NEPI ROCKCASTLE

Reviewed condensed consolidated financial statements 31 December 2024

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CEO's statement

"NEPI Rockcastle continued to set new records in 2024. Distributable earnings (both in absolute terms and per share) and net operating income ("NOI") were the highest in the Group's history. The 11.8% increase in distributable earnings (5.6% on a per share basis) exceeded the guidance communicated at the start of the financial year and matched the revised guidance issued in August 2024. Portfolio value at year-end reached almost €8 billion, consolidating NEPI Rockcastle's position as one of the largest and fastest growing retail property landlords in Europe.

The robust financial performance reflects the operational excellence of our portfolio and the strength of consumer demand in Central and Eastern European markets. The 13.2% increase in NOI last year was fundamentally driven by higher tenant sales, allowing us to raise base rents and collect more turnover rent (up by 15% versus 2023). It is also worth noting that the occupancy cost ratio ("OCR") has remained at the same sustainable level since 2022, which demonstrates our success in working collaboratively with our retailer partners to create and share value together. We strive through active asset management to constantly improve our properties and make them even more attractive for both retail brands and consumers. As a result, we managed to bring down vacancy to 1.7% across the portfolio - a remarkable achievement.

At the same time, we also look to grow through financially accretive and sustainable investments. From this point of view, 2024 was a landmark year for us. We acquired two of the most attractive retail properties in Poland, Magnolia Park in Wroclaw and Silesia City Center in Katowice, which will significantly contribute to growth in coming years. The Company is also firmly on track to deliver on our ambitious development pipeline.

Furthermore, we've been greatly encouraged by the success of our initial foray into producing green energy and have set the stage for a major expansion in the generation of our solar power capacity by securing two large greenfield projects in Romania.

To finance the two large acquisitions of 2024, we raised €800 million from capital markets towards the end of last year. The strong confidence that investors and financers have in our investment strategy was evidenced by the highly competitive terms achieved for both the debt and equity raises. To maintain the Group's loan to value ("LTV") ratio below our 35% threshold, we paired the €500 million green bond issue with a €300 million equity raise, the first such endeavour since 2017. We intend to build on the strong relationships developed with capital providers and continue accessing capital markets to fund future opportunities.

Even after the major investments made in 2024, NEPI Rockcastle ended the year with an LTV of 32.1% and €1.1 billion in liquidity (including unused revolving credit facilities), reinforcing our commitment to balance sheet strength as a key priority for the Group. While we strongly believe in the positive economic prospects for our CEE markets, the macroeconomic environment remains unpredictable and challenging, and we have to be prepared for a range of possible future scenarios.

NEPI Rockcastle's impressive financial performance in 2024 and the significant expansion in the portfolio have established solid foundations for the future. In 2025 we will continue looking for opportunities to grow our business that make strategic sense and deliver optimal investment returns for our shareholders."

Rüdiger Dany, Chief Executive Officer (CEO)

HIGHLIGHTS

Distributable earnings increase 11.8% (5.6% on a per share basis), in line with revised guidance

- Distributable earnings per share ("DEPS") for the second half ("H2") of 2024 were 30.05 euro cents, which, when combined with the interim DEPS of 30.12 euro cents, result in annual DEPS of 60.17 euro cents, 5.6% higher than in 2023 (56.98 euro cents).
- Actual DEPS growth is consistent with the guidance issued in August 2024 and reaffirmed in December 2024. This result endorses management's upward revision of guidance at the half year results, based on their expectation of a stronger than anticipated operating performance in the second half of the year.
- Distributable earnings for the period amounted to €413 million, up 11.8% from 2023. The increase was diluted on a per share basis by new shares issued during the year in the equity raise and as scrip issues.
- The Board has declared a dividend of 27.05 euro cents per share for H2 2024, corresponding to a 90% dividend pay-out ratio, to be settled as capital repayment (default option). NEPI Rockcastle shareholders can also elect for the settlement of the same dividend amount as an ordinary cash dividend out of distributable profits.

NOI improves by 13.2%, with strong contributions from base rent, turnover rent and energy sales

- Net rental and related income (referred to as 'Net Operating Income' or "NOI") at €556 million was 13.2% higher than in 2023. Like-for-like ("LFL") NOI growth was 9.2% (excluding the impact from acquisitions, revenue from green energy programme and disposals and developments completed in 2023 and 2024).
- Gross rental income grew by 10.9% to €566 million in 2024 from €510 million in 2023. Base rent was up 7.8%, driven by indexation, rental uplifts and higher occupancy, while strong tenant sales led to a 15.3% increase in overage and turnover rent.
- Green energy activity contributed €9 million to 2024's NOI.
- Property operating expenses increased marginally by 2% and the cost recovery rate at 93% was the same as in 2023.

Tenant sales and average spend continue to grow robustly

- Tenant turnover increased by 8.5% (excluding hypermarkets) compared to 2023 on a LFL basis, proof of a resilient consumer and the continuing appeal of the brands present in NEPI Rockcastle properties.
- On a LFL basis, footfall was 1.5% higher than in 2023.
- The average basket size increased by 8%, in line with prior year trends, despite lower inflation.
- The occupancy cost ratio ("OCR") was 12.2% in 2024 (excluding hypermarkets), the same as in 2023. The OCR has remained stable since 2022, showing that the Group can consistently translate higher tenant sales to income growth by working collaboratively with our retailer partners in a fair and balanced manner.
- The collection rate was over 99% of 2024 reported revenues as of mid-February 2025.

Acquisitions and valuation uplift see portfolio value rise to €7.9 billion; retail vacancy drops to 1.4% (and to 1.7% on a portfolio level)

- Investment property as of 31 December 2024 was valued at €7.9 billion, compared to €6.8 billion at the end of 2023. The increase is mostly due to acquisitions made during the year and positive fair value adjustments of €195 million.
- The revaluation uplift was driven by higher estimated rental values, supported by the excellent performance of the assets in 2024. Valuation yields showed no significant changes.
- European Public Real Estate Association ("EPRA") vacancy decreased to 1.7%, from 2.2% in 2023. For retail properties, which represent 97.3% of total gross lettable area ("GLA"), the EPRA vacancy rate was 1.4% (down from 2.1% in the previous year). The Group continued to reduce vacancy from already low levels through a sustained leasing effort and the appeal of its properties to retailers.
- EPRA Net Reinstatement Value ("NRV") per share was €7.38 as of 31 December 2024, a 5.7% increase compared to €6.98 as of 31 December 2023.

Landmark acquisitions and green energy production plans set the stage for future growth

- The Group acquired two shopping centres in Poland, Magnolia Park and Silesia City Center for a total cash outflow of €760 million, in line with its strategy to increase the concentration of the portfolio in countries with investment grade credit ratings and focus on core dominant properties in their local markets. These acquisitions together represented 40% of the total value of all retail real estate investment transactions in CEE last year of €1.9 billion - which was the highest deal volume in the region in this property sector since pre-Covid-19. The two centres are expected to contribute significantly to the Group's NOI growth.
- NEPI Rockcastle's long-term plan is to reallocate capital from non-core assets to strategic investment assets. Accordingly, in October 2024 the Group completed the sale of Promenada Novi Sad in Serbia for €177 million, generating a gain on disposal of €25.5 million (after working capital adjustments). The property had been included in assets held for sale as of 31 December 2023.
- NEPI Rockcastle invested over €140 million in developments, photovoltaic plants and capital expenditure in 2024. The Company has a very promising development pipeline totalling 187,900m^2 GLA, with a total investment cost of almost €788 million (including extensions and redevelopments of existing assets together with the green energy investments), which is expected to deliver significant growth over coming years.
- The first phase of the green energy programme was completed in 2024. The energy business contributed €9 million to the Group's annual revenue. In August 2024, the Board approved the roll-out of the green energy project to 23 properties across the remaining countries in the portfolio and investment in greenfield ready-to-build photovoltaic fields in Romania.

NEPI Rockcastle taps debt and equity capital markets to finance investments, retains ample liquidity and a prudent LTV

- The Group's liquidity position as of 31 December 2024 was €1.1 billion, including €448 million in cash and €670 million in undrawn committed credit facilities.
- Loan-to-value ("LTV") was 32.1% as of 31 December 2024, comfortably below the 35% strategic threshold.
- In September 2024 the Group raised €500 million through a green bond issue, followed in October by a €300 million equity issue (the first since 2017). This substantial capital raise was used to finance the acquisitions in Poland. The IFC green facility of €445 million, contracted in 2023 and supplemented and disbursed in 2024, was used to repay a €500 million bond that matured in November 2024. The next significant debt maturity is in October 2026.

Directors' commentary

- The net average interest rate, including hedging and interest income from excess liquidity derived from early disbursement of IFC loan, was 2.7% for 2024 (2.5% for 2023); the gross average interest rate stood at 3%. Interest rates are either fixed or hedged for 86% of outstanding debt.
- The Group is currently assigned a long-term corporate credit rating of BBB (stable outlook) from Standard & Poor's Rating Services and BBB+ (stable outlook) from Fitch Ratings.
- As a result of the transactions completed in 2024, NEPI Rockcastle meets the criteria for inclusion in the FTSE EPRA/Nareit Emerging Index. This is a free-float adjusted, market capitalization-weighted index designed to track the performance of listed real estate companies in emerging countries worldwide. Management expects NEPI Rockcastle to be included in the index in Q2 2025 which will increase the Company's visibility and tracking by equity investors, easing access to the equity capital markets.

OPERATING PERFORMANCE

Trading summary

The Group's robust performance across its portfolio in 2024 was buoyed by resilient consumer spending and strong demand from retailers for space in our locations. Footfall, tenant sales, and average basket spend all increased year on year, while occupancy reached an all-time high of 98.3%. The leasing market remains strong across all our geographies.

On a LFL basis, footfall increased by 1.5% over the year and while the pace of growth slowed a little from 2023, there are few signs of this trend reversing, as evidenced by the higher number of visitors in each quarter compared to the previous year.

Tenant sales in 2024 were 8.5% higher on a LFL basis than in 2023. The pace of growth picked up again in Q3 (+9.1%) after a low of 7.2% in Q2 and remained strong throughout Q4 (+7.7%) despite increased economic uncertainty. Customers continued to spend more per visit, the average basket size growing by 8.0%, in line with previous trends.

The OCR has been remarkably stable for the last three years. In 2024, it was equal to 2023 at 12.2%, (excluding hypermarkets), and almost the same as in 2022 (12.1%). The stability and the relatively low level of OCR indicates that landlord's and tenants' interests are well aligned, and that growth is equitably shared.

Tenant sales increased across all retail categories. The fastest growing were Health and Beauty (+14.8%) and Services (+12.5%), unchanged from 2023. Sporting Goods (+2.9%) and Electronics (+4.8%) had the lowest growth rates, as demand cooled a little after strong growth in previous years. Sales in Fashion, the largest segment, increased by 7%.

Property operating expenses increased by only 2% year on year, helped by lower energy prices and active cost management measures. The recovery rate was 93%, the same as in 2023. Unrecovered expenses increased slightly to €19.2 million in 2024 from €18.9 million in 2023.

Leasing

The Group achieved a market leading EPRA retail vacancy rate of 1.4% on 31 December 2024, lower than the 2.1% at 31 December 2023, as a result of very strong tenant demand for space in the Group's properties. Overall EPRA vacancy was 1.7% at the end of 2024 (down from 2.2% on 31 December 2023).

NEPI Rockcastle concluded 484 new leases (for 99,600m^2, 4.1% of total GLA) in 2024. International tenants accounted for 67% of new leases signed. Another 842 leases (183,000m^2 of GLA) were renewed during the year. The average rental uplift in 2024 was 2.4% (excluding indexation).

The Group continued to bring well-known brands for the first time to its markets in 2024. Examples of debut store openings in the country included: Primark in Arena Mall (Hungary), Rituals and Wendy's in Mega Mall (Romania), JD in Forum Liberec (Czech Republic), Sports Direct in Promenada Craiova (Romania). Other notable openings in 2024 include Reserved in Paradise Center (Bulgaria), Lefties in Shopping City Ploiesti (Romania), Peek & Cloppenburg in Paradise Center (Bulgaria), Nike in Bonarka City Center (Poland), Victoria's Secret in Mega Mall (Romania), Zara Home in Arena Mall (Hungary).

NEPI Rockcastle is strengthening partnerships with leading global brands, as evidenced by multiple store openings in various locations across the portfolio, such as JD Sports (ten opened in 2024), Rituals (four), NIKE (three), Pandora (three) and Lego (three). Concurrently, The Group's prime locations are attracting unique concepts, such as the newest, extended "Uncommon Common" store concept of New Balance in Bonarka City Center (Poland), Focus Hotels boutique in Forum Gdansk (Poland) and Boogie Lab in Arena Centar (Croatia), further enhancing the commercial appeal of the centres.

DEVELOPMENT UPDATE

During 2024, the Group spent over €140 million in developments, photovoltaic plants and capex. Projects currently under construction include the extension of Promenada Bucharest, the redevelopment of Bonarka City Center and the refurbishment of Arena Mall. Projects under permitting include most notably the development of a large shopping centre in Plovdiv (Bulgaria), a retail park in Galati (Romania) and two residential projects in Brasov and Craiova (Romania). The 5,900m^2 GLA extension at Shopping City Ploiesti was completed in September 2024, less than one year after construction started, increasing total GLA to 52,300m^2.

All ongoing development projects are on track for completion within their envisaged construction schedules.

In 2024, NEPI Rockcastle produced solar power energy from 38 MW of power-generating capacity installed on 27 properties in Romania and one in Lithuania. The second phase of this renewable energy programme will add another 15 MW in 23 of NEPI Rockcastle's properties outside Romania (individual projects are under various stages of design, permitting and tendering). The third phase aims to develop greenfield photovoltaic plants with a much larger capacity. In Q4 2024, the Group acquired two project companies holding land rights, building permits and grid connection permits for photovoltaic projects with a combined capacity of 159 MW. These investments, estimated at €110 million in total, are expected to generate a return on capital roughly double relative to retail developments. Moreover, they will significantly expand the Group's green energy generating capacity, and the proportion of its tenants' electricity consumption, enhancing the revenues from green energy production.

ACQUISITIONS AND DISPOSALS

The two major acquisitions made in Poland in 2024 will further consolidate NEPI Rockcastle's leading position in the Polish retail property market.

Magnolia Park, a 100,000m^2 GLA shopping centre in Wroclaw (Poland's third largest city), was acquired on 1 October 2024 for a cash outflow of €353 million. The asset combines very strong fundamentals (catchment, location, accessibility, tenant mix) with outstanding operational performance and significant growth potential through further value enhancement.

On 6 December 2024, the Group acquired Silesia City Center, an 88,400m^2 GLA retail asset in Katowice, one of Poland's densest and economically strongest urban agglomerations. The property is the dominant shopping destination in province of Silesia, with a size and tenant mix unrivalled in the region. Its already strong performance will be further improved through asset management initiatives. The cash outflow was €407 million, making this the largest acquisition of a single asset in the Group's history (and one of the largest in Europe in 2024).

In July 2024, the Group entered into a binding agreement to dispose of 100% of the shares in the subsidiary holding Promenada Novi Sad in Serbia. The disposal was successfully concluded on 7 October 2024 in accordance with the terms of the agreement for a transaction value of €177 million, generating a gain on sale of €25.5 million (after working capital adjustments). In January 2024, the Group sold the industrial property in Romania, Otopeni Warehouse and Logistics, for a transaction value of €4.4 million and a gain on disposal of €0.4 million.

SUSTAINABILITY FOCUS

NEPI Rockcastle achieved substantial progress towards reaching its ambitious sustainability objectives. Key initiatives include transitioning to renewable energy, increasing waste recycling rate, and conserving natural resources. Additionally, the Group continues to focus on BREEAM-certifying 100% of its eligible properties, fostering local employment, and enhancing visitor satisfaction.

The Group reaffirmed its commitment to addressing climate change through strategic actions aligned with the principles of the energy hierarchy. These efforts are driving progress towards its Science-Based Targets initiative (SBTi) validated key performance indicators, establishing a structured pathway to achieve net-zero greenhouse gas (GHG) emissions by 2050. SBTi-aligned targets include reducing Scope 1 and 2 emissions by 80% by 2030 (from a 2019 baseline) and cutting Scope 3 emissions (downstream leased assets and capital expenditure) by 25% (from a 2022 baseline).

During the year, NEPI Rockcastle completed the installation of photovoltaic panels in Romania and Lithuania, achieving a total installed capacity of 38 MW across 28 properties (30 installations) and supplying 6% of the Group's total electricity consumption. The planned extension of the green energy programme will contribute an additional 159 MW in greenfield photovoltaic plants and 15 MW in on-site production capacity, aiming to cover an additional 42% of the Group's electricity consumption[1]. By the end of 2026, the Group estimates a resulting combined capacity of 212 MW, covering 48% of its electricity needs (in this way, the carbon footprint will be 39% lower by reference to using non-renewable energy).

Energy efficiency measures underpin the Group's operational strategy, with 91% of common areas converted to LED lighting Sustainable construction practices, including the use of low-emission materials and BREEAM New Construction certifications, further supporting the Group's decarbonisation objectives, while enhancing the sustainability profile of its assets.

