



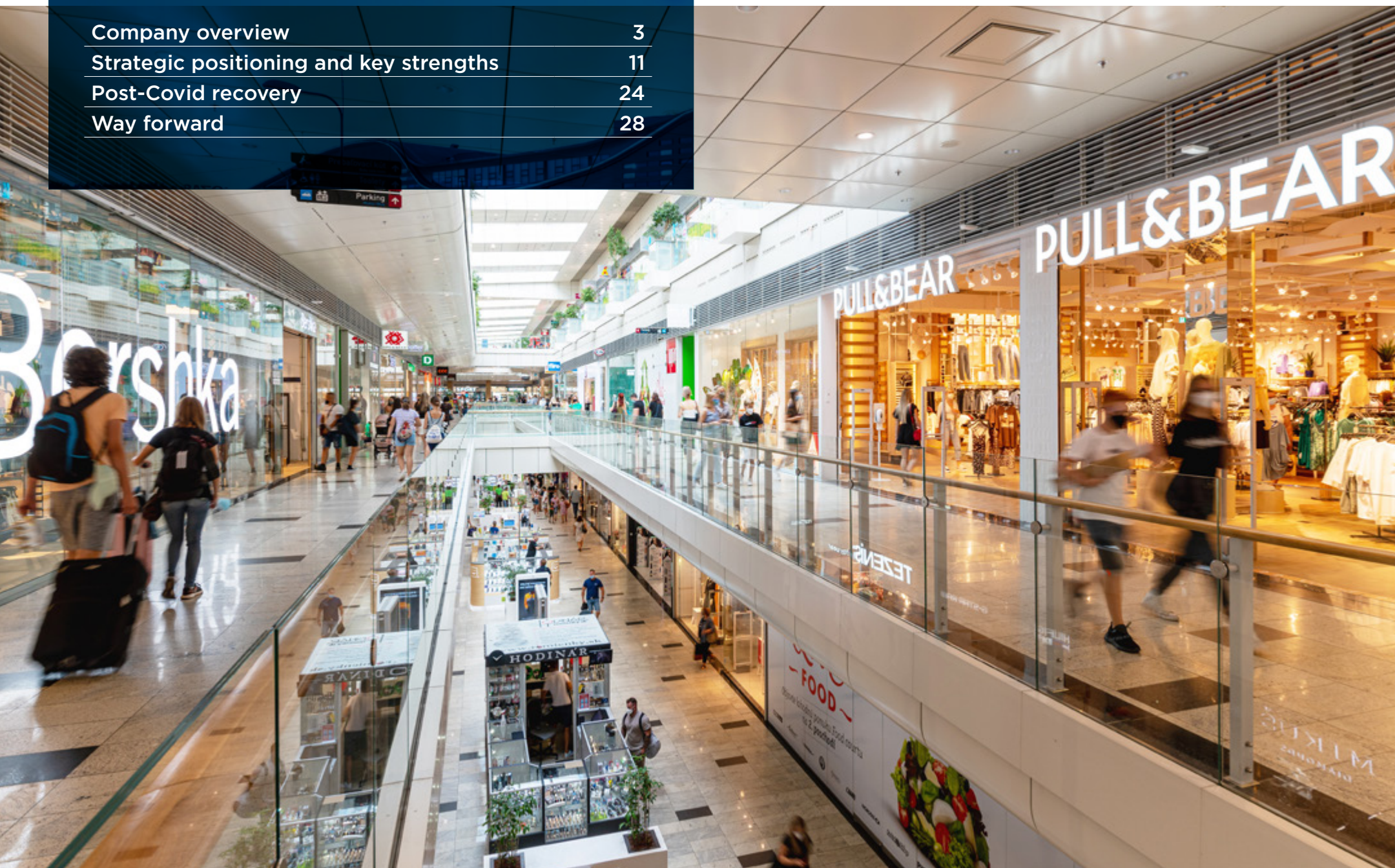
NEPI
ROCKCASTLE



COMPANY PROFILE

May 2022

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All figures are as at 31 December 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 investment grade rating

Standard & Poor's: stable outlook
Fitch: positive outlook



EPRA BPR Gold Award



EPRA sBPR Bronze Award



Top 10 Sustainalytics
rated companies

(low risk - 11.4/100)



AA ESG rating leader

A 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)	1 423 756
Average GDP per country (€m)	299 133
GDP per capita (€)	13 749
Purchasing power per inhabitant (€)	6 801
Number of Group's income-producing properties	56

^ Source: GfK, World Bank (2020 and 2021)

Country	S&P Credit rating	Fitch Credit rating	Weight in the portfolio (by property value)
Romania	BBB- stable	BBB- negative	35%
Poland	A- stable	A- stable	25%
Hungary	BBB stable	BBB stable	10%
Slovakia	A+ stable	A stable	9%
Bulgaria	BBB stable	BBB positive	8%
Croatia	BBB- stable	BBB positive	5%
Czech Republic	AA- stable	AA- stable	3%
Lithuania	A+ stable	A stable	3%
Serbia	BB+ stable	BB+ positive	2%



NEPI Rockcastle at a glance

as of March 2022

€5.9bn
Investment property value

2 million
m² of GLA



32.5%
Loan-to-value

96.0%
EPRA Occupancy rate

€6.42
EPRA NRV per share

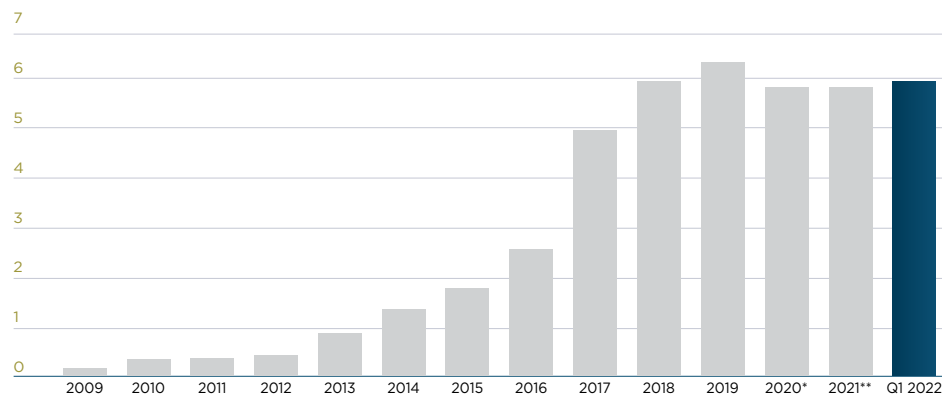
6.0%
Dividend yield*



* Dividend yield computed based on 2021 distribution and mid-May 2022 share price

Strong record of consistent growth

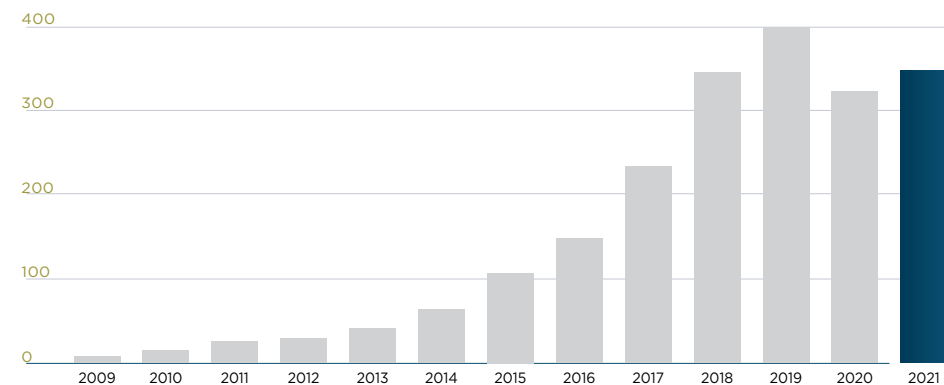
Fair Value of Investment property (€bn)



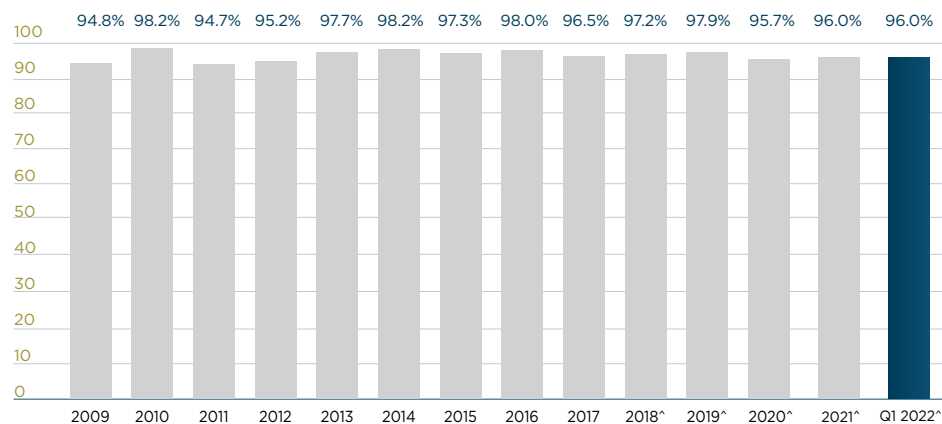
* The decrease in fair value of investment property in 2020 derives from €307m disposal of Romanian office portfolio and €345m devaluation generated by Covid-19 context.

