



NEPI
ROCKCASTLE



RESULTS PRESENTATION

December 2021



**NEPI
ROCKCASTLE**

EXCELLENCE. INNOVATION. EXPERIENCE.

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Overview

2021 at a glance

**Operational results improved vs 2020
as trading restrictions diminished**

**Turnover during period without restrictions
bounced back to 2019 level**

Retailers return to expansion mode

**Merger of online and offline retail
supported by Omnichannel strategy**

**Construction of new retail and mixed-used
developments and extensions started**

**Valuations stable and balance sheet
remains solid**



Key business figures: operational performance recovery despite regional lockdowns

2020	2021 vs 2020	2021	2021 vs 2019	2019
38.42 € cents Distributable earnings per share	-10.4%	34.42 € cents Distributable earnings per share*	-38.9%	56.33 € cents Distributable earnings per share
38.42 € cents Recurring distributable earnings per share	+5.5%	40.55 € cents Recurring distributable earnings per share**	-28.0%	56.33 € cents Recurring distributable earnings per share
€323m NOI	+7.4% +11.9% retail only	€347m NOI	-13.5% -8.6% retail only	€401m NOI
95.7% EPRA Occupancy	+0.3pp	96.0% EPRA Occupancy	-1.9pp	97.9% EPRA Occupancy
95.0% Collection rate	-1.0pp	94.0% Collection rate***	-5.9pp	99.9% Collection rate
€1,648[^] Turnover/m ²	+26.8%	€2,089[^] Turnover/m ²	-15.2%	€2,464[^] Turnover/m ²
221m Footfall	+10.4%	244m Footfall	-24.9%	325m Footfall

* Distributable earnings per share impacted by the one-off expense with litigation in relation to Serenada and Krokus Shopping Centres of €37.3 million

** Distributable earnings per share normalised for the one-off expense mentioned above

*** Collection rate increased to 96% as at mid-February 2022

[^] Like-for-like properties, excluding hypermarkets

Key business figures: balance sheet and liquidity remain strong

Dec 2020	Dec 2021 vs Dec 2020	Dec 2021	Dec 2021 vs Dec 2019	Dec 2019
€5.8bn Investment property value*	-	€5.8bn Investment property value*	-7.9%	€6.3bn Investment property value*
€6.45 EPRA NRV per share	+0.9%	€6.51 EPRA NRV per share	-11.1%	€7.32 EPRA NRV per share
31.5% Loan-to-value*	-0.6pp	30.9% Loan-to-value*	-1.1pp	32.0% Loan-to-value*
83% Unencumbered assets^	+8pp	91% Unencumbered assets^	+8pp	83% Unencumbered assets^
4.1 years Average debt maturity	-0.4 years	3.7 years Average debt maturity^^	-0.4 years	4.1 years Average debt maturity

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

^ Percentage of investment property

^^ Average debt maturity increased to 5.1 years as at 31 January 2022, after the €500 million green bond issue on 20 January 2022

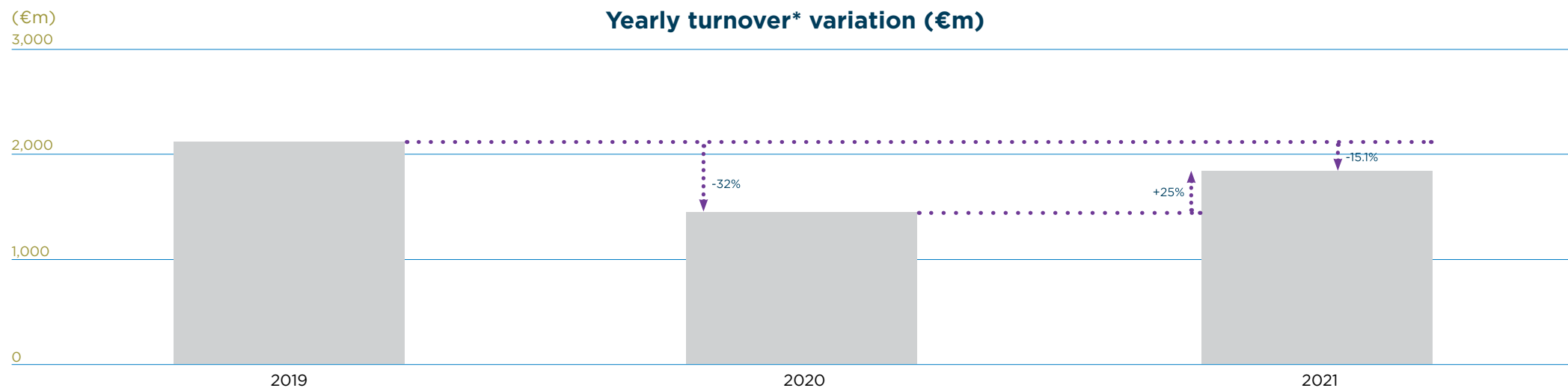
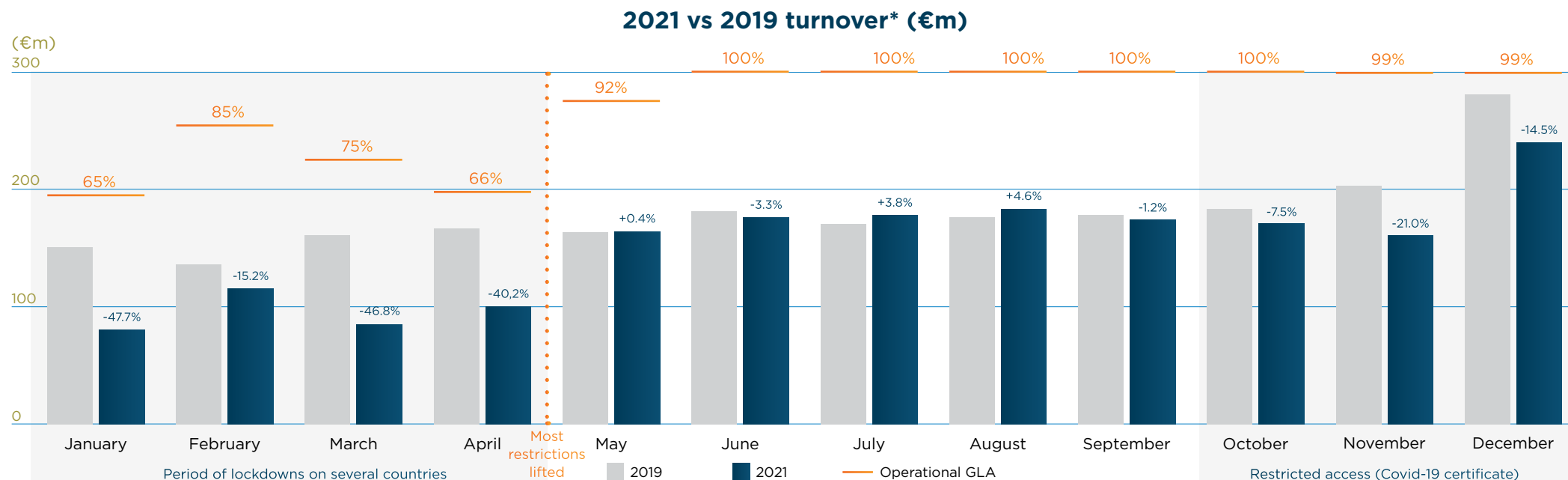
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Operations