[1] Based on Group's electricity consumption for 2024.

Directors' commentary

NEPI Rockcastle advanced its sustainability and reporting practices throughout 2024. The Group received an EPRA Gold Award for compliance with the industry association's Sustainability Best Practices Recommendations (sBPR), surpassing its Silver award in 2023, and maintained its Gold award for compliance with the Financial Best Practices Recommendations (BPR). The Group's ESG risk was rated Negligible by Sustainalytics, second year in a row. The Company achieved a 5-star GRESB rating for its standing portfolio, recognising significant progress from the 2023 3-star level, and a 3-star rating for its developments. These distinctions reflect the Group's constant commitment to enhancing environmental, social and governance benchmark performance and its continued focus on transparency and disclosure.

As the business grew, the Group continued to focus on delivering on its ESG goals while increasing transparency in disclosures. The year 2024 marks NEPI Rockcastle's inaugural Sustainability Report, aligned with the European Corporate Sustainability Reporting Directive (CSRD).

INDEPENDENT AUDITOR'S REVIEW REPORT

The review report on the Group's condensed consolidated financial statements has been issued by Ernst & Young Inc. (EY South Africa), who expressed an unmodified review report thereon.

The audited consolidated and separate financial statements for the year ended 31 December 2024 are scheduled for publication on 19 March 2025, together with the annual integrated report. The audit report on the consolidated and separate financial statements is expected to be issued by Ernst & Young Inc. (EY South Africa) together with EY Accountants B.V. (EY Netherlands).

ACCOUNTING AND VALUATION MATTERS

Valuation

NEPI Rockcastle fair values its portfolio twice a year. Fair value is determined by external, independent professional valuers, with appropriate and recognised qualifications and recent experience in the geography and category of properties being assessed.

Appraiser	Locations	Percentage of portfolio
Colliers International	Romania and Bulgaria	43%
Jones Lang LaSalle (JLL)	Poland and Lithuania	36%
Cushman & Wakefield (CW)	Croatia, Czech Republic, Hungary and Slovakia	21%

For the year ended 31 December 2024, the Group recognised a fair value gain in relation to investment property portfolio of €195 million.

EPRA Indicators

EPRA indicators[1]	31 December 2024	31 December 2023
EPRA Earnings (€ thousand)[2]	405,972	362,861
EPRA Earnings per share (€ cents per share)	59.18	55.96
EPRA Net Initial Yield ('NIY')	6.98%	6.94%
EPRA topped-up NIY	7.00%	6.97%
EPRA vacancy rate	1.7%	2.2%
EPRA Net Reinstatement Value ('NRV') (€ per share)	7.38	6.98
EPRA Net Tangible Assets ('NTA') (€ per share)	7.35	6.95
EPRA Net Disposal Value ('NDV') (€ per share)	6.83	6.52
EPRA Cost ratio (including direct vacancy cost)	9.6%	10.2%
EPRA Cost ratio (excluding direct vacancy cost)	9.5%	10.1%
EPRA Loan-to-value ('LTV')	33%	33%

1 Certain of these EPRA indicators are considered to be pro forma financial information in terms of the JSE Listings Requirements. Please refer to Appendix 1 of the condensed consolidated financial statements for further information.

2 At 31 December 2023, the non-recurring profit from sale of inventory property was adjusted in the section "Company specific adjustments". At 31 December 2024, the non-recurring profit from sale of inventory property is presented in "EPRA Earnings" section, to enhance presentation, with the corresponding comparative changed accordingly.

CASH MANAGEMENT AND DEBT

The Group had very strong liquidity as of 31 December 2024, with €448 million in cash and €670 million in undrawn committed credit facilities.

NEPI Rockcastle's gearing ratio (interest bearing debt less cash, divided by investment property) was 32.1% as of 31 December 2024, below the strategic threshold of 35% and comfortably within debt covenants.

As of 31 December 2024, ratios for unsecured loans and bonds showed ample headroom compared to covenant thresholds, as follows:

- Solvency Ratio: 0.38 actual, compared to maximum 0.6 requirement;
- Consolidated Coverage Ratio: 5.01 actual, compared to minimum 2 requirement; and
- Unencumbered consolidated total assets/unsecured consolidated total debt: 261% actual compared to a minimum 150% requirement.

Funding and liability management

In 2024, NEPI Rockcastle extended the contractual maturities related to its unsecured committed revolving credit facilities, as follows:

- the revolving credit facility from Raiffeisen Bank International was extended for a maturity of three years plus two extensions of one year, currently expiring in January 2028, with the maximum principal available increased to €200 million, having Erste Group Bank joining the facility; and
- the revolving credit facility from a three-bank syndicate led by Deutsche Bank AG as arranger, was extended for one year, until January 2028, with the maximum principal available increased to €200 million, having SMBC joining the three-bank syndicate.

Consequently, as at 31 December 2024, the revolving credit facilities' capacity amounts to €670 million (31 December 2023: €570 million) and is fully undrawn.

In December 2023, NEPI Rockcastle entered into a €387 million green financing agreement with IFC, a member of the World Bank Group and the largest global development institution focused on the private sector in emerging markets. The senior unsecured facility is structured as a green loan with sustainability-linked features, aimed at reducing greenhouse gas emissions and increasing energy efficiency in the Group's property portfolio. The facility matures in January 2029 and was disbursed in mid-February 2024. During 2024, the facility was increased by an additional €58 million, disbursed in August 2024, bringing the total to €445 million. The facility was put in place to cater for the repayment of the bond that matured in November 2024.

In October 2024, the Group issued its third €500 million green unsecured Eurobond, having a 7-year tenor and maturing in January 2032. The bond carries a 4.25% fixed coupon, with an issue price of 99.124%. An amount equal to the net proceeds will be allocated to finance and/or refinance eligible green projects included in the Group portfolio. As at 31 December 2024, out of all the Group's funding, 80% has green or sustainability-linked features.

On 17 October 2024, NEPI Rockcastle announced its intention to issue new ordinary shares in the Company, the proceeds from which would enable it to execute on its ongoing growth strategy. The equity raise resulted in gross proceeds of €300 million, comprising the issue of 41,724,618 new ordinary shares in the capital of the Company. The new shares represent approximately 6.2% of the existing issued ordinary share capital of the Company prior to the issue. The offer price per share of ZAR 137.85 (€ 7.19) represented a discount of approximately 4.36% to the closing share price of ZAR 144.13 on 17 October 2024 and a discount of approximately 4.98% to the volume weighted average price of ZAR 145.08 on the JSE over the thirty trading days prior to 18 October 2024.

The unsecured, vendor financing loan received as part of the acquisition of Forum Gdansk in 2022 was fully repaid in October 2024, one year in advance. The loan initially had a nominal value of €50 million and carried a 6.5% interest rate.

The Company continually evaluates its financing options, including debt and equity capital raising alternatives, to support its future growth and will assess market opportunities as they arise, while keeping in mind the strategic objective to broaden its shareholder base and maintain an optimal capital structure.

Directors' commentary

Cost of debt

The net average interest rate of the Group's debt, including hedging and interest income from the placement of excess liquidity from early disbursement of the IFC loan, was approximately 2.7% during 2024 (2023: 2.5%). The gross average interest rate excluding the interest income from the placement of excess liquidity was 3%.

As of 31 December 2024, unsecured debt represented 87% of NEPI Rockcastle's outstanding debt. The un-hedged balance represents 14% of the total outstanding debt and corresponds to the disbursed tranche of the IFC loan.

EARNINGS DISTRIBUTION 2024

The Board has declared a dividend of 27.05 euro cents per share for H2 2024, corresponding to a 90% dividend pay-out ratio, to be settled as capital repayment (default option). NEPI Rockcastle shareholders can also elect for the settlement of the same dividend amount as an ordinary cash dividend out of distributable profits.

In line with Dutch legislation, the capital repayment will be paid to shareholders unless they elect to receive the ordinary cash distribution option.

A circular containing full details of the dividend settlement, accompanied by announcements on the Stock Exchange News Service (SENS) of the JSE, A2X and Euronext Amsterdam will be issued in due course.

PROSPECTS AND EARNINGS GUIDANCE

Distributable earnings per share for 2025 are expected to be approximately 1.5% higher than the 2024 distributable earnings per share of 60.17 euro cents, with no change in the Company's current 90% dividend payout ratio. This guidance does not consider the impact of potential further political instability in the region, or systemic macroeconomic disruptions, and assumes a continuation of the trading trends observed to date. This guidance can be modified or withdrawn in the future if material changes unfold.

This guidance has not been reviewed or reported on by NEPI Rockcastle's auditors and is the responsibility of the Board of Directors.

By order of the Board of Directors

Rüdiger Dany Chief Executive Officer (CEO)

Eliza Predoiu Chief Financial Officer (CFO)

24 February 2025

EY
102 Rivonia Road
Sandton
Private Bag X14
Sandton
2146

Ernst & Young Incorporated
Co. Reg. No. 2005/002308/21
Tel: +27 (0) 11 772 3000
Fax: +27 (0) 11 772 4000
Docex 123 Randburg
ey.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of NEPI Rockcastle N.V.

We have reviewed the condensed consolidated financial statements of NEPI Rockcastle N.V., which comprise the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended, and selected explanatory notes as set out on the pages numbered 12 to 44.

Directors' responsibility for the condensed consolidated financial statements
The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements as set out in note 2 ''Basis of preparation'' to the condensed consolidated financial statements, and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of NEPI Rockcastle N.V. for the year ended 31 December 2024 are not prepared, in all material respects, in accordance with the JSE Listings Requirements as set out in note 2 ''Basis of preparation'' to the condensed consolidated financial statements.

DocuSigned by:
Ernst & Young Inc
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Ernst & Young Inc.
Director - Gerhardus J van Deventer CA(SA)
Registered Auditor
Chartered Accountant (SA)
24 February 2025
102 Rivonia Road
Johannesburg
South Africa

Condensed consolidated statement of financial position

in € thousand	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets		**8,169,170**	**6,993,897**
Investment property		7,926,595	6,824,990
– Investment property in use	4	7,694,798	6,627,247
– Investment property under development	5	231,797	197,743
Goodwill		76,804	76,804
Deferred tax assets		107,395	63,555
Property, plant and equipment[1]	6	41,624	4,745
Other long-term assets[1]		11,360	11,562
Derivative financial assets at fair value through profit or loss		5,392	12,241
Current assets		**572,942**	**458,577**
Trade and other receivables		115,947	93,465
Inventory property		4,227	17,266
Cash and cash equivalents	7	448,498	338,519
Derivative financial assets at fair value through profit or loss		4,270	9,327
Assets held for sale	8	**559**	**160,915**
TOTAL ASSETS		**8,742,671**	**7,613,389**
EQUITY AND LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY		**4,908,482**	**4,304,761**
Equity attributable to equity holders		**4,908,482**	**4,304,761**
Share capital	9	7,124	6,608
Share premium	9	3,255,148	3,137,063
Other reserves		(9,662)	(7,637)
Accumulated profit		1,655,872	1,168,727
Total liabilities		**3,834,189**	**3,308,628**
Non-current liabilities		**3,589,167**	**2,582,925**
Bank loans	10	947,417	517,898
Bonds	10	1,982,857	1,485,621
Deferred tax liabilities		545,241	471,691
Lease liabilities		83,059	54,974
Loans from third parties		-	16,667
Other long-term liabilities		30,593	36,074
Current liabilities		**245,022**	**722,037**
Trade and other payables		187,084	154,333
Income tax payable		20,954	20,187
Bank loans	10	15,528	15,823
Bonds	10	18,566	513,410
Lease liabilities		2,890	1,546
Loans from third parties		-	16,738
Liabilities directly associated with assets held for sale	8	**-**	**3,666**
TOTAL EQUITY AND LIABILITIES		**8,742,671**	**7,613,389**
Net Asset Value per share (euro)		6.89	6.51
EPRA Net Reinstatement Value per share (euro)[2]		7.38	6.98
Number of shares for Net Asset Value/EPRA Net Reinstatement Value		712,357,309	660,826,020

1 *At 31 December 2023, "Property, plant and equipment" (with a carrying amount of €4,745 thousand) were presented in line "Other long-term assets". At December 2024, these are presented on separate line within "Non-current assets", with corresponding comparatives re-classified accordingly, to enhance presentation.*

2 *EPRA Net Reinstatement Value per share (alternative performance measure) is Net Asset Value per share adjusted for the effect of non-monetary balance sheet items, such as deferred tax, goodwill, and interest rate derivatives.*

The condensed consolidated financial statements on pages 12 to 44 were approved by the Board of Directors on 24 February 2025, authorized for publication on 25 February 2025 and signed on its behalf by:

Rüdiger Dany (Chief Executive Officer)

Eliza Predoiu (Chief Executive Officer)

Condensed consolidated statement of comprehensive income

in € thousand	Note	31 Dec 2024	31 Dec 2023
Gross rental income	11	566,069	510,103
Service charge income	11	259,563	254,369
Property operating expenses	11	(278,741)	(273,263)
Revenue from energy activity	11	9,048	-
Net rental and related income	11	**555,939**	**491,209**
Administrative expenses	12	(35,193)	(33,369)
Revenue from sales of inventory property		18,680	9,808
Cost of sales of inventory property		(13,546)	(7,076)
EBIT[1]		**525,880**	**460,572**
Fair value adjustments of investment property	13	195,380	164,470
Foreign exchange loss		(158)	(1,187)
Gain on disposal of assets held for sale	8	25,934	5,641
Profit before net finance costs and other items		**747,036**	**629,496**
Finance income		19,907	6,891
Finance costs		(100,144)	(69,052)
Bank charges, commissions, and fees		(4,381)	(3,297)
Fair value adjustments of derivatives		(12,818)	(17,376)
Profit before tax		**649,600**	**546,662**
Income tax expense		**(62,035)**	**(69,861)**
Current tax expense		(30,563)	(28,334)
Deferred tax expense		(31,472)	(41,527)
Profit after tax		**587,565**	**476,801**
Total comprehensive income for the year		**587,565**	**476,801**
Profit attributable to:			
Equity holders of the parent		587,565	476,801
Total comprehensive income attributable to:			
Equity holders of the parent		587,565	476,801
Basic weighted average number of shares		670,058,874	633,150,875
Diluted weighted average number of shares		671,468,377	634,211,475
Basic earnings per share (euro cents) attributable to equity holders		87.69	75.31
Diluted earnings per share (euro cents) attributable to equity holders		87.50	75.18

1 *EBIT (Earnings Before Interest and Taxes) represents the Group's Operating profit, defined as Net rental and related income plus Revenue from sales of inventory property less Cost of sales of inventory property, less Administrative expenses (Depreciation and Amortisation are included in Administrative expenses).*

Condensed consolidated statement of changes in equity

in € thousand	Note	Share capital	Share premium	Other reserves	Accumulated profit	Total
Balance at 1 January 2023		**6,070**	**3,190,735**	**(4,656)**	**706,572**	**3,898,721**
Transactions with owners		**538**	**(53,672)**	**(2,981)**	**(14,646)**	**(70,761)**
– Share capital movements[1]	9	53,240	(53,240)	-	-	-
– Earnings distribution – capital repayment[2]	9	(53,240)	-	-	-	(53,240)
– Earnings distribution – dividend out of accumulated profit[2]	9	-	-	-	(14,646)	(14,646)
– Earnings distribution – impact of foreign exchange hedges[2]	9	-	106	-	-	106
– Earnings distribution – scrip issue[2]	9	538	(538)	-	-	-
– Shares purchased for LTSIP[3]		-	-	(5,158)	-	(5,158)
– Share based payment expense		-	-	2,000	-	2,000
– LTSIP reserve release		-	-	177	-	177
Total comprehensive income		**-**	**-**	**-**	**476,801**	**476,801**
– Profit for the year		-	-	-	476,801	476,801
Balance at 31 December 2023		**6,608**	**3,137,063**	**(7,637)**	**1,168,727**	**4,304,761**
Transactions with owners		**516**	**118,085**	**(2,025)**	**(100,420)**	**16,156**
– Share capital movements[1]	9	178,079	(178,079)	-	-	-
– Earnings distribution – capital repayment[2]	9	(178,079)	-	-	-	(178,079)
– Issue of shares, net of transaction costs	9	418	294,757	-	-	295,175
– Earnings distribution – dividend out of accumulated profit[2]	9	-	-	-	(100,420)	(100,420)
– Earnings distribution – impact of foreign exchange hedges[2]	9	-	1,505	-	-	1,505
– Earnings distribution – scrip issue[2]	9	98	(98)	-	-	-
– Shares purchased for LTSIP[3]		-	-	(5,154)	-	(5,154)
– Share based payment expense		-	-	3,040	-	3,040
– LTSIP reserve release		-	-	89	-	89
Total comprehensive income		**-**	**-**	**-**	**587,565**	**587,565**
– Profit for the year		-	-	-	587,565	587,565
Balance at 31 December 2024		**7,124**	**3,255,148**	**(9,662)**	**1,655,872**	**4,908,482**

1 *Share capital movements relate to the net increase of the nominal value of the shares in respect to the shareholders that elected the distributions as capital repayment. For further details, please refer to Note 9.*

