NEPI ROCKCASTLE

Annual Report 2024

Integrated report and financial statements

Excellence.
Innovation.
Experience.

PERFORMANCE AND OPERATIONS

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This document is the PDF/printed version of the 2024 Annual Report of NEPI Rockcastle N.V. and has been prepared for ease of use. The 2024 Annual Report was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), and was filed with Netherlands Authority for the Financial Markets in European single electronic reporting format (the ESEF package). The ESEF package is available on the Company's website and includes a human readable XHTML version of the 2024 Annual Report. In case of any discrepancies between this PDF version and the ESEF package, the latter prevails.

Visit our website
www.nepirockcastle.com
for more information about us and our business

The terms 'NEPI Rockcastle', the 'Group', the 'Company', 'we', 'our' and 'us' refer to NEPI Rockcastle N.V. and, as applicable, its subsidiaries.

The chapters Executive Directors, Corporate governance, Risk management and compliance, Sustainability, Analysis of shareholders and share trading and Beneficial shareholding of Directors are part of the management report within the meaning of article 2:391 of the Dutch Civil Code.

PERFORMANCE AND OPERATIONS

PHOTO: FORUM GDANSK SHOPPING CENTRE


KUNSZT

Company profile

NEPI Rockcastle is the premier owner and operator of shopping centres in Central and Eastern Europe ('CEE'), with a presence in eight countries and an investment portfolio of €7.9 billion.

The Group benefits from a highly-skilled internal management team which combines asset management, development, investment, leasing and financial expertise. Geographically diverse management skills allow NEPI Rockcastle to pursue CEE property opportunities efficiently, benefiting from a strategic advantage in the acquisition, development and management of properties.

NEPI Rockcastle owns and operates 57 retail properties which attracted more than 347 million visits in 2024.

With Group level management of tenant relationships and a focus on cross-country collaboration, the Group is the leading strategic partner for major retailers in the CEE countries.

The Group's financial strategy includes maintaining a profile of adequate liquidity, conservative Loan-to-value ('LTV'), and a diverse debt structure, which combines secured and unsecured bank debt with unsecured bonds listed on the Irish Stock Exchange. 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.

The Company's shares are listed on the Main Board of the JSE Limited ('JSE'), Euronext Amsterdam and A2X. NEPI Rockcastle uses distribution per share as its key performance measure for trading statement purposes, in accordance with the JSE Listings Requirements.

2.4 million
m² GLA of income-producing properties

7.9 billion
Investment property portfolio

347 million
Visits in 2024

187,900m²
GLA of ongoing developments, extensions and refurbishments

99%
Collection rate[1]

98.3%
EPRA occupancy rate

650
Employees

1. Collection rate as of February 2025

Property portfolio by country

By market value

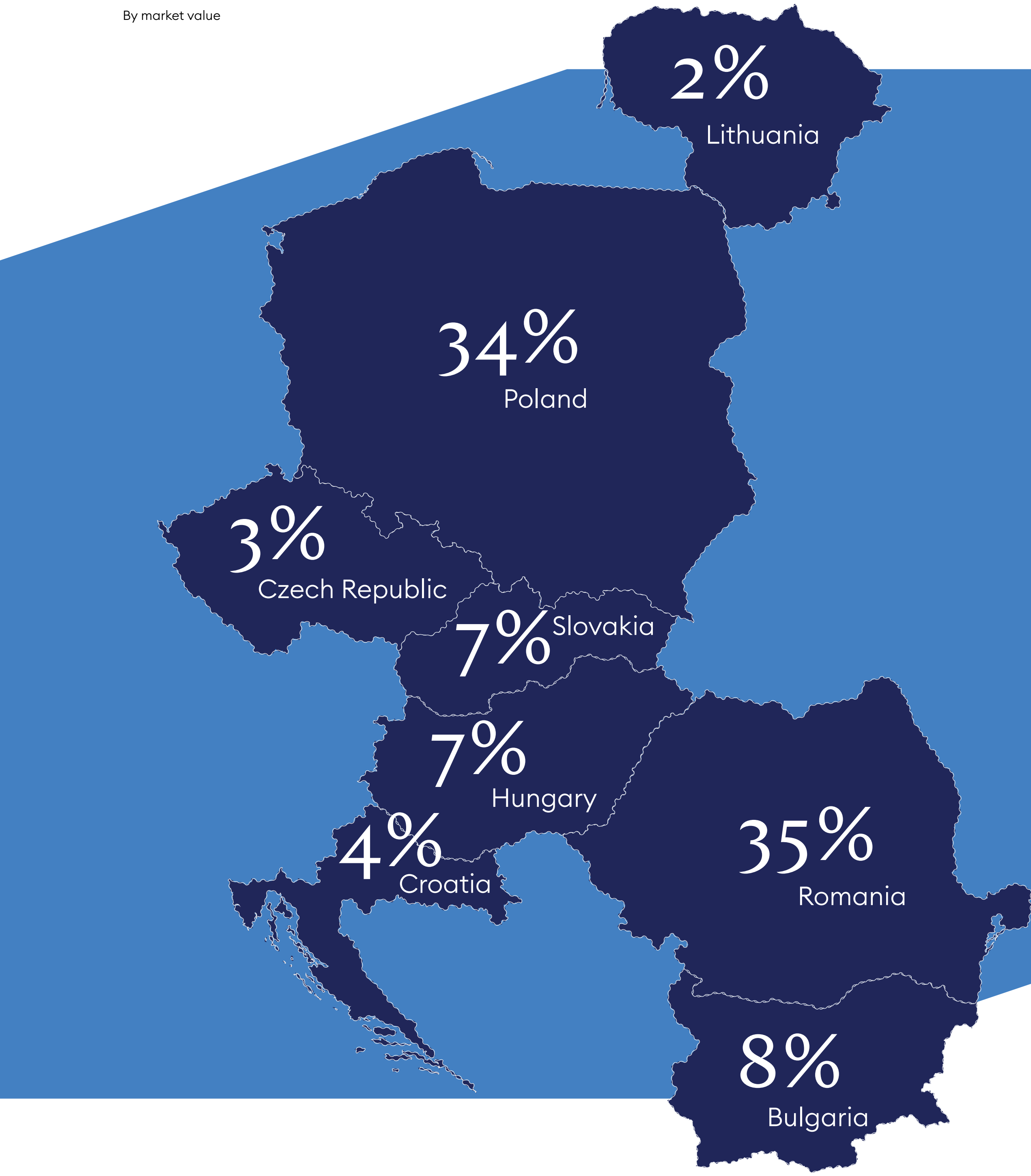


PHOTO: MAGNOLIA PARK

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 and deliver optimal investment returns for our shareholders.

18 March 2025

RÜDIGER DANY
Chief Executive Officer

PHOTO: ARENA CENTAR

Chairman's statement

NEPI Rockcastle had another year of solid growth in 2024. Distribution per share reached an all-time high and exceeded the guidance communicated at the start of the year. Operational performance measures continued to improve from already market-leading levels, driving NOI to a new annual record after growing by double digits. The Group outperforms its peers across a wide range of KPIs – tenant sales growth, collection rate, occupancy, cost recovery ratio – a result that confirms the quality of our portfolio and reinforces our properties' appeal for both retailers and consumers. Our team is constantly seeking to stay ahead of the latest trends in retail and update our offering to make it even more relevant and competitive, with excellent results.

The macroeconomic environment in CEE continues to be mostly supportive for retail consumption. After a difficult period, marked by high inflation and slower GDP growth, the region's economies recovered somewhat in 2024 and continue to grow significantly faster than Western Europe. Inflation has come down, stimulating demand and allowing central banks to reduce interest rates. The rise in average household disposable income in the region has been outpacing inflation in the last few years, which has fuelled the traditional propensity of CEE consumers to spend more money in shopping centres than their Western European peers. Multiple challenges remain, however, some driven by the complex and fast-evolving geopolitical context, notably the war in Ukraine, but interesting investment opportunities continue to arisie. Overall, we believe that the economic fundamentals will remain strong in CEE and will support the growth of NEPI Rockcastle's business.

Growing through acquisitions and developments has always been a key component of NEPI Rockcastle's business strategy. Last year, we set a new corporate record with almost €1 billion in investments, including making two of the largest acquisitions in the Group's history. NEPI Rockcastle alone accounted for around 40% of the total value of retail real estate transactions across CEE markets in 2024. The Group was uniquely positioned seize the opportunity to acquire two of the most exciting assets that have come to the market in Poland in recent years, capitalising on its strong balance sheet and a solid reputation for reliable deal execution. We believe that the timing of these acquisitions was near perfect, as retail real estate valuations are bottoming out after an extended period of subdued dealmaking activity and declining asset prices. The newly acquired properties, together with the valuation uplift driven by higher rents in the rest of the portfolio, have brought the Group's investment property value to almost €8 billion, consolidating its leading position in Poland and across CEE markets.

Securing funding for such a major expansion plan was another of our accomplishments in 2024. For the first time in seven years, NEPI Rockcastle organised an equity raise through a private placement that was very well received by the investor community. We continued to access debt capital markets too, ensuring a balanced capital structure that provides protection against negative scenarios and allows room for new financing to support our growth plans.

NEPI Rockcastle remains committed to its sustainability objectives, which we consider a strategic priority. In 2024 we continued to execute our ESG strategy along three pillars: investing in sustainable buildings; fostering trust with stakeholders; and cultivating an attractive, professional and ethical workplace environment. The progress made in sustainability disclosure and practices was recognised by reputable industry associations and benchmarking agencies such as EPRA, Sustainalytics and GRESB. Investing in sustainability is helping the bottom line as well, as shown by the very good financial returns generated by our renewable energy projects.

On behalf of the Board I would like to congratulate NEPI Rockcastle's management and employees for another very successful year and encourage them to continue delivering exceptional value for all the Group's stakeholders.

18 March 2025

GEORGE AASE
Chairman
George Elling Aase

PHOTO: OZAS SHOPPING AND ENTERTAINMENT CENTRE

Directors' report

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 payout 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 rollout 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
- 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

PHOTO: SHOPPING CITY TARGU MURES

Directors' report

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 88,400m² 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.

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 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 audit report on the consolidated and separate financial statements for the year ended 31 December 2024, included in this annual report, is issued by Ernst & Young Inc. (EY South Africa) and 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.

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

Directors' report

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 chapter EPRA Performance measures.*

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
- 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
- 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.

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 payout 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 has been issued on 3 March 2025, with the dividend settlement scheduled for 11 April 2025.

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.

18 March 2025

PHOTO: MAGNOLIA PARK

Strong strategic positioning

Pillar 1 – Growth		Pillar 2 – Sustainability	
	Preserve a high-quality portfolio of dominant assets and enhance their Net Operating Income		Foster a strong financial discipline, including adequate liquidity, conservative LTV and a diverse debt structure, to support growth directions
	Delivering on development pipeline, positively contributing to the property portfolio and income generation		Focus on ESG, to deliver on sustainable and responsible growth
	Identify new income streams - green energy		
	Value enhancing asset rotation		

Preserve a high-quality portfolio of dominant assets

Active property management of the Group assets creates significant growth opportunities. Capitalising on its comprehensive in-house expertise in the CEE retail markets, the Group delivers year on year best-in-class results, such as high collection and occupancy rates, reasonable tenant occupancy cost, growing tenant sales and footfall. Preventive maintenance decreases long-term capital expenditure, service charge levels, non-recoverable expenses and maintains the portfolio in good shape. With a broad platform across eight CEE countries, the Group manages to adapt its business to the changing consumer preferences and to build strong, trust-based relationships with leading retailers.

Delivering on the development pipeline

NEPI Rockcastle pursues low-risk development, redevelopment and extension opportunities, in a non-speculative, phased manner. Construction costs are committed to on a gradual basis, in line with leasing milestones, but at the same time secured to mitigate the inflationary trends and the supply chains challenges.

Delivering on its strategy, the Group has 187,900m^2 retail GLA and 33,000m^2 residential GSA (gross sellable area) under construction or permitting, translating to €678 million investments (excluding in green energy projects) under permitting and construction to be delivered during 2025-2028.

Identify new income streams - green energy

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, leading to €9 million revenue. 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 combined capacity of 159 MW. These investments, estimated at €110 million in total, are expected to significantly expand the Group's green energy generating capacity, and the increase the coverage of electricity consumption needs of its tenants, enhancing the revenues from green energy production.

Value enhancing asset rotation

The Group is committed to invest selectively in assets that meet its rigorous investment criteria. Pursued retail assets must already be or have the potential to become dominant. Size is critical to achieve a comprehensive offering and an optimum tenant mix, including a large proportion of food and fashion anchors and substantial leisure and entertainment area.

Good location, access, visibility, design and technical specifications, as well as a potential for extension, reduce the threat of significant competition and enable the asset's dominance in its catchment area. Delivering on its strategic focus, the Group added €8 million Net Operating Income in 2024 through its acquisitions completed in late 2024 in Poland.

Financial stability

The Group financing strategy relies on maintaining a strong financial discipline, revolving around an adequate liquidity, conservative LTV, and a diverse debt and equity structure, to support business growth. Growth is funded through a combination of secured and unsecured debt (including bonds) and equity.

The Group prioritises its investment grade credit rating and its green portfolio profile, to maintain diversity and optionality in its financing sources, and optimise the cost of debt. Delivering on its financing strategy during 2024, the Group kept an LTV level of 32.1%, below the strategic threshold of 35% and comfortably within debt covenants, while ensuring an adequate maturity profile, with all significant debt maturities covered until the end of 2025.

ESG focus

NEPI Rockcastle makes a commitment to invest into initiatives that will not only enable it to meet sustainability and ESG targets, but will also generate a positive bottom-line impact, recognising the synergies between responsible citizenship and profitability. The Group formulated a dedicated sustainability strategy, focused on three main directions: investing in healthy and sustainable buildings, be a trusted partner for stakeholders and creating an attractive, professional and ethical work environment.

In line with its strategic directions, the Group continued its commitment to maintain a BREEAM-certified retail and office portfolio and planned significant investment in on-site renewable electricity production that started in 2022, continued in the following years to 2024 and will be carried forward into 2025 and beyond.

PHOTO: FORUM GDANSK SHOPPING CENTRE

Value creation through the six capitals

Capital inputs

Financial capital

- €3.0 billion debt as at 31 December 2024
- €3.3 billion equity (share capital and share premium) as at 31 December 2024

Human capital

- Dedicated team of professionals across:
    - asset and property management
    - finance and treasury
    - investment
    - development
- Strong leadership team
- On the ground management teams

Intellectual capital

- Strong brand name and reputation
- Operating systems and processes
- Robust Corporate Governance
- Access to capital (debt and equity)

Social and Relationship capital

- Engaged stakeholder relationships
- Investor roadshows
- Active monitoring of legislative and regulatory changes
- Community support projects

Manufactured capital

- Local property portfolio
- Local investments

Natural capital

- Energy
- Water
- Land
- Raw materials

Outcomes

- Loan-to-value ratio of 32.1%, below the 35% strategic threshold and comfortably within debt covenants
- Net average cost of funding of 2.7%[1] (2023: 2.5%)
- €445 million 5-year unsecured green loan disbursed in 2024 used for the repayment of bond matured in November 2024
- €100 million supplementary amounts to revolving credit facilities and €150 million extended up to January 2028
- €70 million cash resources resulting from scrip dividend take-up
- €300 million equity raise in October 2024
- €500 million 7.25-year green bond issued in October 2024
- Investment grade credit rating reaffirmed at BBB+ by Fitch (stable outlook) and BBB by S&P (stable outlook)

- 650 employees, highly engaged in developing and implementing organisation's strategy
- Sector specific specialists across asset management, finance and deal making
- Professional development and training, through 25,900 hours of trainings attended in 2024 by 660[2] employees
- Best in class operational and financial performance

- Access to CEE acquisition pipeline
- Strong partnership with CEE retailers
- 99% collection rate
- Excellent operating performance translated into a valuation uplift of the property portfolio

- Resources dedicated to manage stakeholder relations
- EPRA Gold Awards for compliance with Best Practices Recommendations for financial reporting and for sustainability reporting, respectively
- Part of Sustainalytics rated companies in Real Estate Management (negligible risk - 7.8/100)
- Health campaigns across Poland and Hungary, including Men's Health Day, Health Under Control, and blood donation campaigns
- MSCI AAA ESG rating 'leader' industry

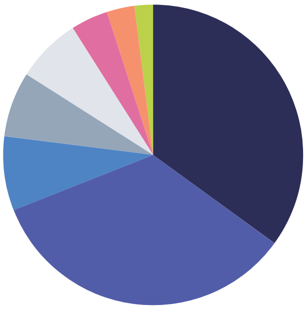
- €7.9 billion investment property, including developments ongoing and right-of-use assets
- Shopping City Ploiesti extension completed in September 2024, €788 million development pipeline under permitting and construction to be delivered during 2025-2028
- Over 347 million visitors across 57 communities
- Modern, high-quality assets (over 91% of the properties are less than 15 years old)
- Dominant regional malls with city centre location
- Flagship destinations, located in densely populated areas with strong economics

- Green Finance Framework and Sustainability-linked Finance Framework in place
- 100% of eligible portfolio (excluding strip centres and industrial) is BREEAM certified[3] with 95% rated 'Very Good' or above (by GLA) as of February 2025
- 84% of the Group's electricity consumption comes from renewable energy sources
- €10 million green energy project rollout to 23 properties across 6 countries in the portfolio
- €100 investment in greenfield ready-to-build photovoltaic fields in Romania
- Highly efficient LED lighting covering 94% of common and service areas

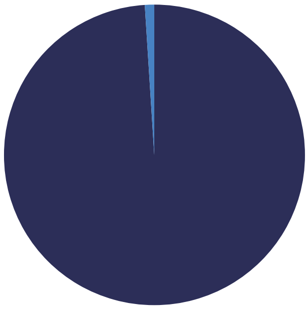
1. Including hedging and interest income from excess liquidity derived from early disbursement of IFC loan
2. The difference between trained employees and headcount at the end of December 2024 is explained by the number of employees that received training during 2024 but left before year end
3. Excluding Silesia City Center in Katowice (acquired in December 2024)

Portfolio at a glance

Geographical property portfolio profile



Sectorial property portfolio profile



Geographical property portfolio profile by passing rent: Romania - 36%, Poland - 34%, Bulgaria - 8%, Slovakia - 7%, Hungary - 6%, Croatia - 4%, Lithuania - 3%, Czech Republic - 2%.

Geographical property portfolio profile by rentable area: Romania - 40%, Poland - 33%, Bulgaria - 8%, Slovakia - 5%, Hungary - 5%, Croatia - 3%, Czech Republic - 3%, Lithuania - 3%.

Sectoral property portfolio profile by passing rent: Retail - 98%, Office - 1% and Industrial < 1%.

Sectoral property portfolio profile by rentable area: Retail - 97%, Office - 2% and Industrial - 1%.

Key property information

	Group 31 Dec 2024	Group 31 Dec 2023
Total number of properties	**62**	**62**
Income producing properties[1]	60	60[2]
Greenfield developments	2	2
Extentions to existing properties	4	6
Fair value of properties (€ million)[3]	7,927	6,976[2]
Annualised property yield (by passing rent)	7.3%	7.4%
Lettable area (thousand GLA)	**2,575**	**2,408**
Income producing properties	2,387	2,239
Greenfield developments and extentions (estimated)	188[4]	169
Weighted average unexpierd lease term (years) up to maturity[5]	**4.5**	**4.5**
Weighted average unexpierd lease term (years) up to first break[6]	**3.5**	**3.2**
Weighted average rent (€/m²)	**19.9**	**19.0**

1 *Excludes one non-core property held for sale*
2 *For 2023 , includes Promenada Novi Sad and Otopeni Warehouse classifed as properties held for sale*
3 *Including right-of-use assets of €85.9 million for 2024 (2023: €56.5 million) representing long-term land concessions associated to part of the Group's properties located in Poland*
4 *Including residential project with 21,500m² GSA*
5 *Figures computed based on contractual lease maturity date*
6 *Figures computed up to first break option date*

Detailed property schedule is included in this report at pages 378-379

Overview of valuation yields

Appraiser	Country	Segment	Number of properties	Prime Yield 31 Dec 2024[1]	Capitalisation rate 31 Dec 2024[2]
Colliers International	Romania	Retail	28	7.25%	7.50%
Colliers International	Romania	Industrial	1	7.50%	9.75%
Jones Lang LaSalle (JLL)	Poland	Retail	16	6.50%	7.00%
Colliers International	Bulgaria	Retail	2	7.75%	7.75%
Colliers International	Bulgaria	Office	1	7.75%	7.75%
Cushman & Wakefield	Slovakia	Retail	5	6.50%	7.25%
Cushman & Wakefield	Slovakia	Office	1	6.25%	9.00%
Cushman & Wakefield	Hungary[3]	Retail	2	7.25%	7.00%
Cushman & Wakefield	Croatia	Retail	1	7.25%	7.75%
Cushman & Wakefield	Czech Republic	Retail	2	6.00%	7.25%
Jones Lang LaSalle (JLL)	Lithuania	Retail	1	7.50%	8.25%

1 *Source: Colliers International, Cushman & Wakefield, and Jones Lang LaSalle (JLL) Q4 2024*

2 *Percentages represent averages weighted by Market Values and rounded to the closest 25 bps*

3 *Prime yield in Hungary is based on market sentiment considering there have been no transactions of prime shopping centres in recent years in the country. The Group's properties' capitalisation rates are impacted by their performance and retail properties transactions in the wider CEE region*

Rental escalations

Out of the total operational GLA as at the year end, the weighted average rental escalation (related to 2025 indexation) by rentable area is presented below:

TOTAL	2.2%
Retail	2.2%
Office	2.3%
Industrial	2.6%

The majority of the leases are subject to indexation based on 12-month average rate of change of the European Consumer Price Index ('EU CPI').

Vacancy profile

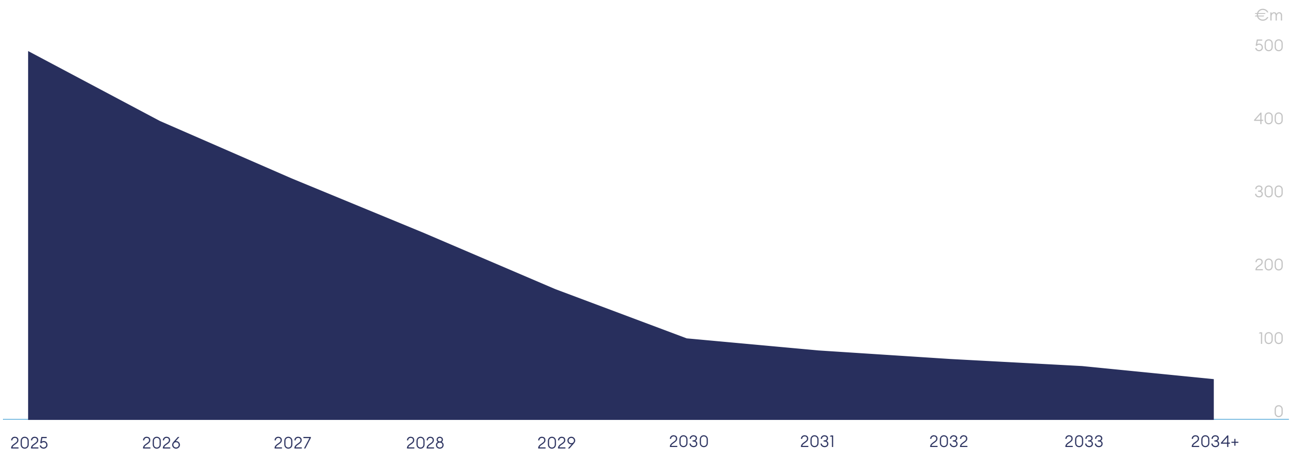
EPRA vacancy rate is calculated by dividing the estimated rental value of vacant space (€/annum) by estimated rental value of the property (€/annum).

The EPRA vacancy rate for income-producing properties at the end of 2024 was 1.7% (excluding one non-core property), split as follows: retail 1.4%, office 20.7% and industrial 26.7%.

PHOTO: FORUM LIBEREC SHOPPING CENTRE

Portfolio at a glance

Contractual gross rentals[1]



Expiry profile[1]

Year	% of expiry by gross rentals	% of expiry by rentable area
2025	9.1%	6.6%
2026	17.2%	13.4%
2027	14.1%	12.3%
2028	13.5%	13.1%
2029	13.9%	13.0%
2030	12.2%	10.4%
2031	3.0%	3.4%
2032	2.1%	3.0%
2033	1.8%	2.6%
>=2034	13.1%	22.2%
Total	**100.0%**	**100.0%**

PHOTO: SHOPPING CITY PIATRA NEAMT

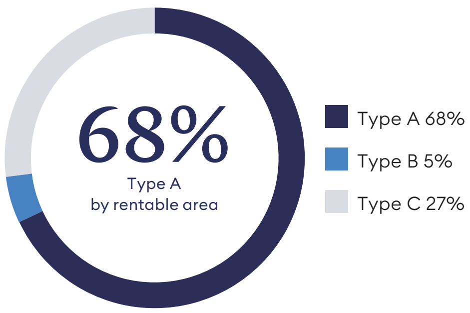
[1] Figures computed based on contractual lease maturity date

Tenant profile

Type A: Large international and national tenants, large listed tenants, government and major franchises (companies with assets and/or turnovers in excess of €200 million).

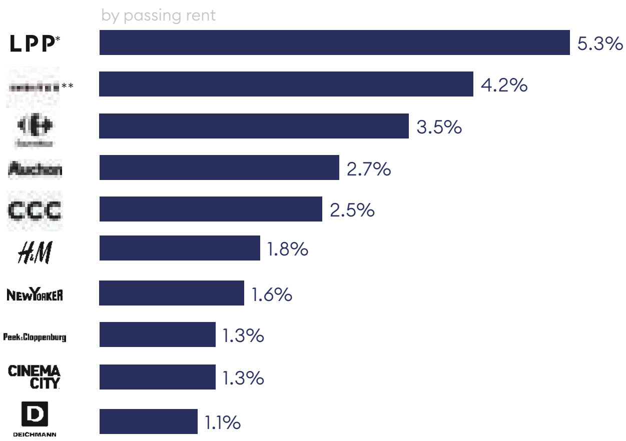
Type B: Smaller international and national tenants, smaller listed tenants and medium to large professional firms (companies with assets and/or turnovers ranging from €100 to €200 million).

Type C: Other tenants (3,140 unique tenants)



Top 10 retail tenants

The top 10 retail tenants accounted for 25.3% of the annualised passing rent of the Group as at 31 December 2024. Tenant concentration risk is very low, as shown by the graph below:



* Cropp Town, House, Mohito, Reserved, Sinsay
** Bershka, Massimo Dutti, Oysho, Pull and Bear, Stradivarius, Lefties and Zara
For turnover only tenants, the percentage above includes the fixed rent advance payments only

PHOTO: MEGA MALL

Romania

RETAIL

With a total of 28 regional malls and community centres, the Group is the largest owner of retail space in the country.

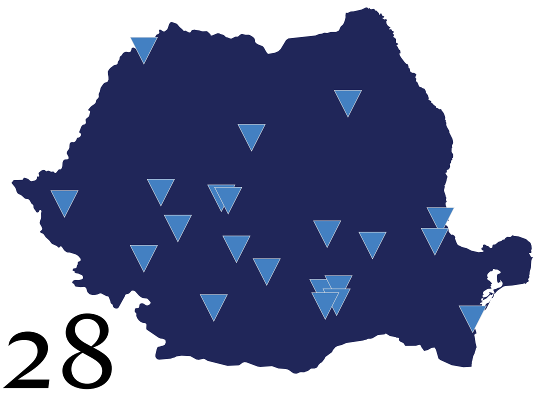
In 2024 the Group completed a 5,900m² GLA extension of Shopping City Ploiesti, started the refurbishment of Pitesti Retail Park and opened several drive-thru locations in Craiova, Galati and Bucharest with KFC, McDonald's and Burger King. Other notable openings in the Romanian portfolio were represented by Victoria's Secret and Rituals in Mega Mall, JD Sports in Braila Mall, Shopping City Galati and Promenada Bucharest and Longines in Promenada Bucharest.

939,300m²
GLA of retail income-producing properties

2,676m
Property value

99.5%
EPRA occupancy rate

198.8m
Passing rent



28
Retail income-producing properties

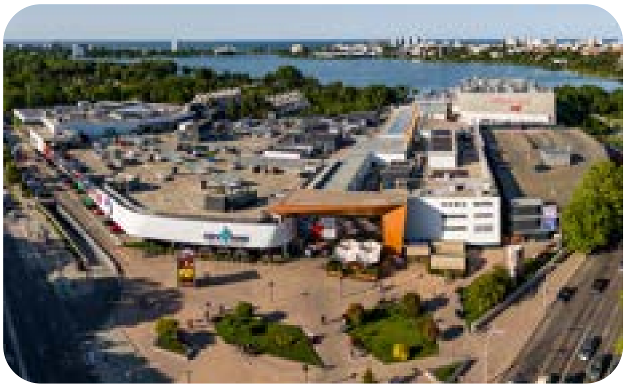
PHOTO: MEGA MALL

Romania

RETAIL

Mega Mall
Bucharest

GLA	75,900m²
Valuation	€333.4 million
Passing rent	€22.3 million
EPRA Occupancy	99.7%



City Park
Constanta

GLA	51,900m²
Valuation	€249.5 million
Passing rent	€16.8 million
EPRA Occupancy	99.7%

Promenada Bucharest
Bucharest

GLA	39,300m²
Valuation	€211.3 million
Passing rent	€14.7 million
EPRA Occupancy	99.5%

Shopping City Ploiesti
Ploiesti

GLA	52,300m²
Valuation	€165.4 million
Passing rent	€11.6 million
EPRA Occupancy	99.3%

Promenada Craiova
Craiova

GLA	63,700m²
Valuation	€158.3 million
Passing rent	€11.4 million
EPRA Occupancy	99.0%

Shopping City Timisoara
Timisoara

GLA	57,000m²
Valuation	€155.5 million
Passing rent	€12.0 million
EPRA Occupancy	99.8%

Shopping City Sibiu
Sibiu

GLA	83,200m²
Valuation	€153.5 million
Passing rent	€12.6 million
EPRA Occupancy	98.1%

Shopping City Galati
Galati

GLA	49,200m²
Valuation	€152.5 million
Passing rent	€11.1 million
EPRA Occupancy	99.7%

Romania

RETAIL

Promenada Sibiu
Sibiu

GLA	42,500m²
Valuation	€117.8 million
Passing rent	€9.6 million
EPRA Occupancy	98.1%

Shopping City Targu Mures
Targu Mures

GLA	40,200m²
Valuation	€111.0 million
Passing rent	€8.6 million
EPRA Occupancy	100.0%

Iris Titan Shopping Center
Bucharest

GLA	43,100m²
Valuation	€109.8 million
Passing rent	€9.7 million
EPRA Occupancy	99.9%

Shopping City Deva
Deva

GLA	50,700m²
Valuation	€104.2 million
Passing rent	€8.3 million
EPRA Occupancy	100.0%

Braila Mall
Braila

GLA	52,900m²
Valuation	€101.1 million
Passing rent	€8.2 million
EPRA Occupancy	100.0%

Vulcan Value Centre
Bucharest

GLA	25,000m²
Valuation	€80.3 million
Passing rent	€5.7 million
EPRA Occupancy	100.0%

Shopping City Buzau
Buzau

GLA	23,700m²
Valuation	€73.2 million
Passing rent	€5.4 million
EPRA Occupancy	100.0%

Shopping City Satu Mare
Satu Mare

GLA	29,400m²
Valuation	€70.3 million
Passing rent	€5.5 million
EPRA Occupancy	98.6%

Romania

RETAIL

Shopping City Piatra Neamt
Piatra Neamt

GLA	28,000m^2
Valuation	€67.6 million
Passing rent	€5.1 million
EPRA Occupancy	100.0%

Shopping City Ramnicu Valcea
Ramnicu Valcea

GLA	29,200m^2
Valuation	€67.3 million
Passing rent	€5.1 million
EPRA Occupancy	99.1%

Shopping City Targu Jiu
Targu Jiu

GLA	27,200m^2
Valuation	€66.7 million
Passing rent	€4.8 million
EPRA Occupancy	99.3%

Severin Shopping Center
Drobeta Turnu Severin

GLA	23,200m^2
Valuation	€48.0 million
Passing rent	€3.7 million
EPRA Occupancy	99.9%

PItesti Retail Park
Pitesti

GLA	21,500m^2
Valuation	€30.9 million
Passing rent	€2.6 million
EPRA Occupancy	100.0%

Regional strip centres
Alba-Iulia, Alexandria, Brasov, Petrosani, Sfantu Gheorghe, Sighisoara, Vaslui

GLA	30,200m^2
Valuation	€49.0 million
Passing rent	€4.0 million
EPRA Occupancy	99.1%


PHOTO: SHOPPING CITY RAMNICU VALCEA

Poland

RETAIL

The Group has established a dominant portfolio in Poland, the largest real estate market in the CEE region. In 2024, the Group acquired two major shopping centres in Poland - Magnolia Park and Silesia City Center, adding almost 200,000m² GLA to its portfolio, and increasing the number of properties to 16.

Galeria Wolomin Retail Park extension (additional 2,800m² GLA) was opened in 2024.

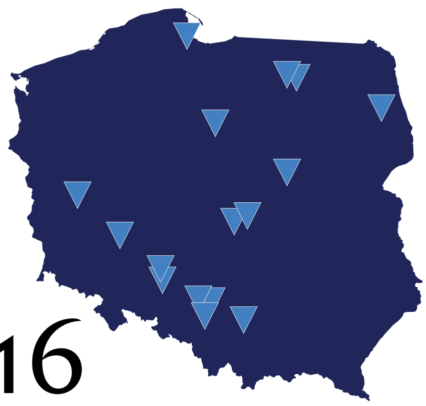
In 2024, the redevelopment of Bonarka City Center continued, focusing on remodeling of retail space, improving internal communication and modernisation of common areas in the western part of the mall, inluding the opening of a flagship two-level Nike store, and renovated entrance lobby facing new residential developments.

785,500m²
GLA of retail income-producing properties

2,612m
Property value

98.7%
EPRA occupancy rate

189.6m
Passing rent



16
Retail income-producing properties

PHOTO: BONARKA CITY CENTER

Poland

RETAIL

Silesia City Center
Katowice

GLA	88,400m²
Valuation	€421.5 million
Passing rent	€30.0 million
EPRA Occupancy	99.7%

Bonarka City Center
Krakow

GLA	76,300m²
Valuation	€412.7 million
Passing rent	€25.4 million
EPRA Occupancy	97.1%

Magnolia Park
Wroclaw

GLA	100,300m²
Valuation	€375.1 million
Passing rent	€25.0 million
EPRA Occupancy	98.8%

Forum Gdansk Shopping Center
Gdansk

GLA	63,500m²
Valuation	€328.0 million
Passing rent	€19.5 million
EPRA Occupancy	100.0%

Galeria Warminska
Olsztyn

GLA	42,900m²
Valuation	€163.5 million
Passing rent	€10.9 million
EPRA Occupancy	100.0%

Focus Mall Zielona Gora
Zielona Gora

GLA	44,100m²
Valuation	€160.4 million
Passing rent	€11.6 million
EPRA Occupancy	95.6%

Karolinka Shopping Centre
Opole

GLA	67,500m²
Valuation	€157.4 million
Passing rent	€12.1 million
EPRA Occupancy	100.0%

Copernicus Shopping Centre
Torun

GLA	48,000m²
Valuation	€127.8 million
Passing rent	€9.9 million
EPRA Occupancy	99.7%

Poland

RETAIL

Alfa Centrum Bialystok
Bialystok

GLA	38,200m²
Valuation	€85.5 million
Passing rent	€8.1 million
EPRA Occupancy	97.6%

Solaris Shopping Centre
Opole

GLA	26,400m²
Valuation	€76.1 million
Passing rent	€6.2 million
EPRA Occupancy	97.6%

Pogoria Shopping Centre
Dabrowa Gornicza

GLA	37,700m²
Valuation	€63.8 million
Passing rent	€5.9 million
EPRA Occupancy	98.5%

Aura Centrum
Olsztyn

GLA	25,400m²
Valuation	€62.9 million
Passing rent	€6.2 million
EPRA Occupancy	99.9%

Platan Shopping Centre
Zabrze

GLA	39,900m²
Valuation	€56.5 million
Passing rent	€5.6 million
EPRA Occupancy	97.0%

Galeria Wolomin
Wolomin

GLA	33,600m²
Valuation	€55.5 million
Passing rent	€4.8 million
EPRA Occupancy	99.2%

Focus Mall Piotrkow Trybunalski
Piotrkow Trybunalski

GLA	35,100m²
Valuation	€40.4 million
Passing rent	€5.4 million
EPRA Occupancy	98.7%

Galeria Tomaszow
Tomaszow Mazowiecki

GLA	18,200m²
Valuation	€25.0 million
Passing rent	€3.0 million
EPRA Occupancy	99.1%

Bulgaria

RETAIL

The Group owns Paradise Center, the largest retail centre in the country and Serdika Center, a modern shopping centre benefiting from an excellent location in Sofia together with Serdika Office, a Class A office situated atop the shopping centre.

New concepts and/or flagship stores of Peek & Cloppenburg, Reserved, Mohito, Cropp, House, DM, JD Sports, Nike were opened during 2024 in Bulgarian properties.

137,400m²
GLA of retail income-producing properties

518m
Property value

99.9%
EPRA occupancy rate

42.1m
Passing rent

2
Retail income-producing properties

Paradise Center
Sofia

GLA	85,200m^2
Valuation	€320.4 million
Passing rent	€26.2 million
EPRA Occupancy	100.0%

Serdika Center
Sofia

GLA	52,200m^2
Valuation	€198.0 million
Passing rent	€15.9 million
EPRA Occupancy	99.6%

PHOTO: PARADISE CENTER

Slovakia

RETAIL

NEPI Rockcastle holds a strong competitive position in Slovakia, being the largest retail landlord in the country. The Group owns five regional malls/community centres, and one office building situated in Slovakia's second largest city, Kosice.

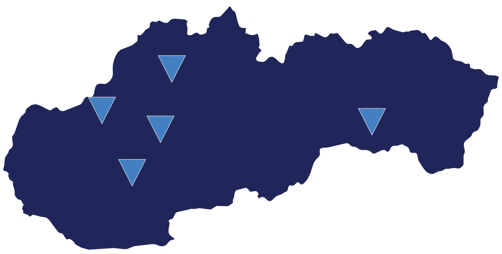
In 2024, LPP Group brands opened 5 stores in Kosice, Prievidza and Piestany with further openings planned for 2025 and 2026.

117,300m²
GLA of retail income-producing properties

535m
Property value

97.1%
EPRA occupancy rate

36.6m
Passing rent



5
Retail income-producing properties

PHOTO: GALERIA MLYNY

Slovakia

RETAIL

Aupark Kosice Mall
Kosice

GLA	33,100m²
Valuation	€175.9 million
Passing rent	€11.9 million
EPRA Occupancy	97.7%

Galeria Mlyny
Nitra

GLA	32,500m²
Valuation	€137.1 million
Passing rent	€9.0 million
EPRA Occupancy	94.4%

Aupark Zilina
Zilina

GLA	25,100m²
Valuation	€136.0 million
Passing rent	€9.3 million
EPRA Occupancy	98.6%

Aupark Shopping Center Piestany
Piestany

GLA	10,300m²
Valuation	€43.7 million
Passing rent	€2.8 million
EPRA Occupancy	94.9%

Korzo Shopping Centrum
Prievidza

GLA	$16{,}300m^2$
Valuation	€41.8 million
Passing rent	€3.6 million
EPRA Occupancy	100.0%

PHOTO: AUPARK ZILINA

Hungary

RETAIL

The Group owns Arena Mall, the second largest shopping centre in Budapest and Mammut Shopping Centre, which makes it the largest retail owner in Budapest.

In 2024, Primark opened its first store in Hungary in Arena Mall, next to the newly extended and refurbished Sports Direct.

The tenant mix has been further improved by signing new agreements and works on the extension and refurbishment of Inditex Group stores. Works on the refurbishment of the foodcourt area were completed, enhancing the commercial attractiveness of the mall.

123,300m²
GLA of retail income-producing properties

551m
Property value

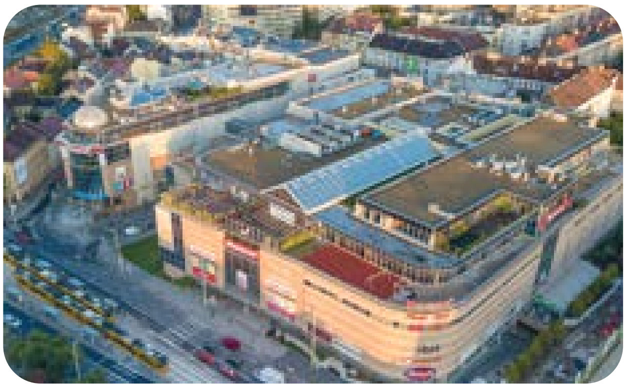
96.0%
EPRA occupancy rate

36.0m
Passing rent

2
Retail income-producing properties

Arena Mall
Budapest

GLA	65,900m²
Valuation	€300.3 million
Passing rent	€19.8 million
EPRA Occupancy	98.7%



Mammut Shopping Centre
Budapest

GLA	57,400m²
Valuation	€250.8 million
Passing rent	€16.2 million
EPRA Occupancy	93.1%

PHOTO: ARENA MALL

Croatia

RETAIL

The Group owns the largest shopping destination in Zagreb, Arena Centar and Retail Park, comprising a shopping mall of 67,300m² and an adjacent retail park of 8,000m². An adjacent land of 4.4ha is available for future development opportunities.

In 2024, LPP Group extended and refubished all their brands in the shopping centre, to the newest concepts in the market.

75,300m²
GLA of retail income-producing properties

288m
Property value

92.6%
EPRA occupancy rate

21.6m
Passing rent

1
Retail income-producing property

PHOTO: BONARKA CITY CENTER

Czech Republic

RETAIL

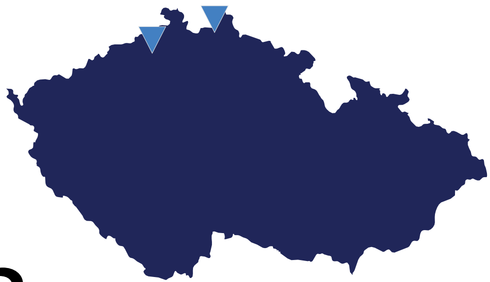
The Group owns two dominant malls in the Czech Republic: Forum Usti nad Labem and Forum Liberec Shopping Centre, both situated in the northern part of the country.

Following the comprehensive refurbishment of Forum Liberec Shopping Centre and intensive leasing activity, the project's commercial attractiveness was further enhanced in 2024 with the opening of new functions such as a bowling alley and more strong international brands like JD Sports and Douglas. Forum Usti nad Labem enhanced further in 2024 by openings of popular stores like Douglas and Rituals.

74,200m²
GLA of retail income-producing properties

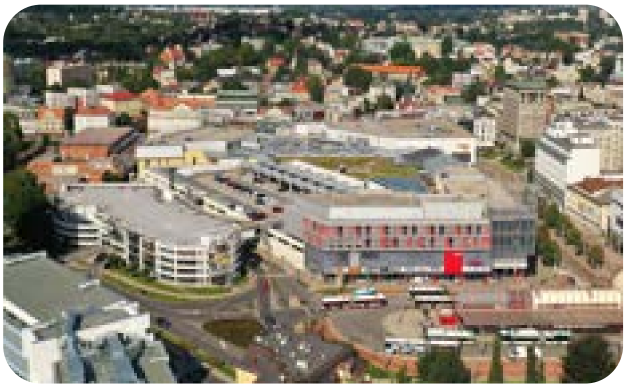
184m
Property value

97.7%
EPRA occupancy rate



12.8m
Passing rent

2
Retail income-producing properties



Forum Liberec Shopping Centre
Liberec

GLA	46,400m²
Valuation	€92.8 million
Passing rent	€6.5 million
EPRA Occupancy	96.9%

Forum Usti nad Labem
Usti nad Labem

GLA	27,800m²
Valuation	€90.9 million
Passing rent	€6.3 million
EPRA Occupancy	98.6%

PHOTO: FORUM LIBEREC SHOPPING CENTRE

Lithuania

RETAIL

The Group owns Ozas Shopping and Entertainment Centre, a mall with a strong fashion and entertainment-oriented tenant mix, benefiting from an excellent location in Vilnius.

In 2024, a GYM+ fitness centre was opened, along with a number of well-know international brands such as JD Sports, Douglas and Cropp (LPP Group).

70,600m²
GLA of retail income-producing properties

164m
Property value

99.7%
EPRA occupancy rate

15.4m
Passing rent

1
Retail income-producing property

PHOTO: OZAS SHOPPING AND ENTERTAINMENT CENTRE

Office

Serdika Office and Aupark Kosice Tower are the two office properties owned by the Group, both integrated with the shopping malls creating synergies with the retail component.

41,300m²
GLA of income-producing properties

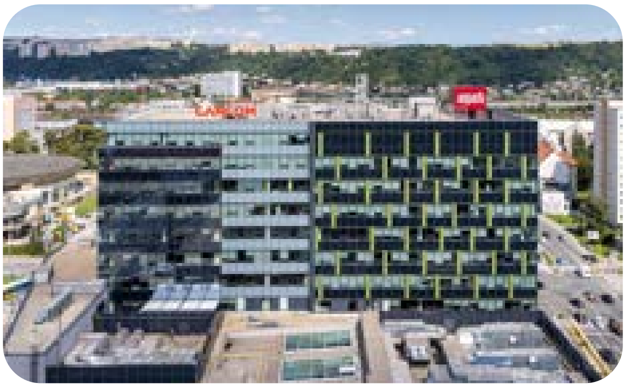
69m
Property value

79.3%
EPRA occupancy rate

4.8m
Passing rent

Serdika Office
Sofia, Bulgaria

GLA	28,500m²
Valuation	€46.9 million
Passing rent	€3.0 million
EPRA Occupancy	70.7%



Aupark Kosice Tower
Kosice, Slovakia

GLA	12,800m²
Valuation	€21.9 million
Passing rent	€1.8 million
EPRA Occupancy	99.7%

Industrial

The Group owns one industrial property, Rasnov Industrial Facility in Brasov county, Romania.

$23{,}000m^2$
GLA of income-producing properties

12m
Property value

73.3%
EPRA occupancy rate

1.1m
Passing rent

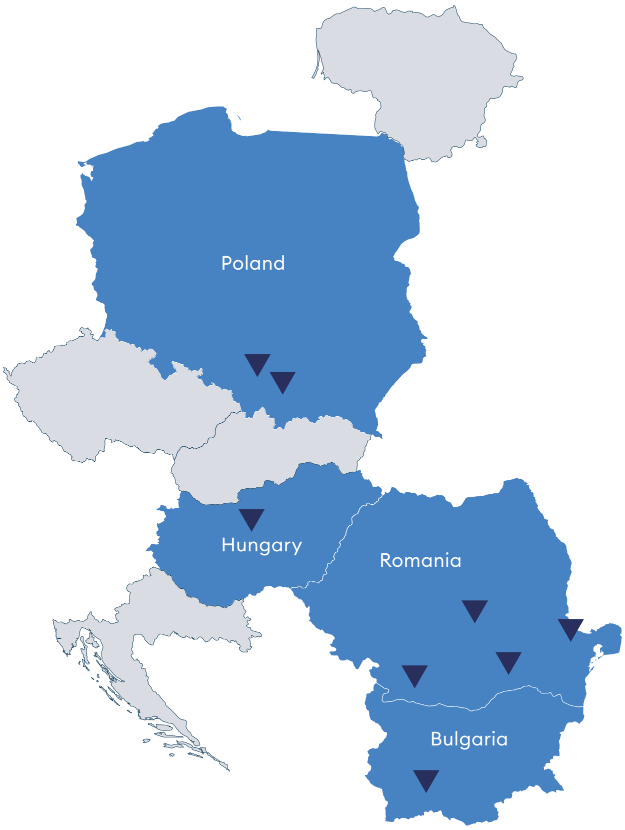
Rasnov Industrial Facility
Brasov, Romania

GLA	$23{,}000m^2$
Valuation	€12.3 million
Passing rent	€1.1 million
EPRA Occupancy	73.3%

Development and extensions pipeline

NEPI Rockcastle will continue to invest in developments contributing to growth and improving long-term portfolio prospects, proactively monitoring and revising the development pipeline in line with its evolving objectives and constraints. The total investment value of projects under construction or permitting is approximately €788 million, of which €241 million was spent by 31 December 2024. During 2025, the Group estimates to invest €302 million in development and capital expenditure related to its ongoing projects and will consider new development opportunities depending on how market circumstances evolve.

Developments and extensions map



	GLA/GSA[1] of development
Developments under construction	**64,900**
Promenada Bucharest	55,400
Bonarka City Center[2]	4,700
Pogoria Shopping Center	4,800
Arena Mall[2]	N/A
Photovoltaic projects	N/A
Developments under permitting and pre-leasing	**123,000**
Promenada Plovdiv	60,500
Galati Retail Park[3]	62,500
Total developments under construction, pre-leasing and permitting	**187,900**
Developments under permitting Residential projects	**33,000**
Craiova Residential	11,800
Brasov Residential	21,200

1 GSA - Gross sellable area

2 Refurbishment and extension costs are allocated on the existing assets, The properties (including the refurbishment costs) are subject to fair valuation at half year and year-end

3 Including residential project with 21,500m² GSA


RENDER: PROMENADA BUCHAREST

Development and extensions pipeline

Promenada Bucharest - extension
Bucharest, Romania

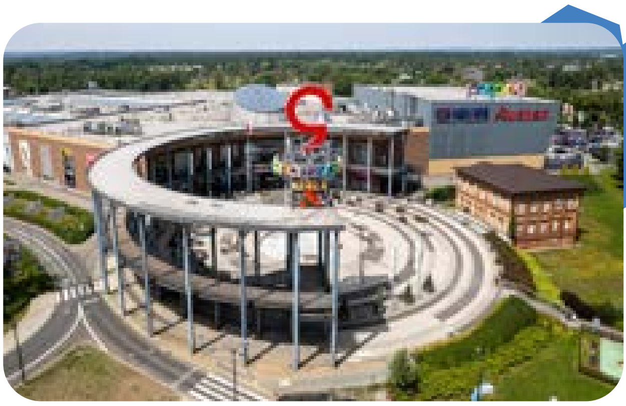
The Group intends to add 55,400m² of retail and office GLA by the end of 2026. Construction permits have been obtained and the works on the underground parking have almost been finalised, superstructure was contracted and started on site in 2024.

Ownership	100%
Lettable area - property in use	39,300m²
Estimated lettable area - retail	32,000m²
Estimated lettable area - office	23,400m²
Target opening	Q4 2026

Bonarka City Center - refurbishment
Krakow, Poland

A refurbishment which includes the extension by 4,700m² of GLA. The estimated completion date is in the second quarter of 2026.

Ownership	100%
Lettable area - property in use	76,300m²
Estimated lettable area	4,700m²
Target opening	Q2 2026



Pogoria Shopping Centre - extension
Dabrowa Gornicza, Poland

A refurbishment which includes the extension by 4,800m² of GLA. The estimated completion date is in the first quarter of 2026.

Ownership	100%
Lettable area - property in use	37,700m²
Estimated lettable area	4,800m²
Target opening	Q1 2026

Arena Mall - refurbishment
Budapest, Hungary

Refurbishment of the actual space to be completed by second quarter of 2028.

Ownership	100%
Lettable area - property in use	65,900m²
Estimated lettable area	n/a
Target opening	Q2 2028

Photovoltaics panels (PV)
All portfolio

In 2024 the Group decided to invest €10 million in the second phase of renewable energy programme that will add another 15 MW in 24 of NEPI Rockcastle's properties outside Romania. Individual projects are under various stages of design, permitting and tendering, with estimated dates of completion during 2025 and 2026.

Total estimate Installed power	15 MWh
Total number of locations[1]	24
Countries	7
Target opening	2025 and 2026

1 PV in Lithuania already installed, 23 ongoing projects in 6 countries

Greenfiled developments of Photovoltaic projects
Romania

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 are estimated at €100 million in total and the projects are expected to be completed by the end of 2026.

Total estimate Installed power	159 MWh
Total number of locations	2
Country	Romania
Target opening	Q4 2026

EPRA Performance measures

amounts in € thousand

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 performance 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). These measures have been extracted, without adjustment, from the Group's consolidated financial statements for the year ended 31 December 2024 and are the same as presented in the appendix titled EPRA Performance Measures as included in the reviewed condensed consolidated financial results of the Group for the year ended 31 December 2024, issued on 24 February 2025 and opined on by Ernst & Young Inc.

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

EPRA indicators	31 December 2024	31 December 2023
EPRA Earnings (€ thousand)[1]	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 *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 Performance measures

amounts in € thousand

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*)

PHOTO: COPERNICUS SHOPPING CENTRE

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 Performance measures

amounts in € thousand

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]	1.3%	2.2%
Hungary[1]	4.0%	5.8%
Slovakia[1]	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%**

1 *Vacancy improved in 2024 following significant leasing efforts made during the year, which translated into extended leased areas or opening of new stores for tenants such as JD Sports, Inditex and LPP Group brands.*

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 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 Performance measures

amounts in € thousand

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%**

PHOTO: FORUM GDANSK SHOPPING CENTRE

CORPORATE INSIGHTS

PHOTO: BONARKA CITY CENTER

Executive Directors

RÜDIGER DANY (62)
Chief Executive Officer

BSc
Rüdiger Dany has extensive professional experience in international environments across Europe for some of the largest international retail and real estate companies including ECE, Atrium and Multi Corporation. During his tenure with Multi Corporation (affiliated with Blackstone), Mr Dany played an important role in optimising and expanding their property management portfolio for institutional investors. As a Board Member and COO of Multi, his major achievement was the value enhancement of Blackstone's property portfolio and the successful opening of new shopping centres, developments and extensions of existing shopping centres. Mr Dany has also driven the creation of an innovation group within Multi to elaborate business opportunities by using modern PropTech tools, both B2B and B2C. Mr Rüdiger Dany was appointed as an Executive Director and Chief Operating Officer on 18 August 2021, and as Interim Chief Executive Officer on 1 February 2022. He was confirmed as CEO on a permanent basis on 1 June 2022.

ELIZA PREDOIU (40)
Chief Financial Officer

BCom, ACCA
Eliza Predoiu has diverse finance and real estate expertise, including ten years in the Company. She has proven expertise in multi-million funding projects, complex business transactions and integration processes of mergers, systems and controls. Prior to joining NEPI, she was Deputy Manager at PricewaterhouseCoopers, where she spent six years handling local and cross-border audit assignments and advisory projects in the Romanian and Cypriot offices. Mrs Predoiu joined the Company in 2014 and was promoted as Deputy Chief Financial Officer in 2018. She was appointed as Interim Chief Financial Officer on 1 February 2022 and from 1 June 2022 she was confirmed in her role on a permanent basis.

MAREK NOETZEL (46)
Chief Operating Officer

MSc, MRICS
Marek Noetzel has been active on the Polish retail real estate market since 2002, gaining his professional experience at Cushman & Wakefield. As Head of the Retail department, he was responsible for commercialisation, development, asset management, investment and financial consultancy services, working for multiple international and national clients. Mr Noetzel joined Rockcastle in 2016 and played an important role in establishing the office in Poland and expanding operations abroad. He was appointed as an Executive Director of NEPI Rockcastle on 15 May 2017, responsible for the asset management of Company's properties in Poland, Hungary, Slovakia, Czech Republic and Lithuania. He was appointed as Chief Operating Officer effective from 1 June 2022.

PHOTO: PROMENADA SIBIU

Corporate governance

The Board governs the Group based on sound principles of ethical leadership, business, social and environmental sustainability, as well as equitable stakeholder engagement. The Board oversees compliance with the King IV Report on Corporate Governance in South Africa (King IV), Dutch Corporate Governance Code, JSE Limited (JSE) Listings Requirements, Euronext Amsterdam Rule Books, A2X guidelines and the Dutch Civil Code (Burgerlijk Wetboek).

The Board is satisfied with the corporate governance arrangements implemented at Group level and compliance with the codes of reference during 2024, and confirms that the company has operated in line with the relevant laws and regulations and NEPI Rockcastle's Articles of Association.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Corporate governance

Corporate Governance Framework

Based on King IV and Dutch governance codes, the Group governance framework comprehensively covers key governance areas and core principles:

- leadership, ethics, corporate citizenship and sustainability
- strategy, performance and reporting
- governing structure and delegation of authority
- functional areas governance
- stakeholders relationship management, including organisation of general shareholders' meetings
- misconduct and irregularities management
- takeover guidelines

PHOTO: ALFA CENTRUM BIALYSTOK

Leadership, ethics, corporate citizenship and sustainability

- the Board leads ethically and effectively
- the Board supports an ethical culture
- the Board ensures that the organisation is a responsible corporate citizen and a sustainable business

Strategy, performance and reporting

- the Board ensures that the organisation's purpose, strategy, business model, performance, risk management and sustainable development are all aligned and contribute to the value-creation process
- the Board ensures that communication is truthful, enabling stakeholders to assess performance and its short-, medium-, and long-term prospects

Governing structure and delegation of authority

- the Board is the custodian of corporate governance
- the Board comprises the appropriate balance of knowledge, skills, experience, diversity and independence, necessary to discharge its governance role objectively and effectively
- the Board ensures that its arrangements for delegation promote independent judgement, contribute to a balance of power and to the effective discharge of its duties
- the Board ensures that the evaluation of its own performance and that of its Committees, of its Chair and individual members, supports continuous improvement
- the Board ensures that the appointment of, and delegation to management, contribute to role clarity and effective exercise of authority and responsibility

Functional areas governance

- the Board governs risk in order to support the organisation in setting and achieving its strategic objectives
- the Board oversees technology and information systems to ensure they enable the achievement of strategic objectives
- the Board supervises compliance with applicable laws, regulations and internal guidelines
- the Board ensures that the organisation remunerates fairly, responsibly and transparently, so as to promote the achievement of objectives in the short-, medium- and long-term
- the Board ensures that assurance services and functions work in synergy to enable effective control, proper risk mitigation, integrity and reliability of information and reports

Stakeholders relationship management including organisation of general shareholders’ meetings

- the Board adopts a stakeholder-inclusive approach balancing the needs, interests and expectations of stakeholders, with the best interest of the organisation, over time
- organisational provisions regarding general meetings are included in the Company’s Articles of Association and are strictly complied with, under the Board’s supervision

Misconduct and irregularities management

- the Board adopts a formal procedure for the management of misconduct and irregularities and oversees compliance

Takeover internal guidelines

- the Board defines internal guidelines to be followed in case of potential takeover attempts

Corporate governance

Core leadership principles at Board level

The Board adopts best practice governance policies designed to align the interests of the Company, Board and management with those of the stakeholders, and promote the highest standards of ethical behaviour and risk management. The members of the Board individually and collectively cultivate a strong set of values and lead by example.

Integrity

Directors act in good faith and in the best interest of the organisation

Directors avoid conflicts of interest. In case a potential conflict arises, it needs to be disclosed to the whole Board and proactively managed as determined by the Board, subject to legal provisions

Directors act ethically, beyond mere legal compliance

Directors set the tone for an ethical organisational culture

Competence

Directors ensure they are sufficiently knowledgeable about the organisation, industry and funds it uses and affects, as well as key laws, rules, codes and standards

Directors act with due care, skill and diligence, and take reasonable steps to be informed about matters they are required to make decisions about

Directors continuously develop their ability to lead effectively

Accountability

Directors acknowledge their responsibility for decisions, policies and steering mechanisms they employ in the governing of the Group

Directors are willing to answer for the execution of their responsibilities towards the Group

Transparency and confidentiality

Directors exercise their governance role and responsibilities transparently

Directors keep information confidential, do not disclose such information to third parties without proper and specific authority, or unless there is a legal or professional duty to do so

Confidential information is not used to the personal advantage of Directors or any third parties

Strategic oversight

In carrying out their oversight role, the Board actively engages in setting the long-term strategic goals of the organisation, ensures sustainable value creation, reviews and approves business strategy, corporate financial objectives, financial and funding plans (ensuring consistency with strategic goals) and monitors the Group's performance in executing such strategy.

The Group has a robust strategic framework for long-term value creation, that has been reviewed and endorsed by the Board.

When approving the strategy, the Board considered:

- the Group’s impact on sustainability, including impact on the people and planet
- making a fair contribution to the countries in which the Group operates
- the impact of new technology and changing business models

The Board is essential in helping the Company articulate and pursue its purpose, with a focus on addressing issues increasingly important to investors, communities it operates in, clients and consumers.

The Board strongly believes that the Company's ability to design a strong long-term strategy and to manage environmental, social and governance matters, demonstrates the good governance ultimately required to achieve sustainable growth in the long-term.

The Group's strategy is designed and proposed by the management team and adopted by the Board. It is structured around major strategic directions, with each of the directions further developing into more granular objectives.

The Board takes an active role in monitoring how the Company is achieving its strategic objectives, based on regular management reports.

Role of the Board

The Board assumes collective responsibility for directing, governing and controlling the Group, while providing effective corporate governance, promoting an ethical corporate culture and overseeing that the organisation is a responsible corporate citizen. Furthermore, the Board acts as a link between key stakeholders and the Group by overseeing that transparent and effective communication is in place.

A clear division of responsibilities at Board level is in place to ensure a balance of power and authority, including between the roles of Chairman/Chairwoman, Lead Independent Director and Chief Executive Officer, roles which are clearly defined and segregated. This was designed to ensure that, either at Board or management level, no individual can hold single and unlimited control over the significant decision-making processes. The Board delegates to management the authority and responsibility for day-to-day affairs and operations while monitoring performance.

In line with the governance framework, the Board meets regularly, at least four times a year.

No external advisors attend Board meetings on a regular basis, but they may be invited on a need basis to address various topics, as the Chairman deems necessary.

The Board holds two fundamental roles: decision-making and oversight.

The **decision-making role** is exercised through the formulation or approval of fundamental policies and strategic goals, as well as the approval of significant strategic actions.

The **oversight role** covers the review of significant management decisions, monitoring performance, overseeing effective risk management practices, supervising the adequacy of systems and internal controls, overseeing the implementation of aligned policies in key areas across the Group.

More precisely, in line with the Articles of Association and the Corporate Governance Framework, the Board has the following key responsibilities:

- adopts the Group's strategy and budget based on management's proposal
- establishes a framework for the delegation of authority to Executive Directors and subsequent lines of management
- steers the Group in achieving its core targets including the execution of the investment and development strategy and monitors performance
- makes strategic decisions regarding significant financing transactions, following CFO's recommendation
- oversees equity management
- monitors the financial performance of the business, including its going concern and viability, reviews the financial and operational results and approves the financial statements and the Group Annual Report
- facilitates effective communication and engagement with key stakeholders
- ensures that the Group's IT systems are integrated and support the delivering of the business strategy and internal processes
- oversees the enterprise risk management framework and approves the Group's Risk Policy and Risk Appetite
- oversees business conduct and ethical culture, by:
  - defining and approving key policies such as the Group Code of Ethics, Compliance Policy and Whistleblowing Policy
  - monitoring that management fosters a culture of ethical conduct and overseeing that it has implemented proper policies and procedures in line with the governance framework, the Board approved policies and the Company's risk appetite
- oversees the overall effectiveness of the internal controls framework, designed to ensure that assets are safeguarded, operations are run efficiently, effectively and economically, proper accounting records are maintained, the published financial information is reliable, laws and regulations are complied with
- ensures an effective, risk-based, independent internal audit function
- oversees that the combined assurance model covers effectively the organisation's significant risks and material matters, through a combination of:
  - line functions that own and manage risks on a daily basis
  - specialist functions that facilitate and oversee risk management and compliance
  - internal auditors
  - independent external assurance service providers, such as external auditors
  - other external assurance providers, such as sustainability and credit rating agencies

The Chairman of the Board is an Independent non-Executive Director who acts as a link between the Board and the Executive Management. According to the Group's Corporate Governance Framework, the Chairman:

- cannot be appointed as member or Chair of the Audit Committee or of the Risk and Compliance Committee
- cannot chair the Remuneration Committee
- must be a member of the Nomination Committee and can chair it as well
- cannot be appointed Chief Executive Officer or as any other Executive Director

The **Chairman** has the following main responsibilities:

- sets the ethical tone
- fosters corporate governance
- oversees the formal succession plan for Board members
- oversees the performance evaluation process, the onboarding of new Directors and the continuous development of Board members
- takes a lead role in removing non-performing Directors
- ensures that any material misconduct amongst the members of the Board is investigated and properly responded to
- ensures that Directors are mindful of their duties and responsibilities and foster proper functioning of the Board and Committees
- sees that a Lead Independent Director is nominated
- ensures that amicable relationships are maintained with major shareholders and other key stakeholders

Corporate governance

Supporting the Chairman, the Lead Independent Director has the following responsibilities:

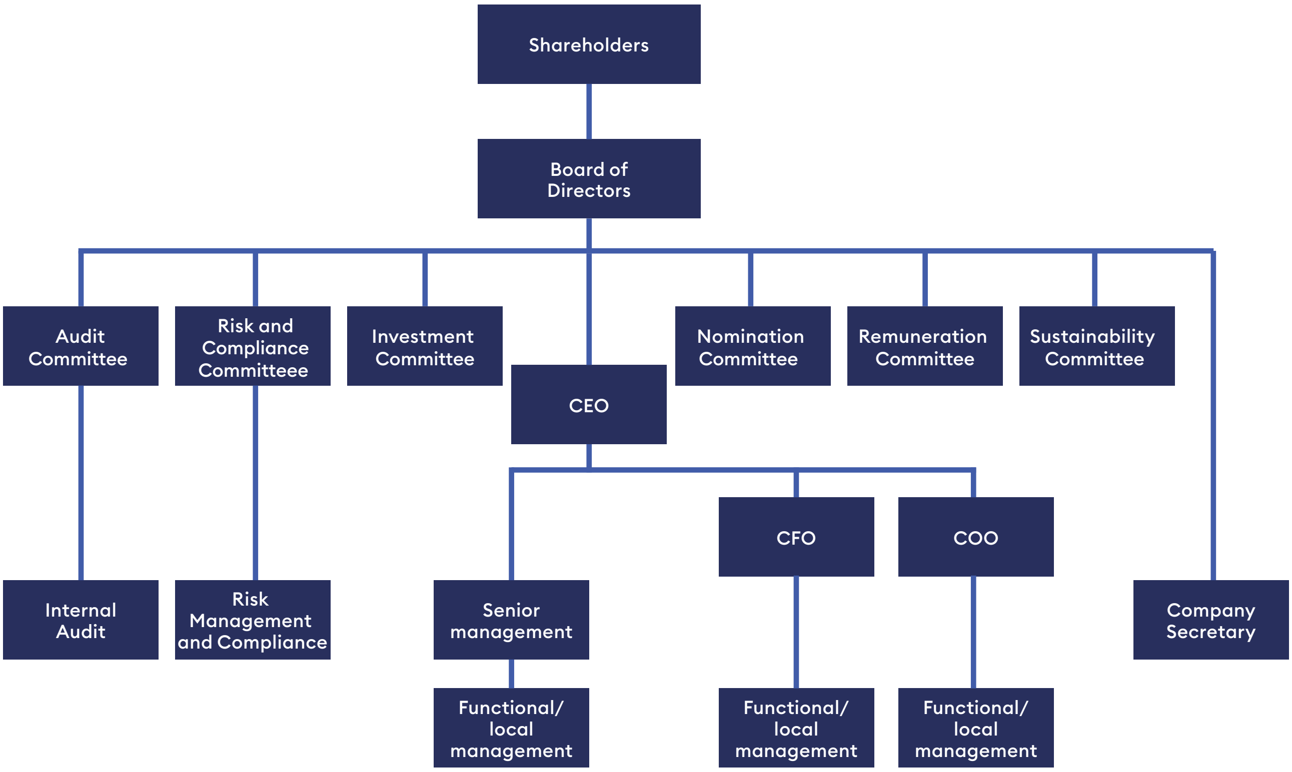
- leads in the absence of the Chairman
- serves as a trusted advisor of the Chairman
- acts as a mediator between the Chairman and other members of the Board, if necessary
- chairs discussions and decision-making by the Board on matters where the Chairman may have a conflict of interest
- leads the performance appraisal of the Chairman

PHOTO: FOCUS MALL ZIELONA GORA

Group governance structure

The Group's governance structure establishes the fundamental relationships among the Board, Committees and Management. The Group is steered by an one tier Board, comprising both non-Executive and Executive Directors.

In order to discharge its responsibilities in a proper and professional manner, the Board nominates sub-Committees and delegates some of its responsibilities, while retaining final accountability.



Responsibility for the day-to-day operations of the Group is delegated to the Executive Directors and then further on to the following management levels. An Operational Mandate approved by the Board is in place to ensure that delegation to management contributes to role clarity and to the effective exercise of authority and responsibility.

The **Executive Directors** on the Board are the Chief Executive Officer ('CEO'), the Chief Financial Officer ('CFO'), the Chief Operating Officer ('COO'), and they are responsible for:

CEO

- ensures that a long-term strategy, in line with the Group's mission, is developed, advanced to the Board for approval and deployed
- establishes performance goals and allocates resources to ensure growth, achievement of strategic objectives, compliance with applicable laws and regulations and responsible citizenship, as well as ensures that the strategy supports sustainable long-term value creation
- ensures that a positive and ethical work environment exists and that the policies approved by the Board are implemented
- acts as a chief spokesman for the Group
- fosters communication between the Executive Directors, Management and non-Executive Directors
- maintains investor relations

The CEO is not a member of governing bodies outside the Group, except for private companies managing personal investments.

CFO

- manages the financial function of the Group, including the implementation of effective accounting, financial and fiscal policies
- takes responsibility for financial and fiscal compliance, as well as general reporting of business performance
- oversees the compilation of realistic budgets and their execution, including the analysis of variations
- identifies funding needs and ensures these can be met in a cost-effective manner
- supervises fiscal research, projections, analysis and optimisation
- interacts and maintains relationships with external auditors, regulators, analysts, rating agencies
- maintains investor relations together with the CEO

The CFO is not a member of governing bodies outside the Group, except for private companies managing personal investments.

Corporate governance

COO

- drives strategy setting for the Group assets portfolio and ensures implementation, monitoring and performance reporting
- drives opportunity analysis for each asset and proposes potential shifts in an asset's strategy, where required (extend, transform, dispose and restructure)
- contributes to the capital allocation decisions
- continuously assesses the Group's operations, profitability and sustainability, coordinates improvement proposals and the implementation of core initiatives in the Group's assets and operations
- coordinates tenants engagement strategy, optimising returns and monitoring tenants performance and occupancy cost
- ensures swift, efficient and integrated processes and drives necessary performance improvement initiatives across the Group
- drives the setting of a customer-centric culture

The COO is not a member of governing bodies outside the Group, except for private companies managing personal investments.

Employees representatives are not appointed in the Board, nor participate in Board meetings.

Board appointments

In accordance with the Articles of Association, Directors are appointed, suspended or removed by the shareholders. Appointment is made based on the Board's binding nomination, which can be deprived of its binding character by the shareholders decision. The Board can suspend Executive Directors, while the suspension can be lifted by the shareholders.

To facilitate the Board's regular refreshing, the Group has a retiring-by-rotation policy, which means that each year, at least one third of the Directors retire by rotation and may stand for re-appointment by the shareholders. Therefore, within a three-year period, all Directors retire at least once.

The Board appointments are conducted in a formal and transparent manner following recommendations made by the Nomination Committee to the Board. Candidates' profiles are carefully analysed and the Board considers whether they have the necessary background, experience, competencies, independence and diversity, as set out in the Board Profile Paper and in the Group Diversity Policy. High-profile and experienced recruitment agencies may be used to identify and assess new Director candidates, based on the decision of the Nomination Committee. The candidates' background and references are analysed, and multiple information sources are used for the assessment.

The independence of newly proposed Directors is evaluated by the Nomination Committee and presented to the Board, as well as reassessed annually, based on clear criteria defined in the Corporate Governance Framework, formalised and approved by the Board.

A formal onboarding programme is in place when new Directors join the Company, under the close coordination of the Chairman of the Board, with support from the CEO and the Company Secretary. The onboarding programme is designed to help the new Director become familiar with the Group's business, strategy, policies and structure, as well as the operational approach in the Board and Committees activity. The programme covers general financial, social and legal affairs and financial reporting, as well as aspects that are specific to the Group and its business.

Board profile, diversity and independence assessment

NEPI Rockcastle is governed by a one-tier Board, which comprises a mix of non-Executive and Executive Directors. Non-Executive Directors are key advisors to management, counselling on the strategic direction, while considering business opportunities and the Group's risk appetite.

In order to ensure that the Directors' varied backgrounds and experience provide NEPI Rockcastle with an appropriate combination of knowledge and expertise that is necessary to manage the business effectively, the Group developed a Board Profile. The profile sets the competencies, expertise and background expected from the Directors individually, as well as the Committees and the Board, collectively. It also sets out principles of diversity, independence, and representation of Executive versus non-Executive Directors.

The Group Diversity Policy was formalised in 2022 to align to Dutch legislation. It applies to the Board and management, and strives to ensure that no team, business function or management level comprises more than 70% of the same gender or age group.

During 2024, 33% of the Executive Directors and 22% of the non-Executive Directors were female.

A new non-Executive Director was appointed in 2024, in accordance with the Diversity Policy, with a view to positively contribute to the diversity quota. New appointments of non-Executive Directors will continue to be made considering the required diversity quota.

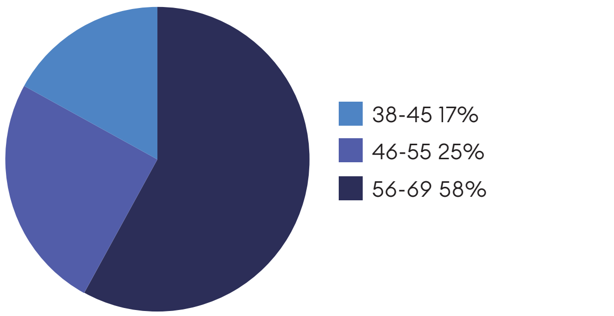
Management Board (i.e. Executive Directors) composition is in line with the Diversity Policy provisions, therefore no additional short-term measures are envisaged by the Group.

Senior management composition, i.e. function leads is in line with the Diversity Policy provisions as well (with 38% female – 62% male), therefore no additional short-term measures are planned by the Group.

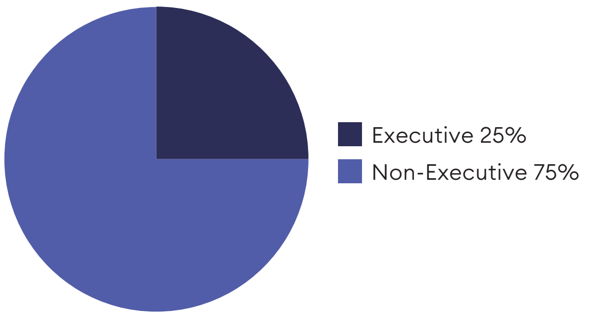
When examining Board composition, the Group approaches diversity in a broad sense, covering factors such as nationality, gender, age, education and work background.

On 31 December 2024, the Board, based on an annual self-assessment of the Group's current set-up and needs, was satisfied with the skill set, mix of knowledge and diversity of culture and background of its Directors.

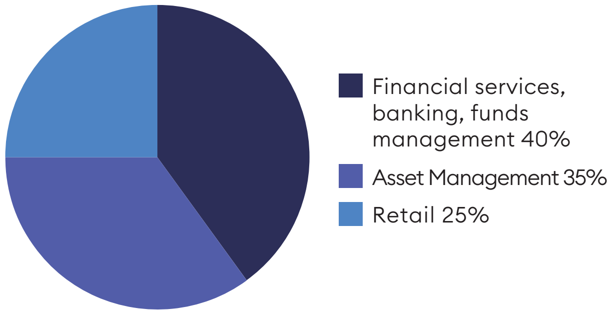
Age



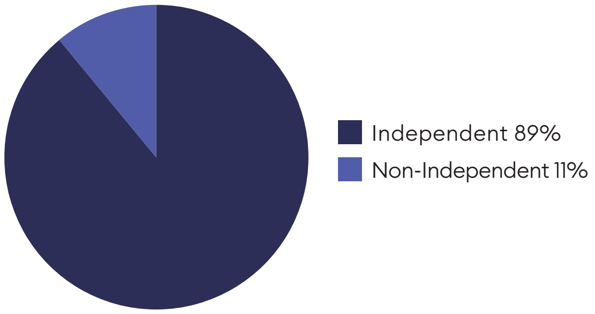
Executive / Non-Executive



Experience

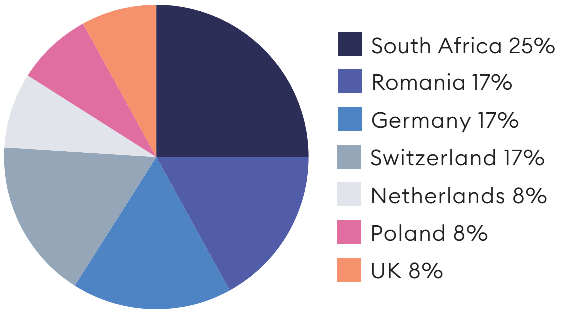


Independence of non-Executive Directors



Gender

Country of residence



Corporate governance

Independent non-Executive Directors play a crucial role in acting as a sounding panel to the Executives and the non-Independent, non-Executive Directors, ensuring Board discussions and decisions are conducted in an objective manner and in the best interest of the Group.

Specific guidance provided by King IV and the Dutch Corporate Governance Code has been followed by the Group in establishing, in its Corporate Governance Framework, the criteria for evaluating the Directors' independence on an annual basis.

The following criteria have been used by the Nomination Committee to assess the independence of the Board's non-Executive Directors in 2024. The Director or close family members:

1. have not been an employee or Executive Director of NEPI Rockcastle (including associated companies, in the five years prior to the appointment) or have temporarily performed management duties during the previous twelve months in the absence or incapacity of any Executive Director
2. have not received personal financial compensation from NEPI Rockcastle or a company associated with it (including by participating in the Group's share incentive scheme), contingent on Group performance and in so far as this is not in the normal course of the business, other than the fixed compensation received for the work performed as a board member
3. have not had an important business relationship with NEPI Rockcastle or a company associated with it in the year prior to the appointment (note: this includes in any event the case where the board member, or the firm of which he/she is a shareholder, partner, associate or advisor, has acted as advisor to NEPI Rockcastle - consultant, civil notary or lawyer - and the case where the board member is a management board member or an employee of a bank with which NEPI Rockcastle has a lasting and significant relationship)
4. are not a member of the management board of a company in which an Executive Director of NEPI Rockcastle is a supervisory board member
5. do not have a shareholding in NEPI Rockcastle or have not provided financing, material to his/her wealth, taking into account the shareholding of natural persons or legal entities cooperating with him or her on the basis of an express or tacit, verbal or written agreement
6. are not an employee, member of the management board (or executive director) or Board of Directors (or supervisory board) – or is not a representative in some other way – of a legal entity that is a significant funding provider (equity or debt), unless the entity is a NEPI Rockcastle Group company
7. have not been an external auditor of the Group or a key member of the external audit engagement team during the preceding 3 financial years

Non-Executive Directors independence assessment for 2024

Director	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6	Criteria 7	Independence assessment
George Aase	√	√	√	√	√	√	√	Independent
Andre van der Veer	√	√	√	√	√	√	√	Independent
Antoine Dijkstra	√	√	√	√	√	√	√	Independent
Andreas Klingen	√	√	√	√	√	√	√	Independent
Ana Maria Mihaescu	√	√	√	√	√	√	√	Independent
Jonathan Lurie	√	√	√	√	√	√	√	Independent
Andries de Lange	√	√	√	√	√	√	√	Independent
Jeanine Holscher	√	√	√	√	√	√	√	Independent
Steven Brown	√	√	√	√	x	x	√	Non-Independent

The Board members are independent from one another and are able to operate critically vis-à-vis one another. The independence assessment criteria were applied to all non-Executive Directors and only one in nine Directors did not meet all independence criteria. There is only one Director nominated by shareholders that represent more than 10% in the Company's shares and voting rights, Mr Steven Brown, who is also the CEO of Fortress Real Estate Investments Limited and who was considered a non-Independent non-Executive Director.

The Board confirms that the independence provisions required by the Dutch Corporate Governance Code and King IV were complied with during the non-Executive Directors independence assessment.

The Directors tenure in NEPI Rockcastle, as of the end of 2024, is depicted below.

Director	Years of service as Director in NEPI Rockcastle
Andre van der Veer	7.6
Marek Noetzel	7.6
Antoine Dijkstra	7.6
George Aase	6.3
Andreas Klingen	5.7
Steven Brown	4.7
Andries de Lange	4.6
Ana Maria Mihaescu	3.3
Jonathan Lurie	3.3
Jeanine Holscher	0.6
Rüdiger Dany	3.3
Eliza Predoiu	2.9

The Board of Directors had a stable structure in 2024, with one new non-Executive Director appointed. The rest of the Directors were appointed by shareholders in 2022, for a 4-year term of office.

Within this period, the Group also applied the three year rotation period, i.e. every year one third of the appointed Directors retire so that the shareholders have the opportunity to vote on their further reappointment.


PHOTO: SERDIKA OFFICE

Corporate governance

Details of the non-Executive Directors background and expertise as of December 2024

George Aase (62)
BSc, CPA

Career

George Aase is an experienced Chief Financial Officer, with expertise gained in publicly traded real estate firms, technology companies and Fortune 100 US multinational industrial firms. He is a highly strategic and business-oriented senior finance executive with extensive experience in leadership roles. His core specialties include corporate finance, capital markets, IPO transactions, debt financing, international financial operations, international finance and controlling and investor relations, with over 12 years' experience in the real estate sector. He led three major initial public offerings in London, Zurich and Frankfurt. Mr Aase also possesses extensive financing and debt restructuring experience and has managed various portfolios connected with major acquisitions and underwriting. Mr Aase was appointed as Independent non-Executive Director on 28 August 2018 and as Chairman of the Board effective 18 August 2021. Mr Aase was re-appointed by the shareholders as an Independent non-Executive Director upon Company migration to the Netherlands in 2022.

Appointments as of 31 December 2024

NEPI Rockcastle

- Chairman of the Board
- Chairman of the Nomination Committee
- Member of the Investment Committee
- Member of the Remuneration Committee

Other listed companies

- SMG European Recovery SPAC – Management position, part-time

Andreas Klingen (60)
MBA (RSM)

Career

Mr Klingen has more than 30 years of experience in the financial services sector, most of which is in Banking in Central Eastern Europe and Commonwealth of Independent States (CIS). He held various senior positions within Investment Banking at Lazard, Frankfurt and JP Morgan, London. Thereafter, he became Head of Group Development of Erste Group, Vienna, and Deputy CEO of Erste Bank, Kiev. He has been working as an independent advisor since 2013.

Since 2005, Mr Klingen served as a Supervisory Board member or a non-Executive Director in 14 institutions in 11 countries, including listed and regulated entities. He was appointed as an Independent non-Executive Director of NEPI Rockcastle on 17 April 2019 and as Lead Independent Director effective 28 September 2020. Mr Klingen was re-appointed by the shareholders as an Independent non-Executive Director upon Company's migration to the Netherlands in 2022.

Appointments as of 31 December 2024

NEPI Rockcastle

- Lead Independent Director of the Board
- Chairman of the Audit Committee
- Member of the Sustainability Committee
- Member of the Nomination Committee

Other listed companies

- None

Antoine Dijkstra (61)
MSc, COL (INSEAD)

Career

Antoine Dijkstra started his career at Credit Agricole in Rotterdam, Paris and Frankfurt. Mr Dijkstra has extensive experience in banking and investment management, with a focus on public sector related entities and financial institutions. He held various board and managing roles within AIG, NIBC (Netherlands), Harcourt Investment Management (Zurich), JP Morgan/Bear Stearns (UK) and Gulf International Bank (Bahrain). Currently he is a senior advisor to several companies, member of the Board of Trustees of SMU University and member of the Executive Committee of Cox School of business in Texas, USA. Mr Dijkstra was appointed as Independent non-Executive Director of NEPI in 2016 and Independent non-Executive Director of NEPI Rockcastle on 15 May 2017. Mr Dijkstra was re-appointed by the shareholders as an Independent non-Executive Director upon Company's migration to the Netherlands in 2022.

Appointments as of 31 December 2024

NEPI Rockcastle

- Chairman of the Risk and Compliance Committee
- Member of the Audit Committee
- Member of the Nomination Committee
- Member of the Sustainability Committee

Other listed companies

- None

André van der Veer (57)
BPL, MPL

Career

After completing a Masters' degree in Banking and Economics in 1991, Andre van der Veer joined Rand Merchant Bank (RMB) where he founded the agricultural commodities and derivatives trading group in 1995. He headed the trading, derivatives structuring and proprietary trading teams and in 2003 joined the RMB Equity Global Markets team.

He became Head of RMB Equity Proprietary Trading desk in 2009, with a mandate to invest in debt and equity instruments globally. Mr van der Veer founded Foxhole Capital during 2012 as a family office specialising in global real estate securities in listed and private equity markets. He was a non-Executive Director of Rockcastle from 2014 to 2017, and also the Chair of Rockcastle's Investment Committee. Mr van der Veer was appointed as Independent non-Executive Director of NEPI Rockcastle on 15 May 2017. Mr van der Veer was re-appointed by the shareholders as an Independent non-Executive Director upon Company's migration to the Netherlands in 2022.

Appointments as of 31 December 2024

NEPI Rockcastle

- Chairman of the Investment Committee
- Member of the Audit Committee
- Member of the Risk and Compliance Committee
- Member of the Remuneration Committee

Other listed companies

- None

Corporate governance

Andries de Lange (51)
CA (SA), CFA

Career

After qualifying as a chartered accountant, Mr Andries de Lange joined the Industrial Development Corporation of South Africa Limited and then Nedbank Limited where he gained experience in debt finance, debt and equity restructurings and private equity. He joined Resilient REIT Limited, a South African based property focused company which listed on the JSE in 2004, holding several positions including Financial Director between 2006 and 2011, and thereafter Chief Operating Officer from 2011 until 2020. Starting May 2020, Mr De Lange was appointed non-Independent non-Executive Director in NEPI Rockcastle. Mr de Lange was re-appointed by the shareholders as an Independent non-Executive Director upon Company's migration to the Netherlands in 2022.

Appointments as of 31 December 2024

NEPI Rockcastle

- Chairman of the Remuneration Committee
- Member of the Nomination Committee

Other listed companies

- None

Steven Brown (44)
CA (SA), CFA

Career

Mr Brown has a strong background in the property industry, commencing as a listed property analyst in 2008 for Corovest. Following this, he joined Standard Bank's Global Markets division in the equity derivatives finance team and thereafter joined the South African real estate division focusing on structured lending and equity transactions. Since 2013, Mr Brown has been involved with a number of listed real estate companies focusing on deal origination and structuring. Mr Brown is currently the Chief Executive Officer and Managing Director of Fortress Real Estate Investments Limited, a company that he joined in December 2015, following the acquisition by Fortress Real Estate Investments Limited of Capital Property Fund. He was appointed as non-Independent non-Executive Director of NEPI Rockcastle on 28 April 2020. Mr Brown was re-appointed by the shareholders as a non-Independent non-Executive Director upon Company's migration to the Netherlands in 2022.

Appointments as of 31 December 2024

NEPI Rockcastle

- Member of the Investment Committee
- Member of the Risk and Compliance Committee
- Member of the Sustainability Committee

Other listed companies

- CEO Fortress Real Estate Investments Limited

Ana Maria Mihaescu (69)
BSc, IDP (INSEAD)

Career

Ana Maria Mihaescu has 30 years of banking and finance experience. Ms Mihaescu worked for the International Finance Corporation (IFC) for 20 years, most recently as IFC's Regional Manager for Central and Eastern Europe. She also represented the IFC on the boards of investee companies, banks, leasing companies and private equity funds. Ms Mihaescu was the first Country Manager for IFC in Romania. She is an alumna of the Bucharest Academy of Economic Studies and received a certificate for the International Directors Program from INSEAD. Ms Mihaescu was appointed as an Independent non-Executive Director effective 18 August 2021. Ms Mihaescu was re-appointed by the shareholders as an Independent non-Executive Director upon Company's migration to the Netherlands in 2022.

Appointments as of 31 December 2024

NEPI Rockcastle

- Chairwoman of the Sustainability Committee
- Member of the Audit Committee
- Member of the Remuneration Committee

Other listed companies

- Non-Executive Director Purcari
- Non-Executive Director Medlife

Jonathan Lurie (48)
CFA

Career

Jonathan Lurie has 20 years of real estate investment experience at leading firms across all major European geographies and asset classes. Mr Lurie is the Managing Partner of Realty Corporation Ltd, a real estate and PropTech investment and advisory firm, and a senior advisor to McKinsey & Co, where he provides strategic advice on real estate transactions, financing, capital allocation, management, and operations, to leading institutional investors and developers globally. Mr Lurie previously held various senior executive positions at Blackstone and was Executive Director and Head of Real Estate Investment Management – Europe for Goldman Sachs. Mr Lurie held management and supervisory board positions in several large-scale European property companies such as OfficeFirst AG (IVG), Multi Corporation, Anticipa, Logicor, Blackstone Property Management, GSW AG (now Deutsche Wohnen AG), Songbird Estates plc (owner of Canary Whart Group plc), Corestate Capital, TLG Immobilien and Round Hill Capital. Mr Lurie graduated as an Economics Major with Highest Honors from Princeton University and has an MBA from the Wharton School, University of Pennsylvania. He is a member of the International Council of Shopping Centers (ICSC). Mr Jonathan Lurie was appointed as an Independent non-Executive Director effective 18 August 2021. Mr Lurie was re-appointed by the shareholders as an Independent non-Executive Director upon Company's migration to the Netherlands in 2022.

Appointments as of 31 December 2024

NEPI Rockcastle

- Member of the Investment Committee
- Member of the Risk and Compliance Committee

Other listed companies

- None

Corporate governance

Jeanine Holscher (59)
CFA

Career

Jeanine Holscher possesses over 25 years of leadership experience spanning retail, travel, services industries, and international strategy consulting. Ms Holscher brings a wealth of leadership experience, having served in various high-profile roles within the retail and service sectors. Notably, Ms Holscher has held the positions of CEO at Blokker (Dutch household chain with over 400 stores), where she orchestrated a significant turnaround strategy, and COO of Mirage Retail Group (holding company for Blokker, Intertoys and Miniso retail chains in the Netherlands), managing a portfolio that generated turnover in excess of €1 billion. Her career is marked by a series of strategic leadership roles that have contributed to her deep understanding of the retail industry and its operational, financial, and digital transformation challenges. In addition to her executive roles, Ms Holscher has demonstrated her commitment to corporate governance through her involvement on supervisory boards, where she has provided invaluable oversight and strategic direction.

Ms Holscher is an alumnus of the Nyenrode Business Universiteit in the Netherlands, and her extensive experience is complemented by a solid educational foundation in business and leadership.

Ms Jeanine Holscher was appointed as an Independent non-Executive Director effective from 14 May 2024.

Appointments as of 31 December 2024

NEPI Rockcastle

- Member of the Sustainability Committee
- Member of the Nomination Committee

Other listed companies

- Non-Executive Director Cabka NV

PHOTO: SHOPPING CITY PIATRA NEAMT

The Board and Committees 2024 calendar and attendance information

Date	Board of Directors	Investment Committee	Audit Committee	Risk and Compliance Committee	Remuneration Committee	Nomination Committee	Sustainability Committee
16 January	X						
12 February					X	X	
16 February		X		X			
19 February	X		X				
05 March	X						X
06 March						X	
18 March	X		X				
10 May		X					
13 May			X	X			
14 May	X						
17 June						X	
25 June	X						
16 July							X
16 August		X		X			
19 August	X		X				
26 August						X	
25 October	X						
15 November				X			
18 November		X	X				
19 November	X						
25 November					X		
26 November							X
29 November						X	
18 December	X						

Director	Board of Directors	Investment Committee	Audit Committee	Risk and Compliance Committee	Remuneration Committee	Nomination Committee	Sustainability Committee
Rüdiger Dany	100%	100%					
Eliza Predoiu	100%						100%
Marek Noetzel	100%	100%					
George Aase	100%	100%			100%	100%	
Antoine Dijkstra	100%		100%	100%		100%	100%
Andreas Klingen	100%		100%			100%	100%
Andre Van Der Veer	100%	100%	100%	100%	100%		
Steven Brown	100%	100%		100%			100%
Andries De Lange	100%				100%	100%	
Ana Maria Mihaescu	100%		100%		100%		100%
Jonathan Lurie[1]	80%	100%		100%			
Jeanine Holscher[2]	100%					100%	100%

1 Board meetings attendance rate is 100% for regular, pre-scheduled meetings, being excused for two ad-hoc meetings
2 Attendance rate calculated after the appointment date

Corporate governance

Development, evaluation and succession planning

In accordance with the Corporate Governance Framework, the Board is responsible to ensure that its performance, profile, composition, competences and expertise, and those of its Committees, its Chair and individual members, support continued improvement.

