



**NEPI
ROCKCASTLE**



RESULTS PRESENTATION

June 2023



**NEPI
ROCKCASTLE**

EXCELLENCE. INNOVATION. EXPERIENCE.

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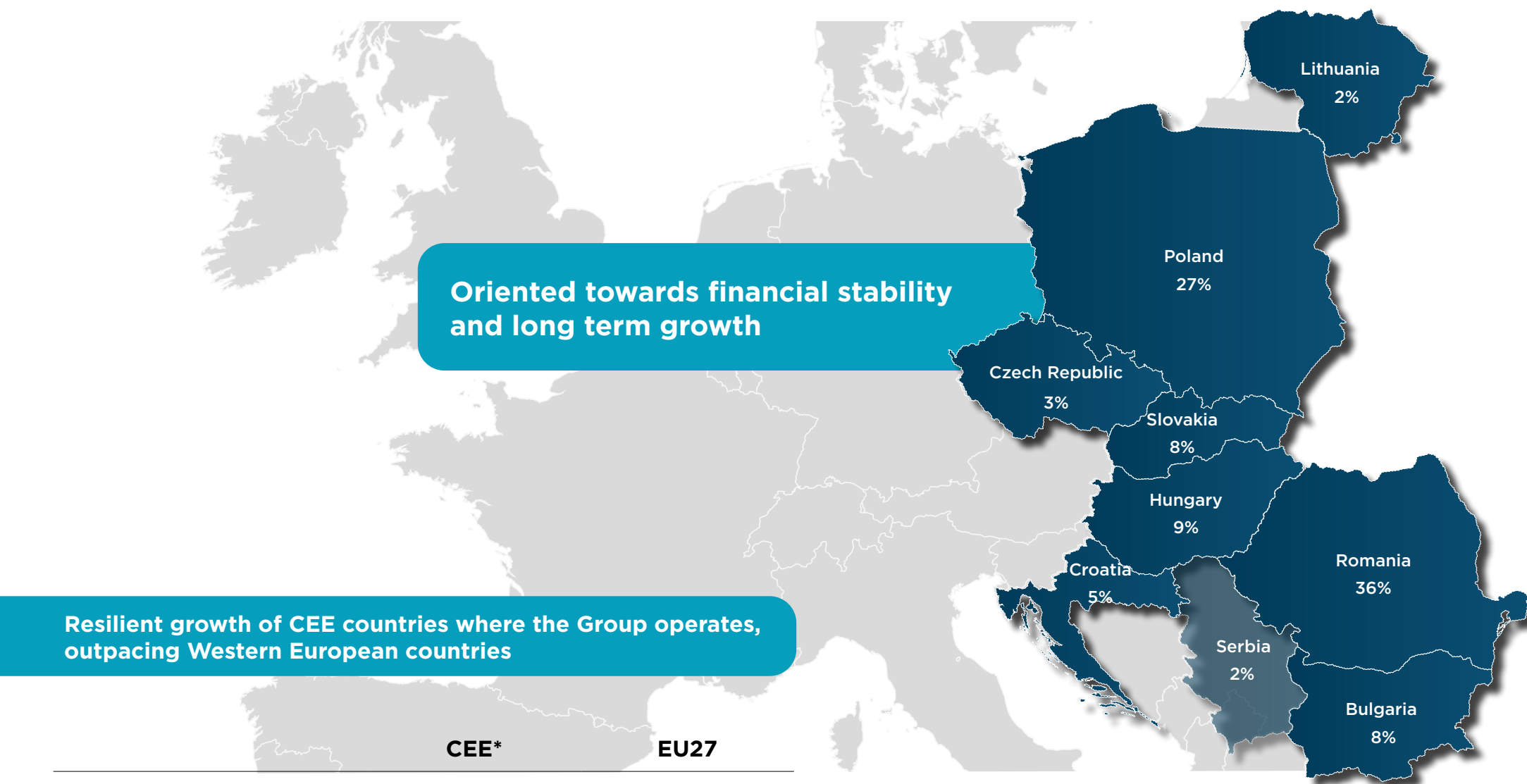
Way forward

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Overview

Retail real estate market leader in the high growth CEE region



* Weighted Average NEPI Rockcastle Portfolio
Source IMF

Delivering on strategy with strong H1 2023 results

GROWTH

SUSTAINABILITY

HIGH-QUALITY PORTFOLIO OF DOMINANT ASSETS

+24.9% growth in DEPS in H1 2023 vs H1 2022

+16.3% like-for-like higher tenant sales in H1 2023 vs H1 2022

+23% higher NOI in H1 2023 vs H1 2022 (+15% on a comparable portfolio basis)

DELIVERING ON DEVELOPMENTS

Opening of Promenada Craiova (63,700m² GLA) planned for beginning October

Close to **231,000m²** GLA under construction and permitting

€722 million pipeline to be delivered during 2023-2026

EXPANDING AND STRENGTHENING THE PORTFOLIO'S NOI

Strong performance of assets acquired in 2022: 23.3% growth in H1 2023 turnovers vs the same period of 2022 and €18.4 million added to the Group's H1 2023 NOI

FINANCIAL STABILITY

Fair valuation uplift of €103.7 million (+1.6% vs Dec 2022)

Decrease in **LTV to 33.4%**

No 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

Science Based Targets initiative ('SBTI') validation of selected ESG targets

[^] Excluding strip retail centers, industrial properties

Excellent operational results translated into higher DEPS by 24.9% relative to H1 2022

28.52

€ cents

Distributable earnings per share

+24.9%

H1 2022 - 22.83 € cents

9.9%

Dividend yield*

+2.1pp

H1 2022 - 7.8%

€241m

NOI

+23.0%

H1 2022 - €196m

97.2%

EPRA Occupancy

+0.6pp

H1 2022 - 96.6%

97%

Collection rate**

-1pp

H1 2022 - 98%

€2,647

Turnover/m²[^]