2 *The Company offers three possible alternatives for settlement of its distribution: capital repayment (default option), dividend out of accumulated profit and scrip issue, the latter one at the discretion of the Board. For further details on distribution options impacting the reporting year, please refer to Note 9.*

3 *LTSIP = debt free Long-Term Share Incentive Plan with a vesting component.*

Condensed consolidated statement of cash flows

in € thousand	Note	31 Dec 2024	31 Dec 2023
CASH FLOWS FROM OPERATIONS	17	**533,628**	**459,078**
Interest paid on loans and borrowings	10	(57,190)	(31,678)
Interest paid on lease liabilities		(1,470)	(804)
Bond coupon paid	10	(44,982)	(44,982)
Income tax paid		(28,796)	(30,262)
Bank charges paid		(4,363)	(3,200)
Interest received		19,840	6,794
Cash received from derivatives settlements		12,454	11,950
NET CASH FLOWS FROM OPERATING ACTIVITIES		**429,121**	**366,896**
INVESTING ACTIVITIES			
Expenditure on investment property[1]		(136,873)	(193,048)
Acquisition of investment property	15	(752,022)	-
Acquisition of property, plant and equipment	15	(6,004)	-
Expenditure on property, plant and equipment	6	(4,331)	-
Proceeds from disposal of assets held for sale	8	180,939	21,904
NET CASH FLOW USED IN INVESTING ACTIVITIES		**(718,291)**	**(171,144)**
FINANCING ACTIVITIES			
Proceeds from issue of shares	9	295,175	-
Payment to acquire shares for LTSIP		(5,154)	(5,158)
Sale of unvested shares under LTSIP		89	177
Net movements in bank loans, bonds, and other long-term liabilities		**420,689**	**(14,815)**
Proceeds from bank loans	10	446,107	200,000
Proceeds from bonds	10	490,859	-
Repayment of bank loans (including revolving credit facilities)	10	(17,297)	(214,815)
Repayment of bonds	10	(498,980)	-
Other payments		**(34,656)**	**(20,288)**
Repayments of lease liabilities		(411)	(742)
Premium paid on acquisitions of derivatives		(912)	(2,880)
Repayment of loans from third parties		(33,333)	(16,666)
Earnings distribution - Capital repayment and dividend out of accumulated profit[2]	9	(276,994)	(67,780)
NET CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		**399,149**	**(107,864)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**109,979**	**87,888**
Cash and cash equivalents brought forward		338,519	250,631
CASH AND CASH EQUIVALENTS CARRIED FORWARD	7	**448,498**	**338,519**

1 *Includes capital expenditure for the investment property under development and the existing in use properties.*

2 *The Company offers three possible alternatives for settlement of its distribution: capital repayment (default option), dividend out of accumulated profit and scrip issue, the latter one at the discretion of the Board. For further details on distribution options impacting the reporting year, please refer to Note 9.*

Notes to the Reviewed condensed consolidated financial statements

1. GENERAL

NEPI Rockcastle N.V. ("the Company", "NEPI Rockcastle", "the Group") is a public limited company domiciled in the Netherlands, having its registered office at Strawinskylaan 563, WTC Zuidas, Tower Ten, 5th Floor, 1077 XX Amsterdam, with registration number at the Dutch Chamber of Commerce 87488329. The Company's shares are listed on the Main Board of the JSE Limited ("JSE"), Euronext Amsterdam and A2X.

NEPI Rockcastle is the premier owner and operator of shopping centres in Central and Eastern Europe ("CEE"). The Group benefits from a highly-skilled internal management team which combines asset management, development, investment, leasing and financial expertise.

The Group's condensed consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 24 February 2025 and authorised for publication on 25 February 2025. The financial statements are accompanied by the external auditors' review report.

2. BASIS OF PREPARATION

These Reviewed condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for condensed financial statements.

The JSE Listings Requirements require condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS ® Accounting Standards as issued by the International Accounting Standards Board and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The material accounting policies applied in the preparation of these condensed consolidated financial statements are consistent with those applied for the preparation of the annual consolidated financial statements as at 31 December 2023, except for the new mandatory standards and interpretations effective as of 1 January 2024, described below:

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)

These standards, amendments and interpretations did not have a significant impact on the Reviewed condensed consolidated financial statements as at 31 December 2024, except as indicated below:

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The Amendments clarify what is meant by a right to defer settlement, that a right to defer settlement must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and the required disclosures. An entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The Amendments have resulted in additional disclosures in Note 10, but have not had an impact on the classification of the Group's liabilities.

The following standards have been issued but are not yet effective as at 31 December 2024, and were not early adopted by the Group:

- Lack of exchangeability – Amendments to IAS 21
- IFRS 18 Presentation and Disclosure in Financial Statements
- Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Annual Improvements to IFRS Accounting Standards – Volume 11

The Reviewed condensed consolidated financial statements are presented in thousands of Euros ("€'000"), rounded off to the nearest thousand, unless stated otherwise.

The Group is subject to the scope of the OECD Pillar Two model rules ("Pillar Two") from 1 January 2025. Pillar Two applies to multinational groups with global revenues exceeding €750 million for two consecutive years, imposing a minimum 15% tax on adjusted accounting profit on a jurisdiction-by-jurisdiction basis. If the Group's effective tax rate in certain jurisdictions falls below 15%, then the Group will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold. Based on the preliminary calculation under OECD Safe Harbour rules, the top-up tax anticipated in 2025 for the NEPI Rockcastle's jurisdictions is immaterial.

Management has prepared the condensed financial statements on a going concern basis. Having considered the potential impact of the military conflict in Ukraine and the overall macroeconomic environment on the Company's and the wider NEPI Rockcastle Group revenues, profits, cash flows, operations, liquidity position and debt facilities, management concluded that despite the market events generated by these circumstances during 2024 and subsequent to the year-end, there are no material uncertainties relating to the Group's ability to continue as a going concern.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

3.1 Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from tenants and cash and cash equivalents.

The gross carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is set out below:

Credit exposure on financial instruments	**Note**	**31 Dec 2024**	**31 Dec 2023**
in € thousand			
Tenant receivables		106,650	82,422
Cash and cash equivalents	7	448,498	338,519
Derivative financial assets at fair value through profit or loss[1]		9,662	21,568
Loans to participants in the Share Purchase Scheme[2]		890	3,451
Total		**565,700**	**445,960**

1 *Includes both long-term and short-term financial assets at fair value through profit or loss.*

2 *Presented in line Other long-term assets in the Statement of financial position.*

Out of the above maximum credit exposure, the balance of Loans to participants in the Share Purchase Scheme is not considered to present credit risk as these are guaranteed with the Company's shares held as security.

When monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, the industry they work in, business size and previous financial difficulties.

The exposure to credit risk is mainly influenced by the tenant's individual characteristics. The Group's widespread customer base reduces credit risk. The majority of rental income (68% at 31 December 2024 and at 31 December 2023) is derived from type A tenants (large international and national tenants; large listed tenants; government and major franchisees and companies with assets and/or turnovers exceeding €200 million), and there is no concentration of credit risk with respect to trade debtors: top 10 tenants account for 25.3% of the rental income as at 31 December 2024 (31 December 2023: 25.2%).

Management has established a credit policy where new customers are analysed individually for creditworthiness before standard payment terms and conditions are offered. When available, the analysis includes external ratings.

The Group establishes an allowance for impairment based on a simplified expected credit loss model in respect of Trade and other receivables. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The carrying value of financial assets approximates their fair value. The Group's exposure to credit risk associated cash and cash equivalents is limited through using financial institutions of good standing for investment and cash handling purposes.

An overview of the tenant receivables net of impairment provision is set out below:

in € thousand	**31 Dec 2024**	**31 Dec 2023**
Tenant receivables – gross	106,650	82,422
Less: Impairment provisions	(10,796)	(10,701)
TENANT RECEIVABLES - NET OF IMPAIRMENT PROVISION	**95,854**	**71,721**

Reconciliation of impairment provisions is set out below:

Movement of provisions for doubtful debtors	31 Dec 2024	31 Dec 2023
in € thousand		
Carrying value at beginning of the year	**(10,701)**	**(9,342)**
Additional provision from properties acquired during the year	(2,607)	-
Additional expected credit losses	(3,138)	(5,485)
Write-off of receivables	2,062	1,900
Recovery of previously expected credit losses	3,702	2,366
Transfers to assets held for sale	-	100
Released in relation to assets held for sale disposed during the year	116	-
Foreign exchange loss	(230)	(240)
Carrying value	**(10,796)**	**(10,701)**

The expected loss rates are based on the historical payment profiles of tenants and the corresponding historical credit losses, adjusting for forward looking macroeconomic data. For example, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in a customer segment, the historical default rates are adjusted upwards. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the provision for doubtful debtors as at 31 December 2024 was determined as follows for trade receivables:

31 December 2024	Current	0-30 days	31-60 days	61-90 days	>90 days	Total
in € thousand						
Expected loss rate	0%	0%	6%	25%	87%	
Gross carrying amount – trade receivables	81,730	10,759	1,250	958	11,953	**106,650**
PROVISION FOR DOUBTFUL DEBTORS	**(69)**	**(16)**	**(76)**	**(241)**	**(10,394)**	**(10,796)**

The impairment provision for trade receivables as at 31 December 2023 is set out below:

31 December 2023	Current	0-30 days	31-60 days	61-90 days	>90 days	Total
in € thousand						
Expected loss rate	0%	2%	7%	81%	96%	
Gross carrying amount – trade receivables	60,458	9,299	1,979	332	10,354	**82,422**
PROVISION FOR DOUBTFUL DEBTORS	**(219)**	**(172)**	**(135)**	**(268)**	**(9,907)**	**(10,701)**

The contractual maturity profile of the Financial assets at fair value through profit or loss is disclosed below:

31 December 2024	3–12 months	1–5 years	over 5 years	Total
in € thousand				
Financial assets at fair value through profit or loss	55	9,607	-	**9,662**

31 December 2023	3–12 months	1–5 years	over 5 years	Total
in € thousand				
Financial assets at fair value through profit or loss	2,626	18,942	-	**21,568**

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the expected credit losses are immaterial.

For purposes of liquidity management, the Group has various deposit accounts and negotiated current account agreements with several banks. The arrangements in place result in an optimized mix between flexibility and reduced interest charges or best interest offered. The banks' credit ratings, as well as exposure per each bank are constantly monitored. At 31 December 2024, 79% of the Group's cash was held with investment-grade rated banks (31 December 2023: 97%), as detailed below:

Cash and cash equivalents	31 Dec 2024	31 Dec 2023
Held with banks as rated by Moody's		
A1	38%	49%
A2	8%	10%
A3	9%	10%
Aa3	6%	8%
Baa1	18%	19%
Baa2	0%	1%
Held with banks without a formal credit rating	21%[1]	3%
Total	**100%**	**100%**

1 *The cash held with banks without a formal credit rating at 31 December 2024 is mostly the cash held in the Serbian bank account following the sale of Promenada Novi Sad. This was transferred to a rated bank account in the Netherlands in February 2025. Adjusted for this amount held in Serbian bank, 99% of Group cash balances are held with formal credit rated banks.*

3.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when due. The Group's approach to managing this risk ensures, as far as possible, it will always have enough liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. To ensure this occurs, the Group prepares budgets, cash flow analyses and forecasts, which enable the Directors to assess the level of financing required for future periods. Budgets and projections are used to assess any future potential investments and are compared to existing funds held to evaluate the nature, and extent of any future funding requirements.

Further reference to bank loan maturity analysis is made in Note 10.

The table below presents undiscounted cash flows for all financial liabilities, computed at the contractual rates:

31 Dec 2024	Note	under 3 months	3–12 months	1–5 years	over 5 years	Total undiscounted cash flows	Total carrying amount
in € thousand							
Bonds (including estimated future interest)	10	37,548	38,518	1,144,924	1,042,568	**2,263,558**	**2,001,423**
Bank loans (including estimated future interest)	10	15,989	45,079	1,003,416	79,292	**1,143,776**	**962,945**
Trade and other payables		143,876	43,208	-	-	**187,084**	**187,084**
Other long-term liabilities		-	-	24,288	6,305	**30,593**	**30,593**
Lease liabilities (including estimated future interest)		2,889	-	11,728	179,163	**193,780**	**85,949**
Total		**200,302**	**126,805**	**2,184,356**	**1,307,328**	**3,818,791**	**3,267,994**

31 Dec 2023	Note	under 3 months	3–12 months	1–5 years	over 5 years	Total undiscounted cash flows	Total carrying amount
in € thousand							
Bonds (including estimated future interest)	10	30,076	527,589	1,087,805	509,430	**2,154,900**	**1,999,031**
Bank loans (including estimated future interest)	10	13,730	35,226	406,034	236,408	**691,398**	**533,721**
Loans from third parties (including estimated future interest)		611	18,264	17,715	-	**36,590**	**33,405**
Trade and other payables		128,388	25,945	-	-	**154,333**	**154,333**
Income tax payable		7,837	12,350	-	-	**20,187**	**20,187**
Other long-term liabilities		-	-	26,034	10,040	**36,074**	**36,074**
Lease liabilities (including estimated future interest)		1,545	-	6,181	97,503	**105,229**	**56,520**
Total		**182,187**	**619,374**	**1,543,769**	**853,381**	**3,198,711**	**2,833,271**

3.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates or equity prices will affect the Group's fair value or future cash flows of financial instruments. The objective of market risk management is to manage market risk exposures within acceptable parameters, while optimising returns. The carrying value of financial assets and liabilities approximates their fair value, except for the carrying value of bonds.

3.3.1 Currency risk

Group's current assets and liabilities are exposed to foreign currency risk on purchases and receivables denominated in Romanian leu (RON), Polish zloty (PLN), Bulgarian Lev (BGN), Hungarian forint (HUF), Serbian dinar (RSD), Czech crown (CZK) and South African rand (ZAR). Cash inflows received in other currencies than Euro are converted to Euro using the spot rate available on the collection date. The amount converted to Euro is the net amount of cash inflow in a foreign currency and the estimated cash outflow in the same currency. The Group applies this policy to control its currency exposures in respect of monetary assets and liabilities denominated in currencies other than EUR. Sensitivities of profit or loss to reasonably possible changes in exchange rates applied at the financial position date relative to the local currency of the respective Group entities, with all other variables such as interest rates held constant, are immaterial.

3.3.2 Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on loans, borrowings and cash balances held. Group policy is to substantially hedge this risk through the use of derivative financial instruments. As at 31 December 2024 and 31 December 2023, the Group held interest rate instruments in the form of interest rate swaps and interest rate caps.

in € thousand	31 Dec 2024	31 Dec 2023
Bank loans	**962,945**	**533,721**
– Rate capped	523,549	432,653
– Rate swapped	39,400	112,793
– Variable rate[1]	411,308	-
Accrued interest on loans and deferred loan costs	(11,312)	(11,725)

1 As of 31 December 2024, the balance exposed to variable interest rate corresponds to the unsecured loan with IFC and represents 14% of the total outstanding debt.

Sensitivity analysis for interest bearing financial instruments

Loans and borrowings balances are subject to change over the year. This analysis assumes that all other variables, particularly foreign currency rates, remain constant. All sensitivity analysis calculations presented below are before tax.

The benchmark rate for the bank loans with an outstanding amount of €962,945 thousand as at 31 December 2024 (2023: €533,721 thousand) is Euribor 3 months; if this rate is less than zero, Euribor shall be deemed to be zero.

Loans and borrowings with fixed or swapped interest rates are not affected by market changes in interest rates.

A change of 50 basis points (bps) in interest rates would have increased/(decreased) equity and profit for the year as shown below. Calculations are based on the cash and loans and borrowings balances outstanding at 31 December 2024.

in € thousand	**31 Dec 2024**	**31 Dec 2023**
Loans to participants in the Share Purchase Scheme (including accrued interest)	890	3,451
Loans and borrowings (variable or capped rate)	(934,857)	(432,653)
Total	**(933,967)**	**(429,202)**

31 Dec 2024	**Profit or loss 50bps increase**	**Profit or loss 50bps decrease**	**Equity 50bps increase**	**Equity 50bps decrease**
in € thousand				
Loans to participants in the Share Purchase Scheme (including accrued interest)	4	(4)	4	(4)
Loans and borrowings (variable or capped rate)[1]	(1,532)	1,957	(1,532)	1,957
Total	**(1,528)**	**1,953**	**(1,528)**	**1,953**

1 *Calculation is based considering loans' specifics and the allocated hedges (CAPs) net of tax.*

A change of 100 basis points (bps) in interest rates would have increased/(decreased) equity and profit for the year as shown below. Calculations are based on the cash and loans and borrowings balances outstanding at 31 December 2023.

31 Dec 2023	**Profit or loss 100bps increase**	**Profit or loss 100bps decrease**	**Equity 100bps increase**	**Equity 100bps decrease**
in € thousand				
Loans to participants in the Share Purchase Scheme (including accrued interest)	35	(35)	35	(35)
Loans and borrowings (variable or capped rate)[1]	-	-	-	-
Total	**35**	**(35)**	**35**	**(35)**

1 *Calculation is based considering loans' specifics and the allocated hedges (CAPs) net of tax.*

3.4 Fair value of financial instruments

To estimate the fair value of individual classes of financial instruments, the following methods and assumptions are used:

Cash and cash equivalents
The book value of cash approximates their fair value, as these financial instruments have a short maturity.