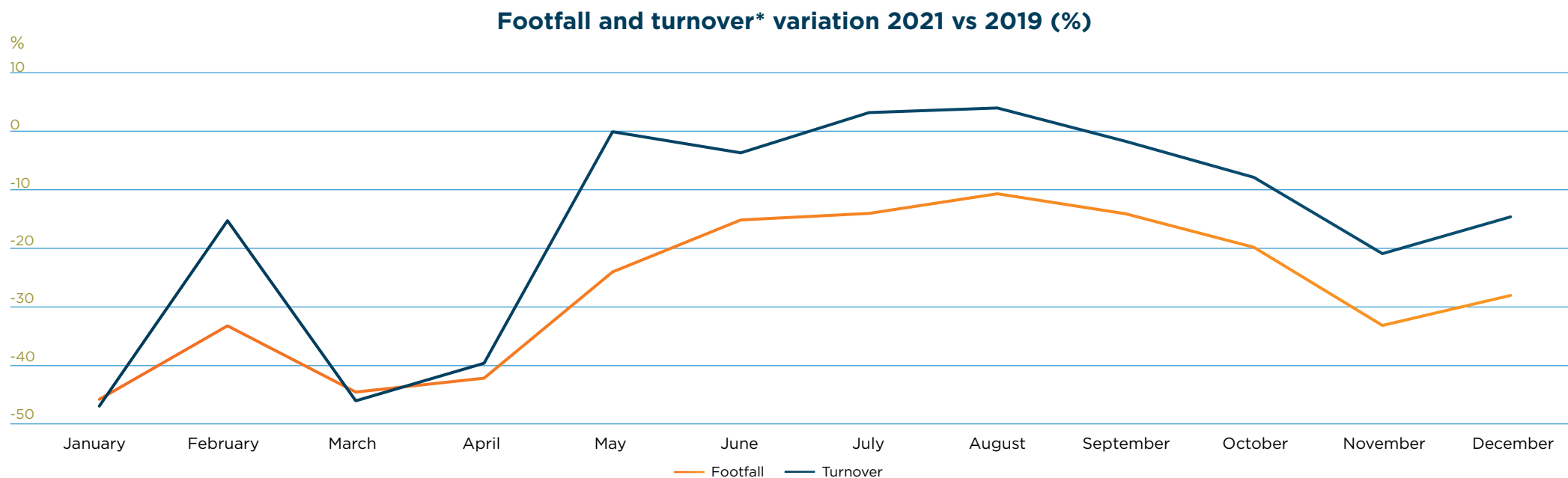
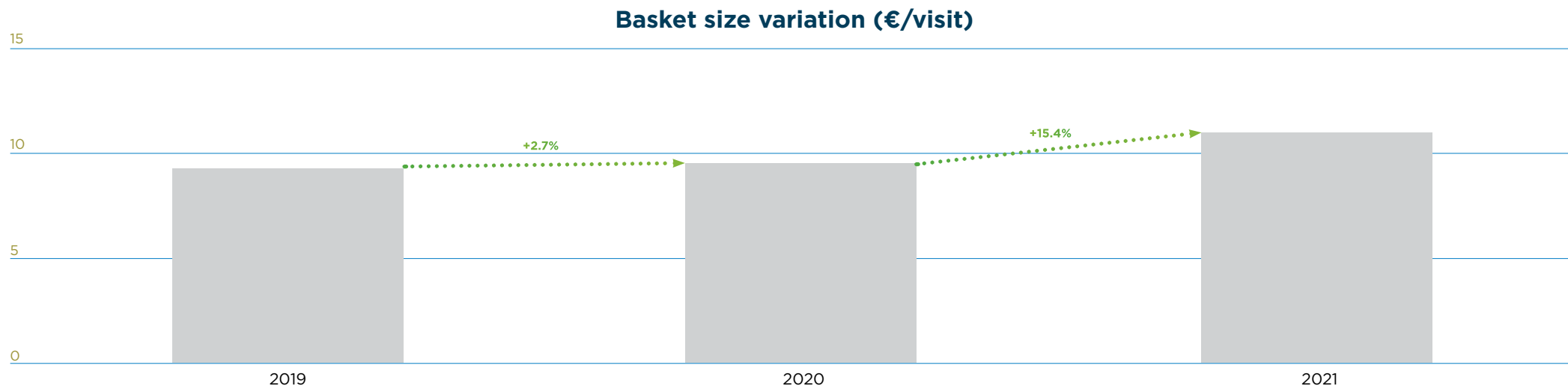
Strong bounce back in performance once restrictions have been lifted

Turnovers recovered to 2019 levels once restrictions were lifted



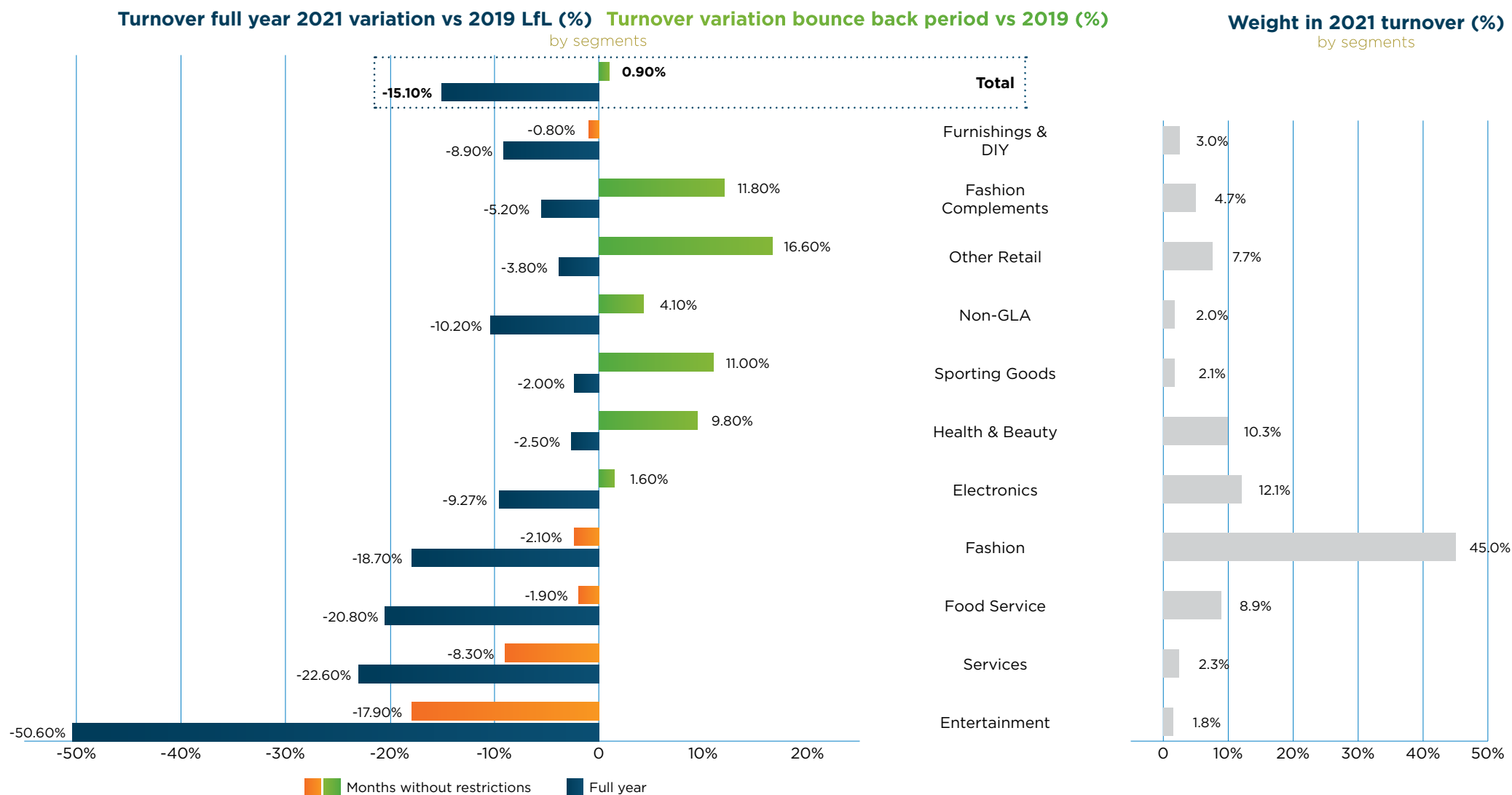
Strong bounce back in performance once restrictions have been lifted» continued

Turnover recovered (+25%) at faster pace than footfall (+9.5%), leading to increase in basket size (+15.4%) vs 2020