Considering the thorough and in-depth Board Evaluation process organised at the end of 2023, the Board decided that in 2024 the evaluation should follow a simpler and more streamlined process, following up on the main conclusions reached in 2023. Individual discussions and de-briefs of results were organised with Korn Ferry International, a top-tier consultant, with both the Chairman, as well as with individual members and the Group HR Director, to ensure relevant topics are captured and acted upon. Changes in the composition of the Board as well as in the Committees' composition took place in 2024, also as a result of the evaluation and the comparison with board profile and the Diversity Policy. Below is the process structure the Group is committed to follow in its Board evaluation process, in line with the Corporate Governance Framework:

- individual discussion with the Chairman to clarify scope, approach and content of the review
- assessment questionnaire covering all key Board performance areas
- one-on-one interviews with all the Directors and the Board Secretary
- sharing and acknowledgement of results with all Directors

Key areas covered:

- structure and composition of the Board and Committees, including diversity, expertise and mix of skills
- efficiency and transparency of operations, processes and routines, including the quality of the decision-making process, dynamics, teamwork and collaboration, the display of ethical values, independence, autonomy, objectivity
- contribution to key areas such as strategy, performance monitoring, evaluation, compensation and succession, corporate governance and risk management

The next process iteration is planned for the second half of 2025 and results will be shared within the following Annual Report.

Keeping up to date with trends, industry-specifics, legal and regulatory frameworks, economic, social and governance topics, business conduct aspects, providing inspirational and strategic leadership and contribution, succession for the top management and the Board, are a key priority and the Directors' development programme includes dedicated sessions covering such areas.

A formal succession process is in place to ensure continuity for the critical executive and board positions and that changes compliment the knowledge and experience at Board level. Succession planning includes:

- identifying the knowledge, skills and experience the Board should collectively possess to effectively fulfil its roles and responsibilities
- ensuring an appropriate balance in terms of diversity, expertise and knowledge among the Directors, in accordance with the targeted Board Profile
- identifying in due time qualified individuals suitable for nomination and recommending them to the shareholders at the Annual General Meeting ('AGM')
- achieving continuity through a smooth succession of Directors (including Board and Committees leadership) that balances perspective and independence with experience and knowledge
- satisfying compliance within the legal and regulatory framework applicable to the Group

Directors' dealings and related party transactions

Dealing in Company's securities by Directors, their associates and key Group employees, is regulated and monitored in accordance with the applicable stock exchange listing requirements, guidelines, legislation, regulations and directives.

To prevent the risk of insider trading and to ensure that none of the restricted persons abuse, and do not place themselves under suspicion of abusing inside privileged information, the Group has adopted a formal Dealing Code, available and communicated to all employees and Directors. The Dealing Code sets out obligations for the Group's Directors, managers, staff and persons closely associated with them, under the Market Abuse Regulation and stock exchange listing requirements and guidelines, regarding clearance to deal and notification of transactions in the Group's securities. The Group prohibits all Directors and employees from using confidential information, not generally known or available to the public, for personal benefit.

NEPI Rockcastle maintains a closed period from the end of a financial period until publication of the financial results for that period and a prohibited period when sensitive information not yet publicly available is known by the Company's employees or Directors. The Group announces closed and other prohibited periods to its employees and the Company's Directors, and, during such periods, all those with insider knowledge are banned from dealing.

In compliance with JSE Listings Requirements, the Company announces publicly all its Directors' dealings in the Company's securities, through SENS.

Directors' and Directors' associates interests are disclosed in line with the Declaration of Interests Policy. Directors' direct and indirect holdings as of year-end are published in the Annual Report. Moreover, the Group formalised its Related party transactions policy, in line with JSE Listings Requirements and applicable international accounting standards.

According to the Group Code of Ethics, Board members are alert to conflicts of interest and ethical conduct and should generally refrain from the following:

- engaging in personal business that may compete with the Group
- demanding or accepting substantial gifts from the Group or from any of its employees or partners, for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree
- providing unjustified advantages to third parties at the Group's expense
- taking advantage of business opportunities that the Group would be entitled to
- allowing in any other way the influence of third parties to compromise or override independent judgement
- using confidential information related to the Group for their own personal benefit
- making use of inside information to make a profitable investment
- taking advantage of their position as Directors to earn profit for him/her-self
- making personal use or advantage of an opportunity obtained through the Group

The Group Code of Ethics and the Declaration of Interests Policy apply at all times to the conduct of Directors, personnel, contractors, freelancers and other collaborators, and each are reminded in the context of related party transactions of their obligations to identify, disclose and avoid situations in which personal interests could conflict or even appear to conflict with the interests of the Group.

Potential conflicts of interest related to topics on the agenda are checked at each Board and Committee meeting. Any potential conflict of interest would be declared and discussed in the Board meeting. The Board needs to decide on the measures to be implemented and the degree of further involvement of the respective Director in the matter at hand. Any actual conflict of interest deemed significant by the Board during the year would be disclosed in the Annual Report. Such information considers, but is not limited to, related party transactions and cross-shareholdings.

Related party transactions will be entered into, only if beneficial to the Group entities and on the customary market terms that they would have been concluded with an independent party (arm's length principle). The Group ensures that identification, negotiation, conclusion of related party transactions by Group entities are governed by:

- fairness
- objectivity
- arm's length
- proper record keeping

No actual conflicts of interest have been identified in 2024 and no related party transactions, as defined in the internal policy, have been carried out by the Group entities, besides those detailed in the Related party transactions note (described in the Remuneration review section).

Company Secretary

The Company Secretary assists the Board in overseeing that the Group complies with statutory and regulatory requirements and ensures that the Board members are informed of their legal responsibilities. More specifically, the Company Secretary is tasked with the following:

- ensures that the procedures for the appointment of Directors are observed and that the process is traceable
- ensures that Board matters such as onboarding of new members, development programmes, training and evaluation are properly organised and any activity or information related to the Board is properly stored
- supports the Chairman in making the Board members aware of significant relevant laws, regulations and codes, as well as circulating emerging information to Group entities
- sees that agenda and materials are distributed in time, that detailed minutes of Board meetings are kept and that Board decisions are distributed, tracked and reported upon in collaboration with the Executive Directors
- ensures that proper procedures are followed at Board level and that the statutory obligations and obligations under the Articles of Association are complied with
- ensures that rules regarding conflict of interest management applicable to the Board, as defined in the Declaration of Interests Policy and Code of Ethics, are observed, and keeps evidence thereof
- provides corporate governance advice to the Board members on governance matters
- generally supports the Chairman of the Board in the organisation of the affairs of the Board
- coordinates and guides the activity of other persons appointed as Secretary of Board Committees

The Board is satisfied with the competence, qualifications, experience and support provided by the Company Secretary in 2024.

Delegation to Committees

Without abdicating accountability, the Board delegates certain functions to certain committees. The following requirements are considered when appointing committee roles, in line with the governance framework:

- the Chairman of the Audit and the Remuneration Committees must be an Independent Director
- the Nomination and Remuneration Committee should only consist of non-Executive Directors, and the majority should be independent
- directors who are not members of a Committee may attend based on invitation meetings to gain/offer information, but will not vote
- the CEO cannot be a member of the Remuneration, Audit or Nomination Committees, but may attend by invitation their meetings

Corporate governance

The Board considers the allocation of roles and responsibilities and the composition of membership across committees holistically, to achieve the following:

- effective collaboration through cross-membership between Committees where required, coordinated timing of meetings and avoidance of duplication or fragmented functioning in so far as possible
- where more than one committee has jurisdiction to deal with a specific matter, the role and positioning of each committee in relation to such matter are defined, to ensure complementary rather than competing approaches
- a balanced distribution of power in respect to membership across committees, so that no individual would dominate the decision-making process and no undue reliance would be placed on a single individual

The role of each Committee, together with responsibilities, accountability and operating guidelines, are documented in the Committees Charters, available, together with the Corporate Governance Framework document on the corporate website.

The Committees Charters are approved by the Board and are reviewed periodically, considering regulatory guidance and industry best practices, to ensure the Board and its Committees are adaptive and responsive to new requirements and continue to practice strong oversight.

The Committee members are appointed by the Board, and any of the members may be removed by the Board, except for the Audit Committee, for which membership is voted in the AGM. The Committees activity is reviewed by the Board, to ensure effective discharge of their duties and oversight through an appropriate mix of knowledge, background and independence.

PHOTO: MEGA MALL

Overview of the Committees' mandate and activity in 2024
Committees membership structure as of 31 December 2024

Audit Committee/5 meetings/100% attendance rate

Independent non-Executive Directors

Andreas Klingen (Chairman)
Andre van der Veer
Antoine Dijkstra
Ana Maria Mihaescu

- oversee the integrated accounting and reporting process, including financial reporting, fiscal compliance and internal controls
- oversee the independence of internal and external auditors
- evaluate and coordinate the internal and external audit process in order to ensure an effective combined assurance model
- deal appropriately with any concerns or complaints relating to accounting practices, the content or auditing of the Group's financial statements, internal controls or any other relevant matters
- assist the Board in carrying out its IT governance role, by obtaining the relevant assurances that IT risks (including IT security) are adequately addressed by the controls in place and by providing oversight over the entire IT management framework

Risk and Compliance Committee/4 meetings/100% attendance rate

Independent non-Executive Directors

Antoine Dijkstra (Chairman)
Andre van der Veer
Jonathan Lurie

Non-Independent non-Executive Directors

Steven Brown

- provide oversight over enterprise risk and compliance management processes
- ensure the Group has implemented an effective approach for risk management, embedded in the day-to-day processes, that will enhance its ability to achieve its strategy and business objectives

Sustainability Committee/3 meetings/100% attendance rate

Independent non-Executive Directors

Ana Maria Mihaescu (Chairwoman)
Andreas Klingen
Antoine Dijkstra
Jeanine Holscher

Non-Independent non-Executive Directors

Steven Brown

Executive Directors

Eliza Predoiu

- oversee the Group's activity and its impact on the environment, social and governance areas
- ensure that the Group is and is seen as a responsible corporate citizen
- oversee Group's preparations for CSRD reporting

Remuneration Committee/2 meetings/100% attendance rate

Independent non-Executive Directors

Andries de Lange (Chairman)
Andre van der Veer
George Aase
Ana Maria Mihaescu

- review, endorse and monitor implementation of the Group's Remuneration Policy
- review and recommend to the Board the remuneration to be paid to the non-Executive Directors
- review and recommend to the Board the Executive Directors remuneration, in accordance with the Remuneration Policy and targets achievement
- ensure staff and Directors' remuneration is aligned with market trends and Group strategy

Nomination Committee/5 meetings/100% attendance rate

Independent non-Executive Directors

George Aase (Chairman)
Antoine Dijkstra
Andreas Klingen
Andries de Lange
Jeanine Holscher

- identify suitable Board candidates in order to fill vacancies
- ensure there is a succession plan in place for key management and Board members
- formally assess the independence of non-Executive Directors
- assess and update the composition of the Board sub-Committees on an annual basis or whenever necessary
- arrange the annual performance evaluation for Board and Committees
- oversee training and development arrangements

Corporate governance

Overview of the Committees' mandate and activity in 2024 Committees membership structure as of 31 December 2024
Investment Committee/4 meetings/100% attendance rate
Independent non-Executive Directors
Andre van der Veer (Chairman) George Aase Jonathan Lurie
Non-Independent non-Executive Directors
Steven Brown
Executive Directors
Rüdiger Dany Marek Noetzel
▪ consider potential investments (including mergers and acquisitions, listed securities, capital expenditure for developments or extensions and purchases of land) and disposals, in line with the strategic goals of the Group ▪ approve investments if within its mandate or further recommend to the Board for consideration and approval

Audit Committee

According to the corporate governance requirements and in full alignment with best practices, the Audit Committee:

- consists of at least three Independent non-Executive Directors
- is chaired by an Independent non-Executive Director who is not the Chairman of the Board
- consists of members fully conversant with finance and accounting principles, and who are knowledgeable about the affairs of the Company
- consists of members who must have a fair understanding of International Financial Reporting Standards, internal controls, external and internal audit processes, corporate law, sustainability issues and information technology

The Chairman of the Board may attend meetings by invitation but cannot be nominated as member or Chair.

According to its charter, the Audit Committee is responsible to:

A. In relation to external audit:

- nominate for appointment the external auditors
- review the auditors' fees and terms of engagement, and ensure that the appointment complies with relevant legislation
- assess the external auditors' independence and objectivity
- review external audit reports to ensure that prompt action is taken by management in all relevant areas
- review any significant disagreement between management and the external auditors
- evaluate the performance of the external auditors and the quality and effectiveness of the audit process
- develop a process to ensure that the Audit Committee receives notice of any irregularities reported to the Independent Regulatory Board for Auditors

B. With respect to financial reporting:

- evaluate the Group Annual Report for reasonability, completeness, consistency and accuracy prior to approval by the Board
- evaluate significant management decisions affecting the financial statements, including changes in accounting policy, resolutions requiring a major element of judgement and the clarity and completeness of proposed disclosures
- oversee compliance with tax regulations, ensure that the Company has implemented a transparent taxation policy and that this is appropriately disclosed, as well as advise management on various decisions related to taxation matters
- in consultation with external and internal auditors, review the integrity of the Group's financial reporting processes
- consider the quality and appropriateness of the Company's accounting policies
- determine whether and how the external auditors should be involved in the review of the content of financial reports published, other than the financial statements
- review complex and/or unusual transactions
- recommend to the Board whether it should issue a going concern statement, based on the assessment provided by the CFO

C. With respect to internal controls:

- gain an understanding of the Group's key risk areas and the internal controls structure
- evaluate whether management is setting the appropriate control culture
- review the effectiveness and efficiency of the internal controls system
- consider how management is held accountable for the security of computer systems, applications and networks, and for setting contingency plans in the event of a disaster, systems breakdown, fraud or misuse

- gain an understanding of whether internal control recommendations made by internal and external auditors have been implemented by management
- prioritise and direct the audit effort to high-risk areas of the business

D. In relation to internal audit:

- review and approve the Internal Audit Charter
- review the effectiveness of the Internal Audit function, its staffing and resources and its capacity to carry out the Annual Audit Plan
- review the activities and organisational structure of the Internal Audit function and ensure no unjustified restrictions or limitations exist and that the Internal Audit function remains independent
- ensure that internal audit activities comply with relevant standards and regulations
- review and approve the risk assessment results and the Annual Audit Plan
- review internal audit reports, including management's action plans to address risk and control deficiencies noted by the Internal Audit function
- monitor the implementation of action plans based on reports provided by the Internal Audit function
- escalate to the Board, if necessary, significant audit findings and control deficiencies which require Board attention and prioritisation

E. With respect to ethical and legal compliance:

- oversee controls implemented to address compliance with applicable laws, regulations and policies
- oversee whistleblowing process and investigation results
- review internal audit reports concerning compliance reviews and investigations
- review management's monitoring of compliance with the Board's guidelines

F. With respect to information technology management:

- ensure that a technology architecture that enables the achievement of strategic and operational objectives has been defined
- oversee that information technology management processes are formalised and that an effective control environment for managing key risks and achieving objectives, as well as preserving information privacy and security, has been designed and implemented
- ensure that proper policies and processes have been implemented to enable ethical and responsible use and disposal of technology and information, both hardware and software
- oversee information security risk, status of mitigating measures, information on attacks and vulnerabilities, based on reports provided by management periodically, but at least twice a year
- oversee that effective mechanisms have been implemented to identify and respond to security incidents
- oversee that monitoring of advancements in technology is in place, including the capturing of potential opportunities and the management of disruptive effects on the organisation and its business model
- ensure that proper value assessments are performed before investing in information and technology

The Board supports and endorses the Audit Committee, which operates independently of management and is free from any organisational impairment.

The Audit Committee assists the Board in fulfilling its responsibilities and has unrestricted access to information, including records, property and personnel of the Group.

The Audit Committee has considered and found:

- the expertise and experience of the Chief Financial Officer are appropriate for the position, and the arrangements for the Finance function are adequate, for the size and complexity of the Group
- the expertise and experience of the Internal Audit Director are appropriate for the position, and the arrangements for the Internal Audit function are adequate given the size and complexity of the Group

The Audit Committee, following the mandate received at the Annual General Meeting, approved the 2024 external auditors' terms of engagement, fees and scope of work at Group level. Based on interactions with the external auditors and the quality of the external auditors' reports, the Audit Committee considered the expertise and independence of the external auditors, including the Partner Rotation Policy, and concluded they are satisfactory.

In order to fulfil its responsibility to monitor the integrity of financial reports issued, the Audit Committee has reviewed the accounting principles, policies and practices adopted during the preparation of financial statements and examined relevant documentation related to the Annual Report.
The Committee is comfortable that appropriate financial reporting procedures have been established.

The Audit Committee reviewed:

- the clarity of the disclosures included in the Financial Statements
- the basis for significant estimates and judgements

The Audit Committee monitors the effectiveness of the internal controls system, including controls over financial reporting. The Committee is satisfied with the design and effectiveness of the controls, is comfortable that any weakness may not result in a material financial loss, fraud, corruption or error, and that the Company implemented mechanisms to identify and address such significant weaknesses in due time.

The Audit Committee complied with its Charter, as well as its legal and regulatory responsibilities, and recommended the Annual Report to the Board for approval.

Risk and Compliance Committee

The Risk and Compliance Committee takes a forward-looking view regarding the risks that the Group may face and aims to enable the effective implementation of mitigating measures and overall enterprise risk management.

Corporate governance

The Risk and Compliance Committee:

- consists of at least three Directors
- is chaired by an Independent non-Executive Director, who is not the Chairman of the Board
- includes members with sufficient knowledge about the affairs of the Group, qualifications and experience to fulfill their duties effectively

The Risk and Compliance Committee assumed the following responsibilities during 2024:

With respect to risk management framework:

- oversee the annual review of the risk management policies, and recommend them for Board's approval
- monitor application of the Risk Management Policy, processes and organisation
- make recommendations to the Board concerning the Group risk appetite and risk profile and monitor that risks are managed within those levels, as approved by the Board
- oversee that the risk management plan is widely disseminated throughout the Group and integrated into day-to-day activities
- acknowledge risk response and implementation status for major risks at Group level
- review the Risk Management and Compliance section included in the Annual Report
- assess compliance with relevant legislation and regulations, including regulations concerning risk reporting

With respect to the compliance management system:

- oversee the compliance management framework, the review of the compliance policies, and recommend updates for Board's approval
- supervise implementation of the compliance policy, processes and organisation, including rules and mechanisms to ensure compliance with laws, prevention of fraud and corruption and avoidance of conflict of interest

Sustainability Committee

The Sustainability Committee oversees and reports on the Group's organisational ethics, responsible corporate citizenship (including the environment, health and safety, the impact of the Group's activities and of its products and services), sustainable development and stakeholder relationship management. The members of the Committee are knowledgeable and mindful of economic, social and governance matters and the Group's material issues in this regard.

The Committee oversees how the consequences of the Group's activities and outputs affect its status as a responsible corporate citizen, covering the following areas:

- environment, i.e. minimise the effects of the Group through responsible use of resources, controlled pollution and waste disposal, controlled carbon footprint, green buildings, protection of biodiversity
- economy, including the communities support and contribution to creating new jobs
- workplace, including employment equity, diversity and inclusion, fair remuneration, health and safety
- society, including public health and safety, consumer protection, community development and protection of human rights
- governance, including how the Board is steering the Company based on an ethical foundation

The Sustainability Committee endorses the ESG strategy, verifies progress towards the implementation of such strategy and reviews the Group's Sustainability Report. The CFO, as the Executive Director part of the Sustainability Committee, is the executive manager overseeing the overall ESG agenda in the Group, while the CEO is ultimately responsible to plan the ESG strategy and monitor implementation.

Remuneration Committee

The Remuneration Committee:

- consists of at least three Directors, the majority of whom must be Independent non-Executive Directors
- is chaired by an Independent non-Executive Director, who is not the Chairman of the Board

The Remuneration Committee assumed the following responsibilities during 2024:

- oversee the review of the Remuneration Policy and principles
- monitor implementation and administration of the Remuneration Policy
- determine remuneration for Executive Directors, in alignment with the Remuneration Policy and targets achievement
- monitor remuneration principles implemented to ensure that employees are properly incentivised based on individual and Group performance
- ensure that the Group's remuneration principles are aligned with the strategy, in order to create long-term value
- recommend the fees to be paid to non-Executive Directors

When determining the Remuneration Policy and practices, the Remuneration Committee is guided by the following principles: clarity, simplicity, risk, predictability, proportionality and alignment to Group culture.

Nomination Committee

The Nomination Committee:

- consists of at least three Directors, the majority of whom must be Independent non-Executive Directors
- is chaired by an Independent non-Executive Director, who may also be the Chairman of the Board

The Nomination Committee is tasked with the following:

- periodically assess the skill set required to competently discharge the Board's duties, considering the Group's strategic direction
- review and make recommendations regarding Board composition, competencies, structure, size and diversity, to ensure that vacancies are filled with suitable candidates, in line with criteria defined in the Board Profile Paper
- develop strategies to address Board diversity
- develop and review Board succession plans, Director induction programmes and continuing development programmes, aiming to maintain an appropriate mix of skills, experience, expertise and diversity
- identify Directors due for retirement by rotation on an annual basis
- arrange the performance evaluation for Board members
- review and make recommendations regarding Board appointments, re-elections and terminations
- prepare a description of the role and skill set required for appointments
- identify suitable candidates to fill Board vacancies
- propose extension of Board appointments
- ensure that, upon appointment, all Directors receive a formal letter of appointment that sets out the duration and responsibilities of the appointment
- review disclosures made by the Group regarding Board appointments, re-elections and terminations

Investment Committee

Members of the Investment Committee must have significant property investment, retail and relevant market knowledge. The Investment Committee Chair must be a non-Executive Director with adequate financial and investment experience.

The senior management of the Group is responsible for identifying new investment opportunities, optimising the performance of existing assets (for example, through refurbishments, extensions and re-tenanting), and, where necessary, proposing the disposal of assets which no longer contribute to the Group's income growth strategy. The CEO will coordinate and monitor all acquisitions, capital expenditures and disposals, and will recommend those which exceed his mandate to the Investment Committee.

The Committee formulates the overall investment strategy of the Group and establishes investment guidelines. The Committee's activity complies with all applicable fiduciary, prudence and due diligence requirements, which experienced investment professionals would utilise, and with all applicable laws, rules and regulations issued by relevant local and international bodies.

The Investment Committee:

- considers management recommendations for mergers, acquisitions, investments, capital expenditure and disposals, and makes proposals to the Board for approval
- authorises transactions that fall within its mandate, analyses and recommends to the Board those that fall outside its mandate
- evaluates and monitors investments performance over time

The Board and the Committees considered their activity during 2024 and confirm that they are satisfied that they have fulfilled their responsibilities in accordance with their charters and the Corporate Governance Framework.

Stakeholder engagement and relationship management

The Board oversees stakeholder relationship management, while responsibility for the day-to-day execution has been delegated to the Executive Directors and, further on, to line management.

NEPI Rockcastle has a transparent information communication policy, enabling stakeholders to assess the Group's economic value and prospects. The Company encourages proactive engagement with shareholders, including during the Company's semi-annual results presentations and Annual General Meetings, where Directors are available to respond to shareholders' inquiries on how the Board has executed its governance duties.

The Executive Directors have regular discussions on operational trends and financial performance with relevant stakeholders, where they believe this to be in the Group's best interest. The Chairman of the Board meets with all major shareholders every second year to gather direct feedback on their questions and concerns. No information is shared preferentially only to some stakeholders.

PHOTO: FORUM LIBEREC SHOPPING CENTRE

Corporate governance

The Group's Directors ensure that all shareholders are treated equally and equitably, and that management recognises, protects and facilitates the exercise of all shareholders' rights through constant, open and timely communication. The Board seeks to protect the interests of minority shareholders while the Dealing Code and the Related Party Transactions Policy are designed to ensure such protection.

The Group actively manages its relationship with stakeholders and communicates formally in a number of ways:

- news, announcements, press releases were issued under routine reporting obligations or to communicate ad-hoc events
- SENS announcements were made to disclose changes in Board and Committees structure, Directors' and associates' dealings, major acquisitions and disposals
- business updates were published regularly, depicting Company's performance
- various events such as property tours (with investors), capital market day (with representatives of capital markets), retail day (with representatives of tenants) were organised
- the reviewed interim condensed consolidated financial report was published in August, outlining six month performance. The interim condensed consolidated financial statements included in the report were reviewed by a South African auditor (EY South Africa) and were not reviewed by a Dutch auditor. The results announcement was followed by Results Presentations and investor calls. The presentation and the reports are posted on the Group's website, open to and accessible to any interested stakeholder
- the Reviewed Condensed Consolidated Financial Statements for the year ended 31 December 2024, including detailed management commentary, were published in February. These were followed by Results Presentations announced publicly on the corporate website, open and accessible to any interested stakeholder
- the Annual Report, including audited consolidated financial statements of the Group and separate financial statements of the Company, is published in March each year, comprising reporting on all relevant matters

The Board is required through the applicable governance codes to provide a fair, balanced and understandable assessment of the Group's position and prospects in its external reporting. The Board considers that this Annual Report and the Audited Consolidated Financial Statements of the Group and Separate Financial Statements of the Company, taken as a whole, meet all requirements and provide the information necessary for shareholders to assess the Directors' governance of the Group.

General meetings of shareholders

Meetings

The Company is required to hold an Annual General Meeting no later than the end of June each year. Other General Meetings may be held at the discretion of the Board or to comply with Applicable Listing Requirements.

The Board is responsible for giving notice of General Meetings, ensuring that it is given to all Shareholders entitled to vote and that it complies with the statutory notice period of 42 calendar days and Applicable Listing Requirements. The notice must include the subjects to be discussed, venue and time of the meeting, the requirements for admittance, and the Company's website address. Additional communications can be made in a separate document deposited at the Company's office for inspection, with a reference made in the notice.

General Meetings can be held in Amsterdam or Haarlemmermeer, as chosen by the Board. The Chairman of the Board will chair the general meeting, unless otherwise decided by the Board. Minutes of the meeting will be kept.

The record date for each General Meeting will be determined in accordance with the law and Applicable Listing Requirements to identify voting rights and eligible attendees, and instructions on how to register and exercise rights will be included in the meeting notice.

To attend a General Meeting, a person or their proxy must notify the Company in writing at the specified address and by the deadline indicated in the meeting notice, and the proxy must provide written evidence of their authorisation.

Shareholders and/or other persons entitled to attend the General Meeting, who, alone or jointly, meet the requirements set forth in section 2:114a subsection 2 of the Dutch Civil Code will have the right to request the Board to place items on the agenda of the General Meeting, provided the reasons for the request are being stated therein and the request is received by the Chairman or the Chief Executive Officer in writing at least sixty (60) calendar days before the date of the General Meeting.

Share capital

The authorised capital of the Company amounts to twenty six million euro (€26,000,000) and is divided into two billion six hundred million (2,600,000,000) shares, having a nominal value of one euro cent (€0.01) each. On 31 December 2024 the issued share capital amounted to €7,123,573 divided into 712,357,309 shares. All shares are fully paid. There are currently no limitations either under the Dutch law or the Articles of Association to the transfer of the shares.

During the 2024 Annual General Meeting, the shareholders resolved to authorise the Board to issue shares for cash up to 10% of the issued shares, to repurchase shares up to 10% of the issued shares and to cancel repurchased shares.

Main powers of the General Meeting of Shareholders

The main powers of the General Meeting of Shareholders include:

1. discussion of the board report
2. discussion and adoption of the annual financial statements
3. dividend proposal (if applicable)
4. appointment of Directors (if applicable)
5. appointment of an Independent Auditor (if applicable)
6. adoption of amendments to the Articles of Association
7. other subjects presented for discussion or voting by the Board, such as the release of Directors from liability, discussion of the policy on reserves and dividends, authorisation of the Board to issue shares, authorisation of the Board to decide that the Company should acquire own shares

At the General Meeting, each share carries one vote and resolutions must be adopted by an absolute majority, unless a greater majority is required. A quorum of at least three shareholders with 25% voting rights is required, and votes can be cast by electronic means or by mail. If a quorum is not present at a General Meeting, the Board is authorised to call for a new General Meeting where resolutions can be passed regardless of the capital represented in the meeting.

The structure of the Company's capital has been presented in this Report, each share carrying a right to vote in accordance with the Articles of Association of the Company and the applicable law. There are no classes of shares; no special restrictions on transfers; no special control rights; no agreements between shareholders which are known to the Company and may result in restrictions on the transfer of securities and/or voting rights; no significant agreements to which the Company is a party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid, and the effects thereof; no agreements between the Company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

Internal controls and compliance management system

The Group continues to follow consistently the Committee of Sponsoring Organisations of the Treadway Commissions ('COSO') principles in defining its internal controls system and enterprise risk management framework.

It applies the three lines of defence approach, with a view to further strengthen the system of internal controls and track compliance with relevant laws and regulations:

- the first line of defence, line management (senior management, local management), is the function that owns risk and is responsible for operational processes within the Group. Line management is in charge of defining guidelines, implementing and executing internal controls, embedding risk management in the day-to-day operations, comparing performance against targets, monitoring achievement
- the second line of defence has an oversight and compliance monitoring role, and consists of functions such as Compliance, Risk Management and Data Privacy. These functions are primarily involved in monitoring laws, regulations and emerging risks, and providing support and advice to management in ensuring compliance thereof. They monitor and facilitate the implementation of effective risk and compliance management practices and assist the risk owners in reporting adequate risk information. In the consideration of their monitoring role, they recommend new controls or risk mitigating measures to be embedded in current processes and practices
- the third line of defence, Internal Audit, is in charge of providing independent assurance on the effectiveness of the internal controls and risk management, including on how the first two lines discharge their duties

A risk-based approach, the proportionality principle and key principles such as segregation of duties and four eyes principle are considered when developing the policies and procedures at Group level, covering:

- efficiency, effectiveness and economy of operations
- safeguarding of assets
- reliability of financial reports
- compliance with laws and regulations

PHOTO: COPERNICUS SHOPPING CENTRE

Corporate governance

Internal audit

The Group has an in-house Internal Audit function. The activity of Internal Audit, its mandate, responsibilities and access are regulated through the Internal Audit Charter, endorsed by the Audit Committee and approved by the Board. In accordance with its Audit Charter, Internal Audit reports functionally to the Audit Committee.

Internal Audit is centralised at Group level and has unrestricted access to Company's resources, information and people, to effectively discharge its responsibilities, with no restrictions placed upon the scope of work.

The function carries out independent risk-based audits, under the oversight of the Audit Committee.

The Audit Committee therefore:

- defines the Internal Audit mandate and ensures no unjustified restrictions or limitations exist
- reviews the performance and effectiveness of the Internal Audit function and its capacity to carry out the Annual Audit Plan
- safeguards the independence of the Internal Audit function, through the functional reporting line and the direct unrestricted access

Internal Audit reviews aim to assess the effectiveness of the Group's governance and internal controls, and if they are properly designed to ensure safeguarding of assets, efficiency, economy and effectiveness of operations, adherence to applicable laws and regulations, reliability of financial and operational reporting.

External audit

EY Accountants B.V. (former Ernst & Young Accountants LLP) (EY Netherlands) and Ernst & Young Incorporated (EY South Africa) were appointed as Group independent external auditors in 2022, for a period of three consecutive financial years, under the endorsement of the shareholders. The Group's audit rotation policy is to organise tenders for audit services regularly, to ensure auditors' independence, as well as verify that audit fees are in line with the market.

The external auditors' scope of work include:

- review by EY South Africa of Interim Condensed Consolidated Financial Statements of the Group as at 30 June
- audit by EY South Africa of the Annual Consolidated Financial Statements of the Group and the standalone financial statements of the Company, prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements
- audit by EY Netherlands of the annual consolidated financial statements of the Group and the standalone financial statements of the Company, prepared in accordance with IFRS as adopted by the European Union and with Title 9 of Book 2 of the Dutch Civil Code
- audit of the financial statements of selected NEPI Rockcastle entities, prepared in accordance with local accounting principles

The fees incurred for audit services are disclosed in the notes to the financial statements. No non-assurance services have been performed.

The Audit Committee and the external auditors have communicated on all matters required by Dutch Standard 260/ International Standard on Auditing No. 260 (Revised) 'Communication of audit matters with those in charge with governance'.

In addition, the external auditor has communicated that in respect of JSE Listings Requirements Paragraph 3.84(g):

- the audit firm has met all the criteria stipulated in the requirements, including that the audit regulator has completed a firm-wide independent quality control inspection of the audit firm ('Ernst & Young Inc.') and on the designated individual auditor during its previous inspection cycle
- the auditors have provided to the Audit Committee the required inspection decision letters, findings report and the proposed remedial action to address the findings at audit firm and individual auditor levels, and have confirmed that there have been no legal or disciplinary proceedings brought against either of the two within the past 7 years
- the audit firm and the individual auditor understand their roles and have the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities

In accordance with best practice and the principle of direct, independent communication between the Audit Committee and the external auditors, the Audit Committee was provided with the auditors' report including significant auditing matters and observations related to the internal control environment and management's response. The Audit Committee reviewed the report and discussed the findings directly with the external auditor. The external auditors had private meetings with the Audit Committee, without the management team present and had unrestricted access to communicate privately to the Audit Committee any issue they may have considered necessary.

The external auditors confirmed their independence to the Audit Committee in respect of: relationships between EY Accountants B.V., Ernst & Young Inc. and the Group; relationships and investments of individuals employed by EY Accountants B.V. and Ernst & Young Inc. in the Group; employment of EY Accountants B.V. and Ernst & Young Inc. staff by the Group; business relationships; other services provided by EY Accountants B.V. and Ernst & Young Inc. to the Group. The external auditors also confirmed there has been no contingent fees, no services granted by EY Accountants B.V. and Ernst & Young Inc. to Directors and/or senior management of the Group and no gifts or hospitality.

The auditors have additionally confirmed compliance of the firm and individual audit partners with all internal EY Accountants B.V. and Ernst & Young Inc. independence requirements and rotation policies, as well as relevant regulatory and professional requirements, and have affirmed that their integrity, objectivity and independence have not been compromised.

The Audit Committee is satisfied with the information received based on which it concluded that EY Accountants B.V. and Ernst & Young Inc. and the audit partners in charge, are independent of the Group.

PHOTO: SILESIA CITY CENTER

Risk management and compliance

Risk Management and Compliance Overview

NEPI Rockcastle Group ('the Group') recognizes the importance of enterprise risk management and considers risk in both the strategy-setting process and in driving and controlling performance. The Group further acknowledges that risk management is an increasingly important business driver and, together with compliance management, is embedded in all business processes, and is the responsibility of every employee.

Under the Group's three lines of defence approach described in the Corporate Governance section of this report, the Risk Management and Compliance functions share the second line of defence, a symbiosis supporting and strengthening the internal control system by capitalising on alignment and synergies. The Risk Management and Compliance function is primarily charged with oversight of the risk and compliance management frameworks and processes, while encouraging risk owners to report relevant risk-related information, highlight new risk triggers and monitor emerging risks. The Risk Management and Compliance function works in collaboration with risk owners for identifying and implementing new mitigating measures in business processes or mitigating threats, all facilitating effective risk management. Risk Management and Compliance partners (the "Risk and Compliance Partners") have been assigned at the level of each business area, aiming to embed risk management and compliance in business processes, to promote risk management and compliance culture among Group personnel, as well as to facilitate collaboration with the Group's Risk Management and Compliance Officer.

Risk Management and Compliance Framework

The Group developed a comprehensive framework for the management of risks, aiming to increase overall awareness among personnel and enable the management functions responsible for managing risks to better identify, assess and control risks within their areas.

The risk management and compliance framework has been designed and implemented to:

- align and integrate risk management with strategy and business objective setting
- create a culture of risk management, supported by recurring awareness and training programmes
- ensure all current and potential material risk exposures are identified, assessed, quantified and appropriately managed
- enable compliance with relevant laws, regulations and best practices
- enable financial stability and sustainable business growth
- foster an educated approach towards risks and provide a Group-level risk assessment methodology and tools
- integrate the best practice principles set forth under the Committee of Sponsoring Organizations ('COSO') framework and International Organization for Standardization (ISO) 31000

The Group's operations are subject to various statutory regulations and standards throughout different jurisdictions. Across the entire Group, NEPI Rockcastle promotes integrity and compliance with the legal and ethical frameworks.

PHOTO: BONARKA CITY CENTER

A comprehensive compliance framework has been implemented, defining uniform rules and practices applicable to all Group entities which are therefore focused on conducting business activities lawfully and consistent with the Group's compliance obligations.

In line with its Risk Appetite Statement approved by the Board, the Group is committed to identifying, preventing and managing risks, for which purpose relevant controls have been embedded in both business and support processes:

- potential conflicts of interest
- related party transactions which may not be transparent or at arm's length
- confidentiality and observance of professional secrecy
- unopen and incomplete financial reporting or communications
- non-compliance with fiscal regulations within a complex tax environment
- use of privileged information and insider trading
- money-laundering and the financing of terrorism
- inadequate adherence to anticorruption, anti-fraud and competition rules
- inefficient delegation of authority required to maintain the correct balance between flexibility, speed and span of control

The Group's policies and procedures are periodically reviewed and revised to ensure permanent alignment to the applicable legal and regulatory framework as well as a practice to promote a continuously evolving business environment.

Risk Management Strategy and Risk Governance

To ensure the efficient implementation of risk management principles and increase the overall risk-aware culture, the Group focuses its efforts on:

When implementing efficient and sound risk management practices, information is key, therefore the Group ensures it is shared and escalated as appropriate within the business in a transparent manner. To support this, management provides the Risk Management and Compliance Officer, the Risk Management and Compliance Committee (the "Committee") and the Board of Directors with an appropriate level of relevant information, to oversee Risk Management practices as well as to assess their effectiveness.

The Group considers it a priority to ensure that risk management is overseen and integrated into the strategy and objective-setting process. The risk mapping process ensures that risks are identified and mapped to one or more of the strategic goals, whereas such mapping is revisited annually, concurrent with the determination of the following year's strategy, seeking to facilitate efficient risk assessment and early impact assessment.

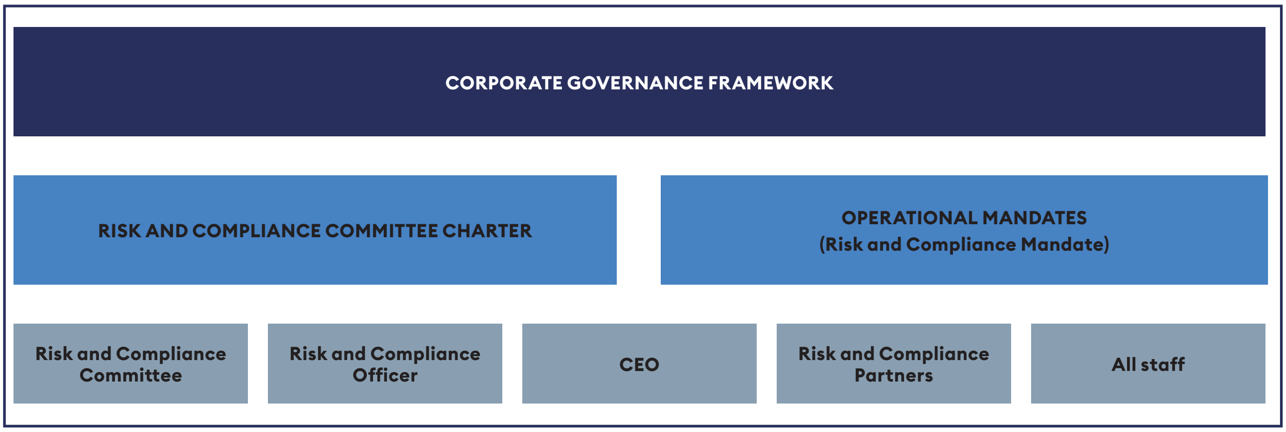
The responsibility for managing risk is shared between management and the Board of Directors assisted by the Committee. The Committee was established to support the Board in exercising oversight over enterprise Risk Management and Compliance processes, ensuring that the Group has implemented an effective approach that will enhance its ability to achieve strategic and business objectives.

The risk management oversight role of the Board and of the Committee is enhanced by the Directors' independence and mix of skills, expertise, experience and business knowledge. Board oversight (directly or through the Committee) covers scrutinising key management decisions, presenting alternative views, offering sound judgement, challenging potential organisational biases, determining the appropriate course of action in the event of a breach of Group policies or procedures. The Board advises and challenges management without assuming the operational role of management.

The detailed responsibilities and duties of the Board and Committee are defined in their respective charters and the Group's Corporate Governance Framework, and are presented in the Corporate Governance section of this Annual Report, page 74.

A Risk Management and Compliance Officer, reporting to the Committee, is mandated by the Board of Directors with overseeing compliance and enterprise risk management as a second line of accountability. The Risk Management and Compliance Officer's detailed responsibilities are set forth in its mandate granted by the Board of Directors.

Risk management and compliance



The Board ensures that risk management policies and procedures, as well as the Compliance Risk Framework, designed and implemented by the Risk Management and Compliance Officer with the endorsement of the Committee, are:

- consistent with the Group's strategy and risk appetite
- rely on an enterprise-wide culture that supports appropriate risk awareness, behaviours and decisions

The Board will also provide oversight of the implementation of the *General Compliance Policy*, *Code of Ethics*, *Whistleblowing Policy* and overall Risk Management and Compliance system, based on regular reports provided by management, the Risk Management and Compliance Officer and Internal Audit Director.

Management embeds risk management practices into day-to-day operations and ensures that these practices are applied consistently, seeking to (i) build a risk-aware culture, (ii) agree risk management performance targets, (iii) ensure implementation of risk management recommendations and (iv) identify and report incidents, changed circumstances or emerging risks. Within the risk appetite approved by the Board, management also decides whether to proceed with mitigation strategies and implement contingencies, while the Board directly, and through the Committee, exercises oversight.

Risk and Compliance Partners have been assigned for each area of expertise within the Group, to support the Risk Management and Compliance Officer in identifying and addressing risk triggers. The Risk and Compliance Partners act as risk ambassadors throughout the Group, being the front office for risk triggers identification. They share their knowledge and expertise, supporting the Risk Management and Compliance Officer in assessing the impact and probability of risk triggers, as well as recommending appropriate mitigation measures to address them.

When it comes to Risk Management, every employee has a responsibility to:

- understand and implement risk management processes
- report inefficient, unnecessary or unworkable risk management measures
- report loss events and near-miss incidents
- cooperate with management on incident investigation

As the Group operates in multiple jurisdictions and has a complex structure comprising a holding and financing entity, operational and management company subsidiaries, the Risk Management and Compliance Officer, in consultation with both management and the Committee has defined a structure of roles and responsibilities at management level, to ensure an effective framework for managing risks for each entity and local jurisdictions it operates in.

In consideration of its power to challenge management on the Risk Management system and based on the reports it receives directly and/or through the Committee, the Board may decide to request independent assurance on the effectiveness of Risk Management processes from external parties (consultants, auditors etc.).

Risk management effectiveness is supported by the framework design, operation, monitoring and reporting. Appropriate measures have been implemented to ensure such effectiveness:

- the risks associated with the strategy and activities of the Group are identified and regularly assessed, covering strategic, operational, compliance and reporting matters
- the risk appetite has been defined and approved by the Board, necessary risk mitigants have been implemented and are regularly reviewed
- the risk and compliance management function, as well as the overall internal controls system are in place and operating effectively in circumstances where no significant changes or breaches of policy or procedure have occurred in the previous financial year
- the material changes in external factors and their impact on the Group's activities have been considered, assessed and monitored, while tailored action plans have been defined with the support of the management, monitored regularly and reported
- the Risk Management and Compliance Officer provides quarterly reports to the Committee on the progress of monitored risks and highlights any emerging risks. Additionally, the Officer reports on the overall performance of the Risk Management and Compliance function and may raise any significant issues that could impact Group operations or the broader internal control environment

The Group reaffirms its view on the following:

- this report provides sufficient insights, including the potential for any failings in the effectiveness of the internal risk management and control systems with regard to internal and external risks, as well as material shortcomings that have been identified and material risks which the Group may face, i.e., strategic, operational, compliance and reporting risks
- risk has been managed with due consideration to the approved Group risk appetite limits, associated business impact and mitigating actions. The occurrence and criticality of monitored risks have been reassessed quarterly and reported to the Risk and Compliance Committee
- the internal risk management and control systems provide reasonable assurance that the financial reporting does not contain material inaccuracies. The Group has implemented robust internal controls and review processes, including (but not limited to) a group-wide financial reporting calendar, checks and balances in the reporting creation and review process, reconciliation on a monthly basis of actual versus budgeted figures as well as a quarterly review of the financial statements and results by the Audit Committee
- this report includes the material risks, respectively strategic, operational, compliance and reporting risks, as well as the uncertainties, to the extent that they are relevant to the expectation of the Group's continuity for the period of twelve months after the preparation of the report, whereas the overall net risk levels, calculated based on Group's approved risk management methodology, are in line with the approved risk appetite limits and consistent with Group's strategic objectives; and considering current position of the Group, it is appropriate to prepare its financial statements on a going concern basis. Having considered the potential impact of the geo-political conflictual context and the overall macroeconomic environment on the Group revenues, profits, cash flows, operations, liquidity position and debt, management concluded that despite the disruptive market events that continued to favor such circumstances during 2024 and subsequent to the year-end, as well as in the consideration of the above mentioned risk categories and approved Group risk appetite, there are no material uncertainties relating to the Group's ability to continue as a going concern

No major failings in the internal controls system or risk management approach were identified by management in 2024.

Risk Management System

RISK MANAGEMENT POLICY	▪ increased risk awareness throughout the Group ▪ risk strategy and risk culture ▪ risk management framework ▪ specific responsibilities within the risk management process ▪ guidance for management functions to identify, assess and control risks within their areas of responsibility
RISK APPETITE STATEMENT	▪ types and amount of risk the Group is willing to take in the context of creating, preserving and realising value ▪ rules and principles to be considered in risks undertaking, to maintain alignment to approved risk appetite limits
CRISIS MANAGEMENT AND BUSINESS CONTINUITY FRAMEWORK	▪ guidance for incident management, to minimise risks and ensure health and safety of personnel, integrity of assets and availability of data ▪ rules to handle incidents that interrupt normal operating procedures, to avoid escalation to crisis threatening to have a severe negative impact on Group's financial results, brand, reputation, and its relationship with employees, and suppliers
BUSINESS COTINUITY PLAN	▪ clear responsibilities and specific workflow during a crisis, to timely resume restore business operations ▪ priorities and solutions to address disruptive threats ▪ business impact analysis and continuity requirements developed based on the threats and risks analysis documented business continuity plan detailing roles, responsibilities and relevant operational process

Risk management and compliance

Risk Appetite

The Group closely monitors risks with a potential impact on strategic goals, assessed in accordance with the risk evaluation methodology. The Group considers in its periodic assessment risk triggers such as fluctuations in the Group's financial results, changes in political, social, legal, regulatory or economic conditions, inflation, interest rates, fluctuation in exchange rates, deflation, the Group's ability to successfully implement business strategies, future investments, acquisitions and competition.

The Group has developed and approved criteria defining its risk appetite regarding critical activities creating, preserving and realising value. Such critical activities, processes and topics include asset management, leasing, investments, tax structure management, treasury operations, tenant relationship, data privacy, human resources, and Group Know-Your-Counterparty Procedure.

The Group has set the following financing-related targets to ensure risks are managed properly:

- a weighted average debt maturity of at least three years at any given time
- at least 70% of property portfolio should be unencumbered
- LTV ratio below 35% (maximum 40% in the short-term)

The Group has **zero tolerance** towards risks related to:

- health and safety (for example structural integrity of properties, fire security and serious pollution)
- fraud and corruption
- doing business with clients/partners not carrying out legal and legitimate activities or rejecting transparency
- money laundering and terrorism financing
- serious violation of the Code of Ethics by employees, collaborators or Directors
- damage to reputation materially affecting its ability to attract funding, personnel or relationships with business partners
- non-compliance with material regulatory requirements (for example competition, data privacy)
- exposing the Group and its employees, collaborators or Directors to any criminal liability
- non-compliance with financial reporting standards
- any practices presenting a risk of market abuse as defined by the rules and regulations of the markets where the Group's debt or equity instruments are trading

The Group defines its risk appetite for each material area as follows:

Data Privacy. The Group has zero tolerance towards (i) material regulatory non-compliance, significantly affecting data subjects' rights and liberties; (ii) intrusive, disproportionate or unlawful data processing; (iii) personnel misconduct leading to material reputational and/or financial consequences for the Group.

Taxation. The Group has a low risk tolerance to matters which may trigger in the future a risk of interpretation by the tax authorities as being non-compliant with applicable laws. In this respect, the Group (i) is continuously monitoring the tax legislative developments as well as the European Court of Justice cases on the abuse of EU law, (ii) has a prudent approach on its tax structure and ensures that the Group companies are economically embedded within the structure and are equipped with sufficient functions and activities.

Treasury operations. The Group has a very limited appetite towards investments in listed securities and any actions in respect of listed securities portfolio are taken based on the decision of the Investment Committee.

Acquisitions. The Group does not invest in properties that do not fulfil cumulatively specific pre-set criteria, such as country risk, positioning, demographics, GLA, quality, profile of tenants, etc.

Construction works. The Group has (i) zero tolerance to any risk that would compromise safety on the construction site and later on during the exploitation of the property; (ii) zero tolerance to using construction materials, installations and equipment that are not fully compliant with applicable laws and regulations and/or that dangerous for the workers, staff or visitors; (iii) very limited tolerance towards making savings in the development budget if by doing so it creates a risk of compromising the quality of the property, while at all times and in any circumstances the safety of property and people should not be at risk; (iv) zero tolerance to starting development works based on non-compliant or incomplete planning or permitting approvals to works that require additional costs in absence of appropriate approvals.

Tenants. The Group has a low appetite towards (i) making compromises to the overall tenants mix quality, accepted only on a short-term basis and in exceptional situations, determined by the social-economic environment, usually triggered by emergency episodes (such as pandemic, calamities etc.) or local/regional particular context; (ii) tenants with a track record of not paying their debts; (iii) accepting tenants that cannot provide adequate creditworthiness documentation. To this end, thorough creditworthiness assessments are conducted prior to signing lease agreements, whereas the Group may also require rental deposits, bank or corporate guarantees, and other similar instruments, as appropriate, to mitigate counterparty risk. Such measures consider the tenant's financial condition and the Group's overall exposure, ensuring adequate coverage of operating costs based on the level of exposure.

Political environment. The Group has (i) a low appetite towards extending its portfolio in jurisdictions that could determine uncertainty and/or delays in executing the Group's strategy; (ii) zero tolerance towards any request or initiative of financial support (sponsorship, donation, any other in-kind benefits, etc.) to any political party and/or politically exposed person, as well as to involvement in political issues of the countries where it is present.

IT infrastructure. The Group does not tolerate (i) operating without business operations back-up and disaster recovery of critical IT infrastructure; (ii) risks that would materially impair the reliability of the Group's IT infrastructure; (iii) operating without having in place measures and processes designed to deter or pro-actively prevent any form of cyber-attacks such as spam, phishing, malware, ransomware campaigns.

Management of the Group's assets. The Group (i) does not accept impairing the state and condition of its properties for the sake of short-term income increase or cost savings; (ii) has a very low appetite towards compromising the long-term prospects and the sustainability of the property for short-terms gains; (iii) accepts the risk of failure in respect of innovative initiatives such as PropTech, retail transformation, etc. as long as the financial impact is within budget and there is no other material impact such as on reputation, non-compliance or health and safety.

Know-Your-Counterparty. The Group's policy is to work only with clients/partners who carry out legal and legitimate activities and maintain business transparency. The know-your-counterparty process focuses on the assessment of the identity of clients/partners, as well as of their potential involvement in acts of corruption, fraud, terrorism financing, money laundering. The Group's risk assessment methodology is supported by a risk-based approach, which involves the use of evidence-based decision-making to target the risks of money laundering and terrorism financing.

The end-to-end know-your-counterparty process has been automated, based on the eligibility criteria and risk matrix as defined in the Group Know-Your-Counterparty Procedure.

Competition. The Group has zero-tolerance towards risks related to non-compliance with material regulatory requirements concerning competition. Therefore, the Group is committed to high standards of ethical, moral and legal business conduct, as well as to observing antitrust laws promoting free and open competition in the marketplace. Anticompetitive practices are, as a rule, prohibited. An anticompetitive practice is a conduct which severely prevents, restricts, distorts or otherwise affects the competition on the market.

The Group deploys periodical training and awareness campaigns, therefore a dedicated competition compliance program has been implemented at Group level to help collaborators and employees identify such sensitive aspects of their current activity. The competition compliance training sessions focused on general legal requirements in competition area, accepted and unaccepted competitive practices, examples of behaviours that might occur in the daily activities, rules to be observed during potential competition authorities' investigations.

Also, as part of Group's ongoing efforts (i) to enable a unitary approach and common practices at Group level, (ii) to obtain the comfort that tenders follow an ethical, anti-money laundry, anti-corruption and anti-collusion wise process, as well as (iii) to ensure a fair competition between the participants to the tender process and to keep Group entities safe from litigation risk, sanction and/or reputational risks and financial losses, a standard tender process and specific documentation have been implemented and are periodically reviewed.

During the normal course of business, all employees/collaborators of the Group have the obligation and responsibility to ensure that their actions do not infringe competition compliance rules and requirements.

PHOTO: MAGNOLIA PARK

Risk management and compliance

When determining the risk appetite for a particular risk that does not fall into the zero-tolerance category, the capacity of the Group to absorb the risk in the pursuit of its strategy and business objectives shall be considered, as well as the Group's tolerance. Tolerance represents the acceptable variation in performance in relation to the targets, as they are defined by the Group strategy and further on cascaded based on specific performance indicators per area of activity and per individuals.

Exceptions to risk appetite are extremely rare and always follow the escalation process, while risk undertaking is transparently embedded in the business processes.

Risk Management Process and Responsibilities

Before implementing adequate mitigation measures, the Group undertakes a detailed assessment as to the probability and impact of each major risk category.

For significant risks, detailed contingency plans are formulated and regularly updated by the Group for each risk that may materialize. Such plans detail a series of actions to be carried out either prior to or during the event, and have a double purpose:

- Mitigation: Contingency plans help manage risks by providing a structured approach to addressing them. They outline specific actions to minimize the impact of adverse events
- Monitoring and Evaluation: Properly executed contingency plans allow for ongoing monitoring of risk treatment progress. They also facilitate the evaluation of residual risk, ensuring that any remaining risk is within acceptable limits

PHOTO: SILESIA CITY CENTER

Risk awareness is important for all employees, as it helps identify threats as well as effective risks that could impact on the Group's operations. Additionally, management plays a key role in bringing emerging risk factors to the attention of the Risk Management and Compliance Officer, the Committee, and the Board, when necessary.

In the process of identifying, assessing, responding to and reporting on risks, the Group uses dedicated tools:

Risk Register	Risk Heat Map	Incidents Reports	Incident and Crisis Management Framework	Business Continuity Arrangements
A traceable inventory that lists the risks identified as relevant and that may impact the achievement of strategy and business objectives, subject to revision on a quarterly basis with the support and active involvement of Risk and Compliance Partners.	Developed based on the probability, impact and a combination thereto to assess the severity of the risks, while aligning to existing social-economic context and business strategical trends.	Summarizing risks and specific incidents monitored by management and reported to the Risk and Compliance Committee together with proposed/ implemented mitigation measures.	Specific guidelines to distinguish between incidents and crisis potentially affecting information security, physical security, information systems continuity, personal data integrity and availability, while ensuring personnel health and safety and integrity of assets.	Setting clear responsibilities and specific actionable plans applicable in case of crisis, meant to timely resume or restore business operations after disruptive events.

Crisis Communication Management

- set-up a framework to streamline immediate crisis detection, decision-making and response processes
- guidelines to communicate key messages in the context of a communication crisis situation
- standardised approach as to how personnel should respond in terms of communication in the event of a crisis
- concrete and detailed split of responsibility among stakeholders

Employees are trained to report incidents of malfunction, suspicious activities, threats or weaknesses potentially affecting health and safety, information security, physical security, information systems continuity, privacy or other relevant areas. If a crisis occurs, the crisis management team will respond according to the rules set forth by the *Incident and Crisis Management Policy*, in line with the following key principles:

- place the highest priority on people safety: employees, clients, visitors, partners, emergency responders and community members, as best practice proves that personnel are more likely to co-operate with the extra demands during a disruptive incident, if their welfare needs are met
- ensure the integrity and safety of property goods and tenants' products for sale
- protect assets and ensure continuity of business processes
- maintain a strong brand reputation
- make decisions and take actions that are consistent with the Group's core values
- comply with all applicable national and international laws, rules and regulations
- make public disclosures that are fair, accurate, timely and understandable, regarding the impact of the crisis on the Group's facilities, associates, customers, operations and communities
- share pertinent information with relevant stakeholders, in a timely manner

Senior management is responsible for the design and implementation of effective crisis management strategy, plans, processes and organisation. The Group sets up a Crisis Management Team ('CMT'), to manage major events and those categorised as crisis. The composition of the CMT and response depend on the scope, nature and (potential) impact. The CMT is authorised to mobilize all internal and external resources that it deems necessary to manage a crisis, such as law firms, technicians, consultants, public relations companies, third-party logistics, employee assistance providers, etc.

The CMT is accountable for the Group's response to a crisis and for addressing the concerns of staff and key stakeholders, for example the Group's leadership, investors, key customers, suppliers and government officials.

Risk management and compliance

Compliance and Risk Management in 2024

Key activities performed to enhance compliance and risk management

During 2024, the Group conducted the periodic internal review of the **enterprise Risk Management and Compliance Management system**. As part of this review, the Risk Management and Compliance Framework underwent amendments to ensure a tailored approach to risk assessment and mitigation. These amendments and overall efforts focused on the review and enhancement of the operation of the internal risk management and control systems, particularly on the following directions:

- update of overall corporate governance framework following the yearly review exercise
- review and update the diversity, equity and inclusion internal regulatory framework, followed by training and awareness programme for all staff
- testing business continuity arrangements
- development of a new framework for the management of operational incidents, as well as guidelines to ensure life fire safety in commercial centres
- training and awareness programmes for all staff, focusing mainly on prevention of corruption, gifts policy, whistleblowing rules and channels, competition law requirements, business continuity essentials and conduct rules, cash handling, Know-Your-Counterparty process rules and eligibility criteria, responsible use of artificial intelligence, conflict of interest
- definition of specific controls and segregation of duties rules to be embedded in business processes and supporting technology (e.g., optimised leasing process, redesigned Group procurement processes)
- improving the Group Know-Your-Counterparty process and assessment tools, in order to optimize data quality and improve monitoring processes
- increasing efficiency of the partnership between Risk Management, Compliance Officer and Risk and Compliance Partners in order to optimize risk triggers collection and mitigation
- embedding compliance and risk management in key Group projects, especially in the digital transformation and process automation initiatives
- optimize gift vouchers and cards handling process, embedding adequate controls, clear responsibilities split and monitoring framework
- update the ESG framework, aiming to ensure compliance with wider sustainability framework requirements and standards, including the safeguarding of human rights in own operations and supply chain
- implement a unitary process of handling and storing documents, so that to ensure adequate audit trail and information security

The Group **business impact assessment** methodology and the **business continuity arrangements followed the usual annual review process**.

The analysis covered all processes and subprocess, especially new ones, interdependencies between areas and departments, resources, people, assets and suppliers' availability, critical systems and flows. Processes and subprocesses are aligned to top risks, while hypothetical disruptions in critical processes are assessed based on a risk matrix, designed to consider the potential financial impact, as well as the impact on partners, operations, legal/regulatory obligations and reputation exposure of the Group.

A dedicated training and awareness programme has been developed for senior management, Risk and Compliance Partners and all staff, aiming to increase crisis risk culture, responsiveness and adaptability to incidents and crisis management.

Monitoring the effectiveness of risk management and internal controls system

As part of its ongoing monitoring and enhancement efforts in the area of internal risk management operation and internal controls efficiency, the Group focused in 2024 on the following areas:

- improvement and update of the internal regulatory framework to ensure alignment with legal requirements and internal optimisation initiatives
- optimisation and digitalisation of business and support processes, while embedding adequate controls
- testing of its business continuity arrangements
- training and awareness programmes
- intensifying collaboration with risk and compliance partners
- ongoing consultation and collaboration between the 2nd and 3rd levels of internal control system

Following a Group-wide fraud and criminal corporate liability risk assessment, the Risk Management and Compliance Officer monitors closely the status of action plans and reported the progress to the Committee on a quarterly basis. The assessment is performed and updated periodically, based on most relevant fraud risk scenarios and a risk-based approach, where probability and impact are assessed both as gross and net values, i.e., before and after mitigation. Following such an assessment, the Group derives the priorities for the following year in terms of key risk areas and expected mitigation effort. General measures, such as increased awareness and training, policy development and periodic updates, and revision of job descriptions are derived and prioritised.

The Risk Management and Compliance Officer sets general priorities and key focus areas for the following year, which are included in the Compliance Program, and progress is reported quarterly to the Committee.

The risk management and compliance key priority areas for 2024 are detailed below:

BUSINESS CONDUCT (INTRA-GROUP AND IN RELATION TO EXTERNAL PARTNERS)	OPERATIONS AND PROCESSES
▪ Unethical conduct ▪ Gifts policy ▪ Conflict of interests ▪ Financial Statements and Reporting Fraud ▪ Sponsorships and donations ▪ Whistleblowing ▪ Competition and fair practices	▪ Inadequate/insufficient controls ▪ Know-Your-Counterparty process, money-laundering and financing of terrorism ▪ Information security ▪ Data Governance ▪ Data Storage ▪ Data privacy ▪ Procurement process management ▪ Leasing process ▪ Business continuity

In addition to **ad-hoc meetings** that are held whenever needed to consider special matters, to enhance the effectiveness of the risk management process, the **Risk Management and Compliance Committee** is convening on a quarterly basis. Any incidents and matters which are relevant in determining the level of effectiveness of the Group's risk management are raised by management, through the Risk and Compliance Officer, to the Committee. Ultimately, the Internal Audit function, as the third line of defence in the internal controls system, assesses the effectiveness of risk management carried out by the first two lines of defence, i.e., Risk Management and Compliance, and business management.

Any significant incidents, misalignments between the decision, actions and activities of the Group and its risk appetite or ineffective processes or controls were addressed through appropriate measures, such as revision of existing or implementation of additional policies or procedures.

Training and awareness programmes have been organised for new joiners and all staff during 2024, supporting implementation of the new policies and procedures, reminding of Risk Management and Compliance essentials, aiming to raise risk awareness and developing a proactive risk aware culture among Group personnel. Regular posts on internal communication platform covered ethical conduct, gifts policy, whistleblowing values and available channels, and encouraged the tone at the top and speak-up culture. Also, awareness campaigns on ethics and anti-corruption practices were organised to cover Group partners, clients and suppliers, raising awareness about Group ethical commitments and inviting to speak up in case they suspect any misalignment between such commitments and Group personnel business conduct.

To maintain transparent communication as part of an efficient Risk Management process, **regular alignment workshops** continued in 2024 between functions responsible for the second line of defence (Risk Management and Compliance) and the third line of defence (Internal Audit), aiming to foster a unified Group-wide approach to preventing risk exposure and enhancing the efficiency of overall Risk Management practices.

Additionally, to ensure that strategy and business goals were considered when setting and adjusting the Risk Management system, as well as to enhance the tone at the top culture, the Risk Management and Compliance Officer, Chief Executive Officer, Chief Financial Officer, Internal Audit Director and Group Legal Counsel, all permanent guests in the Risk and Compliance Committee, continued **periodical consultations** focusing on projects and initiatives, process optimisation, potential risks and mitigation factors, especially in the context of a changeable socio-economic environment requiring fast strategic decisions and an adaptable risk management approach.

The **Business Continuity Plan** has been successfully tested in 2024, followed by a regular review of the business continuity internal framework. Awareness and training, tone from the top promoting a risk culture, timely communication, remain key success factors for an efficient business continuity system management, especially in the current political and economic context. Learning from recent crisis episodes (e.g., pandemics, regional conflicts and energy crisis) where timely reaction proved to be crucial, the Group continued to closely monitor the overall geo-political and economic landscape, while preserving business continuity and agility to react where immediate action is needed. Throughout the difficult and complex geo-political and economic context that extended to 2024, the Group's focus has always been on preserving people safety, assets protection, processes continuity, functional partnerships with clients and suppliers, successful and transparent internal and external communication.

The Group **corporate governance framework** has been reviewed and adjusted to align to the evolving and demanding legal and regulatory environment, as well as to support the dynamic of internal business optimisation projects and initiatives.

Risk management, Compliance and Internal Audit are involved in **Group optimisation and digital transformation projects** so that they may recommend the most efficient control approach. Furthermore, Compliance validates all policies and procedures, and ensures coordination of the wider internal methodological process, enabling it to recommend needed controls and raise potential concerns in a timely manner.

Risk management and compliance

The Risk Management and Compliance Officer ensures (i) all policies and procedures are available to all employees on the Group's intranet and are regularly consulted, (ii) relevant changes are shared by the means of internal communication channels, so that all Group existing personnel as well as new joiners may easily become familiar with the internal regulatory framework updates, (iii) guidance and advice to all staff regarding their roles and responsibilities, with the aim to maintain full compliance with internal regulatory framework.

Management assesses the risks of **material misstatements in the financial statements** due to fraud, by continuous evaluation of the design and relevant aspects of the system of internal controls, as well as among others the code of ethics and whistleblowing procedure. Mitigation of the risk of material misstatements in the financial statements is achieved through:

- implementation of a financial reporting calendar, as well as relevant internal controls, routines, checks and balances in the reporting process
- ensuring an appropriately sized and experienced finance and reporting team
- reconciling on a monthly basis, budget and forecast numbers to actuals, with quarterly review performed by the Audit Committee
- Audit Committee's review of significant management estimates and accounting policies
- development of a single integrated, secure and performant IT architecture for ERP, Budget and Forecasting, Leasing, Procure-to-Pay, Master Data Management and Group Financial and Operational Reporting, delivering digital capability for end-to-end business management
- periodic internal and external auditors' review

The Group implemented comprehensive **Procurement Policies** and a supplier due diligence process, to ensure that responsible purchasing is conducted and that procurement decisions are in the best interest of the Group. Responsible purchasing is aimed at Group level through:

- implementation of sound policies, promoting objectivity and transparency throughout the procurement processes and monitoring of compliance thereto
- implementation of aligned requirements and controls in property management/project management contracts, to ensure that the same principles are applied by outsourced property and project managers
- design of a detailed supplier risk assessment and due diligence, including suppliers green assessment
- win-win partnerships with some Group suppliers, based on sustainable business practices, where the Group and its suppliers may thrive and grow

The Group rolled out a **Leasing Policy**, to ensure that tenant relationships are managed with professionalism and at high standards across the Group, and that internal controls are implemented, fostering transparency and enabling the achievement of the Group's objectives. A risk assessment and due diligence process are applied when onboarding new clients and periodical revisions are performed thereafter.

The Board is responsible for the **governance and ongoing oversight of internal controls, including information and technology**. The Board confirms that processes exist ensuring timely, relevant, accurate and accessible reporting, communication and data storage. To this end, the Board ensures that the Group's IT processes and systems are integrated with the overall business strategy and objectives, monitoring that:

- processes, people and information technology are integrated seamlessly across the Group
- hard and soft infrastructure supports the achievement of the Group's strategy
- proper arrangements are implemented for business continuity and disaster recovery
- proper security measures have been implemented to ensure that confidential data is safeguarded and easily accessible, while complying with the relevant cybersecurity, data protection or other applicable laws and regulations
- proper investments in information technology are made with a view to enabling the above

The Board has delegated the responsibility for IT and security to the CEO through the Operational Mandate and the CEO has further cascaded these to the Group Technology Director. Where IT processes are outsourced to third-party service providers, these are governed by service level agreements, with compliance monitored by management.

Appropriate IT security and business continuity management policies have been developed and implemented across the Group.

The Group demonstrates a strong commitment to cybersecurity. By implementing extensive measures, they aim to safeguard against material data breaches, information leakage, and the loss of critical data. A Data Governance project has been launched at Group level seeking to ensure implementation of adequate organisational and security measures meant to enhance information assets protection and security.

The Group continued in 2024 its **Cybersecurity Program**, focused on awareness, prevention (through regular training programmes for all employees at least on an annual basis) and security by design. The Group implemented and communicated a clear escalation mechanism where any suspected attack can be reported and analysed. The 2024 awareness and prevention programme focused on training programmes for all employees meant to raise awareness of emerging security threats, key vulnerabilities, Group's policies, procedures and support functions. The Group was the target of cybersecurity attacks during the year, while none had serious consequences due to the safeguards implemented – close monitoring and tracking are in place. No attack led to either a significant leakage, loss of personal data and business secrets, or to the unavailability of technology and business interruptions in the three years preceding this report date.

With a focus to enhance internal controls, increase efficiency, transparency and traceability, and to operate in a paperless environment (to the extent possible and within current legal constraints in various jurisdictions), the Group continued its journey of **digitalisation and process automation** across various areas and processes, as a medium-term strategic priority.

The Group implemented and periodically reviews the **General Compliance Policy** aiming to guide compliance by: (i) setting a clear compliance framework; (ii) promoting consistent, rigorous and comprehensive practices throughout the Group; and (iii) stimulating a culture of compliance, including ethics and integrity.

The Compliance function covers the following responsibilities at Group level:

- *advisory*: counsels all management levels and personnel on compliance with laws, rules and standards, including keeping them informed on legislative developments and emerging exposure
- *education*: assists senior management in educating staff on compliance issues
- *identification, measurement and assessment of compliance risks:* evaluates the compliance risks associated with business activities, including the development of new business practices and new partnerships
- *monitoring, testing and reporting*: periodically assesses compliance and monitors risks in all jurisdictions and emerging legislation

The Board and the Committee monitors the compliance management system structured on three pillars: (i) build awareness and enable prevention; (ii) deploy sufficient detection and investigation mechanisms; and (iii) implement appropriate response, mitigation and consequence management.

PHOTO: GALERIA WOLOMIN

Risk management and compliance

The Group Risk and Compliance Officer has the following responsibilities:

- assist the Board of Directors, Risk and Compliance Committee and management in fulfilling their respective risk and compliance responsibilities
- set ongoing enterprise risk and compliance management practices suitable for the Group's needs
- build and maintain relationships with those responsible for managing risks throughout the Group
- report on incidents and severe risks to the CEO and Risk and Compliance Committee
- propose, based on the relevant input from management, changes to the Group's risk appetite
- develop and periodically review the Compliance and Risk Management Framework, methodology and operational processes at Group level, seeking to prevent Group exposure to excessive risks
- set the annual Compliance Program and report periodically to the Risk and Compliance Committee, on the risk and compliance management status
- advise on the impact of legal and regulatory changes, as well as the best practices and legislative trends
- ensure deployment of training and awareness programmes for Group personnel, on a risk-based approach, aiming to develop the risk management culture
- perform periodical compliance checks seeking to ensure that the implemented processes are aligned to the internal and legal framework, as well as that the appropriate controls are in place in order to prevent compliance risk to materialise

The Group implemented **privacy policies and procedures** across the Group, based on a zero tolerance to major information loss or leakage, and these are deployed and monitored by an experienced Data Protection Officer. The Group's approach to privacy includes:

- embedding privacy-by-design principle in core processes
- embedding data privacy clauses in supplier and customer contracts
- providing clear and relevant information to all data subjects regarding their rights and the coordination of processing
- making sure that data is processed only for the purpose it has been collected
- following the data minimisation principle, as well as the applicable data retention periods
- properly protecting personal data from loss or unauthorised access

No breach resulting in a major leakage, loss or unavailability of personal data occurred in 2024.

The Group's **policies and procedures** are available to all employees in a shared location, promoted on internal communication channels and periodically acknowledged by the Group personnel. Training and awareness programmes are regularly organised, at least on an annual basis, as further described in the Risk Management and Compliance section of this Annual Report page 104.

Operational compliance is monitored for all companies in the Group and reported to the Risk and Compliance Committee on a quarterly basis. The Group would disclose in the Annual Report if it were to incur material or repeated regulatory penalties, sanctions or fines for breaches of, or non-compliance with, statutory obligations. On the date of this report, there were no material regulatory penalties, sanctions or fines for breach or non-compliance with statutory obligations imposed on Group companies or any of their Directors or officers.

Considering that the Group operates in many countries, through its activities or commercial campaigns and projects it carries out, and in line with the intention to bring more transparency to business processes and clarity on the split of responsibility, the **sponsorship & donations** process is formalised in a policy and the needed controls are adequately embedded. It is part of the Group's commitment to responsible corporate behaviour to exercise social responsibility through donations and sponsorships wherever it operates. The Group aims to ensure any donation, sponsorship and related funding fully comply with applicable laws, its business ethics principles, as stated in its Code of Ethics, and cannot be perceived by a third party to be for the purpose of corruption.

In order to efficiently manage operational risk, fraud risk and financial losses, the Group assesses periodically the way existing and optimised activities, processes and flows are documented, and relevant controls are embedded therein. Where the need, process steps, rules and responsibilities are mapped and documented in detail in dedicated internal policies and procedures which are further on implemented and supported by training and awareness campaigns in focus groups.

As regards **ESG material impacts**, they occupy an important place in Group risk assessment landscape. According to its approved Risk Appetite Statement, the Group has zero tolerance against the following topics and areas of concern, of relevance also from sustainability perspective: health and safety of Group staff and visitors such as but not limited to risks related to structural integrity of the properties, fire security, serious pollution, fraud and corruption, non-compliance with material regulatory requirements, any failure in being fully compliant with financial reporting standards. Group Risk Appetite and tolerance limits are considered in all risk reviews, partners due diligence, as well as all business decisional processes. Additionally, the Group performs double materiality assessment, aiming to identify the ESG challenges that need to be prioritised, especially in the light of recent developments in reporting requirements and in the consideration of Group strategic objectives. The Group Head of Sustainability acts also as Risk Management and Compliance Partner and supports the Group Risk Management and Compliance Officer in periodical risks review exercises. Detailed DMA impacts, risks and opportunities are monitored on a granular level by the Group Head of Sustainability and they have been clustered under several topics for the Group Risk Management umbrella. Among the most relevant risks that have been identified in the sustainability area, and which are monitored and reported to the Risk and Compliance Committee on a quarterly basis, are the following:

- risk of non-compliance with sustainability related legislation and regulations, considering the breach of relevant environmental legislation might trigger financial and reputation loss, sanctions, negative media, damages to third parties

- greenwashing risk, considering the risk of not ensuring transparent and correct disclosure, thus causing reputational damage, regulatory and legal repercussions, misleading of investors, financial losses, as well as diverting resources from genuinely sustainable initiatives, hindering real environmental progress
- superimposed taxation, considering the risk of non-compliance with relevant environmental legislation, best practices and operations, thus potentially leading to financial and reputation loss, sanctions, negative media, damages to third parties
- transition to EPC level A, alignment with the EU Taxonomy, and compliance with EU Directives, considering the risk of not ensuring timely compliance, thus triggering financial and reputation loss, sanctions and higher insurance/credit premiums, or inadequate investment decisions that may also trigger financial loss and penalties
- climate change physical risks, where a lack of climate adaptation plans for the Group's assets may trigger financial and reputational loss, potentially decreasing valuation of the assets, as well as insurance premium increase

Planned Areas of Future Focus

Annually, the Risk Management and Compliance Officer performs a risk assessment, to determine the focus areas for the following year and whether there is a need to update the Group internal regulatory framework and refine the Annual Compliance Program.

Considering the instability of the general geo-political landscape, the reasonable concerns regarding inflation ratio and price increase in services and goods sectors, as well as overall unpredictability in most essential areas of interest, the Group will concentrate on the following key areas in 2025:

- increase knowledge and awareness of the risk management culture, in particular the resilience-oriented approach
- embed business continuity in all core processes, as well as take a "by design" approach in all projects and initiatives
- avoid unethical practices and encourage partners to act alike, while increasing awareness on the speak-up culture and available Group reporting channels
- support core processes of Group-wide uniformisation and digital transformation, seeking to ensure process coherence, risk mitigation, as well as adequate protection of information assets integrity and confidentiality
- ensure adequate segregation of responsibilities and controls are embedded in the new and revised processes, aiming to ensure process transparency, as well as risk prevention, such as fraud risk
- increase awareness on relevant areas whereas enable efficient risk identification and response planning, such as money laundering and terrorism financing, third-party due diligence rules and eligibility criteria, overall ESG components and sustainability-oriented approach

Embedding risk management in strategy and business objectives setting as well as in the execution process, is key to successful and effective enterprise risk management, so this goal remains a top priority for the Group. As such, the digitalisation and automation of core processes, accommodating internal controls, segregated roles and action rules, as well as documentation of relevant processes and flows in internal policies and procedures will remain a priority in 2025.

Enhancing data governance continues to be a priority also in 2025, aiming to improve overall data management: ownership responsibilities, electronical storage and physical archiving rules, adequate labelling and access controls embedded in business processes, monitoring and continuous improvement, partnership with specialised companies in physical storage management in order to safeguard integrity, security and confidentiality of data and information.

Information technology and cybersecurity have continued to undergo material mitigation in 2024 and will remain a focus in 2025, especially in the following directions: (i) the redesign of shopping centres' network infrastructure, given the associated risk exposure to financial and reputational losses triggered by potential incidents, data breaches, impact on Group confidential information and individuals' data, (ii) the implementation of additional tools and features meant to enhance access management policy and to harden existing security defensive environment, as well as (iii) the training and awareness programmes intended to increase knowledge and develop detection skills for Group personnel enabling easy identification of unusual conduct targeting to compromise data and information security or integrity.

Increasing risk awareness and encouraging a more proactive instead of reactive risk management culture among Group personnel are always part of the agenda of the Risk Management and Compliance Officer, the Committee, and the management team for the next years, as a critical success factor in achieving Group's strategic and business objectives. Also, resilience- and crisis-oriented management culture is of particular interest, and employees will be trained to react appropriately when facing a crisis, as this might not only save lives but also increase the efficiency of remedial actions.

Training and awareness programmes remain a focus. Onboarding and annual campaigns are organised for all staff and Directors. Also, regular awareness campaigns will continue for third-party partners (suppliers and clients), encouraging them to express legitimate concerns regarding how the Group's personnel perform their duties and approach them, by means of Group whistleblowing reporting channels.

Key Risk Areas

Unexpected significant developments in the political, economic, financial, regulatory, geopolitical, social or health environments in the jurisdictions where the Group operates, may have an impact on Group's assets, financial results, distribution policy, development and extension initiatives and investment/divestment approach.

Key strategic directions are periodically reassessed, ensuring identified risks are aligned to moving business objectives, while adequately and efficiently addressing potential negative impact on Group's activities or correctly weighing the potential opportunities.

Risk management and compliance

Key strategic directions	
Pillar 1 – Growth	
	Preserve a high-quality portfolio of dominant assets and enhance their Net Operating Income
	Delivering on development pipeline, positively contributing to the property portfolio and income generation
	Identify new income streams - green energy
	Value enhancing asset rotation
Pillar 2 – Sustainability	
	Foster a strong financial discipline, including adequate liquidity, conservative LTV and a diverse debt structure, to support growth directions
	Focus on ESG, to deliver on sustainable and responsible growth

The Group expresses its openness to disclosing relevant information on significant events that could challenge its risk management framework and/or the key mitigating actions, while reasonably preserving information sensitivity and observing confidentiality.

In the risk assessments performed in 2024, the Group focused on the following risk triggers:

- overall economic context (gas/oil crisis, utilities cost increase, inflation ratio escalation, increased prices of goods and services, unemployment ratio, changes in consumers' preferences regarding essential goods or services versus luxury or pleasure)
- disruption to global supply chains impacting resilience, business continuity and overall prices evolution
- potential utilities unavailability which may result in business interruption
- escalation of geo-political tensions

Dedicated action planning followed the risk assessment and relevant measures were implemented to mitigate identified risks.

The key risk areas listed below include the most relevant risk triggers the Group encounters, associated business impact and mitigating actions, as well as anticipated trends. This is not an exhaustive inventory but instead includes the most relevant ones to the Group's ecosystem. Additional risk factors have not been reflected, despite being monitored, as their occurrence is not likely or their impact significant across the portfolio:

Risk description	Strategic goal impacted	Business impact	Key mitigating actions	Stakeholders impacted
Strategy cluster				
Strategic risks emerge primarily from the critical decisions made by executive management while implementing the business strategy. These decisions must navigate the ever-changing landscape of politics, economics, and social environment. Essentially, strategic risks pose a threat to the Group's ability to achieve its business plan and core corporate objectives and may even jeopardize the Group's going concern. The Group faces challenges in executing its investments and divestments policy precisely when market conditions are most favorable. Unforeseen fluctuations in real estate, financial markets, and capital markets can disrupt these plans. Adverse market movements have the potential to impact on the Group's portfolio value, financial position, liquidity, operating income, and future prospects.				
Delays in execution of assets rotation strategy		Due to current circumstances, many assets available on the market and lack of capital make it difficult to divest assets (improper conditions, risk of not achieving the desired pricing).	The Group is not in the position to be forced to divest assets and the decisions on disposals are driven by strategic considerations and opportunity. Alternative options are available to the Group (depending on market attractiveness), decisions being taken with a view to maximising shareholders' value in the long-term. A robust business disposal policy is in place, setting out a structured framework used in decision-making process for disposals. Every decision is approved by the Board and the Board monitors on a quarterly basis compliance and performance.	Shareholders Financing partners
Finance cluster				
The Group constantly monitors its exposure to various financial risks, including interest rate volatility, liquidity, foreign exchange rates, and equity markets. Applicable management policies guide these risk management efforts. The Group pays close attention to managing the inherent financial risks of its activity and to the financial instruments it uses. The Group's policy on credit, liquidity, and market risks, including currency and interest rate, as well as the management of those risks, are disclosed in notes 3 and 5 to the financial statements. The Group is subject to various tax regimes in the countries where it operates. In some jurisdictions, there is an increasing burden from compliance and regulatory requirements, as well as a certain degree of unpredictability, which can lead to lower performance.				

Risk description	Strategic goal impacted	Business impact	Key mitigating actions	Stakeholders impacted
Investors demand decrease		Decrease in demand by investors for real estate, impacting the NAV and putting pressure on bank covenants	Having a portfolio of prime properties diversified across CEE jurisdictions, maintaining strong compliance with financial covenants and performing active asset management are expected to mitigate the severity of the impact on the Group.	Shareholders Financing partners
Liquidity risk		The Group not being able to fund its debt maturities, operations, development, and acquisitions pipeline due to: (i) limited access to capital and volatility of capital markets may result in a shortage of financing or re-financing at an acceptable cost (ii) withdrawing a publicly launched capital raise project may signal to the investor market and the credit rating agencies that the Group has impeded access to capital (iii) adverse changes in geopolitical context and macroeconomics, or the Group's performance may lead to rating downgrade, increased cost of finance (iv) discounted property transactions driving valuation losses, further impacting NAV may result in bank covenants breach and in debt default	The Group is committed to maintaining a conservative gearing level, a robust liquidity and a flexible approach to developments, enabling it to revise the pipeline and focus on committed ongoing projects. Acquisitions are to be committed only upon securing the necessary funding. Key mitigation actions: ▪ managing access to capital ▪ managing execution risk in capital raise projects, with strong external advisors (investment banks, legal counsels) Largely exogenous root causes, addressed through the Group risk appetite and the above-mentioned strategic actions.	Shareholders Tenants Suppliers Employees Local authorities Financing partners
Tax risk		The complex and ever-changing international tax environment, national regulatory developments and changes in the way the Group conducts its business mean that there are always an element of tax risk and uncertainty inherent in the Groups operations. Also, changes in local and international fiscal legislation may have a wide variety of impacts on the compliance requirements and the tax position of the Group. Similarly to other multinational groups, the Group faces significant uncertainty when multiple governments interpret transfer pricing arrangements and the tax treatment of intra-group, cross-border transactions differently. When such situations arise, management aims to seek assurance and resolution for any disputed transactions through appropriate domestic or international dispute resolution procedures.	The Group has a clear tax strategy applied consistently across the Group's subsidiaries with risks and functions clearly defined. All the transfer pricing benchmark analyses are conducted by an external transfer pricing advisor and are aligned across the entire Group. A Transfer Pricing Policy and application Guidelines have been developed in line with OECD guidelines on the application of arm's length principles and domestic laws and have been implemented since 2022. The OECD tax measures and initiatives, European Directives as well as local fiscal legislation are closely monitored, while adequate processes and controls are implemented to ensure fiscal compliance. Also, local and international fiscal legislation is closely monitored, and processes and controls are implemented to ensure fiscal compliance.	Shareholders Tenants Suppliers Employees Local authorities Financing partners

Risk management and compliance

Risk description	Strategic goal impacted	Business impact	Key mitigating actions	Stakeholders impacted
		Operational cluster		
Property development and management activities entail typical risks, such as insufficient building maintenance leading to a degradation of portfolio, health and safety risks, business continuity improperly managed, budgets overrun, improper tenant relationship management, over-reliance on a single third party.				
Utilities cost increase risk		Utilities cost increase might trigger higher operational costs. This may (i) have direct impact on Group NOI, (ii) create shortfall, (iii) impact tenants' operational costs and potential issues in collection process, (iv) negatively impact producers/distributors/suppliers/end-consumers (e.g. materials, logistics cost increase).	The Group implemented adequate budgeting, more sustainable and more viable alternative energy sources (such as photovoltaic panels), protective contractual clauses, and backup for existing suppliers to prevent potential business interruptions in case they become insolvent (due to costs increase). New digital solutions aimed at generating utilities costs savings.	Shareholders Tenants Suppliers Employees Local authorities
Utilities outage risk		The economic context (gas/oil crisis, utilities cost increase, inflation rate increase, disruption in the global supply chains) poses real challenges. Main concerns: ▪ mandatory heating or cooling limits on offices and shopping centres, in case of severe shortage consumption restrictions imposed by law, potential fines for non-compliance ▪ local blackouts with big impact on prices ▪ possible limitation or interruption of tenants' activity resulting in potential rent concessions ▪ financial efforts supporting implementation of alternative measures and overall utilities cost increase.	The Group undertook dedicated mitigation actions, among which: ▪ efforts to secure the prices for gas and energy for next years ▪ technical set-up ready to face energy limitation by country ▪ diversification of sources ▪ on-site production ▪ testing power level in commercial centres, based on restriction plans, to assess compliance with required limits in some countries.	Shareholders Tenants Suppliers Employees Local authorities
Information security/ cybersecurity risk in shopping centres		Heterogeneous equipment, management software, network and security measures in the shopping centres may lead to information and cybersecurity risks.	The Group continues the upgrade and securing of the shopping centres network: ▪ optimised network infrastructure ▪ improved capabilities of Wi-Fi systems ▪ technical equipment and VPN to secure vendor/ service provider access to Group systems ▪ ticket-based technical support ▪ standardised network equipment and centralised management ▪ regular software updates including antivirus software	Shareholders Tenants Employees

Risk description	Strategic goal impacted	Business impact	Key mitigating actions	Stakeholders impacted
Risk of tenants' default		Tenants' default may lead to bad debts, high vacancy result in a reduction in distributable earnings. New risk triggers: overall geo-political context, utilities cost increase, inflation ratio increase, changes in consumer spending behaviour. Litigation with tenants over rent reductions and reliefs might trigger: ▪ alteration of the relationship with tenants – decision to reduce business in the Group's locations or to relocate ▪ credit risk – tenants fail to meet their contractual obligations – impact on cashflows and liquidity ▪ additional subsequent regulatory risk (as tenants may file various complaints with various authorities) ▪ financial impact – unpaid rents, litigation related costs, administrative penalties or fines imposed by authorities ▪ operational risk – high vacancy, bad debts ▪ negative media and reputational risk	Detailed creditworthiness reviews are performed before signing lease agreements with tenants. All tenants are required to provide cash deposits or bank letters of guarantee, covering rent and operating costs, based on exposure. The Group maintains close tenant relationships through its internal leasing team, and the tenants' performance is monitored regularly by the asset management team. Various indicators such as tenants' turnovers and occupancy cost/affordability are assessed monthly, and measures are implemented on a need basis. The Group has an experienced cash collection team that follows standardised procedures. The entire portfolio is constantly monitored by regular risk and legal checks.	Shareholders Tenants

PHOTO: FOCUS MALL ZIELONA GORA

Risk management and compliance

Risk description	Strategic goal impacted	Business impact	Key mitigating actions	Stakeholders impacted
Legal, Regulatory and Compliance cluster				
As an owner and manager of real estate assets, the Group must comply with relevant laws and regulations in all countries where it operates. Areas such as corporate law, health and safety, environment, building construction and urban planning, commercial licensing, leases and commercial laws, personal data protection are highly regulated across the Group's portfolio.				
Climate change risk and compliance with emerging sustainability regulations, including external reporting requirements		Potential breaches of relevant environmental legislation might trigger financial and reputation loss, sanctions, negative media, damage to third parties. Neglecting assets' climate adaptation plan may trigger financial and reputational losses.	The Group developed: 1. an ESG Strategy, aiming to adapt and mitigate non-compliance risks and provide guidelines for the sustainable operations and adaptation of best practices 2. policies and procedures related to sustainable practices, aligned with current legislation Assets (except for strip malls and industrial) are BREEAM certified, and the certification process enables the Group to contribute to greener buildings. The Group develops climate adaptation plans for the assets and considers in its budgeting process specific initiatives aimed to mitigate the exposure to climate risk. The Group ensures Reporting in line with CSRD, including EU Taxonomy. The Group implemented dedicated procedures, rules and a data collection platform (climate change risk exposure and vulnerability assessment is an embedded feature). The Group's external reporting is based primarily on the data collected on this platform for all its standing assets. The Group assigned an experienced team for sustainability management and reporting processes. Proper governance is in place (with regular review and oversight by the Sustainability Committee and the Board). Internal reviews and checks by a cross-functional team have been designed to ensure the accuracy of the sustainability reporting.	Shareholders Tenants Suppliers Local authorities
Non-compliance with laws and regulations and non-adherence to good governance practices		Investing in international markets increases operational, regulatory and other related risks. The Group operates across numerous jurisdictions and is therefore subject to a complex compliance environment, as well as diverse governmental and regulatory changes.	The Group engages experienced and reputable in-house and external legal and specialised advisors. Management continuously monitors compliance with legal requirements. Appropriate policies and procedures set the Group's ethical tone at the top. The Know-Your-Counterparty procedure mitigates money-laundering/terrorism financing and prevents corruption. A Group Risk Management and Compliance Officer, as well as Risk and Compliance Partners are assigned, while risk management and compliance status is regularly reported to the Risk and Compliance Committee. Regular training programmes for all staff plus review and updates of Group's policies and procedures are ensured regularly. In-house Internal Audit function is the third line of defence in monitoring the risk and assessing internal controls.	Shareholders Financing partners Employees Tenants Suppliers Local authorities

Risk description	Strategic goal impacted	Business impact	Key mitigating actions	Stakeholders impacted
Non-compliance with EU General Data Protection Regulation, within complex jurisdictions and local specificities		Non-compliance with regulatory requirements could lead to fines, penalties, censures, and reputational damage.	The Group has set up a structure and has employed an experienced Data Privacy Officer (DPO) to coordinate data privacy compliance. The Group implemented Data Privacy policies and procedures, as well as regular training and awareness campaigns for all staff. Responsibilities for data privacy were assigned in each jurisdiction. Relevant processes have been scrutinised and as a result the Group implemented measures to ensure compliance, as well as to early identify and address vulnerabilities. Contractual arrangements in relation to outsourcing providers acting as data processors comply with legal requirements and best practices. Platforms and software are assessed to be privacy by-design, pen tests are applied to critical systems/platforms, based on a predefined risk matrix considering the type and volume of personal data processed. A data governance project was launched to harmonize Group practices, meant to also cover privacy risks.	Tenants Shareholders Employees Local authorities
Reputation Risk		Reputation is key to the Group, as a reputation crisis may have a rolling effect on other key risks, such as the ability of the Group to raise capital, the volatility of its share price, the trust of the investors, the rating and consequently its cost of debt.	A formal role has been assigned at senior management level regarding corporate Public Relations (PR). The Group has appointed a reputable external PR and Investor Relations (IR) firm to support its external communication endeavours. This includes formulating and executing a comprehensive PR strategy and plan. An operational crisis communication manual and a Crisis Communication Procedure have been implemented at Group level. Reputable PR external support is engaged, while stakeholders' relationship management is conducted proactively by senior management (investor roadshow, presentations etc.).	Shareholders Financing partners Employees Tenants Suppliers Local authorities

The Group declares zero tolerance on most of the risk areas described above, as defined by the Group Risk Appetite Statement, approved by the Board. However, for other specific areas, risk tolerance is set at a very limited or low level.

In 2024, the overall net level of the above-mentioned risks is in line with Group Risk Appetite Statement, while continuous and adequate monitoring of relevant trends and associated mitigation measures is ensured under the wider risk management system.

Also, the Group has not faced any unexpected or unusual material risks and did not undertake any material risk outside its risk appetite and tolerance levels during 2024.

Remuneration report

The Remuneration report is divided in the following three chapters:

1. Chairman's background statement
2. Remuneration Policy
3. Implementation Report

Chapter 1: Chairman's background statement

The Remuneration Committee acts in accordance with the predetermined terms of its charter and supports the Board in carrying out its responsibilities with respect to the Group's Remuneration Policy and approach.

The Remuneration Committee confirms that the 2024 Remuneration Report has received its approval and is prepared in line with the provisions of the King IV guidance on remuneration governance and the JSE Listings Requirements as well as with the requirements stemming from Dutch law and the Dutch Corporate Governance Code.

The Remuneration Report serves to guarantee that the Remuneration Policy, practices, and performance indicators of NEPI Rockcastle are in alignment with the Board's vision, the Group's core values and business objectives. The primary objective of the Remuneration Report is to offer a thorough overview of the Group's remuneration strategy and policy applicable to the Executive Directors and staff members (referred to in the report also as 'employees').