Receivables and payables
The book value of short-term receivables and payables approximates their fair value, as these financial instruments have a short maturity.

Short-term loans
The book value approximates their fair value, as these instruments have a floating interest rate and a short maturity.

Long-term loans
The fair value of long-term loans as at 31 December 2024 is €983,520 thousand (2023: €583,146 thousand). The valuation model of fair value of bank loans considers the present value of expected payments, discounted using risk adjusted discount rate. The Group has determined that all of its Interest-bearing loans and borrowings from financial institutions are classified within Level 2 of the fair value hierarchy. To determine the fair value of such instruments, management used a valuation technique in which all significant inputs were based on observable market data.

Bonds
The fair value of bonds outstanding as at 31 December 2024 is presented in Note 10.

Derivatives
The fair value of derivatives is based on fair value quotes from counterparty banks.

4. INVESTMENT PROPERTY IN USE

Movement in investment property in use	Note	31 Dec 2024	31 Dec 2023
in € thousand			
Carrying value at beginning of year		**6,627,247**	**6,331,793**
Additions from asset deals	15	759,666	-
Capital expenditure		51,373	44,982
Transferred from investment property under development	5	65,798	214,177
Fair value adjustments	13	183,942	168,185
Remeasurement of right-of-use assets		-	20,062
Additions to the right-of-use assets from acquired assets	15	29,840	-
Fair value adjustment of right-of-use asset	13	(412)	(742)
Investment property reclassified as held for sale	8	-	(151,210)
Transfers from property, plant and equipment	6	556	-
Investment property reclassified to property, plant and equipment	6	(23,212)	-
CARRYING VALUE		**7,694,798**	**6,627,247**

As at 31 December 2024, the balance of investment property included also right-of-use assets of €85,949 thousand (2023: €56,520 thousand) representing long-term land concessions for the Group's Polish properties contracted from local government.

Investment property is carried at fair value and is independently assessed on a semi-annual basis, as at 30 June and 31 December.

For the year ended 31 December 2024, the Group commissioned independent appraisal reports on its investment property from Colliers International, Cushman&Wakefield and Affiliate Partners and Jones Lang LaSalle (for the year ended 31 December 2023: Colliers International and Cushman&Wakefield and Affiliate Partners), all of whom are members of the Royal Institution of Chartered Surveyors (RICS). Valuations are prepared in accordance with the RICS Valuation – Global Standards 2021 (the "Red Book") and ANEVAR Valuation Standards - 2022 Edition which incorporate the International Valuation Standards ("IVS").

All investment property in use is valued by the Income Method. For the years ended 31 December 2024 and 31 December 2023 respectively, the applied method used for all investment property in use was discounted cash flow ("DCF").

DCF uses explicit assumptions regarding the benefits and liabilities of ownership over the asset's life, including an exit, or terminal, value. As an accepted method within the Income Method to valuation, the DCF method involves the projection of a series of cash flows onto a real property interest. To these projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of cash inflows associated with the real property.

The duration of cash flow, and the specific timing of inflows and outflows, are determined by events such as rent reviews, lease renewal and related lease-up periods, re-letting, redevelopment or refurbishment. The appropriate duration is typically driven by market behaviour. In the case of investment property, periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission fees, and other operating and management expenses. The series of periodic net cash inflows, combined with the estimated terminal value anticipated at the end of the projection period, is then discounted. For all investment property in use, the current use equates to the highest and best use.

The Group provides all information necessary for the valuations, including detailed tenancy schedules, comprising information on occupied and vacant units, unit areas and numbers, lease commencement and expiry dates, break options and indexation clauses. All properties are inspected by representatives of external valuers once a year.

The Group's valuers note in their valuation reports that wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. Sustainability is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations.

As at 31 December 2024, the investment property in use had an EPRA Vacancy Rate of 1.7% (31 December 2023: 2.2%). EPRA Vacancy Rate is a non-IFRS measure which is defined in section Other information, Glossary.

As compared to the valuations on 31 December 2023, the estimated rental values generally increased, supported by the good performance of the assets, with no significant changes in valuation yields.

As at 31 December 2024, the Group's portfolio included retail, office and industrial properties.

The Group currently discloses fair values according to a 'fair value hierarchy' (as per IFRS 13) which categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority (Level 1) to quoted prices in active markets for identical assets or liabilities and the lowest priority (Level 3) to unobservable inputs. The fair value hierarchy is explained below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: use of a model with inputs (other than quoted prices included within Level 1) that are directly, or indirectly, observable market data; and
- Level 3: use of a model with inputs not based on observable market data.

The Group's investment property is categorised as Level 3. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between hierarchy levels during the year.

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy of the Group's property portfolio, together with the impact of significant movements in these inputs on the fair value measurement, are detailed below:

Unobservable input	Impact on fair value of increase in input
Estimated rental value	Increase
Discount rate	Decrease
Capitalisation rate for terminal value	Decrease

Information relating to fair value measurement using significant unobservable inputs (Level 3) as at 31 December 2024 for retail properties is presented in the table below:

Segment	Valuation technique	Estimated market rental value	Discount rate	Capitalisation rate for terminal value
		(yearly amount in '000 €)	(%)	(%)
Romania	Discounted cash flow	323 - 27,509 (13,945)[1]	8.95% - 10.45%(9.73)[1]	6.75% - 8.25% (7.53)[1]
Poland	Discounted cash flow	2,973 - 26,710 (17,530)[1]	7.80% - 10.20% (8.34)[1]	6.60% - 9.00% (7.08)[1]
Slovakia	Discounted cash flow	3,287 - 12,855 (9,816)[1]	9.00% - 10.25% (9.12)[1]	7.00% - 8.25% (7.12)[1]
Hungary	Discounted cash flow	19,617 - 20,949 (20,343)[1]	8.60% - 9.20% (8.87)[1]	6.60% - 7.20% (6.87)[1]
Bulgaria	Discounted cash flow	17,224 - 28,872 (24,423)[1]	10.43%	7.50% - 7.75% (7.60)[1]
Croatia	Discounted cash flow	1,723 - 19,666 (18,281)[1]	9.75%	7.50% - 7.75% (7.73)[1]
Czech Republic	Discounted cash flow	6,850 - 6,974 (6,913)[1]	9.75%	7.25%
Lithuania	Discounted cash flow	13,256	10.00%	8.25%

1 Amounts or percentages represent weighted averages

Information relating to fair value measurement using significant unobservable inputs (Level 3) as at 31 December 2023 for retail properties is presented in the table below:

Segment	Valuation technique	Estimated market rental value	Discount rate	Capitalisation rate for terminal value
		(yearly amount in '000 €)	(%)	(%)
Romania	Discounted cash flow	311 - 26,281 (13,128)[1]	8.95% - 10.45% (9.73)[1]	6.75% - 8.25% (7.53)[1]
Poland	Discounted cash flow	2,817 - 23,746 (14,110)[1]	7.90% - 10.80% (8.72)[1]	5.80% - 8.70% (6.62)[1]
Slovakia	Discounted cash flow	3,307 - 12,784 (9,734)[1]	9.10% - 10.35% (9.22)[1]	7.00% - 8.25% (7.12)[1]
Hungary	Discounted cash flow	19,602 - 21,309 (20,515)[1]	8.75% - 9.00% (8.87)[1]	6.65% - 6.90% (6.77)[1]
Bulgaria	Discounted cash flow	17,022 - 26,148 (22,514)[1]	10.30%[1]	7.50% -7.75% (7.60)[1]
Croatia	Discounted cash flow	1,550 - 19,433 (18,138)[1]	9.60% - 9.85% (9.83)[1]	7.50% - 7.75% (7.73)[1]
Czech Republic	Discounted cash flow	6,737 - 6,748 (6,743)[1]	9.35%[1]	7.25%
Serbia	Discounted cash flow	13,321	11.10%	9.00%
Lithuania	Discounted cash flow	12,767	10.00%	7.90%

1 Amounts or percentages represent weighted averages

Portfolio valuation: sensitivity to changes in the discount rate, exit rate and rental income

The tables below present the change in the valuation of the shopping centre portfolio using different discount rate, exit rate and rental income assumptions than those used by the appraisers as at 31 December 2024:

Discount rate variance

Country	(50 bps)	(25 bps)	25 bps	50 bps
Romania	3.39%	1.69%	-1.60%	-3.19%
Poland	3.15%	1.24%	-2.25%	-3.50%
Slovakia	3.52%	1.76%	-1.72%	-3.39%
Hungary	3.67%	1.81%	-1.78%	-3.50%
Bulgaria	2.04%	1.00%	-0.97%	-1.91%
Croatia	3.20%	1.62%	-1.70%	-3.39%
Czech Republic	3.54%	1.74%	-1.74%	-3.38%
Lithuania	3.30%	1.65%	-1.65%	-3.24%
Total	**3.22%**	**1.49%**	**-1.81%**	**-3.25%**

Exit rate variance

Country	(50 bps)	(25 bps)	25 bps	50 bps
Romania	6.94%	3.36%	-3.10%	-6.03%
Poland	7.76%	3.73%	-3.47%	-6.71%
Slovakia	7.60%	3.65%	-3.41%	-6.62%
Hungary	8.15%	3.92%	-3.65%	-7.06%
Bulgaria	5.06%	2.39%	-2.14%	-4.06%
Croatia	5.80%	2.98%	-3.20%	-6.63%
Czech Republic	7.46%	3.65%	-3.38%	-6.48%
Lithuania	6.41%	3.05%	-2.93%	-5.68%
Total	**7.09%**	**3.43%**	**-3.21%**	**-6.24%**

Rental Income (ERV)

Country	-10%	-5%	5%	10%
Romania	-9.99%	-4.98%	5.03%	10.04%
Poland	-7.49%	-3.74%	3.79%	7.57%
Slovakia	-8.53%	-4.27%	4.23%	8.48%
Hungary	-8.33%	-4.17%	4.16%	8.33%
Bulgaria	-7.27%	-3.65%	3.67%	7.37%
Croatia	-7.42%	-3.73%	3.69%	7.39%
Czech Republic	-8.27%	-4.14%	4.14%	8.27%
Lithuania	-5.68%	-2.87%	2.87%	5.80%
Total	**-8.46%**	**-4.23%**	**4.26%**	**8.51%**

5. INVESTMENT PROPERTY UNDER DEVELOPMENT

Movement in investment property under development	Note	31 Dec 2024	31 Dec 2023
in € thousand			
Carrying value at beginning of year		**197,743**	**264,344**
Additions from construction in progress		88,061	150,219
Fair value adjustments	13	12,020	(2,643)
Assets which became operational and were transferred to Investment property in use	4	(65,798)	(214,177)
Investment property under development reclassified to property, plant and equipment	6	(229)	-
Carrying value		**231,797**	**197,743**

Land included in Investment property under development is carried at fair value and is independently assessed on a semi-annual basis. For the year ended 31 December 2024 the Group commissioned independent year-end reports to Colliers International, Cushman&Wakefield and Affiliate Partners and Jones Lang LaSalle (for the year ended 31 December 2023: Colliers International and Cushman&Wakefield and Affiliate Partners), based on which the fair value of land was adjusted. Land included in Investment property under development is classified Level 3 on the fair value hierarchy as defined in IFRS 13.

The valuation technique is sales comparison or residual approach, in accordance with RICS Valuation Standards and ANEVAR Valuation Standards (for Romanian properties). Land under sales comparison method was valued by the external appraisers using the recent transactions of similar land for development in the proximity of the subject property.

The estimated fair value of Investment property under development would increase/(decrease) if the market comparable price per square meter is higher/(lower) as there is a direct relationship between the fair value and the market comparable price per square meter.

The residual approach determines the residual land value by subtracting purchase and development cost from the expected gross development value of the project at completion. The construction works in the investment property under development are held at cost, and their carrying value is a reasonable approximation of their fair value. The methods have been consistently applied for the comparative period.

Borrowing costs capitalised in 2024 amount to €4,379 thousand (2023: €5,085 thousand) and were calculated using an average annual interest rate of 2.7% (2023: 2.5%).

The balance of Investment property under development split by land carried at fair value and additions from construction works held at cost (which approximate fair value) is detailed below:

Investment property under development	31 Dec 2024	31 Dec 2023
in € thousand		
Land (at fair value)	108,314	104,316
Construction works (at cost)	123,483	93,427
Total	**231,797**	**197,743**

6. PROPERTY, PLANT AND EQUIPMENT

The photovoltaic panels that were built on the rooftops of Romanian and Lithuanian retail properties during 2022, 2023 and 2024, were recognised in Investment property as at 31 December 2023 and measured at fair value as part of those individual properties. In August 2024, the Board approved the roll-out of the energy project to the remaining countries in the portfolio and investment in greenfield ready-to-build photovoltaic fields in Romania. The investments will expand the Group's green energy generating capacity and increase the coverage of electricity consumption needs of its tenants across the portfolio, as well as grow the revenues from green energy activity.

Consequently, these were reclassified from Investment property to Property, plant and equipment effective from 1 September 2024. The initial cost of recognition of the panels as plant and equipment is the fair value of the assets at the date of the transfer. The Group adopted the cost model for subsequent measurement of photovoltaic panels, whereby assets are valued at their cost price, net of accumulated depreciation and accumulated impairment losses, if any.

In 2024 NEPI Rockcastle started to produce solar power energy from 38MW of power-generating capacity installed on the 27 properties from Romania and one in Lithuania.

Other equipment presented in the table below include office furniture, improvements and equipment. As at 31 December 2023, these were presented in Other long-term assets. At 31 December 2024, these items were reclassified to Property, plant and equipment, to enhance presentation.

in € thousand	Note	Photovoltaic panels	Photovoltaic panels under construction	Other	Total
Cost					
At 1 January 2024		**-**	**-**	**8,103**	**8,103**
Investment property reclassified to property, plant and equipment	4	23,212	-	-	23,212
Investment property under development reclassified to property, plant and equipment	5	-	229	-	229
Additions from assets deals	15	-	10,559	41	10,600
Additions		538	2,184	1,609	4,331
Transfers to Investment property in use		-	-	(556)	(556)
At 31 December 2024		**23,750**	**12,972**	**9,197**	**45,919**
Depreciation					
At 1 January 2024		**-**	**-**	**3,358**	**3,358**
Depreciation charge for the year		447	-	490	937
At 31 December 2024		**447**	**-**	**3,848**	**4,295**
Net book value					
At 1 January 2024		-	-	4,745	4,745
At 31 December 2024		**23,303**	**12,972**	**5,349**	**41,624**

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents by currency	**31 Dec 2024**	**31 Dec 2023**
in € thousand		
EUR	301,218	213,959
RON	46,398	54,615
PLN	70,433	35,911
BGN	11,355	14,050
HUF	6,154	8,991
CZK	10,930	9,864
RSD	217	238
ZAR	1,793	891
Total[1]	**448,498**	**338,519**

1 *The above balances do not include the cash and cash equivalents from the held for sale properties in amount of nil as at 31 December 2024 (31 December 2023: €2,359 thousand).*

Cash and cash equivalents by type	31 Dec 2024	31 Dec 2023
in € thousand		
Current accounts	350,366	258,371
Deposits	98,000	80,000
Petty cash	132	148
Total[1]	**448,498**	**338,519**

1 *The above balances do not include the cash and cash equivalents from the held for sale properties in amount of nil as at 31 December 2024 (31 December 2023: €2,359 thousand).*

8. ASSETS HELD FOR SALE

Disposals in the year

In July 2024, the Group entered into a binding agreement to dispose of 100% of the shares in the subsidiary holding Promenada Novi Sad in Serbia. The disposal was successfully concluded on 7 October 2024 in accordance with the terms of the agreement for a transaction value of €177 million, generating a gain on sale (adjusted for working capital) of €25.5 million.

In January 2024, the Group sold the industrial property in Romania, Otopeni Warehouse and Logistics, for a transaction value of €4.4 million and a gain on disposal of €0.4 million.

Disposals in the comparative year

In May 2023, the Group sold a plot of excess land owned by General Building Management S.R.L., owner of Promenada Craiova, for a net consideration received of €8 million and a net gain on disposal of €1.6 million.

In January 2023, the Group sold at cost a non-core property in Romania held by Nepi Bucharest One S.R.L.

In July 2023, the Group sold the land plot in Kosice, Slovakia held by INLOGIS VI s.r.o, in a share deal, for a cash consideration of €13.2 million and a gain on disposal of €4 million.

Assets held for sale as at 31 December 2024

At 31 December 2024, the assets held for sale included one non-core property located in Romania.