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

Entertainment and Food Services lagged behind 2019 during the months without restrictions. They were subject to trading with limited capacity

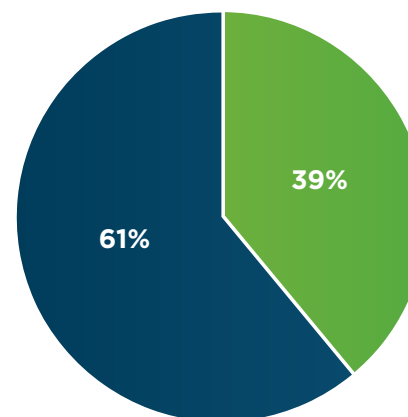


*Fashion complements includes Jewelry, sunglasses, fashion accessories;
Other retail includes Books, Office supplies, Gourmet, Tabaco, Toys, Pet Shop;
Non-GLA includes Kiosks, temporary displays;
Services includes Beauty centers, Telecom, Travel*

Leasing activity

Retailers are back to expansion mode

- **1,161 signed leases on 230,000m² GLA**, out of which **39% are new leases**
- **447 new leases** (90,000m² of GLA) were signed during 2021
- **714 leases renewed** during 2021
- **46.5%** of the new leases GLA was signed with **international tenants**
- **34 pop-up stores opened** across portfolio
- Contracted income is stable vs 2020



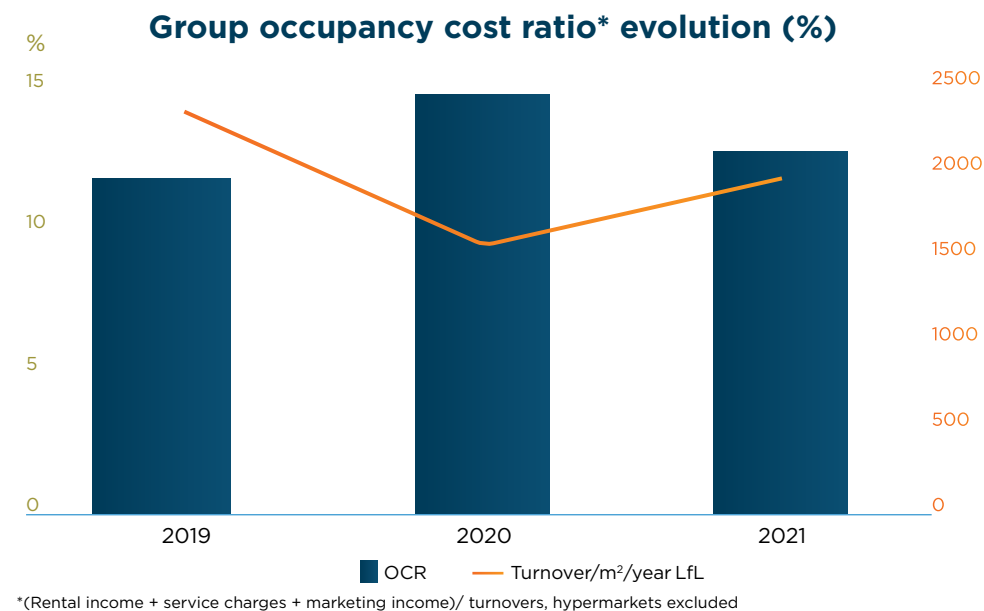
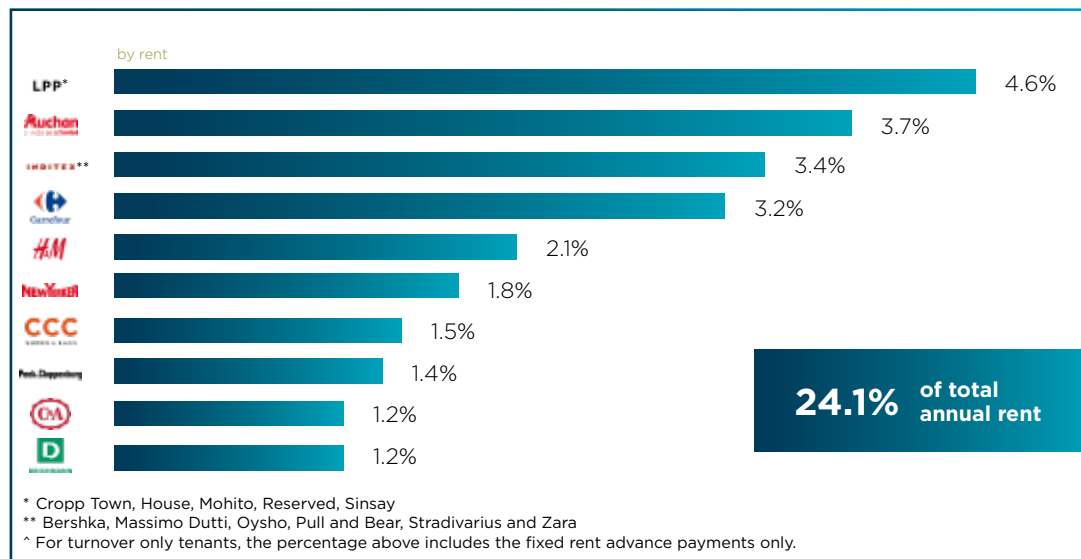
Split of signed leases in 2021

■ New leases
■ Renewals

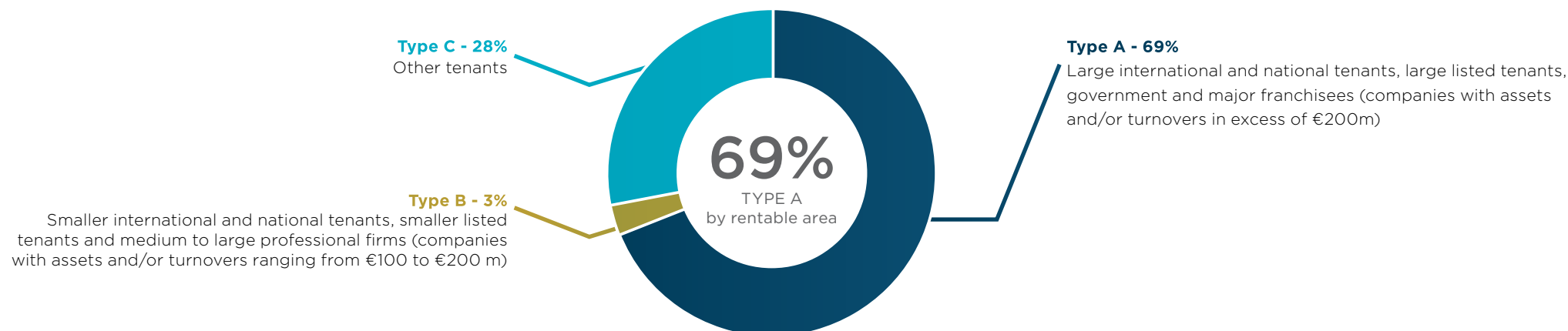


Sustainable retail environment

Sustainable anchor tenant base as at 31 December 2021, with limited exposure to concentration risk



Tenant profile as at 31 December 2021



Sustainable retail environment » 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 5.0% and 3.1% of gross rental income respectively for FY 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