Content:

1. Key principles of remuneration
2. Internal and external factors influencing remuneration related decisions
3. Engagement with stakeholders and implementing feedback
4. Non-Executive Directors Remuneration
5. Remuneration Committee priorities
6. Key decisions in 2024
7. Remuneration Policy review process and the Advisory Vote on Remuneration Policy and Implementation Report

1. Key principles of remuneration

The Group's philosophy is rooted in the belief that remuneration serves as the foundation for sustainable economic growth and simultaneously acts as a powerful force in reinforcing NEPI Rockcastle's culture, values and long-term business strategy. Remuneration also plays a pivotal role in attracting and retaining high-calibre employees in a competitive global market, fostering a strong performance-oriented culture and motivating the delivery of expected business results.

The Remuneration Committee and management are focused on ensuring that the remuneration strategy:

- underpins the corporate and people strategy and serves as a critical element in employees' motivation and delivery of business results
- is clear, flexible, transparent fair, and its implementation is a top priority for the management team
- is market competitive by providing an appropriate balance between pay elements, role and performance, motivation and stability

The Group's Remuneration Policy is:

- strategically designed to inspire Executive Directors and employees to strive for the Group's growth and success. It is applicable to all staff categories, from the Group's executive, senior and middle management to subject matter experts and non-managerial staff members
- targeted at fostering a performance-driven corporate culture, robust enough to compete in a rapidly evolving market – characterised by high turnover, low unemployment, expertise scarcity and increased workforce mobility
- structured to ensure fair differentiation in reward packages for all staff members, based on role complexity, professional experience, competence and performance achieved

The following key remuneration principles outlined by the Group remain constant, as they competitively position the Group's policy in the market and serve the business strategy:

Performance-driven pay – The Group's remuneration is influenced by the role and performance of the employee, as well as the performance of the Group. NEPI Rockcastle has implemented a transparent process for establishing short-term and long-term measurable objectives, based on Objectives and Key Results ('OKRs'). This ensures a heightened focus on those crucial business elements and results that are directly linked to business performance and shareholders' return.

The implementation of the **OKRs** methodology involves setting clear, measurable goals (Objectives) and defining specific, quantifiable outcomes (Key Results) to track progress.

The process of setting objectives for the individual Executive Directors and employees is structured around two significant pillars, which guarantee that business targets, together with professional conduct and values are the key elements of robust performance:

- Business Objectives: Key Performance Indicators ('KPIs') and strategic priorities (with associated OKRs)
- Personal Development Objectives: these are set to enhance skills and competencies that can lead to career progression, consolidation of stronger leadership competency at Group level, improvement of productivity and identification of new strengths and abilities

Objectives set at the start of the year are progressively measured throughout the year, with an expectation of an interim review for proper monitoring. The interim review, although not mandatory, is important to ensure that everyone is aligned with the targets and delivering towards the business plan. At the end of the calendar year, objectives are evaluated against results.

Competitive pay – The Group is committed to offering competitive remuneration packages to its employees and Executive Directors, and it observes relevant market benchmarks and reward insights. NEPI Rockcastle ensures that remuneration components are market-aligned, between the median and the maximum of the market for top performers.

Total annual pay – Remuneration is defined as a total annual pay package and consists of three main components:

- **Fixed Pay**
- **Variable Pay:** Short-and long-term incentive plans, which can be delivered in both cash and share awards, as per the Group's incentive plan. The rules of this plan were last approved by shareholders in 2022 ('the New Incentive Plan Rules')
- Individual and Collective **Benefits**

Variable pay as a differentiator – The Group's Remuneration Policy emphasises variable pay structures as enhancers of differentiated total pay in line with performance, seniority and complexity of the role, predetermined objectives, and expected impact on the business. This is measured in terms of results delivered and managerial capabilities to develop, lead and motivate people.

Fair pay – When setting pay levels and packages, the Group aims to achieve internal equality (similar pay for similar roles, levels of complexity and experience) and external fairness (pay determined considering the market levels and dynamics). NEPI Rockcastle is committed to providing fair pay to all employees and pay-related decisions are free from any discriminatory factors such as age, gender, nationality, social status, social, political or religious convictions or any other such elements.

Annual pay review process – Remuneration reviews occur annually, coinciding with performance evaluations. Their purpose is to validate that the remuneration process contributes positively to the business and aligns with the performance review framework. The annual review takes into consideration the business results, personal development and individual achievements, as well as external factors such as market circumstances, reward benchmarks and workforce dynamics.

PHOTO: ALFA CENTRUM BIALYSTOK

Remuneration report

2. Internal and external factors influencing remuneration related decisions

The Group constantly monitors both internal and external factors that impact its markets, industry and overall business. This vigilance allows the Group to adapt effectively to the changing context and maintain competitiveness.

Wider external factors

The **NEPI Rockcastle Group** operates in competitive markets which are influenced by a diverse range of factors:

- **Dynamic Macro Environment**: the changing economic and business landscape affects how remuneration is structured and adjusted
- **Turnover Changes**: fluctuations in employee turnover rates impact workforce stability and compensation planning
- **Hybrid and Remote Arrangements**: the shift toward hybrid work models and remote work influences resource planning, work allocation as well as compensation policies
- **Market Competitiveness**: to attract and retain talent, NEPI Rockcastle must remain competitive in terms of compensation packages
- **Skillset Availability**: the availability of specific skills in the labour market affects recruitment and retention strategies
- **Transparency and Pay Equity**: there is a growing demand for transparency in remuneration practices and ensuring pay equity across roles
- **Geographical Specificity**: NEPI Rockcastle operates in multiple geographies, each with its own unique context and regulations

An essential external factor impacting NEPI Rockcastle's markets, workforce dynamics, and stability - both directly and indirectly - remains the **Ukraine–Russia military conflict**. This conflict establishes a persistent backdrop of unpredictability, necessitating constant vigilance and prioritising employee safety. Given that five of the Group's operational countries share borders with either Russia or Ukraine, the war-induced pressure significantly influences workforce stability, engagement and focus. Throughout 2024, the Group's commitment to employee safety remained unwavering, maintaining regular communication with the teams to ensure they had access to relevant resources, comfort, and security.

Political instability and elections in Romania, one of the major countries of the Group's operations is contributing to the additional pressure on financing costs, investment appetite and macroeconomic stability. New elections are expected in the first half of 2025.

The **migration of skilled professionals** and general migration of locals towards the farthest away European countries or countries outside of Europe has intensified as a result not only of the professional opportunities, but also of the political and war-related threats at the level of the South Eastern Europe and Central Eastern Europe countries neighbouring Ukraine-Russia war. This phenomenon increases the shortage of resources and skills, placing greater pressure on costs and workforce planning.

Inflation, although decreasing and more stable in 2024, remains a challenge across all the countries where the Group operates. Throughout 2024, the annual inflation rates in the Group's countries of operation has seen a slight decrease but remains highly dependent on the region's wider context.

The Group continuously tracks reward trends in its operating markets, subscribes to reward reports, and undertakes focused review projects for specific markets and role levels. By keeping a close watch on benchmarks, NEPI Rockcastle is able to assess market changes effectively.

Internal priorities and factors related to workforce

Resource planning and workforce scarcity remain an important internal challenge stemming from workforce market dynamics. While the overall staff turnover at the Group level remains stable and is not a cause for significant concern (with the 2024 total turnover staying at 14%), this suggests a balanced rate, reflecting stability and satisfaction with the Group's employer proposition and internal work environment.

One of the primary people-related priorities for the Human Resources ('HR') function and the management team was to safeguard the **wellbeing of the Group's employees** and prepare them for potential crises, particularly in light of the ongoing Ukraine-Russia military conflict. Throughout 2024, business continuity, security, health and safety measures remained central areas of focus.

Internalisation of Property Management Functions - the ongoing internalisation of property management functions and teams, along with the alignment of practices and processes across the Group's portfolio, has been finalised during 2024 across all assets of the Group. The streamlined processes have a positive impact on team dynamics and have resulted in significant operational efficiencies throughout the Group.

Strengthening Specialised Capabilities and Teams - in line with NEPI Rockcastle's strategic focus on business growth, the Company continued to consolidate its core internal teams through specialised and targeted training, conferences, internal strategic projects and initiatives. This leads to building and developing experts in areas such as systems and data analytics, renewable energy, asset management, investments or sustainability.

People Engagement - in the current context, influenced by both external and internal factors, maintaining high levels of employee engagement poses a challenge for employers. However, it also presents significant opportunities to implement people-related initiatives, enhance communication, and design internal motivational and development programs for employees. The People Engagement Survey conducted in 2024 has shown further increase in satisfaction and has reached a remarkable result of **85%**[1] across the firm vs 82% in 2023, while for senior management level it reached **94%** vs 91% in 2023**.**

In the context of various and challenging contextual factors influencing the workforce market, the ability of the Group's management to not only maintain, but to increase the people engagement fosters team excellence, contributes to a healthy organisational culture, and ensures a professional and safe work environment.

The survey results are shared transparently with management, ensuring they have access to valuable insights for discussion and action planning. By focusing on key areas highlighted by staff, NEPI Rockcastle continues to strengthen its reputation as a great place to work. The feedback is carefully evaluated in an inclusive manner, with a strong emphasis on maintaining data confidentiality and conducting thorough analysis to inform future planning and improvements.

The Remuneration Committee response to internal and external factors

Despite the external factors affecting the environment and the Group's business directly, NEPI Rockcastle effectively mitigated their impact on its results. Overall, the Group's Key Performance Indicators (KPIs) have been delivered above target, resulting in strong achievements for NEPI Rockcastle.

The positive results achieved by NEPI Rockcastle have been reflected in the Annual Performance Management process results. The Remuneration Committee and the Group's management team jointly recognise that the 2024 performance was the outcome of intensive efforts, effective risk management and implementation of strategic decisions.

PHOTO: BONARKA CITY CENTER

[1] Benchmarked against average global Employee Engagement Index of 72% reported by Qualtrics XM Institute

Remuneration report

3. Engagement with stakeholders and implementing feedback

Executive and non-Executive Directors directly engage with investors, discussing economic context, market factors, challenges, the Group's achievements, results, strategic priorities and remuneration matters. Although not all stakeholders can be reached individually, Directors meet with major shareholders to solicit feedback.

The Chairman of the Board had interactions with shareholders in South Africa in February 2024. This provided an additional opportunity for direct engagement regarding remuneration matters, as communicated through an announcement at the beginning of 2024 ('Engagement with Shareholders on Remuneration Matters').

As a result of the shareholders' engagement, alongside the management team's response to shareholders' feedback on the remuneration report at the May 2024 Annual General Meeting ('AGM'), 97.32% of shareholders voted positively on the Remuneration Implementation Report and 88.63% on the Remuneration Policy. Considering the positive voting, no formal engagement with shareholders took place post the May 2024 AGM.

Main areas of feedback received in the first half of 2024, that have been addressed, are presented below:

Feedback Theme	The Group's Response
Further disclosure on the benchmarking process and reference market used	As per the Remuneration Policy, the Group uses market benchmarks for both staff members, Executive and non-Executive Directors. Executive and non-Executives Directors' remuneration undergoes benchmarking approximately every 2 to 3 years, while staff may be assessed annually, as needed. In 2024 the Remuneration Committee has undertaken, under the coordination of the Group HR Director and the international reward consultant, Korn Ferry, a market benchmark survey of pay levels for both non-Executive, Executive Directors and Senior Management and made adjustments effective 2025, where necessary. Results have shown that reward decisions taken by the Remuneration Committee position the levels of pay of these key senior members between the median of the market (fixed pay and Short-Term Incentive Plan ('STIP')) up to or above the 75% percentile, considering the effect of the Long-Term Incentive Plan ('LTIP') awards. This positioning is in line with market practices for delivery of KPIs at and above targets. Also, this is aligned with the Group's reward strategy to ensure the fixed pay at the minimum level of the market median, while, for strong and top performance, through the variable incentives (STIP and LTIP) the total pay may reach and exceed the 75th percentile. The reference markets for the conducted benchmark study are detailed in the Implementation report. Employee benchmarking relies on regional and local salary survey data from reputable international reward consultants such as Mercer and Hays.
Further disclosure on the rationale and assessment of the Strategic Priorities	In highly volatile and challenging market conditions, where business operations are impacted and management faces new priorities, relying solely on performance metrics becomes challenging. To address this, the Remuneration Committee assesses the impact of relevant strategic priorities initiated and delivered by management on an annual basis. It allows the Remuneration Committee to incentivise executive management to focus on specific projects when external or internal factors impact financial and operational results, necessitating counterbalancing actions. These strategic priorities have a long-term impact on the business and the potential to drive sustainable growth and improve the shareholders' returns. Details are presented in the Implementation report.
Further clarification on the vesting of unvested shares in situations of termination	The 2022 Remuneration plan allows for accelerated vesting, assessed on a case-by-case basis by the Remuneration Committee. Full vesting is not strictly enforced, and decisions consider individual circumstances, contributions, roles, and termination details.
More visibility over the details and traceability of the Sustainability-related KPIs	Since 2022, sustainability-related KPIs have influenced STIP awards. The Group maintains this practice, providing enhanced visibility into performance measures and aligning results with the sustainability strategy. Detailed information for 2024 is available in the Implementation Report.
Clarification on whether there are any reward-related provisions for change of control and severance payments on termination of Executive Directors' contracts	The Remuneration Committee affirms that the Group's Remuneration Policy does not include provisions or specific clauses related to Change of Control. Additionally, the policy does not oblige the Company to provide severance payments upon the termination of Executive Directors.

Feedback Theme	The Group's Response
More clarity to be provided on the clawback provisions	Clawback provisions apply to STIP and LTIP awards granted to key individuals and Executive Directors. These provisions allow for recouping all or part of the awards (or their value), including distributions received on award shares, in case of gross misconduct, gross negligence or material error within two years of STIP award allocation or LTIP award vesting. The Board handles clawbacks to Executive Directors, while Executive Directors manage the process for Key Individuals. In the event of a clawback event: ▪ **Unvested LTIP Shares**: these shares are immediately forfeited ▪ **Shares or Cash Repayment**: participants must return a number of shares (up to the total allocated, including distributions) or an equivalent cash amount ▪ **Method Combination**: the Board or Executive Directors may use a mix of these methods as appropriate Dutch law specifies the the maximum timeframe for clawbacks to be 5 years, but 2 years is considered best practice and aligns reasonably with pay levels under the scheme. A summary of clawback provisions are included in the Remuneration Policy.

The Remuneration Committee actively collaborates with external advisors and reward consultants to stay informed on critical aspects:

- NEPI Rockcastle consistently analyses reports issued by external advisors related to the Group's remuneration practices
- When necessary, adjustments are implemented based on these insights
- Consulting advice is sought for Remuneration Policy presentation and transparency
- These engagements provide valuable intelligence on market trends, best practices, and emerging developments

The goal of the Remuneration Committee is to align communication and disclosure practices with market best practice, governance frameworks, and shareholder expectations. This proactive approach ensures that the Group remains well-informed and responsive in its remuneration strategies.

4. Non-Executive Directors Remuneration

The adjustment to the non-Executive Directors' ('NED') remuneration effective as of 1 January 2024 was approved by shareholders at the AGM in May 2024. The new fee structure reflects the market median outcome of the 2023 benchmark analysis conducted and the expanded complexity and responsibilities arising from the Company's growth, strategic initiatives, and relocation to the Netherlands. Following the market benchmark review of 2024, no further adjustments are proposed to NED fees for 2025. Details are presented in the Implementation Report.

PHOTO: ARENA MALL

Remuneration report

5. Remuneration Committee priorities

The Remuneration Committee's ongoing objectives, processes and plans remain attuned to business needs, addressing internal and external factors and meeting stakeholder expectations, including those of employees.

The **Remuneration Committee** is dedicated to ensuring that NEPI Rockcastle adheres to best practice in remuneration, aligned with sound corporate governance. To achieve this, the Committee focuses its actions and priorities on:

- **Stability**: continuously assess business stability, geopolitical factors (especially the Ukraine-Russia conflict's impact on the global economy), industry trends, market dynamics, and stakeholder expectations
- **Competitive Plans**: maintain competitive Remuneration Policies and Incentive plans that drive strategy implementation and results delivery
- **Value-Driven Measures**: define performance metrics that enhance stakeholder value
- **Transparent Engagement**: engage with stakeholders transparently
- **Benchmarking**: on a need basis, benchmark pay against relevant markets

These efforts ensure NEPI Rockcastle's commitment to excellence in remuneration practices.

During 2024, the Remuneration Committee focused on several key priorities:

- Ensuring appropriate compensation to non-Executive Directors and the top management team, emphasising fair and competitive pay aligned with their contribution and performance of the Group
- Supporting the management team amidst challenging market conditions while upholding agreed-upon remuneration principles
- Ensuring proper implementation of the Remuneration Policy and Long-Term Incentive Plan, in compliance with Dutch legislation and Corporate Governance standards

Remuneration Committee's priorities	Approach	2024 process
1. Group's Remuneration related priorities		
Ensure remuneration ***motivates*** people for performance while **managing the challenging and unstable business environment of 2024**	The Group reviews variable and fixed remuneration annually. Performance of the business and individual professionals is being assessed. Variable pay is linked to KPIs and overall annual individual performance, while the fixed pay is linked to the complexity of the role.	In the context of the strong performance delivered by the Group, budgets have been distributed in line with business results, set at business function level. Allocation of bonuses is agreed based on competencies, meritocracy, complexity of projects and strategic decisions managed within a specific business function. Emphasis is placed on determining performance fairly throughout the performance management process, as this links into variable pay. Decisions about the specific level of bonuses for management levels are taken at top management level (i.e., Directors of business functions), while team leaders are encouraged to assess performance and make relevant recommendations to reflect the contribution of individual team members. Variable remuneration for Executive Directors is determined in line with the Remuneration Policy, KPIs and computation algorithm.
Ensure the Group's **remuneration is aligned** to the relevant market and provides internal fairness	The Group frequently consults international independent remuneration experts to ensure a proper understanding of the benchmarks and determine actions to be implemented during the annual remuneration review processes.	The Group is committed to run benchmark analysis bi-annually or annually, should the labour market or the international environment be dynamic or rapidly changing. For staff members, the Group consulted general market reward reports and trends on expected salary growth at industry/country/seniority levels. This is a process undertaken as part of the reward and compensation review, depending on the business and personnel immediate needs and decision-making.
Ensure **transparency** of the Group's remuneration policy, pay levels, objectives and establish an adequate link between pay and business performance	The principles and details of the Group's remuneration policy, including any changes made or anticipated are publicly presented in the Annual Report. Meetings with management teams are held annually within the remuneration and performance review process to outline, explain and clarify decisions and rationale.	The 2024 Annual Report presents an overview of remuneration for both Executive and non-Executive Directors, as well as principles of remuneration across all staff members. Allocation of staff cost budgets was done at business function level, allowing the managers to take more responsibility over the reward review process. Individual discussions with team leaders were held by the HR Director and HR team to clarify: ▪ budget allocation criteria ▪ principles of remuneration ▪ reward review and link to performance of teams and individuals

Remuneration Committee's priorities	Approach	2024 process
2. Alignment and ethics of pay		
Ensure alignment of all staff remuneration principles and pay structures across all countries in which the Group operates	The same remuneration review process is conducted at Group level and in all countries where NEPI Rockcastle is present. The HR Director ensures the roll out of the process is aligned and the same principles are applied across all countries. The Remuneration Committee is informed about the performance and reward review approach.	The HR function is a centralised function which provides HR services across the Group. Determination of specific remuneration at the level of a team is done upon consultation with an HR reward specialist who provides, for each position within the Group, an analysis of the job level, benchmarking against specific functions and geographies and makes recommendations in respect of appropriate pay levels. This process ensures that the same principles of pay are consistently applied across all grades, functions and countries.
Ensure remuneration is determined without discrimination	The HR Director, as mandated by the executive management and Remuneration Committee ensures through detailed reviews of the reward processes that pay levels are set free from any discrimination based on: gender, age, race, religion, nationality, social status, social, political or religious convictions, or any other such elements.	Fixed remuneration is determined based on role, responsibilities, level of competence and experience, while variable remuneration is determined based on performance, impact and contribution. No consideration is given during the hiring, or reward review process, to any other factor that could lead to discrimination, such as gender, age, race, religion, nationality, social status, social, political or religious convictions, or any other such elements. The Remuneration Committee is also reviewing the principles, mechanisms and implementation of rewards, to ensure that only role and performance elements are considered in reward determining decisions. The HR department monitors relative pay of staff to ensure fairness and ethical pay principles are observed.
3. Shareholders' engagement and Corporate Governance		
Ensure shareholders' feedback is considered and discussed	Regular meetings are held with shareholders upon presentation of financial results, where questions are addressed by Executive and non-Executive Directors that cover the entire range of topics, including remuneration. The Remuneration Committee maintains contact with shareholders and discusses feedback with the Board after voting at the Annual General Meeting of Shareholders. The Chairman of the Board also engaged in discussions and feedback on remuneration related matters with major shareholders during February 2024.	
Comply with King IV requirements, Dutch Corporate Governance Code and other relevant corporate governance frameworks	The Board is actively promoting and encouraging management to continuously improve Corporate Governance and alignment with relevant corporate governance frameworks.	

PHOTO: PLATAN SHOPPING CENTRE

Remuneration report

6. Key decisions in 2024

<table>
<tr><th>Area</th><th>Group’s decision</th></tr>
<tr><td colspan="2">Staff remuneration</td></tr>
<tr><td>Fixed pay</td><td>The 2024 pay review has been finalised. The salaries adjustments are applied on a selected basis, based on a need and opportunity analysis, and have been determined to:

▪ reflect market levels and conditions as presented in Section 2 (Internal and External Factors Influencing Remuneration Related Decisions)
▪ maintain internal fairness and equity
▪ ensure adequate levels of motivation, engagement and retention in the current market circumstances</td></tr>
<tr><td>Salary and bonus pool</td><td>Staff cost budgets were set at business function level, derived from the Group level budget – to allow for more flexibility and accountability over remuneration-related decisions.

The HR reward function, head of functions and CEO supervise the consistent application of remuneration principles across the business. Variable pay decisions are calibrated at Group level with the functional leaders, CEO and HR Director, ensuring consistent application of reward principles.</td></tr>
<tr><td colspan="2">Executive Directors' Remuneration</td></tr>
<tr><td>Fixed pay</td><td>There were no changes to the Executives' fixed pay compared to the previous year.

<table>
<tr><th>Executive Director</th><th>Position</th><th>Annual fixed pay (€) - 2024</th><th>Annual fixed pay (€) - 2023</th></tr>
<tr><td>Rüdiger Dany</td><td>CEO</td><td>675,000</td><td>675,000</td></tr>
<tr><td>Eliza Predoiu</td><td>CFO</td><td>385,000</td><td>385,000</td></tr>
<tr><td>Marek Noetzel</td><td>COO</td><td>385,000</td><td>385,000</td></tr>
</table>
</td></tr>
<tr><td>Variable pay – Short-Term Incentive Plan (STIP)</td><td>The KPI structure, composition and weighting spread the performance measurement over various aspects of the business and are aimed to reward and reflect role’s specificity by:

▪ differentiating between roles – different KPIs for different roles
▪ applying different weighting for same KPIs for different roles

The weights between the categories measured have been adjusted for 2024, to reflect the decrease of the percentage allocated for strategic priorities from 25% to 15%.

The difference of 10% has been allocated to the Operational Performance NOI and Qualitative Factors, with differentiation for each Executive Director.</td></tr>
</table>

PHOTO: PARADISE CENTER

Area	Group's decision

Variable pay – Short-Term Incentive

Weights and structure 2024 - 2023

		2024			2023		
Performance measures STIP	**2024 vs. 2023**	**CEO**	**CFO**	**COO**	**CEO**	**CFO**	**COO**
Financial performance		**35%**	**40%**	**25%**	**35%**	**40%**	**25%**
Growth in distributable earnings per share[1]	maintained	30%	30%	25%	30%	30%	25%
Maintaining Investment Grade rating	maintained	5%	10%	-	5%	10%	-
Operational performance		**35%**	**20%**	**45%**	**25%**	**15%**	**40%**
NOI organic growth[1]	maintained	20%	10%	20%	10%	5%	15%
Maximum accepted vacancies[1]	maintained	5%	-	10%	5%	-	10%
Collection rate[1]	maintained	5%	10%	5%	5%	10%	5%
GRI - gross rental income increase[1]	maintained	5%	-	10%	5%	-	10%
Debt risk management		**-**	**10%**	**-**	**-**	**10%**	**-**
Debt maturity (remaining years, excluding RCF)	maintained	-	10%	-	-	10%	-
ESG - qualitative factors	maintained[2]	**15%**	**15%**	**15%**	**15%**	**10%**	**10%**
Energy Strategy Implementation: Generate additional €9 million revenue from green energy (photovoltaic panels in Romania). Present a business plan (including roll-out) for photovoltaic energy production across the portfolio, including the organisational set-up and regulatory framework.		5%	5%	5%	10%	10%	5%
1. Target: Decrease Scope 1&2 GHG emissions intensity by 40% over 2024-2030 period, compared to the 2022 baseline. KPI: 5% reduction of scope 1 and 2 GHG emissions from operational energy use in 2024. Measures: ensure renewable electricity purchase/production across the whole portfolio and start planning gas phase out. 2. Target: Common area energy intensity reduction by 30% by the end of 2030 compared to 2022, measured in kWh/m^2. KPI: 5% (common and service area of the assets) reduction of energy intensity in 2024. Measures: set up reduction target for each asset (PM's/AM's/Sustainability) and have AM's/PM's involved in the process, capex initiatives for the reduction of energy usage in the assets.		10%	10%	10%	5%	-	5%
Annual Strategic Priorities delivered in 2024[3]:	maintained[2]	**15%**	**15%**	**15%**	**25%**	**25%**	**25%**
• Board – endorsed five-years strategy plan • Energy Business set-up, licensed as producer, supplier and trader in Romania • Securing two Ready To Build projects for the development of photovoltaic power plants with a cumulated capacity of 159 MW • Acquisition of Magnolia Park and Silesia City Center • Disposal of Promenada Novi Sad in Serbia • Complete internalisation of all center management teams in former Rockcastle portfolio • Implementation of automated Asset Management Reporting • Restructuring and optimisation of Asset Management function • Unsecured Green Bond issue - €500 million • Successful first Capital Markets Day • Equity issue - €300 million • IFC Syndicated facility increase by €58 million • Rollout of MS Dynamics (accounting module) across all jurisdictions • Employee Engagement Survey participation and results		15%	15%	15%	25%	25%	25%
% Total achievement		**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

1. For specific KPIs, sliding scales and metrics were set for minimum/target/maximum level of achievement. Sliding scale and performance incentive zone applies. Sliding scale ranges from 50% for minimum level to 100% for target level and 200% for maximum level
2. Category maintained – specific projects and measures updated for 2024
3. For 2024 there has been a re-allocation from Annual Strategic Priorities to the Operational Performance NOI and the Qualitative Factors

Variable Pay – Long-Term incentive (LTIP)

Determination of quantum of LTIP

The LTIP determination was based on the calculation of 3-years Compound Annual Growth Rate ('CAGR'), with no adjustment being made to the existing mechanism.

Total Shareholders Return ('TSR') versus peers, which is Group based, applies similarly to all executive positions.

The list of peers has been reviewed and approved by the Remuneration Committee and is disclosed under the Implementation Report section.

No additional loans were granted to either Executive Directors or staff members.

Remuneration report

7. Remuneration Policy review process and the Advisory Vote on Remuneration Policy and Implementation Report

The Remuneration Policy received a **95.95%** binding positive vote during the November 2022 Extraordinary General Meeting. As per Dutch legislation, the Remuneration Policy will undergo a review and the Company will seek shareholders' approval in 2026 (every four years).

At the Annual General Meeting, the Remuneration Policy and the Remuneration Implementation Report will be presented for an advisory (non-binding) vote, in line with the JSE Listings Requirements.

NEPI Rockcastle extends an invitation to shareholders to engage with executive management and the Remuneration Committee before the upcoming Annual General Meeting. Any concerns regarding the Implementation Report or the need for clarification on remuneration practices can be addressed during this engagement. Directors remain committed to addressing legitimate objections and concerns.

The Remuneration Committee's diligent consideration ensures that the Remuneration Policy aligns with the business strategy, creating value and harmonising interests with shareholders and other stakeholders.

Andries de Lange
Remuneration Committee Chairman

PHOTO: PROMENADA CRAIOVA

Chapter 2: Remuneration Policy

Scope

The Remuneration Policy is centered on the Group's mission, long-term value creation and business continuity, with a keen focus on stakeholder interests.

Key principles drive NEPI Rockcastle's remuneration strategy :

1. **Value Creation by Teams:**
    - Acknowledging individual and collective achievements
    - Developing top professionals, fostering innovation, and acquiring new skills
    - Ensuring team stability by retaining skilled key professionals
2. **Principles Guiding the Policy**:
    - **Performance-Driven Pay**: rewarding results and contributions
    - **Competitive Pay**: aligning pay with market standards, business complexity and relative size
    - **Total Annual Package**: considering all components of compensation
    - **Variable Pay**: tying incentives to performance
    - **Fair Pay**: ensuring equity and transparency
    - **Annual Pay Review**: regularly assessing and adjusting compensation

To evaluate the effectiveness and ensure sustainability of both the remuneration strategy and underlying principles, the Group adheres to specific fundamentals of implementation:

Clarity - the Group's Remuneration Policy, frameworks, and mechanics prioritise transparency and clarity through effective communication with shareholders and human capital

Simplicity - the remuneration structure rests on straightforward pillars: fixed pay, benefits, and variable short- and long-term compensation. Determination of variable pay is linked to individual performance (via annual performance reviews) and Group performance (publicly disclosed, with detailed shareholder discussions)

Risk Management - the Remuneration Policy and associated processes proactively address risks of excessive pay or underpay through key controls that include:

- **Validation and Equity**: The Remuneration Policy undergoes validation during review or hiring, considering internal equity, market data, and social consensus
- **Executive Directors' Pay**: market benchmarking ensures alignment with market standards. Stakeholder involvement is also considered
- **Internal Pay Ratios**: Ongoing analysis monitors pay progression and any identified anomalies are discussed internally
- **Variable Pay and Performance**: Variable pay is directly linked to performance reviews. Remuneration reviews occur post-performance review to ensure alignment
- **Group-Level Calibration**: Performance results are calibrated at the Group level for consistency across roles, impact, and seniority
- **Annual Reward Reviews**: Variable pay awards are discussed annually within the Remuneration Committee, involving the HR Director and CEO
- **Strategic Alignment**: Individual KPIs and objectives align with business KPIs and strategic direction
- **Ethical Considerations**: Performance reviews include 360-degree feedback, emphasising behaviours, values, and ethics. Unethical behaviour is addressed before awarding variable pay
- **ESG Integration**: Environmental, Social and Governance ('ESG') components are embedded in performance reviews for Executive Directors and senior management

Predictability - the Group's Remuneration Policy and implementation mechanisms prioritise predictability. Total awards are influenced by market trends, internal pay decisions and the link to individual performance and roles and the Group's performance. Sliding scales for Executive Directors' core KPIs enhance predictability of maximum variable payouts

Proportionality - the Remuneration Policy emphasises linking individual awards to strategy delivery and long-term Company performance

- **Avoiding Poor Performance Rewards** - specific elements prevent rewarding poor performance:
    - Bonus pools activate at specific achievement rates, subject to the Group's management and Remuneration Committee approval
    - Policy rules exclude rewards for below-expectations performance and enforce consequence management
- **Alignment to Culture** - The Group's core values shape behaviour and drive performance. The remuneration philosophy aligns with these values:
    - **Integrity**: fair and transparent pay
    - **Excellence**: linking pay to performance
    - **Innovation**: adapting to market dynamics
    - **Collaboration**: engaging stakeholders in remuneration practices

Remuneration report

Philosophy	The **Group's Remuneration Policy** is designed to achieve several key objectives: 1. **Equitable Compensation**: the policy aims to provide **fair and market-related compensation** for all employees. This ensures that each individual is remunerated in alignment with their role, competence, performance, and conduct 2. **Differentiated Reward Packages**: recognising the diverse contributions of employees, the policy tailors reward packages to suit individual circumstances. This differentiation ensures that exceptional performance and innovation are appropriately acknowledged 3. **Market Anchoring**: compensation is anchored at the market median, ensuring competitiveness within the industry. However, the policy goes beyond mere market alignment. It strategically positions compensation to exceed market levels when employees demonstrate exceptional value creation for stakeholders				
Principles	Pay for performance	Total annual package approach	Annual remuneration reviews	Competitive and fair pay	Differentiated variable pay
Details	Remuneration is driven by the employees' role and performance review, and the overall performance of the Group. Clear, measurable goals are set for the Group, teams and individual employees.	Remuneration is defined as a total annual package, consisting of fixed pay, variable pay (which can be delivered in cash and/or shares), and individual and collective benefits.	Remuneration reviews are held annually, with the purpose of assessing performance for the past year and defining remuneration packages (performance bonuses, new levels of fixed pay and benefits).	The Group is committed to paying fixed salaries at market level (compared to companies of similar size and complexity), and variable components above market level for high-performing employees. Annual inflation reviews ensure salary levels remain competitive.	The Group has a differentiated variable pay method, based on role, seniority and performance levels.
Company Values	**Excellence**	**Excellence**	**Integrity**	**Integrity**	**Excellence**
	Innovation		**Development**		**Innovation**
	Development		**Communication**		

Implementation and governance

In accordance with the formal corporate structure, the Remuneration Committee assumes a critical role in overseeing the Remuneration Policy and its implementation and plays a critical role in ensuring equitable compensation practices and transparency within the organisation.

1. **Committee Responsibility**: the Remuneration Committee is entrusted with ensuring that the Remuneration Policy aligns with legal requirements. Their duty extends to proposing the establishment or modification of the policy, which is subsequently presented for approval at the Annual General Meeting
2. **Director Compensation**: both Executive and non-Executive Directors fall under the purview of the Remuneration Committee. They propose the remuneration packages for these directors to the Board of Directors
3. **Voting Mechanisms**:
   - **Mandatory Vote**: as stipulated by Dutch law, the Remuneration Policy undergoes a mandatory vote at least once every four years. The next such vote is scheduled for 2026
   - **Advisory Vote**: The Remuneration Policy is subject to a non-binding advisory vote annually during the Annual General Meeting in accordance with the JSE Listings Requirements. The upcoming vote will occur in 2025
4. **Transparency**: The Remuneration Report, an integral part of the Group's Annual Report, provides full disclosure of the compensation for both Executive and non-Executive Directors. This encompasses all awards, whether directly paid to the executives or to service companies under their control, as well as fees paid to non-Executive Directors

PHOTO: SHOPPING CITY TARGU JIU

Remuneration design

Pillar	Description	Purpose and link to strategy
Fixed pay **All staff including Executive Directors**	Fixed pay is determined by role and responsibilities, complexity, experience, competence, qualifications and expertise. The median of the relevant market is used as a reference point for determining the level of fixed pay. Adjustments can be made for specific circumstances, achievements, promotions and responsibilities. Reviewed annually to ensure internal and external equity, correlation to role and responsibilities (especially in case of role change or competence/ qualifications uplift).	The Group aims to remain the dominant commercial real estate investor and operator in Central and Eastern Europe. Hence, its teams should comprise top professionals: qualified, experienced, competent, and motivated. The Group's target is to attract, motivate and reward specific skillsets needed, especially considering a competitive labour market with high scarcity of property and commercial real estate skills and qualifications.
Short-term incentive plan (STIP) **All staff including Executive Directors**	Variable pay delivered for achievements against short–term objectives set in advance. Variable pay relates to the employees' role. The more senior an employee is, the more they can impact the Group's results; hence the higher proportion of variable pay in their annual package. Under-delivering against objectives leads to no variable pay. Categories of seniority used for staff STIP are: non-managerial, middle/senior management, subject matter experts and Executive Directors. STIP total variable pay is subject to achievement of business targets and budgets, ensuring that employees are rewarded according to the Company's success and financial performance. For further details, please refer to the 'Rules of the NEPI Rockcastle N.V. Incentive Plan' as approved and published by the Group.	NEPI Rockcastle aims to remain among the best performing retail real estate companies in CEE. Variable pay is designed to incentivise individual contribution to business results. The stronger the performance, the higher the variable pay.
Long-term incentive plan (LTIP) **Executive Directors and key staff** **Share awards**	Annual share awards made to participants based on the Group's performance over a three-year trailing KPI (internal) and the relative performance of the Group (external). Quantum of allocation is determined as a percentage of annual fixed pay. Vesting period of three years for Executive Directors (cliff vesting at the end of the 3-year period) and for key staff (tranche vesting over 3 years). For Executive Directors there is a mandatory lock-up period (sales restriction) for an extra 2-year period after vesting, resulting in a total lock-up for 5 years from the date the award is allocated. Although the LTIP is primarily settled through shares as per the above, the NEPI Rockcastle Incentive Plan can allow for LTIP to be settled in cash. For further details please refer to the 'Rules of the NEPI Rockcastle N.V. Incentive Plan' as approved and published by the Group.	NEPI Rockcastle aims to drive achievement of strategic priorities and keep senior management and Executive Directors focused on long-term value creation. The Group's long-term interests should be aligned with those of senior management and Executive Directors. A medium- to long-term retention of key professionals is essential to the business.
Benefits **All staff**	Medical services based on subscription or medical insurance, the cost of which is partially or fully covered by the Group. Meal allowance/vouchers as per local legislation. Access to sports facilities – cost of subscription partially covered by the Group. Other wellbeing benefits, including work flexibility and hybrid work.	Healthy and motivated employees are more efficient and deliver stronger results. Ensuring team stability is crucial, and the Group plays a key role in promoting lifestyle-related habits to support overall wellbeing. By fostering a healthy work environment, the Group can enhance employee performance and contribute to long-term success.

Each element of remuneration is described in more detail below. All Executive Directors are entitled to participate in the Group's long-term and short-term incentive plan.

Ratio between fixed and variable pay for Executive Directors

The remuneration structure for Executive Directors is carefully designed to cultivate alignment between management and shareholders in both the short- and long-term. It emphasises performance-driven outcomes and its balanced approach ensures a dynamic and motivating compensation framework.

For performance delivered in line with internally set targets, the **fixed pay** accounts for approximately **30%** of the total compensation at target level, while **variable pay (STIP and LTIP)** accounts for approximately **70%** of the total compensation at target level.

Fixed pay

The Group's approach to fixed pay balances market alignment, performance, internal and external equity considerations.

Remuneration report

The strategic approach is to align the fixed pay for both employees and Executive Directors with the market median. Additionally, for specific critical roles, the aim is to position compensation above the median, reaching up to the 75th percentile. These specific roles are identified by assessing factors such as impact on the NEPI Rockcastle's business and operations, market scarcity, turnover trends, and the unique nature of the roles.

Benchmarking:

To determine appropriate and market-competitive remuneration levels, the Group conducts a benchmark against relevant markets. The Group is committed to consulting market benchmarks on a need basis to ensure external equity. For this purpose, NEPI Rockcastle engages top-tier reward consultants with expertise in relevant industries and markets.

The industry specific peer group for benchmarking the remuneration levels for the Executive Directors is presented below:

Executives Directors Labour market reference
Unibail-Rodamco-Westfield
Klépierre
Land Securities Group
Immofinanz
British Land Company
Growthpoint Properties
Carmila
CA Immobilien
Deutsche EuroShop
Citycon
S Immo
Globalworth Real Estate
Mercialys

Annual Review:

- Remuneration is reviewed annually to validate both internal and external equity. Any necessary adjustments are made based on this assessment
- The Group's policy emphasises the significance of achievements and performance in determining competitive pay. Consequently, salary increases are considered in specific scenarios:
    - **Change of role and responsibilities** (e.g. promotions)
    - **External equity**: addressing significant gaps compared to relevant market benchmarks
    - **Internal equity**: ensuring similar pay for similar roles in comparable geographies
    - **Labour and pay market dynamics**: responding to significant shifts in the market

Variable pay – Short-Term Incentive Plan ('STIP'), awarded in accordance with the NEPI Rockcastle's Incentive Plan.

The STIP also considers the **Company's performance** relative to the bonus pool level and availability:

- **Financial Performance**: metrics such as growth in distributable earnings per share and investment grade rating
- **Operational Performance**: factors like growth in Net Operating Income ('NOI'), accepted vacancies, collection rate, and gross rental income increase
- **Debt Risk Management**: considerations related to debt maturity
- **Qualitative Factors**: these include ESG (Environmental, Social, and Governance) strategy-related measures and successful execution of energy-photovoltaic projects
- **Annual Strategic Priorities**: alignment with the organisation's strategic directions

STIP for Employees - for employees, the STIP is determined as a proportion of their **annual fixed pay**. Several factors are considered:

- **Role**: the employee's role influences the target bonus rate - this varies based on whether they hold non-managerial, middle management/subject matter expert, or senior management positions
- **Individual Performance**: each employee receives an individual performance rating during the annual evaluation process, typically on a scale of 1 to 5

STIP for Executive Directors - the STIP is determined through a clear, measurable algorithm. This algorithm leads to a coefficient that is applied to the individual annual fixed pay. The algorithm incorporates measures aligned with business KPIs, categorised as follows:

Weight distribution performance measures (KPIs) Executive Directors:

Performance measures STIP	Weight		
	CEO	CFO	COO
Financial performance	35%	40%	25%
Operational performance	35%	20%	45%
Debt risk management	-	10%	-
ESG - Qualitative factors	15%	15%	15%
Annual Strategic Priorities	15%	15%	15%
Total	**100%**	**100%**	**100%**

Correlation of Performance and STIP

The performance measures (KPIs) are established for a 12-month financial period . The achievement rate of the performance measures is calculated based on the specific weights agreed upon for each individual performance measure.

The financial and operational KPIs are set in alignment with published guidance and internal budgets. A sliding scale is applicable for the financial and operational performance measures (KPIs) that have the potential to significantly impact distributable earnings and the Group's overall performance, such as growth in distributable earnings per share, net operating income, maximum accepted vacancies, collection rate and gross rental income increase. This sliding scale ranges from 50% **of the allocated weight** for **achieving** the minimum performance level to 100% **of the allocated weight** for **achieving** the target performance level and 200% **of the allocated weight** for **achieving** the maximum performance level.

The Remuneration Committee assesses the completion of the Annual Strategic Priorities on a discretionary basis, considering the specific market and economical circumstances and in light of the impact of those projects over the business on short and long-term. This approach also allows the Remuneration Committee to incentivise executive management to focus on specific projects or initiatives when external or internal factors impact financial and operational results, necessitating counterbalancing actions.

STIP payout level for the Executive Directors varies from 100% of the annual fixed pay at target level performance to a maximum of 170% of the annual fixed pay for extraordinary performance as determined by the Remuneration Committee based on business circumstances.

Threshold level for STIP payout - If the cumulative achievement of STIP KPIs falls below the 75% threshold level, the STIP award is capped at the equivalent of the Annual Strategic Priorities percentage, as specified in the STIP KPIs table.

In summary, the STIP ensures that both employees and Executive Directors are incentivised based on performance, strategic priorities and business success.

Review and Adaptation - Specific KPIs within the above performance categories and their weights are reviewed annually. Adjustments may be made to better reflect the unique roles of Executive Directors or the business key focus areas.

Variable pay – Long-Term Incentive Plan (LTIP) awards are granted to Executive Directors and key staff in accordance with the NEPI Rockcastle's Incentive Plan. Eligible employees and Executive Directors receive an allocation of restricted shares, which vest as follows:

- **Vesting for the key employees**: the shares vest in tranches over a three-year period
- **Vesting for Executive Directors**: the shares fully vest at the end of a three-year period, with the vested shares remaining subject to a lock-up period of two additional years, resulting in a total of five years from allocation before the shares can be freely traded

The LTIP Award determination

For **key staff,** the award allocation amount is determined based on a combination of the employee's fixed pay and STIP, considering individual overall annual performance, the complexity of the role and the business impact.

Executive Directors' LTIP award allocation depends on the achievement of both internal and external performance measures.

- The **internal performance measure** is determined by assessing the **Compound Annual Growth Rate** ('CAGR') over a three-year period of distributable earnings per share relative to an indexation-linked benchmark. The resulting percentage is then multiplied by an internal hurdle factor of 20
    - Threshold level for vesting: the CAGR over a three-year period, must exceed indexation + 1%. Failure to meet this criterion results in no award for this KPI
- The **external performance measure** is determined by comparing the **Total Shareholder Return** ('TSR') to a relevant peer group approved by the Remuneration Committee. The relative TSR performance is calculated as follows:
    - If the Group's TSR performance falls within the **top quartile** of the peer group, the LTIP award is at a level of 200%, equal to **50%** of the annual fixed pay
    - If the Group's TSR performance falls within the **second quartile** of the peer group, the LTIP award is at a level of 100%, equal to **25%** of the annual fixed pay
    - If the Group's TSR performance falls within the **bottom two quartiles** of the peer group, the LTIP award is zero

As part of the framework, a maximum remuneration is designed for extraordinary performance. The Remuneration Committee determines this based on business circumstances.

For **LTIP awards**, the maximum award allocation is capped at **270%** of the annual fixed pay.

The LTIP determination for Executive Directors' performance is approved by the Remuneration Committee and is settled through share awards without any attached loans.

The LTIP allocation process is finalised between February and March each year, following the completion of the performance review for the previous financial year. Additionally, other LTIP allocations may occur based on factors such as employment, promotion, or retention as part of a remuneration package.

Remuneration report

Clawback provisions

According to the Remuneration Policy and the NEPI Rockcastle's Incentive Plan approved and published by the Group, clawback provisions apply to STIP and LTIP awards granted to key staff and Executive Directors. These provisions allow for the recoupment of all or part of any awards under the STIP or LTIP (or their value), including distributions received on award shares, in specific circumstances:

1. **Gross Misconduct, Gross Negligence, or Material Error**: if any of these events occur or are discovered within 2 years of the allocation of an STIP award or the vesting of LTIP award shares, the clawback provisions apply
2. **Decision-Making Authority**:
   - **Executive Awards**: the Board decides on clawbacks for Executive awards
   - **Key staff**: Executives are responsible for clawbacks related to Key staff
3. **Clawback Event Identification**:
   - **Unvested LTIP Shares**: if a participant's contract ends, **unvested LTIP shares will be forfeited and lapse immediately**
   - **Shares or Cash Repayment**: participants must return to the Company a number of shares equivalent to the total allocated award, including corresponding amounts received as distributions, either in cash or equivalent shares
   - **Method Combination**: the Board or Executives may use a mix of these methods as deemed suitable
4. **External Factors**: new laws, regulations, or social developments may impact the eligibility for awards

These provisions ensure accountability and align with responsible corporate governance practices.

Internal pay ratio

When determining the remuneration of Executive Directors, in accordance with the Dutch Corporate Governance Code, the Remuneration Committee takes into account the progression of the internal pay ratio between the pay of the CEO and the average employee pay computed as total personnel costs reported in the financial statements as 'Staff cost' divided by the average headcount.

The Company aims to ensure alignment with the principles outlined in the Remuneration Policy.

This involves reasonably weighing the position and responsibilities of managing a listed company against reward levels. The goal is to achieve a reasonable remuneration and employment conditions.

Pay ratios in relevant markets where the Group has teams and operates business and asset portfolios are reviewed. The methodology and the relevant ratios are transparently reported annually in the Implementation Report.

Loans and Guarantees

The Group does not provide loans or guarantees to Executive Directors other than historical loans.

PHOTO: PROMENADA SIBIU

Termination of employment

Section	Provision
Notice period	▪ For staff, the notice period does not exceed 6 months in any of the jurisdictions where the Company operates ▪ For Executive Directors, the notice period is 3 months
Change of control payments	▪ There are no reward related provisions in place for change of control and severance payments on termination of Executive Directors' contracts

Termination of employment guidelines	The employment contract may be terminated as follows:
	▪ unilaterally
	▪ initiation of bankruptcy, insolvency, liquidation or judicial reorganisation procedure of one of the parties
	▪ voluntary resignation and dismissal
	▪ normal retirement
	▪ involuntary or forced change in the ownership or administrative control
	Payments:
	Fixed Pay and Benefits:
	▪ Fixed pay and benefits are discontinued when employment ceases
	▪ However, applicable benefits may continue to be provided during the notice period
	Short-Term Incentive Plan (STIP):
	▪ Entitlement to STIP will lapse upon termination of employment, and no further payments will be made
	▪ On a discretionary basis, the executive management (for staff) and the Remuneration Committee (for Executive Directors) may decide to award a portion of the STIP for the period worked until the termination date
	Long-Term Incentive Plan:
	▪ Unvested awards under the LTIP shall be forfeited in their entirety and will lapse immediately in the event of a fault (bad leaver) termination
	▪ In the case of a no-fault (good leaver) termination:
	  ▪ Executive management (for staff) and the Remuneration Committee (for Executive Directors) have discretion to determine whether unvested awards shall vest as scheduled, on an accelerated basis (all, part, or pro rata), or lapse, as well as to determine the application of lock-up for awarded shares of Executive Directors, as detailed in the Implementation Report for the respective period
	  ▪ Upon the death of an employee or Executive Director, all unvested awards vest, and shares are released from lock-up
	Severance Pay:
	▪ Severance pay may be granted upon termination of employment as required by law or based on the conditions of termination (fault/no-fault terminations)
	▪ The decision lies with the executive management (for staff) and the Remuneration Committee (for Executive Directors)

Executive Directors' agreements

The remuneration of the Executive Directors is determined by the terms outlined in their services or employment agreements with the Group or its subsidiaries.
These agreements are typically indefinite and comply with applicable laws.

The service agreement also includes terms related to an agreement between the Group or a subsidiary and the service company controlled by the Executive Director.

These terms are intended to be consistent with the Remuneration Policy. In case of any inconsistency between the services or employment agreement and the Remuneration Policy, the terms of the agreement will prevail.

The Executive Directors' service or employment agreements do not include provisions for pensions or other benefits beyond what is specified in this Remuneration Policy. The Remuneration Committee has the authority to provide any additional pensions or benefits to the Executive Directors and will disclose any such decision in the Implementation Report on an annual basis.

Remuneration report

Non-Executive remuneration

The non-Executive Directors receive an annual fee in their capacity as members of the Board of Directors and committees, as approved by shareholders at the Annual General Meeting. Any increases in the non-Executive Directors' fees are proposed by the Board to be approved by shareholders at the Annual General Meeting.

Next to the annual fees, the Group covers or reimburses travel, accommodation, and logistics costs incurred by the non-Executive Directors in relation to the performance of their duties.

The non-Executive Directors are not eligible to participate in the STIP and/or LTIP nor does the Group provide loans or guarantees to non-Executive Directors.

In order to determine appropriate fee levels for the non-Executive Directors, the Group conducts a benchmark with an industry specific peer group. The Group is committed to consulting market benchmarks to ensure external equity. For this purpose, NEPI Rockcastle engages top-tier reward consultants with expertise in relevant industries and markets.

The strategic approach is to align the fixed annual fees for the non-Executive Directors with the market median.

PHOTO: SHOPPING CITY RAMNICU VALCEA

Chapter 3: Implementation report

Executive Directors' remuneration

Fixed pay

There were no increases in the Executives' fixed pay compared to the previous year. The compensation structure remains unchanged, reflecting the Company's commitment to stability and alignment with long-term business goals.

Executive Director	Position	Annual fixed pay (€) - 2024	Annual fixed pay (€) - 2023
Rüdiger Dany	CEO	675,000	675,000
Eliza Predoiu	CFO	385,000	385,000
Marek Noetzel	COO	385,000	385,000

Variable Pay

The variable pay components linked to the 2024 results (STIP and LTIP) were determined based on performance criteria that are closely aligned with the Group's strategic priorities and have a direct impact on the Group's financial and operational performance.

The Remuneration Committee reviewed these criteria, considering the preliminary assessed performance. After calculating the final results, the Committee validated the variable pay components during the Remuneration Committee meeting held on the 12th of February 2025, based on the actual performance for the year.

1. 2024 STIP AWARD DETERMINATION

The 2024 STIP KPIs have been structured in three main categories:

Quantitative KPIs - 70%		Qualitative KPIs - 15%	Stategic Priorities - 15%	
Financial performance & Debt risk management	**Operational performance**	**ESG**	**Strategic Priorities**	**Annual Bonus**
on average ***37%***	***33%***	***15%***	***15%***	

Quantitative KPIs (Financial and Operational performance and Debt Management)

- The quantitative KPIs are designed to link performance within operations (such as NOI Organic Growth, Vacancy, Collection rate and Gross Rental Income) and financing (including Liquidity and Debt Risk Profile) to the investment profile and distributable earnings for shareholders. The sliding scales apply to specific KPIs that have the potential to significantly impact distributable earnings and the Group's overall performance
- The financial and operational KPIs have been set in alignment with published guidance and internal budgets**.** The chosen levels for financial metrics reflect the ambition to maximise growth potential, building on the strong growth achieved during 2023
- The 2024 targets represent a normalised growth pace, several years post-Covid-19, when the business was significantly affected. These targets reflect a stabilised business, returning to solid operational and financial results

Qualitative KPIs

The decision to introduce ESG qualitative KPIs in remuneration aims to focus the executive management on several critical aspects:

- Defining a robust Sustainability Strategy that aligns with the Group's long-term goals
- Monitoring progress against Sustainability Agencies' ratings and adopting relevant methodologies
- Continue implementing strategic ESG projects, such as the successful installation of photovoltaic panels across the Romanian portfolio
- Driving the development of the Renewable Energy business as a key driver of further growth and further efficiencies across the Group' assets portfolio

Annual Strategic Priorities

The Annual Strategic Priorities play a crucial role in the performance delivered each year and in the long-term achievement of goals and alignment with stakeholders' interest. These priorities focus on critical projects related to the overall Group's performance and strategy implementation. The 15% allocation for Strategic Priorities provides flexibility and it allows the Remuneration Committee to incentivise the executive management to focus on specific projects or initiatives when external or internal factors impact financial and operational results, necessitating counterbalancing actions.

In 2024, the strategic priorities covered projects in the following areas:

Business strategy and growth

- The ***forward-looking five-year strategy,*** endorsed by the Board, build on four key pillars to drive sustainable growth and long-term value creation. The first pillar targets organic growth and investment in existing assets, optimising current operations for maximum value. The second pillar emphasises developments, positioning the Group to capitalise on new opportunities via greenfield, extension and refurbishment projects in CEE. The third pillar focuses on strategic acquisitions and asset rotation, ensuring a dynamic and high-performing portfolio. Finally, the strategy incorporates a strong focus on expanding the Group's green energy business line, aligning with sustainability goals and market demand for

Remuneration report

renewable solutions. Together, these pillars provide a solid foundation for continued success and innovation

- **Set-up of the Green Energy Business in Romania**, obtaining the licenses for energy distribution, production and supply. This strategic move enables the Company to expand into the energy sector, ensuring operational excellence while diversifying revenue streams. By leveraging capabilities in energy supply, distribution and production, the Group is positioned to capture new growth opportunities, contribute to the country's energy landscape, and drive long-term value for the Company and its stakeholders
- **Secured two ready-to-build projects for the development of photovoltaic power plants**, totalling a combined capacity of 159 MW. This initiative aims to mitigate market exposure risk by generating self-sustained electricity, delivering positive returns

Asset Management and Group's Assets portfolio

- ***The acquisition of two prime shopping centres, Magnolia Park and Silesia City Center***, strategically enhances NEPI Rockcastle's portfolio and strengthens its position in the retail sector. These properties, located in key markets, offer significant growth potential through high-quality tenants and strong foot traffic. The acquisition aligns with the Group's long-term strategy to expand retail presence, drive sustainable revenue streams, and deliver value to stakeholders
- ***The disposal of Promenada Novi Sad in Serbia*** was a strategic decision driven by limited expansion opportunities in the country. By divesting this asset, the Company is not only optimising its portfolio but also freeing up capital to reinvest in higher-growth markets and opportunities. This move reflects the Group's ongoing commitment to enhancing shareholder value and deploying resources efficiently to drive long-term returns
- ***Fully completed internalisation*** of all center management teams. This strategic move allows to fully capitalise on the expertise of Group's in-house HR and management teams, ensuring enhanced operational efficiency and alignment with long-term objectives. By bringing these functions in-house, the Company is better positioned to drive the centres' ongoing performance and future development, fostering greater control, consistency, and growth across the portfolio
- ***Internally developed automated Asset Management Reporting system*** through a powerful business software tool, enabling real-time monitoring and management of properties. This innovation enhances the Group's ability to track performance, identify opportunities, and address challenges efficiently. By streamlining reporting processes, the system empowers management to make informed, data-driven decisions quickly, optimising asset performance and supporting the agile execution of strategic goals
- ***Restructured and optimised Asset Management*** function by aligning it within geographic operations. This strategic approach enables closer monitoring of assets and more localised decision-making, streamlining performance management and improving communication across teams. Decentralising operations enhances the responsiveness and agility of management, ensuring more effective collaboration with executive leadership and driving greater efficiency in achieving strategic objectives

Financing Strategy

- Successfully raised ***€300 million in equity***, further strengthening the Group's commitment to maintaining a sustainable business and enhancing financial flexibility. This was complemented by the Company's first ***Capital Markets Day***, which served as a key platform to engage with current and potential strategic shareholders and raise the Company's profile in the market. Additionally, an ***unsecured green bond worth €500 million*** was issued, ensuring solid and sustainable financing sources to support growth. These initiatives position the Group to capitalise on attractive market opportunities, including strategic asset acquisitions and greenfield developments, driving long-term value creation. Liquidity was further improved from a €445 million green loan facility with IFC, contracted in 2023 and supplemented and disbursed in 2024
- Successfully rolled out the ***Microsoft Dynamics accounting module (ERP) across all jurisdictions***, marking a significant step towards enhancing its digital and data-driven management capabilities. This implementation enables seamless, standardised accounting processes across the Group's operations, improving accuracy, efficiency, and real-time financial visibility. By leveraging advanced technology, the Company is optimising financial management, streamlining operations, and supporting informed decision-making, all of which are critical for driving operational excellence and supporting future growth

People and Culture

- The Group's Employee Engagement Survey achieved an impressive **participation rate exceeding 93%**. Moreover, the engagement index increased compared to 2023, reaching a **satisfaction rate of 85%[1] across firm vs 82% in 2023, while for management level it reached 94% vs 91% in 2023.**

[1] Benchmarked against average global Employee Engagement Index of 72% reported by Qualtrics XM Institute

For 2024, the Remuneration Committee has confirmed that the respective 15% allocated to Strategic Priorities is awarded in full.

The overview of STIP measures, targets and results for 2024 are included in the below table illustrating the detailed calculation and outcome of the STIP 2024 for Executive Directors:

	STIP COMPUTATION											
Performance measures STIP	**Target**			**Weight**			**Result**			**Achieved**		
	min	**tgt**	**max**	**CEO**	**CFO**	**COO**	**CEO**	**CFO**	**COO**	**CEO**	**CFO**	**COO**
Financial performance				**35%**	**40%**	**25%**				**59%**	**64%**	**45%**
Growth in distributable earnings per share	**3.0%**	**4.0%**	**6.0%**	30%	30%	25%	**5.6%**	**5.6%**	**5.6%**	54%	54%	45%
Maintaining Investment Grade rating	-	-	-	5%	10%	-	**yes**	**yes**	**-**	5%	10%	-
Operational performance				**35%**	**20%**	**45%**				**69%**	**40%**	**88%**
NOI organic growth	**4.0%**	**5.8%**	**7.6%**	20%	10%	20%	**9.2%**	**9.2%**	**9.2%**	40%	20%	40%
Maximum accepted vacancies (EPRA overall)	**3.5%**	**2.5%**	**1.5%**	5%	-	10%	**1.7%**	**1.7%**	**1.7%**	9%	-	18%
Collection rate[1] (at year-end)	**96.0%**	**97.3%**	**98.5%**	5%	10%	5%	**99%**	**99%**	**99%**	10%	20%	10%
GRI - gross rental income increase	**6.0%**	**7.2%**	**8.4%**	5%	-	10%	**11%**		**11%**	10%	-	20%
Debt risk management				**-**	**10%**	**-**				**-**	**10%**	-
Debt maturity (remaining years, excluding RCF)	-	over 3 years	-	-	10%	-		**4.1**		-	10%	-
ESG - qualitative factors				**15%**	**15%**	**15%**				**15%**	**15%**	**15%**
Energy Strategy Implementation: Generate additional €9 million revenue from photovoltaic panels (Romania). Present a business plan (including rollout) for photovoltaic energy productions across the portfolio, including the organisational set-up and regulatory framework.	-	-	-	5%	5%	5%		€9 million		**5%**	**5%**	**5%**
1. Target: Decrease Scope 1&2 GHG emissions intensity by 40% over 2024-2030 period, compared to the 2022 baseline. KPI: 5% reduction of scope 1 and 2 GHG emissions from operational energy use in 2024. Measures: ensure renewable electricity purchase/production across the whole portfolio and start planning gas phase out. 2. Target: Common area energy intensity reduction by 30% by the end of 2030 compared to 2022, measured in kWh/m². KPI: 5% (common and service area of the assets) reduction of energy intensity in 2024. Measures: set up reduction target for each asset (PM's/AM's/Sustainability) and have AM's/PM's involved in the process, capex initiatives for the reduction of energy usage in the assets.	-	-	-	10%	10%	10%	1. result: 66% achieved as a result of renewable energy purchase and production, as well as reduction in district heating use in common and service areas 2. result: 9%			**10%**	**10%**	**10%**
Annual Strategic Priorities	-	-	-	**15%**	**15%**	**15%**	▪ Board – endorsed five-years strategy definition ▪ Energy Business set-up, licensed as producer, supplier and trader in Romania ▪ Securing two Ready To Build projects for the development of photovoltaic power plants with a cumulated capacity of 159 MW ▪ Acquisition of Magnolia Park and Silesia City Center in Poland ▪ Disposal of Promenada Novi Sad in Serbia ▪ Complete internalisation of all center management teams in former Rockcastle portfolio ▪ Implementation of automated Asset Management Reporting ▪ Restructuring and optimisation of Asset Management function ▪ Unsecured Green Bond issue - €500 million ▪ Successful first Capital Markets Day ▪ Equity issue - €300 million ▪ Increase in IFC green loan by €58 million ▪ Rollout of MS Dynamics (accounting module) across all jurisdictions ▪ Employee Engagement Survey participation and results			**15%**	**15%**	**15%**
TOTAL	-	-	-	**100%**	**100%**	**100%**				**158%**	**144%**	**163%**
Annual Fixed pay										**675,000**	**385,000**	**385,000**
STIP										**1,066,500**	**554,400**	**627,550**

Payout - KPIs with a sliding scale applied	Min	Target	Max
Growth in distributable earnings per share	50%	100%	200%
NOI organic growth	50%	100%	200%
Maximum accepted vacancies	50%	100%	200%
Collection rate	50%	100%	200%
GRI - gross rental income increase	50%	100%	200%

For specific KPIs, sliding scales and metrics were set for minimum/target/maximum level of achievement. Sliding scale and performance incentive zone applies. Sliding scale ranges from 50% for minimum level to 100% for target level and 200% for maximum level.

Assessment of the STIP KPIs resulted in an overall achievement rate for the individual Executive Directors between 144%-163% of a maximum of 170%.

The majority of the KPIs have been achieved at target up to maximum levels and sliding scales have been applied.

Remuneration report

2. 2024 LTIP AWARD DETERMINATION

The LTIP award determination is based on two measures: an external performance measure and an internal performance measure, as described below.

External performance measure – Total Shareholder Return ('TSR') comparison to a peer group

The TSR is a significant and relevant benchmark for assessing shareholders' performance in relation to the market. While TSR is not directly tied to the individual performance of Executive Directors and the management team, it is heavily influenced by various market conditions. By incorporating TSR as an LTIP target, the Remuneration Committee aims to align award levels with the performance achieved compared to the peer group.

LTIP award on the TSR performance is based on the following principles:

- No award if the Group's relative TSR performance falls within the bottom two quartiles of the peer group
- 100% award (25% of fixed pay) if the Group's relative TSR performance falls within the second quartile of the peer group
- 200% award (50% of fixed pay) if the relative TSR performance falls within the top quartile of the peer group

The external measure is assessed based on the TSR of NEPI Rockcastle shares in comparison to relevant peers.

Quartile	Peer	TSR 2024
1	Hyprop Investments	59%
	MAS Real Estate	39%
	Redefine Properties	31%
	NEPI Rockcastle	**22%**
2	Klepierre	21%
	Growthpoint Properties	20%
	Unibail-Rodamco-Westfield	12%
	Globalworth Real Estate	12%
3	Mercialys	12%
	Carmila	11%
	Eurocomemrcial Properties	8%
	Deutsche EuroShop	0%
4	CA Immobilien	-26%
	Immofinanz	-29%
	Citycon	-33%

Min	0	-33%
Third Quartile Marker	1	4%
Second Quartile Marker	2	12%
First Quartile Marker	3	22%
Max	4	59%
NRP Quartile		First Quartile
NRP exec remuneration based on TSR		**50%**

Source: Bloomberg
TSR is computed based on share price growth considered in the companies' functional currency, with dividends reinvested in the security

PHOTO: MAGNOLIA PARK

Internal performance measure

The internal performance measure is the Compound Annual Growth Rate ('CAGR') of distributable earnings per share relative to an indexation-linked benchmark. The CAGR over a three-year period, must exceed indexation + 1%. The result, as a percentage, is multiplied by an internal hurdle factor of 20. This results in the following calculation:

[CAGR in distribution per share – (Indexation+1%)] * internal hurdle of 20

- 3-year CAGR in distribution per share (period 2021 - 2024): 20.46%
- Indexation: 3.7%+ 1%=4.7%
- Internal hurdle factor is 20
- Overall achievement: 270% (maximum)

The CAGR plays a pivotal role in determining the LTIP award. It directly considers the growth rate over consecutive years, aligning the interests of Executives Directors with shareholders and the Company's performance.

LTIP Computation	
	Assuming CAGR relative to 2021
Indicator	2024
CAGR	20.46%
Indexation + 1%	4.7%
	15.76%
Internal hurdle	20
TSR 1	50%
Opportunity - top quartile	270%

The LTIP award for 2024, based on the above calculation, has reached the maximum of 270% as per the Group's Incentive scheme. This exceptional result is driven by the 3-year CAGR, where the growth in distributable earnings of 2024 is compared with 2021 which results have been affected by the global Covid-19 crisis.

The LTIP outcome corresponding to the 2024 performance:

Executive Directors	LTIP (number of granted shares)	LTIP (€ thousand equivalent)[1]
Rüdiger Dany	253,423	1,822,500
Eliza Predoiu	144,545	1,039,500
Marek Noetzel	144,545	1,039,500

1 *The LTIP has been awarded on 12 February 2025 (the award date and the date of award approval by the Remuneration Committee), at a share price of €7.1915 calculated as the 30-days Volume Weighted Average Price ('VWAP') from this date backwards*

Executive Directors' shareholding

Executive Directors or entities in which they have an indirect beneficial interest held the following numbers of NEPI Rockcastle shares at 31 December 2024.

Shares held under the Share Purchase Schemes:

Executive Director[1]	Number of shares held as at 31 Dec 2024	Number of shares held as at 31 Dec 2023
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*

Shares held under the debt free Long-Term Share Incentive Plan (LTIP):

Executive Directors	Number of shares held at 31 Dec 2024	Number of shares held at 31 Dec 2023
Rüdiger Dany	471,720	316,375
Eliza Predoiu	293,258	204,653
Marek Noetzel	423,297	334,692
TOTAL	**1,188,275**	**885,720**

Shares unvested under the LTSIP:

Executive Directors	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**

Remuneration report

Single figure remuneration

The total remuneration of Executive Directors for 2024, relative to previous year, is presented in the table below.

All amounts in € thousand

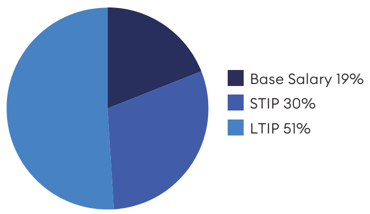
Executive Directors	Years	Directors' fees	STIP	LTIP (number of shares)	LTIP (€ thousand equivalent)	Total single figure of remuneration
Rüdiger Dany	2024	675	1,067	253,423	1,822	3,564
	2023	675	1,009	155,346	944	2,628
Eliza Predoiu	2024	385	554	144,545	1,040	1,979
	2023	385	543	88,605	538	1,466
Marek Noetzel	2024	385	628	144,545	1,040	2,053
	2023	385	601	88,605	538	1,524

The share price for the LTIP relating to 2024 performance is €7,19 and has been determined as 30-days Volume Weighted Average Price ('VWAP') from 12 February 2025 (date of the award approval by the Remuneration Committee).

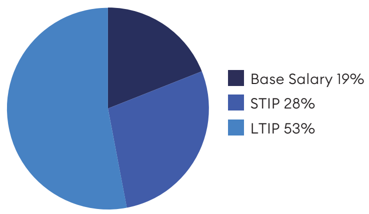
All figures represent total cost to Company. There are no other benefits granted to the Directors other than the ones disclosed above.

The Weight between the various components of reward for the Executive Directors is as follows:

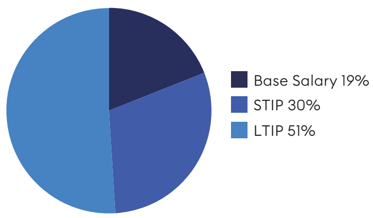
CEO



CFO



COO



Internal Pay ratio and comparative information

In line with the guidance provided under the Dutch Corporate Governance Code and the Dutch Civil Code, the CEO pay ratio and six-year average employee compensation are disclosed in the annual Remuneration Report.

In line with the Dutch regulatory provisions, the average employee compensation is computed as total personnel costs reported in the financial statements as 'Staff costs' divided by the average headcount.

CEO Pay ratio

	2024	2023	2022	2021	2020	2019
a. CEO compensation - **LTIP included** (€ thousand)	3,564	2,628	2,519	600	810	2,641
b. Average number of employees[1]	626	538	454	436	439	441
c. Average employee compensation, as per financial statements (€ thousand)[2]	20.6	22.1	23.5	18.7	17.1	24.3
d. Average employee compensation, excluding the effect of the property management fee income related to staff costs recovery[3] (€ thousand)	53.8	54.3	52.9	40.3	39.1	43.6
e. CEO Pay ratio relative to average employee compensation, as per financial statements (*line a divided by line c*)	173	119	107	32	47	109
f. CEO Pay ratio relative to average employee compensation, excluding the effect of the property management fee income related to staff costs recovery[3](*line a divided by line d*)	66	48	48	15	21	61
g. CEO compensation - **LTIP excluded** (€ thousand)	1,742	1,684	1,583	600	660	1,270
h. CEO Pay ratio relative to average employee compensation, as per financial statements (*line g divided by line c*)	84	76	67	32	39	52
i. CEO Pay ratio relative to average employee compensation, excluding the effect of the property management fee income related to staff costs recovery[3] (*line g divided by line d*)	32	31	30	15	17	29

1 Average number of employees calculated as average between total number of employees at the beginning and at the end of the calendar year

2 Average employee compensation progression reflects the effects of several factors, primarily the internalisation and the pay level of the newly acquired staff throughout the year. Staff costs do not include any LTIP awards, training, personal development or wellbeing related costs

3 Part of the staff costs of the Group is recovered from its tenants through the property management fee re-charges (mainly costs associated with property management function). Staff costs disclosed in note 28 of the financial statements are presented net of these recoveries

CEO to Management pay ratio

The pay ratio (LTIP included and LTIP excluded) between the CEO and Executive and Senior Management, as well as middle management and subject matter experts is displayed below:

	2024	2023
CEO Pay Ratio (LTIP included)		
Ratio to Executive and Senior Management	3.5	2.8
Ratio to Middle Management (including subject matter experts roles)	31.7	26.2
CEO Pay Ratio (LTIP excluded)		
Ratio to Executive and Senior Management	3.4	3.5
Ratio to Middle Management (including subject matter experts roles)	17.0	18.3

Remuneration report

Non-Executive Directors' fees

Non-Executive Directors' (NED) fees have been adjusted as of 1 January 2024. The respective increases have been presented and approved by shareholders at the AGM in May 2024.

The new fee structure reflects the market median outcome of the benchmark analysis conducted in 2023 and the expanded complexity and responsibilities arising from the Company's growth, strategic initiatives, and relocation to the Netherlands.

The list of benchmarked peers across the relevant sectors, industries and geographies is presented below:

Non-Executives Labour market reference
Klepierre
Unibail-Rodamco-Westfield
Hammerson
Swiss Prime Site
AroundTown
Segro
Growthpoint Properties
Redefine Properties
Fortress
MAS Real Estate
Hyprop Investments

Non-Executive Directors' fees as of 1 January 2024 by roles – Chairman and members of Board and Committees:

Actual	Membership	2024 Annual remuneration	2023 Annual remuneration
Board of Directors	Member	57,000	48,000
Board of Directors	Chairman	157,000	72,000
Board of Directors	Lead Independent Director	7,000	5,000
Audit Committee	Member	12,000	11,000
Audit Committee	Chairman	20,000	18,000
Risk and Compliance Committee	Member	10,000	9,000
Risk and Compliance Committee	Chairman	17,000	15,000
Investment Committee	Member	12,000	11,000
Investment Committee	Chairman	20,000	18,000
Remuneration Committee	Member	9,000	8,000
Remuneration Committee	Chairman	13,000	12,000
Nomination Committee	Member	8,000	7,000
Nomination Committee	Chairman	12,000	11,000
Sustainability Committee	Member	8,000	7,000
Sustainability Committee	Chairwoman	12,000	11,000

PHOTO: PROMENADA BUCHAREST

The non-Executive Directors' annual fees are set out below. Actual payments during 2024 are presented in a separate table further down in this section and in note 37 of the financial statements. Differences between the amounts in the two tables are due to changes in the roles of various Board members occurred during the year.

Actual	Member/ Chairman/ Chairwoman	Annual remuneration	Andre van der Veer	Andries de Lange	Antoine Dijkstra	Steven Brown	George Aase[1]	Andreas Klingen	Ana Maria Mihaescu	Jonathan Lurie	Jeanine Holscher	Total
Board of Directors	Chairman	157,000	-	-	-	-	157,000	-	-	-	-	157,000
Board of Directors	Member	57,000	57,000	57,000	57,000	57,000	-	64,000[2]	57,000	57,000	57,000	463,000
Audit Committee	Member	12,000	12,000	-	12,000	-	-	-	12,000	-	-	36,000
Audit Committee	Chairman	20,000	-	-	-	-	-	20,000	-	-	-	20,000
Risk and Compliance Committee	Member	10,000	10,000	-	-	10,000	-	-	-	10,000	-	30,000
Risk and Compliance Committee	Chairman	17,000	-	-	17,000	-	-	-	-	-	-	17,000
Investment Committee	Member	12,000	-	-	-	12,000	-	-	-	12,000	-	24,000
Investment Committee	Chairman	20,000	20,000	-	-	-	-	-	-	-	-	20,000
Remuneration Committee	Member	9,000	9,000	-	-	-	-	-	9,000	-	-	18,000
Remuneration Committee	Chairman	13,000	-	13,000	-	-	-	-	-	-	-	13,000
Nomination Committee	Member	8,000	-	8,000	8,000	-	-	8,000	-	-	8,000	32,000
Nomination Committee	Chairman	12,000	-	-	-	-	-	-	-	-	-	-
Sustainability Committee	Member	8,000	-	-	8,000	8,000	-	8,000	-	-	8,000	32,000
Sustainability Committee	Chairwoman	12,000	-	-	-	-	-	-	12,000	-	-	12,000
Annual fee			**108,000**	**78,000**	**102,000**	**87,000**	**157,000**	**100,000**	**90,000**	**79,000**	**73,000**	**874,000**

1 Under the new structure, the Chairman of the Board receives an all-in fee and will not receive additional fees for committee membership or for being chairman of certain committees

2 Mr Andreas Klingen acts as a Lead Independent Director and this respective role is remunerated additionally

Comparative table of remuneration and Group's performance

In line with guidance provided under the Dutch Corporate Governance Code and the Dutch Civil Code, the table below presents the comparative between the performance of the Company, the remuneration of each Director and the average employee compensation (excluding directors) from 2019 to 2024 financial years.

Group performance	2024	2023	2022	2021	2020	2019
Distributable earnings per share (euro cents)	60.17	56.98	52.15	34.42	38.42	56.33
Net Operating Income (€ thousand)	555,939	491,209	404,565	346,891	322,964	400,738
CEO total compensation – LTIP included	3,564	2,628	2,519	600	810	2,641
Average employee compensation[1] (€ thousand)	20.6	22.1	23.5	18.7	17.1	24.3
Average gross personnel costs[2] (€ thousand)	53.8	54.3	52.9	40.3	39.1	43.6

1 Calculated based on personnel costs as per the financial statements

2 Excludes the netting effect of the property management income generated by the Group

Remuneration report

Single figure remuneration:

The total remuneration of Executive and non-Executive Directors for 2024, relative to previous years, where applicable, is presented in the table below. Total figure remuneration reflects the payments in line with the relevant dates of appointment and the changes in the Committees' membership.

All amounts in € thousand

Director	Position	2024	2023	2022	2021	2020	2019
Rüdiger Dany	Chief Executive Officer	3,564	2,628	2,519	-	-	-
Rüdiger Dany	Former Chief Operating Officer	-	-	-	1,400	-	-
Eliza Predoiu	Chief Financial Officer	1,979	1,467	1,826	-	-	-
Marek Noetzel	Chief Operating Officer	2,053	1,524	1,785	-	-	-
Marek Noetzel	Former Executive Director	-	-	-	600	405	970
Alex Morar	Former Chief Executive Officer	-	-	188	600	810	2,641
Mirela Covasa	Former Chief Financial Officer	-	-	147	400	540	1,784
George Aase	Chairman	157	102	102	112	88	62
Antoine Dijkstra	Non-Executive Director	102	88	88	104	86	72
Andre van der Veer[1]	Non-Executive Director	109	98	98	116	108	109
Andreas Klingen[2]	Non-Executive Director	101	89	89	103	81	48
Steven Brown	Non-Executive Director	87	75	75	84	47	-
Andries de Lange[3]	Non-Executive Director	79	63	63	74	40	-
Jonathan Lurie	Non-Executive Director	79	68	68	25	-	-
Ana Maria Mihaescu[4]	Non-Executive Director	89	74	74	27	-	-
Jeanine Holscher[5]	Non-Executive Director	56	-	-	-	-	-
Robert Emslie	Former non-Executive Director/ Former Chairman	-	-	-	78	132	141
Desmond de Beer	Former non-Executive Director	-	-	-	-	36	73
Sipho Vuso Majija	Former non-Executive Director	-	-	-	-	27	65

1 Mr Andre van der Veer's membership in the Remuneration Committee changed from Chairman to Member as of 14 May 2024
2 Mr Andreas Klingen's membership in the Sustainability Committee changed from Chairman to Member as of 14 May 2024
3 Mr Andries de Lange was appointed Chairman of the Remuneration Committee effective as of 14 May 2024
4 Ms Ana Maria Mihaescu was appointed Chairwoman of the Sustainability Committee effective as of 14 May 2024
5 Ms Jeanine Holscher was appointed as a Board Member and Member of the Nomination Committee and the Sustainability Committee effective as of 14 May 2024

Non-Binding Advisory Vote on the Implementation Report

This implementation report is subject to a non-binding advisory vote by shareholders at the Annual General Meeting of Shareholders to be held in 2025.

PHOTO: CITY PARK

Analysis of shareholders and share trading

Shareholder spread in terms of the JSE Listing Requirements	Number of shareholders	Number of shares held	Holding percentage (%)
Public	13,063	461,864,409	64.84
Non-public	2	245,213,986	34.42
Directors and employees	44	3,292,634	0.46
Other	-	1,986,280	0.28
Total	**13,109**	**712,357,309**	**100.00**

Size of holding	Number of shareholders	Number of shares held	Holding percentage (%)
1 to 2 500 shares	10,477	4,608,201	0.65
2 501 to 10 000 shares	1,073	5,513,412	0.77
10 001 to 100 000 shares	994	35,536,788	4.99
100 001 to 1 000 000 shares	459	151,405,413	21.25
1 000 001 to 3 500 000 shares	70	120,734,956	16.95
More than 3 500 000 shares	36	392,572,259	55.11
Other	-	1,986,280	0.28
Total	**13,109**	**712,357,309**	**100.00**

Registered shareholders owning 3% or more of issued shares	Number of shares held	Holding percentage (%)
2024		
Public Investment Corporation	129,386,872	18.16
Fortress Real Estate Investments Limited	115,827,114	16.26
State Street Bank and Trust Company (Custodian)	53,478,680	7.51
JP Morgan (Custodian)	42,728,943	6.00
Total	**341,421,609**	**47.93**
2023		
Fortress Real Estate Investments Limited	160,135,676	24.23
Public Investment Corporation	90,494,535	13.69
State Street Bank and Trust Company (Custodian)	49,936,301	7.56
JP Morgan (Custodian)	35,827,457	5.42
Total	**336,393,969**	**50.91**

Beneficial shareholding of 3% or more of issued shares	Number of shares controlled	Holding percentage (%)
2024		
Public Investment Corporation	129,386,872	18.16
Fortress Real Estate Investments Limited	115,827,114	16.26
Total	**245,213,986**	**34.42**
2023		
Fortress Real Estate Investments Limited	160,135,676	24.23
Public Investment Corporation	90,494,535	13.69
Total	**250,630,211**	**37.93**

Beneficial shareholding of Directors

At 31 December 2024	Direct	Indirect	Associates	Total Shares Held	Holdings percentage (%)
Rüdiger Dany	161,217	310,503	-	471,720	0.07
Eliza Predoiu	293,258	-	-	293,258	0.04
Marek Noetzel	528,732	-	-	528,732	0.07
George Aase	20,653	-	-	20,653	-
Antoine Dijkstra	5,123	4,152	-	9,275	-
Andreas Klingen	-	-	-	-	-
Andre van der Veer	71,000	-	10,062	81,062	0.01
Steven Brown	185,589	-	-	185,589	0.03
Andries de Lange	-	264,279	-	264,279	0.04
Ana Maria Mihaescu	-	-	-	-	-
Jonathan Lurie	-	-	-	-	-
Jeanine Holscher	-	-	-	-	-
Total	**1,265,572**	**578,934**	**10,062**	**1,854,568**	**0.26**

At 31 December 2023	Direct	Indirect	Associates	Total Shares Held	Holdings percentage (%)
Rüdiger Dany	145,682	170,692	-	316,374	0.05
Eliza Predoiu	204,653	-	-	204,653	0.03
Marek Noetzel	440,127	-	-	440,127	0.07
George Aase	11,118	-	-	11,118	-
Antoine Dijkstra	4,936	-	-	4,936	-
Andreas Klingen	-	-	-	-	-
Andre van der Veer	63,001	-	9,403	72,404	0.01
Steven Brown	-	-	-	-	-
Andries de Lange	-	254,594	-	254,594	0.04
Ana Maria Mihaescu	-	-	-	-	-
Jonathan Lurie	-	-	-	-	-
Total	**869,517**	**425,286**	**9,403**	**1,304,206**	**0.20**

Since the publication of the reviewed condensed consolidated financial results for the year ended 31 December 2024 and the publication of this Annual Report, 542,513 shares have been allocated to the Executive Directors, as follows: 253,423 shares to Rüdiger Dany and 144,545 shares to Eliza Predoiu and Marek Noetzel respectively. For further details on the share based incentive plan and their allocation subsequent to the year-end, please refer to the Remuneration report section. In addition, during the same period, a number of shares have been purchased by non-Executive Directors, as follows: 2,225 shares purchased by Andre van der Veer and 4,347 shares purchased by George Aase.

None of the shares held by the Executive and non-Executive Directors are subject to security, guarantee, collateral and they are not encumbered in any way, except for 88,358 shares held by Marek Noetzel, which are pledged as security for the loan under Share Purchase Scheme.

For the Executive Directors shareholdings resulting from the share-based incentive programme as at 31 December 2024, please refer to Note 37 of the Financial Statements.

SUSTAINABILITY

PHOTO: PROMENADA CRAIOVA

At NEPI Rockcastle, we prioritise sustainability and people development as fundamental components of our business philosophy. Our unwavering commitment to operating efficiently, with integrity and accountability, drives positive outcomes for the communities in which we operate. As we expand our presence, we are increasingly focused on our Environmental, Social, and Governance objectives, reinforcing transparency in our practices, as exemplified by our inaugural Sustainability Statement aligned with the Corporate Sustainability Reporting Directive (CSRD).


CITY PARK
MALL OF CONSTANȚA
STARBUCKS

Focus and performance

Message from the CEO

At NEPI Rockcastle, we prioritise sustainability and people development as fundamental components of our business philosophy.

Our unwavering commitment to operating efficiently, with integrity and accountability, drives positive outcomes for the communities in which we operate. As we expand our presence, we are increasingly focused on our Environmental, Social, and Governance objectives, reinforcing transparency in our practices, as exemplified by our inaugural Sustainability Statement aligned with the Corporate Sustainability Reporting Directive (CSRD).

Being a responsible corporate citizen and supporting our communities has always been at the heart of our strategy. Our formalised ESG approach enhances and amplifies these initiatives, providing a structured pathway for continued progress. We aspire to transform our shopping centres into vibrant 'third places' – dynamic and welcoming environments where people can gather, connect, relax, and enjoy experiences. In addition to economic development, including new workplaces, we strive to include healthcare services, wellness programs, educational activities, and diverse entertainment options to foster community engagement and wellbeing.

Urban regeneration stands as a strategic priority for us, by enriching the built environment while creating job opportunities and delivering economic value to the neighbourhoods surrounding our properties. Since 2007, when the Company was first established, we have experienced consistent growth and expansion – in 2024, our operations span over 8 countries, we employ 650 professionals and receive 347 million visits in our assets. Our entrepreneurial spirit is also reflected in our commitment to diversity and inclusion, demonstrated by our engagement survey score of 85%, significantly higher than the global average, and the recently obtained EDGE certification on workplace diversity.

In 2024, we have advanced our three-pillar ESG strategy while closely monitoring actionable KPIs for each pillar, to assess our progress.

We have invested in training our teams to facilitate continuous improvement in our sustainability reporting, achievements and practices. Our governance model has also evolved, with the Sustainability Committee overseeing how key performance indicators are tracking to the target and receiving regular updates on the strategic actions.

Our initiatives have received noteworthy recognition: we improved our ESG rating with Sustainalytics, achieving a 'Negligible' risk ranking for the second consecutive year. For the first time, we were honored with the EPRA Gold Award for meeting Best Practices Recommendations in sustainability reporting. Additionally, we earned a 5-star rating for Operations from GRESB, the global benchmark for ESG performance in real estate.

Our focus on sustainability not only reflects our commitment to responsible business practices but also drives growth and new opportunities across our markets. A significant milestone in 2024 was the realisation of returns on our €34 million investment in renewable energy projects in Romania. The energy business contributed €9 million to the Group's annual revenue and our photovoltaics production covered 6% of the Group's electricity needs. Building on this success, we have decided to invest an additional €110 million to expand this program through installation of photovoltaic equipment across our entire portfolio, on our assets' rooftops, and in greenfield plants.

Expanding our renewable energy business is a win-win solution, it creates a new, profitable revenue stream for NEPI Rockcastle, while simultaneously providing access to renewable energy for our tenants, strengthening their ESG credentials and contributing to a greener planet.

As we continue this journey, NEPI Rockcastle remains resolute in its mission to create sustainable, thriving communities and redefine excellence in the retail real estate landscape.

18 March 2025
RÜDIGER DANY
Chief Executive Officer

PHOTO: FORUM GDANSK SHOPPING CENTRE

ESG strategy at a glance

NEPI Rockcastle has demonstrated its commitment to sustainability through addressing the most significant challenges and opportunities facing its business, industry and society. As a leader in the CEE Region, with presence in eight countries, developing, owning, and managing shopping centres, industrial and office buildings, the Group's sustainability strategy has established a sector leading approach for creating resilience, positive impact, and meeting stakeholders' requirements, all while adhering to its core values.

The Group's sustainability strategy and its green funding strategy are intertwined, working in tandem to drive positive change.

NEPI Rockcastle's ESG commitment is underpinned by three foundational pillars: **investing in healthy and sustainable buildings, fostering trust with stakeholders, and cultivating an attractive, professional, and ethical work environment.** In 2024, the Group undertook key actions and achieved significant results across each of these pillars:

Investing in healthy and sustainable buildings

- Committed to decarbonisation targets validated by the Science Based Targets initiative (SBTi)
- Green building certifications continued to be actively pursued throughout the year, resulting in **100%**[1] of eligible portfolio being BREEAM certified
- Energy intensity in common areas has decreased by **9%** in 2024 compared to 2022 baseline
- Absolute scope 3 emissions (within Category 3 and 13) have decreased by **4%** from 2022 baseline
- Scope 1 and 2 emissions intensity has decreased by **85%** from 2019 baseline
- **46%** of the waste in operations was recycled in 2024
- A portfolio-wide screening of physical climate change risks was conducted, forming the foundation for preparing climate adaptation plans for assets highly exposed to climate risks

Fostering trust with stakeholders

- Continued to generate employment opportunities while prioritising the enhancement of the aesthetics and natural capital of the areas surrounding Group's assets
- Continued to generate economic growth in the community
- Organised engagement campaigns throughout 2024, to promote education, healthcare and environmental awareness
- Launched the Sustainable Communication Policy, building on the initial community consultation, along with regular visitor surveys to establish ongoing communication channels with business partners, communities, and other stakeholders
- Continued to collaborate with tenants to foster sustainable practices and enhance operational efficiency

Cultivating an attractive, professional and ethical work environment

- Continued to invest in workforce training, professional development, and inclusion programs
- Obtained the EDGE Certification on Workplace Gender Equity, a confirmation of NEPI Rockcastle's equality practices
- Achieved a strong engagement score of **85%**[2] in the annual Employee Engagement Survey, with a **93%** participation rate.

1 As of February 2025, excluding Silesia City Center in Katowice (acquired in December 2024)

2 Benchmarked against average global Employee Engagement Index of 72% reported by Qualtrics XM Institute

Focus and performance

Social engagement

NEPI Rockcastle actively supported initiatives aimed at enhancing community engagement, promoting education and addressing environmental sustainability throughout 2024. To promote environmental awareness, events were held across the portfolio during Earth Hour, World Recycling Day, and Circular Week. A summary of the key initiatives is outlined below.

NEPI Rockcastle suported the community **during the floods natural disasters**in Poland, by facilitating the collection of essential goods and making direct donations.

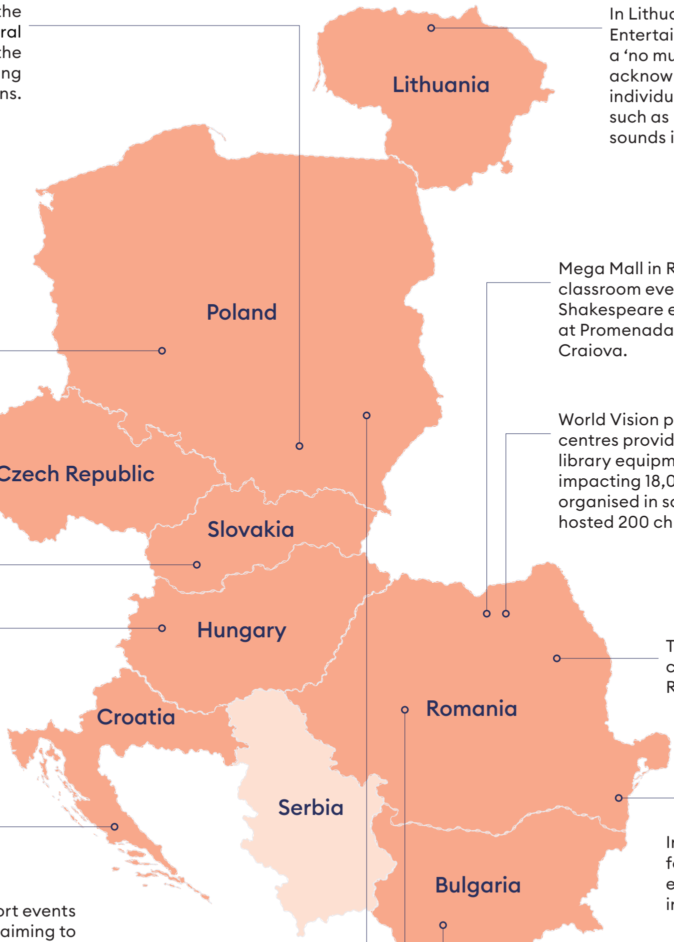
In Lithuania, Ozas Shopping and Entertainment Centre established a 'no music in the morning' day to acknowledge the unique needs of individuals with non-visible disabilities, such as heightened sensitivity to sounds in autismto sounds.

Educational campaigns organised in the Czech Republic centres to raise **staff** empathy to invisible disabilities.

Mega Mall in Romania hosted an immersive classroom event for 40 children. Shakespeare educational events were hosted at Promenada Bucharest and Promenada Craiova.

Men's health campaigns organised in Polish and Hungarian centres.

World Vision partnership in 19 shopping centres provided school supplies and library equipment to 45 schools positively impacting 18,000 children. Reading clubs organised in some of the shopping centres hosted 200 children.



Slovakian malls participated in Shwopping – the practice of taking old items to a shopping centre to be recycled, while also buying new ones.

The Group sponsored major cultural events throughout Romania.

