



COMPANY PROFILE

September 2021



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All figures are as at 30 June 2021 unless otherwise stated



Company overview

NEPI Rockcastle profile

- Active in 9 countries in CEE with robust economic outlook, above the European average
- Investments in high-quality commercial real estate with strong 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, with a history of distributing 90% - 100% of earnings



BBB stable outlook
Investment grade rating

assigned by Standard & Poor's and Fitch



EPRA Gold Award

for compliance with Best Practices
Recommendations for financial reporting



Top 10 Sustainalytics
rated companies

(low risk - 11.4/100)



AA ESG rating leader

Leading commercial real estate company in CEE

98% of the properties are located in EU investment-grade countries

CEE countries where the Group operates [^]	
Population (m inhabitants)	104
Total GDP (€m)	1 284 544
Average GDP per country (€m)	260 665
GDP per capita (€)	12 375
Purchasing power per inhabitant (€)	6 801
Visits to Group's properties in 2019 (m)	325

[^] Source: GfK, World Bank (2020)

Country	S&P Credit rating	Outlook	Weight in the portfolio (by property value)*
Romania	BBB-	stable	35%
Poland	A-	stable	24%
Hungary	BBB	stable	11%
Slovakia	A+	stable	9%
Bulgaria	BBB	stable	8%
Croatia	BBB-	stable	5%
Czech Republic	AA-	stable	3%
Lithuania	A+	stable	3%
Serbia	BB+	stable	2%



* After the disposal of Serbian properties: Kragujevac Plaza and Krusevac Shopping Park

NEPI Rockcastle at a glance

€5.8bn
Investment property value*

2 million
m² of GLA



31.8%
Loan-to-value

95.6%
EPRA Occupancy rate

€6.50
EPRA NRV per share

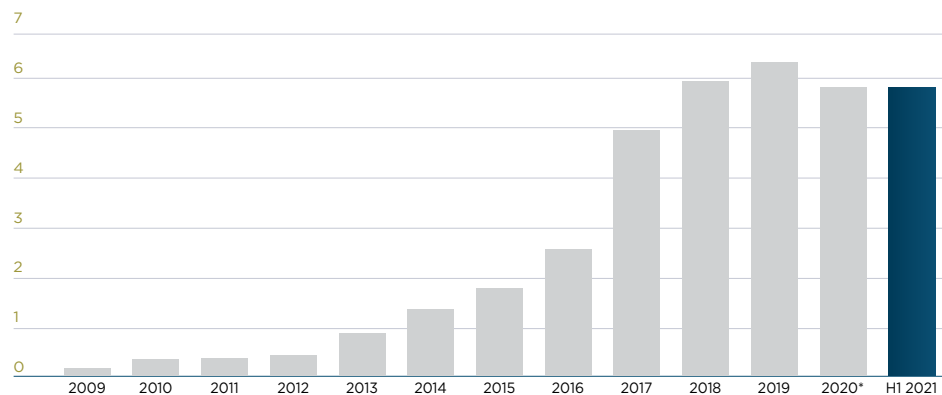
6.1%
Dividend yield**



* After the disposal of Serbian properties: Kragujevac Plaza and Krusevac Shopping Park
** Dividend yield computed based on the last 12 months distribution and August 2021 share price

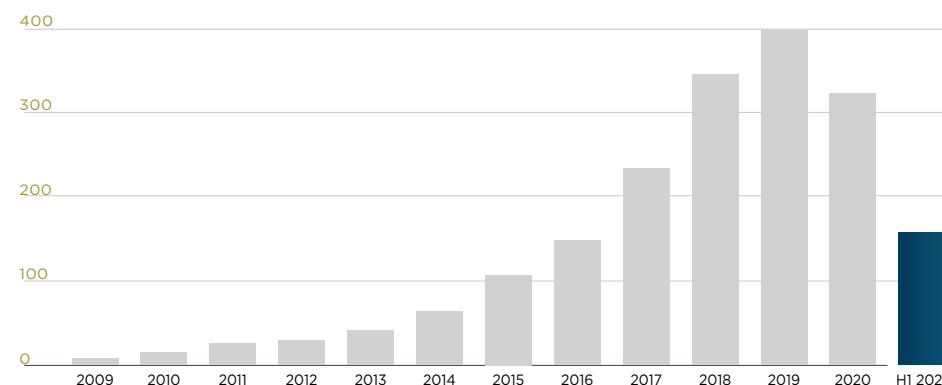
Strong record of consistent growth

Fair Value of Investment property (€bn)

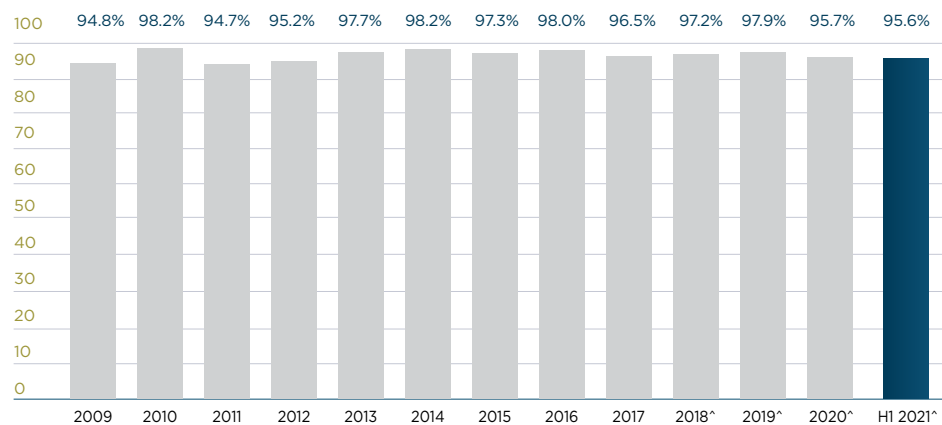


* The decrease in fair value of investment property in 2020 derives from €307m disposal of Romanian office portfolio and €345m devaluation generated by Covid-19 context. Investment property recorded a fair valuation gain of €25.5 million as at 30 June 2021

Net operating income (€m)

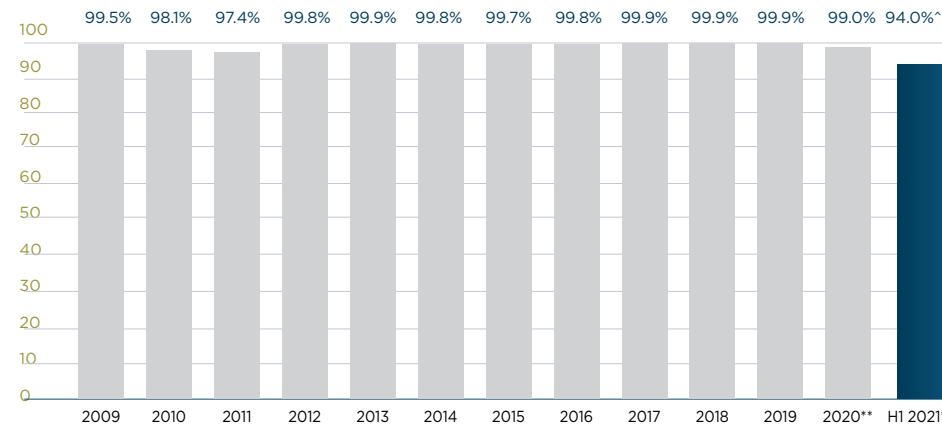


Occupancy rate (%)



^ EPRA Occupancy rate

Collection rate* (%)



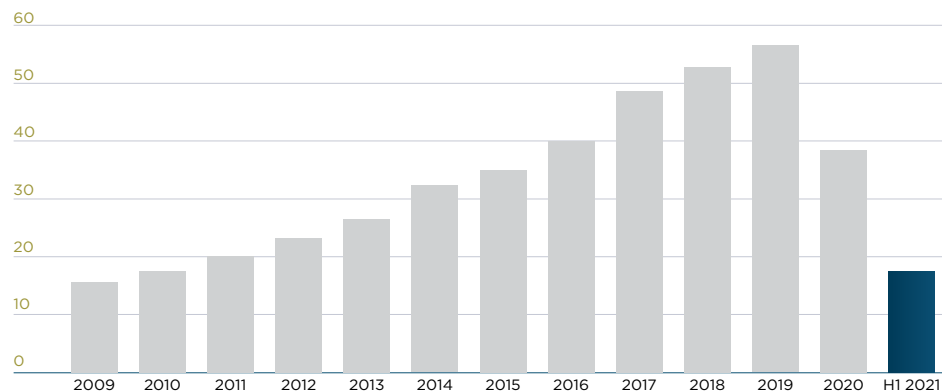
* Relative to reported gross rental and service charge income

