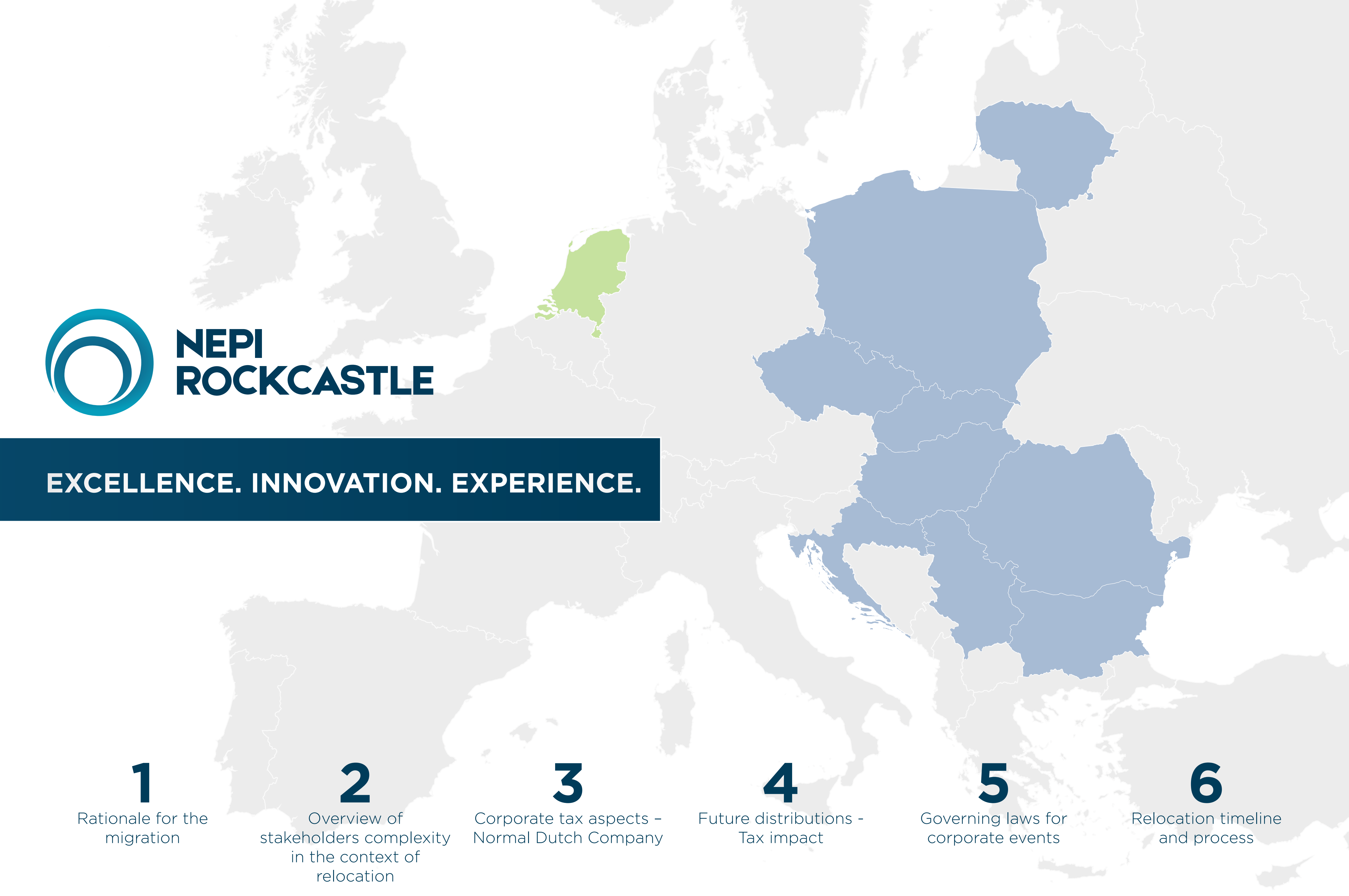
NEPI ROCKCASTLE

RELOCATION PRESENTATION

March 2022



NEPI ROCKCASTLE

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Rationale for the migration

Why exit from the Isle of Man?

- Significant changes in the International tax legislative framework
- IoM included among low tax jurisdictions, subject to 25.8% source tax introduced by Netherlands in 2021 on interest and royalties. Similar provisions from 2023 for dividend payments
- No longer in line with Company's strategy to increase its visibility in the European real estate market and attract new investors

Why the Netherlands?

- Enhances the long-term sustainability of the business, as the Netherlands has an EU-compliant legislative and regulatory framework and is economically, fiscally and politically stable
- Heightens the visibility of the Group in the European real estate market
- Positions NEPI Rockcastle to attract new investors
- A natural fit for the Group, already listed on Euronext Amsterdam

Why not Malta?