Interactive robotics workshops for children in Romania encouraging education in engineering.

Arena Centar in Croatia organised sport events in collaboration with a local NGO, aiming to strengthen neighborhood ties and promote a healthy and active lifestyle.

In line with its circular economy commitment, the Group supported textile recycling initiatives in Bulgaria, Romania and Poland.

2024 Achievements and insights

NEPI Rockcastle's sustainability strategy is monitored through comprehensive targets aligned with the material ESG risks and opportunities.

These targets reflect the foundation of the Group's commitment to reducing its environmental footprint and driving sustainable progress.

ESG Topic	Target	Measurement	Progress in 2024	Aspiration for 2030
Climate change	Reduce energy intensity in common areas by 30% by 2030, compared to 2022 baseline	kWh/m^2	3% reduction in 2024 compared to 2023 9% reduction in 2024 compared to 2022 baseline	Operate an energy efficient portfolio
	Reduce scope 1 and 2 GHG emissions intensity per m^2 by 80% by 2030, compared to 2019 baseline	tCO_2eq/m^2	25% reduction in 2024 compared to 2023 85% reduction compared to 2019 baseline	Act for a low-carbon future
	Reduce scope 1 and 2 GHG emissions intensity per m^2 by 40% over 2024-2030 compared to 2022 baseline	tCO_2eq/m^2	66% reduction compared to 2022 baseline	Act for a low-carbon future
	Reduce absolute scope 3 GHG emissions from operations (within Category 3 and 13)[1] by 25% by 2030, compared to 2022 baseline	tCO_2eq	0.4% reduction compared to 2023 4% reduction compared to 2022 baseline	Stakeholder engagement for a low-carbon future
	Produce renewable energy for own consumption by 2030	Renewable production capacity	Produced renewable electricity, covers 6% of total Group electricity needs	Path to net zero
	Reduce embodied emissions from new constructions by 30% by 2030, compared to 2019 baseline	Upfront embodied carbon intensity kg CO_2e/m^2	Progress to be reported starting 2025	Contribute to net zero construction
Water	Decrease (potable) water intensity per visitor by 30% by 2030, compared to 2019[2] (previous target – Reduce water consumption by 15% until 2024 compared to 2019)	m^3 per 1,000 visitors	Water intensity per visitor has increased by 3% compared to 2019 baseline and 1% compared to 2023	Develop water-efficient shopping centres
Circular economy	Reach a waste recycling rate of 60% from operations by 2030[2] (previous target – Reach a waste recycling rate of 60% by 2025)	% waste recycled/ total waste produced in operations	46% of waste was recycled in 2024	Operate a zero-end waste business
	Zero avoidable waste to landfill in operations by 2025[3]	% waste to landfill	54% of waste sent to landfill in 2024	Operate a zero-end waste business
Governance	Continue BREEAM In-Use buildings certification, with a minimum of 'Very Good'	Number of certified assets	100% certified portfolio out of which 95% certified 'Very Good' and above (by GLA)[4]	Be a recognised leader in buildings environmental performance
Biodiversity	Implement a Biodiversity Action Plan for all properties in operation and under development	Action plans in place in each relevant asset	Action plans to be developed and implemented in 2025	Preserve biodiversity and responsibly manage natural resources

1 Category 3 and 13 emissions are measured within scope 3 classifications. Category 3 includes emissions from production of fuels and energy purchased and consumed by the Company not included in scope 1 and 2. Category 13 emissions are emissions from downstream leased assets

2 Target updated in 2024

3 Target to be revised in 2025, following the update of the waste management strategy, as detailed on page 171

4 As of February 2025, excluding Silesia City Center in Katowice (acquired in December 2024)

Focus and performance

Complementing the KPIs presented on the previous page, starting 2024, NEPI Rockcastle has calculated intensity KPIs in line with ESRS standards defined under CSRD. The table below presents the intensity data calculated based on these standards, linking operational performance to annual NOI.

ESG Topic	Target	Measurement	2023 intensity against NOI	2024 intensity against NOI	Progress in 2024 compared to 2023
Climate change	Reduce energy intensity in common areas by 30% by 2030, compared to 2022 baseline	MWh/€ thousand	1.305	1.170	10% reduction
	Reduce scope 1 and 2 GHG emissions per m2 from operational energy use by 80% by 2030, compared to 2019 baseline	tCO_2eq/€ thousand	0.042	0.028	34% reduction
	Reduce absolute scope 3 GHG emissions from operations (within Category 3 and 13) by 25% by 2030, compared to 2022 baseline	tCO_2eq/€ thousand	0.286	0.236	18% reduction
Water	Decrease (potable) water intensity by 30% by 2030, compared to 2019	m^3/€ thousand	4.034	3.677	9% reduction

The Group is committed to integrating financial performance with environmental responsibility, ensuring that growth aligns with sustainability goals. To achieve this, the NOI-based intensity metrics show how efficiently the Group manages energy consumption, water use, and greenhouse gas emissions in relation to its business growth.

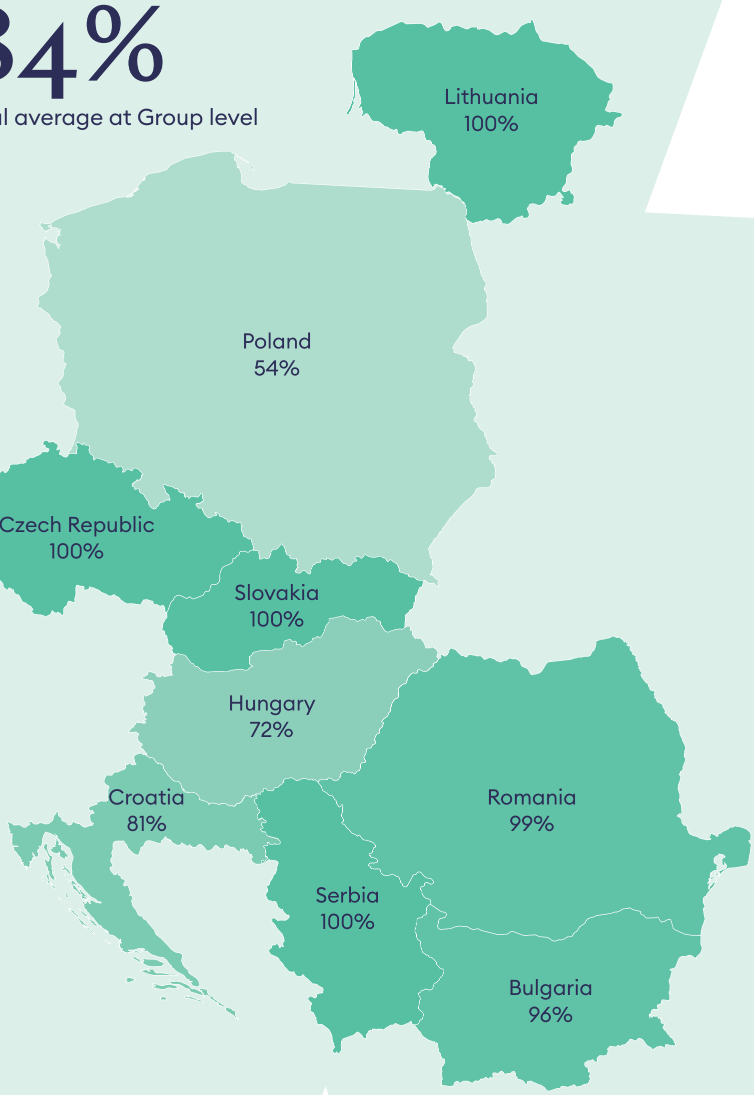
By monitoring sustainability indicators in proportion with financial performance, the Group also ensures that expansion and business growth do not lead to increased environmental impact. Moving forward, the NOI-based intensity metrics will continue to guide decision-making, ensuring that financial success is achieved alongside sustainability leadership. Moreover, the Group is using NOI-based intensity metrics as a bridge and calibrator between its environmental performance (monitored using the operational KPIs above) and its financial performance.

PHOTO: FORUM GDANSK SHOPPING CENTRE

Share of renewable electricity consumption across the portfolio
(% of total electricity consumption)

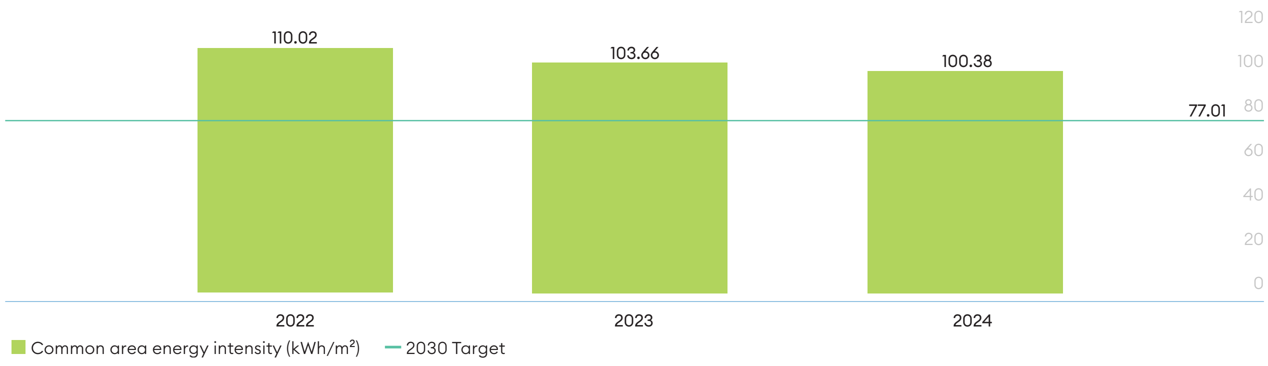
84%

Total average at Group level

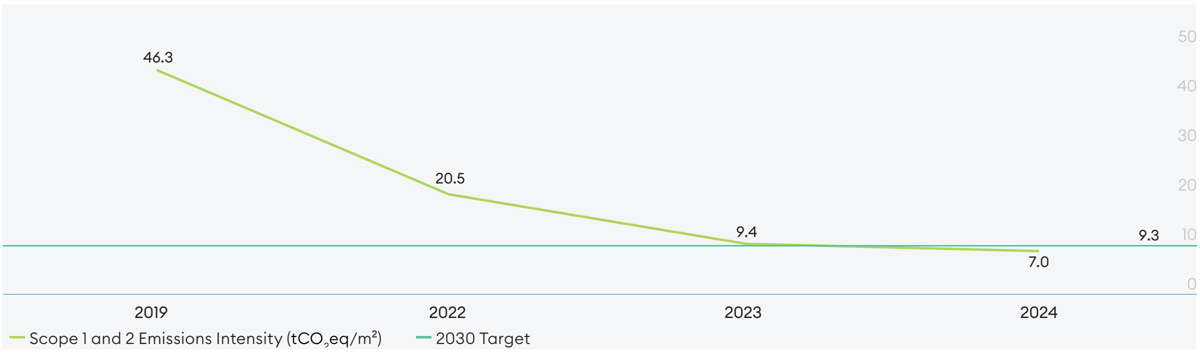


Focus and performance

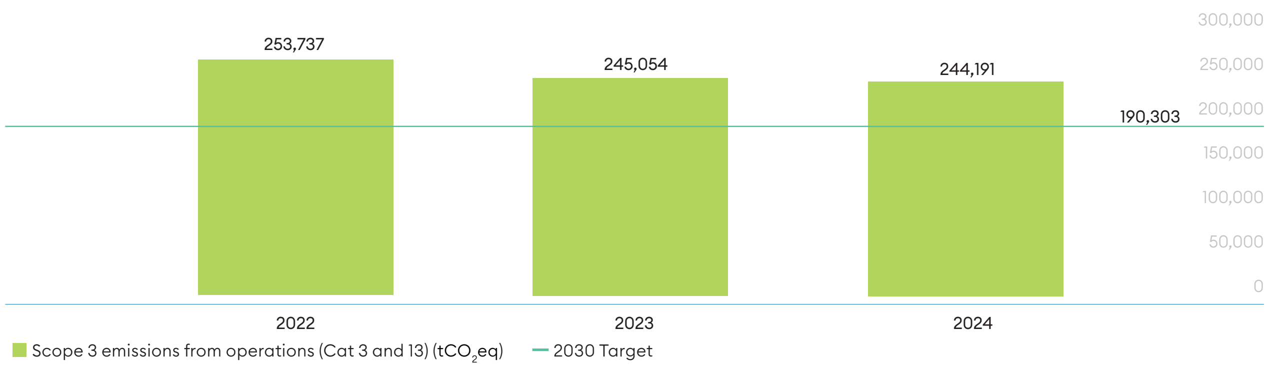
Common area energy intensity (Kwh/m²)



Scope 1 and 2 emissions intensity (tCO_2eq/m^2)



Scope 3 emissions from operations (Categories 3 and 13) (tCO_2eq)



Environmental impact and climate strategy. Energy management

Climate strategy

As a major player in the real estate sector, NEPI Rockcastle recognises its responsibility in addressing climate change, given the industry's significant environmental impact. The shopping centre segment, with its high energy and material demands, plays an important role in facilitating the transition to a sustainable future.

In 2023, NEPI Rockcastle conducted its first comprehensive analysis of climate-related risks and opportunities in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the IFRS S2 Climate-related Disclosure Standard. Building on this foundation, the Group integrated climate risk reporting into its 2024 Sustainability Report, reinforcing its commitment to climate action.

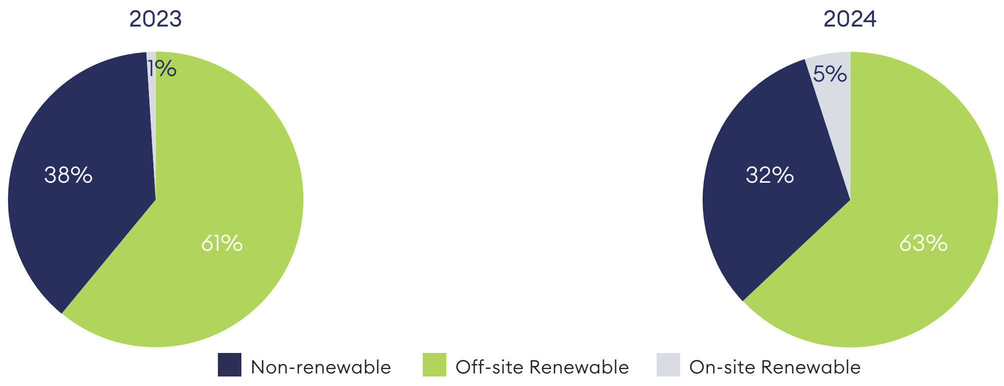
Central to NEPI Rockcastle's efforts is the development of a robust climate change adaptation strategy designed to address increasing risks from extreme weather events and long-term climate shifts. This strategy is part of the Group's approach to creating long-term value while enhancing the climate resilience of its assets throughout their lifecycle. NEPI Rockcastle evaluated physical risks in 2023, examining acute and chronic hazards including heatwaves, droughts, and precipitation changes across various geographies and timeframes. This assessment was the basis for the development of climate adaptation plans for high-risk assets, to mitigate critical vulnerabilities such as overheating and subsidence.

Beyond physical risks, transitional risks related to decarbonisation remain a key priority. The Company has strengthened its efforts to reduce energy dependency, transition to lower-emission energy sources, and decided to extend its energy production capacity in 2025-2026 period. Further strengthening its climate commitments, the Group has aligned its emissions reduction targets with the Science Based Targets initiative (SBTi), ensuring that its goals are scientifically validated and in line with global climate action efforts.

NEPI Rockcastle aims to reduce Scope 1 and 2 greenhouse gas emissions by 80% per square meter by 2030 (from a 2019 baseline) and achieve a 25% reduction in absolute Scope 3 emissions (Category 3 and 13) by 2030 (from a 2022 baseline).

These targets are achieved through a combination of actions, including energy efficiency measures, investment in renewable energy production, such as greenfield photovoltaic plants, and the purchase of additional renewable electricity certified by Certificates of Origin.

Energy share



Focus and performance

Case study: Harnessing renewable energy

Leveraging the considerable roof space on its properties, the Company started producing renewable energy, turning climate transition risks into opportunities.

The first phase of the Company's green energy journey, launched in 2022, was completed in 2024. The Group invested €34 million to install photovoltaic panels in 27 locations in Romania and one in Lithuania, with a total capacity of 38 MW. The current installed capacity covered 6% of the electricity needs in 2024, resulting in 5% avoided carbon emissions.

The second stage, the rollout of the program in the Group's shopping centres outside Romania, is well underway. Concept design has been completed for additional 23 locations, planning to deliver up to 15 MW of total installed capacity by the end of 2026.

The third phase has also started, aiming to add 159 MW of new capacity in greenfield plants in Romania. The Group has acquired two project companies that hold land rights, building permits, and grid connection approvals for photovoltaic projects.

The total investment for these projects is estimated at €110 million. As a result, by the end of 2026, the Group expects to achieve a combined installed capacity of 212 MW, covering 48% of its electricity needs and resulting in 39% avoided emissions[1].

Sustainable development

NEPI Rockcastle recognises that sustainable development is essential to its long-term success as a leading real estate owner and operator of shopping malls. The Group's commitment extends beyond operational efficiency, embracing the entire lifecycle of its assets to ensure alignment with best practices in sustainability, carbon reduction, and responsible resource management.

The Company established a Sustainable Development Policy, effective January 2025. This policy outlines the strategic approach to optimising resource efficiency, integrating measures to reduce water and energy consumption while embracing circular economy principles to minimise waste.

In 2024, the Group assessed its impact by conducting life cycle assessments for all properties developed since 2019. Starting 2025, the Company plans to implement low-carbon construction methods, including prefabrication, use more recycled materials, apply innovative building technologies, aiming to reduce embodied carbon footprint of its new buildings and projects.

PHOTO: PROMENADA CRAIOVA

[1] Calculated based on the portfolio energy consumption and CO_2 emissions as of 2024 (relative to the use of non-renewable energy)

Sustainable transportation

Recognising the need for broader decarbonisation initiatives, NEPI Rockcastle is committed to addressing indirect emissions from transportation. The Group continued to implement in 2024 measures that promote low-emissions mobility.

To support the transition towards cleaner transportation, NEPI Rockcastle has partnered with Enel and Tesla to develop a network of electric vehicle charging stations across Romania, Bulgaria, and Poland.

Beyond electric vehicle infrastructure, NEPI Rockcastle prioritises strong connectivity between its assets and public transportation networks. 92% (by number of assets) of the Group's standing portfolio (excluding industrial properties) is within a reasonable distance of public transport, ensuring accessibility and reducing reliance on private vehicles. Acquisitions and development plans systematically evaluate proximity to public transportation, promoting sustainable mobility options for visitors and tenants.

The Group is enhancing on-site facilities to accommodate alternative mobility options. Investments in bike stands and repair stations, support for car-sharing solutions, and integration of electric bike charging infrastructure, reflect NEPI Rockcastle's approach to evolving mobility trends.

Water management

Effective water management is a priority for NEPI Rockcastle due to climate risks such as heatwaves and droughts, as well as the high water demand in real estate, particularly in shopping centres.

In 2024, the Group assessed water scarcity risks across its portfolio, confirming that no assets face high exposure.

Water consumption intensity is a key concern due to its use in food courts, restrooms, cooling systems, fire safety, and landscaping. To optimise water usage, the Group is implementing efficiency measures such as greywater capture, treatment, and reuse.

While NEPI Rockcastle initially aimed for a 15% water reduction by 2024, factors such as portfolio expansion (via developments and acquisitions) and increased visitor numbers have impacted the ability to meet this target. NEPI Rockcastle remains committed to minimising its water footprint, and has extended its target to a 30% reduction by 2030, shifting focus from absolute consumption to intensity per visitor, as a more relevant metric aligned with business growth.

IMMERSIVE LEARNING EXPERIENCE AT MEGA MALL

Focus and performance

Enhancing biodiversity and ecosystem resilience

NEPI Rockcastle is deeply committed to conserving and enhancing biodiversity across its operations, recognising the significant role that ecosystems play in sustaining both local and global environmental health. As part of its sustainability strategy, the Group acknowledges both the positive and negative effects its operations may have on the natural environment and is taking proactive steps to address these impacts.

A comprehensive assessment was conducted in 2024 by an external advisor, to gain deeper insights into the Group's key biodiversity-related impact. This analysis involved a thorough screening of the portfolio for potential environmental effects, utilising a broad set of indicators. The findings formed the foundation for NEPI Rockcastle's Biodiversity Strategy, which will be adopted in 2025.

This strategy will provide a framework for identifying, assessing, and managing biodiversity and ecosystem-related impact, risks, and opportunities across the Group's operations and construction processes. It will also pave the way for targeted initiatives to mitigate ecological pressures and enhance ecosystem resilience, to be reflected in asset-level action plans.

NEPI Rockcastle actively integrates biodiversity protection into its asset management practices by assessing environmental impact and mitigation measures in accordance with BREEAM standards. Ecologists and landscape architects are involved in the design and development activities to guide teams in preserving existing ecosystems and supporting local conservation.

PHOTO: FORUM GDANSK SHOPPING CENTRE

Embedding circular economy principles across operations

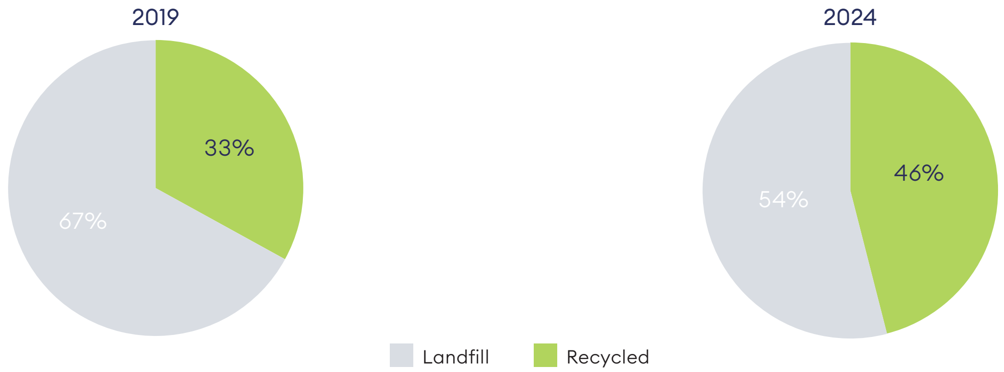
The central principle of NEPI Rockcastle's waste management strategy is the circular economy model, designed to minimise waste by extending the lifecycle of resources through reuse, repurposing, and regeneration. The Group seeks to reduce its environmental impact by considering circular economy principles into the design, development, and management of its assets, as well as its operational practices and the broader value chain.

The Group actively integrates circular economy principles and promotes responsible waste management through:

- Supplier selection and collaboration: Prioritising partnerships with suppliers committed to extend the lifespan of materials, thus reducing waste and resource consumption
- Sustainable materials selection: Adopting the BREEAM certification standard for materials selection, ensuring the use of eco-labels and lower environmental impact products, such as PEFC™ or FSC®-certified timber
- Engagement with certified partners: Prioritising partnerships with service providers with accredited environmental management systems, fostering sustainable practices throughout the value chain
- Stakeholder engagement: Educating and empowering retailers and visitors on circular economy principles to promote resource efficiency, waste reduction, and responsible consumption

NEPI Rockcastle has taken decisive steps to improve efficiency and reduce landfill waste in its operations. The implementation of waste sorting and recycling programs has led to a 37% increase in waste recycling rate from 2019 to 2024, reaching 46% in 2024.

Waste Recycled vs Landfill



NEPI Rockcastle plans to extend its 60% recycling target to 2030 and revisit its commitment to achieve zero waste to landfill. While these targets were originally set to be achieved by 2025, the Group faced delays due to significant variations in legal frameworks (on which recycling implementation is highly dependent), as well as in availability of recycling and waste diversion infrastructure across the different countries.

The Group is updating its waste management strategy based on waste data analysis, to support informed decision-making and track progress. This ongoing effort aims to deepen the understanding of waste impact and guide future initiatives aligned with sustainability goals.

NEPI Rockcastle is assessing extended digital solutions to further increase data coverage and better inform its waste management strategy.

Focus and performance

Social impact. Supporting Communities and creating meaningful connections

The Group is deeply committed to delivering positive and lasting value to the people who work for and with the Company, as well as the local communities it serves. With a workforce of 650 professionals and 347 million visitors, the Group's reach extends far and wide. This vast community is a source of pride and inspiration, but it also results in profound responsibility. The Group is dedicated to safeguarding and enhancing the health, wellbeing, safety, and development of those within its reach, ensuring that every interaction with its centres is a positive and rewarding experience.

A shopping mall is more than a retail destination, it serves as a 'third place', a welcoming space where people can connect, unwind, and experience a sense of belonging. It bridges the gap between work and home, offering a vibrant hub for social interaction, entertainment, and relaxation. By creating inclusive, engaging environments, shopping malls contribute to the social fabric of the community, making them places to live, connect, and belong.

Beyond environmental performance, NEPI Rockcastle recognises the importance its shopping centres have in the social and financial economies of their communities. They serve as hubs for work and leisure, generating financial value and enabling communities to interact and engage. NEPI Rockcastle, in its operation of shopping centres, is committed to creating and maintaining assets that foster and grow community spirit by engaging, supporting and uplifting local communities.

Empowering employees and creating an inclusive workplace

NEPI Rockcastle is dedicated to creating a positive, inclusive, and empowering workplace for its employees. The Group is committed to principles of fair and competitive wages, ensuring equal pay for equal work and promoting equality at all levels.

Open communication channels, including the SPOT platform and regular feedback initiatives such as engagement surveys and focus groups, encourage transparency and mutual respect.

Health & safety remains a top priority, with robust protocols, training programs, and ongoing assessments to ensure a secure working environment and legal compliance. The Group recognises the importance of work-life balance, offering flexible working arrangements that empower employees to tailor their schedules to their personal and professional needs.

Guided by a comprehensive set of policies, the Group actively promotes an inclusive and respectful workplace where all employees feel valued, empowered, and treated with fairness and dignity.

Confidential and secure reporting channels are available, ensuring that concerns are addressed.

The inclusive and supportive work environment, combined with access to training and development for all Group employees and a clear strategic vision set by executive leadership, fosters strong engagement. These efforts contributed to an impressive Employee Engagement Index of 85% in 2024[1].

The Employee Engagement Survey results confirm the Group's commitment to building a workplace culture that encourages growth, satisfaction, and long-term dedication. With an exceptional 93% response rate, the results are highly representative and provide consistent employee feedback. The participation rate underscores the trust that employees have in the process and their eagerness to share their perspectives. Employees have also recognised in high majority that the Group stands firmly behind its values.

Employee survey key highlights

85% (+3pp)
A strong Engagement Score

ENGAGEMENT INDEX PILLARS^

84% (+5pp) I would recommend NEPI Rockcastle as a great place to work

89% (+3pp) I intend to continue working for NEPI Rockcastle for at least the next 12 months

84% (+2pp) I am proud to work for NEPI Rockcastle

82% (+1pp) I get satisfaction from the work I do

93%
The high response rate makes the survey results interpretation relevant

Employees feel that the Company stands for these top 5 Values

Integrity | **Teamwork and Communication** | **Growth** | **Responsibility** | **Performance**

^ Versus previous engagement survey; percentage point (pp)

[1] Benchmarked against average global Employee Engagement Index of 72% reported by Qualtrics XM Institute

Creating positive impact across communities

NEPI Rockcastle's approach to sustainability is firmly rooted in creating positive social, economic, and cultural impacts for the communities in which it operates. More than just retail destinations, its shopping centres provide diverse tenant offerings, comprehensive amenities, and high-quality services tailored to evolving customer needs. Through continuous customer engagement and data-driven insights, the Group ensures its assets remain aligned with the latest trends.

Climate change and sustainability survey

NEPI Rockcastle extended the visitors survey performed for the first time in 2023, to collect their views on climate change and sustainability topics. 19,000 individuals in all countries where the Group operates provided their feedback in 2024. Findings revealed that 70% of visitors consider climate change and environmental protection important.

Deforestation is the most pressing environmental issue for many respondents, while food waste, industrial pollution, and excessive plastic use also rank high. Engagement in sustainable practices varies, however many visitors actively recycle, conserve electricity and gas, and avoid food waste. Common recycling activities across the region include separating plastic and metal from food waste and recycling items such as batteries, paper, clothing, and electronics. The Group uses the insights gathered to inform its material issues assessment, its sustainability strategy approach, as well as to shape its community engagement plan.

NEPI Rockcastle's commitment to community engagement is centred around education, sustainability, health, culture, and social inclusion. In 2024, the Group implemented impactful initiatives, including:

Cultural Initiatives and Social Inclusion

- Sponsored the Sculpture Award in Romania and hosted sculpture exhibitions at Shopping City Timisoara
- Partnered with Craiova Shakespeare Festival, and created an immersive experience exhibit in the shopping centre, promoting cultural engagement
- Supported the (in)visible campaign in Poland, training shopping centre staff to assist visitors with invisible disabilities and improve site accessibility
- Introduced a 'No Music in the Morning' initiative every Tuesday in Lithuania, offering a sensory-friendly environment for visitors with non-visible disabilities

SHAKESPEARE FESTIVALIN PROMENADA BUCHAREST

Focus and performance

Youth at the Centre

- Youth at the Centre is a social initiative in Poland designed to empower young people nationwide
- The program aims to address growing challenges for young people, including depression, rising suicide attempts, and addictive behaviours
- Shopping centres are transformed into vibrant community hubs, modern courtyards where people can connect, engage, and thrive
- Built on four key pillars: sports activities, volunteering, education, and access to psychological support, this initiative employs motivational dialogue to foster respect, self-esteem, and a proactive spirit
- The initiative was successfully piloted in Forum Gdańsk Shopping Centre, followed by implementation in Platan Shopping Centre in Zabrze and Pogoria Shopping Centre in Dąbrowa Górnicza
- The Group intends to expand into four more shopping centres

Sports, Health and Wellbeing

- Sponsored sport events for children at Arena Centar, Croatia, promoting active lifestyles and social integration
- Supported health campaigns across Poland and Hungary, including Men's Health Day, Health Under Control, and blood donation campaigns

Environmental and Circular Economy Initiatives

- To mitigate the effects of climate change, such as the severe floods in Poland, collaborated with the Red Cross, Caritas, and local officials to support affected communities. Four tons of essential goods were collected in Polish shopping centres, and €50,000 was donated
- Organised sustainability focused events for Earth Hour, World Recycling Day, and Circular Week
- Promoted textile recycling in Bulgaria, Romania, and Poland, partnering with Electric Castle Festival and Bulgarian Red Cross
- Launched the 'Good Things' campaign in Poland in collaboration with Game4Planet, collecting 10 tons of clothing and textiles for reuse across 14 sites
- Introduced Shwopping in Slovakia, encouraging customers to recycle old clothing while shopping during special discount events

Education and Youth Development

- Continued the partnership with World Vision Romania to support 45 schools, by providing school supplies and library equipment to 18,000 children
- Hosted reading clubs to promote literacy, attracting over 200 children from underprivileged communities
- Created an immersive learning experience at Mega Mall, where children engaged in discussions on reading, enjoyed a special screening of a Jules Verne classic and received books and school supplies
- Organised interactive Robotics Workshops in several Romanian shopping centres, introducing children to STEM education

Urban regeneration

The Group prioritises urban regeneration by transforming underutilised and outdated areas into vibrant, sustainable, and functional spaces. Construction projects are also revitalising the infrastructure, enhancing public spaces, and fostering economic growth, while promoting environmental sustainability and social inclusivity.

Many of the assets are built on brownfield sites, aligning with the core principles of urban regeneration. Additionally, where opportune, the Group develops and donates access roads connected to the shopping centres to municipalities to improve connectivity and accessibility.

Tenants engagement and sustainability integration

NEPI Rockcastle aims to promote open and positive channels of engagement with its tenants. The Company aims to further strengthen two-way communication channels to ensure tenant feedback and concerns are received.

The Group progressed with implementing green clauses in the lease agreements in all countries where it operates. Some core environmental clauses were already covered in the lease agreements, while for others the Group has initiated discussions with key tenants to identify common grounds for sustainability efforts. Currently, 93% of the approximately 8,000 lease agreements in place across the Group are covered by green clauses, either through the house rules or as part of the contract itself[1]. Additionally, during 2024, a green lease appendix was signed with two large retail groups, that the Company considers anchor tenants and more are expected to be finalised in 2025.

Sustainability in the supply chain

NEPI Rockcastle is embracing its role as an agent of positive change within its upstream value chain. By collaborating with over 13,000 suppliers, the Group strives to drive responsible business practices and foster environmental stewardship, social responsibility, ethical behaviour throughout its extensive supplier network. The Company recognises the significant influence it can have on suppliers and aims to contribute to raising awareness on sustainability matters in its geographies.

The Group Supplier Code of Conduct, launched in February 2025, marks another milestone in ensuring that all suppliers align with the Group's high standards of ethics, environmental responsibility, and social integrity. The Code complements the Group's existing policies, i.e. the Sustainable Procurement Policy, the Partner Sustainability Commitment, the Code of Ethics, and the International Labour Organisation (ILO)-aligned Policy, reflecting NEPI Rockcastle's focus to create partnerships built on trust, transparency, and shared values. It is a critical part of the Group's broader strategy to promote fair competition, encourage local sourcing where possible, and reinforce commitment to social sustainability.

NEPI Rockcastle has embedded sustainability criteria into supplier contracts, incorporating clauses that mandate adherence to its Sustainability Commitment and the Supplier Code of Conduct. Key suppliers in operations are screened using the Green Assessment tool, introduced in 2022 to evaluate suppliers performance in key sustainability areas.

The Group plans to leverage technology to enhance these evaluations and expand coverage in 2025. Furthermore, the Group is also designing a robust annual performance assessment covering its key suppliers in operations and will organise deep dive Business Reviews with the top 20% suppliers by spent.

PHOTO: FOCUS MALL ZIELONA GORA

[1] Excluding centres acquired in 2024, Silesia City Center and Magnolia Park

Focus and performance

Governance: Promoting ethical leadership and transparency

The Group operates with a strong commitment to ethical leadership, sustainability, and stakeholder engagement, all of which are embedded in its governance framework. The Board of Directors is dedicated to upholding the highest standards of governance, aligning the interests of the Group's leadership with those of its stakeholders.

The Group's governance practices prioritise transparency, accountability, and competence, ensuring that ethical behaviour and risk management are central to decision-making. These principles are further reinforced by comprehensive policies that govern operations, driving consistent and sustainable growth.

Commitment to ESG and external recognition

NEPI Rockcastle demonstrates its commitment to sustainability through participation in external benchmarks and initiatives. The Group's dedication to transparent and consistent reporting is showcased by affiliation with leading rating agencies and international organisations. NEPI Rockcastle's performance has been recognised by reputable organisations:

Gold Award for compliance with EPRA Sustainability Best Practices Recommendations

Prime Label for Corporate Responsibility by ISS ESG

Negligible ESG risk rating by Sustainalytics, ranking among top rated companies in regional and industry assessment

5-star GRESB rating for the standing portfolio and 3-star rating for developments

AAA rating awarded by MSCI

CDP rating: C for climate and B for water

Edge certification recognising NEPI Rockcastle's efforts to address diversity, equity and inclusion

Sustainable finance: linking ESG performance to Group financing

NEPI Rockcastle continued its commitment to sustainable finance in 2024 by expanding its green and sustainability-linked funding initiatives, further aligning the debt structure with its strategic priority of investing in healthy and sustainable buildings.

Following the launch of the Sustainability-Linked Financing Framework (SLFF) in October 2023, the Group enhanced its financing agreements through the extension and expansion of its sustainability-linked revolving credit facilities. The unsecured committed revolving credit facility with Raiffeisen Bank International was extended to a maturity of three years, with two additional one-year extensions, now expiring in January 2028. The maximum principal available was increased to €200 million, with Erste Group Bank joining the facility. Similarly, the revolving credit facility arranged by Deutsche Bank AG was extended for one year, now also expiring in January 2028, with the principal increased to €200 million, and SMBC joining the three-bank syndicate. As a result, the total revolving credit facility capacity as of 31 December 2024 stands at €670 million (31 December 2023: €570 million), and all revolving financing agreements have embedded sustainability linked features.

In December 2023, NEPI Rockcastle secured a €387 million green financing agreement with IFC, structured as a green loan with sustainability-linked features. The facility, aimed at reducing greenhouse gas emissions and increasing energy efficiency across the Group's property portfolio, was disbursed in mid-February 2024 and matures in January 2029. Subsequently, in August 2024, an additional €58 million was drawn under this facility, increasing the total to €445 million. The financing was put in place to facilitate the repayment of the bond maturing in November 2024.

Further reinforcing its position as a leader in sustainable finance, NEPI Rockcastle successfully issued its third green unsecured Eurobond in October 2024. The €500 million bond carries a 4.25% fixed coupon, has a 7-year tenor, and matures in January 2032. The net proceeds will be allocated to finance and/or refinance eligible green projects within the Group's portfolio, in line with the updated Green Finance Framework. With this recent green Eurobond issuance, the total green bonds issued under the Green Finance Framework has reached €1.5 billion.

As of 31 December 2024, 80% of the Group's total funding incorporates green or sustainability-linked features, underscoring NEPI Rockcastle's continued leadership in sustainable financing in the CEE region.

% of Green financing out of total financing

This overview is part of management report and has not been reviewed by the Auditor.

Sustainability Statement

ESRS 2 General Disclosures

Introduction

The European Sustainability Reporting Standards (ESRS) serve as a framework for organisations to demonstrate transparency and accountability in their sustainability disclosures. ESRS outlines principles and guidelines for reporting on governance, strategy, and material sustainability impacts, risks, and opportunities (IROs) in a structured manner. It is designed to help organisations comply with regulatory requirements while meeting stakeholder expectations, including those of investors, employees, customers, and communities. The implementation of ESRS enables NEPI Rockcastle to adopt a comprehensive and transparent approach to sustainability reporting, addressing comprehensively organisational needs, stakeholder interests, and regulatory obligations. This report details the Group's alignment with the standards, describing its governance structure, stakeholder engagement processes, and the methodology for identifying, assessing, and managing material sustainability-related IROs.

As a leader in the commercial real estate sector in Central and Eastern Europe, NEPI Rockcastle recognizes its responsibility to address significant environmental, social, and governance (ESG) challenges. By adhering to ESRS, NEPI Rockcastle complies with the European Union's Corporate Sustainability Reporting Directive (CSRD).

ESRS 2 underpins NEPI Rockcastle's governance and strategic approach, reflected in the Double Materiality Assessment (DMA), which helps the Group identify and manage its material sustainability issues. This assessment has allowed NEPI Rockcastle to integrate sustainability-related impacts, risks and opportunities into its business model, enhance transparency in stakeholder engagement, and strengthen internal controls and reporting mechanisms to keep up with regulatory changes.

Reference Codes within this Report

The ESRS standards are organised into sections, each following a standardised identification system for clarity and ease of reference. Sections and subsections are uniquely identified to align with the detailed disclosure requirements. This structured approach ensures alignment with European Financial Reporting Advisory Group (EFRAG) guidelines, ensuring consistency and comparability in sustainability reporting across organisations. For example, category BP-1 refers to the General Basis for the Preparation of the Sustainability Statement. Within this category, specific requirements are further broken down into detailed identification references, such as BP-1_01 to BP-1_05, each addressing a distinct aspect of the reporting requirement.

A full list of the ESRS datapoints is presented in Appendix 1 of this Sustainability Statement.

BP-1 – General basis for preparation of the sustainability statement

BP-1_01 to BP-1_05

NEPI Rockcastle has prepared the sustainability statement on a consolidated basis at Group level. This report was compiled in accordance with the Directive (EU) 2022/2464 (The Corporate Sustainability Reporting Directive), the ESRS, as published in the Official Journal of the European Union in December 2023 as well as the EU Taxonomy Regulation (EU) 2020/852.

The ESG data in the sustainability statement covers the properties under the Group's operational and financial control, with all relevant activities included. The current report includes consolidated data for 61 income producing properties, consisting of 57 retail centres, 2 office buildings, and 2 industrial parks. The report does not cover utility data from the Group's most recently acquired property (Silesia City Center, Katowice, Poland), acquired in mid-December 2024, as the short timeframe since acquisition limits the relevance of its utility consumption data for 2024. The report includes utility data for the Serbian property sold by the Group in October 2024, as well as for an industrial park sold in January 2024, covering the periods during which they were under the Group's ownership.

The scope of the sustainability statement is equivalent to that of the Group's financial statements, capturing all properties under operational and financial control, the only exception being Silesia City Center, as explained above. This alignment provides stakeholders with a unified and reliable representation of the Group's performance. Any exclusions from the reporting scope are specified in the description of each data point.

The sustainability statement focuses on properties and activities under the Group's direct financial and operational control, while also addressing material upstream and downstream value chain impacts, risks and opportunities. Although challenges remain in collecting data from value chain stakeholders, NEPI Rockcastle is committed to enhancing its reporting by gathering more granular data in the future and, where necessary, using estimates derived from industry benchmarks or proxy data.

Finally, NEPI Rockcastle confirms that it has not exercised the option to omit any information related to intellectual property, know-how, or the results of innovation, ensuring the integrity and completeness of its sustainability disclosures.

BP-2 – Disclosures in relation to specific circumstances

BP-2_03 to BP-2_06

NEPI Rockcastle integrates value chain data, however in some limited cases, the Group does not have access to tenant-managed utilities. Such cases account for the following percentages of total area: 6% for electricity, 4% for fuel, and 1% for district heating. This approach includes leveraging third-party industry benchmarks and estimation factors to address gaps in data collection, particularly for Scope 3 emissions, which include indirect impacts such as tenant energy use. For instance, in 2024, emissions from downstream leasing activities contributed to 42% of the Group's calculated emissions, equating to 61,935 tCO_2eq, considering the market-based approach. These estimations provide critical insights into the broader environmental footprint of the Group's operations and allow for more comprehensive sustainability reporting. To manage the challenges associated with estimating value chain data, NEPI Rockcastle has introduced initiatives such as incorporating green clauses in lease agreements and launching collaboration programs with tenants. These initiatives aim to encourage tenant cooperation in data sharing and align operational goals between tenants and the Group.

Metrics incorporating value chain data are prepared using a combination of own data collection procedures, tenant-provided information, contractual agreements, and estimations.

Recognising the inherent variability in metrics based on indirect sources, NEPI Rockcastle is actively refining its utility data collection strategy. The Group continues to use historical comparable utility data from NEPI Rockcastle's data records to estimate missing data, while green clauses and regular engagement with tenants progressively improve data coverage. Despite current limitations, including a variability in tenant cooperation, NEPI Rockcastle remains committed to reducing the margin of error due to estimations in its sustainability metrics through increased reliance on direct data collection and enhanced methodologies.

To improve the accuracy of future metrics and reduce estimations, NEPI Rockcastle is continuously expanding the adoption of green clauses to cover all tenant contracts, as well as strengthen the collaboration with tenants through educational initiatives and constant engagement on common goals. NEPI Rockcastle is also employing technological advancements to improve data collection, such as the utilisation of the Deepki data management platform across the entire portfolio. Additionally, the Group aims to broaden the use of the Green Assessment Form (GAF) to collect supply chain data and better evaluate sustainability practices.

BP-2_16 to BP-2_17, BP-2_20 to BP-2_22

The information is included in the ESRS table in the Appendix, setting out the Group's full data mapping, cross-referencing sustainability disclosures and incorporating, by reference, other sections of the management report.

PHOTO: MAGNOLIA PARK

Sustainability Statement

BP-2_07 to BP-2_15

Below, the Group sets out metrics related to material approximations and judgements.

Disclosure of quantitative metrics and monetary amounts that are subject to high level of measurement uncertainty	The Group provides quantitative metrics and financial disclosures where applicable. The Group ensures transparency by detailing the methodologies used and acknowledging potential variances.
Disclosure of sources of measurement uncertainty	Measurement uncertainty results from limitations in data availability and the use of estimates. The Group implements mitigators to address this uncertainty, ensuring reporting data is relevant, accurate and providing a complete picture. Sources of uncertainty (none of them material for the Group): ▪ Limited cases of tenant consumption data not available (where the tenant has a direct relationship with the supplier and does not share data with the landlord) ▪ Delayed data availability at year end in some cases (e.g. corporate offices) ▪ Measurement units conversions and conversion factors applied
Disclosure of assumptions, approximations and judgements made in measurement	The Group applies professional judgment in cases where direct data is incomplete or unavailable. ▪ The Group adjusts applicable areas in the intensity calculations for the tenants who do not report self-managed utilities ▪ The Company takes a conservative approach assuming a non-renewable energy mix when the energy basket is unknown (applicable for tenant managed utilities) ▪ Estimation of waste density and application of conversion factors to the respective volume ▪ In the limited cases when data is not available (e.g. corporate offices), the Company estimates consumption based on historical data The Group does not consider these estimates material.
Explanation of changes in preparation and presentation of sustainability information and reasons for them	This report includes updates to sustainability disclosures to align with new reporting standard-ESRS. Previously, the Group reported in accordance with GRI and EPRA guidelines. These changes have been made to ensure compliance with the enhanced transparency and reporting standards introduced by the CSRD. The updates did not result in redefining or replacing any metrics or targets. The report includes new information identified in relation to certain estimated figures from the previous reporting period, ensuring greater accuracy and compliance with the new requirements.
Adjustment of comparative information for one or more prior periods is impracticable	Not applicable
Disclosure of difference between figures disclosed in preceding period and revised comparative figures	Where figures from prior periods have been adjusted due to improved data accuracy or methodological refinements, the Group discloses these differences and provides explanations for the revisions in the report.
Disclosure of nature of prior period material errors	With new insights into the due diligence requirements, the Company acknowledged that in 2023 the due diligence process was insufficiently formalised.
Disclosure of corrections for prior periods included in sustainability statement	The Company reassessed the EU Taxonomy 2023 KPIs, to 'no alignment'. Details of the process and rationale are included in the EU Taxonomy report section.
Disclosure of why correction of prior period errors is not practicable	Not applicable

NEPI Rockcastle has also reported its 2024 sustainability related activities in accordance with EPRA sBPR. The detailed disclosure is not part of the CSRD compliant Sustainability Statement, and is included in the Sustainability Focus and Performance section of the Annual Report.

BP-2_21 to BP-2_27

NEPI Rockcastle applied the phase-in option permitted by CSRD for its material topics from ESRS E4, ESRS S2, ESRS S3, and ESRS S4, in line with provisions in Appendix C of ESRS 1.

NEPI Rockcastle has identified ESRS E4 as material through its DMA. In 2024, the Group began developing its biodiversity strategy, a significant step forward in advancing its sustainability efforts. This strategy aims to create a comprehensive framework for assessing and managing the Group's biodiversity and ecosystem-related IROs, fostering resilience in natural systems. Detailed action plans, with clear objectives and implementation methods, are set to be implemented in 2025. 2024 progress included conducting biodiversity assessments to evaluate impacts, dependencies, and risks, meant to support data-driven decision-making for tailored conservation efforts. Specific time-bound targets, metrics and progress reporting will commence in 2025 or 2026.

NEPI Rockcastle has identified ESRS S2 as material through its DMA. With over 8,500 lease contracts in place and more than 13,000 suppliers, NEPI Rockcastle strives to make a positive impact throughout its value chain. The Group considers impacts on workers within its value chain, including suppliers, contractors, subcontractors, tenants. The Group's Sustainable Procurement Policy, Partner Sustainability Commitment and

Supplier Code of Conduct (published in February 2025), extend ethical labour commitments across the value chain, with the aim of safeguarding workers' rights and promoting fair treatment. NEPI Rockcastle applies due diligence measures, including supplier assessments and compliance monitoring, to ensure safe and ethical working conditions.

To foster engagement with value chain workers, the Group facilitates ongoing dialogue through grievance mechanisms and the Sustainability Communication Policy. Value chain workers can raise concerns through whistleblowing platforms (including on an anonymous basis) or through the Sustainability Communication channel. While it has not identified any material negative impacts in its DMA, the Group maintains mechanisms to monitor and provide remedies if necessary. NEPI Rockcastle has set objectives to increase sustainability diligence of its suppliers by 2026 and to promote awareness of ethical business practices. The Group has not set measurable, outcome-oriented targets meeting ESRS formalisation requirements.

NEPI Rockcastle has identified ESRS S3 as a material matter through its DMA, recognising the importance of including all affected communities in its ESG disclosures. This encompasses communities residing near retail assets and development site catchment areas, as well as local residents, stakeholders in social and environmental initiatives, and those benefiting from the Group's economic activities. The Group positively impacts communities by fostering economic growth, creating employment opportunities, and improving urban areas in and around the assets, where the Group operates. Retail developments enhance local landscapes through green spaces and sustainable buildings. Through its Corporate Social Responsibility ('CSR') programme, NEPI Rockcastle implements various health initiatives, while supporting local charities and Non-Governmental Organisations ('NGOs') to strengthen education and social development. Through its DMA, NEPI Rockcastle has also identified a material negative impact related to land in connection with affected communities. Key risks include potential construction delays due to local opposition, which could impact time and cost. However, by engaging early with communities and maintaining an open dialogue, the Group mitigates this risk and reinforces its social licence to operate. Community engagement also offers opportunities to enhance reputation through sustainable building practices, environmental stewardship, and social initiatives.

Transparent communication, including through the Sustainability Communication Policy and channels ensure effective dialogue and issue resolution. The Group addresses the needs of vulnerable and marginalised communities through targeted outreach and collaboration with local organisations. Health campaigns may reach also the underserved population, while NEPI Rockcastle is improving shopping centre accessibility for individuals with disabilities. In partnership with the Polish Council of Shopping Centres, the Group has contributed to research on accessibility for both visible and invisible disabilities. NEPI Rockcastle has not received reports on human rights incidents within its affected communities and continues to monitor potential issues through its Sustainability Communication Policy.

Specific time-bound targets, metrics, and progress reporting related to local communities have not yet been established.

NEPI Rockcastle has identified ESRS S4 as material through in its DMA, ensuring that consumers and end-users likely to be impacted by its operations, value chain, and services are considered. While the Group's operations do not pose inherent health risks, it prioritises safety, accessibility, and sustainability within its shopping centres. Consumer privacy is safeguarded through a robust Data Protection Policy in compliance with GDPR, ensuring transparency in communication with tenants and visitors. The Group also addresses the needs of vulnerable groups, such as children, individuals with disabilities, and financially disadvantaged consumers, through initiatives like educational outreach, accessibility upgrades, and ethical marketing practices. No material negative impact on consumers or end-users have been identified, reflecting the Group's strong risk management framework. Nevertheless, NEPI Rockcastle actively monitors operations of shopping centres and engages with stakeholders to address potential risks. The Group fosters positive impacts through tenant satisfaction initiatives, feedback meetings, and stringent health and safety measures in line with international standards. Tenant meetings, surveys, targeted initiatives engagement and digital communication channels promote open dialogue, while periodic staff training ensures high safety standards across all properties. NEPI Rockcastle collaborates with NGOs and public bodies to understand the needs of consumers, particularly marginalised groups. The Sustainability Communication Policy provides direct channels for visitors and consumers to raise concerns, with e-mail contacts available on each shopping centre's website and in the construction sites. Complaints and feedback are also systematically tracked and assessed through satisfaction surveys and Net Promoter Score (NPS) evaluations. The Group ensures stakeholders are aware of these reporting channels through visible signage, newsletters, and communication campaigns. Specific time-bound targets, metrics, and progress reporting related to visitors have not yet been established.

GOV-1 – The role of the administrative, management and supervisory bodies

GOV-1_01 to GOV-1_13

Please refer to the Corporate Governance (Board profile, diversity and independence assessment chapter - page 82, Details of the non-Executive Directors background and expertise as of December 2024 chapter - page 86, Delegation to Committees chapter - page 93, Group governance structure chapter - page 81) and the Compliance and Risk Management section (Monitoring the effectiveness of risk management and internal controls system chapter - page 112).

Sustainability Statement

GOV-1_14

The governance of sustainability targets, particularly those addressing material IROs, is a key component of NEPI Rockcastle's approach to responsible business operations. The Group's senior executive management, business function representatives and dedicated sustainability teams collaborate to set targets, integrate them into the Company's strategy, and monitor the progress, under the Board of Directors oversight. This framework reflects NEPI Rockcastle's commitment to aligning its operations with sustainability priorities, while maintaining its competitive position in the CEE real estate market.

The Sustainability Committee, a sub-committee of the Board of Directors, comprising Executive and non-Executive Directors, oversees the development and execution of the Group's sustainability strategy. The Committee ensures that policies and initiatives align with strategic objectives, particularly in areas such as climate change mitigation, energy efficiency, and social responsibility. Executive Directors regularly engage with the Board to present updates on sustainability priorities, risks, and opportunities, ensuring the strategy adapts to evolving market trends and stakeholder expectations. This approach facilitates the integration of sustainability goals into the broader business strategy.

Implementation of the sustainability strategy is driven by the Group Head of Sustainability, reporting to the CEO and working closely with the Sustainability Committee. This role involves coordinating sustainability initiatives, prioritising actions across the portfolio, and collaborating with internal and external stakeholders to advance the ESG agenda. To ensure accurate utilities consumption data and effective progress monitoring, the Group relies on the Deepki data management platform for data collection and analysis. The data collection process is supported and supervised by the Sustainability Manager, Sustainability Data Analytics Manager, and Sustainability Data Analyst.

Operational oversight is embedded throughout the organisation. The Group Head of Property Management leads environmental initiatives at asset level, including energy efficiency programs and BREEAM certification efforts. Portfolio asset management teams and local centre management teams implement action plans, propose investments, and report the environmental data. Additionally, the Group Head of Energy, focuses on reducing NEPI Rockcastle's dependency on non-renewable energy sources and optimising returns from renewable electricity production.

To reinforce accountability, NEPI Rockcastle has linked specific sustainability KPIs, particularly those tied to environmental and climate performance, to the annual performance of key management roles. This ensures alignment between personal performance, remuneration, and the Group's sustainability objectives.

The Group's governance mechanisms ensure that IROs are effectively identified, addressed, and managed, promoting accountability and fostering a culture of innovation and responsibility at all organisational levels.

GOV-1_15 to GOV-1_17

NEPI Rockcastle ensures that its Board of Directors and relevant committees are consistently informed about material IROs, as well as the effectiveness of the Group's sustainability initiatives. The Sustainability Committee plays a pivotal role in overseeing these matters, holding regular meetings, at least twice a year but also on an ad-hoc basis, as required, to review progress, address challenges, and align actions with the Group's sustainability goals. Updates include detailed reporting on the implementation and outcomes of policies, together with progress on sustainability targets. Executive Directors, such as the CEO and CFO, provide quarterly updates to the Board, to ensure that sustainability considerations are embedded into strategic decision-making. The Group Head of Sustainability further supports this process by monitoring progress and delivering periodic reports to ensure alignment and timely response to emerging risks or opportunities.

As a result, the Board is able to consider material IROs into its oversight of strategy, decision-making on significant transactions, and risk management processes.

The Group ensures that its administrative, management, and supervisory bodies possess the necessary skills and expertise to oversee sustainability matters effectively. This is achieved through a combination of extensive professional experience, specialised education, and ongoing development in sustainability leadership.

- Sustainability Committee Chairwoman: with 25 years of experience with the World Bank Group, where she played a key role in the implementation of early sustainability policies such as the Equator Principles in the region and contributed significantly to the advancement of sustainability initiatives later on. In 2017, graduated from an international director program at INSEAD, which has further enhanced her engagement with emerging trends in sustainability. Her expertise brings a deep understanding of global sustainability standards and responsible finance
- Former Sustainability Committee Chairman and non-Executive Board Member: With over 25 years of experience, he has further strengthened his sustainability expertise by completing the Cambridge Institute for Sustainability Leadership (CISL) Business Sustainability Management certificate in November 2023
- Group Head of Sustainability: With 23 years of experience in real estate, she has been specialising in sustainability for over four years. Her expertise is reinforced by completing prestigious programs at leading institutions, including the Oxford Leading Sustainable Corporations program and the Cambridge Sustainable Real Estate program, both finalised in 2022

These individuals bring a wealth of knowledge and leadership to ensure the Group remains at the forefront of sustainability practices. Their expertise supports strategic decision-making, policy development, and the effective integration of sustainability within the organisation's governance framework.

Risk management is integrated into the Group's operations, with a dedicated Risk and Compliance Officer at Group level and Risk and Compliance Partners acting as ambassadors for risk oversight in specific areas. Risk evaluations are completed for material transactions and any trade-offs associated with IROs are evaluated and presented for consideration to the Investment Committee. Key ongoing risks are assessed, monitored and reviewed quarterly by NEPI Rockcastle's Risk and Compliance Committee. Detailed sustainability risk assessments are systematically documented through the DMA process. The response to IRO 01 and IRO 02 of ESRS2 General Disclosures provides further detail. This structure ensures that risks and opportunities, including those related to sustainability, are systematically identified, assessed, and managed, therefore the Group enhances its ability to make informed strategic decisions that balance financial performance with ESG priorities.

The Board and its Committees address IROs identified as material, including those related to climate change, health and safety, regulatory compliance, and adherence to the Group's Code of Ethics. Specific areas of focus include energy efficiency, renewable energy investments, waste management, and climate adaptation for assets.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

GOV-2_01 to GOV-2_03

The administrative, management, and supervisory bodies, including the Board and the Sustainability Committee, are regularly informed about sustainability matters by the Group Head of Sustainability and other key internal stakeholders.

The Sustainability Committee is updated on a biannual basis and ad-hoc whenever necessary, while the Board is updated on a quarterly basis. During the reporting period, key topics considered by the Board included risks related to climate change, compliance with regulatory requirements, health and safety, and ethical business conduct. The Board and Sustainability Committee also oversee the alignment with the evolving legal and regulatory landscapes, enhancing the Group's resilience and sustainability in the long-term.

GOV-3 – Integration of sustainability-related performance in incentive schemes

GOV-3_01 to GOV-3_06

Please refer to the Remuneration section of the Annual Report (page 124).

GOV–4 - Statement on due diligence

The table below provides reference to the sections of the sustainability statement that address due diligence objectives.

Core Elements of the Due Diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance strategy and business model	GOV - 1; GOV - 2; GOV – 3; SBM – 1; SBM - 2; SBM - 3
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV – 2; IRO – 1; G1 - 2
c) Identifying and assessing adverse impacts	SBM – 3; IRO - 1
d) Taking actions to address those adverse impacts	E1 – 1; E1 – 3; E3 – 2; E5 – 2
e) Tracking the effectiveness of these efforts and communicating	E1 – 4; E3 – 3; E5 – 3; S1 - 5

GOV–5 - Risk management and internal controls over sustainability reporting

GOV-5_01 to GOV-5_05

NEPI Rockcastle has defined and implemented an internal control system designed to ensure the accuracy, completeness, and reliability of the sustainability report. Key components of the internal control system include:

- Collection of environmental data across all properties using Deepki tool
- Evaluation and verification of trends and monitoring of performance against targets by sustainability and financial reporting team representatives, who also investigate outliers, and check consolidated data against primary records (such as supplier invoices, meter readings and green building certificates)
- Alignment of methodologies across various departments by the Group Head of Sustainability to ensure data is accurately mapped, processed, and reported
- Delivery of regular training by the sustainability team to the responsible employees to ensure they possess the necessary knowledge and skills to collect and process data
- Reporting of key sustainability indicators, along with explanation of significant variance to the CFO, CEO, Sustainability Committee, and the Board regularly

Sustainability Statement

The risk management approach follows a cyclical risk assessment methodology. Enterprise risks are reviewed on a quarterly basis, with an overview of key business risks reported to the Risk and Compliance Committee.

Material sustainability issues are identified through the DMA and are reviewed on an annual basis. The DMA provides input to the Group's risk management, identifying critical sustainability risks. One key risk identified in the DMA in 2024 was Transition Risk, stemming from the evolving requirements of the CSRD, which demands increasingly detailed sustainability disclosures. Failure to comply with these requirements could lead to reputational damage and non-compliance costs. To mitigate this, the Company is enhancing its data collection, monitoring, internal control and reporting systems. Additionally, risks related to data accuracy and integrity are addressed through cross-departmental collaboration and review. Such risks are also considered and assessed in the annual internal audit planning process.

The progress and effectiveness of risk mitigation efforts are monitored and reported periodically to the Board of Directors. The Sustainability Committee, in collaboration with senior executive management, oversees the implementation of sustainability reporting controls and provides regular updates to the Board.

Relevant risks are also considered and assessed in the annual internal audit planning process.

The findings and recommendations resulting from internal audit projects are reported to the Audit Committee, ensuring a feedback loop and fostering a culture of accountability and continuous improvement.

Further details on general risk management and internal controls can be found in the Risk Management and Compliance section, Monitoring the effectiveness of risk management and internal controls system section.

SBM-1 – Strategy, business model and value chain

SBM-1_01 to SBM-1_02

NEPI Rockcastle operates in the retail real estate sector, focusing on acquiring, developing, and managing shopping centres and retail properties. The portfolio includes a mix of large regional malls, community shopping centres, retail parks, as well as some office and industrial sites, catering to diverse consumer needs. In 2024, the Group expanded its portfolio with the acquisition of two properties in Poland. The Group's operations are concentrated in CEE, with key markets in Romania, Poland, Bulgaria, Hungary, Slovakia, Croatia, Czech Republic and Lithuania. In 2024, the only property in Serbia was sold, leading to a geographic adjustment during the reporting year. NEPI Rockcastle serves a wide customer base, including international and local retailers, consumers, and visitors. There were no changes in the customer groups served during 2024.

SBM-1_03 to SBM-1_04

For information on NEPI Rockcastle employees across the geographies where it operates, please refer to the section S1-6 of this report.

SBM-1_06

For the fiscal year ending 31 December 2024, NEPI Rockcastle reported a total revenue of EUR 853,360 thousand as per the Financial Statements in the Annual Report. The breakdown of the Group's total revenues is presented in Note 34 - Segment Reporting of Consolidated Financial Statements.

SBM-1_09 to SBM-1-20

NEPI Rockcastle does not engage in extraction, production, or distribution of fossil fuels, including coal, oil, or gas activities. The Company is also not involved in chemical production, controversial weapons or the cultivation and production of tobacco. There is no revenue generated from these activities. The Group's operations are focused primarily on the real estate sector.

SBM-1_21 to SBM-1_23

NEPI Rockcastle's sustainability objectives focus on aligning ESG material topics with its strategic business model, ensuring long-term value creation. The Group is committed to minimising its environmental impact by integrating renewable energy, implementing energy-efficient technologies, and obtaining BREEAM certification for its buildings. Additionally, it encourages sustainable practices among tenants, by incorporating green lease provisions in its leasing contracts.

The Group's sustainability strategy is centrally driven and does not differentiate targets by geographical areas, stakeholder groups, or the products and services offered. The Group actively engages and collaborates with shareholders, investors, tenants, financing partners, employees, suppliers, local communities, other stakeholders, to build transparent, cooperative relations. Engagement with financial institutions includes green financing frameworks that embed ESG principles into the Group's financial planning.

NEPI Rockcastle's sustainability strategy, endorsed by its Board of Directors, is built on three foundational pillars:

- **Investing in healthy and sustainable buildings**
- **Fostering trust with stakeholders**
- **Cultivating an attractive, professional, and ethical work environment**

Key elements of the Group's strategy include emissions and energy reduction, natural resources conservation, support for tenant-led sustainability initiatives, local employment boost around the centres, enhanced visitor satisfaction and community engagement. NEPI Rockcastle has planned for 2025-2026 significant resources for renewable energy projects, i.e. €110 million investment in on-site photovoltaic installations and greenfield developments, aiming to lower carbon emissions in all three scopes. Energy efficiency programs, supported by monitoring systems, complement these efforts.

NEPI Rockcastle's sustainability strategy aligns with 10 UN SDGs, as presented also in the Sustainability Linked Financing Framework (SLFF) issued in 2023, which benefited from a second party opinion by S&P Global Ratings:

SBM-1_25 to SBM-1_27

The Group's business model focuses on delivering vibrant, consumer-oriented retail spaces that combine shopping, leisure, and community experiences. This approach aims to create long-term value for tenants, consumers, investors, and the wider community. From the main category of revenue is rental income.

The Group's value chain is structured around interconnected activities that support its strategic objectives. These activities include the acquisition, operations and development of prime retail assets, leveraging detailed due diligence processes and adherence to environmental standards. Tenant engagement and leasing are key components, with tailored solutions fostering long-term partnerships with a diverse tenant base. Daily property management and operations focus on maintaining high-quality assets, engaging tenants and consumers through satisfaction surveys and community events. Direct interaction with end-users is prioritised to enhance customer loyalty through feedback mechanisms, loyalty programmes, and community initiatives. Metrics such as tenant retention, tenant sales, footfall, Net Promoter Scores (NPS), Occupancy Cost Ratio (OCR), and energy consumption provide actionable insights to optimise operations and achieve sustainability objectives.

NEPI Rockcastle relies on several key inputs to support its operations and strategic goals. These include:

- **Financial resources:** secured through equity and debt (including sustainable finance instruments such as green bonds, loans, and revolving facilities with ESG features)
- **Human capital:** comprising 650 employees, it is critical to the Group's success. Strong focus on diversity, inclusion, and professional development through training and career advancement opportunities
- **Supply chain management:** aligned with ESG principles, ensuring responsible sourcing of materials and services
- **Assets:** the Group's portfolio of assets, including shopping centres across the region, forms the foundation of its value proposition
- **Intellectual capital:** a strong brand name and reputation, operating systems and processes to drive robust corporate governance
- **Natural resources:** the Group utilises natural resources, such as energy and water. Renewable energy sources and water efficiency measures are integral to the Group's sustainability strategy
- **Digital and technological infrastructure:** Building Management Systems (BMSs) and data analytics tools, further enhance operational efficiency and enable optimisation

The outputs of NEPI Rockcastle's business model generate tangible benefits for stakeholders:

- Tenants benefit from well-maintained, strategically located properties that support their operational needs and foster growth opportunities
- Investors esteem consistent revenue streams and long-term value appreciation
- Local communities and customers benefit from well operated assets and newly developed projects that improve infrastructure, create jobs, and enhance local environments and economy


PHOTO: BONARKA CITY CENTER

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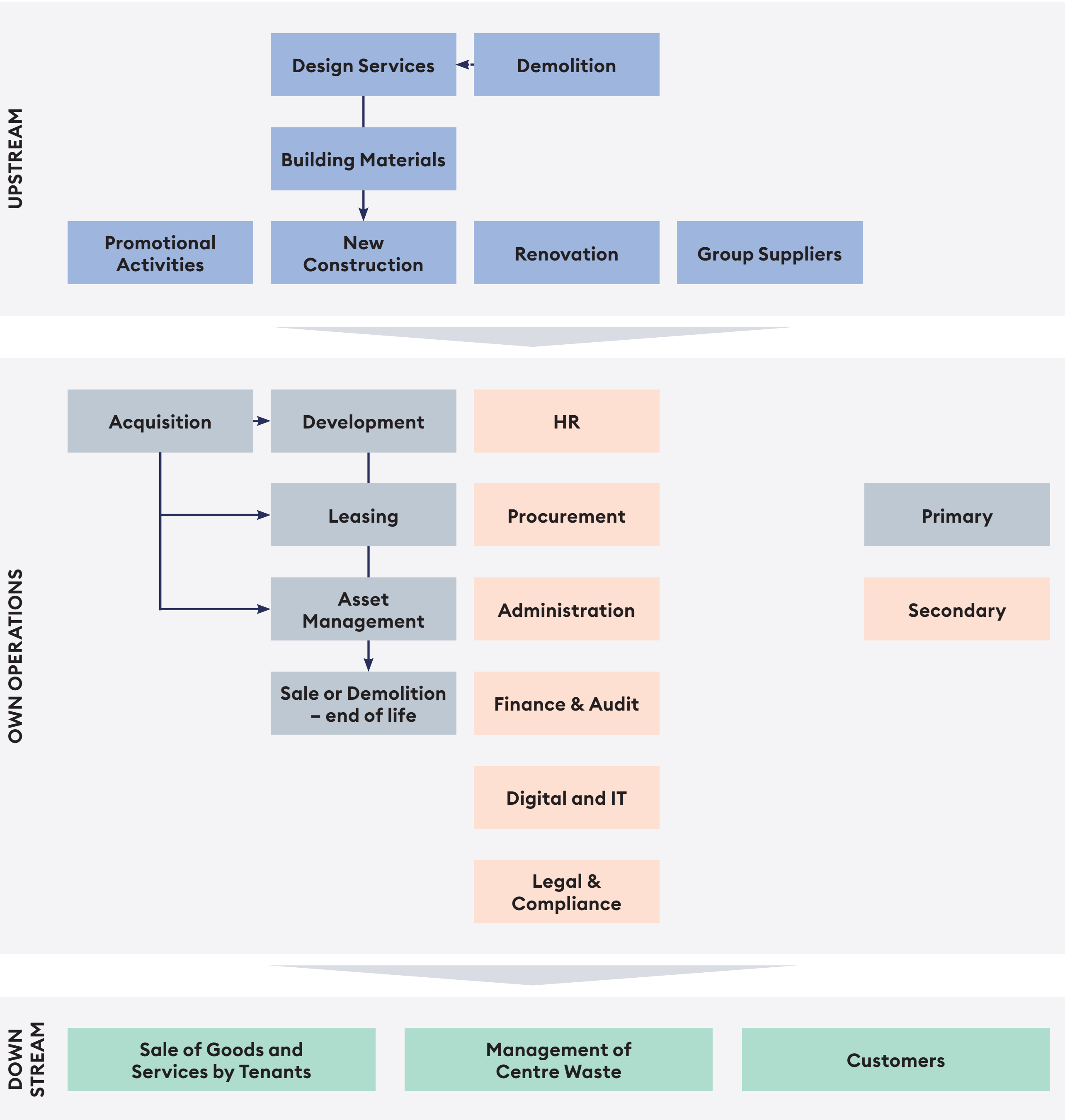
SBM-1_28

Below is a representation of the main features of the Group upstream and downstream value chain and the Group position in the value chain.

NEPI Rockcastle's Value Chain



SBM-2 – Interests and views of stakeholders

SBM-2_01 to SBM-2_07, SBM-2_12

Internal and external stakeholders participated in the DMA to validate and assess the identification of IROs by NEPI Rockcastle. This collaborative effort enriched the materiality analysis by incorporating diverse perspectives.

Stakeholder engagement was conducted through structured interviews, surveys or workshops. Interviews allowed key representatives to assess sustainability topics in detail, with feedback systematically documented. Anonymous online surveys, targeting employees and tenants, combined closed-ended questions to evaluate key topics with open-ended questions to collate additional insight.

Participants included employees, board members, tenants, asset managers, and selected financing partners, covering all ESRS topics. Customer representatives provided focused input on ESRS S3 and S4, leveraging their understanding of visitors and local community needs. Environmental experts, acting as external advisors, represented 'Mother Earth' and contributed to addressing ESRS E1-E5 topics, ensuring environmental considerations were integrated into the engagement process.

The process of stakeholder engagement is detailed in the table below.

Stakeholder group	Representation	Form of engagement	ESRS covered
NEPI Rockcastle's Employees	Employees	Survey	All
NEPI Rockcastle's Tenants	Selected tenants	Survey	All
NEPI Rockcastle's Board Members	Two non-Executive Directors	Interview	All
Customer Representative	Representative of the Polish Consumer Federation	Interview	ESRS S3 ESRS S4
Financing partners	Selected banking partners and asset managers as bondholders	Interview	All
Environmental experts	External advisors	Analysis	ESRS E1-E5

In addition to involving stakeholders in the DMA process, NEPI Rockcastle ensured that its engagement was systematically organised throughout the year and tailored to the specific needs of each group.

- **Financing partners and investors** are engaged through annual and extraordinary general meetings, roadshows, one-to-one investor presentations and discussions, regular business updates, presentation of interim and year-end financial results and Annual Reports
- **Employees** participate in engagement surveys, performance reviews, training sessions, and regular communication initiatives, including those delivered via the internal "SPOT" hub and staff meetings led by the Executive Management team
- **Tenants** participate in on-site meetings, surveys, and bilateral discussions (focused engagement is also delivered through the inclusion of green clauses within the lease agreements)
- **Visitors and local communities** are engaged through surveys, information desks in the centres, and community events
- **Suppliers** are actively integrated into the Group's sustainability efforts through discussions on green assessments, engagement during the tender process, "Know Your Partner" due diligence, and via ongoing contractual relationship management

The primary purpose of stakeholder engagement is to align the Group's operations with stakeholder expectations, while upholding strategic objectives and sustainability commitments. These interactions foster long-term trust, provide valuable insights, and enhance transparency across all areas of operation.

Feedback obtained through stakeholder engagement plays a critical role in shaping NEPI Rockcastle's strategic decisions and sustainability initiatives. For example, employee input has led to the enhancement of the training and development programs, while feedback from shareholders and investors has informed governance practices, ensuring greater transparency and accountability. Community engagement outcomes are incorporated into social responsibility programs, reflecting the Group's commitment to delivering meaningful contribution at local level.

Shareholders emphasise financial performance and governance, employees prioritise career development and inclusivity, and tenants focus on fair lease terms and operational support. Visitors and communities expect high-quality retail experience and impactful community initiatives, while suppliers and financial partners prioritise sustainability, reliability, continuity. By integrating these diverse interests, NEPI Rockcastle maintains a resilient and adaptive business model that consistently delivers value across financial, operational, and social dimensions.

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NEPI Rockcastle's Board of Directors is informed about stakeholder views and sustainability-related impacts directly via Annual General Meetings, investors tours, or through insights from the DMA process. Regular updates on stakeholder engagement initiatives and sustainability feedback are provided to the Board, offering comprehensive insights into key concerns and priorities. The Sustainability Committee, convening two to four times annually, plays a pivotal role in incorporating stakeholder perspectives into the Group's strategic decisions, ensuring alignment with stakeholder expectations and advancing the Company's long-term objectives.

SBM-2_08 to SBM-2_11

NEPI Rockcastle has continuously refined its strategy and business model to address evolving stakeholder interests and align with long-term sustainability objectives. Understanding stakeholder interests is fundamental to amending NEPI Rockcastle's strategy and business model. The Group's commitment to creating value for stakeholders has driven key updates, particularly in embedding sustainability into operations.

In response to stakeholder expectations, the Group has also issued the Green Finance and Sustainability-Linked Financing Frameworks. These integrate ESG priorities into the financial structure and support compliance with evolving regulations and industry standards.

Optimisation of the business model includes the aforementioned green lease approach, suppliers' green assessment and CSR engagement strategy. All these demonstrate NEPI Rockcastle's efforts to foster long-term partnerships and create a thriving retail ecosystem. Future amendments are expected to focus on scaling renewable energy production, expanding digitalisation for operational efficiency, continuing to align procurement practices and due diligence engagements with sustainability goals.

NEPI Rockcastle has also outlined forward-looking initiatives to deepen engagement and further integrate stakeholder views into its sustainability strategy and business model. In 2024, the Group launched the Sustainability Communication Policy, which offers a centralised hub to share feedback, concerns, and suggestions regarding sustainability initiatives and broader business decisions.

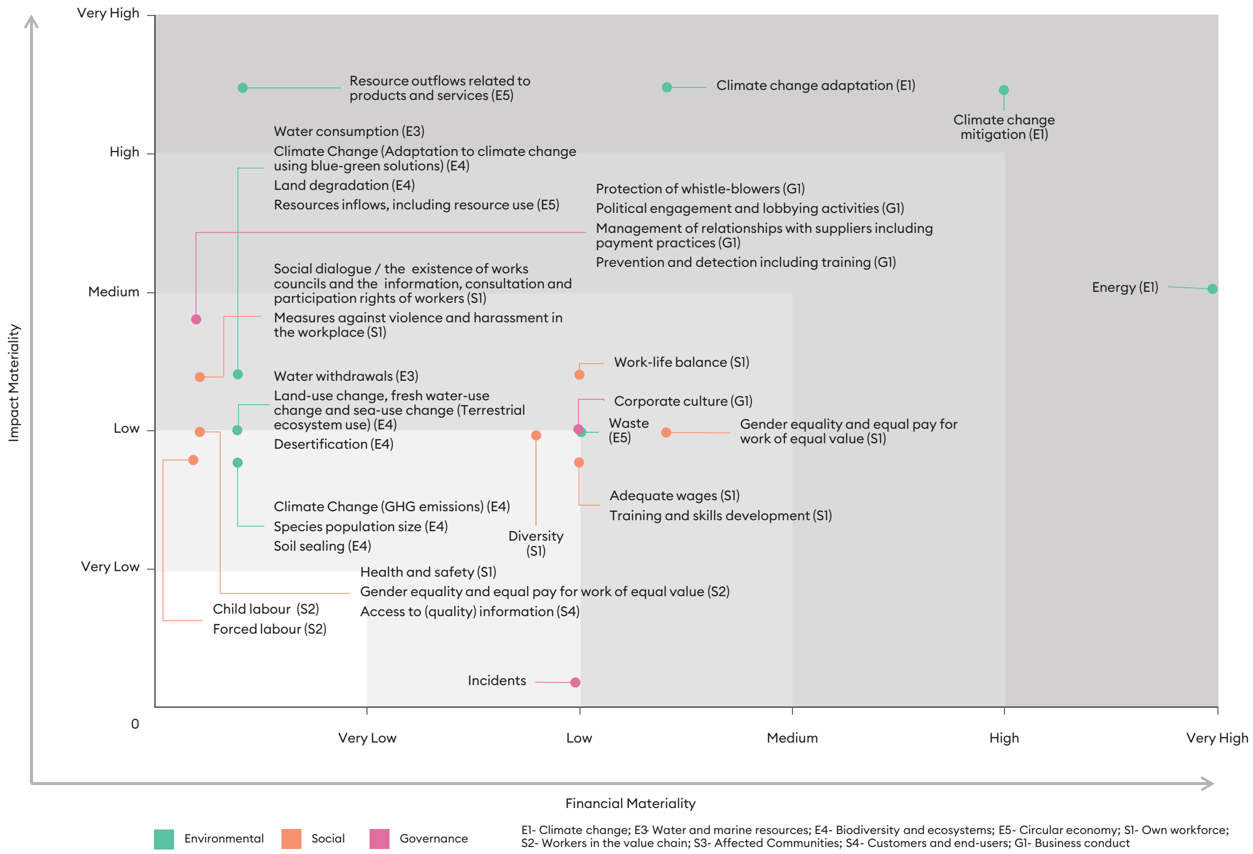
In conclusion, NEPI Rockcastle's stakeholder engagement approach is designed to ensure that the Group fully understands the needs and concerns of the core stakeholders while guiding the ongoing development of objectives and measures. The Company recognizes that effective engagement fosters trust, collaboration, and continuous improvement. Moving forward, the Group will keep gathering stakeholder feedback to update, assess satisfaction and evaluate the ongoing effectiveness of its sustainability strategy.

PHOTO: ALFA CENTRUM BIALYSTOK

SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3_01 to SBM-3_08, SBM-3_10 to SBM-3_12

Double Materiality Map



NEPI Rockcastle's Double Materiality Map sets out the results of the DMA conducted in 2024. It demonstrates that the Company has assessed impacts, risks, and opportunities from both an impact perspective (including environmental and social aspects) and a financial perspective. The following tables list the sustainability-related IROs identified by NEPI Rockcastle based on the DMA process. NEPI Rockcastle has determined that ESRS E1, E3, E4, E5, S1, S2, S3, S4, and G1 are material.

For this year's report, the Company will focus on E1, E3, E5, S1 and G1, (climate change, water, the circular economy, NEPI Rockcastle's own workforce and business conduct) and applied the phase-in flexibility for the remaining topics. A narrative description of each of the material ESRS topics is presented in the following tables. For each material sub-topic, both positive and negative impacts, as well as risks and opportunities, are outlined.

The IROs are categorised based on whether they relate to Own Operations (OO) or the Value Chain (VC). The VC is further divided into Upstream (U) and Downstream (D). A brief description and time horizon is provided for each IRO. NEPI Rockcastle presents more detailed information for each covered ESRS topic in the following chapters of this report.

In Q4 2024, the Group acquired two companies with land rights, building permits, and grid connection permits for photovoltaic installations in greenfield. While recognising specific IROs need to be evaluated and prioritised for this new line of business, the Group has not updated its 2024 DMA, considering no significant operations or activities took place in relation to these. NEPI Rockcastle will analyse the IROs in the greenfield renewable energy sources construction and operation as part of its 2025 DMA.

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IRO Category (OO/VC)	Material IRO	Description	Time Horizon
E1 Climate Change			
Climate Change Mitigation			
Negative Impact (OO)	Generation of Scope 1 and 2 greenhouse gas (GHG) emissions stemming from own operations	Negative impacts on climate associated with GHG emissions generated as a result of NEPI Rockcastle's own operations, such as its shopping centres and its corporate offices	Short
Negative Impact (VC – U/D)	Generation of Scope 3 GHG emissions stemming from the value chain	Negative impacts on climate associated with GHG emissions generated as a result of NEPI Rockcastle's value chain, including construction materials and downstream leased assets	Short
Risk (OO/VC – U/D)	Transition to lower emission technology	Increased costs associated with investing in new technologies, required to transition to a green economy, stemming from legislative pressures (such as those associated with the EU's Green New Deal)	Short
Opportunity (OO)	Use of sustainable technologies	Cost reductions associated with the implementation of lower emission technology such as solar panels, which can save on energy costs	Short
Positive Impact (VC - U/D)	Actions taken to reduce Scope 3 (categories 3 and 13) GHG Emissions	The implementation of actions to reduce Scope 3 GHG Emissions (categories 3 and 13). Reducing Scope 3 emissions helps mitigate climate change by lowering tenants' greenhouse gas emissions, enhancing energy efficiency, and fostering a more sustainable environment.	Short
Risk (VC – U/D)	Requirement to reduce GHG emissions in value chain	Increased costs associated with the implementation of climate mitigation and adaptation measures aimed at reducing GHG emissions during the construction process	Short
Energy			
Negative Impact (OO)	Scope 2 GHG Emissions from NEPI Rockcastle's electricity consumption	Negative impacts on the environment associated with GHG emissions related to the production and consumption of electricity in NEPI Rockcastle's own offices and landlord operated spaces in shopping centres	Short
Negative Impact (VC - U)	Scope 3 GHG Emissions from NEPI Rockcastle's value chain	Negative impacts on the environment associated with GHG emissions related to the consumption of electricity by contractors during the construction process	Short
Risk (OO)	Requirements to reduce energy demand resulting from EPC requirements	Increased construction costs associated with the design and renovation of buildings to meet increasing EPC requirements	Short

IRO Category (OO/VC)	Material IRO	Description	Time Horizon
E3 Water and Marine Resources			
Water			
Negative Impact (OO/VC - D)	Water consumption during construction and operational activities	Significant water consumption during the construction of shopping centres and significant water consumption to operate retail spaces and facilities for visitors during operation	Short
Negative Impact (OO)	Water withdrawal during operation activities	Water use is identified as a negative impact considering that water is a key resource consumed in the operation of shopping centres (especially food courts and restrooms). Access to potable water and proper sanitation systems is required for worker and visitor health and comfort	Short

IRO Category (OO/VC)	Material IRO	Description	Time Horizon
E5 Circular Economy			
Resources inflows, including resource use			
Negative Impact (OO/VC - U)	Depletion of natural resources	Shopping centres require the use of resources in products, packaging and materials needed for the construction and operation of the sites, which can negatively impact natural resources and the environment	Short
Resource outflows related to products and services			
Positive Impact (OO)	Protection of natural resources	NEPI Rockcastle can have a positive impact during end-of-life management by re-using materials that can be recycled or reused in construction, by conducting pre-demolition audits to identify resources for reuse	Short

IRO Category (OO/VC)	Material IRO	Description	Time Horizon
Waste			
Risk (OO)	Promoting the circular economy	In order to promote and implement a circular economy, NEPI Rockcastle may have to make investments in new technologies, processes or infrastructure that may result in increased costs	Short
Risk (OO)	Regulatory requirements on the circular economy	Emerging EU and national regulation regarding waste management and the circular economy could result in increased costs to meet regulatory requirements	Short
Negative Impact (OO)	Waste generation and management	The management of waste requires natural resources such as energy, water and raw materials. Waste treatment and disposal processes can also generate additional resource consumption, which contributes to further environmental pressures	Short

IRO Category (OO/VC)	Material IRO	Description	Time Horizon
S1 Own Workforce			
Working Conditions			
Positive Impact (OO)	Impacts stemming from Remuneration Policy and adequate wages policies	A proper remuneration and adequate wages process can result in increased employee satisfaction and reduced employee turnover, which in turn has positive impacts on a Company's operations	Short
Opportunity (OO)	Remuneration Policy and adequate wages	Remuneration Policy and adequate wages that results in higher employee retention and reduces costs associated with recruitment and hiring	Short
Positive Impact (OO)	Communication and awareness regarding employee social dialogue	Raising awareness of social dialogue to employees and respecting the freedom of association of employees can positively impact employee satisfaction and promote inclusion	Short
Positive Impact (OO)	Company-wide employee benefits package	Benefits packages that are applied across the Company and are available to all full or part-time employees can positively impact employee satisfaction	Short
Opportunity (OO)	Promoting and supporting work-life balance	Reduced costs of staff replacement and training, higher efficiency, higher employee motivation resulting in increased productivity	Short
Equal treatment and opportunities for all			
Positive Impact (OO)	Code of ethics and equal treatment of employees	Putting in place a code of ethics that promotes the equal treatment of employees can improve employee satisfaction and create an inclusive workplace	Short
Risk (OO)	Failure to comply with the Agreement on GPA (Gender Pay) Directive.	Failing to comply with the GPA directive and similar legislation poses financial risks, legal liabilities, and reputational damage that can impact long-term profitability.	Medium
Positive Impact (OO)	Skills, training and development programme	Providing training and development to address employee needs, and helping employees transition their careers can drive productivity, loyalty and satisfaction which can reduce employee turnover	Short
Opportunity (OO)	Employee training	Providing specialised training to target weaknesses or gaps in the business can upskill employees, boost productivity, and increase job satisfaction, whilst reducing the need to hire employees to fill gaps	Short
Positive Impact (OO)	Recruitment strategy	A recruitment and candidate selection process that addresses skill needs in the business can increase employee satisfaction and provide development opportunities	Short
Opportunity (OO)	Recruitment strategy	The management of the recruitment process can present opportunities such as reducing costs due to lower employee turnover, improve productivity and reduce costs around recruitment	Short
Positive Impact (OO)	Employee safety and protection from unethical behaviour	The enforcement of policies and putting in place governance structures to ensure employee safety positively impacts employees by promoting safety	Short
Opportunity (OO)	Employee safety and protection from unethical behaviour	Protecting employees from unethical behaviour in the workplace and implementing fair conflict resolution practices can lead to improved employee satisfaction and engagement, resulting in increased productivity and reduced turnover costs	N/A
Risk (OO)	Risk of unethical behaviour in the workplace	The risk of unethical behaviour towards employees may result in employee turnover, legal costs, and impacts resulting from reputational damage	N/A

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IRO Category (OO/VC)	Material IRO	Description	Time Horizon
Opportunity (OO)	Employee compliance with diversity and inclusion policies	Employee compliance with diversity and inclusion policies can enhance workplace harmony and engagement, leading to higher productivity and reduced turnover costs	Short
Risk (OO)	Risk of non-compliance with diversity and inclusion policies	The risk of incidents involving failure to follow procedures and policies can negatively impact the workplace and result in employee turnovers	N/A
Positive Impact (OO)	Implementation of diversity and inclusion policy in accordance with regulation	The implementation of a diversity and inclusion policy can improve employee satisfaction and create a sense of inclusion	Short

IRO Category (OO/VC)	Material IRO	Description	Time Horizon
G1 Business Conduct			
Corporate Culture			
Positive Impact (OO)	Risk and Compliance procedures and governance	A proper risk and compliance management system can promote business ethics and corporate culture, as well as promote transparency, protect reputation and ensure fines and non-compliance costs are avoided	Short
Opportunity (OO)	Management of business conduct and implementation of policies	Maintaining good business conduct and reputation presents opportunities such as increased revenue, access to capital markets, attracting talent, and retaining skilled employees	Short
Protection of whistleblowers			
Positive Impact (OO)	Whistleblowing Policy and channels	Providing whistleblowing channels and having in place a Whistleblowing Policy, and providing relevant training on whistleblowing procedures can have a positive impact on corporate culture, company reputation and trust among business partners	Short
Political engagement and lobbying activities			
Positive Impact (OO)	Zero tolerance for political engagement	Promoting ethical governance, fair competition, and sustainable resource allocation for societal and environmental benefit	N/A
Management of relationships with suppliers including payment practices			
Positive Impact (OO/VC - U)	Procurement procedures, processes and clauses to address sustainability matters in the supply chain	The use of procurement clauses to address sustainability matters can positively impact a variety of sustainability issues including labour practices, community development, and environmental stewardship throughout the supply chain	Medium
Positive Impact (OO/VC - U)	Supplier selection	The use of a Green Assessment Form to assess suppliers and select suppliers with sustainable practices and low environment impact can positively impact people and environment	Medium
Positive Impact (VC - U)	Payment practices	The use of a standardised payment practice that applies to all suppliers to ensure that partners are paid fully and on time can foster trust and create a more equitable business environment	Medium
Corruption and Bribery			
Positive Impact (OO)	Anti-corruption and anti-fraud training and procedures	Putting in place a training procedure and policies regarding anti-corruption and fraud can positively impact business practices by increasing awareness amongst employees of good business ethics	Short
Risk (OO)	Corruption and bribery incidents	There is a risk of legal and reputation consequences in case of incidents of corruption and bribery	Short

Legend:
OO – Own operations
VC – Value Chain | U – Upstream, D - Downstream

IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

IRO-1_01 to IRO-1_15

NEPI Rockcastle exerts a structured and comprehensive approach to identifying and assessing material IROs, aligning with the ESRS and EFRAG's materiality assessment guidelines. The DMA was conducted in three stages: 1) understanding the business context, 2) evaluating the IROs, and 3) determining material sustainability matters.

The first step was the mapping of business activities, value chain, and stakeholders, followed by prioritising stakeholder groups and developing tailored engagement plans.

Subsequently, a dedicated working group of topic owners identified and assessed the relevant IROs, using a scoring framework that assessed both impact and financial materiality, evaluating implications on the Group's financial position, performance, and cash flows. Stakeholder insights, gathered through extensive engagement further informed this evaluation.

The assessment covered the entire value chain, addressing upstream activities such as construction and supplier practices, as well as downstream activities including customer engagement, ensuring a holistic risk perspective.

Scoring criteria integrate qualitative and quantitative measures, considering short-, medium-, and long-term impacts to comprehensively address immediate and future priorities.

Recognising that certain activities and relationships pose heightened risks, NEPI Rockcastle tailored its assessment process to specific risk factors. Core activities such as property acquisition, development, leasing, and operation are scrutinised due to their environmental and social implications. The assessment also incorporates geographic-specific insights, considering regulatory frameworks, socio-economic conditions, and environmental vulnerabilities across CEE.

Business relationships within the supply chain, are assessed through sustainable procurement and stakeholder collaboration. Supplier engagements focus on compliance with sustainability principles, ethical practices, and adherence to the Group's values through the 'green assessment' tool (more details in BP-2 – Disclosures in relation to specific circumstances and G1-2 – Management of relationships with suppliers). This approach fosters mutual accountability and drives positive impacts across the value chain.

The methodology differentiates between impacts arising from the Group's own operations and those resulting from business relationships. Secondary activities, such as administration, finance, procurement, are also examined for their contribution to overall sustainability objectives.

A specific scoring matrix prioritises sustainability impacts in accordance with regulatory obligations. Positive and negative impacts are assessed based on severity, and likelihood. Each impact is rated on a five-point scale, from negligible to critical, ensuring appropriate weighting of significant implications for people and the environment. Likelihood is also factored in, giving greater weight to more immediate or recurrent issues.

This scoring matrix enables a nuanced prioritisation process, distinguishing material from non-material sustainability matters. Periodic reviews ensure the process remains responsive to evolving sustainability challenges, including climate change, resource efficiency, and social equity.

A structured methodology is used to identify, assess, prioritise, and monitor risks and opportunities with potential financial effects. This process combines quantitative and qualitative analyses to evaluate the magnitude and likelihood of ESG-related financial impacts. The financial assessment examines how risks and opportunities affect the Group's financial position, performance, and cash flows over short-, medium-, and long-term horizons. Magnitude is assessed based on predefined thresholds aligned with the Group's risk management framework, while likelihood is determined using historical data and expert judgment.

Risks and opportunities are analysed using a structured scoring framework that evaluates their likelihood, magnitude, and nature. This matrix, consistent with NEPI Rockcastle's risk management methodology, considers the probability of occurrence and the scale of potential impacts on operations, financial performance, and broader environmental or social contexts. Risks are assessed for severity, while opportunities are evaluated for their potential to deliver positive outcomes, such as cost efficiencies or enhanced stakeholder trust.

While sustainability-related risks are interconnected with broader operational and financial risks, they require distinct prioritisation due to their long-term implications. The Company integrates sustainability risks into its overall risk prioritisation framework alongside strategic, financial, regulatory, and operational risks. Criteria such as regulatory alignment, stakeholder expectations, and reputational impact are used to elevate sustainability risks within the overall risk hierarchy.

This integrated approach ensures that material sustainability risks are addressed with urgency and aligned with the Company's strategic objectives.

Further details on the integration of IROs into the Group's risk management process are available in the Risk Management Report (Key risk areas chapter).

From a process perspective, the results of the DMA were validated at multiple levels.

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A dedicated working group reviewed and calibrated preliminary results, before discussion and validation by the CFO and CEO, while the Sustainability Committee reviewed for reasonability and endorsed the final material topics.

