CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

NEPI Rockcastle plc is incorporated and registered in the Isle of Man with registered number 014178V
Registered office: 2nd Floor, 30 Athol Street Douglas, Isle of Man, IM1 1JB
JSE share code: NRP Euronext share code: NRP ISIN: IM00BDD7WV31 ('NEPI Rockcastle', 'the Group' or 'the Company')

DIRECTORS' COMMENTARY

All information below excludes joint ventures, unless otherwise stated

In 2018 NEPI Rockcastle has maintained and further strengthened its position as the CEE's leading property operator, investor and developer. We continued to deliver strong results, in line with guidance, in a challenging year. The Group expanded its geographical coverage and benefitted from strong performance of its properties while managing through competitive markets and changes in its own management structure.

The Company has continuously adapted its strategy to generate value for its stakeholders, by prioritising long-term earnings quality and growth and the stability of its balance sheet. Acquisitions of dominant properties in excess of €594 million were completed, and over €260 million were invested in land and prime developments during 2018. These were funded by a material divestment from the listed securities portfolio, despite less favourable equity markets, as well as tapping into the Company's debt capacity while maintaining a safe credit profile.

Active management of our property portfolio has been and will continue to be the pillar of our business and we have deployed significant investments into our properties to ensure they remain the destination of choice in their respective catchment areas. Considering the recent merger and the addition of professionals in new countries, having a unified and interconnected team is an essential component to the continuing success of the Group, which receives our utmost attention.

With more than eleven years of successful track record in the CEE, NEPI Rockcastle has accumulated significant know-how of managing retail real estate operations and a portfolio of dominant assets across a growing number of diverse jurisdictions. NEPI Rockcastle and its team remain confident and best placed to benefit from opportunities and growth in its markets to generate stability and value for its stakeholders.

Alex Morar, Chief Executive Officer

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Strong financial and operational performance

- Distributable earnings per share for the second half of 2018 of 26.37 eurocents, which together with the interim distribution of 26.49 eurocents per share resulted into a total distribution for the year of 52.86 eurocents per share. Distributable earnings per share are 9.5% higher than the 2017 combined distribution of 48.26 eurocents per share, and in line with previously announced earnings guidance;
- NOI growth for the retail portfolio was 4.9% in 2018 compared to the previous year (like-for-like);
- Net rental and related income ("NOI") of €346 million in 2018, up by 29.6% from €267 million in 2017 (considering full impact of former Rockcastle portfolio for 2017);
- Tenant sales increased by 7.5%; tenant sales / m^2 improved by 5.7%; both indicators are like-for-like and exclude hypermarkets' sales, as they don't consistently report turnover data across portfolio;
- Occupancy cost ratio was 11.9% in 2018 (excluding hypermarkets);
- EPRA vacancy of 2.8% as at December 2018;
- Consistent collection rate of 99.9% of annual gross rental income and service charge income;
- Customer footfall: 307 million visits during 2018.

Active management of the portfolio via acquisitions and developments

- Completed acquisitions pipeline of €594 million, plus investment in land and developments of €260 million;
- Gross Lettable Area ("GLA") increased by 278,000m^2;
- Entry into a new market, the Baltics, with the acquisition of Ozas Shopping and Entertainment Centre, a prime asset in Vilnius, Lithuania; this extended NEPI Rockcastle's retail presence to a total of nine countries;
- Consolidation of the Group's significant positions in the retail market through acquisitions in Hungary of Mammut Shopping Centre (Budapest), in Slovakia of Galeria Mlyny (Nitra) and in Poland of Aura Centrum (Olsztyn);
- Completion of three development and extension projects in Poland, Romania and Serbia, with a large part of the space let to leading international retailers including Carrefour, Cinema City, Douglas, Hervis, New Yorker, Orsay, Sephora, Starbucks, and the Inditex and LPP brands;
- Nine development and extension projects ongoing in CEE, totalling over 100,000m^2, across four different markets.

Robust balance sheet

- Total value of direct property portfolio owned by NEPI Rockcastle of over €5.9 billion, 20% larger than at the end of 2017;
- EPRA NAV per share of €7.09 (IFRS NAV per share of €6.66) compared to €7.10 (IFRS NAV per share of €6.78) in previous year;
- Net listed securities portfolio represented 3% of total assets, a significant decrease compared to 10% at December 2017;
- Loan to Value ratio ("LTV") of 33%, below the Group's strategic target of 35% and with comfortable headroom to the unsecured debt covenant of 60%;
- Investment grade credit ratings: Moody's (Baa3, stable outlook), Standard & Poor's (BBB, stable outlook) and Fitch (BBB, stable outlook);
- Weighted average cost of debt of 2.3%;
- All interest rate exposure related to long-term loans is hedged (excluding revolving facilities), with a remaining weighted average hedge term of 4.1 years.

ENHANCED DISCLOSURE AND TRANSPARENCY

In 2018, the Group joined European Public Real Estate Association (EPRA) and started reporting EPRA indicators with the aim to enhance disclosure and transparency, while aligning to industry standards.