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

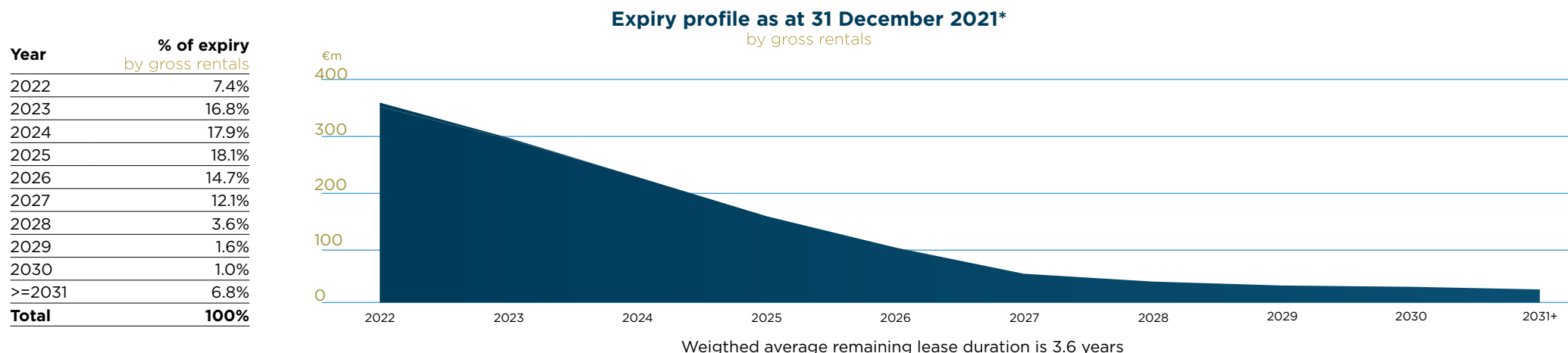
INDEXATION

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

Active management

Key account management of NEPI Rockcastle is the “One-stop” expansion solution for retailers in CEE



Bringing new concepts to our markets & implementing latest store designs in 2021

Poland



Bonarka City Center
new to portfolio



Focus Mall
Zielona Gora



Focus Mall Zielona Gora
Galeria Warminska
Solaris Shopping Centre
Platan Shopping Centre



Focus Mall
Zielona Gora

Romania



City Park
new market entry
and new to portfolio



Shopping City
Buzau



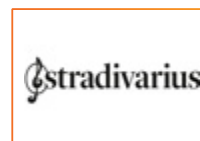
Severin
Shopping
Center



Mega Mall
Shopping City
Sibiu



Shopping City Targu
Mures



Shopping City
Targu Mures

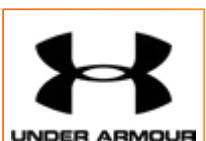


Shopping City
Targu Mures



Shopping City
Buzau
Shopping City
Satu Mare

Czech Republic



Forum Liberec
Shopping Centre
new market entry



Forum Liberec
Shopping
Centre

Hungary



Mammut Shopping
Centre
Arena Mall



Serdika Center

Bulgaria



Paradise Center



Paradise Center

Omnichannel consumer-centric approach - Digital B2C projects

Progress on omnichannel strategy in 2021 by implementation of digital initiatives

- **SPOT - consumer loyalty app** launched in 2021 in shopping centers in Romania and Bulgaria. The app will be rolled out accross the Group in 2022.
- **Pilot project for an online marketplace** launched in Bulgaria in January 2022. Customers will access shopping centers' products online and offline.
- Implementation of **unified customer database** enhancing marketing activities and customer interactions across all channels of communication.



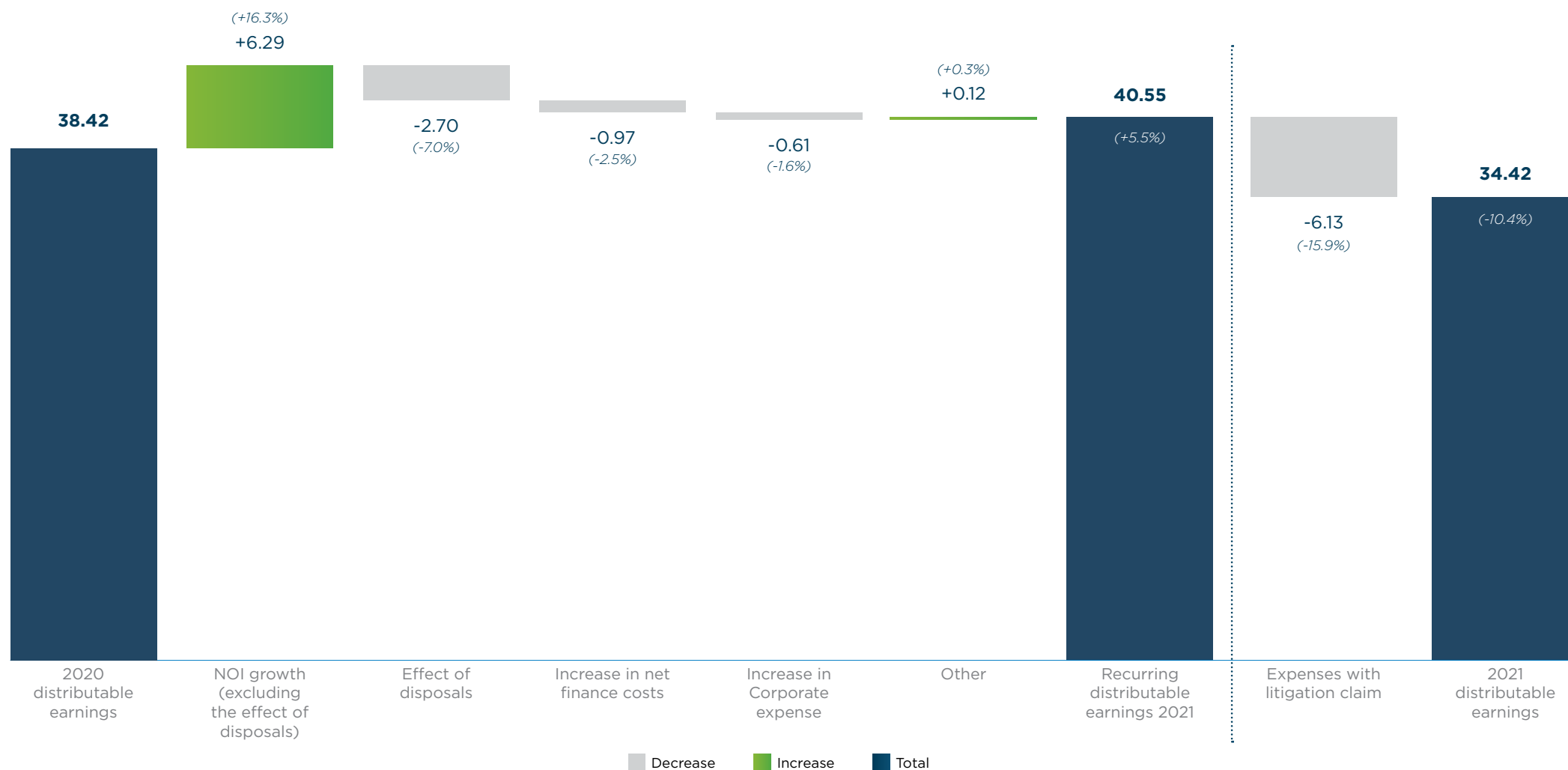
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Key drivers of distributable earnings

amounts in euro cents

Distributable earnings impacted by high level of liquidity and disposal of Romanian office portfolio and Serbian assets. The positive effect of NOI growth has been fully offset by expenses with litigation claim



Liquidity and funding

30.9%
Prudent LTV

with **35%** long term strategic threshold

€1.1bn
Liquidity

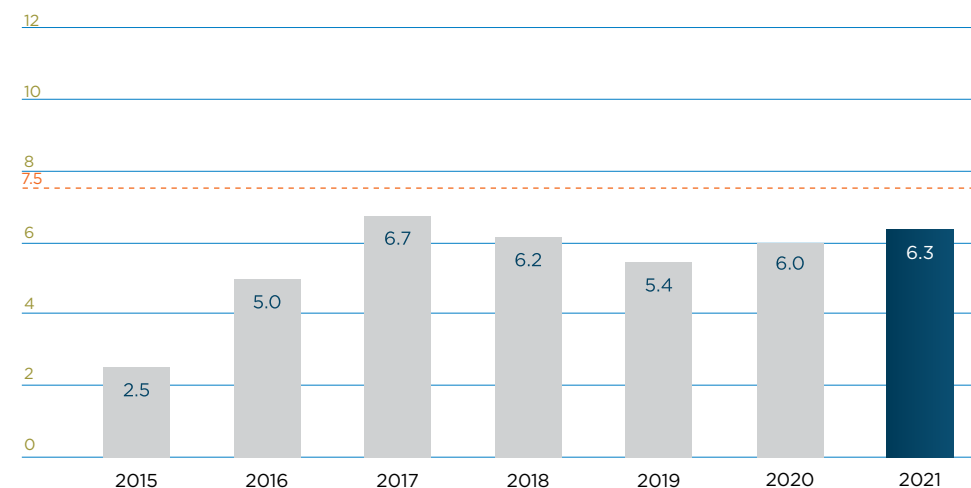
including cash (€499m) and available revolving facilities (€620m)

