



NEPI  
ROCKCASTLE



**RESULTS PRESENTATION**

December 2023



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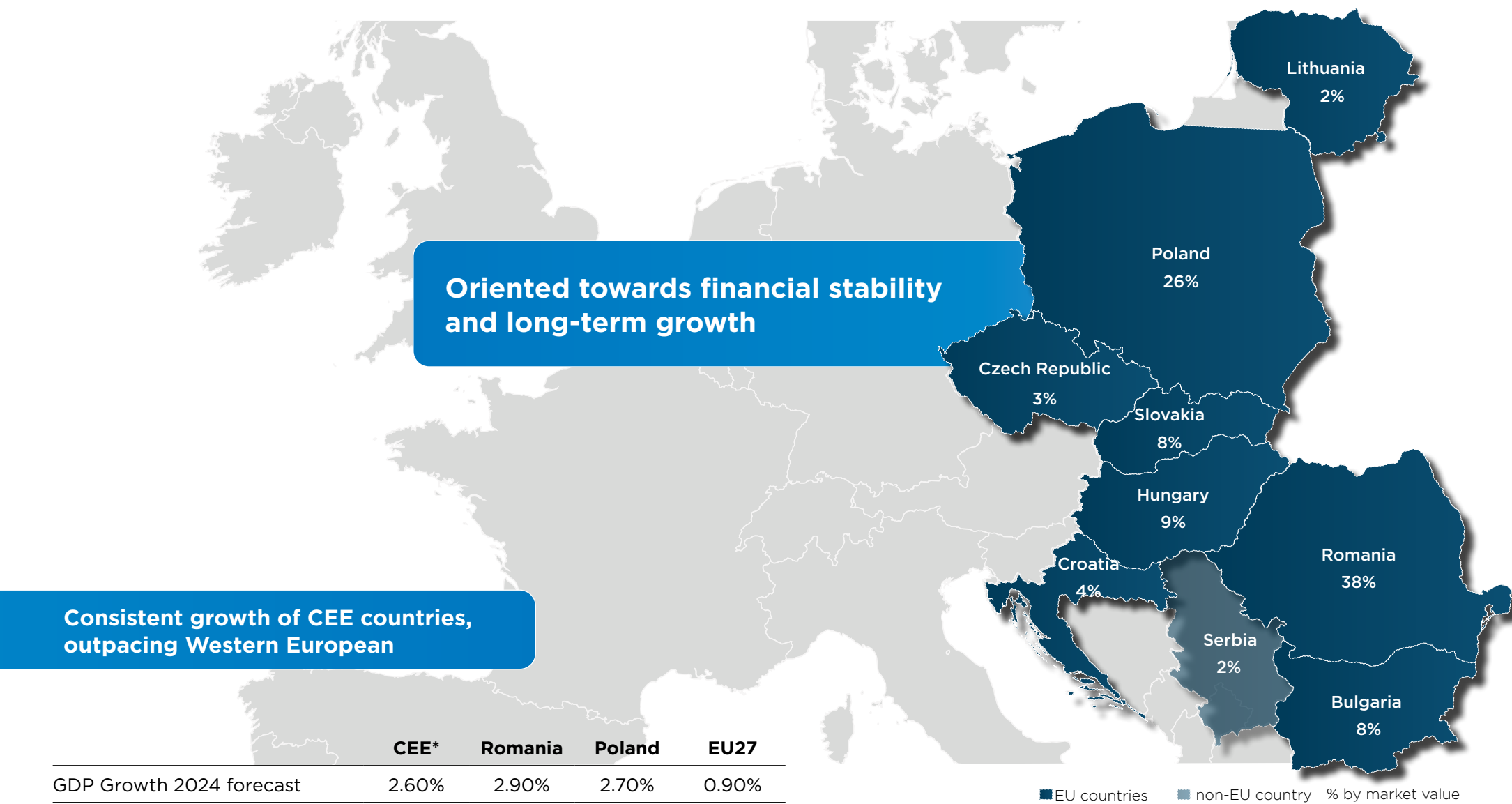
**EXCELLENCE. INNOVATION. EXPERIENCE.**





Overview

# Retail real estate market leader in the fast growth CEE region



\* Weighted Average NEPI Rockcastle Portfolio  
Source: European Commission, National Statistic Institutes and IMF



# Highest DEPS in the Group's history

**56.98**

€ cents

Distributable earnings per share

**+9.3%** compared to 2022

**€369m**

Distributable earnings

**+17%** compared to 2022

**97.8%**

EPRA Occupancy

**+0.5pp** compared to 2022

**99%**

Collection rate\*

**Unchanged** compared to 2022

**€2,912**

Turnover/m<sup>2</sup>\*\*

**+10.5%** compared to 2022

\* Collection rate as of mid-February 2024

\*\* Tenant sales, excluding hypermarkets



# Strong balance sheet

# 32.2%

Loan-to-value

*-3.5pp compared to 2022*

# €6.8bn

Investment property<sup>^</sup>

*+3% compared to 2022*

# 84%

Unencumbered assets<sup>^^</sup>

*-7pp compared to 2022*

# €6.98

EPRA NRV per share

*+2% compared to 2022*

# 3.6 years

Average debt maturity

*-1 year compared to 2022*

<sup>^</sup> Excluding investment property held for sale and excluding immaterial impact of right-of-use assets

