



**NEPI
ROCKCASTLE**



RESULTS PRESENTATION

December 2022



**NEPI
ROCKCASTLE**

EXCELLENCE. INNOVATION. EXPERIENCE.

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Overview

Reconfirming the position of leading retail real estate group in CEE

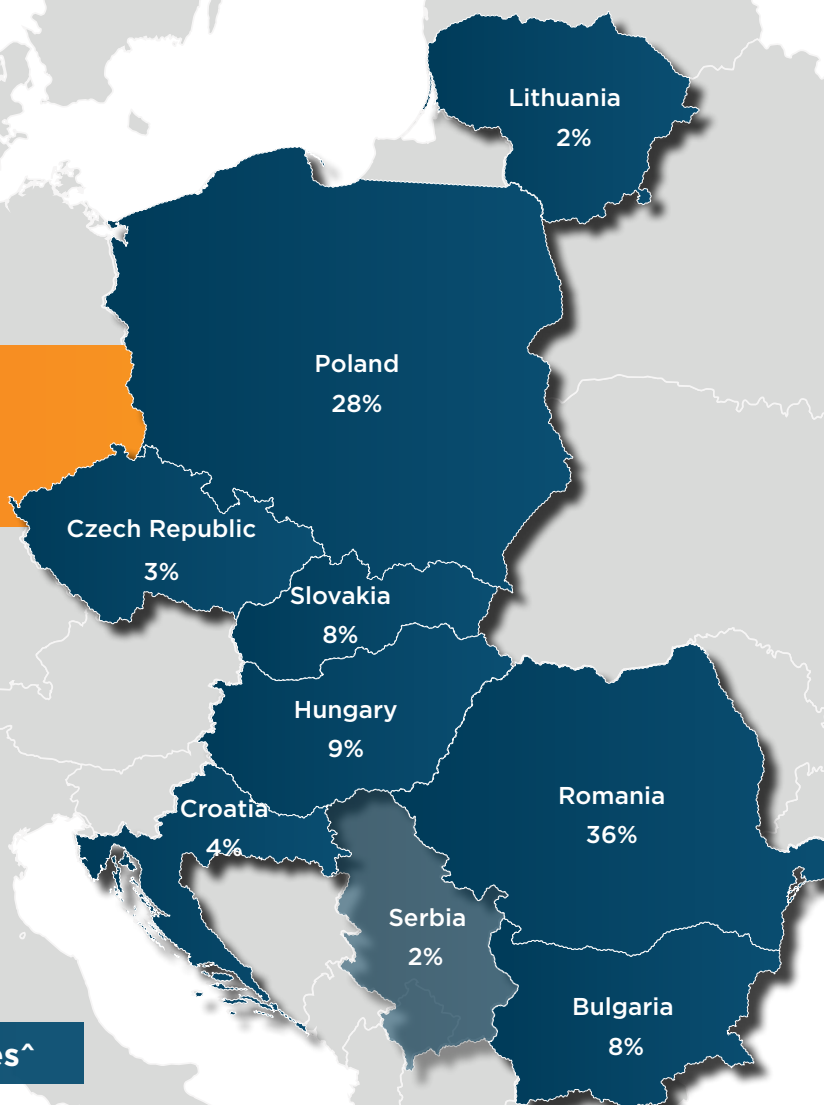
**Oriented towards financial stability
and long term growth**

Strong economics of CEE countries where the Group operates^

Population (m inhabitants): 104
Total GDP (€m): 1,582,446
Average GDP per country (€m): 317,651

GDP per capita (€): 15,297
Purchasing power per inhabitant (€): 8,038
Number of Group's income-producing: 59 properties

^ Source: GfK, World Bank (2021)



■ EU countries ■ non-EU country % by market value

GROWTH

HIGH-QUALITY PORTFOLIO OF DOMINANT ASSETS

- **+51.5% growth in DEPS** vs 2021
- **+31.4% higher tenant sales*** in 2022 vs 2021 (+11.7% higher vs 2019)
- **+17% higher NOI** in 2022 vs 2021 (+1% higher vs 2019)

DELIVERING ON DEVELOPMENTS

- Close to **240,000m²** GLA under construction and permitting
- **€677 million** pipeline to be delivered during 2023-2025

EXPANDING AND STRENGTHENING THE PORTFOLIO'S NOI

- **€35 million NOI** added to the property portfolio through acquisitions in Poland and Romania

SUSTAINABILITY

FINANCIAL STABILITY

- **35.7%** safe level of **LTV**
- No significant debt maturities in 2023

ESG FOCUS

- **€37 million investment in renewable energy** by the end of 2023
- **100%^ of assets** with Excellent or Very Good BREEAM certification

* On a like-for-like basis

^ Excluding strip retail centers, industrial properties

Operational excellence

Best operational performance in the Group's history

2021	2022 vs 2021	2022	2022 vs 2019	2019
34.42 € cents Distributable earnings per share	+51.5%	52.15 € cents Distributable earnings per share*	-7.4%	56.33 € cents Distributable earnings per share
40.55 € cents Recurring distributable earnings per share	+20%	48.64 € cents Recurring distributable earnings per share**	-13.7%	56.33 € cents Recurring distributable earnings per share
€347m NOI	+16.7%	€405m NOI	+1.0% (+4.7% LfL)	€401m NOI
96.0% EPRA Occupancy	+1.3pp	97.3% EPRA Occupancy	-0.6pp	97.9% EPRA Occupancy
100% Collection rate***	+1pp	99.0% Collection rate***	-0.9pp	99.9% Collection rate
€2,072 Turnover/m ² ^	+27.6%	€2,643 Turnover/m ² ^	+6.5%	€2,481 Turnover/m ² ^

* Distributable earnings per share impacted by the one-off positive impact of litigation claim

** Distributable earnings per share normalised for the one-off positive impact of litigation claim

*** Collection rate as at end of January 2023

^ Tenant sales, excluding hypermarkets

Balance sheet enhancement and stability

Dec 2021	Dec 2022 vs Dec 2021	Dec 2022	Dec 2022 vs Dec 2019	Dec 2019
€5.8bn Investment property value*	+13.8%	€6.6bn Investment property value*	+4.8%	€6.3bn Investment property value*
€6.51 EPRA NRV per share	+5.1%	€6.84 EPRA NRV per share	-6.6%	€7.32 EPRA NRV per share
91% Unencumbered assets^	-	91% Unencumbered assets^	+8pp	83% Unencumbered assets^
3.7 years Average debt maturity	+0.9 years	4.6 years Average debt maturity^^	+0.5 years	4.1 years Average debt maturity
30.9% Loan-to-value	+4.8pp	35.7% Loan-to-value	+3.7pp	32.0% Loan-to-value

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

^ Percentage of investment property

^^ Excluding the effect of the disbursed revolving credit facilities

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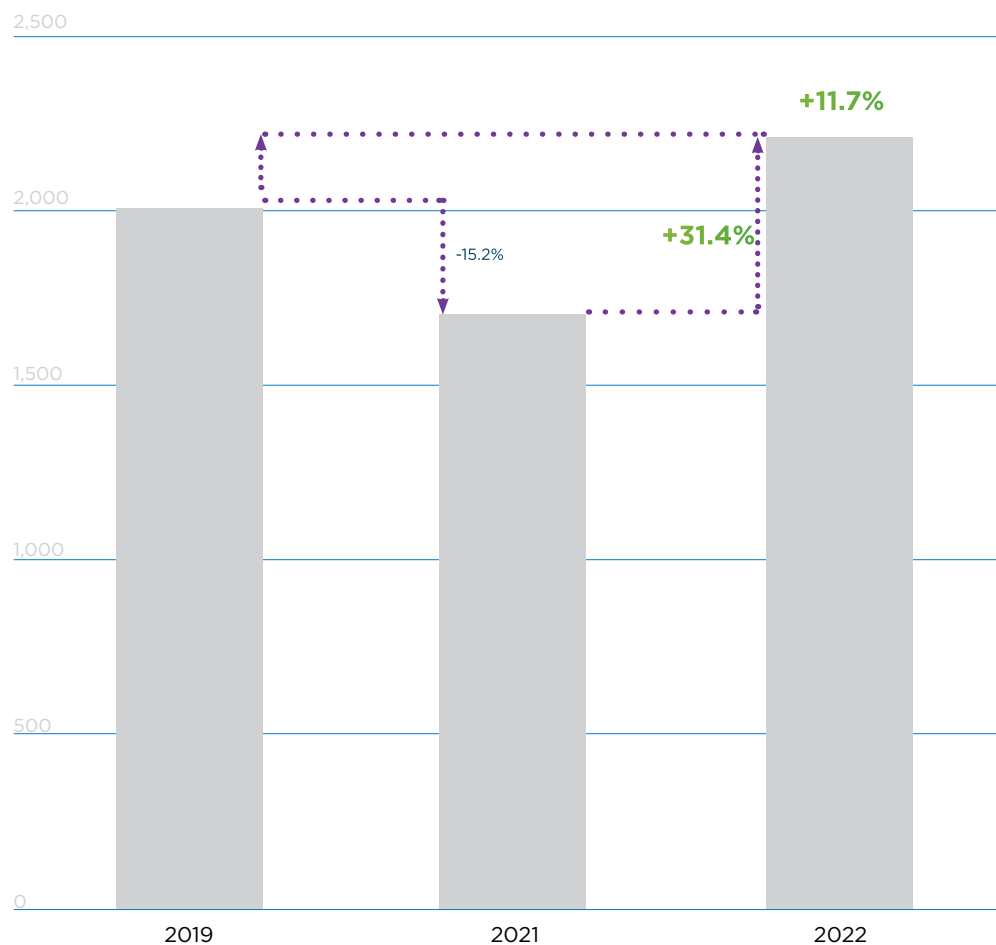


