NEPI ROCKCASTLE

Interim Financial Report

30 June 2025

MANAGEMENT REPORT

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

OTHER INFORMATION

Statement of Directors' responsibilities

The Directors are responsible for preparing the Interim Management Report and the Interim Condensed Consolidated Financial Statements in accordance with applicable laws and regulations.

The Directors have prepared the Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements.

In preparing these Interim Condensed Consolidated 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 IAS 34 Interim Financial Reporting;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the Interim Condensed Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that they have complied with the above in preparing the Interim Condensed Consolidated Financial Statements.

The Directors confirm that the Interim Condensed Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group for the six month period ended 30 June 2025 as well as the comparative periods presented and that the interim financial report give a fair review of the information required pursuant to section 5:25 d(8)/(9) of the Dutch Financial Supervision Act.

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. 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 Interim Condensed Consolidated Financial Statements on pages 10 to 38 were approved by the Board of Directors on 18 August 2025, authorized for publication on 19 August 2025 and signed on its behalf by:

Rüdiger Dany
Chief Executive Officer

Eliza Predoiu
Chief Financial Officer

Directors' commentary

CEO's STATEMENT

"The first half (H1) of 2025 saw a consolidation of the growth generated by NEPI Rockcastle's strategy of consistently investing in premium properties with strong fundamentals. The transactions completed in 2024 and the continuous improvement in the existing portfolio through active asset management led to a 12.1% growth in net operating income (NOI), against a challenging macroeconomic background. The strong operating performance of our properties lifted the value of NEPI Rockcastle's investment property portfolio to more than €8 billion for the first time in its history. The high demand for our quality retail assets translated also into a low vacancy rate of 1.6%. We continue to add value through developments, not least in the renewable energy sector, which has the potential to become an important growth segment for the Group once the current ongoing major investments therein are completed.

In H1 2025, we delivered a 3.1% growth in distributable earnings per share relative to H1 2024. Our loan-to-value (LTV) ratio is very conservative by industry standards at 32.1%, which allows NEPI Rockcastle to pay 90% of its earnings as dividends, a higher distribution rate than most of our peers. I am proud to see that NEPI Rockcastle today combines an established portfolio with a rock-solid balance sheet and a sustainable growth story, all driven by our highly knowledgeable people, which should set the stage for future success and strong results for our shareholders for many years to come."

Rüdiger Dany, Chief Executive Officer (CEO)

BUSINESS HIGHLIGHTS

Distributable earnings per share increased by 3.1% in the first half-year

- Distributable earnings per share (DEPS) were 31.05 euro cents for the six months to 30 June 2025, 3.1% higher than in H1 2024.
- The Board has declared a dividend of 27.95 euro cents per share for H1 2025, corresponding to a 90% dividend pay-out ratio, to be settled in cash, as capital repayment (default option). Shareholders may also elect for the settlement of the same dividend amount as ordinary cash distribution out of distributable profits.

Acquisitions and organic growth combine to deliver a solid 12.1% rise in NOI

- NOI increased by 12.1% to €307 million in H1 2025 (H1 2024: €274 million). On a like-for-like (LFL) basis, NOI was 4.4% higher in H1 2025 compared to H1 2024, excluding the impact of acquisitions (Magnolia Park and Silesia City Center) and disposals (Promenada Novi Sad) completed after 30 June 2024.
- Revenue from energy activities was €4.9 million in H1 2025, up 19.7% from the comparative period.
- Property operating expenses increased by 10.4% between H1 2024 and H1 2025, driven mostly by higher utility expenses. However, the cost recovery rate was the same as in H1 2024 (94%), as service charge income increased at a similar rate.

Strong increase in average basket (+9.7%) and tenant sales growth

- Footfall in H1 2025 was stable (-0.2%) compared to H1 2024, in LFL properties.
- Tenant sales were 3.9% higher in H1 2025 than H1 2024 (LFL, excluding hypermarkets), while the average basket size (including the impact of properties acquired in 2024) rose by 9.7%.
- The collection rate for H1 2025 reported revenues was over 99% by mid-August.
- European Public Real Estate Association (EPRA) occupancy rate was 98.2% on 30 June 2025.

Conservative loan-to-value ratio (LTV) of 32.1% and portfolio valuation uplift contribute to improved rating outlook from S&P

- The Group had a strong liquidity position of almost €1.1 billion on 30 June 2025, consisting of cash and cash equivalents of €386 million and undrawn committed credit facilities of €690 million.
- The Company has no significant debt maturities until October 2026.
- The property portfolio was independently valued by external appraisers on 30 June 2025, resulting in a fair value gain of €108 million (+1.4% compared to 31 December 2024).
- LTV was 32.1% on 30 June 2025, the same as of 31 December 2024 and comfortably below the 35% strategic threshold.
- The Group has an investment grade credit rating of BBB+ from Fitch (stable outlook) and BBB from S&P (positive outlook, updated from stable).
- EPRA Net Reinstatement Value (NRV) per share on 30 June 2025 was €7.58, a 2.7% increase from 31 December 2024.

Directors' commentary

- NEPI Rockcastle was included in the FTSE EPRA NAREIT Global Emerging Index in June 2025, a leading global benchmark for listed real estate investments. The index inclusion validates the Company's performance, operational transparency and governance. This inclusion will enhance the Group's visibility among global investors, making its shares eligible for index tracking investors and contributing to improved market liquidity.

OPERATING PERFORMANCE

Trading update

Footfall increased slightly (+0.4%) in the second quarter (Q2), on a LFL basis, after a small decrease in the first quarter (Q1) of 2025 (-0.7% vs Q1 2024). Overall, the number of visitors has been remarkably stable over the last two years, despite ongoing economic uncertainties in the region.

Growth in the average basket size accelerated (+9.7% in H1 2025 vs H1 2024). This represents the average across the entire portfolio and was positively influenced by the acquisitions of Magnolia Park and Silesia City Center, completed in 2024. Even without these acquisitions, the trend of growing spend per visit continues, showing the resilience of consumers in CEE.

LFL tenant sales in H1 2025 outpaced inflation and were 3.9% higher than H1 2024. This growth accelerated in Q2 (+4.1%) compared to Q1 (+3.7%). Tenant sales improved in all retail categories, except Sporting Goods (-2.3%) and Electronics (-2.1%) , mostly due to changes in composition of tenant mix in these categories. Entertainment (+11.7%) and Health & Beauty (+10.2%) posted double-digit growth. Sales in the largest segment, Fashion, were 0.7% higher.

The occupancy cost ratio (OCR) was 13.1% (excluding hypermarkets), slightly higher than in H1 2024 (12.9%), but still at a comfortable level for our tenants.

Leasing activity

The Group signed new leases and lease extensions for a total of 167,000m^2 gross lettable area (GLA) in H1 2025. New leases accounted for 26% of this total, of which 18% were signed with international retailers and 8% with national and local tenants, while 74% of the signings were renewals of existing leases. Underpinned by continued strong demand for space in the Group's shopping centres, the average rental uplift was 5.3% above indexation in H1 2025.

During H1 2025 the Group welcomed tenants to several new units including Sports Direct (Promenada Craiova), Tous (Paradise Center), Mohito (Serdika Center), Chanel (Forum Gdansk Shopping Center), Oysho (Arena Mall), House (Forum Liberec Shopping Centre).

DEVELOPMENT UPDATE

NEPI Rockcastle invested approximately €66 million in developments, photovoltaic plants and capital expenditure (capex) in H1 2025.

Works at development projects under construction are on schedule and within budget. The extension of Promenada Bucharest is expected to open in Q1 2027. Lease terms have been agreed for 68% of the GLA. The redevelopment of Bonarka City Center is due for completion in Q2 2026, with lease terms agreed for 95% of the GLA. Refurbishment works on Arena Mall in Budapest started in April 2024 and will be completed in Q2 2028. Lease terms have been agreed for 96% of the refurbished GLA. The extension of Pogoria Shopping Centre (Dąbrowa Górnicza, Poland) started in January 2025 and is 34% complete. The additional 4,800m^2 GLA will open in Q1 2026. Lease terms have been agreed for 97% of the new space.

Permitting for Promenada Plovdiv, a 60,500m^2 GLA greenfield development in Bulgaria's second largest city, is ongoing, with the last permits expected to be obtained by Q1 2026. Opening is estimated during Q3 2027. There is strong interest from retailers and lease terms for 40% of the GLA have already been agreed. The building permit for the retail component of Galati Retail Park, a mixed-use scheme, is expected to be obtained in Q3 2025. The project, which includes 41,000m^2 of retail GLA and 21,500m^2 of residential space, is scheduled to open in Q4 2026. Lease terms have been agreed for 64% of the retail scheme.

Permitting was completed for the second phase of the Company's green energy project, which involves installing photovoltaic panels in 23 locations outside Romania, with a total planned power capacity of 15 MW. There are 16 power facilities under construction (in Poland, Bulgaria, Hungary and Croatia), while seven others are in the procurement process (in Slovakia and Czech Republic).

There was significant progress with the third phase of the green energy project, which involves developing two large greenfield photovoltaic plants in Romania. The first plant will have an installed power capacity of 54 MW and is expected to become operational by the end of 2025. The second plant, with a planned power capacity of 105 MW, shall be substantially developed during 2026. These projects will significantly expand the Group's green energy generating capacity, increase the coverage of the electricity consumption needs of its tenants and make a positive contribution to NOI.

The total cost of projects under construction or permitting is approximately €795 million, of which €276 million has already been invested as at 30 June 2025. The planned capital expenditures for 2025 are around €230-240 million, less than anticipated at the start of the year, as permitting processes for Promenada Plovdiv and Galati Retail Park have taken longer than initially anticipated.

