

# Shaping **the Future** of Retail Real Estate

CAPITAL  
MARKETS DAY  
October 2024



Excellence.  
**Innovation.**  
Experience.

# Today's **Hosts**



**RÜDIGER DANY**

Chief Executive Officer

*3 years with NEPI Rockcastle*

Previous Experience:



**MAREK NOETZEL**

Chief Operating Officer

*8 years with NEPI Rockcastle*

Previous Experience:



**ELIZA PREDOIU**

Chief Financial Officer

*10 years with NEPI Rockcastle*

Previous Experience:



# Building the top Retailers' Platform in CEE

## Market Leader

Number 1 in CEE

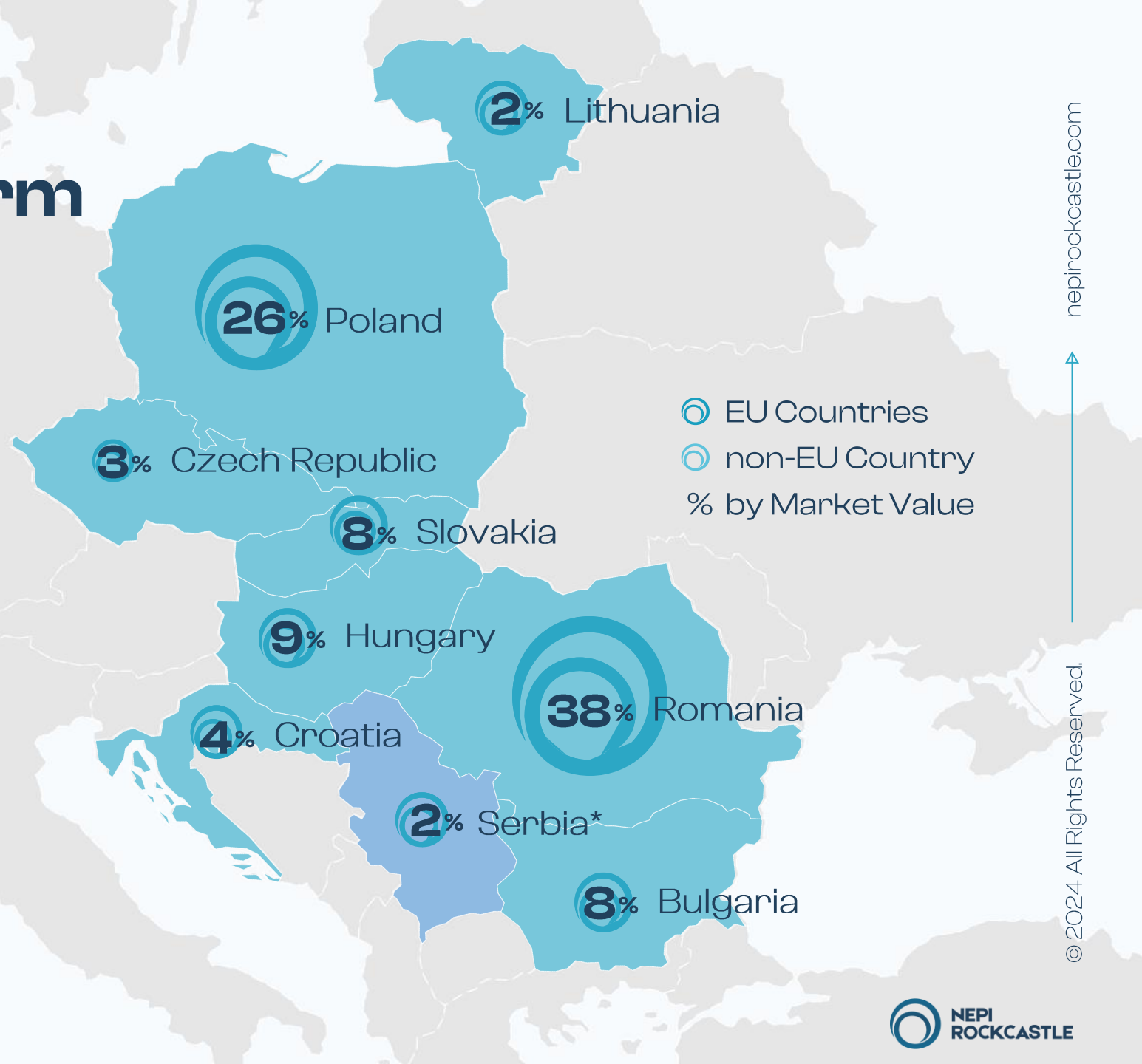
Number 3 in Europe

*amongst the listed retail real-estate companies*

59 Assets

9 countries

2.2 million m<sup>2</sup> GLA





# Market Leader

Strong Track Record of Growth



nepirockcastle.com

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# NEPI Rockcastle Journey

*Consistent growth through strategic geographical expansion – building the CEE largest and top performing commercial real-estate listed player*



(\*) Including properties grouped in portfolios that were subsequently classified as non-core and held for sale