** Investment property recorded a fair valuation gain of €34.7 million as at 31 December 2021, last revaluation date.

Net operating income (€m)

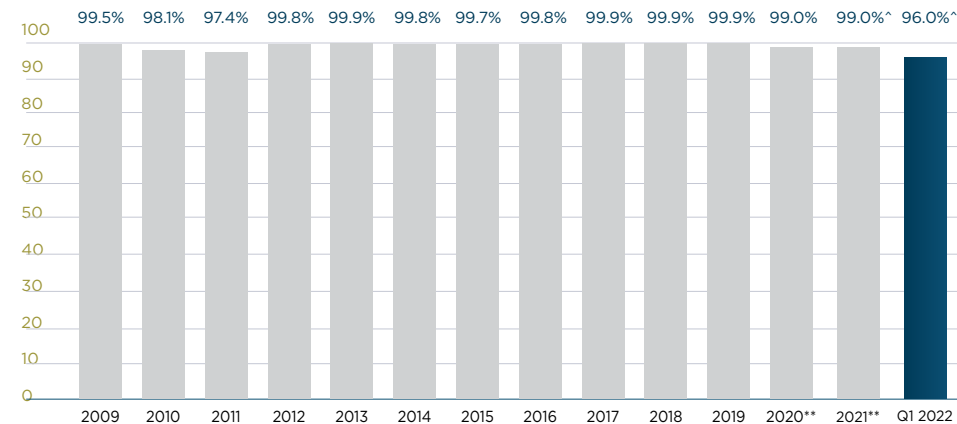


Occupancy rate (%)



^ EPRA Occupancy rate

Collection rate* (%)



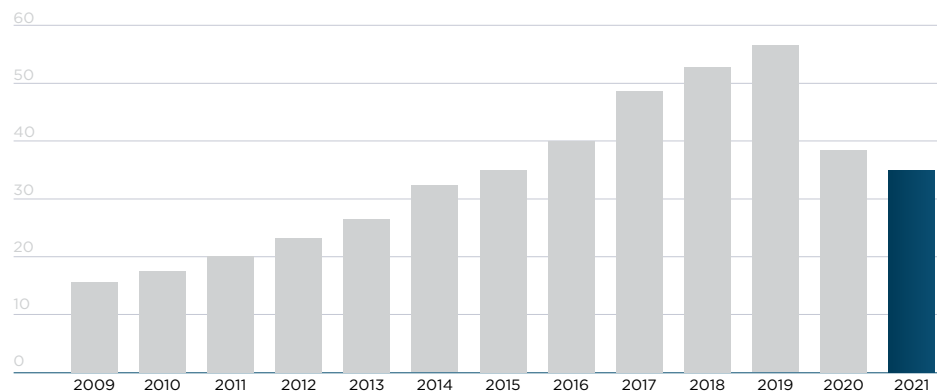
* Relative to reported gross rental and service charge income

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

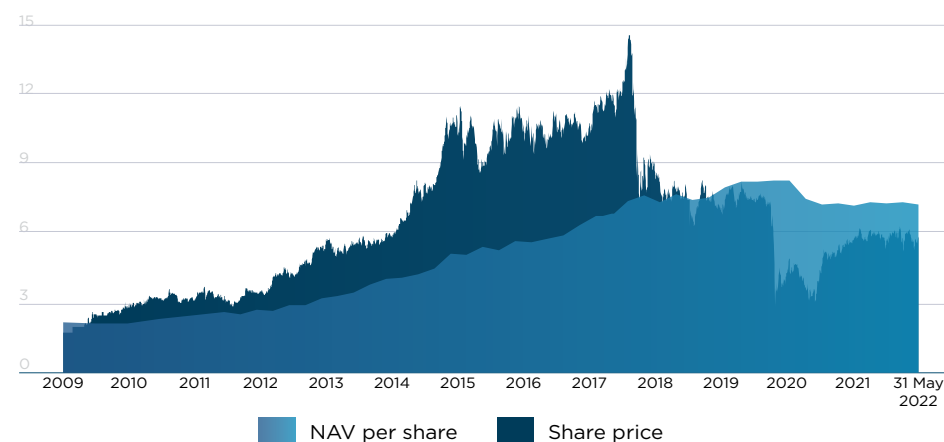
^ Collection rate as of mid-May 2022 (of reported revenues, adjusted for concessions)

Strong record of consistent growth » continued

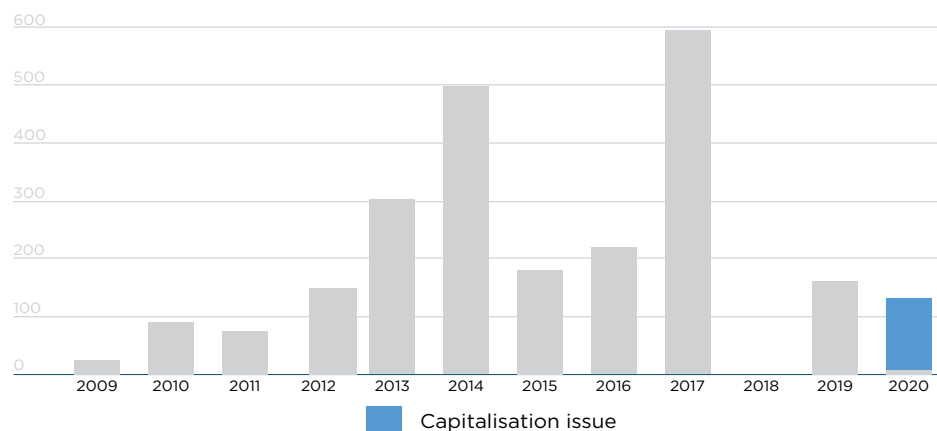
Distribution per share (€cents)



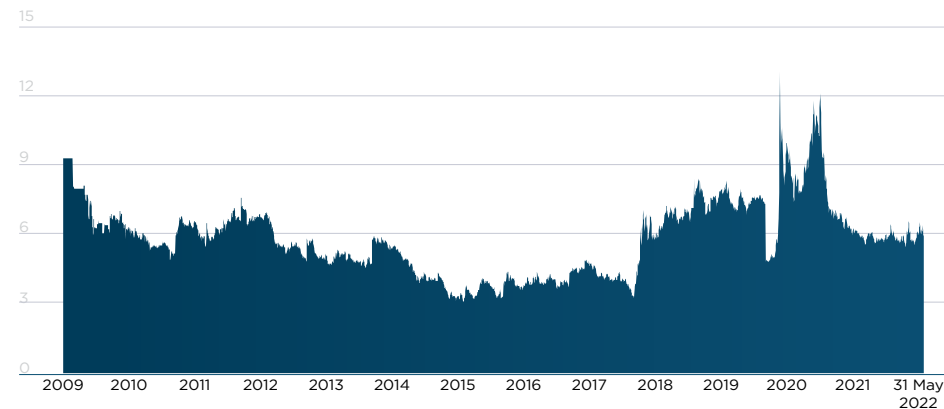
Share price vs. NAV (€)



Equity raised (€m)



Dividend yield (%)



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 65.2%
- NEPI Rockcastle is part of the JSE Top 40, All Share, SA Listed Property and Capped Property Indexes

Shareholders as of 31 May 2022	Shareholding (%)	Comments*
Fortress REIT	23	<ul style="list-style-type: none">• JSE listed REIT owning a significant portfolio of logistics and retail-focused properties• main investments as at Dec 2021 include investment property of R28.6 bn (€1.6 bn)• Loan-to-value as at Dec 2021: 38.8%• common directors: Steven Brown
Public Investment Corporation	12	<ul style="list-style-type: none">• PIC is one of the largest investment managers in Africa• assets under management of R2.3tn (€135 bn) as at Mar 2021• key sectors of focus are economic, environmental and social infrastructure; energy; small and medium enterprise; and priority sectors that create higher numbers of jobs, such as agriculture, tourism, manufacturing and mining
State Street Bank and Trust Company (Custodian)	5	
>10,000 public shareholders	60	<ul style="list-style-type: none">• includes various institutional investors
Total	100	