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 location and category of the property being assessed.

Appraiser	Locations	Percentage of portfolio
Colliers International	Romania and Bulgaria	44%
Jones Lang LaSalle (JLL)	Poland and Lithuania	36%
Cushman & Wakefield	Croatia, Czech Republic, Hungary and Slovakia	20%

The Company recognised a fair value gain in relation to the investment property portfolio for H1 2025 of €108 million.

EPRA Indicators

EPRA indicators[1]	30 June 2025	31 December 2024	30 June 2024
EPRA Earnings (€ thousand)	221,113	405,972	199,964
EPRA Earnings per share (€ cents per share)	31.11	59.18	30.26
EPRA Net Initial Yield (NIY)[2]	6.97%	6.98%	6.95%
EPRA topped-up NIY[2]	7.00%	7.00%	6.99%
EPRA vacancy rate	1.8%	1.7%	2.7%
EPRA Net Reinstatement Value (NRV) (€ per share)	7.58	7.38	7.23
EPRA Net Tangible Assets (NTA) (€ per share)	7.54	7.35	7.20
EPRA Net Disposal Value (NDV) (€ per share)	6.93	6.83	6.66
EPRA Cost ratio (including direct vacancy cost)	9.5%	9.6%	9.1%
EPRA Cost ratio (excluding direct vacancy cost)	9.5%	9.5%	9.0%
EPRA loan-to-value (LTV)	32.9%	33.0%	32.4%

1 Certain of these EPRA indicators are considered to be pro forma financial information in terms of the JSE Listings Requirements. Please refer to EPRA Performance Measures section of the interim condensed consolidated financial statements for further information.
2 Does not include investment property held for sale.

CASH MANAGEMENT AND DEBT

The Company maintained very strong liquidity as a result of prudent management of its balance sheet, with €386 million in cash and €690 million in undrawn committed credit facilities on 30 June 2025. NEPI Rockcastle's LTV (interest bearing debt less cash, divided by investment property plus cost incurred for photovoltaic plants) was 32.1%, comfortably below the 35% strategic threshold.

Ratios for unsecured loans and bonds showed ample headroom compared to covenants at the end of June 2025, are as follows:

- Solvency ratio: 0.38 actual compared to 0.60 maximum;
- Consolidated interest coverage ratio: 4.90 actual compared to minimum of 2; and
- Unencumbered consolidated total assets/unsecured consolidated total debt: 265% actual compared to 150% minimum.

The average interest rate of the Group's debt, including hedging, was approximately 3.2% during first half of 2025 (H1 2024: 2.9% on a gross basis, with 2.6% on a net basis, taking into account the interest income resulting from the disbursed IFC loan and management of the excess liquidity). Unsecured debt represented 88% of total debt as at 30 June 2025. The un-hedged balance exposed to variable interest rate corresponds to the IFC loan and represents 15% of the total outstanding debt.

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

Directors' commentary

In the first half of 2025, NEPI Rockcastle extended the contractual maturity related to its unsecured committed revolving credit facilities, as follows:

- the revolving credit facility from ING Bank was extended to a maturity of three years, with two additional one-year extension options, currently expiring in July 2028; the maximum principal available under this facility remained €100 million; and
- the revolving credit facility from a three-bank syndicate (BRD-Groupe Société Générale, Garanti Bank, and Unicredit Bank) was also extended to a maturity of three years, with two additional one-year extension options, currently expiring in July 2028; the maximum principal available under this facility was increased from €170 to €190 million.

Consequently, the revolving credit facilities' capacity amounts to €690 million as at 30 June 2025 (31 December 2024: €670 million) and is fully undrawn.

CORPORATE GOVERNANCE

On 5 June 2025, the Group announced that Mr. Rüdiger Dany will conclude his mandate as the CEO of NEPI Rockcastle as of 31 March 2026, after five very successful years with the Company. The Board has engaged a leading international executive search firm to assist with identifying the most suitable successor. The Group will update the market and the shareholders once this process has concluded and a new CEO designate has been appointed.

The composition of the Nomination Committee has been amended to include Mr. Steven Brown as a member, effective 7 July 2025. The Board is confident that Mr. Brown's expertise and perspective will complement the existing strengths of the Nomination Committee and contribute positively to its ongoing work.

DIVIDEND DECLARATION

The Board has declared a dividend of 27.95 euro cents per share for H1 2025, corresponding to a 90% dividend pay-out ratio, to be settled in cash, as a capital repayment (default option). Shareholders can also elect for the settlement of the same dividend amount as a 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 cash dividend.

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

OUTLOOK

The Board has revised the guidance released in February 2025, based on the good operational results, and now expects DEPS for the year to be 2.5-3% higher than the DEPS of 60.17 cents per share in 2024.

This guidance does not consider any impact of potential geopolitical instability, or major macroeconomic disruptions, and assumes current trading trends continue. 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.

Independent Auditor's review report on interim condensed consolidated financial statements

To the shareholders of NEPI Rockcastle N.V.

We have reviewed the interim condensed consolidated financial statements of NEPI Rockcastle N.V, set out on pages 10 to 38 contained in the accompanying interim financial report, which comprise the interim condensed consolidated financial statement of financial position as at 30 June 2025 and the interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and for such internal control as the directors determine is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of NEPI Rockcastle N.V. for the six months ended 30 June 2025 are not prepared, in all material respects, in accordance with the IFRS Accounting Standard as issued by the International Accounting Standards Board, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Gerhardus Jacobus van Deventer CA(SA)
Registered Auditor
Chartered Accountant (SA)
18 August 2025

102 Rivonia Road
Johannesburg
South Africa

Interim Condensed Consolidated Statement of Financial Position

in € thousand	Note	30 June 2025	31 December 2024
ASSETS			
Non-current assets		**8,321,807**	**8,169,170**
Investment property		8,072,967	7,926,595
– Investment property in use	4	7,834,274	7,694,798
– Investment property under development	5	238,693	231,797
Goodwill		76,804	76,804
Deferred tax assets		90,081	107,395
Property, plant and equipment	6	62,901	41,624
Other long-term assets		16,798	11,360
Derivative financial assets at fair value through profit or loss		2,256	5,392
Current assets		**512,002**	**572,942**
Trade and other receivables		121,461	115,947
Inventory property		1,478	4,227
Cash and cash equivalents	7	385,909	448,498
Derivative financial assets at fair value through profit or loss		3,154	4,270
Assets held for sale	8	**559**	**559**
TOTAL ASSETS		**8,834,368**	**8,742,671**
EQUITY AND LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY		**4,980,613**	**4,908,482**
Equity attributable to equity holders		**4,980,613**	**4,908,482**
Share capital	9	7,124	7,124
Share premium	9	3,101,631	3,255,148
Other reserves		(12,586)	(9,662)
Treasury shares	9	(10,076)	-
Accumulated profit		1,894,520	1,655,872
Total liabilities		**3,853,755**	**3,834,189**
Non-current liabilities		**3,621,138**	**3,589,167**
Bank loans	10	939,538	947,417
Bonds	10	1,985,861	1,982,857
Deferred tax liabilities		576,006	545,241
Lease liabilities		85,905	83,059
Other long-term liabilities		33,828	30,593
Current liabilities		**232,617**	**245,022**
Trade and other payables		165,736	187,084
Income tax payable		17,906	20,954
Bank loans	10	15,272	15,528
Bonds	10	30,649	18,566
Lease liabilities		3,054	2,890
TOTAL EQUITY AND LIABILITIES		**8,834,368**	**8,742,671**
Net Asset Value per share (euro)		7.01	6.89
EPRA Net Reinstatement Value per share (euro)[1]		7.58	7.38
Number of shares for Net Asset Value/EPRA Net Reinstatement Value[2]		710,716,798	712,357,309

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

2 *Excludes 1,640,511 treasury shares. For further details please see Note 9.*

Interim Condensed Consolidated Statement of Comprehensive Income

in € thousand	Note	30 June 2025	30 June 2024
Gross rental income	11	311,006	278,463
Service charge income	11	143,386	129,308
Property operating expenses	11	(152,521)	(138,112)
Revenue from energy activity	11	4,852	4,054
Net rental and related income	11	**306,723**	**273,713**
Administrative expenses	12	(20,462)	(16,476)
Revenue from sales of inventory property		4,237	14,167
Cost of sales of inventory property		(2,884)	(10,248)
EBIT[1]		**287,614**	**261,156**
Fair value adjustments of investment property	13	108,036	133,926
Foreign exchange loss		(495)	(109)
Gain on disposal of assets held for sale	8	-	386
Profit before net finance costs and other items		**395,155**	**395,359**
Finance income		3,392	8,990
Finance costs		(52,143)	(46,328)
Bank charges, commissions, and fees		(2,028)	(2,306)
Fair value adjustments of derivatives		(4,407)	(366)
Profit before tax		**339,969**	**355,349**
Income tax expense		**(62,146)**	**(55,274)**
Current tax expense		(14,068)	(17,520)
Deferred tax expense		(48,078)	(37,754)
Profit after tax		**277,823**	**300,075**
Total comprehensive income for the period		**277,823**	**300,075**
Profit attributable to:			
Equity holders of the parent		277,823	300,075
Total comprehensive income attributable to:			
Equity holders of the parent		277,823	300,075
Basic weighted average number of shares[2]		709,618,894	659,308,213
Diluted weighted average number of shares[2]		711,628,193	660,826,020
Basic earnings per share (euro cents) attributable to equity holders		39.15	45.51
Diluted earnings per share (euro cents) attributable to equity holders		39.04	45.41