The 2024 DMA represents a major advancement from previous years when materiality was assessed based on GRI Standards.

While prior assessments identified key sustainability priorities, the DMA introduced a more comprehensive approach aligned with ESRS, addressing both financial materiality and societal and environmental impacts. Enhancements include a more detailed value chain mapping, more robust stakeholder engagement, and more rigorous scrutiny and validation processes.

NEPI Rockcastle will implement structured and regular monitoring mechanisms to ensure timely updates to the materiality assessment, supporting proactive risk management and enabling the Group to capitalise on emerging opportunities, enhancing financial resilience and sustainability performance. 'The update and due diligence process will be performed regularly (at least on an annual basis), considering the regulatory updates, and will be based on robust engagement with all categories of affected stakeholders.

IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

IRO-2_01 to IRO-2-02, IRO-2_13

Please refer to the ESRS Table documented in the Appendix 1 of the Sustainability Statement.

PHOTO:MA[illegible]OLIA PARK

MDR-P Policy overview

The Minimum Disclosure Requirement Policy (MDR-P) overview provides information relevant to the MDR-P sections E1, E3, E5, S1, and G1. At present, the Group is unable to report on the consideration of key stakeholders' interests for the policies outlined below. NEPI Rockcastle is committed to gathering the necessary information for future disclosures.

ESRS	Policy	Description	Scope	Accountability	Third party standards	Availability
E1, E3, E4	Environmental Policy	▪ Commits to minimising environmental footprint across the portfolio ▪ Focuses on resource efficiency, water use, waste management, reducing GHG emissions, and complying with EU regulations ▪ Commits to conducting regular environmental audits to track progress and ensure alignment ▪ Sets goal and targets to reduce energy consumption, implement renewable energy solutions, and transition to low-carbon operations ▪ Addresses environmental IROs including but not limited to climate change mitigation, climate change adaptation, energy, water and waste ▪ The policy was approved and has been in effect since 2021, further updated in 2024 and republished in January 2025	All assets	CEO with Board of Directors oversight	N/A	Internally available
E1	Climate Change Policy	▪ Reflects a commitment to providing leadership on climate change action in markets and local communities ▪ Sets clear steps towards net-zero emissions goals, with specific deadlines for reducing emissions at each phase ▪ Establishes key principles related to climate change mitigation, adaptation, energy efficiency, and renewable energy deployment ▪ Addresses IROs relevant to climate change adaptation, climate change mitigation and energy by setting out NEPI's approach to reducing energy consumption, prioritising renewable energy solutions, and by driving down GHG emissions across own operations and value chain ▪ The policy was approved and has been in effect since September 2024	All assets	CEO with Board of Directors oversight	N/A	Internally available
E1	Instructions for Creating Climate Change Adaptation Plans and Improving Building Resilience	▪ Outlines the instructions for developing climate change adaptation plans and enhancing the resilience of buildings owned and operated by NEPI Rockcastle, including developments and infrastructure ▪ Sets out due diligence practices and responsibilities between the investment team and sustainability team ▪ Sets out climate adaptation and resiliency actions for new constructions ▪ Addresses IROs relevant to climate change adaptation and climate change mitigation ▪ The policy was approved and has been in effect since September 2024	All assets	Head of Sustainability	N/A	Internally available
E1, E3, E5	Sustainable Development Policy	▪ Outlines the approach to sustainable buildings ▪ Details guidelines and requirements for new buildings in line with the Sustainability Standard for New Construction ▪ Addresses IROs relevant to climate change adaptation, climate change mitigation, energy, water and waste which are manageable through development of more sustainable properties ▪ The policy was approved and has been in effect since September 2024	New developments	CEO with Board of Directors oversight	N/A	Internally available

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ESRS	Policy	Description	Scope	Accountability	Third party standards	Availability
E1, E3, E5	Sustainable Procurement Policy	▪ Prioritises the selection of services and materials that minimise environmental impact, promote ethical practices, and consider lifecycle costs ▪ Aims to reduce GHG emissions, exclude hazardous materials, and support the circular economy through the procurement of recycled and sustainable materials ▪ Addresses IROs relevant to climate change mitigation, energy, water and waste by promoting more sustainable practices in the value chain and in turn more sustainable resource use by NEPI Rockcastle ▪ The policy was approved and has been in effect since 2021	All procurement activities	The Group Head of Procurement	N/A	Internally available
E1	Sustainability Communication Policy	▪ Ensure that external parties and stakeholders feel confident raising concerns about ESG activities, and act upon them ▪ Provide ways for external stakeholders to raise those concerns ▪ Reassure stakeholders that they will be protected from retaliation if concerns are raised in good faith and with reasonable truth ▪ The policy was approved in 2023 and has been in effect since 2024	External parties and stakeholders	Group Head of Sustainability with Board of Directors oversight	N/A	Available publicly on NEPI Rockcastle's website
S1	International Labour Organisation (ILO) aligned Policy	▪ Outlines commitment to upholding human rights and promoting their realisation in all operations and business relations ▪ Based on the principles and rights at work outlined by the ILO ▪ Reflects the global principles set out in the Code of Ethics and other internal policies ▪ Addresses IROs relevant to own employees, such as risks concerning working conditions and equal treatment and opportunities for all ▪ The policy was approved and has been in effect since March 2024	All NEPI Rockcastle employees	HR Department with Board of Directors oversight	Alignment to ILO	Available publicly on NEPI Rockcastle's website
S1	Diversity and Inclusion Policy and Diversity and Inclusion Employee Regulation	▪ Promotes equal opportunities and an inclusive workplace culture ▪ Commits to supporting all employees, including underrepresented and vulnerable groups ▪ Eliminates barriers to participation and encourage diversity in recruitment and development ▪ Prohibits discrimination based on race, gender, disability, age, sexual orientation, and other protected characteristics ▪ Advances equity and diversity through targeted inclusion initiatives ▪ Ensures compliance with anti-discrimination laws ▪ Addresses IROs relevant to own employees, such as positive impacts concerning diversity and workplace satisfaction, and opportunities around employee wellbeing and sense of security ▪ The policy was approved in 2023 and the regulation was approved and has been in effect since March 2024	All NEPI Rockcastle employees Employees working on behalf of NEPI Rockcastle or affiliated companies	HR Department with Board of Directors oversight	Alignment to ILO	Internally available
S1	Incidents and Crisis Management Policy	▪ Policy encompasses information security, physical security, information systems continuity, and data privacy ▪ Sets out approach to reporting and responding to incidents, as well as post-incident response and planning to prevent recurrence of incident ▪ Addresses IROs relevant to own employees, concerning health and safety and data privacy ▪ The policy was approved in 2020 and has been in effect since 2021	All NEPI Rockcastle employees	CEO with Board of Directors oversight	N/A	Internally available

ESRS	Policy	Description	Scope	Accountability	Third party standards	Availability
S1	Safety Training Program	▪ Provides regular health and safety training for employees and contractors ▪ Establishes process for incident reporting and hazard identification ▪ Fosters a culture of safety and preparedness, addressing IROs related to workforce safety ▪ The programme was approved and has been in effect since 2019	All employees	HR Department	N/A	Internally available
G1	Code of Ethics	▪ Sets expectations for ethical behaviour, integrity, and mutual respect ▪ Prohibits discrimination, harassment, and unethical conduct ▪ Includes mechanisms for reporting violations ▪ Ensures accountability through investigation and corrective actions ▪ Addresses IROs relevant to business conduct, concerning corruption and business ethics ▪ The policy was approved and has been in effect since 2017, with regular updates approved by the Board	All NEPI Rockcastle employees Consultants Contractors	CEO with Board of Directors oversight	Alignment to ILO, Dutch Corporate Governance Code, King IV Report	Available publicly on NEPI Rockcastle's website
G1	Whistleblowing Policy	▪ Provides a secure and confidential channel for reporting unethical behaviour, discrimination, or rights violations ▪ Protects employees from retaliation ▪ Ensures thorough investigation of reports and safeguards for whistleblowers ▪ Fosters transparency and trust across the workforce ▪ Whistleblowing channels include email, online platform, phone, face-to-face meetings, and letters ▪ Addresses IROs relevant to business conduct, concerning whistleblowing where the Company can make a positive impact by supporting the proper channels and by protecting whistleblowers ▪ The policy was approved and has been in effect since 2017, with regular updates approved by the Board	All NEPI Rockcastle employees Consultants Contractors External Stakeholders	Internal Audit with Audit Committee oversight	N/A	Available publicly on NEPI Rockcastle's website
G1	Sponsorship and Donations Procedure	▪ Ensures donation and sponsorship activities comply with applicable laws, the Code of Ethics, and their objectives ▪ Addresses IROs related to corruption practices and non-transparent business transactions ▪ Ensures donations and sponsorships are part of the Corporate and Social Responsibility strategy to maintain a positive reputation among communities, employees, and stakeholders ▪ The policy was approved and has been in effect since 2023	All NEPI Rockcastle employees	PR Department		Internally available
G1	Declaration of Interests Policy	▪ Sets the process of handling conflict of interest situations as well as disclosure requirements for all NEPI Rockcastle personnel and stakeholders, and the Directors of the Group ▪ Sets rules for disclosing conflicts of interest, determining mitigation measures and monitoring and reporting ▪ The policy was approved and has been in effect since 2022	All NEPI Rockcastle employees	Board of Directors	N/A	Internally available

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ESRS	Policy	Description	Scope	Accountability	Third party standards	Availability
G1	IT Governance Policy	▪ Defines the Board's commitment for steering the information technology processes in the Group, as well as set the direction of approaching information and technology and promote ethical and responsible use of information and technology ▪ Embeds data rights, privacy, and security into the Group's practices ▪ Addresses IROs relevant to business conduct by putting in place ethical data collection, management and security practices ▪ Approved and in effect since 2022	All NEPI Rockcastle employees	Board of Directors	N/A	Internally available
G1	Risk Management Policy	▪ The policy applies to the Group ▪ Establishes the Group's approach and framework to enterprise risk management ▪ Aligns and integrates risk management with the business strategy and objective setting ▪ Promotes a culture of risk management awareness ▪ Sets out the approach to identifying, assessing, quantifying and managing risk ▪ Addresses risks by promoting best practices concerning risk management and compliance with regulations and standards ▪ Approved and in effect since 2022	All NEPI Rockcastle employees	Board of Directors	Aligned to ISO 31000 Aligned to Treadway Commission's Committee of Sponsoring Organizations (COSO) framework.	Internally available
G1	Compliance Policy	▪ The policy sets out unitary rules and practices that are applied across the whole Group ▪ Sets out the Group's commitment to conduct lawful business activities that are compliant with laws and regulations ▪ The document sets out definitions and terminology relevant to other policies to ensure policies are consistently applied across the Group ▪ The policy defines responsibilities and oversight of processes and policies ▪ Addresses IROs relevant to business conduct ▪ Approved and in effect since 2022	All employees	CEO with Board of Directors oversight	N/A	Internally available
G1	Group Procurement Procedure for Asset Management	▪ Lays down the main principles at the Group level in relation to the necessary procurement of goods, services and utilities within asset management ▪ Designed to address IROs related to operational efficiency, cost savings, targeted quality of goods and services, process standardisation and transparency, and segregation of roles and responsibilities ▪ Approved in 2017 and updated in 2024	Asset Management	Group Procurement Director	N/A	Internally available
G1	Know-your-counterparty Procedure	▪ Establishes a general unitary regulatory framework to identify the compliance risk generated by lack of knowledge/partial knowledge of the customer'/business partners' and/or transactions/partnerships that may be related to money laundering and terrorist financing activities ▪ Sets out activities to be undertaken at the beginning of a business relationship and periodically during the course of the relationship ▪ Addresses IROs related to business conduct (corruption practices, money laundering, counter-terrorism) ▪ Approved and in effect since 2023	All employees	CEO with Board of Directors oversight	N/A	Internally available

ESRS E1 - Climate Change

Introduction

Tackling climate change is a global imperative and a core environmental focus for NEPI Rockcastle, given the real estate sector's contribution to greenhouse gas (GHG) emissions and vulnerability to climate-related risks. The Group recognises the necessity of integrating climate resilience and mitigation into its operations to safeguard the long-term value of its portfolio, meet regulatory requirements, and enhance tenant and customer satisfaction. Addressing climate change is deeply interconnected with other environmental priorities, including biodiversity conservation, responsible resource management, and the shift towards a circular economy. NEPI Rockcastle's commitment is embodied in its sustainability strategy pillar, "Invest in Healthy and Sustainable Buildings", which underscores its dedication to reducing environmental impact, while creating people-centric spaces.

In 2024, NEPI Rockcastle reaffirmed its commitment to addressing climate change through strategic actions aligned with and validated by Science-Based Targets initiative (SBTi) and guided by the energy hierarchy principles. The Group prioritised reducing energy demand and improving efficiency as foundational steps in its decarbonisation journey, achieving measurable reductions in energy intensity across its portfolio. Simultaneously, it advanced in renewable energy adoption, with investments in on-site photovoltaic systems. The Group currently meets 6% of the electricity needs across its portfolio and aims to increase the share of self-produced renewable electricity through investments in on- and off-site photovoltaic installations.

In 2024, the Group continued to prioritise climate adaptation efforts, and assessed the impact physical risks such as heatwaves, floods, and extreme weather events on its portfolio. A physical climate risk assessment for each asset was conducted in accordance with the requirements of Appendix A to the EU Taxonomy Climate Delegated Act. The Group has defined plans to address and monitor the most pressing physical hazards at asset level, for high-risk assets. From 2025 onwards, NEPI Rockcastle will implement building-level climate adaptation measures in alignment with the delegated act timeline.

GOV-3 Integration of sustainability-related performance in incentive schemes

E1.GOV-3_01 to E1.GOV-3_03

NEPI Rockcastle incorporates sustainability and climate-related considerations into Executives' KPIs, aligning leadership with the Group's ESG objectives. Through variable compensation mechanisms, the Group rewards contribution to its decarbonisation strategy, ensuring a direct link between sustainability achievements and remuneration. These mechanisms are regularly reviewed and adapted to address changing regulations, market dynamics, and stakeholder expectations, with ongoing oversight by the Remuneration Committee to ensure transparency and alignment with the Group's strategic objectives. In 2024, Executive Directors were evaluated on achieving climate objectives, including a 5% reduction in Scope 1 and 2 emissions and in energy intensity in common areas. These targets are supporting a broader strategic objective of reducing overall GHG emissions and energy use. For further details on remuneration processes and figures, refer to NEPI Rockcastle's Remuneration Report section, Remuneration design and Implementation report chapters. A portion of executive remuneration is linked to sustainability performance, with 10% of variable pay tied to achieving climate-related targets and 5% related to renewable energy production. Metrics include both short-term outcomes, i.e. reduction in operational emissions, as well as long-term goals, i.e. building own renewable energy capacity.

E1-1 – Transition plan for climate change mitigation

E1-1_01 to E1-1_03, E1-1_13 to E1-1_16

NEPI Rockcastle has not yet formalised its climate change transition plan, but implements targeted initiatives at company, portfolio, and asset level, which are integrated into its business strategy. Recognising the importance of a cohesive plan, the Group has committed to commence a development of a comprehensive Transition Plan in 2025, consolidating its existing measures and establishing a structured pathway to achieve net-zero GHG emissions by 2050. Interim targets include reducing Scope 1 and 2 emissions by 80% by 2030 (from a 2019 baseline) and cutting Scope 3 emissions (categories 13 and 3, downstream leased assets and fuel and energy related activities) by 25% (from a 2022 baseline)[1]. Other targets related to energy reduction and the increase in renewable energy are outlined in E1-4, which covers targets related to climate change mitigation and adaptation.

The Group's decarbonisation goals align with the Paris Agreement's 1.5°C target, validated by the SBTi on 20 March 2024[2]. Scenario-based analyses, using SSP2-4.5 (moderate

[1] Different baseline years have been established for Scope 1&2 and for Scope 3, to acknowledge and reflect the significant progress already made for areas within direct control, where the Company has implemented mitigating measures early on. In 2022, the Group adopted a comprehensive methodology to assess extended Scope 3 emissions across all categories as part of the SBTi carbon target validation process. Based on this evaluation, the Group prioritised emissions in Categories 3 and 13, ensuring sufficient coverage of total Scope 3 emissions, and established 2022 as the comparison baseline. Furthermore, as part of the wider 2019 target for 1&2 emissions, the Group has also defined a more granular target to decrease emissions intensity by 40% until 2030, compared to 2022 baseline (also part of the SLFF)

[2] Near-Term Approval Letter

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warming) and SSP5-8.5 (high warming) frameworks, have guided the prioritisation of high-impact initiatives, such as expanding renewable energy capacity and deploying energy-efficient technologies.

These measures are complemented by tenant engagement through green leases, fostering energy-efficient practices across the portfolio.

Expanding renewable energy remains a key priority for NEPI Rockcastle. Between 2022 and 2024, the Company has invested in solar energy, completing 29 photovoltaic installations in Romania and one in Lithuania, covering 28 retail properties with a total installed capacity of 38 MW. These installations supplied 6% of the Group's total electricity consumption in 2024.

Additionally, the Group continued its transition to renewable energy by sourcing certified "green electricity" under the Guarantees of Origin mechanism, in compliance with the 2009/28/EC European Directive**.**

The second phase of the renewable electricity program will add 15 MW of capacity across 23 of NEPI Rockcastle's properties outside Romania, with individual projects being at various stages of construction. The third phase focuses on developing large-scale greenfield photovoltaic plants. In Q4 2024, the Group acquired two companies with land rights, building permits, and grid connection permits for photovoltaic projects totalling 159 MW.

The total planned investments, estimated at €110 million, are expected to cover an additional 42% of the Group's electricity consumption and result in a total of 39% avoided emissions[1].

The alignment between financial planning and the Group's decarbonisation pathway is proven by the allocation of resources into developing renewable energy installations. Scenario-based analyses further enhance integration by providing insights into potential financial impacts of climate risks, enabling informed decisions that balance environmental objectives with economic imperatives.

Current operational integration of the decarbonisation plan is driven by the Executive Directors, with the CEO and CFO playing a pivotal role, supported by the Sustainability Committee, in aligning financial resources with decarbonisation initiatives. The Group Head of Sustainability, supported by a specialised team, is responsible for executing the plan, tracking progress against established targets, and reporting. This governance structure guarantees transparency, accountability, and continuous adaptation to emerging market and regulatory developments, keeping the Group at the forefront of sustainable practices.

E1-1_04 to E1-1_08

The implementation of NEPI Rockcastle's climate transition plan is underpinned by CAPEX allocation. Financial resources are carefully directed towards medium- to long-term projects that drive meaningful transformation. Annual CAPEX prioritisation considers alignment with the Group's decarbonisation strategy by prioritising initiatives that deliver notable environmental and economic returns, while meeting evolving regulatory requirements. NEPI Rockcastle's financial planning aligns with the criteria outlined in the EU Taxonomy for Sustainable Activities under Commission Delegated Regulation 2021/2139.

Details of how economic activities, objectives and plans align with EU Taxonomy criteria are provided in the EU Taxonomy section of this report.

Locked-in GHG emissions, arising from long-lived assets, represent a significant challenge to the Group's decarbonisation efforts. These emissions are primarily associated with aging infrastructure, fossil fuel dependency from district heating, and the carbon embodied in construction materials. High locked-in emissions potentially increase the risk of non-compliance with decarbonisation goals, regulatory penalties, and the devaluation of assets that fail to meet environmental standards.

To mitigate these risks, NEPI Rockcastle adopts a proactive strategy with plans to carry out retrofitting of older properties and implement energy-efficient systems to transition to renewable energy sources, and to incorporate low-carbon construction materials in new developments. The Group also applies the Carbon Risk Real Estate Monitor (CRREM) methodology to identify and prioritise assets at risk of becoming stranded.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

E1.SBM-3_01 to E1.SBM-3_07

NEPI Rockcastle's 2024 DMA identified transition risks related to climate change, each posing unique challenges and creating opportunities for the Group. No physical climate risks have been prioritised through the DMA. Transition risks encompass regulatory changes, market shifts, and increased demand for carbon transparency, with key concerns including compliance with stricter environmental standards, higher costs associated with low-carbon technologies, and reputational risks tied to tenant expectations. Energy-related issues, particularly reliance on traditional energy sources, amplify the transition risks.

The resilience analysis was conducted as part of a broader risk management and sustainability strategy review in 2023 and 2024, in line with TCFD recommendations. SSP2-4.5 (moderate warming) and SSP5-8.5 (high warming) scenarios

[1] Expected at the end of 2026, based on the portfolio CO_2 emissions as of 2024 (relative to the use of non-renewable energy)

provided insights into potential outcomes up to a 2050-time horizon and included short-, medium-, and long-term evaluations. Short-term efforts (until 2030) focus on regulatory compliance and energy cost mitigation, while medium-term efforts (up to 2040) address tenant expectations, market valuation changes, and renewable energy integration. The analysis involved engagement with internal and external stakeholders, stress-testing key business segments against various climate risks, and assessing financial implications.

The resilience analysis carried out by NEPI Rockcastle assessed the potential impacts of climate change on the strategy and business model, considering both transition and physical risks. It covered core operations, value chain, and investment strategies across all jurisdictions where the Group operates.

Results of the resilience analysis

- **Transition risks:** In a high-ambition policy scenario (1.5°C), increased carbon pricing and stricter regulatory requirements could lead to higher operational costs and necessitate accelerated investment in low-carbon technologies. However, these changes also present opportunities for increased market demand for sustainable products and services
- **Physical risks:** Under a high-emission scenario (>3°C), more frequent and severe extreme weather events (including heatwaves, floods, and storms) could disrupt supply chains, impact assets value, and increase insurance costs. The most vulnerable regions in the portfolio have been identified, and adaptation strategies are being developed
- **Opportunities:** The shift towards renewable energy and circular economy initiatives could enhance operational efficiency and reduce long-term costs. Investments in energy efficiency, on-site and off-site renewable energy production, together with sustainable financing mechanisms, align with a low-carbon transition pathway, strengthening the Group's profitability and competitive position

Key results of the analysis highlighted heatwaves as the most pervasive physical risk due to the geographical concentration of assets. Transition risks, such as compliance with stricter energy performance certificates (EPC) standards and technology adoption costs, also emerged prominently. Significant opportunities were identified, including renewable energy initiatives, which provide cost savings, new revenue streams, and carbon footprint reduction.

IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

E1.IRO-1_01 to E1.IRO-1_16

NEPI Rockcastle has implemented a comprehensive process to identify and assess material climate-related IROs, integrating both high-level and asset-specific evaluations. Systemic risks and opportunities arising from the transition to a low-carbon economy and physical climate risks are analysed. The Group leverages the Deepki platform to model climate hazards and develop resilience strategies, ensuring a data-driven and forward-looking approach.

Impacts on climate change

The main climate change impact is the greenhouse gas (GHG) emissions discharged from activities within assets (Scope 1 and 2). These emissions arise from the consumption of fossil fuels in buildings (e.g., gas used in boilers for heating) and from the electricity and heat used in buildings (e.g., electricity consumed by water heaters, lighting, electrical appliances, cooling systems, etc.). GHG emissions related to the value chain (Scope 3) include those arising from the use of construction materials, the downstream leased assets (e.g. tenant's units), and the use of sold products.

Physical climate risks

Physical climate risks, such as heatwaves, floods, and wildfires, are systematically assessed across operational sites and the value chain. Tailored questionnaires collect data on building characteristics, location, and resilience measures to evaluate vulnerabilities. Beyond direct operational impacts, the Group also examines risks affecting tenants, supply chain logistics, and communities. These assessments support the prioritisation of adaptive measures, including:

- Enhanced cooling systems to mitigate heatwave risks
- Flood defences for at-risk properties
- Resilient construction to improve structural durability in extreme weather events

The Group screens all assets and activities throughout their lifecycle, from acquisition to disposal, evaluating exposure to climate hazards. Factors such as geographic location, structural design, and external influences are considered, with vulnerability scores assigned through the Deepki platform:

- Heatwave-prone assets are assessed for thermal insulation and cooling system performance
- Flood-prone locations are prioritised for adaptive infrastructure investments

Transition risks and opportunities

Transition risks, including regulatory, market, and technological changes, are systematically assessed to understand their implications in operations and value chain. For example, stricter energy efficiency standards under the EU Green Deal require operational adjustments and capital investments. The Group also identifies opportunities such as:

- New revenue stream from photovoltaic installations
- Cost savings through energy efficiency measures
- Enhanced asset value by meeting evolving tenant and investor expectations

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Assets sensitive to transition factors are identified through geographic distribution, energy consumption, and building efficiency ratings. Properties with low EPC score or over-reliance on fossil fuels are prioritised for:

- Retrofitting and energy efficiency upgrades to reduce regulatory exposure
- Technology integration to lower operational emissions
- Sustainable energy solutions to enhance long-term asset performance

For assets that are incompatible with a climate-neutral economy or require significant interventions improvement, evaluations are performed, in line with EU Taxonomy.

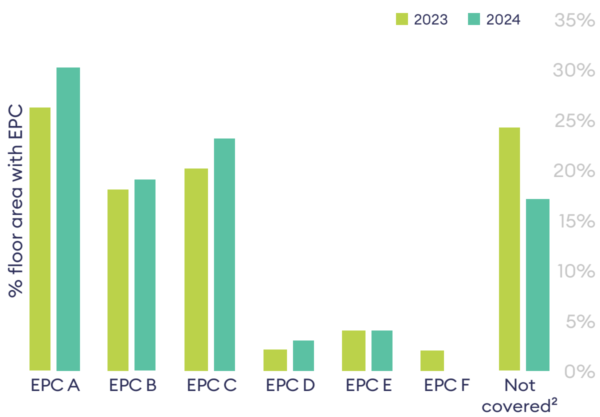
Properties with lower EPC ratings (C to F) or reliance on fossil fuel-based equipment and district heating will be further assessed and potentially targeted for retrofitting to improve energy performance.

PHOTO: FOCUS MALL ZIELONA GORA

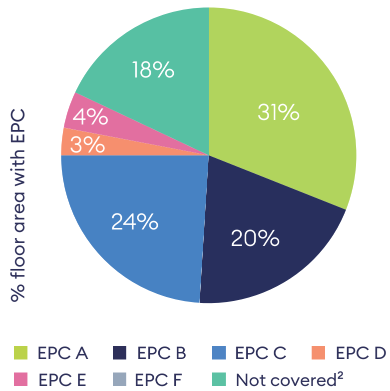
Aligning climate scenario analysis with financial planning

Climate-related assumptions are considered in the financial planning, and budget is allocated for the execution of sustainability projects. Financial planning considered primarily the transition to renewable electricity production, retrofitting of assets, as well as the evaluation of costs for achieving sustainability targets and addressing environmental challenges. NEPI Rockcastle evaluates the resilience of these assumptions under different climate pathways to ensure their robustness.

Graph 2: % EPC Ratings in 2023 and 2024[1]



Graph 3: % EPC Ratings in 2024[1]



1. A-F rating assessed based on the energy performance indicator for Polish assets (classification not available in Poland); 2. Limited parts of some buildings not included in the EPC evaluated area

E1-2 – Policies related to climate change mitigation and adaptation

E1.MDR-P_01-06, E1-2_01

Please refer to the MDR-P Policy Overview Table.

E1-3 – Actions and resources in relation to climate change policies

E1.MDR-A_01-12, E1-3_01

Energy efficiency improvements

Disclosure of key actions

Energy efficiency improvements are part of NEPI Rockcastle's decarbonisation roadmap. In 2024, the Group further increased LED lighting adoption in common areas by 3%, resulting in 94% coverage at Group level. The Group is committed to optimising energy efficiency across its properties through the implementation of advanced Building Management Systems ('BMS'). Such systems integrate cutting-edge automation and monitoring technologies, ensuring optimal energy performance and optimising ventilation, air handling, heating, energy monitoring, and lighting control. The system integrates smart algorithms to adjust airflow based on CO_2 levels, regulate heating demand, implement energy load management, and optimise lighting based on daylight availability, ensuring reduced consumption and improved sustainability. NEPI Rockcastle is developing AI-driven BMS algorithms to enhance automation and predictive maintenance with initial rollouts in Poland during 2023/2024 and further deployments planned for 2025/2026.

Scope of key actions

The energy efficiency actions covered NEPI Rockcastle's entire portfolio. These measures aim to reduce energy intensity in both landlord-controlled areas and tenant-occupied spaces through technological upgrades and contractual changes.

Time horizon for key action completion

The Group has set specific timelines for completing these initiatives, with progress expected by 2030.

Description and results of actions to provide or support remedy for those harmed by material impacts

While energy efficiency initiatives primarily target operational improvements, they also indirectly contribute to remedying broader environmental impacts by reducing GHG emissions and enhancing resource conservation.

Progress of prior disclosed actions

Building on progress reported in 2023, NEPI Rockcastle continued its commitment to energy efficiency improvements. In 2024, common area energy intensity reductions of 9% across the portfolio was achieved (against a 2022

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baseline), contributing to meeting the Group's interim decarbonisation targets.

Current and future financial resources allocated (CapEx and OpEx)

In 2024, €5.8 million in capital expenditure were directed towards energy efficiency projects, including LED installations, UV foil, rooftop, HVAC and BMSs upgrades, air curtains installations. Investments of €8 million are planned for 2025 sustainability initiatives across all countries, covering various priorities, including energy efficiency.

Renewable energy deployment

Disclosure of key actions

As outlined throughout this report, the Group made significant progress in renewable energy deployment.

Time horizon for key action completion

Short-term projects, such as on-site PV installations, were completed in Romania and Lithuania in 2023-2024, while medium-term investments in greenfield projects are expected to be commissioned until 2026.

Description and results of actions to provide or support remedy for those harmed by material impacts

Renewable energy initiatives directly address the Group's reliance on fossil fuels, reducing Scope 1, 2 and partially scope 3 GHG emissions. These actions enhance energy independence and resilience, while providing tenants with access to green energy.

Progress of prior disclosed actions

During 2023-2024, €34 million investment was allocated to on-site renewable energy projects. Future investments of €110 million will support on-site installations and greenfield projects until 2026.

PV deployment overview in Romania and Lithuania	2022	2023	2024
Installed capacity (MW)	4	36	38
No of PVs instalations	10	28	30
% of total electricity covered[1]	-	1.14%	6%
% of CO_2 emission reduction[1]	-	1%	5%

1 *Calculated at Group level*

2025 - 2026 rollout plans (estimations only, based on 2024 data)

- 159 MW in greenfield PV plants in Romania
- 15 MW installation on assets rooftops outside of Romania - 48% of Group's needs covered / 39% expected CO_2 emissions reduction[1]

1 *expected at the end of 2026, based on the portfolio CO_2 emissions as of 2024 (relative to the use of non-renewable energy)*

Stakeholder collaboration

Disclosure of key actions

Collaboration with tenants and suppliers is critical to achieving the Group's sustainability objectives.

Scope of key actions

Stakeholder collaboration spans the Group's upstream and downstream value chain. Tenant engagement focuses on energy efficiency and waste management, while supplier collaboration emphasises sustainable materials and practices during construction and operations.

Time horizon for key action completion

Collaborative initiatives, such as green lease rollouts, are ongoing, with a target to have 100% of lease agreements signed with green lease clauses. Supplier engagement efforts also result in progress year over year.

Description and results of actions to provide or support remedy for those harmed by material impacts

By involving tenants and suppliers in its decarbonisation efforts, NEPI Rockcastle mitigates broader climate impacts while fostering sustainable behaviours and cost effectiveness. For instance, green lease clauses encourage tenants to adopt energy-saving measures, directly contributing to GHG reductions.

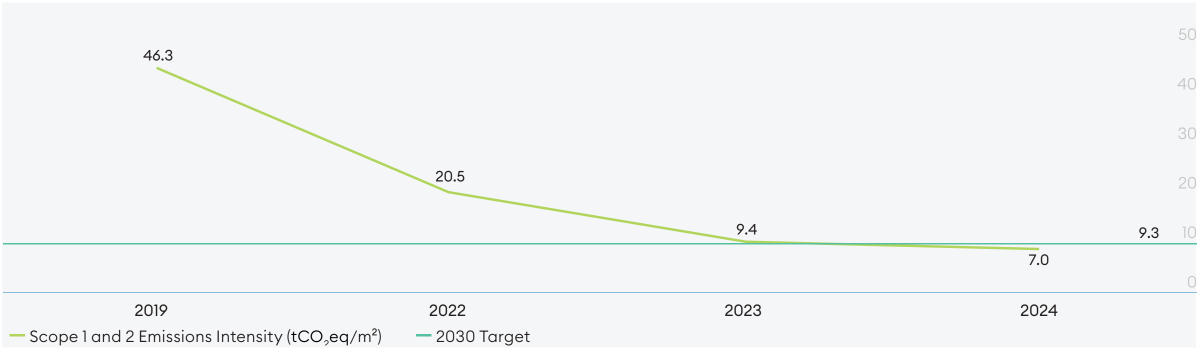
Progress of prior disclosed actions

Tenant engagement and supplier collaboration have shown measurable progress. During 2024, 93% of leases included green clauses and 128 suppliers were assessed using green assessment form.

E1-3_03 to E1-3_04

The following graph shows the reduction of Scope 1 and 2 emissions reduction from 2019 to 2024.

Scope 1 and 2 emission intensity



E1-3_05

The successful implementation of NEPI Rockcastle's climate-related actions depends on the availability and strategic allocation of financial, technological, and human resources. Access to affordable capital is particularly crucial, as it directly impacts the Group's ability to invest in renewable energy, energy efficiency upgrades, and low-carbon technologies. The pace and scale of the transition efforts depend on securing green financing and favorable lending conditions.

Market changes, evolving regulations, and consumer preferences necessitate investment in sustainable supply chains optimisation. Strategic acquisitions and partnerships with climate-focused businesses play a vital role in accelerating the Group's sustainability transformation, but the feasibility of such investments depends on financial stability and investor confidence in the Company's long-term vision.

The affordability of capital remains a factor, influenced by market and geopolitical conditions, investor sentiment, and evolving regulatory frameworks. NEPI Rockcastle actively engages with financial institutions, investors, and lenders to secure sustainable financing options, such as green bonds and sustainability-linked loans, ensuring that the transition efforts remain both feasible and financially resilient.

E1-3_06 to E1-3_08

Please refer to the EU Taxonomy section in the Sustainability Statement.

E1-4 – Targets related to climate change mitigation and adaptation

E1.MDR-T_01-13, E1-4_01

NEPI Rockcastle adopts a structured and transparent approach to monitoring the effectiveness of its climate change mitigation and adaptation policies through clearly defined targets. These targets serve as measurable benchmarks, aligning with the Group's long-term sustainability objectives and providing a framework to assess progress toward achieving its goals. The targets address material climate-related IROs, forming the foundation of the Group's decarbonisation and adaptation strategies. They are regularly reviewed, and progress is monitored based on key performance indicators (KPIs).

NEPI Rockcastle has set the following GHG reduction targets, aligned with science-based standards:

- Reduce Scope 1 and 2 GHG emissions per m^2 from operational energy use by 80% by 2030
- Reduce absolute Scope 3 GHG emissions from operations (within Categories 3 and 13, i.e. fuel and energy related activities and downstream leased assets) by 25% by 2030

The Group set additional targets until 2030:

- Reducing energy intensity in common areas by 30% compared to 2022
- Producing renewable energy for own consumption
- Reducing embodied emissions from new construction by 30% compared to 2019

Relationship of targets to policy objectives

The targets established by NEPI Rockcastle are intrinsically linked to its Environmental Policy. The defined targets are both absolute and relative, depending on the policy objective. For instance, GHG reduction targets for Scope 3 are measured in absolute terms (e.g., tonnes of CO_2 equivalent), while energy efficiency improvements are assessed based on intensity, i.e. the energy consumption per square meter. By encompassing both approaches, the Group ensures a holistic evaluation of its environmental performance.

Scope and baseline of targets

The scope of NEPI Rockcastle's targets extended during 2024 across a portfolio of 61 properties in nine countries (including the Serbian entity and another industrial park in Romania sold during the year, and excluding Silesia City Center, Poland, acquired in December 2024). As of December 2024

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the Group's portfolio comprise a total of 60 assets across 8 countries. The baseline values and years for these targets are clearly defined to ensure consistent tracking. The Group uses 2019 as the baseline year for Scope 1 and 2 emissions and 2022 as the baseline for Scope 3 emissions and energy intensity, as agreed during the target verification by SBTi. The reasoning for having two different baseline years is explained in sections E1-1_01 to E1-1_03, E1-1_13, and E1-1_15.

Methodologies and assumptions

The methodologies used to define and track emission targets are based on conclusive scientific evidence, peers' benchmarks and internationally recognised frameworks. NEPI Rockcastle utilises the GHG Protocol for emissions tracking, ensuring consistency with global best practices. Data sources include on-site monitoring systems (utilities meters), tenant energy reports, and Deepki platform. Significant assumptions, such as projected tenant energy consumption and the anticipated impact of renewable energy adoption, are regularly reviewed to ensure the robustness of targets. The Group actively considers the local context of its operations, including regulatory requirements and stakeholder expectations, ensuring that targets are both ambitious and attainable.

Stakeholder involvement and changes to targets

Where possible, NEPI Rockcastle considers stakeholder expectations, objectives and targets whilst setting and amending its own targets. Company targets and metrics are subject to periodic review, with adjustments made to reflect evolving scientific understanding, regulatory changes, or operational circumstances. For instance, the Group set Scope 3 emissions targets to include downstream leased assets in response to SBTi requirements. Such changes are transparently disclosed, along with the rationale and implications for comparability.

Performance monitoring and trends

Across the entire business NEPI Rockcastle employs a consistent monitoring approach to track performance against its disclosed targets. Since 2018, NEPI Rockcastle consistently measured and disclosed data on an annual basis. Metrics such as tonnes of CO_2 equivalent for emissions and kilowatt-hours per square meter for energy efficiency are used to measure progress. Additionally, under the SLFF, NEPI Rockcastle defined annual targets for the two KPIs (energy and emissions intensity), for which it monitors trends until 2030. Performance is reviewed periodically by the Executive management, the Sustainability Committee and the Board, and reported annually in the Group's sustainability report.

Progress has been consistent with planned trajectories, as demonstrated by the 12% reduction in Scope 1, Scope 2 , and Scope 3 (market-based) emissions in 2024 compared to 2023. The Group continued to increase its share of renewable electricity, reaching 84% of the total electricity used in 2024. This upward trend in performance underscores NEPI Rockcastle's commitment to achieving its sustainability targets while fostering resilience and value creation for stakeholders.

The Group's GHG emissions reduction targets are aligned with the GHG inventory boundaries by ensuring consistency in organisational and operational scopes. NEPI Rockcastle follows internationally recognisedstandards such as the GHG Protocol, ensuring that the same Scopes 1, 2, and relevant Scope 3 emissions included in the inventory are covered by the set reduction targets. Regular reviews, third-party verification, and alignment with regulatory requirements help maintain accuracy and transparency in the annual reporting process.

E1-4_02 to E1-4_17

The Group set an ambitious target to reduce Scope 1 and 2 (market-based) GHG emissions per square meter from operational energy use by 80% by 2030 compared to 2019 baseline. In 2024, the Company exceeded this goal, achieving an impressive 85% reduction compared to the baseline year and a 25% improvement compared to the previous year. This achievement reflects the Company's strong commitment to sustainability and continuous efforts to enhance energy efficiency across its operations.

E1-4_18, E1-4_20, E1-4_22 to E1-4_24

NEPI Rockcastle ensures that the baseline values are carefully established, with 2019 set as the baseline year for Scope 1 and 2 emissions and 2022 for Scope 3 emissions, ensuring they are representative of the Group's operational activities and external influences such as regulatory changes and market conditions. The targets, validated by the SBTi, are science-based and align with the Paris Agreement's goal to limit global warming to 1.5°C. To achieve its GHG reduction targets, the Group employs a range of decarbonisation levers, including renewable energy deployment, energy efficiency improvements, electrification of operations and tenant engagement through green leases. Climate scenario analyses, as explained above, guide the identification of relevant environmental, societal, technological, market, and policy-related developments.

E1-5 – Energy consumption and mix

E1-5_01 to E1-5_20

NEPI Rockcastle's energy consumption and mix for its operations

NEPI Rockcastle leases its corporate offices, and the landlord does not provide NEPI Rockcastle with the utility data disaggregated, as required by ESRS. As such, NEPI Rockcastle has estimated the data and has made the conservative assumption that all energy is sourced from fossil fuels. While immaterial compared to the whole portfolio of properties, NEPI Rockcastle makes efforts to increase the data coverage and accuracy based on contracts with the lessors.

Energy consumption and mix for own operations (corporate offices)				
Energy consumption and mix	**Unit**	**2023**	**2024**	**% (2024- 2023)**
Total fossil energy consumption	MWh	607	830	37%
Share of fossil sources in total energy consumption	%	100%	100%	0%
Total energy consumption	MWh	607	830	37%

NEPI Rockcastle's energy consumption and mix for properties classified as 'high climate impact'.

Energy consumption and mix	**Unit**	**2023**	**2024**	**% (2024- 2023)**
Fuel consumption from natural gas	MWh	79,096	81,341	3%
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	149,132	120,815	-19%
Total fossil energy consumption	MWh	228,228	202,155	-11%
Share of fossil sources in total energy consumption	%	36%	31%	-13%
Consumption from nuclear sources	MWh	17,528	5,766	-67%
Share of consumption from nuclear sources in total energy consumption	%	3%	1%	-68%
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	389,329	412,264	6%
The consumption of self-generated non-fuel renewable energy	MWh	5,837	30,139	416%
Total renewable energy consumption	MWh	395,166	442,403	12%
Share of renewable sources in total energy consumption	%	62%	68%	10%
Total energy consumption	MWh	640,922	650,324	1%

NEPI Rockcastle's energy intensity for properties classified as 'high climate impact'.

Energy intensity for high climate impact sectors				
Energy intensity per net revenue	**Unit**	**2023**	**2024**	**% (2024-2023)**
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	(MWh/ Monetary unit)	1.305	1.170	-10%

NEPI Rockcastle's non-renewable and renewable energy for properties classified as 'high climate impact'.

The scope of the data covers the 57 Retail (shopping centres) properties, two office buildings and two industrial units located in CEE. The monetary unit used to calculate intensity is thousand euros. NEPI Rockcastle does not undertake significant non-renewable energy production, and has on-site PV installations, producing renewable electricity. For more information on NEPI Rockcastle's renewable energy programme, refer to E1-3.

Sustainability Statement

Energy production for high climate impact sectors				
Energy production	**Unit**	**2023**	**2024**	**% (2024-2023)**
Non-renewable energy production	MWh	5,284	5,036	-5%
Renewable energy production	MWh	5,837	30,139	416%

E1-5_21

NEPI Rockcastle reconciles the net revenue from high climate impact activities with the relevant financial statement line items.

The real estate sector qualifies as a high climate impact sector, and the net revenue used in the energy intensity calculation aligns with the "Net rental and related income" line item from the Consolidated Statement of Comprehensive Income.

This figure includes gross rental income, service charge income, property operating expenses, and revenue from energy activity.

This reconciliation ensures transparency, aligning sustainability reporting with audited financial data for accurate energy intensity calculations.

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

E1-6_01 to E1-6_04, E1-6_06 to E1-6_13, E1-6_17 to E1-6_22, E1-6_24 to E1-6_25, E1-6_27 to E1-6_28, E1-6_30 to E1-6_31, E1-6_33 to E1-6_35

NEPI Rockcastle omits data points on extended Scope 3 emissions using the phase-in option. However, the Group reports on Categories 3 and 13 as part of the set target, SBTi - validated.

Retrospective					
Base year	**Unit**	**Base Year (2022)**	**2023**	**2024**	**% (2024-2023)**
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions	tCO_2eq	6,583	7,077	7,434	5%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	-	-	-	0%
Biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions	tCO_2eq	-	-	-	0%

PHOTO: GALERIA WARMINSKA

Retrospective					
Base year	**Unit**	**Base Year (2022)**	**2023**	**2024**	**% (2024- 2023)**
Scope 2 GHG Emissions					
Gross location-based Scope 2 GHG emissions	tCO_2eq	84,431	74,555	74,197	0%
Gross market-based Scope 2 GHG emissions	tCO_2eq	37,838	13,349	7,879	-41%
Percentage of contractual instruments, Scope 2 GHG emissions	%	100%	100%	100%	0%
Disclosure of types of contractual instruments, Scope 2 GHG emissions	%	100%	100%	100%	0%
Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	%	100%	75%	82%	10%
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	%	0%	25%	18%	-29%

Retrospective					
Base year	**Unit**	**Base Year (2022)**	**2023**	**2024**	**% (2024- 2023)**
Scope 3 GHG Emissions(Categories 3 and 13)[1]					
Total Gross indirect (Scope 3) GHG emissions (Location Based)	tCO_2eq	253,737	245,054	244,191	0%
Total Gross indirect (Scope 3) GHG emissions (Market Based)	tCO_2eq	151,769	140,366	131,045	-7%
Percentage of GHG Scope 3 calculated using primary data	%	100%	100%	100%	0%
Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO_2eq	78,849	73,094	69,110	-5%
Downstream leased assets (location based)	tCO_2eq	174,888	171,960	175,081	2%
Downstream leased assets (market-based)	tCO_2eq	72,920	67,272	61,935	-8%
Total GHG emissions (location-based) (tCO_2eq)	tCO_2eq	344,751	326,686	325,821	0%
Total GHG emissions (market-based) (tCO_2eq)	tCO_2eq	196,190	160,792	146,357	-9%

1 *Scope 3 emissions are calculated using the GHG methodology. Tenant emissions (downstream leased assets) are categorised in Scope 3, based on the operational control approach (Group's tenants have the operational control over the utilities consumption in their units). This approach is in line with the methodology used by the Group for targets setting under the Sustainability-linked Financing Framework and SBTi alignment. This approach ensures that the Group presents the metrics and their year on year progress in a consistent and comparable manner. Under the financial control approach the emissions of downstream leased assets would be classified as Scope 1 and/or 2*

In the above tables the Group shows its emissions progress compared to a 2022 baseline. For scope 1 and 2 specifically, the Group monitors its progress also against a wider, overarching baseline of 2019, to reflect concerted measures adopted early on.

GHG intensity per net revenue	**Unit**	**2022**	**2023**	**2024**	**% (2024- 2023)**
Total GHG emissions (location-based) per net revenue	tCO_2eq/ Monetary unit	0.852	0.665	0.586	-12%
Total GHG emissions (market-based) per net revenue	tCO_2eq/ Monetary unit	0.485	0.327	0.263	-20%

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Achieved GHG emission reductions	Unit	2024
Absolute value of total Greenhouse gas emissions reduction	tCO_2eq	18,930
Percentage of total Greenhouse gas emissions reduction (as of emissions of base year)	%	5%
Intensity value of total Greenhouse gas emissions reduction	tCO_2eq/ Monetary unit	0.034
Absolute value of Scope 1 Greenhouse gas emissions reduction/(increase)	tCO_2eq	(850)
Percentage of Scope 1 Greenhouse gas emissions reduction/(increase) (as of emissions of base year)	%	-13%
Intensity value of Scope 1 Greenhouse gas emissions reduction/(increase)	tCO_2eq/ Monetary unit	(0.002)
Absolute value of location-based Scope 2 Greenhouse gas emissions reduction	tCO_2eq	10,234
Percentage of location-based Scope 2 Greenhouse gas emissions reduction (as of emissions of base year)	%	12%
Intensity value of location-based Scope 2 Greenhouse gas emissions reduction	tCO_2eq/ Monetary unit	0.018
Absolute value of market-based Scope 2 Greenhouse gas emissions reduction	tCO_2eq	29,960
Percentage of market-based Scope 2 Greenhouse gas emissions reduction (as of emissions of base year)	%	79%
Intensity value of market-based Scope 2 Greenhouse gas emissions reduction	tCO_2eq/ Monetary unit	0.054
Absolute value of Scope 3 Greenhouse gas emissions reduction	tCO_2eq	9,546
Percentage of Scope 3 Greenhouse gas emissions reduction (as of emissions of base year)	%	4%
Intensity value of Scope 3 Greenhouse gas emissions reduction	tCO_2eq/ Monetary unit	0.017

The monetary unit used for intensity calculation is thousands EUR (net rental and related income).

For table lines requesting the amount of reduction, in case of an increase, this has been marked in parantheses. The respective values which are an actual increase, are reflected with a negative sign.

E1-6_15

NEPI Rockcastle calculates and measures its GHG emissions using methodologies aligned with the GHG Protocol. The Group applies emissions factors provided in the Deepki platform (adopted from July 2023 onwards) and validated with available public sources. Scope 1 emissions include gas consumption from on-site heating, while Scope 2 covers landlord procured electricity, heating, and cooling for common areas. Scope 3 emissions encompass tenant energy consumption, as well as other emissions such as those generated by HVAC equipment . These calculations are based on standardised and validated methodologies, ensuring consistency and accuracy in emissions tracking.

E1-6_16

The Company confirms that no significant events or changes in circumstances affecting its GHG emissions occurred between the reporting dates and the date of its general-purpose financial statements.

E1-6_23

NEPI Rockcastle applies a range of contractual instruments to support its transition to renewable energy sourcing and its broader decarbonisation goals. To further embed sustainability within its operations, the Group is defining contractual requirements for tenants to source green electricity in leased areas, reinforcing its commitment to extending the use of renewable energy across its value chain.

E1-6_26, E1-6_29

Extended Scope 3 emissions breakdown has been excluded under phase-in option.

E1-6_32

The net revenues reported in the 2024 financial statements is €555,939 thousand (net rental and related income).

ESRS E3 - Water and Marine Resources

Introduction

NEPI Rockcastle recognises the importance of water management as part of its sustainability strategy and its commitment to environmental stewardship. The Group's approach focuses on the identification, assessment, and management of material IROs associated with water use across its operations.

To effectively assess water-related impacts and risks, the Group has conducted a detailed screening of its assets and activities, incorporating the World Wide Fund for Nature's (WWF) Water Risk Filter to evaluate regional vulnerabilities, including water scarcity, flooding, and water quality risks. Through its DMA, NEPI Rockcastle has engaged a range of internal and external stakeholders to analyse financial and environmental impacts, identifying key opportunities to enhance resource efficiency while mitigating risks in areas of water stress.

At the core of the Group's strategy is its Environmental Policy. This policy promotes water conservation, efficient use, and responsible wastewater treatment through initiatives such as metering systems, water-saving technologies, rainwater harvesting, and greywater reuse.

IRO-1 – Description of the processes to identify and assess material water related impacts, risks and opportunities

E3.IRO-1_01 to E3.IRO-1_02

NEPI Rockcastle conducted the DMA to evaluate both financial and environmental impacts related to water used in operations. During this process, NEPI Rockcastle engaged with internal and external stakeholders to assess the IROs associated with its water management practices. The Group has not conducted screening assessments of its value chain to identify actual or potential IROs related to water resources, as this information is difficult to obtain.

As a developer and operator of shopping centres, NEPI Rockcastle primarily sources its water from public water networks. In some shopping malls, the Group also uses groundwater abstraction (wells) for water sourcing. Water is typically discharged into public sewage systems, except limited cases where alternative discharge methods apply. Although water discharge is not actively monitored, the Group assumes that discharge is approximately equal to consumption.

NEPI Rockcastle's portfolio is not located in regions identified as water stressed. Nonetheless, the Group integrates water stress data using the WWF Water Risk Filter, recommended by recognised industry standards, including TNFD, to evaluate potential regional vulnerabilities. This screening assesses risks including water scarcity, flooding, and water quality across three-time horizons–2020, 2030, and 2050–under optimistic, current, and pessimistic climate scenarios. While this proactive approach highlights potential future risks, it also ensures that the Group remains vigilant even in regions without immediate water stress. NEPI Rockcastle plans to develop site-specific action plans to address localised risks and opportunities, including water-related IROs over the coming years.

To date, NEPI Rockcastle has not conducted consultations specific to water-related issues.

E3-1 – Policies related to water

E3.MDR-P_01-06, E3-1_01

Relevant aspects on water management practices are included in the Environmental Policy, described in the MDR-P Policy Overview Table.

E3-1_02 to E3-1_05

Water sourcing and use are governed by measures such as the installation of low-flow fixtures, aerators, and double-flush systems, implemented throughout landlord-managed areas. Water metering systems allow precise monitoring and optimisation of water use while identifying inefficiencies to minimise waste. All facilities depend exclusively on municipal water supplies, with efforts underway to reduce reliance on these sources by exploring rainwater harvesting and greywater reuse solutions.

The Environmental Policy also addresses water treatment, ensuring that water used in operations is managed responsibly, treated where necessary, and, where possible, reused to minimise environmental impacts.

Properties not connected to public sewage systems operate on-site wastewater treatment plants that are regularly monitored to meet environmental standards. These plants ensure treated water is safely discharged into natural systems in compliance with regulatory requirements. Regular maintenance programs and efficient equipment are integral to the prevention of water pollution. The Group's proactive approach ensures compliance with applicable laws, and regular monitoring of water discharge quality ensures that the environmental risks are mitigated effectively.

In the absence of identified risks, the Group remains committed to screening future investments and, if exposure arises, developing site-specific mitigation and adaptation plans to address local vulnerabilities.

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The Sustainable Development Policy further supports above objectives by integrating water use optimisation into construction projects, aiming to enable resource-efficient development.

E3-1_09

NEPI Rockcastle does not operate in coastal regions, nor does it extract resources directly from oceans. Therefore, NEPI Rockcastle's water management approach does not consider marine resources.

E3-2 – Actions and resources related to water

E3.MDR-A_13-14

NEPI Rockcastle aims to decrease (potable) water intensity, as per target detailed below. The Water Strategy will be prepared in 2025 to outline the planned actions to enhance water management and efficiency. The Group allocates dedicated CapEx to address detailed water management initiatives. Water management efforts are overseen by the Property and Technical management teams. Cross-functional collaboration between Technical, Property and Sustainability teams, ensures effective execution and continuous improvement in water stewardship. As part of the operational maintenance process currently in place, the Group has established technical criteria for sanitary installations, serving as guidelines for both renovations and new developments. Key specifications include:

- Toilets: At least 50% of toilets must use ≤3 liters per flush, with all others not exceeding 4.5 liters per flush, ensuring an average flush volume of ≤3.5 liters
- Urinals: Waterless urinals are preferred, with standard urinals using no more than 2 liters per bowl per hour or a full flush volume of ≤1 liter
- Aerated and Sensor-Controlled Taps:
    - Handwashing basin taps should have a maximum flow rate of 4 liters per minute and be equipped with automatic shut-off or proximity sensors to prevent water wastage
    - Food court units and washbasin taps must not exceed 6 liters per minute

In 2024, the Group continued to enhance water efficiency by retrofitting faucets in common areas with water-saving aerators, now installed in 89% of its properties.

E3-2_03

NEPI Rockcastle acknowledges that climate change poses risks to water systems, which may negatively impact assets and operations in areas of water risk. Long-term changes in climate patterns, such as rising temperatures, water scarcity, and drought, can disrupt building operations, increase operating costs, and affect asset valuations, necessitating adaptation and investment.

Additionally, urbanisation and reduced terrain permeability can exacerbate the risk of flash flooding, further complicating water management challenges.

NEPI Rockcastle's properties are not located in areas with water risk, therefore no specific actions have been taken to address such risks. However, the Group remains vigilant and continues to monitor its exposure to water risk. If any assets were identified as being at risk in the future, NEPI Rockcastle would develop asset-specific action plans to mitigate and address the identified risks, ensuring alignment with its Environmental Policy and sustainability objectives.

In 2024, the Group has strengthened its water conservation program to address potential water scarcity and drought risks. Key measures include the installation of rainwater harvesting systems for landscaping and the implementation of water-efficient technologies, such as automatic flush toilets and low-temperature systems in restrooms, which simultaneously reduce water and energy consumption. NEPI Rockcastle's mitigation hierarchy prioritises reduction and reuse, as evidenced by the reuse of water from fire tanks and the exploration of greywater reuse systems. Looking ahead, the Group is evaluating additional measures to enhance its water management strategy. These include improving irrigation systems, expanding rainwater retention infrastructure, and using drought-resistant plants.

E3-3 – Targets related to water and marine resources

E3.MDR-T_01-13, E3-3_01, E3-3_03, E3-3_08

NEPI Rockcastle has set a voluntary target to reduce potable water intensity by 30% by 2030, compared to 2019 baseline. This goal aligns with sustainable water management practices and aims to improve operational efficiency. Progress is monitored regularly to ensure alignment with the 2030 objective, with interim milestones to be established in 2025. The target is based on historical water consumption data and anticipated efficiency improvements through the use of low-flow fixtures, smart metering, leak detection systems, and behavioural initiatives. While the target is scientifically grounded in this data and expected efficiency measures, it has not been specifically analysed in relation to national or EU policy goals and scenarios. The target was developed internally without formal stakeholder consultation. Water intensity is calculated as the total potable water consumption divided by the total annual number of visitors, multiplied by 1,000. Performance is tracked using meters and water monitoring systems.

The target aligns with the Group's broader sustainability commitments, emphasising measurable outcomes to ensure accountability and long-term environmental stewardship and has been designed to manage material impacts, risks, and opportunities in areas identified as having potential water risks.

The Group's water consumption reduction target is a critical component of its sustainability strategy, reflecting its commitment to efficient resource use and environmental stewardship. Using water intensity metrics, NEPI Rockcastle identifies high-consumption areas and implements targeted interventions, such as replacing outdated fixtures with water-efficient alternatives and repairing leaks promptly.

Data collection process and progress analysis is described in E3-4. The progress is monitored on an ongoing basis and strategies are adjusted to enable goal achievement until 2030.

E3-4 – Water consumption

E3-4_01 to E3-4_08; MDR-M_01 to 03

Water consumption data is collected monthly at the asset level, then verified and analysed at the corporate level. The Group's water consumption metric tracks total usage across all operational sites and is collected in the Deepki platform, which consolidates and monitors consumption from multiple sources. This process is aligned with the internal data collection methodology outlined in the Utility Consumption Data Collection Policy (approved in January 2025 by the CEO). Currently, the metric is not externally validated.

Water consumption is measured in cubic meters (m^3) and aligns with CSRD requirements. Landlord reporting accounts for 100% of water consumption, including municipally supplied water and groundwater. NEPI Rockcastle properties are primarily connected to public water and sewage networks. Water is mainly used in Group properties by food processors, equipment and visitors in shopping centres' restrooms.

Water consumption	**Unit**	**2019**	**2023**	**2024**	**% (2024-2023)**
Total water consumption	m^3	2,029,357	1,981,733	2,044,050	3%

Water intensity per net revenue	**Unit**	**2023**	**2024**	**% (2024-2023)**
Total water consumption per net revenue	m^3/ Monetary unit	4.034	3.677	-9%

PHOTO: ARENA MALL

Sustainability Statement

ESRS E5 - Resource Use and Circular Economy

Introduction

NEPI Rockcastle is committed to advancing sustainability through effective resource use and integration of circular economy principles. The Group has undertaken a comprehensive process to identify and assess the material IROs related to its operations and value chain.

The Group drives sustainable resource use and awareness of the circular economy across its properties and the communities in which it operates by organising educational events for visitors, tenants, its employees, and by supporting awareness campaigns.

IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

E5.IRO-1_01 to E5.IRO-1_02

NEPI Rockcastle has undertaken a structured approach to identifying and assessing IROs related to its operations and value chain. While the Company has not yet conducted a specific screening of its assets regarding circular economy, it has implemented a comprehensive DMA to evaluate financial and environmental impacts. This assessment encompasses the Group's operational activities and external factors, including the procurement and disposal of materials, providing a detailed understanding of its environmental and strategic priorities.

The DMA process incorporates stakeholder engagement as a critical element, with input gathered from internal stakeholders, such as employees and Board members, as well as external stakeholders, including financial institutions, and investors' asset managers. To support its assessments, the Group utilises the Deepki utility data management platform to monitor waste generation, providing essential insights for impact analysis. Plans are in place to conduct future screenings of assets, potentially leveraging data stored to enhance precision and scope of the collected data related to waste generated in the assets.

In addition to the DMA, during 2024, NEPI Rockcastle has engaged in consultations through a survey carried out among customers. The results provided valuable insights into environmental concerns and recycling behaviours, highlighting the importance of waste management to visitors. While the survey has focused primarily on operational stakeholders, the Group acknowledges the need to broaden its approach by including affected communities to better understand the social and environmental implications of its resource use. NEPI Rockcastle is committed to refining its consultation practices to ensure inclusivity and comprehensiveness in stakeholder engagement.

E5-1 – Policies related to resource use and circular economy

E5.MDR-P_01-06

Please refer to the MDR-P Policy Overview section.

E5-1_01 to E5-1_02

NEPI Rockcastle's approach to transitioning away from reliance on virgin resources and increasing the use of secondary, recycled materials is embedded across the Group's policies and guidelines (see MDR-P Policy Overview section). While the Company does not have a standalone policy dedicated solely to resource use and circular economy, its Environmental Policy, Sustainable Development Policy and Sustainable Procurement Policy outline its overarching commitments. These documents emphasise the importance of minimising reliance on virgin resources and integrating sustainable material practices into both operations and construction activities.

The Group is currently developing its Guidelines for Sustainable Materials, which will provide specific requirements for selecting building materials. These guidelines promote the reuse of building materials and products, reducing demand for virgin resources. They also advocate for the use of materials containing recycled content to support circular economy objectives.

NEPI Rockcastle's policies highlight the significance of sustainable sourcing and the use of renewable resources. As outlined in the Environmental and Sustainable Development Policy, the Company is committed to sourcing materials that have minimal environmental impact and to prioritising those that disclose their environmental performance. Additionally, NEPI Rockcastle aligns its construction activities with internationally recognised standards such as BREEAM, which includes specific targets for responsible sourcing.

E5-2 – Actions and resources related to resource use and circular economy

Waste efficiency improvements

Disclosure of key actions
NEPI Rockcastle has implemented a range of targeted actions to enhance waste efficiency and promote circular economy practices across its operations. These include the installation of selective waste disposal bins, modernisation of waste sorting areas, and the introduction of streamlined waste flow processes to increase the proportion of recyclable materials. The Group has also conducted educational campaigns to promote environmentally responsible behaviour among tenants, visitors and employees. These actions help achieve the set sustainability targets described in chapter E5-3.

Scope of key actions
The waste efficiency improvements cover all NEPI Rockcastle properties, with a particular focus on common areas, but also addressing tenant operations. The actions involve close collaboration with waste management service providers, tenants, and visitors to ensure a holistic and inclusive approach.

Time horizon for key action completion
NEPI Rockcastle plans to continuously expand and adapt the waste management program to align with its long-term sustainability strategy and emerging best practices until 2030.

Description and results of actions to provide or support remedy for those harmed by material impacts
The waste efficiency initiatives aim to mitigate the environmental impacts of waste generation, contributing to healthier environments for tenants and visitors. Modernised waste sorting infrastructure and streamlined processes enhance operational efficiency. These actions address material environmental impacts by diverting waste from landfills and supporting higher recycling rates.

Progress of prior disclosed actions
NEPI Rockcastle has achieved measurable progress through its waste efficiency initiatives. The installation of selective bins and the introduction of waste tracking systems have significantly improved recycling rates across the Group's portfolio. The Group has been collecting waste data and has been monitoring targets since 2019, with progress disclosed in the annual reports. The 2024 progress is included in section E5-5.

Disclosure of current and future financial resources for the action plan
The Group has allocated financial resources to waste efficiency improvements, encompassing both CAPEX for infrastructure upgrades and OPEX for ongoing management and educational campaigns. In 2024, the Group continued to invest and allocate CAPEX for waste bins installation, to enable waste segregation and recycling. Going forward, investments will be directed towards the installation of a waste data collection platform and scales to better measure and track the specific fractions of waste disposed in each asset.

Stakeholder Collaboration

Disclosure of key actions
NEPI Rockcastle has prioritised stakeholder collaboration as one of the elements of its circular economy strategy. Actions include conducting marketing awareness campaigns and events on waste sorting, distributing educational materials, to engage tenants, visitors, and business partners. These efforts aim to foster collective responsibility for waste reduction and recycling practices across all properties in the Group's portfolio.

Time horizon for key action completion
Stakeholder collaboration is an ongoing process, with key initiatives such as tenant engagement and educational workshops already underway. These efforts are regularly updated and expanded to align with NEPI Rockcastle's sustainability objectives for 2030.

Description and results of actions to provide or support remedy for those harmed by material impacts
No remedial actions were necessary, as no stakeholders were harmed by previous waste management practices. Enhanced awareness among tenants and visitors contribute to a collective effort to reduce waste and improve recycling rates, thereby addressing material impacts effectively.

Progress of prior disclosed actions
The Group has reported progress in its stakeholder collaboration efforts. Educational workshops have improved waste segregation practices, while campaigns have successfully increased recycling rates.

Disclosure of current and future financial resources for the action plan
Resources for stakeholder collaboration are primarily operational, supporting educational materials, campaign organisation, and partnerships with service providers. NEPI Rockcastle remains committed to sustaining these efforts through continuous financial support, with allocations included in its sustainability budget.

E5-3 – Targets related to resource use and circular economy

E5.MDR-T_01-13, E5-3_01 to E5-3_09, E5-3_13

NEPI Rockcastle tracks the effectiveness of its resource use practices through clearly defined voluntary adopted targets integrated into its sustainability strategy. These targets enable the Group to measure progress, identify improvement areas, and ensure alignment with its long-term environmental objectives

A key target is to achieve an operational recycling rate of 60% by 2030, building on significant progress from a 33% recycling rate in 2019, to 46% in 2024. This KPI is currently under internal revision, as meeting the goal is strongly reliant on recycling markets and tenants' diligence and thus, unattainable by the Company (not under its control). These targets underscore the importance of effective waste disposal infrastructure and removal within operations. The aforementioned utility data management platform Deepki plays an important role. The tool also facilitates the periodic review of targets to ensure they remain relevant and aligned with evolving sustainability standards.

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The targets have been defined based on historical waste data and the anticipated efficiency improvements from initiatives such as the installation of selective bins, and ongoing behavioural campaigns. The target has been developed internally, stemming from historical data analysis, without a formal stakeholder consultation process.

The Group's targets are closely aligned with the waste hierarchy framework, prioritising waste prevention through the adoption of sustainable materials and proactive stakeholder engagement. Recycling initiatives, supported by waste segregation facilities and partnerships with specialised recycling organisations, aim to reduce waste and promote the efficient use of resources. At lower tiers in the hierarchy, NEPI Rockcastle emphasises energy recovery and the safe disposal of residual waste that cannot be recycled, ensuring a comprehensive approach to waste management.

The targets are also underpinned by legislative requirements. The zero-avoidable waste to landfill target aligns with the EU Waste Framework Directive, prioritising waste prevention and recycling across member states. Similarly, the recycling target supports legal mandates aimed at increasing material recovery rates and reducing landfill dependency. The Group's efforts are further guided by sustainable procurement standards and internationally recognised certifications such as BREEAM, ensuring its practices not only meet but exceed regulatory expectations.

While NEPI Rockcastle has made significant progress, gaps remain in its target-setting framework. The Group has not yet established formal targets for integrating circular design principles, increasing the circular material use rate, or minimising the use of primary raw materials, however, it actively promotes recycled content and sustainable sourcing in its operations.

These gaps highlight opportunities for future development in NEPI Rockcastle's circular economy strategy. By addressing these areas and continuing to refine its policies, the Group can further strengthen its leadership in driving sustainable practices across its operations and value chain. The Group has been collecting waste data and has been monitoring targets since 2019, with progress disclosed in the annual reports. The 2024 progress is included in section E5-5. The progress is monitored on an ongoing basis and strategies are adjusted to enable goal achievement until 2030.

E5-4 – Resource inflows

E5-4_01 to 08

NEPI Rockcastle does not currently monitor resource inflows or identify material resource inflows across its operations. Additionally, the Group does not conduct estimations of resource inflows.

However, NEPI Rockcastle recognises the importance of understanding and tracking resource inflows as part of its commitment to sustainable operations and circular economy principles. This aspect will be considered in the future as the Group continues to enhance its sustainability framework. Despite the absence of formal monitoring, NEPI Rockcastle supports the use of sustainable materials with lower environmental footprints to reduce reliance on virgin resources. In its construction projects, the Group, where feasible, integrates the materials with high recycling potential and seeks alternatives to traditional resource-intensive inputs.

E5-5 – Resource outflows

E5-5_01 to E5-5_05

The information regarding the key products, their durability, reparability, and recyclable content, both in products and packaging, does not apply for NEPI Rockcastle as the Company does not engage in the production of physical products.

NEPI Rockcastle adopts the responsibility for the separate collection and transfer of municipal waste, including paper, cardboard, and plastic packaging, on behalf of the tenants – a commitment managed through lease agreements. Additionally, NEPI Rockcastle manages other waste streams relevant to its operations such as construction and demolition waste. As a result, the waste data presented below includes waste generated by both NEPI Rockcastle and its tenants, as it is not possible to separate these figures due to the onsite collection process and contractual obligations with the tenants. While some tenants independently manage their waste disposal, these cases are minimal.

Waste data is compiled based on reports from waste collection providers. In cases where direct data is unavailable, estimates are made using the number of containers and their average weight. As previously mentioned, this process aligns with the internal data collection methodology outlined in the Utility Consumption Data Collection Policy.

In 2024, non-hazardous waste is categorised into two streams: waste diverted from disposal and waste directed to disposal to ensure transparency and compliance with waste management best practices.

E5-5_06 to E5-5_17

Waste					
Category	**Sub-category**	**Unit**	**2023**	**2024**	**% (2024-2023)**
Total Waste generated	Hazardous waste	Tonnes	-	-	0%
	Non-hazardous waste	Tonnes	27,641	28,147	2%
Hazardous waste diverted from disposal, breakdown by treatment type	Reuse	Tonnes	-	-	0%
	Recycling	Tonnes	-	-	0%
	Other recovery operations	Tonnes	-	-	0%
Non-hazardous waste diverted from disposal, breakdown by treatment type	Reuse	Tonnes	-	-	0%
	Recycling	Tonnes	12,072	12,908	7%
	Other recovery operations	Tonnes	88	2	-98%
Hazardous waste directed to disposal, breakdown by treatment type	Incineration	Tonnes	-	-	0%
	Landfill	Tonnes	-	-	0%
	Other disposal operations	Tonnes	-	-	0%
Non-hazardous waste directed to disposal, breakdown by treatment type	Incineration	Tonnes	-	-	0%
	Landfill	Tonnes	15,480	15,237	-2%
	Other disposal operations	Tonnes	-	-	0%
Non-recycled waste		Tonnes	15,480	15,237	-2%
Percentage of non-recycled waste		%	56%	54%	-3%
Total amount of hazardous waste		Tonnes	-	-	0%
Total amount of radioactive waste		Tonnes	-	-	0%

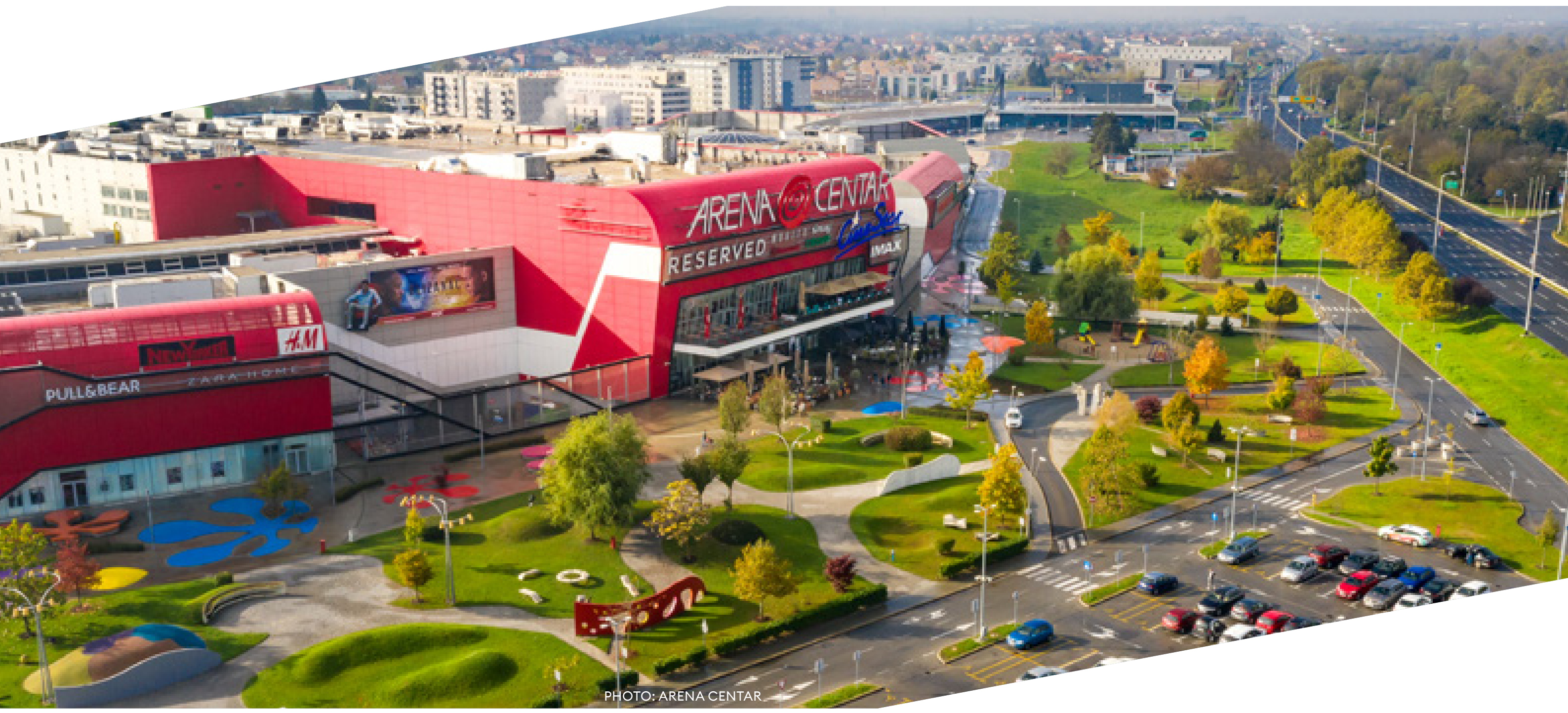

PHOTO: ARENA CENTAR

Sustainability Statement

EU Taxonomy Report

I. Eligibility and alignment to the EU Taxonomy

Context

The European Union established the EU Taxonomy (EUT) to facilitate the financing of the environmental transition by directing capital towards sustainable economic activities. It serves as a unified classification system, providing investors and policymakers with clear definitions of which economic activities can be considered environmentally sustainable. As a result, all economic activities covered by the Taxonomy Regulation ("eligible" activities) must be assessed for their environmental impacts based on the criteria outlined in the Taxonomy Delegated Acts[1].

In 2024, NEPI Rockcastle remains committed to transparency by reporting on the eligibility and alignment of its activities with the EU Taxonomy. In compiling its analysis and disclosures, NEPI Rockcastle ensured that:

1. The activity substantially contributes to at least one of the six environmental objectives, as defined in the regulation:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

2. The activity does no significant harm to the other environmental objectives

For the 2024 reporting year, disclosure on eligibility and alignment remains focused on the following environmental objectives: substantial contribution to **climate change mitigation**, **climate change adaptation and the transition to a circular economy**. Technical screening criteria for the contribution to the other three remaining environmental objectives have not yet been defined for real estate activities.

Eligibility of NEPI Rockcastle's activities in line with the EU Taxonomy

Based on the Climate and Environmental Delegated Act, NEPI Rockcastle has determined the following eligible activities:

- **CCM 4.1** Electricity generation using solar photovoltaic technology
- **CCM 7.1**: Construction of new buildings: buildings that NEPI Rockcastle develops with a purpose to sell
- **CCM 7.6**: Installation, maintenance, and repair of renewable energy technologies: installation of photovoltaic panels and auxiliary equipment on the roof or carports of the assets
- **CCM 7.7**: Acquisition and ownership of the buildings: buildings that NEPI Rockcastle owns and operates, including those under renovation or redevelopment that do not exceed "major renovation" threshold

Share of eligible activities in 2024

	Turnover (€ thousand)	CAPEX (€ thousand)	OPEX (€ thousand)
Eligible activities	853,257	942,504	68,771
Non-eligible activities	103	2,758	61
Total	853,360	945,262	68,832

II. KPIs calculation methodology

Allocation rules to the denominators

As outlined in the Delegated Regulation, total turnover and total capital expenditure (CAPEX) have been calculated based on the International Financial Reporting Standards (IFRS) applied to NEPI Rockcastle's activities and aligned with the financial statements.

- **Total turnover** = Gross rental income + Service charge income + Revenues from sales of inventory property

- **Total CAPEX** = Capital expenditure on investment properties in use + Additions from construction of investment property under development + Additions from construction of investment property + Additions from Intangible Assets + Additions from Property, Plant and Equipment + Additions to leased assets (IFRS 16) + Additions from asset deals

Operating expenditure (OPEX), as defined by the EU Taxonomy, encompasses "building renovation measures, short-term lease, maintenance and repair, and any other direct expenditure relating to the day-to-day "servicing" of the Group's assets. To report OPEX under this definition, NEPI Rockcastle has considered the portion of property operating expenses recognised in the consolidated statement of comprehensive income, specifically non-capitalised costs incurred for general maintenance and repairs of buildings and for cleaning.

[1] COMMISSION DELEGATED REGULATION (EU) 2023/2486

While other expenses pertain to the eligible activity of acquiring and owning buildings, certain service charge expenses – such as utility expenses, security costs, property-related taxes, property management fees, and marketing costs – are excluded from the OPEX KPI, in line with the EU Taxonomy definition. Similarly, payroll and some general expenses, although typically categorised as OPEX and relevant to the Group's activities, are excluded.

- **Total OPEX** = OPEX for maintenance + OPEX for repairs + OPEX for cleaning

Allocation rules to the numerators: determining eligible activities

To determine the eligible share of Turnover (numerator), the Group identified revenue categories aligned with the Delegated Acts' definitions of activities. This includes revenue from the acquisition and ownership of buildings, as well as revenue generated from the construction and sale of developed residential units (construction of new buildings for sale).

For the CAPEX numerator, all costs were deemed eligible, as they relate to the following eligible activities:

- Acquisition and ownership of shopping centres
- Installation, maintenance, and repair of renewable energy technologies
- Construction of buildings for sale (residential units)
- Electricity generation using solar photovoltaic technology

The eligible share of OPEX (numerator) encompasses the same categories of operating expenses included in the OPEX denominator, as detailed above.

III. Alignment of NEPI Rockcastle's activities with the EU Taxonomy

Once eligible activities have been assessed, screening and disclosure of the share of environmentally sustainable or "aligned" activities was performed. The resulting share of aligned activities in the Company's Turnover, CAPEX and OPEX are disclosed below.

Group's share of aligned activities in 2024:

Economic activity	% Turnover	% CAPEX	% OPEX
CCM 4.1 Electricity generation using solar photovoltaic technology	0%	0%	0%
CCM 7.1 Construction of new buildings	0%	0%	0%
CCM 7.6: Installation, maintenance, and repair of renewable energy technologies	0%	0%	0%
CCM 7.7: Acquisition and ownership of buildings	0%	0%	0%

To avoid double counting and ensure accuracy, the below was taken into consideration:

- the eligibility criteria were initially established for all the Group's activities and entities
- the Company verified and reconciled that the same amount is not counted under multiple activities
- the CAPEX, Turnover and OPEX values (mapped as described above) were reconciled to the respective amounts in the financial statements

PHOTO: FORUM GDANSK SHOPPING CENTRE

Sustainability Statement

Substantial contribution to climate change mitigation

To qualify as substantially contributing to climate change mitigation for each of its eligible activities, across the portfolio, NEPI Rockcastle must meet the following criteria:

4.1 Electricity generation using solar photovoltaic technology	7.1 Construction of new buildings	7.6 Installation, maintenance and repair of renewable energy technologies	7.7 Acquisition and ownership of buildings
The activity generates electricity using solar PV technology.	The Primary Energy Demand (PED), is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements.	Installation, maintenance and repair of renewable energy technologies, on-site	For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED)
	AND		**OR**
	Airtightness and thermal integrity tests		For buildings built before 31 December 2020, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) For buildings built after 31 December 2020, the building needs to meet the criteria specified in the category 7.1. Construction of new building, that are relevant at the time of the acquisition or the construction
	AND		**AND**
	Calculation of lifecycle Global Warming Potential (GWP) of the building for each stage		Where the building is a large non-residential building, it is efficiently operated through energy performance monitoring and assessment

New Construction

In line with the EU Taxonomy, new construction is defined as the development of building projects intended for future sale or construction performed on a fee or contract basis.

Following careful assessment, the Group concludes that New Construction activity (residential building finalised in 2023 but still generated revenue from sales in 2024) did not fulfil the substantial contribution technical screening requirements.

Acquisition and ownership

Under the EU Taxonomy, "acquisition and ownership" refers to the purchase and management of real estate. NEPI Rockcastle utilizes Energy Performance Certificates ('EPCs') to evaluate the alignment of buildings constructed before December 2020. For properties in Poland, where an A-F EPC classification system is not available, the Company compares the building's Primary Energy Demand against benchmarks published by the Polish Ministry of Economic Development and Technology. Efficient operation is ensured through energy performance monitoring and assessment, supported by an energy consumption monitoring tool, the implementation of Building Management Systems in all properties, internal guidelines, and maintenance contracts.

Buildings constructed after 31 December 2020 are assessed according to the criteria outlined in category 7.1 Construction of new buildings.

Do no significant harm (DNSH) criteria

Adaptation to climate change

Pursuant to the release of the Climate Delegated Act specifying DNSH criteria on adaptation to climate change, NEPI Rockcastle has conducted physical climate risk and vulnerability assessment covering all of the Group's assets.

Following the climate hazard and vulnerability assessment, the Group developed detailed adaptation plans for properties assessed most at risk from both a climate change and business perspective.

Other objectives

For projects classified in installation, maintenance, and repair of renewable energy technologies (CCM 7.6.) and ownership of buildings (CCM7.7), there are no DNSH criteria other than related to the climate change adaptation (see approach in sub-section above).

For economic activity classified as CCM 4.1 (development of photovoltaic farms), compliance with the DNSH criteria related to the transition to a circular economy must be demonstrated in addition to meeting the requirements for climate change adaptation. However, due to the project being at a very early stage and having limited documentation, it is not yet possible to provide evidence of alignment with DNSH criteria.

IV. Minimum safeguards

The Group is committed to minimise the risk of violating the basic human and labour rights defined by UN (United Nations), the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD) and to comply with the Minimum Safeguards as described in Taxonomy Regulation.

Policies and procedures are available to all personnel, in every country and entity. These are posted on the Group's unified engagement and communication platform, while key aspects such as the Code of Ethics, the Whistleblowing Policy, the Compliance Statement, ILO Aligned Policy, the Supplier Code of Conduct and the Sustainability Commitment are available to all stakeholders, on the Group corporate website. Comprehensive details on the Compliance Management Program are disclosed in the Risk Management and Compliance section of the Annual Report, Compliance and Risk Management activities in 2024 chapter.

Human rights

The Company is firmly committed to protecting fundamental individual and labour rights while prioritising the health, safety, and wellbeing of its employees. Internal procedures are designed to anticipate, identify, and prevent any infringement on employees' human rights and freedoms. These include clear policies against discrimination, anti-harassment and anti-bullying practices, and a 24/7 whistleblowing hotline available to employees and external stakeholders. The Group actively opposes racism, discrimination, and bias of any kind, fostering an inclusive environment where everyone feels equally valued. These principles are embedded in the Group's Code of Ethics.

The Group enforces a zero-tolerance policy and is committed to creating a positive work environment that supports employee success. Equal opportunities, diversity, and inclusion are promoted throughout the organisation, as outlined in the Diversity and Inclusion Policy and Guideline.

EUT provisions require, among other topics, that the due diligence process for human rights is sufficiently formalised to stand external scrutiny. Insufficient documentation was maintained for certain business relationships, such as communities and visitors, therefore full alignment could not be externally verified. The Company will take the necessary steps in 2025 and is committed to comply with the strict human rights due diligence documentation requirements, to enable full alignment to the EU Taxonomy.

Management considers that in substance human rights safeguarding requirements are met, while recognising the need for further formalisation.

Bribery/Corruption

NEPI Rockcastle has established robust internal controls and a comprehensive compliance program to prevent and detect bribery and corruption. An annual compliance assessment, including a fraud and corruption risk evaluation, addresses risks across all processes and the value chain. Internal anti-corruption guidelines are in place and regularly reinforced through compliance programs designed to raise awareness and ensure employees understand and adhere to principles discouraging corrupt practices, both active and passive, across all jurisdictions where the Group operates.

Through education and training, the Company empowers employees to recognize, resist, and report any instances of bribery, fostering a resilient, ethical work environment. Detailed information about the Compliance Management System and the compliance program can be found in the *Risk and Compliance Section,* Compliance and Risk Management activities in 2024 chapter.

Taxation

The Company prioritizes the adoption and implementation of robust tax risk management strategies as a key element of its governance and risk management framework. Acknowledging the complexities of tax governance and compliance, the Company integrates these aspects into its oversight mechanisms to ensure they receive appropriate focus.

The Board of Directors plays a central role in this process, adopting and regularly monitoring tax risk management strategies. These strategies are designed to identify, assess, and address financial, regulatory, and reputational risks associated with taxation. By proactively managing and reporting tax-related risks, the Company ensures compliance with all regulatory requirements.

To address the challenges of its multi-jurisdictional operations, the Company has established comprehensive policies and procedures for monitoring and mitigating taxation risks. These policies are aligned with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

The Audit Committee, a sub-committee of the Board, is responsible for overseeing compliance with fiscal regulations. Further details on tax risk management can be found in the Risk and Compliance Section, Key risk areas.

Fair Competition

NEPI Rockcastle is firmly committed to upholding fair competition practices as a core component of its risk management and compliance program.

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This commitment aligns with local legislation in each jurisdiction where the Company operates, as well as internationally recognised best practice guidelines. The evolving legal and regulatory landscape is continuously monitored, and proactive measures are implemented to ensure full compliance.

To foster a culture of compliance and ethical business conduct, the Company conducts regular training and communication programs across all staff levels. These initiatives aim to enhance awareness of fair competition principles, legal obligations, and regulatory requirements.

By embedding a robust understanding of compliance responsibilities at every level of the organisation, NEPI Rockcastle strives to cultivate a vigilant, ethically guided workforce and leadership team dedicated to fair and equitable business practices.

This commitment extends to interactions with tenants, suppliers, and competitors in the markets where the Company operates.

For detailed information on the Compliance Management System and compliance program, refer to the Risk and Compliance Section of the Annual Report.

Minimum Safeguards – Summary

The table below summarizes compliance with minimum safeguards.

ADVERSE SUSTAINABILITY INDICATORS	RESPONSE
Violations of UN Global Compat Principles and OECD Guidelines for Multinational Enterprises	Zero occurrences
Lack of Processes and compliance mechanisms to monitor compliance with UN Global Compact Principles and OECD Guidelines	Detailed in Minimum safeguards section above
Unadjusted gender pay gap	See section S1-16
Board gender diversity	See Corporate Governance, Board profile section
Exposure to controversial weapons	Zero occurrences See section SBM-1_09 to SBM-1-17, SBM-1_19 – for further details

PHOTO: COPERNICUS SHOPPING CENTRE

V. KPIs reporting

Turnover

In 2024, total Group turnover, as defined above, equals €853,360 thousand, close to 100% eligible and 0% EU Taxonomy-aligned.

Financial year 2024		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transi- tional activity (20)
Text		KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy -aligned)																			
Acquisition and ownership of buildings	**CCM 7.7**	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/EL	N/EL	N/EL	N/EL	N	0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**					**N**	**0%**		
Of which enabling		0.0	0%	1%	0%	0%	0%	0%	0%	Y	Y					N	0%	E	
Of which transitional		0.0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	**CCM 7.7**	829,515	97%	EL	EL	N/EL	N/EL	N/EL	N/EL								99%		
Construction of new buildings	**CCM 7.1 /CE 3.1**	18,680	2%	EL	EL	N/EL	N/EL	EL	N/EL								1%		
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**	5,062	1%	EL	EL	N/EL	N/EL	EL	N/EL										
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**853,257**	**100%**														100%		
A. Turnover of Taxonomy-eligible activ ities (A.1+A.2)		**853,257**	**100%**														**100%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy- non-eligible activities		**103**	**0%**																
TOTAL		**853,360**	**100%**																

Extent of eligibility and alignment for each environmental objective

Proportion of Turnover/Total Turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

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CAPEX

CAPEX, as defined above, equals €945,262 thousand in 2024, close to 100% eligible and 0% EU Taxonomy aligned.

Financial year 2024		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) CapEx, year 2023 (18)	Category enabling activity (19)	Category transi- tional activity (20)
Text		KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	**CCM 7.7**	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/EL	N/EL	N/EL	N/EL	N	0%		
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	N/EL	N/EL	N/EL	N/EL	N	0%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**		**Y**					**N**	**0%**		
Of which enabling		-	0%	0%	0%	0%	0%	0%	0%	Y	Y	N/EL	N/EL	N/EL	N/EL	N	0%	E	
Of which transitional		-	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	**CCM 7.7**	926,404	98%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								87%		
Construction of new buildings	**CCM 7.1 /CE 3.1**	-	0%	EL	N/EL	N/EL	N/EL	EL	N/EL								2%		
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**	5,540	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11%		
Electricity generation using solar photovoltaic technology	**CCM 4.1**	10,560	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**942,504**	**100%**														100%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**942,504**	**100%**														**100%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy- non-eligible activities		2,758	0%																
TOTAL		**945,262**	**100%**																

Extent of eligibility and alignment for each environmental objective

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

OPEX

In 2024, OPEX, as defined above, equals €68,832 thousand, with 100% eligible and 0% EU Taxonomy aligned.

Financial year 2024		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) OpEx, year 2023 (18)	Category enabling activity (19)	Category transi- tional activity (20)
Text		KEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy -aligned)																			
Acquisition and ownership of buildings	**CCM 7.7**	-	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	N/EL	N/EL	N/EL	N/EL	N	0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**					**N**	**0%**		
Of which enabling		0.0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0.0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	**CCM 7.7**	68,695	100%	EL	EL	N/EL	N/EL	N/EL	N/EL								100%		
Acquisition and ownership of buildings	**CCM 7.6**	76	0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**68,771**	**100%**														**100%**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**68,771**	**100%**														**100%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy- non-eligible activities		**61**	**0%**																
TOTAL		**68,832**	**100%**																

Extent of eligibility and alignment for each environmental objective

Proportion of OpEx/Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Sustainability Statement

In the reporting year 2024, as part of the new CSRD reporting requirements, NEPI Rockcastle has reassessed its activities in the context of the EU Taxonomy. This has led to a revision of the alignment classification of activities CCM 7.7, 7.6, 7.1, 4.1, following the specific provisions in the EU Taxonomy legislation (article 18 of EU regulation 852/2020), as well as the provisions of the United Nations Guiding Principles on Business and Human Rights (UNGP) and of the OECD Guidelines for Multinational Enterprises, 2011 and 2023 Editions). These provisions require, among other topics, that the due diligence process for human rights is sufficiently formalised, and sufficient documentation is maintained regarding adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may directly be linked to its operations, products or services by its business relationships. This formalisation requirement has not yet been fully met, thus meeting the minimum safeguards and consequently alignment of the activities cannot be claimed.

NEPI Rockcastle assessed and classified these activities as aligned in 2023, based on their substance and the absence of harm to its business relationships. With new insights into the requirements, the Company acknowledged that in 2023 the due diligence process was insufficiently formalised.

As a result, the Company adjusted this error in the comparative figures for 2023 in the above tables, stating no alignment with EU Taxonomy. The Group will take the necessary steps in 2025 and is committed to comply further with the strict human rights due diligence documentation requirements, to enable alignment classification according to EU Taxonomy going forward.

NEPI Rockcastle is already compliant with the EU Taxonomy minimum safeguards on Bribery and Corruption, Taxation, Fair Competition. Management is of the opinion that the Company also meets in substance the provisions related to safeguarding of human rights (with further needed formalisation recognised). The Company's activities in 2024 resulted in 33% of its OPEX, 35% of its Turnover and 2% of its CAPEX complying with climate change mitigation technical screening criteria, while ensuring no significant harm to the other EU Taxonomy objectives.

Note:
The CAPEX figure includes the one-off effect of asset deals in 2024, namely the purchase of two properties in Poland and two photovoltaic farm projects in Romania (€800.1 million).

COMMISSION DELEGATED REGULATION 2022/1214

NEPI Rockcastle does not engage in any activities related to nuclear processes and fossil fuels, as outlined in activities 4.26, 4.27, 4.28, 4.29, 4.30, and 4.31 (environmental objectives CCM and CCA).

NEPI Rockcastle provides the required information in the table below covering key performance indicators for turnover, CapEx and OpEx (one collective table in accordance with the regulator's guidelines indicated in the draft Commission Notice, 21.12.20238)

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

ESRS S1 - Own Workforce

Introduction

NEPI Rockcastle's commitment to fostering a robust and thriving workforce is articulated within its pillar: "Cultivating an attractive, professional, and ethical work environment".

This pillar forms the foundation of the Group's approach to human rights, workforce management strategy, employee health and safety, wellbeing, engagement, and professional development.

By aligning its practices with internationally recognised standards and maintaining strict compliance with applicable laws and regulations across its jurisdictions, NEPI Rockcastle ensures that its workforce operates within a framework of integrity, transparency, and respect.