BBB
Investment grade rating

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

- **Weighted average remaining debt term: 3.7 years** (5.1 years at the end of January 2022, after the green bond issue)
- **Interest rate risk 100% hedged**
- **Cost of debt: 2.4%** (2020: 2.3%)

Net debt/EBITDA

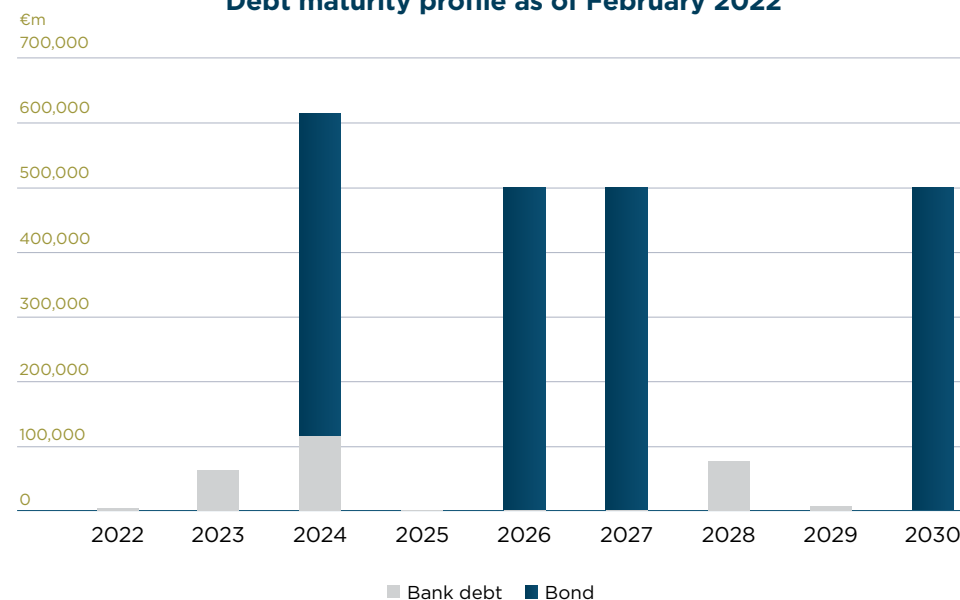


-- Threshold monitored by management and rating agencies

Liquidity and funding» continued

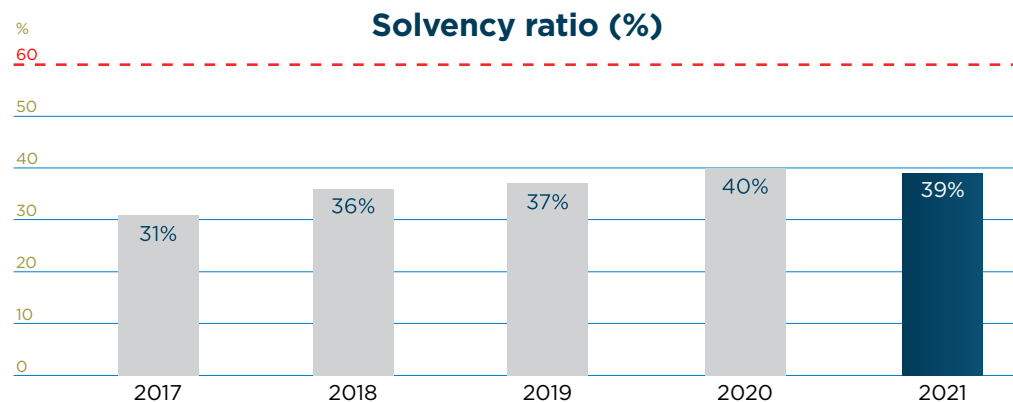
- Maintain the previously existing revolving facilities and increased them by €45 million up to €620 million
- Conclude the first bilateral agreement with IFC for €73.5 million green funding
- Secured 2022 and 2023 with no significant debt obligations as we:
 - » Repaid €242 million in Slovakia and Poland
 - » Strategically issued €500 million 8-year green bond in Jan 2022
- Ensured that 91% of our portfolio is unencumbered

Debt maturity profile as of February 2022

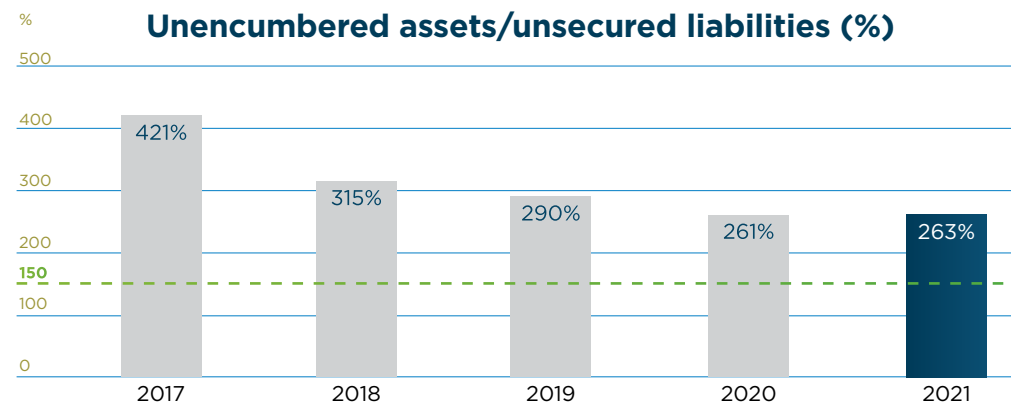
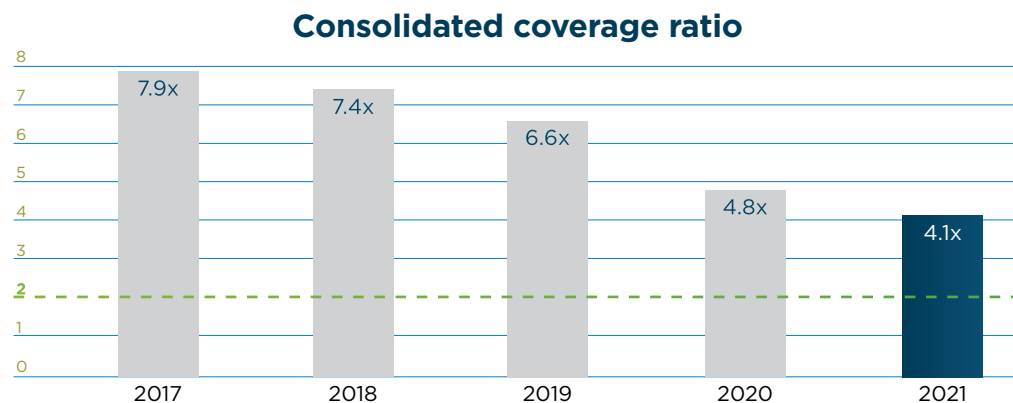


Significant headroom on unsecured debt covenants

Solvency ratio could be breached only by a 700bps deterioration of valuation yields, which is unlikely



