CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

NEPI Rockcastle plc Incorporated and registered in the Isle of Man
Registered number 014178V
Share code: NRP ISIN: IM00BDD7WV31 ("**NEPI Rockcastle**" or "**the Company**" or "**the Group**")

DIRECTORS' COMMENTARY

All information below excludes joint ventures, unless otherwise stated

CEO'S STATEMENT

"In 2021, the Covid-19 pandemic continued to affect businesses and livelihoods, sometimes in unexpected and novel ways. However, the world learnt to cope better with the disruptions. Vaccinations and other medical breakthroughs reduced the burden on health systems, which allowed governments to reopen economies and people to largely return to a normal way of life. The impact on shopping and entertainment centres was still massive, especially in the first half of the year, when authorities in most Central and Eastern European countries introduced trading restrictions comparable with those of 2020. In the second half of the year, we have seen a robust recovery in trading numbers, indicating that the appetite for traditional shopping and leisure, of the kind offered by our Group's properties, continues to be very strong.

For the Group, 2021 was a transitional year, from the defensive mode of 2020 to repositioning for sustainable growth. Ensuring the safe operation of our properties, offering support to tenants and preserving high levels of liquidity and capital remained key management themes. At the same time, we made the switch to a growth supporting mindset. Construction works have started on the extension of Promenada Mall in Bucharest and the greenfield development of Promenada Craiova. Our team signed over 1,000 new leases and renewals, more than in 2019. We continued to invest in our properties to make them even more attractive for customers and retailers. Occupancy and collection rates were strong, proving the quality of our tenant mix and the strong appeal of our properties. Most encouragingly, we have seen turnovers return to, and even exceeding, pre-pandemic levels in all the months free from trading restrictions.

On the financial side, we resumed paying dividends in line with our policy of distributing at least 90% of earnings to shareholders. Our balance sheet is stronger than ever, with a loan-to-value ratio of 30.9% and available liquidity (including undrawn committed credit facilities) of €1.1 billion. A new eight-year green bond issue in January 2022 with 2% coupon was used to restructure the debt maturity profile, and now our Company has no material debt repayments due before 2024.

There are challenges ahead, for sure. The pandemic is not over, and the emergence of new variants is still a threat. Some unwanted economic side effects are now becoming clear, such as higher inflation (brought about by fiscal and monetary stimulus, among other factors) and disrupted supply chains, which may lead to a tightening purchasing power and financial conditions in the near future. Internally, our Group has recently gone through important personnel changes, both at executive management and Board level, and is planning a corporate relocation of its holding company. These changes will have to be carefully managed to ensure strategic and operational continuity. I am confident that we will be able to successfully steer through these challenges and deliver strong results for our shareholders."

Rüdiger Dany, CEO

HIGHLIGHTS

- Distributable earnings per share ('DEPS') for the second half ('H2') of 2021 were 16.78 euro cents, which, combined with the interim DEPS of 17.64 euro cents, produces an annual DEPS of 34.42 euro cents, 10.4% lower than 2020 (38.42 euro cents). DEPS has been affected by the non-recurring negative impact of 6.13 euro cents from the expenses with litigation claim related to the discontinued acquisition of Serenada and Krokus Shopping Centres in Poland. Excluding the expenses with the litigation claim, the recurring DEPS was 40.55 euro cents, 5.5% higher than in 2020.

- The Board has declared a dividend of 16.78 euro cents per share for H2 2021, corresponding to 100% of the DEPS for this period. The distribution will be paid in cash during March 2022.

- Net rental and related income (referred to as 'Net Operating Income' or 'NOI') was €347 million, 7.4% higher than in 2020. The NOI has been affected by the Group's disposals during the last two years: the Romanian office portfolio sold in August 2020 (impact of NOI loss for 2021 of approximately €14.2 million), and two Serbian retail properties sold in July 2021 (impact of NOI loss of approximately €2 million). Excluding the impact of the disposals, NOI was 13% higher in 2021 compared to 2020.

- Retail NOI increased by 11.9% vs 2020. The key drivers were the reduction in temporary rent concessions granted to tenants as Covid-19 support (€40.8 million recognised in 2021, compared to €69.5 million recognised in 2020) and the increase in variable (turnover and overage) rent from €26.6 million (2020) to €28.3 million (2021).

- There were 244 million visits in 2021, a 10.4% increase compared to 2020. On a like for like ('LFL') basis, footfall increased by 9.5% vs 2020 and decreased by 27.3% vs 2019.

- Tenant turnover increased by 25.0% (excluding hypermarkets) compared to 2020 and was 15.1% lower than in the benchmark year of 2019, on a LFL basis. The superior dynamic of turnovers compared to footfall reflects the increase in average basket size by 15.4% compared to 2020 (18.1% compared to 2019).

- Occupancy cost ratio ('OCR') impacted by the effect of concessions decreased from 14.5% in 2020 to 13% in 2021 (excluding hypermarkets), only slightly higher than the benchmark of 2019 (11.9%).

- The collection rate remained high (94% of 2021 reported revenues were collected as of 31 December 2021, increasing to 96% by mid-February 2022), despite significantly lower rent concessions granted to tenants in 2021 compared to 2020.

- Throughout 2021, non-essential stores were closed for 46 days on average (weighted by asset value), approximately 12% of the year, with trading restrictions for certain businesses, such as restaurants and cinemas, lasting much longer. By year end, most restrictions were lifted and nearly 100% of Gross Lettable Area ('GLA') was operational.

- Rental concessions of €40.8 million were recognised in the Statement of comprehensive income for the period, mainly as a reduction of gross rental income or expense with partial forgiveness of receivables.

- Investment property as of 31 December 2021 was valued at €5.84 billion, compared to €5.80 billion at the end of 2020. This increase reflects a fair value gain of €34.7 million on the previous year.

- European Public Real Estate Association ('EPRA') occupancy increased slightly to 96.0%, compared to 95.7% in 2020.

- EPRA Net Reinstatement Value ('NRV') per share was €6.51 as of 31 December 2021, a 0.9% increase compared to €6.45 as of 31 December 2020, mostly due to the revaluation of the property portfolio.

- Liquidity position as of 31 December 2021 was very strong: €1.1 billion, including €499 million in cash and €620 million in undrawn committed credit facilities.

- Loan-to-value ('LTV') was 30.9% as of 31 December 2021, significantly below the 35% strategic threshold and comfortably within debt covenants.