	2018	2017
EPRA NAV per share (€)	7.09	7.10
EPRA Earnings (€ million)	308.7	212.9*
EPRA Earnings per share (€cents per share)	53.43	37.81*
EPRA Net Initial Yield (NIY)	6.74%	6.69%
EPRA 'topped-up' NIY	6.82%	6.73%
EPRA vacancy rate	2.8%	n/a**

**EPRA Earnings are computed based on IFRS financial statements which included the effect of the merger with Rockcastle from 11 July 2017 onwards. Thus, EPRA earnings do not incorporate the company specific adjustments relating to antecedent dividend corresponding to Rockcastle distributable earnings for the six-months ended 30 June 2017 and antecedent dividend corresponding to the equity issue in October 2017, respectively (cumulated effect of €56,392 thousand).*
*** The Group became an EPRA member in 2018 and the EPRA vacancy rate was not computed for the comparative period.*

RETAIL TRANSFORMATION

Penetration of e-commerce and retail area supply relative to population in the Group's region are on average lower in CEE as compared to the Western markets. Even though the CEE region is not under the same pressure for retail transformation, the Company is embedding international trends in changing consumer preferences into its business model. Active dialogue with leading online retailers led to high-profile online brands within the region such as epantofi.ro, eobuwie.com.pl, Notino and eMag opening brick-and-mortar shops in our malls in Poland and Romania.

It is notable that the overall supply of shopping centres per capita is lower in CEE than Western Europe or the US, and CEE malls are relatively newer and more modern. Furthermore, online penetration in Eastern Europe is low at 3%, compared to Western Europe at 9%. North America has the highest global penetration rate: 11% (GlobalData source).

NEPI Rockcastle is focused on offering customers preferred social and recreational destinations by actively upgrading the leisure and entertainment activities in its shopping centres. In 2018, the Group refurbished and extended food courts and leisure areas in Kragujevac Plaza, Shopping City Timisoara, Shopping City Ploiesti, Braila Mall and City Park Constanta and started the refurbishment of food court in Mega Mall Bucharest, Shopping City Sibiu and Aurora Mall Buzau. For newly development shopping centers the Group applied

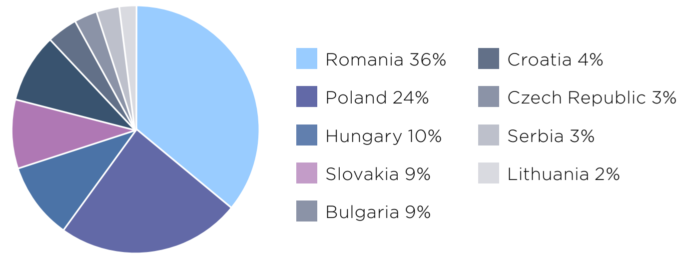
DIRECTORS' COMMENTARY » continued

All information below excludes joint ventures, unless otherwise stated

new design trends, resulting in more attractive leisure areas (e.g: Shopping City Satu Mare and Promenada Novi Sad).

PROPERTY PORTFOLIO

NEPI Rockcastle's direct property geographic profile as at 31 December 2018 by asset value was:



NEPI Rockcastle implemented its announced strategy of converting the majority of its portfolio of liquid listed securities into direct property investment, decreasing the listed securities exposure to €197 million, from €593 million at December 2017. The remaining exposure consists of shares in two large companies, Unibail Rodamco Westfield and Klepierre, that operate primarily in the US, UK, and Continental Europe.

ACQUISITIONS

NEPI Rockcastle completed acquisitions of €594 million and added a total of over 176,300m² GLA to its direct property portfolio during 2018. The main acquisitions are detailed below.

Aura Centrum (Olsztyn, Poland - 30 May 2018)
The Group acquired Aura Centrum, a 25,400m² GLA shopping and entertainment centre in the heart of Olsztyn. The top five tenants by rented area are Carrefour, H&M, Kino Helios, New Yorker and Reserved. Olsztyn, a city with centuries of history, has a population of 173,000 inhabitants; it is located in north-eastern Poland and is the capital of the Warmian-Masurian province, with a population of over 1.4 million people. The city ranks highly in quality of life, income, employment and security. The shopping centre is within a 15-minute drive for over 180,000 inhabitants and attracts 5.5 million people on an annual basis.

Ozas Shopping and Entertainment Centre (Vilnius, Lithuania - 31 May 2018)
NEPI Rockcastle acquired Ozas, a 62,400m² GLA modern shopping centre with a strong fashion and entertainment-oriented tenant mix, benefitting from an excellent location in Vilnius. The top five tenants by rented area are H&M, Maxima, Multikino, Peek&Cloppenburg and Zara.

Vilnius is the capital city of Lithuania and has a population of 574,000 residents, with 432,000 inhabitants within a 15-minute drive from Ozas. The centre has an annual footfall in excess of 5 million people.

Galeria Mlyny Shopping Centre (Nitra, Slovakia - 31 May 2018)
The Group acquired Galeria Mlyny, a 32,400m² GLA central shopping and entertainment destination in Nitra, Slovakia. The top five tenants by rented area are Billa, C&A, H&M, Mlyny Cinemas and New Yorker.