The Group's business functions encompass expertise in asset and property management, sustainability, development, investment, leasing, marketing, human resources, and finance. This multidisciplinary and geographically varied expertise enables NEPI Rockcastle to effectively pursue opportunities across CEE. The Group recognises that its long-term performance is intrinsically linked to the skills, engagement, and collaboration of its employees, positioning workforce management as a central element of its strategic priorities.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

S1.SBM-3_01 to S1.SBM-3_02

NEPI Rockcastle considers its own workforce to include permanent full-time and part-time staff, temporary staff, independent contractors and service providers. The policies defined in ESRS2 address comprehensively and are applicable to the entire NEPI Rockcastle's workforce. The workforce characteristics outlined in section S1-6 reflect Group level profile, reinforcing the connection between the Company's policies and its broader employee composition.

NEPI Rockcastle defines 'permanent employees' as full-time and part-time staff who are directly employed by NEPI Rockcastle's management entities for an indefinite period.

NEPI Rockcastle defines 'temporary employees' as individuals who are hired for specific purposes or during specified periods, such as during projects. The Group approaches, engages and treats part-time employees same as it does full-time employees.

The Group classifies independent contractors and service providers as non-employees.

S1.SBM-3_03 to S1.SBM-3_06, S1.SBM-3_12

NEPI Rockcastle's has identified no material negative impacts on its workforce in its DMA. A comprehensive review undertaken by a cross-functional team consisting of representatives from HR, Compliance, Sustainability confirms that the Company's operations and workforce policies effectively mitigate potential risks, fostering a supportive, inclusive, and sustainable work environment. The Group's policies include health and safety protocols, equitable remuneration principles, anti- harassment and anti-discrimination principles.

The Company actively promotes fair remuneration, diversity and inclusion, work-life balance, health and safety and professional development. These initiatives enhance employee satisfaction and engagement while ensuring equitable benefits for all workforce members. Regular surveys and feedback mechanisms help align policies with workforce needs and expectations.

NEPI Rockcastle's assessment of material workforce-related risks and opportunities applies across all workforce groups, ensuring a comprehensive approach. For further details on material IROs, refer to the tables in SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model.

S1.SBM-3_07 to S1.SBM-3_11

NEPI Rockcastle maintains vigilant oversight of its operations and supply chains to ensure the absence of risks associated with forced or compulsory labour. This commitment includes strict adherence to local and international labour laws and thorough supplier vetting processes to mitigate potential risks.

The Group enforces a zero-tolerance policy on forced or compulsory labour, extending across its operations and supply chain partnerships. Policies such as the Code of Ethics and Whistleblowing Policy (see Policy Overview) provide clear mechanisms for reporting and addressing unethical practices, enabling prompt resolution of identified risks. While NEPI Rockcastle operates in regions where the risks of child labour and forced labour are inherently low, the Group proactively implements preventive measures, including its Suppliers Code of Conduct, sustainability clauses in contracts, and publicly available Sustainability Commitment Statement.

The Company recognises the importance of identifying workforce groups that may face greater risks due to specific characteristics, contexts, or activities. Through its DMA process, NEPI Rockcastle evaluates potential vulnerabilities across job roles, working environments, and demographic factors. This evaluation has not identified any workforce groups currently at significant risk of harm.

Sustainability Statement

S1-1 – Policies related to own workforce

Please refer to the MDR-P Policy Overview section.

S1-1_03 to 04

NEPI Rockcastle's approach to enforcing human rights, including labour rights, is embedded in its policies and practices, reflecting its commitment to a fair, inclusive, and equitable work environment. The Group adheres to international standards such as those set by the ILO and complies with national laws to eliminate the risk of forced labour, compulsory labour, and child labour. This commitment is demonstrated through measures such as ensuring written employment contracts in national language, define the work schedule and the conditions for consensual overtime.

The Group is equally dedicated to eliminating discrimination in employment and fostering equality of opportunity and treatment. Recruitment, career development, and remuneration are based on qualifications, competencies and performance, ensuring fairness and transparency. NEPI Rockcastle offers flexible working arrangements to support work-life balance. These initiatives are complemented by a strong emphasis on data privacy and occupational health and safety, ensuring that all employees work in a secure and respectful environment.

S1-1_05

NEPI Rockcastle prioritises workforce engagement on human rights through its employee feedback tools. The Group's SPOT platform serves as a central hub for updates, organisational announcements, and key developments, ensuring timely and transparent communication. Additionally, electronic communication channels deliver critical information on changes, processes and initiatives, maintaining clarity and consistency.

To further enhance transparency and accessibility, the Group shares regular reports on its corporate website and organizes frequent meetings hosted by the CEO and executive management to present results, strategic plans and initiatives, as well as to recognise employees' contribution and impact over the business. This external and internal communication approach fosters trust and transparency in relation to employees and other stakeholders while demonstrating accountability and a commitment to financial responsibility, business integrity, and human rights principles.

Employee feedback is integral to NEPI Rockcastle's human rights engagement strategy. Regular engagement surveys and post-training questionnaires provide valuable insights, enabling continuous refinement of workplace practices. Employees also participate in collaborative workshops, such as the Green Office workshop, promoting sustainable workplace practices or the focus groups where survey feedback turns into actionable improvements.

S1-1_06

NEPI Rockcastle adopts a comprehensive approach concerning the remedies for human rights impacts on its workforce. This approach begins with fostering open communication, encouraging employees to report concerns or potential violations of human rights policies without fear of retaliation. All reported issues are promptly investigated, with corrective actions implemented to address violations and ensure that affected individuals receive appropriate remedies. This process is supported by a non-retaliation policy that protects employees who raise concerns.

The Group implements targeted policies and monitors its compliance to address these risks proactively. The Group's collaboration with suppliers and tenants extends its human rights commitments throughout its supply chain, ensuring adherence to ethical standards and addressing non-compliance where necessary.

S1-1_07

NEPI Rockcastle's workforce-related policies are closely aligned with internationally recognised instruments, as described in the MDR-P Policy overview, reflecting its commitment to fair labour practices, diversity, and ethical standards.

NEPI Rockcastle's Code of Ethics reinforces alignment with these standards by outlining expectations for ethical behaviour, respect, and integrity. Alongside the policies defining the expected behaviour, the Whistleblowing Policy provides a safe and confidential channel for reporting unethical practices, ensuring accountability and protection against retaliation.

S1-1_08 to S1-1_12

Please refer to Social section in the MDR-P Policy Overview section.

S1-1_13

NEPI Rockcastle implements its anti-discrimination and inclusion policies through a structured framework designed to prevent, mitigate, and address discriminatory practices while advancing diversity and inclusion. In terms of prevention, the Group has established clear and accessible policies that explicitly outline behavioural standards and prohibit discrimination based on race, gender, age, disability, and other protected characteristics. These policies are communicated organisation-wide to ensure awareness and compliance (details included in MDR-P Policy Overview section).

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

S1-2_01

NEPI Rockcastle gathers employee feedback through regular surveys and other channels, using insights to guide decision-making. Annual engagement survey covers workplace conditions, with results shared and action plans developed. The Group uses external communication tools, including its website, as well as SPOT platform, to keep employees and stakeholders informed. This ensures consistency in internal and external messaging and supports transparency. The Whistleblowing Policy offers a confidential way for employees to report unethical behaviour, with strong protection against retaliation.

S1-2_02 to S1-2_04, S1-2_06 to S1-2_07

NEPI Rockcastle employs a comprehensive and structured approach to workforce engagement, ensuring employee perspectives are actively incorporated into organisational decision-making. Communication channels, as detailed in the section above include Group website, SPOT platform, direct mailing or management talks. Feedback is systematically gathered through an annual engagement survey, post-training questionnaires, and specialised assessments such as the EDGE certification (EDGE Certification is the leading global standard for equity and inclusion, centred on workplace gender and intersectional equity approach) and DMA, enabling continuous improvement across initiatives and policies.

Engagement occurs throughout the employment lifecycle, starting with onboarding to introduce new employees to the Group's policies and culture. This engagement continues with regular updates, training sessions, and feedback mechanisms, ensuring employee involvement at key moments and addressing both actual and potential impacts effectively.

NEPI Rockcastle employs various engagement methods tailored to organisational and workforce needs. Internal communication platforms ensure timely information dissemination, while external channels, such as the corporate website, provide employees and stakeholders access to key documents like annual reports. The Group maintains a consistent frequency of engagement, with regular surveys providing comprehensive insights and quarterly updates reinforcing its commitment to workforce inclusion in strategic planning.

The operational responsibility for workforce engagement lies with the Human Resources (HR) Department, led by the Group HR Director, supported by Compliance and other departmental heads. This team oversees initiatives including surveys, workshops, and focus groups, ensuring they are effectively conducted and provide actionable insights. The HR leadership integrates this feedback into strategic planning while ensuring adherence to policies on diversity, inclusion, and non-discrimination, reinforcing NEPI Rockcastle's commitment to an equitable and supportive workplace.

Effectiveness is assessed through structured feedback mechanisms, participation metrics, and qualitative insights, ensuring engagement activities remain aligned with organisational goals and employee needs.

S1-2_05

NEPI Rockcastle does not have a Global Framework Agreement in place.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

S1-3_01 to S1-3_02, S1-3_05 to S1-3_08

NEPI Rockcastle adopts a comprehensive and structured approach to identifying, addressing and remedying, if the case, negative impacts on its workforce. At the core of this strategy is the Whistleblowing Policy, which provides secure and confidential channels for employees and external parties to report concerns regarding inappropriate conduct or actions that may result in negative impacts. Reports can be submitted anonymously through a secure web portal, Group hotline, or directly to Internal Audit, Compliance or Executive Directors. The policy guarantees confidentiality and protects whistleblowers from retaliation, ensuring a safe environment for raising concerns in good faith.

When a report is submitted, NEPI Rockcastle conducts a plausibility check followed by a thorough investigation, if necessary. Investigations are led by the Internal Audit team, often in collaboration with other departments or external advisors, to ensure impartiality and effectiveness. Findings and recommended actions are reviewed by the Audit Committee to maintain accountability and transparency. If an individual is dissatisfied with the response, concerns can be escalated to the Chair of the Audit Committee. Following the conclusions of the investigation, the investigation unit proposes recommendations for remediation. These recommendations may include initiating consequence management for individuals found responsible for wrongdoing, implementing additional internal controls, or enforcing procedures. The recommendations, along with management action plans, are included in the investigation report. This multi-tiered process ensures that material negative impacts are promptly identified, addressed, and remedied, reinforcing NEPI Rockcastle's commitment to ethical and legal business practices.

To further support its workforce, NEPI Rockcastle provides a range of additional channels for raising concerns. Employees can report issues directly to their supervisors, the HR department, or Compliance team. Feedback mechanisms, such as annual Employee Engagement Survey and post-training questionnaires, capture employee insights into workplace satisfaction and performance, while focus groups

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allow for deeper discussions and the development of actionable improvement plans.

NEPI Rockcastle's grievance and complaints handling mechanism is bolstered by its open-door policy and the accessibility of reporting channels. Internal policies require that all employees be informed of their rights and the procedures for raising concerns, with this information provided during onboarding and made readily available through internal communication platforms. The Group Code of Ethics advises the reporting of suspected violations or unethical behaviour, while specific channels address data protection-related grievances via the Group Data Protection Officer. In Romania, the jurisdiction containing the largest employee base, the Company has implemented local reporting channel and Whistleblowing procedure that complies with local law, ensuring alignment with regional requirements.

The effectiveness of these mechanisms is tracked and monitored through rigorous investigations conducted by Internal Audit, supported by the Risk and Compliance Officer where applicable. Investigation outcomes and recommended actions are reported to the Audit Committee, ensuring transparency and continuous improvement. To enhance awareness and accessibility, NEPI Rockcastle conducts periodic campaigns reminding employees of the Whistleblowing Policy, Code of Ethics, and other relevant procedures. Internal regulations are centrally accessible on SharePoint, with updates published on the intranet, fostering transparency and trust across the organisation. This structured and proactive approach reflects NEPI Rockcastle's dedication to creating a safe, ethical, and compliant work environment.

S1-3_09

Relevant policies are set out in S1-1 above.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-4_01 to S1-4_09; MDR-A_01-12

To address these priorities, NEPI Rockcastle has implemented targeted action plans focused on risk mitigation and opportunity maximisation. As detailed above, the Whistleblowing Policy, regular training and awareness initiatives on diversity, non-discrimination, and workplace safety reinforce compliance and organisational values, while reporting channels, ensure accessibility and transparency. The Group's Code of Ethics and internal regulations, readily available via SharePoint and the intranet, are reinforced through periodic awareness campaigns.

Employee engagement mechanisms, such as surveys and focus groups, inform workplace improvements, ensuring workforce-related risks are proactively managed while opportunities for enhancement are leveraged. NEPI Rockcastle has not identified material negative impacts on its workforce and has no mitigation measures planned.

NEPI Rockcastle adopts a strategic and systematic approach to workforce-related IROs, ensuring compliance with ethical standards and international guidelines. Its policies on workplace safety, non-discrimination, and equitable treatment align with human and labour rights frameworks. Regular stakeholder engagement, including employee surveys and consultations, helps identify and mitigate potential risks effectively.

Adequate wages

Key actions

NEPI Rockcastle conducts regular pay reviews and benchmarking exercises to ensure fair and competitive compensation for all employees. The Remuneration Committee oversees these processes to maintain equity and workforce retention.

Scope of key actions

These actions apply to all employees across NEPI Rockcastle's operations, with a focus on ensuring equity across different regions, roles, and seniority levels.

Time horizon for completion

Pay reviews are conducted annually, with adjustments implemented following the review process.

Description and results of actions to provide or support remedy

Wage reviews have addressed historical discrepancies in compensation, fostering a culture of fairness and transparency. Adjustments have ensured employees are compensated in line with industry and market standards.

Progress of prior disclosed actions

Regular benchmarking has demonstrated the Group's commitment to maintaining competitive compensation practices, contributing to improved employee satisfaction and retention.

Financial resources

Resources for these initiatives are allocated annually as part of the Group's operational expenditure for workforce management. Specific OpEx allocations for the implementation of this action are not available.

Social dialogue

Key actions

The Group facilitates regular employee engagement surveys and feedback sessions to assess workplace conditions and identify areas for improvement.

Scope of key actions

These initiatives include all employees across the organisation, with mechanisms in place for confidential feedback.

Time horizon for completion

Employee surveys are conducted every two years, with findings analysed and incorporated into action plans within a six-months timeframe.

Description and results of actions to provide or support remedy

Surveys have informed improvements in workplace policies, including the introduction of enhanced communication channels and updates to workplace practices, ensuring employee concerns are effectively addressed.

Progress of prior disclosed actions

Employee engagement mechanisms have been instrumental in shaping inclusive policies and fostering a culture of open dialogue.

Financial resources

Ongoing resources are allocated to support surveys, focus groups, and the implementation of responsive action plans. Specific OpEx allocations for the implementation of this action are not available.

Work-life balance

Key actions

NEPI Rockcastle offers comprehensive benefits packages, including flexible working arrangements and wellness programmes, to support employee work-life balance.

Scope of key actions

These measures are available to all employees, ensuring broad access to benefits such as remote working and flexible hours.

Time horizon for completion

Work-life balance initiatives are regularly reviewed, with enhancements planned every three years.

Description and results of actions to provide or support remedy

Flexible work policies have allowed employees to better manage professional and personal responsibilities, improving overall wellbeing and productivity.

Progress of prior disclosed actions

The implementation of remote work options and wellness initiatives has received positive feedback from employees, reinforcing the Group's commitment to work-life balance.

Financial resources

Operational resources are allocated annually to support these initiatives, including infrastructure for remote working and wellness programme management.

Gender equality and equal pay

Key actions

EDGE certification for gender equality was obtained in 2024.

The Group is also preparing to ensure compliance with the EU Gender Pay Gap Directive (to be completed in 2026), therefore will continue to address gender equality and non-discrimination.

Scope of key actions

These actions apply to all employees, with a focus on achieving gender equity in recruitment, pay, and promotions.

Time horizon for completion

Time horizon described together with key actions above.

Description and results of actions to provide or support remedy

Gender pay audits have identified gaps, prompting corrective measures, including equitable pay adjustments and gender-inclusive recruitment practices.

Progress of prior disclosed actions

The Group has rolled out awareness training for managers on identifying and mitigating gender biases in recruitment and performance evaluations.

Financial resources

Resources are committed annually for audits, training, and implementation of equitable practices.

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Training and skills development

Key actions

NEPI Rockcastle provides tailored training and development programmes to enhance employee skills and career growth, ensuring workforce adaptability.

Scope of key actions

Training initiatives are available to all employees, with a focus on addressing specific skill gaps and fostering leadership capabilities.

Time horizon for completion

Annual training programmes are developed and reviewed to align with business needs and employee goals.

Description and results of actions to provide or support remedy

Training initiatives have supported employees in achieving career advancements and adapting to evolving roles within the organisation.

Progress of prior disclosed actions

Employees have actively participated in leadership development programmes, contributing to internal promotions and career progression.

Financial resources

Training and development programmes are funded annually as part of the Group's workforce investment strategy.

Diversity

Key actions

The Diversity and Inclusion Policy fosters an equitable and supportive workplace, focusing on recruitment, retention, and a sense of belonging for all employees.

Scope of key actions

These initiatives encompass all workforce levels, promoting diversity in hiring practices and internal growth opportunities.

Time horizon for completion

Ongoing efforts include annual reviews of recruitment materials and continuous training to address unconscious biases.

Description and results of actions to provide or support remedy

Policies have led to more inclusive recruitment processes, ensuring representation of underrepresented groups in the workforce.

Progress of prior disclosed actions

Diversity initiatives have increased the representation of women in leadership roles and enhanced the inclusivity of workplace practices.

Financial resources

Operational resources are allocated to diversity training and policy development as part of the Group's inclusion strategy.

Additional initiatives

Key actions

NEPI Rockcastle has implemented several initiatives to promote equity, inclusivity, and professional development. These include a policy on non-discriminatory recruitment and promotion practices, addressing gender biases through systematic reviews of job advertisements and recruitment materials. The Group has also introduced awareness training on gender bias for all individuals involved in recruitment, promotion, and performance evaluations, alongside formal mentoring programmes to support career advancement for male and female employees. Flexible work arrangements are encouraged through managerial guidelines and leadership modelling, while a policy prohibiting sexual harassment and all forms of discrimination provides clear procedures, mandatory training, and protections against retaliation.

Scope of key actions

The initiatives apply to all regions and employee groups, focusing on fostering an inclusive workplace while addressing gaps in equity and workplace safety.

Time horizon for completion

These are ongoing initiatives, with the non-discriminatory recruitment policy and training actively being implemented. Mentoring programmes and flexible work initiatives continue to be developed and expanded to ensure broad accessibility and effectiveness.

Description and results of actions to provide or support remedy

These initiatives have enhanced equitable hiring practices, supported employee career progression, and improved work-life balance. The sexual harassment policy has provided employees with transparent and effective mechanisms for addressing workplace concerns.

Progress of prior disclosed actions

Progress includes increased participation in mentoring programmes, initial success in training outcomes on gender biases, and early adoption of flexible work arrangements, which have already shown improvements in employee satisfaction and engagement.

Financial resources

Resources are allocated annually to fund these programmes, including training, policy development, and the implementation of workplace safety measures, ensuring sustainable progress.

NEPI Rockcastle's commitment to these initiatives reinforces its dedication to creating a supportive and inclusive work environment, aligning workforce wellbeing with strategic objectives.

NEPI Rockcastle dedicates substantial resources to effectively manage workforce impacts. The HR team leads wellbeing initiatives, flexible work arrangements, and sustainability training while advancing diversity and inclusion. The Sustainability Department aligns environmental and workforce goals, investing in energy efficiency and sustainability reporting. Compliance, Legal, and Internal Audit teams ensure regulatory adherence, conduct audits, and promote ethical standards through codes of conduct and training.

Incident reporting and resolution processes are closely monitored, tracking reports related to harassment, discrimination, and ethical concerns. The Group ensures timely and fair investigations, fostering a safe and supportive environment. By embedding workforce-related IROs into its strategic framework, NEPI Rockcastle strengthens employee engagement, ensures compliance, and enhances organisational resilience.

S1-4_19

To mitigate potential negative impacts on workers arising from the transition to a greener, climate-neutral economy, NEPI Rockcastle has implemented targeted measures to support workforce adaptability and resilience.

Key initiatives include retraining and reskilling programmes designed to equip employees with the skills necessary for emerging green industries. Training focuses on areas such as renewable energy, energy efficiency, and sustainable building practices, ensuring that the workforce profile and priorities remain aligned with the Group's sustainability objectives. Additionally, the Group prioritises stakeholder engagement by involving employees in the development and implementation of transition policies.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5_01 to S1-5_03, S1.MDR-T_16-19

NEPI Rockcastle has established targets to manage workforce IROs, however these are not currently meeting the formalisation requirements in line with ESRS. Dedicated platforms, including SPOT (Performance Management Module), the Engagement Survey platform, Charisma and Excel files, ensure that performance is systematically measured and monitored.

PHOTO: GALERIA TOMASZOW

Sustainability Statement

S1-6 – Characteristics of the undertaking's employees

S1-6_01 to S1-6_12, S1-6_16, S1-6_18

Employee gender distribution

	Employee head count by gender		Gender distribution in number of employees at top management level	
Gender	**2023**	**2024**	**2023**	**2024**
Male	197	203	5	5
Female	404	447	3	3
Other	0	0	0	0
Not reported	0	0	0	0
Total Employees	**601**	**650**	**8**	**8**

Employee head count in countries where the Group has at least 50 employees representing at least 10% of its total number of employees

Employee head count in countries where the Group has at least 50 employees representing at least 10% of its total number of employees	Number of employees (head count)	
Country	**2023**	**2024**
Poland	150	191
Romania	301	316
Total	**451**	**507**

Employees by contract type[1]

Employees by contract type, broken down by gender (head count) (reporting on full-time and part-time employees is voluntary)	Female	Male	Other	Not disclosed	Total
Number of employees (head count)	447	203	N/A	0	**650**
Number of permanent employees (head count)	390	185	N/A	0	**575**
Number of temporary employees (head count)	57	18	N/A	0	**75**
Number of non-guaranteed hours employees (head count)	0	0	N/A	0	**0**
Number of full-time employees (head count)	439	197	N/A	0	**636**
Number of part-time employees (head count)	8	6	N/A	0	**14**

[1] all employees located in CEE region

Gender by country and region

Country	F	M	% percentage
Bulgaria	33	8	6.3%
Croatia	12	4	2.5%
Czech Republic	7	4	1.7%
Hungary	12	9	3.2%
Lithuania	4	2	0.9%
Malta	2	1	0.5%
Poland	142	49	29.4%
Romania	204	112	48.6%
Slovakia	29	9	5.8%
The Netherlands	2	5	1.1%
TOTAL	**447**	**203**	**100%**

S1-6_13 to S1-6_15

NEPI Rockcastle employs a structured methodology to compile accurate and reliable employee data, led by the HR team. Data is consolidated from multiple sources, including payroll systems and Excel reports from payroll specialists in each operational country. Employees are identified based on their paid status as of the fixed reference date, 31 December 2024, with exclusions for those on long-term unpaid leave or maternity leave without an anticipated return by that date. This static reference point ensures the data reflects the workforce composition at a specific moment, excluding any subsequent hiring or departures.

The Group reports employee numbers using a headcount methodology, providing a clear snapshot of the total number of individuals employed as of the reference date. This method consolidates payroll and departmental records and excludes employees not actively working at the time, offering a comprehensive view for strategic planning and reporting. Unlike full-time equivalent (FTE) reporting, the headcount approach ensures simplicity and transparency in capturing workforce demographics and employment statuses.

Employee numbers are reported based on the end-of-period methodology, specifically at the close of the reporting period on 31 December 2024. This approach delivers an accurate and consistent representation of the workforce by capturing all active employees as of a fixed date. It supports clarity in data reporting and aids in informed decision-making, ensuring alignment with NEPI Rockcastle's strategic objectives.

NEPI Rockcastle validates the data internally. Currently, there is no external validation in place.

S1-6_17

For employee-related costs, please refer to the "Administrative expenses" section in the Financial Statements.

S1-6 11 to S1-6_12

New employees and employee turnover

New employees	2023		2024	
Female	116	73%	112	69%
Male	43	27%	51	31%
TOTAL	**159**	**100%**	**163**	**100%**
< 30	48	30%	37	23%
30-50	97	61%	113	69%
>50	14	9%	13	8%
TOTAL	**159**	**100%**	**163**	**100%**

Employees Turnover	2023		2024	
Female	47	76%	46	51%
Male	15	24%	45	49%
TOTAL	**62**	**100%**	**91**	**100%**
< 30	9	15%	18	20%
30-50	49	79%	62	68%
>50	4	6%	11	12%
TOTAL	**62**	**100%**	**91**	**100%**

S1-7 – Characteristics of non-employees in the undertaking's own workforce

S1-7_01 to S1-7_03

Total number of employees as at 31 December 2024	THEREOF	Employees	Non-employees
650		639	11

S1-7_06 to S1-7_10

NEPI Rockcastle employs a distinct methodology to compile data on non-employees within its workforce. Non-employees, such as contractors or individual service providers, are recorded separately from payroll employees. Their inclusion is based on formal service agreements, with payment tracked through monthly service invoices rather than traditional payroll systems. Of the 650 total employees, 11 are skilled contractors in legal, development, property management, or leasing services, providing support in areas like construction, leasing, legislation, litigation, leasing agreements, and due diligence. NEPI Rockcastle validates the employee demographics data internally, there is no external validation in place.

S1-9 – Diversity metrics

S1-9_01 to S1-9_05

Gender distribution of employees (head count) at top management level

Top Management / EXCO team Headcount & Gender Distribution	Number	%Percentage
Female	3	38%
Male	5	62%
TOTAL	**8**	**100%**

Age distribution of employees (head count)

Head Count	Number	%Percentage
Distribution of employees (head count) under 30 years old	78	12%
Distribution of employees (head count) between 30 and 50 years old	495	76%
Distribution of employees (head count) over 50 years old	77	12%
TOTAL	**650**	**100%**

S1-9_06

NEPI Rockcastle defines "top management" as individuals occupying senior leadership roles responsible for strategic decision-making and overseeing the organisation's overall direction. This includes members of the Executive Management Team, such as the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operations Officer (COO). These roles are characterised by their high level of authority, responsibility for setting organisational goals, and accountability for achieving performance targets aligned with NEPI Rockcastle's strategic objectives.

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S1-10 – Adequate wages

S1-10_01 to S1-10_03

NEPI Rockcastle ensures that all employees are paid an adequate wage aligned with applicable benchmarks, reflecting its commitment to fairness and equity. The Group conducts comprehensive compensation reviews during each performance cycle, benchmarking salaries against industry standards and internal equity measures. These reviews ensure that employees across all levels, from entry-level to senior roles, receive wages competitive within the market and equitable within the organisation. Adjustments to salaries are tied to role changes, additional responsibilities, or significant shifts in job scope, reinforcing the principle that compensation reflects contributions and responsibilities. This transparent approach not only ensures compliance with fair wage standards but also fosters a motivated workforce by linking remuneration directly to performance and impact.

Approximately 10% of total employees are positioned below the median salary, primarily in non-managerial roles. This is due to factors such as maternity leave, being new to the role, or being in the development process.

S1-13 – Training and skills development metrics

S1-13_01 to S1-13_04

Number of employees that participated in training and skills development

	F	M
Total employees that participated in training and skills development[1]	451	209
Percentage of employees that participated in training and skills development	68.33	31.67

1 The difference between trained employees and headcount at the end of December 2024 is explained by the number of employees that received training during 2024 but left before year end

Number of hours that employees participated in training and skills development

	2024	2023
Total number of hours of training attended[1]	**25,900**	**29,392**
Soft-skills training hours	3,723	5,229
Hard-skills training hours	7,955	9,061
Individual and group Coaching hours	427	N/A
Coaching on the job hours	1,012	3,929
Conferences and Business events hours	10,313	11,016
Wellbeing topics hours	759	158
Business Talks with Management Team and Wellbeing topics**	1,712	N/A
Total number of trained employees[2]	**660**	**515**
Total Headcount at 31 December[2]	**650**	**601**
Average number of training hours per trained employees	39.2	57.1
Average number of training hours (without Business Taks and Wellbeing topics) per trained employee	36.6	57.1
Average training days/ trained employee	**4.6**	**7.1**
Average number of training hours per employee (head count at 31 December)	**39.8**	**48.9**

1 Total number of hours of training attended includes also the number hours of Business Talks with Management Team and Wellbeing topics (Attendants' demographics not kept)

2 The difference between trained employees and headcount at the end of December 2024 is explained by the number of employees that received training during 2024 but left before year end

Average number of hours of training and skills development by gender

		Indicator	2024	2023
Employee Development[1]	**Women**	hours/employee	39.45	46.8
	Men	hours/employee	30.6	45.5

1 Ratio calculated exclusively for demographic-specific training hours tracked

Total number of hours on regular Business Talks with Management Team

		2024	Participation
Total number of hours on regular Business Talks with Management Team	Available to All Staff	1712	70-80%

Percentage of employees that participated in regular career development and review in 2024 reached 92%. The gender distribution, in line with employees overall gender distribution was 70% women, 30% men.

S1-15 – Work-life balance metrics

S1-15_01 to S1-15_03

	Unit	2023	2024	%
Percentage of employees entitled to take family-related leave	%	100%	100%	100%
Percentage of entitled employees that took family-related leave	%	6.41%	9.28%	

Percentage of entitled employees that took family-related leave by gender - 2024

	Percentage of employees that took family-related leave[1]
F	12.21 %
M	2.55 %
Total	**9.28 %**

1 *Calculated by breaking down the total number of women/men who took family-related leave in relation to the total number of women/men*

Percentage of entitled employees that took family-related leave by gender - 2023

	Percentage of entitled employees that took family-related leave[1]
F	8.17%
M	2.21%
Total	**6.41%**

1 *Calculated by breaking down the total number of women/men who took family-related leave in relation to the total number of women/men*

S1-15_04

All employees are entitled to family-related leave (e.g. paternity and maternity leave, family bereavement, marriage, and other personal events) in accordance with the legal requirements of their respective jurisdictions.

S1-16 – Remuneration metrics (pay gap and total remuneration)

S1-16_01 to S1-16_03

A key measure of diversity and equity within the Group is the gender pay ratio.

The Group consistently tracks the salary ratio between women and men across various management levels, departments, teams, and geographical regions. For the 2024 salary packages, the pay ratio for women compared to men, based on fixed gross salary, varies across different management levels, functions, and regions.

At Group level, this ratio ranges from 0.78 to 0.93 versus 0.88 – 0.96 in 2023 due to internalisation process and new acquisitions during 2024, reflecting ongoing efforts to monitor and address gender pay disparities. The breakdown of the pay ratio across different levels is as follows:

Pay Ratio women to men

Category[1]	2024	2023
Senior Management[2]	0.93	0.96
Top 100[3]	0.88	0.89
Middle Management and Subject Matter Expert	0.95	0.92
Other Staff	0.78	0.88
Total	**0.65**	**0.69**

1 *The pay ratios are calculated based on simple average of salaries for each management level and gender category, i.e. by comparing the average pay of men to women in each management layer. The total pay ratio is calculated by comparing the average pay of all men to the average pay of all women and is not an average of the pay ratios per management layers*

2 *Exco corporate management team (excluding CEO)*

3 *Top 100 = Top 100 highest salary range within the Company*

The total pay ratio slightly decreased compared to the previous year, primarily attributable to the completion of the insourcing process in Poland and Hungary, as well as to the recent acquisition of two new properties in Poland, which resulted in an increase in the number of employees within the non-managerial category.

Integration of MDR-M Requirements (S1-9, S1-13, S1-16)

Definition of reported metrics
Each reported metric is established based on regulatory requirements, industry standards, and internal sustainability and strategic objectives. The key aspects of metric definition include:

- Scope and Coverage: Clearly defined boundaries for data collection (e.g., organisational units, geographies, business operations) in alignment with sustainability reporting methodology
- Relevance to Material IROs: Metrics are identified based on the Impact, Risk, and Opportunity (IRO) analysis to ensure alignment with significant sustainability issues
- Standardisation: Established frameworks such as GRI and ESRS are used where applicable to define metrics
- Regulatory Compliance: Adherence to MDR-M 73, which mandates specific disclosure requirements for each reported metric

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Measurement of reported metrics
The measurement process follows a structured and standardised methodology to ensure accuracy, comparability, and consistency. Key aspects of measurement include:

- Quantitative and Qualitative Assessments: Metrics are measured using a combination of numerical data (e.g. employee turnover rates, pay rates, gender distribution, training statistics maintained by HR) and qualitative evaluations (e.g., 360 feedback)
- Data Collection and Validation:
    - Data is sourced from dedicated reporting platforms (Charisma platform for Romania, outsourced payroll providers platforms for administrative and payroll activities, SPOT)
    - A combination of automated tracking tools and manual inputs ensures comprehensive data collection. The data is consolidated in Excel files, with key performance indicators (KPIs) calculated and verified by HR
    - Internal controls are in place to validate data integrity. For instance, environmental performance is verified, as presented in other sections of this report, and staff data is cross-checked by the HR department. Performance results are reviewed for reasonability by the HR Director, calibrated with the CEO and CFO for the entire organsation
- Benchmarking and Target Setting:
    - Metrics are compared against industry benchmarks and historical performance (especially for key executive positions)
    - Performance is evaluated against pre-defined KPIs
- Audit and Assurance:
    - External validation is conducted in some areas, in accordance with MDR-M 77(b) to confirm the reliability of measurements. For example, EDGE certification on equality obtained in 2024 entailed an external review by IFC consultant (data covered: headcount, new hires, leavers, training allocation, gender distribution, and roles with P&L responsibility comparison). Verification audit was performed by Intertek

Alignment with material sustainability matters
To ensure relevance, all reported metrics are aligned with the broader sustainability framework through:

1. Integration with Risk and Opportunity Assessments:
    - Metrics are evaluated in the context of risk exposure, business resilience, and long-term sustainability strategy
    - This approach ensures that reported data informs strategic decision-making and risk mitigation efforts
2. Continuous Monitoring and Improvement:
    - Performance is monitored through regular reviews and updates via the dedicated reporting platform SPOT. Calibration is performed as the final control to ensure internal equity and fairness
    - Corrective actions and strategic interventions are applied when performance deviates from targets or expectations

Additionally, per MDR-M 77(b), the Group will explicitly disclose whether the measurement of reported metrics has been validated by an external body, other than the assurance provider. If applicable, the name of the external body will be specified. The use of platforms such as SPOT (Performance Management Module) and the Engagement Survey platform, along with structured Excel-based reporting, ensures efficient integration of these requirements, guaranteeing completeness and compliance.

S1-17 – Incidents, complaints and severe human rights impacts

S1-17_1 to S1-17_11, S1-17_13 to S1-17_14

NEPI Rockcastle fosters an inclusive culture, providing equal opportunities for growth and advancement to all employees. During the year, this commitment was tested when an employee claimed entitlement to a managerial promotion based on seniority and qualifications but refused to participate in the internal selection and promotion process. Subsequently, the employee filed a formal complaint with the Romanian National Council against Discrimination.

The Group treated the matter with the utmost seriousness, initiating an internal investigation led by the Legal and HR teams. Evidence was provided to demonstrate adherence to the Company's internal regulations and fair treatment of the employee. The Romanian National Council against Discrimination has communicated closing the case with no repercussions or recommendations towards the Group.

NEPI Rockcastle confirms that no fines, penalties, or compensation for damages have been imposed as a result of discrimination, harassment, or related complaints filed by employees. Furthermore, there have been no human rights issues or incidents involving the Group's employees, underscoring NEPI Rockcastle's commitment to maintaining a respectful and equitable work environment.

S1-17_12

NEPI Rockcastle has not received any fines or penalties for human rights issues.

ESRS G1 - Business Conduct

Introduction

NEPI Rockcastle is committed to upholding the highest standards of business conduct, recognising that ethical governance is a cornerstone of its long-term success and sustainability. The Group's operations touch a wide array of stakeholders, including employees, tenants, suppliers, investors, and the communities it serves. Maintaining transparency, fairness, and integrity in all interactions is paramount to preserving the trust and confidence of these stakeholders.

The Group's approach to business conduct is guided by its core principles of ethical governance, compliance with applicable laws and regulations, and alignment with internationally recognised best practices. The business conduct framework is built upon a set of policies and procedures, which collectively define the behaviours and practices expected from all personnel, partners, and suppliers. These policies promote integrity, fairness, and accountability, setting the foundation for NEPI Rockcastle's operational and strategic decision-making.

The Group also recognises the vital role of sustainable procurement and responsible supplier relationships in promoting good governance. By embedding sustainability considerations into procurement processes and prioritising partnerships with like-minded organisations, NEPI Rockcastle demonstrates its commitment to driving positive ESG outcomes across its value chain.

Whilst NEPI Rockcastle has not defined targets related to business conduct in line with ESRS requirements, the Group's Risk Appetite Statement, approved by the Board of Directors, enforces a zero-tolerance policy for fraud, corruption, and serious breaches of the Code of Ethics by employees, collaborators, or Directors. Any violation may result in disciplinary action, including demotion or dismissal, in accordance with Internal Regulations and local laws, or contractual liability where no employment relationship exists. This zero-tolerance policy is a key target for the Company when measuring business conduct and also a key performance indicator for the Risk and Compliance function, reviewed annually to ensure accountability. Ethical conduct risks are identified in an annual dedicated risk assessment process, continuously monitored through the Risk Register, updated quarterly, reported and overseen by the Risk and Compliance Committee.

GOV-1 – The role of the administrative, management and supervisory bodies

Please refer to the Corporate Governance section (Role of the Board chapter) in the Annual Report.

G1-1– Business conduct policies and corporate culture

G1.MDR-P_01-06

Please refer to MDR-P Policy Overview section.

NEPI Rockcastle has established a governance framework to address its material IROs related to business conduct and corporate culture. Under the oversight of the Board of Directors, the governance framework ensures alignment with governance codes in the capital markets where it is listed, international best practices and local legal requirements. The Group's governance approach integrates compliance with the King IV Report on Corporate Governance, the Dutch Corporate Governance Code, the requirements of the Johannesburg Stock Exchange, Euronext Amsterdam, and A2X.

The Board approves key governance policies and empowers the CEO to implement and oversee effectiveness, ensuring consistency with the Group's strategy and operations. Further on, the Board empowers the CEO to approve and implement operational policies and procedures regulating the day-to-day Group activities. The Policy Framework Procedure outlines the principles for drafting, managing, and implementing these policies and procedures across the Group's multinational operations.

In line with the Policy Framework, the Risk and Compliance Officer runs an annual structured review campaign together with the regulation owners (individuals identified as accountable for compliance) and key support functions such as Legal and Internal Audit. The review aims to assess whether any change is needed based on updated processes, systems, objectives, risks and controls. Aside from the aforementioned regular reviewing process, the regulations are revised and updated whenever necessary.

G1-1_01, G1-1_02, G1-1_05, G1-1_08, G1-1_10, G1-1_11

NEPI Rockcastle fosters an ethical corporate culture underpinned by strong governance, ensuring effective oversight, robust performance, and adherence to legal and regulatory standards. The Board of Directors takes collective responsibility for establishing and maintaining the Group's governance framework, aligning corporate culture, activities, and behaviour with the principles of integrity, compliance, and sustainability. The Chairman leads efforts to embed ethical standards in the governance framework and overall Company's culture, while Executive Directors ensure alignment between corporate values and operational strategies, processes and projects.

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A formal onboarding and induction programme familiarises new Directors with the Group's business operations, strategy, and governance framework. This programme ensures a comprehensive understanding of the Group's culture, compliance policies, and unique business environment. Additionally, the Board oversees enterprise risk management by promoting an ethical risk profile and integrating ethical considerations into practices, policies, and procedures. Should misalignment with the Group's values be identified, corrective actions are promptly implemented.

The Group has also established a consumer-centric culture, driven by the Chief Operating Officer (COO), who focuses on refining processes, leveraging technology, and enhancing functions to meet consumer needs. This consumer-oriented approach complements the broader corporate culture, reinforcing governance standards and maintaining ethical business practices across all operations.

NEPI Rockcastle has implemented safeguards to ensure the transparent reporting and resolution of irregularities. The comprehensive whistleblowing mechanism provides employees, suppliers, and partners with secure, confidential, and anonymous channels for reporting breaches of laws, policies, or ethical standards. These reports are managed by Internal Audit, ensuring prompt, independent, and thorough investigations. Internal Audit is trained on an annual basis on functional areas, including audit and investigation topic, as well as on soft skills, to further enhance the quality and effectiveness of their work.

The framework protects whistleblowers from retaliation and guarantees confidentiality, in line with international best practices and EU Directive 2019/1937 on whistleblower protection. Local reporting channels in Romania and Poland, set in the beginning of 2025, further enhance accessibility and promote full compliance with local laws.

Beyond the Whistleblowing procedure and investigations performed under this framework, the Group Internal Audit Department is mandated through the Internal Audit Charter approved by the Board to investigate potential incidents of non-compliance, fraud, corruption, as part of the Annual Audit plan or on an ad-hoc basis.

All reports issued by Internal Audit are presented to the Audit Committee where key conclusions, recommendations, action plans and subsequent follow up results are analysed. In line with the Audit Charter, Internal Audit is independent and objective in their activity. This is ensured by the functional reporting line to the Audit Committee and by not allocating responsibility for management and business decisions to this function.

Regular training and awareness campaigns promote an ethical organisational culture, fostering transparency and fairness within the workplace and in dealings with stakeholders. For more details on employee training, please refer to section S1-13 on training and skills development metrics as well as the table provided below.

The annual Compliance Program, advanced by the Compliance and Risk Management function, defines the focus areas for training, covering topics such as the General Compliance Policy, Code of Ethics, Whistleblowing Policy, and Declaration of Interests Policy. These campaigns target all employees and leverage internal communication channels, the Group's Intranet, and dedicated training platforms to ensure widespread participation and understanding. Risk and Compliance also coordinates annual awareness campaigns and the collection of conflict-of-interest statements from all employees and Directors. The training and awareness campaigns are structured as follows: annual general campaign covering all staff (including conflict of interests disclosure, acknowledgment of internal policies and procedures), dedicated training program for new joiners, communication on SPOT platform on various compliance, risk management topics (ethical conduct, gifts policy, whistleblowing rules and reporting channels, data privacy, etc.), as well as at least twice-a-year awareness campaigns in KnowBe4 training platform.

The Group's annual fraud risk assessment identifies functions most exposed to corruption and bribery, including Leasing, Procurement, Development, Asset Management. Fraud risks are evaluated using the Group's risk assessment methodology, with gross and residual levels measured against the Board-approved Risk Appetite. Mitigation measures are planned, progress is monitored, and reported to the Risk and Compliance Committee, reinforcing NEPI Rockcastle's commitment to ethical business practices.

All group employees are covered through training programs (100% of functions at risk out of the active headcount).

The training and awareness program deployed in 2024 focused on the following topics:

TOPIC	PERSONNEL IN SCOPE	CHANNEL	FREQUENCY
Competition Compliance	All staff Selected staff categories (Legal, Leasing, Procurement)	Intranet External provider	Annually
Diversity and Inclusion, Equity	All staff	Intranet Training platform	Occasionally (introducing of new framework and further updates)
Compliance summer training about the role and importance of policies and procedures in an organisation	All staff	Intranet Training platform	Annually
Compliance summer training about bribery and corruption rules and required business conduct	All staff	Intranet	Annually
Annual Compliance and Privacy Campaign	All staff	Intranet Training platform	Annually
New joiners induction	New joiners	E-mail	At onboarding
Responsible use of AI	All staff	Intranet	Occasional - awareness campaign in 2024
External communication rules	Marketing team	Online	Occasional - awareness campaign in 2024
Know-Your-Counterparty due diligence process	All staff Teams in selected countries	Online	Annually, as part of annual compliance training campaign and/or the occasional awareness communications

G1-2 – Management of relationships with suppliers

G1-2_01 to G1-2_03, G1.MDR-P_07-08

NEPI Rockcastle prioritises a structured and transparent approach to managing supplier relationships, recognising their critical role for the Group's operational success and sustainability commitments. For more information on specific disclosures regulating payment terms, please refer to section G1-6 on payment practices.

To mitigate delays and enhance operational efficiency, NEPI Rockcastle has implemented digital invoice processing platforms, streamlining the review and approval of invoices. This system minimises administrative inefficiencies, supporting timely and accurate payments.

The Group adopts a comprehensive supplier management strategy, designed to address risks within the supply chain and promote responsible practices. Suppliers undergo rigorous evaluation and vetting process, including due diligence assessments of financial health, operational capabilities, and adherence to ethical standards / anti-money laundering regulations, based on the Know-Your-Counterparty procedure (see MDR-P Policy overview). These measures aim to address risks such as supply chain disruptions, regulatory non-compliance, quality issues, partnering with suppliers involved in unethical practices. Particular emphasis is placed on key operational suppliers in the Group's largest two portfolios, Romania and Poland, where supplier adherence to environmental protection and labour rights is also evaluated based on the Green Assessment Form (GAF).

The Group's Procurement Policy (See MDR-P overview) enforce the use of the GAF in NEPI Rockcastle's procurement practices. The GAF serves as a valuable tool in evaluating supplier alignment with NEPI Rockcastle's sustainability objectives. Incorporated into the tendering process for assets, covering purchases in Romania and Poland (exceeding 100,000 EUR), the GAF contributes in average 5% to the evaluation score, encouraging suppliers to protect human rights, adopt energy-efficient processes, reduce waste, and responsibly source materials. The assessment includes criteria such as the supplier's environmental impact, energy efficiency, waste management practices, and commitment to sustainable sourcing. Additionally, it considers social aspects, including labour practices, diversity and inclusion policies, and compliance with human rights standards. Governance factors, such as ethical business conduct, transparency, and regulatory compliance, are also reviewed. This structured review aims to evaluate how selected suppliers align with the Group's sustainability goals.

The Group plans to implement starting mid 2025 an annual supplier performance evaluation for its strategic suppliers within operations (Romanian and Polish portfolio exceeding 100,000 EUR business, representing approximately 80% of the respective countries expenditure). Subsequently, top 20% suppliers for the first year will participate in a deep dive annual business review. The business review

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sessions aim to address discrepancies (including but not limited to performance, negative impacts, ESG matters), collaboratively develop corrective actions, and explore approaches to enhance sustainability and responsibility across the supply chain.

The Group operates across multiple markets where payment terms range between 15 and 45 days. Establishing a rigid payment policy may limit the flexibility required to adapt to local business norms and supplier agreements, however the Group will formally define in 2025 its approach for managing supplier payments across jurisdictions.

G1-3 – Prevention and detection of corruption and bribery

G1-3_01 to G1-3_08

Under the corporate governance framework, key measures to prevent and address corruption and bribery are guided by the General Compliance Policy, Code of Ethics, and Whistleblowing Policy. The Group conducts periodic risk assessments to identify vulnerabilities, particularly in high-risk areas such as leasing, procurement, and development. A structured due diligence process, based on the Know-Your-Counterparty procedure, is applied to assess the compliance of business partners with anti-corruption standards. To facilitate the reporting of concerns, the whistleblowing mechanism is in place as detailed above, enabling stakeholders to confidentially report incidents without fear of retaliation (as investigation is managed independently, by Internal Audit – detailed above).

NEPI Rockcastle actively communicates its approach concerning anti-corruption and anti-bribery, formally described in the Code of Ethics and the Compliance Policy (see MDR-P Overview Table), to all employees and partners. These policies are accessible in the SPOT platform and disseminated through internal communication channels, supported by targeted training and awareness campaigns. External partners are made aware of the Group's ethical commitments through standard clauses in the contractual agreements, through the publicly available Code of Ethics and Supplier Code of Conduct and through bilateral communication.

The Compliance agenda, including the annual training campaign, is proposed by the Risk and Compliance Officer and endorsed by the Risk and Compliance Committee. Sessions are conducted for all employees, covering key topics such as bribery prevention, fraud risk management, and ethical decision-making, as described above. New employees participate in an induction training programme, covering key compliance and information security topics.

Training materials, including handbooks and interactive modules, are provided to enhance understanding and engagement with key compliance principles. All regular training and awareness campaigns are addressed to all categories of personnel i.e., the coverage extends to all identified high-risk functions (including the personnel involved in the management of sponsorship/donations), while additional training has been provided to local teams based on regional regulatory requirements.

Regular updates (at least annually) are organised for the Board of Directors, focusing on emerging regulatory obligations, business conduct risk scenarios, anti-corruption and anti-bribery, updates to Company's Code of Ethics. The annual conflict of interest and awareness campaign organised by Compliance covers also the Executive and non-Executive Directors and includes key requirements from the Code of Ethics and governance policies.

The Risk and Compliance function reports to the Risk and Compliance Committee on a quarterly basis. The regular agenda includes: the risk highlights per each business function, an overview of top risks, key developments in compliance and risk management area, the operational compliance status report, the status of main litigations, most relevant legislative updates and associated impact on Group's operations. On an annual basis, the agenda contains specific items dedicated to (i) the Compliance Program, (ii) the Risk Management and Compliance section of the Group Annual Report, (iii) the results of the business continuity arrangements review. Additionally, on an annual basis, the Risk and Compliance Officer reports to the Nomination Committee on Directors independence assessment and to the Board of Directors on the potential conflicts of interest at Board level.

Detection mechanisms, further detailed throughout this report, are in place to ensure indications of corruption and bribery may be swiftly identified, independently and objectively investigated and addressed.

G1-4 – Incidents of corruption or bribery

G1.MDR-A_01-12, G1-4_01 to G1-4_03

During the reporting period, NEPI Rockcastle recorded no convictions or fines for violation of anti-corruption or anti-bribery laws.

While no incidents of corruption or bribery were identified, NEPI Rockcastle remains proactive in strengthening preventing and deterring measures. Periodic updates to the Code of Ethics, ongoing awareness programs, and the reinforcement of whistleblowing mechanisms are key components of the Group's strategy to proactively mitigate risks.

G1-5 – Political influence and lobbying activities

G1-5_01 to G1-5_03, G1-5_06, G1-5_09 to G1-5_11

NEPI Rockcastle maintains a strict policy of non-engagement in political or lobbying activities. This commitment reflects the Group's ethical framework and governance principles, ensuring neutrality in its operations.

The Risk and Compliance Committee oversees compliance-related activities, including enforcing the Group's policy on political neutrality. During the reporting period, NEPI Rockcastle made no financial or in-kind contributions to political parties, organisations, individual politicians or politically exposed persons. As no such contributions were made, there is no associated monetary value to report.

The Group does not engage in lobbying activities or take lobbying positions. Accordingly, there are no interactions or material IROs associated with lobbying to disclose. NEPI Rockcastle is not registered in the EU Transparency Register or equivalent registers in Member States.

No members of NEPI Rockcastle's Board held comparable roles in public administration or regulatory positions within two years preceding their appointment during the reporting period.

By maintaining strict neutrality and avoiding political influence, NEPI Rockcastle upholds its ethical standards and reinforces its commitment to sound governance and impartiality.

G1-6 – Payment practices

G1-6_01 to G1-6_05

The Group has not adopted dedicated policies with regard to suppliers payments. Based on the outstanding suppliers invoices at 31 December 2024, NEPI Rockcastle calculates 25 days, on average, to pay its invoices. 81% of the annual Group invoices by value (for OPEX) are paid within 22 days and the rest (19% of the annual invoices by value, for CAPEX) are paid within 41 days. The calculation is made using the Days Payables Outstanding (DPO) formula with 360 days considered.

Payment Practices	Total
Average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated	25
Percentage of payments aligned with standard payment terms	NEPI Rockcastle is unable to calculate this indicator as it does not have a standardised payment policy in place. Therefore, the Group cannot provide specific standard payment terms but can instead outline current practices
Number of outstanding legal proceedings for late payments	0

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Appendix 1 - ESRS tables

Disclosure requirement	Title	Page number
E5-4	Resource inflows	216
E5-5	Resource outflows	216
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	Application of phase-in provision
ESRS S1 Own workforce		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	227
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S1-2	Processes for engaging with own workforce and workers' representatives about impacts	229
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	229
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	230
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	233
S1-6	Characteristics of the undertaking's employees	234
S1-7	Characteristics of non-employees in the undertaking's own workforce	235
S1-8	Collective bargaining coverage and social dialogue	Assessed as not material
S1-9	Diversity metrics	235
S1-10	Adequate wages	236
S1-11	Social protection	Assessed as not material
S1-12	Persons with disabilities	Assessed as not material
S1-13	Training and skills development metrics	236
S1-14	Health and safety metrics	Assessed as not material
S1-15	Work-life balance metrics	237
S1-16	Remuneration metrics (pay gap and total remuneration)	237
S1-17	Incidents, complaints and severe human rights impacts	238
ESRS S2 Workers in the value chain assessed as material in the DMA. Not reported in 2024 based on the application of phase-in provision.		
ESRS S3 Affected communities assessed as material in the DMA. Not reported in 2024 based on the application of phase-in provision.		
ESRS S4 Consumers and end-users assessed as material in the DMA. Not reported in 2024 based on the application of phase-in provision.		
ESRS G1 Business conduct		
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Appendix 2 - Datapoints that derive from other EU legislation

Disclosure requirement and related data point	SFDR* reference	Pillar 3** reference	Benchmark Regulation*** reference	EU Climate Law**** reference	Outcome of DMA	Page number
ESRS 2 GOV-1, para. 21(d)	Indicator no 13 of Table #1 of Annex 1		Regulation (EU) 2020/1816*****, Annex II		material	181
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ESRS E1-1, para. 16 (g)		Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 Template 1	Regulation (EU) 2020/1818, Article 12(1) d to g, and Article 12(2)		not material	n/a
ESRS E1-4, para. 34	Indicator no 4 Table #2 Annex 1	Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 Template 3	Regulation (EU) 2020/1818, Article 6		material	206
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ESRS E1-5, para. 40 to 43	Indicator no 6 Table #1 Annex 1				material	207
ESRS E1-6, para. 44	Indicators no 1 and 2 Table #1 Annex 1	Article 449a; Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 Template 1	Regulation (EU) 2020/1818, Article 5(1), 6 and 8 (1)		material	208
ESRS E1-6, para. 53 to 55	Indicator no 3 Table #1 Annex 1	Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 Template 3	Regulation (EU) 2020/1818, Article 8(1)		material	209
ESRS E1-7, para. 56				Regulation (EU) 2021/1119, Article 2(1)	not material	n/a
ESRS E1-9,para. 66			Regulation (EU) 2020/1818, Annex II Regulation (EU) 2020/1816, Annex II		not material	n/a

Disclosure requirement and related data point	SFDR* reference	Pillar 3** reference	Benchmark Regulation*** reference	EU Climate Law**** reference	Outcome of DMA	Page number
ESRS E1-9, para. 66 (a); ESRS E1-9, para. 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			material (phased-in)	n/a
ESRS E1-9, para. 67 (c)		Article 449a Regulation (EU) No 575/2013; Regulation (EU) 2022/2453 paragraph 34; Template 2			material (phased-in)	n/a
ESRS E1-9, para. 69			Regulation (EU) 2020/1818, Annex II		material (phased-in)	n/a
ESRS E2-4, para. 28	Indicator no 8 Table #1 Annex 1 Indicator no 2 Table #2 Annex 1 Indicator no 1 Table #2 Annex 1 Indicator no 3 Table #2 Annex 1				not material	n/a
ESRS E3-1, para. 9	Indicator no 7 Table #2 Annex 1				material	211
ESRS E3-1, para. 13	Indicator no 8 Table 2 Annex 1				not applicable	n/a
ESRS E3-1, para. 14	Indicator no 12 Table #2 Annex 1				not applicable	n/a
ESRS E3-4, para. 28 (c)	Indicator no 6.2 Table #2 Annex 1				material	213
ESRS E3-4, para. 29	Indicator no 6.1 Table #2 Annex 1				material	213
ESRS 2-IRO 1 - E4, para. 16 (a) i	Indicator no 7 Table #1 Annex 1				material (phased-in)	n/a
ESRS 2-IRO 1 - E4, para. 16 (b)	Indicator no 10 Table #2 Annex 1				material (phased-in)	n/a
ESRS 2-IRO 1 - E4, para. 16 (c)	Indicator no 14 Table #2 Annex 1				material (phased-in)	n/a
ESRS E4-2, para. 24 (b)	Indicator no 11 Table #2 Annex 1				material (phased-in)	n/a
ESRS E4-2, para. 24 (c)	Indicator no 12 Table #2 Annex 1				material (phased-in)	n/a
ESRS E4-2, para. 24 (d)	Indicator no 15 Table #2 Annex 1				material (phased-in)	n/a
ESRS E5-5, para. 37 (d)	Indicator no 13 Table #2 Annex 1				material	217
ESRS E5-5, para. 39	Indicator no 9 Table #1 Annex 1				material	217
ESRS 2-SBM 3 - S1, para. 14 (f)	Indicator no 13 Table #3 Annex I				material	227
ESRS 2-SBM 3 - S1, para. 14 (g)	Indicator no 12 Table #3 Annex I				material	227
ESRS S1-1, para. 20	Indicator no 9 Table #3 and Indicator no 11 Table #1 Annex I				material	228
ESRS S1-1, para. 21			Regulation (EU) 2020/1816, Annex II		material	228
ESRS S1-1, para. 22	Indicator no 11 Table #3 Annex I				material	228

Sustainability Statement

Disclosure requirement and related data point	SFDR* reference	Pillar 3** reference	Benchmark Regulation*** reference	EU Climate Law**** reference	Outcome of DMA	Page number
ESRS S1-1, para. 23	Indicator no 1 Table #3 Annex I				material	228
ESRS S1-3, para. 32 (c)	Indicator no 5 Table #3 Annex I				material	229
ESRS S1-14, para. 88 (b) and (c)	Indicator no 2 Table #3 Annex I		Regulation (EU) 2020/1816, Annex II		not material	n/a
ESRS S1-14, para. 88 (e)	Indicator no 3 Table #3 Annex I				not material	n/a
ESRS S1-16, para. 97 (a)	Indicator no 12 Table #1 of annex I		Regulation (EU) 2020/1816, Annex II		material	237
ESRS S1-16, para. 97 (b)	Indicator no 8 Table #3 Annex I				material	237
ESRS S1-17, para. 103 (a)	Indicator no 7 Table #3 Annex I				material	238
ESRS S1-17, para. 104 (a)	Indicator no 10 Table #1 and Indicator no 14 Table #3 Annex I		Regulation (EU) 2020/1816, Annex II Regulation (EU) 2020/1818 Art 12 (1)		material	238
ESRS 2-SBM 3 - S2, para. 11 (b)	Indicators no 12 and 13 Table #3 Annex I				material (phased-in)	n/a
ESRS S2-1, para. 17	Indicator no 9 Table #3 Annex 1 and Indicator no 11 Table #1 Annex 1				material (phased-in)	n/a
ESRS S2-1, para. 18	Indicators no 11 and no 4 Table #3 Annex 1				material (phased-in)	n/a
ESRS S2-1, para. 19	Indicator no 10 Table #1 Annex 1		Regulation (EU) 2020/1816, Annex II, Regulation (EU) 2020/1818, Art 12 (1)		material (phased-in)	n/a
ESRS S2-1, para. 19			Regulation (EU) 2020/1816, Annex II		material (phased-in)	n/a
ESRS S2-4, para. 36	Indicator no 14 Table #3 Annex 1				material (phased-in)	n/a
ESRS S3-1, para. 16	Indicator no 9 Table #3 Annex 1 and Indicator no 11 Table #1 Annex 1				material (phased-in)	n/a
ESRS S3-1, para. 17	Indicator no 10 Table #1 Annex 1		Regulation (EU) 2020/1816, Annex II Regulation (EU) 2020/1818, Art 12 (1)		material (phased-in)	n/a
ESRS S3-4, para. 36	Indicator no 14 Table #3 Annex 1				material (phased-in)	n/a
ESRS S4-1, para. 16	Indicator no 9 Table #3 and Indicator no 11 Table #1 Annex 1				material (phased-in)	n/a
ESRS S4-1, para. 17	Indicator no 10 Table #1 Annex 1		Regulation (EU) 2020/1816, Annex II Regulation (EU) 2020/1818, Art 12 (1)		material (phased-in)	n/a
ESRS S4-4, para. 35	Indicator no 14 Table #3 Annex 1				material (phased-in)	n/a
ESRS G1-1, para. 10 (b)	Indicator no 15 Table #3 Annex 1				not material	n/a
ESRS G1-1, para. 10 (d)	Indicator no 6 Table #3 Annex 1				not applicable	n/a
ESRS G1-4, para. 24 (a)	Indicator no 17 Table #3 Annex 1		Regulation (EU)2020/1816, Annex II		material	242
ESRS G1-4, para. 24 (b)	Indicator no 16 Table #3 Annex 1				material	242

* SFDR = Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
** Pillar 3 = Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation 'CRR') (OJ L 176, 27.6.2013, p. 1).
*** Benchmark Regulation = Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
**** EU Climate Law = Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).
*****Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
******Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.).
*******Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

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EPRA appendix

Qualifying notes in line with EPRA sBPR

Third party assurance

NEPI Rockcastle has not obtained third party assurance for the EPRA section in this report.

Boundaries

NEPI Rockcastle reports on 100% of the assets under its operational and financial control. The data reported covers 61 income producing properties and all of its staff.

As of December 2024, the Group maintains operational and financial control over 60 income-producing properties, comprising 57 retail centres, 2 office buildings, and 1 industrial park (details in Schedule of Properties, page 378). For the purpose of consolidating consumption data, a total of 61 assets were taken into consideration. This portfolio includes Magnolia Park (Wroclaw, Poland), acquired in September 2024, with data consolidated for the period it was under the Group's ownership. Additionally, the consumption for the Serbian property and the Romanian industrial property, both sold in 2024, has been included for the period they were owned. The consumption data for Silesia City Center (Katowice, Poland), acquired in December 2024, is excluded, as the short timeframe since acquisition limits the relevance of its utility consumption data for 2024.

The Group confirms that all relevant Group entities and activities are included in the consolidated sustainability reporting, with the exception of the Silesia City Center, which was purchased in December 2024 as explained above.

Control is understood as the legal capacity to monitor and make decisions on supply chain management, utilities consumption and facilities management. This excludes any area over which the tenant has full control in terms of monitoring consumption and payment. The Group is making efforts to collect data from the tenants – fully controlled areas, for a broader perspective on its environmental impacts. Centre and Technical Managers monitor utility consumption (energy and water) and waste on the asset level while the Sustainability Analyst at the corporate level verifies Group-wide figures on a monthly basis. The Group uses Deepki to standardise its monthly reporting of energy, water and waste data. The platform enables data analysis at portfolio level, embeds climate factors and allows shopping centre performance benchmarking. Social data related to human resources is monitored using an information system, enabling standardised and structured management of data. Where payroll and employee administration is outsourced, data is provided by the service providers. Community engagement partnerships (with partners and NGOs) are monitored in structured data files and an annual review is in place, engaging local teams, Regional Marketing and Sustainability Department.

Normalisation

NEPI Rockcastle has normalised its data by using gross floor area (adjusted for tenant controlled areas for which data is not fully collected from tenants yet) as the denominator. This means that, for example, energy intensity is calculated per m^2. NEPI Rockcastle has not carried out any further normalisation of the data.

Segmentation

Data on environmental and energy performance has been broken down on property type (retail, office, industrial) as well as at country level where NEPI Rockcastle operates.

Narratives on performance

Explanatory details on performance are included in the body of the report and, where relevant, notes explaining any significant variances are included at the bottom of each table.

Reporting period

The reporting period is 1 January 2024 to 31 December 2024. Comparative data on an Absolute and like-for-like basis is included for each type of utility.

Information not available at the time of the report

H&S-Asset Asset health and safety assessments
H&S-Comp Asset health and safety compliance

Coverage and Estimations

The Group incorporates in this report data pertaining to every environmental aspect across all properties under its control, as delineated in the organisational boundaries.

The Group has made a concerted effort to collect information on utilities and waste consumption at its properties, including tenant fully controlled areas. Some tenant-controlled areas are still left out, due to insufficient data. The Group plans to continue to increase the coverage of the information reported, thus demonstrating commitment to sustainability, environmental and energy performance, both on the portfolio and corporate level. In the meantime, for calculation of intensity factors, those areas fully controlled by tenants, where the Group was not yet able to have reliable data, were excluded both from consumption and from the gross floor area, and was estimated as presented below.

The consumption reported includes all utilities that the Company purchased as landlord (i.e. those consumed in the common areas and those consumed in the tenants areas for which NEPI Rockcastle is responsible for sourcing and tracking). There are still some limited cases where the Group does not have access to tenant managed utilities and these represent the following % calculated based on total areas:

- 6% for electricity
- 4% for fuel
- 1% for district heating

Based on the available tenant data and Company's estimations, total energy not covered and managed by the tenants is approximately 61,280MWh. Water (both tap and groundwater) is covered 100% by landlord reporting.

BREEAM Certification KPI is calculated for the whole portfolio, excluding retail parks and industrial (considered not eligible for BREEAM certification). This indicator covers therefore 98% of the portfolio by area. In some assets, where the waste is being tracked in m^3 based on local practices, a reconversion rate to metric tons (as required by reporting standards) was used, as follows:

- 0.35 for compressed waste
- 0.15 for non-compressed waste

Section	Reporting scope rules	Scope & coverage rate
All Energy KPIs	All assets under NEPI Rockcastle's operational control are included in scope. All exclusions and estimations are reported in the "Coverage and Estimations"	Scope: 61 properties throughout the year; 60 Owned and managed shopping centres as of 31 December 2024
		Portfolio coverage rate: 100%[1]
All GHG related KPIs	All assets under NEPI Rockcastle's operational control are included in scope. The Company accounts for all emissions coming from owned and tracked energy usage. All exclusions and estimations are reported in the "Coverage and Estimations"	Scope: 61 properties throughout the year; 60 Owned and managed shopping centers as of December 2024
		Portfolio coverage rate: 100%[1]
All water related KPIs	All assets under NEPI Rockcastle's operational control are included in scope.	Scope: 61 properties throughout the year; 60 Owned and managed shopping centres as of December 2024
		Portfolio coverage rate: 100%[1]
All waste related KPIs	All assets under NEPI Rockcastle's operational control are included in scope. Strip malls and industrial excluded as the waste disposal data is not available to the Company.	Scope: 53 properties throughout the year; 60 Owned and managed shopping centers as of December 2024
		Portfolio coverage rate: 88%[1]
BREEAM certification KPIs	All eligible[2] assets under NEPI Rockcastle's operational control are included in the scope.	Scope: 53 properties throughout the year; 60 Owned and managed shopping centers as of December 2024
		Portfolio coverage rate: 100%[1]
All photovoltaic KPIs	All assets under NEPI Rockcastle's operational control are included in the scope.	Scope: 61 properties throughout the year; 60 Owned and managed shopping centers as of December 2024
		Portfolio coverage rate: 100%[1]
All accessibility KPIs	All assets under NEPI Rockcastle's operational control are included in the scope.	Scope: 61 properties throughout the year; 60 Owned and managed shopping centers as of December 2024
		Portfolio coverage rate: 100%[1]

1 Excluding Silesia City Center acquired in December 2024

2 Excluding industrial and strip malls

EPRA appendix

Changes to last year's report

Changes from 2023 Annual Report	2023 Corrected	2023 Reported	Absolute change	%
Electricity (MWh)	512,617	512,445	172	0.03%
Renewable Electricity (MWh)	395,166	395,924	(758)	-0.19%
Fuel (MWh)	79,096	78,811	285	0.36%
District Heating (MWh)	49,209	49,209	-	0.00%
Water (m3)	1,981,733	1,968,988	12,745	0.65%
Waste (MT)	27,641	27,102	540	1.99%
CO_2e ($MTCO_2e$)	87,698	81,740	5,958	7.29%

- The changes in energy covering electricity, renewable electricity, fuel, district heating, cooling, water and waste come from data being reconciled with invoices and information that was not available at the time of 2023 reporting
- The changes in CO_2e are caused by the differences in energy consumption and update of emission factors used

Location EPRA Sustainability Performance

The EPRA Index below gives detailed information on the location of each reported item within this report:

EPRA Performance Measure	Definition	Page Reference
EPRA – Sustainability Performance Measures – Environmental		
Elec-Abs:	Total amount of electricity consumed. It includes electricity from renewable and non-renewable sources, whether imported or generated on site. This accounts for CTP's corporate offices	254
Elec-LFL:	The consistency of the electricity consumption in the operation. A like-for-like comparison of 2024 and 2023.	254
DH&C-Abs:	Total amount of indirect energy consumed from district heating or cooling systems. In this instance, 'indirect' means energy generated off-site and typically bought from an external energy supplier.	259
DH&C-LFL:	The consistency of the district heating and cooling consumption in the operation. A like-for-like comparison of 2024 and 2023.	259
Fuels-Abs:	Total amount of fuel used from direct (renewable and non-renewable) sources ('direct' meaning that the fuel is combusted on-site).	261
Fuels-LFL:	The consistency of the fuel consumption in the operation. A like-for-like comparison of 2024 and 2023.	261
Energy-Int:	Consumption of direct and indirect energy normalised by an appropriate denominator.	264
GHG-Dir-Abs:	Total amount of direct greenhouse gas emissions generated ('direct' meaning that GHG emissions are generated on site through combustion of the energy source/ fuel). This calculation includes use of natural gas in offices, car fuel, as well as jet fuel.	264
GHG-Indir-Abs:	Total amount of indirect greenhouse gas emissions generated ('indirect' meaning that GHG emissions are generated off-site during combustion of the energy source).	265
GHG-Int:	Emissions of direct and indirect GHGs normalised by an appropriate denominator.	271
Water-Abs:	Total amount of water consumed within the corporate offices over the full reporting year.	273
Water-LFL:	The consistency of the water consumption in the operation. A like-for-like comparison of 2024 and 2023.	273
Water-Int:	Consumption of water normalised by an appropriate denominator.	274
Waste-Abs:	The total amount of waste produced and disposed of.	275

EPRA Performance Measure	Definition	Page Reference
Waste-LFL:	The consistency of the waste production in the operation. A like-for-like comparison of 2024 and 2023.	275
Cert-Tot:	Total number of assets that have formally obtained sustainability certification, rating, or labelling at the end of the reporting year.	278
EPRA – Sustainability Performance Measures – Social		
Diversity-Emp:	The percentage of male and female employees in the organisation's governance bodies and other significant employee categories.	283
Diversity-Pay:	Ratio of the basic salary and/or remuneration of women to men.	283
Emp-Training:	The average number of hours employees have undertaken.	283
Emp-Dev:	Percentage of total employees who have received regular performance and career development reviews.	283
Emp-Turnover:	The total number and rate of new employee hires and employee turnover.	283
H&S-Emp:	The occupational health and safety performance with relation to our direct employees.	284
Comty-Eng:	Percentage of assets under operational control that have implemented local community engagement, impact assessments and/or development programs.	284
EPRA Sustainability Performance Measures – Governance		
Gov-Board:	The composition of the highest governance body.	285
Gov-Select:	The nomination and selection process for the highest governance body and its members, and the criteria used to guide the nomination and selection process.	285
Gov-Col:	The processes for the highest governance body to ensure conflicts of interest are avoided and managed.	286

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EPRA appendix

EPRA Sustainability Performance Measures (Environmental)

ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
Elec-Abs, Elec-LfL	MWh	Electricity for landlord shared services (common areas)	**Retail**	**147,277**	**142,405**	**-3%**	**119,461**	**113,160**	**-5%**
			Romania	31,724	31,190	-2%	26,215	24,358	-7%
			Poland	39,812	40,580	2%	31,213	31,131	0%
			Slovakia	17,998	12,512	-30%	17,998	12,512	-30%
			Bulgaria	16,681	16,351	-2%	16,681	16,351	-2%
			Hungary	13,396	14,545	9%	5,917	6,412	8%
			Serbia	6,228	4,831	-22%	-	-	-
			Lithuania	4,961	4,934	-1%	4,961	4,934	-1%
			Croatia	7,891	7,771	-2%	7,891	7,771	-2%
			Czech Republic	8,586	9,690	13%	8,586	9,690	13%
			Office	**1,166**	**999**	**-14%**	**1,166**	**999**	**-14%**
			Slovakia	789	564	-29%	789	564	-29%
			Bulgaria	376	435	16%	376	435	16%
			Industrial	**-**	**-**	**-**	**-**	**-**	-
			Romania	-	-	-	-	-	-
			Total	**148,442**	**143,404**	**-3%**	**120,627**	**114,159**	**-5%**
Elec-Abs, Elec-LfL	MWh	(sub)metered exclusively to tenants (tenant area - tenant managed)	**Retail**	**297,231**	**313,440**	**5%**	**245,495**	**250,819**	**2%**
			Romania	164,741	179,282	9%	140,997	144,247	2%
			Poland	40,424	40,107	-1%	34,464	31,173	-10%
			Slovakia	6,300	10,814	72%	6,300	10,814	72%
			Bulgaria	26,916	29,338	9%	26,916	29,338	9%
			Hungary	17,761	18,132	2%	7,538	7,354	-2%
			Serbia	11,808	7,872	-33%	-	-	-
			Lithuania	7,261	7,930	9%	7,261	7,930	9%
			Croatia	14,262	13,014	-9%	14,262	13,014	-9%
			Czech Republic	7,756	6,950	-10%	7,756	6,950	-10%
			Office	**1,350**	**1,771**	**31%**	**1,350**	**1,771**	**31%**
			Slovakia	465	696	50%	465	696	50%
			Bulgaria	886	1,075	21%	886	1,075	21%
			Industrial	**3,034**	**2,606**	**-14%**	**2,660**	**2,572**	**-3%**
			Romania	3,034	2,606	-14%	2,660	2,572	-3%
			Total	**301,616**	**317,816**	**5%**	**249,505**	**255,162**	**2%**
Elec-Abs, Elec-LfL	MWh	Total landlord-obtained electricity	**Retail**	**444,507**	**455,845**	**3%**	**364,956**	**363,979**	**0%**
			Romania	196,465	210,472	7%	167,212	168,605	1%
			Poland	80,236	80,687	1%	65,677	62,303	-5%
			Slovakia	24,298	23,326	-4%	24,298	23,326	-4%
			Bulgaria	43,597	45,689	5%	43,597	45,689	5%
			Hungary	31,157	32,677	5%	13,455	13,766	2%
			Serbia	18,036	12,704	-30%	-	-	
			Lithuania	12,222	12,865	5%	12,222	12,865	5%

ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Croatia	22,153	20,785	-6%	22,153	20,785	-6%
			Czech Republic	16,341	16,640	2%	16,341	16,640	2%
			Office	**2,516**	**2,770**	**10%**	**2,516**	**2,770**	**10%**
			Slovakia	1,254	1,260	0%	1,254	1,260	0%
			Bulgaria	1,262	1,510	20%	1,262	1,510	20%
			Industrial	**3,034**	**2,606**	-14%	**2,660**	**2,572**	-3%
			Romania	3,034	2,606	-14%	2,660	2,572	-3%
			Total	**450,058**	**461,220**	**2%**	**370,132**	**369,321**	**0%**
Elec-Abs, Elec-LfL	MWh	Total tenant-obtained electricity (tenant managed)	**Retail**	**62,559**	**63,433**	**1%**	**46,848**	**46,488**	**-1%**
			Romania	4,649	2,337	-50%	4,649	2,337	-50%
			Poland	55,897	58,945	5%	40,185	42,000	5%
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	-	-	-	-	-
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	2,013	2,151	7%	2,013	2,151	7%
			Croatia	-	-	-	-	-	-
			Czech Republic	-	-	-	-	-	-
			Office	**-**	**-**	**-**	**-**	**-**	-
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	-	-	-	-	-
			Industrial	**-**	**-**	**-**	**-**	**-**	-
			Romania	-	-	**-**	-	-	-
			Total	**62,559**	**63,433**	**1%**	**46,848**	**46,488**	**-1%**
Elec-Abs, Elec-LfL	MWh	Total electricity	**Retail**	**507,066**	**519,277**	**2%**	**411,804**	**410,467**	**0%**
			Romania	201,114	212,809	6%	171,862	170,942	-1%
			Poland	136,133	139,631	3%	105,862	104,304	-1%
			Slovakia	24,298	23,326	-4%	24,298	23,326	-4%
			Bulgaria	43,597	45,689	5%	43,597	45,689	5%
			Hungary	31,157	32,677	5%	13,455	13,766	2%
			Serbia	18,036	12,704	-30%	-	-	
			Lithuania	14,235	15,016	5%	14,235	15,016	5%
			Croatia	22,153	20,785	-6%	22,153	20,785	-6%
			Czech Republic	16,341	16,640	2%	16,341	16,640	2%
			Office	**2,516**	**2,770**	**10%**	**2,516**	**2,770**	**10%**
			Slovakia	1,254	1,260	0%	1,254	1,260	0%
			Bulgaria	1,262	1,510	20%	1,262	1,510	20%
			Industrial	**3,034**	**2,606**	**-14%**	**2,660**	**2,572**	**-3%**
			Romania	3,034	2,606	-14%	2,660	2,572	-3%
			Total	**512,617**	**524,653**	**2%**	**416,980**	**415,809**	**0%**
No. of applicable properties				60	61		50	50	
m2 of applicable properties				4,069,169	4,133,050		3,308,377	3,308,377	

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ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
		% Electricity Estimated		0%	0%	0%	0%	0%	0%

Total electricity consumption slightly increased due to natural changes in operations and weather. No notable trends were noted.

Where NEPI Rockcastle has operational control (i.e. common areas), electricity consumption decreased in absolute and like-for-like terms, demonstrating energy efficiency improvements. Whilst the Group does encourage tenants to undertake energy efficiency programs and to adopt energy saving behaviours, ultimately the Company does not have operational control over tenant units.

ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
Elec-Abs, Elec-LfL	%	Proportion of purchased electricity from renewable sources	**Retail**	**76%**	**78%**	**4%**	**78%**	**82%**	**5%**
			Romania	92%	85%	-8%	92%	88%	-5%
			Poland	55%	54%	-2%	61%	58%	-5%
			Slovakia	100%	100%	0%	100%	100%	0%
			Bulgaria	80%	95%	19%	80%	95%	19%
			Hungary	40%	72%	80%	40%	72%	80%
			Serbia	100%	100%	0%	0%	0%	0%
			Lithuania	100%	97%	-3%	100%	97%	-3%
			Croatia	14%	81%	482%	14%	81%	482%
			Czech Republic	100%	100%	0%	100%	100%	0%
			Office	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**
			Slovakia	100%	100%	0%	100%	100%	0%
			Bulgaria	100%	100%	0%	100%	100%	0%
			Industrial	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**
			Romania	100%	100%	0%	100%	100%	0%
			Total	**76%**	**79%**	**3%**	**78%**	**82%**	**5%**
Elec-Abs, Elec-LfL	MWh	Quantity of purchased electricity from renewable sources	**Retail**	**383,778**	**406,888**	**6%**	**320,824**	**335,388**	**5%**
			Romania	185,655	180,747	-3%	158,554	150,260	-5%
			Poland	74,791	74,874	0%	64,054	60,110	-6%
			Slovakia	24,298	23,326	-4%	24,298	23,326	-4%
			Bulgaria	34,856	43,594	25%	34,856	43,594	25%
			Hungary	12,463	23,476	88%	5,382	9,931	85%
			Serbia	18,036	12,704	-30%	-	-	-
			Lithuania	14,235	14,602	3%	14,235	14,602	3%
			Croatia	3,101	16,925	446%	3,101	16,925	446%
			Czech Republic	16,341	16,640	2%	16,341	16,640	2%
			Office	**2,516**	**2,770**	**10%**	**2,516**	**2,770**	**10%**
			Slovakia	1,254	1,260	0%	1,254	1,260	0%
			Bulgaria	1,262	1,510	20%	1,262	1,510	20%
			Industrial	**3,034**	**2,606**	**-14%**	**2,660**	**2,572**	**-3%**

ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Romania	3,034	2,606	-14%	2,660	2,572	-3%
			Total	**389,329**	**412,264**	**6%**	**325,999**	**340,730**	**5%**
Elec-Abs, Elec-LfL	%	Proportion of obtained electricity from fossil fuels	**Retail**	**20%**	**15%**	**-25%**	**18%**	**13%**	**-28%**
			Romania	0%	0%	-77%	0%	0%	-73%
			Poland	45%	46%	3%	39%	42%	7%
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	20%	5%	-77%	20%	5%	-77%
			Hungary	40%	19%	-53%	40%	18%	-54%
			Serbia	0%	0%	0%	0%	0%	0%
			Lithuania	0%	0%	0%	0%	0%	0%
			Croatia	78%	17%	-78%	78%	17%	-78%
			Czech Republic	0%	0%	0%	0%	0%	0%
			Office	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Industrial	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
			Romania	0%	0%	0%	0%	0%	0%
			Total	**19%**	**15%**	**-25%**	**18%**	**13%**	**-28%**
Elec-Abs, Elec-LfL	MWh	Quantity of obtained electricity from fossil fuels	**Retail**	**99,923**	**76,484**	**-23%**	**73,348**	**52,371**	**-29%**
			Romania	145	35	-76%	129	35	-73%
			Poland	61,341	64,757	6%	41,808	44,193	6%
			Slovakia	-	-	0%	-	-	0%
			Bulgaria	8,741	2,096	-76%	8,741	2,096	-76%
			Hungary	12,365	6,086	-51%	5,339	2,536	-52%
			Serbia	-	-	0%	-	-	0%
			Lithuania	-	-	0%	-	-	0%
			Croatia	17,331	3,511	-80%	17,331	3,511	-80%
			Czech Republic	-	-	0%	-	-	0%
			Office	**-**	**-**	**0%**	**-**	**-**	**0%**
			Slovakia	-	-	0%	-	-	0%
			Bulgaria	-	-	0%	-	-	0%
			Industrial	**-**	**-**	**0%**	**-**	**-**	**0%**
			Romania	-	-	0%	-	-	0%
			Total	**99,923**	**76,484**	**-23%**	**73,348**	**52,371**	**-29%**
Elec-Abs, Elec-LfL	%	Proportion of nuclear electricity	**Retail**	**3%**	**1%**	**-68%**	**3%**	**1%**	**-69%**
			Romania	5%	1%	-77%	5%	1%	-73%
			Poland	0%	0%	0%	0%	0%	0%
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Hungary	20%	10%	-53%	20%	9%	-54%
			Serbia	0%	0%	0%	0%	0%	0%
			Lithuania	0%	0%	0%	0%	0%	0%

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ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Croatia	8%	2%	-78%	8%	2%	-78%
			Czech Republic	0%	0%	0%	0%	0%	0%
			Office	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Industrial	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
			Romania	0%	0%	0%	0%	0%	0%
			Total	**3%**	**1%**	**-68%**	**3%**	**1%**	**-69%**
Elec-Abs, Elec-LfL	MWh	Nuclear (grid energy)	**Retail**	**17,528**	**5,766**	**-67%**	**12,872**	**3,949**	**-69%**
			Romania	9,477	2,302	-76%	8,417	2,302	-73%
			Poland	-	-	0%	-	-	0%
			Slovakia	-	-	0%	-	-	0%
			Bulgaria	-	-	0%	-	-	0%
			Hungary	6,330	3,116	-51%	2,734	1,299	-52%
			Serbia	-	-	0%	-	-	0%
			Lithuania	-	-	0%	-	-	0%
			Croatia	1,721	349	-80%	1,721	349	-80%
			Czech Republic	-	-	0%	-	-	0%
			Office	**-**	**-**	**0%**	**-**	**-**	**0%**
			Slovakia	-	-	0%	-	-	0%
			Bulgaria	-	-	0%	-	-	0%
			Industrial	**-**	**-**	**0%**	**-**	**-**	**0%**
			Romania	-	-	0%	-	-	0%
			Total	**17,528**	**5,766**	**-67%**	**12,872**	**3,949**	**-69%**
Elec-Abs, Elec-LfL	%	Solar Photovoltaic (% of electricity consumption from self-generated Solar PV as a percentage of total electricity consumption)	**Retail**	**1%**	**6%**	**404%**	**1%**	**5%**	**295%**
			Romania	3%	14%	381%	3%	11%	287%
			Poland	0%	0%	0%	0%	0%	0%
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Hungary	0%	0%	0%	0%	0%	0%
			Serbia	0%	0%	0%	0%	0%	0%
			Lithuania	0%	3%	100%	0%	3%	100%
			Croatia	0%	0%	0%	0%	0%	0%
			Czech Republic	0%	0%	0%	0%	0%	0%
			Office	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Industrial	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
			Romania	0%	0%	0%	0%	0%	0%
			Total	**1%**	**6%**	**404%**	**1%**	**5%**	**295%**
Elec-Abs, Elec-LfL	MWh	Solar Photovoltaic (self-generated)	**Retail**	**5,837**	**30,139**	**416%**	**4,761**	**18,758**	**294%**
			Romania	5,837	29,725	409%	4,761	18,345	285%

ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Poland	-	-	-	-	-	-
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	-	-	-	-	-
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	-	413	-	-	413	-
			Croatia	-	-	-	-	-	-
			Czech Republic	-	-	-	-	-	-
			Office	**-**	**-**	**-**	**-**	**-**	**-**
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	-	-	-	-	-
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**5,837**	**30,139**	**416%**	**4,761**	**18,758**	**294%**

As part of NEPI Rockcastle's objectives to decarbonise its portfolio, the procurement and production of renewable electricity is a priority. The increase in renewable electricity was driven by the purchase of clean electricity and improved infrastructure for solar power integration.

The self-generated green electricity increased from 1% in 2023 to 6% in 2024 following the rollout of photovoltaic installations across Romania and Lithuania. With plans to further rollout photovoltaics across the portfolio, the Group anticipates further increase of renewable electricity share in 2025 and 2026.

Notably, NEPI Rockcastle decreased its energy consumption sourced from fossil fuels by 23%.

ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
DH&C-Abs, DH&C-LfL	MWh	District heating and cooling for landlord shared services	**Retail**	**37,314**	**33,291**	**-11%**	**35,928**	**32,034**	**-11%**
			Romania	-	-	-	-	-	-
			Poland	14,343	13,021	- 0	12,957	11,764	- 0
			Slovakia	10,255	7,403	- 0	10,255	7,403	- 0
			Bulgaria	979	1,055	0	979	1,055	0
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	3,249	3,407	0	3,249	3,407	0
			Croatia	-	-	-	-	-	-
			Czech Republic	8,488	8,404	- 0	8,488	8,404	- 0
			Office	**1,674**	**1,238**	**- 0**	**1,674**	**1,238**	**- 0**
			Slovakia	1,184	880	- 0	1,184	880	- 0
			Bulgaria	490	357	- 0	490	357	- 0
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**38,988**	**34,529**	**-11%**	**37,602**	**33,272**	**-12%**

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ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
DH&C-Abs, DH&C-LfL	MWh	District heating and cooling (sub)metered exclusively to tenants	**Retail**	**9,477**	**9,077**	**-4%**	**6,719**	**6,366**	**-5%**
			Romania	-	-	-	-	-	-
			Poland	9,477	9,064	- 0.04	6,719	6,352	- 0.05
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	13	-	-	13	-
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	-	-	-	-	-	-
			Croatia	-	-	-	-	-	-
			Czech Republic	-	-	-	-	-	-
			Office	**744**	**724**	**- 0.03**	**744**	**724**	**- 0.03**
			Slovakia	-	-	-	-	-	-
			Bulgaria	744	724	- 0.03	744	724	- 0.03
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**10,221**	**9,801**	**-4%**	**7,463**	**7,090**	**-5%**
DH&C-Abs, DH&C-LfL	MWh	Total landlord-obtained district heating and cooling	**Retail**	**46,791**	**42,368**	**-9%**	**42,647**	**38,399**	**-10%**
			Romania	-	-	-	-	-	-
			Poland	23,820	22,085	-7%	19,676	18,116	-8%
			Slovakia	10,255	7,403	-28%	10,255	7,403	-28%
			Bulgaria	979	1,068	9%	979	1,068	9%
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	3,249	3,407	5%	3,249	3,407	5%
			Croatia	-	-	-	-	-	-
			Czech Republic	8,488	8,404	-1%	8,488	8,404	-1%
			Office	**2,418**	**1,962**	**-19%**	**2,418**	**1,962**	**-19%**
			Slovakia	1,184	880	-26%	1,184	880	-26%
			Bulgaria	1,234	1,082	-12%	1,234	1,082	-12%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**49,209**	**44,330**	**-10%**	**45,065**	**40,362**	**-10%**
DH&C-Abs, DH&C-LfL	MWh	Total District heating and cooling	**Retail**	**46,791**	**42,368**	**-9%**	**42,647**	**38,399**	**-10%**
			Romania	-	-	-	-	-	-
			Poland	23,820	22,085	-7%	19,676	18,116	-8%
			Slovakia	10,255	7,403	-28%	10,255	7,403	-28%
			Bulgaria	979	1,068	9%	979	1,068	9%
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	3,249	3,407	5%	3,249	3,407	5%
			Croatia	-	-	-	-	-	-
			Czech Republic	8,488	8,404	-1%	8,488	8,404	-1%

ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Office	**2,418**	**1,962**	**-19%**	**2,418**	**1,962**	**-19%**
			Slovakia	1,184	880	-26%	1,184	880	-26%
			Bulgaria	1,234	1,082	-12%	1,234	1,082	-12%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**49,209**	**44,330**	**-10%**	**45,065**	**40,362**	**-10%**
No. of applicable properties				60	61		50	50	
m2 of applicable properties				4,321,058	4,377,901		3,470,731	3,470,731	
% district heating estimated				0%	0%	0%	0%	0%	0%

NEPI Rockcastle utilises District Heating across several geographies as a greener alternative to fossil fuel consumption. However, there are still emissions associated with district heating, some of which being sourced from fossil fuel. As such, NEPI Rockcastle intends to decrease reliance on both fuel and district heating where possible.

NEPI Rockcastle's district heating consumption decreased by 10% in absolute and like-for-like terms. This is partly due to operational changes as well as weather, though no HDD (Heating Degree Days) adjustment has been considered.

ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
Fuel-Abs, Fuel-LfL	MWh	Fuel for landlord shared services	**Retail**	**38,461**	**40,406**	**5%**	**34,420**	**34,770**	**1%**
			Romania	7,929	9,050	14%	6,905	7,736	12%
			Poland	11,402	12,906	13%	11,402	12,205	7%
			Slovakia	6,051	4,825	-20%	6,051	4,825	-20%
			Bulgaria	4,333	3,808	-12%	4,333	3,808	-12%
			Hungary	5,355	6,861	28%	2,662	3,454	30%
			Serbia	325	213	-34%	-	-	-
			Lithuania	-	-	-	-	-	-
			Croatia	3,067	2,743	-11%	3,067	2,743	-11%
			Czech Republic	-	-	-	-	-	-
			Office	**8**	**0**	**-100%**	**8**	**0**	**-100%**
			Slovakia	8.21	0.01	-100%	8.21	0.01	-100%
			Bulgaria	-	-	-	-	-	-
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**38,469**	**40,406**	**5%**	**34,428**	**34,770**	**1%**
Fuel-Abs, Fuel-LfL	MWh	(sub)metered exclusively to tenants	**Retail**	**32,367**	**33,606**	**4%**	**26,844**	**27,072**	**1%**
			Romania	27,005	27,995	4%	23,366	23,626	1%
			Poland	1,009	1,691	68%	382	351	-8%
			Slovakia	283	221	-22%	283	221	-22%
			Bulgaria	1,905	1,923	1%	1,905	1,923	1%
			Hungary	0	0	16%	0	0	16%
			Serbia	1,258	825	-34%	-	-	-
			Lithuania	663	585	-12%	663	585	-12%

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ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Croatia	243	365	50%	243	365	50%
			Czech Republic	-	-	-	-	-	-
			Office	**-**	**-**	**-**	**-**	**-**	**-**
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	-	-	-	-	-
			Industrial	**8,259**	**7,328**	**-11%**	**7,651**	**7,202**	**-6%**
			Romania	8,259	7,328	-11%	7,651	7,202	-6%
			Total	**40,627**	**40,934**	**1%**	**34,495**	**34,274**	**-1%**
Fuel-Abs, Fuel-LfL	MWh	Total landlord-obtained fuels	**Retail**	**70,829**	**74,013**	**4%**	**61,263**	**61,842**	**1%**
			Romania	34,934	37,046	6%	30,272	31,362	4%
			Poland	12,411	14,598	18%	11,784	12,556	7%
			Slovakia	6,334	5,046	-20%	6,334	5,046	-20%
			Bulgaria	6,239	5,731	-8%	6,239	5,731	-8%
			Hungary	5,356	6,861	28%	2,662	3,454	30%
			Serbia	1,582	1,038	-34%	-	-	-
			Lithuania	663	585	-12%	663	585	-12%
			Croatia	3,310	3,108	-6%	3,310	3,108	-6%
			Czech Republic	-	-	-	-	-	-
			Office	**8**	**0**	**-100%**	**8**	**0**	**-100%**
			Slovakia	8.21	0.01	-100%	8.21	0.01	-100%
			Bulgaria	-	-	-	-	-	-
			Industrial	**8,259**	**7,328**	**-11%**	**7,651**	**7,202**	**-6%**
			Romania	8,259	7,328	-11%	7,651	7,202	-6%
			Total	**79,096**	**81,341**	**3%**	**68,923**	**69,044**	**0%**
Fuel-Abs, Fuel-LfL	MWh	Total fuel	**Retail**	**70,829**	**74,013**	**4%**	**61,263**	**61,842**	**1%**
			Romania	34,934	37,046	6%	30,272	31,362	4%
			Poland	12,411	14,598	18%	11,784	12,556	7%
			Slovakia	6,334	5,046	-20%	6,334	5,046	-20%
			Bulgaria	6,239	5,731	-8%	6,239	5,731	-8%
			Hungary	5,356	6,861	28%	2,662	3,454	30%
			Serbia	1,582	1,038	-34%	-	-	-
			Lithuania	663	585	-12%	663	585	-12%
			Croatia	3,310	3,108	-6%	3,310	3,108	-6%
			Czech Republic	-	-	-	-	-	-
			Office	**8**	**0**	**-100%**	**8**	**0**	**-100%**
			Slovakia	8	0	-100%	8	0	-100%
			Bulgaria	-	-	-	-	-	-
			Industrial	**8,259**	**7,328**	**-11%**	**7,651**	**7,202**	**-6%**
			Romania	8,259	7,328	-11%	7,651	7,202	-6%
			Total	**79,096**	**81,341**	**3%**	**68,923**	**69,044**	**0%**
Fuel-Abs, Fuel-LfL	%	Natural Gas	**Retail**	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**
			Romania	100%	100%	0%	100%	100%	0%

ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Poland	100%	100%	0%	100%	100%	0%
			Slovakia	100%	100%	0%	100%	100%	0%
			Bulgaria	100%	100%	0%	100%	100%	0%
			Hungary	100%	100%	0%	100%	100%	0%
			Serbia	100%	100%	0%	0%	0%	0%
			Lithuania	100%	100%	0%	100%	100%	0%
			Croatia	100%	100%	0%	100%	100%	0%
			Czech Republic	-	-		-	-	
			Office	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**
			Slovakia	100%	100%	0%	100%	100%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Industrial	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**
			Romania	100%	100%	0%	100%	100%	0%
			Total	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**
Fuel-Abs, Fuel-LfL	MWh	Natural Gas	**Retail**	**70,829**	**74,013**	**4%**	**61,263**	**61,842**	**1%**
			Romania	34,934	37,046	6%	30,272	31,362	4%
			Poland	12,411	14,598	18%	11,784	12,556	7%
			Slovakia	6,334	5,046	-20%	6,334	5,046	-20%
			Bulgaria	6,239	5,731	-8%	6,239	5,731	-8%
			Hungary	5,356	6,861	28%	2,662	3,454	30%
			Serbia	1,582	1,038	-34%	-	-	-
			Lithuania	663	585	-12%	663	585	-12%
			Croatia	3,310	3,108	-6%	3,310	3,108	-6%
			Czech Republic	-	-	-	-	-	-
			Office	**8**	**0**	**-100%**	**8**	**0**	**-100%**
			Slovakia	8	0	-100%	8	0	-100%
			Bulgaria	-	-	-	-	-	-
			Industrial	**8,259**	**7,328**	**-11%**	**7,651**	**7,202**	**-6%**
			Romania	8,259	7,328	-11%	7,651	7,202	-6%
			Total	**79,096**	**81,341**	**3%**	**68,923**	**69,044**	**0%**
No. applicable properties				60	61		50	50	
m2 of applicable properties				4,162,599	4,227,918		3,403,793	3,403,793	
% fuels estimated				0%	0%	0%	0%	0%	0%

All of NEPI Rockcastle's on-site fuel consumption is sourced from natural gas. NEPI Rockcastle intends to decrease reliance on natural gas for heating supply, though notes that consumption increased in absolute and like-for-like terms in 2024. This is partly due to operational changes, and partly due to weather.