<sup>^^</sup> Percentage of investment property





Operational results



# Main pillars of performance



Existing portfolio



Asset management



Acquisitions



Developments



# Robust rental income growth

**21%**

total growth in NOI (€491m)  
compared to 2022

## Like-for-like net operating income ('NOI') growth (by country)

Romania	+16%
Poland	+14%
Hungary	+7%
Slovakia	+10%
Bulgaria	+13%
Croatia	+9%
Czech Republic	+9%
Lithuania	+22%
Serbia	+10%
<b>TOTAL</b>	<b>+13%</b>



**13%**

like-for-like NOI growth



**18%**

base rent increase



**12.2%**

stable and sustainable  
occupancy cost ratio

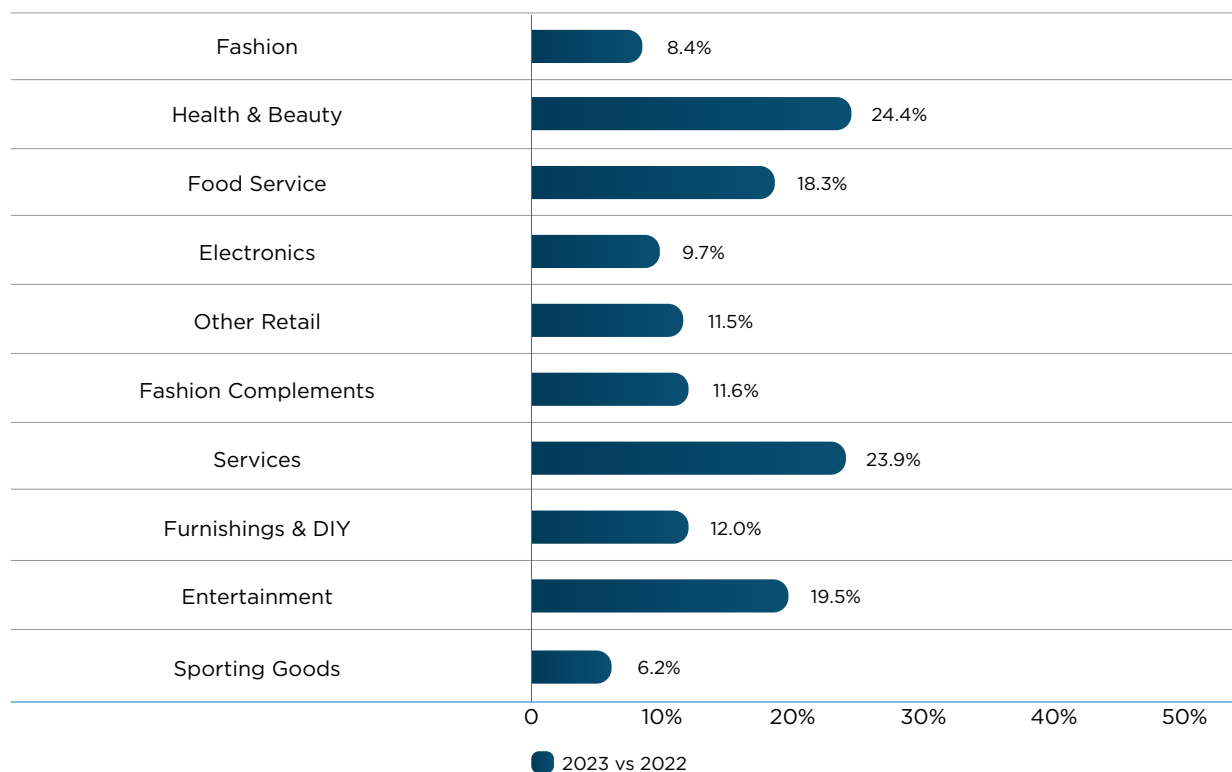


# Growth across all retail segments

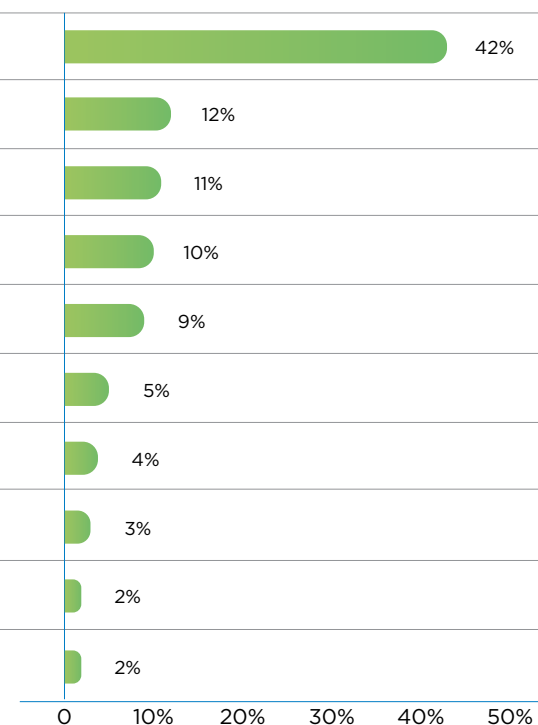
**12.6%**  
tenant sales\*  
increase in 2023