- The average debt maturity decreased from 4.1 years as of 31 December 2020 to 3.7 years as of 31 December 2021. As a result of the eight-year unsecured green bond issue completed in January 2022 and the early redemption of the bond notes maturing in May 2023, both in amount of €500 million, the average debt maturity increased to 5.1 years at the end of January 2022.

- The average interest rate, including hedging, was 2.4% for 2021, slightly higher than 2.3% in 2020.

DIRECTORS' COMMENTARY » continued

All information below excludes joint ventures, unless otherwise stated

- Investment grade credit ratings reaffirmed at BBB by Fitch Ratings (positive outlook) and S&P Global Ratings (stable outlook).
- Environmental, Social and Corporate Governance ('ESG') Risk Rating from Sustainalytics improved to 11.4/100 (end 2021) from 12.5/100 (end 2020).
- Throughout the year NEPI Rockcastle invested €75 million in developments and capital expenditures.
- In July 2021, the Group sold two Serbian retail properties, Kragujevac Plaza and Krusevac Shopping Park, for a transaction value of €60.8 million.

OPERATING PERFORMANCE

Trading summary

Between January and May, retail trading was disrupted by restrictions introduced to combat the Covid-19 waves that hit all Central and Eastern European countries during that period. Restrictions were generally less severe than in 2020. On a monthly basis, the minimum percentage of GLA open for business was reached in January (65%), still a far higher proportion compared to the worst months of 2020, when all non-essential stores had been closed. From May to October, there were no further lockdowns, which allowed trading to reach, and even exceed, the levels of 2019. The waves of infections starting in November, fuelled by the new Omicron variant, led to further restrictions. Due to the high levels of immunisation within the population, governments refrained from fully closing stores this time round, and stores remained open almost everywhere.

On average, throughout 2021, non-essential stores were closed for 46 days (weighted by asset value), or approximately 12% of the year. The longest cumulative lockdowns were in the Czech Republic (130 days), Slovakia (123 days) and Lithuania (109 days), while Romania and Croatia had no full lockdowns in 2021. Additionally, further restrictions were imposed on specific businesses (food service and entertainment), including limitations on capacity and opening hours.

Overall, in 2021 footfall and tenant sales were higher than in 2020 on a LFL basis (by 9.5% and 25.0%, respectively), and lower by 27.0% and 15.1%, respectively, as compared to 2019. This yearly comparison hides significant month by month differences, reflecting the various stages in the evolution of the pandemic. January and February were pandemic months in 2021 but not in 2020, which led to a negative year-over-year ('YoY') variation. Performance in March and April was marred by restrictions in 2021 (tenant sales were 40% lower than in 2019), but less so than in 2020 (+146.5% in sales). The period from May to September saw a full recovery (sales were 4% higher than in the same period in 2019), which is very encouraging and proves that customers are willing to resume shopping in the Company's properties when restrictions are lifted. During the last quarter, when restrictions were reintroduced, sales dropped below 2019 levels (by 12%) but were still 28% above 2020 levels.

The average basket continued to increase in 2021, as customers tended to reduce the number of visits to shopping centres, but buy more products during a visit. This trend started in 2020, when the average basket was 2.7% higher than in 2019, and accelerated in 2021 (+15.4% vs 2020; +18.1% vs 2019). The tenant OCR dropped from 14.5% in 2020 to 13.0% in 2021, just above the 2019 level (11.9%), even as it reduced rent concessions by 41% between 2020 and 2021, which shows that NEPI Rockcastle calibrated the level of support granted to tenants properly. No major tenants went bankrupt and insolvencies were very limited, even among smaller tenants, further proving that the Group's support was adequate.

Performance variations between countries are due to differences in length and severity of restrictions, prevalent property types and government policies regarding retail support. Top performers include Romania, where there were no full lockdowns in 2021 and the NOI returned to 2019 levels, Croatia and Serbia (both with 2021 NOI higher than the 2019 NOI on a LFL basis). Slovakia, Lithuania and the Czech Republic were the only countries where 2021 NOI was lower than in 2020, due to the long periods of lockdown during the first half ('H1') of 2021. Compared to 2019, Poland has the worst NOI variation, as it was the only country in the Company's portfolio where landlords were forced by law to waive rents during lockdown.

By retail category, the segments that recovered the most in 2021 were the ones most affected by restrictions in 2020 that benefited from a relative relaxation: Entertainment (+39% in tenant sales in 2021 vs 2020 LFL), Services (+59%) and Food Services (+40%). This proves that entertainment and leisure offerings will continue to provide significant appeal once restrictions are lifted. Compared to the 2019 benchmark, the best performing segments were Fashion Accessories (-5.2%), Sporting Goods (-2.0%), Health and Beauty (-2.5%) and Electronics (-9.3%). These segments benefitted from changes in consumer habits, which adapted to new circumstances and routines. The fashion segment, the largest by sales, was up by 26% vs 2020 and down by 18.7% vs 2019.

Trading restrictions and government measures

At mid-February 2022, 100% of the Group's GLA was operational. Throughout 2021, governments in Central and Eastern Europe ('CEE') became increasingly reluctant to impose hard trading restrictions of the kind favoured in 2020, such as closing non-essential stores. Instead, they resorted to more nuanced measures to slow contagion, like capacity limits or attendance only permitted for people with green certificates. The appearance of the milder Omicron variant, and the progress made with vaccinations, consolidated this trend. At present, the Company does not expect any further lockdowns in any of the countries where it is operating.

Since the start of the pandemic, governments in CEE have adopted various measures to support businesses affected by lockdowns, including tax relief (such as deferral of liabilities and exemptions/discounts for property tax), employment support (such as subsidised furloughs and flexible working hours) and liquidity-enhancing measures (such as guaranteed loans and suspension of loan payments). These measures were gradually rolled back in 2021. In terms of specific legislation affecting NEPI Rockcastle's business, Poland introduced the most intrusive rules, suspending lease agreements and waiving the payment of rents and service charges for certain periods. Recently these measures had no effect as new lockdowns were avoided, a situation the Group expects to continue.

ADAPTING TO THE CHANGING RETAIL ENVIRONMENT

Active asset management

In 2021, the focus in asset management was on positioning the portfolio for a return to growth. Several extension and refurbishment projects were initiated or continued. The key objectives were reducing vacancy and optimising the tenant mix, particularly by expanding successful tenants, rightsizing and upgrading units and bringing in retailers with no prior presence in the region. Another objective was the introduction of new digital services, communication tools and platforms, aimed at making the shopping experience more convenient and increasing loyalty.