Operations

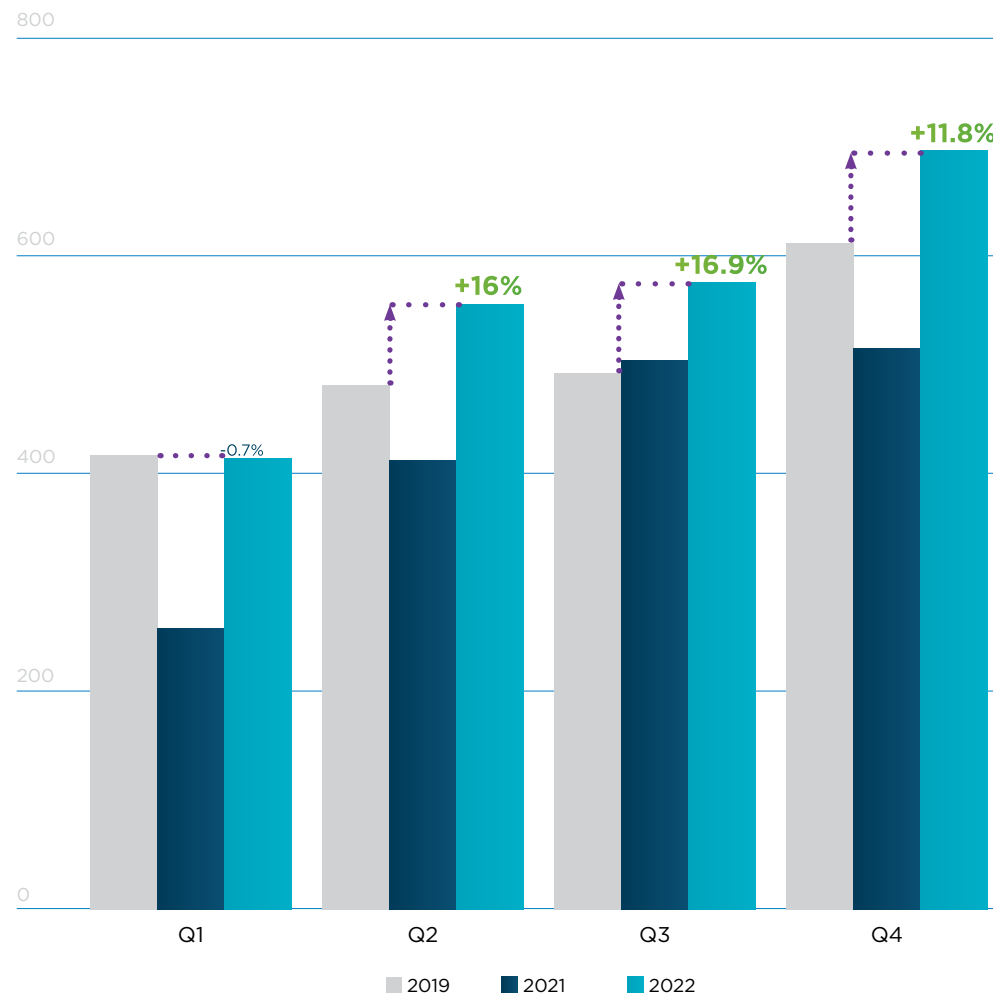
2022 Operational performance: Turnover*

2022 turnovers 11.7% above 2019 and 31.4% above 2021

Full Year turnover* variation (€m)



Quarterly turnover* change (€m)

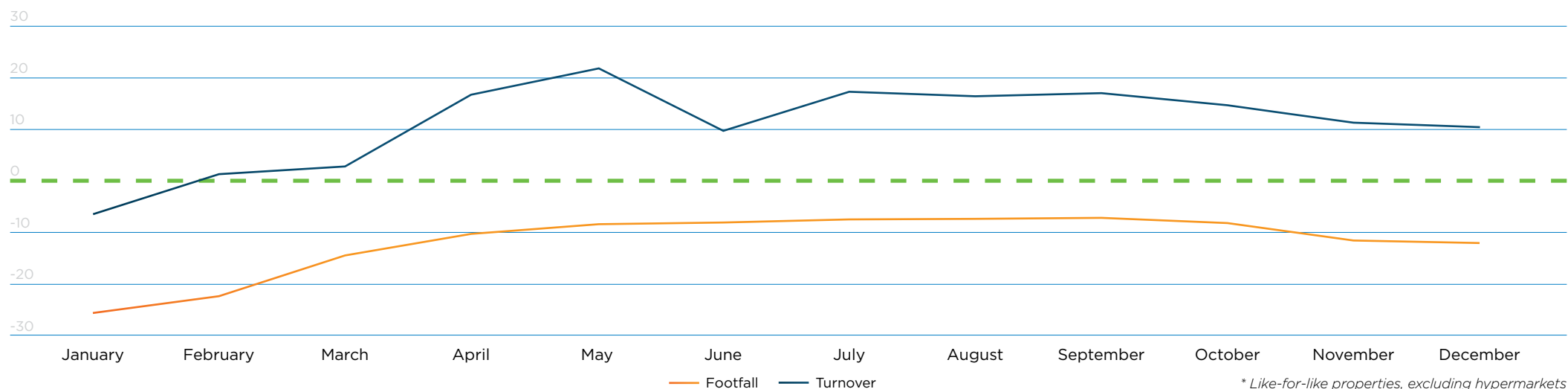


* Like-for-like properties, excluding hypermarkets

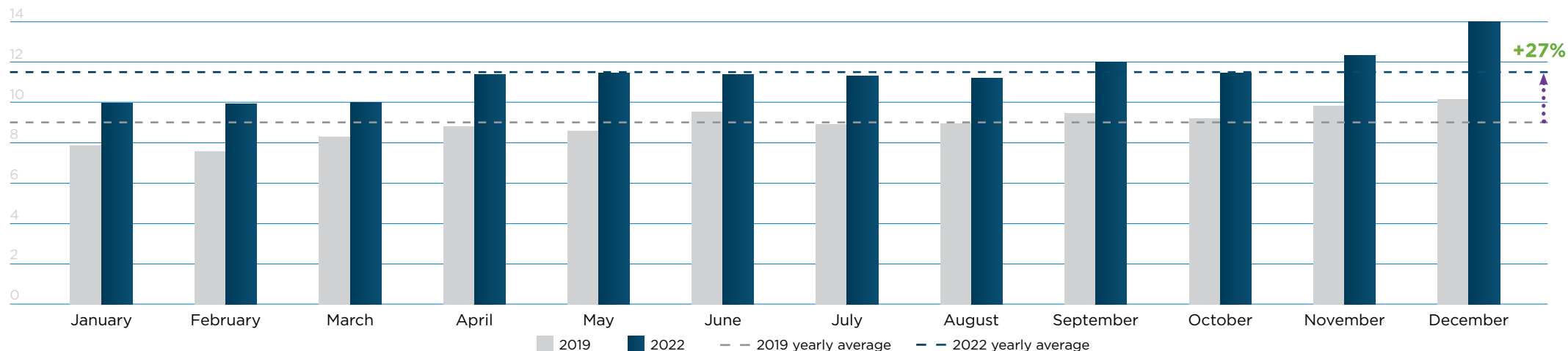
2022 Operational performance: Basket size