Tenant turnover growth\* (%)  
by segments



Weight in 2023 turnover (%)  
by segments



*Fashion complements includes jewelry, sunglasses, fashion accessories*

*Other retail includes books, office supplies, gourmet, tabaco, toys, pet shop*

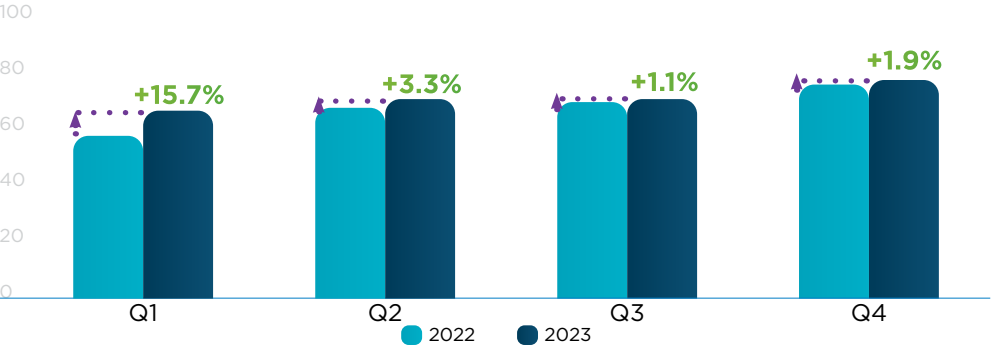
*Services includes beauty centers, telecom, travel*

*\* Like-for-like properties, excluding hypermarkets*

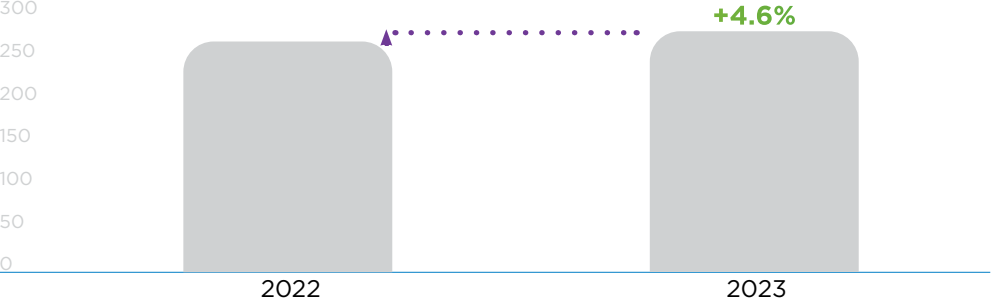


# Continuing increasing footfall and revenue per visit

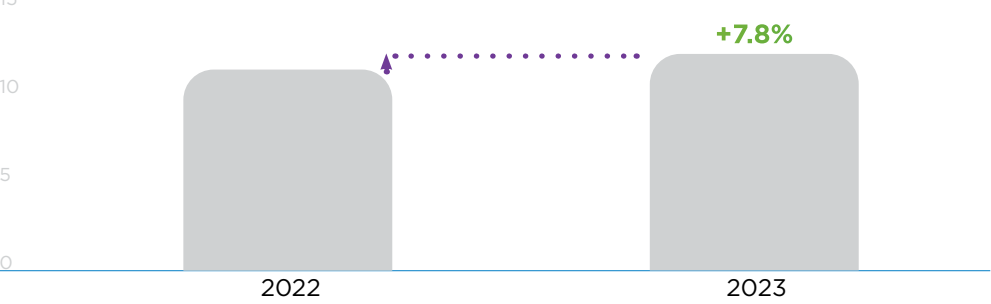
Quarterly footfall\* change (million visits)



YTD footfall\* variation (million visits)



YTD Basket size variation (€/visitor)