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

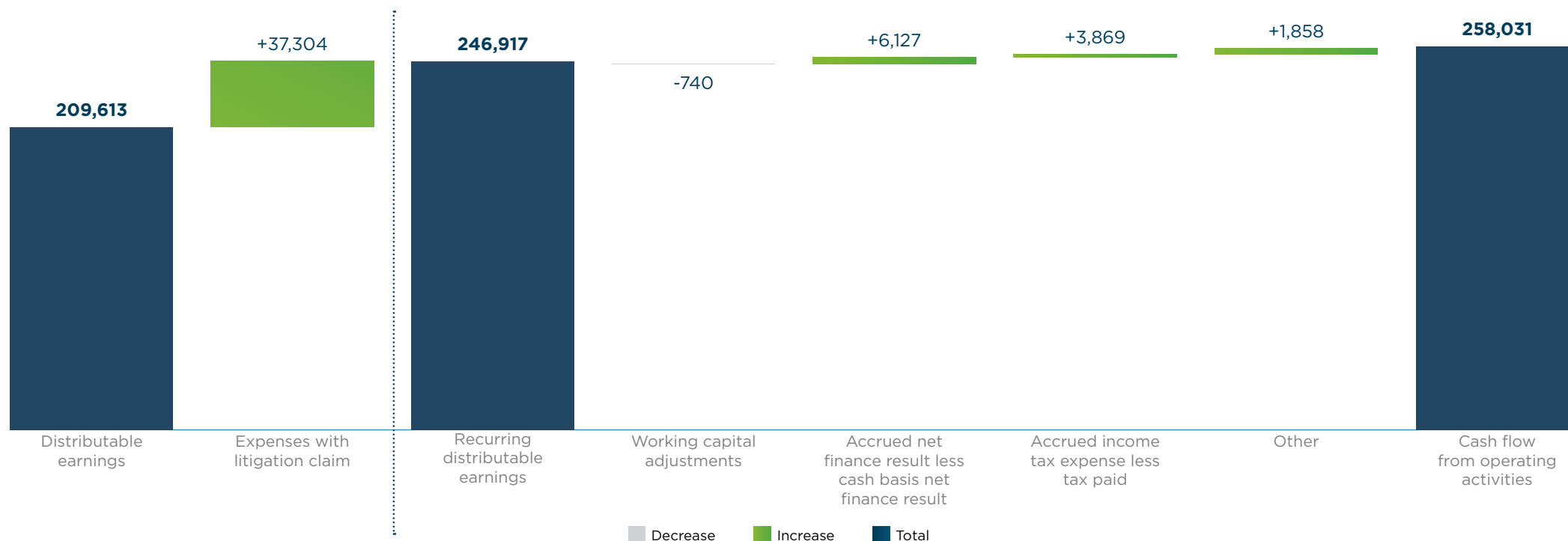


Threshold as per unsecured debt terms and conditions
-- maximum -- minimum

From distributable earnings to cash flow from operating activities

amounts in € thousand

Distributable earnings fully supported by cash flow from operating activities



- H2 2021 dividend declared for 100% of the distributable earnings, to be settled in cash in March 2022
- Distribution policy unchanged: 90% or more of distributable earnings
- LTV estimated to be approx. 33% after H2 2021 dividend payment, still prudent

Valuation uplift driven by portfolio performance

€34.7 million fair value gain on property valuation mainly driven from property performance

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

- Stable capitalisation rate over the last 12 months
- Fair value increase due to positive NOI variance
- EPRA Net initial yield for the portfolio is 6.75%

**Investment property increased by 0.6%[^]
due to good performance of shopping
centers**

**0%
market effect**

**+0.6%[^]
cash-flow effect**

[^] Relative to property portfolio value at 31 December 2020



4

Go Green
Keep Clean

ESG

Continuous commitment to the highest standards of sustainability

NEPI Rockcastle continued to consistently roll out its sustainability strategy in 2021

- 72% of the Group's assets have "Very good" or "Excellent" BREEAM certifications, confirming they are resource-efficient
- Key initiatives rolled over in 2021:
 - » implementation of in-vessel composting equipment for the biodegradable waste in Romanian and Bulgarian properties
 - » installation of LED lighting across portfolio, with 75% of Gross Floor Area currently LED covered
 - » enhancement of the green urban mobility, by the extension of electric cars charging network (Tesla partnership)
- Continued its green financing strategy started in 2020



EPRA sBPR Bronze Award



Top 10 Sustainalytics rated Real Estate Management companies

(low risk - 11.4/100)



AA ESG rating leader

5



Relocation

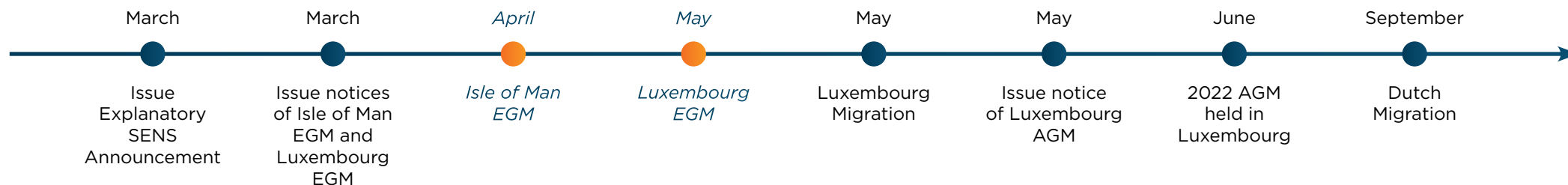
Relocation from the Isle of Man to the Netherlands

Relocating the parent Company to an economically and politically stable EU jurisdiction

- Enhance the long-term sustainability of the business, as the Netherlands has an EU-compliant legislative and regulatory framework and is economically and politically stable;
- Heighten the visibility of the Group in the European real estate market;
- Position the Group to attract new investors;
- A natural fit for the Group, already listed on Euronext Amsterdam;
- The Company will continue its operations as the relocation does not entail any dissolution or liquidation.

Implementation process

- Two stages process:
 - » Initial migration to Luxembourg (May 2022)
 - » Subsequent migration to the Netherlands (September 2022)
- Key milestones:
 - » Shareholders approval in April and May (Isle of Man and Luxembourg EGMs)
 - » Detailed SENS announcement scheduled for March 2022



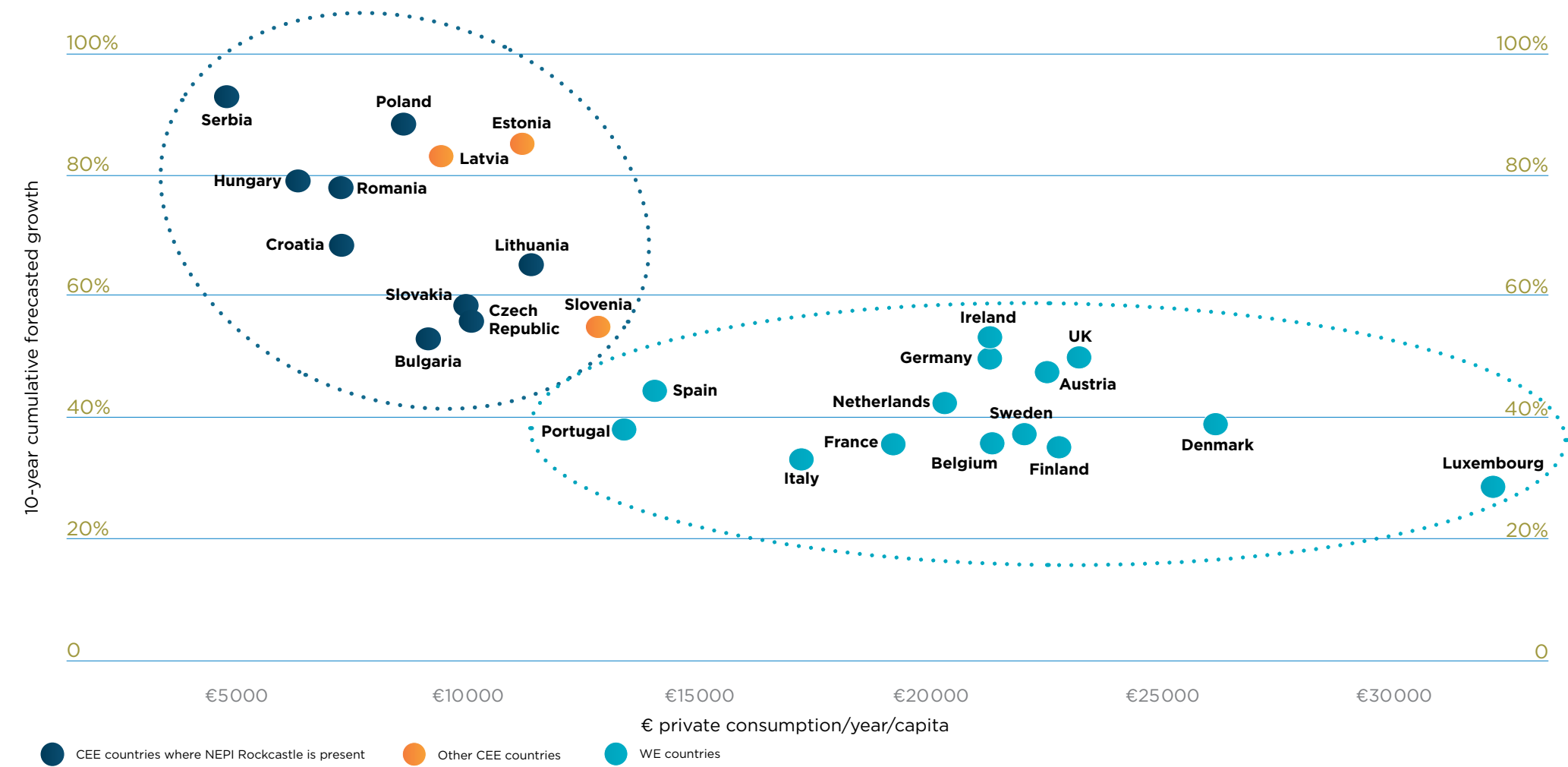
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Way forward