The major classes of assets and liabilities of subsidiaries which are presented as held for sale at the end of the reporting period are as follows:

in € thousand	31 Dec 2024	31 Dec 2023
Non-current assets	**559**	**154,150**
Investment property at fair value	559	151,820
Deferred tax assets	-	2,330
Current assets	**-**	**6,765**
Trade and other receivables	-	4,406
Cash and cash equivalents	-	2,359
Assets held for sale	**559**	**160,915**
Non-current liabilities	**-**	**1,539**
Deferred tax liabilities	-	657
Other long-term liabilities	-	882
Current liabilities	**-**	**2,127**
Liabilities held for sale	**-**	**3,666**
Net assets held for sale	**559**	**157,249**

8.1 Investment property held for sale

in € thousand	Note	31 Dec 2024	31 Dec 2023
Carrying value at beginning of year		151,820	18,666
Transfer from investment property in use	4	-	151,210
Additions during the period		119	10
Fair value adjustments	13	(170)	(330)
Disposals		(151,210)	(17,736)
CARRYING VALUE		**559**	**151,820**

9. SHARE CAPITAL AND SHARE PREMIUM

In February 2024, the Board declared a final distribution of 25.61 euro cents per share for the six months ended 31 December 2023, corresponding to a 90% dividend pay-out ratio, to be received as capital repayment (to be settled from Share capital). Shareholders could have also elected the settlement of the same dividend amount as ordinary cash distribution out of distributable profits (to be settled from Accumulated profit).

The results of the election by NEPI Rockcastle shareholders and their Euro equivalent have been summarised below:

Final distribution for 2023: elections	Number of NEPI Rockcastle shares election	Final distribution per share (euro cents)	EUR equivalent out of the final distribution (thousand)
Capital repayment	415,648,858	25.61	106,448
Dividend out of accumulated profit	245,177,162	25.61	62,788
Impact of foreign exchange hedges[1]	-	-	171
Total	**660,826,020**		**169,407**

1 For the distribution to be settled as capital repayment and dividend out of accumulated profit, the Group entered into foreign exchange forward agreements to hedge the ZAR: EUR movement. As a result of these hedges, the cash outflow resulting from the cash settlement was €171 thousand more than the nominal exposure. This amount was reflected in the Share premium.

In August 2024, the Board declared an interim distribution of 27.11 euro cents per share for the six months ended 30 June 2024, corresponding to a 90% dividend pay-out ratio, to be received as capital repayment (to be settled from Share capital). Shareholders could have also elected the settlement of the same dividend amount as ordinary cash distribution out of distributable profits (to be settled from Accumulated profit).

As an alternative, the shareholders were given the option to elect to receive a dividend of 27.11 euro cents as a scrip issue (issue of new shares). The results of the election by NEPI Rockcastle shareholders and their Euro equivalent have been summarised below:

Interim distribution for 2024: elections	Number of NEPI Rockcastle shares election	Final distribution per share (euro cents)	EUR equivalent out of the final distribution (thousand)
Capital repayment	264,223,894	27.11	71,631
Dividend out of accumulated profit	138,809,210	27.11	37,631
Scrip issue	257,792,916	27.11	69,888
Impact of foreign exchange hedges[1]	-	-	(1,676)
Total	**660,826,020**		**177,474**

1 For the distribution to be settled as capital repayment and dividend out of accumulated profit, the Group entered into foreign exchange forward agreements to hedge the ZAR: EUR movement. As a result of these hedges, the cash outflow resulting from the cash settlement was €1,676 thousand less than the nominal exposure. This amount was reflected in the Share premium.

Issue of shares

On 17 October 2024 NEPI Rockcastle announced its intention to conduct a non pre-emptive placing (the "Placing") of new ordinary shares in the Company, to raise proceeds that would enable the Company to execute on its ongoing growth strategy.

On 18 October 2024 the results of the Placing raised gross proceeds of EUR 300 million, comprising the issue of 41,724,618 new ordinary shares in the capital of the Company, with a nominal value of €0.01 each (the "Offer Shares") in aggregate. The Offer Shares represented approximately 6.2% of the existing issued ordinary share capital of the Company prior to the Placing. The offer price per Offer Share of ZAR 137.85 (EUR 7.19) represented a discount of approximately 4.36% to the closing share price of ZAR 144.13 on 17 October 2024 and a discount of approximately 4.98% to the volume weighted average price of ZAR 145.08 on the JSE over the thirty trading days prior to 18 October 2024.

As a result of the above elections for the settlement of the final distribution for 2023, the interim distribution for 2024 and the capital raise, the impact in the Share capital and Share premium reserves has been set out below:

Movement of ordinary shares	Number of shares	Share capital	Share premium
in € thousand			
Balance at 1 January 2024	**660,826,020**	**6,608**	**3,137,063**
Share capital increase[1]	-	462,578	(462,578)
Share capital decrease[1]	-	(284,499)	284,499
Capital repayment paid to shareholders	-	(178,079)	-
Impact of foreign exchange hedges	-	-	1,505
Theoretical effect of scrip issue settlement through share premium[2]	-	-	(69,888)
Theoretical effect of issue of shares as a result of scrip issue election[2]	9,806,671	98	69,790
Issue of shares	41,724,618	418	299,582
Issue of shares transaction costs	-	-	(4,825)
Carried forward as at 31 December 2024	**712,357,309**	**7,124**	**3,255,148**

1 *Before each distribution period, the parent Company amended its Articles of Association, as approved by the shareholders through Annual General Meeting voting (in June 2023) and Annual General Meeting voting (in May 2024), by increasing the nominal value of an ordinary share with 0.35 euro cents. After each distribution, the Company amended its Articles of Association by decreasing the nominal value of the shares with 0.35 euro cents. The net impact of such adjustment, as reflected by the capital repayment paid to shareholders amounted to €178,079 thousand.*

2 *The substance of a scrip issue is the one of a distribution from share premium followed by an immediate reinvestment in the shares. Pursuant to the elections of distribution settlement via a scrip issue, a total number of 9,806,671 shares have been issued on the market, for an average share price of €7.13. Theoretical effect of scrip issue was presented above for a better understanding of the movements in the Statement of Changes in Equity.*

Ordinary shares carry the right to vote at general meetings, to distribution and to the surplus assets of the Group on winding-up.

10. BORROWINGS (BONDS AND BANK LOANS)

The Group is currently assigned a long-term corporate credit rating of BBB (stable outlook) from Standard & Poor's Rating Services and BBB+ (stable outlook) from Fitch Ratings.

In 2024, NEPI Rockcastle extended the contractual maturities related to its unsecured committed revolving credit facilities, as follows:

- the revolving credit facility from Raiffeisen Bank International was extended for a maturity of three years plus two extensions of one year, currently expiring in January 2028, with the maximum principal available increased to €200 million, having Erste Group Bank joining the facility; and
- the revolving credit facility from a three-bank syndicate lead by Deutsche Bank AG as arranger, was extended for one year, until January 2028, with the maximum principal available increased to €200 million, having SMBC joining the three bank syndicate.

Consequently, as at 31 December 2024, the revolving credit facilities' capacity amounts to €670 million (31 December 2023: €570 million) and is fully undrawn.

In December 2023, NEPI Rockcastle entered into a €387 million green financing agreement with IFC, a member of the World Bank Group and the largest global development institution focused on the private sector in emerging markets. The senior unsecured facility is structured as a green loan with sustainability-linked features, aimed at reducing greenhouse gas emissions and increasing energy efficiency in the Group's property portfolio. The facility matures in January 2029 and was disbursed in mid-February 2024. During 2024, the facility was increased by an additional €58 million, disbursed in August 2024, bringing the total to €445 million. The facility has been put in place to cater for the repayment of the bond matured in November 2024.

In October 2024, the Group issued its third €500 million green unsecured Eurobond, having a 7-year tenor and maturing in January 2032. The bond carries a 4.25% fixed coupon, with an issue price of 99.124%. An amount equal to the net proceeds will be allocated to finance and/or refinance eligible green projects included in the Group portfolio.

The net average interest rate of the Group's debt, including hedging and interest income from the placement of excess liquidity from early disbursement of the IFC loan, was approximately 2.7% during 2024 (2023: 2.5%). The gross average interest rate excluding the interest income from the placement of excess liquidity was 3%. Unsecured debt represented 87% of total debt as at 31 December 2024; the un-hedged balance represents 14% of the total outstanding debt and corresponds to the IFC loan.

The fair value of all financial instruments is substantially in line with their carrying amounts as reflected in the Statement of financial position, except for loans (as disclosed in Note 5.4) and bonds. For reference, as at 31 December 2024, the €500 million bonds issued in 2019 were trading on the market at 97.84% (31 December 2023: 91.22%), the €500 million bonds issued in July 2020 were trading on the market at 100.19% (31 December 2023: 94.43%), the €500 million bonds issued in January 2022 were trading on the market at 92.72% (31 December 2023: 80.25%) and the €500 million bonds issued in October 2024 were trading on the market at 102.46%.

The repayment profile for outstanding loans, excluding future interest, is detailed below:

Interest bearing borrowings 31 Dec 2024	**Type**	**Payable in less than 1 year**	**Payable in 1-5 years**	**Payable over 5 years**	**Total**
in € thousand					
Netherlands	Unsecured fixed coupon bonds	-	1,000,000	1,000,000	**2,000,000**
Netherlands	Unsecured loans	-	518,476	-	**518,476**
Poland	Secured loans	745	72,804	-	**73,549**
Slovakia	Secured loans	5,800	93,737	-	**99,537**
Czech Republic	Secured loans	600	2,400	36,400	**39,400**
Romania	Secured loans	10,477	191,910	40,908	**243,295**
Accrued interest on loans and deferred loan costs		(2,094)	(9,138)	(80)	**(11,312)**
Accrued coupon on bonds		24,685	-	-	**24,685**
Deferred bond costs		(2,666)	(6,663)	(1,372)	**(10,701)**
Issue discount on bonds		(3,453)	(7,944)	(1,164)	**(12,561)**
Total		**34,094**	**1,855,582**	**1,074,692**	**2,964,368**

Interest bearing borrowings 31 Dec 2023	**Type**	**Payable in less than 1 year**	**Payable in 1-5 years**	**Payable over 5 years**	**Total**
in € thousand					
Netherlands	Unsecured fixed coupon bonds	498,980	1,000,000	500,000	**1,998,980**
Netherlands	Unsecured loans	-	73,521	-	**73,521**
Poland	Secured loans	745	2,979	70,570	**74,294**
Slovakia	Secured loans	6,475	23,200	76,337	**106,012**
Czech Republic	Secured loans	600	2,400	35,848	**38,848**
Romania	Secured loans	9,476	199,659	43,636	**252,771**
Accrued interest on loans and deferred loan costs		(1,473)	(9,904)	(348)	**(11,725)**
Accrued coupon on bonds		20,323	-	-	**20,323**
Deferred bond costs		(2,459)	(5,486)	(616)	**(8,561)**
Issue discount on bonds		(3,434)	(7,491)	(786)	**(11,711)**
Total		**529,233**	**1,278,878**	**724,641**	**2,532,752**

Bonds and bank loans reconciliation

This section sets out an analysis of bonds and bank loans outstanding and the related movements for the periods presented.

in € thousand	Bank loans	Bonds	Total[1]
Debt as at 31 December 2023	**533,721**	**1,999,031**	**2,532,752**
Cash repayments of principal	(17,297)	(498,980)	**(516,277)**
Cash proceeds from bank loans or bonds	446,107	500,000	**946,107**
Cash payments of interest on bank loans or coupon on bonds	(55,355)	(44,982)	**(100,337)**
Interest expense[1]	55,029	49,344	**104,373**
Amortisation of capitalised borrowing costs	3,213	2,622	**5,835**
Amortisation of bond discount	-	3,529	**3,529**
Additional capitalised borrowing costs in the period	(2,473)	(4,761)	**(7,234)**
Additional bond discount in the period	-	(4,380)	**(4,380)**
Debt as at 31 December 2024	**962,945**	**2,001,423**	**2,964,368**

1 The tables above do not contain interest bearing loans from third parties (loans were fully reimbursed in 2024) and the associated finance cost. The above finance costs do not include interest capitalized on developments of €4,378 thousand (Note 5) and interest on lease liabilities related to the right-of-use assets of €1,470 thousand.

in € thousand	Bank loans	Bonds	Total[1]
Debt as at 31 December 2022	**557,901**	**1,992,971**	**2,550,872**
Cash repayments of principal	(214,815)	-	**(214,815)**
Cash proceeds from bank loans or bonds	200,000	-	**200,000**
Cash payments of interest on bank loans or coupon on bonds	(28,428)	(44,982)	**(73,410)**
Interest expense[1]	29,584	44,952	**74,536**
Amortisation of capitalised borrowing costs	1,758	2,504	**4,262**
Amortisation of bond discount	-	3,586	**3,586**
Additional capitalised borrowing costs in the period	(12,279)	-	**(12,279)**
Debt as at 31 December 2023	**533,721**	**1,999,031**	**2,532,752**

1 The tables above do not contain interest bearing loans from third parties in amount of €33,333 thousand and the associated finance cost . The above finance costs do not include interest capitalized on developments of €5,085 thousand (Note 5), interest capitalized on inventory of €316 thousand and interest on lease liabilities related to the right-of-use assets of €804 thousand.

Further details for the Group's loans and bonds are presented below:

Secured term loans

The Group has secured term loans contracted by some of its subsidiaries in Poland, Slovakia, Czech Republic, and Romania. The secured loans contracted by the entities in Czech Republic and Romania are subject to compliance with covenants within twelve months after the reporting date (prospective debt service cover ratio). The Group has no indication that it will have difficulty complying with these covenants.

Securities

- General security over the properties (fair values as at 31 December 2024), current assets, cash inflows from operating activities, accounts and receivables; and
- General security over the shares in the property-owning entities.

Covenants

- Debt service cover ratio (historical and prospective) of a minimum between 110% and 140%; and
- Loan to value ratio of a maximum between 55% and 70%.

Unsecured green term loans

The Group has two green unsecured financing agreements with IFC, one which matures in June 2028 in amount of €73.5 million and another one maturing in January 2029 in amount of €445 million.

The €445 million loan has sustainability-linked KPIs in line with the Group's Sustainability-Linked Financing Framework. Management considers that the sustainability related variability feature does not meet the definition of a derivative, as defined in Appendix A of IFRS 9, on the basis that these KPIs are non-financial variables specific to the Group.

Unsecured committed revolving facilities

At 31 December 2024, there were €670 million revolving facilities available for drawdown.

All available revolving facilities are linked either to the ESG performance of the Group through the sustainability rating provided by Sustainalytics or have sustainability-linked KPIs in line with the Group's Sustainability-Linked Financing Framework.

Management considers that the above ESG related variability feature does not meet the definition of a derivative, as defined in Appendix A of IFRS 9, on the basis that the external rating is a non–financial variable specific to the Group.

Unsecured fixed coupon bonds

The Group successfully issued fixed coupon bonds as follows:

- October 2019: €500 million of unsecured, 7-year Eurobonds. The bonds mature on 9 October 2026 and carry a 1.875% fixed coupon, with an issue price of 98.927%;
- July 2020: €500 million of green unsecured, 7-year Eurobonds. The bonds mature on 14 July 2027 and carry a 3.375% fixed coupon, with an issue price of 98.172%;
- January 2022: €500 million of green unsecured, 8-year Eurobonds. The bonds mature on 21 January 2030 and carry a 2.00% fixed coupon, with an issue price of 98.713%; and
- October 2024: €500 million of green unsecured, 7-year Eurobonds. The bonds mature on 21 January 2032 and carry a 4.25% fixed coupon, with an issue price of 99.124%.

All the bonds include early redemption options. At each date of bond issue initial recognition management has performed an assessment whether those options are closely related to the host contract, considering the IFRS 9 clauses, which states that early repayment options are closely related to the host debt, if either:

- the option's exercise price is approximately equal on each exercise date to the host debt instrument's amortised cost; or
- the exercise price of a prepayment option reimburses the lender for an amount up to the approximate present value of lost interest for the remaining term of the host contract.

Based on management assessment in case of the exercise of any of the early redemption options either first or second criteria will be met, therefore those were considered as closely related to the bond and thus not separately valued and disclosed.

NEPI Rockcastle has complied with all financial covenants related to its unsecured green loans, unsecured committed revolving facilities and unsecured fixed coupon bonds during 2024 and 2023. The ratios calculated for all unsecured loans and bonds showed ample headroom compared to the covenants:

Covenants	Requirement	31 Dec 2024	31 Dec 2023
Solvency Ratio	Maximum 0.60	0.38	0.38
Consolidated Coverage Ratio	Minimum 2:1	5.01	6.06
Unsecured Ratio	Minimum 150%	261%	269%

11. NET RENTAL AND RELATED INCOME

in € thousand	31 Dec 2024	31 Dec 2023
Gross rental income	566,069	510,103
Service charge income	259,563	254,369
Gross rental and service charge income	**825,632**	**764,472**
Property management fees, tax, insurance, and utilities	(159,272)	(164,577)
Property maintenance cost	(120,033)	(105,567)
Net expected credit losses	564	(3,119)
Property operating expenses	**(278,741)**	**(273,263)**
Revenue from energy activity	9,048	-
TOTAL NET RENTAL AND RELATED INCOME	**555,939**	**491,209**

Out of the total Net rental and related income for 2024, €8 million relates to the two acquisitions made in fourth quarter of 2024 (Magnolia Park and Silesia City Center in Poland).