+14.6%

H1 2022 - €2,308

* H1 2023 dividend yield computed based on the last 12 months distribution and 30 June 2023 share price. H1 2022 dividend yield computed based on the H1 2022 and H2 2021 distribution using 30 June 2022 share price

** Collection rate as of mid-August 2023

[^] Tenant sales, excluding hypermarkets

Strong balance sheet, with prudent LTV

€6.8bn

Investment property value*

+3.0%

Dec 2022 - €6.6bn

€6.92

EPRA NRV per share

+1.2%

Dec 2022 - €6.84

84%

Unencumbered assets^

-7pp

Dec 2022 - 91%

3.9 years

Average debt maturity

-0.7 years

Dec 2022 - 4.6 years^^

33.4%

Loan-to-value

-2.3pp

Dec 2022 - 35.7%

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

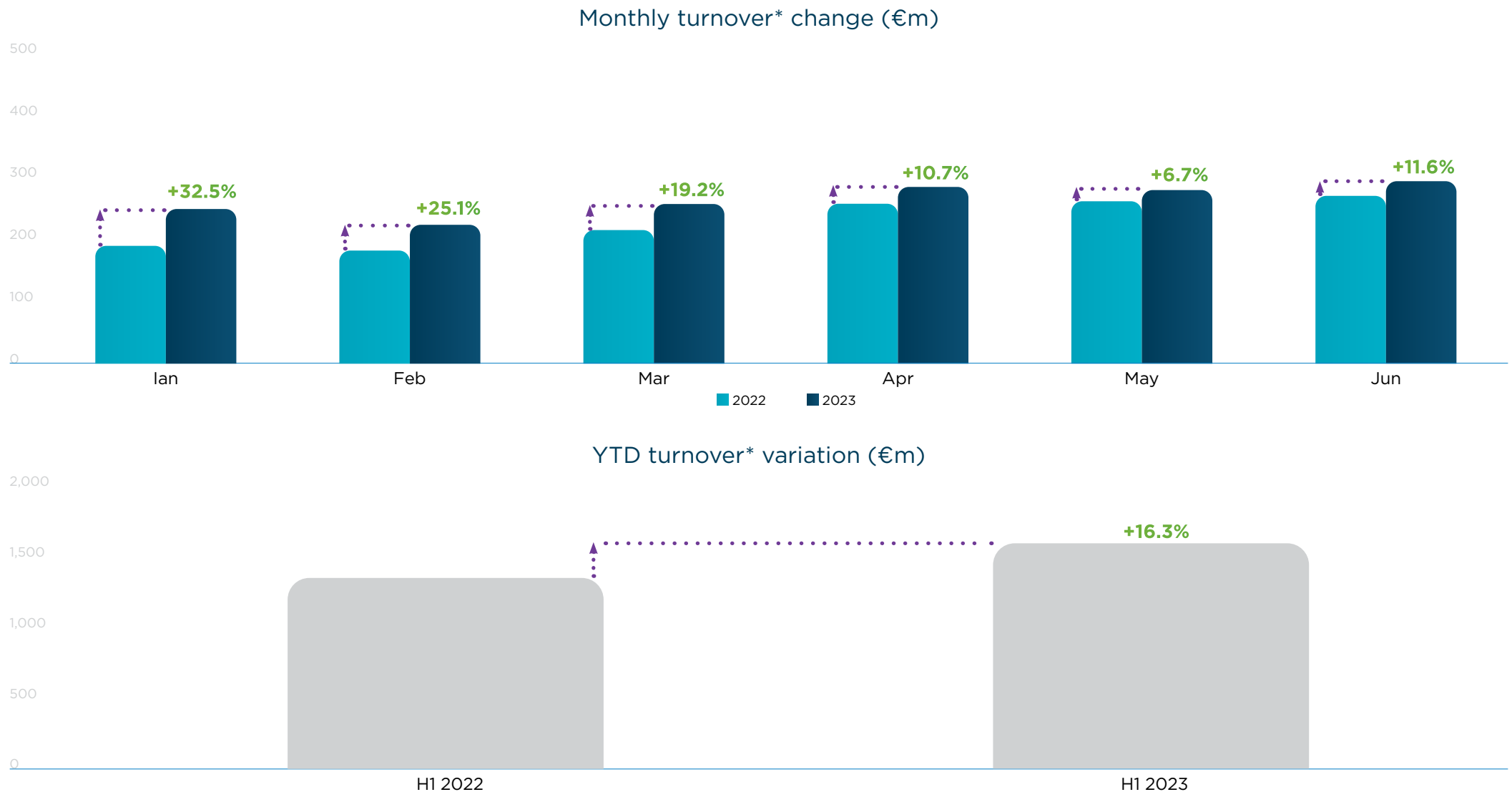
^ Percentage of investment property

^^ Excluding the effect of the disbursed revolving credit facilities



H1 2023 Status of the business – Turnover*

Solid growth of tenants' sales maintained in Q2 2023. Like-for-like H1 2023 sales are +16.3% higher than H1 2022