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ENERGY				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
Energy-Int	kWh/m2/year	Energy Intensity	**Retail**	**155.43**	**155.56**	**0%**	**158.23**	**156.74**	**-1%**
			Romania	183.05	182.20	0%	178.34	178.48	0%
			Poland	145.65	144.41	-1%	151.19	148.60	-2%
			Slovakia	158.82	139.94	-12%	158.82	139.94	-12%
			Bulgaria	146.17	150.99	3%	146.17	150.99	3%
			Hungary	130.62	141.48	8%	152.57	163.11	7%
			Serbia	131.29	137.95	5%	-	-	-
			Lithuania	114.76	120.20	5%	114.76	120.20	5%
			Croatia	118.60	111.28	-6%	118.60	111.28	-6%
			Czech Republic	187.92	189.56	1%	187.92	189.56	1%
			Office	**99.74**	**95.50**	**-4%**	**99.74**	**95.50**	**-4%**
			Slovakia	132.22	115.72	-12%	132.22	115.72	-12%
			Bulgaria	80.39	83.46	4%	80.39	83.46	4%
			Industrial	**393.37**	**422.79**	**7%**	**438.86**	**416.01**	**-5%**
			Romania	393.37	422.79	7%	438.86	416.01	-5%
			Total	**156.37**	**156.31**	**0%**	**159.27**	**157.60**	**-1%**

The Group's energy intensity across the portfolio did not change significantly in 2024.

GHG EMISSIONS				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
GHG-Dir-Abs	tCO_2eq	Total Direct Scope 1	**Retail**	**7,076**	**7,434**	**5%**	**6,332**	**6,397**	**1%**
			Romania	1,459	1,665	14%	1,270	1,423	12%
			Poland	2,098	2,374	13%	2,098	2,245	7%
			Slovakia	1,113	888	-20%	1,113	888	-20%
			Bulgaria	797	701	-12%	797	701	-12%
			Hungary	985	1,262	28%	490	635	30%
			Serbia	60	39	-34%	-	-	-
			Lithuania	-	-	-	-	-	-
			Croatia	564	505	-11%	564	505	-11%
			Czech Republic	-	-	-	-	-	-
			Office	**2**	**0**	**-100%**	**2**	**0**	**-100%**
			Slovakia	2	0	-100%	2	0	-100%
			Bulgaria	-	-	-	-	-	-
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**7,077**	**7,434**	**5%**	**6,334**	**6,397**	**1%**
GHG-Dir-Abs	tCO2eq	Natural Gas	**Retail**	**7,076**	**7,434**	**5%**	**6,332**	**6,397**	**1%**
			Romania	1,459	1,665	14%	1,270	1,423	12%
			Poland	2,098	2,374	13%	2,098	2,245	7%

GHG EMISSIONS				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Slovakia	1,113	888	-20%	1,113	888	-20%
			Bulgaria	797	701	-12%	797	701	-12%
			Hungary	985	1,262	28%	490	635	30%
			Serbia	60	39	-34%	-	-	-
			Lithuania	-	-	-	-	-	-
			Croatia	564	505	-11%	564	505	-11%
			Czech Republic	-	-	-	-	-	-
			Office	2	0	**-100%**	2	0	**-100%**
			Slovakia	2	0	-100%	2	0	-100%
			Bulgaria	-	-	-	-	-	-
			Industrial	-	-	**-**	-	-	**-**
			Romania	-	-	-	-	-	-
			Total	**7,077**	**7,434**	**5%**	**6,334**	**6,397**	**1%**
GHG-Indir-Abs	tCO2eq	Total Indirect Scope 2 Market based	**Retail**	**13,063**	**7,668**	**-41%**	**11,327**	**6,752**	**-40%**
			Romania	0	-	0%	0	-	0%
			Poland	2,542	2,168	-15%	2,121	1,953	-8%
			Slovakia	1,751	1,264	-28%	1,751	1,264	-28%
			Bulgaria	1,796	544	-70%	1,796	544	-70%
			Hungary	2,356	1,195	-49%	1,041	494	-53%
			Serbia	-	-	-	-	-	-
			Lithuania	555	582	5%	555	582	5%
			Croatia	2,615	481	-82%	2,615	481	-82%
			Czech Republic	1,449	1,435	-1%	1,449	1,435	-1%
			Office	**286**	**211**	**-26%**	**286**	**211**	**-26%**
			Slovakia	202	150	-26%	202	150	-26%
			Bulgaria	84	61	-27%	84	61	-27%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**13,349**	**7,879**	**-41%**	**11,613**	**6,964**	**-40%**
GHG-Indir-Abs	tCO2eq	Scope 2 Electricity - market based	**Retail**	**6,824**	**2,086**	**-69%**	**5,324**	**1,385**	**-74%**
			Romania	0	-	0%	0	-	0%
			Poland	224	47	-79%	39	47	19%
			Slovakia	-	-	-	-	-	-
			Bulgaria	1,629	364	-78%	1,629	364	-78%
			Hungary	2,356	1,195	-49%	1,041	494	-53%
			Serbia	-	-	-	-	-	-
			Lithuania	-	-	-	-	-	-
			Croatia	2,615	481	-82%	2,615	481	-82%
			Czech Republic	-	-	-	-	-	-
			Office	**-**	**-**	**-**	**-**	**-**	**-**
			Slovakia	-	-	-	-	-	-

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GHG EMISSIONS				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Bulgaria	-	-	-	-	-	-
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**6,824**	**2,086**	**-69%**	**5,324**	**1,385**	**-74%**
GHG-Indir-Abs	tCO2eq	Scope 2 - Local District Heating	**Retail**	**6,240**	**5,582**	**-11%**	**6,003**	**5,367**	**-11%**
			Romania	-	-	-	-	-	-
			Poland	2,318	2,121	-8%	2,081	1,906	-8%
			Slovakia	1,751	1,264	-28%	1,751	1,264	-28%
			Bulgaria	167	180	8%	167	180	8%
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	555	582	5%	555	582	5%
			Croatia	-	-	-	-	-	-
			Czech Republic	1,449	1,435	-1%	1,449	1,435	-1%
			Office	**286**	**211**	**-26%**	**286**	**211**	**-26%**
			Slovakia	202	150	-26%	202	150	-26%
			Bulgaria	84	61	-27%	84	61	-27%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**6,525**	**5,793**	**-11%**	**6,289**	**5,578**	**-11%**
GHG-Indir-Abs	tCO2eq	Total Indirect Scope 2 (Location based)	**Retail**	**73,962**	**73,682**	**0%**	**58,438**	**57,901**	**-1%**
			Romania	7,500	8,495	13%	6,293	6,634	5%
			Poland	32,401	32,784	1%	25,666	25,430	-1%
			Slovakia	4,403	3,108	-29%	4,403	3,108	-29%
			Bulgaria	8,635	8,480	-2%	8,635	8,480	-2%
			Hungary	3,927	4,264	9%	1,735	1,880	8%
			Serbia	5,391	4,181	-22%	-	-	-
			Lithuania	1,755	1,776	1%	1,755	1,776	1%
			Croatia	3,041	2,995	-2%	3,041	2,995	-2%
			Czech Republic	6,911	7,599	10%	6,911	7,599	10%
			Office	**593**	**515**	**-13%**	**593**	**515**	**-13%**
			Slovakia	318	233	-27%	318	233	-27%
			Bulgaria	275	282	3%	275	282	3%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**74,555**	**74,197**	**0%**	**59,031**	**58,416**	**-1%**
GHG-Indir-Abs	tCO2eq	Scope 2 Electricity - location based	**Retail**	**67,723**	**68,100**	**1%**	**52,435**	**52,533**	**0%**
			Romania	7,500	8,495	13%	6,293	6,634	5%
			Poland	30,083	30,663	2%	23,585	23,523	0%
			Slovakia	2,652	1,844	-30%	2,652	1,844	-30%
			Bulgaria	8,467	8,300	-2%	8,467	8,300	-2%
			Hungary	3,927	4,264	9%	1,735	1,880	8%

GHG EMISSIONS				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Serbia	5,391	4,181	-22%	-	-	-
			Lithuania	1,201	1,194	-1%	1,201	1,194	-1%
			Croatia	3,041	2,995	-2%	3,041	2,995	-2%
			Czech Republic	5,462	6,164	13%	5,462	6,164	13%
			Office	**307**	**304**	**-1%**	**307**	**304**	**-1%**
			Slovakia	116	83	-29%	116	83	-29%
			Bulgaria	191	221	16%	191	221	16%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**68,030**	**68,404**	**1%**	**52,742**	**52,837**	**0%**
GHG-Indir-Abs	tCO2eq	Scope 2 - Local District Heating	**Retail**	**6,240**	**5,582**	**-11%**	**6,003**	**5,367**	**-11%**
			Romania	-	-	-	-	-	-
			Poland	2,318	2,121	-8%	2,081	1,906	-8%
			Slovakia	1,751	1,264	-28%	1,751	1,264	-28%
			Bulgaria	167	180	8%	167	180	8%
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	555	582	5%	555	582	5%
			Croatia	-	-	-	-	-	-
			Czech Republic	1,449	1,435	-1%	1,449	1,435	-1%
			Office	**286**	**211**	**-26%**	**286**	**211**	**-26%**
			Slovakia	202	150	-26%	202	150	-26%
			Bulgaria	84	61	-27%	84	61	-27%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**6,525**	**5,793**	**-11%**	**6,289**	**5,578**	**-11%**
GHG-Indir-Abs	tCO2eq	Total Scope 3 (market based)	**Retail**	**65,625**	**60,464**	**-8%**	**47,764**	**42,388**	**-11%**
			Romania	6,234	5,787	-7%	5,565	4,983	-10%
			Poland	47,931	50,744	6%	32,769	34,496	5%
			Slovakia	52	41	-22%	52	41	-22%
			Bulgaria	3,159	1,056	-67%	3,159	1,056	-67%
			Hungary	3,124	1,502	-52%	1,326	630	-52%
			Serbia	231	152	-34%	-	-	-
			Lithuania	122	108	-12%	122	108	-12%
			Croatia	4,771	1,074	-77%	4,771	1,074	-77%
			Czech Republic	-	-	-	-	-	-
			Office	**127**	**124**	**-3%**	**127**	**124**	**-3%**
			Slovakia	-	-	-	-	-	-
			Bulgaria	127	124	-3%	127	124	-3%
			Industrial	**1,519**	**1,348**	**-11%**	**1,408**	**1,325**	**-6%**
			Romania	1,519	1,348	-11%	1,408	1,325	-6%

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GHG EMISSIONS				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Total	**67,272**	**61,936**	**-8%**	**49,299**	**43,836**	**-11%**
GHG-Indir-Abs	tCO2eq	Scope 3- Electricity sub-metered to occupiers	**Retail**	**58,052**	**52,732**	**-9%**	**41,679**	**36,321**	**-13%**
			Romania	1,266	637	-50%	1,266	637	-50%
			Poland	46,127	48,886	6%	31,552	33,347	6%
			Slovakia	-	-	-	-	-	-
			Bulgaria	2,808	700	-75%	2,808	700	-75%
			Hungary	3,124	1,502	-52%	1,326	630	-52%
			Serbia	-	-	-	-	-	-
			Lithuania	-	-	-	-	-	-
			Croatia	4,727	1,007	-79%	4,727	1,007	-79%
			Czech Republic	-	-	-	-	-	-
			Office	**-**	**-**	**-**	**-**	**-**	**-**
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	-	-	-	-	-
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**58,052**	**52,732**	**-9%**	**41,679**	**36,321**	**-13%**
GHG-Indir-Abs	tCO2eq	Total Scope 3 (location based)	**Retail**	**168,969**	**172,252**	**2%**	**131,422**	**131,516**	**0%**
			Romania	50,889	54,333	7%	43,753	43,987	1%
			Poland	74,587	76,705	3%	57,625	56,441	-2%
			Slovakia	980	1,634	67%	980	1,634	67%
			Bulgaria	14,014	15,248	9%	14,014	15,248	9%
			Hungary	5,207	5,315	2%	2,210	2,156	-2%
			Serbia	10,451	6,965	-33%	-	-	-
			Lithuania	2,367	2,547	8%	2,367	2,547	8%
			Croatia	5,541	5,082	-8%	5,541	5,082	-8%
			Czech Republic	4,933	4,421	-10%	4,933	4,421	-10%
			Office	**645**	**772**	**20%**	**645**	**772**	**20%**
			Slovakia	68	103	50%	68	103	50%
			Bulgaria	577	669	16%	577	669	16%
			Industrial	**2,346**	**2,058**	**-12%**	**2,132**	**2,025**	**-5%**
			Romania	2,346	2,058	-12%	2,132	2,025	-5%
			Total	**171,960**	**175,081**	**2%**	**134,199**	**134,314**	**0%**
GHG-Indir-Abs	tCO2eq	Scope 3- Electricity sub-metered to occupiers	**Retail**	**161,396**	**164,519**	**2%**	**125,337**	**125,449**	**0%**
			Romania	45,921	49,183	7%	39,454	39,640	0%
			Poland	72,783	74,846	3%	56,407	55,292	-2%
			Slovakia	928	1,593	72%	928	1,593	72%
			Bulgaria	13,663	14,892	9%	13,663	14,892	9%
			Hungary	5,207	5,315	2%	2,210	2,156	-2%
			Serbia	10,220	6,814	-33%	-	-	-
			Lithuania	2,245	2,440	9%	2,245	2,440	9%
			Croatia	5,496	5,015	-9%	5,496	5,015	-9%

GHG EMISSIONS				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Czech Republic	4,933	4,421	-10%	4,933	4,421	-10%
			Office	**518**	**648**	**25%**	**518**	**648**	**25%**
			Slovakia	68	103	50%	68	103	50%
			Bulgaria	450	546	21%	450	546	21%
			Industrial	**826**	**710**	**-14%**	**724**	**700**	**-3%**
			Romania	826	710	-14%	724	700	-3%
			Total	**162,740**	**165,877**	**2%**	**126,579**	**126,798**	**0%**
GHG Total	tCO2eq	Scope 1 + Scope 2 (location based)	**Retail**	**81,038**	**81,115**	**0%**	**64,770**	**64,297**	**-1%**
			Romania	8,959	10,160	13%	7,563	8,057	7%
			Poland	34,498	35,159	2%	27,764	27,675	0%
			Slovakia	5,516	3,995	-28%	5,516	3,995	-28%
			Bulgaria	9,432	9,181	-3%	9,432	9,181	-3%
			Hungary	4,912	5,526	12%	2,224	2,515	13%
			Serbia	5,450	4,221	-23%	-	-	-
			Lithuania	1,755	1,776	1%	1,755	1,776	1%
			Croatia	3,605	3,499	-3%	3,605	3,499	-3%
			Czech Republic	6,911	7,599	10%	6,911	7,599	10%
			Office	**595**	**515**	**-13%**	**595**	**515**	**-13%**
			Slovakia	320	233	-27%	320	233	-27%
			Bulgaria	275	282	3%	275	282	3%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**81,633**	**81,630**	**0%**	**65,364**	**64,813**	**-1%**
GHG Total	tCO2eq	Scope 1 + Scope 2 (market based)	**Retail**	**20,139**	**15,101**	**-25%**	**17,659**	**13,149**	**-26%**
			Romania	1,459	1,665	14%	1,270	1,423	12%
			Poland	4,639	4,542	-2%	4,218	4,199	0%
			Slovakia	2,864	2,152	-25%	2,864	2,152	-25%
			Bulgaria	2,593	1,244	-52%	2,593	1,244	-52%
			Hungary	3,341	2,457	-26%	1,530	1,129	-26%
			Serbia	60	39	-34%	-	-	-
			Lithuania	555	582	5%	555	582	5%
			Croatia	3,179	985	-69%	3,179	985	-69%
			Czech Republic	1,449	1,435	-1%	1,449	1,435	-1%
			Office	**287**	**211**	**-26%**	**287**	**211**	**-26%**
			Slovakia	204	150	-26%	204	150	-26%
			Bulgaria	84	61	-27%	84	61	-27%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**20,426**	**15,313**	**-25%**	**17,946**	**13,360**	**-26%**
GHG Total	tCO2eq	Scope 1 + Scope 2 + Scope 3 (Location Based)	**Retail**	**250,007**	**253,367**	**1%**	**196,192**	**195,814**	**0%**
			Romania	59,848	64,493	8%	51,316	52,044	1%

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GHG EMISSIONS				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Poland	109,085	111,864	3%	85,389	84,116	-1%
			Slovakia	6,496	5,629	-13%	6,496	5,629	-13%
			Bulgaria	23,445	24,429	4%	23,445	24,429	4%
			Hungary	10,119	10,841	7%	4,434	4,671	5%
			Serbia	15,901	11,186	-30%	-	-	-
			Lithuania	4,122	4,323	5%	4,122	4,323	5%
			Croatia	9,146	8,581	-6%	9,146	8,581	-6%
			Czech Republic	11,844	12,020	1%	11,844	12,020	1%
			Office	**1,240**	**1,287**	**4%**	**1,240**	**1,287**	**4%**
			Slovakia	388	336	-13%	388	336	-13%
			Bulgaria	851	951	12%	851	951	12%
			Industrial	**2,346**	**2,058**	**-12%**	**2,132**	**2,025**	**-5%**
			Romania	2,346	2,058	-12%	2,132	2,025	-5%
			Total	**253,592**	**256,712**	**1%**	**199,564**	**199,126**	**0%**
GHG Total	tCO2eq	Scope 1 + Scope 2 + Scope 3 (Market Based)	**Retail**	**85,764**	**75,565**	**-12%**	**65,423**	**55,537**	**-15%**
			Romania	7,693	7,452	-3%	6,835	6,406	-6%
			Poland	52,570	55,287	5%	36,987	38,695	5%
			Slovakia	2,916	2,192	-25%	2,916	2,192	-25%
			Bulgaria	5,752	2,300	-60%	5,752	2,300	-60%
			Hungary	6,465	3,959	-39%	2,856	1,760	-38%
			Serbia	291	191	-34%	-	-	-
			Lithuania	677	689	2%	677	689	2%
			Croatia	7,951	2,059	-74%	7,951	2,059	-74%
			Czech Republic	1,449	1,435	-1%	1,449	1,435	-1%
			Office	**414**	**335**	**-19%**	**414**	**335**	**-19%**
			Slovakia	204	150	-26%	204	150	-26%
			Bulgaria	211	185	-12%	211	185	-12%
			Industrial	**1,519**	**1,348**	**-11%**	**1,408**	**1,325**	**-6%**
			Romania	1,519	1,348	-11%	1,408	1,325	-6%
			Total	**87,698**	**77,248**	**-12%**	**67,245**	**57,197**	**-15%**
GHG Total	%	Proportion of Scope 1 + Scope 2 (location based) estimated	**Retail**	0%	0%	0%	0%	0%	0%
			Romania	0%	0%	0%	0%	0%	0%
			Poland	0%	0%	0%	0%	0%	0%
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Hungary	0%	0%	0%	0%	0%	0%
			Serbia	0%	0%	0%	0%	0%	0%
			Lithuania	0%	0%	0%	0%	0%	0%
			Croatia	0%	0%	0%	0%	0%	0%
			Czech Republic	0%	0%	0%	0%	0%	0%
			Office	0%	0%	0%	0%	0%	0%

GHG EMISSIONS				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Industrial	0%	0%	0%	0%	0%	0%
			Romania	0%	0%	0%	0%	0%	0%
			Total	0%	0%	0%	0%	0%	0%
GHG Total	%	Proportion of Scope 1 + Scope 2 (market based) estimated	**Retail**	0%	0%	0%	0%	0%	0%
			Romania	0%	0%	0%	0%	0%	0%
			Poland	0%	0%	0%	0%	0%	0%
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Hungary	0%	0%	0%	0%	0%	0%
			Serbia	0%	0%	0%	0%	0%	0%
			Lithuania	0%	0%	0%	0%	0%	0%
			Croatia	0%	0%	0%	0%	0%	0%
			Czech Republic	0%	0%	0%	0%	0%	0%
			Office	0%	0%	0%	0%	0%	0%
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Industrial	0%	0%	0%	0%	0%	0%
			Romania	0%	0%	0%	0%	0%	0%
			Total	0%	0%	0%	0%	0%	0%
GHG Total	%	Proportion of Scope 3 estimated	**Retail**	0%	0%	0%	0%	0%	0%
			Romania	0%	0%	0%	0%	0%	0%
			Poland	0%	0%	0%	0%	0%	0%
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Hungary	0%	0%	0%	0%	0%	0%
			Serbia	0%	0%	0%	0%	0%	0%
			Lithuania	0%	0%	0%	0%	0%	0%
			Croatia	0%	0%	0%	0%	0%	0%
			Czech Republic	0%	0%	0%	0%	0%	0%
			Office	0%	0%	0%	0%	0%	0%
			Slovakia	0%	0%	0%	0%	0%	0%
			Bulgaria	0%	0%	0%	0%	0%	0%
			Industrial	0%	0%	0%	0%	0%	0%
			Romania	0%	0%	0%	0%	0%	0%
			Total	0%	0%	0%	0%	0%	0%
GHG-Int	kgCO2eq/ m2/ year	Scope 1 and 2 emissions (location based)	**Retail**	**37.36**	**37.44**	**0%**	**37.65**	**37.47**	**0%**
			Romania	15.43	16.78	9%	13.98	14.89	7%
			Poland	52.90	53.15	0%	60.22	60.09	0%
			Slovakia	34.39	24.91	-28%	34.39	24.91	-28%
			Bulgaria	43.76	43.12	-1%	43.76	43.12	-1%

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GHG EMISSIONS				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Hungary	29.42	33.10	12%	45.86	51.85	13%
			Serbia	54.38	63.17	16%	-	-	-
			Lithuania	19.43	19.97	3%	19.43	19.97	3%
			Croatia	25.86	25.10	-3%	25.86	25.10	-3%
			Czech Republic	107.76	118.50	10%	107.76	118.50	10%
			Office	**72.08**	**62.47**	**-13%**	**72.08**	**62.47**	**-13%**
			Slovakia	56.15	40.97	-27%	56.15	40.97	-27%
			Bulgaria	107.66	110.48	3%	107.66	110.48	3%
			Industrial	**-**	**-**	**0%**	**-**	**-**	**-**
			Romania	-	-	0%	-	-	-
			Total	**37.46**	**37.53**	**0%**	**37.80**	**37.58**	**-1%**
GHG-Int	kgCO2eq/ m2/ year	Scope 1 and 2 emissions (market based)	**Retail**	**9.28**	**6.99**	**-25%**	**10.26**	**7.69**	**-25%**
			Romania	2.51	2.75	9%	2.35	2.63	12%
			Poland	7.11	6.84	-4%	9.15	9.13	0%
			Slovakia	17.86	13.41	-25%	17.86	13.41	-25%
			Bulgaria	12.03	5.85	-51%	12.03	5.85	-51%
			Hungary	20.02	14.72	-26%	31.55	23.29	-26%
			Serbia	0.60	0.59	-2%	-	-	-
			Lithuania	6.14	6.54	7%	6.14	6.54	7%
			Croatia	22.81	7.07	-69%	22.81	7.07	-69%
			Czech Republic	22.60	22.37	-1%	22.60	22.37	-1%
			Office	**34.82**	**25.62**	**-26%**	**34.82**	**25.62**	**-26%**
			Slovakia	35.73	26.38	-26%	35.73	26.38	-26%
			Bulgaria	32.80	23.92	-27%	32.80	23.92	-27%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**9.37**	**7.06**	**-25%**	**10.38**	**7.78**	**-25%**
No. applicable properties				60	61		50	50	
m2 of applicable properties*				4,363,857	4,420,700		3,492,909	3,492,909	
%	Proportion of Scope 1 + Scope 2 + Scope 3 (location based) estimated			0%	0%	0%	0%	0%	0%
%	Proportion of Scope 1 + Scope 2 + Scope 3 (market based) estimated			0%	0%	0%	0%	0%	0%

NEPI Rockcastle has reduced its Scope 1 and 2 market-based emissions by 25% between 2023 and 2024, based on a decrease in energy consumption and an increase in renewable electricity share.

WATER				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
Water-abs, Water LfL	m3/year	Total landlord-obtained water	**Retail**	**1,994,963**	**2,062,197**	**3%**	**1,634,440**	**1,651,980**	**1%**
			Romania	908,222	940,827	4%	790,002	781,597	-1%
			Poland	422,557	456,190	8%	330,053	342,577	4%
			Slovakia	119,413	128,100	7%	119,413	128,100	7%
			Bulgaria	151,912	160,133	5%	151,912	160,133	5%
			Hungary	135,567	136,344	1%	55,637	52,723	-5%
			Serbia	69,869	53,753	-23%	-	-	-
			Lithuania	50,100	50,761	1%	50,100	50,761	1%
			Croatia	55,198	57,325	4%	55,198	57,325	4%
			Czech Republic	82,125	78,764	-4%	82,125	78,764	-4%
			Office	**8,353**	**9,317**	**12%**	**8,353**	**9,317**	**12%**
			Slovakia	2,734	2,917	7%	2,734	2,917	7%
			Bulgaria	5,619	6,400	14%	5,619	6,400	14%
			Industrial	**15,548**	**9,627**	**-38%**	**10,874**	**9,627**	**-11%**
			Romania	15,548	9,627	-38%	10,874	9,627	-11%
			Total	**2,018,865**	**2,081,141**	**3%**	**1,653,668**	**1,670,924**	**1%**
Water-abs, Water LfL	m3/year	Total water	**Retail**	**1,994,963**	**2,062,197**	**3%**	**1,634,440**	**1,651,980**	**1%**
			Romania	908,222	940,827	4%	790,002	781,597	-1%
			Poland	422,557	456,190	8%	330,053	342,577	4%
			Slovakia	119,413	128,100	7%	119,413	128,100	7%
			Bulgaria	151,912	160,133	5%	151,912	160,133	5%
			Hungary	135,567	136,344	1%	55,637	52,723	-5%
			Serbia	69,869	53,753	-23%	-	-	-
			Lithuania	50,100	50,761	1%	50,100	50,761	1%
			Croatia	55,198	57,325	4%	55,198	57,325	4%
			Czech Republic	82,125	78,764	-4%	82,125	78,764	-4%
			Office	**8,353**	**9,317**	**12%**	**8,353**	**9,317**	**12%**
			Slovakia	2,734	2,917	7%	2,734	2,917	7%
			Bulgaria	5,619	6,400	14%	5,619	6,400	14%
			Industrial	**15,548**	**9,627**	**-38%**	**10,874**	**9,627**	**-11%**
			Romania	15,548	9,627	-38%	10,874	9,627	-11%
			Total	**2,018,865**	**2,081,141**	**3%**	**1,653,668**	**1,670,924**	**1%**
Water-abs, Water LfL	m3/year	Groundwater	**Retail**	**34,462**	**37,091**	**8%**	**34,461**	**37,090**	**8%**
			Romania	4,635	115	-98%	4,634	114	-98%
			Poland	-	-	-	-	-	-
			Slovakia	13,771	11,764	-15%	13,771	11,764	-15%
			Bulgaria	2,916	14,442	395%	2,916	14,442	395%
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	-	-	-	-	-	-
			Croatia	13,140	10,770	-18%	13,140	10,770	-18%
			Czech Republic	-	-	-	-	-	-

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WATER				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Office	**-**	**-**	**-**	**-**	**-**	**-**
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	-	-	-	-	-
			Industrial	**2,670**	**-**	-100%	**-**	**-**	**-**
			Romania	2,670	-	-100%	-	-	**-**
			Total	**37,132**	**37,091**	**0%**	**34,461**	**37,090**	**8%**
Water-abs, Water LfL	m3/year	Municipal water supplies or other public or private utilities	**Retail**	**1,960,501**	**2,025,105**	**3%**	**1,599,979**	**1,614,889**	**1%**
			Romania	903,587	940,712	4%	785,368	781,483	0%
			Poland	422,557	456,190	8%	330,053	342,577	4%
			Slovakia	105,642	116,336	10%	105,642	116,336	10%
			Bulgaria	148,996	145,691	-2%	148,996	145,691	-2%
			Hungary	135,567	136,344	1%	55,637	52,723	-5%
			Serbia	69,869	53,753	-23%	-	-	-
			Lithuania	50,100	50,761	1%	50,100	50,761	1%
			Croatia	42,058	46,555	11%	42,058	46,555	11%
			Czech Republic	82,125	78,764	-4%	82,125	78,764	-4%
			Office	**8,353**	**9,317**	**12%**	**8,353**	**9,317**	**12%**
			Slovakia	2,734	2,917	7%	2,734	2,917	7%
			Bulgaria	5,619	6,400	14%	5,619	6,400	14%
			Industrial	**12,878**	**9,627**	**-25%**	**10,874**	**9,627**	**-11%**
			Romania	12,878	9,627	-25%	10,874	9,627	-11%
			Total	**1,981,733**	**2,044,050**	**3%**	**1,619,207**	**1,633,834**	**1%**
Water-Int	m^3/1000 visitors/year	Building Water Intensity	**Retail**	**5.80**	**5.83**	**1%**	**5.66**	**5.63**	**-1%**
			Romania	6.93	6.86	-1%	7.20	6.98	-3%
			Poland	4.65	4.96	7%	4.42	4.68	6%
			Slovakia	3.30	3.43	4%	3.30	3.43	4%
			Bulgaria	8.22	7.57	-8%	8.22	7.57	-8%
			Hungary	6.14	5.93	-3%	3.87	3.84	-1%
			Serbia	6.90	7.31	6%	-	-	-
			Lithuania	8.33	8.51	2%	8.33	8.51	2%
			Croatia	5.03	5.38	7%	5.03	5.38	7%
			Czech Republic	4.08	3.94	-4%	4.08	3.94	-4%
			Office						
			Slovakia						
			Bulgaria						
			Industrial						
			Romania						
			Total	**5.80**	**5.83**	**1%**	**5.66**	**5.63**	**-1%**
No. applicable properties				60	61		50	50	
m2 of applicable properties				4,363,857	4,420,700		3,492,909	3,492,909	
% Proportion of water estimated									

Water is entirely obtained by NEPI Rockcastle as the landlord.

Water is a material topic for NEPI Rockcastle. The Group recognises the importance of water conservation and will further prioritise this topic to reach its 2030 target. Water consumption has increased by 3% in 2024, reflecting the increase in footfall and changes in shopping habits.

Whilst most of the water is supplied from municipal water suppliers, some groundwater is drawn (a small percentage of total water consumption).

WASTE				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
Waste-Abs, Waste-LfL	Tonnes	Total weight of waste generated - Non-Hazardous	**Retail**	**27,614**	**28,144**	**2%**	**22,586**	**22,359**	**-1%**
			Romania	12,183	12,976	7%	10,293	10,188	-1%
			Poland	6,456	6,306	-2%	4,999	4,723	-6%
			Slovakia	1,477	1,550	5%	1,477	1,550	5%
			Bulgaria	2,718	2,665	-2%	2,718	2,665	-2%
			Hungary	1,361	1,330	-2%	483	495	2%
			Serbia	803	579	-28%	-	-	-
			Lithuania	765	807	5%	765	807	5%
			Croatia	1,054	1,106	5%	1,054	1,106	5%
			Czech Republic	796	826	4%	796	826	4%
			Office	**5**	**3**	**-38%**	**5**	**3**	**-38%**
			Slovakia	3	3	-9%	3	3	-9%
			Bulgaria	2	0	-86%	2	0	-86%
			Industrial	**23**	**-**	**-100%**	**-**	**-**	**-**
			Romania	23	-	-100%	-	-	-
			Total	**27,641**	**28,147**	**2%**	**22,591**	**22,362**	**-1%**
Waste-Abs, Waste-LfL	Tonnes	Recycled	**Retail**	**12,068**	**12,906**	**7%**	**9,271**	**9,692**	**5%**
			Romania	5,662	6,151	9%	4,637	4,718	2%
			Poland	3,087	3,311	7%	1,778	1,882	6%
			Slovakia	518	574	11%	518	574	11%
			Bulgaria	701	800	14%	701	800	14%
			Hungary	558	538	-4%	353	370	5%
			Serbia	258	184	-29%	-	-	-
			Lithuania	247	256	4%	247	256	4%
			Croatia	740	787	6%	740	787	6%
			Czech Republic	298	305	2%	298	305	2%
			Office	**4**	**3**	**-38%**	**4**	**3**	**-38%**
			Slovakia	2	2	-2%	2	2	-2%
			Bulgaria	2	0	-86%	2	0	-86%
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**12,072**	**12,908**	**7%**	**9,275**	**9,694**	**5%**
Waste-Abs, Waste-LfL	Tonnes	Landfill	**Retail**	**15,457**	**15,237**	**-1%**	**13,256**	**12,665**	**-4%**
			Romania	6,434	6,823	6%	5,599	5,468	-2%
			Poland	3,369	2,995	-11%	3,221	2,841	-12%
			Slovakia	959	975	2%	959	975	2%
			Bulgaria	2,017	1,864	-8%	2,017	1,864	-8%

EPRA appendix

WASTE				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Hungary	803	792	-1%	130	125	-4%
			Serbia	545	395	-28%	-	-	-
			Lithuania	516	551	7%	516	551	7%
			Croatia	314	320	2%	314	320	2%
			Czech Republic	499	521	4%	499	521	4%
			Office	**1**	**0**	**-37%**	**1**	**0**	**-37%**
			Slovakia	1	0	-37%	1	0	-37%
			Bulgaria	-	-	-	-	-	-
			Industrial	**23**	**-**	**-100%**	**-**	**-**	**-**
			Romania	23	-	-100%	-	-	-
			Total	**15,480**	**15,237**	**-2%**	**13,257**	**12,666**	**-4%**
Waste-Abs, Waste-LfL	Tonnes	Compost	**Retail**	**88**	**2**	**-98%**	**59**	**2**	**-97%**
			Romania	87	2	-98%	57	2	-97%
			Poland	-	-	-	-	-	-
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	-	-	-	-	-
			Hungary	-	-	-	-	-	-
			Serbia	-	-	-	-	-	-
			Lithuania	2	-	-100%	2	-	-100%
			Croatia	-	-	-	-	-	-
			Czech Republic	-	-	-	-	-	-
			Office	**-**	**-**	**-**	**-**	**-**	**-**
			Slovakia	-	-	-	-	-	-
			Bulgaria	-	-	-	-	-	-
			Industrial	**-**	**-**	**-**	**-**	**-**	**-**
			Romania	-	-	-	-	-	-
			Total	**88**	**2**	**-98%**	**59**	**2**	**-97%**
Waste-Abs, Waste-LfL	%	Total weight of waste generated - Non-Hazardous	**Retail**	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**
			Romania	100%	100%	0%	100%	100%	0%
			Poland	100%	100%	0%	100%	100%	0%
			Slovakia	100%	100%	0%	100%	100%	0%
			Bulgaria	100%	100%	0%	100%	100%	0%
			Hungary	100%	100%	0%	100%	100%	0%
			Serbia	100%	100%	0%	100%	100%	0%
			Lithuania	100%	100%	0%	100%	100%	0%
			Croatia	100%	100%	0%	100%	100%	0%
			Czech Republic	100%	100%	0%	100%	100%	0%
			Office	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**
			Slovakia	100%	100%	0%	100%	100%	0%
			Bulgaria	100%	100%	0%	100%	100%	0%
			Industrial	100%	0%	**-100%**	0%	0%	**-**
			Romania	100%	0%	-100%	0%	0%	-

WASTE				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Total	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**
Waste-Abs, Waste-LfL	%	Recycled	**Retail**	**44%**	**46%**	**5%**	**41%**	**43%**	**6%**
			Romania	46%	47%	2%	45%	46%	3%
			Poland	48%	53%	10%	36%	40%	12%
			Slovakia	35%	37%	6%	35%	37%	6%
			Bulgaria	26%	30%	16%	26%	30%	16%
			Hungary	41%	40%	-1%	73%	75%	2%
			Serbia	32%	32%	-1%	0%	0%	-
			Lithuania	32%	32%	-2%	32%	32%	-2%
			Croatia	70%	71%	1%	70%	71%	1%
			Czech Republic	37%	37%	-1%	37%	37%	-1%
			Office	**88%**	**88%**	**0%**	**88%**	**88%**	**0%**
			Slovakia	81%	87%	7%	81%	87%	7%
			Bulgaria	100%	100%	0%	100%	100%	0%
			Industrial	**0%**	**0%**	**-**	**0%**	**0%**	**-**
			Romania	0%	0%	-	0%	0%	-
			Total	**44%**	**46%**	**5%**	**41%**	**43%**	**6%**
Waste-Abs, Waste-LfL	%	Landfill	**Retail**	**56%**	**54%**	**-3%**	**59%**	**57%**	**-3%**
			Romania	53%	53%	0%	54%	54%	-1%
			Poland	52%	47%	-9%	64%	60%	-7%
			Slovakia	65%	63%	-3%	65%	63%	-3%
			Bulgaria	74%	70%	-6%	74%	70%	-6%
			Hungary	59%	60%	1%	27%	25%	-7%
			Serbia	68%	68%	1%	0%	0%	-
			Lithuania	67%	68%	1%	67%	68%	1%
			Croatia	30%	29%	-3%	30%	29%	-3%
			Czech Republic	63%	63%	1%	63%	63%	1%
			Office	**12%**	**12%**	**1%**	**12%**	**12%**	**1%**
			Slovakia	19%	13%	-31%	19%	13%	-31%
			Bulgaria	0%	0%	-	0%	0%	-
			Industrial	**100%**	**0%**	**-100%**	**0%**	**0%**	**-**
			Romania	100%	0%	-100%	0%	0%	-
			Total	**56%**	**54%**	**-3%**	**59%**	**57%**	**-3%**
Waste-Abs, Waste-LfL	%	Compost	**Retail**	**0%**	**0%**	**-98%**	**0%**	**0%**	**-97%**
			Romania	1%	0%	-98%	1%	0%	-97%
			Poland	0%	0%	-	0%	0%	-
			Slovakia	0%	0%	-	0%	0%	-
			Bulgaria	0%	0%	-	0%	0%	-
			Hungary	0%	0%	-	0%	0%	-
			Serbia	0%	0%	-	0%	0%	-
			Lithuania	0%	0%	-100%	0%	0%	-100%
			Croatia	0%	0%	-	0%	0%	-

EPRA appendix

WASTE				Total			Like-for-like		
EPRA Code	Units of Measurement	Category	Country	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023
			Czech Republic	0%	0%	-	0%	0%	-
			Office	**0%**	**0%**	**-**	**0%**	**0%**	**-**
			Slovakia	0%	0%	-	0%	0%	-
			Bulgaria	0%	0%	-	0%	0%	-
			Industrial	**0%**	**0%**	**-**	**0%**	**0%**	**-**
			Romania	0%	0%	-	0%	0%	-
			Total	**0%**	**0%**	**-98%**	**0%**	**0%**	**-97%**
		No. of applicable properties		60	61	-	50	50	
		m2 of applicable properties		4,363,857	4,420,700	-	3,492,909	3,492,909	
		% Proportion of waste estimated		0%	0%	0%	0%	0%	0%

100% of waste reported is non-hazardous waste. Recycling rate has increased in 2024. The amount of waste generated by the Group increased, however the Company managed to increase the recycling rate. Recycling now accounts for 46% of waste, a 5% increase since 2023. Waste to landfill decreased, indicating that NEPI Rockcastle is making progress in its targets to promote a circular economy.

CERTIFICATIONS				2023	2024	2023 vs 2024
Cert-Tot	%	% Portfolio Certified (Energy Performance Certification, EPC)	**Retail**	**75%**	**82%**	**9%**
			Romania	91%	91%	0%
			Poland	74%	93%	26%
			Slovakia*	59%	59%	0%
			Bulgaria	63%	63%	-1%
			Hungary	60%	59%	-1%
			Serbia	52%	78%	50%
			Lithuania	64%	69%	8%
			Croatia	48%	48%	0%
			Czech Republic	85%	85%	0%
			Office	**96%**	**96%**	**0%**
			Slovakia	90%	90%	0%
			Bulgaria	100%	100%	0%
			Industrial	**96%**	**100%**	**3%**
			Romania	96%	100%	3%
			Total	**75%**	**82%**	**9%**
	%	EPC A	**Retail**	**27%**	**31%**	**16%**
			Romania	65%	75%	16%
			Poland	3%	3%	-3%
			Slovakia	25%	25%	0%
			Bulgaria	0%	0%	0%
			Hungary	0%	0%	0%
			Serbia	0%	0%	0%
			Lithuania	0%	0%	0%
			Croatia	48%	48%	0%
			Czech Republic	0%	0%	0%

CERTIFICATIONS			2023	2024	2023 vs 2024
		Office	**34%**	**34%**	**0%**
		Slovakia	90%	90%	0%
		Bulgaria	0%	0%	0%
		Industrial	**0%**	**0%**	**0%**
		Romania	0%	0%	0%
		Total	**27%**	**31%**	**16%**
	% EPC B	**Retail**	**18%**	**19%**	**5%**
		Romania	19%	11%	-39%
		Poland	24%	32%	32%
		Slovakia	34%	34%	0%
		Bulgaria	4%	4%	-1%
		Hungary	0%	15%	0%
		Serbia	0%	0%	0%
		Lithuania	0%	0%	0%
		Croatia	0%	0%	0%
		Czech Republic	53%	53%	0%
		Office	**63%**	**63%**	**0%**
		Slovakia	0%	0%	0%
		Bulgaria	100%	100%	0%
		Industrial	**96%**	**99%**	**3%**
		Romania	96%	99%	3%
		Total	**19%**	**20%**	**5%**
	% EPC C	**Retail**	**21%**	**24%**	**14%**
		Romania	7%	4%	-47%
		Poland	30%	42%	40%
		Slovakia	0%	0%	0%
		Bulgaria	59%	59%	-1%
		Hungary	0%	8%	0%
		Serbia	52%	78%	50%
		Lithuania	64%	69%	8%
		Croatia	0%	0%	0%
		Czech Republic	32%	32%	0%
		Office	**0%**	**0%**	**0%**
		Slovakia	0%	0%	0%
		Bulgaria	0%	0%	0%
		Industrial	**0%**	**0%**	**0%**
		Romania	0%	0%	0%
		Total	**21%**	**24%**	**14%**
	% EPC D	**Retail**	**2%**	**3%**	**17%**
		Romania	0%	0%	0%
		Poland	2%	2%	-3%
		Slovakia	0%	0%	0%
		Bulgaria	0%	0%	0%
		Hungary	27%	33%	25%
		Serbia	0%	0%	0%
		Lithuania	0%	0%	0%

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CERTIFICATIONS			2023	2024	2023 vs 2024
		Croatia	0%	0%	0%
		Czech Republic	0%	0%	0%
		Office	**0%**	**0%**	**0%**
		Slovakia	0%	0%	0%
		Bulgaria	0%	0%	0%
		Industrial	**1%**	**1%**	**3%**
		Romania	1%	1%	3%
		Total	**2%**	**3%**	**17%**
%	EPC E	**Retail**	**4%**	**5%**	**3%**
		Romania	0%	0%	0%
		Poland	15%	15%	-3%
		Slovakia	0%	0%	0%
		Bulgaria	0%	0%	0%
		Hungary	0%	3%	0%
		Serbia	0%	0%	0%
		Lithuania	0%	0%	0%
		Croatia	0%	0%	0%
		Czech Republic	0%	0%	0%
		Office	**0%**	**0%**	**0%**
		Slovakia	0%	0%	0%
		Bulgaria	0%	0%	0%
		Industrial	**0%**	**0%**	**0%**
		Romania	0%	0%	0%
		Total	**4%**	**4%**	**3%**
%	EPC F	**Retail**	**2%**	**0%**	**-100%**
		Romania	0%	0%	0%
		Poland	0%	0%	0%
		Slovakia	0%	0%	0%
		Bulgaria	0%	0%	0%
		Hungary	33%	0%	-100%
		Serbia	0%	0%	0%
		Lithuania	0%	0%	0%
		Croatia	0%	0%	0%
		Czech Republic	0%	0%	0%
		Office	**0%**	**0%**	**0%**
		Slovakia	0%	0%	0%
		Bulgaria	0%	0%	0%
		Industrial	**0%**	**0%**	**0%**
		Romania	0%	0%	0%
		Total	**2%**	**0%**	**-100%**
%	Percentage BREEAM certified assets (by GLA)	**Retail**	**96%**	**100%**	**4%**
		Romania	100%	100%	0%
		Poland	100%	100%	0%
		Slovakia	72%	100%	38%
		Bulgaria	100%	100%	0%
		Hungary	53%	100%	87%

CERTIFICATIONS			2023	2024	2023 vs 2024
		Serbia	100%	100%	0%
		Lithuania	100%	100%	0%
		Croatia	100%	100%	0%
		Czech Republic	100%	100%	0%
		Office	**100%**	**100%**	**0%**
		Slovakia	100%	100%	0%
		Bulgaria	100%	100%	0%
		Industrial	**0%**	**0%**	**0%**
		Romania	0%	0%	0%
		Total	**96%**	**100%**	**4%**
	% Excellent	**Retail**	**85%**	**86%**	**1%**
		Romania	92%	92%	0%
		Poland	96%	96%	1%
		Slovakia	21%	21%	0%
		Bulgaria	100%	100%	0%
		Hungary	0%	0%	0%
		Serbia	100%	100%	0%
		Lithuania	100%	100%	0%
		Croatia	100%	100%	0%
		Czech Republic	100%	100%	0%
		Office	**100%**	**100%**	**0%**
		Slovakia	100%	100%	0%
		Bulgaria	100%	100%	0%
		Industrial	**0%**	**0%**	**0%**
		Romania	0%	0%	0%
		Total	**86%**	**86%**	**1%**
	% Very Good	**Retail**	**11%**	**11%**	**9%**
		Romania	8%	8%	-1%
		Poland	4%	4%	-15%
		Slovakia	51%	79%	54%
		Bulgaria	0%	0%	0%
		Hungary	53%	53%	0%
		Serbia	0%	0%	0%
		Lithuania	0%	0%	0%
		Croatia	0%	0%	0%
		Czech Republic	0%	0%	0%
		Office	**0%**	**0%**	**0%**
		Slovakia	0%	0%	0%
		Bulgaria	0%	0%	0%
		Industrial	**0%**	**0%**	**0%**
		Romania	0%	0%	0%
		Total	**10%**	**11%**	**9%**
	% Good	**Retail**	**0%**	**3%**	**100%**
		Romania	0%	0%	0%
		Poland	0%	0%	0%
		Slovakia	0%	0%	0%

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CERTIFICATIONS		2023	2024	2023 vs 2024
	Bulgaria	0%	0%	0%
	Hungary	0%	47%	100%
	Serbia	0%	0%	0%
	Lithuania	0%	0%	0%
	Croatia	0%	0%	0%
	Czech Republic	0%	0%	0%
	Office	**0%**	**0%**	**0%**
	Slovakia	0%	0%	0%
	Bulgaria	0%	0%	0%
	Industrial	**0%**	**0%**	**0%**
	Romania	0%	0%	0%
	Total	**0%**	**3%**	**100%**

The Company is committed to enhancing the sustainability performance of its buildings from both a structural and operational standpoint. This is achieved by evaluating and certifying the buildings sustainability based on BREEAM methodology, covering various aspects such as climate change, energy and water use, health and wellbeing, pollution, transportation, materials, waste management, ecology and biodiversity, management processes. 100% of rental income from eligible properties (excluding retail parks and industrial) is sourced from BREEAM certified assets. NEPI Rockcastle has a self-imposed target to achieve BREEAM in-use to a minimum standard of 'Very Good'. The Company also obtains Energy performance certificates for all its properties. The indicators above is based on total area coverage, with some parts of some buildings not in scope of certification, based on local regulations.

Own operations – corporate offices				
EPRA Code	**Units of Measurement**	**2023**	**2024**	**2024 vs 2023**
Elec-Abs	MWH	471	670	42%
District Heating-Abs	MWH	44	75	70%
Fuel-Abs	MWH	93	85	-8%
Energy-Int	kWh/m²/year	226	315	40%
GHG-Indinr-Abs	MT CO_2e	168	232	38%
Water-Abs	m³	1,090	1,538	41%

Notes:

1 The data reported covers 61 income producing properties (under operational and financial control) and all of its staff. The portfolio comprises of 57 retail properties, 2 office buildings and 2 industrial properties, where the Group has operational and financial control. The report does not cover utility data from the Group's most recently acquired property (Silesia City Center, Katowice, Poland), acquired in mid-December 2024, as the short timeframe since acquisition limits the relevance of its utility consumption data for 2024. The report includes utility data for the Serbian property sold by the Group in October 2024, as well as for an industrial park sold in January 2024, covering the periods during which they were under the Group's ownership. Control is understood as the legal capacity to monitor and make decisions on supply chain management, utilities consumption and facilities management. This excludes any area over which the tenant has full control in terms of monitoring consumption and payment. At year end, considering the changes in portfolio described above, the Group owned 60 properties in 8 countries.

2 The Group incorporates in this report data pertaining to every environmental aspect across all properties under its control, as delineated in the organisational boundaries. There are still some limited cases where the Group does not have access to tenant managed utilities. In these cases, NEPI Rockcastle has not carried out estimations and all data presented in the tables above is comprised of actual data (meter readings, invoices, supplier estimates).

3 2024 data consumption for the Serbian property sold by the Group in July 2024, as well as for an industrial park sold in January 2024, is covering the period during which they were under the Group's ownership

4 Areas are adjusted to reflect a weighted average for the period the assets were owned by the Company (applicable for investment and divestment activities)

EPRA Sustainability Performance Measures (Social)

Diversity

Impact area	EPRA Code	Units of measure	Indicator	Category	Corporate performance 2023 Male	2023 Female	2024 Male	2024 Female
Diversity	Diversity-Emp	%	Gender diversity	Proportion of male and female employees	197	404	203	447
			Gender by level	Board	7	1	7	2
				Management (ExCo, functions leads)	5	3	5	3
				Middle management and subject matter experts	76	115	75	126
				Non-managerial Employees	116	286	123	331
		Number	Number of governing bodies by age range	Over 50 years old	56		78	
				30 - 50 years old	463		495	
				Under 30 years old	82		77	
	Diversity-Pay	Ratio	Male and female remuneration by level	Board	0.89		0.93	
				Top 100	0.89		0.88	
				Senior Management	0.96		0.93	
				Middle Management and Subject Matter Experts	0.92		0.95	
				Non-managerial Employees	0.88		0.78	

Employees

Impact area	EPRA Code	Units of measure	Indicator	Category	Corporate performance 2023 Male	2023 Female	2024 Male	2024 Female
Employees	Emp-Training	Number of hours	Total hours of training	All employees	29,392		25,900	
					6,683	17,228	6,395	17,794
			Average hours of training undertaken by employees in the reporting period (per employee)	All employees	48.91		39.85	
					45.5	46.8	30.6	39.5
	Emp-Dev	% of employees	Employees receiving performance appraisals	Total %	89%		92%	
	Emp-Turnover	Number of employees	Direct employees	Total number of employees	197	404	203	447
			Total number of new hires		43	116	51	112
			Rate of new hires in %		26%		25%	
			Total turnover (departures)		15	47	45	46
			Total rate of turnover (departures)		10%		14%	

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Health and Safety

Impact area	EPRA Code	Units of measure	Indicator	Category	Corporate performance	
					2023	2024
Health & Safety	H&S-Emp	Per 100,000 hours worked	Injury rate	Direct employees	0	0
		Per 100,000 hours worked	Lost day rate	Direct employees	0	0
		Days per employee	Absentee rate	Direct employees	0.82	1.93
			Accident Severity Rate	Direct employees	0	0
		Total number	Fatalities	Direct employees	0	0

Community

Percentage of centres that organised local initiatives			
Territory	EPRA code	2024	2023
Romania	Comty-Eng	100%	100%
Poland		100%	100%
Slovakia		100%	100%
Bulgaria		100%	100%
Hungary		100%	100%
Serbia		100%	100%
Lithuania		100%	100%
Croatia		100%	100%
Czech Republic		100%	100%
TOTAL		**100%**	**100%**

Impact area	EPRA Code	Units of measure	Indicator	Category	Corporate performance	
					2023	2024
Community	Comty-Eng	%	% of assets	Community engagement, impact assessments & development programmes	100%	100%

EPRA Sustainability Performance Measures (Governance)

Board

Impact area	EPRA Code	Units of measure	Indicator	Category	Corporate performance			
					2023		2024	
					Male	Female	Male	Female
Board	Gov-Board	Total number	Board composition	Composition of highest governance body	11		12	
				Executive	2	1	2	1
				Non-Executive (members)	7	1	7	2
				Average tenure in years	4.2		4.8	
				Total non-Executives with environmental and social competencies	2		2	
		%	Proportion of	Total non-Executives with environmental and social competencies	0.18		0.22	
	Gov-Selec	Narrative	Board selection	In accordance with the Articles of Association, Directors are appointed, suspended or removed by the shareholders. Appointment is made based on the Board's binding nomination, which can be deprived of its binding character by the shareholders decision. The Board can suspend Executive Directors, while the suspension can be lifted by the shareholders. To facilitate the Board's regular refreshing, the Group has a retiring-by-rotation policy, which means that each year, at least one third of the Directors retire by rotation and may stand for re-appointment by the shareholders. Therefore, within a three-year period, all Directors retire at least once. The Board appointments are conducted in a formal and transparent manner following recommendations made by the Nomination Committee to the Board. Candidates' profiles are carefully analysed and the Board considers whether they have the necessary background, experience, competencies, independence and diversity, as set out in the Board Profile Paper and in the Group Diversity Policy. High-profile and experienced recruitment agencies may be used to identify and assess new Director candidates, based on the decision of the Nomination Committee. The candidates' background and references are analysed, and multiple information sources are used for the assessment. The independence of every newly proposed Director is assessed by the Nomination Committee and presented to the Board, as well as reassessed annually, based on clear criteria defined in the Corporate Governance Framework, formalised and approved by the Board. A formal onboarding programme is in place when new Directors join the Company, under the close coordination of the Chairman of the Board, with support from the CEO and the Company Secretary. The onboarding programme is designed to help the new Director become familiar with the Group's business, strategy, policies and structure, as well as the operational approach in the Board and Committees activity. The programme covers general financial, social and legal affairs and financial reporting, as well as aspects that are specific to the Group and its business.				

EPRA appendix

Conflicts of interest

Impact area	EPRA Code	Units of measure	Indicator	Category	Corporate performance
Conflicts of interest	Gov-COI	Narrative	Conflicts of Interest		Dealing in Company's securities by Directors, their associates and key Group employees, is regulated and monitored in accordance with the applicable stock exchange listing requirements, guidelines, legislation, regulations and directives. To prevent the risk of insider trading and to ensure that none of the restricted persons abuse, and do not place themselves under suspicion of abusing inside privileged information, the Group has adopted a formal Dealing Code, available and communicated to all employees and Directors. The Dealing Code sets out obligations for the Group's Directors, managers, staff and persons closely associated with them, under the Market Abuse Regulation and stock exchange listing requirements and guidelines, regarding clearance to deal and notification of transactions in the Group's securities. The Group prohibits all Directors and employees from using confidential information, not generally known or available to the public, for personal benefit. NEPI Rockcastle maintains a closed period from the end of a financial period until publication of the financial results for that period and a prohibited period when sensitive information not yet publicly available is known by the Company's employees or Directors. The Group announces closed and other prohibited periods to its employees and the Company's Directors, and, during such periods, all those with insider knowledge are banned from dealing. In compliance with JSE Listings Requirements, the Company announces publicly all its Directors' dealings in the Company's securities, through SENS. Directors' and Directors' associates interests are disclosed in line with the Declaration of Interests Policy. Directors' direct and indirect holdings as of year-end are published in the Annual Report. Moreover, the Group formalised its Related party transactions policy, in line with JSE Listings Requirements and applicable international accounting standards. According to the Group Code of Ethics, Board members are alert to conflicts of interest and ethical conduct and should generally refrain from the following: ▪ engaging in personal business that may compete with the Group ▪ demanding or accepting substantial gifts from the Group or from any of its employees or partners, for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree ▪ providing unjustified advantages to third parties at the Group's expense ▪ taking advantage of business opportunities that the Group would be entitled to ▪ allowing in any other way the influence of third parties to compromise or override independent judgement ▪ using confidential information related to the Group for their own personal benefit ▪ making use of inside information to make a profitable investment ▪ taking advantage of their position as Directors to earn profit for him/her-self ▪ making personal use or advantage of an opportunity obtained through the Group Potential conflicts of interest related to topics on the agenda are checked at each Board and Committee meeting. Any potential conflict of interest would be declared and discussed in the Board meeting. The Board needs to decide on the measures to be implemented and the degree of further involvement of the respective Director in the matter at hand. Any actual conflict of interest deemed significant by the Board during the year would be disclosed in the Annual Report. Such information considers, but is not limited to, related party transactions and cross-shareholdings. Related party transactions will be entered into, only if beneficial to the Group entities and on the customary market terms that they would have been concluded with an independent party (arm's length principle). The Group ensures that identification, negotiation, conclusion of related party transactions by Group entities are governed by: ▪ fairness ▪ objectivity ▪ arm's length ▪ proper record keeping No actual conflicts of interest have been identified in 2024 and no related party transactions, as defined in the internal policy, have been carried out by the Group entities, besides those detailed in the Related party transactions note (described in the Remuneration review section).

United Nations Sustainable Development Goals (SDGs)

NEPI Rockcastle is able to contribute positively towards the United Nations Sustainable Development Goals. The Global Goals are a set of 17 interlinked goals adopted by the United Nations General Assembly in 2015, with the aim of ending poverty, protecting the planet, and ensuring peace and prosperity for all by the year 2030. The areas in which NEPI Rockcastle makes a positive difference include:

Goal	Description (as per UN public information)
Goal 3: Good health and wellbeing	To ensure healthy lives and promote wellbeing for all at all ages
Goal 4: Quality education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 6: Clean water and sanitation	More efficient use and management of water are critical to addressing the growing demand for water, threats to water security and the increasing frequency and severity of droughts and floods resulting from climate change.
Goal 7: Affordable and clean energy	Encourage public and private investments in energy technologies. Promote better regulatory frameworks and innovative business models to transform the world's energy systems
Goal 8: Decent work and economic growth	Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs and stimulate the economy, while not harming the environment. Job opportunities and decent working conditions are advocated.
Goal 9: Industry, innovation, and infrastructure	Technological progress is the foundation of efforts to achieve environmental objectives, such as increased resource and energy efficiency.
Goal 11: Sustainable cities and communities	Rapid urbanisation challenges, such as the safe removal and management of solid waste within cities, can be overcome in ways that allow them to continue to thrive and grow, while improving resource use and reducing pollution and poverty.
Goal 12: Responsible consumption and production	Economic and social progress over the last century has been accompanied by environmental degradation that is endangering the very systems on which our future development and very survival depend. Sustainable consumption and production refer to "the use of services and related products, which respond to basic needs and bring a better quality of life while minimising the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardise the needs of future generations".
Goal 13: Climate action	Climate change is a global challenge that does not respect national borders. It is an issue that requires solutions that need to be coordinated at the international level to help developing countries move towards a low-carbon economy.
Goal 15: Life on land	Deforestation and desertification caused by human activities and climate change pose major challenges to sustainable development and have affected the lives and livelihoods of millions of people in the fight against poverty

FINANCIAL STATEMENTS

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Statement of Directors' responsibilities

The Directors are responsible for preparing the Financial Statements in accordance with applicable laws and regulations.

The Directors have prepared the Financial Statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, IFRS Accounting Standards as adopted by the European Union and with Title 9 of Book 2 of the Dutch Civil Code.

In preparing the Financial Statements, the Directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether they have been prepared in accordance with IFRSs;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Each of the directors, whose names are stated below, hereby confirm that:

- the annual Financial Statements set out on pages 292 to 359 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

With reference to Section 5:25c paragraph 2, sub c of the Financial Markets Supervision Act (Wet op het financieel toezicht), the Board declares that to the best of its knowledge:

- The financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of NEPI Rockcastle N.V. and of the companies included in the consolidation taken as a whole;
- The directors' report provides a true and fair view of the situation on the balance sheet date and of the developments during the financial year of NEPI Rockcastle N.V. and of its affiliated companies whose information has been included in the financial statements, together with a description of the main risks NEPI Rockcastle N.V. faces.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

The Financial Statements on pages 292 to 359 were approved by the Board of Directors on 18 March 2025, authorised for publication on 19 March 2025 and signed on its behalf by:

Rüdiger Dany
Chief Executive Officer

Eliza Predoiu
Chief Financial Officer

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	8	7,694,798	6,627,247
– Investment property under development	9	231,797	197,743
Goodwill	12	76,804	76,804
Deferred tax assets	25	107,395	63,555
Property, plant and equipment[1]	11	41,624	4,745
Other long-term assets[1]	10	11,360	11,562
Derivative financial assets at fair value through profit or loss	20	5,392	12,241
Current assets		**572,942**	**458,577**
Trade and other receivables	13	115,947	93,465
Inventory property	16	4,227	17,266
Cash and cash equivalents	14	448,498	338,519
Derivative financial assets at fair value through profit or loss	20	4,270	9,327
Assets held for sale	15	**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	17	7,124	6,608
Share premium	17	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	19	947,417	517,898
Bonds	19	1,982,857	1,485,621
Deferred tax liabilities	25	545,241	471,691
Lease liabilities	24	83,059	54,974
Loans from third parties	23	-	16,667
Other long-term liabilities	22	30,593	36,074
Current liabilities		**245,022**	**722,037**
Trade and other payables	21	187,084	154,333
Income tax payable		20,954	20,187
Bank loans	19	15,528	15,823
Bonds	19	18,566	513,410
Lease liabilities	24	2,890	1,546
Loans from third parties	23	-	16,738
Liabilities directly associated with assets held for sale	15	**-**	**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.*

Consolidated Statement of comprehensive income

in € thousand	Note	31 Dec 2024	31 Dec 2023
Gross rental income	27	566,069	510,103
Service charge income	27	259,563	254,369
Property operating expenses	27	(278,741)	(273,263)
Revenue from energy activity	27	9,048	-
Net rental and related income	27	**555,939**	**491,209**
Administrative expenses	28	(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	29	195,380	164,470
Foreign exchange loss		(158)	(1,187)
Gain on disposal of assets held for sale	15	25,934	5,641
Profit before net finance costs and other items		**747,036**	**629,496**
Finance income	30	19,907	6,891
Finance costs	30	(100,144)	(69,052)
Bank charges, commissions, and fees	30	(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	25	(30,563)	(28,334)
Deferred tax expense	25	(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).

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]	17	53,240	(53,240)	-	-	-
– Earnings distribution – capital repayment[2]	17	(53,240)	-	-	-	(53,240)
– Earnings distribution – dividend out of accumulated profit[2]	17	-	-	-	(14,646)	(14,646)
– Earnings distribution – impact of foreign exchange hedges[2]	17	-	106	-	-	106
– Earnings distribution – scrip issue[2]	17	538	(538)	-	-	-
– Shares purchased for LTSIP[3]	3.15	-	-	(5,158)	-	(5,158)
– Share based payment expense	3.15	-	-	2,000	-	2,000
– LTSIP reserve release	3.15	-	-	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]	17	178,079	(178,079)	-	-	-
– Earnings distribution – capital repayment[2]	17	(178,079)	-	-	-	(178,079)
– Issue of shares, net of transaction costs	17	418	294,757	-	-	295,175
– Earnings distribution – dividend out of accumulated profit[2]	17	-	-	-	(100,420)	(100,420)
– Earnings distribution – impact of foreign exchange hedges[2]	17	-	1,505	-	-	1,505
– Earnings distribution – scrip issue[2]	17	98	(98)	-	-	-
– Shares purchased for LTSIP[3]	3.15	-	-	(5,154)	-	(5,154)
– Share based payment expense	3.15	-	-	3,040	-	3,040
– LTSIP reserve release	3.15	-	-	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 17.

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 17.

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

Consolidated Statement of cash flows

in € thousand	Note	31 Dec 2024	31 Dec 2023
CASH FLOWS FROM OPERATIONS	35	**533,628**	**459,078**
Interest paid on loans and borrowings	19, 23	(57,190)	(31,678)
Interest paid on lease liabilities	24	(1,470)	(804)
Bond coupon paid	19	(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	30	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	33	(752,022)	-
Acquisition of property, plant and equipment	33	(6,004)	-
Expenditure on property, plant and equipment	11	(4,331)	-
Proceeds from disposal of assets held for sale	15	180,939	21,904
NET CASH FLOW USED IN INVESTING ACTIVITIES		**(718,291)**	**(171,144)**
FINANCING ACTIVITIES			
Proceeds from issue of shares	17	295,175	-
Payment to acquire shares for LTSIP	17	(5,154)	(5,158)
Sale of unvested shares under LTSIP	18	89	177
Net movements in bank loans, bonds, and other long-term liabilities	18	**420,689**	**(14,815)**
Proceeds from bank loans	19	446,107	200,000
Proceeds from bonds	19	490,859	-
Repayment of bank loans (including revolving credit facilities)	19	(17,297)	(214,815)
Repayment of bonds	19	(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	23	(33,333)	(16,666)
Earnings distribution - Capital repayment and dividend out of accumulated profit[2]	17	(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	14	**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 17.

Notes to the 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 Consolidated Financial Statements and the Company's Separate Financial Statements are collectively referred to as the Financial Statements. The Financial Statements for the year ended 31 December 2024 were approved by the Board of Directors on 18 March 2025 and authorised for publication on 19 March 2025.

2. BASIS OF PREPARATION

a. Statement of compliance

The Consolidated Financial Statements have been consistently prepared in accordance with IFRS ® Accounting Standards as issued by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, IFRS Accounting Standards as adopted by the European Union and with Title 9 of Book 2 of the Dutch Civil Code. They comprise the Company and its subsidiaries, as detailed in "Basis of consolidation" in Note 3.2.

The material accounting policies applied in the preparation of these Consolidated Financial Statements are set out below in Note 3 and 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 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 19, but have not had an impact on the classification of the Group's liabilities.

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 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.

Climate related matters

NEPI Rockcastle acknowledges that climate change poses both risks and opportunities to its business. The Company has conducted a comprehensive analysis of climate-related risks and opportunities for its portfolio, which is comprehensively described in the Sustainability section of the Annual Report.

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 also prioritises supply chain decarbonisation through local sourcing, promoting digitalisation, and evaluating procurement activities.

In 2024, NEPI Rockcastle 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).

The implementation of these initiatives has an impact on the Group's financial statements, mainly through its investment strategy and the implementation of costs incurred with the aim of addressing sustainability related targets and environmental challenges.

Valuation of investment properties

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. For investment properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The Group has assessed whether its properties are exposed to physical risks, such as flooding and increasing wildfires, but believes that this is currently not the case. However, the Group believes it is, to some extent, impacted by transition risks, and, more specifically, increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings. The Group, therefore, takes into account necessary upgrades required to ensure future compliance with those requirements when measuring the fair value of investment properties.

The value of investment properties is positively impacted by the certification of all of Group's shopping malls with the Building Research Establishment Environmental Assessment Method (BREEAM) In-Use certificates, attesting their recognition as environmentally friendly.

Operating expenses

Increased energy costs due to higher energy prices or increased energy consumption as a result of climate change could impact operating expenses. In addition, there are increased costs associated with the implementation of measures aimed at reducing GHG emissions during the construction process. At the same time, there are costs reductions associated with the implementation of lower emission technology such as solar panels, which can save on energy costs.

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.

Funding Activity

In 2023, the Group has launched its Sustainability-Linked Finance Framework (the "Framework") which can be applied for bilateral financing agreements such as Sustainability-Linked term loans, revolving credit facilities, etc, aiming to reduce the greenhouse gas emissions and increase the energy efficiency of the Group's property portfolio.

In 2024, NEPI Rockcastle extended the contractual maturities related to its unsecured committed revolving credit facilities having the sustainability-linked features, 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
- 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

As at 31 December 2024, the total credit revolving facilities linked either to the ESG performance of the Group through the sustainability rating provided by Sustainalytics or sustainability-linked KPIs amounted to €670 million.

Also in 2024, NEPI Rockcastle disbursed in two tranches a €445 million IFC green loan with sustainability-linked features, concluded in December 2023.

Under the existing Green Finance Framework, NEPI Rockcastle has issued €1.5 billion green bonds, including the one issued in October 2024. The Group has committed to use proceeds from green bonds to finance or refinance existing and future projects which improve the environmental performance of the Group's property portfolio, which translate into allocating all resources to environmentally sustainable assets (buildings certified as BREEAM "excellent" or "very good"). Going forward, both newly issued and currently outstanding bonds will be governed under the updated framework, with allocation to a single portfolio of assets, in alignment with the more rigorous eligibility criteria in the framework.

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

b. Basis of measurement

The Consolidated Financial Statements are prepared on the historical cost basis, except for investment property in use, land for investment property under development, and interest rate derivatives, which are measured at fair value.

c. Use of estimates and judgements

The preparation of Consolidated Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and associated assumptions are based on experience and other factors believed to be reasonable under the circumstances and enable judgements to be made about the carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period when the estimate is revised.

d. Presentation

The Consolidated Financial Statements are presented in thousands of Euros ("€'000s"), rounded off to the nearest thousand, unless stated otherwise.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been consistently applied to all periods presented.

3.1 Foreign currency translation

a. Functional and presentation currency

The Consolidated Financial Statements are presented in Euro ("€", "EUR") thousands unless otherwise stated, which is NEPI Rockcastle's functional and presentation currency. The assessment of the functional currency of the Group is presented in Note 4 – Significant Accounting Estimates and Judgements in Applying Accounting Policies.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3.2 Basis of consolidation

Subsidiaries

The Consolidated Financial Statements incorporate the assets, liabilities, operating results and cash flows of the Company and its subsidiaries.
Subsidiaries are all entities controlled by the Company. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date the control commences until the date the control ceases.

These Consolidated Financial Statements include the Company and the fully consolidated subsidiaries, as set out below:

No	Subsidiary	Country of incorporation	Principal activity	Effective interest 2024 (%)	Effective interest 2023 (%)
1	ACE3 Sp. z o.o.	Poland	Property-owning	100	100
2	Arena Center Zagreb d.o.o.	Croatia	Property-owning	100	100
3	AUPARK Kosice SC, s.r.o.	Slovakia	Services	100	100
4	AUPARK Kosice, spol. s.r.o.	Slovakia	Property-owning	100	100
5	AUPARK Piestany SC, s.r.o.	Slovakia	Services	100	100
6	AUPARK Piestany, spol. s.r.o.	Slovakia	Property-owning	100	100
7	AUPARK Tower Kosice, s.r.o.	Slovakia	Property-owning	100	100
8	AUPARK Žilina SC a.s.	Slovakia	Services	100	100
9	AUPARK Žilina, spol. s.r.o.	Slovakia	Property-owning	100	100
10	Aurora Mall Buzau SRL	Romania	Property-owning	100	100
11	Białystok Property Sp. z o.o.	Poland	Property-owning	100	100
12	Bonarka City Center Sp. z o.o.	Poland	Property-owning	100	100
13	Braila Promenada Mall SRL	Romania	Property-owning	100	100
14	Brasov Shopping City SRL	Romania	Property-owning	100	100
15	Bulfeld EOOD	Bulgaria	Property-owning	100	100
16	CEE Property Bulgaria EOOD	Bulgaria	Property-owning	100	100
17	CHP 1 Sp. z o.o.	Poland	Services	100	100
18	City Park Constanta SRL	Romania	Property-owning	100	100
19	Constanta Shopping City SRL	Romania	Property-owning	100	100

No	Subsidiary	Country of incorporation	Principal activity	Effective interest 2024 (%)	Effective interest 2023 (%)
20	Copernicus Property Sp. z o.o.	Poland	Property-owning	100	100
21	Deva Shopping City SRL	Romania	Property-owning	100	100
22	Elco Energy Sp. z o.o.[1]	Poland	Services	100	-
23	Elco ICT Sp. z o.o.[1]	Poland	Services	100	-
24	Energit Sp. z o.o.	Poland	Services	100	100
25	E-Power Supply d.o.o. Beograd	Serbia	Services	100	100
26	E-power supply EOOD	Bulgaria	Services	100	100
27	E-power supply Kft[2]	Hungary	Services	100	-
28	E-power supply management d.o.o.	Croatia	Services	100	100
29	E-Power Supply s.r.o.	Slovakia	Services	100	100
30	Expo Real Estate Project SRL	Romania	Services	100	100
31	Festival Shopping Center SRL	Romania	Property-owning	100	100
32	Floreasca Center SRL	Romania	Holding	100	100
33	Forum Gdansk Property Sp. z o.o.	Poland	Property-owning	100	100
34	FORUM Usti s.r.o.	Czech Republic	Property-owning	100	100
35	Galati Shopping City SRL	Romania	Property-owning	100	100
36	General Building Management SRL	Romania	Property-owning	100	100
37	General Investment SRL	Romania	Property-owning	100	100
38	Gontar Sp. z o.o.	Poland	Property-owning	100	100
39	HANSA Immobilien EOOD	Bulgaria	Property-owning	100	100
40	Iris Titan Shopping Center SRL	Romania	Property-owning	100	100
41	Karolinka Property Sp. z o.o.	Poland	Property-owning	100	100
42	Liberec Property s.r.o.	Czech Republic	Property-owning	100	100
43	Magnolia Property Sp. z o.o.[1]	Poland	Property-owning	100	-
44	Mammut Zrt	Hungary	Property-owning	100	100
45	Mammut Management Kft	Hungary	Services	100	100
46	Mammut Real Estate Kft	Hungary	Property-owning	100	100
47	Marapi Sp. z o.o.	Poland	Property-owning	100	100
48	Mega Mall Bucuresti SRL	Romania	Property-owning	100	100
49	Milvus Sp. z o.o.	Poland	Property-owning	100	100
50	Mlyny a.s.	Slovakia	Property-owning	100	100
51	Monarda Sp. z o.o.	Poland	Property-owning	100	100
52	MUNTENIA BETON MAX SRL[1]	Romania	Services	100	-
53	NE Property B.V.	Netherlands	Holding	100	100
54	NEPI Bucharest One SRL	Romania	Property-owning	100	100
55	NEPI Bucharest Two SRL	Romania	Property-owning	100	100
56	NEPI Croatia Management d.o.o.	Croatia	Services	100	100
57	NEPI Czech Management s.r.o.	Czech Republic	Services	100	100
58	Nepi Four Real Estate Solutions SRL	Romania	Holding	100	100
59	NEPI Investment Management SRL	Romania	Services	100	100
60	NEPI Project Four EOOD	Bulgaria	Property-owning	100	100
61	NEPI Project One EOOD	Bulgaria	Property-owning	100	100
62	NEPI Project Three EOOD	Bulgaria	Services	100	100
63	NEPI Project Two EOOD	Bulgaria	Holding	100	100
64	NEPI Real Estate Development d.o.o.	Serbia	Services	100	100
65	NEPI Real Estate Project One d.o.o. (sold in 2024)	Serbia	Property-owning	-	100
66	NEPI Rockcastle Green Energy B.V.[2]	Netherlands	Services	100	-
67	NEPI Rockcastle Hungary Kft	Hungary	Services	100	100
68	NEPI Rockcastle Lithuania UAB	Lithuania	Services	100	100
69	Nepi Seventeen Land Development SRL	Romania	Services	100	100
70	NEPI Six Development SRL	Romania	Services	100	100
71	Nepi Sixteen Real Estate Investment SRL	Romania	Holding	100	100
72	Nepi Slovak Centres One a.s.	Slovakia	Services	100	100
73	NEPI Slovakia Management s.r.o.	Slovakia	Services	100	100
74	NEPI Ten Development Solutions SRL	Romania	Property-owning	100	100
75	Nepi Twenty Real Estate Development SRL	Romania	Services	100	100
76	Nepi Twenty-One Investment Estate SRL	Romania	Services	100	100
77	Nepi Twenty-Three Investment Solutions SRL	Romania	Property-owning	100	100
78	NEPIOM Ltd	Malta	Holding	100	100
79	New Energy Management SRL	Romania	Services	100	100
80	Nobilia Sp. z o.o. (merged with Energit Sp. z o.o. in 2024)	Poland	Services	-	100

No	Subsidiary	Country of incorporation	Principal activity	Effective interest 2024 (%)	Effective interest 2023 (%)
81	NRE Sibiu Shopping City SRL	Romania	Property-owning	100	100
82	Olsztyn Property Sp. z o.o.	Poland	Property-owning	100	100
83	Otopeni Warehouse and Logistics SRL (sold in 2024)	Romania	Property-owning	-	100
84	Piotrków Property Sp. z o.o.	Poland	Property-owning	100	100
85	Platan Property Sp. z o.o.	Poland	Property-owning	100	100
86	Ploiesti Shopping City SRL	Romania	Property-owning	100	100
87	Pogoria Property Sp. z o.o.	Poland	Property-owning	100	100
88	Promenada Mall Bucuresti SRL	Romania	Property-owning	100	100
89	Ramnicu Valcea Shopping City SRL	Romania	Property-owning	100	100
90	Real Estate Asset Management SRL	Romania	Services	100	100
91	Retail Park Pitesti SRL	Romania	Property-owning	100	100
92	Rockcastle Europe Limited (wound up in 2024)	Mauritius	Holding	-	100
93	Rockcastle Poland Sp. z o.o.	Poland	Services	100	100
94	Satu Mare Shopping City SRL	Romania	Property-owning	100	100
95	SCP s.r.o.	Slovakia	Property-owning	100	100
96	Severin Shopping Center SRL	Romania	Property-owning	100	100
97	Shopping City Piatra Neamt SRL	Romania	Property-owning	100	100
98	Sibiu Shopping City 2 SRL	Romania	Property-owning	100	100
99	Silesia Property Sp. z o.o.[1]	Poland	Property-owning	100	-
100	Shopping City Timisoara SRL	Romania	Property-owning	100	100
101	ShoppingSpot Sp. z o.o.	Poland	Services	100	100
102	Sofia Commercial Centre EOOD	Bulgaria	Services	100	100
103	Solpower Energy SRL[1]	Romania	Services	100	-
104	Stichting NEPI Rockcastle Incentive Plan Foundation	Netherlands	Services	100	100
105	Symmetry Arena Kft	Hungary	Property-owning	100	100
106	Targu Jiu Development SRL	Romania	Property-owning	100	100
107	Targu Mures Shopping City SRL	Romania	Property-owning	100	100
108	Tummam Kft	Hungary	Property-owning	100	100
109	Uždaroji akcinė bendrovė Ozantis	Lithuania	Property-owning	100	100
110	Vulcan Residential Park SRL	Romania	Property-owning	100	100
111	Vulcan Value Centre SRL	Romania	Property-owning	100	100
112	Zielona Góra Property Sp. z o.o.	Poland	Property-owning	100	100

1 *Subsidiary acquired by the Group.*
2 *Subsidiary incorporated by the Group.*

Transactions and balances eliminated on consolidation

Intra-group balances and transactions, and any gains and losses or income and expenses arising from intra-group transactions, as well as investments in subsidiaries and corresponding equity in the subsidiaries are eliminated in preparing the Consolidated Financial Statements.

3.3 Investment property in use

Investment property is held to earn rental income, capital appreciation or both.

The cost of investment property acquired by any other means than a business combination consists of the purchase price and directly attributable expenditure.

Subsequent expenditure relating to investment property is capitalised when future economic benefits from the use of the asset are probable and the cost of the item can be measured reliably. All other subsequent expenditure is recognised as an expense during the period it is incurred.

After initial recognition, investment property in use is measured at fair value. Fair value is determined semi-annually by external, independent professional valuers, with appropriate and recognised qualifications and recent experience in the location and category of property being valued. Valuations are based on the income method, respectively, the applied method used for all investment property in use is discounted cash flow ("DCF").

Gains or losses arising from changes in the fair values are included in the Statement of comprehensive income for the period during which they arise. Unrealised gains or losses, net of deferred tax, are non-distributable.

Lease incentives, such as rent-free periods, discounts during the lease or payment of fit-out works for the benefit of the tenants, are part of value of the investment property and 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.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

3.4 Investment property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development and carried at cost until construction or development is complete, or its fair value can be reliably determined.

The land on which investment property is constructed or developed is carried at fair value, which is determined semi-annually by external, independent professional valuers, with appropriate and recognised qualifications and recent experience in the location and category of property being valued. Valuations are performed using the market comparable approach or residual approach.

Gains or losses arising from changes in the fair values are included in the Statement of comprehensive income during the period when they arise. Unrealised gains or losses, net of deferred tax, are non-distributable.

3.5 Assets classified as held for sale

An investment property or a group of assets including an investment property (disposal group) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. For this to be the case:

- the assets must be available for immediate sale in their present condition;
- the Group must be committed to sell;
- there must be a plan to locate a buyer; and
- it is highly probable that a sale will be completed within one year from the date of classification.

On re-classification as held for sale, investment property that is measured at fair value continues to be measured in this way.

An investment property or disposal group classified as held for sale is presented separately in the Statement of financial position as assets or liabilities classified as held for sale.

3.6 Property, plant and equipment

Property, plant and equipment are valued at their cost price, net of accumulated depreciation and accumulated impairment losses, if any. The cost price includes all directly attributable costs and the relevant part of the indirect costs incurred to make the asset ready for use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in profit or loss as incurred.

Construction in progress is stated at cost, net of accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Photovoltaic panels	15-20 years
Office equipment	2-16 years
Office improvements	over the term of the underlying lease
Equipment used in owner-managed activities	3-22 years

The expected useful lives of assets and methods of depreciation are reviewed at least annually.

3.7 Goodwill

Goodwill arises upon business combination and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities, and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes and it is represented by the individual properties.

3.8 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non–financial assets, other than goodwill and intangible assets with infinitive useful life, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date, if indicators of reversal exist.

3.9 Financial assets

3.9.1 Classification

In line with IFRS 9 "Financial instruments", the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt instruments financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

For financial assets measured at fair value through profit or loss ("FVTPL"), gains and losses are recorded in profit or loss.

3.9.2 Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group have transferred substantially all the risks and rewards of ownership.

3.9.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price.

a. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the Statement of comprehensive income. Financial assets measured at amortised cost ("AC") comprise cash and cash equivalents, loans to participants in the Share Purchase Scheme, long-term receivables and trade and other receivables (excluding prepaid expenses).

b. Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period.

3.9.4 Impairment – credit loss allowance for Expected Credit Losses ("ECL")

In line with IFRS 9 "Financial instruments", the Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost. The Group measures ECL and recognises credit loss allowance on an annual basis. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of any loss is recognised in the Statement of comprehensive income (profit or loss). Debt instruments measured at amortised cost are presented in the balance sheet net of the allowance for ECL.

ECLs are recognised for loans granted in two stages. 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).

Expected credit losses for trade receivables are recognised using the simplified approach. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

3.9.5 Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

3.9.6 Write-off

Financial assets are written-off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. Indicators that there is no reasonable expectation of recovery include, among others, insolvency or significant financial difficulties of the tenant, default on payment terms and vacation or abandonment of the leased premises. Impaired trade and other receivables are derecognised when all reasonable efforts to collect the amounts outstanding have failed and they are assessed as uncollectable.

3.9.7 Modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: new contractual terms that substantially affect the risk profile of the asset, significant change in interest rate, change in the currency denomination.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a significant increase in credit risk has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assess whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate and recognises a modification gain or loss in profit or loss.

Specific valuation techniques used to value financial assets include:

- The use of quoted market prices or dealer quotes for similar instruments (for financial assets/liabilities at fair value through profit or loss);
- Discounted cash flow analysis (for the remaining financial instruments).

3.10 Financial liabilities – measurement categories

Financial liabilities are initially recognised at fair value and classified and subsequently measured at amortised cost, except for financial liabilities at FVTPL: this classification is applied to interest rate derivatives and other financial liabilities designated as such at initial recognition.

3.11 Borrowings (bonds and bank loans)

Borrowings are recognised initially at the fair value of the liability (determined using the prevailing market rate of interest if significantly different from the transaction price) and net of transaction costs incurred. In subsequent periods, borrowings are subsequently carried at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of comprehensive income over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowings are removed from the balance sheet when the obligation specified in the contract is extinguished (i.e. discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of comprehensive income.

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch-up method, with any gain or loss recognised in the Statement of comprehensive income.

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use (such as properties developed for future sale, capital appreciation or rental income) are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

3.12 Cash and cash equivalents

Cash and cash equivalents include cash balances, cash deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest (SPPI), and (ii) they are not designated at FVTPL.

3.13 Trade receivables

Trade receivables are amounts due from customers for rental and service charge income from tenants in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value, generally at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses.

Trade receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

3.14 Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value ("NRV"). Principally, this is residential property that the Group develops and intends to sell on completion of development.

The commencement of development with a plan or a prior agreement to sell represents a change in use and accordingly the project is transferred from investment property to inventory property.

Costs incurred in inventory property include:

- freehold and leasehold rights for land;
- amounts paid to contractors for development; and
- planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

3.15 Share capital and share premium

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

The consideration paid, including any directly attributable incremental costs (net of income taxes for the purchases of the Company's equity instruments by any of the Group's subsidiaries, as a result of a share buy-back or for a share-based incentive plan) is presented within "Other reserves", until the shares are cancelled or reissued. Where such ordinary shares are cancelled, their nominal value is debited to Share capital, with the corresponding difference up to their purchase price (including any attributable incremental cost, net of taxes) debited from Share premium. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Group. Usually, shares are purchased for the debt-free Long-Term Share Incentive Plan (Note 3.16 (b)).

3.16 Share-based payments

To date, NEPI Rockcastle has initiated two types of incentive programs that offered share-based payments in exchange for services provided to it by its directors and employees (equity-settled transactions), which are detailed below.

a. Purchase Offers with a vesting component – Share Purchase Scheme ("NRP SPS")

This program was put in place before the 2017 merger of the former groups New Europe Property Investments plc ("NEPI") and Rockcastle Global Real Estate Company Ltd ("Rockcastle"). Under this program, participants were granted loans to acquire shares in the Company at fair value at the grant date. These loans were classified as "loans to participants in the incentive plan" and included in Other long-term assets (Note 10). The loans are carried at amortised cost and the accrued interest is recognised as finance income in the Statement of Comprehensive Income. The costs under this program are nil.

b. Debt free Long-Term Share Incentive Plan with a vesting component (“LTSIP”)

This program was put in place after the 2017 merger of the former groups NEPI and Rockcastle. Under this incentive plan, shares may be issued by the Group to executive directors and other key personnel for no cash consideration. Awards under this plan are at the discretion of the Board of Directors and are based on the performance of the Group and the employees. The costs related to the LTSIP are measured based on the fair value of the shares at the grant date and are recognized over the vesting period.

The costs are presented as part of the Administrative expenses in the Statement of comprehensive income and within Other reserves in the Statement of changes in equity.

3.17 Accumulated profit

The balance on the Statement of comprehensive income is transferred to accumulated profit at the end of each financial period. Distributions paid in cash are deducted from accumulated profit. Distributions for which shareholders elected to receive a return of capital are accounted for as an issue of share capital with a corresponding deduction from the share premium account.

3.18 Revenue

Revenue is recognised at the fair value of the consideration received or receivable. Revenue comprises rental and related income and recovery of expenses, excluding VAT.

Rental income

Rental income receivable from operating leases is recognised on a straight-line basis over the duration of the lease, except for variable lease payments which are recognized when they arise.

Contractually agreed and signed concessions granted to, and obtained from, tenants are treated according to IFRS 16 “Leases”. IFRS 16 defines “lease modification” as a change in scope, or consideration, of the lease, not part of the original terms and conditions, such as rent discounts, lease extensions, increase in variable rent (overage/turnover), introduction of break options, etc. Lease modifications are recognised prospectively over the new lease term and accounted for by the Group from the date the modification is contractually agreed and signed by both parties. Agreed lease modifications are recognised as lease incentives from the date the modification was signed. Such modifications are straight-lined over the new lease term and recognised in the Consolidated Statement of comprehensive income as a reduction of Gross rental income.

Service charges income from tenants

Revenue from service and property management charges is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services.

As specified in the lease agreements, the Group has the primary responsibility for providing services to tenants (electricity, water and gas utilities, interior and exterior cleaning, security, maintenance, repairs, etc). The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The Group allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis. In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The Group negotiates directly with the suppliers all contracts for services provided to tenants. These contracts are concluded between the Group subsidiaries which own the properties and the direct supplier. As the Group sometimes uses the same providers for services across most of its portfolio, it can negotiate better prices through the economies of scale. The Group is considered principal in these transactions, in terms of the IFRS 15 requirements.

The Group negotiates and pays all expenses incurred by the tenants and then re-invoices these costs to them as defined in the contractual clauses included in the lease agreements. A flat fee is charged monthly during the year. This fee is estimated based on the previous year’s actual costs, with an annual service charge reconciliation performed based on current year’s actual costs incurred by the Group. For contracts terminated during the year, the Group estimates the service charge to be collected based on the current budget and last year’s actual costs.

Revenue from sales of residential property

Revenue is recognised when the performance obligation associated with the sale is completed. The transaction price comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts.

The sale of completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. The Group’s sales contracts qualify as unconditional exchange of contracts, which occurs when legal title transfers to the customer. Payments are usually received on the date when contracts are signed or with several days delay.

Revenue from energy activity

Revenue from energy is generated through the sale of electricity, based on agreements between the Group’s property companies and the tenants of Group’s properties in a particular jurisdiction. Revenue recognition in a period is based on the delivery of electricity, taking into account the contractual price per kilowatt-hour (kWh) and the amount of electricity delivered in the period.

3.19 Property operating and administrative expenses

Property operating expenses and administrative expenses are recognised on an accrual basis.

3.20 Earnings distribution

A distribution is recorded as a liability and deducted from equity in the period in which it is declared and approved. Any distribution declared after the reporting period and before the financial statements are authorised for issue is disclosed in Note 17.

3.21 Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Current income tax and liabilities are measured at the amount expected to be recovered from, or paid to, taxation authorities. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is determined using the liability method and is based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries that are unlikely to reverse in the foreseeable future.

A deferred tax asset is recognised based on the assumption that it is probable that future taxable profits will be available against which it can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The current tax expense incurred by the Group reflects tax accrued in the subsidiaries of the Group located in Bulgaria, Croatia, Czech Republic, Hungary, Lithuania, Malta, Poland, Romania, Serbia, Slovakia, and the Netherlands.

3.22 Segment reporting

In accordance with IFRS 8, operating segments are identified on the basis of the internal reporting used by management when evaluating performance and allocating resources.