At the same time, the measures taken in 2020 in response to the pandemic were reinforced and updated. These included the protection of customers and safe operation of properties by implementing the strictest health and safety standards, supporting tenants affected by restrictions, reacting to changes in consumer behaviour and managing the cost of maintaining and operating properties.

Specific asset management measures initiated, continued or finalised in 2021 include:

- CCC group's new concept, Half Price, opened stores in four Polish properties: Galeria Warminska, Focus Mall Zielona Gora, Solaris Shopping Centre and Platan Shopping Centre.

DIRECTORS' COMMENTARY » continued

All information below excludes joint ventures, unless otherwise stated

- A new TK Maxx (2,000m²) was opened in Focus Mall Zielona Gora.
- The redevelopment of Ozas Shopping and Entertainment Centre (Lithuania) continued with the opening of a swimming pool (1,600m²) and several new stores and food service units, including Pet City, Vapiano, Gastrobar +++, Olive Kitchen and Grill London.
- A new cinema (1,500m²) operated by Cinema City opened in Shopping City Buzau (Romania).
- Several new stores were opened in Forum Liberec Shopping Centre (Czech Republic), including three LPP brands (Sinsay, Cropp and Mohito), Gap and the city's first Under Armour.
- The redevelopment of Bonarka City Center (Poland) continued with the opening of several stores, including Eobuwie (1,000m²), CCC (800m²), Deichmann (800m²), Pepco (500m²) and the first S'portofino in the Group's portfolio (300m²). Primark will open a store by the end of the year.
- Three Inditex brands opened stores in Shopping City Targu Mures (Romania): Bershka (800m²), Pull & Bear (700m²) and Stradivarius (600m²).
- The extension and refurbishment of Paradise Center (Bulgaria) was completed in 2021, with the opening of several stores with a total area of 4,200m², including Pepco and eMag.

Property operating expenses increased in 2021 compared to 2020 due to higher energy costs (utility expenses increased by 17%). The higher minimum wages had an impact on security and cleaning expenses (+5%) and maintenance expenses (+14%). These cost pressures are expected to continue in 2022.

Tenant support

The Group continued to apply a fair and balanced approach to tenant support across its entire portfolio, along the same principles as in 2020. It focused on providing support to small and medium local and national retailers, for whom such assistance was critical. Negotiations for support provided to international anchors and large local chains also included lease improvements (such as extension of terms, higher sales-based rents with more frequent reconciliation and removal of tenant unilateral extension or termination options) or agreements for new store openings. Where longer-term deals were agreed, clawback mechanisms were implemented (in the form of conditional concession reversals or step rents). In addition to, or instead of, temporary rent reductions, NEPI Rockcastle supported tenants through the deferral of rent payments, marketing contribution relief and the reduction of non-critical operating expenses included in service charges.

During 2021, due to fewer trading restrictions on average and stronger tenant performance, the total amount provided as income concessions related to Covid-19 (including rent, service charges and marketing) decreased from €72.0 million in 2020 on a cash basis (€69.5 million recognised in the profit or loss of 2020) to €40.9 million on a cash basis in 2021 (€40.8 million recognised in the profit or loss of 2021). The balance of concessions from 2020 and 2021 subject to straight-lining amounts to €2.6 million (2020: €2.5 million).

Rent concessions represented on aggregate approximately 8% of total retail income (contractual base rent plus service charge contributions and marketing fees), and 12% of retail NOI, on a grossed-up basis (before concessions).

As a result of negotiation efforts and improvements in performance, the collection rate for reported revenues, adjusted for concessions, in 2021 was 94% at portfolio level as of 31 December 2021 and increased to 96% by mid-February 2022.

Leasing

Leasing activity picked up significantly during 2021 as tenants started focusing on expansion. During the year, 447 new leases (for 90,000m² of GLA) and 714 renewals (for 140,000m² of GLA) were signed. International tenants accounted for 46.5% of new leases signed in terms of GLA. Many other leases were extended via the addenda signed in relation to the pandemic concessions. More GLA was leased in 2021 than covered by lease agreements expiring in the year, which led to a decrease in vacancy by one percentage point (from 5% to 4%). Lease terms are typically very similar to pre-pandemic times (Euro-based, minimum five years, base rent plus service charges, marketing fees and additional turnover rent and annual indexation). Weighted average unexpired lease term ('WAULT') was 3.6 years on 31 December 2021. The decrease from 31 December 2020 (4.1 years) is partly due to the expiration of break options with some large tenants, which reclassifies the lease to short term for the purpose of calculating WAULT, irrespective of its actual term.

Some of the major new leases signed in 2021 are set out below (some stores with opening dates after 31 December 2021):

- **Bonarka City Center, Krakow, Poland:** Primark (the first in the Group's portfolio, 5,800m²), Half Price (2,900m²) and Pepco (500m²).
- **Alfa Centrum Bialystok, Bialystok, Poland:** Half Price (2,100m²), Biedronka (1,400m²) and Home & You (500m²).
- **Mega Mall, Bucharest, Romania:** Sinsay (1,300m²).
- **Shopping City Ramnicu Valcea, Ramnicu Valcea, Romania:** Decathlon (1,000m²).
- **City Park, Constanta, Romania:** Sinsay (900m²) and JD (500m²).
- **Shopping City Sibiu, Sibiu, Romania:** Sportisimo (700m²).
- **Mammut Shopping Centre, Budapest, Hungary:** Gravity (700m²) and Pepco (400m²).
- **Braila Mall, Braila, Romania:** Cropp (700m²).

Digital transformation

The Group continued to adapt its business to the digital transformation accelerated by the pandemic. The efforts were focused on creating an omnichannel experience for customers and on digitising business processes and operations.

The key omnichannel projects are:

- Launch and rollout of the customer loyalty app – Spot, in Romania and Bulgaria. For 2022, the plan is to rollout the app across the portfolio.
- Pilot project for an online marketplace launched in Bulgaria in January 2022. Customers will access shopping centers' products online and offline.
- A unified customer data structure was implemented enhancing future customer interactions across all channels of communication.

DEVELOPMENT UPDATE

NEPI Rockcastle maintains a flexible approach to developments, enabling it to revise pipeline expenditure and to focus on committed ongoing projects.

The main projects envisaged by the development plan are detailed below.