Average spending up +27%, while footfall reaching 88% of 2019 and 120% of 2021

Footfall and turnover* variation 2022 vs 2019 (%)

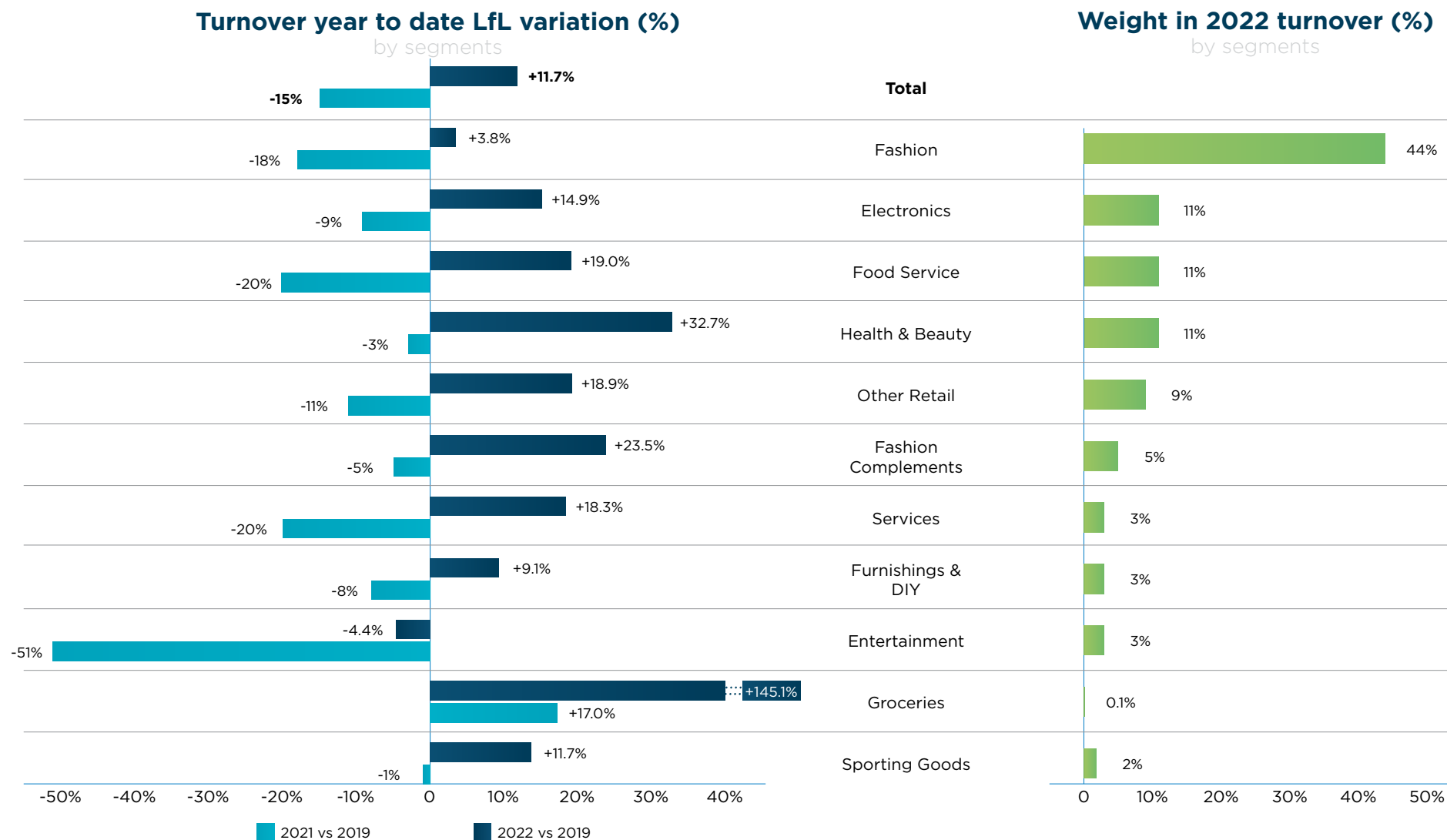


Basket size variation 2022 vs 2019 (€/visitor)



2022 Operational performance: Retail segments

Continuous performance improvements throughout all segments

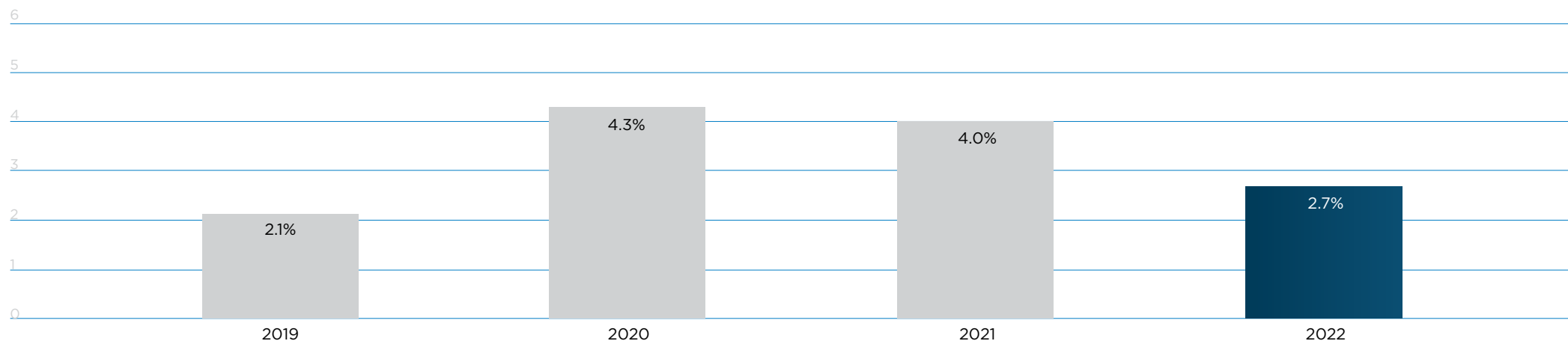


Fashion complements includes Jewelry, sunglasses, fashion accessories;
 Other retail includes Books, Office supplies, Gourmet, Tabaco, Toys, Pet Shop;
 Services includes Beauty centers, Telecom, Travel

2022 Operational performance: Active asset management

Positive retail environment supported reducing vacancy to 2.7% and achieving BRU of 8.7%

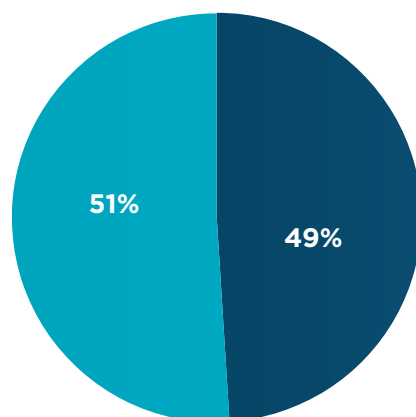
EPRA Vacancy (%)



Split of signed leases 2022

by GLA

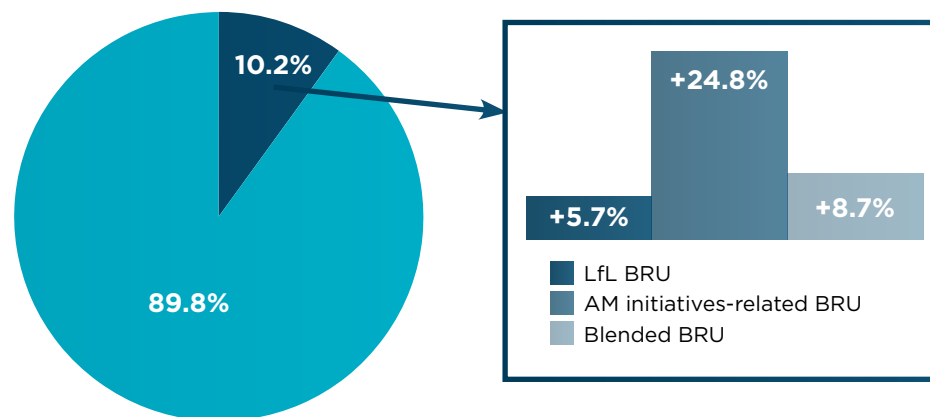
1,047 signed leases on 230,000m² GLA, out of which 51% of GLA represent new leases.