# Shareholders **value creation**

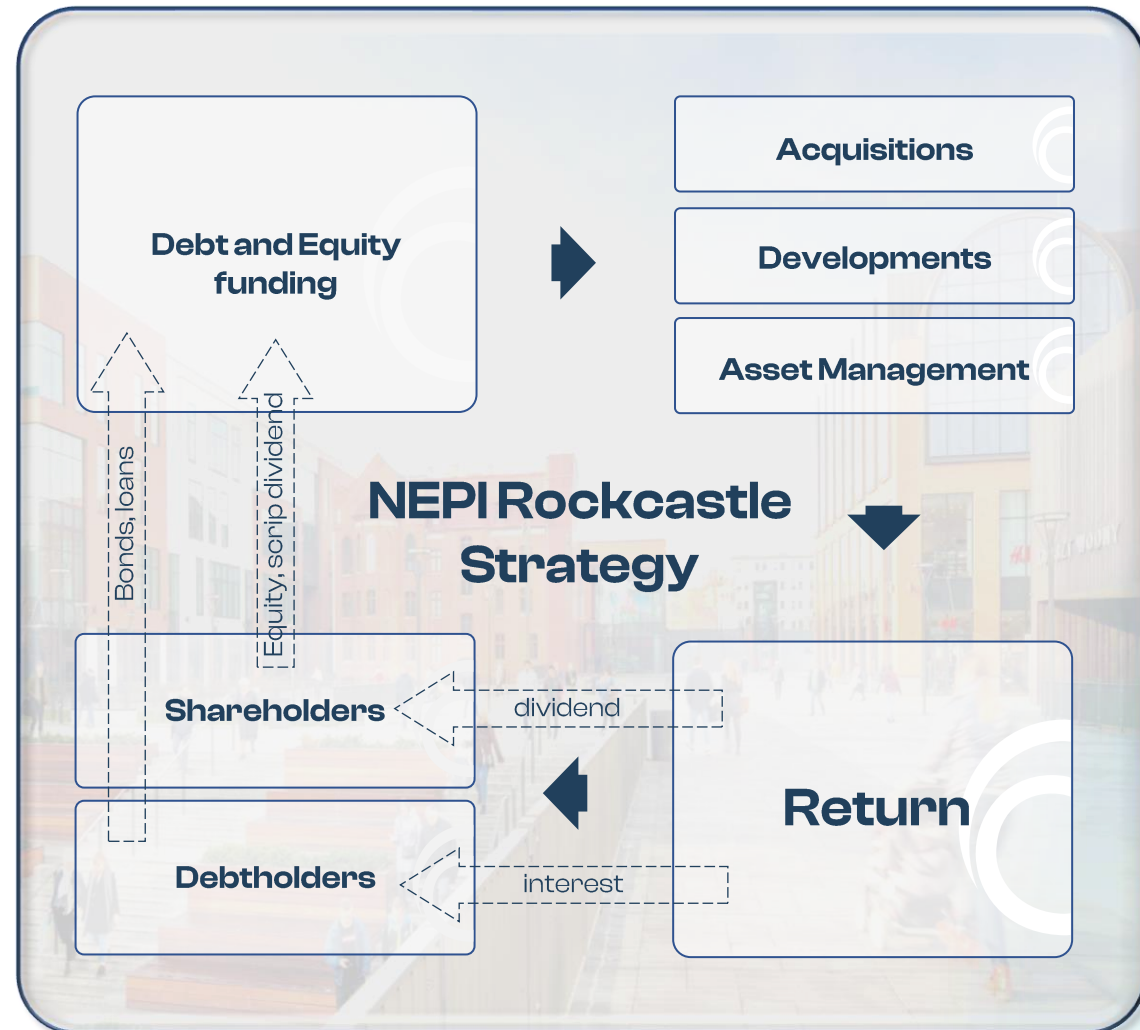
**Large scale** and geographically well **diversified portfolio**