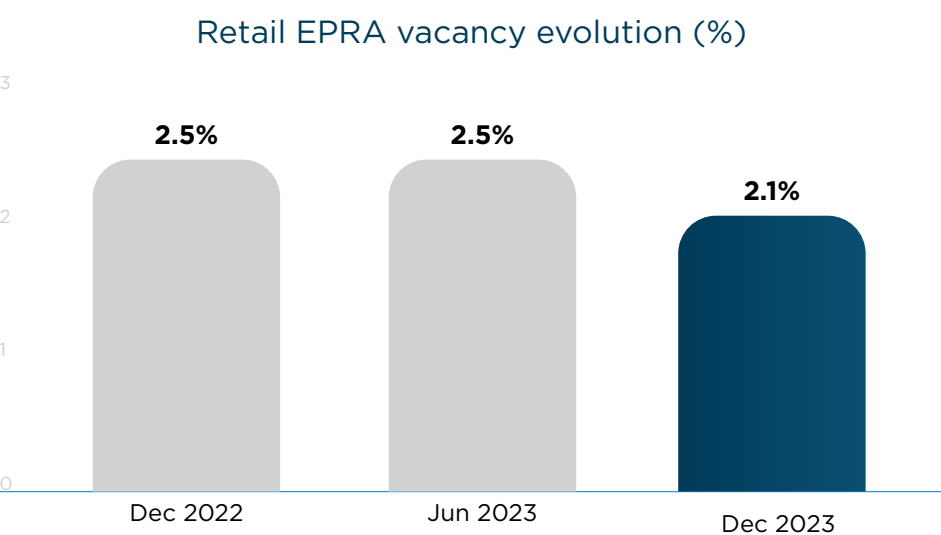


\* Like-for-like properties

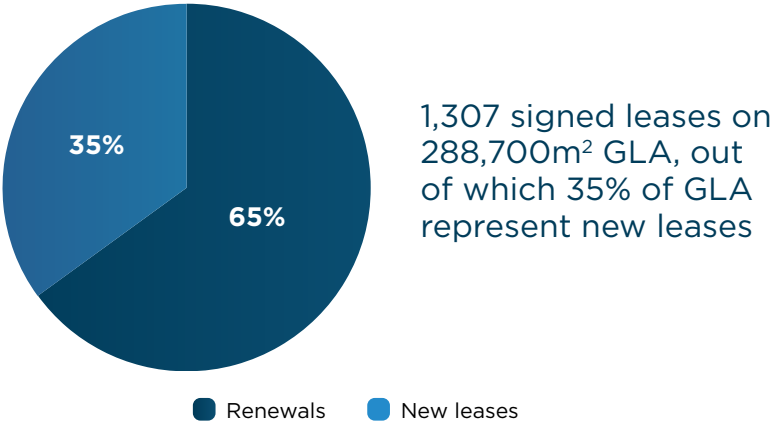




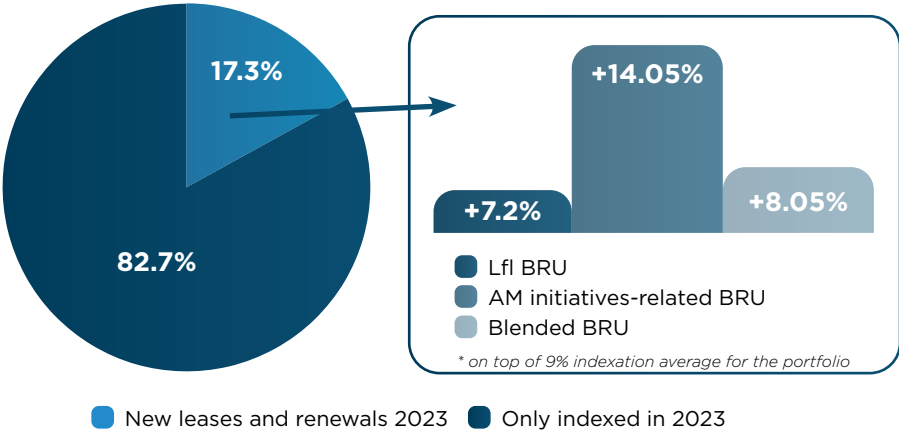
# Strong demand led to record low vacancy and high rental uplifts