New leases Renewals

2022 leasing activity

by GRI

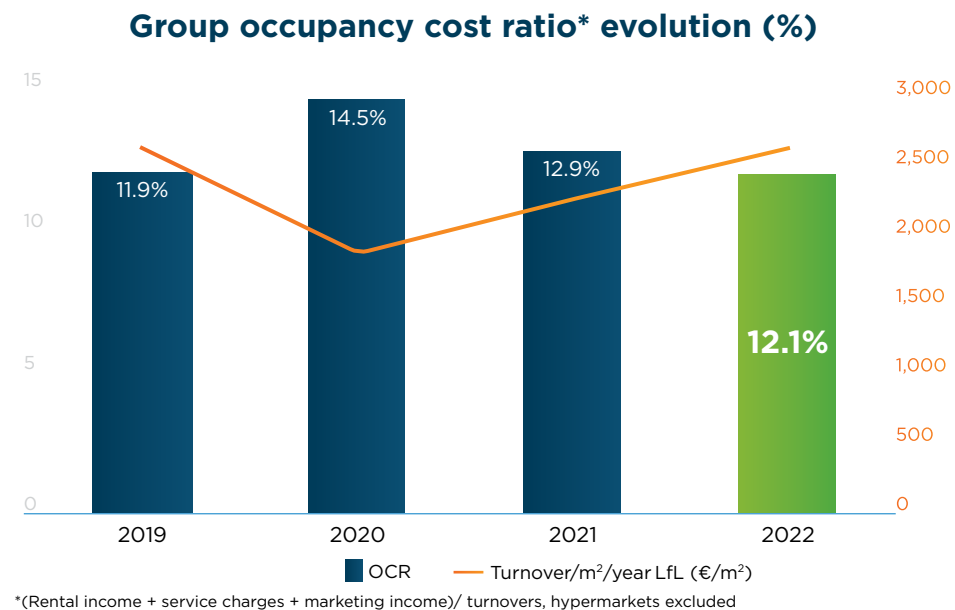
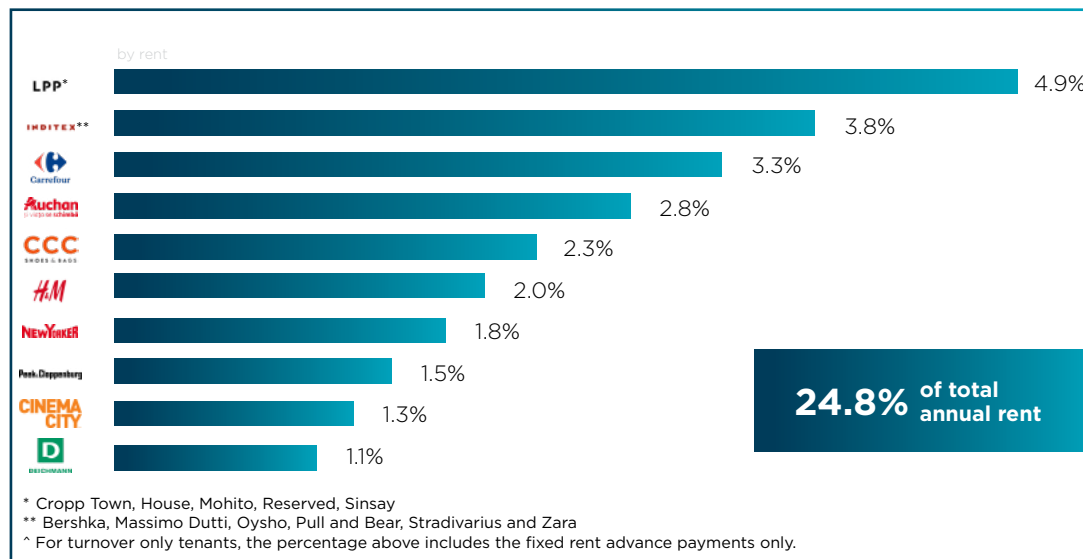


Involved in a new lease signed in 2022 Only indexed in 2022

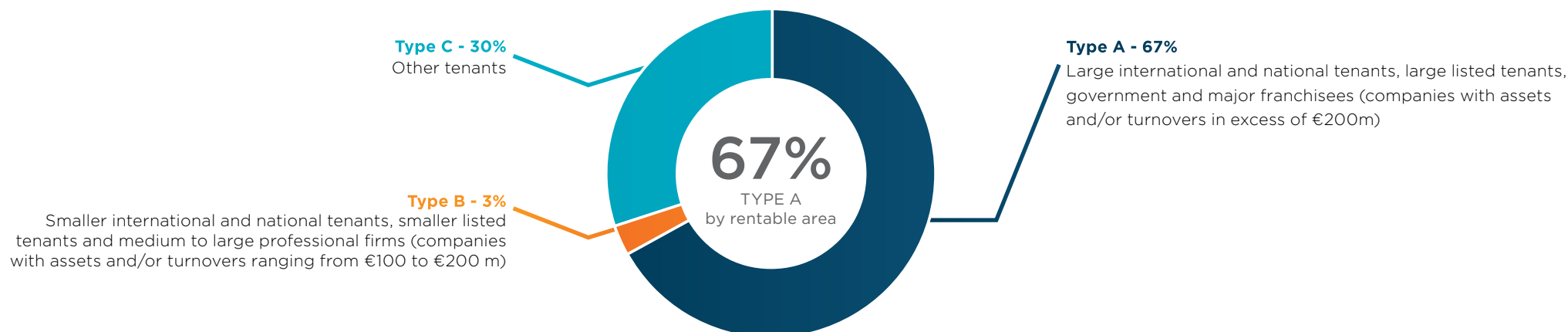
2022 Operational performance: Sustainable retail environment

Excellent tenant performance and tight cost controlling led to 12.1% OCR

Sustainable anchor tenant base as at 31 December 2022, with limited exposure to concentration risk



Tenant profile as at 31 December 2022

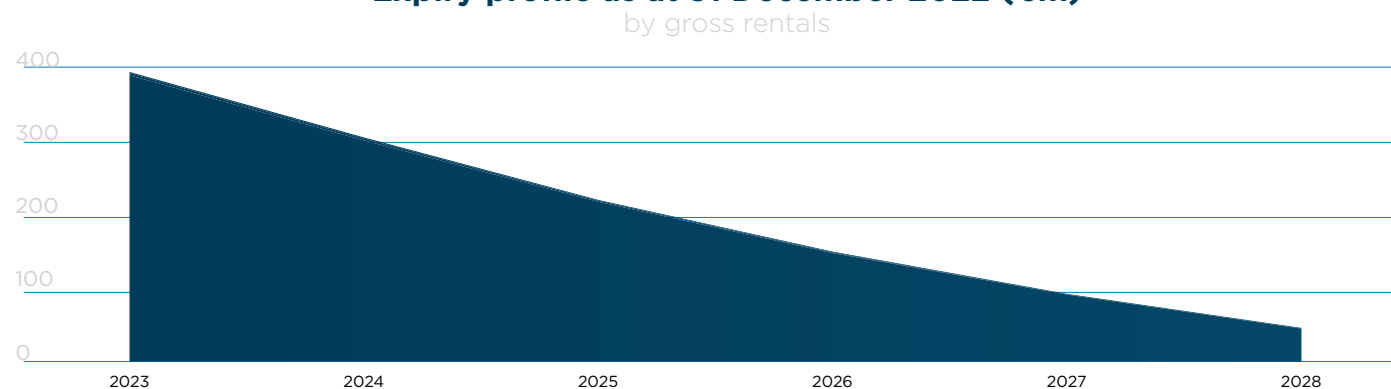


Strong lease terms on a sustainable expiry profile

Sustainable long-term lease duration post-Covid-19

Year	% of expiry by gross rentals
2023	9.1%
2024	20.6%
2025	19.5%
2026	16.2%
2027	13.2%
2028	10.8%
>2029	10.6%
Total	100%

Expiry profile as at 31 December 2022 (€m)



Weighted average remaining lease duration is 3.1 years

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 5.6% and 4.4% of gross rental income (5% and 3.1% respectively in FY 2021)

TRIPLE-NET LEASES

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**

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)

GUARANTEES

Typically equivalent to three months' rent, service charge and VAT; parent company guarantee required for major retail tenants

2022 Operational performance: Leasing activity

New brands show interest in CEE, while existing brands show a high appetite to further increase their presence in the region

Newcomers expanding in CEE



Flagship opened in Bonarka Krakow; new lease signed in Arena Mall Budapest – market entry