- In 2021, Financial Action Task Force ('FATF') added Malta to a grey list regarding anti-money laundering supervisions
- Medium-term tax downside risk due to potential introduction of global minimum tax and pressure to raise effective tax rates
- Securities of an issuer incorporated under the laws of Malta were not eligible at that time for admission/primary deposit within Euronext Amsterdam

Overview of stakeholders complexity in the context of relocation

Indicator	NEPI Rockcastle	Compelling drivers for migration to the Netherlands
Total Assets (€m)	6,598	Largest listed company in CEE retail real estate
Investment Property (€m)	5,842	Pure direct retail property investment company
Cash & Cash Equivalent (€m)	499	Strong cash position looking to be deployed into accretive investment opportunities
RCF's (€m)	620	NEPI Rockcastle achieved one of the highest committed RCF capacities amongst CEE real estate companies
Liquidity (€m)	1,119	Strong liquidity as cash balances and cash and revolving credit facilities
Outstanding Bonds (€m)	2,000	Frequent issuer in the Eurobond market with supportive bond investor base
LTV	30.9%	LTV within the target range of 35% that satisfies an optimum balance between risk and return
Unencumbered Assets	91%	NEPI Rockcastle's strategic steering of funding policy from secured to unsecured financing lead to high percentage of assets unencumbered
Credit Rating	BBB stable (S&P) / BBB positive (Fitch)	Investment grade credit rating company
Avg Cost of Debt	2.4%	Competitive cost of debt

Corporate tax aspects – Normal Dutch Company

- NEPI Rockcastle NV ('NRP NV') will be subject to 25.8% corporate income tax rate in the Netherlands ('NL') **on a stand-alone basis**
- Taxable profits in NL will include Group service fees and guarantee fees minus executive directors and staff remuneration costs minus operational costs
- The tax effect at the level of the Company would not materially impact distributable earnings, as most income is generated at the level of operational subsidiaries and taxed in their respective jurisdictions
- Tax losses can be carried forward unlimitedly, but taxable profit in excess of €1 million can only be reduced by tax losses up to 50%
- NRP NV will benefit from double tax treaties (DTTs) concluded by the Netherlands as well as from EU Directives covering all countries where the Group is operating and the majority of its shareholders
- A Dutch REIT regime is available in NL subject to certain criteria and applicable starting 1 January each year (based on option)

Future distributions -Tax impact

TYPES OF DISTRIBUTIONS	NETHERLANDS	SOUTH AFRICA General note: SA generally follows the Dutch tax qualification to determine the SA dividend tax consequences
<u>Cash distribution</u> from NRP NV's profits and/or retained earnings (Profit distributions) (Option 1)	Treated as dividend, subject to 15% Dutch withholding tax ('WHT').	Treated as dividend, generally subject to 20% dividend tax for individuals Reduced double tax treaty ('DTT') rates with South Africa: 10% and 0% (note that the 0% rate is based on the application of the most favoured nation clause) are available. Their application is subject to certain formalities such as providing at least a residency certificate of recipient or obtaining tax rulings for certain categories of shareholders. Further to such formalities, a tax refund of 5% (in case a 10% DTT rate applies) or 15% Dutch WHT (in case 0% DTT rate applies) can be requested from the Dutch tax authorities by the SA shareholder In case of individuals, the SA regulated intermediary should determine, based on the information provided by the Company (Dutch entity) and its SA shareholders whether the Dutch WHT due by a SA individual on their cash dividends (max. DTT rate of 10%) can be credited against the SA 20% dividend tax (thus reducing the SA tax from 20% to 10%). Subsequently, the SA individuals should claim back the 5% Dutch WHT from the Dutch tax authorities
<u>Cash distribution</u> via reduction and repayment of NRP NV's nominal value per share (Option 2)	Not subject to Dutch WHT	Treated as a return of capital, therefore no SA dividend tax should apply It will reduce the shares' tax base, resulting in a potentially higher capital gain in the future when the shares are sold. Insofar as the repayment exceeds the shares' tax base, it may immediately result in capital gains tax
<u>Scrip dividend</u> with the nominal value paid up out of NRP NV's share premium (Option 3)	Not subject to Dutch WHT	Scrip dividends are explicitly excluded from the definition of a foreign dividend, therefore no SA dividend tax should apply

New distribution mechanism: repayment of capital (Option 2)

- The repayment of capital is a new distribution mechanism available subject to shareholder approval (EGM to be held after the Dutch migration), for H2 2022 distribution onwards
- The repayment of capital would be the default option for distribution (as required by Dutch law)
- The mechanism entails the increase of the nominal value of shares (share capital), subsequently brought back to the initial nominal value once the distribution for the entire year is performed
- Mechanism confirmed and approved by JSE for NEPI Rockcastle

EXAMPLE

- Assuming that the nominal value of each share will be €0.01 after migration to NL and that there are 100,000,000 ordinary shares in issue
- Board proposes an increase with €0.40 nominal value per share for FY 23 (i.e. €0.20 per share for H1 and €0.20 per share for H2)
- At the AGM held in 2023, shareholders approve:
  - » an increase of the nominal value of each share by an amount of €0.40 (step 1);
  - » a decrease of the nominal value of each share by an amount of €0.20 on or before the payment date for the H1 dividend (step 2); and
  - » a decrease of the nominal value of each share by an amount of €0.20 on or before the payment date for the H2 dividend.