Property management fees, tax, insurance, and utility costs presented above are split as follows:

in € thousand	31 Dec 2024	31 Dec 2023
Utility expenses[1]	(89,525)	(101,735)
Property related taxes	(32,039)	(28,522)
Property management fees	(34,890)	(31,831)
Property insurance expenses	(2,818)	(2,489)
Property management fees, tax, insurance, and utilities	**(159,272)**	**(164,577)**

1 *The Group acts as principal in relation to the provision of utilities to its tenants. Thus, utility expenses and the corresponding utility recoveries are recognized, on a gross basis, in the Property operating expenses and Service charge income respectively.*

Property maintenance cost presented above comprises of:

in € thousand	31 Dec 2024	31 Dec 2023
Cleaning and security	(50,077)	(42,034)
Maintenance and repairs	(38,168)	(32,900)
Marketing	(23,921)	(21,795)
Services and related costs	(3,640)	(3,323)
Other	(4,227)	(5,515)
Property maintenance cost	**(120,033)**	**(105,567)**

The Group rents its investment property under operating leases of various expiry terms. The standard terms of the leases comprise information relating to leased space, rent, rights and obligations of the landlord and tenant, including notice periods, renewal options and service charge arrangements. For most of the leases, the rent is indexed annually, over the term of the leases. Most retail leases have turnover rent clauses, which specify that if the agreed percentage of turnover from the retail unit under lease exceeds the base rent, the tenant will pay the difference to the Group.

A proportion of 5.7% (€ 31,999 thousand) of the Gross rental income is represented by the turnover rent (paid on top of fixed rent) as at 31 December 2024 (31 December 2023: 5.1% (€ 26,205 thousand)).

Lease incentives represent the non-recurring amount granted (in cash or as fit-out works) by the Group, to a new or an existing tenant, in connection with a new or renewed lease. Lease incentives are straight-lined over the lease term. The lease term corresponds to the contractual duration for the majority of the leases, except for the anchor tenants, for which the lease duration is assessed by the Group based on past experience and taking into account factors such as: GLA of the property where the anchor tenant is located, catchment area, dominance/competition in the catchment area or purchasing power.

The future minimum lease payments receivable under operating leases are detailed below:

in € thousand	31 Dec 2024[1]	31 Dec 2023[1]
No later than 1 year	506,772	438,968
Between 1-2 years	411,126	342,251
Between 2-3 years	332,374	265,069
Between 3-4 years	257,325	200,485
Between 4-5 years	180,070	140,949
Later than 5 years	421,540	358,375
Total	**2,109,207**	**1,746,097**

1 *Figures computed based on contractual lease maturity date.*

The breakdown of the net rental and related income by country is disclosed in Note 16.

12. ADMINISTRATIVE EXPENSES

in € thousand	Note	31 Dec 2024	31 Dec 2023
Staff costs[1]		(12,908)	(11,890)
Directors' remuneration	19	(4,551)	(4,233)
Advisory services		(5,635)	(4,651)
Audit and other assurance services		(2,866)	(2,402)
Companies' administration[2]		(2,710)	(5,118)
Depreciation charge for Photovoltaic panels	6	(447)	-
Depreciation charge for other property, plant and equipment[3]	6	(490)	(648)
Travel and accommodation		(1,695)	(1,655)
Stock exchange expenses		(851)	(772)
Share based payment expense		(3,040)	(2,000)
Total		**(35,193)**	**(33,369)**

1 *Staff costs capitalised on investment property under development and inventory property in 2024 amount to €2,394 thousand (2023: €2,252 thousand). No staff costs were capitalised in inventory property in 2024.*
2 *Includes amortisation of intangibles of €1,116 thousand as of 31 December 2024 (31 December 2023: €821 thousand).*
3 *At 31 December 2023, "Depreciation charge for other property, plant and equipment" (with a carrying amount of €648 thousand) was presented in line "Companies' administration". At December 2024, these are presented on separate line within "Depreciation charge for other property, plant and equipment", with corresponding comparatives re-classified accordingly, to enhance presentation.*

Out of the above administrative expenses, audit fees are summarised below:

31 Dec 2024	EY Accountants B.V.	Other EY network	Non-EY network
in € thousand			
Audit of financial statements	(475)	(1,911)	(31)
Other assurance procedures	(345)	(104)	-
Total	**(820)**	**(2,015)**	**(31)**

31 Dec 2023	EY Accountants B.V.	Other EY network	Non-EY network
in € thousand			
Audit of financial statements	(356)	(1,889)	(21)
Other assurance procedures	(62)	(74)	-
Total	**(418)**	**(1,963)**	**(21)**

13. FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTY

in € thousand	Note	31 Dec 2024	31 Dec 2023
Fair value adjustments of investment property in use	4	183,942	168,185
Fair value adjustments of investment property under development	5	12,020	(2,643)
Fair value adjustments of investment property held for sale	8.1	(170)	(330)
Fair value adjustments of right-of-use assets	4	(412)	(742)
Total		**195,380**	**164,470**

14. HEADLINE EARNINGS AND DILUTED HEADLINE EARNINGS PER SHARE

The starting point is for headline earnings per share calculation are earnings as determined in IAS 33, excluding "separately identifiable re-measurements", net of related tax (both current and deferred) and non-controlling interest, other than re-measurements specifically included in headline earnings (referred to as included re-measurements), in terms of Circular 1/2023 issued by South African Institute of Chartered Accountants (SAICA).

The calculation of headline earnings per share for the year ended 31 December 2024 was based on headline earnings of €405,824 thousand (31 December 2023: of €333,780 thousand) and the weighted average number of shares.

Reconciliation of profit for the year to headline earnings	Note	31 Dec 2024	31 Dec 2023
in € thousand, unless otherwise stated			
Profit for the year attributable to equity holders of the parent		587,565	476,801
Fair value adjustments of investment property	13	(195,380)	(164,470)
Gain on disposal of assets held for sale	8	(25,934)	(5,641)
Tax effects of adjustments for investment property and gain on disposal of assets held for sale		39,573	27,090
HEADLINE EARNINGS		**405,824**	**333,780**
Basic weighted average number of shares		670,058,874	633,150,875
Diluted weighted average number of shares		671,468,377	634,211,475
Headline earnings per share (euro cents)		60.57	52.72
Diluted headline earnings per share (euro cents)		60.44	52.63

15. SIGNIFICANT ASSET DEALS

Acquisitions made in 2024

Magnolia Park

On 1 October 2024, the Group acquired Magnolia Property Sp. z.o.o., the legal entity that owns Magnolia Park in Wroclaw, Poland. The acquisition was recognised as a property asset acquisition as the acquired entity does not represent a business as defined by IFRS 3.

The carrying amount of the identifiable assets and liabilities at the date of acquisition was as follows:

in € thousand	Value recognised on acquisition
Investment property in use	353,277
Trade and other receivables	4,360
Cash and cash equivalents	4,500
Identifiable acquired assets	**362,137**
Other long-term liabilities	1,554
Trade and other payables	2,747
Identifiable acquired liabilities	**4,301**
Net identifiable assets	**357,836**

Net identifiable assets of the subsidiary acquired at the date of acquisition amounted to €357,836 thousand. The net cash outflow connected with the acquisition (cash outflow adjusted for working capital items, less cash and cash equivalents acquired) amounted to €351,794 thousand, the remaining difference to the net asset value being an accrued payable adjustment to the purchase price paid. Acquisition costs of €2,715 thousand were capitalised on the value of investment property.

The investment property reflected above does not include the right-of-use assets and related lease liability, of €29,840 thousand, connected to the land under concession for Magnolia Park.

Silesia City Center

On 6 December 2024, the Group acquired Helios SCC Sp. z.o.o. (subsequently changed its name to Silesia Property Sp. z o.o.), the legal entity which owns Silesia City Center, a shopping centre located in Katowice, Poland. The Group has concurrently acquired Elco Energy Sp. z o.o. and Elco ICT Sp. z o.o., the legal entities that provide communication infrastructure and energy services for the tenants in Silesia City Center. The acquisition was recognized as a property asset acquisition as the acquired companies do not represent a business as defined by IFRS 3.

The carrying amount of the identifiable assets and liabilities at the date of acquisition was as follows:

in € thousand	**Value recognised on acquisition**
Investment property in use	406,389
Property, plant and equipment under construction	513
Property, plant and equipment - Other	41
Trade and other receivables	9,420
Cash and cash equivalents	9,320
Identifiable acquired assets	**425,683**
Other long-term liabilities	1,667
Trade and other payables	14,991
Identifiable acquired liabilities	**16,658**
Net identifiable assets	**409,025**

Net identifiable assets of the subsidiaries acquired at the date of acquisition amounted to €409,025 thousand. The net cash outflow connected with the acquisition (cash outflow adjusted for working capital items, less cash and cash equivalents acquired) amounted to €400,270 thousand. Accrued receivable from the seller of €565 thousand was recognised as adjustment to the purchase price paid. Acquisition costs of €2,287 thousand were capitalised on the value of investment property.

Solpower Energy SRL

On 18 November 2024, the Group acquired 100% of the share capital of Solpower Energy SRL, a Romanian legal entity with in place land rights, building permits and grid connection permits aimed at the development of a photovoltaic power plant with a targeted capacity of 50 MWp. The acquired property will be used by the Group for the development of one of its greenfield photovoltaic projects in Romania. The acquisition was recognised as an asset acquisition as the acquired entity does not represent a business as defined by IFRS 3.

The carrying amount of the identifiable assets and liabilities at the date of acquisition was as follows:

in € thousand	**Value recognised on acquisition**
Property, plant and equipment under construction	5,143
Trade and other receivables	326
Cash and cash equivalents	10
Identifiable acquired assets	**5,479**
Trade and other payables	2
Identifiable acquired liabilities	**2**
Net identifiable assets	**5,477**

Net identifiable assets of the subsidiaries acquired at the date of acquisition amounted to €5,477 thousand. The net cash outflow connected with the acquisition (cash outflow adjusted for working capital items, less cash and cash equivalents acquired) amounted to €5,450 thousand, the remaining difference to the net asset value being an accrued payable adjustment to the purchase price paid.

Muntenia Beton Max SRL

On 27 December 2024, the Group acquired 100% of the share capital of Muntenia Beton Max SRL, a Romanian legal entity with in place land rights, building permits and grid connection permits aimed at the development of a photovoltaic power plant with a targeted capacity of 109 MWp. The acquired property will be used by the Group for the development of one of its greenfield photovoltaic projects in Romania. The acquisition was recognised as an asset acquisition as the acquired entity does not represent a business as defined by IFRS 3.

The carrying amount of the identifiable assets and liabilities at the date of acquisition was as follows:

in € thousand	**Value recognised on acquisition**
Property, plant and equipment under construction	4,903
Trade and other receivables	78
Cash and cash equivalents	179
Identifiable acquired assets	**5,160**
Trade and other payables	314
Identifiable acquired liabilities	**314**
Net identifiable assets	**4,846**

Net identifiable assets of the subsidiaries acquired at the date of acquisition amounted to €4,846 thousand. The net cash outflow connected with the acquisition (cash outflow adjusted for working capital items, less cash and cash equivalents acquired) payable to the seller as at 31 December 2024 is €4,667 thousand. The consideration was paid in January 2025.

No acquisitions were made in 2023.

16. SEGMENT REPORTING

The operating segments for management purposes are the individual properties. For reporting purposes, the Group aggregates the retail properties (shopping malls and street retail centres) on geographic regions of operation. There are a total of nine reportable segments for retail properties, which include Romania, Poland, Bulgaria, Slovakia, Hungary, Croatia, Serbia, Czech Republic, and Lithuania.

Retail properties are considered to have a different economic and risk profiles compared to other types of properties in the Group portfolio, therefore are aggregated and reported separately on geographies.

The office and industrial businesses are immaterial for the Group from both operational and financial statements disclosure points of view. The weight of these categories are below 1% of the total Group portfolio. These properties, together with the corporate entities (group holding companies), are separately disclosed in the “Unallocated” section below.

In 2024, the Group started to voluntarily present two new business segments - Residential and Energy. The Residential segment, based on a Board decision in August 2024, will be expanded from one development in 2023 to another 3 developments in Romania in the following years. The Energy business involves investment in photovoltaic panels on the rooftops of Group properties, as well as greenfield photovoltaic plants. The Energy segment has generated revenues in 2024 from the panels installed on Romanian properties' rooftops, and is realised from the sale of electricity to the tenants of the Group’s retail properties. This revenue will increase in the coming years following the roll-out of the rooftops' panels in other countries and investments in greenfield plants.

The gain on disposal of assets held for sale is realised by NE Property B.V., the Dutch direct parent of the sold properties.

The Chief Operating Decision Makers ("CODM") monitor the results of each reportable segment independently for the purposes of allocating resources to the segment and assessing its performance, as this is the key IFRS 8 driver of segmentation. The measure of reporting segment performance is Profit before net finance costs and other items, as disclosed in the following tables. The Group’s financing policy (including its impact on financial income and expenses), corporate activities and income tax matters are handled at Group level, and the resulting impacts are not allocated to the operating segments.

For the balance sheet, the relevant measure of segment analysis is considered the investment properties and property, plant and equipment for the Energy segment, as the CODM are monitoring closely the asset performance at each reporting date.

Segment investments over a period is the total cost incurred during the period to acquire and develop investment properties, as well as capital expenditure spent on investment properties and property, plant and equipment.

Segment results 31 Dec 2024 *in € thousand*	Romania	Poland	Hungary	Slovakia	Bulgaria	Croatia	Czech Republic	Lithuania	Serbia	Total Retail Segments	Residential	Energy	Unallocated	Total
Gross rental income	215,537	153,037	39,251	39,994	47,282	24,775	13,374	15,318	11,603	560,171	-	-	5,898	566,069
Service charge income	106,054	69,258	17,816	15,800	18,924	9,673	9,346	5,432	5,090	257,393	-	-	2,170	259,563
Property operating expenses	(110,956)	(80,125)	(19,313)	(15,974)	(19,438)	(9,812)	(9,558)	(5,772)	(5,163)	(276,111)	-	-	(2,630)	(278,741)
Revenue from energy activity	-	-	-	-	-	-	-	-	-	-	-	9,048	-	9,048
Net rental and related income	**210,635**	**142,170**	**37,754**	**39,820**	**46,768**	**24,636**	**13,162**	**14,978**	**11,530**	**541,453**	**-**	**9,048**	**5,438**	**555,939**
Administrative expenses	(12,368)	(4,320)	(33)	(21)	(62)	(138)	(12)	(25)	(272)	(17,251)	(133)	(851)[1]	(16,958)	(35,193)
Revenues from sales of inventory property	-	-	-	-	-	-	-	-	-	-	18,680	-	-	18,680
Cost of sales of inventory property	-	-	-	-	-	-	-	-	-	-	(13,546)	-	-	(13,546)
EBIT[2]	**198,267**	**137,850**	**37,721**	**39,799**	**46,706**	**24,498**	**13,150**	**14,953**	**11,258**	**524,202**	**5,001**	**8,197**	**(11,520)**	**525,880**
Fair value adjustments of investment property	95,846	63,928	(27,965)	6,640	45,031	2,846	1,790	6,687	-	194,803	-	-	577	195,380
Foreign exchange (loss)/gain	(88)	893	(806)	-	(53)	-	(250)	-	9	(295)	9	(16)	144	(158)
Gain on disposal of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	25,934	25,934
Profit before net finance costs and other items	**294,025**	**202,671**	**8,950**	**46,439**	**91,684**	**27,344**	**14,690**	**21,640**	**11,267**	**718,710**	**5,010**	**8,181**	**15,135**	**747,036**
Finance income													19,907	19,907
Finance costs													(100,144)	(100,144)
Bank charges, commissions and fees													(4,381)	(4,381)
Fair value adjustments of derivatives													(12,818)	(12,818)
Profit before tax														**649,600**
Income tax expense													**(62,035)**	**(62,035)**
Current tax expense													(30,563)	(30,563)
Deferred tax expense													(31,472)	(31,472)
Profit after tax														**587,565**

1 *Out of total amount, €447 thousand represents depreciation charge for photovoltaic panels and €404 thousand other expenses, mostly staff costs.*

2 *EBIT (Earnings Before Interest and Taxes) represents the Group's Operating profit, defined as Net rental and related income plus Revenue from sales of inventory property less Cost of sales of inventory property and less Administrative expenses (Depreciation and Amortisation are included in Administrative expenses).*