The city is the oldest urban centre in Slovakia, the seat of two universities, and is inhabited by approximately 79,000 people; it is also the capital of the Nitra region, populated by over 689,000 people. Approximately 356,000 inhabitants are within a 30-minute drive from the shopping centre. Footfall exceeded 8.8 million last year.

Mammut Shopping Centre (Budapest, Hungary - 11 September 2018)
The Group acquired the controlling stake in Mammut, one of the largest and most successful shopping and entertainment destinations in Budapest, which is prominently located at Kalman Square, the busiest interchange hub in the Buda side of the city. The centre offers 61,300m² of total GLA (out of which 56,100m² is owned by NEPI Rockcastle) in two buildings connected via a double-level pedestrian bridge and includes key anchors such as Cinema Pink, H&M, Hervis, Interspar, Media Markt, New Yorker and Reserved. Mammut is the second dominant asset that the Group controls in the Hungarian capital.
Budapest is one of the largest cities in the CEE: it is inhabited by 1.75 million people and its metropolitan area houses a third of the country's population. The centre is visited by 15.6 million people each year.

DEVELOPMENTS AND EXTENSIONS

The Group has and will continue to invest strategically in developments that contribute to growth in distributable earnings per share or improve long-term prospects for its portfolio. NEPI Rockcastle is pursuing a development pipeline which exceeds €1 billion (including redevelopments and extensions, estimated at cost), of which €200 million was spent until 31 December 2018. Out of the remaining investments, only 24% have already been committed, which gives the Group flexibility regarding prioritisation and timing of its pipeline projects.

COMPLETED DEVELOPMENTS AND EXTENSIONS

Platan Shopping Centre Extension (Zabrze, Poland, 26 October 2018)
After 15 months of works, the extension of over 14,000m² of Platan Shopping Centre opened in October 2018. The city of Zabrze has a population of 175,000 residents and is part of the Silesian metropolitan area that has 4.6 million residents. The centre serves a 30-minute catchment of 1,968,000 people. The center has an EPRA occupancy rate of 93.6%. The extension positioned Platan as an upgraded, fourth generation, upscale shopping centre with a total GLA of 39,400m²; the centre now includes previously missing functions, such as a food court, fitness centre, cinema and intelligent parking, as well as new brands such as Carry, Cropp, Home & You, House, Kids Play, KIK, Martes Sport, Maxi Zoo, Neonet, Pepco, Reserved, Super-pharm and TEDi.

Promenada Novi Sad (Novi Sad, Serbia, 15 November 2018)
After 16 months of works, NEPI Rockcastle opened its first greenfield development in Serbia. With a 49,200m² GLA, it is the largest mall in Serbia. It is located in Novi Sad, the country's second largest city, with a population of approximately 320,000 inhabitants. The centre serves a 45-minute catchment of 607,000 people. The city is also 2019's European Youth Capital, was named Lonely Planet's third best city to visit in 2019 and, in 2021, will be the first non-European Union city to be the European Capital of Culture.

The centre has an EPRA occupancy of 98.2% and boasts an attractive tenant mix such as: Adidas, Armani Exchange, Cineplexx, Diesel, Guess, Inditex (Zara, Massimo Dutti, Zara Home, Oysho, Bershka, Pull&Bear, Stradivarius), KFC, Lacoste, LC Waikiki, LPP (Reserved, Cropp, Sinsay, House, Mohito), McDonald's, New Yorker, Nike, Tommy Hilfiger and Univerexport Supermarket.

The Group's strategy to increase the size and quality of the food and leisure offering was implemented by accommodating a Cosmoland playground, Pro Fitness, two outdoor terraces used by four restaurants and a large, naturally-lit food court with cozy seating areas.

Shopping City Satu Mare (Romania, 5 December 2018)
The Group successfully completed the construction of the 29,200m² GLA modern retail and entertainment destination in the heart of Satu Mare, a city of 123,000 residents, with a history going back to the Middle Ages. The centre is the prime shopping destination for the 288,000 inhabitants that live within a 45-minute catchment area. Satu Mare Shopping Centre is anchored by the city's first Carrefour hypermarket and has over 1,000 parking bays. The centre has a 97.3% EPRA occupancy, hosting tenants such as: Carrefour, CCC, Cineplexx (the first in Romania), Deichmann, Douglas, Hervis, Intersport, KFC, LC Waikiki, New Yorker, Pepco, Reserved and Smyk.

The centre features an outdoor terrace of over 1,000m², overlooking Somes River, which will be connected to the historical city center by a pedestrian bridge. The terrace has three outdoor dining areas with selected regional restaurants. With a welcoming design that includes an integrated green area, the terrace complements the entertainment offering and is expected to become the main social hub of the region.

DIRECTORS' COMMENTARY » continued

All information below excludes joint ventures, unless otherwise stated

DEVELOPMENTS AND EXTENSIONS PIPELINE

Solaris Shopping Centre - extension (Opole, Poland)
Construction work on the approximately 8,900m^2 extension, including the development of a multi-level basement parking and a new town square in front of the main entrance, are ongoing. Tenant demand is strong: C&A, CCC, Deichmann, Guess, Just Gym, KFC, LPP group brands, McDonald's and Smyk have signed lease agreements.