Step 1 - increase of the nominal value of each share by €0.40

	Number of shares outstanding	€	€
Nominal value of share, before any increase	100,000,000	0.01	1,000,000
Proposed increase in the nominal value of share for 2023*, from share premium	100,000,000	0.4	40,000,000
Nominal value per share after the increase	**100,000,000**	**0.41**	**41,000,000**

** The proposed increase in the nominal value of shares should not be seen as an indication of distributable earnings for the year; the earnings guidance is the only indication of the distributable earnings for the upcoming year.*

Step 2 - payment of H1 2023 dividend and decrease of nominal value of each share by €0.20

	Number of shares outstanding	€	€
H1 2023 actual distribution	100,000,000	0.1	10,000,000
Shareholders election			
Option 1 - cash distribution from retained earnings	20,000,000	0.1	2,000,000
Option 2 - cash distribution via repayment of capital	80,000,000	0.1	8,000,000

Before or at the payment date of dividend, the articles of association will be amended to reflect the change in the nominal value expected for H1 dividend and keep only the adjustment of the nominal value corresponding to H2 2023 (i.e. reduce nominal value from €0.41 per share to €0.21 per share).

	DR	CR	Amounts	
> Increase in the nominal value of the shares	Share premium	Share capital	40,000,000	
> Payment of dividend : cash distribution from retained earnings (Option 1)	Retained earnings	Cash	2,000,000	
> Payment of dividend : cash distribution via repayment of capital (Option 2)	Share capital	Cash	8,000,000	
> Decrease of the nominal value of shares for the variance between estimate and actual distribution as repayment of capital	Share capital	Share premium	12,000,000	*(20,000,000 - 8,000,0000)*

Governing laws for corporate events

As a general principle, the JSE Listings Requirements ("**JSE LRs**") **have been applicable to the Company since its listing on the JSE, and will continue to apply post the relocation from Isle of Man** on a mandatory basis, irrespective of its country of incorporation.

Matter	JSE Listings Requirements	The Netherlands	Malta
Mergers/ corporate reconstructions	**JSE LR will apply as overarching unless a more stringent requirement stems from the governing corporate law.** Require notification to or approval of shareholders in respect of transactions concluded by the Company depending on the category these fall under, as per the criteria set therein. Criteria based on which a transaction would require shareholder approval or not include: • Percentage ratio considerations - meaning either (a) cash consideration / market cap, (b) dilution, i.e. number of shares issued in consideration / number of shares in issue, or (c) a combination, expressed as a percentage; • Reverse takeover consideration; and • Related party transactions.	Default position under the Netherlands law is that M&A transactions are under the authority of the Board of Directors. For certain major transactions (which entail any significant change in the identity or character of the Company) shareholders' approval will be required pursuant to the Dutch Civil Code.	General rule of law is that these are matters subject to shareholder approval. Certain voting thresholds apply depending on whether the transaction would be subject to an extraordinary/ ordinary resolution.
Delisting	**JSE LR will apply as overarching unless a more stringent requirement stems from the governing corporate law.** In order to delist from the JSE, a detailed offer must be presented to shareholders, which must be fair as determined by an independent expert. Any such delisting is subject to the approval of shareholders by ordinary resolution (i.e. more than 50% of voting rights exercised). The votes of controlling shareholders (those holding ≥35% voting control or power to appoint or remove directors exercising ≥35% of voting rights at board meetings), their associates and any party acting in concert will not be counted.	No shareholder approval required.	No mention in the provisions of the law.
Relocations	The JSE LRs do not regulate a relocation of the Company's corporate seat. Relocations would require an amendment of the articles of association. In terms of the JSE LRs, such amendment requires shareholder approval by special resolution (i.e. 75% or more of voting rights exercised). Any new articles of association proposed to shareholders for adoption must be vetted by the JSE for compliance with the JSE LRs.	Shareholder approval required.	Shareholder approval required.
Takeover rights/ minority shareholders' protection	Provisions of South African Companies Act are not applicable due to the fact that NEPI Rockcastle is not a South African company. The Company is also not a "regulated company" for purposes of the takeover provisions of the South African Companies Act 71 of 2008.	• EU takeover Directive applicable (due to EU incorporation and listing). • Any shareholder who directly or indirectly obtains predominant control of a Dutch listed N.V. is required to make a public takeover offer for all issued and outstanding shares in that company's share capital. • Predominant control - if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of such listed company.	EU takeover Directive not applicable (due to the fact that the shares would not have been listed on Malta Stock Exchange

Relocation timeline and process

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 EGM notices scheduled for late March/early April 2022

March	*April*	*May*	May	May	June	September
Issue notices of Isle of Man EGM and Luxembourg EGM	*Isle of Man EGM*	*Luxembourg EGM*	Luxembourg Migration	Issue notice of Luxembourg AGM	2022 AGM held in Luxembourg	Dutch Migration

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