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

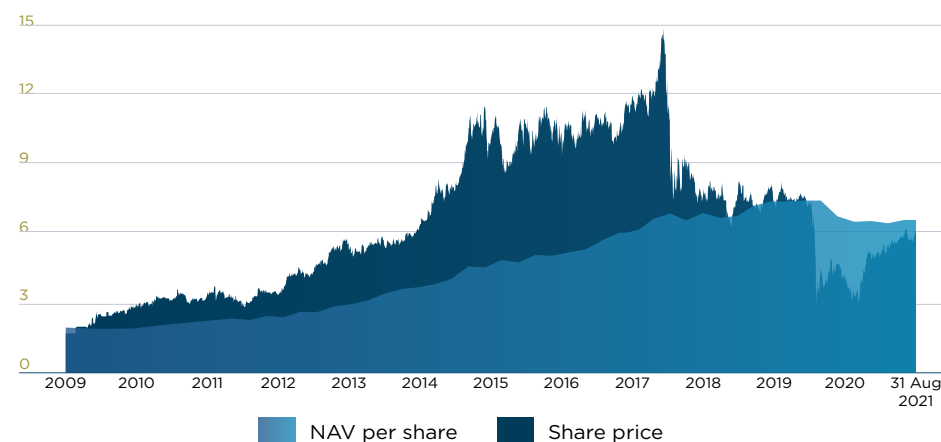
^ Collection rate as of mid-August 2021

Strong record of consistent growth » continued

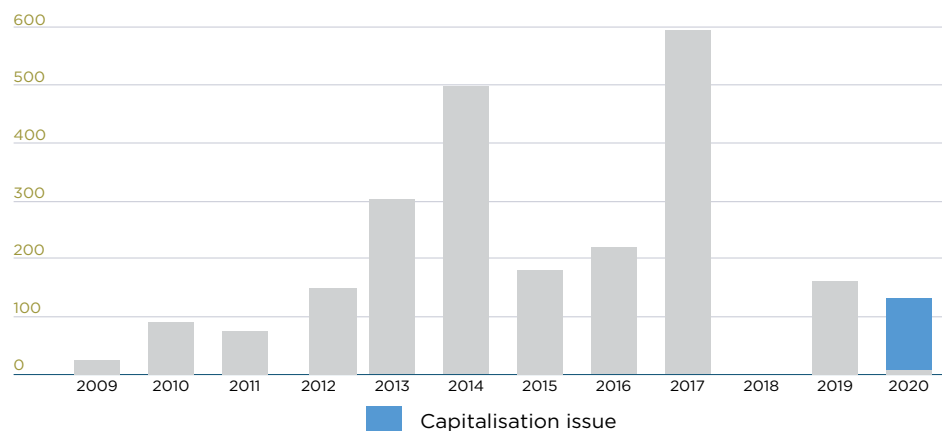
Distribution per share (€cents)



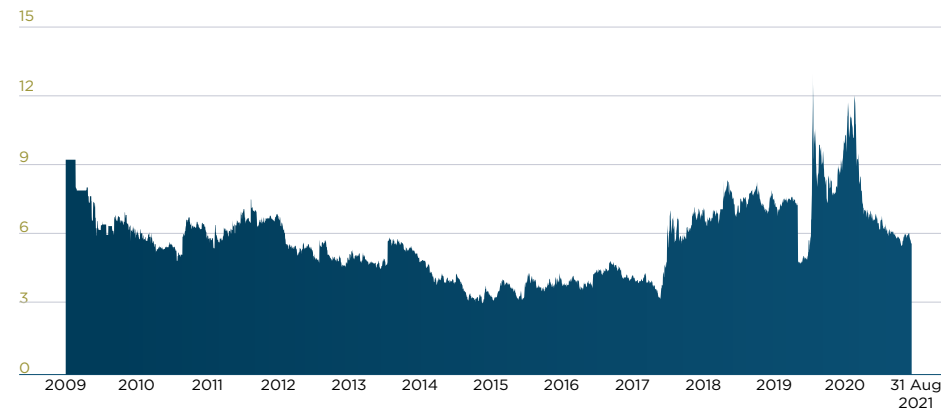
Share price vs. NAV (€)



Equity raised (€m)

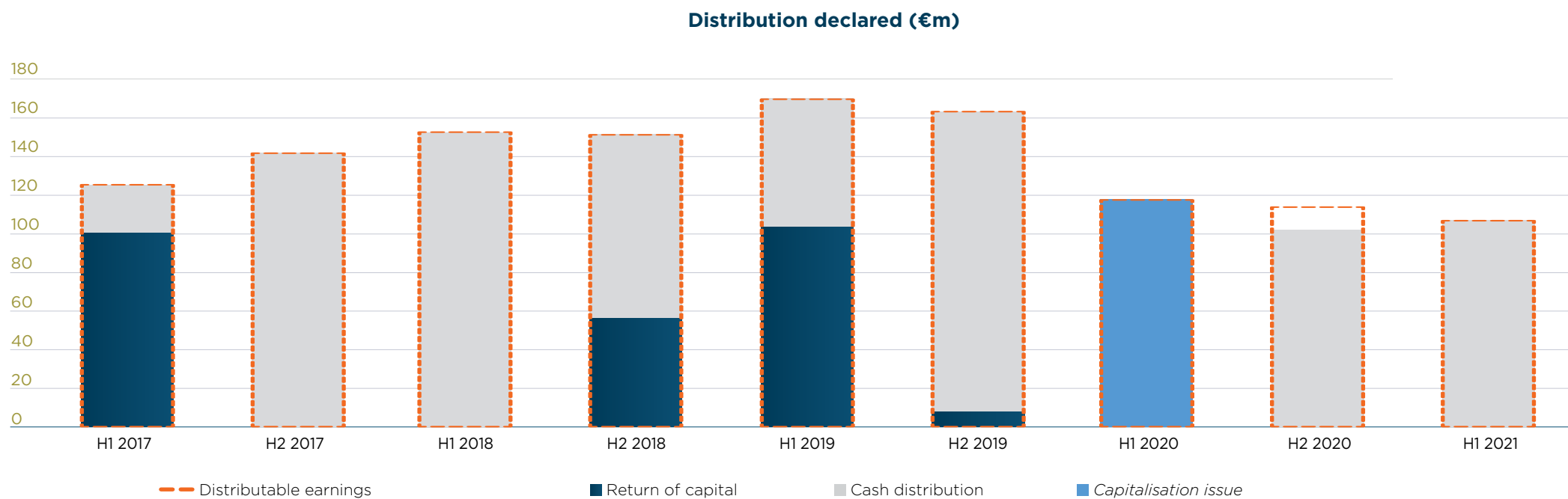


Dividend yield (%)



Dividend policy

- H1 2021 dividend declared for 100% of the distributable earnings, to be settled in cash
- Distribution policy: 90% or more of distributable earnings, consistent throughout the years



Shareholding overview

- Shareholders' structure consisting of a large base 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 67.1%
- NEPI Rockcastle is part of the JSE Top 40, All Share, SA Listed Property and Capped Property Indexes

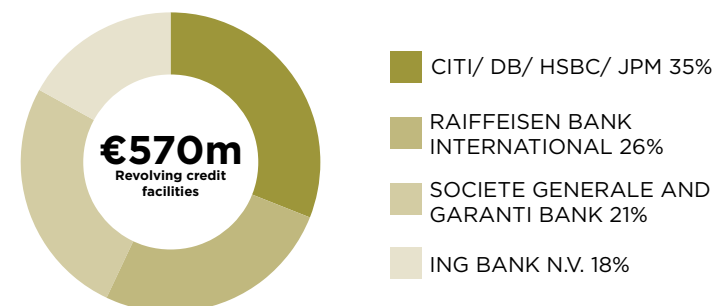
Shareholders as of 24 August 2021	Shareholding (%)	Comments
Fortress REIT	22	<ul style="list-style-type: none">• JSE listed REIT owning a significant portfolio of logistics and retail properties• main investments as at Dec 2020 include investment property of R27.7 bn (€1.5 bn)• Loan-to-value as at Dec 2020: 38.1%• common directors: Steven Brown
Public Investment Corporation	11	<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: economic, environmental and social infrastructure; energy; small and medium enterprise; sectors that create higher numbers of jobs, such as agriculture, tourism, manufacturing and mining
State Street Bank and Trust Company (Custodian)	5	
>10,000 public shareholders	62	<ul style="list-style-type: none">• includes various institutional investors
Total	100	