Following the extension, Solaris will be a 26,000m^2 dominant shopping centre serving the 128,000 citizens of Opole, a beautiful historical city. The project's expected delivery date is in the second quarter of 2019.

Developments in Sibiu: Festival development and Shopping City Sibiu reconfiguration and extension (Romania)
The Group is continuing the development work on its two projects in Sibiu, one of the most developed and affluent cities in Romania, a major tourist destination and home to over 170,000 citizens. The two projects will satisfy a 45-minute catchment of 286,000 residents and complement each other's offering.

Festival is conveniently located in the inner city. The mall will have a 42,200m^2 GLA, with the first Kaufland supermarket located in a shopping centre in Romania, and a strong fashion and entertainment offering: Cinegold, H&M, Inditex (Zara, Massimo Dutti, Oysho, Bershka, Pull&Bear, Stradivarius) and New Yorker. The project is expected to be delivered by the end of 2019. Its architectural concept will be unique, allowing the centre to seamlessly blend into the city's medieval skyline.

Shopping City Sibiu will remain the larger destination shopping centre, with a 83,100m^2 GLA post-reconfiguration and extension, catering to a wider range of product demand via its two hypermarkets as well as a DIY store. Shopping City Sibiu was recently refurbished and extended, with several fashion brands added, such as Cropp, De Facto (first store in the country), House, LC Waikiki, Mohito, Reserved and Smyk. Some of the existing stores were refurbished and extended: CCC, Douglas, Humanic and Norriel. The second phase of the extension will open in spring 2019, with the food court, cinema and open-air terrace served by new tenants such as KFC, Pepp&Pepper, Salad Box and Taco Bell.

Aurora Shopping Mall – extension (Buzau, Romania)
In October 2018, the Group started the development work on the 6,000m^2 GLA extension and reconfiguration of Aurora Mall. The centre is a top performer due to its unique location and access; it is now being refurbished to include a Cinema City, a food court and several new fashion tenants. Buzau, a city with a population of 133,000 residents, is a major transit-hub that links Bucharest to the Moldavia region. Buzau is the seat of a county with over 430,000 residents that substantially overlaps with the centre's 45-minute catchment area.

The extension and reconfiguration will be done in several phases expected to be completed by the end of the year, with the exception of the Cinema City that will open in spring 2020.

Arena Centar – shopping centre extension and reconfiguration, and retail park development (Zagreb, Croatia)
Arena Centar is one of the most successful assets in the Group's portfolio, and the top retail destination in Zagreb. The city is the capital of Croatia and has a population of over 800,000 residents; its metropolitan area houses almost a quarter of the country's population.

The Group has planned to extend the centre since its acquisition; the extensive reconfiguration will be fully completed during 2019, bringing the total GLA to 67,200m^2 and adding brands such as CK, Gap, Muller, Peek and Cloppenburg, TAF and Under Armour, together with the extensions of Adidas, Fashion Friends, Sport Vision and Stradivarius.

In addition, a new retail park adjacent to the shopping centre is almost completed and expected to open in May 2019, adding 8,300m^2 of GLA. The retail park will extend the range of tenant mix available to Arena Zagreb with Extra Sport, Intersport, Jysk, LC Waikiki (market entry in Croatia), Pepco, Pitta Rosso and Sancta Domenica.

Focus Mall Zielona Gora – extension (Zielona Gora, Poland)
The Company has started the 15,000m^2 GLA extension of Focus Mall Zielona Gora, a vibrant city well known for its annual wine festival, the largest municipality and the seat of Lubuskie voivodeship. It is well connected to several international roads and rail routes.

Once completed, the 43,900m^2 GLA mall will be the main retail destination for 140,000 inhabitants in a 30-minute catchment area, including the 284,000 citizens of the city. The extension is expected to be finalised in Q4 2020.

Targu Mures – development (Romania)
The Company is in process of obtaining a building permit for the development of a 41,300m^2 GLA shopping mall in the south-eastern part of Targu Mures, the seat of Mures county. A vibrant and multi-cultural city of 148,000 inhabitants, Targu Mures is also home to the largest urban Hungarian community in Romania.

The project aims to become the regional dominant mall and offer to the 390,000 residents estimated to be living in a 45-minute catchment area access to a large hypermarket, numerous fashion stores, food court and cinema with leisure areas. Targu Mures Shopping City is currently 30% pre-leased and will be anchored by a Carrefour hypermarket.
The project is expected to be completed in Q2 2020, depending on permitting.

The Group is pursuing several other development projects which are subject to permitting and market circumstances.

CASH MANAGEMENT AND DEBT

The Group has a strong liquidity profile, with €97 million in cash, €236 million in available unsecured revolving facilities, and €197 million net available in the listed securities portfolio at 31 December 2018.

NEPI Rockcastle's gearing ratio (interest bearing debt less cash, divided by investment property and listed securities) was 33%, below the gearing ratio target of 35%.