- **Extension of Promenada Mall (Bucharest, Romania):** The Group intends to add 58,400m² of retail and office GLA by the end of

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All information below excludes joint ventures, unless otherwise stated

2025. Construction permits have been obtained and the works on the underground parking have started.

- **Development of Promenada Craiova (Craiova, Romania):** A new shopping centre in Craiova, one of Romania's largest cities, will be developed by the third quarter of 2023. The new mall will have 52,300m² of retail GLA. Site preparation works have been completed.
- **Development of Promenada Plovdiv (Plovdiv, Bulgaria):** The Group plans to develop a new shopping centre in Plovdiv, Bulgaria's second largest city, by the end of 2024. The new mall will have 57,700m² of retail GLA. The project is currently under permitting.
- **Extension and redevelopment of Bonarka City Center (Krakow, Poland):** A redevelopment of Bonarka, which includes the extension by 4,500m² of GLA and the accommodation of a Primark unit, is ongoing. The estimated completion date is in the fourth quarter of 2024.
- **Development of Vulcan Residence (Bucharest, Romania):** The construction of the Group's first residential project has started. The project will deliver 18,300m² of residential space (252 apartments) and additional 270 parking bays for sale and is expected to be completed in the first quarter of 2023.

During 2021, the Group spent €75 million on developments and capital expenditures.

In February 2022, NEPI Rockcastle acquired a land plot in Galati, Romania for a mixed-use real estate project. As part of the medium and long-term local expansion strategy, the envisaged development will consolidate the Group's position in Galati and in the region.

NEPI Rockcastle will continue to invest in developments contributing to growth and improving long term portfolio prospects, continuously monitoring and revising the development pipeline in line with its evolving objectives and constraints. During 2022, the Group estimates to invest €173 million in development and capital expenditure related to its ongoing projects and will consider new development opportunities depending on how market circumstances evolve.

DISPOSAL OF TWO SERBIAN PROPERTIES

As previously announced, the Group sold two properties in Serbia, Kragujevac Plaza and Krusevac Shopping Park (including extension plots), in line with its strategy to focus on core dominant properties in countries with investment grade credit rating. The sale agreement was signed in June and completed in July. The transaction value was €60.8 million, at a €2 million premium to book value.

ESG FOCUS

Environmental and social initiatives

NEPI Rockcastle continued to consistently rollout its sustainability strategy in 2021 as follows:

- 72% of the Group's assets have "Very good" or "Excellent" BREEAM certifications.
- A plan to extend the electric cars charging network, based on partnerships with Tesla and Enel, continued to be implemented.
- Progress was made with key initiatives, such as in-vessel waste compost equipment and LED lighting fixtures replacement, in line with the zero waste to landfill and zero carbon emissions targets.
- The Company continued its green financing strategy started in 2020:
  - » all the revolving credit facility ('RCF') agreements were linked to ESG performance;
  - » a green loan agreement was concluded with the International Finance Corporation ('IFC'), undertaking that all proceeds will be allocated as per the Green Finance Framework; and
  - » a successful €500 million green bond issuance was completed in early 2022.

NEPI Rockcastle's focus on sustainability and social responsibility over the past years led to the Group receiving its first EPRA sBPR Award in 2021.

Changes to the Board of Directors and management team

As announced on 23 July 2021, George Aase has taken over from Robert Emslie as Chairman of the Board, effective 18 August 2021. Mr Emslie had previously announced his intention to retire from the Board as of that same date. Mr Aase has been an Independent non-Executive Director of NEPI Rockcastle since 2018 and has served as Chairman of the Audit Committee and member of the Nomination and Remuneration Committees.

The Group also announced the appointment of two new Independent non-Executive Directors, Ana Maria Mihaescu and Jonathan Lurie, effective 18 August 2021.

Further to the announcement dated 23 July 2021 that Alexandru Morar (CEO) and Mirela Covasa (CFO) have decided to leave NEPI Rockcastle, the Company announced on 4 January 2022 the appointment of Rüdiger Dany (previously Chief Operating Officer (COO)) and Eliza Predoiu (previously Deputy Chief Financial Officer) as interim Chief Executive Officer (CEO) and interim Chief Financial Officer (CFO) respectively. The appointments are effective from 1 February 2022 and last for an initial period leading up to the announcement of the Company's 2022 interim results for the six months ending 30 June 2022.

Mr Dany joined the company on 6 July 2021 and was appointed as COO effective on 18 August 2021. Mr Dany has over thirty years of extensive professional experience in retail, commercial real estate, leasing and asset management. He has worked in international environments across Europe (including Germany, Poland, Slovakia, Czech Republic, Greece, Turkey, Lithuania, Serbia and Romania) for some of the largest international retail and real estate companies, including ECE, Atrium and Multi Corporation. Mr Dany held various senior management positions, such as executive member and COO of Atrium Group and Multi Corporation, Senior Managing Director Poland, Czech Republic and Slovakia and Managing Director Czech Republic, Slovakia and Romania for ECE Projektmanagement. He was responsible for strategy, business transformation, asset development, greenfield projects, optimizing operating assets, supporting mergers and acquisitions and team leadership for country and regional organizations.

Mrs Predoiu has over 14 years of finance and real estate expertise, including seven years with the Group. She joined NEPI Rockcastle in 2014 as Financial Controller and was promoted to Deputy CFO in December 2018. She has proven expertise in multi-million funding projects, complex business transactions and integration processes of mergers, systems and controls. Prior to joining the Company, Mrs Predoiu was Deputy Manager at PricewaterhouseCoopers ('PwC'), where she spent six years handling local and cross-border audit assignments and advisory projects in the Romanian and Cypriot offices.

The Board of Directors thank the former CEO and CFO, Alex Morar and Mirela Covasa, for their hard work and significant achievements, leading NEPI Rockcastle to become the largest retail real estate group in the CEE region and wish them success in their future endeavours.

Relocation of parent company

On 29 November 2021, NEPI Rockcastle announced that its Board of Directors has approved the migration of the Company's seat of incorporation from the Isle of Man to the Netherlands. As Dutch law does not currently permit companies incorporated outside of the European Union ('EU') to migrate directly to the Netherlands, it is envisaged that the migration be performed in two inter-conditional stages: an initial migration to Luxembourg (an EU jurisdiction),

DIRECTORS' COMMENTARY » continued

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followed by a subsequent migration to the Netherlands. Structured in this way, the migration of the Company to the Netherlands is not anticipated to impact either the corporate continuity of NEPI Rockcastle or the trading in Group shares, which would remain available to be traded on the JSE, Euronext Amsterdam and A2X.

The migration is subject to shareholder approval and is envisaged to be completed by the end of 2022, with updates on the matter to be provided in due course.

ACCOUNTING, AUDIT AND VALUATION MATTERS

Accounting of Covid-19 impact on 2021 results

Rent discounts

During 2021, the Group results reflected rent concessions worth €40.8 million, as illustrated in following table.