Market entry – Promenada Craiova



Market entry – Mega Mall, Bucharest



Market entry – Mega Mall, Bucharest

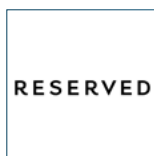


Rightsizing and refurbishment in Arena Mall Budapest

Existing tenants in the region with strong appetite for expansion



Paradise Center Bulgaria and City Park Constanta – enlarged and refurbished to the latest concepts



Reserved Kids opened in Paradise Center Bulgaria ; Serdika Center – enlarged and refurbished to the latest concept; New leases in Karolinka and Ploiesti



New stores in Mega Mall and Timisoara Shopping City



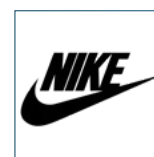
New stores in Mammut Center, Karolinka Shopping Center and Focus Mall Piotrkow



New stores in Deva Shopping City and Tg Jiu Shopping City



New stores in Ozas and Braila Mall



New lease signed for Promenada Craiova



New stores in City Park Constanta, Deva Shopping Center, Braila Mall and enlargement and refurbishment of Mega Mall

3



Finance

Finance agenda

Distributable earnings

Funding strategy

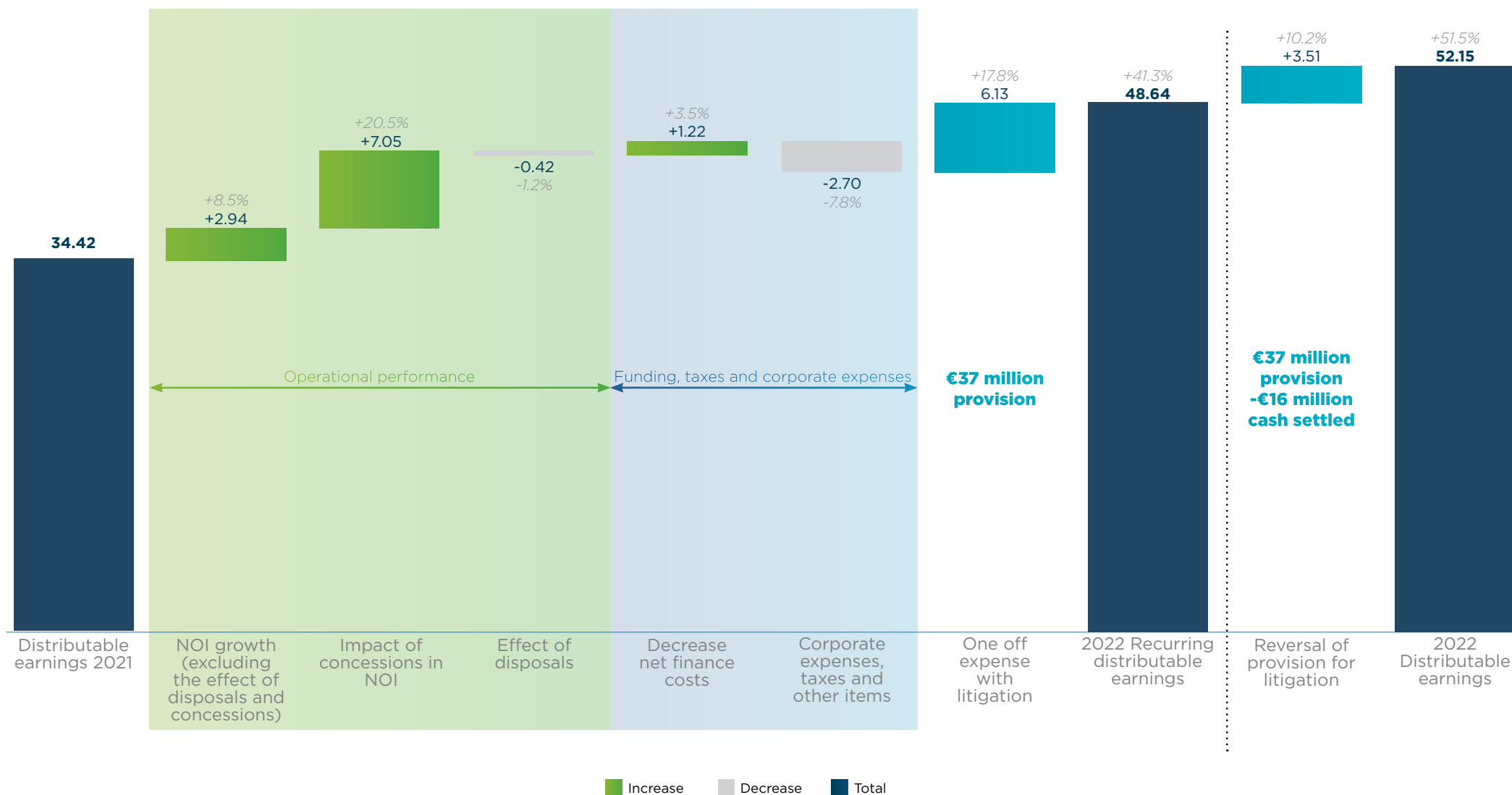
Valuation



Key drivers of 2022 distributable earnings vs 2021

amounts in € cents

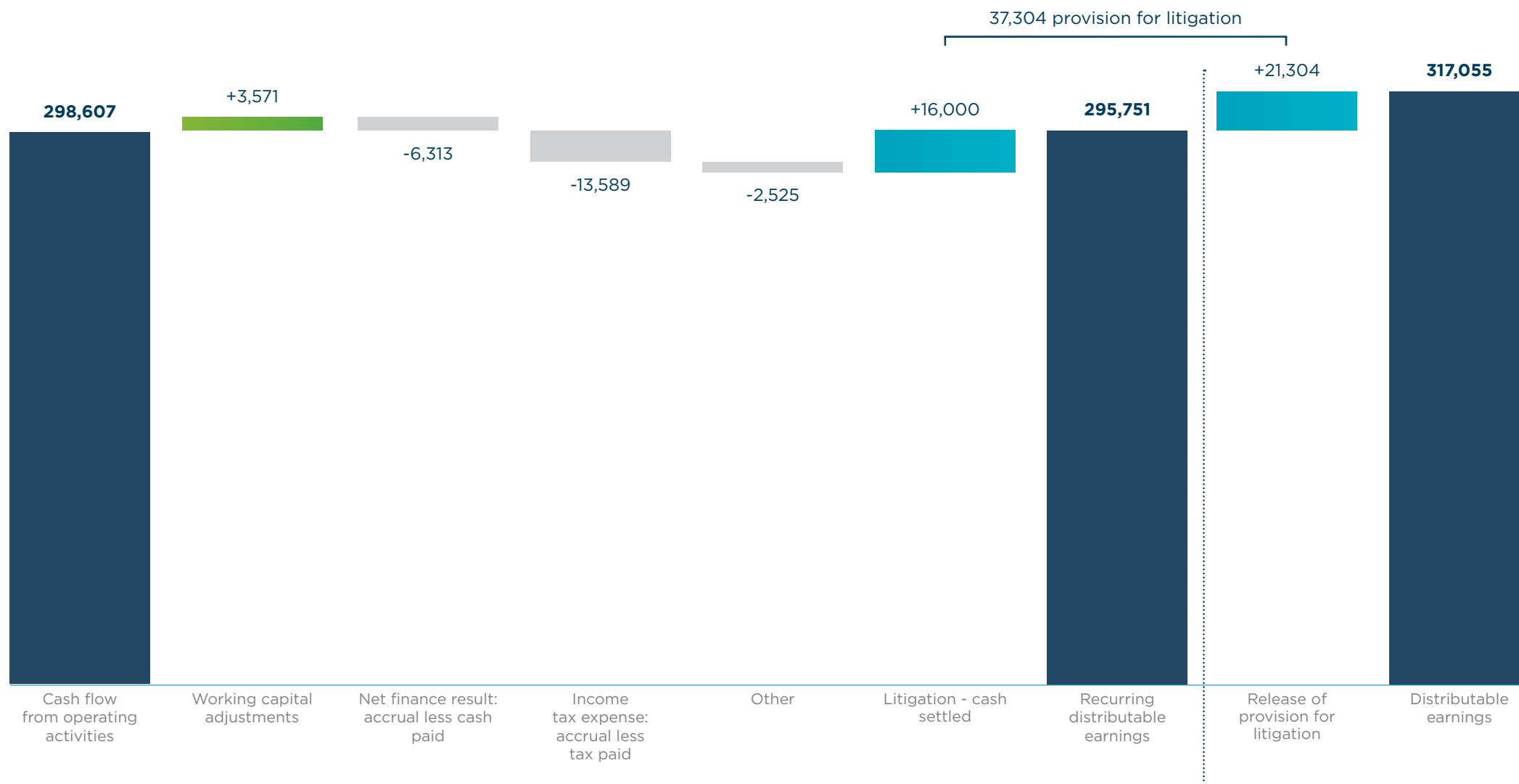
Distributable earnings growth driven by strong operational performance, lack of concessions and settlement of litigation claim.