The average interest rate, including hedging costs, was 2.3% during 2018. As at 31 December 2018, fixed-coupon bonds represented 43% of NEPI Rockcastle's outstanding debt, and out of the remaining long-term debt exposed to Euribor, 30% was hedged with interest rate caps and 48% with interest rate swaps (the difference relates to the outstanding revolving facilities).

Depending on market conditions, the Group may initiate a repurchase of issued bonds or shares during the upcoming reporting periods.

In February 2019, NEPI Rockcastle has decided to discontinue the credit rating agreement with Moody's with a view of optimising costs and management time.

ACCOUNTING AND AUDIT MATTERS

Valuation
NEPI Rockcastle reassesses the valuation of its property 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 property being valued. The valuations as at 31 December 2018 were performed by Cushman&Wakefield, Cushman&Wakefield Affiliate Partners and Jones Lang La Salle, and reviewed by the Company's auditors, PricewaterhouseCoopers LLC ("PwC"), as part of the year-end audit procedures.

External audit
The Group's consolidated financial statements are audited by PwC Isle of Man, by relying on the work of PwC firms in the jurisdictions where the Group operates. The local PwC firms audit the standalone IFRS financial information of the subsidiaries, for the purpose of issuing an audit report on the consolidated financial statements of the Group, prepared in accordance with IFRS. For

DIRECTORS' COMMENTARY » continued

All information below excludes joint ventures, unless otherwise stated

2018, all property-owning subsidiaries requiring statutory audit will be audited by PwC, except for Ploiesti Shopping City. For statutory reporting purposes, audit requirements are driven by local regulations, and not all subsidiaries are required to submit statutory audited financial statements.

CORPORATE GOVERNANCE

The membership of the Board of Directors went through several changes in 2018. As announced on 12 June 2018, the executive management evolved into a sole CEO structure. In line with best practice and corporate governance principles, the Company rotates its board members to achieve a Board comprised of highly qualified and experienced directors. The Company would like to thank once more its former directors, Mr. Dan Pascariu, Mr. Michael Mills, Mr. Spiro Noussis and Mr. Nicholas Matulovich for their valuable contribution and at the same time welcome its new directors: Mr. George Aase and Mr. Vuso Majija.

With respect to the investigations conducted by the Financial Services Conduct Authority in South Africa (the "FSCA"), the Board highlights that the Company has been fully cooperating with the regulator. Considering the Group's recent communication with its stakeholders and continuous engagement to ensure transparency, supporting the FSCA towards a swift resolution of the ongoing investigation is a priority. NEPI Rockcastle looks forward to the FSCA concluding the pending investigations involving trading of the Company's shares.

A group of ten investors have raised concerns during 2018 following which the Board established a special committee to analyse and respond to matters raised, engaged in fully transparent communications with its investors, and improved the already existing whistle-blower facilities. The special committee and the Board consider the respective matters as addressed and reconfirm that no substantiated allegations were made. The Company maintains its commitment that any future substantiated allegations will be properly scrutinised.

NEPI Rockcastle has also initiated the process for obtaining an ESG rating. Further improvements to corporate governance and other related initiatives will be detailed in the Annual Report.

DISTRIBUTABLE EARNINGS

The Group achieved 26.37 eurocents in distributable earnings per share for the second half of 2018, which, aggregated with the distribution achieved for the six months ended 30 June 2018 of 26.49 eurocents per share, results in a total distribution per share of 52.86 euro-cents for the year ended 31 December 2018. The 2018 distribution is 9.5% higher than the 2017 distribution of 48.26 eurocents per share. This growth is in line with previously announced guidance, although macroeconomic circumstances proved more challenging than initially envisaged. The strong results reflect the solid performance of the Group's assets and management team, and the quality of acquisitions and developments completed during the year.

The Board of Directors declares a distribution of 26.37 euro cents per share for the second half of 2018. Shareholders can elect to receive distribution either in cash or as an issue of fully-paid shares based on a ratio between distribution declared and the reference price. The reference price will be calculated using a maximum 5% discount to the five-day volume-weighted average traded price, less distribution, of NEPI Rockcastle shares on the JSE. The Company reserves the right to limit the total allocation of shares as a percent of the total distribution. 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 and Euronext Amsterdam will be issued in due course.

PROSPECTS AND EARNINGS GUIDANCE

NEPI Rockcastle's strategy is to continue focusing on the long-term performance of its portfolio and selective expansion via developments and acquisitions. Leveraging on the quality of the existing portfolio and management platform, future results are expected to outperform those of the Company's peers operating in the same markets. Moreover, superior GDP growth between 2.8% and 4.5% is expected to continue in CEE, relative to EU average of 2.2%, driving up retail consumption and tenant turnovers in the countries where NEPI Rockcastle operates. The Company will maintain a flexible approach to new development and acquisition opportunities, considering the availability and cost of funding, with the aim of optimising the long-term benefit to its stakeholders.

Based on strategic options currently under management's control, distributable earnings per share for 2019 are expected to be approximately 6% higher than the 2018 distribution. This guidance is based on the assumptions that a stable macroeconomic environment prevails, no major corporate failures occur and controlled developments remain on schedule. This forecast has not been audited or reviewed by NEPI Rockcastle's auditors and is the responsibility of the Board of Directors.