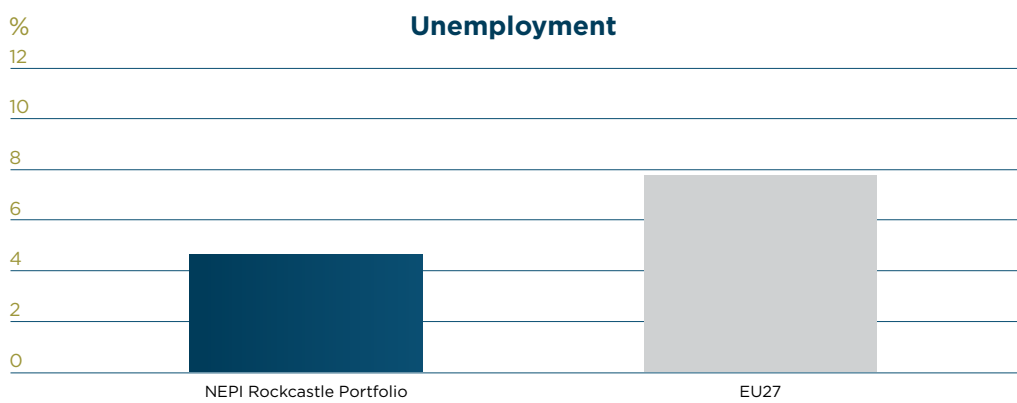
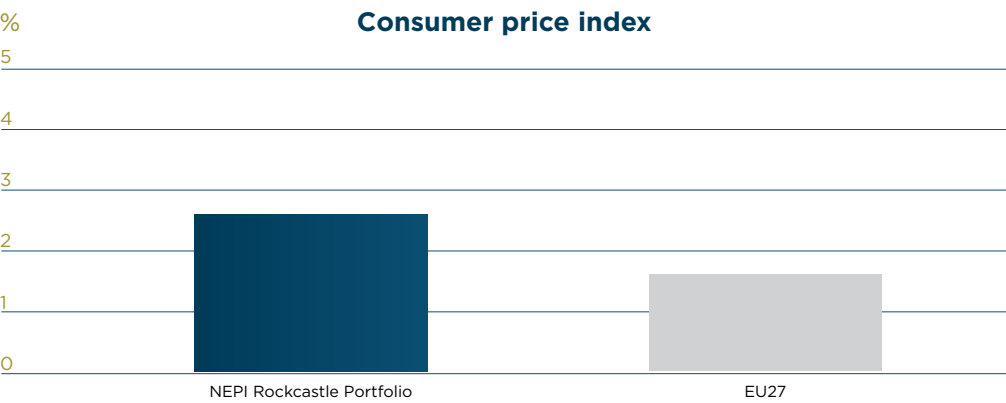
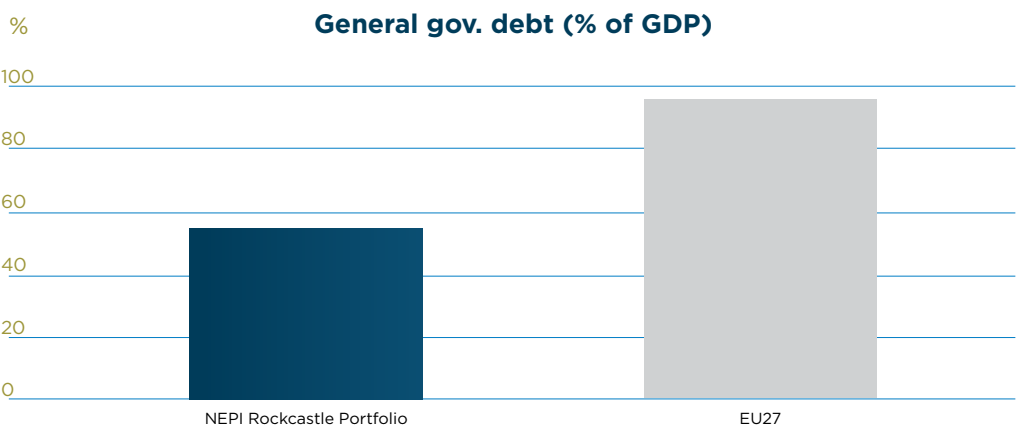
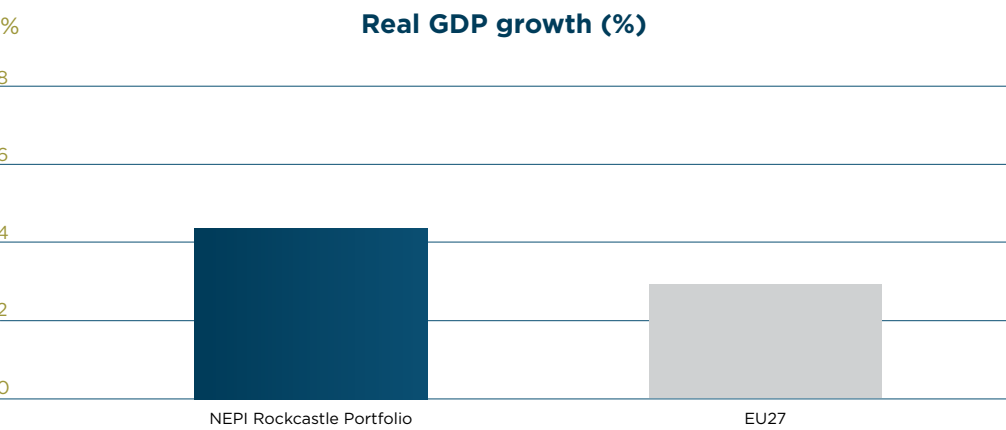
Macroeconomic fundamentals and prospects

CEE private consumption growth remains well above WE average



Source: Thomson Reuters January 2022

Average 5-year key macroeconomic indicators in NEPI Rockcastle countries vs EU27



Source: IMF, 5-year average (2021 - 2025)

Looking ahead: consolidate and grow

Leveraging on strong position in the market combined with our in-house excellence of asset management