**High quality dominant retail assets**  
with large catchment areas

**Well balanced mix** of must-have  
retailers and **differentiating brands**

**Prudent financial policy** with **strong performance** indicators

**A consistent** and **sector-leading**  
focus on **ESG**



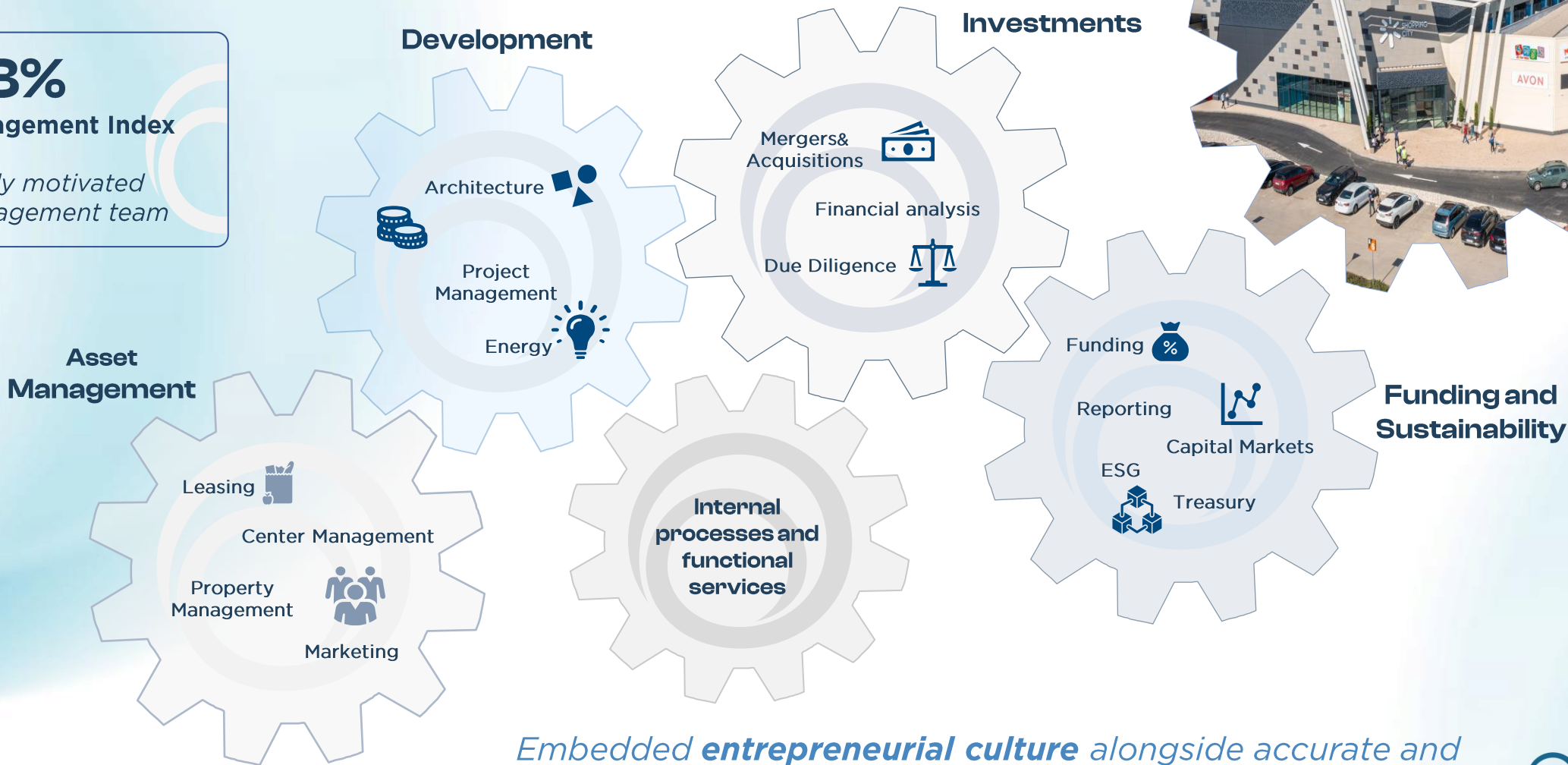
# Strong Internal Expertise

Full business chain managed by competent experts' team of 650+ professionals across all core functions

93%

Engagement Index

highly motivated management team

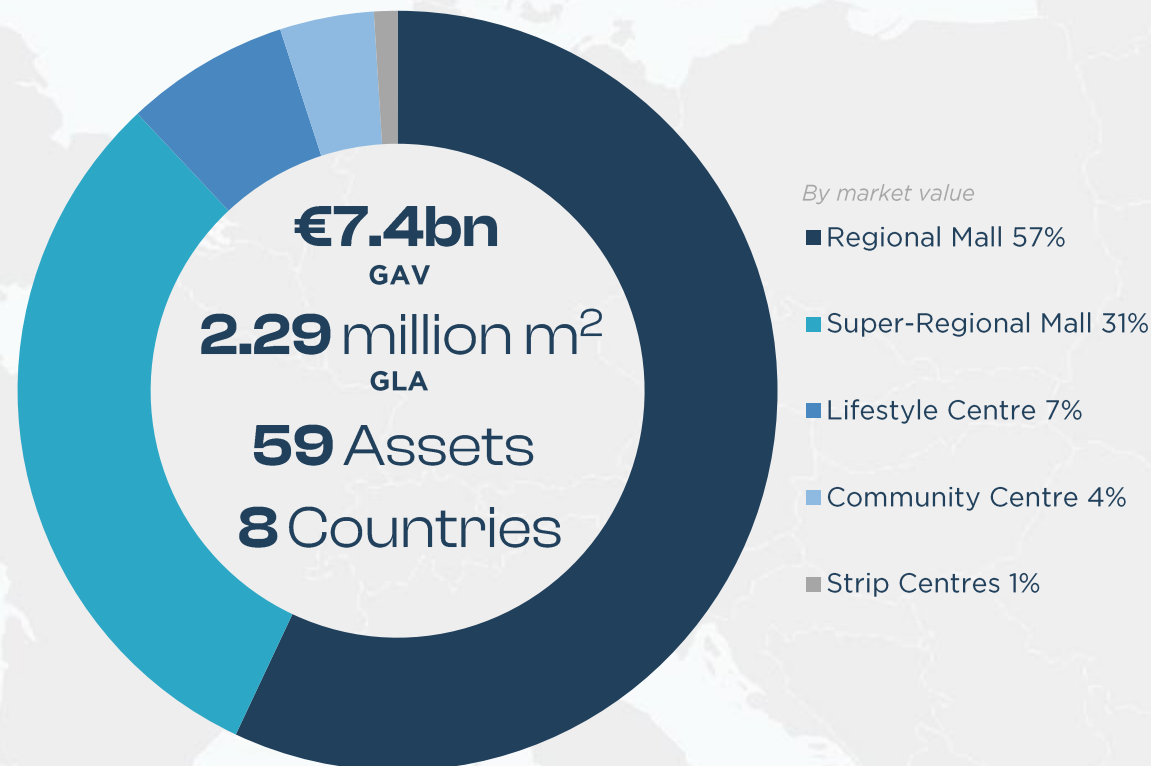


Embedded **entrepreneurial culture** alongside accurate and aligned **internal processes** and good **corporate governance**