By order of the Board of Directors

Alex Morar
Chief Executive Officer

Mirela Covasa
Chief Financial Officer

27 February 2019

NEPI Rockcastle plc is incorporated and registered in the Isle of Man with registered number 014178V
Registered office: 2nd Floor, 30 Athol Street Douglas, Isle of Man, IM1 1JB
JSE share code: NRP Euronext share code: NRP ISIN: IM00BDD7WV31 ('NEPI Rockcastle', 'the Group' or 'the Company')

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS

All amounts in €'000 unless otherwise stated

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 Dec 2018	31 Dec 2017
ASSETS		
Non-current assets	**6 116 059**	**5 127 197**
Investment property	5 911 070	4 927 509
Investment property in use	5 688 610	4 725 093
Investment property under development	222 460	202 416
Goodwill	93 070	82 582
Deferred tax assets	13 739	12 490
Investments in joint ventures	49 185	40 856
Long-term loans granted to joint ventures	21 311	25 792
Other long-term assets	19 039	36 175
Interest rate derivatives financial assets at fair value through profit or loss	8 645	1 793
Current assets	**374 628**	**860 366**
Trade and other receivables	80 750	60 793
Financial investments at fair value through profit or loss	168 339	326 565
Equity derivative collateral	27 784	265 541
Financial assets at fair value through profit or loss	831	11 923
Cash and cash equivalents	96 924	195 544
Investment property held for sale	**11 957**	**10 238**
Total assets	**6 502 644**	**5 997 801**
EQUITY AND LIABILITIES		
Total equity attributable to equity holders	**3 845 873**	**3 914 719**
Share capital	5 778	5 778
Share premium	3 625 568	3 625 568
Accumulated profit	208 426	282 897
Non-controlling interest	6 101	476
Total liabilities	**2 656 771**	**2 083 082**
Non-current liabilities	**2 221 338**	**1 937 282**
Bank loans	930 048	734 493
Bonds	892 397	889 917
Deferred tax liabilities	351 187	271 105
Other long-term liabilities	44 981	37 089
Interest rate derivatives financial liabilities at fair value through profit or loss	2 725	4 678
Current liabilities	**435 433**	**145 800**
Trade and other payables	159 786	113 553
Financial liabilities at fair value through profit or loss	-	10 934
Bank loans	265 006	10 568
Bonds	10 641	10 745
Total equity and liabilities	**6 502 644**	**5 997 801**

BASIS OF PREPARATION

The condensed consolidated financial results for the year ended 31 December 2018 have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB"), the presentation and the disclosure requirements of IAS 34 Interim Financial Reporting and the JSE Listings Requirements. The accounting policies which have been applied are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2017, with the exception of the adoption of IFRS 9 and IFRS 15 starting 1 January 2018. The directors take full responsibility for the preparation of this preliminary report. This condensed report contains information extracted from the audited financial statements for the year ended 31 December 2018, but is not itself audited. The directors take full responsibility for the preparation of the condensed report and for ensuring that the financial information has been correctly extracted from the underlying audited annual financial statements. The Directors confirm that the Condensed Consolidated Financial Statements give a true and fair view of the state of affairs of the Group for the year ended 31 December 2018 as well as the comparative period presented. The auditors, PwC, have issued their unmodified audit report on the annual financial statements for the year ended 31 December 2018 and a copy of the audit opinion, together with the underlying audited annual financial statements are available for inspection at the company's registered office as well as on the Company's official website.

For the comparative information, in accordance with IFRS 3 – Business Combinations, the merger between New Europe Property Investments (NEPI) and Rockcastle Global Real Estate Company (Rockcastle) was classified as a purchase of Rockcastle by NEPI, with NEPI Rockcastle being assessed in substance as a continuation of NEPI. Consequently, in these consolidated financial statements, in accordance with IFRS, NEPI Rockcastle presents the results of former NEPI Group before the merger date (11 July 2017), and the results of the combined Group from the merger date onwards.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial statements.