Covid-19 discounts, by type	2021 (€ million)	2020 (€ million)
Rent and service charge reliefs (including marketing fees) imposed by governments (Poland)	16.0	16.3
Discounts granted as partial forgiveness of receivables	17.8	47
Variable discounts contingent upon tenants' performance (negative variable rent)	5.0	5.1
Discounts granted as lease incentives, subject to straight-lining	2.1	3.6
Total Covid-19 discounts for the period (on a cash basis, straight-lining effects excluded)	**40.9**	**72.0**
Straight-lining net effect of the discounts granted after signing of the addenda	(0.1)	(2.5)
Statement of comprehensive income impact	**40.8**	**69.5**

Tenant receivables

As of 31 December 2021, tenant receivables amounted to €46.9 million (VAT included, net of provisions), of which €14.6 million were overdue. This balance is adjusted for provisions and rent reliefs and concessions, either imposed by law or negotiated. The collection rate for 2021, adjusted for concessions granted, was 94% as of 31 December 2021, increasing to 96% by mid-February 2022. The Group expects to fully collect the outstanding tenant receivable balance.

External independent audit opinion

The audit report on the NEPI Rockcastle's Consolidated Financial Statements has been issued by PwC Isle of Man, after having audited and obtained the necessary documentation from PwC local offices in jurisdictions where the Group operates through subsidiaries. The local PwC offices audit the separate financial statements of the respective subsidiaries and issue their interoffice audit reports to PwC Isle of Man. The audit opinion is unmodified.

Valuation

NEPI Rockcastle fair values its portfolio biannually. Fair value is determined by external, independent professional valuers, with appropriate and recognised qualifications and recent experience in the location and category of property being assessed.

Appraiser	Locations	Percentage of portfolio
Colliers International	Romania	35%
Jones Lang LaSalle	Bulgaria, Croatia, Czech Republic, Hungary, Serbia, Slovakia	32%
Cushman & Wakefield	Hungary, Lithuania, Poland	33%

As of 31 December 2021, the entire property portfolio had been independently valued by external appraisers. The property appraisals continued to be performed within the context of the Covid-19 pandemic and the related restrictions implemented to contain the virus. However, property markets remain functional, with transactional volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base valuation opinions. The external appraisers substantially preserved the exit yields unchanged from the December 2020 valuation, adjusting the short-term cash flows to factor in each property performance.

For the year ended 31 December 2021, the Group recognised a fair value gain in relation to investment property portfolio of €34.7 million.

EPRA INDICATORS

EPRA indicators	31 Dec 2021	31 Dec 2020
EPRA Earnings (€ thousand)	210,159	240,770
EPRA Earnings per share (€ cents per share)	34.51	39.81
EPRA Net Initial Yield ('NIY')*	6.75%	6.70%
EPRA topped-up NIY*	6.79%	6.75%
EPRA vacancy rate	4.0%	4.3%
EPRA Net Reinstatement Value ('NRV') (€ per share)**	6.51	6.45
EPRA Net Tangible Assets ('NTA') (€ per share)**	6.48	6.42
EPRA Net Disposal Value ('NDV') (€ per share)**	5.82	5.79
EPRA Cost ratio (including direct vacancy cost)	8.3%	10.5%
EPRA Cost ratio (excluding direct vacancy cost)	8.2%	10.3%

** Does not include investment property held for sale (€1.8 million).*
*** NRV, NTA and NDV measures implemented effective from 1 January 2020. For the Group, EPRA NRV corresponds to former EPRA NAV and EPRA NDV corresponds to former EPRA NNNAV.*

The Group joined EPRA in 2018, and won the Silver Award for Best Practices Recommendations ('BPR') for financial reporting in 2019, as a recognition of its commitment to transparency in reporting and compliance with industry best practices. The Group has further improved its financial reporting and BPR compliance, achievements which were recognised by EPRA in 2020 and 2021 through the Gold Award, the highest standard for transparency of financial performance measures.

CASH MANAGEMENT AND DEBT

The Group had strong liquidity as of 31 December 2021, with €499 million in cash and €620 million in undrawn committed credit facilities.

NEPI Rockcastle's gearing ratio* (interest bearing debt less cash, divided by investment property) was 30.9% as of 31 December 2021, below the strategic threshold of 35%.

As of 31 December 2021, ratios for unsecured loans and bonds showed ample headroom compared to covenant thresholds.

- Solvency Ratio: 39%, compared to a maximum covenant threshold of 60%.
- Consolidated Coverage Ratio: 4.06, compared to a minimum covenant threshold of 2.
- Unencumbered consolidated total assets/unsecured consolidated total debt: 263% actual, compared to a minimum covenant threshold of 150%.

**The reported gearing ratio (LTV) excludes the €33.6 million right-of-use assets and associated lease liabilities as of 31 December 2021.*

DIRECTORS' COMMENTARY » continued

All information below excludes joint ventures, unless otherwise stated

Liability management and bond issue

In June 2021, the Group concluded a green unsecured financing agreement with the IFC which matures in June 2028 in amount of €73.5 million. The loan was disbursed in July 2021.

Also in June 2021, the Company repaid five of its secured bank loans from Slovakia and Poland totalling €242 million.

In 2021, NEPI Rockcastle renegotiated the contractual terms related to its unsecured committed revolving credit facilities, as follows:

- the RCF from Raiffeisen Bank International was extended for one year, until January 2024, with the maximum principal available maintained at €150 million;
- the RCF from BRD-Groupe Société Générale and Garanti Bank was extended for three years, until July 2024, with the maximum principal available increased to €170 million;
- the RCF from ING Bank was extended for three years, until July 2024, with the maximum principal available maintained at €100 million; and
- the Group also changed the contractual terms of the RCF from a four-bank syndicate by extending the maturity with one year, until December 2024, and by increasing the available principal to €200 million.

Subsequent to the year-end, in January 2022, the Group issued its second green €500 million unsecured eight-year Eurobond, carrying a 2% fixed coupon, with an issue price of 98.713%. The bond issue was used for liability management, to repay the €500 million bond maturing in 2023.

Cost of debt

The average interest rate of the Group's debt, including hedging costs, was approximately 2.4% during 2021, slightly higher than 2.3% in 2020.

As of 31 December 2021, fixed-coupon bonds represented 87% of NEPI Rockcastle's outstanding debt. Of the remaining long-term debt exposed to Euribor, 62% was hedged with interest rate caps and 38% with interest rate swaps.