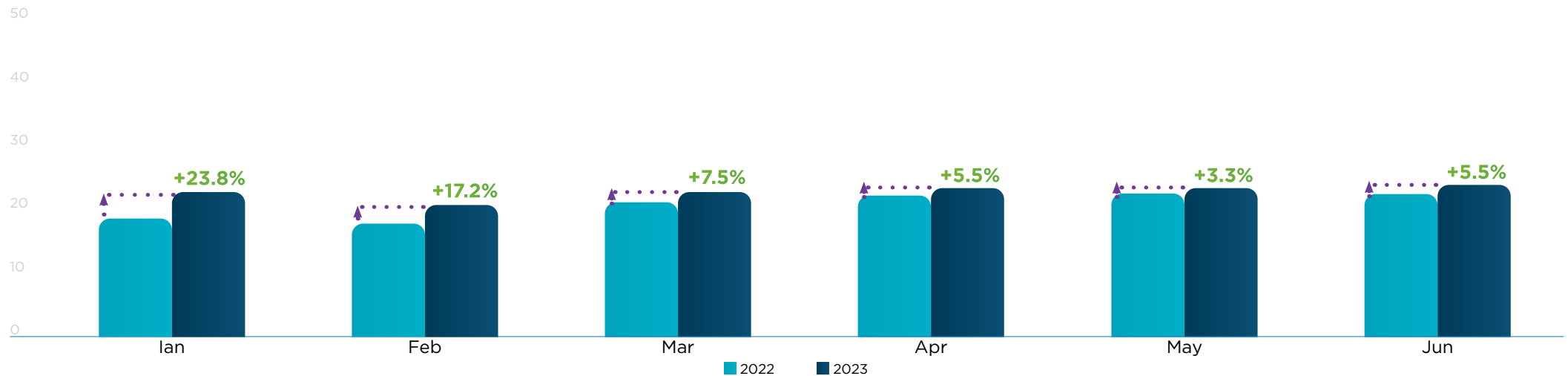


* Like-for-like properties, excluding hypermarkets

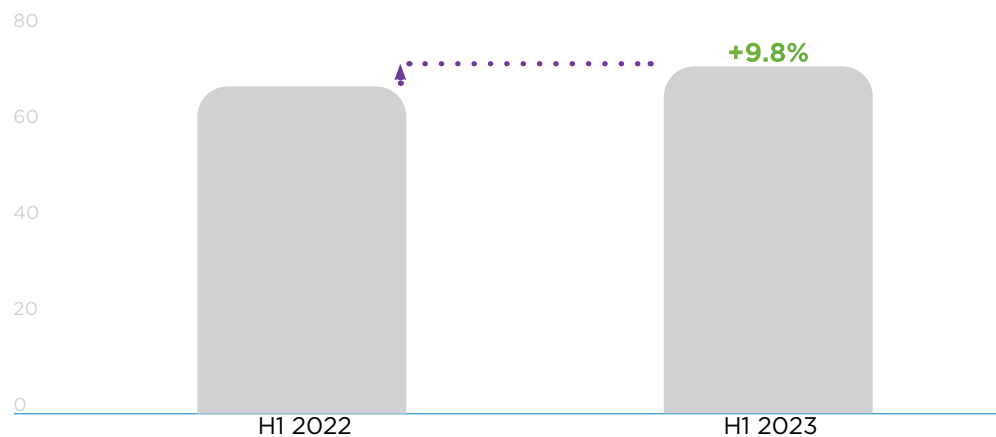
H1 2023 Status of the business – Footfall*

Footfall for H1 2023 +9.8% vs H1 2022, on a like-for-like basis. Basket size continues to increase, with +8% in H1 2023 vs H1 2022

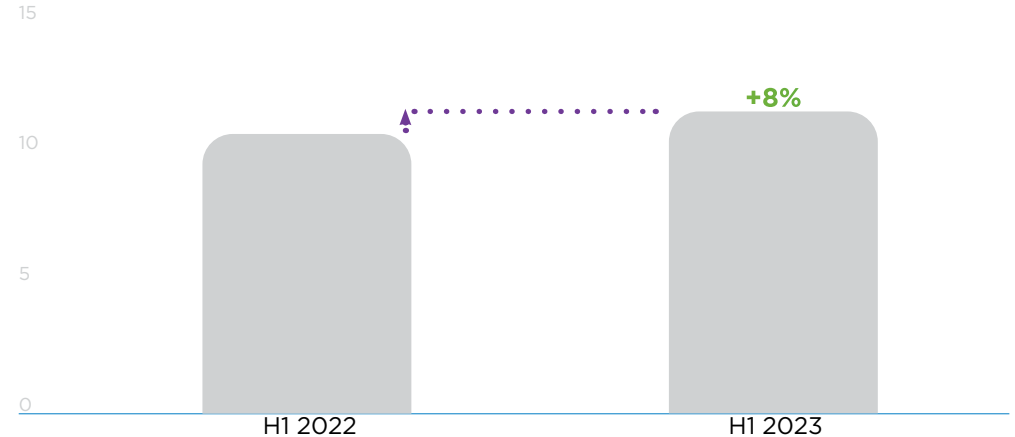
Monthly footfall* change (million visits)



YTD footfall* variation (million visits)



Basket size variation (€/visitor)