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All amounts in €'000 unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 Dec 2018	31 Dec 2017
Net rental and related income	**346 070**	**232 085**
Gross rental income	349 907	233 807
Service charge income	151 826	103 170
Property operating expenses	(155 663)	(104 892)
Administrative expenses	(22 022)	(15 191)
EBITDA	**324 048**	**216 894**
Net result from financial investments	**(122 915)**	**(6 028)**
Income from financial investments at fair value through profit or loss	29 132	18 084
Fair value and net result on sale of financial investments at fair value through profit or loss	(152 047)	(24 112)
Acquisition fees	(6 079)	(10 681)
Fair value adjustments of investment property	108 411	162 022
Foreign exchange loss	(923)	(1 255)
Gain on disposal of investment property	-	9
Gain on acquisition of subsidiaries	6 933	-
Profit before net finance expense	**309 475**	**360 961**
Net finance expense	**(39 859)**	**(22 906)**
Interest income	2 444	2 526
Interest expense	(40 318)	(24 370)
Other net finance expense	(1 985)	(1 062)
Fair value adjustment of interest rate derivatives financial assets and liabilities	(1 432)	500
Share of profit of joint ventures	8 329	16 068
Impairment of goodwill*	-	(886 167)
Profit/(Loss) before tax	**276 513**	**(531 544)**
Income tax	**(54 808)**	**(47 870)**
Current tax expense	(9 482)	(1 671)
Deferred tax expense	(45 326)	(46 199)
Profit/(Loss) after tax	**221 705**	**(579 414)**
Total comprehensive (loss)/profit for the year	**221 705**	**(579 414)**
Non-controlling interest	150	(280)
Profit/(Loss) for the year attributable to equity holders	**221 855**	**(579 694)**
Profit for the year attributable to equity holders excluding impairment of goodwill	**221 855**	**306 473**
Weighted average number of shares in issue	577 800 734	436 806 684
Diluted weighted average number of shares in issue	577 800 734	436 809 203
Basic/diluted earnings/(loss) per share (euro cents)	38.40	(132.71)
Basic/diluted earnings per share (euro cents) excluding impairment of goodwill	38.40	70.16

*** Impairment of goodwill arising from the merger with Rockcastle, computed as the difference between Rockcastle's market capitalisation and its net asset value at merger date.**

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All amounts in €'000 unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share capital	Share premium	Share-based payment reserve	Currency translation reserve	Accumulated profit	Non-controlling interest	Total
Balance at 1 January 2017	**3 215**	**1 368 171**	**4 797**	**(1 229)**	**439 598**	**-**	**1 814 552**
Transactions with owners	2 563	2 257 397	(4 797)	1 229	422 993	196	2 679 581
– Issue of shares	514	395 596	-	-	-	-	396 110
– Sale of shares issued under the Initial Share Scheme	-	18	-	-	-	-	18
– Issue of shares for the acquisition of Rockcastle	2 049	2 747 950	(4 797)	1 229	(424 152)	196	2 322 475
– Transfer of goodwill impairment on acquisition of Rockcastle Group to share premium	-	(886 167)	-	-	886 167	-	-
– Earnings distribution	-	-	-	-	(39 022)	-	(39 022)
Total comprehensive income	-	-	-	-	(579 694)	280	(579 414)
– Impairment of goodwill	-	-	-	-	(886 167)	-	(886 167)
– Profit for the year excluding impairment of goodwill	-	-	-	-	306 473	280	306 753
Balance at 31 December 2017	**5 778**	**3 625 568**	**-**	**-**	**282 897**	**476**	**3 914 719**
Balance at 1 January 2018	**5 778**	**3 625 568**	**-**	**-**	**282 897**	**476**	**3 914 719**
Transactions with owners	-	-	-	-	(296 326)	5 775	(290 551)
– Issue of shares	-	-	-	-	-	5 775	5 775
– Earnings distribution	-	-	-	-	(296 326)	-	(296 326)
Total comprehensive income	-	-	-	-	221 855	(150)	221 705
– Profit for the year	-	-	-	-	221 855	(150)	221 705
Balance at 31 December 2018	**5 778**	**3 625 568**	**-**	**-**	**208 426**	**6 101**	**3 845 873**

All amounts in €'000 unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

RECONCILIATION OF PROFIT FOR THE YEAR TO DISTRIBUTABLE EARNINGS	31 Dec 2018	31 Dec 2017
(Loss)/Profit for the year attributable to equity holders	**221 855**	**(579 694)**
Reverse indirect result	58 876	776 019
Foreign exchange loss	923	1 255
Acquisition fees	6 079	10 681
Fair value adjustments of investment property for controlled subsidiaries	(108 411)	(162 022)
Gain on disposal of investment property	-	(9)
Gain on acquisition of subsidiaries	(6 933)	-
Fair value and net result on sale of financial investments at fair value through profit or loss	152 047	24 112
Income from financial investments at fair value through profit or loss	(29 132)	(18 084)
Fair value adjustment of interest rate derivatives financial assets and liabilities for controlled subsidiaries	1 432	(500)
Deferred tax expense for controlled subsidiaries	45 326	46 199
Impairment of goodwill	-	886 167
Adjustments related to joint ventures		
Fair value adjustments of investment property for joint ventures	(4 374)	(14 344)
Fair value adjustment of interest rate derivatives financial assets and liabilities for joint ventures	(141)	(439)
Deferred tax expense for joint ventures	1 889	2 903
Foreign exchange loss for joint ventures	171	100
Company specific adjustments	24 682	17 004
Amortisation of financial assets	(2 292)	(1 807)
Realised foreign exchange loss for controlled subsidiaries	(912)	(769)
Realised foreign exchange (loss)/gain for joint ventures	(1)	3
Accrued dividend for financial investments	28 122	19 803
Fair value adjustment of investment property for non-controlling interest	(350)	(392)
Deferred tax expense for non-controlling interest	115	166
Antecedent dividend	-	6 861
Antecedent dividend - Rockcastle distribution Jun 2017	-	49 531
Distributable earnings	**305 413**	**269 721**
Less: Distribution declared	(305 413)	(269 721)
Interim distribution*	(153 041)	(126 438)
Final distribution	(152 372)	(143 283)
Earnings not distributed	-	-
Number of shares entitled to interim distribution*	577 800 734	538 953 794
Number of shares entitled to final distribution	577 800 734	577 800 734
Distributable earnings per share (euro cents)	**52.86**	**48.26**
Less: Distribution declared per share (euro cents)	(52.86)	(48.26)
Interim distribution per share (euro cents)*	(26.49)	(23.46)
Final distribution per share (euro cents)	(26.37)	(24.80)
Earnings not distributed (euro cents)		-