* Based on last reported financial statements

Debtholders overview

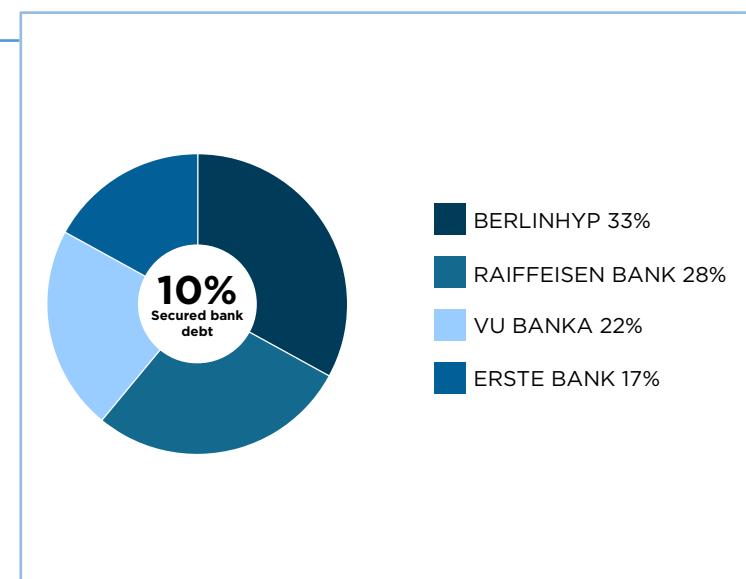
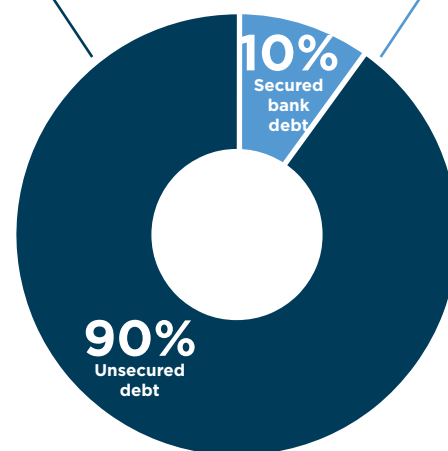
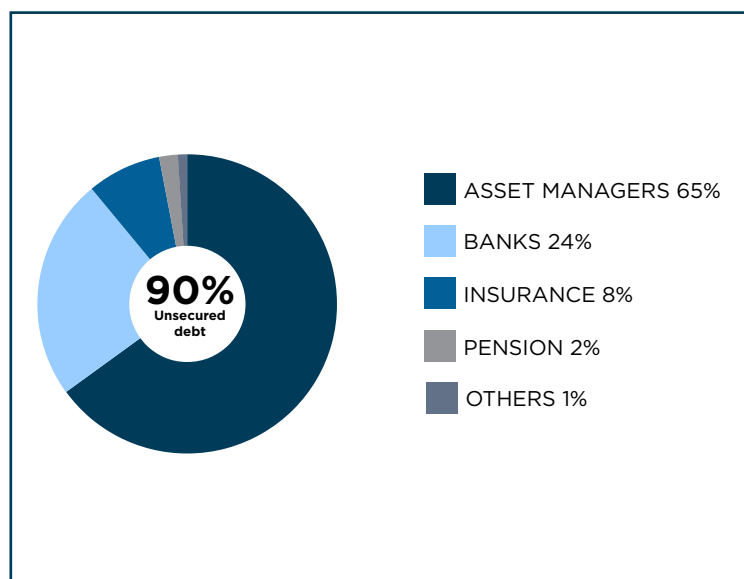
as of March 2022

- €2 billion bonds raised from European investors, including large asset managers, banks, pension and insurance companies, international financial institutions
- €0.9 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



CITI/ DB/ HSBC/ JPM	32%
BRD - SOCIÉTÉ GÉNÉRALE / UNICREDIT BANK / GARANTI BANK	28%
RAIFFEISEN BANK INTERNATIONAL	24%
ING BANK N.V.	16%

Debt breakdown





Strategic positioning and key strengths

VALUE-ENHANCING AND LONG-TERM SUSTAINABILITY



**HIGH-QUALITY
PORTFOLIO,
DOMINANT
PROPERTIES**

**CEE GEOGRAPHIES
WITH POSITIVE
PROSPECTS**

**PRUDENT FINANCIAL
STRATEGY**

ESG FOCUS

High quality dominant retail assets with large catchment areas

Portfolio at 31 December 2021

	Number of properties	GLA '000m ²	Valuation €m	Annualised Passing rent/ERV €m
TOTAL PROPERTIES	60	2 189	5 810	389
INCOME-PRODUCING	56	2 014	5 637	389
Retail	52	1 945	5 548	382
Office	2	42	71	5
Industrial	2	27	18	2
DEVELOPMENTS	2	173	171	-
Under construction*	1	115	94	-
Under permitting and pre-leasing	1	58	26	-
Land bank^			51	-
NON-CORE	2	2	2	-

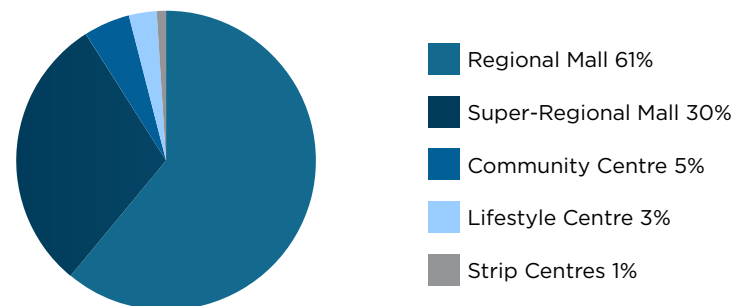
* There are three properties under construction, out of which two are extensions or refurbishments of existing properties; excluding one residential project

^ Excluding land associated to joint ventures

- Modern, high-quality assets (over 96% of the properties are less than 15 years old)
- Located in densely populated areas with good demographics (66% of the shopping centres located in capital or primary cities)
- 99% 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

37,400m² Average size per asset

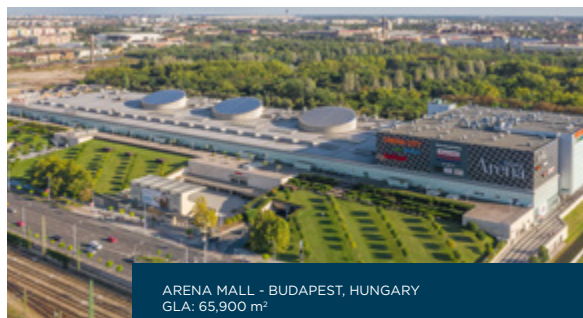
- Locations with no or limited competition
- Purchasing power* in NEPI Rockcastle's catchment areas generally exceeding the national average
- Superior access, visibility and footfall
- Comprehensive offering and tenant mix, driving rental growth
- Extension options to deter future competition
- Destination of choice for international retailers entering respective markets
- Active asset rotation initiatives to upgrade the quality of the portfolio



BONARKA CITY CENTER - KRAKOW, POLAND
GLA: 74,700 m²



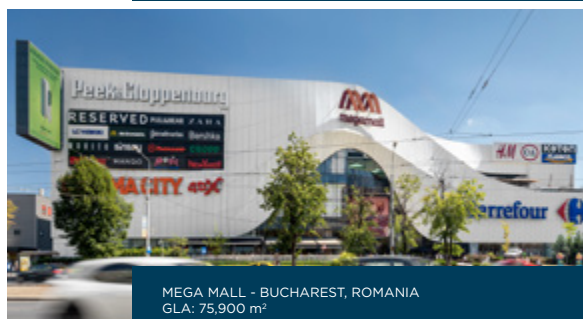
PARADISE CENTER - SOFIA, BULGARIA
GLA: 80,400 m²



