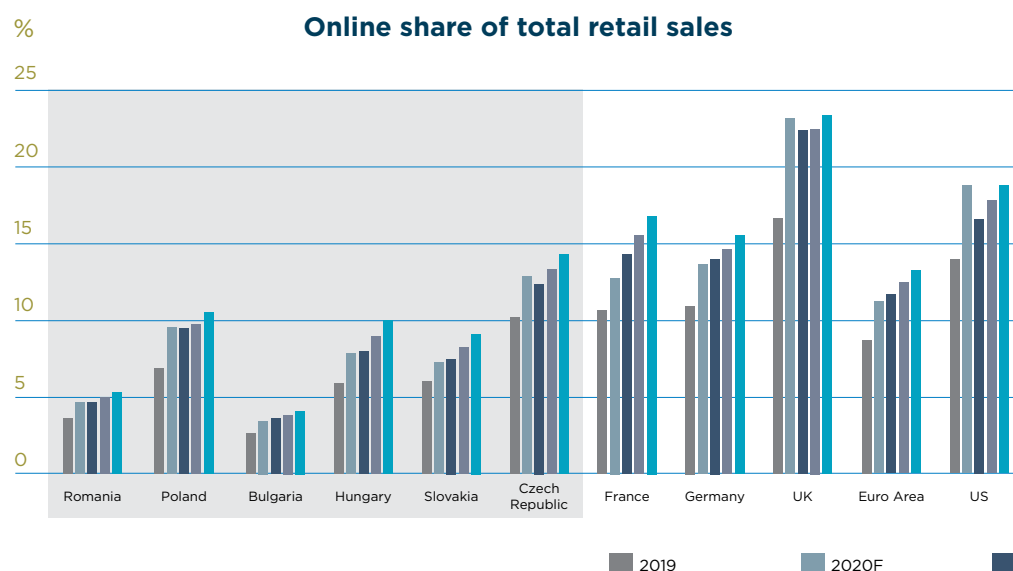


	GLA of development m ²
Developments under construction	19,800
Focus Mall Zielona Gora	15,700
Bonarka City Center	4,100
Developments under permitting and pre-leasing	177,100*
Promenada Mall	62,300
Promenada Plovdiv	58,300
Promenada Craiova	56,500

* GLA depends on permitting.

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 ² / 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 ²)	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

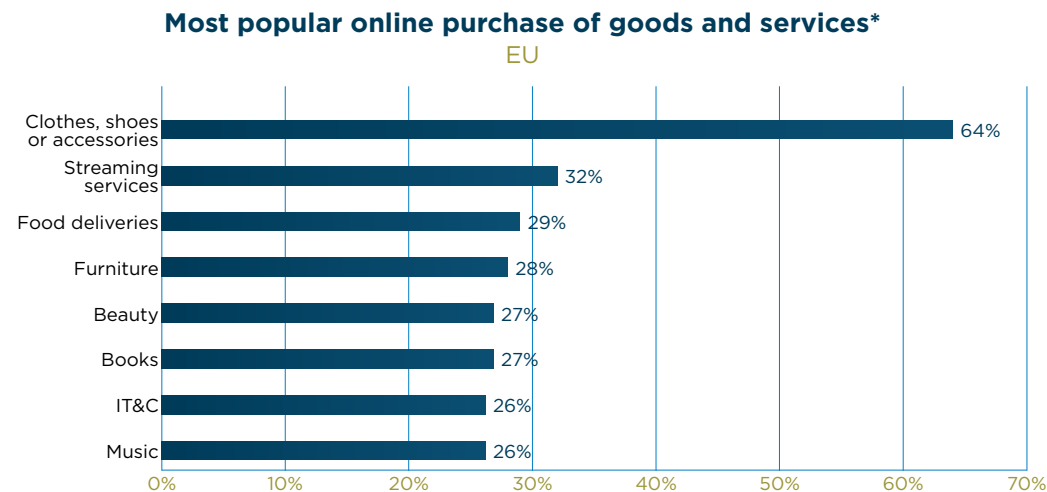
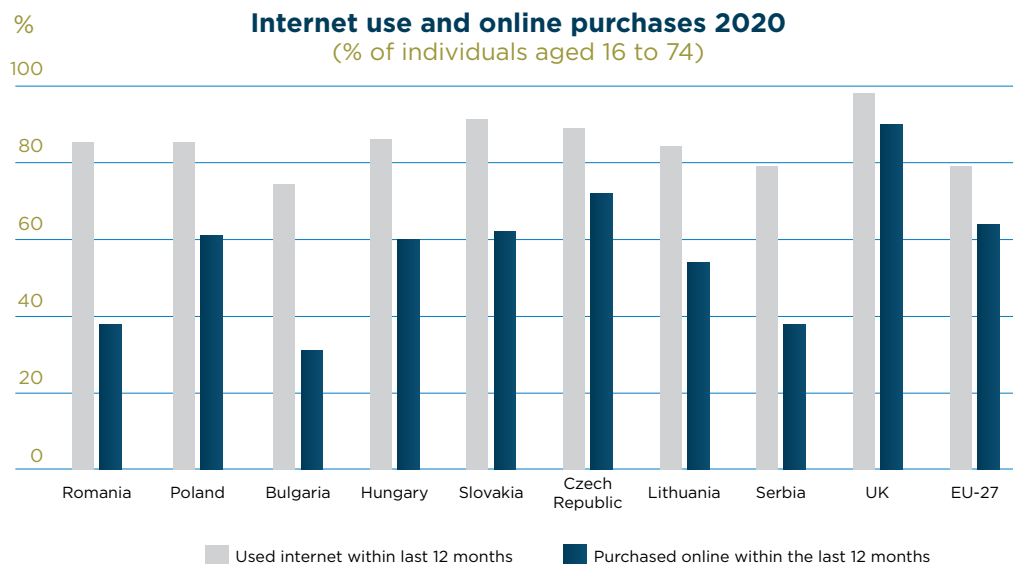
* excludes high street retail space

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**