* Like-for-like properties

Strong operational performance of assets acquired in 2022

H1 2023 vs H1 2022

FORUM GDANSK SHOPPING CENTER, POLAND

+27%
Turnover

+11%
Footfall

PLOIESTI SHOPPING CITY (50% STAKE), ROMANIA

+18%
Turnover

+10%
Footfall

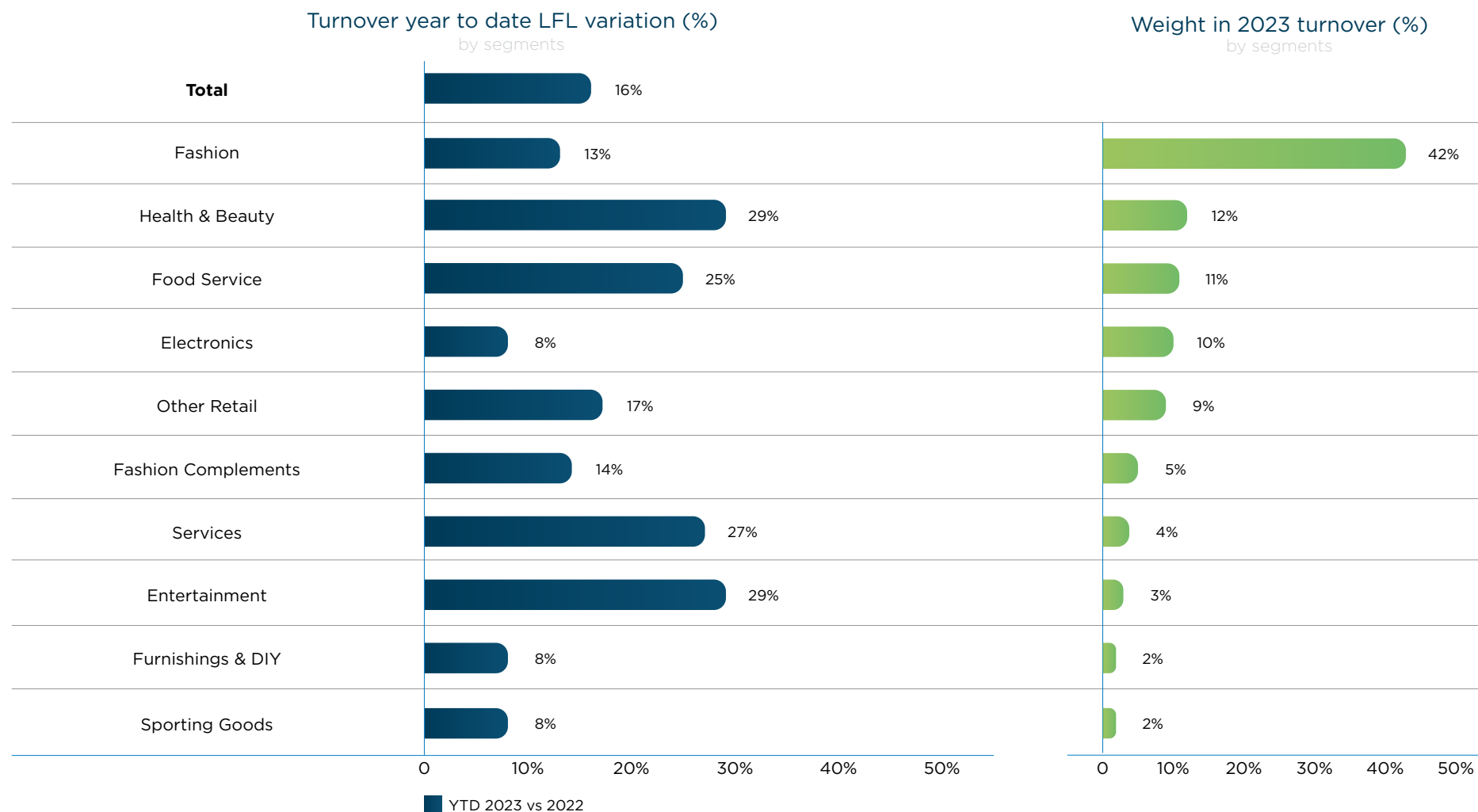
COPERNICUS SHOPPING CENTRE, POLAND

+21%
Turnover

+2%
Footfall

H1 2023 Status of the business – Retail segments

All retail segments continue to grow vs 2022. Entertainment continues to provide a solid growth, alongside Food Service and Health & Beauty.

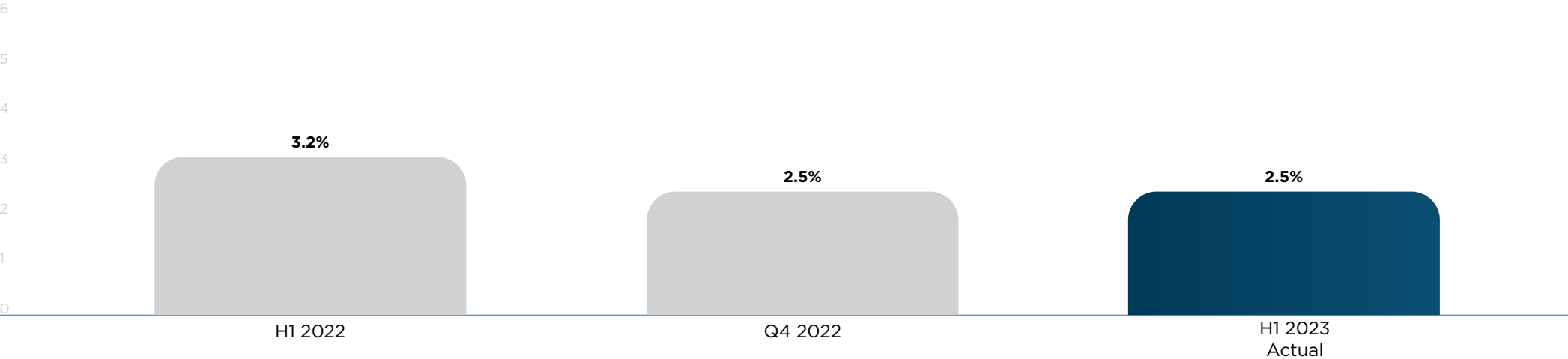


*Fashion complements includes Jewelry, sunglasses, fashion accessories;
 Other retail includes Books, Office supplies, Gourmet, Tabaco, Toys, Pet Shop;
 Services includes Beauty centers, Telecom, Travel*

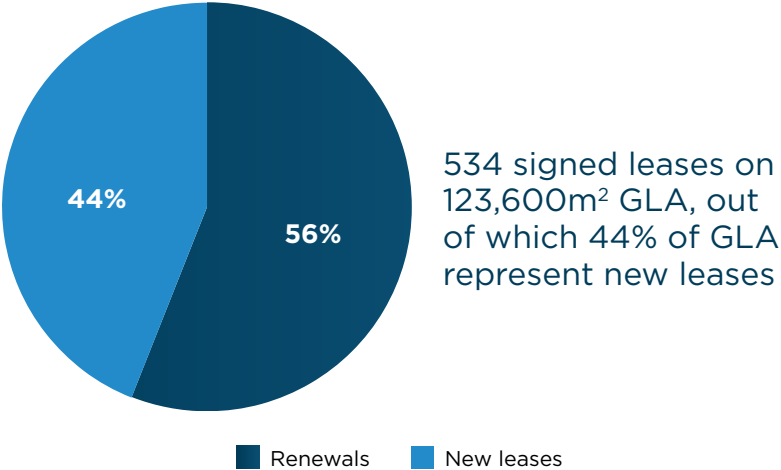
H1 2023 Status of the business – Leasing activity