# CEE Top Quality Portfolio

**Dominant  
retail assets  
with large  
catchment areas  
covering key cities**



**Dominant  
99%**

Of portfolio located in cities with  
catchment areas of 120k inhabitants\*

**Modern  
91%**

Of properties are less than 15 years

**Key Locations  
68%**

Of shopping centers located  
in capital and primary cities

**Relevant  
39,000m<sup>2</sup>**

Average size per asset

(\*) 30 minutes drive catchment area



# Best in class operational performance delivered consistently

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**344m**

Visitors

12 months rolling August 2024

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**97%-98%**

EPRA Occupancy Rates

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**98%-100%**

Collection Rate

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**11.9%-12.9%**

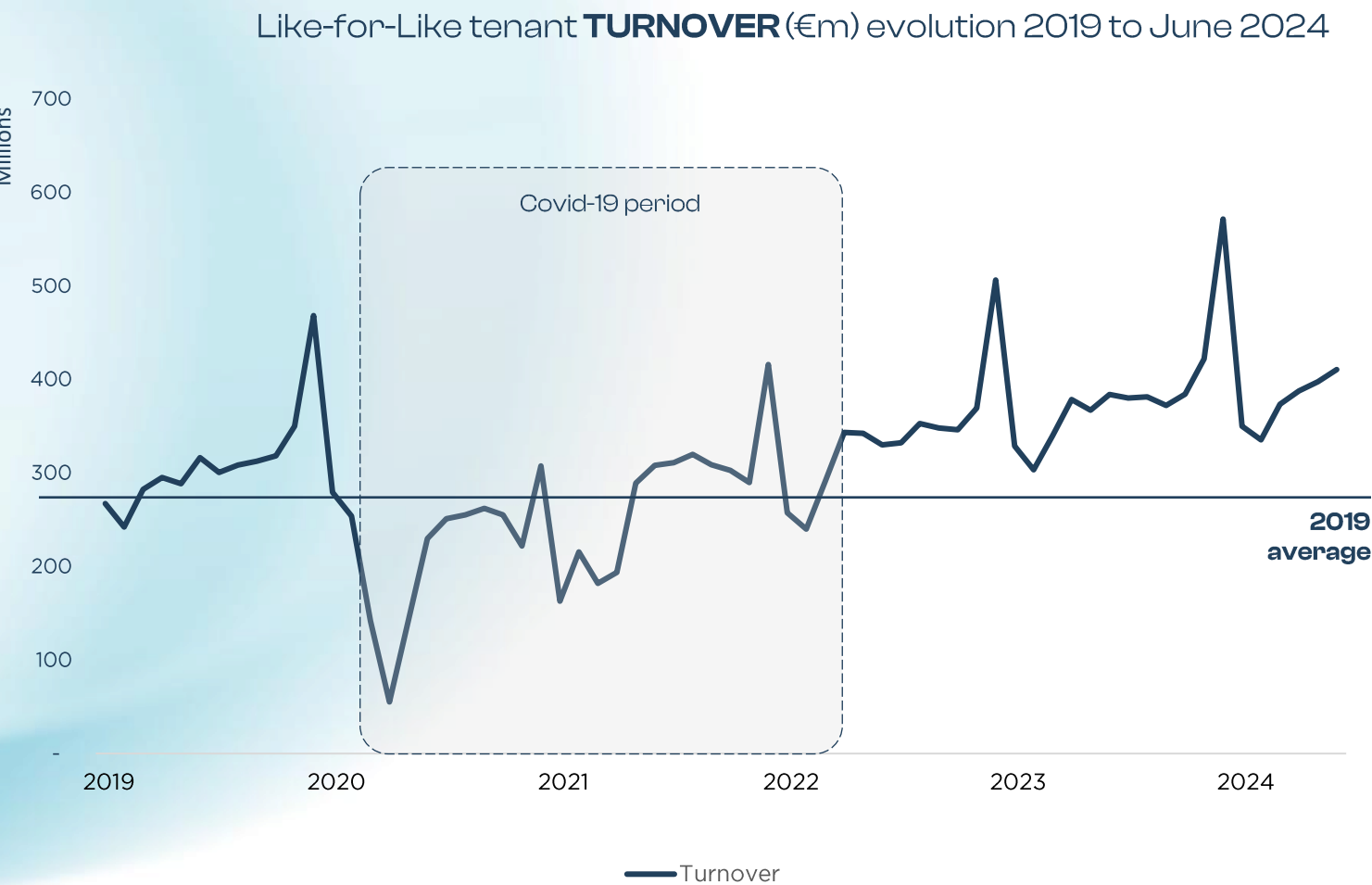
Sustainable

Occupancy Cost Ratio



# Strong rebound after Covid-19

Turnover



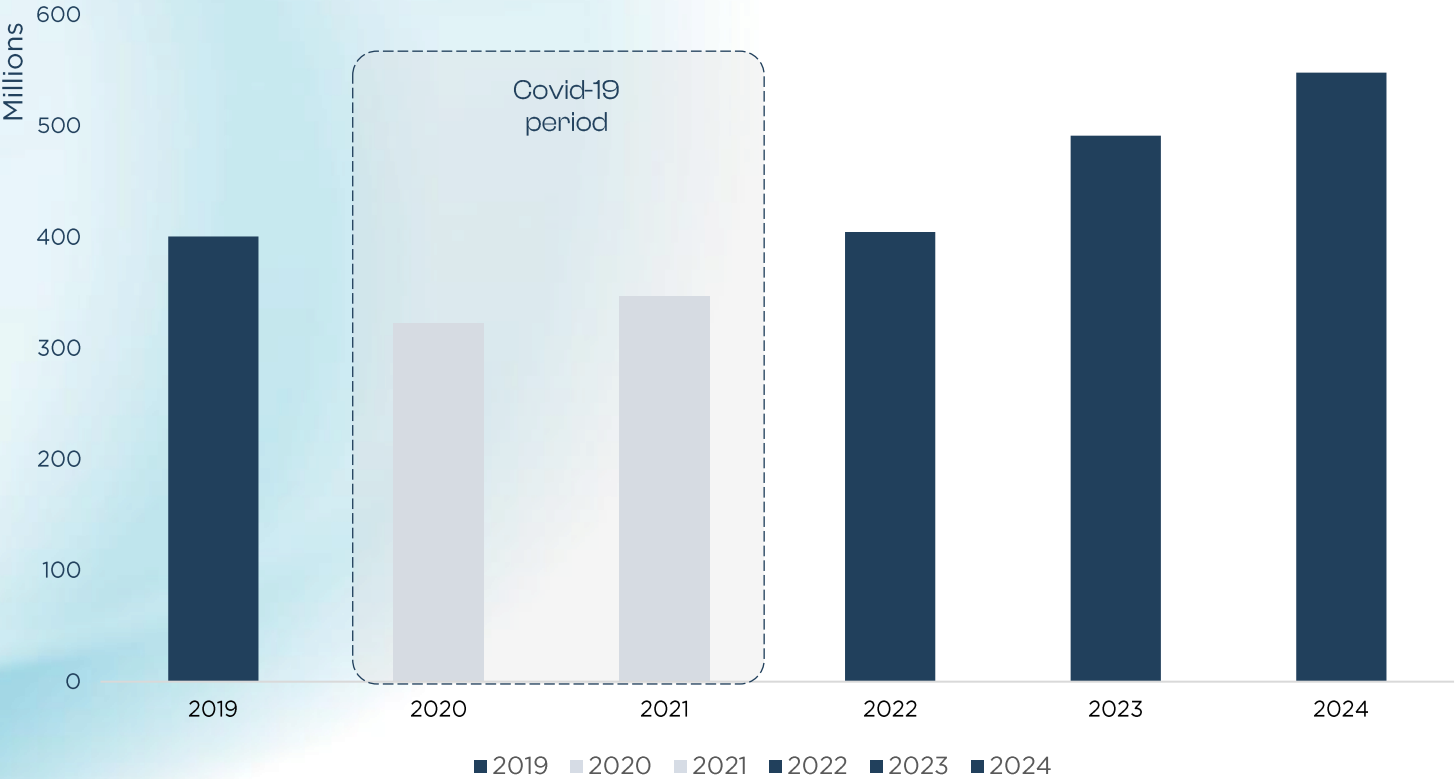
**+17%▲**

Cumulative turnover growth 2022 - June 2024

# Strong rebound after Covid-19

Net operating income

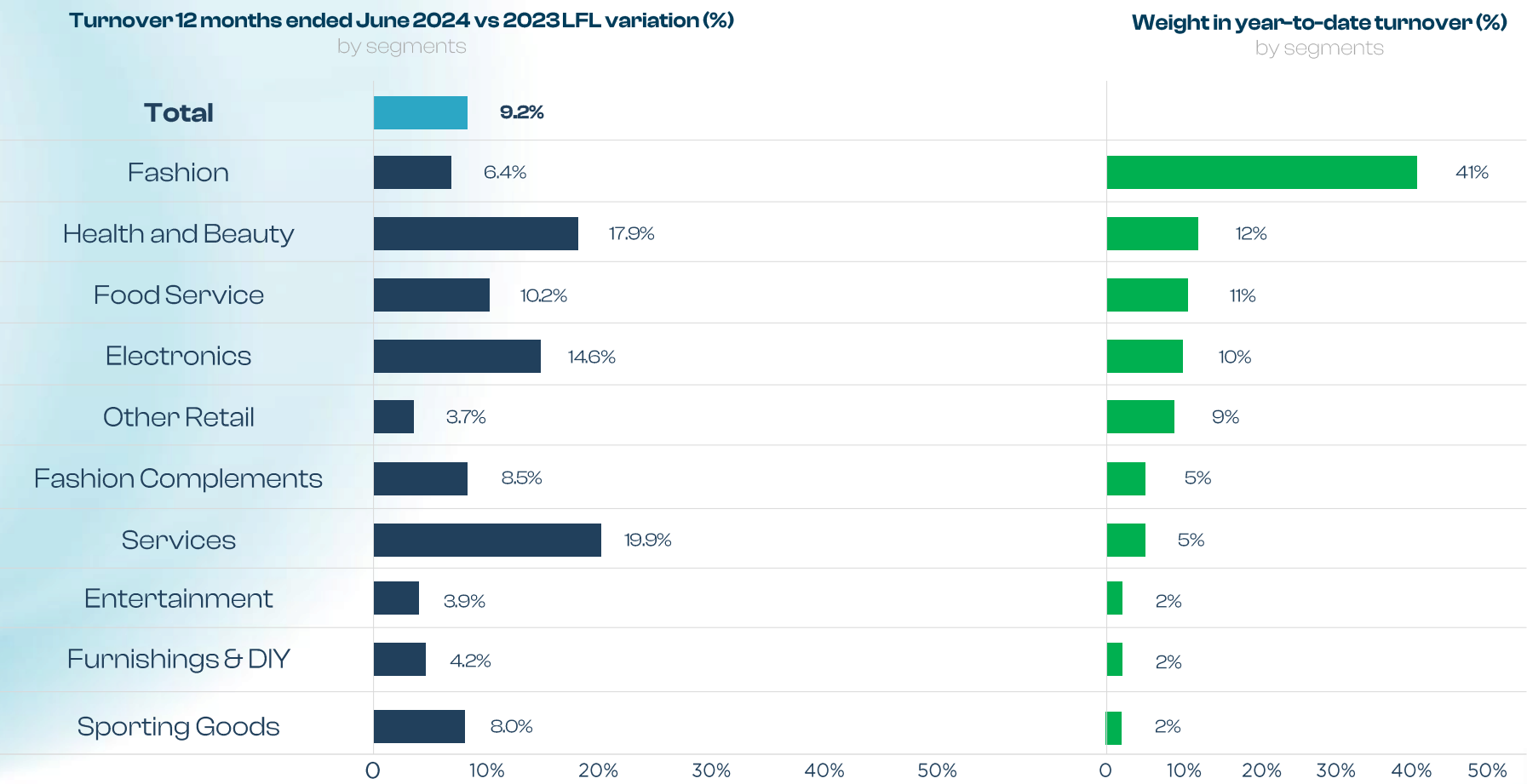
NOI (€m) evolution 2019 to June 2024



**+28%** ▲

Cumulative NOI  
growth 2022 - June 2024

# Strong Growth across all retail segments

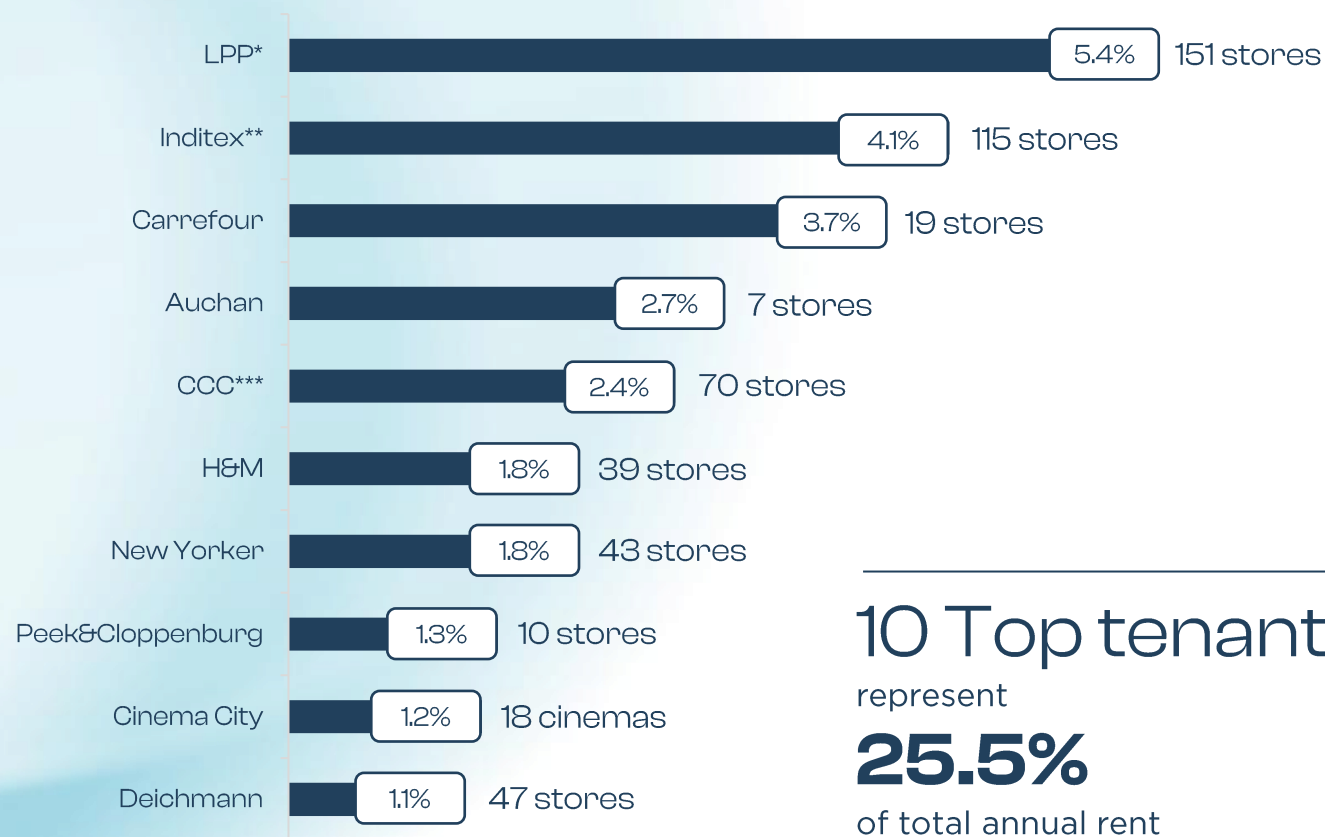