The Group has a homogeneous asset base (real estate properties), with similar economic characteristics, which provide similar nature of services, i.e. leasing of its properties, that generate rental income.

The Group's Chief Operating Decision Makers (CODM) are the executive directors, and they take decisions based on detailed reports. These are prepared regularly and are presented to the Board of Directors, which approves the results and gives guidance on the subsequent strategy to be undertaken.

In particular, the financial information in respect of investment property is provided to the Board of Directors focuses primarily on net rentals (including rental income, service charge income and property operating expenses) and valuation gains and losses.

The operating segments for management purposes are the individual properties. For reporting purposes, the Group aggregates the retail properties (shopping malls and retail centres) on country level and presents the financial information on the following geographic reportable segments for retail properties: Bulgaria, Croatia, Czech Republic, Hungary, Lithuania, Poland, Romania, Serbia, Slovakia.

In addition, the CODM are separately monitoring the activities related to the residential property development and sale ("Residential" segment) and the activities related to the green energy generation which is supplied to the Group's tenants. The Residential segment, based on a Board decision in August 2024, will be expanded from one development in 2023 to another 3 developments 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.

Lastly, the Group's CODM closely follow changes in distributable earnings to its shareholders as a measure of profitability and as a result of successful implementation of the Group's strategy. Distributable earnings per share is calculated in terms of the SA REIT Association's Best Practice Recommendations Second Edition.

3.23 Investment property acquisitions and business combinations

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically the following criteria, which indicate an acquisition of a business, are considered: the number of properties acquired, the extent to which strategic management processes and operation processes are acquired and the complexity of the processes acquired. In line with amended IFRS 3 since 1 January 2020 the Group may also apply optional concentration test.

Business combinations are accounted for using the acquisition method. When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

3.24 Leases where the Group is a lessee

The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets for all leases, except for short-term leases and leases of low-value assets. The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date.

Lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments. The present value of lease payments is recognised by discounting the contractual lease payments using the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

3.25 Standards issued but not yet effective and not early adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. This amendment is not expected to have a material impact on the Group.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18, which replaces IAS 1 Presentation of Financial Statements, introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the 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

The amendments address and acknowledge inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. This amendment is not expected to have a material impact on the Group.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments have not yet been endorsed by the EU. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards. The standard has not been endorsed by the EU. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Group's management discusses with the Audit Committee the development, selection and disclosure of the Group's material accounting policies, as well as their application.

The estimates and associated assumptions are based on historical experience and various other factors which are considered reasonable under the circumstances. These are used to make judgements about the carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period when the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both.

Judgements that have the most significant effect on the amounts recognised in the Consolidated Financial Statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year are detailed below.

Valuation of investment property

Investment property is stated at its fair value based on valuation reports prepared by international appraisers as at 30 June and 31 December each year. Valuations are based on discounted cash flow projections based on reliable estimates of future cash flows, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. These are supported by the terms of any existing lease and other contracts and by external evidence such as current market rents for similar properties in the same location and condition.

In preparing the valuation reports on the Group's investment property, the external appraisers excluded distressed sales when considering comparable sales prices (used for valuation of plots of land held for development). Management reviewed the appraisers' assumptions relating to the discounted cash flow models used in the valuations and confirmed that factors such as the discount rate applied have been appropriately determined considering the market conditions at the end of the reporting period.

Valuations of the income generating properties are based on cash flow statements, in which the present value of net operating income during a ten-year period and the residual value of the property at the end of the period are calculated.

Forecasts of net operating income are based on leases signed at the time of the valuation date, the estimated rental values for existing leases when they expire and the estimated achievable rental values of the existing vacancies. The value of long-term vacancies is estimated based on the properties' location and condition. The valuers' assessments of non-recoverable expenses are based on their experience of comparable properties and historical costs provided by the Group.

The discount rates used are nominal returns on total capital before tax and vary between 7.80% and 11.95% (2023: 7.90% and 11.95%). The required rates of return are based on assessments of the market's required returns for similar properties. The discount rate is set individually for each property and is based on the condition and location, the stability of the tenants and lease duration.

Further information relating to sensitivity of material accounting estimates used in the valuation of investment property is presented in Note 8.

Functional currency

In assessing the functional currency of the Group, including the Company and its subsidiaries, management considers factors such as the local currencies of the countries where the Group operates, as well as the currency that mainly influences rental prices for its properties, the currency that mostly influences labour, material and other costs of providing its services, the currency in which funding is accessed by the Group.

Although the competitive forces and regulations that determine the sales prices of goods and services are present in the countries which use different currencies than EUR, the macroeconomic developments in these countries to some extent is influenced by the eurozone. In addition, in real estate, leases agreements in the countries where the Group operates, as well as the financing of properties are generally denominated in EUR.

The Group predominately concludes its lease agreements in Euro (or, if these contracts are not concluded in Euro, they are indexed to the Euro exchange rate), even if invoiced in local currencies. Agreements for construction and development of investment properties are negotiated and concluded in EUR. Administrative and corporate expenses, such as advisory fees, audit fees, valuation fees, asset management fees are mostly negotiated and contracted in EUR. Salary and other employee related costs, although denominated in local currencies, are benchmarked to EUR.

Financing contracted by the Group, which include bonds, unsecured credit facilities and secured bank loans is denominated and settled in EUR. Interest paid on bank loans is linked to Euribor. Intra-group funding for property development is also denominated and settled in EUR.

In terms of transactions on the real estate market, acquisitions and sales of properties are negotiated and contracted in EUR in all jurisdictions the Group operate, due to the active international investors in those markets. This is also substantiated in external valuation reports, as valuations of properties are prepared in EUR.

In conclusion, management assessed that EUR is the functional currency for the Group, including the Company and its subsidiaries.

Current and deferred tax expense

The Group is subject to income taxes on taxable profits of its companies' operating in all jurisdictions. The calculation of the Group's tax charge and provisions for income taxes necessarily involves a degree of estimation and judgment in evaluating the nature of its companies' transactions and their respective tax treatment.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group has exposure to the following risks due to its use of financial instruments: credit, liquidity, and market, including currency and interest rate. This note presents information about the Group's exposure to each, as well as its objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has delegated the responsibility for developing this framework to the Risk Committee. This Committee reports to the Board of Directors on its activities, oversees how management monitors compliance policies and procedures, and reviews the adequacy of the framework regarding the risks faced.

The Group's policies are established to identify and analyse the risks it may encounter by performing its activities, to set appropriate limits and controls, and to monitor risks and adherence to limits. These policies and systems are reviewed regularly to reflect changes in market conditions and Group activities.

Impact of macroeconomic and geopolitical uncertainty

The Group's operations have demonstrated resilience in the face of macroeconomic headwinds and geopolitical events in 2024. While the military conflicts did not directly impact the Group's operations, the broader macroeconomic and geopolitical landscape influenced investor sentiment and the European commercial real estate sector.

Despite challenges like sluggish global economic growth and geopolitical tensions, the CEE region, where Nepi Rockcastle operates, demonstrated resilience with positive GDP growth and an expanding middle class. This resilience is reflected in the Group's strong financial performance in 2024, with significant NOI growth and proactive debt management.

The following risks were assessed:

Surge in operational costs due to increased energy prices

The majority of energy costs incurred by the Group are recovered from its tenants, which were able to absorb them due to the strong growth in sales in substantially all jurisdictions of operation. The completion of the first phase of the solar energy project in Romania further mitigated this risk. This project will be expanded to other jurisdictions in 2025.

Impact on credit risk tenant receivable

The Group did not experience significant changes in the collection rate of receivables from tenants in 2024. Tenant sales continued to grow, indicating their financial robustness. Collection rate has been consistently high at 99%.

Disruptions in the Group's development program

The Group's in-house development team actively manages construction projects, mitigating potential disruptions due to price fluctuations and availability of construction materials. Fixed-price contracts with suppliers further mitigate this risk.

Refinancing risk and impact on loan covenants

The Group successfully raised considerable funding in 2024 through green loans and bonds, ensuring ample liquidity and no material debt maturities until the end of 2026. The Group actively monitors loan covenants, which show ample headroom.

Broader economic impact in the jurisdictions where the Group operates

The Group's diversified portfolio across 8 CEE countries and a wide range of tenants mitigates risks associated with adverse macroeconomic conditions. The annual rent indexation mechanism provides an economic hedge against inflation. Rents paid by the top ten tenants represented 25.3% of the Group's revenues in the year ended 31 December 2024. The Group's main tenants are leading companies in their sectors and all tenants are subject to a financial review before signing leases with the Group.

Valuers included in their valuation assumptions factors resulting from the indirect impact of the current macroeconomic environment, through:

- stable valuation yields, with no significant changes compared with previous period;
- adjusting future cash flows with risk premia, to account for additional unrecoverable expenses and potential collection difficulties (on average 0.5%);
- indexing the future cash flows with projected inflation rates for the next period (in the average of 2.2%).

More details on valuation assumptions and inputs are provided in Notes 8 and 9.

5.1 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	14	448,498	338,519
Derivative financial assets at fair value through profit or loss[1]	20	9,662	21,568
Loans to participants in the Share Purchase Scheme[2]	10, 18	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 (see details in Note 18).

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	Note	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	13	**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.*

5.2 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 19.

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)	19	37,548	38,518	1,144,924	1,042,568	**2,263,558**	**2,001,423**
Bank loans (including estimated future interest)	19	15,989	45,079	1,003,416	79,292	**1,143,776**	**962,945**
Trade and other payables	21	143,876	43,208	-	-	**187,084**	**187,084**
Other long-term liabilities	22	-	-	24,288	6,305	**30,593**	**30,593**
Lease liabilities (including estimated future interest)	24	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)	19	30,076	527,589	1,087,805	509,430	**2,154,900**	**1,999,031**
Bank loans (including estimated future interest)	19	13,730	35,226	406,034	236,408	**691,398**	**533,721**
Loans from third parties (including estimated future interest)	23	611	18,264	17,715	-	**36,590**	**33,405**
Trade and other payables	21	128,388	25,945	-	-	**154,333**	**154,333**
Income tax payable	21	7,837	12,350	-	-	**20,187**	**20,187**
Other long-term liabilities	22	-	-	26,034	10,040	**36,074**	**36,074**
Lease liabilities (including estimated future interest)	24	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**

5.3 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.

5.3.1 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.

5.3.2 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, as further disclosed in Note 20.

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	Note	31 Dec 2024	31 Dec 2023
Loans to participants in the Share Purchase Scheme (including accrued interest)	10	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.*

5.4 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 19.

Derivatives
The fair value of derivatives is based on fair value quotes from counterparty banks and are disclosed in Note 20.

6. INTERNAL CONTROLS TO MANAGE RISKS

The Board of Directors is responsible for the Group's system of internal control and for reviewing its effectiveness. This system is designed to mitigate rather than eliminate the risk of failure to meet business objectives, and can only provide reasonable, not absolute, assurance against material misstatement or loss.

The key features of the Group's system of internal control include:

- Strategic and business planning: the Group prepares, and agrees, a business plan each year, to which the performance of the business is regularly monitored;
- Investment appraisal: capital projects, major contracts and business and property acquisitions are reviewed in detail and approved by the Investment Committee, and/or the Board of Directors where appropriate, in accordance with delegated authority limits;
- Financial monitoring: profitability, cash flow and capital expenditure are closely monitored, and key financial information is reported to the Board of Directors regularly, including explanations of variances between actual and budgeted performance; and
- Systems of control procedures and delegated authority: clearly defined guidelines and approval limits exist for capital and operating expenditure and other key business transactions and decisions.

7. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure it complies with its quantitative banking covenants and maintains a strong credit rating. During the year, no changes were made in the objectives, policies or processes.

Capital is primarily monitored using the gearing ratio (Loan-to-value or "LTV"), which was 32.1% (31 December 2023: 32.2%). The Group's strategic LTV threshold is 35%. The ratio is computed as interest bearing debt less lease liabilities less cash, divided by investment property (including investment property held for sale) and excludes the right-of-use assets. Loan-to-value is a non IFRS measure.

The Group's policy is to maintain a strong capital base of equity so as to maintain investor, creditor and market confidence and to sustain future business development. In particular, the Group monitors the Debt/ Debt + Equity ratio, a non IFRS measure, calculated as interest bearing debt less lease liabilities less cash, divided by interest bearing debt less lease liabilities less cash and shareholders' equity. The Debt/ Debt + Equity ratio threshold of the Group is a maximum 40%. As at 31 December 2024, the Debt/ Debt + Equity ratio was 33.9% (31 December 2023: 34.1%). The Board of Directors also monitors the level of distributions to shareholders. Neither the Company, nor its subsidiaries, are subject to externally imposed capital requirements, except that the Group's subsidiaries are subject to compliance with bonds and bank borrowings' covenants, as presented in Note 19.

The Group ensures it retains comfortable levels of access to liquidity to finance the Group's ongoing operations and further investment opportunities.

8. 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	33	759,666	-
Capital expenditure		51,373	44,982
Transferred from investment property under development	9	65,798	214,177
Fair value adjustments	29	183,942	168,185
Remeasurement of right-of-use assets	24	-	20,062
Additions to the right-of-use assets from acquired assets	33	29,840	-
Fair value adjustment of right-of-use asset	29	(412)	(742)
Investment property reclassified as held for sale	15	-	(151,210)
Transfers from property, plant and equipment	11	556	-
Investment property reclassified to property, plant and equipment	11	(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%**

9. 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	29	12,020	(2,643)
Assets which became operational and were transferred to Investment property in use	8	(65,798)	(214,177)
Investment property under development reclassified to property, plant and equipment	11	(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 semiannual 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**

10. OTHER LONG-TERM ASSETS

Other long-term assets are classified below:

in € thousand	31 Dec 2024	31 Dec 2023
Loans to participants under the Share Purchase Scheme	890	3,451
Intangible assets	5,822	5,613
Non-current receivables	4,648	2,498
Total[1]	**11,360**	**11,562**

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.

11. 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	8	23,212	-	-	23,212
Investment property under development reclassified to property, plant and equipment	9	-	229	-	229
Additions from assets deals	33	-	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**

12. GOODWILL

The Group recognised goodwill for the following business acquisitions:

in € thousand	Balance at 31 Dec 2024	Balance at 31 Dec 2023
Pitesti Retail Park (Romania)	1,671	1,671
Internalisation of NEPI Investment Management (Romania)	5,882	5,882
Aupark Kosice Mall (Slovakia)	5,189	5,189
Iris Titan Shopping Center (Romania)	934	934
Forum Usti nad Labem (Czech Republic)	5,646	5,646
Shopping City Sibiu (Romania)	9,850	9,850
Korzo Shopping Centrum (Slovakia)	2,899	2,899
Aupark Shopping Center Piestany (Slovakia)	1,585	1,585
Arena Centar and Retail Park (Croatia)	13,512	13,512
Energit (Poland)	6,976	6,976
Paradise Center (Bulgaria)	9,311	9,311
Arena Mall (Hungary)	7,905	7,905
Galeria Mlyny (Slovakia)	5,444	5,444
Total	**76,804**	**76,804**

There were no movements of goodwill in 2024 and 2023.

According to the Group's accounting policies based on IFRS, goodwill is tested at least annually for impairment or whenever there is an indication that it may be impaired. The lowest level within the Group at which the goodwill is allocated and monitored for internal management purposes is the CGU, represented by each individual property. CGUs to which the goodwill has been allocated were tested for impairment by comparing their net asset value with the recoverable value, which is the higher of value in use and fair value less cost to sell.

Goodwill from recognition of deferred taxes at the date of the business combination

All the goodwill summarised in the table above, with the exception of NEPI Investment Management and Energit, resulted from business combinations, as the difference between the deferred tax liability recognised in the balance sheet of the business acquired and the expected tax to be paid in case of a future disposal.

As a consequence, impairment tests performed on this type of goodwill at each reporting date consist in comparing its carrying amount with the amounts expected to arise from deferred taxes payable, should a disposal occur, at the level of each CGU.

As a result of this test in 2024, no impairment arose in respect to the goodwill from recognition of deferred taxes at the date of the business combination (31 December 2023: nil).

Goodwill from management and energy trading companies

Goodwill arising at the level of management company, NEPI Investment Management, is monitored at the level of this subsidiary, which employs part of the Group's key management and charges management fees to property operating companies.

The recoverable amount of NEPI Investment Management and Energit is represented by their value in use, determined based on the DCF derived from the five-year financial budgets for these two entities approved by management. Cash flows beyond the five-year period were extrapolated using the estimated cash flow of year 5. The discount rate used was based on the weighted average cost of capital in the specific geography of the two entities.

As a result of this test, no impairment arose in connection with the above two entities.

13. TRADE AND OTHER RECEIVABLES

in € thousand	Note	31 Dec 2024	31 Dec 2023
Tenant receivables (net of ECL)	5.1	95,854	71,721
VAT receivable		9,204	7,510
Prepaid property expenses		8,230	4,915
Other receivables		2,510	8,956
Other prepaid fees		149	363
Total		**115,947**	**93,465**

14. 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).*

15. 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**

15.1 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	8	-	151,210
Additions during the period		119	10
Fair value adjustments	29	(170)	(330)
Disposals		(151,210)	(17,736)
CARRYING VALUE		**559**	**151,820**

16. INVENTORY PROPERTY

The Group has a residential property development in Romania that was completed in 2023 and the sale of its units (apartments) started in December 2023 and continued in 2024. The residential project is held as inventory property and is measured at the lower of cost and net realisable value ("NRV").

The commencement of development with a plan or a prior agreement to sell represents a change in use and accordingly the project is transferred from investment property to inventory property.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

in € thousand	31 Dec 2024	31 Dec 2023
Inventory property	4,227	17,266

17. 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.

18. SHARE-BASED PAYMENTS

The Group has implemented incentive plans to reward performance and align the interests of executive directors and key individuals with those of the shareholders.

The aim of the Group's incentive plan ("Incentive Plan") is to motivate directors and employees to meet the Group's short-term and long-term objectives by giving such participants an opportunity to receive performance-based Awards (in cash or shares), on short-term (immediate settlement in cash or shares) or long-term (shares with a vesting component). The Board determines which executive directors are eligible to participate in the Incentive Plan, and the allocation of incentives, based on key performance indicators. The executive directors determine which key employees are eligible to participate in the Incentive Plan, and the allocation of incentives is discretionary, based on key performance indicators and other considerations regarding the employees' performance.

To date, NEPI Rockcastle has initiated two types of incentive programs that offered share-based payments in exchange for services provided to it by its directors and employees (equity-settled transactions), which are detailed below:

a. Purchase Offers ("SPS")

Under this program, loans were granted to participants in the share purchase schemes (the "Share Purchase Scheme" or "SPS") to buy shares, the repayment of which could be made in part out of the distribution payable in relation to the shares (the "NRP SPS"). Of the shares initially subscribed for, 20% vested annually. The Group offered each participant the immediate right to subscribe for the permitted number of shares at their market value, less a maximum discount of 5%, together with a loan to fund the purchase. Each loan carried interest at the weighted average rate that the Group can borrow money. Loans are payable in full, together with interest, ten years after its subscription date, but could be repaid earlier. The Company has security interests that ensure the repayment of the principal and interest on the loan given to participants. The NRP SPS is a full recourse scheme (i.e., recourse in relation to loans granted is not limited to shares issued). Pending repayment of the loan, the distributions on such shares are used to repay loan interest. Any excess distribution after interest payment is used to repay the loan.

No shares were issued during 2024 and 2023 under the NRP SPS.

The number of shares outstanding and the loans to participants under the Share Purchase Scheme as at the year-end are summarised below:

NRP SPS	31 Dec 2024	31 Dec 2023
Number of shares outstanding, collateralizing the Loans to participants under the Share Purchase Scheme	114,109	550,990
Loans to participants under the Share Purchase Scheme (in € thousand)	890	3,451

The decrease in 2024 is due to the sale of shares of a number of participants under the SPS which determined the correspondent decrease in the outstanding loan.

b. Debt free Long-Term Share Incentive Plan with a vesting component ("LTSIP")

Under this incentive plan, shares are awarded by the Group to executive directors and other key employees for no cash consideration. For key employees, shares are awarded to participants on condition of employment in the Group for the next three years (vesting period), with shares being vested proportionally over each year of the corresponding vesting periods (tranche vesting). For executive directors, shares are awarded subject to a full vesting of them at the end of three years (cliff vesting) plus a further two-year lock-up period, during which the vested shares cannot be disposed of by the directors. Shares awarded under LTSIP cannot be disposed of or otherwise encumbered up to their respective vesting dates.

The number of shares granted but unvested at 31 December 2024 and their fair value at grant date are summarised below:

LTSIP	31 Dec 2024	31 Dec 2023
Number of shares granted but unvested at year-end	1,717,101	1,308,834
Fair value at the grant date (€ thousand)	10,546	7,543

The number of shares granted during the year and their fair value at grant date are presented below. The fair value was calculated using the share price on the date of acquisition of shares allocated to LTSIP.

LTSIP	31 Dec 2024	31 Dec 2023
Number of shares granted during the year	785,206	882,537
Fair value at the grant date (€ thousand)	5,154	5,158

The maximum number of shares which could be offered for subscription under the Incentive Plan is 5% of the issued share capital of the Company at the end of any financial year prior to each award, provided that such number shall not exceed 30,449,745 shares. The number of shares that remained available for issue in terms of the Incentive Plan were as follows:

	31 Dec 2024	31 Dec 2023
Number of shares that remain available for issue at year-end	26,658,837	27,444,043

19. 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 (Note 23). The above finance costs do not include interest capitalized on developments of €4,378 thousand (Note 9) and interest on lease liabilities related to the right-of-use assets of €1,470 thousand (Note 24).*

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 (Note 23). The above finance costs do not include interest capitalized on developments of €5,085 thousand (Note 9), interest capitalized on inventory of €316 thousand and interest on lease liabilities related to the right-of-use assets of €804 thousand (Note 24).*

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%

20. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group uses derivative instruments to hedge variable interest rate (Euribor) exposure. Their fair value is summarised below:

in € thousand	31 Dec 2024	31 Dec 2023
Derivative financial assets – long-term	5,392	12,241
Derivative financial assets – short-term	4,270	9,327
Total	**9,662**	**21,568**

The above financial assets consist of interest rate caps and fixed interest rate swaps which are not designated as cash flow hedges. The fair value was categorised in Level 2 of the fair value hierarchy.

The derivative financial assets classification to non-current or current sections of the Statement of financial position is driven by the contractual maturities of the instruments.

At 31 December 2024, €524 million of debt exposed to Euribor was hedged with interest rate caps and €39 million with interest rate swaps (Note 5.3.2).

21. TRADE AND OTHER PAYABLES

in € thousand	31 Dec 2024	31 Dec 2023
Property related payables	79,110	65,674
Advances from tenants	55,365	49,453
Advances from residential customers	309	3,474
Payable for investment property and property, plant and equipment under construction	22,927	17,892
Accrued administrative expenses	10,243	14,192
Tenant security deposits	13,289	2,824
Deferred consideration on acquisitions of subsidiaries and asset deals	5,841	824
Total	**187,084**	**154,333**

22. OTHER LONG-TERM LIABILITIES

in € thousand	31 Dec 2024	31 Dec 2023
Tenant security deposits	30,109	35,011
Other long-term payables	484	1,063
Total	**30,593**	**36,074**

23. LOANS FROM THIRD PARTY

As part of the deal for the acquisition of Forum Gdansk Property Sp. z o.o. in 2022, the Group obtained vendor financing in the form of a three-year unsecured loan from the seller, for part of the purchase price amounting to €50,000 thousand, bearing an interest rate of 6.5%. The outstanding loan was fully repaid in October 2024.

This section sets out the movements in loans from third parties for the periods presented.

in € thousand	Loans from third parties
Loans from third parties as at 31 December 2023	**33,405**
Out of which short-term	**16,738**
Cash payments of principal	(33,333)
Cash payments of interest	(1,835)
Interest expense	1,763
Loans from third parties as at 31 December 2024	**-**
Out of which short-term	**-**

in € thousand	Loans from third parties
Loans from third parties as at 31 December 2022	**50,107**
Out of which short-term	**16,774**
Cash payments of principal	(16,666)
Cash payments of interest	(3,250)
Interest expense	3,214
Loans from third parties as at 31 December 2023	**33,405**
Out of which short-term	**16,738**

24. LEASE LIABILITIES

The Group recognises the right-of-use assets from leases of land plots on which the majority of its Polish properties are located, commissioned from the local authorities. The correspondent lease liabilities are recognised by discounting the contractual lease payments using the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The contractual lease agreements are signed for the period of 99 years with extension option by the lessee. The agreements include fixed payment terms subject to adjustment due to revaluation of land, such revaluation can be done by the lessor not more often than every three years.

Reconciliation of lease liabilities

in € thousand	Note	31 Dec 2024	31 Dec 2023
Carrying value of the lease liabilities - Opening Balance		**56,520**	**37,200**
Out of which short-term - Opening Balance		**1,546**	**832**
Additions to lease liabilities from acquired assets	33	29,840	-
Remeasurement of lease liability		-	20,062
Interest expense	30	1,470	804
Lease liability payment		(1,881)	(1,546)
Carrying value of the lease liabilities - Closing Balance		**85,949**	**56,520**
Out of which short-term - Closing Balance		**2,890**	**1,546**

25. CORPORATE TAX CHARGE AND DEFERRED TAX

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss, except to the extent they relate to business combinations or items recognised directly in equity. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which temporary differences can be utilised.

in € thousand	31 Dec 2024	31 Dec 2023
Current tax expense	30,563	28,334
Deferred tax expense	31,472	41,527
INCOME TAX EXPENSE	**62,035**	**69,861**
Deferred tax brought forward	408,136	364,875
Other adjustments (included in the disposal proceeds) - with P&L effect	(1,762)	61
Deferred tax balance transferred to Held for sale (HFS) assets - no P&L effect	-	1,673
Deferred tax expense	31,472	41,527
Net deferred tax liability carried forward, out of which:	**437,846**	**408,136**
Deferred tax asset (other than related to HFS portfolio)[1]	(107,395)	(63,555)
Deferred tax liability (other than related to HFS portfolio)[1]	545,241	471,691

1 Deferred tax assets and liabilities presented in this table, in net amount of €32,991 thousand (2023: €31,517 thousand), have been offset at the level of the Group entities.

Net deferred tax liability results from the following types of differences:

in € thousand	31 Dec 2024	31 Dec 2023
Fiscal losses	218,795	235,502
Other deductible temporary differences[1]	499,261	248,973
Deferred tax asset	**140,386**	**95,072**
Net deferred tax asset related to HFS portfolio	-	(2,330)
Deferred tax asset adjusted for HFS	**140,386**	**92,742**
Temporary differences between accounting and fiscal value of investment property	(3,607,280)	(3,234,900)
Other taxable temporary differences[1]	(36,619)	(29,024)
Deferred tax liability	**(578,232)**	**(501,536)**
Net deferred tax liability related to HFS portfolio	-	658
Deferred tax liability adjusted for HFS	**(578,232)**	**(500,878)**
Net deferred tax liability	**(437,846)**	**(408,136)**

1 Other deductible and taxable temporary differences include mainly prepayments and accruals, deferred income and allowances.

The deferred tax balance as at 31 December 2024 is the net effect of deferred tax assets resulted mainly from fiscal losses (and for 2024, the tax attributes available for future use in the Maltese subsidiary, as described below) and deferred tax liabilities resulted from differences between the fiscal base and the accounting base of assets and liabilities, mainly investment property. Deferred tax liabilities are not expected to be settled within the following five years from the reporting date.

Deferred tax liabilities, which are a non-cash item, result directly from the fair value revaluation of the investment property and other local tax adjustments (e.g., local tax depreciation charges, non-capitalisation of certain items, foreign exchange impact given that tax value is recorded in local currency, etc.) which diminishes the tax value of the investment property.

in € thousand	Consolidated Statement of financial position		Consolidated Statement of comprehensive income	
Deferred tax liability (net)	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Valuation of investment property at fair value	(571,357)	(496,027)	(75,330)	(39,737)
Recognised unused tax losses	46,360	47,804	(1,444)	(2,130)
Deferred tax asset related to HFS written off upon sale	89	-	-	-
Deferred tax balance transferred to HFS (no P&L impact)	-	(1,673)	-	-
Deductible/Taxable temporary differences	87,062	41,760	45,302	340
Total	**(437,846)**	**(408,136)**	**(31,472)**	**(41,527)**

The Group is liable for taxation on taxable profits in the following jurisdictions at the rates below:

Corporate income tax rates	31 Dec 2024	31 Dec 2023
Netherlands	25.8%	25.8%
Romania	16%	16%
Poland	19%	19%
Slovakia[1]	21%	21%
Serbia	15%	15%
Czech Republic	21%	19%
Croatia	18%	18%
Bulgaria	10%	10%
Hungary	9%	9%
Lithuania[2]	15%	15%
Malta	35%	35%

1 In Slovakia the corporate income tax rate for legal persons with an annual turnover (taxable income) above EUR 5 million changed to rate of 24% for accounting periods starting from 1 January 2025.

2 Starting 1 January 2025 the tax rate in Lithuania was changed from 15% to 16%.

A reconciliation between the current year income tax charge (current and deferred tax) and the Group consolidated profit/(loss) before tax for the years 2024 and 2023 is presented below:

Profit Before Tax Reconciliation *in € thousand*	31 Dec 2024	31 Dec 2023
Consolidated Profit Before Tax	649,600	546,662
Weighted tax rate on consolidated Profit Before Tax	15.40%	14.49%
Group income tax charge based on Group weighted tax rate	(100,035)	(79,227)
Effect in corporate income tax resulting from the following items:		
Effects in changes in foreign exchange rates	(403)	1,367
Recognition of Deferred Tax Asset previously unrecognised	(103)	6,650
Changes in the liabilities for uncertain tax positions	(3,393)	4,635
Utilisation of previously unrecognised temporary differences	890	746
Tax rate differences inter-company transactions	(3,348)	(2,587)
Deferred tax assets released due to fiscal losses expired and/or not utilised in the current year or expected to expire without being utilised in future periods (release of Deferred Tax Asset not related to current year)	(784)	(1,320)
Deferred tax asset release following sale of subsidiary	(1,762)	-
Increase of Deferred Tax Liability due to change of tax rate in various jurisdictions (Slovakia and Lithuania starting 2025) and Czech Republic (from 19% in 2023 to 21% starting 2024)	(10,221)	(591)
Deferred tax asset reconised for tax attributes available to be used in the future	56,708	-
Others	416	466
Total Group tax expense	**(62,035)**	**(69,861)**
Effective tax rate (Group consolidated Profit Before Tax)	**10%**	**13%**

Deferred tax asset of €56,708 thousand is recognised on tax attributes available to be used in the future with respect to the Group's Maltese subsidiary. These tax attributes arose as a result of applying the Maltese tax legislation which allows for a Notional Interest Deduction ("NID"), which is a deemed deduction on equity. The company generated more NID in prior years than it could use according to the Maltese tax laws, the respective unutilised NID being carried forward according to law and intended to be used in the future. The total amount of NID carry forward available to be used at 31 December 2024 is of €302,441 thousand resulting from NID available to be carried-forward as at the end of each year during the period 2021 – 2024 as follows:

in € thousand	31 Dec 2024
2021	16,835
2022	91,502
2023	83,791
2024	110,313
Total	**302,441**

The Group decided to recognise this deferred tax asset at 31 December 2024 as the projections indicate that such carry-forward NID can be utilised against future taxable profits.

The Group accounts for deferred taxes assuming the theoretical future disposals of properties in the form of asset deals, triggering the full corporate income tax rate in each jurisdiction in which the Group owns property. In practice, if the Group would be in the position to dispose of certain assets, these disposals will most probably be conducted via share deals, as assets are held in separate SPVs, significantly reducing the effective tax rate on potential capital gains.

Group subsidiaries are subject to corporate tax on an annual basis. The Group carries forward aggregate fiscal losses of €328,529 thousand (31 December 2023: €314,243 thousand), which are mainly available for up to seven years to offset against any future taxable profits of the companies in which the losses arose. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine recognisable deferred tax assets, based on the likely timing and the level of future taxable profits and future tax planning strategies. Deferred tax assets have not been recognised for fiscal losses of €109,733 thousand (31 December 2023: €78,780 thousand) as these could have been used only to offset the taxable profits of certain companies in the Group, and there is uncertainty whether these companies will either generate sufficient taxable profit in the future.

The expiry dates for these losses are as follows:

in € thousand	31 Dec 2024	31 Dec 2023
2024	-	11,062
2025	21,369	17,385
2026	4,873	5,053
2027	14,721	17,120
2028	3,269	5,105
2029	8,202	8,818
2030 and later	57,299	14,237
Total	**109,733**	**78,780**

26. NET ASSET VALUE PER SHARE

in € thousand, unless otherwise stated	Note	31 Dec 2024	31 Dec 2023
Net Asset Value (per the Statement of financial position)		4,908,482	4,304,761
Deferred tax liabilities		545,241	472,348
Deferred tax assets		(107,395)	(65,885)
Goodwill		(76,804)	(76,804)
Derivative financial assets at fair value through profit or loss		(9,662)	(21,568)
EPRA Net Reinstatement Value		**5,259,862**	**4,612,852**
Net Asset Value per share (euro)		6.89	6.51
EPRA Net Reinstatement Value per share (euro)		7.38	6.98
Number of shares for Net Asset Value/ EPRA Net Reinstatement Value	31	712,357,309	660,826,020

27. 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 34.

28. ADMINISTRATIVE EXPENSES

in € thousand	Note	31 Dec 2024	31 Dec 2023
Staff costs[1]		(12,908)	(11,890)
Directors' remuneration	37	(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	11	(447)	-
Depreciation charge for other property, plant and equipment[3]	11	(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)**

29. FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTY

in € thousand	Note	31 Dec 2024	31 Dec 2023
Fair value adjustments of investment property in use	8	183,942	168,185
Fair value adjustments of investment property under development	9	12,020	(2,643)
Fair value adjustments of investment property held for sale	15.1	(170)	(330)
Fair value adjustments of right-of-use assets	8	(412)	(742)
Total		**195,380**	**164,470**

30. NET FINANCE COSTS AND OTHER ITEMS

in € thousand	Note	31 Dec 2024	31 Dec 2023
Interest on Loan to participants under Share Purchase Scheme		67	96
Interest on bank deposits		19,840	6,795
Finance income		**19,907**	**6,891**
Bonds borrowing costs[1]	19	(55,495)	(51,042)
Interest expense on bank borrowings	19	(58,242)	(31,343)
Interest rate derivatives settlements		12,454	11,950
Interest expense on borrowings from third parties	23	(1,763)	(3,214)
Interest expense on lease liabilities	24	(1,470)	(804)
Interest expense other borrowings		(7)	-
Interest expense capitalised on developments and inventory property[2]		4,379	5,401
Finance costs		**(100,144)**	**(69,052)**
Bank charges, commissions, and fees		**(4,381)**	**(3,297)**
Total		**(84,618)**	**(65,458)**

1 Bonds borrowing costs include coupon, amortisation of borrowing costs and debt discount, using the effective interest approach.
2 In 2024 interest expense were capitalised only on developments.

31. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the year ended 31 December 2024 was based on the profit attributable to equity holders of the parent of €587,565 thousand (31 December 2023: €476,801 thousand) and the weighted average number of shares.

in € thousand, unless otherwise stated	31 Dec 2024	31 Dec 2023
Profit for the year attributable to equity holders	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

Weighted and diluted weighted average number of shares for basic and diluted earnings per share purposes are detailed below:

2024	Event	Number of shares	Cumulative number of shares after equity-related transactions	% of period	Weighted average
01/01/2024	Opening balance	660,826,020	660,826,020	79%	521,418,887
15/10/2024	Return of capital	9,806,671	670,632,691	1%	3,674,700
17/10/2024	Issue of shares	41,724,618	712,357,309	20%	146,374,790
31/12/2024	Diluted weighted average number of shares				671,468,377
	Effect of unvested shares under LTSIP				(1,409,503)
	Basic weighted average number of shares				670,058,874

2023	Event	Number of shares	Cumulative number of shares after equity-related transactions	% of period	Weighted average
01/01/2023	Opening balance	607,000,000	607,000,000	26%	158,420,330
06/04/2023	Return of capital	28,830,268	635,830,268	50%	319,661,920
06/10/2023	Return of capital	24,995,752	660,826,020	24%	156,129,225
31/12/2023	Diluted weighted average number of shares				634,211,475
	Effect of unvested shares under LTSIP				(1,060,600)
	Basic weighted average number of shares				633,150,875

32. 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 remeasurements 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	29	(195,380)	(164,470)
Gain on disposal of assets held for sale	15	(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

33. 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.

34. 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	8	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	9	181,217	2,501	4,900	1,023	34,188	6,826	-	1,142	**231,797**	-	-	-	**231,797**
Investment property held for sale	15	559	-	-	-	-	-	-	-	**559**	-	-	-	**559**
Property, plant and equipment - Photovoltaic panels	11	-	-	-	-	-	-	-	-	**-**	-	23,303	-	**23,303**
Property, plant and equipment - Photovoltaic panels under construction	11	-	-	-	-	-	-	-	-	**-**	-	12,972	-	**12,972**
Inventory property	16	-	-	-	-	-	-	-	-	**-**	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	8	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	9	148,215	5,016	5,306	1,023	30,383	7,130	10	660	-	**197,743**	-	-	**197,743**
Investment property held for sale	15.1	610	-	-	-	-	-	-	-	145,600	**146,210**	-	5,610	**151,820**
Inventory property	16	-	-	-	-	-	-	-	-	-	**-**	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	9	73,326	6,107	4,949	-	2,417	-	4	1,258	-	**88,061**	-	-	-	**88,061**
Capital expenditure	8	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	8	-	759,666	-	-	-	-	-	-	-	**759,666**	-	-	-	**759,666**
Capital expenditure on PPE - Photovoltaic panels	11	-	-	-	-	-	-	-	-	-	**-**	-	538	-	**538**
Additions from asset deals - PPE - Photovoltaic panels under construction	11	-	-	-	-	-	-	-	-	-	**-**	-	10,559	-	**10,559**
Capital expenditure on PPE - Photovoltaic panels under construction	11	-	-	-	-	-	-	-	-	-	**-**	-	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	9	125,439	17,015	4,146	-	1,924	-	1,375	344	-	**150,243**	-	(24)	**150,219**
Capital expenditure	8	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.

35. 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	29	(195,380)	(164,470)
Foreign exchange loss		158	1,187
Gain on disposal of assets held for sale	15	(25,934)	(5,641)
Finance income	30	(19,907)	(6,891)
Finance costs	30	100,144	69,052
Bank charges, commissions, and fees	30	4,381	3,297
Fair value adjustments of derivatives		12,818	17,376
Deferred tax expense	25	31,472	41,527
Current tax expense	25	30,563	28,334
Depreciation expense for property, plant and equipment and amortization of intangibles		2,053	1,469
Share based payment expense	28	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**

36. 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 €5.55 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.

37. 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. There were no changes to the Director's interests from 31 December 2024 to the approval of the annual audited Consolidated Financial Statements, other than the shares awarded in March 2024, as detailed in the Remuneration section of this Annual Report, on pages 124. Other than as set out in note 37(a) above, none of the shares of the Director are subject to security, guarantee, collateral, and they are not encumbered in any way.

38. SUBSEQUENT EVENTS

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

Separate Statement of financial position

in € thousand	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets		**3,576,147**	**3,275,836**
Investments in subsidiaries	43	3,575,257	3,272,385
Other long-term assets	44	890	3,451
Current assets		**115,901**	**40,118**
Trade and other receivables	45	51,031	25,368
Cash and cash equivalents	46	64,870	14,750
TOTAL ASSETS		**3,692,048**	**3,315,954**
EQUITY AND LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY		**3,679,968**	**3,304,327**
Share capital	17	7,124	6,608
Share premium	17	3,255,148	3,137,063
Merger reserve		25,188	25,188
Other reserves	47	(9,662)	(7,637)
Accumulated profit		402,170	143,105
Total liabilities		**12,080**	**11,627**
Current liabilities		**12,080**	**11,627**
Trade and other payables	48	4,794	4,005
Income tax payable		7,286	7,622
TOTAL EQUITY AND LIABILITIES		**3,692,048**	**3,315,954**

Separate Statement of comprehensive income

in € thousand	Note	31 Dec 2024	31 Dec 2023
Interest income	50	1,510	507
Guarantee fee income	50	25,772	21,540
Dividend income		340,000	80,000
Strategic asset management income		6,296	5,374
Administrative expenses	49	(9,682)	(7,814)
Foreign exchange gain/(loss)		75	(92)
Other finance expense	50	(24)	(32)
Profit before tax		**363,947**	**99,483**
Income tax expense		(4,462)	(4,892)
Profit after tax		**359,485**	**94,591**
Total comprehensive income for the year		**359,485**	**94,591**

Separate Statement of changes in equity

in € thousand	Note	Share capital	Share premium	Other reserves	Merger reserve	Accumulated profit/ (deficit)	Total
Balance at 1 January 2023		**6,070**	**3,190,735**	**(4,656)**	**25,188**	**63,160**	**3,280,497**
Transactions with owners		**538**	**(53,672)**	**(2,981)**	-	**(14,646)**	**(70,761)**
– Share capital movements[1]	17	53,240	(53,240)	-	-	-	-
– Earnings distribution – capital repayment[2]	17	(53,240)	-	-	-	-	(53,240)
– Earnings distribution – dividend out of accumulated profit[2]	17	-	-	-	-	(14,646)	(14,646)
– Earnings distribution – impact of foreign exchange hedges[2]	17	-	106	-	-	-	106
– Earnings distribution – scrip issue[2]	17	538	(538)	-	-	-	-
– Shares purchased for LTSIP[3]		-	-	(5,158)	-	-	(5,158)
– Shares vested in LTSIP		-	-	2,000	-	-	2,000
– LTSIP reserve release		-	-	177	-	-	177
Total comprehensive income		-	-	-	-	**94,591**	**94,591**
– Profit for the year		-	-	-	-	94,591	94,591
Balance at 31 December 2023		**6,608**	**3,137,063**	**(7,637)**	**25,188**	**143,105**	**3,304,327**
Transactions with owners		**516**	**118,085**	**(2,025)**	**-**	**(100,420)**	**16,156**
Share capital movements[1]	17	178,079	(178,079)	-	-	-	-
Earnings distribution – capital repayment[2]	17	(178,079)	-	-	-	-	(178,079)
Issue of shares, net of transaction costs	17	418	294,757	-	-	-	295,175
Earnings distribution – dividend out of accumulated profit[2]	17	-	-	-	-	(100,420)	(100,420)
Earnings distribution – impact of foreign exchange hedges[2]	17	-	1,505	-	-	-	1,505
Earnings distribution – scrip issue[2]	17	98	(98)	-	-	-	-
Shares purchased for LTSIP[3]		-	-	(5,154)	-	-	(5,154)
Shares vested in LTSIP		-	-	3,040	-	-	3,040
LTSIP reserve release		-	-	89	-	-	89
Total comprehensive income		**-**	**-**	**-**	**-**	**359,485**	**359,485**
– Profit for the year		-	-	-	-	359,485	359,485
Balance at 31 December 2024		**7,124**	**3,255,148**	**(9,662)**	**25,188**	**402,170**	**3,679,968**

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 17.

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 17.

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

Separate Statement of cash flows

in € thousand	Note	31 Dec 2024	31 Dec 2023
OPERATING ACTIVITIES			
Profit after tax		359,485	94,591
Adjustments		**(336,931)**	**(75,323)**
Dividend income		(340,000)	(80,000)
Income tax expense		4,462	4,892
Share based payment expense	49	168	168
Foreign exchange (gain)/ loss		(75)	92
Net finance income	50	(1,486)	(475)
Changes in working capital			
Increase in trade and other receivables		(22,836)	(16,581)
(Decrease)/ Increase in trade and other payables		(4,032)	1,925
Interest received		1,318	410
Dividend received		340,000	80,000
NET CASH FLOWS FROM OPERATING ACTIVITIES		**337,004**	**85,022**
INVESTING ACTIVITIES			
Increase in investment from capital contribution	43	(300,000)	-
NET CASH FLOW USED IN INVESTING ACTIVITIES		**(300,000)**	**-**
FINANCING ACTIVITIES			
Proceeds from issue of shares	17	295,175	-
Payment to acquire shares for LTSIP[1]	47	(5,154)	(5,158)
LTIP reserve release		89	177
Earnings distribution - Capital repayment and dividend out of accumulated profit	17	(276,994)	(67,780)
NET CASH FLOWS FROM/ (USED) IN FINANCING ACTIVITIES		**13,116**	**(72,761)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**50,120**	**12,261**
Cash and cash equivalents brought forward	46	14,750	2,489
CASH AND CASH EQUIVALENTS CARRIED FORWARD		**64,870**	**14,750**

1 *LTSIP = Debt free long-term share incentive plan with a vesting component.*

Notes to the Separate Financial Statements

39. BASIS OF PREPARATION

The separate financial statements of the Company have been prepared in accordance with IFRS ® Accounting Standards as issued by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, IFRS Acounting Standards as adopted by the European Union and with Title 9 of Book 2 of the Dutch Civil Code.

In case no other policies are mentioned, reference should be made to the accounting policies described in the Consolidated Financial Statements. For an appropriate interpretation, the Company financial statements of NEPI Rockcastle N.V. should be read in conjunction with the Consolidated Financial Statements.

The separate financial statements are presented in Euro ("€", "EUR") thousands unless otherwise stated, which is the Company's functional and presentation currency.

The Company's separate financial statements include intra-group balances and transactions, investments in subsidiaries and any gains and losses or income and expenses arising from intra-group transactions. The Company's investments in subsidiaries are subject to impairment testing annually, if indicators of impairment exist.

Management has prepared the financial statements on a going concern basis. Having considered the potential impact of the 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 Company's ability to continue as a going concern.

40. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been consistently applied to all periods presented.

The following accounting policies presented in the Consolidated Financial Statements are relevant for the Company only financial statements:

3.9. Financial assets

3.12. Cash and cash equivalents

3.17. Accumulated profit

3.20. Earnings distribution

3.25. Standards issued but not yet effective and not early adopted

40.1 Financial liabilities – measurement categories

Financial liabilities are initially recognised at fair value and classified and subsequently measured at amortised cost.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Guarantee fee income represent the premium received for the guarantee granted by the Company to its subsidiary and is recognised in the income statement in Guarantee fee income line on a straight line basis over the life of the guarantee.

40.2 Investments in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. At each reporting period investments in subsidiaries are assessed subject to any indicators of impairment. The impairment test itself is carried when such indicators exist. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

40.3 Trade receivables

Trade receivables are recognised initially at fair value, generally at the amount of consideration that is unconditional. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company.

40.4 Administrative expenses

Administrative expenses are recognised on an accrual basis.

40.5 Dividend income

Dividends are recognised as income in the Statement of comprehensive income when the Company's right to receive payment is established.

40.6 Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method.

40.7 Taxation

Current income tax and liabilities are measured at the amount expected to be recovered from, or paid to, taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date. Current income tax relating to items recognised directly in equity is recognised directly in equity and not in the Statement of comprehensive income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Output Value Added Tax (VAT) related to sales is payable to tax authorities on either the collection of receivables from customers or the delivery of services to customers depending on which occurs first. Input VAT is generally recoverable against output VAT upon receipt of the invoice. VAT relating to sales and purchases is recognised in the Statement of financial position on a net basis and is disclosed separately as an asset or liability, as the case may be. Where provision has been made for impairment of receivables, the loss is recorded for the gross amount of the debt, including VAT.

40.8 Share-based payments

To date, NEPI Rockcastle has initiated two types of incentive programs that offered share-based payments in exchange for services provided to it by its directors and employees (equity-settled transactions), which are detailed below:

a. Purchase Offers with a vesting component – Share Purchase Scheme ("NRP SPS")

This program was put in place before the 2017 merger of the former groups New Europe Property Investments plc ("NEPI") and Rockcastle Global Real Estate Company Ltd ("Rockcastle"). Under this program, participants were granted loans to acquire shares in the Company at fair value at the grant date. These loans were classified as "loan to participants in the incentive plan" and included in Other long-term assets (Note 44). The loans are carried at amortised cost and the accrued interest is recognised as finance income in the Statement of comprehensive income. The costs under this program are nil.

b. Debt free Long-Term Share Incentive Plan with a vesting component ("LTSIP")

This program was put in place after the 2017 merger of the former groups NEPI and Rockcastle. Under this incentive plan, shares may be issued by the Company to executive directors and other key personnel for no cash consideration. Awards under this plan are at the discretion of the Board of Directors and are based on the performance of the Group and the employees. The costs related to the LTSIP are measured based on the fair value of the shares at the grant date and are recognized in the Company's financial statements over the vesting period as an increase in the investment in the subsidiaries, as the employees receiving the awards are providing services to the subsidiaries of the Company. The correspondent credit is recognised in Other reserves in the Statement of changes in equity.

In the accounts of the subsidiaries, an expense for the grant date fair value of the award is recognised over the vesting period, with the credit recognised in equity. The credit to equity is treated as a capital contribution, because the Company is compensating the subsidiaries' employees with no recharge to the subsidiaries.

41. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The estimates and associated assumptions are based on historical experience and various other factors which are considered reasonable under the circumstances. These are used to make judgements about the carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period when the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both.

Judgements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year are detailed below.

Impairment of investments in subsidiaries

The Company has an investment in Nepiom Limited that acts as intermediary holding and financing vehicle. That entity has an investment in NE Property B.V. which holds investments in all the operating subsidiaries of the Group. Its consolidated net assets value consists mainly of investment properties at fair value, as well as other items for which the carrying amount is considered to approximate fair value (loans, working capital items), therefore it is used as a recoverable amount in the impairment calculation. When the investments in subsidiaries are higher than the subsidiaries net assets value, the carrying value of that investment is reduced.

42. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company has exposure to the following risks due to its use of financial instruments: credit, liquidity, and market, including currency and interest rate. This note presents information about the Company's exposure to each, as well as its objectives, policies and processes for measuring and managing risk.

The fair value of all financial instruments is substantially in line with their carrying amounts as reflected on the Statement of financial position.

42.1 Credit risk

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

The exposure to credit risk at the reporting date is set out below:

Credit exposure on financial instruments excluding exposure to guarantees granted	Note	31 Dec 2024	31 Dec 2023
in € thousand			
Loans to participants in Share Purchase Scheme (including accrued interest)	47	890	3,451
Trade and other receivables	45	51,031	25,368
Cash and cash equivalents	46	64,870	14,750
Total		**116,791**	**43,569**

Included in the "Trade and other receivables" above, there is an annual guarantee fee that the Company charges to one of its indirect subsidiaries, NE Property BV ("NEBV"), for its role as a guarantor under the external financing agreements concluded by NEBV, namely issued fixed coupon bonds and unsecured revolving credit facilities. At 31 December 2024, the balance of guarantee fee receivable from NEBV was of €42,312 thousand (31 December 2023: €21,540 thousand). The Company has assessed the liability for financial guarantees as at 31 December 2024 in accordance with the accounting policy and concluded that the amount is immaterial.

In accordance with the Group's external unsecured financing agreements, the Company has guaranteed the due and punctual payment of all sums from time to time payable by NEBV under those agreements in case of non-payment by the latter. The value of NEBV liabilities (excluding future interest) towards its creditors under above mentioned financing agreements at 31 December 2024 was of €2,518,476 thousand (31 December 2023: €2,072,501 thousand).

The Company has assessed the fair value of the liability for financial guarantee at inception being immaterial. As at 31 December 2024 the respective financial liability has been measured in accordance with the accounting policy at the higher of Expected Credit Loss allowance and amount initially recognized. The ECL allowance amount was determined to be immaterial considering the total exposure for amounts guaranteed and NEBV's credit risk.

For cash and cash equivalents, the banks' credit ratings, as well as exposure per each bank are constantly monitored at the level of the Group. At 31 December 2024, 99% of the Company's cash was held with investment-grade rated banks (31 December 2023: 97%):

Cash and cash equivalents	31 Dec 2024	31 Dec 2023
Held with investment-grade rated banks (rated by Moody's)		
A1	99%	97%
Held with banks without a formal credit rating	1%	3%
Total	**100%**	**100%**

The balance of loans to participants in the Share Purchase Scheme is not considered to present credit risk as these are guaranteed with shares (see details in Note 47).

42.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when due. The Company's approach to managing this risk ensures, as far as possible, it will always have sufficient 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 Company 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 to evaluate the nature, and extent of any future funding requirements. All financial liabilities are due within 12 months.

Ability to meet financial obligation when due is influenced by the fact that the Company has guaranteed the due and punctual payment of all sums from time to time payable by NEBV under those agreements in case of non-payment by the latter, as described in Note 42.1. The undiscounted cash flows which the Company is exposed to amounts to €2,865,784 thousand (31 December 2023: €2,238,538 thousand) which becomes payable on demand only upon default by NEBV.

42.3 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 Company'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.

42.3.1 Currency risk

Company's current assets and liabilities are exposed to foreign currency risk on purchases and receivables denominated in 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 Company applies this policy to control its exposures in respect of monetary assets and liabilities denominated in currencies other than the one cash inflows are received in. Sensitivities of profit or loss to reasonably possible changes in exchange rates applied at the financial position date relative to currencies other than EUR, with all other variables such as interest rates held constant, are immaterial.

42.3.2 Interest rate risk

Sensitivity analysis for interest bearing financial instruments

A change of 100 basis points (bps) in interest rates would have increased/(decreased) equity and profit for the years presented below. Calculations are based on loans balances outstanding at the respective balance sheet dates. Loans 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.

in € thousand	31 Dec 2024	31 Dec 2023
Loans to participants in the Share Purchase Scheme (including accrued interest)	890	3,451
Total	**890**	**3,451**

31 Dec 2024	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)	9	(9)	9	(9)
Total	**9**	**(9)**	**9**	**(9)**

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)
Total	**35**	**(35)**	**35**	**(35)**

43. INVESTMENTS IN SUBSIDIARIES

At 31 December 2024 and 31 December 2023, the Company held 100% ownership in Nepiom Limited, a company incorporated in Malta. Investments in subsidiaries are stated at cost less accumulated impairment losses.

The movements in investment in subsidiaries are presented below:

in € thousand	31 Dec 2024	31 Dec 2023
Balance as at the beginning of the year	**3,272,385**	**3,270,553**
Additions	300,000	-
Additions from LTSIP[1]	2,872	1,832
Balance as at the end of the year	**3,575,257**	**3,272,385**

1 *The costs related to the LTSIP recognised in the Company's financial statements as an increase in the investment in the subsidiaries, as disclosed in in Note 40.8.*

In November 2024, the Company subscribed additional shares to its investment in Nepiom Limited in amount of €300 million, following the capital raise made by the Company in October 2024.

There were no indicators of impairment in investment in subsidiary as at 31 December 2024.

44. OTHER LONG-TERM ASSETS

in € thousand	31 Dec 2024	31 Dec 2023
Loans to participants in the Share Purchase Scheme	890	3,451

45. TRADE AND OTHER RECEIVABLES

in € thousand	31 Dec 2024	31 Dec 2023
VAT receivable	160	221
Guarantee fee receivables from subsidiaries	42,312	21,540
Strategic asset management fee receivable from subsidiaries	7,512	1,223
Other receivables from subsidiaries	629	121
Other receivables	162	-
Prepaid income tax	-	2,071
Other prepaid fees	256	192
Total	**51,031**	**25,368**

46. CASH AND CASH EQUIVALENTS

Cash and cash equivalents by currency	31 Dec 2024	31 Dec 2023
in € thousand		
EUR	63,109	13,859
ZAR	1,761	891
Total	**64,870**	**14,750**

Cash and cash equivalents by type	31 Dec 2024	31 Dec 2023
in € thousand		
Current accounts	14,870	4,750
Deposits	50,000	10,000
Total	**64,870**	**14,750**

47. SHARE-BASED PAYMENTS

The NEPI Rockcastle Group has incentive plans to reward performance and align the interests of executive directors and key individuals with those of the shareholders.

The aim of the plan is to incentivise directors and employees to meet the Group's short-term and long-term objectives by giving such participants an opportunity to receive performance-based Awards (in cash or shares), on short-term (immediate settlement in cash or shares) or long-term (shares with a vesting component). The Board determines which executive directors are eligible to participate in the Incentive Plan, and the allocation of incentives, based on key performance indicators. The executive directors determine which key employees are eligible to participate in the Incentive Plan, and the allocation of incentives is discretionary, based on key performance indicators and other considerations regarding the employees' performance.

To date, NEPI Rockcastle has initiated two types of incentive programs that offered share-based payments in exchange for services provided to it by its directors and employees (equity-settled transactions), which are detailed below.

a. Purchase Offers ("SPS")

Under this program, loans were granted to participants in the share purchase schemes (the "Share Purchase Scheme" or "SPS") to buy shares, the repayment of which could be made in part out of the distribution payable in relation to the shares (the "NRP SPS"). Of the shares initially subscribed for, 20% vested annually. The Group offered each participant the immediate right to subscribe for the permitted number of shares at their market value, less a maximum discount of 5%, together with a loan to fund the purchase. Each loan carried interest at the weighted average rate that the Group can borrow money. Loans are payable in full, together with interest, ten years after its subscription date, but could be repaid earlier. The Company has security interests that ensure the repayment of the principal and interest on the loan given to participants. The NRP SPS is a full recourse scheme (i.e., recourse in relation to loans granted is not limited to shares issued). Pending repayment of the loan, the distributions on such shares are used to repay loan interest. Any excess distribution after interest payment is used to repay the loan.

No shares were issued during 2024 and 2023 under the NRP SPS.

The number of shares outstanding and the loans to participants under the Share Purchase Scheme as at the year-end are summarised below:

NRP SPS	31 Dec 2024	31 Dec 2023
Number of shares outstanding, collateralizing the Loans to participants under the Share Purchase Scheme	114,109	550,990
Loans to participants under the Share Purchase Scheme (in € thousand)	890	3,451

The decrease in 2024 is due to the sale of shares of a number of participants under the SPS which determined the correspondent decrease in the outstanding loan.

b. Debt free Long-Term Share Incentive Plan with a vesting component ("LTSIP")

Under this incentive plan, shares are awarded by the Group to executive directors and other key employees for no cash consideration. For key employees, shares are awarded to participants on condition of employment in the Group for the next three years (vesting period), with shares being vested proportionally over each year of the corresponding vesting periods (tranche vesting). For executive directors, shares are awarded subject to a full vesting of them at the end of three years (cliff vesting) plus a further two-year lock-up period, during which the vested shares cannot be disposed of by the directors. Shares awarded under LTSIP cannot be disposed of or otherwise encumbered up to their respective vesting dates.

The number of shares granted but unvested at 31 December 2024 and their fair value at grant date are summarised below:

LTSIP	31 Dec 2024	31 Dec 2023
Number of shares granted but unvested at year-end	1,717,101	1,308,834
Fair value at the grant date (in € thousand)	10,546	7,543

The number of shares granted during the year and their fair value at grant date are presented below. The fair value was calculated using the share price on the date of acquisition of shares allocated to LTSIP.

LTSIP	31 Dec 2024	31 Dec 2023
Number of shares granted during the year	33,255	161,627
Fair value at the grant date (in € thousand)	218	945

The maximum number of shares which could be offered for subscription under the Incentive Plan is 5% of the issued share capital of the Company at the end of any financial year prior to each award, provided that such number shall not exceed 30,449,745 shares. The number of shares that remained available for issue in terms of the Incentive Plan were as follows:

	31 Dec 2024	31 Dec 2023
Number of shares that remain available for issue at year-end	26,658,837	27,444,043

The costs related to the LTSIP are measured based on the fair value of the shares at the grant date and are recognized in the Company's financial statements over the vesting period as an increase in the investment in the subsidiaries, as the employees receiving the awards are providing services to the subsidiaries of the Company. The correspondent credit is recognised in Other reserves in the Statement of changes in equity.

In the accounts of the subsidiaries, an expense for the grant date fair value of the award is recognised over the vesting period, with the credit recognised in equity. The credit to equity is treated as a capital contribution, because the Company is compensating the subsidiaries' employees with no recharge to the subsidiaries.

48. TRADE AND OTHER PAYABLES

in € thousand	31 Dec 2024	31 Dec 2023
Accrued administrative expenses	4,794	4,005
Total	**4,794**	**4,005**

49. ADMINISTRATIVE EXPENSES

in € thousand	Note	31 Dec 2024	31 Dec 2023
Directors' remuneration	52	(1,292)	(1,082)
Share based payment expense		(168)	(168)
Audit and other assurance services		(1,359)	(826)
Advisory services		(2,961)	(1,808)
Travel and accommodation		(608)	(493)
Companies' administration		(2,443)	(2,665)
Stock exchange expenses		(851)	(772)
Total		**(9,682)**	**(7,814)**

Out of the above administrative expenses, fees related to EY, as the Company's auditors, are summarised below. Full audit fees at Group level are disclosed in in Note 28.

31 Dec 2024	EY Accountants B.V.	Other EY network
in € thousand		
Audit of financial statements	(390)	(548)
Other assurance procedures	(345)	(76)
Total	**(735)**	**(624)**

31 Dec 2023	EY Accountants B.V.	Other EY network
in € thousand		
Audit of financial statements	(289)	(465)
Other assurance procedures	-	(72)
Total	**(289)**	**(537)**

During 2024, the Company had twelve directors and no employees. In 2023, the Company had eleven directors and no employees.

50. INTEREST AND OTHER FINANCE INCOME/(EXPENSE)

in € thousand	31 Dec 2024	31 Dec 2023
Interest on Share Purchase Scheme	67	97
Interest on bank deposits	1,443	410
Guarantee fee income	25,772	21,540
Finance income	**27,282**	**22,047**
Bank charges	(24)	(32)
Finance costs	**(24)**	**(32)**
Total	**27,258**	**22,015**

51. RECONCILIATION BETWEEN COMPANY AND CONSOLIDATED INFORMATION

In accordance with article 2:389 of Dutch Civil Code, the reconciliation of equity is as follows:

in € thousand	31 Dec 2024	31 Dec 2023
Total Company equity	**3,679,968**	**3,304,327**
Accumulated profit of subsidiaries	1,228,514	1,000,434
Total consolidated Group equity	**4,908,482**	**4,304,761**

The reconciliation of net result is presented below:

in € thousand	31 Dec 2024	31 Dec 2023
Company net profit	**359,485**	**94,591**
Eliminated intercompany transactions	(369,775)	(105,530)
Results of subsidiaries, net of intercompany transactions	597,855	487,740
Consolidated profit after tax attributable to equity holders	**587,565**	**476,801**

52. RELATED PARTY TRANSACTIONS

Identity of related parties with whom material transactions have occurred

The subsidiaries and Directors are related parties for the Company.

Material related party transactions

Details of investments in subsidiaries are set out in Note 43 . Other related party transactions include guarantee fee income and strategic asset management fees charged by the Company to its indirect subsidiary, NEBV, and are detailed in Note 42.1, Note 48, and Note 50.

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

in € thousand	31 Dec 2024 Directors' fees	31 Dec 2024 Performance related remuneration	31 Dec 2023 Directors' fees	31 Dec 2023 Performance related remuneration
Rüdiger Dany	70	107	70	101
Eliza Predoiu	70	55	70	54
Marek Noetzel	70	63	70	60
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	**1,067**	**225**	**867**	**215**

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

Information on shares held by the Directors in the Group SPS and LTSIP is disclosed in note 18.

53. SUBSEQUENT EVENTS

The Board proposes to add the Profit after tax to Accumulated profit. The Board has declared a dividend of 27.05 coresponding to a 90% dividend pay-out ratio, to be settled as capital repayment (default option). Shareholders can also elect for the settlement of the same dividend amount as an ordinary cash distribution out of distributable profits. In line with the Dutch legislation, the capital repayment will be paid to shareholders unless they elect to receive the ordinary cash distribution option.

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

OTHER INFORMATION

PHOTO: BONARKA CITY CENTER

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Provisions in the Articles of Association relating to profit

Pursuant to article 26 of the Articles of Association of the Company, the Board may appropriate the profits realised during a financial year to form reserves or distribute them to shareholders, subject to applicable law. To the extent permitted by applicable law all sums standing to reserves may be applied from time to time, at the discretion of the Board, for any other purpose to which the profits of the Company may properly be applied. Pending such application, the reserves may either be employed in the business of the Company or be invested in such investments as the Board thinks fit so that it shall not be necessary to keep any investment constituting the reserve separate or distinct from any other investment of the Company. A proposal to pay a distribution will be dealt with as a separate agenda item at the General Meeting. Distributions from the Company's distributable reserves are made pursuant to a resolution of the Board and will not require a resolution from the General Meeting. The Company's policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting under a separate agenda item.

PHOTO: SHOPPING CITY RAMNICU VALCEA

Independent Auditor's Report

To: the Shareholders and Board of Directors of NEPI Rockcastle N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements 2024 of NEPI Rockcastle N.V. based in Amsterdam, the Netherlands.

In our opinion the financial statements give a true and fair view of the financial position of NEPI Rockcastle N.V. as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with IFRS Accounting Standards as adopted in the European Union (IFRS Accounting Standards) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and separate statement of financial position as at 31 December 2024
- The following statements for 2024: the consolidated and separate statements of comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the *Our responsibilities for the audit of the financial statements* section of our report.

We are independent of NEPI Rockcastle N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the “Wet toezicht accountantsorganisaties” (Wta, Audit firms supervision act), the “Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten” (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the “Verordening gedrags- en beroepsregels accountants” (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

NEPI Rockcastle N.V. (the company, and, together with its consolidated subsidiaries, the group) is a multinational owner and operator of shopping centers in Central and Eastern Europe, with presence in eight countries and an investment portfolio of €7.9 billion. We paid specific attention in our audit to a number of areas driven by the operations of the group and in our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€78.5 million (2023: €66 million)
Benchmark applied	1.6 % of total shareholders’ equity as at 31 December 2024
Explanation	We determined materiality based on our understanding of the company’s business and our perception of the financial information needs of users of the financial statements. We consider total equity an important metric for the financial position of the company. We determined materiality consistent with previous year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the audit committee of the board of directors (hereinafter: the audit committee) that misstatements in excess of €3.9 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

NEPI Rockcastle N.V. is at the head of a group of entities. The financial information of this group is included in the financial statements.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

Based on our understanding of the group and its environment, the applicable financial framework and the group's system of internal control, we identified and assessed risks of material misstatement of the financial statements and the significant accounts and disclosures. Based on this risk assessment, we determined the nature, timing and extent of audit work performed, including the entities or business units within the group (components) at which to perform audit work. For this determination we considered the nature of the relevant events and conditions underlying the identified risks of material misstatements for the financial statements, the association of these risks to components and the materiality or financial size of the components relative to the group.

We have worked closely with together with our regional component team in Romania, in performing audit work in respect of valuation of investment property in use and our audit approach related to fraud risks and non-compliance with laws and regulations; and in directing, supervising, reviewing or coordinating the work of component teams. We communicated the audit work to be performed and identified risks through instructions for component auditors as well as requesting component auditors to communicate matters related to the financial information of the component that is relevant to identifying and assessing risks.

This resulted in a coverage of 99% of the group's investment property, 91% of gross rental income, and 99% of total shareholders' equity (Net Asset Value).

For other components, we performed analytical procedures to corroborate that our risk assessment and scoping remained appropriate throughout the audit.

We performed site visits to meet with management in Romania, observe the operations, discuss the group risk assessment and the risks of material misstatements. We reviewed and evaluated the adequacy of the deliverables from component auditors and reviewed key working papers for selected components to address the risks of material misstatement. We held planning meetings, key meetings required based on circumstances and we attended closing meetings with management and the regional component team in Romania component. During these meetings and calls, amongst others, the planning, procedures performed based on risk assessments, findings and observations were discussed and any further work deemed necessary by the primary or component team was then performed.

By performing the audit work mentioned above at the entities or business units within the group, together with additional work at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the real estate industry. We included specialists in the areas of IT audit, forensics, and income tax and have made use of our own real estate valuation experts in the various countries of operations.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO2 footprint.

The board of directors summarized the company's commitments and obligations, and reported in the sustainability section of the annual report how the company is addressing climate-related and environmental risks.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the possible effects of the energy transition are taken into account in estimates and significant assumptions as well as in the design of relevant internal control measures. Furthermore, we read the annual report and considered whether there is any material inconsistency between the non-financial information and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgments, estimates or significant assumptions as at 31 December 2024.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility
Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

Our audit response related to fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the board of directors' process for responding to the risks of fraud and monitoring the system of internal control as well as the outcomes. We refer to the risk management and compliance section of the annual report for the board of directors' (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of ethics, whistleblowing policy and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 4. ''Significant accounting estimates and judgements in applying accounting policies'' to the consolidated financial statements. We have also used data analysis to identify and address high-risk journal entries, including those in relation to the consolidation process, and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks, we presumed that there are risks of fraud in revenue recognition from investment properties. We considered the risk of recognition of gross rental income and service charge income, including lease incentives and indexations, in the incorrect period. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk. These procedures included use of correlation related data analytics, reconciliation of rent rolls to reported revenue, and analysis of underlying lease agreements for terms and conditions that would have an impact on revenue recognition.

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance, human resources and regional directors and the board of directors.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
As disclosed in Note 36 Contingent assets and liabilities to the consolidated financial statements, the group operates in a complex legal and regulatory environment, exposing it to various risks that could have a material effect on the financial statements. Moreover, the Group is subject to various taxes across all jurisdictions in which it operates and determining tax charges and provisions involves a degree of estimation and judgment.

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, inspection of internal audit and compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section ''a. Statement of compliance' in Note 2 to the consolidated financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional skepticism. We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to audit committee. The key audit matter is not a comprehensive reflection of all matters discussed.

In comparison with previous year, the nature of our key audit matter did not change.

Valuation of investment property in use	
Risk	The investment property in use of NEPI Rockcastle N.V. comprises of income generating assets in Central and Eastern Europe. The total investment property in use as at 31 December 2024 amounts to €7.7 billion (2023: €6.6 billion) representing 88% (2023: 87%) of total assets. The portfolio primarily comprises retail properties. As disclosed in section "Valuation of investment property" in Note 4 to the consolidated financial statements, the fair value of investment property in use is determined by external appraisers appointed by management, based on the income approach applying the discounted cash flow ("DCF") method. The DCF method involves assumptions of the following inputs to the valuation: estimated market rental value from the properties, including a residual or terminal value, discount rate and capitalization rate for these cash flows. The valuation of investment property in use has been identified as a key audit matter, considering its inherently judgmental nature and its significance to the financial statements as a whole. Specialist expertise is required to value the investment properties in use and requires the use of significant judgement in relation to the stated assumptions used as inputs to the valuation. The use of different valuation inputs could produce significantly different estimates of fair value. In the current financial year, uncertainty regarding the overall macroeconomic environment in Central and Eastern Europe has contributed to a high level of judgement being applied by management's external appraisers relating to the assumptions used in the valuation of investment properties and thus required significant audit attention. The disclosures are set out in Note 8 to the financial statements.
Our audit approach	Our audit procedures included, among others, the following: ▪ We obtained an understanding of management's process for determining the fair value of investment property in use ▪ We evaluated whether the valuation method applied by management's external appraisers is appropriate in accordance with generally accepted property valuation practices within the real estate market and IFRS Accounting Standards ▪ We assessed the competence, capability and objectivity of management's external appraisers, referring to their qualifications, and relevant industry experience. ▪ With the assistance of our own real estate valuation experts, who possess knowledge of the local markets, we evaluated the reasonableness of management's valuation of the investment property in use. This included evaluating the assumptions made by management in determining the discount and capitalization rates, especially considering the impact (implied in market yields) of current macroeconomic conditions in Central and Eastern Europe. We conducted this by reviewing and, where feasible, independently testing the reasonability of these assumptions against market data ▪ We evaluated the reasonableness of the estimated market rental value used by management's external appraisers by agreeing a sample of the inputs used by the external appraisers with contractual documentation and rent roll data ▪ We evaluated the appropriateness of the disclosures in accordance with IAS 40, Investment Property and IFRS 13, Fair Value Measurement which includes evaluating the sensitivity of the assumptions on the fair value of the investment property in use.
Key observations	Based on our procedures performed, we consider the valuation of investment property in use reasonable in accordance with generally accepted property valuation techniques in the real estate market and IFRS Accounting Standards.

Independent Auditor's Report

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report (excluding the sustainability statement) and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The board of directors is responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the audit committee as auditor of NEPI Rockcastle N.V. on 6 September 2022, as of the audit for the year 2022 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

NEPI Rockcastle N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements, as included in the reporting package by NEPI Rockcastle N.V., complies in all material respects with the RTS on ESEF.

The board of directors is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N ''Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument'' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The audit committee assists the board of directors in fulfilling its responsibilities for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities, and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the audit committee and board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, the Netherlands, 19 March 2025

EY Accountants B.V.

Signed by M.J. Noordhoff

Limited assurance report of the independent auditor on the Sustainability Statement

To: the Shareholders and the Board of Directors NEPI Rockcastle N.V.

Our conclusion

We have performed a limited assurance engagement on the consolidated sustainability statement for 2024 of NEPI Rockcastle N.V. based in Amsterdam (hereinafter: the company) in the Sustainability Statement chapter of the accompanying management report including the information incorporated by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and compliant with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Our conclusion has been formed on the basis of the matters outlined in this limited assurance report.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, "Assurance-opdrachten inzake duurzaamheidsverslaggeving" (Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance engagements other than audits or reviews of historical financial information".

Our assurance engagement was aimed to obtaining a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of NEPI Rockcastle N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement, and we are not involved in the preparation of the sustainability statement, as doing so may compromise our independence. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants). The ViO and VGBA are at least as demanding as the international code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code) as relevant to limited assurance engagements on sustainability statements of public interest entities in the European Union.

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

Emphasis of matter

The sustainability statement has been prepared in the context of new sustainability reporting standards under the Corporate Sustainability Reporting Directive (CSRD), requiring entity-specific interpretations and addressing inherent measurement or evaluation uncertainties. In this context, we want to emphasize the following matters:

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section BP-2 – Disclosures in relation to specific circumstances in the sustainability statement that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and overtime may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the double materiality assessment process

We draw attention to section IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process requires the company to make key judgments and use thresholds and may also be impacted in time by sector-specific standards to be adopted.

Therefore, the sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

Comparative information not assured

Sustainability information up to year ending 31 December 2023 included in the sustainability statement has not been part of this limited assurance engagement. Consequently, we do not provide any assurance on the comparative information and thereto related disclosures in the sustainability statement up to 31 December 2023.

Our conclusion is not modified in respect of this matter.

Limitation to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, management describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that the forward looking information reflects the actual plans or decisions made by the company (actions). Forward-looking information relates to events and actions that have not yet occurred and may never occur. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. We do not provide assurance on the achievability of forward-looking information.

Our conclusion is not modified in respect of this matter.

Responsibilities of management and the board of directors for the sustainability statement

Management is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Management is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in circumstances and in accordance with the ESRS.

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The board of directors is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

We apply the applicable quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NV KM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included amongst others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation or testing the operating effectiveness of controls

Limited assurance report of the independent auditor on the Sustainability Statement

- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). Designing and performing further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis
- Considering whether the description of the double materiality assessment process in the sustainability statement made by management appears consistent with the process carried out by the company
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates
- Analyzing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement
- Considering whether the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met, and whether the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework, and comply with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented
- Considering the overall presentation, structure and fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
- Considering, based on our limited assurance procedures and evaluation of the evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS

Communication

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Amsterdam, 19 March 2025

EY Accountants B.V.

Signed by M.J. Noordhoff


PHOTO: FORUM GDANSK SHOPPING CENTRE

Independent Auditor's Report

To: the Shareholders of NEPI Rockcastle N.V.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of NEPI Rockcastle N.V ("the Company") and its subsidiaries ('the Group') set out on pages 292 to 359, which comprise of the consolidated and separate statements of financial position as at 31 December 2024, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the Group and Company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in South Africa. 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule) we report:

Final Materiality

The ISAs recognise that:

- misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- judgments about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgment. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

Group Audits

	Group	Company
Overall materiality	We determined final materiality for the Group to be EUR 78,500,000, which is based on 1.6% of total shareholders' equity (Net Asset Value).	We determined final materiality for the standalone Company to be EUR 66,000,000, which is based 1.8% of total shareholders' equity (Net Asset Value).
Rationale for benchmark applied	We have identified that a capital-based measure, being total shareholders' equity (Net Asset Value), as the most appropriate basis because, in our view, it is a prominent metric utilised by users of the financial statements to evaluate the financial reporting of the Group. This is consistent with our understanding of the Group's business, industry within which it operates, and our assessment of financial information provided by the Group.	We have identified that a capital-based measure, being total shareholders' equity (Net Asset Value), as the most appropriate basis because, in our view, it is a prominent metric utilised by users of the financial statements to evaluate the financial reporting of the Company. This is consistent with our understanding of the Company's business, industry within which it operates, and our assessment of financial information provided by the Company.

Group Audit Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account the size and risk profile of the components in the Group. In addition, we further consider the organisation of the Group and effectiveness of Group wide controls, changes in the business environment, and other factors such as our experience in prior years and recent internal audit results when assessing the level of work to be performed at each component of the Group. Our process focuses on identifying and assessing the risk of material misstatements of the Group financial statements as a whole including, with respect to the consolidation process.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors under our instruction.

In selecting components, we perform risk assessment activities across the Group and its components to identify risks of material misstatement. We then identify how the nature and size of the account balances at the components contribute to those risks and thus determine which account balances require an audit response. We then consider for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses to assign either a full or specific scope (including specified procedures) to each component. We involved component auditors in this risk assessment process.

In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the Group financial statements. This assessment included performing overall analytical procedures at Group level.

Of the 63 components selected, we identified:

- 26 components (“full scope components”) which were selected based on the pervasiveness of risk in those components and for which we therefore performed procedures on what we considered to be the entire financial information of the component
- 37 components (“specific scope or specified procedure components”) where our procedures were more focussed or limited to specific accounts, which we considered had the potential for the greatest impact on the significant accounts in the financial statements given the specific risks identified

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Independent Auditor's Report

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matter and these are included below.

The key audit matter applies to the audit of the consolidated financial statements.

Key audit matter description	How the matter was addressed in the audit
Valuation of investment property in use	
The investment property in use of NEPI Rockcastle N.V. comprises of income generating assets in Central and Eastern Europe. The total investment property in use as at 31 December 2024 amounts to €7.7 billion (2023: €6.6 billion) representing 88% (2023: 87%) of total assets. The portfolio primarily comprises retail properties. As disclosed in the section titled 'Valuation of Investment Property' within Note 4 of the consolidated financial statements, the fair value of the investment properties in use is determined by external appraisers appointed by management, based on the income approach through the discounted cash flow (DCF) method. This DCF method relies on various assumptions, including the projected market rental value of the properties, an exit or terminal value, as well as the discount and capitalisation rates applicable to these future cash flows. The assessment of the fair value of investment properties in use continues to be a key audit matter considering the valuation of the investment property in use portfolio is inherently subjective and complex. This is influenced by several factors, such as the distinct characteristics of each property, its location, and the expected future rental income linked to that particular property. Furthermore, uncertainty regarding the overall macroeconomic environment in Central and Eastern Europe, has contributed to the subjectivity surrounding the assumptions used in valuing investment properties in use. As a result, a considerable level of subjectivity persists in the valuations for the current year. Assessing the fair value of these properties requires specialised expertise and entails significant judgment concerning the assumptions included in the valuation process for determining fair value. Changes in the valuation inputs can result in significantly different fair value estimates.	Our audit procedures included, among others, the following: ▪ We obtained an understanding of management's process for determining the fair value of investment property in use. ▪ We evaluated whether the valuation method applied by management's external appraisers is appropriate in accordance with generally accepted property valuation practices within the real estate market and adheres to IFRS Accounting Standards. ▪ We assessed the competence, capability and objectivity of management's external appraisers, referring to their qualifications, and relevant industry experience. ▪ With the assistance of our internal valuation specialist, who possess knowledge of local markets, evaluate the reasonableness of management's valuation of the investment property in use. This included evaluating the assumptions made by management in determining the discount and capitalisation rates, especially considering the impact (implied in market yields) of current macroeconomic conditions in Central and Eastern Europe. We conducted this by reviewing and, where feasible, independently testing the reasonability of these assumptions against market data. ▪ We evaluated the reasonableness of the estimated market rental value utilised by management's external appraisers by agreeing a sample of the inputs used by the external appraisers with contractual documentation and rent roll data. ▪ We evaluated the appropriateness of the disclosures in accordance with IAS 40, Investment Property and IFRS 13, Fair Value Measurement which includes evaluating the sensitivity of the assumptions on the fair value of the investment property in use.
Key Observations Based on the procedures performed over the valuation of investment property in use, we did not identify any significant matters requiring further consideration in concluding on our procedures.	

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 382-page document titled "NEPI Rockcastle Annual Report 2024", which includes the Statement of Directors' responsibilities. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of NEPI Rockcastle N.V. for three years.

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

19 March 2025

102 Rivonia Road
Sandton
South Africa

Schedule of properties

Properties located in Croatia, Czech Republic, Hungary and Slovakia have been fair valued by Cushman and Wakefield. Properties located in Romania and Bulgaria have been fair valued by Colliers International. Properties located in Poland and Lithuania have been valuated by Jones Lang LaSalle (JLL).

	Property name	Year opened/ acquired	Extension/ Refurbishment	Type	Location
	INCOME PRODUCING PROPERTIES				
	RETAIL				
1	Silesia City Center	2005/2024		Super-Regional Mall	Poland
2	Bonarka City Center ^	2009/2016	2020-2024	Super-Regional Mall	Poland
3	Magnolia Park	2007/2024	2015	Super-Regional Mall	Poland
4	Mega Mall	2015	2019	Super-Regional Mall	Romania
5	Forum Gdansk Shopping Center	2018/2022		Lifestyle Centre	Poland
6	Paradise Center	2013/2017	2019/2020/2021/2024	Super-Regional Mall	Bulgaria
7	Arena Mall	2007/2017		Super-Regional Mall	Hungary
8	Arena Centar And Retail Park	2010/2016/2019	2019	Super-Regional Mall	Croatia
9	Mammut Shopping Centre^^	1998-2001/2018		Regional Mall	Hungary
10	City Park	2008/2013	2015/2016	Regional Mall	Romania
11	Promenada Bucharest	2013/2014	2022	Lifestyle Centre	Romania
12	Serdika Center	2010/2017		Regional Mall	Bulgaria
13	Aupark Kosice Mall	2011/2014		Regional Mall	Slovakia
14	Shopping City Ploiesti	2012/2022	2024	Regional Mall	Romania
15	Ozas Shopping and Entertainment Centre	2009/2018	2020/2024	Regional Mall	Lithuania
16	Galeria Warminska	2014/2016		Regional Mall	Poland
17	Focus Mall Zielona Gora	2008/2016	2021	Regional Mall	Poland
18	Promenada Craiova	2023		Regional Mall	Romania
19	Karolinka Shopping Centre	2008/2015	2019	Regional Mall	Poland
20	Shopping City Timisoara	2015-2016		Regional Mall	Romania
21	Shopping City Sibiu	2006/2016	2019	Super-Regional Mall	Romania
22	Shopping City Galati	2013	2017	Regional Mall	Romania
23	Galeria Mlyny	2009/2018		Regional Mall	Slovakia
24	Aupark Zilina	2010/2013		Regional Mall	Slovakia
25	Copernicus Shopping Centre	2005/2015/2022		Regional Mall	Poland
26	Promenada Sibiu	2019		Regional Mall	Romania
27	Shopping City Targu Mures	2020		Regional Mall	Romania
28	Iris Titan Shopping Center	2008/2015		Community Centre	Romania
29	Shopping City Deva	2007/2013	2015	Regional Mall	Romania
30	Braila Mall	2008/2009	2011/2012/2016/2019	Regional Mall	Romania
31	Forum Liberec Shopping Centre	2009/2016	2019/2020	Regional Mall	Czech Republic
32	Forum Ústí nad Labem	2009/2016	2019	Regional Mall	Czech Republic
33	Alfa Centrum Bialystok	2008/2017		Regional Mall	Poland
34	Vulcan Value Centre	2014	2020	Community Centre	Romania
35	Solaris Shopping Centre	2009/2015	2019	Regional Mall	Poland
36	Shopping City Buzau	2008/2014	2019/2020	Regional Mall	Romania
37	Shopping City Satu Mare	2018		Regional Mall	Romania
38	Shopping City Piatra Neamt	2016		Regional Mall	Romania
39	Shopping City Ramnicu Valcea	2017	2023	Regional Mall	Romania
40	Shopping City Targu Jiu	2014		Regional Mall	Romania
41	Pogoria Shopping Centre	2008/2015	2019	Regional Mall	Poland
42	Aura Centrum	2005/2018		Regional Mall	Poland
43	Platan Shopping Centre	2003/2015	2018	Regional Mall	Poland
44	Galeria Wolomin	2016	2017/2024	Regional Mall	Poland
45	Severin Shopping Center	2009/2013	2015/2016	Regional Mall	Romania
46	Aupark Shopping Center Piestany	2010/2016		Community Centre	Slovakia
47	Korzo Shopping Centrum	2010-2011/2016		Community Centre	Slovakia
48	Focus Mall Piotrkow Trybunalski	2009/2016		Regional Mall	Poland
49	Pitesti Retail Park	2007/2010	2011	Community Centre	Romania
50	Galeria Tomaszow	2016		Regional Mall	Poland
51-57	Regional strip centres	2007-2014	2018/2019	Strip Centres	Romania
	OFFICE				
58	Serdika Office	2011/2017		Office	Bulgaria
59	Aupark Kosice Tower	2012/2014		Office	Slovakia
	INDUSTRIAL				
60	Rasnov Industrial Facility	2007		Industrial	Romania

The Schedule of properties excludes non-core property held for sale with a market value of €0.6 million, from Romania
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 not included in the above fair values
**Annualised passing rent was computed based on the contractual rents effective as of 31 December 2024*
^ Auchan, a major tenant, owns their premises of 20,600m². Total GLA of the property including these premises is 96,900m²
^^ The centre offers 61,200m² of total GLA, out of which 57,400m² owned by the Group

		Country	Type	Category
	TOTAL DEVELOPMENTS AND LAND BANK (INCLUDING RESIDENTIAL PROJECTS AND PHOTOVOLTAIC PROJECTS)			
	TOTAL DEVELOPMENTS AND LAND BANK (INCLUDING RESIDENTIAL PROJECTS)			
	TOTAL DEVELOPMENTS AND LAND BANK (EXCLUDING RESIDENTIAL PROJECTS)			
	RETAIL DEVELOPMENTS UNDER CONSTRUCTION			
11	Promenada Bucharest	Romania	Mixed-use	Extension
2	Bonarka City Center^	Poland	Mall	Refurbishment
41	Pogoria Shopping Center	Poland	Mall	Extension
7	Arena Mall^	Hungary	Mall	Refurbishment
	RETAIL DEVELOPMENTS UNDER CONSTRUCTION - PHOTOVOLTAIC PANELS UNDER CONSTRUCTION			
	Photovoltaic projects***	all countries	Green energy	Development
	DEVELOPMENTS UNDER PERMITTING AND PRE-LEASING* (EXCLUDING RESIDENTIAL PROJECTS)			
61	Promenada Plovdiv	Bulgaria	Mall	Development
62	Galati Retail Park^^	Romania	Mixed-use	Development
	Land held for developments			

		Country	Type	Category
	DEVELOPMENTS UNDER PERMITTING* - RESIDENTIAL PROJECTS			
	Craiova Residential	Romania	Residential	Development
	Brasov Residential	Romania	Residential	Development

^ Refurbishment costs are allocated on the existing properties, which are presented above in the Schedule of income producing properties. The properties (including the refurbishment costs) are subject to fair valuation at half year and year-end
** Amounts included in this schedule are estimates and may vary according to permitting, pre-leasing and final configuration of the completed development projects*
*** GSA - Gross sellable area*
**** Cost to date is presented in Property, plant and equipment, as Photovoltaic panels under construction*
^^ Including residential project with 21,500m² GSA
^^^ Cost of land for residential projects is included in Investment property under development. As the permitting is obtained, the cost of land is transferred to Inventory property

Ownership	GLA m²	Valuation/ Cost to date €m	Annualised Passing Rent* €m	Average rental €/ m²/ month	EPRA Occupancy
	2,387,200	**7,608.9**	**558.8**	**19.9**	**98.3%**
	2,322,900	**7,527.8**	**552.9**	**20.1**	**98.6%**
100%	88,400	421.5	30.0	28.3	99.7%
100%	76,300	412.7	25.4	28.2	97.1%
100%	100,300	375.1	25.0	20.9	98.8%
100%	75,900	333.4	22.3	24.6	99.7%
100%	63,500	328.0	19.5	25.6	100.0%
100%	85,200	320.4	26.2	25.6	100.0%
100%	65,900	300.3	19.8	25.2	98.7%
100%	75,300	287.6	21.6	25.5	92.6%
100%	57,400	250.8	16.2	25.9	93.1%
100%	51,900	249.5	16.8	27.0	99.7%
100%	39,300	211.3	14.7	31.5	99.5%
100%	52,200	198.0	15.9	25.4	99.6%
100%	33,100	175.9	11.9	30.6	97.7%
100%	52,300	165.4	11.6	18.6	99.3%
100%	70,600	163.8	15.4	18.2	99.7%
100%	42,900	163.5	10.9	21.2	100.0%
100%	44,100	160.4	11.6	22.8	95.6%
100%	63,700	158.3	11.4	15.1	99.0%
100%	67,500	157.4	12.1	14.9	100.0%
100%	57,000	155.5	12.0	17.6	99.8%
100%	83,200	153.5	12.6	13.0	98.1%
100%	49,200	152.5	11.1	18.8	99.7%
100%	32,500	137.1	9.0	24.6	94.4%
100%	25,100	136.0	9.3	31.4	98.6%
100%	48,000	127.8	9.9	17.3	99.7%
100%	42,500	117.8	9.6	19.4	98.1%
100%	40,200	111.0	8.6	17.8	100.0%
100%	43,100	109.8	9.7	18.8	99.9%
100%	50,700	104.2	8.3	13.6	100.0%
100%	52,900	101.1	8.2	12.9	100.0%
100%	46,400	92.8	6.5	12.1	96.9%
100%	27,800	90.9	6.3	19.1	98.6%
100%	38,200	85.5	8.1	18.1	97.6%
100%	25,000	80.3	5.7	19.0	100.0%
100%	26,400	76.1	6.2	19.8	97.6%
100%	23,700	73.2	5.4	19.0	100.0%
100%	29,400	70.3	5.5	15.7	98.6%
100%	28,000	67.6	5.1	15.2	100.0%
100%	29,200	67.3	5.1	14.7	99.1%
100%	27,200	66.7	4.8	14.8	99.3%
100%	37,700	63.8	5.9	13.2	98.5%
100%	25,400	62.9	6.2	20.4	99.9%
100%	39,900	56.5	5.6	11.8	97.0%
100%	33,600	55.5	4.8	12.0	99.2%
100%	23,200	48.0	3.7	13.3	99.9%
100%	10,300	43.7	2.8	25.3	94.9%
100%	16,300	41.8	3.6	18.4	100.0%
100%	35,100	40.4	5.4	12.9	98.7%
100%	21,500	30.9	2.6	10.1	100.0%
100%	18,200	25.0	3.0	13.8	99.1%
100%	30,200	49.0	4.0	11.2	99.1%
	41,300	**68.8**	**4.8**	**12.7**	**79.3%**
100%	28,500	46.9	3.0	13.3	70.7%
100%	12,800	21.9	1.8	11.8	99.7%
	23,000	**12.3**	**1.1**	**5.5**	**73.3%**
100%	23,000	12.3	1.1	5.5	73.3%

GLA of development m²	Valuation/Cost to date €m
	245
	232
187,900	**229**
64,900	**142**
55,400	142
4,700	-
4,800	-
-	-
n/a	13
123,000	**57**
60,500	34
62,500	23
	30

GSA** of development m²	Valuation/Cost to date^^^ €m
33,000	**3**
11,800	1
21,200	2

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

List of sustainability abbreviations

I. General ESRS-Specific Abbreviations

- **CSRD** – Corporate Sustainability Reporting Directive
- **ESRS** – European Sustainability Reporting Standards
- **ESRS 2** – General Disclosures (mandatory across all ESRS)
- **EFRAG** – European Financial Reporting Advisory Group

II. ESRS Structural Abbreviations

- **SBM** – Strategy, Business Model, and Value Chain
- **GOV** – Governance
- **IRO** – Impact, Risks, and Opportunities
- **MDR** – Minimum Disclosure Requirements
- **DR** – Disclosure Requirement

III. Environmental (ESRS E) Abbreviations

- **ESRS E1** – Climate Change
- **ESRS E3** – Water and Marine Resources
- **ESRS E5** – Resource Use and Circular Economy
- **GHG** – Greenhouse Gas
- **MRV** – Monitoring, Reporting, and Verification
- **DNSH** – Do No Significant Harm
- **TSC** – Technical Screening Criteria

IV. Social (ESRS S) Abbreviations

- **ESRS S1** – Own Workforce
- **ESRS S2** – Workers in the Value Chain
- **ESRS S3** – Affected Communities
- **ESRS S4** – Consumers and End Users
- **ILO** – International Labour Organization

V. Governance (ESRS G) Abbreviations

- **ESRS G1** – Business Conduct
- **AML** – Anti-Money Laundering

VI. Reporting and Compliance

- **DMA** – Double Materiality Assessment
- **EU Taxonomy** – EU Classification System for Sustainable Activities
- **IFRS** – International Financial Reporting Standards
- **TCFD** – Task Force on Climate-related Financial Disclosures

NEPI
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