Solid commercial results. 534 new lease agreements and 7.5% growth of Base rents, on top of indexation

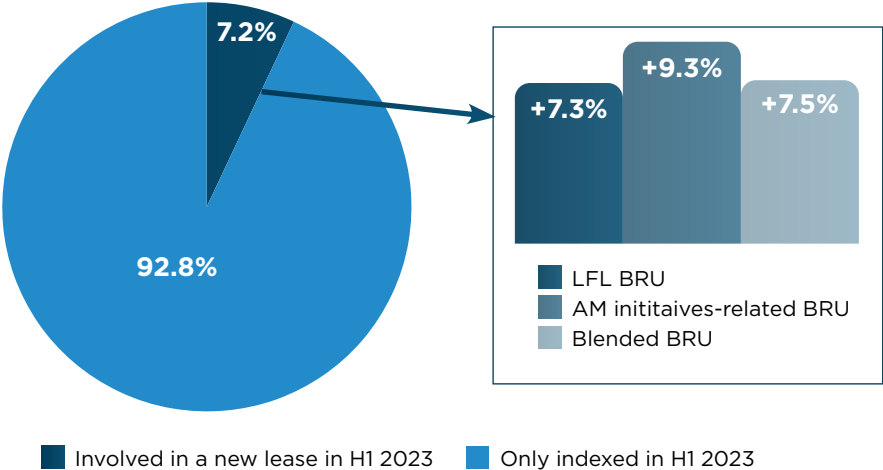
Retail EPRA vacancy evolution (%)



Split of signed leases H1 2023
by GLA

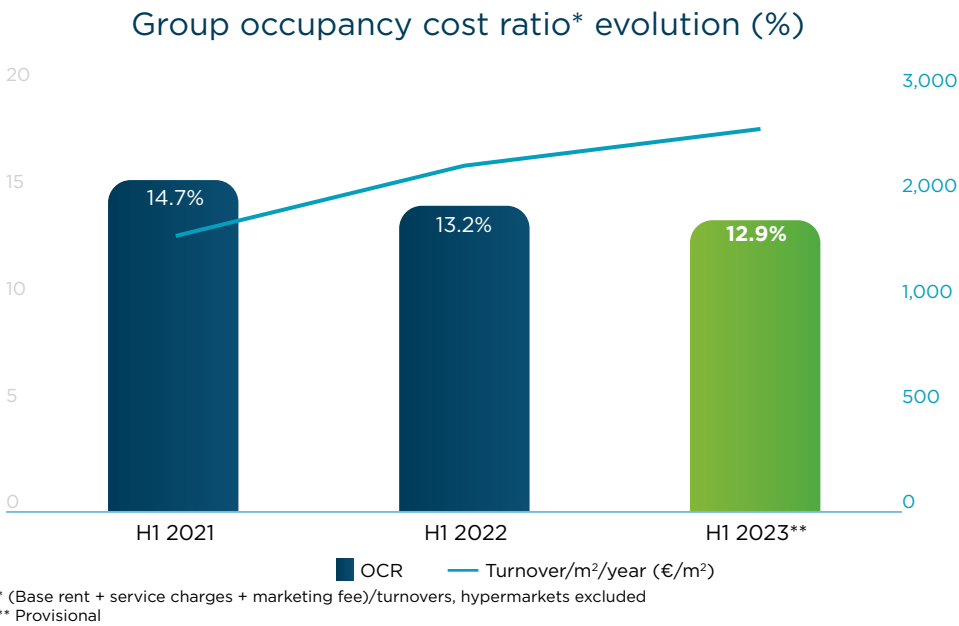
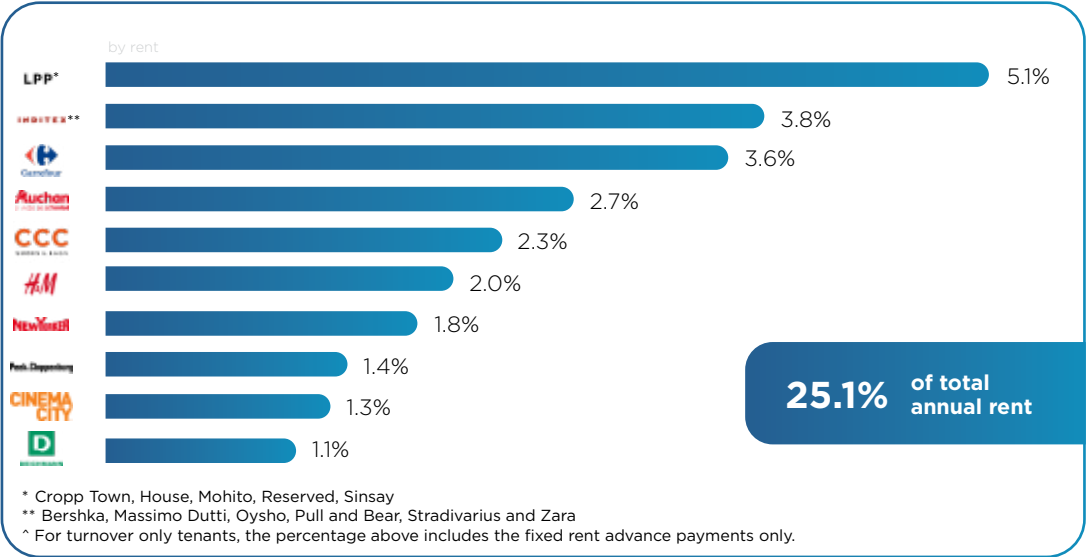


H1 2023 leasing activity
by GRI



H1 2023 Operational performance: Sustainable retail environment

Strong performance of the assets led to a lower, sustainable OCR, despite increased operating costs