The Company continually evaluates its financing options, while keeping in mind the strategic objective to broaden its investor base and maintain an optimal capital structure.

2021 EARNINGS DISTRIBUTION

The Board has declared a dividend of 16.78 euro cents per share for the second half of 2021, corresponding to 100% of the distributable earnings per share for this period. The distribution will be paid in cash during March 2022.

PROSPECTS AND EARNINGS GUIDANCE

Distributable earnings per share for 2022 expected to be at least 24% higher relative to the 2021 distributable earnings per share of 34.42 euro cents per share. This guidance does not consider the impact of potential political instability in the region or major disruptions (such as broad lockdowns, trading restrictions or other measures impacting purchasing power) and assumes a continuation of the trading trends observed to date. This estimate is highly dependent on potential future measures which could be taken by governments of the CEE countries where the Group operates, such as further restrictions on trading or state support to tenants and/or landlords. This guidance can be modified or withdrawn in the future if material changes unfold.

This guidance has not been reviewed or reported on by NEPI Rockcastle's auditors and is the responsibility of the Board of Directors.

By order of the Board of Directors

Rüdiger Dany
Chief Executive Officer (CEO)

Eliza Predoiu
Chief Financial Officer (CFO)

21 February 2022

Date of publication
23 February 2022

BASIS OF PREPARATION

The Condensed Consolidated Financial Results for the year ended 31 December 2021 have been extracted from the audited Consolidated Financial Statements for the year ended 31 December 2021, without being audited itself.

The Condensed Consolidated Financial Results for the year ended 31 December 2021 have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards ('IFRS') and interpretations adopted by the International Accounting Standards Board ('IASB'), the presentation and the disclosure requirements of IAS 34 Interim Financial Reporting and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the JSE Listings Requirements. The accounting policies which have been applied are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2020.

The directors take full responsibility for the preparation of the condensed report and for ensuring that the financial information has been correctly extracted from the underlying audited Consolidated Financial Statements. The Directors confirm that the Condensed Consolidated Financial Statements give a true and fair view of the state of affairs of the Group for the year ended 31 December 2021 as well as the comparative period presented. The auditors, PwC Isle of Man, have issued their unmodified audit opinion on the Consolidated Financial Statements for the year ended 31 December 2021 and a copy of the audit opinion, together with the underlying audited Consolidated Financial Statements is available on the website.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying Consolidated Financial Statements.

The Condensed Consolidated Financial Statements are presented in Euro thousand (€' 000), rounded off to the nearest thousand, unless otherwise specified.

EPRA MEASURES

EPRA Earnings: Profit after tax attributable to the equity holders of the Company, excluding non-controlling interest, fair value adjustments of investment property, profits or losses on investment property disposals and related tax adjustment for losses on disposals, gains on acquisition of subsidiaries, acquisition costs, fair value and net result on sale of financial investments at fair value through profit or loss and deferred tax expense
EPRA Earnings Per Share: EPRA Earnings divided by the number of shares outstanding at the period or year-end
EPRA Net Reinstatement Value (EPRA NRV): Highlights the value of net assets on a long-term basis. It is computed as the net assets per the Statement of financial position, excluding the goodwill, deferred taxation net balance and mark-to-market of interest rate derivatives (which represents assets and liabilities not expected to crystallise in normal course of business)
EPRA Net Tangible Assets (EPRA NTA): Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax
EPRA Net Disposal Value (EPRA NDV): Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax
EPRA Net Initial Yield: Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the portfolio
EPRA 'topped-up' Yield: EPRA Net Initial Yield adjusted in respect of the annualised rent-free at the balance sheet date
EPRA Vacancy Rate: Vacancy rate computed based on estimated rental value of vacant space compared to the estimated rental value of the entire property

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS

All amounts in €'000 unless otherwise stated

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 Dec 2021	31 Dec 2020
ASSETS		
Non-current assets	**6 027 271**	**5 966 723**
Investment property	5 841 676	5 802 398
— Investment property in use	5 670 776	5 591 463
— Investment property under development	170 900	210 935
Goodwill	76 804	76 804
Deferred tax assets	48 669	34 678
Investments in joint ventures	23 659	21 757
Long-term loans granted to joint ventures	22 466	22 620
Other long-term assets	9 455	7 447
Derivative financial assets at fair value through profit or loss	4 542	1 019
Current assets	**569 117**	**702 681**
Trade and other receivables	60 972	59 384
Inventory property	9 522	-
Cash and cash equivalents	498 623	643 297
Assets held for sale	**1 752**	**1 752**
TOTAL ASSETS	**6 598 140**	**6 671 156**
EQUITY AND LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	**3 720 242**	**3 692 323**
Equity attributable to equity holders	**3 714 922**	**3 687 068**
Share capital	6 090	6 090
Share premium	3 550 061	3 550 061
Other reserves	(3 384)	(6 456)
Accumulated profit	162 155	137 373
Non-controlling interest	**5 320**	**5 255**
Total liabilities	**2 877 898**	**2 978 833**
Non-current liabilities	**2 717 146**	**2 621 386**
Bank loans	297 155	232 635
Bonds	1 977 191	1 969 385
Deferred tax liabilities	371 366	341 324
Other long-term liabilities	68 223	72 612
Derivative financial liabilities at fair value through profit or loss	3 211	5 430
Current liabilities	**160 752**	**357 447**
Trade and other payables	142 273	96 595
Bank loans	7 431	249 952
Bonds	11 048	10 900
TOTAL EQUITY AND LIABILITIES	**6 598 140**	**6 671 156**
Net Asset Value per share (euro)	6.10	6.05
EPRA Net Reinstatement Value per share (euro)	6.51	6.45
Number of shares for Net Asset Value/EPRA Net Reinstatement Value per share	608 994 907	608 994 907