Split of signed leases 2023  
by GLA



2023 leasing activity  
by GRI





# Continuous long-term partnering with distinctive retailers

## New stores opened

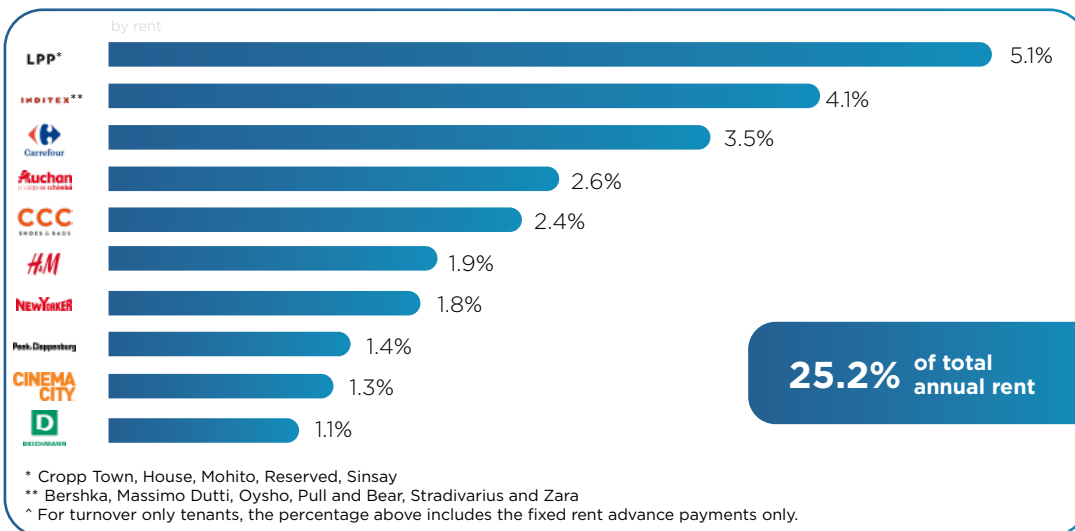




# Continuous long-term partnering with distinctive retailers

» continued

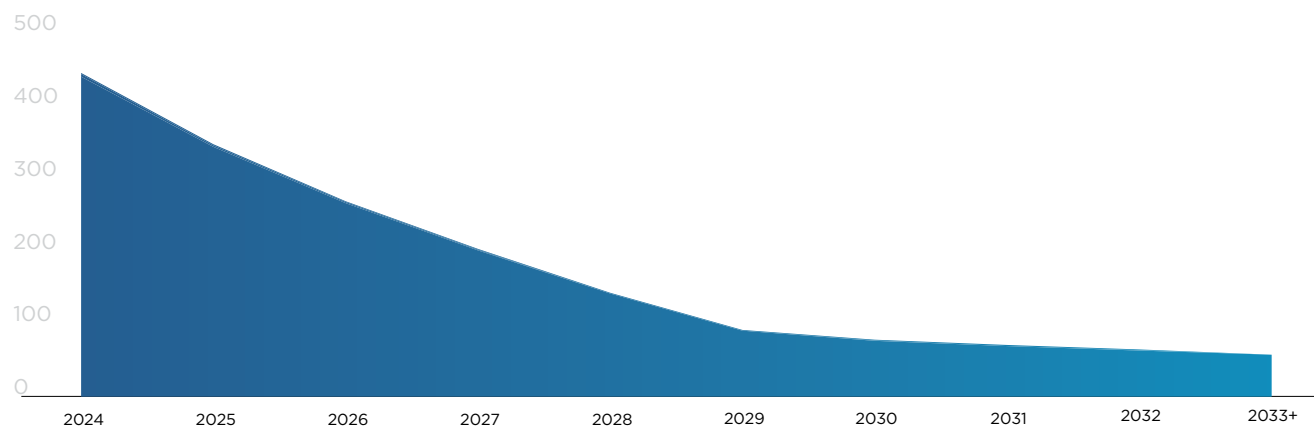
## Strong tenant base



## Sustainable general lease terms and long-term lease duration

Year	% of expiry by gross rentals
2024	10.1%
2025	19.8%
2026	15.8%
2027	13.2%
2028	12.2%
2029	10.3%
2030	2.8%
2031	1.5%
2032	1.2%
≥ 2033	13.1%
<b>Total</b>	<b>100%</b>

Expiry profile as at 31 December 2023 (€m)  
by gross rentals



Weighted average remaining lease duration is 4.5 years^

^ Figures computed based on contractual lease maturity date



# Asset management - boosting customer experience and attractiveness of the centres



## **Food-court extension**

*Shopping City Timisoara, Timisoara, RO*

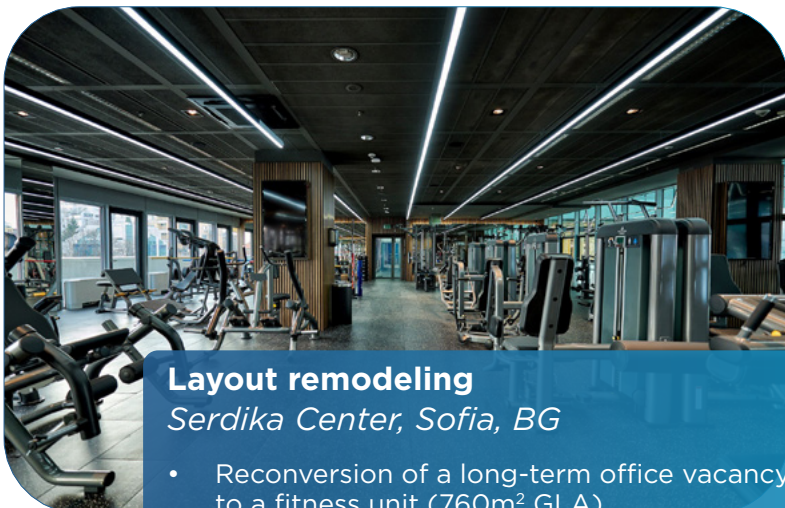
- Boost customer experience - 6 new food court units and major gallery improvements
- Opened: September 2023