* Based on last reported financial statements

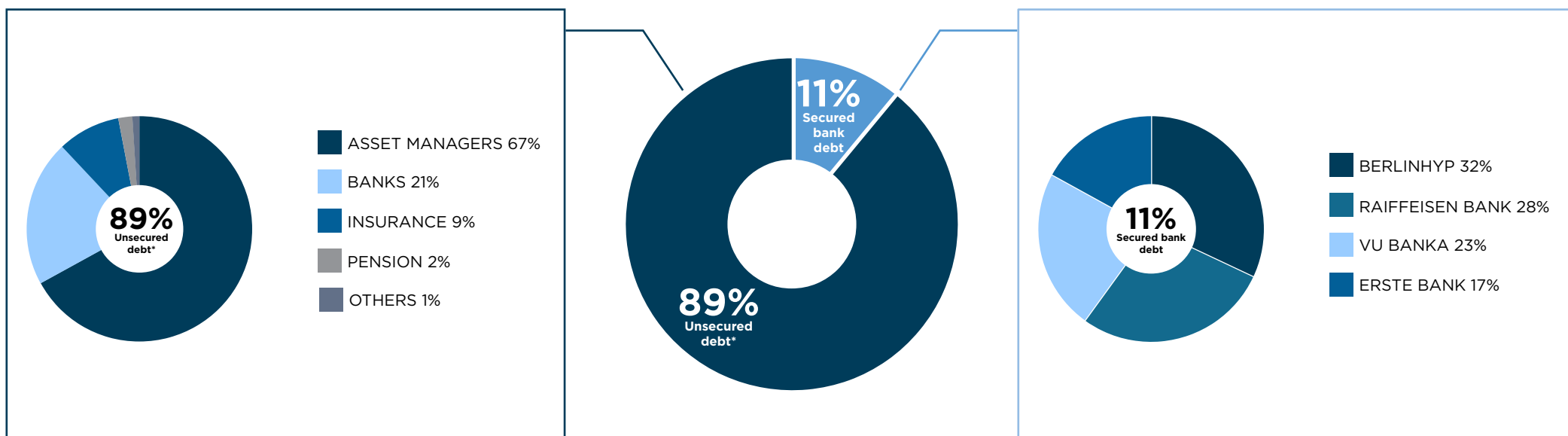
Debtholders overview

as of June 2021

- €2 billion bonds raised from European investors, including large asset managers, banks, pension and insurance companies, international financial institutions
- €0.8 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



* The unsecured debt increased to 90% after the green unsecured financing agreement concluded with the International Finance Corporation, for 7 years, disbursed in July 2021 (€73.5m)



**Strategic positioning
and key strengths**

VALUE-ENHANCING AND LONG-TERM SUSTAINABILITY



SCALE

HIGH-QUALITY
PORTFOLIO,
DOMINANT
PROPERTIES

CEE
GEOGRAPHIES
WITH POSITIVE
PROSPECTS

OPERATIONAL
OPTIMISATION
AND
ESG FOCUS

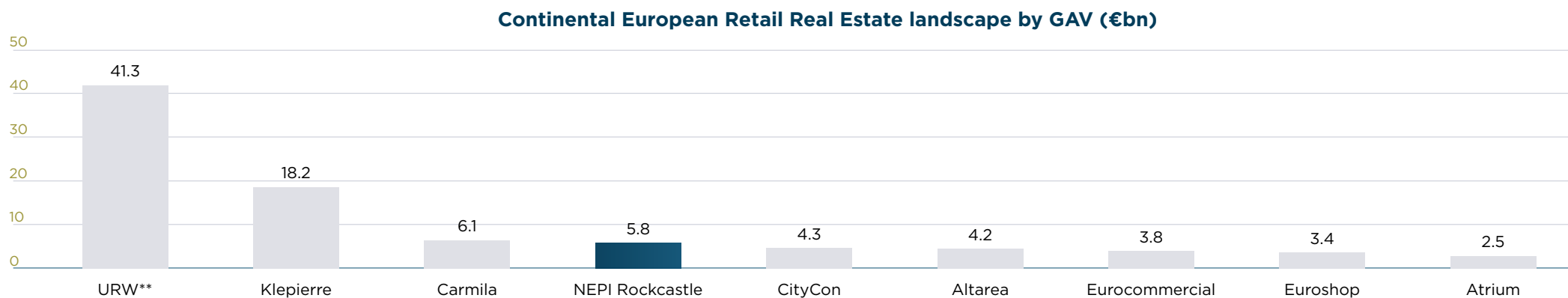
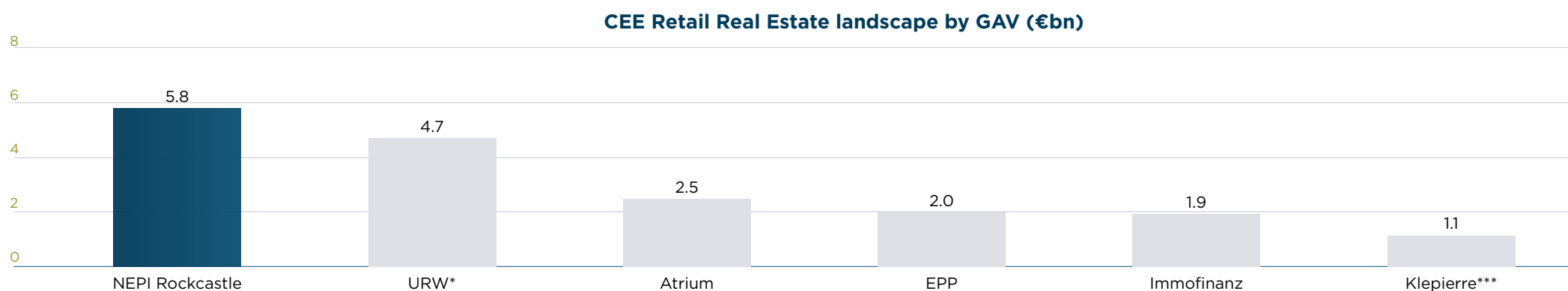
PRUDENT
FINANCIAL
STRATEGY

Largest listed company in CEE retail real estate

	NEPI Rockcastle	URW [^]	Klepierre [^]	Immofinanz	Atrium [^]	EPP ^{^^}
EPRA Net Initial Yield	6.75%	5.10%	7.10%	5.70%	5.40%	6.91%

[^] EPRA NIY for CEE portfolio; Klepierre EPRA NIY includes CEE and Turkish assets

^{^^} 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 30 June 2021. Peers company data are based on last reported financial statements.

High quality dominant retail assets with large catchment areas

Portfolio at 30 June 2021

	Number of properties	GLA '000m ²	Valuation €m	Annualised Passing rent/ERV €m
TOTAL PROPERTIES	64	2 224	5 819	391
INCOME-PRODUCING	58	2 030	5 592	391
Retail*	54	1 962	5 504	384
Office	2	41	71	5
Industrial	2	27	17	2
DEVELOPMENTS	4	192	224	-
Under construction**	1	19	63	-
Under permitting and pre-leasing***	2	173	109	-
Land bank^			52	-
NON-CORE	2	2	2	-

* Excluding joint ventures and including Serbian properties held for sale, fair valued at €56.3 million, and representing 30,900m² of GLA and €4.6 million of annualised passing rent

** Out of three properties under construction, two are extensions or redevelopments of existing properties

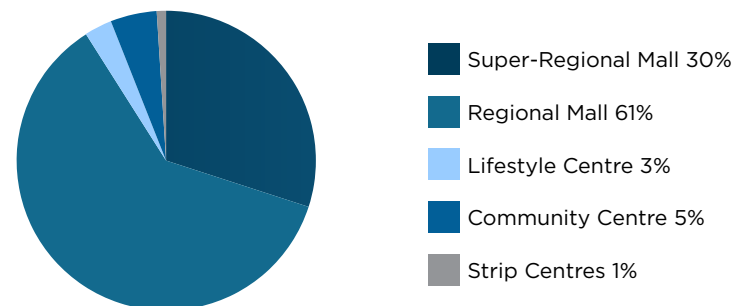
*** Out of the four properties under permitting and pre-leasing, one is an extension of existing property

^ Excluding land associated to joint ventures and including land held for development associated to the Serbian properties held for sale of €2.6 million