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

All amounts in €'000 unless otherwise stated

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 Dec 2021	31 Dec 2020
Net rental and related income*	**346 891**	**322 964**
Gross rental income	369 395	379 810
Service charge income	167 324	156 685
Property operating expenses	(172 063)	(166 482)
Partial forgiveness of receivables (Covid-19 forgiveness)	(17 765)	(47 049)
Administrative expenses	(24 665)	(20 838)
Expenses with litigation claim	(37 304)	-
EBITDA**	**284 922**	**302 126**
Net result from financial investments	**-**	**(88 250)**
Income from financial investments at fair value through profit or loss	-	5 517
Fair value loss and net result on sale of financial investments at fair value through profit or loss	-	(93 767)
Fair value adjustments of investment property	34 650	(345 253)
Foreign exchange loss	(935)	(1 665)
Gain on disposal of assets held for sale	1 995	2 310
Profit/(Loss) before net finance costs and other items	**320 632**	**(130 732)**
Net finance costs	**(65 722)**	**(60 045)**
Finance income	1 423	1 641
Finance costs	(62 649)	(58 705)
Bank charges, commissions, and fees	(4 496)	(2 981)
Other items	**7 076**	**(11 625)**
Fair value adjustments of derivatives and losses on extinguishment of financial instruments	5 174	(10 539)
Share of profit/(loss) of joint ventures	1 902	(1 086)
Profit/(Loss) before tax	**261 986**	**(202 402)**
Income tax (expense)/credit	**(26 917)**	**26 528**
Current tax expense	(10 274)	(5 912)
Deferred tax (expense)/income	(16 643)	32 440
Profit/(Loss) after tax	**235 069**	**(175 874)**
Total comprehensive income/(loss) for the period	**235 069**	**(175 874)**
Profit/(Loss) attributable to:		
Non-controlling interest	65	(953)
Equity holders	235 004	(174 921)
Total comprehensive income/(loss) attributable to:		
Non-controlling interest	65	(953)
Equity holders	235 004	(174 921)
Weighted average number of shares in issue***	608 994 907	624 960 803
Diluted weighted average number of shares in issue***	608 994 907	624 960 803
Basic/diluted earnings/(loss) per share attributable to equity holders (euro cents)	38.59	(27.99)

** Out of the total Net rental and related income for 2021, €2.5 million relates to the two Serbian properties (disposed of on 12 July 2021); out of the total Net rental and related income for 2020, €14.2 million relates to the Romanian office portfolio (disposed of on 27 August 2020).*
*** EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) represents the Group's Operating profit, defined as Net rental and related income less Administrative expenses and Expenses with litigation claim.*
**** Weighted average number of shares has been adjusted for December 2020 period presented in respect of the capitalisation issue on 21 September 2020, as required by IAS 33 Earnings per Share.*

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

All amounts in €'000 unless otherwise stated

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share capital	Share premium	Other reserves	Accumulated profit	Non-controlling interest	Total
Balance at 1 January 2020	**5 998**	**3 625 348**	**(3 627)**	**462 953**	**6 208**	**4 096 880**
Transactions with owners	**92**	**(75 287)**	**(2 829)**	**(150 659)**	**-**	**(228 683)**
— Issue of shares^	269	(269)	-	-	-	-
— Repurchase of shares^	(177)	(75 018)	-	-	-	(75 195)
— Shares purchased for LTSIP*	-	-	(3 696)	-	-	(3 696)
— Share based payment expense	-	-	867	-	-	867
— Earnings distribution	-	-	-	(150 659)	-	(150 659)
Total comprehensive (loss)	**-**	**-**	**-**	**(174 921)**	**(953)**	**(175 874)**
— (Loss) for the year	-	-	-	(174 921)	(953)	(175 874)
Balance at 31 December 2020/1 January 2021	**6 090**	**3 550 061**	**(6 456)**	**137 373**	**5 255**	**3 692 323**
Transactions with owners	**-**	**-**	**3 072**	**(210 222)**	**-**	**(207 150)**
— Share premium reduction^^	-	(1 500 000)	-	1 500 000	-	-
— Share premium increase^^	-	1 500 000	-	(1 500 000)	-	-
— Shares purchased for LTSIP*	-	-	(1 978)	-	-	(1 978)
— Share based payment expense	-	-	5 050	-	-	5 050
— Earnings distribution	-	-	-	(210 222)	-	(210 222)
Total comprehensive income	**-**	**-**	**-**	**235 004**	**65**	**235 069**
— Profit for the year	-	-	-	235 004	65	235 069
Balance at 31 December 2021	**6 090**	**3 550 061**	**(3 384)**	**162 155**	**5 320**	**3 720 242**

**LTSIP = debt free Long-Term Share Incentive Plan with a vesting component.*
^On 6 April 2020 the Group issued 1,123,932 ordinary shares at €7.32/share (share capital €0.01/share).
- 25,791,534 ordinary shares at €4.2920/share (share capital €0.01/share) were issued in respect of 'capitalisation issue' on 21 September 2020.
- 17,717,760 ordinary shares representing 2.95% of the Company's issued share capital were repurchased between 23 November 2020 and 4 December 2020 from the proceeds received from the disposal of URW shares of approximately €75 million. Subsequently, the repurchased shares were cancelled. The shares were repurchased at an average share price of €4.25 (share capital €0.01/share).
^^ Share premium movement – In June 2021, the Group transferred €1,500,000 thousand from share premium to accumulated profit, in accordance with Isle of Man company law. After a thorough reassessment, the Company decided to maintain the reserves as they were accounted for previously to the transfer from June, and thus, unwound the respective transfer in December 2021.

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

All amounts in €'000 unless otherwise stated

RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO DISTRIBUTABLE EARNINGS	31 Dec 2021	31 Dec 2020
Profit/(Loss) per IFRS Statement of comprehensive income attributable to equity holders	**235 004**	**(174 921)**
Accounting specific adjustments	**(25 391)**	**407 336**
Fair value adjustments of investment property for controlled subsidiaries	(34 650)	345 253
Fair value loss and net result on sale of financial investments at fair value through profit or loss	–	93 767
Depreciation in relation to property, plant and equipment of an administrative nature	643	580
Fair value adjustments of derivatives and losses on extinguishment of financial instruments	(5 174)	10 539
Amortisation of financial assets	(1 189)	(759)
Deferred tax expense/(income) for controlled subsidiaries	16 643	(32 440)
Income from financial investments at fair value through profit or loss	–	(5 517)
Gain on disposal of assets held for sale	(1 995)	(2 310)
Adjustments related to joint ventures:	**502**	**1 946**
Fair value adjustment investment property for joint ventures	731	1 882
Fair value adjustments of derivatives and losses on extinguishment of financial instruments for joint ventures	(289)	(122)
Deferred tax expense for joint ventures	60	186
Adjustments related to non-controlling interest:	**(171)**	**(1 064)**
Fair value adjustment investment property for non-controlling interest	(120)	(1 186)
Deferred tax (expense)/income for non-controlling interest	(51)	122
Antecedent earnings	**–**	**(2 659)**
Distributable earnings	**209 613**	**232 415**
Interim distributable earnings	(107 409)	(118 168)
Final distributable earnings	(102 204)	(114 247)
Distributable earnings per share (euro cents)	**34.42**	**38.42**
Interim distributable earnings per share (euro cents)	17.64	19.66
Final distributable earnings per share (euro cents)	16.78	18.76
Distribution declared	**209 613**	**102 822**
Interim distribution	107 409	–
Final distribution	102 204	102 822
Distribution declared per share (euro cents)	**34.42**	**16.88**
Interim distribution per share (euro cents)	17.64	–
Final distribution per share (euro cents)	16.78	16.88
Earnings not distributed	**–**	**129 593**
Earnings not distributed per share (euro cents)	**–**	**21.54**
Number of shares entitled to interim distribution	608 994 907	600 921 133
Number of shares entitled to final distribution	608 994 907	608 994 907

Distributable earnings per share is prepared on a basis that is consistent with SA REIT funds from operations (SA REIT FFO) as set out in the SA REIT Association's Best Practice Recommendations Second Edition.