Cash flow from operating activities vs 2022 distributable earnings

amounts in € thousand

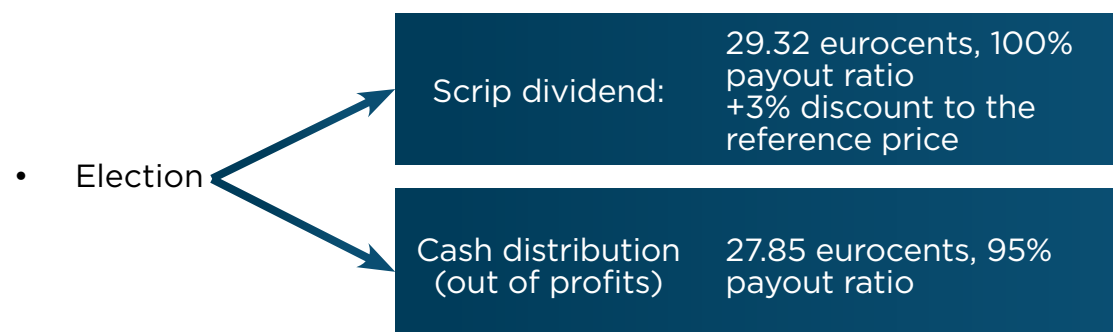
Distributable earnings higher than the cash flow from operating activities due to the positive effect of €21 million from Serenada settlement



■ Increase ■ Decrease ■ Total

H2 2022 dividend settlement

- **H2 2022 DEPS: 29.32 eurocents**
- H2 2022 dividend declaration: **27.85 eurocents, 95% payout ratio**, to be settled as repayment of capital (default option)



- Settlement timing: **April 2023**

Distribution	Tax treatment in the Netherlands	Tax treatment in South Africa
Repayment of capital (default)	0% WHT	Return of capital (reducing the share tax base resulting in potential higher capital gain on the future sale of shares)
Distribution out of profits (election)	15% WHT (unless some exemptions)	Dividend classification
Scrip dividend (election)	0% WHT	Return of capital (tax base of additional shares deemed nil for South African tax purposes)



Funding strategy - pillars

stable upgrade
BBB/BBB+
Investment grade rating

Standard & Poor's (stable outlook) /
Fitch (stable outlook)

€671m
Liquidity

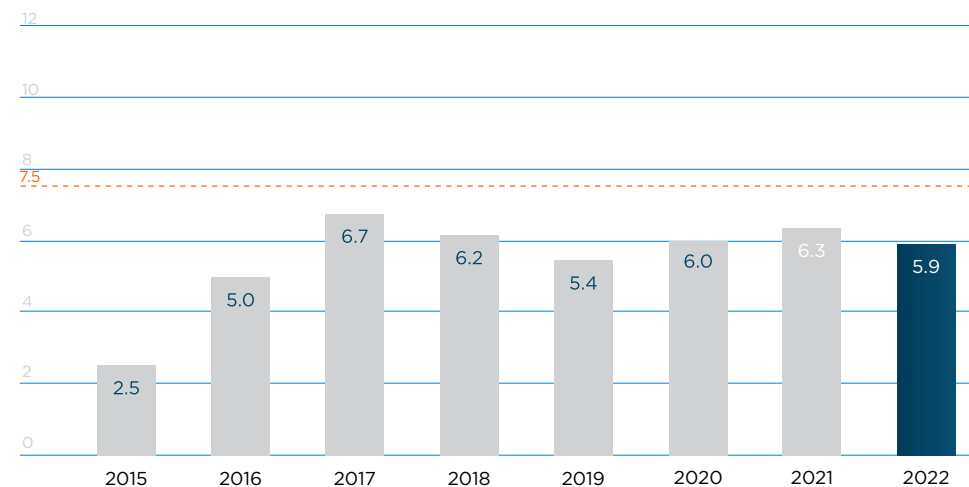
including cash (€251m) and undrawn
committed revolving facilities (€420m)

35.7%
LTV

safe level, comfortably within
debt covenants

- **Remaining debt term: 4.6 years***
- **Interest rate risk 95% hedged**
- **Cost of debt: 2.3%** (2021: 2.4%)

Net debt/EBITDA



* Excluding the effect of the disbursed revolving credit facilities

-- Threshold monitored by management and rating agencies

Funding strategy - 2022 implementation

Actions in 2022:

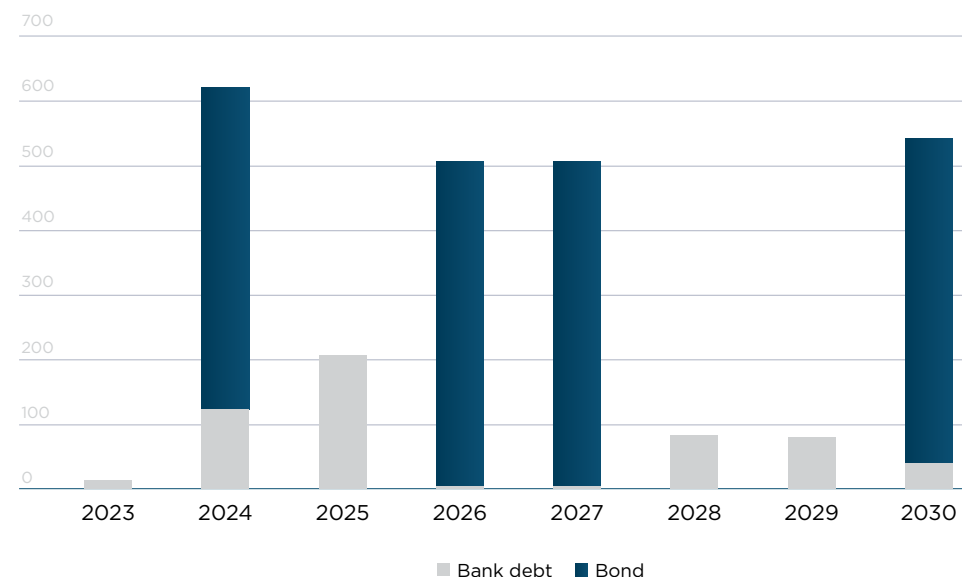
- **€500 million 8-year green bond** strategically issued in January 2022
- **€60 million newly 7-year secured green loan** concluded in December 2022
- **€62 million 7-year term** extension of secured loan maturing in 2023, within the Group's average cost of debt



Results:

- No significant debt maturities in 2023
- **91% of portfolio stays unencumbered**
- Maintain previously existing revolving credit facilities of €620 million (of which €420 million undrawn as at year end 2022)

Debt maturity profile as of December 2022 (€m)



Valuation uplift driven by portfolio performance

-2.8%
Valuation
yields

+4.6%[^]
Property
performance

+1.8%[^]
investment property valuation increase
on a like-for-like basis

**€142 million fair value gain on property valuation mainly
driven by property performance**

Valuer	Countries covered	Share of total portfolio (%)
Colliers International	Romania	36%
Cushman and Wakefield	Hungary, Lithuania and Poland	34%
Jones Lang LaSalle	Bulgaria, Croatia, Czech Republic, Hungary, Serbia and Slovakia	30%



[^] Relative to property portfolio value at 31 December 2021

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Continuous commitment to the highest standards of sustainability



Silver Award for compliance with EPRA Best Practices Recommendations for sustainability reporting (sBPR)