Segment results 31 Dec 2023 in € thousand	Romania	Poland	Hungary	Slovakia	Bulgaria	Croatia	Czech Republic	Lithuania	Serbia	Total Retail Segments	Residential	Unallocated	Total
Gross rental income	192,993	131,272	38,167	37,434	41,765	22,919	12,802	13,236	13,935	504,523	-	5,580	510,103
Service charge income	106,126	58,308	18,855	19,531	19,045	11,022	7,146	5,338	5,912	251,283	-	3,086	254,369
Property operating expenses	(107,713)	(72,938)	(19,357)	(19,722)	(19,660)	(11,135)	(7,480)	(5,401)	(6,524)	(269,930)	-	(3,333)	(273,263)
Net rental and related income	**191,406**	**116,642**	**37,665**	**37,243**	**41,150**	**22,806**	**12,468**	**13,173**	**13,323**	**485,876**	**-**	**5,333**	**491,209**
Administrative expenses	(12,114)	(4,265)	(119)	257	403	(158)	121	(23)	(64)	(15,962)	(215)	(17,192)	(33,369)
Revenues from sales of inventory property	-	-	-	-	-	-	-	-	-	-	9,808	-	9,808
Cost of sales of inventory property	-	-	-	-	-	-	-	-	-	-	(7,076)	-	(7,076)
EBIT[1]	**179,292**	**112,377**	**37,546**	**37,500**	**41,553**	**22,648**	**12,589**	**13,150**	**13,259**	**469,914**	**2,517**	**(11,859)**	**460,572**
Fair value adjustments of investment property	131,634	(32,781)	(16,718)	20,262	38,217	16,262	928	3,339	8,264	169,407	-	(4,937)	164,470
Foreign exchange (loss)/gain	(709)	288	(186)	-	(28)	1	(447)	-	14	(1,067)	(3)	(117)	(1,187)
Gain on disposal of assets held for sale	1,649	-	-	-	-	-	-	-	-	1,649	-	3,992	5,641
Profit before net finance costs and other items	**311,866**	**79,884**	**20,642**	**57,762**	**79,742**	**38,911**	**13,070**	**16,489**	**21,537**	**639,903**	**2,514**	**(12,921)**	**629,496**
Finance income												6,891	6,891
Finance costs												(69,052)	(69,052)
Bank charges, commissions and fees												(3,297)	(3,297)
Fair value adjustments of derivatives												(17,376)	(17,376)
Profit before tax													**546,662**
Income tax expense												**(69,861)**	**(69,861)**
Current tax expense												(28,334)	(28,334)
Deferred tax expense												(41,527)	(41,527)
Profit after tax													**476,801**

1 *EBIT (Earnings Before Interest and Taxes) represents the Group's Operating profit, defined as Net rental and related income plus Revenue from sales of inventory property less Cost of sales of inventory property and less Administrative expenses (Depreciation and Amortisation are included in Administrative expenses).*

The value of investment property, inventory property and property, plant and equipment (PPE) by operating segment, as shown in the consolidated statement of financial position, is presented below:

Segment per country assets 31 Dec 2024 *in € thousand*	Note	Romania	Poland[1]	Hungary	Slovakia	Bulgaria	Croatia	Czech Republic	Lithuania	Total Retail Segments	Residential	Energy	Unallocated	Total
Investment property		**2,857,684**	**2,700,550**	**556,000**	**535,523**	**552,674**	**294,426**	**183,700**	**164,942**	**7,845,499**	**-**	**-**	**81,096**	**7,926,595**
-Investment property in use	4	2,676,467	2,698,049	551,100	534,500	518,486	287,600	183,700	163,800	**7,613,702**	-	-	81,096	**7,694,798**
-Investment property under development	5	181,217	2,501	4,900	1,023	34,188	6,826	-	1,142	**231,797**	-	-	-	**231,797**
Investment property held for sale	8.1	559	-	-	-	-	-	-	-	**559**	-	-	-	**559**
Property, plant and equipment - Photovoltaic panels	6	-	-	-	-	-	-	-	-	**-**	-	23,303	-	**23,303**
Property, plant and equipment - Photovoltaic panels under construction	6	-	-	-	-	-	-	-	-	**-**	-	12,972	-	**12,972**
Inventory property		-	-	-	-	-	-	-	-	**-**	4,227	-	-	**4,227**

1 *The right-of-use assets of €85.9 million, representing long-term land concessions associated to part of the Group's properties located in Poland are included in the above fair values.*

Segment per country assets 31 Dec 2023 in € thousand	Note	Romania	Poland[1]	Hungary	Slovakia	Bulgaria	Croatia	Czech Republic	Lithuania	Serbia	Total Retail Segments	Residential	Unallocated	Total
Investment property		**2,695,522**	**1,819,636**	**576,206**	**526,123**	**503,167**	**288,930**	**179,810**	**156,560**	**-**	**6,745,954**	**-**	**79,036**	**6,824,990**
-Investment property in use	4	2,547,307	1,814,620	570,900	525,100	472,784	281,800	179,800	155,900	-	**6,548,211**	-	79,036	**6,627,247**
-Investment property under development	5	148,215	5,016	5,306	1,023	30,383	7,130	10	660	-	**197,743**	-	-	**197,743**
Investment property held for sale	8.1	610	-	-	-	-	-	-	-	145,600	**146,210**	-	5,610	**151,820**
Inventory property		-	-	-	-	-	-	-	-	-	**-**	17,266		**17,266**

1 *The right-of-use assets of €56.5 million, representing long-term land concessions associated to part of the Group's properties located in Poland are included in the above fair values.*

Segment Investments over the period 31 Dec 2024 *in € thousand*	Note	Romania	Poland	Hungary	Slovakia	Bulgaria	Croatia	Czech Republic	Lithuania	Serbia	Total Retail Segments	Residential	Energy	Unallocated	Total
Development works	5	73,326	6,107	4,949	-	2,417	-	4	1,258	-	**88,061**	-	-	-	**88,061**
Capital expenditure	4	15,730	21,456	2,734	2,759	1,849	2,506	2,106	866	-	**50,006**	-	-	1,367	**51,373**
Additions from asset deals - Investment property in use	4	-	759,666	-	-	-	-	-	-	-	**759,666**	-	-	-	**759,666**
Capital expenditure on PPE - Photovoltaic panels	6	-	-	-	-	-	-	-	-	-	**-**	-	538	-	**538**
Additions from asset deals - PPE - Photovoltaic panels under construction	6	-	-	-	-	-	-	-	-	-	**-**	-	10,559	-	**10,559**
Capital expenditure on PPE - Photovoltaic panels under construction	6	-	-	-	-	-	-	-	-	-	**-**	-	2,184	-	**2,184**

Segment Investments over the period 31 Dec 2023 in € thousand	Note	Romania	Poland	Hungary	Slovakia	Bulgaria	Croatia	Czech Republic	Lithuania	Serbia	Total Retail Segments	Residential	Unallocated	Total
Development works	5	125,439	17,015	4,146	-	1,924	-	1,375	344	-	**150,243**	-	(24)	**150,219**
Capital expenditure	4	15,214	12,506	2,878	1,957	7,584	178	2,307	847	236	**43,707**	-	1,275	**44,982**

RECONCILIATION OF PROFIT FOR THE YEAR TO DISTRIBUTABLE EARNINGS *in € thousand, unless otherwise stated*[1]	**31 Dec 2024**	**31 Dec 2023**
Profit per IFRS Statement of comprehensive income attributable to equity holders	**587,565**	**476,801**
Accounting specific adjustments	**(174,472)**	**(107,357)**
Fair value adjustments of investment property	(195,380)	(164,470)
Depreciation and amortisation expense (in relation to intangibles and property, plant and equipment of an administrative nature)[2]	1,607	1,469
Fair value adjustments of derivatives	12,818	17,376
Amortisation of financial assets	(3,593)	(2,997)
Deferred tax expense	31,472	41,527
Profit from inventory property sale[3]	(4,569)	(2,732)
Gain on disposal of assets held for sale	(25,934)	(5,641)
Antecedent earnings	**9,107**	**8,111**
Distributable earnings	**413,093**	**369,444**
Interim distributable earnings	(199,044)	(181,360)
Final distributable earnings	(214,049)	(188,084)
Distributable earnings per share (euro cents)	**60.17**	**56.98**
Interim distributable earnings per share (euro cents)	30.12	28.52
Final distributable earnings per share (euro cents)	30.05	28.46
Distribution declared	**371,784**	**332,500**
Interim distribution	179,140	163,224
Final distribution	192,644	169,276
Distribution declared per share (euro cents)	**54.16**	**51.28**
Interim distribution per share (euro cents)	27.11	25.67
Final distribution per share (euro cents)	27.05	25.61
Earnings not distributed	**41,309**	**36,944**
Interim earnings not distributed	19,904	18,136
Final earnings not distributed	21,405	18,808
Earnings not distributed per share (euro cents)	**6.01**	**5.70**
Earnings not distributed per share interim (euro cents)	3.01	2.85
Earnings not distributed per share final (euro cents)	3.00	2.85
Number of shares entitled to interim distribution	**660,826,020**	**635,830,268**
Number of shares entitled to final distribution	**712,357,309**	**660,826,020**

1 *Distributable earnings per share is prepared on a basis that is consistent with SA REIT funds from operations (SA REIT FFO) as set out in the SA REIT Association's Best Practice Recommendations Second Edition.*

2 *In the computation of distributable earnings, the Company eliminated the impact of the amortisation and depreciation related to intangibles and PPE of an administrative nature. The DEPS is impacted by the depreciation expense of the photovoltaic panels (€447 thousand in 2024), which is a revenue generating activity.*

3 *The current tax expense line in SOCI includes €565 thousand representing the current tax expense on residential business, thus, the profit of residential is computed as revenue less cost of sale less current tax expense, and it is excluded from the computation of distribution earnings.*

17. CASH FLOW FROM OPERATIONS

in € thousand	Note	31 Dec 2024	31 Dec 2023
OPERATING ACTIVITIES			
Profit after tax		587,565	476,801
Adjustments		**(56,592)**	**(12,760)**
Fair value adjustments of investment property	13	(195,380)	(164,470)
Foreign exchange loss		158	1,187
Gain on disposal of assets held for sale	8	(25,934)	(5,641)
Finance income		(19,907)	(6,891)
Finance costs		100,144	69,052
Bank charges, commissions, and fees		4,381	3,297
Fair value adjustments of derivatives		12,818	17,376
Deferred tax expense		31,472	41,527
Current tax expense		30,563	28,334
Depreciation expense for property, plant and equipment and amortization of intangibles		2,053	1,469
Share based payment expense		3,040	2,000
Changes in working capital		**2,655**	**(4,963)**
(Increase) in trade and other receivables		(38,395)	(22,176)
Increase in trade and other payables		28,011	13,785
Decrease in Inventory property		13,039	3,428
Net cash flow from operations		**533,628**	**459,078**

18. CONTINGENT ASSETS AND LIABILITIES

Contingencies

The Group is subject to various taxes across all jurisdictions in which it operates. The calculation of tax charges and provisions involves a degree of estimation and judgment. There are transactions and calculations for which the relevant tax authorities have indicated different interpretations of the fiscal legislation compared to the Group's approach. When such discrepancies arise, the carrying amount of tax provisions and charges is determined based on the expected resolution of tax assessments and the stage of discussions or negotiations with the relevant tax authorities. Given the complexity of tax regulations, the final outcome of tax proceedings is often uncertain and may take several years to be resolved.

Several Group entities in Romania have recently been subject to tax inspections by the Romanian Tax Authorities ("RTA").

For certain entities, the tax inspections have been finalized, resulting in additional tax liabilities totalling €5.5 million as of 31 December 2024. These liabilities arose from RTA's disallowance of deductibility of certain expenses, reflecting a position that differs from the Group's interpretation of applicable tax laws.

As the Group is not aware of the RTA's position being established as market practice in Romania or in other CEE countries where it operates, it intends to challenge the RTA's conclusions as and when appropriate. Out of the total €5.5 million tax liabilities imposed by the year end, €4.6 million have already been paid, with a corresponding tax receivable recognised based on management's assessment of the expected outcome of challenging the RTA position as noted above. The remaining amount of €0.9 million was paid in January 2025, following the same accounting treatment as above.

Ongoing tax audits are at various stages for other Romanian subsidiaries, but as of the publication date of these financial statements, they have not been finalized. No additional tax liabilities have been recorded in connection with these audits, as management believes further tax assessments are not warranted.

To assess potential tax contingencies, management has evaluated various scenarios using different sets of possible outcomes for tax assessments. Based on this analysis, the weighted average potential impact of additional tax liabilities imposed by authorities is estimated at €12.5 million.

Legislative framework

The Group operates in a complex legal and regulatory environment, exposing it to various risks. It carefully evaluates all facts and assesses the implications that could have a material effect on the financial statements. To the extent the Group is subject to reviews, procedures, information requests and other assessments, including regulatory or tax matters, multiple outcomes are possible, which may result in further regulatory or tax investigations, litigations or sanctions.

The implementation of Pillar Two in 2024 across multiple jurisdictions, uncertainties in its wording, reliance on safe harbor provisions, and unclear charging mechanisms create challenges in assessing NEPI Rockcastle's (future) tax exposure. The Group continuously monitors its impact and has assessed its effect on the 2024 financial statements for each jurisdiction. While no impact is expected, uncertainties in interpretation of Pillar Two mean different outcomes are possible.

Guarantees

As at 31 December 2024, the Group had received letters of guarantee from tenants worth €152,131 thousand (31 December 2023: €132,297 thousand) and from suppliers worth €32,565 thousand (31 December 2023: €29,789 thousand) related to ongoing.developments

Commitments

In 2025, the Group estimates to invest €302 million in development and capital expenditure related to its ongoing projects or new development opportunities (impacting investment property and property, plant and equipment), out of which only a portion is already contracted at reporting date.

19. RELATED PARTY TRANSACTIONS

Identity of related parties with whom material transactions have occurred

The Directors are related parties for the Group.

Material related party transactions

Fees paid to Directors, together with the performance bonus, during the current and previous year are detailed below. No other payments were made to Directors by NEPI Rockcastle, except reimbursements for travel and accommodation.

	31 Dec 2024		31 Dec 2023		
in € thousand	Directors' fees	Performance related remuneration	Directors' fees	Performance related remuneration	Reconciling differences between 2022 performance related remuneration paid vs. accrual
Rüdiger Dany	675	1,067	675	1,009	(3)
Eliza Predoiu	385	554	385	543	(12)
Marek Noetzel	385	628	385	601	(7)
George Aase	157	-	102	-	-
Antoine Dijkstra	102	-	88	-	-
Andre van der Veer	109	-	98	-	-
Andreas Klingen	101	-	89	-	-
Steve Brown	87	-	75	-	-
Andries de Lange	77	-	63	-	-
Jonathan Lurie	79	-	68	-	-
Ana Maria Mihaescu	89	-	74	-	-
Jeanine Holscher[1]	56	-	-	-	-
Total	**2,302**	**2,249**	**2,102**	**2,153**	**(22)**

1 Ms Jeanine Holsher was appointed as an Independent non-Executive Director with effect from 14 May 2024.

a. Shares held under the Share Purchase Schemes

Name of Director	Number of shares held as at 31 Dec 2024	Number of shares held as at 31 Dec 2023[1]
Marek Noetzel	88,358	88,358
Total	**88,358**	**88,358**

1 *Shares presented in the table above are pledged as security for the loan under Share Purchase Scheme.*

b. Shares unvested under the LTSIP

Name of Director	Number of shares unvested at 31 Dec 2024	Number of shares unvested at 31 Dec 2023
Rüdiger Dany	399,740	271,983
Eliza Predoiu	256,194	174,922
Marek Noetzel	275,256	210,532
Total	**931,190**	**657,437**

The share based payment expense related to the directors of the Group amounted to €1,325 thousand in 2024 (31 December 2023: €393 thousand).

The Directors of the Group hold 1,854,569 shares as at 31 December 2024 (31 December 2023: 1,304,296 shares), which represents 0.26% of the outstanding shares (31 December 2023: 0.2% of the outstanding shares). Out of the above-mentioned shareholding, 560,858 shares (31 December 2023: 343,052 shares) which represent 0.08% of the outstanding shares (31 December 2023: 0.05% of the outstanding shares) are held by the non-Executive Directors. Other than as set out in note 19(a) above, none of the shares of the Director are subject to security, guarantee, collateral, and they are not encumbered in any way.

20. SUBSEQUENT EVENTS

The Directors are not aware of any other subsequent events from 31 December 2024 and up to the date of signing these condensed consolidated financial statements which are likely to have a material effect on the financial information contained in this report.

Appendix 1

EPRA PERFORMANCE MEASURES

European Public Real Estate Association ("EPRA"), the representative organisation of the publicly listed real estate industry in Europe, has established a set of Best Practice Recommendation Guidelines (EPRA BPR), which focus on the key measures of the most relevance to investors. These recommendations aim to give financial statements of public real estate companies more clarity, more transparency and comparability across European peers.

The Group has been awarded for the last five years with Gold Award for BPR for financial reporting, the highest standard for transparency of financial performance measures.

Certain of these EPRA measures are considered to be *pro forma* financial information in terms of the JSE Listings Requirements. These include EPRA earnings (euro thousand), EPRA earnings per share (euro cents per share), EPRA net reinstatement value ("NRV") (euro per share), EPRA net tangible assets ("NTA") (euro per share) and EPRA net disposal value ("NDV") (euro per share) (collectively, the "Non-IFRS Financial Information").

The Non-IFRS Financial Information is presented in accordance with the JSE Limited Listings Requirements and is the responsibility of the Directors. The Non-IFRS Financial Information has been presented for illustrative purposes and, due to its nature, may not fairly present the Group's financial position or result of operations.

Ernst & Young Inc. have issued an independent auditor's report on the Non-IFRS Financial Information for the year ended 31 December 2024, which is included in Appendix 2.