## **Extension of GLA (new building)**

*Shopping City Ramnicu Valcea, Ramnicu Valcea, RO*

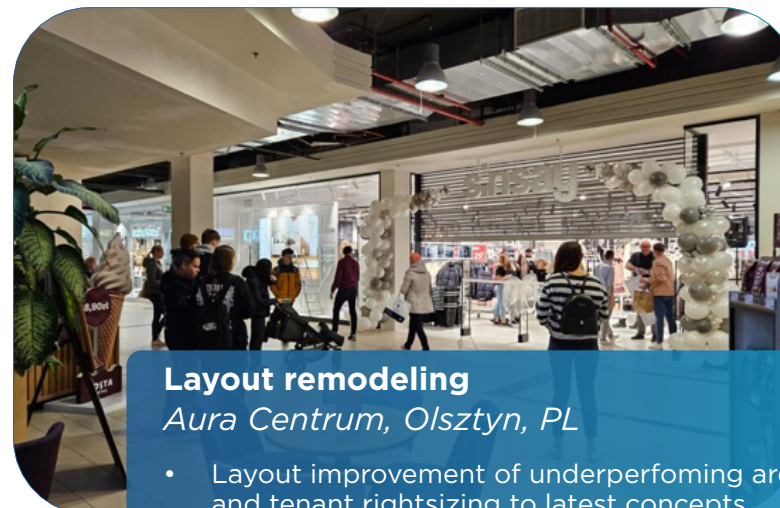
- Extension with Decathlon (1,009m<sup>2</sup> GLA)
- Opened: December 2023



## **Layout remodeling**

*Serdika Center, Sofia, BG*

- Reconversion of a long-term office vacancy to a fitness unit (760m<sup>2</sup> GLA)
- Opened: December 2023



## **Layout remodeling**

*Aura Centrum, Olsztyn, PL*

- Layout improvement of underperforming area and tenant rightsizing to latest concepts
- Opened: November 2023