Consolidating the asset base in CEE by additional acquisitions

Delivering on the development pipeline including retail and mixed-use projects

Potentially entering into Western Europe



Development Projects

€610m

investments under permitting
and construction

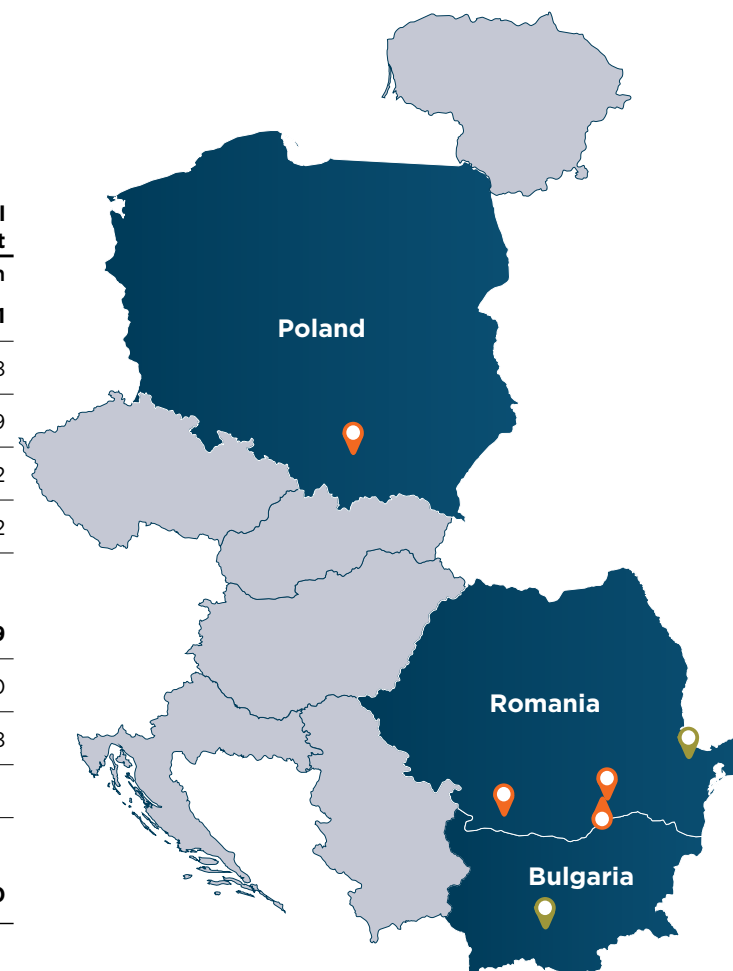
Country	Type	Category	Target opening date	GLA/GSA* of development	Total cost	
				m ²	€m	
Developments under construction				133 500	421	
Promenada Mall	Romania	Mall/Office	Extension	Q4 2025	58 400	218
Promenada Craiova	Romania	Mall	Development	Q3 2023	52 300	109
Bonarka City Center	Poland	Mall	Refurbishment	Q4 2024	4 500	72
Vulcan Residence	Romania	Residential	Development	Q1 2023	18 300	22
Developments under permitting and pre-leasing				90 900	189	
Promenada Plovdiv	Bulgaria	Mall	Development	Q4 2024	57 700	140
Galati Retail Park	Romania	Mall	Development	tba	33 200	48
Total developments under construction, pre-leasing and permitting				224 400	610	

* Gross Sellable Area

Notes:

Amounts included in this schedule are estimates and may vary according to permitting, pre-leasing and actual physical configuration of the finished developments.

Total cost includes development and land cost.



Actively working on new developments and extensions

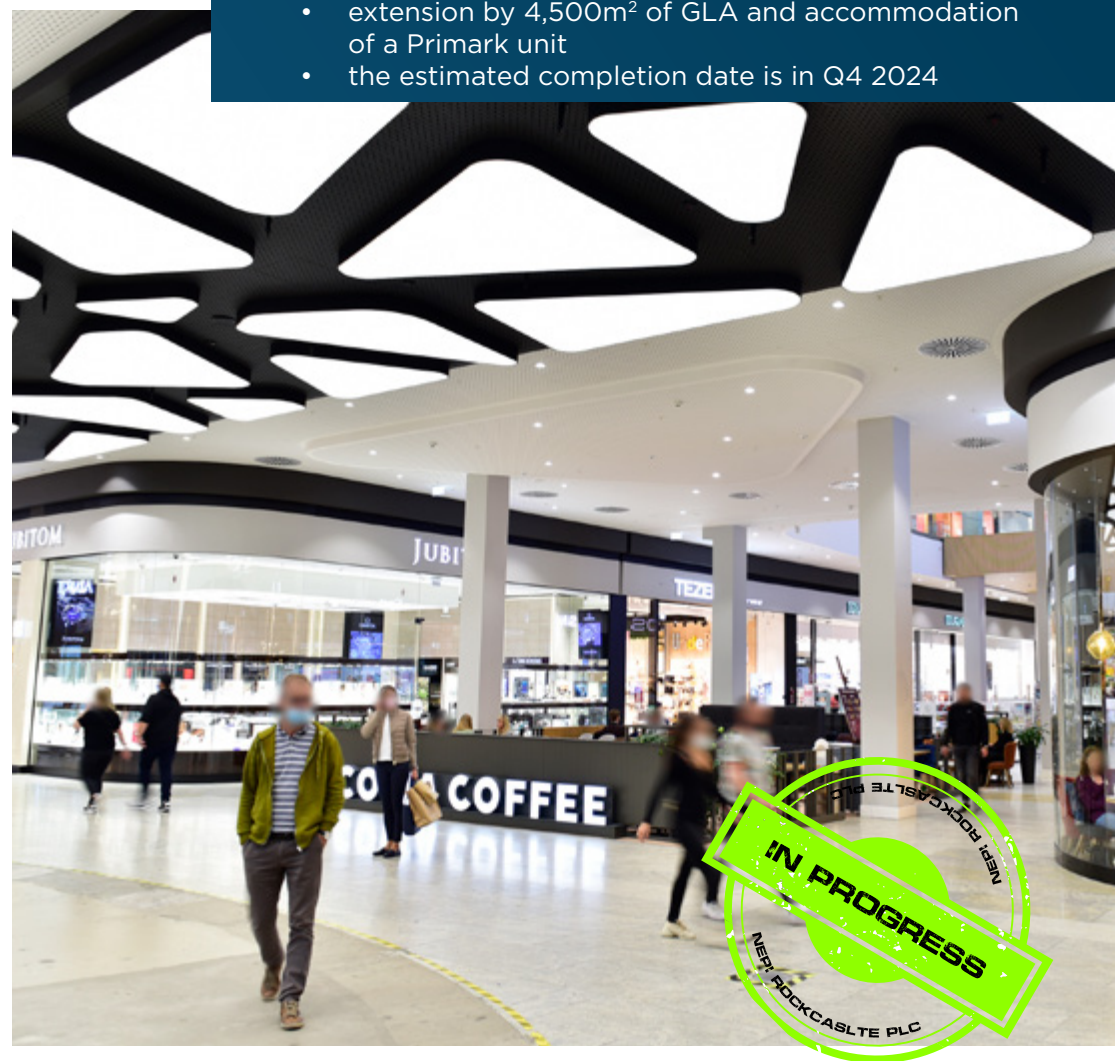
Focus Mall Zielona Gora - redevelopment

- extension of 15,000m² of GLA
- new concepts brought in the extended and refurbished center



Bonarka City Center - redevelopment

- extension by 4,500m² of GLA and accommodation of a Primark unit
- the estimated completion date is in Q4 2024



Actively working on new developments and extensions» continued

Promenada Craiova - greenfield development

- 52,300m² GLA of retail
- estimated opening in 2023



Promenada Mall - extension

- approx. 58,400m² GLA of mixed use retail and office extension bringing the total GLA close to 100,000m²



Actively working on new developments and extensions» continued

Vulcan Residence - residential for sale

- first residential development started
- 18,300m² of residential space for sale (252 apartments) expected to be completed in Q1 2023



Promenada Plovdiv - greenfield development

- 57,700m² of retail GLA
- estimated date of delivery: end of 2024



2022 Focus

- Maximise sustainable NOI and reach increase of DEPS by 24%
- Execute on development pipeline
- Actively looking for investments opportunities
- Successful implementation of relocation of the parent Company
- Improve ESG performance
- Maintain balance sheet safety