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



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



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



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



MAMMUT SHOPPING CENTER - BUDAPEST, HUNGARY
GLA: 57,400 m²

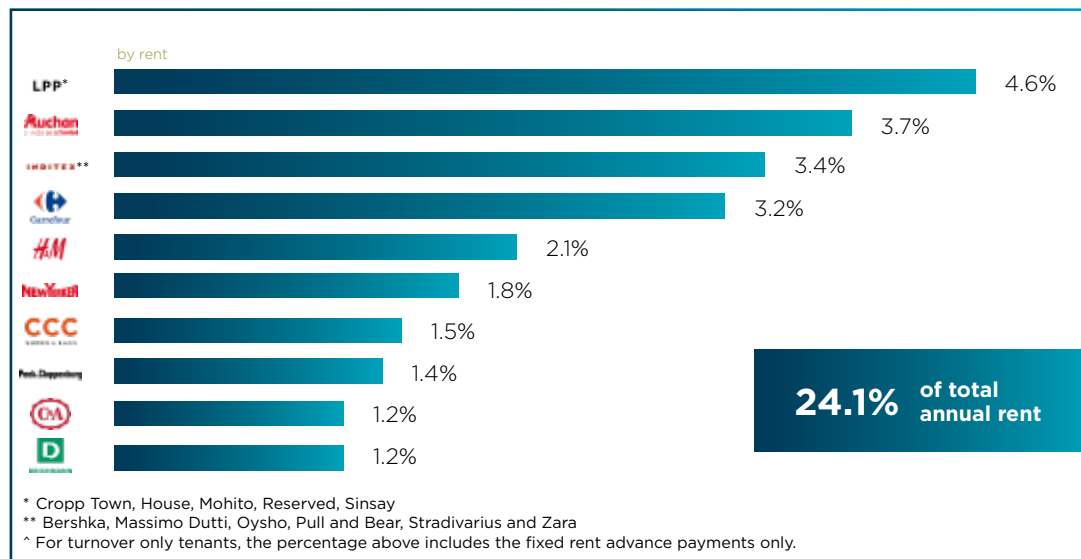


PROMENADA MALL - BUCHAREST, ROMANIA
GLA: 39,300 m²

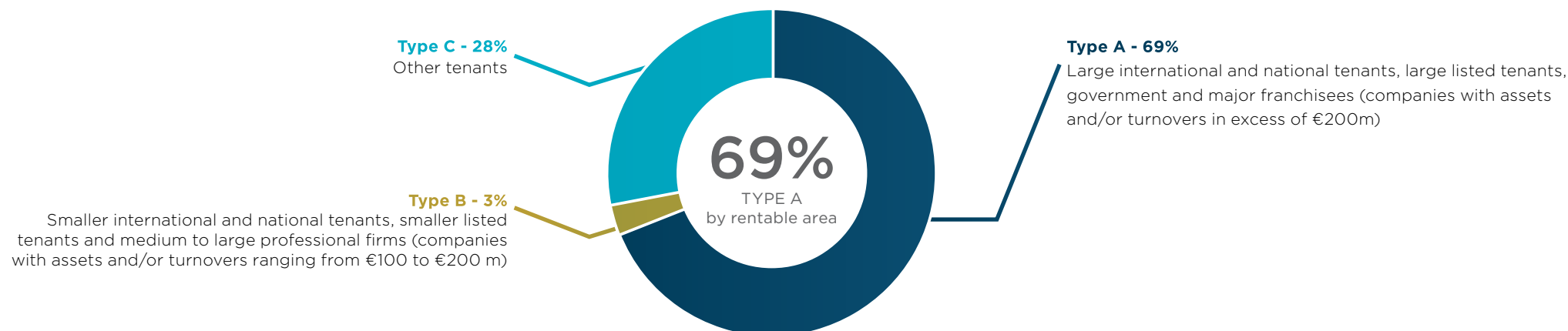
* Source: GfK

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

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



Tenant profile as at 31 December 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 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

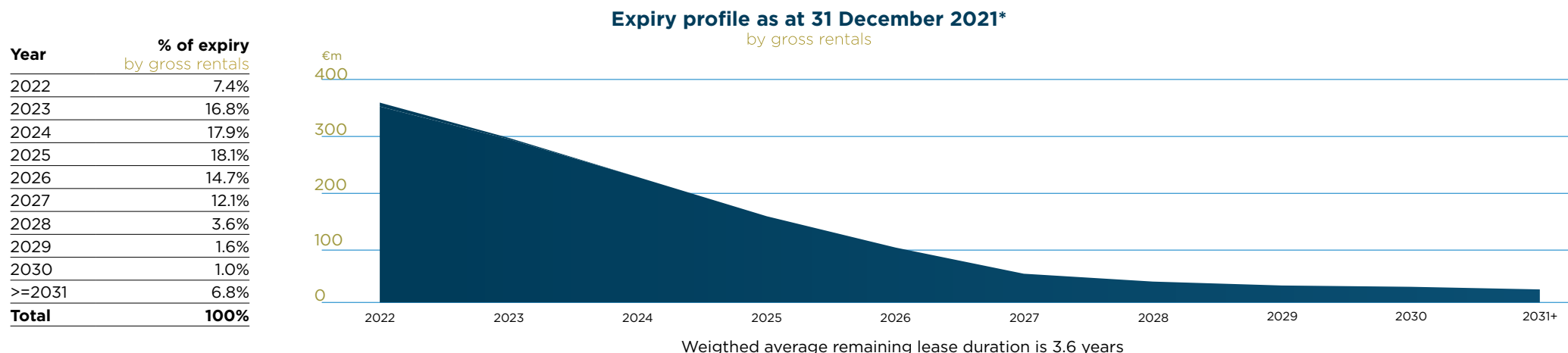
INDEXATION

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

Physical Retail and E-commerce

- Online share of total retail sales in CEE countries still expected to remain below Western European countries and US
- Even in pandemic periods, despite the unprecedented first wave shock, much of the increase in online sales appeared a transitory phenomenon
- Online spending in 2021 (especially in the second part of the year) was below its peak levels during the pandemic in most countries, including US and Western Europe
- Total retail sales forecasted to grow at higher pace than Western European countries and US

Economy	2019 average	Crisis peak (Peak year/month)	Latest	Latest minus pre-Covid-19 trend
Romania	3.6	7 (2020/11)	5.9	0.4
Poland	2.7	4.1 (2020/11)	3.8	-0.2
Hungary	5.8	9.9 (2021/03)	8.5	-
Slovakia	2.0	3.7 (2020/12)	2.5	0.2
Bulgaria	3.2	4.9 (2021/03)	4.3	-0.1
Croatia	1.5	4.1 (2020/12)	3.0	0.8
Czech Republic	5.4	11.7 (2021/03)	8.0	-
Lithuania	3.2	4.8 (2020/12)	3.6	-0.1
Serbia	1.2	2.4 (2021.09)	2.0	0.3
United Kingdom	28.4	39.8 (2021/01)	31.3	3.7
Germany	7.1	12.2 (2020/12)	7.9	-0.2
United States	21.6	25.7 (2020/12)	23.9	-0.4
Mean*	10.3	14.9	12.2	0.6
Median*	5.7	9.9	6.8	0.1

* Comprise 47 economies and 26 sectors for the period between January 2018 and September 2021

Source: International Monetary Fund working paper "E-commerce during Covid: stylized facts from 47 economies, WP/22/19, January 2022"