# Above average performance of the 2022 acquisitions

FORUM GDANSK SHOPPING CENTER, POLAND



**+23%**  
Turnover

COPERNICUS SHOPPING CENTRE, POLAND



**+21%**  
Turnover

PLOIESTI SHOPPING CITY (50% STAKE), ROMANIA



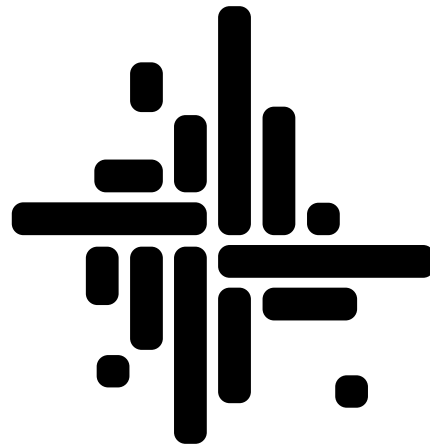
**+15%**  
Turnover

Average portfolio turnover growth 12.6%



# Successful opening of 63,700m<sup>2</sup> GLA Promenada Craiova

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Finance



**Distributable  
earnings**



**Funding**



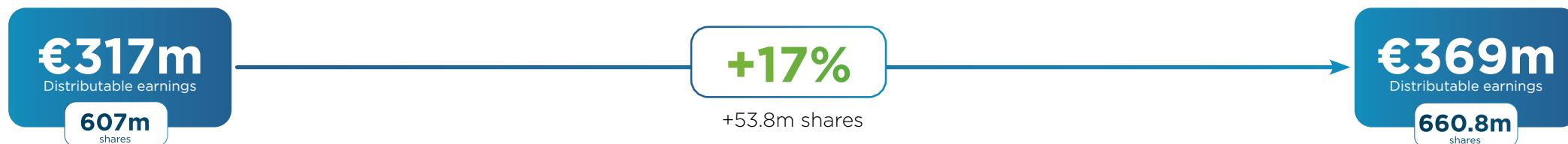
**Valuation**



# Key drivers of 2023 DEPS vs 2022

amounts in € cents

**Distributable earnings positively impacted by strong operational performance and acquisitions done in 2022**

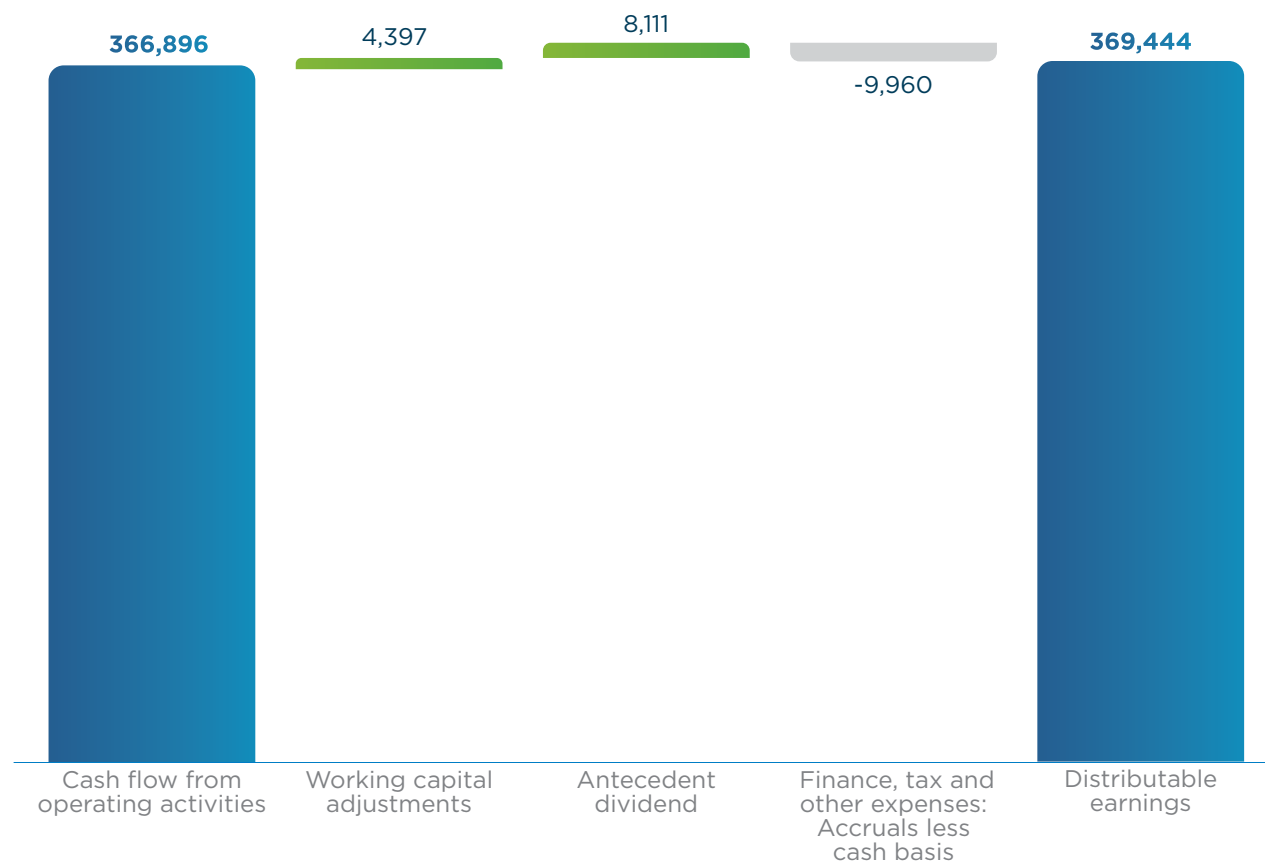




# Cashflow from operating activities vs 2023 distributable earnings

amounts in € thousand

## Distributable earnings supported by cash flow from operating activities



Distributable earnings higher than cash flow from operating activities due to:

- working capital adjustments
- antecedent dividend specific to distributable earnings (no cash effect)
- more expenses accrued than actual cash paid (as settlement date fall due in the next year)

# H2 2023 dividend

## Dividend pay-out

90% cash: 25.61 euro cents

NEPI Rockcastle

65% - 70%

Average of European peers

- Settlement timing: **April 2024**

## 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





# Funding strategy

## Actions implemented in 2023 and early 2024

- €387 million** unsecured green loan from IFC
- €265 million** scrip dividend
- €116 million** extension of secured loans maturing in 2024
- €346 million\*** extension of RCFs maturing in 2024 and 2025

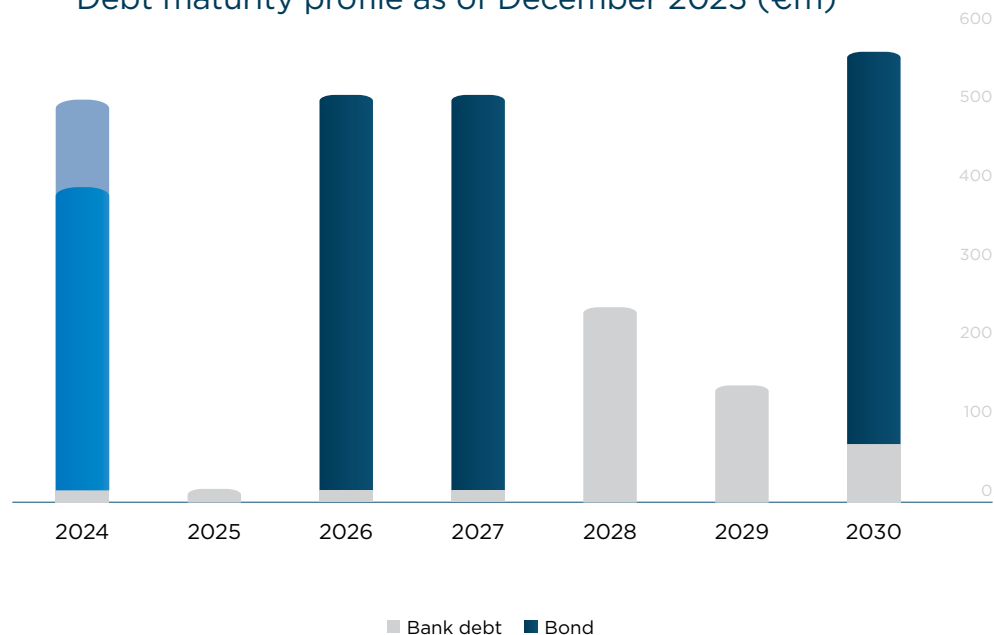
## Results

Debt obligations covered for 2024 and 2025

84% of the investment property unencumbered

€616 million RCF capacity maintained

Debt maturity profile as of December 2023 (€m)