- 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: 74,900 m²



PARADISE CENTER - SOFIA, BULGARIA
GLA: 80,600 m²



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



ARENA CENTER 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: 56,100 m²

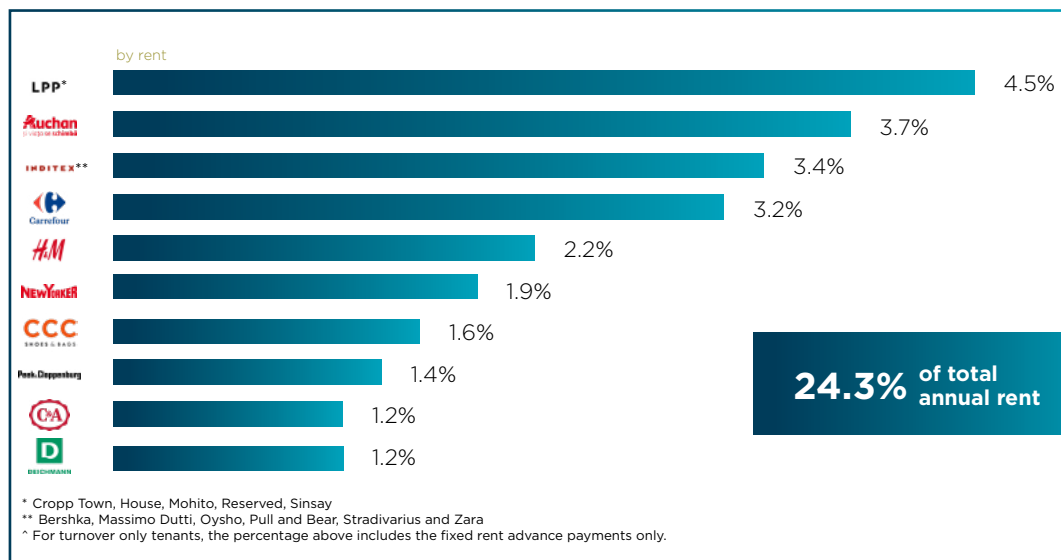


PROMENADA MALL - BUCHAREST, ROMANIA
GLA: 39,400 m²

* Source: GfK

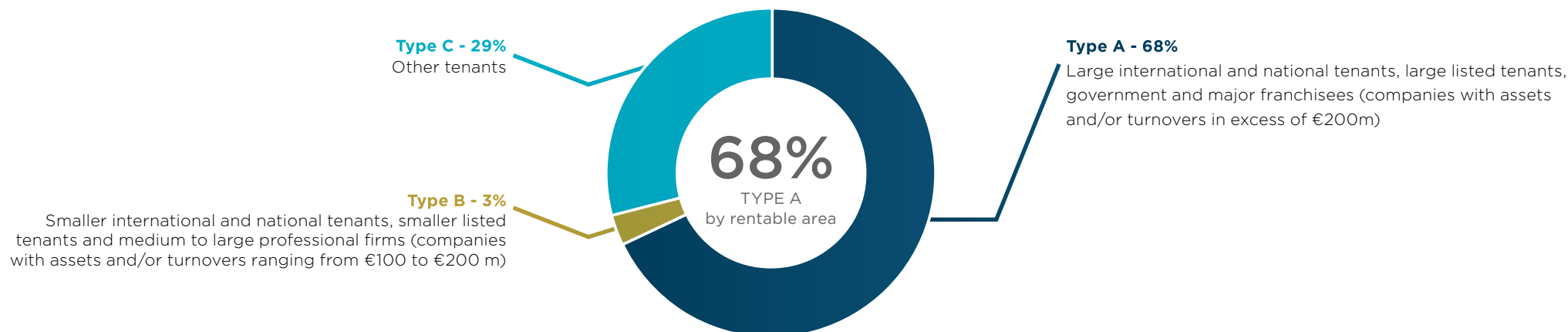
Well balanced mix of must-have retailers with favourable triple net leases

Sustainable anchor tenant base as at 30 June 2021, with limited exposure to concentration risk



Approximately 66% of the rental income from fashion tenants, groceries and services.

Tenant profile as at 30 June 2021



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

» continued

General lease terms not changed following COVID-19 pandemic

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 4.6% and 2.0% of gross rental income respectively for H1 2021 (4.4% and 3.1% respectively for FY 2020)

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

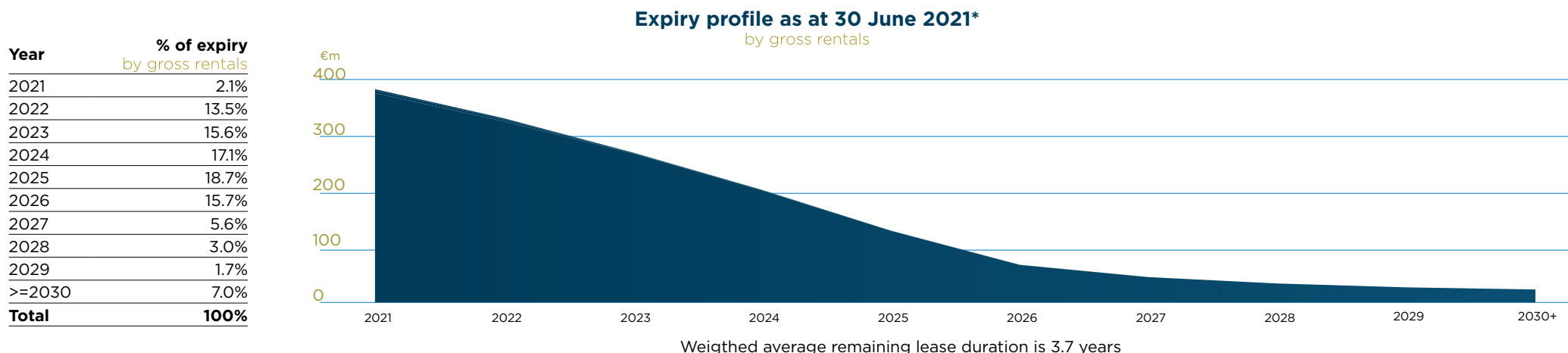
INDEXATION

Rent and marketing charges are adjusted annually in line with indices of consumer prices (HICP, MUICP, etc); 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

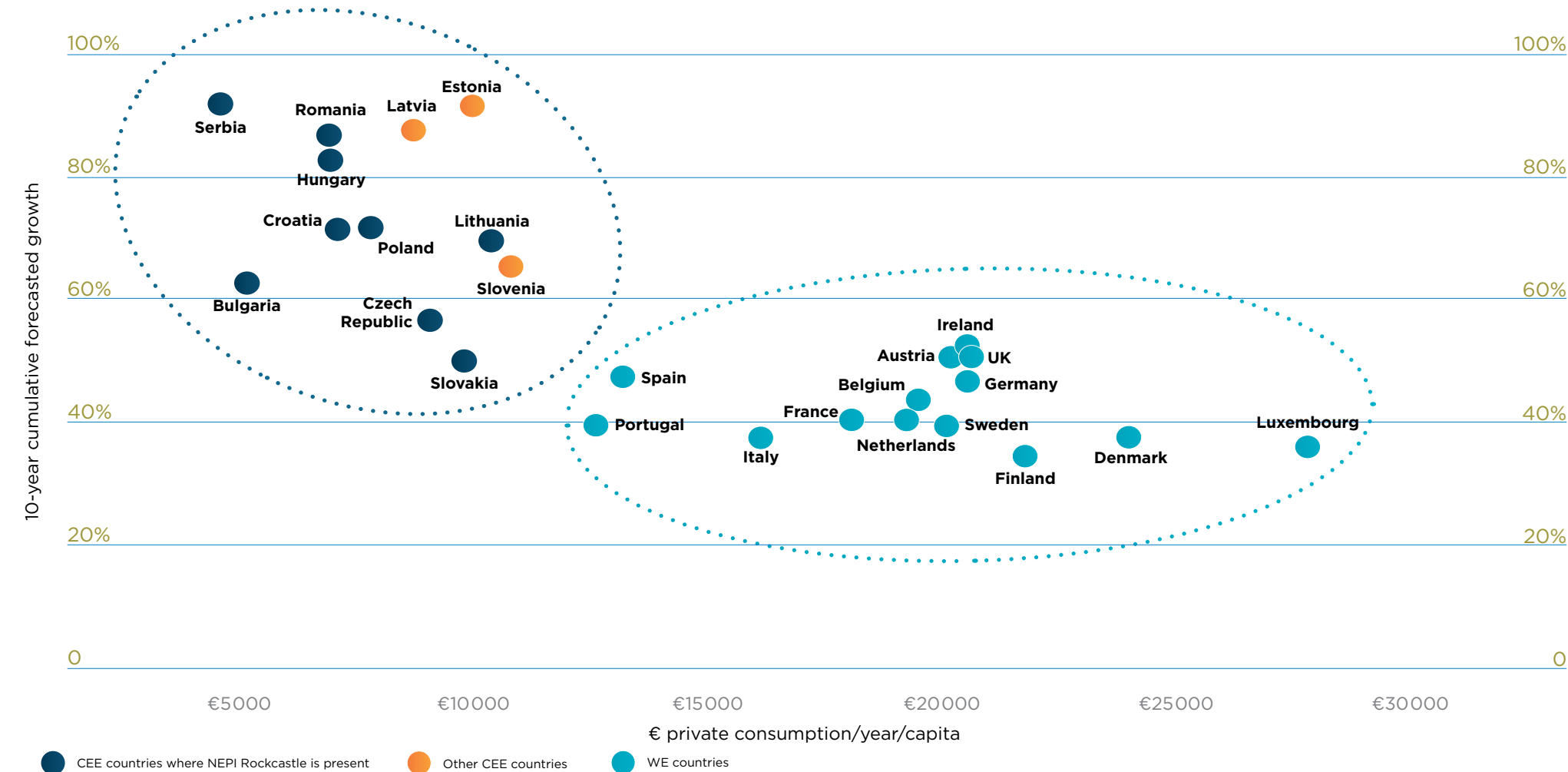
Sustainable long-term lease duration post-Covid-19