Total shopping centre floorspace*

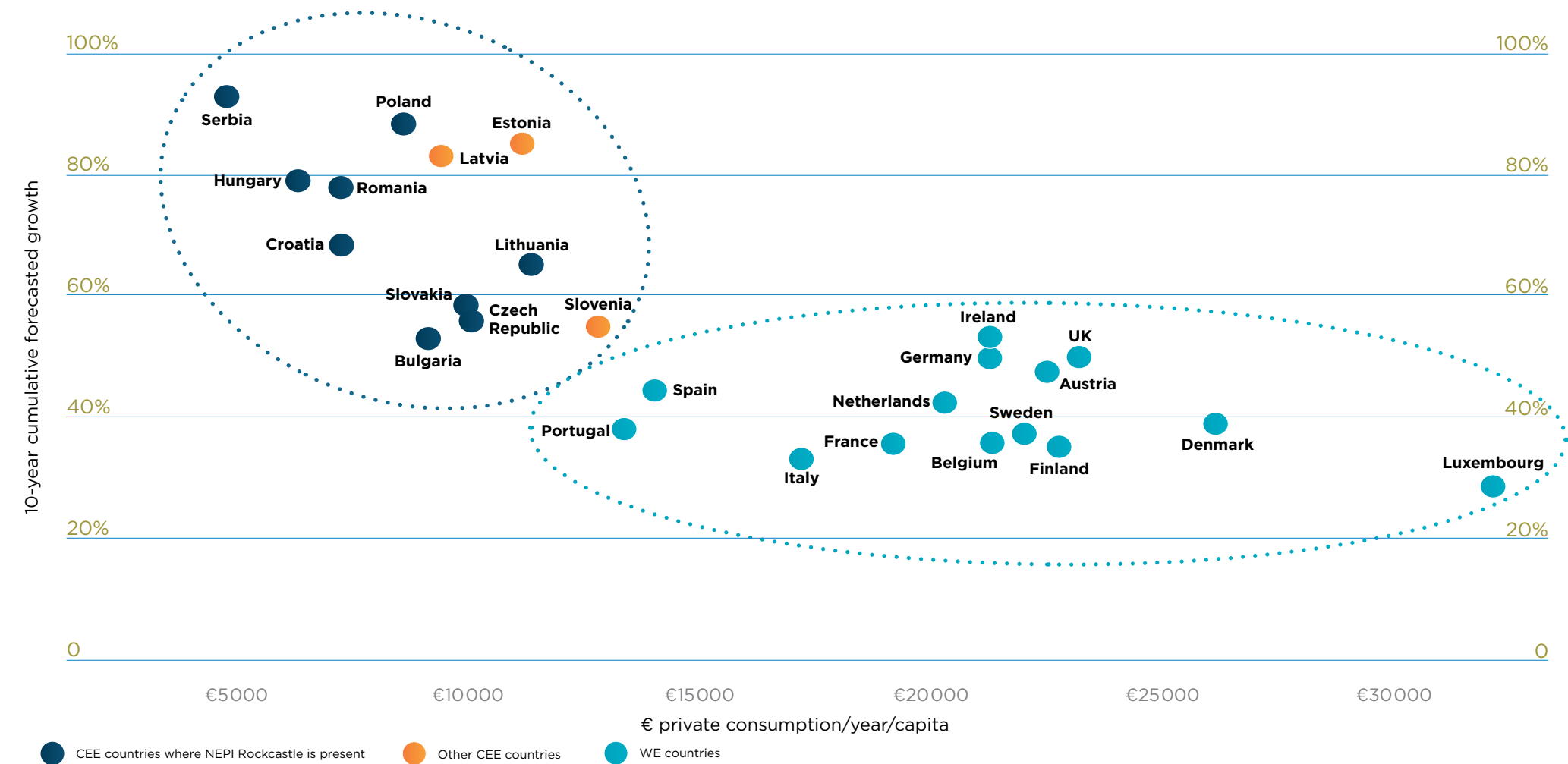
	Romania	Poland	Bulgaria	Serbia	Hungary	Croatia	Slovakia	Czech Republic	Lithuania	Western Europe	USA
Shopping center density (m² / 1,000 population)	201.0	318.8	115.2	79.7	229.7	123.6	219.9	224.4	311.7	322.0	1,500
Population (million people)	19.4	38.0	6.9	6.9	9.8	4.0	5.5	10.7	2.8	420.5	330
Stock of shopping centre space (million m²)	3.9	12.1	0.8	0.6	2.24	0.5	1.2	2.4	0.9	135.4	509

Source: Colliers, JLL, CBRE, 2020 data

* excludes high street retail space

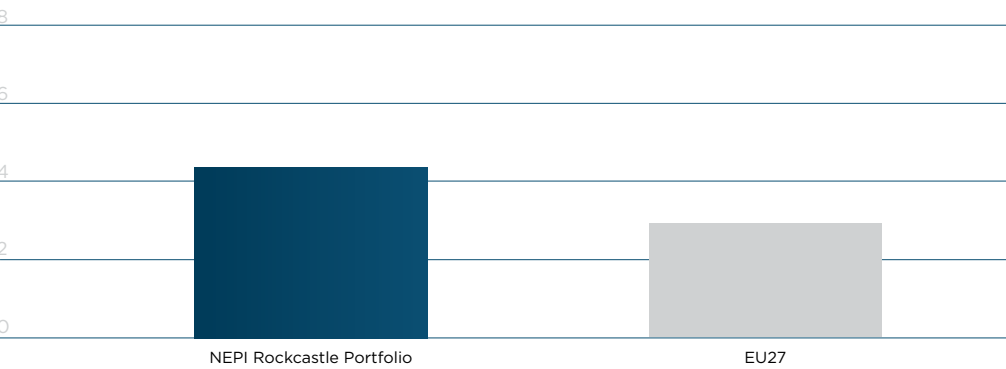
Macroeconomic fundamentals and prospects

CEE private consumption growth remains well above WE average

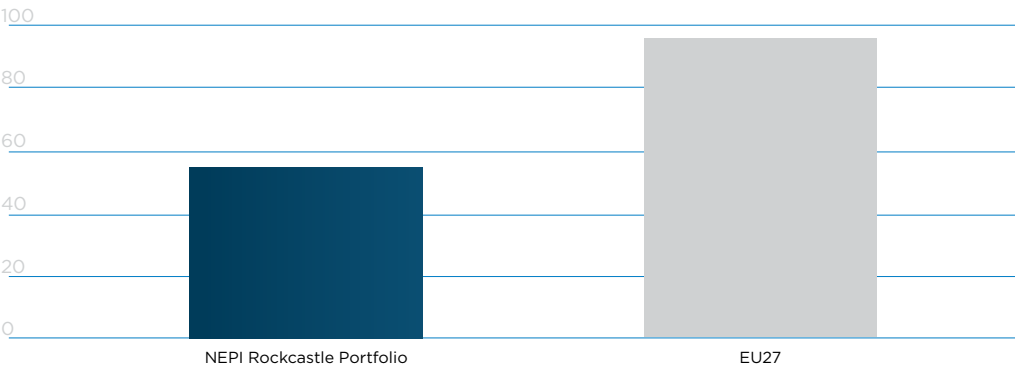


Average 5-year key macroeconomic indicators in NEPI Rockcastle countries vs EU27

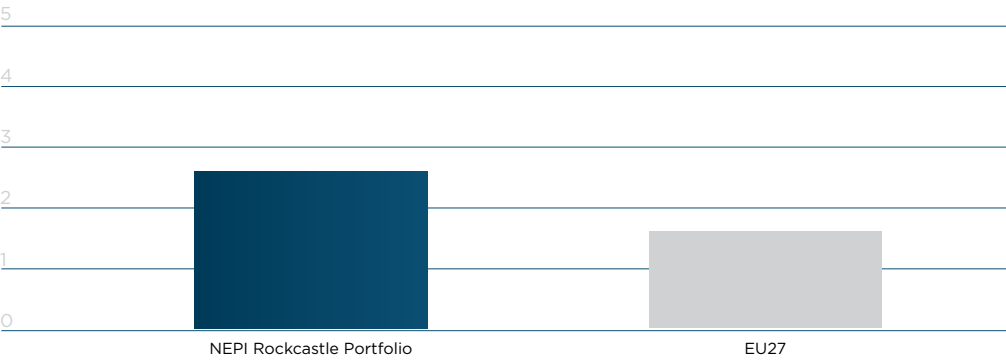
Real GDP growth (%)



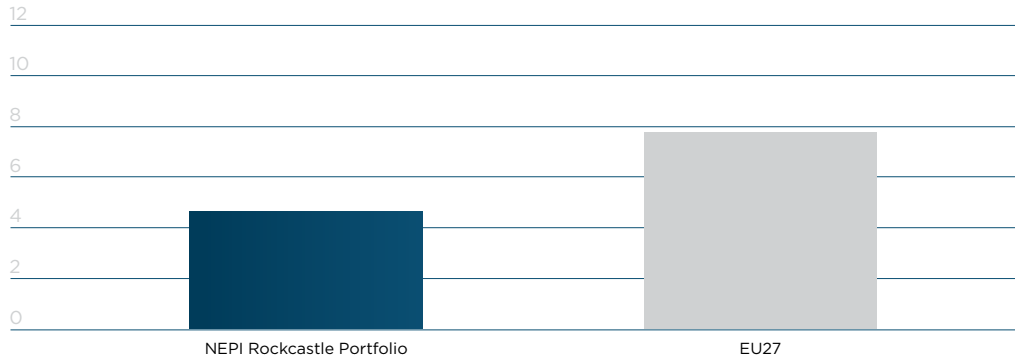
General gov. debt (% of GDP)



Consumer price index (%)



Unemployment (%)