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).*

2 *Excludes 1,640,511 treasury shares. For further details please see Note 9.*

Interim Condensed Consolidated Statement of Changes in Equity

in € thousand	Note	Share capital	Share premium	Other reserves	Treasury shares	Accumulated profit	Total
Balance at 1 January 2024		**6,608**	**3,137,063**	**(7,637)**	**-**	**1,168,727**	**4,304,761**
Transactions with owners		**-**	**(106,619)**	**(2,114)**	**-**	**(62,788)**	**(171,521)**
– Share capital movements[1]		106,448	(106,448)	-	-	-	-
– Earnings distribution – capital repayment[2]		(106,448)	-	-	-	-	(106,448)
– Earnings distribution – dividend out of accumulated profit[2]		-	-	-	-	(62,788)	(62,788)
– Earnings distribution – impact of foreign exchange hedges[2]		-	(171)	-	-	-	(171)
– Shares purchased for LTSIP[3]		-	-	(5,154)	-	-	(5,154)
– Share based payment expense		-	-	3,040	-	-	3,040
Total comprehensive income		**-**	**-**	**-**	**-**	**300,075**	**300,075**
– Profit for the period		-	-	-	-	300,075	300,075
Balance at 1 July 2024		**6,608**	**3,030,444**	**(9,751)**	**-**	**1,406,014**	**4,433,315**
Transactions with owners		**516**	**224,704**	**89**	**-**	**(37,632)**	**187,677**
– Share capital movements[1]		71,631	(71,631)	-	-	-	-
– Earnings distribution – capital repayment[2]		(71,631)	-	-	-	-	(71,631)
– Issue of shares, net of transaction costs		418	294,757	-	-	-	295,175
– Earnings distribution – dividend out of accumulated profit[2]		-	-	-	-	(37,632)	(37,632)
– Earnings distribution – impact of foreign exchange hedges[2]		-	1,676	-	-	-	1,676
– Earnings distribution – scrip issue[2]		98	(98)	-	-	-	-
– LTSIP reserve release		-	-	89	-	-	89
Total comprehensive income		**-**	**-**	**-**	**-**	**287,490**	**287,490**
Profit for the period		-	-	-	-	287,490	287,490
Balance at 1 January 2025		**7,124**	**3,255,148**	**(9,662)**	**-**	**1,655,872**	**4,908,482**
Transactions with owners		**-**	**(153,517)**	**(2,924)**	**(10,076)**	**(39,175)**	**(205,692)**
– Share capital movements[1]	9	153,517	(153,517)	-	-	-	-
– Earnings distribution – capital repayment[2]	9	(153,517)	-	-	-	-	(153,517)
– Earnings distribution – dividend out of accumulated profit[2]	9	-	-	-	-	(39,175)	(39,175)
– Shares purchased for LTSIP[3]		-	-	(7,148)	-	-	(7,148)
– Share based payment expense		-	-	4,224	-	-	4,224
– Treasury shares	9	-	-	-	(10,076)	-	(10,076)
Total comprehensive income		**-**	**-**	**-**	**-**	**277,823**	**277,823**
Profit for the period		-	-	-	-	277,823	277,823
Balance at 30 June 2025		**7,124**	**3,101,631**	**(12,586)**	**(10,076)**	**1,894,520**	**4,980,613**

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.

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.

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

Interim Condensed Consolidated Statement of Cash Flows

in € thousand	Note	30 June 2025	30 June 2024
CASH FLOWS FROM OPERATIONS	16	**280,880**	**238,711**
Interest paid on loans and borrowings	10	(24,014)	(27,085)
Interest paid on lease liabilities		(1,248)	(567)
Interest paid on bonds	10	(16,445)	(10,000)
Income tax paid		(18,524)	(14,456)
Bank charges paid		(2,030)	(2,468)
Interest received		3,378	8,945
Cash received from derivatives settlements		2,938	6,648
NET CASH FLOWS FROM OPERATING ACTIVITIES		**224,935**	**199,728**
INVESTING ACTIVITIES			
Expenditure on investment property[1]		(39,102)	(70,366)
Settlements of deferred consideration for prior years acquisitions		(881)	-
Expenditure on property, plant and equipment[2]	6	(27,023)	-
Proceeds from disposal of assets held for sale	8	-	4,403
NET CASH FLOW USED IN INVESTING ACTIVITIES		**(67,006)**	**(65,963)**
FINANCING ACTIVITIES			
Payment to acquire shares for LTSIP		(7,148)	(5,154)
Repurchase of shares	9	(10,076)	-
Net movements in bank loans, bonds, and other long-term liabilities		**(8,686)**	**379,801**
Proceeds from bank loans	10	-	387,987
Repayment of bank loans	10	(8,686)	(8,186)
Other payments		**(194,608)**	**(171,296)**
Repayments of lease liabilities		(1,762)	(978)
Premium paid on acquisitions of derivatives		(154)	(911)
Earnings distribution - Capital repayment and dividend out of accumulated profit[3]	9	(192,692)	(169,407)
NET CASH FLOW(USED IN)/ FROM FINANCING ACTIVITIES		**(220,518)**	**203,351**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(62,589)**	**337,116**
Cash and cash equivalents brought forward		448,498	338,519
CASH AND CASH EQUIVALENTS CARRIED FORWARD BEFORE THE ADJUSTMENT FOR HELD FOR SALE ASSETS		**385,909**	**675,635**
Cash and cash equivalents classified as held for sale		-	(4,033)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	7	**385,909**	**671,602**

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

2 *Includes €5,800 thousand settlement of amount payable for the acquisition made in 2024 of one of the land plots used for the greenfield photovoltaic plant development.*

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

Notes to the Interim Condensed Consolidated Financial Statements

1. GENERAL

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

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

The Group’s Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2025 were approved by the Board of Directors on 18 August 2025 and authorized for publication on 19 August 2025. The financial statements are accompanied by the external auditors' review report.

2. BASIS OF PREPARATION

These Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2025 are prepared in accordance with the requirements of the JSE Listings Requirements for interim reports.

The JSE Listings Requirements require that the interim reports are prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS ® Accounting Standards as issued by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

Selected explanatory notes are included to detail events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2024. They do not include all the notes requested for the preparation of the annual consolidated financial statements, and accordingly, they should be read in conjunction with the annual financial statements as at 31 December 2024.

The accounting policies adopted are consistent with those applied for the preparation of the annual consolidated financial statements as at 31 December 2024 except for the new mandatory standards and interpretations effective as of 1 January 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).

The newly adopted amendments to IFRS Accounting Standards did not have a significant impact on the Group's financial statements as at 30 June 2025.

The following standards have been issued but are not yet effective and have not been endorsed by the European Union as at 30 June 2025, and were not early adopted by the Group:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- 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

Management is currently assessing the impact that the amendments above will have on the financial statements.

The following standards have been issued but are not yet effective but have been endorsed by the European Union as at 30 June 2025, and were not early adopted by the Group:

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)
- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)
- Annual Improvements to IFRS Accounting Standards – Volume 11

Management is currently assessing the impact that the amendments above will have on the financial statements.

The Interim Condensed Consolidated Financial Statements are presented in thousands of Euros ("€'000"), rounded off to the nearest thousand, unless stated otherwise.

The Group is subject to the scope of the OECD Pillar Two model rules ("Pillar Two") from 1 January 2025. Pillar Two applies to multinational groups with global revenues of €750 million or more in two out of four preceding 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% under the general local profit tax rules, then the Group will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold. The Group has made an assessment for each of the individual jurisdictions in which it operates to determine whether and to what extent a top-up tax could result in each of those jurisdictions, based on the financial results for the first half year 2025. As a result of the assessment, there is an immaterial impact on the Group's tax position.

The Interim Condensed Consolidated Financial Statements were prepared on a going concern basis. Having considered the potential impact of the military conflicts in Ukraine and in the Middle East 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 there are no material uncertainties relating to the Group's ability to continue as a going concern.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

3.1 Credit risk

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

The 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	30 June 2025	31 December 2024
in € thousand			
Tenant receivables		100,031	106,650
Cash and cash equivalents	7	385,909	448,498
Derivative financial assets at fair value through profit or loss[1]		5,410	9,662
Loans to participants in the Share Purchase Scheme[2]		873	890
Total		**492,223**	**565,700**

1 *Includes both long-term and short-term financial assets at fair value through profit or loss.*
2 *Presented in line Other long-term assets in the Statement of financial position.*

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

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

The exposure to credit risk is mainly influenced by the tenant's individual characteristics. The Group's widespread customer base reduces credit risk. The majority of rental income (68% as at 30 June 2025 and as at 31 December 2024) 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 25.5% of the rental income as at 30 June 2025 (31 December 2024: 25.3%).