* Expiry profile computed up to the first break option included in the lease agreements; for the lease agreements where the first break option elapsed, the lease agreement was considered to expire in the upcoming 12 months, irrespective of the actual contractual duration

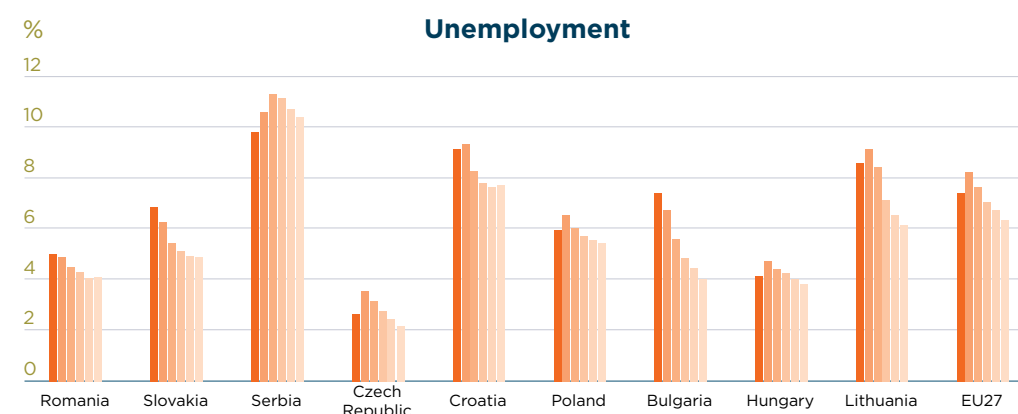
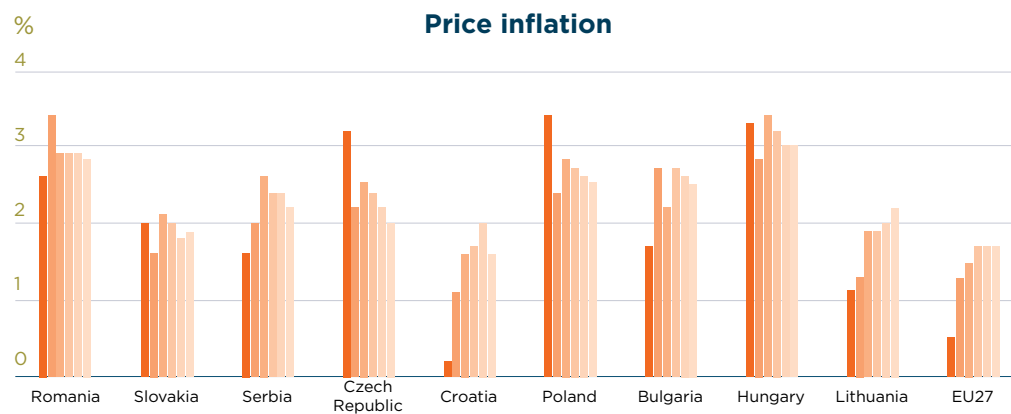
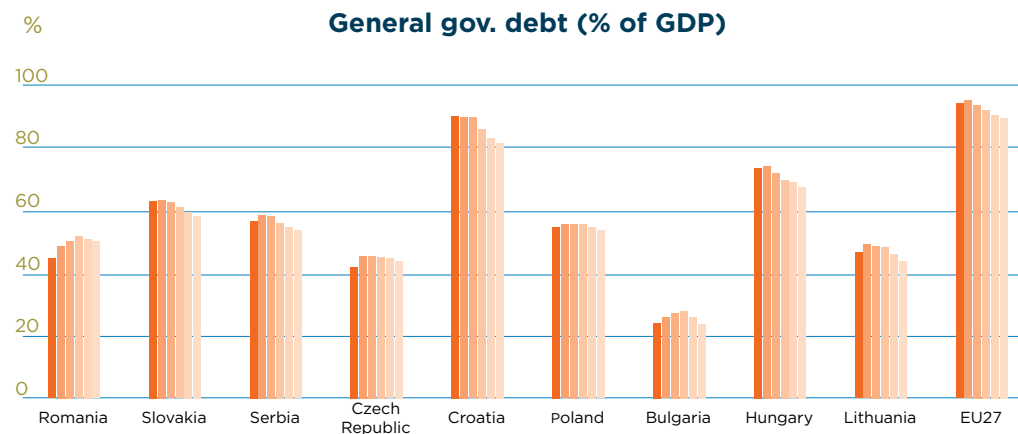
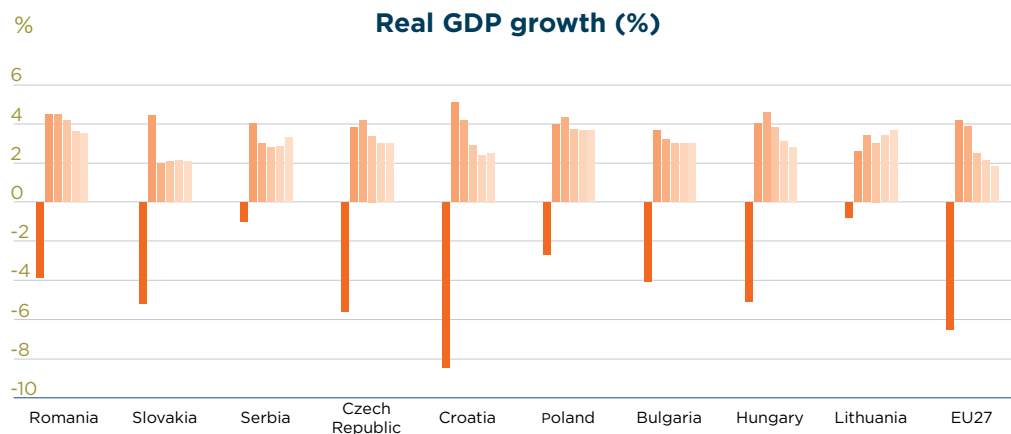
Macroeconomic fundamentals and prospects

CEE private consumption growth well above WE average



Source: Thomson Reuters August 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

**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

Most efficient operations

Environmental, Social and Governance focus

Figures as at 31 Dec 2020



* As at July 2021

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

Strong liquidity position

31.8%
Prudent LTV

with **35%** long term strategic threshold

€950m
Liquidity

including cash (€380m) and available
revolving facilities (€570m)

BBB
Investment grade rating

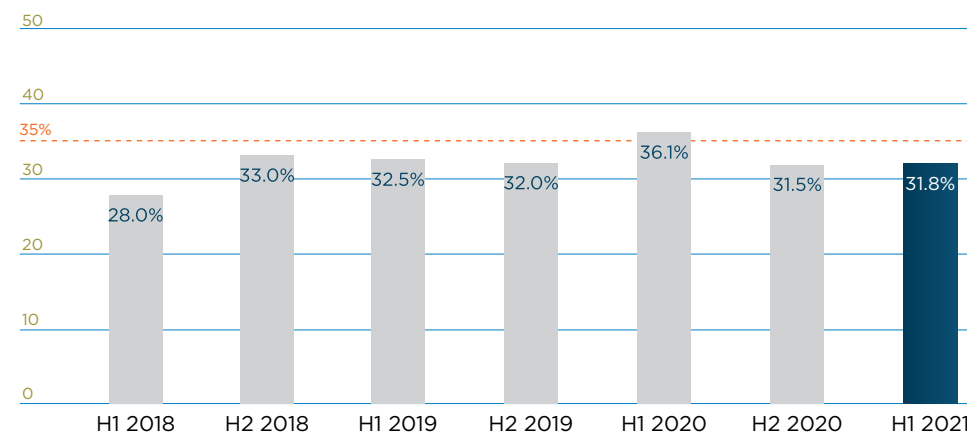
assigned by Standard & Poor's (stable
outlook) and Fitch (stable outlook)