The starting point for all the Non-IFRS Financial Information has been extracted, without adjustment, from the Group's condensed consolidated financial statements for the year ended 31 December 2024 (the "condensed consolidated financial statements").

Unless indicated otherwise, figures have been extracted, without adjustment, from the condensed consolidated financial statements.

EPRA performance measures reported by NEPI Rockcastle are set out below.

EPRA indicators[1]	**31 December 2024**	**31 December 2023**
EPRA Earnings (€ thousand)[2]	405,972	362,861
EPRA Earnings per share (€ cents per share)	59.18	55.96
EPRA Net Initial Yield ('NIY')	6.98%	6.94%
EPRA topped-up NIY	7.00%	6.97%
EPRA vacancy rate	1.7%	2.2%
EPRA Net Reinstatement Value ('NRV') (€ per share)	7.38	6.98
EPRA Net Tangible Assets ('NTA') (€ per share)	7.35	6.95
EPRA Net Disposal Value ('NDV') (€ per share)	6.83	6.52
EPRA Cost ratio (including direct vacancy cost)	9.6%	10.2%
EPRA Cost ratio (excluding direct vacancy cost)	9.5%	10.1%
EPRA Loan-to-value ('LTV')	33%	33%

1 *Certain of these EPRA indicators are considered to be pro forma financial information in terms of the JSE Listings Requirements. Please refer to Appendix 1 of the condensed consolidated financial statements for further information.*

2 *At 31 December 2023, the non-recurring profit from sale of inventory property was adjusted in the section "Company specific adjustments". At 31 December 2024, the non-recurring profit from sale of inventory property is presented in "EPRA Earnings" section, to enhance presentation, with the corresponding comparative changed accordingly.*

EPRA EARNINGS

EPRA Earnings presents the underlying operating performance of a real estate company excluding fair value gains or losses on investment property, profit or loss on disposals, deferred tax, and other non-recurring items, that are not considered to be part of the core activity of the Group.

EPRA Earnings	31 December 2024	31 December 2023
Earnings in IFRS Consolidated Statement of comprehensive income	**587,565**	**476,801**
Fair value adjustments of investment property	(195,380)	(164,470)
Gain on disposal of assets held for sale	(25,934)	(5,641)
Profit from inventory property sale[1]	(4,569)	(2,732)
Fair value adjustment of derivatives and losses of extinguishment of financial instruments	12,818	17,376
Deferred tax expense	31,472	41,527
EPRA Earnings (interim)	**199,964**	**177,599**
EPRA Earnings (final)	**206,008**	**185,262**
EPRA Earnings (total)	**405,972**	**362,861**
Number of shares for interim distribution	660,826,020	635,830,268
Number of shares for final distribution	712,357,309	660,826,020
EPRA Earnings per Share (EPS interim)[2]	**30.26**	**27.93**
EPRA Earnings per Share (EPS final)[2]	**28.92**	**28.03**
EPRA Earnings per Share (EPS)[2]	**59.18**	**55.96**
Company specific adjustments:		
Amortisation of financial assets	(3,593)	(2,997)
Depreciation expense for property, plant and equipment	1,607	1,469
Antecedent earnings	9,107	8,111
Distributable Earnings (interim)	**199,044**	**181,360**
Distributable Earnings (final)	**214,049**	**188,084**
Distributable Earnings (total)	**413,093**	**369,444**
Distributable Earnings per Share (interim) (euro cents)	**30.12**	**28.52**
Distributable Earnings per Share (final) (euro cents)	**30.05**	**28.46**
Distributable Earnings per Share (total) (euro cents)	**60.17**	**56.98**

1 *At 31 December 2023, the non-recurring profit from sale of inventory property was adjusted in the section "Company specific adjustments". At 31 December 2024, the non-recurring profit from sale of inventory property is presented in "EPRA Earnings" section, to enhance presentation, with the corresponding comparative changed accordingly.*

2 *Adjusted for interim and final number of shares.*

EPRA NET ASSET VALUE METRICS (NAV)

The EPRA NAV set of metrics make adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.

EPRA NET REINSTATEMENT VALUE (NRV)

The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.

EPRA NET TANGIBLE ASSETS (NTA)

The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

EPRA NET DISPOSAL VALUE (NDV)

The EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the balance sheet, net of any resulting tax. This measure should not be viewed as a “liquidation NAV” because, in many cases, fair values do not represent liquidation values.

For more detailed explanations of EPRA adjustments and requirements please refer to the EPRA Best Practices Recommendations (*EPRA_BPR_Guidelines*)

EPRA NET ASSET VALUES AS OF 31 DECEMBER 2024

EPRA Net Asset Values as of 31 Dec 2024	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**4,908,482**	**4,908,482**	**4,908,482**
Exclude:			
Net deferred tax liabilities	437,846	415,954[1]	-
Derivative financial liabilities at fair value through profit or loss	(9,662)	(9,662)	-
Goodwill	(76,804)	(76,804)	(76,804)
Include:			
Difference between the secondary market price and accounting value of fixed interest rate debt[2]	-	-	33,973
NAV	**5,259,862**	**5,237,970**	**4,865,651**
Number of shares	712,357,309	712,357,309	712,357,309
NAV per share	**7.38**	**7.35**	**6.83**

1 *The net deferred tax liability has been adjusted to account for the crystallization effect. This adjustment is based on management's estimation and reflects the anticipated future tax implications.*

2 *Calculated using publicly available quotes prices.*

EPRA NET ASSET VALUES AS OF 31 DECEMBER 2023

EPRA Net Asset Values as of 31 Dec 2023	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**4,304,761**	**4,304,761**	**4,304,761**
Exclude:			
Net deferred tax liabilities	406,463	386,140[1]	-
Derivative financial liabilities at fair value through profit or loss	(21,568)	(21,568)	-
Goodwill	(76,804)	(76,804)	(76,804)
Include:			
Difference between the secondary market price and accounting value of fixed interest rate debt[2]	-	-	82,785
NAV	**4,612,852**	**4,592,529**	**4,310,742**
Number of shares	660,826,020	660,826,020	660,826,020
NAV per share	**6.98**	**6.95**	**6.52**

1 *The net deferred tax liability has been adjusted to account for the crystallization effect. This adjustment is based on management's estimation and reflects the anticipated future tax implications.*

2 *Calculated using publicly available quotes prices.*

EPRA NIY AND "TOPPED-UP" NIY

The EPRA Net Initial Yield (NIY) is calculated as the annualised rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property.

In EPRA "topped-up" NIY, the net rental income is "topped-up" to reflect rent after the expiry of lease incentives such as rent-free periods and rental discounts.

EPRA NIY and "topped-up" NIY	31 December 2024	31 December 2023
Investment property as per condensed consolidated financial statements	7,926,595	6,824,990
Investment property held for sale	559	151,820
Less investment property under development	(231,797)	(197,743)
Total investment property in use	**7,695,357**	**6,779,067**
Estimated purchasers costs	38,477	33,895
Gross up value of the investment property in use	**7,733,834**	**6,812,962**
Annualised cash passing rental income[1]	558,750	491,943
Non-recoverable property operating expenses	(19,178)	(18,894)
Annualised net rents	**539,572**	**473,049**
Notional rent expiration of rent-free periods or other lease incentives[2]	2,177	1,852
Topped-up net annualised rent	**541,749**	**474,901**
EPRA Net Initial Yield (EPRA NIY)	**6.98%**	**6.94%**
EPRA "topped-up" NIY	**7.00%**	**6.97%**

1 *Annualised passing rent computed based on the contractual rental amounts effective as at that date.*
2 *Adjustment for unexpired lease incentives such as rent-free periods, discounted rent periods and step rents. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive.*

EPRA VACANCY RATE

The EPRA Vacancy Rate estimates the percentage of the total potential rental income not received due to vacancy.

The EPRA Vacancy Rate is calculated by dividing the estimated rental value of vacant premises by the estimated rental value of the entire property portfolio if all premises were fully leased. The EPRA vacancy rate is calculated using valuation reports performed by independent experts.

EPRA Vacancy Rate	31 December 2024	31 December 2023
Estimated rental value of vacant space	10,220,447	12,172,742
Estimated rental value of the whole portfolio	607,513,837	552,354,942
EPRA Vacancy Rate[1]	**1.7%**	**2.2%**

1 *Excludes non-core properties*

Country	EPRA Vacancy Rate December 2024	EPRA Vacancy Rate December 2023
Romania	0.7%	1.1%
Poland	1.3%	2.2%
Hungary	4.0%	5.8%
Slovakia	2.8%	4.6%
Bulgaria	2.9%	1.1%
Croatia	7.4%	7.6%
Lithuania	0.3%	0.0%
Czech Republic	2.3%	3.0%
EPRA Vacancy Rate	**1.7%**	**2.2%**

EPRA COST RATIO

EPRA Cost ratios reflect the relevant administrative and operating costs of the business and provide a recognised and understood reference point for analysis of a company's costs.

The EPRA Cost ratio (including direct vacancy costs) includes all administrative and operating expenses in the IFRS statements (net of any service fees).

The EPRA Cost ratio (excluding direct vacancy costs) is calculated as above, but with an adjustment to exclude vacancy costs.

EPRA Cost Ratios	31 December 2024	31 December 2023
Administrative expenses (line per IFRS Consolidated Financial Statements)	35,193	33,369
Net service charge costs	19,178	18,894
EPRA Costs (including direct vacancy costs)	**54,371**	**52,263**
Direct vacancy costs	430	479
EPRA Costs (excluding direct vacancy costs)	**53,941**	**51,784**
Gross rental income	**566,069**	**510,103**
EPRA Cost ratio (including direct vacancy costs)[1]	**9.6%**	**10.2%**
EPRA Cost ratio (excluding direct vacancy costs)[1]	**9.5%**	**10.1%**

1 *EPRA cost ratio decreased due to higher gross rental income and slightly higher unrecovered operating costs, which offsets the increase in the administrative expenses. Gross rental income increase is driven from the acquisitions made in 2024, indexation, rental uplifts, and higher occupancy.*

EPRA LOAN-TO-VALUE (EPRA LTV)

The LTV ratio is an important metric that assesses the lending risk a lender bears by providing a loan as per the borrower's requirement and it shows the relation of debt to the fair value of the assets. NEPI Rockcastle has chosen to disclose, among other indicators, the EPRA LTV ratio, calculated in accordance with EPRA Best Practices Recommendations.

There are a few changes compared to existing LTVs. One of the main changes is that the current net receivables/payables amount is included in the calculation of EPRA LTV. Another change involves the EPRA LTV calculation on a proportionate consolidation basis. This implies that the EPRA LTV includes the Groups share in the net debt and net assets of joint venture or material associates. As the Group is not part of any joint venture agreement, this requirement of the EPRA LTV does not impact the calculation.

EPRA LTV Metric	31 December 2024	31 December 2023
Include:		
Borrowings from Financial Institutions	962,945	567,126
Bond loans	2,001,423	1,999,031
Net payables	71,138	60,868
Exclude:		
Cash and cash equivalents	(448,498)	(338,519)
Net Debt (a)	**2,587,008**	**2,288,506**
Include:		
Investment properties at fair value	7,608,849	6,570,727
Assets held for sale	559	160,915
Properties under development	231,797	197,743
Total Property Value (b)	**7,841,205**	**6,929,385**
LTV (a/b)	**33%**	**33%**

EY
102 Rivonia Road
Sandton
Private Bag X14
Sandton
2146

Ernst & Young Incorporated
Co. Reg. No. 2005/002308/21
Tel: +27 (0) 11 772 3000
Fax: +27 (0) 11 772 4000
Docex 123 Randburg
ey.com

Independent Auditor's Assurance Report on the Compilation of the Non-IFRS Financial Information included in the Group's reviewed condensed consolidated financial statements for the year ended 31 December 2024

To the Directors of NEPI Rockcastle N.V.

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of NEPI Rockcastle N.V. and its subsidiaries (collectively, the "**Group**"), by the directors. The *pro forma* financial information, as set out in Appendix 1 on pages 46 to 50 of the Group's reviewed condensed consolidated financial statements for the year ended 31 December 2024, consists of the EPRA earnings (€ thousand), EPRA earnings per share (€ cents per share); EPRA net reinstatement value (€ per share), EPRA net tangible assets (€ per share) and EPRA net disposal value (€ per share) and related notes (collectively, the "**Non-IFRS Financial Information**"). The applicable criteria on the basis of which the directors have compiled the Non-IFRS Financial Information are specified in the JSE Limited ("**JSE**") Listings Requirements and described in Appendix 1 on pages 46 to 50 of the Group's reviewed condensed consolidated financial statements for the year ended 31 December 2024.

The Non-IFRS Financial Information has been compiled by the directors to illustrate the impact of:

- EPRA Earnings presents the underlying operating performance of a real estate company excluding fair value gains or losses on investment property, profit or loss on disposals, deferred tax, and other non-recurring items, that are not considered to be part of the core activity of the Group;
- EPRA Net Reinstatement Value is a measure used to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included;
- EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability; and
- EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the balance sheet, net of any resulting tax

together the "**Adjustments**".

As part of this process, information about the Group's financial position and financial performance has been extracted by the directors from the Group's reviewed condensed consolidated financial statements for the year ended 31 December 2024, on which an auditor's report was issued on 24 February 2025.

Directors' Responsibility for the Non-IFRS Financial Information

The directors are responsible for compiling the Non-IFRS Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements, described in Appendix 1 on pages 46 to

Appendix 2

50 of the Group's reviewed condensed consolidated financial statements for the year ended 31 December 2024.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Management 1 (ISQM 1) *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express an opinion about whether the Non-IFRS Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in Appendix 1 on pages 46 to 50 of the Group's reviewed condensed consolidated financial statements for the year ended 31 December 2024, based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus,* which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the Non-IFRS Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Non-IFRS Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Non-IFRS Financial Information.

The purpose of the Non-IFRS Financial Information included in the Group's reviewed condensed consolidated financial statements for the year ended 31 December 2024, is to illustrate how the unadjusted financial information of the entity has been impacted by the Adjustments made, as described in the basis of preparation. Accordingly, we do not provide any assurance that the actual outcome of the Adjustments made would have been as presented.

A reasonable assurance engagement to report on whether the Non-IFRS Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Non-IFRS Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the adjustments made, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The Non-IFRS Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, and the adjustments made in respect of which the Non-IFRS Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Non-IFRS Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Non-IFRS Financial Information, has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements, described in Appendix 1 on pages 46 to 50 of the Group's reviewed condensed consolidated financial statements for the year ended 31 December 2024.

DocuSigned by:
Ernst & Young Inc
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Ernst & Young Inc.
Director: Gerhardus J van Deventer CA(SA)
Registered Auditor

102 Rivonia Road
Sandton
2146

24 February 2025

Glossary

Collection rate: operational performance indicator computed as cash collected relative to the Gross rental income and Service charge income as recognised in the Consolidated Financial Statements (adjusted for accruals and concessions granted in the year)

Committed projects: projects currently under construction, for which the Group owns the land or building rights and has obtained all necessary authorisations and permits

Like-for-like: operational measure computed based on the investment property excluding acquisitions, divestments, transfers to and from investment property under development and all other changes resulting in significant change to the square meters of a property

Loan-to-value (LTV): (Interest bearing debt – Lease liabilities associated to right-of-use assets– Cash)/(Investment property (including investment property held for sale) – Right-of-use assets)

Occupancy cost ratio (Effort ratio): Annual Base rent, overage rent, service charge and marketing contribution, divided by tenant sales; excludes sales reported by hypermarkets

(Weighted) average cost of debt: a mathematical measure of the finance expense divided by the periodical average outstanding debt

EPRA MEASURES

EPRA Cost ratio: The purpose of the EPRA Cost ratio is to reflect the relevant overhead and operating costs of the business. It is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administration expenses (excluding exceptional items) as a percentage of Gross rental income

EPRA Earnings: Profit after tax attributable to the equity holders of the Company excluding fair value adjustments of investment property, profits or losses on investment property disposals and related tax adjustment for losses on disposals, gains on acquisition of subsidiaries, acquisition costs, fair value and net result on sale of financial investments at fair value through profit or loss and deferred tax expense

EPRA Earnings Per Share: EPRA Earnings divided by the number of shares outstanding at the period or year-end

EPRA NAV Metrics:

EPRA Net Reinstatement Value (EPRA NRV): Highlights the value of net assets on a long-term basis. It is computed as the net assets per the Statement of financial position, excluding the goodwill, deferred taxation net balance and mark-to-market of interest rate derivatives (which represents assets and liabilities not expected to crystallise in normal course of business)

EPRA Net Tangible Assets (EPRA NTA): Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax

EPRA Net Disposal Value (EPRA NDV): Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax

EPRA Net Initial Yield: Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the portfolio

EPRA "topped-up" Yield: EPRA Net Initial Yield adjusted in respect of the annualised rent-free at the balance sheet date

EPRA Vacancy Rate: Vacancy rate computed based on estimated rental value of vacant space compared to the estimated rental value of the entire property

EPRA loan-to-value (EPRA LTV): A key (shareholder-gearing) metric to determine the percentage of debt comparing to the appraised value of the properties