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	30 June 2025	31 December 2024
Tenant receivables – gross	100,031	106,650
Less: Impairment provisions	(9,660)	(10,796)
TENANT RECEIVABLES - NET OF IMPAIRMENT PROVISION	**90,371**	**95,854**

Reconciliation of impairment provisions is set out below:

Movement of provisions for doubtful debtors	30 June 2025	31 December 2024
in € thousand		
Carrying value at beginning of the year	**(10,796)**	**(10,701)**
Additional provision from properties acquired during the year	-	(2,607)
Additional expected credit losses	(1,186)	(3,138)
Write-off of receivables	1,085	2,062
Recovery of previously expected credit losses	1,176	3,702
Released in relation to assets held for sale disposed during the year	-	116
Foreign exchange gain/(loss)	61	(230)
Carrying value	**(9,660)**	**(10,796)**

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 30 June 2025 was determined as follows for trade receivables:

30 June 2025	Current	0-30 days	31-60 days	61-90 days	>90 days	Total
in € thousand						
Expected loss rate	0%	0%	2%	19%	92%	
Gross carrying amount – trade receivables	75,675	10,080	3,072	918	10,286	**100,031**
PROVISION FOR DOUBTFUL DEBTORS	**-**	**(2)**	**(48)**	**(175)**	**(9,435)**	**(9,660)**

The impairment provision for trade receivables as at 31 December 2024 is set out below:

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

30 June 2025	3–12 months	1–5 years	Total
in € thousand			
Financial assets at fair value through profit or loss	859	4,551	**5,410**

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

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 30 June 2025, 96% of the Group's cash was held with investment-grade rated banks (31 December 2024: 79%), as detailed below:

Cash and cash equivalents	30 June 2025	31 December 2024
Held with banks as rated by Moody's		
Aa2	4%	0%
Aa3	4%	6%
A1	25%	38%
A2	7%	8%
A3	18%	9%
Baa1	33%	18%
Ba2	2%	0%
Ba3	3%	0%
Held with banks without a formal credit rating	4%	21%[1]
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 were held with formal credit rated banks as at 31 December 2024 .

3.2 Liquidity risk

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

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

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

30 June 2025	Note	under 3 months	3–12 months	1–5 years	over 5 years	Total undiscounted cash flows	Total carying amount
in € thousand							
Bonds (including estimated future interest)	10	49,452	38,697	1,629,965	531,782	**2,249,896**	**2,016,510**
Bank loans (including estimated future interest)	10	13,958	39,031	997,046	36,725	**1,086,760**	**954,810**
Trade and other payables		136,645	29,090	-	-	**165,735**	**165,736**
Other long-term liabilities		-	-	26,860	6,968	**33,828**	**33,828**
Lease liabilities (including estimated future interest)		-	2,932	11,728	176,231	**190,891**	**88,959**
Total		**200,055**	**109,750**	**2,665,599**	**751,706**	**3,727,110**	**3,259,843**

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

3.3 Market risk

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

3.3.1 Currency risk

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

3.3.2 Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on loans, borrowings and cash balances held. Group policy is to substantially hedge this risk through the use of derivative financial instruments. As at 30 June 2025 and 31 December 2024, the Group held interest rate instruments in the form of interest rate swaps and interest rate caps.

in € thousand	30 June 2025	31 December 2024
Bank loans	**954,810**	**962,945**
– Rate capped	483,177	523,549
– Rate swapped	39,100	39,400
– Variable rate[1]	443,294	411,308
Accrued interest on loans and deferred loan costs	(10,761)	(11,312)

1 *As of 30 June 2025, the balance exposed to variable interest rate corresponds to the IFC loan and represents 15% (14% as of 31 December 2024) of the total outstanding debt.*

Sensitivity analysis for interest bearing financial instruments

Cash and loans and borrowings balances are subject to change over the year. 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 the respective balance sheet dates as of 30 June 2025. 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 €954,810 thousand as at 30 June 2025 (31 December 2024: €962,945 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.

in € thousand	30 June 2025	31 December 2024
Loans to participants in the Share Purchase Scheme (including accrued interest)	873	890
Loans and borrowings (variable or capped rate)	(926,471)	(934,857)
Total	**(925,598)**	**(933,967)**

30 June 2025	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]	(1,728)	2,992	(1,728)	2,992
Total	**(1,724)**	**2,988**	**(1,724)**	**2,988**

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

31 December 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.*

3.4 Fair value of financial instruments

Set out below, is an overview of financial assets and liabilities held by the Group as at 30 June 2025:

in € thousand	Carrying amount	Fair value	Measurement
Assets			
Financial assets at amortised cost			
Cash and cash equivalents	385,909	385,909	The book value of cash approximates their fair value, as these financial instruments have a short maturity.
Trade and other receivables	121,461	121,461	The book value of short-term receivables approximates their fair value, as these financial instruments have a short maturity.
Financial assets at fair value through profit or loss			
Interest rate derivatives	5,410	5,410	The fair value of derivatives is based on fair value quotes from counterparty banks.
Total	**512,780**	**512,780**	
Liabilities			
Financial liabilities at amortised cost			
Bonds	2,016,510	1,977,150	The fair value of bonds is based on market trading prices.
Bank loans	954,810	954,810	The book value of loans approximates their fair value.
Trade and other payables	165,736	165,736	The book value of short-term payables approximates their fair value, as these financial instruments have a short maturity.
Lease liabilities	88,959	88,959	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.
Total	**3,226,015**	**3,186,655**	

4. INVESTMENT PROPERTY IN USE

Movement in investment property in use	Note	30 June 2025	31 December 2024
in € thousand			
Carrying value at beginning of year		**7,694,798**	**6,627,247**
Additions from asset deals		908	759,666
Capital expenditure		12,457	51,373
Transferred from investment property under development	5	14,219	65,798
Fair value adjustments	13	108,881	183,942
Remeasurement of right-of-use assets		4,774	-
Additions to the right-of-use assets from acquired assets		-	29,840
Fair value adjustment of right-of-use asset	13	(1,763)	(412)
Transfers from property, plant and equipment		-	556
Investment property reclassified to property, plant and equipment		-	(23,212)
CARRYING VALUE		**7,834,274**	**7,694,798**

As at 30 June 2025, the balance of investment property included also right-of-use assets of €88,959 thousand (31 December 2024: €85,949 thousand) representing long-term land concessions for the Group 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 six month period ended 30 June 2025 and 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 all of whom are members of the Royal Institution of Chartered Surveyors (RICS). Valuations are prepared in accordance with the RICS Valuation - Global Standards 2025 (the "Red Book", issued 2024 and effective 31 January 2025) and ANEVAR Valuation Standards - 2025 Edition which incorporate the International Valuation Standards 2025 Edition ("IVS").

All investment property in use is valued by the Income Method. For the six month period ended 30 June 2025 and year ended 31 December 2024 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 have been inspected by representatives of external valuers once a year.

The Group's valuers note in their valuation reports that wherever appropriate, sustainability and environmental (ESG) matters are an integral part of the valuation approach. They have performed an analysis of the ESG criteria and determined the level of alignment of the subject assets to the required standards and noted that this represents only a qualitative assessment which gives an indication on the level of alignment of the subject assets to the ESG legal and market practice. However, due to the lack of market proofs regarding the impact in the market value of ESG criteria and lack of data regarding the total costs required by the improvement of the assessed real estate assets from ESG scoring point of view, the valuers noted that there is not direct correlation between the estimation of the market value of the subject assets and the qualitative analysis of the ESG criteria.

As at 30 June 2025, the investment property in use had an EPRA Vacancy Rate of 1.8% (31 December 2024: 1.7%). EPRA Vacancy Rate is a non-IFRS measure which is defined in section Other information, Glossary.

As compared to the valuations on 31 December 2024, the estimated rental values generally increased, supported by the good performance of the assets, with no significant changes in valuation yields.

As at 30 June 2025, the Group's portfolio included retail, office and one industrial property.

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 30 June 2025 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	329 - 27,191 (13,998)[1]	8.75% - 10.45% (9.71)[1]	6.75% - 8.25% (7.53)[1]
Poland	Discounted cash flow	2,900 - 27,237 (17,838)[1]	7.80% - 10.20% (8.34)[1]	6.60% - 9.00% (7.08)[1]
Slovakia	Discounted cash flow	3,262 - 12,868 (9,809)[1]	9.00% - 10.25% (9.12)[1]	7.00% - 8.25% (7.12)[1]
Hungary	Discounted cash flow	19,385 - 20,857 (20,202)[1]	8.60% - 9.40% (8.96)[1]	6.60% - 7.40% (6.96)[1]
Bulgaria	Discounted cash flow	18,564 - 30,881 (26,223)[1]	10.43%	7.50% - 7.75% (7.59)[1]
Croatia	Discounted cash flow	1,847 - 22,998 (21,340)[1]	9.75%	7.50% - 7.75% (7.73)[1]
Czech Republic	Discounted cash flow	7,048 - 7,098 (7,073)[1]	9.75%	7.25%
Lithuania	Discounted cash flow	13,373	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 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.