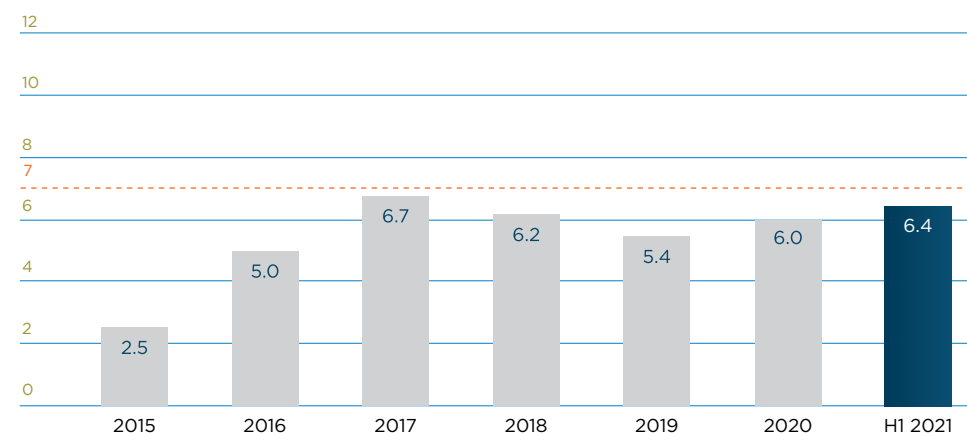
Prudent financial strategy

- **Investment grade credit ratings:**
 - » BBB, stable outlook - Standard & Poor's
 - » BBB, stable outlook - Fitch
- **LTV: 31.8%** (maximum threshold: 35%)
- **91%** of the investment property **unencumbered**
- **Weighted average remaining debt term: 4.2 years**
- **Interest rate risk 99% hedged**
- **Cost of debt: 2.4%** (2020: 2.3%)
- **Liquidity of €950m** (increased to €1.1bn at 31 July)
- **Dividend payment in cash**
- **Strong collection rate of 88%** for H1 2021 reported revenues (net of concessions granted), further **improved to 94% as of mid-August.**

Prudent LTV (%)



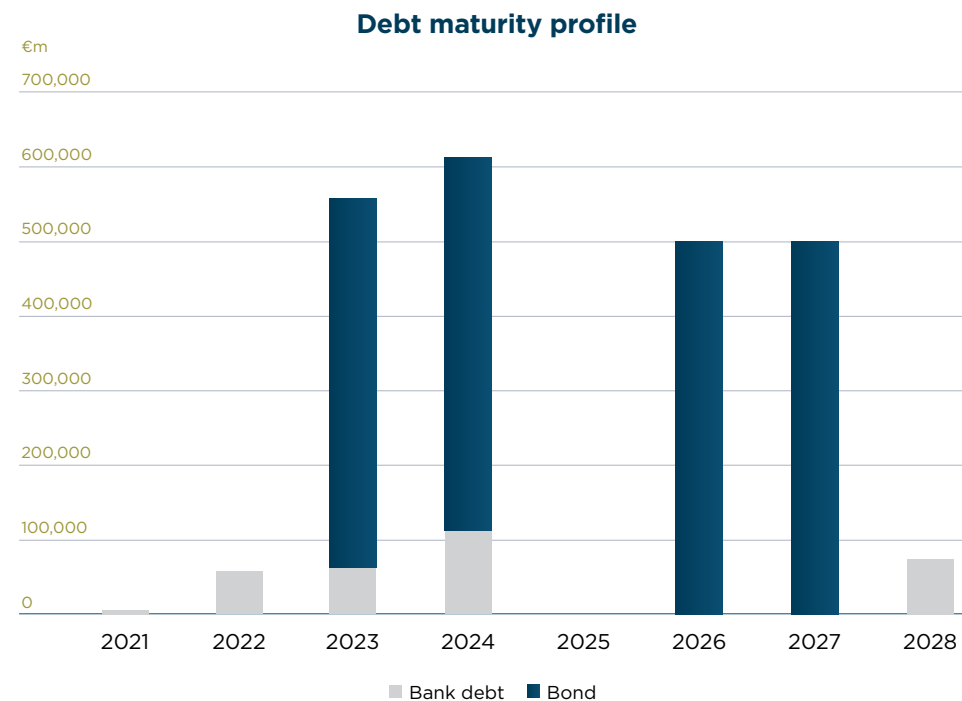
Net debt/EBITDA



-- Threshold monitored by management and rating agencies

Intense funding activity in H1 2021

- Extension of €220m revolving credit facilities ('RCF'), with added sustainability-linked clauses
- Increased available principal in a club RCF by €25m
- All RCFs are now sustainability-linked and have two-year extension options
- RCF terms and conditions aligned with bond documentation
- Concluded a green unsecured financing agreement with the International Finance Corporation, for 7 years, disbursed in July 2021 (€73.5m)
- Repayment of five secured bank loans in Slovakia and Poland, in total amount of €242m
- Unsecured debt is now 89% of total debt (excluding revolving credit facilities, which are undrawn)
- No significant maturities in 2021 or 2022



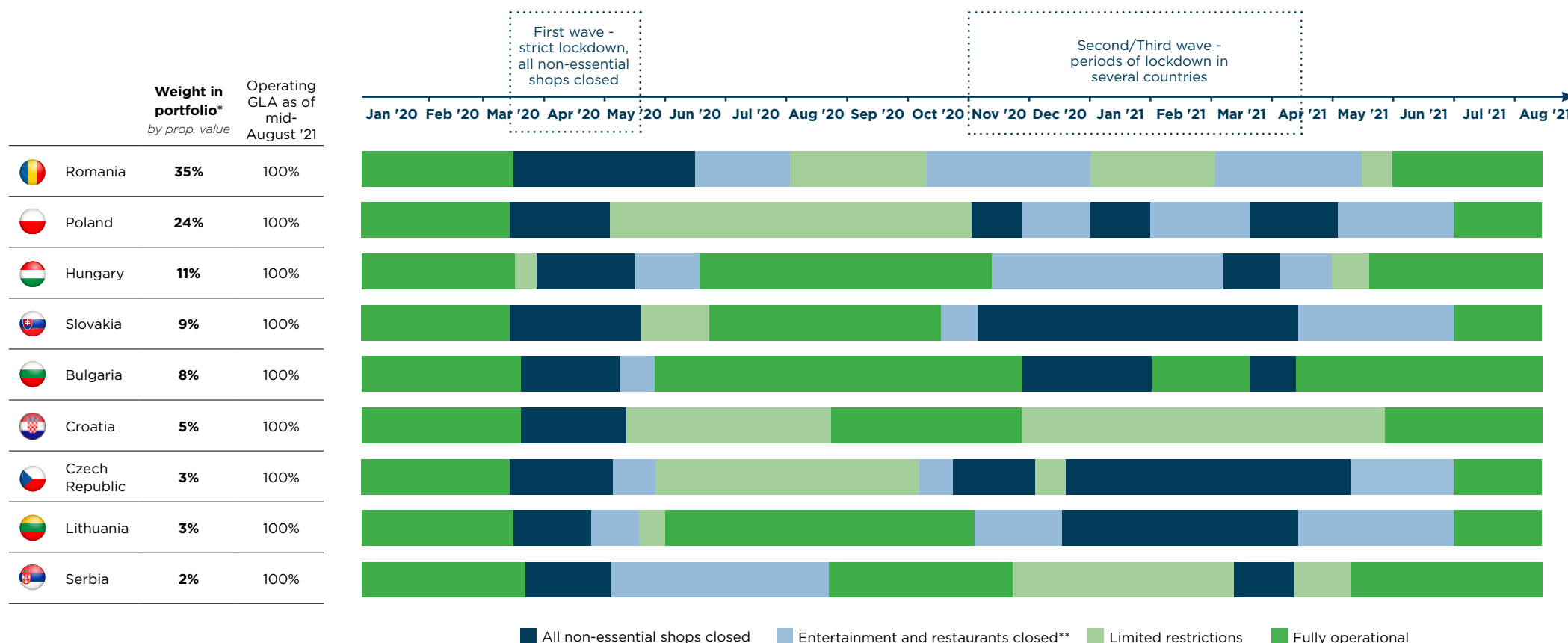


Response to Covid-19

Operations across portfolio

100%
of the Group's GLA
operational from end of June

- Non-essential stores **closed in 2021 for an average of 60 days up until mid-August** (16% of calendar days in the year), while the **2020 average in the same period was 58 days** (16% 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 and so far in 2021