Fashion complements includes jewelry, sunglasses, fashion accessories; Other retail includes books, office supplies, gourmet, tabaco, toys, pet shop; Services includes beauty centers, telecom, travel



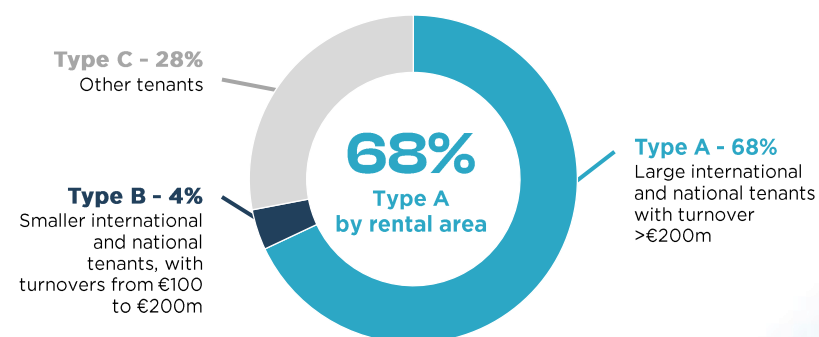
# No 1 CEE landlord for top retailers

Group's top 10 tenants out of total gross rental income



10 Top tenants  
represent  
**25.5%**  
of total annual rent

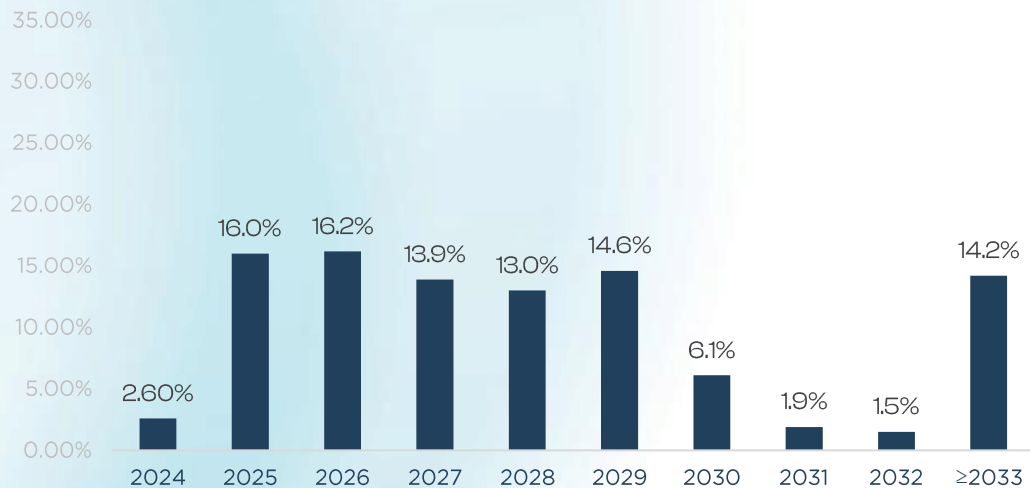
## Strong Base of Diversified Tenants



**6,167**  
**stores**  
In all 59 properties

(\*) Cropp Town, House, Mohito, Reserved, Sinsay. (\*\*) Bershka, Massimo Dutti, Oysho, Pull and Bear, Stradivarius, Lefties and Zara. (\*\*\*) CCC, Half Price, EObuwie and Modivo.