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 30 June 2025:

	Discount rate variance			
Country	(50 bps)	(25 bps)	25 bps	50 bps
Romania	3.37%	1.67%	-1.63%	-3.22%
Poland	3.59%	1.10%	-1.73%	-3.43%
Slovakia	3.55%	1.76%	-1.72%	-3.36%
Hungary	3.65%	1.81%	-1.77%	-3.49%
Bulgaria	2.08%	1.02%	-0.99%	-1.95%
Croatia	3.38%	1.71%	-1.74%	-3.52%
Czech Republic	3.54%	1.71%	-1.71%	-3.43%
Lithuania	3.35%	1.65%	-1.58%	-3.17%
Total	**3.38%**	**1.44%**	**-1.64%**	**-3.25%**

Exit rate variance

Country	(50 bps)	(25 bps)	25 bps	50 bps
Romania	6.93%	3.35%	-3.13%	-6.07%
Poland	7.74%	3.73%	-3.48%	-6.72%
Slovakia	7.60%	3.66%	-3.40%	-6.57%
Hungary	8.05%	3.88%	-3.60%	-6.94%
Bulgaria	5.24%	2.47%	-2.21%	-4.19%
Croatia	6.06%	3.12%	-3.28%	-6.83%
Czech Republic	7.50%	3.64%	-3.43%	-6.59%
Lithuania	6.46%	3.11%	-2.93%	-5.67%
Total	**7.11%**	**3.44%**	**-3.23%**	**-6.27%**

Rental Income (ERV)

Country	-10%	-5%	5%	10%
Romania	-10.01%	-5.00%	5.01%	10.01%
Poland	-7.39%	-3.71%	3.73%	7.50%
Slovakia	-8.42%	-4.22%	4.24%	8.40%
Hungary	-8.19%	-4.08%	4.10%	8.19%
Bulgaria	-7.12%	-3.57%	3.60%	7.22%
Croatia	-7.74%	-3.89%	3.85%	7.74%
Czech Republic	-8.41%	-4.23%	4.18%	8.41%
Lithuania	-5.97%	-2.99%	3.05%	6.15%
Total	**-8.45%**	**-4.23%**	**4.24%**	**8.50%**

5. INVESTMENT PROPERTY UNDER DEVELOPMENT

Movement in investment property under development	Note	30 June 2025	31 December 2024
in € thousand			
Carrying value at beginning of year		**231,797**	**197,743**
Additions from construction in progress		20,197	88,061
Fair value adjustments	13	918	12,020
Assets which became operational and were transferred to Investment property in use	4	(14,219)	(65,798)
Investment property under development reclassified to property, plant and equipment	6	-	(229)
Carrying value		**238,693**	**231,797**

Land included in Investment property under development is carried at fair value and is independently assessed on a semi-annual basis. For the six months ended 30 June 2025 and for the year ended 31 December 2024 the Group commissioned independent reports to Colliers International, Cushman&Wakefield and Affiliate Partners and Jones Lang LaSalle, 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 for the six months ended 30 June 2025 amount to €2,751 thousand (30 June 2024: €1,955 thousand) and were calculated using an average annual interest rate of 3.2% (30 June 2024: 2.6%).

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	**30 June 2025**	**31 December 2024**
in € thousand		
Land (at fair value)	109,231	108,314
Construction works (at cost)	129,462	123,483
Total	**238,693**	**231,797**

6. PROPERTY, PLANT AND EQUIPMENT

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

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

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

Other equipment presented in the table below include office furniture, improvements and equipment.

in € thousand	Note	Photovoltaic panels	Photovoltaic panels under construction	Other	Total
Cost					
At 1 January 2025		**23,750**	**12,972**	**9,197**	**45,919**
Additions from assets deals		-	980	-	**980**
Additions		-	21,138[1]	59	**21,197**
Transfers		454	(454)	-	-
At 30 June 2025		**24,204**	**34,636**	**9,256**	**68,096**
Depreciation and impairment					
At 1 January 2025		**447**	**-**	**3,848**	**4,295**
Depreciation charge for the period		692	-	208	**900**
At 30 June 2025		**1,139**	**-**	**4,056**	**5,195**
Net book value					
At 1 January 2025		**23,303**	**12,972**	**5,349**	**41,624**
At 30 June 2025		**23,065**	**34,636**	**5,200**	**62,901**

1 *Includes Borrowing costs capitalised of €324 thousand for the six months ended 30 June 2025.*

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

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents by currency	30 June 2025	31 December 2024
in € thousand		
EUR	159,988	301,218
RON	78,601	46,398
PLN	103,232	70,433
BGN	11,014	11,355
HUF	8,065	6,154
CZK	13,362	10,930
RSD	136	217
ZAR	11,511	1,793
Total	**385,909**	**448,498**

Cash and cash equivalents by type	30 June 2025	31 December 2024
in € thousand		
Current accounts	385,788	350,366
Deposits	-	98,000
Petty cash	121	132
Total	**385,909**	**448,498**

8. ASSETS HELD FOR SALE

There were no disposals of assets held for sale in the six months period ended 30 June 2025.

Disposals in the prior 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.

Assets held for sale as at 30 June 2025

At 30 June 2025, the assets held for sale included one non-core property located in Romania.

8.1 Investment property held for sale

in € thousand	30 June 2025	31 December 2024
Carrying value at beginning of year	559	151,820
Additions during the period	-	119
Fair value adjustments	-	(170)
Disposals	-	(151,210)
CARRYING VALUE	**559**	**559**

9. SHARE CAPITAL AND SHARE PREMIUM

In February 2025, the Board declared a final distribution of 27.05 euro cents per share for the six months ended 31 December 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). For details related to comparative information please see Note 17 from the annual financial statements as at 31 December 2024.

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

Final 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	567,531,672	27.05	153,517
Dividend out of accumulated profit	144,825,637	27.05	39,175
Total	**712,357,309**		**192,692**

As a result of the above elections for the settlement of the final distribution for 2024, 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 2025	**712,357,309**	**7,124**	**3,255,148**
Share capital increase[1]	-	249,325	(249,325)
Share capital decrease[1]	-	(95,808)	95,808
Capital repayment paid to shareholders	-	(153,517)	-
Carried forward as at 30 June 2025	**712,357,309**	**7,124**	**3,101,631**

1 Before the distribution period, the Company amended its Articles of Association, as approved by the shareholders at the Annual General Meeting in May 2024, by increasing the nominal value of an ordinary share with 0.35 euro cents. After the 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 €153,517 thousand.

In April 2025, the Company repurchased 1,640,511 own shares (representing 0.23% of outstanding ordinary shares in issue) on the market for a total consideration of €10,076 thousand. The cost of repurchased shares was recognised in the treasury shares reserve. Treasury shares do not carry the right to vote at general meetings, to distribution and to the surplus assets of the Group on winding-up.

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

10. BORROWINGS (BONDS AND BANK LOANS)

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

In the first half of 2025, NEPI Rockcastle extended the contractual maturities related to its unsecured committed revolving credit facilities, as follows:

- the revolving credit facility from ING Bank was extended to a maturity of three years, with two additional one-year extension options, currently expiring in July 2028; the maximum principal available under this facility maintained at €100 million; and

- the revolving credit facility from a three-bank syndicate (BRD-Groupe Société Générale, Garanti Bank and Unicredit Bank) was also extended to a maturity of three years, with two additional one-year extension options, currently expiring in July 2028; the maximum principal available under this facility was increased from €170 million to €190 million.

Consequently, as at 30 June 2025, the revolving credit facilities' capacity amounts to €690 million (31 December 2024: €670 million) and is fully undrawn.

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 average interest rate of the Group's debt, including hedging was approximately 3.2% during the first half of 2025 (30 June 2024: 2.9% on a gross basis, with 2.6% on a net basis, taking into account the interest income resulting from the disbursement of IFC loan and management of the excess liquidity). Unsecured debt represented 88% of total debt as at 30 June 2025. The un-hedged balance exposed to variable interest rate corresponds to the IFC loan and represents 15% of the total outstanding debt.

The fair value of all financial instruments is substantially in line with their carrying amounts as reflected on the Statement of financial position, except for bonds.

The below table details the market trading prices of bonds issued:

Outstanding nominal in € thousand	Issue date	Maturity date	30 June 2025	31 December 2024
500,000	October-2019	October-2026	98.93%	97.84%
500,000	July-2020	July-2027	100.83%	100.19%
500,000	January-2022	January-2030	93.85%	92.72%
500,000	October-2024	January-2032	101.82%	102.46%

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

Interest bearing borrowings 30 June 2025	Type	Payable in less than 1 year	Payable in 1-5 years	Payable over 5 years	Total
in € thousand					
Netherlands	Unsecured fixed coupon bonds	-	1,500,000	500,000	**2,000,000**
Netherlands	Unsecured loans	-	518,476	-	**518,476**
Poland	Secured loans	745	72,432	-	**73,177**
Slovakia	Secured loans	5,800	90,837	-	**96,637**
Czech Republic	Secured loans	600	2,400	36,100	**39,100**
Romania	Secured loans	10,727	227,454	-	**238,181**
Accrued interest on loans and deferred loan costs		(2,600)	(8,139)	(22)	**(10,761)**
Accrued coupon on bonds		36,735	-	-	**36,735**
Deferred bond costs		(2,666)	(5,696)	(1,018)	**(9,380)**
Issue discount on bonds		(3,420)	(6,579)	(846)	**(10,845)**
Total		**45,921**	**2,391,185**	**534,214**	**2,971,320**

Interest bearing borrowings 31 December 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**

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 2024	**962,945**	**2,001,423**	**2,964,368**
Cash repayments of principal	(8,686)	-	**(8,686)**
Cash payments of interest on bank loans or coupon on bonds	(24,014)	(16,445)	**(40,459)**
Interest expense[1]	23,765	28,512	**52,277**
Amortisation of capitalised borrowing costs	1,611	1,322	**2,933**
Amortisation of bond discount	-	1,698	**1,698**
Additional capitalised borrowing costs in the period	(811)	-	**(811)**
Debt as at 30 June 2025	**954,810**	**2,016,510**	**2,971,320**

1 *The above finance costs do not include interest capitalized on developments of €2,751 thousand (Note 5), interest on property, plant and equipment of €324 thousand (Note 6) and interest on lease liabilities related to the right-of-use assets of €1,248 thousand.*

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	(8,186)	-	**(8,186)**
Cash proceeds from bank loans or bonds	387,987	-	**387,987**
Cash payments of interest on bank loans or coupon on bonds	(25,998)	(10,000)	**(35,998)**
Interest expense[1]	26,303	22,370	**48,673**
Amortisation of capitalised borrowing costs	1,609	1,248	**2,857**
Amortisation of bond discount	-	1,752	**1,752**
Additional capitalised borrowing costs in the period	(1,845)	-	**(1,845)**
Debt as at 30 June 2024	**913,591**	**2,014,401**	**2,927,992**