* After the disposal of Serbian properties: Kragujevac Plaza and Krusevac Shopping Park

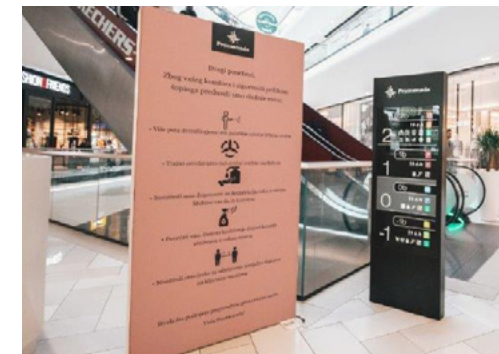
** Restaurants closed except for takeaway and outdoor terraces

Safety in our properties

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

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**
- **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



Tenant support measures

Aim: re-boost retail ecosystem and ensure long-term sustainability of NEPI Rockcastle business

Consistent approach applied across portfolio

- Fair and balanced criteria
- The degree by which tenant's business or retail segment were affected
- Support measures taken by authorities
- Tenant's performance and ability to sustain a long-term relationship
- The need to maintain a vibrant and diverse tenant and category mix
- In the case of multi-location tenants, negotiations held at portfolio level



Strong bounce back in performance once restrictions have been lifted

Footfall and turnovers bounce back rapidly after restrictions are lifted (consumer behaviour shows that confidence is up)

- As retail had a strong recovery in H1 2021, need for further retail support is limited. Retail support is down with 25% vs H1 2020
- Strong operational indicators: collection for H1 2021 is at 88% and EPRA Occupancy is 95.6%
- No insolvency in top 20 tenants. Overall insolvencies were very limited

95.2%

EPRA
Occupancy
March 2021



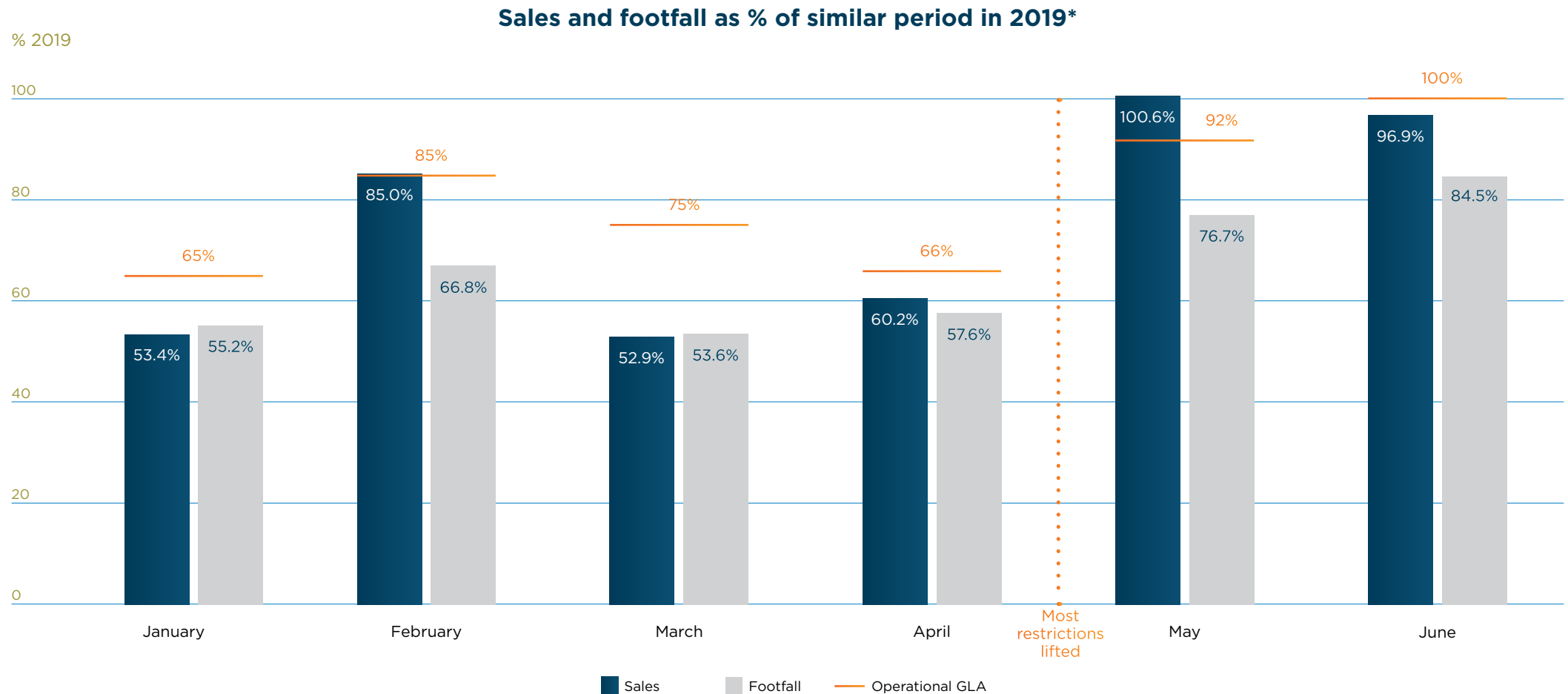
95.6%

EPRA
Occupancy
June 2021



Strong bounce back in performance once restrictions have been lifted» continued

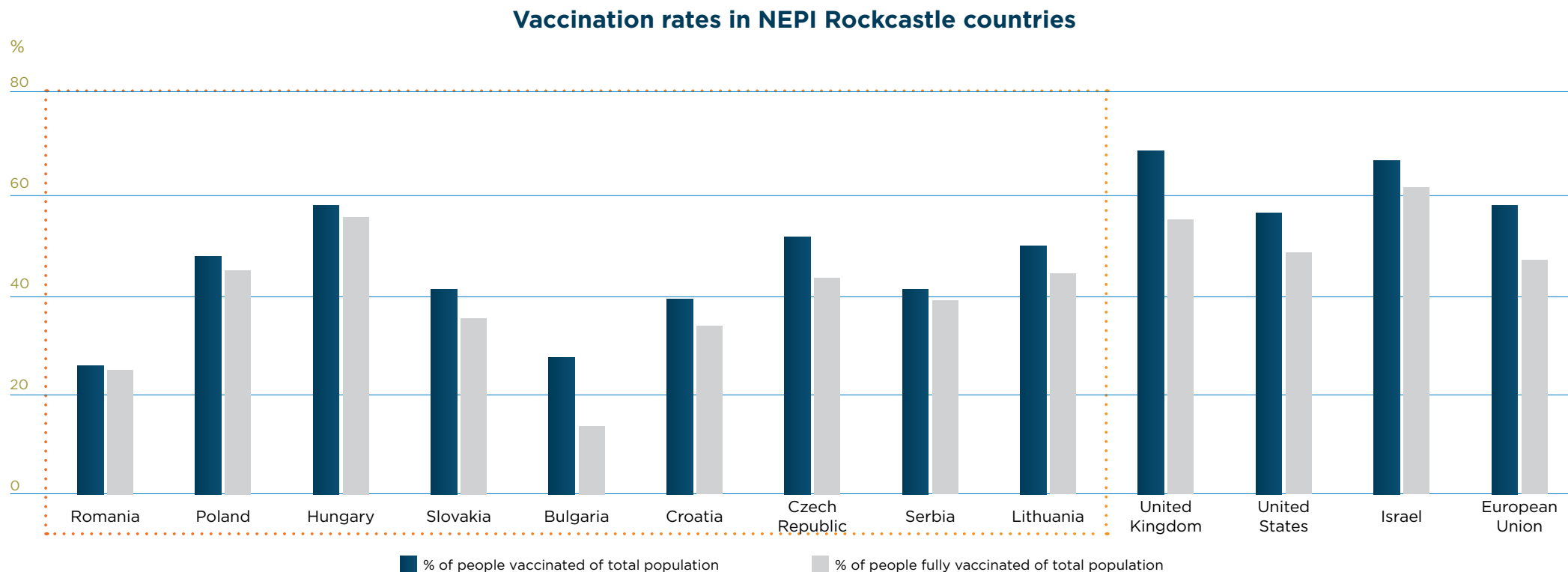
Since May 2021, sales are back to 2019 level, customers enjoying offline shopping experience