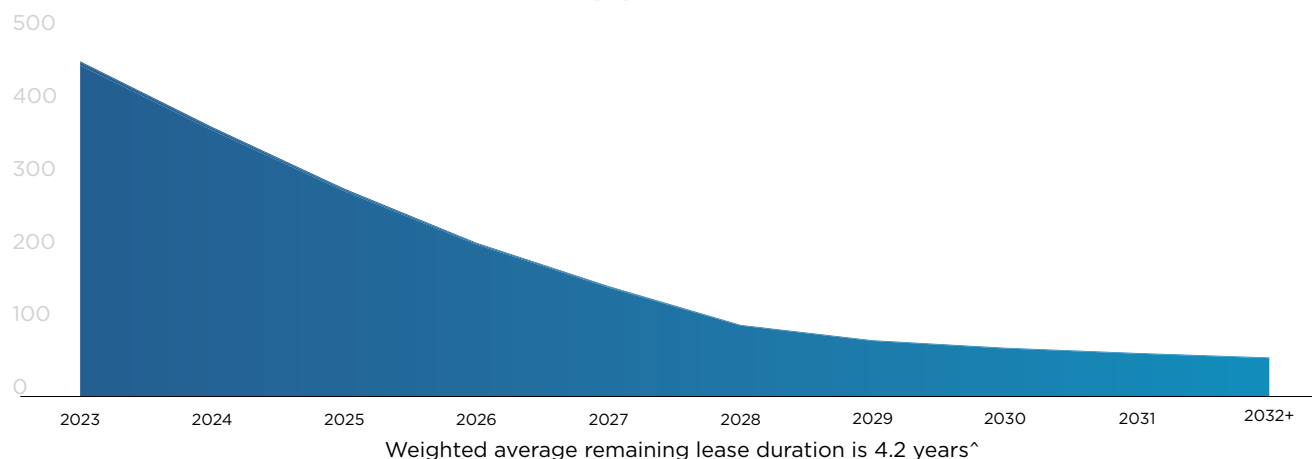


Strong lease terms on a sustainable expiry profile

Sustainable general lease terms and long-term lease duration

Year	% of expiry by gross rentals
2023	3.0%
2024	19.0%
2025	17.9%
2026	15.6%
2027	12.5%
2028	11.2%
2029	4.5%
2030	2.2%
2031	1.4%
≥ 2032	12.7%
Total	100%

Expiry profile as at 30 June 2023 (€m)
by gross rentals



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 5.8% and 4.6% of gross rental income (5.6% and 4.4% respectively in FY 2022)

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

[^] Computed based on contractual lease maturity (30 June 2022: 4.6 years)

H1 2023 Status of the business – Leasing activity

New tenants signed



in Sibiu Shopping
City, Romania



in Aura Centrum,
Poland



in Sibiu Shopping
City, Romania



in Galeria Wołomin,
Poland



in Aura Centrum,
Poland



in Promenada
Craiova, Romania



in Promenada
Craiova, Romania



in Mammut
Shopping Centre,
Hungary



in Promenada
Craiova, Romania



in Aura Centrum,
Poland



in Sibiu Shopping
City, Romania



in Galeria
Warمیńska, Poland



in Arena Mall,
Hungary



in Karolinka
Shopping Centre,
Poland

H1 2023 Status of the business – Leasing activity

» continued

New stores opened



in Forum Liberec
Shopping Centre,
Czech Republic



in Paradise Center,
Bulgaria



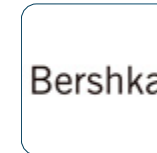
in Forum Gdańsk,
Poland



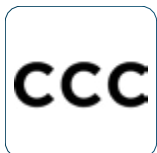
in Forum Liberec
Shopping Centre,
Czech Republic