1 *The table above does not contain interest bearing loans from third parties of €33,399 thousand and the associated finance cost. The above finance costs do not include interest capitalized on developments of €1,955 thousand (Note 5) and interest on lease liabilities related to the right-of-use assets of €567 thousand.*

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

Secured term loans

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

Securities

- General security over the investment properties (fair values as at 30 June 2025), 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 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 which matures 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 30 June 2025, there were €690 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 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 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 of its borrowing facilities during the six month period ended 30 June 2025 and 2024. The ratios calculated for all unsecured loans and bonds showed ample headroom compared to the covenants:

Covenants	Requirement	30 June 2025	31 December 2024
Solvency Ratio	Maximum 0.60	0.38	0.38
Consolidated Coverage Ratio	Minimum 2:1	4.90	5.01
Unsecured Ratio	Minimum 150%	265%	261%

11. NET RENTAL AND RELATED INCOME

in € thousand	30 June 2025	30 June 2024
Gross rental income	311,006	278,463
Service charge income	143,386	129,308
Gross rental and service charge income	**454,392**	**407,771**
Property management fees, tax, insurance, and utilities	(92,341)	(82,683)
Property maintenance cost	(60,170)	(56,626)
Net expected credit losses	(10)	1,197
Property operating expenses	**(152,521)**	**(138,112)**
Revenue from energy activity	**4,852**	**4,054**
TOTAL NET RENTAL AND RELATED INCOME	**306,723**	**273,713**

Out of the total Net rental and related income for six months ended 30 June 2025, €28.6 million relates to the two acquisitions made in fourth quarter of 2024 (Magnolia Park and Silesia City Center in Poland). Out of the total Net rental and related income for six months ended 30 June 2024, €7.3 million relates to Promenada Novi Sad, entity sold in October 2024.

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

in € thousand	30 June 2025	30 June 2024
Utility expenses[1]	(52,597)	(48,401)
Property related taxes	(18,876)	(16,572)
Property management fees	(19,371)	(16,309)
Property insurance expenses	(1,497)	(1,401)
Property management fees, tax, insurance, and utilities	**(92,341)**	**(82,683)**

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	30 June 2025	30 June 2024
Cleaning and security	(28,888)	(25,726)
Maintenance and repairs	(17,736)	(16,115)
Marketing	(11,268)	(9,669)
Services and related costs	(1,936)	(1,598)
Other	(342)	(3,518)
Property maintenance cost	**(60,170)**	**(56,626)**

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 10.1% (€31,416 thousand) of the Gross rental income is represented by the turnover and overage rent (paid on top of fixed rent) as at 30 June 2025 (30 June 2024: 11.3% (€ 31,498 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 and recorded as reduction in revenue. 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	30 June 2025[1]	30 June 2024[1]
No later than 1 year	548,312	460,702
Between 1-2 years	468,513	369,023
Between 2-3 years	386,646	293,762
Between 3-4 years	309,203	228,026
Between 4-5 years	229,091	157,359
Later than 5 years	485,042	381,834
Total	**2,426,807**	**1,890,706**

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

The breakdown of the net rental and related income by country is disclosed in Note 14.

12. ADMINISTRATIVE EXPENSES

in € thousand	30 June 2025	30 June 2024
Staff costs[1]	(7,028)	(6,076)
Directors' remuneration	(1,239)	(1,119)
Advisory services	(3,282)	(2,448)
Audit and other assurance services	(1,542)	(1,303)
Companies' administration[2]	(1,114)	(1,136)[3]
Depreciation charge for Photovoltaic panels	(692)	-
Depreciation charge for other property, plant and equipment[4]	(208)	(226)
Travel and accommodation	(792)	(846)
Stock exchange expenses	(341)	(282)
Share based payment expense	(4,224)	(3,040)
Total	**(20,462)**	**(16,476)**

1 *Staff costs capitalised on investment property under development for the six months ended 30 June 2025 amount to €1,547 thousand (30 June 2024: €1,418 thousand).*

2 *Includes amortisation of intangibles of €579 thousand for the six months ended 30 June 2025 (30 June 2024: €610 thousand).*

3 *For six months ended 30 June 2024, "Amortisation of intangibles" (with a carrying amount of €610 thousand) was presented in line "Depreciation and amortisation". For six months ended 30 June 2025, these are presented on separate line within "Companies' administration ", with corresponding comparatives re-classified accordingly, to enhance presentation.*

4 *For six months ended 30 June 2024, "Depreciation charge for other property, plant and equipment" (with a carrying amount of €226 thousand) was presented in line "Depreciation and amortisation". For six months ended 30 June 2025, these are presented on separate line within "Depreciation charge for other property, plant and equipment", with corresponding comparatives re-classified accordingly, to enhance presentation.*

13. FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTY

in € thousand	Note	30 June 2025	30 June 2024
Fair value adjustments of investment property in use	4	108,881	122,601
Fair value adjustments of investment property under development	5	918	12,387
Fair value adjustments of investment property held for sale	8.1	-	(84)
Fair value adjustments of right-of-use assets	4	(1,763)	(978)
Total		**108,036**	**133,926**

14. 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 eight reportable segments as of June 2025, which include Romania, Poland, Bulgaria, Slovakia, Hungary, Croatia, Czech Republic and Lithuania for 2025 and nine reportable segments for 2024 comparative period, including Serbia.

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 is 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.

Starting December 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 revenues generated by the photovoltaic panels 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 across all Group geographies and investments in greenfield plants.

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.

Following the change in presentation of segment information by adding two new business segments, Residential and Energy, the figures presented in the comparative tables below were adjusted accordingly.

Segment results 30 June 2025 *in € thousand*	**Romania**	**Poland**	**Hungary**	**Slovakia**	**Bulgaria**	**Croatia**	**Czech Republic**	**Lithuania**	**Total Retail Segments**	**Residential**	**Energy**	**Unallocated**	**Total**
Gross rental income	111,992	103,778	19,470	20,418	25,112	12,266	6,907	7,963	307,906	-	-	3,100	311,006
Service charge income	54,374	47,750	8,237	9,743	10,381	4,547	4,513	2,716	142,261	-	-	1,125	143,386
Property operating expenses	(56,124)	(53,573)	(9,001)	(9,851)	(10,410)	(4,587)	(4,677)	(2,882)	(151,105)	-	-	(1,416)	(152,521)
Revenue from energy activity	-	-	-	-	-	-	-	-	-	-	4,852	-	4,852
Net rental and related income	**110,242**	**97,955**	**18,706**	**20,310**	**25,083**	**12,226**	**6,743**	**7,797**	**299,062**	**-**	**4,852**	**2,809**	**306,723**
Administrative expenses	(6,618)	(2,566)	(61)	(82)	(42)	(70)	(28)	(100)	(9,567)	(89)	(876)[1]	(9,930)	(20,462)
Revenue from sales of inventory property	-	-	-	-	-	-	-	-	-	4,237	-	-	4,237
Cost of sales of inventory property	-	-	-	-	-	-	-	-	-	(2,884)	-	-	(2,884)
EBIT[2]	**103,624**	**95,389**	**18,645**	**20,228**	**25,041**	**12,156**	**6,715**	**7,697**	**289,495**	**1,264**	**3,976**	**(7,121)**	**287,614**
Fair value adjustments of investment property	40,866	48,575	(15,918)	505	26,999	7,602	2,192	(234)	110,587	-	-	(2,551)	108,036
Foreign exchange (loss)/gain	(1,474)	581	278	-	(32)	-	207	-	(440)	(120)	(139)	204	(495)
Profit before net finance costs and other items	**143,016**	**144,545**	**3,005**	**20,733**	**52,008**	**19,758**	**9,114**	**7,463**	**399,642**	**1,144**	**3,837**	**(9,468)**	**395,155**
Finance income												3,392	3,392
Finance costs												(52,143)	(52,143)
Bank charges, commissions and fees												(2,028)	(2,028)
Fair value adjustments of derivatives												(4,407)	(4,407)
Profit before tax													**339,969**
Income tax expense												**(62,146)**	**(62,146)**
Current tax expense												(14,068)	(14,068)
Deferred tax expense												(48,078)	(48,078)
Profit after tax													**277,823**