Prudent financial strategy

as of March 2022

32.5%
Prudent LTV

with **35%** long term strategic threshold

€1bn
Liquidity

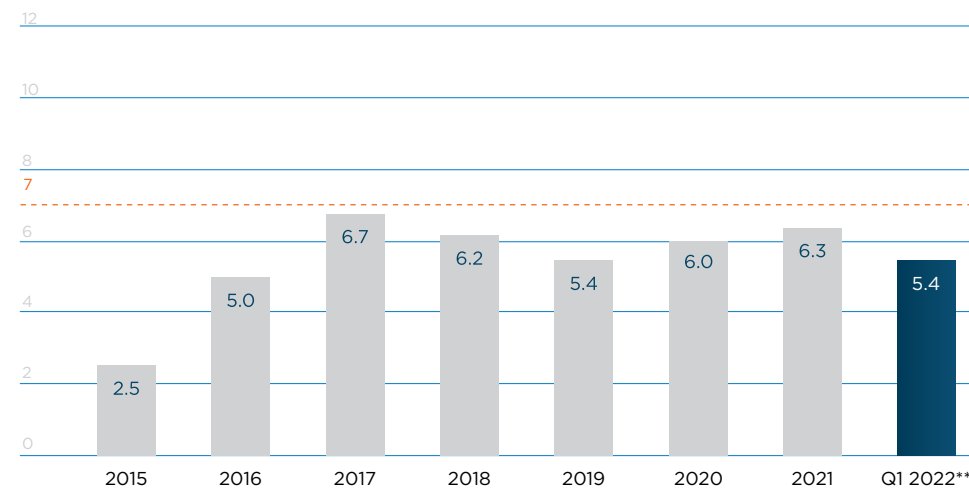
including cash (€397m) and available revolving facilities (€620m)

BBB
Investment grade rating

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

- **91%** of the investment property **unencumbered**
- **Weighted average remaining debt term: 4.9 years**
- **Interest rate risk fully hedged**
- **Cost of debt: 2.34%** (2020: 2.3%)

Net debt/EBITDA*



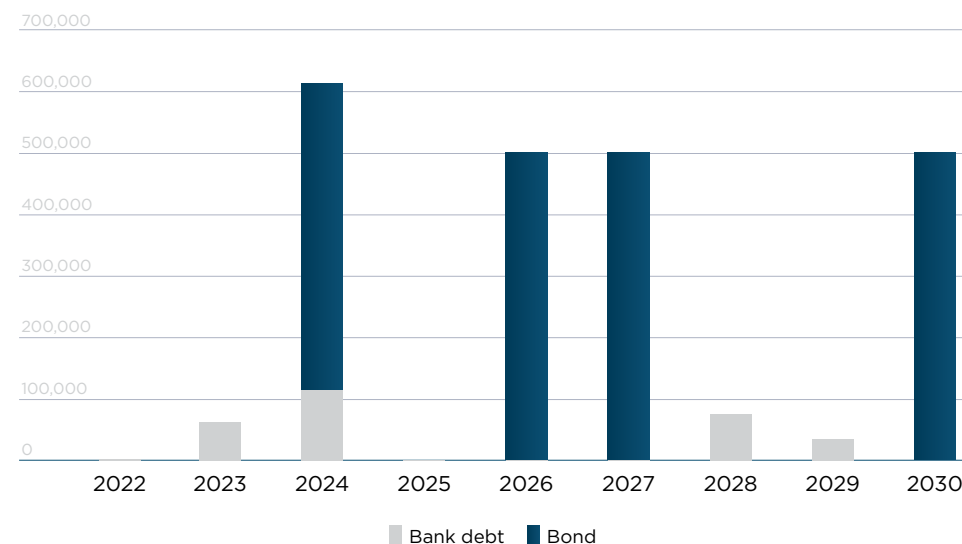
* IFRS accounts
** annualised

-- Threshold monitored by management and rating agencies

Prudent financial strategy» continued

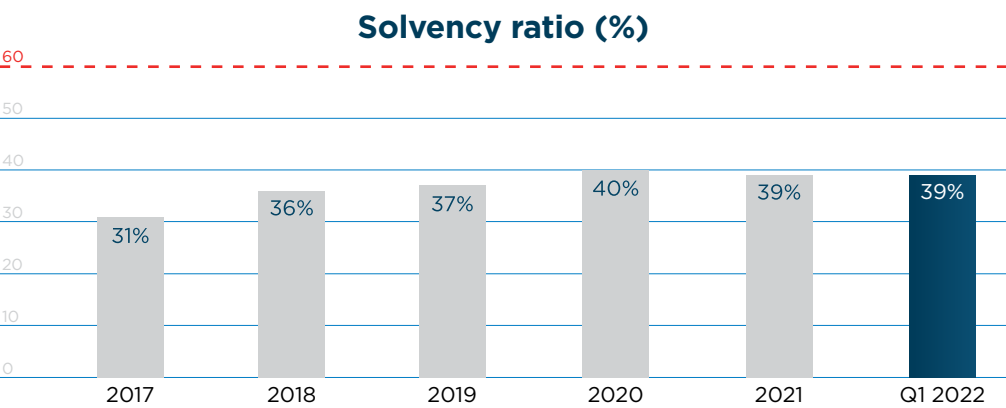
- Current undrawn revolving facilities of €620 milion
- Strategic issue of €500 million 8 year green bond, to refinance previously issued bond (maturing in 2023)
- No significant debt obligation in 2022 and 2023
- Ensured that 91% of the portfolio is unencumbered

Debt maturity profile as of March 2022 (€m)

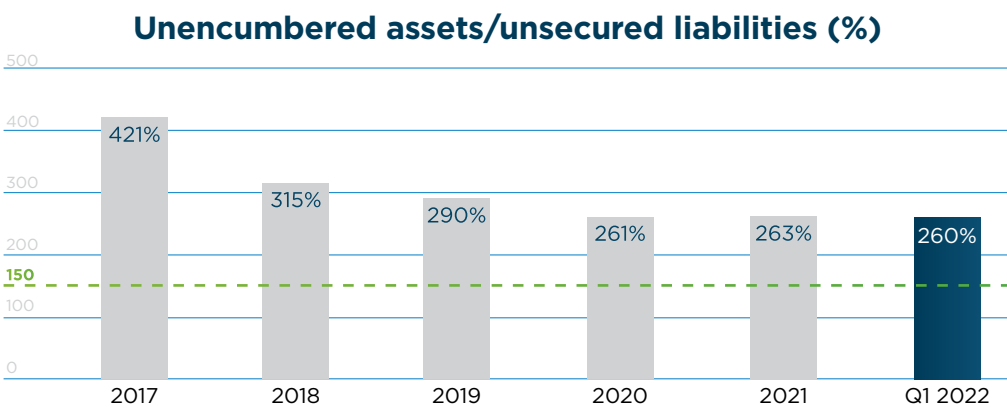
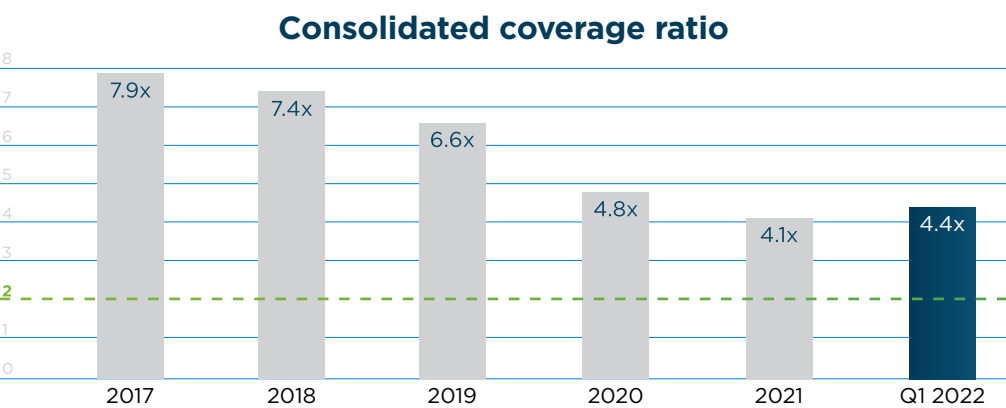


Significant headroom on unsecured debt covenants

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

Environmental, Social and Governance focus

NEPI Rockcastle continues to consistently roll out its sustainability strategy

2021

- 71% (by GLA; 72% by market value) of the Group's assets have "Very good" or "Excellent" BREEAM certifications, confirming they are resource-efficient
- in-vessel composting equipment for the biodegradable waste in Romanian and Bulgarian properties
- installation of LED lighting across portfolio, with 69% of Gross Floor Area currently LED covered
- enhancement of the green urban mobility, by the extension of electric cars charging network (Tesla partnership)

2022

- a €37 million investment in photovoltaic plants for thirty shopping centres by the end of 2023, minimising the carbon footprint and stabilising energy costs.