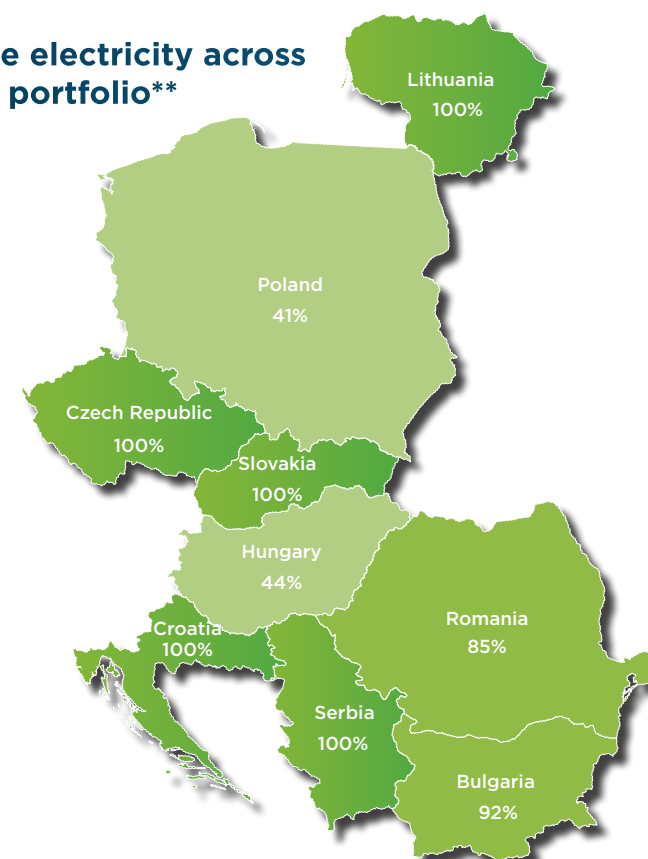
Top 15 Sustainalytics rated Real Estate Management companies
(low risk - 10.5/100)



AAA
ESG rating "leader"
among 82 companies in the real estate management & services industry

- **Executive KPIs defined in 2022** to illustrate our commitment to sustainability
- **€37 million** investment in 30 on-site photovoltaic plants by the end of 2023 (10 units installed), minimising the carbon footprint and stabilising energy costs
- **100%** of the Group's assets* BREEAM certified "Very good" or "Excellent", contributing to greener cities
- Strategic partnerships with **sustainable mobility** key players - Tesla and Enel - in Romania, Poland and Bulgaria. Roll out across the Group from 2023 onwards

Renewable electricity across the Retail portfolio**



* Excluding strip retail centers, industrial
** Purchased for landlord controlled areas

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Developments

Development Projects

€677m

investments under permitting
and construction

- Developing in phased manner, with high pre-leasing targets
- Main anchors secured early in the process
- Construction costs committed on a gradual manner

Country	Type	Category	Target opening date	GLA/GSA* of development	Total cost	
				m²	€m	
Developments under construction				148 000	488	
Promenada Bucharest	Romania	Mall/Office	Extension	Q4 2025	58 400	220
Promenada Craiova	Romania	Mall	Development	Q3 2023	63 700	131
Bonarka City Center	Poland	Mall	Refurbishment	Q4 2024	4 700	72
Vulcan Residence	Romania	Residential	Development	Q2 2023	18 300*	23
Galeria Wolomin	Poland	Mall	Extension	Q1 2024	2 900	5
Photovoltaic projects	Romania	Green energy	Development	by Q4 2023	n/a	37
Developments under permitting and pre-leasing				90 900	189	
Promenada Plovdiv	Bulgaria	Mall	Development	tbd	57 700	141
Galati Retail Park	Romania	Mall	Development	tba	33 200	48
Total developments under construction, pre-leasing and permitting				238 900	677	

* Gross Saleable Area

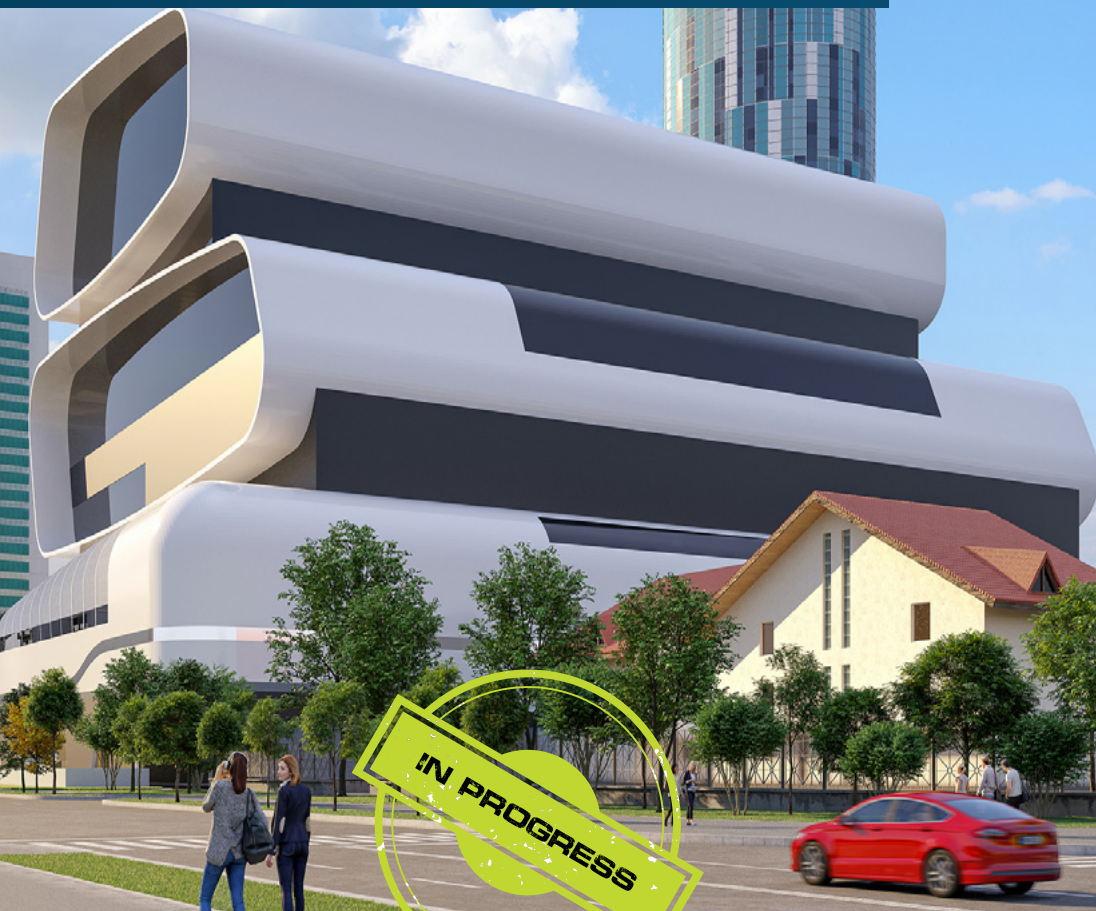
Notes:
Amounts included in this schedule are estimates and may vary according to permitting, pre-leasing and actual physical configuration of the finished developments
Total cost includes development and land cost



Actively working on new developments and extensions

Promenada Bucharest - extension

- approx. 58,400m² GLA of mixed use retail and office extension bringing the total GLA close to 100,000m²
- signed and terms agreed - 46%



Promenada Craiova - greenfield development

- 63,700m² GLA of retail
- opening in Q3 2023
- retail park added due to high tenant demand
- signed and terms agreed - 94%



Actively working on new developments and extensions» continued

Bonarka City Center - redevelopment

- extension by 4,700m² of GLA and accommodation of a Primark unit
- the estimated completion date is in Q4 2024
- signed and terms agreed - 77%



Vulcan Residence - residential for sale

- first residential development started
- 18,300m² of residential space for sale (254 apartments) expected to be completed in Q2 2023
- 104 units sold



Actively working on new developments and extensions» continued

Galeria Wolomin - extension

- extension by cca 3,000m² GLA
- estimated completion Q1 2024
- signed and terms agreed 100%