# Unlocking **future growth** with a **balanced** expiry profile



Triple net leases backed by guarantees, Euro denominated and indexed

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**3.6% ▲**  
**Base rental uplift**  
H1 2024



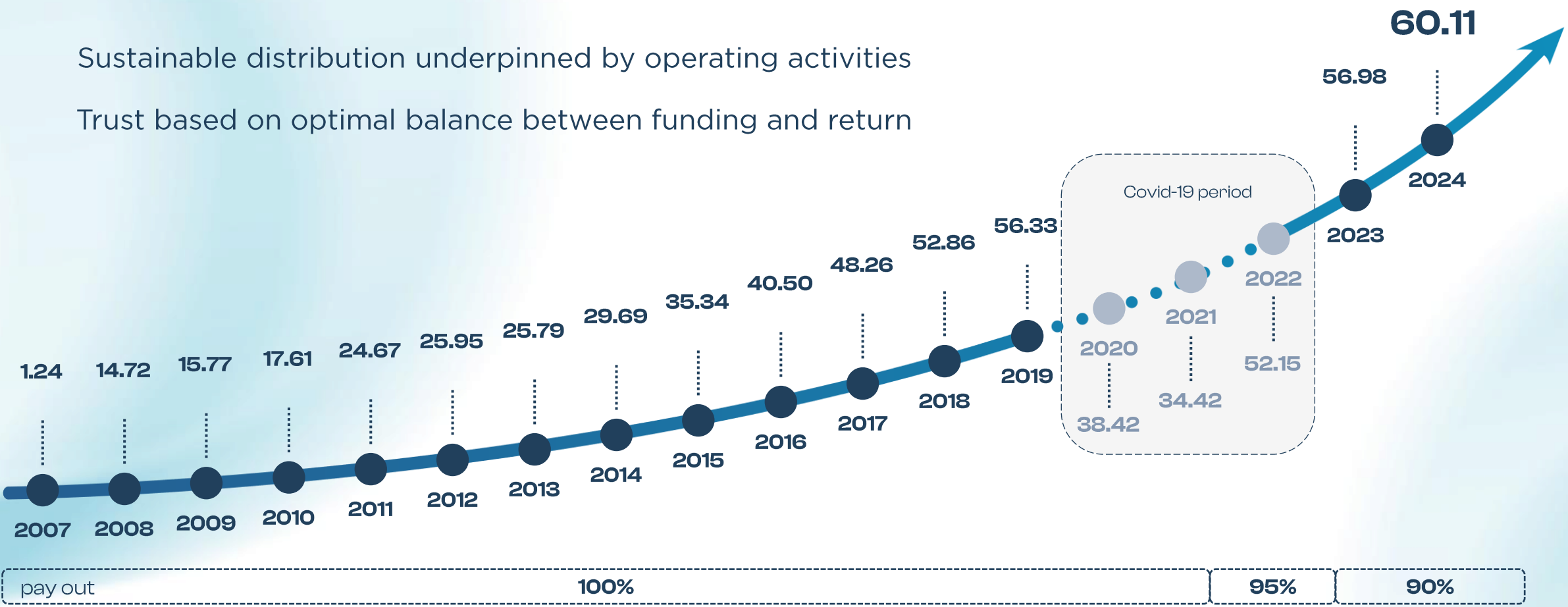
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**~1,300**  
**Lease agreements**  
**signed every year**

# Shareholder value

Consistent delivery of increasing return to shareholders

Sustainable distribution underpinned by operating activities  
Trust based on optimal balance between funding and return