1 *Out of total amount, €692 thousand represents depreciation charge for photovoltaic panels and €184 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 30 June 2024 *in € thousand*	**Romania**	**Poland**	**Hungary**	**Slovakia**	**Bulgaria**	**Croatia**	**Czech Republic**	**Lithuania**	**Serbia**	**Total Retail Segments**	**Residential**	**Energy**	**Unallocated**	**Total**
Gross rental income	107,533	70,593	19,481	20,156	24,171	11,897	6,654	7,531	7,529	275,545	-	-	2,918	278,463
Service charge income	51,944	33,491	8,178	9,384	9,524	5,254	4,314	2,702	3,262	128,053	-	-	1,255	129,308
Property operating expenses	(51,998)	(40,510)	(8,748)	(9,346)	(9,769)	(5,285)	(4,494)	(2,863)	(3,538)	(136,551)	-	-	(1,561)	(138,112)
Revenue from energy activity	-	-	-	-	-	-	-	-	-	-	-	4,054	-	4,054
Net rental and related income	**107,479**	**63,574**	**18,911**	**20,194**	**23,926**	**11,866**	**6,474**	**7,370**	**7,253**	**267,047**	**-**	**4,054**	**2,612**	**273,713**
Administrative expenses	(6,327)	(2,037)	(29)	(41)	(16)	(52)	(66)	(20)	(71)	(8,659)	(13)	(145)	(7,659)	(16,476)
Revenue from sales of inventory property	-	-	-	-	-	-	-	-	-	-	14,167	-	-	14,167
Cost of sales of inventory property	-	-	-	-	-	-	-	-	-	-	(10,248)	-	-	(10,248)
EBIT[1]	**101,152**	**61,537**	**18,882**	**20,153**	**23,910**	**11,814**	**6,408**	**7,350**	**7,182**	**258,388**	**3,906**	**3,909**	**(5,047)**	**261,156**
Fair value adjustments of investment property	63,227	34,114	(16,933)	8,903	35,046	2,669	257	8,166	(84)	135,365	-	-	(1,439)	133,926
Foreign exchange (loss)/gain	(133)	515	(345)	-	(18)	-	(163)	-	8	(136)	8	(9)	28	(109)
Gain on disposal of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	386	386
Profit before net finance costs and other items	**164,246**	**96,166**	**1,604**	**29,056**	**58,938**	**14,483**	**6,502**	**15,516**	**7,106**	**393,617**	**3,914**	**3,900**	**(6,072)**	**395,359**
Finance income													8,990	8,990
Finance costs													(46,328)	(46,328)
Bank charges, commissions and fees													(2,306)	(2,306)
Fair value adjustments of derivatives													(366)	(366)
Profit before tax														**355,349**
Income tax expense													**(55,274)**	**(55,274)**
Current tax expense													(17,520)	(17,520)
Deferred tax expense													(37,754)	(37,754)
Profit after tax														**300,075**

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 condensed consolidated statement of financial position, is presented below:

Segment per country assets 30 June 2025 *in € thousand*	**Note**	**Romania**	**Poland**[1]	**Hungary**	**Slovakia**	**Bulgaria**	**Croatia**	**Czech Republic**	**Lithuania**	**Total Retail Segments**	**Residential**	**Energy**	**Unallocated**	**Total**
Investment property		**2,906,988**	**2,765,124**	**546,700**	**536,423**	**581,089**	**305,644**	**186,700**	**165,356**	**7,994,024**	-	-	**78,943**	**8,072,967**
-Investment property in use	4	2,725,081	2,758,659	541,800	535,400	545,091	298,500	186,700	164,100	**7,755,331**	-	-	78,943	**7,834,274**
-Investment property under development	5	181,907	6,465	4,900	1,023	35,998	7,144	-	1,256	**238,693**	-	-	-	**238,693**
Investment property held for sale	8.1	559	-	-	-	-	-	-	-	**559**	-	-	-	**559**
Property, plant and equipment - Photovoltaic panels	6	-	-	-	-	-	-	-	-	**-**	-	23,065	-	**23,065**
Property, plant and equipment - Photovoltaic panels under construction	6	-	-	-	-	-	-	-	-	**-**	-	34,636	-	**34,636**
Inventory property		-	-	-	-	-	-	-	-	**-**	1,478	-	-	**1,478**

1 *The right-of-use assets of €89 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 December 2024 *in € thousand*	**Note**	**Romania**	**Poland**[1]	**Hungary**	**Slovakia**	**Bulgaria**	**Croatia**	**Czech Republic**	**Lithuania**	**Total Retail Segments**	**Residential**	**Energy**	**Unallocated**	**Total**
Investment property		**2,857,684**	**2,700,550**	**556,000**	**535,523**	**552,674**	**294,426**	**183,700**	**164,942**	**7,845,499**	**-**	**-**	**81,096**	**7,926,595**
-Investment property in use	4	2,676,467	2,698,049	551,100	534,500	518,486	287,600	183,700	163,800	**7,613,702**	-	-	81,096	**7,694,798**
-Investment property under development	5	181,217	2,501	4,900	1,023	34,188	6,826	-	1,142	**231,797**	-	-	-	**231,797**
Investment property held for sale	8.1	559	-	-	-	-	-	-	-	**559**	-	-	-	**559**
Property, plant and equipment - Photovoltaic panels	6	-	-	-	-	-	-	-	-	**-**	-	23,303	-	**23,303**
Property, plant and equipment - Photovoltaic panels under construction	6	-	-	-	-	-	-	-	-	**-**	-	12,972	-	**12,972**
Inventory property		-	-	-	-	-	-	-	-	**-**	4,227	-	-	**4,227**

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

Segment Investments over the period 30 June 2025 *in € thousand*	**Note**	**Romania**	**Poland**	**Hungary**	**Slovakia**	**Bulgaria**	**Croatia**	**Czech Republic**	**Lithuania**	**Total Retail Segments**	**Residential**	**Energy**	**Unallocated**	**Total**
Development works	5	4,363	6,595	5,629	-	981	2,563	-	66	**20,197**	**-**	**-**	-	**20,197**
Capital expenditure	4	4,076	3,723	989	695	434	1,054	808	581	**12,360**	**-**	**-**	97	**12,457**
Additions from asset deals - Investment property in use	4	-	908	-	-	-	-	-	-	**908**	**-**	**-**	-	**908**
Additions from asset deals - PPE - Photovoltaic panels under construction	6	-	-	-	-	-	-	-	-	**-**	**-**	980	-	**980**
Capital expenditure on PPE - Photovoltaic panels under construction	6	-	-	-	-	-	-	-	-	**-**	**-**	21,138	-	**21,138**

Segment Investments over the period 30 June 2024 in € thousand	**Note**	**Romania**	**Poland**	**Hungary**	**Slovakia**	**Bulgaria**	**Croatia**	**Czech Republic**	**Lithuania**	**Serbia**	**Total Retail Segments**	**Residential**	**Energy**	**Unallocated**	**Total**
Development works		45,821	3,902	1,035	-	959	-	4	1,197	-	**52,918**	-	-	-	**52,918**
Capital expenditure		4,287	3,152	197	297	168	671	839	420	-	**10,031**	-	-	789	**10,820**

RECONCILIATION OF PROFIT FOR THE PERIOD TO DISTRIBUTABLE EARNINGS *in € thousand, unless otherwise stated*[1]	**30 June 2025**	**30 June 2024**
Profit per IFRS Interim condensed consolidated statement of comprehensive income attributable to equity holders of the parent	**277,823**	**300,075**
Accounting specific adjustments	**(57,128)**	**(101,031)**
Foreign exchange loss unrealised	547	-
Fair value adjustments of investment property	(108,036)	(133,926)
Depreciation and amortisation expense (in relation to intangibles and property, plant and equipment of an administrative nature)[2]	786	836
Fair value adjustments of derivatives	4,407	366
Amortisation of financial assets	(1,468)	(1,756)
Deferred tax expense	48,078	37,754
Profit from inventory property sale	(1,159)	(3,919)
Gain on disposal of assets held for sale	-	(386)
Antecedent earnings	**(283)**	**-**
Distributable earnings	**220,695**	**199,044**
Distributable earnings per share (euro cents)	**31.05**	**30.12**
Distribution declared	**198,626**	**179,140**
Distribution declared per share (euro cents)[1]	**27.95**	**27.11**
Earnings not distributed	**22,069**	**19,904**
Earnings not distributed per share (euro cents)	**3.10**	**3.01**
Number of shares entitled to interim distribution[3]	710,716,798	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 (€692 thousand for the six months ended June 2025, NIL for for the six months ended June 2024), which is a revenue generating activity.

3 Excludes 1,640,511 treasury shares. For further details please see Note 9.

15. HEADLINE EARNINGS AND DILUTED HEADLINE EARNINGS PER SHARE

The starting point for the 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) other than re-measurements specifically included in headline earnings (referred to as included re-measurements), in terms of Circular 1/2023 issued by South African Institute of Chartered Accountants (SAICA).

The calculation of headline earnings per share for the six month period ended 30 June 2025 was based on headline earnings of €188,207 thousand (six month period ended 30 June 2024: of €187,851 thousand) and the weighted average number of shares.

Reconciliation of profit for the period to headline earnings	**Note**	**30 June 2025**	**30 June 2024**
in € thousand, unless otherwise stated			
Profit for the period attributable to equity holders of the parent		**277,823**	**300,075**
Fair value adjustments of investment property	13	(108,036)	(133,926)
Gain on disposal of assets held for sale		-	(386)
Tax effects of adjustments for investment property and gain on disposal of assets held for sale		18,420	22,088
HEADLINE EARNINGS		**188,207**	**187,851**
Basic weighted average number of shares[1]		709,618,894	659,308,213
Diluted weighted average number of shares[1]		711,628,193	660,826,020
Headline earnings per share (euro cents)		26.52	28.49
Diluted headline earnings per share (euro cents)		26.45	28.43

1 Excludes 1,640,511 treasury shares. For further details please see Note 9.

16. CASH FLOW FROM OPERATIONS

in € thousand	Note	30 June 2025	30 June 2024
OPERATING ACTIVITIES			
Profit after tax		277,823	300,075
Adjustments		**15,492**	**(35,043)**
Fair value adjustments of investment property	13	(108,036)	(133,926)
Foreign exchange loss		495	109
Gain on disposal of assets held for sale	8	-	(386)
Finance income		(3,392)	(8,990)
Finance costs		52,143	46,328
Bank charges, commissions, and fees		2,028	2,306
Fair value adjustments of derivatives		4,407	366
Deferred tax expense		48,078	37,754
Current tax expense		14,068	17,520
Depreciation expense for property, plant and equipment and amortization of intangibles		1,477	836
Share based payment expense		4,224	3,040
Changes in working capital		**(12,435)**	**(26,321)**
(Increase) in trade and other receivables		(9,481)	(29,348)
Decrease in trade and other payables		(5,703)	(6,910)
Decrease in inventory property		2,749	9,937
Net cash flow from operations		**280,880**	**238,711**

17. 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 substantially all of the entities, the tax inspections have been finalized, resulting in additional tax liabilities imposed by RTA's totaling €29 million as of the date of these financial statements. These liabilities are primarily related to the RTA's challenges to the deductibility and pricing of certain intra-group transactions, reflecting a position that differs from the Group's interpretation of applicable tax legislation and transfer pricing principles.