in Karolinka
Shopping Centre,
Poland



in Paradise Center,
Bulgaria



in Sibiu Shopping
City, Romania



in Alfa Centrum
Bialystok, Poland



in Karolinka
Shopping Centre,
Poland



in Mammut
Shopping Centre,
Hungary



in Ozas Shopping
and Entertainment
Centre, Lithuania



in Arena Park,
Croatia



in Karolinka
Shopping Centre,
Poland



in Ozas Shopping
and Entertainment
Centre, Lithuania



in Paradise Center,
Bulgaria



in Serdika Center,
Bulgaria



Finance

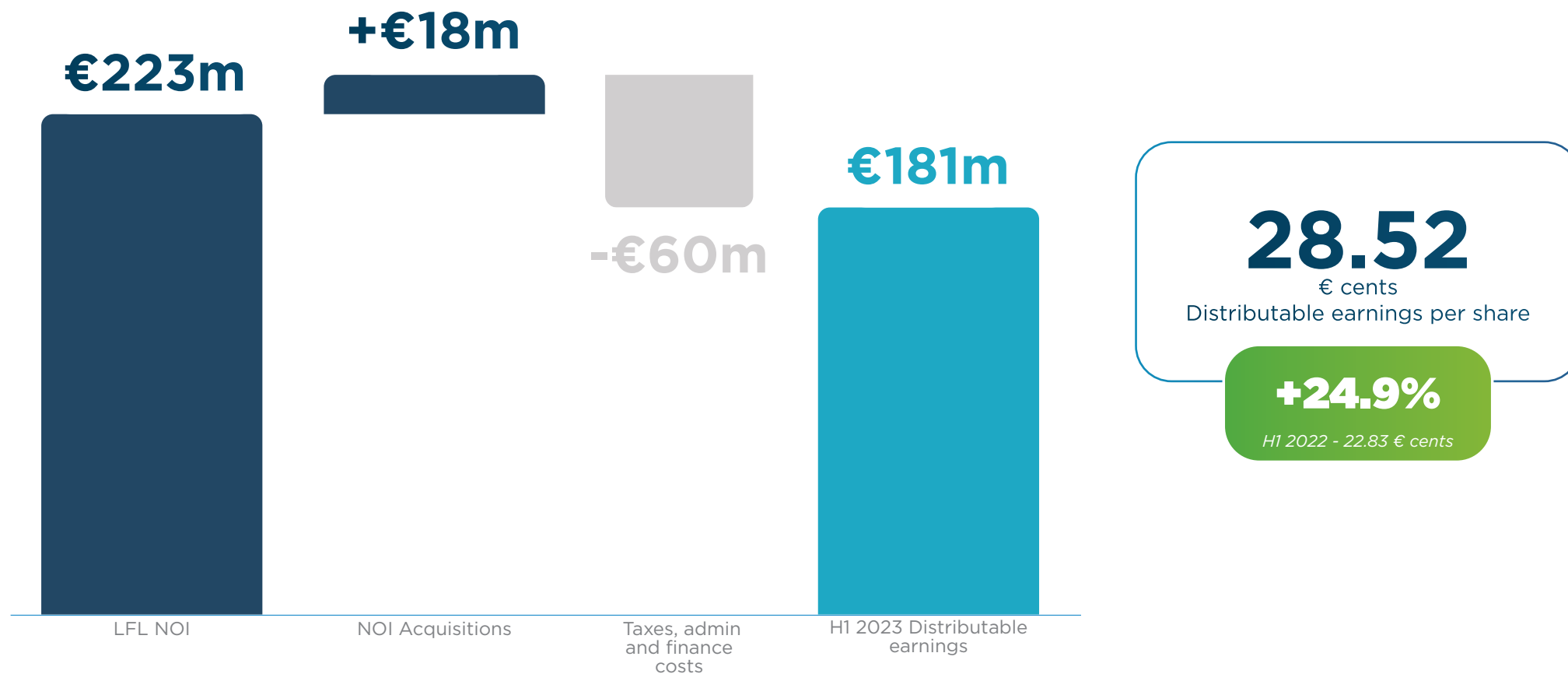
Distributable earnings

Funding

Valuation



H1 2023 distributable earnings



H1 2023 dividend

Dividend payout

95% scrip: 27.10 eurocents + 3% discount

90% cash: 25.67 eurocents

NEPI Rockcastle

70%

Average European peers

Dividend settlement options

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)

- Settlement timing: **October 2023**

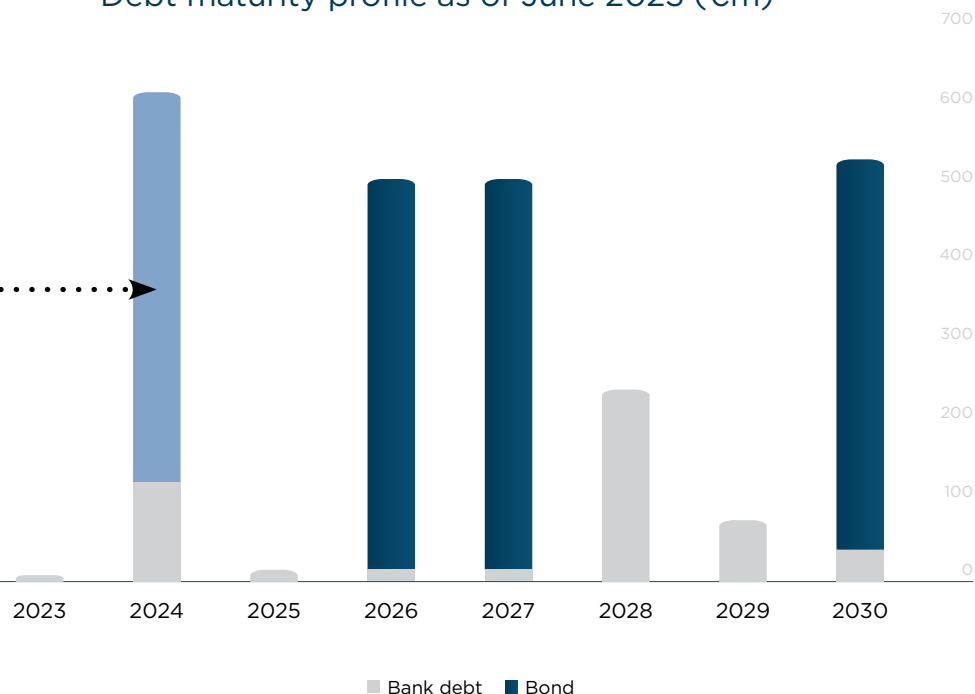


Funding strategy

2024 refinancing - options



Debt maturity profile as of June 2023 (€m)



Cost of debt:
2.5%

Interest rate risk
100% hedged

Finance strategy pillars

stable stable

BBB/BBB+

Investment grade rating

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

€967m

Liquidity

consisting of cash (€347m) and
undrawn committed revolving
facilities (€620m)

33.4%

LTV

below 35%
strategic threshold

Portfolio valuation overview

Valuation key figures

€6.8bn
Investment property value

€103.7m
Fair value gain

7%
EPRA NIY

-1.2%
Valuation
yields

+2.8%[^]
Property
performance

+1.6%[^]
investment property valuation increase
on a like-for-like basis

**€103.7 million fair value gain on property valuation mainly
driven by property performance**

[^] Relative to property portfolio value at 31 December 2022



ESG commitments

Externally recognised

EPRA awards for best practices in financial and sustainability reporting



Sustainalytics Negligible ESG risk - 8/163 subindustry rank



MSCI AAA ESG Rating, industry leader company



In progress



The €37 million investment in installation of solar panels on track



Commitment to implement **Science Based Targets**



Alignment to the relevant European ESG standards



Developments

Development Projects

€722m

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 of development	Total cost	Total Spent to Date	
				m²	€m		
Developments under construction				129 700	476	242	
Promenada Bucharest	Romania	Mall/Office	Extension	Q4 2025	58 400	220	78
Promenada Craiova	Romania	Mall	Development	Q4 2023	63 700	136	112
Bonarka City Center	Poland	Mall	Refurbishment	Q2 2025	4 700	79	38
Galeria Wolomin	Poland	Mall	Extension	Q1 2024	2 900	4	1
Photovoltaic projects	Romania	Green energy	Development	Q4 2023	n/a	37	13
Developments under permitting and pre-leasing				101 100	246	45	
Ploiesti Shopping City	Romania	Mall	Extension	Q4 2024	7 400	25	2
Promenada Plovdiv	Bulgaria	Mall	Development	Q1 2026	60 500	173	26
Galati Retail Park	Romania	Mall	Development	TBA	33 200	48	17
Total developments under construction, pre-leasing and permitting				230 800	722	287	



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 costs.