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

All amounts in €'000 unless otherwise stated

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	31 Dec 2021	31 Dec 2020
Profit/(Loss) after tax	**235 069**	**(175 874)**
Adjustments	89 702	477 494
Changes in working capital	(740)	(5 622)
Net interest and coupon paid	(55 229)	(49 455)
Other operating payments	(10 771)	(10 128)
Cash flows from operating activities	**258 031**	**236 415**
Expediture on investment property under development*	(71 171)	(124 705)
Settlements of deferred consideration for prior years acquisitions	(2 825)	(3 323)
Proceeds from disposal of assets held for sale	61 093	301 023
Income from financial investments at fair value through profit or loss	-	5 517
Proceeds from sale of financial investments at fair value through profit or loss	-	75 295
Other investments	154	(1 400)
Cash flows (used in)/from in investing activities	**(12 749)**	**252 407**
Payment to acquire shares under LTSIP	(1 978)	(3 696)
Repurchase of shares	-	(75 195)
Earnings distribution	(210 222)	(150 659)
Net movements in bank loans, bonds and other long-term liabilities	(176 937)	176 286
Other payments	(819)	(1 007)
Cash flows used in financing activities	**(389 956)**	**(54 271)**
Net (decrease)/increase in cash and cash equivalents	**(144 674)**	**434 551**
Cash and cash equivalents brought forward	643 297	208 746
Cash and cash equivalents carried forward	**498 623**	**643 297**

** Expenditure on investment property under development also includes the VAT cash inflow relating to development projects of €4 million (2020: cash inflow of €18 million).*

RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO HEADLINE EARNINGS	31 Dec 2021	31 Dec 2020
Profit/(Loss) for the year attributable to equity holders	235 004	(174 921)
Fair value adjustments of investment property	(34 650)	345 253
Gain on disposal of assets held for sale	(1 995)	(2 310)
Tax effects of adjustments for controlled subsidiaries	5 204	(56 373)
Fair value adjustment of investment property for joint ventures	731	1 882
Tax effects of adjustments for joint ventures	(117)	(301)
HEADLINE EARNINGS	**204 177**	**113 230**
Weighted average number of shares in issue*	608 994 907	624 960 803
Diluted weighted average number of shares in issue*	608 994 907	624 960 803
Headline earnings per share (euro cents)	33.53	18.12
Diluted headline earnings per share (euro cents)	33.53	18.12

**Weighted average number of shares has been adjusted for December 2020 period presented in respect of the capitalisation issue on 21 September 2020, as required by IAS 33 Earnings per Share.*

LEASE EXPIRY PROFILE	2022	2023	2024	2025	2026	2027	2028	2029	2030	≥2031	Total
Total based on rental income	7.4%	16.8%	17.9%	18.1%	14.7%	12.1%	3.6%	1.6%	1.0%	6.8%	100%
Total based on rented area	5.5%	15.3%	16.6%	17.2%	15.3%	10.6%	5.4%	2.7%	1.8%	9.6%	100%

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

All amounts in €'000 unless otherwise stated

RECONCILIATION OF IFRS NET ASSET VALUE TO EPRA NET REINSTATEMENT VALUE	31 Dec 2021	31 Dec 2020
Net Asset Value (per the Statement of financial position)	**3 714 922**	**3 687 068**
Deferred tax liabilities for controlled subsidiaries	371 366	341 324
Deferred tax assets for controlled subsidiaries	(48 669)	(34 678)
Goodwill	(76 804)	(76 804)
Derivative financial assets at fair value through profit or loss	(4 542)	(1 019)
Derivative financial liabilities at fair value through profit or loss	3 211	5 430
Deferred tax liabilities for joint ventures	5 547	5 487
Derivatives at fair value through profit or loss for joint ventures	399	688
EPRA Net Reinstatement Value	**3 965 430**	**3 927 496**
Number of shares	608 994 907	608 994 907
Net Asset Value per share (euro)	**6.10**	**6.05**
EPRA Net Reinstatement Value per share (euro)	**6.51**	**6.45**

SEGMENTAL ANALYSIS	Retail	Office	Industrial	Residential	Corporate	Total
Year ended 31 December 2021						
Net rental and related income*	340 048	5 188	1 655	-	-	346 891
Gross rental and service charge income	527 450	7 163	2 106	-	-	536 719
Property operating expenses	(169 649)	(1 963)	(451)	-	-	(172 063)
Partial forgiveness of receivables (Covid-19 forgiveness)	(17 753)	(12)	-	-	-	(17 765)
Profit/(Loss) before net financing cost and other items	362 693	1 549	2 890	(120)	(46 380)	320 632
Total assets	6 119 363	75 337	19 585	10 868	372 987	6 598 140
Total liabilities	763 572	2 706	2 001	249	2 109 370	2 877 898
Year ended 31 December 2020						
Net rental and related income*	300 656	20 530	1 778	-	-	322 964
Gross rental and service charge income	505 969	28 396	2 130	-	-	536 495
Property operating expenses	(158 269)	(7 861)	(352)	-	-	(166 482)
Partial forgiveness of receivables (Covid-19 forgiveness)	(47 044)	(5)	-	-	-	(47 049)
(Loss)/Profit before net finance cost and other items	(55 798)	18 382	1 373	-	(94 689)	(130 732)
Total assets	6 098 585	84 997	19 179	-	468 395	6 671 156
Total liabilities	973 957	3 361	3 164	-	1 998 351	2 978 833

** Out of the total Net rental and related income for 2021, €2.5 million relates to the two Serbian properties (disposed of on 12 July 2021); out of the total Net rental and related income for 2020, €14.2 million relates to the Romanian office portfolio (disposed of on 27 August 2020)*