## Finance strategy at a glance

**stable** **stable**  
**BBB/BBB+**  
Investment grade rating

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

**€955m**  
Liquidity

consisting of cash (€339m) and  
undrawn committed revolving  
facilities (€616m\*\*)

**32.2%**  
LTV

below 35%  
strategic threshold

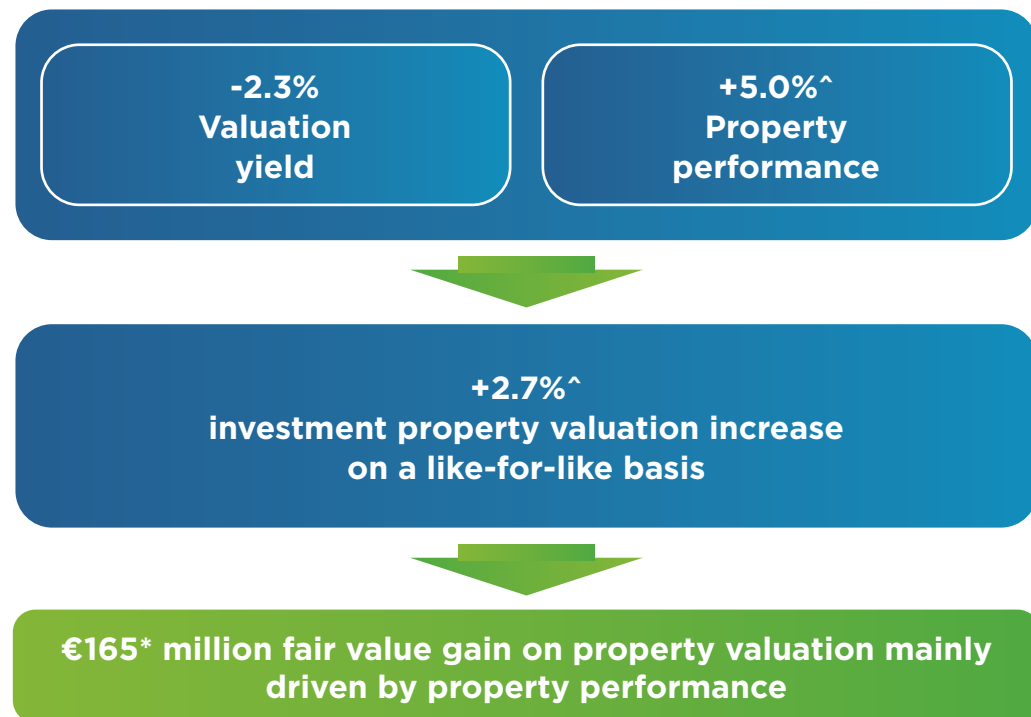
**2.5%**  
Cost of debt

**100%**  
Hedged interest rate risk

\* Excluding the 1 year extension option embedded in the RCF agreements

\*\* As of mid February

# Valuation uplift driven by portfolio performance



Valuer	Countries covered	Share of total portfolio (%)
Colliers International	Romania and Bulgaria	46.5%
Cushman and Wakefield	Croatia, Czech Republic, Hungary, Lithuania, Poland, Serbia and Slovakia	53.5%

<sup>^</sup> Relative to property portfolio value at 31 December 2022.

\* Includes fair value losses of €3 million in 2023 and €1 million respectively in 2022 attributable to land.







ESG



# ESG commitments

## Externally recognised



## Green energy

Photovoltaics in **27 properties** in Romania

**25%** of the needs covered with solar energy

Reducing carbon footprint

Green energy sourced to our tenants



## Governance & standards

Science Based Targets committment

Sustainability-Linked Financing Framework implemented

Alignment to the relevant European ESG standards







# Developments



# Development Projects

## €652m

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				75 100	431	143	
Promenada Bucharest	Romania	Mall/Office	Extension	Q4 2026	55 400	282	93
Bonarka City Center	Poland	Mall	Refurbishment	Q2 2025	4 700	79	42
Ploiesti Shopping City	Romania	Mall	Extension	Q4 2024	7 400	25	2
Galeria Wolomin	Poland	Mall	Extension	Q1 2024	2 800	3	2
Pogoria Shopping Center	Poland	Mall	Extension	Q2 2025	4 800	11	2
Arena Mall	Hungary	Mall	Refurbishment	Q2 2028	n/a	31	2
Developments under permitting and pre-leasing				93 700	221	49	
Promenada Plovdiv	Bulgaria	Mall	Development	Q1 2026	60 500	173	26
Galati Retail Park	Romania	Mall	Development	TBA	33 200	48	23
Total developments under construction, pre-leasing and permitting				168 800	652	192	



### 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.





Way forward



# Looking ahead

## Strategy

**Maintain dominant  
CEE position**

**Optimise portfolio  
through developments,  
acquisitions and assets  
rotation**

**Generate value from  
existing properties**

**Prudent financial  
profile**

**Continue ESG Focus**

**4.0%**  
expected growth in  
distribution per share  
in 2024