* Like-for-like and excluding hypermarkets

Covid-19 vaccination progressing in CEE countries

- With vaccination progressing, future Covid-19 waves are expected to have less impact
- Governments' approach towards restrictions differ by country
- Social distancing and health and safety measures being favoured vs stricter lockdowns



Source: Our World in Data, 29 July 2021



Way forward

Continuous focus on growth strategy

**Green light to restart
developments and new initiatives**

**Retailers eco-system -
focus on growth**

**Liquidity and stability
of balance sheet**



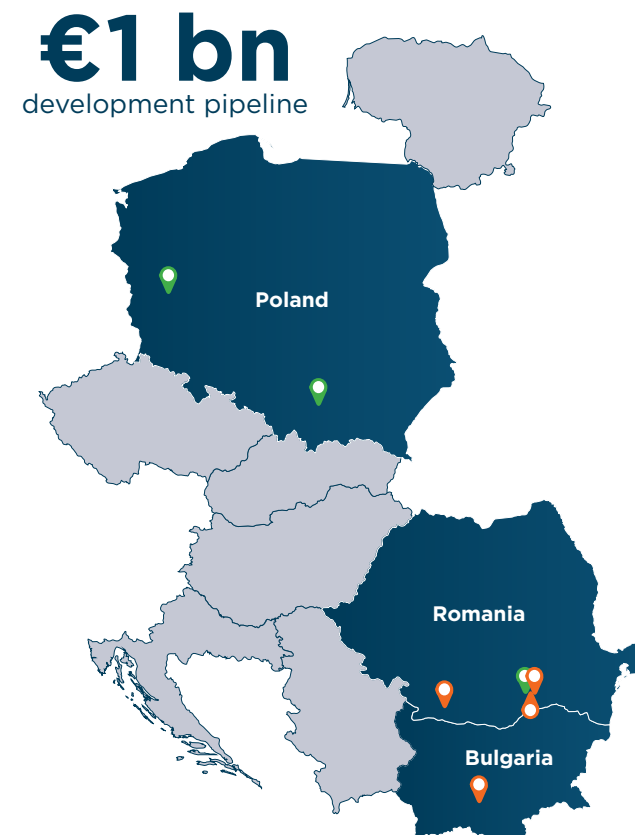
Development pipeline - Opportunity for long-term growth

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

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

Assets recycling strategy with a view to further increase the overall quality of portfolio

- Disposal of assets that have reached maturity
- Re-deployment of capital in assets with growth prospects and increase exposure to better rated countries



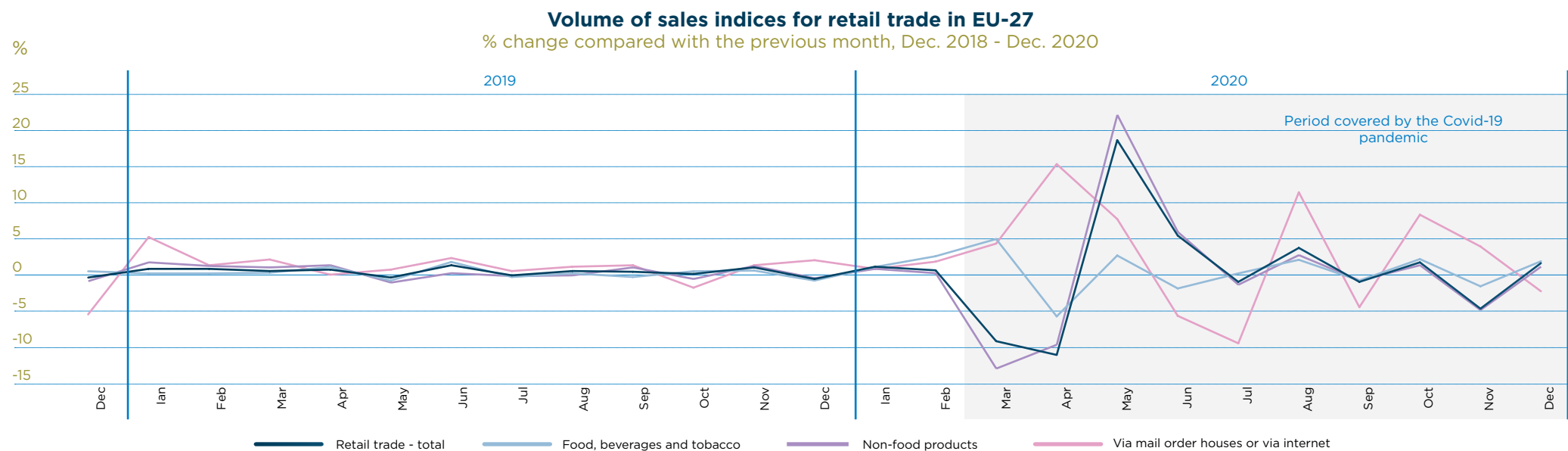
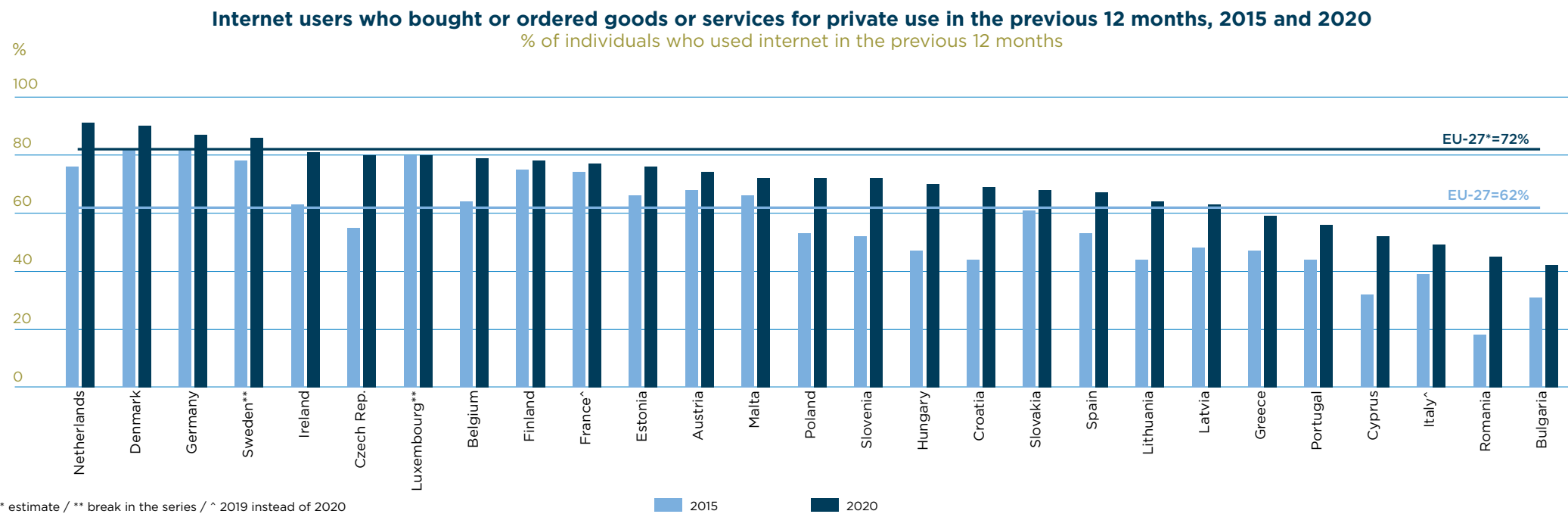
Developments committed

Bonarka City Center	Poland	Mall	Refurbishment
Focus Mall Zielona Gora	Poland	Mall	Refurbishment and extension
Vulcan Residential	Romania	Residential	Development

Developments under permitting and pre-leasing

Promenada Mall	Romania	Mall/Office	Extension
Promenada Craiova	Romania	Mall	Development
Mega Mall Residential	Romania	Residential	Development
Promenada Plovdiv	Bulgaria	Mall	Development

Adaptive retail - Physical Retail and E-commerce



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**



Outlook and strategy

Way Forward

- Maximise sustainable NOI
- Further improve the asset base through asset recycling strategy
- Digital acceleration
- Committed development pipeline
- Maintain balance sheet safety
- Leverage on the Group's strengths to benefit from arising opportunities