EPRA sBPR Bronze Award



Top 10 Sustainalytics rated Real Estate Management companies

(low risk - 11.4/100)



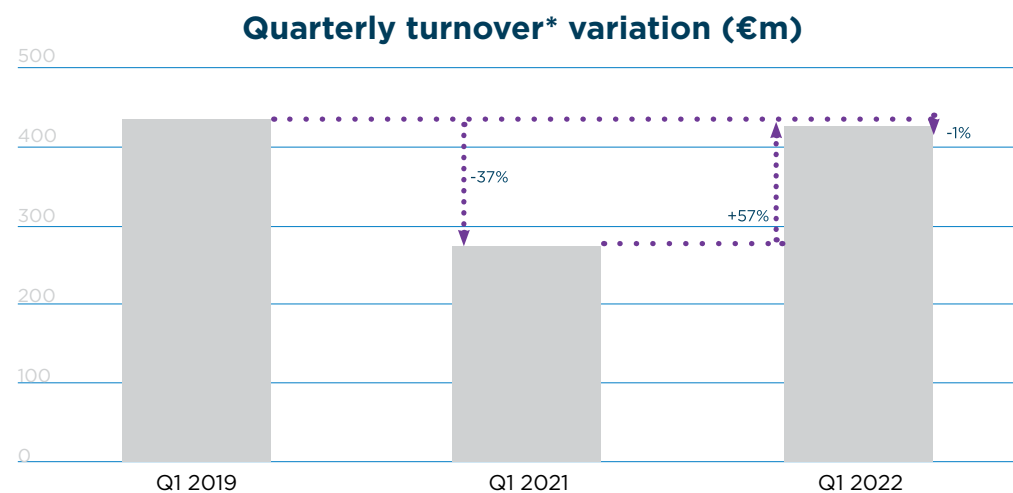
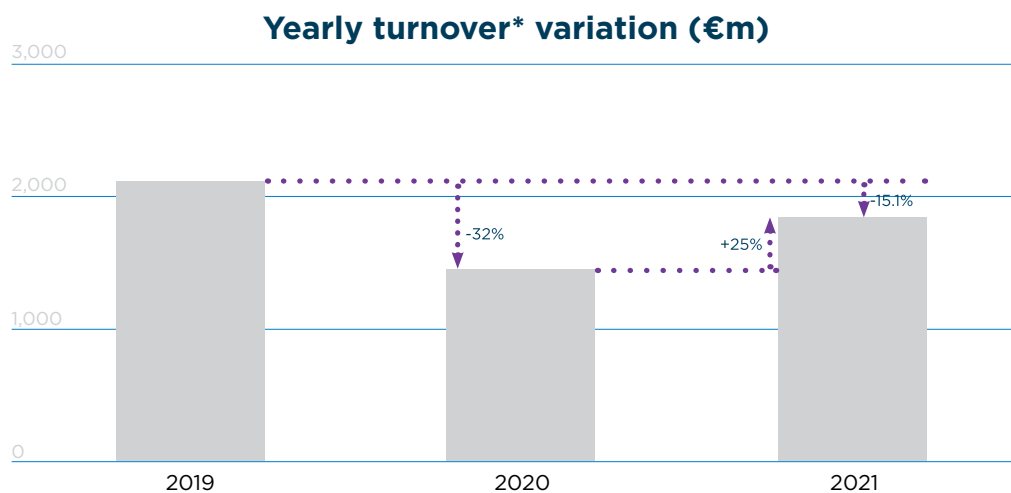
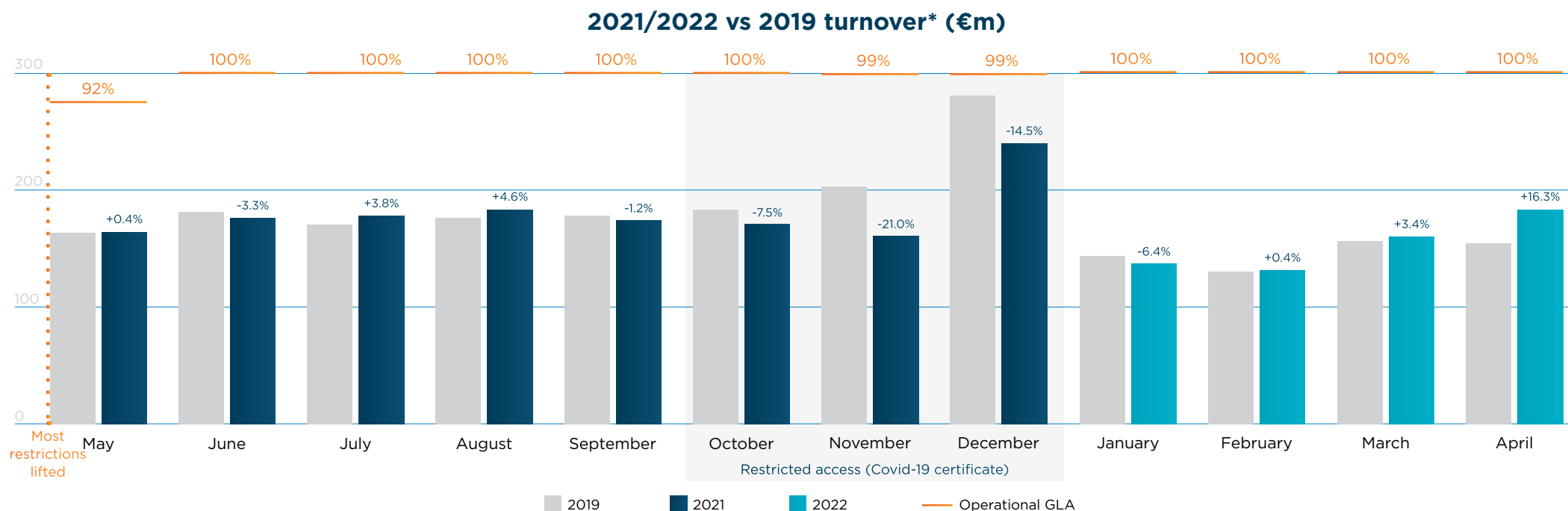
AA ESG rating leader