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 where appropriate. Out of the additional tax liabilities imposed, an amount of €11.2 million has been paid by 30 June 2025 and a corresponding tax receivable has been recognised in Other long-tem assets, based on management's assessment of the likely outcome of the challenge. The remaining amount was either paid after the reporting date or is expected to be settled in the near term.

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, incorporating different sets of possible outcomes, updated for the most recent tax positions taken by the RTA. Based on this analysis, the weighted average estimated impact of potential additional tax liabilities is €12.8 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 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 the impact it has on the financial statements for each jurisdiction. Uncertainties in interpretation of Pillar Two mean different outcomes are possible.

Guarantees

As at 30 June 2025, the Group had received letters of guarantee from tenants worth €157,866 thousand (31 December 2024: €152,131 thousand) and from suppliers worth €31,676 thousand (31 December 2024: €32,565 thousand) related to ongoing developments.

Commitments

In the second half (H2) of 2025, the Group estimates to invest €176 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.

18. SUBSEQUENT EVENTS

The Directors are not aware of any subsequent events from 30 June 2025 and up to the date of signing these Interim Condensed Consolidated Financial Statements which are likely to have a material effect on the financial information contained in this report.

EPRA Performance Measures

THE SECTION BELOW HAS NOT BEEN REVIEWED BY THE GROUP'S AUDITOR

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

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

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

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

The starting point for all the Non-IFRS Financial Information has been extracted, without adjustment, from the Group's interim condensed consolidated financial statements for the six months ended 30 June 2025.

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

EPRA indicators[1]	30 June 2025	31 December 2024	30 June 2024
EPRA Earnings (€ thousand)	221,113	405,972	199,964
EPRA Earnings per share (€ cents per share)	31.11	59.18	30.26
EPRA Net Initial Yield (NIY)[2]	6.97%	6.98%	6.95%
EPRA topped-up NIY[2]	7.00%	7.00%	6.99%
EPRA vacancy rate	1.8%	1.7%	2.7%
EPRA Net Reinstatement Value (NRV) (€ per share)	7.58	7.38	7.23
EPRA Net Tangible Assets (NTA) (€ per share)	7.54	7.35	7.20
EPRA Net Disposal Value (NDV) (€ per share)	6.93	6.83	6.66
EPRA Cost ratio (including direct vacancy cost)	9.5%	9.6%	9.1%
EPRA Cost ratio (excluding direct vacancy cost)	9.5%	9.5%	9.0%
EPRA loan-to-value (LTV)	32.9%	33.0%	32.4%

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

2 *Does not include investment property held for sale.*

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	30 June 2025	31 December 2024	30 June 2024
Earnings in IFRS Consolidated Statement of comprehensive income	**277,823**	**587,565**	**300,075**
Fair value adjustments of investment property	(108,036)	(195,380)	(133,926)
Gain on disposal of assets held for sale	-	(25,934)	(386)
Profit from inventory property sale	(1,159)	(4,569)	(3,919)
Fair value adjustment of derivatives	4,407	12,818	366
Deferred tax expense	48,078	31,472	37,754
EPRA Earnings (interim)	**221,113**	**199,964**	**199,964**
EPRA Earnings (final)	**-**	**206,008**	**-**
EPRA Earnings (total)	**221,113**	**405,972**	**199,964**
Number of shares for interim distribution[1]	710,716,798	660,826,020	660,826,020
Number of shares for final distribution	-	712,357,309	-
EPRA Earnings per Share (EPS interim)	**31.11**	**30.26**	**30.26**
EPRA Earnings per Share (EPS final)	**-**	**28.92**	**-**
EPRA Earnings per Share (EPS)	**31.11**	**59.18**	**30.26**
Company specific adjustments:			
Amortisation of financial assets	(1,468)	(3,593)	(1,756)
Depreciation expense for property, plant and equipment	786	1,607	836
Add back realised foreign exchange loss	547	-	-
Antecedent earnings	(283)	9,107	-
Distributable Earnings (interim)	**220,695**	**199,044**	**199,044**
Distributable Earnings (final)	**-**	**214,049**	**-**
Distributable Earnings (total)	**220,695**	**413,093**	**199,044**
Distributable Earnings per Share (interim) (euro cents)	**31.05**	**30.12**	**30.12**
Distributable Earnings per Share (final) (euro cents)	**-**	**30.05**	**-**
Distributable Earnings per Share (total) (euro cents)	**31.05**	**60.17**	**30.12**

1 *Excludes 1,640,511 treasury shares.*

EPRA Net Asset Value metrics (NAV)

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

EPRA Net Reinstatement Value (NRV)

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

EPRA Net Tangible Assets (NTA)

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

EPRA Performance Measures

EPRA Net Disposal Value (NDV)

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

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

EPRA Net Asset Values as of 30 June 2025

	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**4,980,613**	**4,980,613**	**4,980,613**
Exclude:			
Net deferred tax liabilities	485,925	461,629[1]	-
Derivative financial assets at fair value through profit or loss	(5,410)	(5,410)	-
Goodwill	(76,804)	(76,804)	(76,804)
Include:			
Difference between the secondary market price and accounting value of fixed interest rate debt[2]	-	-	22,835
NAV	**5,384,324**	**5,360,028**	**4,926,644**
Number of shares[3]	710,716,798	710,716,798	710,716,798
NAV per share	**7.58**	**7.54**	**6.93**

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 prices.*
3 *Excludes 1,640,511 treasury shares.*

EPRA Net Asset Values as of 31 December 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 assets 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 prices.*

EPRA NIY and "topped-up" NIY

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

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

EPRA NIY and "topped-up" NIY	30 June 2025	31 December 2024
Investment property as per condensed consolidated financial statements	8,072,967	7,926,595
Investment property held for sale	559	559
Less investment property under development	(238,693)	(231,797)
Total investment property in use	**7,834,833**	**7,695,357**
Estimated purchasers costs	39,174	38,477
Gross up value of the investment property in use	**7,874,007**	**7,733,834**
Annualised cash passing rental income[1]	570,000	558,750
Non-recoverable property operating expenses	(21,270)[2]	(19,178)
Annualised net rents	**548,730**	**539,572**
Notional rent expiration of rent-free periods or other lease incentives[3]	2,522	2,177
Topped-up net annualised rent	**551,252**	**541,749**
EPRA Net Initial Yield (EPRA NIY)	**6.97%**	**6.98%**
EPRA "topped-up" NIY	**7.00%**	**7.00%**

1 *Annualised passing rent computed based on the contractual rental amounts effective as at that date.*
2 *Exclude the impact of one-off or non-recurring effects on service charges incurred in the period.*
3 *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	30 June 2025	31 December 2024	30 June 2024
Estimated rental value of vacant space	11,255,056	10,220,447	15,145,746
Estimated rental value of the whole portfolio	618,680,629	607,513,837	563,680,260
EPRA Vacancy Rate[1]	**1.8%**	**1.7%**	**2.7%**

1 *Excludes non-core properties*

Country	EPRA Vacancy Rate June 2025	EPRA Vacancy Rate December 2024	EPRA Vacancy Rate June 2024
Romania	0.8%	0.7%	1.1%
Poland	1.6%	1.3%	2.7%
Hungary	5.0%	4.0%	6.6%
Slovakia	3.4%	2.8%	2.9%
Bulgaria	2.3%	2.9%	4.1%
Croatia	5.9%	7.4%	11.1%
Czech Republic	1.6%	2.3%	3.7%
Serbia	-	-	2.0%
Lithuania	0.3%	0.3%	0.1%
EPRA Vacancy Rate	**1.8%**	**1.7%**	**2.7%**

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.

EPRA Performance Measures

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	30 June 2025	31 December 2024	30 June 2024
Administrative expenses (line per Condensed Consolidated Financial Statements)	20,462	35,193	16,476
Net service charge costs	9,135	19,178	8,804
EPRA Costs (including direct vacancy costs)	**29,597**	**54,371**	**25,280**
Direct vacancy costs	193	430	309
EPRA Costs (excluding direct vacancy costs)	**29,404**	**53,941**	**24,971**
Gross rental income	**311,006**	**566,069**	**278,463**
EPRA Cost ratio (including direct vacancy costs)	**9.5%**	**9.6%**	**9.1%**
EPRA Cost ratio (excluding direct vacancy costs)	**9.5%**	**9.5%**	**9.0%**

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 company-specific change is that Group LTV considers property, plant and equipment related to its energy producing assets (photovoltaic panels) in the calculation.

EPRA LTV Metric	30 June 2025	31 December 2024
Include:		
Borrowings from Financial Institutions	954,810	962,945
Bond loans	2,016,510	2,001,423
Net payables	44,275	71,138
Exclude:		
Cash and cash equivalents	(385,909)	(448,498)
Net Debt (a)	**2,629,686**	**2,587,008**
Include:		
Investment properties at fair value	7,745,315	7,608,849
Assets held for sale	559	559
Properties under development	238,693	231,797
Total Property Value (b)	**7,984,567**	**7,841,205**
LTV (a/b)	**32.9%**	**33.0%**

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 and Property, plant and equipment - Photovoltaic panels in use and under construction) – 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

Glossary

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