# Securing **Stability** & Growth

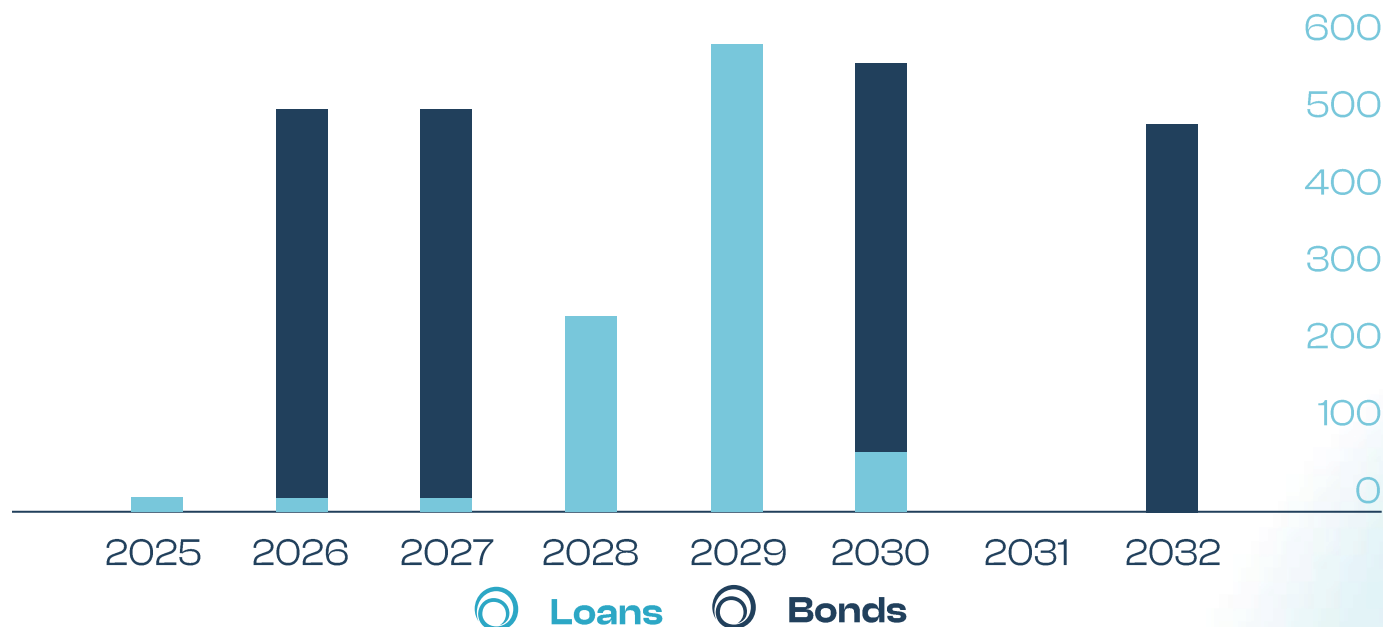
**2.75%**

Estimated net  
cost of debt\*

**4.1 years**

Average debt  
maturity

Debt maturity profile



Stable

**BBB/+**

Investment grade  
rating

**€900m**

Liquidity

**33.6%**

LTV

**87%**

Unsecured  
debt

(\*) Considers the interest income resulted from the placement of the excess liquidity



# ESG focus

*Strong commitment on sustainability strategy*

## Green energy

- Reducing carbon footprint
- **27 properties** in Romania with photovoltaics installed
- **21%** of the expected Romanian's portfolio needs covered with self generated energy
- Minimum 75% renewable energy ensured for H1 to full year across all the portfolio

## Governance & Standards

- Carbon emission Science-Based targets
- Alignment to the relevant European ESG standards and legislation



# Looking into the future

## Organic Growth

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NOI enhancement  
through asset  
management initiatives

## Strategic Asset Developments

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Retail and  
mixed-use projects

## Acquisitions and asset rotation

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Opportunities for  
acquisitions of core assets  
and strategic disposals

## New income streams

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Expand green energy  
business

## Financial Prudence

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Maintaining a robust balance sheet





# Organic growth

## €548m

2024 Forecasted NOI

- Favorable Retail market conditions across CEE
- Asset Management Initiatives to leverage on the potential of the portfolio
- Portfolio segmentation differentiated strategies
- Bold investments in upgrading the shopping centers' look and feel
- Extract best value from leasing activity by adapting our tenant mix to consumer trends, though enhancing our retailers' business growth

**~3%**  
asset  
management  
initiatives

**~2%**  
indexation

**4-5%**  
annual growth

# Strategic asset developments

## Development pipeline - €702 million

€230m invested

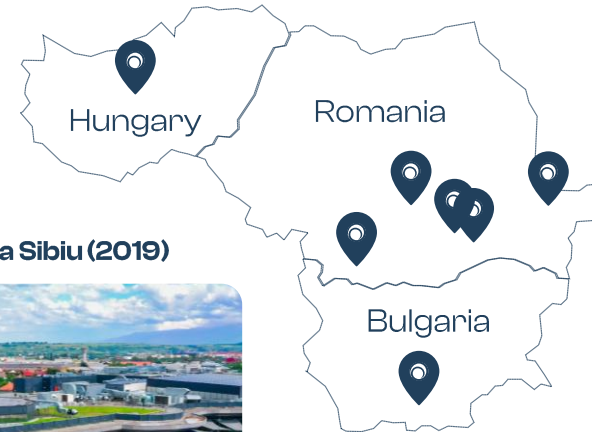
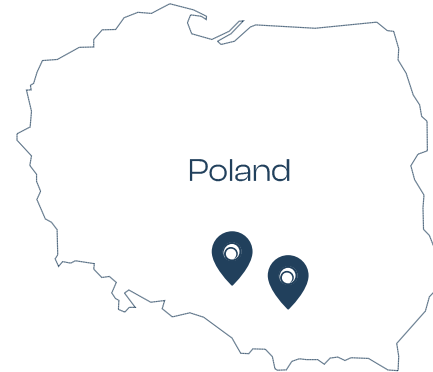
Total investments under permitting & construction  
2024-2028

## €655m new retail and mixed use GLA

- ✓ 2 greenfield developments, 5 extensions and refurbishments in 4 countries
- ✓ **195,200m<sup>2</sup> GLA, 9% of the current GLA**

## €47m new residential projects

- ✓ 2 residential developments in Romania
- ✓ **33,000m<sup>2</sup> GSA**



Promenada Sibiu (2019)



49,200m<sup>2</sup> GLA

Mega Mall (2015)



75,900m<sup>2</sup> GLA

Promenada Craiova (2023)



63,700m<sup>2</sup> GLA



# Acquisitions and asset rotation

## Acquisition pipeline - €800 million

€373m completed

### Paradise Center BG (2017)



**+122%**

Turnover

**+23%**

Fair valuation

### Ploiesti Shopping City RO (2022)



**+14%**

Turnover

**+24%**

Fair valuation

### Forum Gdansk PL (2022)



**+35%**

Turnover

**+32%**

Fair valuation

Note Turnover: 12 months ended August 2024 vs. 12 months at acquisition  
Fair valuation: H1 2024 vs Acquisition date

# New income streams - energy

600 MWh total portfolio consumption

€34m

Completed photovoltaics projects

€34 million

27 green energy projects  
in Romania  
38 MWh

6%

of total portfolio  
consumption

€115m

New photovoltaics projects (2024 - 2026)

€15 million

24 green energy projects  
in 7 countries  
25 MWh

€100 million

Greenfield photovoltaic project  
in Romania  
159 MWh

37%

of total portfolio  
consumption

20%

blended  
yield





# NEPI ROCKcastle Value Proposition

Why invest in  
NEPI Rockcastle?



► [nepirockcastle.com](https://nepirockcastle.com)



We are **Solid as a ROCK**  
We **Consistently Deliver**  
We are **NEPI ROCKcastle**

▷ [nepirockcastle.com](https://nepirockcastle.com)