Post-Covid recovery

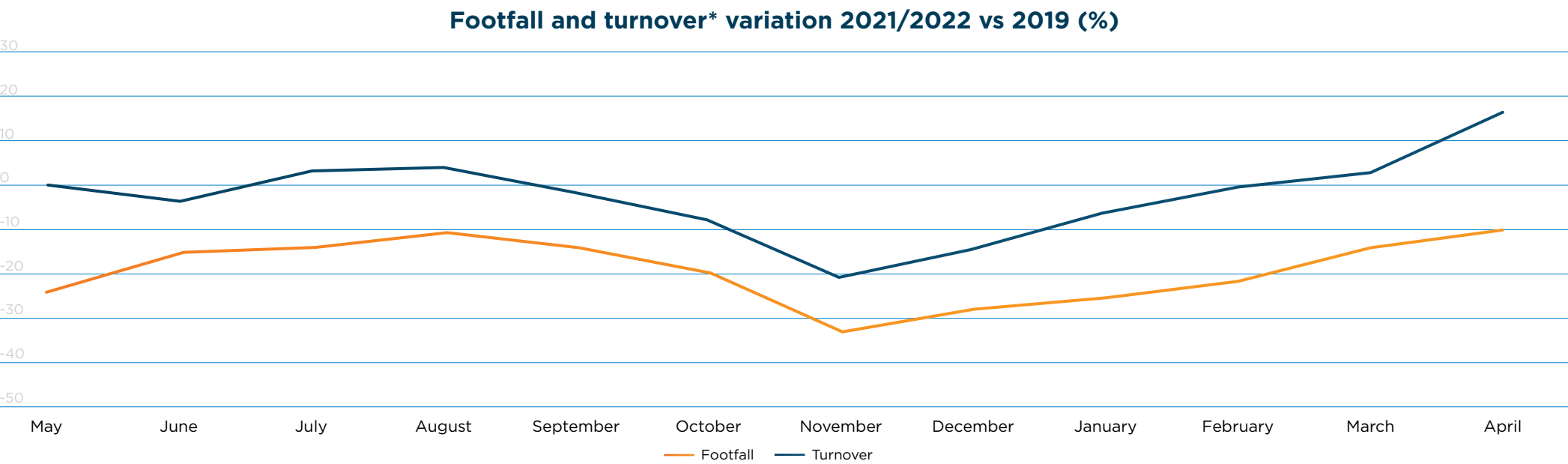
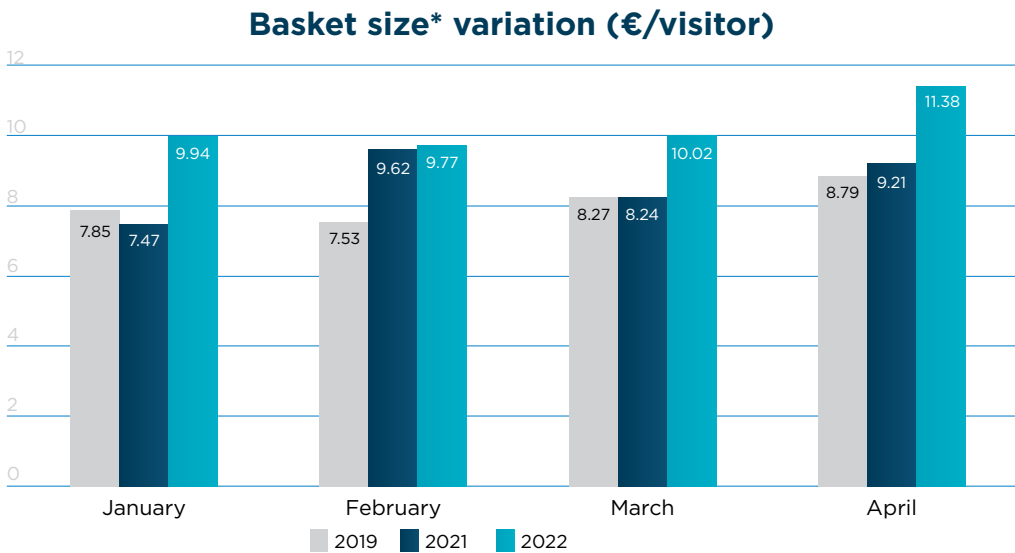
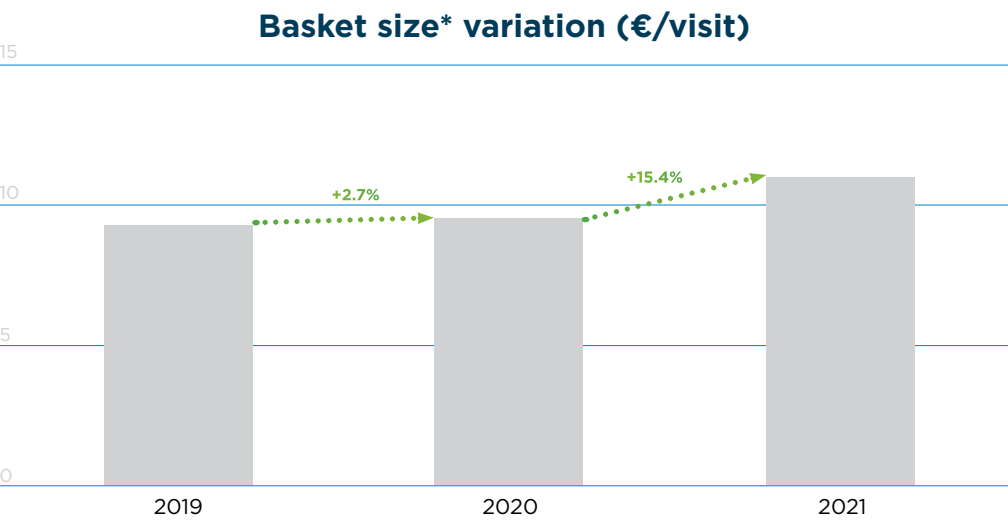
Performance recovery once restrictions have been lifted

Turnovers in 2022 recovered and even exceeded 2019 levels



Performance recovery once restrictions have been lifted » continued

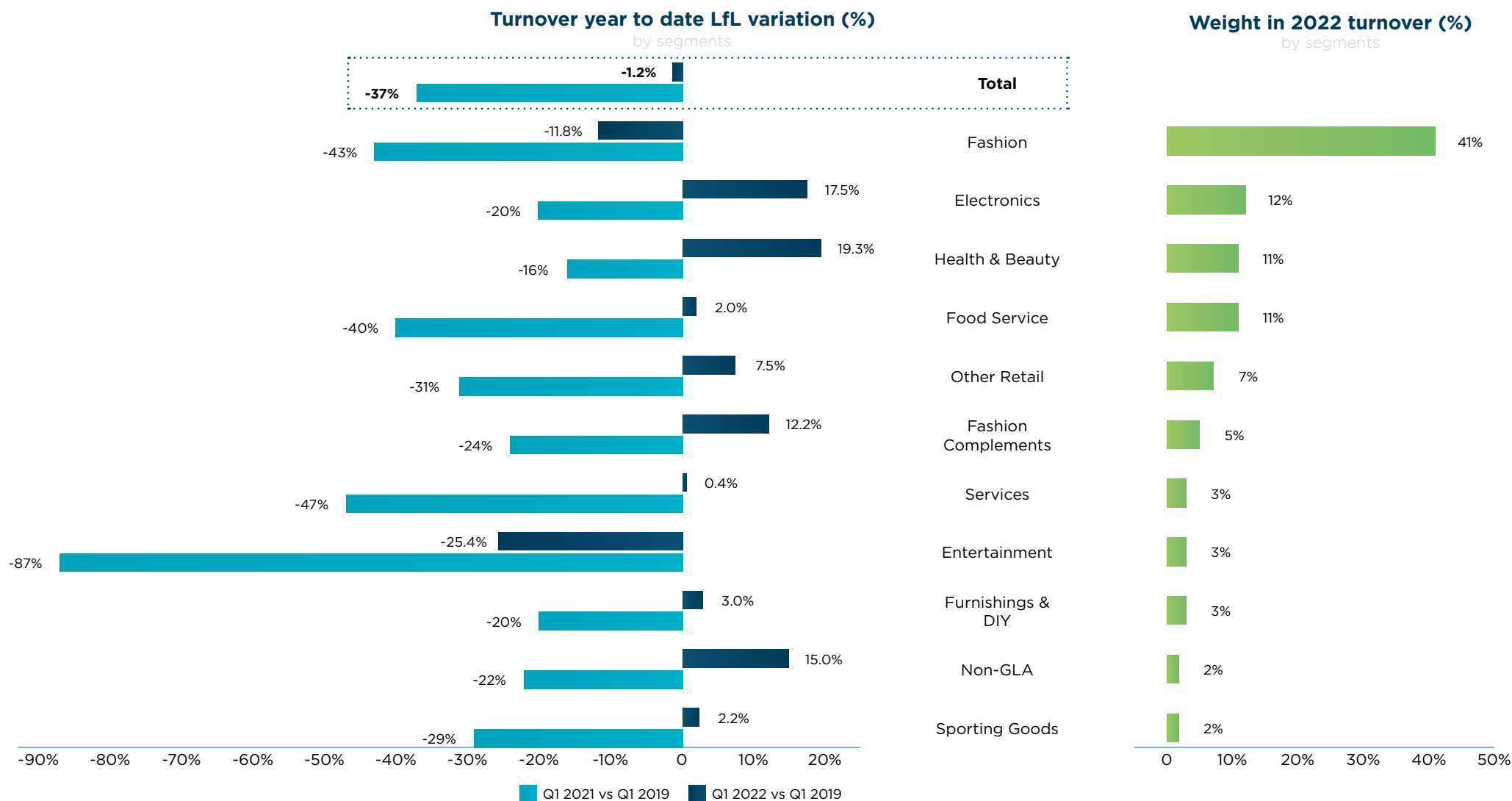
For the first four months of 2022, turnover recovered at faster pace compared to footfall (+3.9% vs -18.2%), leading to increase in basket size (+27%) compared to 2019



* Like-for-like properties, excluding hypermarkets

Q1 2022 Status of the business – Retail segments

Strong come back of sales in Q1 2022. Fashion (-11.8%) and Entertainment (-25.4%) still behind Q1 2019



*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*



Way forward

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**



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

- **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

€610m
investments under
permitting and construction



Developments under construction

Promenada Mall	Romania	Mall/Office	Extension
Promenada Craiova	Romania	Mall	Development
Bonarka City Center	Poland	Mall	Refurbishment
Vulcan Residence	Romania	Residential	Development

Developments under permitting and pre-leasing

Promenada Plovdiv	Bulgaria	Mall	Development
Galati Retail Park	Romania	Mall	Development

Outlook 2022

2022 Focus

- Execute on development pipeline
- Actively looking for investments opportunities
- Successfully complete the relocation of the parent Company
- Improve ESG performance
- Maintain balance sheet safety
- Further digital acceleration