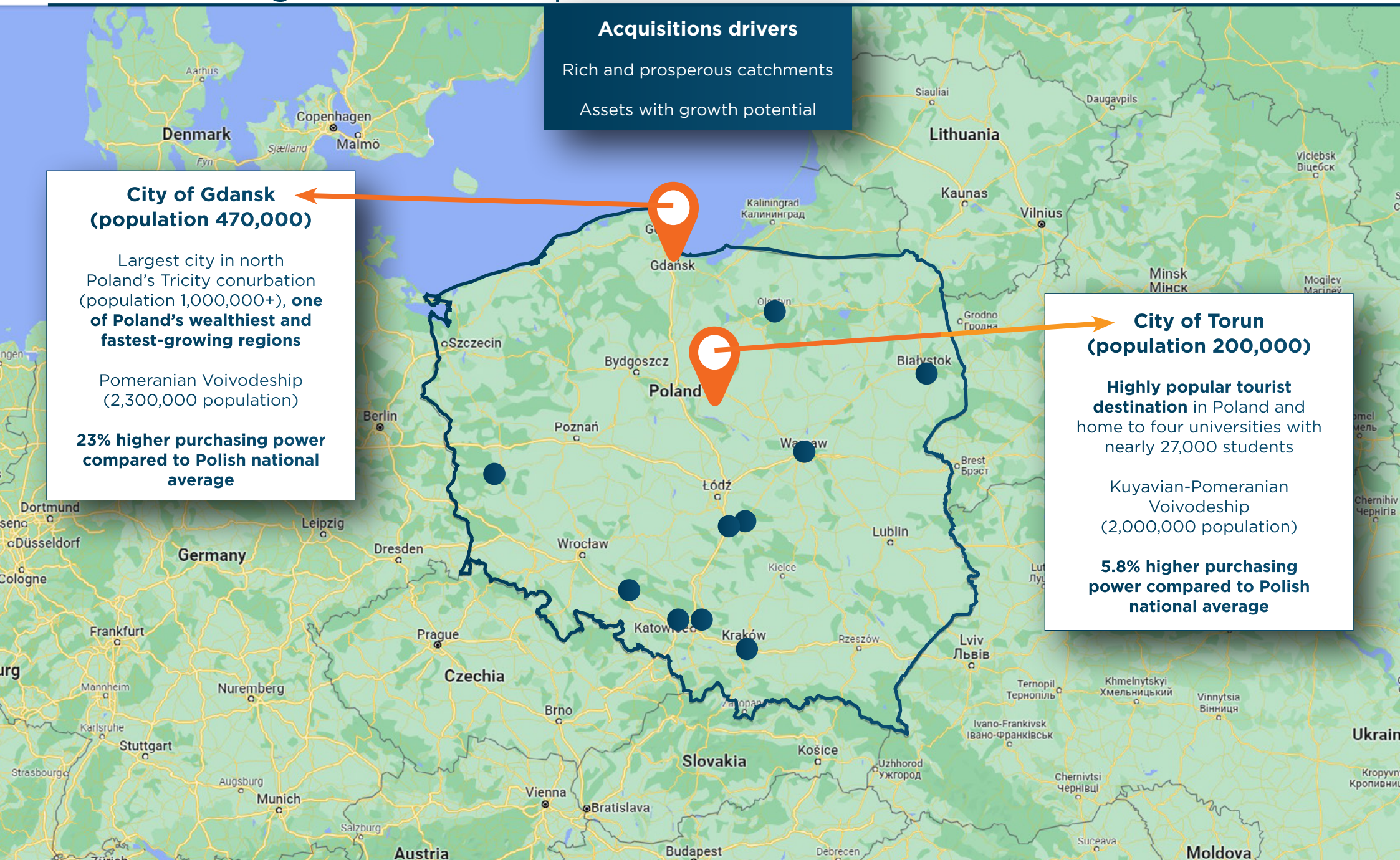


6



Investments

Consolidating the dominant position in Poland



Source: IMF

Forum Gdansk, prime asset with strong growth potential

€250m
transaction

€268m
fair valuation

€16.5m
estimated NOI

- Adjacent to the historical center
- The area is one of country's most popular tourist destination, attracting more than two million visitors per year
- Modern and innovative architecture, high-quality tenant mix
- Very well positioned for future growth, both organically and through further value enhancement
- BREEAM In-use Excellent certification

Opening year	2018
Lettable area (m ²)	63,500
No of parking spaces	1,100
No of retail units	185
Monthly average weighted rent per m ²	21.6

ZARA

H&M

RESERVED

✓ HELIOS

T.K. MAXX



Copernicus, Torun, core stable asset

€127m
transaction*

€127m
fair valuation*

€9.6m
estimated NOI

- Dominant retail scheme in the city
- Strategic location in the city, with excellent visibility and access from all city districts
- Outstanding operational performance, very low vacancy
- Adjacent plot for development
- BREEAM In-Use Very Good certification

Opening year/extension year	2005 / 2015
Lettable area (m ²)	48,000
No of parking spaces	1,480
No of retail units	135
Monthly average weighted rent per m ²	14.3

Auchan
și viața se schimbă

H&M

RESERVED

LPP

Stradivarius



* Includes land for development

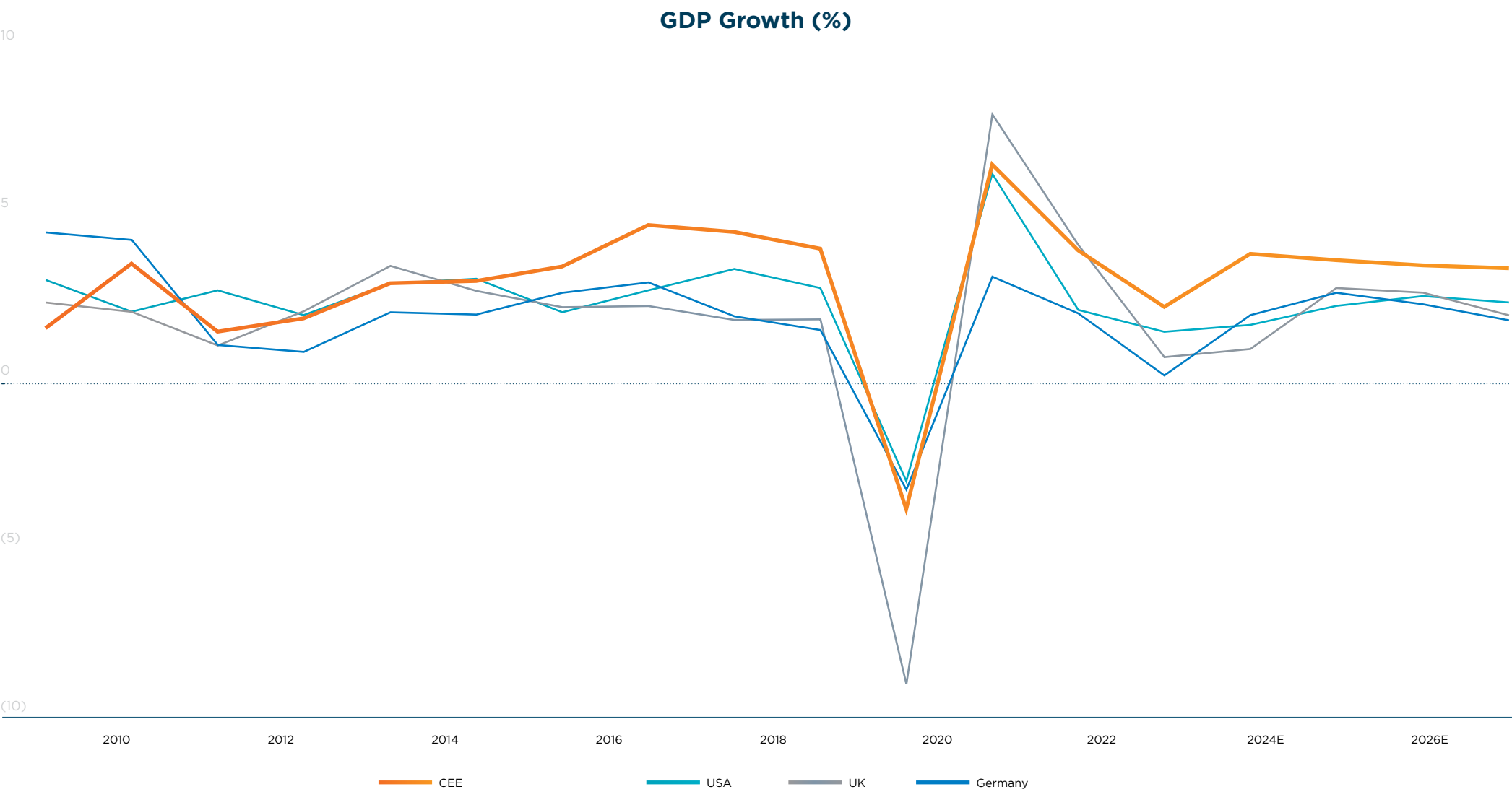
7



Way forward

Macroeconomic prospects continue to be favourable to CEE region

CEE's recovery is quicker than anticipated and growth is expected to outpace the Western European countries and US



Source: Citibank, Statista, CMI European E-Commerce Report 2022, European Commission Business and Consumer Surveys 2023

Looking ahead: consolidate and grow

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

Capitalise on the additional acquisitions to deliver growth

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

Maintaining the safety of the balance sheet in the context of increased interest rates

Improve ESG performance

Increase of 2023 DEPS by 11% relative to 2022 recurring DEPS (4% increase relative to 2022 nominal DEPS)