** Interim distribution, interim distribution per share and number of shares entitled to interim distribution computed on a combined basis for H1 2017.*

All amounts in €'000 unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	31 Dec 2018	31 Dec 2017
Profit/(Loss) after tax	221 705	(579 414)
Adjustments	104 593	801 695
Interest and coupon paid	(40 903)	(24 034)
Changes in working capital	(3 490)	14 829
Cash flows from operating activities	**281 905**	**213 076**
Proceeds from issue of shares	-	396 128
Earnings distribution	(296 326)	(39 022)
Net movements in bank loans and bonds	401 835	422 048
Other proceeds/payments	(12 845)	196
Cash flows used in financing activities	**92 664**	**779 350**
Investments in acquisitions and developments	(759 231)	(947 245)
Net cash flow from/(used in) investments in financial assets	275 834	102 712
Other investments	10 208	(369)
Cash flows used in investing activities	**(473 189)**	**(844 902)**
Net increase/(decrease) in cash and cash equivalents	**(98 620)**	**147 524**
Cash and cash equivalents brought forward	195 544	48 020
Cash and cash equivalents carried forward	**96 924**	**195 544**

RECONCILIATION OF PROFIT FOR THE YEAR TO HEADLINE EARNINGS	31 Dec 2018	31 Dec 2017
Profit/(Loss) for the year attributable to equity holders	**221 855**	**(579 694)**
Fair value adjustments of investment property for controlled subsidiaries	(108 411)	(162 022)
Gain on sale of investment property	-	(9)
Gain on acquisition of subsidiaries	(6 933)	-
Impairment of goodwill	-	886 167
Tax effects of adjustments for controlled subsidiaries	16 888	27 089
Fair value adjustments of investment property for joint ventures	(4 374)	(20 928)
Tax effects of adjustments for joint ventures	700	2 295
Headline earnings	**119 725**	**152 898**
Weighted average number of shares in issue	577 800 734	436 806 684
Diluted weighted average number of shares in issue	577 800 734	436 809 203
Headline earnings per share (euro cents)	20.72	35.00
Diluted headline earnings per share (euro cents)	20.72	35.00

NEPI Rockcastle plc is incorporated and registered in the Isle of Man with registered number 014178V
Registered office: 2nd Floor, 30 Athol Street Douglas, Isle of Man, IM1 1JB
JSE share code: NRP Euronext share code: NRP ISIN: IM00BDD7WV31 ('NEPI Rockcastle', 'the Group' or 'the Company')

All amounts in €'000 unless otherwise stated

INFORMATION EXTRACTED FROM THE AUDITED IFRS FINANCIAL STATEMENTS » continued

RECONCILIATION OF NET ASSET VALUE TO ADJUSTED NET ASSET VALUE	31 Dec 2018	31 Dec 2017
Net Asset Value per the Statement of financial position	3 845 873	3 914 719
Deferred tax liabilities for controlled subsidiaries	351 187	271 105
Deferred tax assets for controlled subsidiaries	(13 739)	(12 490)
Goodwill	(93 070)	(82 582)
Interest rate derivatives financial assets at fair value through profit or loss	(8 645)	(1 793)
Interest rate derivatives financial liabilities at fair value through profit or loss	2 725	4 678
Deferred tax liabilities for joint ventures	10 744	8 856
Interest rate derivatives at fair value through profit or loss for joint ventures	916	1 056
Adjusted Net Asset Value	**4 095 991**	**4 103 549**
Net Asset Value per share (euro)	**6.66**	**6.78**
Adjusted Net Asset Value per share (euro)	**7.09**	**7.10**
Number of shares for Net Asset Value per share	577 800 734	577 800 734
Number of shares for adjusted Net Asset Value per share	577 800 734	577 800 734

SEGMENTAL ANALYSIS	Retail	Office	Industrial	Corporate	Total
Year ended 31 December 2018					
Revenues from rent and expense recoveries	314 229	29 946	1 895	-	346 070
Profit before Net finance expense	421 592	16 789	1 311	(130 217)	309 475
Total Assets	5 786 204	450 217	16 237	249 986	6 502 644
Total Liabilities	1 270 674	52 051	2 522	1 331 524	2 656 771
Year ended 31 December 2017					
Revenues from rent and expense recoveries	204 246	26 041	1 798	–	232 085
Profit before Net finance expense	340 084	37 584	2 205	(18 912)	360 961
Total Assets	4 762 373	461 738	16 906	756 784	5 997 801
Total Liabilities	1 103 047	53 076	2 567	924 392	2 083 082