Promenada Craiova

NEPI Rockcastle to open at the beginning of October 2023, the 63,700m² GLA green-field development



- Leases agreed and signed for 99% of the shopping center's 53,700m² GLA
- Leases agreed and signed for 85% of the retail park's 10,000m² GLA

- Opening date set for beginning of October
- Shopping center and Retail Park to open simultaneously
- A large opening event where important Romanian public authorities and all major retailers will be present
- 22 retailers present in the tenant mix are either for first time in Craiova or with latest concepts



Actively working on new developments and extensions

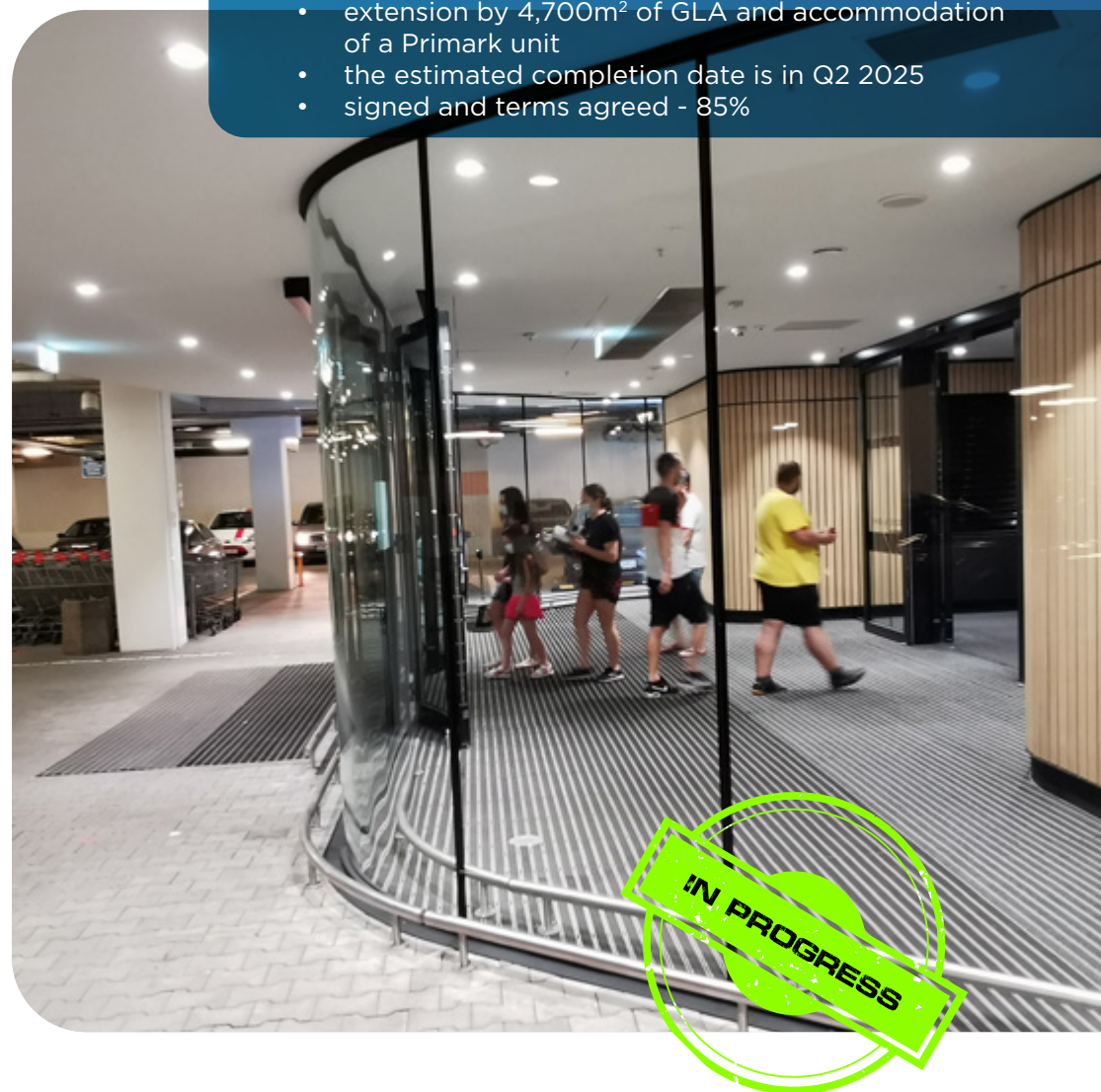
Promenada Bucharest - extension

- approx. 58,400m² GLA of mixed use retail and office extension bringing the total GLA close to 100,000m²
- signed and terms agreed - 54%



Bonarka City Center - redevelopment

- extension by 4,700m² of GLA and accommodation of a Primark unit
- the estimated completion date is in Q2 2025
- signed and terms agreed - 85%



Actively working on new developments and extensions

» continued

Vulcan Residence - residential for sale

- first residential development completed
- 18,300m² of residential space for sale (254 apartments) construction completed
- 151 units sold



Galeria Wolomin - extension

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





Way forward

Looking ahead: consolidate and grow

Leveraging on the resilient growth of the CEE countries

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

Growing NOI through retail and mixed-use development projects and selected acquisitions

Prudent management of strong balance sheet in the context of increased interest rates

Commitment to ESG



**Revised DEPS guidance to 12% growth relative to 2022
recurring DEPS (5% growth relative to 2022 nominal DEPS)**





Q&A