



28 November 2018

Mr. Nick Halsall  
Partner  
PricewaterhouseCoopers LLC

By email: [nicholas.halsall@iom.pwc.com](mailto:nicholas.halsall@iom.pwc.com)

Dear Mr. Halsall,

**NEPI Rockcastle financial audit**

We are writing to express our concerns about the risks of serious financial misrepresentation at NEPI Rockcastle, and PWC's audit testing these risks.

You are likely aware that Viceroy Research today published an extensive report outlining several inconsistencies within NEPI's financial accounts. Specifically, our assessment of financial accounts of NEPI's Romanian entities show a large earnings discrepancy to NEPI's segment reporting: a difference of approximately EUR 326m in 2017. Analysis of local accounts also show ballooning receivables balances which are inconsistent with NEPI's consolidated accounts and its boastful 99.9% collection rate.

A full copy of our report can be found on our website:

[www.viceroyresearch.org](http://www.viceroyresearch.org)

Viceroy Research believes your response to these inconsistencies presents an opportunity for PWC to enhance its reputation in South Africa, particularly after issues found in Steinhoff which Viceroy Research also identified.

In terms of background, Viceroy Research have published numerous research reports highlighting financial inconsistencies, misconduct, and fraud across global markets. Our reports have forced various financial restatements and, together with whistleblower data, federal investigations.

We are happy to provide additional documentation that we believe is crucial to your audit of NEPI Rockcastle, including data collected on-the ground in Romania which we have not made public but warrants further investigation from an audit perspective.

Thank you for your attention to this matter and we look forward to hearing from you.

Yours faithfully

**Gabriel Bernarde**  
Viceroy Research



### **Attention: Whistleblowers**

Viceroy encourage any parties with information pertaining to misconduct within NEPI or any other entity to file a report with the appropriate regulatory body.

We also understand first-hand the retaliation whistleblowers sometimes face for championing these issues. Where possible, Viceroy is happy act as intermediaries in providing information to regulators and reporting information in the public interest in order to protect the identities of whistleblowers.

You can contact the Viceroy team via email on [viceroyresearch@gmail.com](mailto:viceroyresearch@gmail.com).

### **About Viceroy**

Viceroy Research are an investigative financial research group. As global markets become increasingly opaque and complex – and traditional gatekeepers and safeguards often compromised – investors and shareholders are at greater risk than ever of being misled or uninformed by public companies and their promoters and sponsors. Our mission is to sift fact from fiction and encourage greater management accountability through transparency in reporting and disclosure by public companies and overall improve the quality of global capital markets.

### **Important Disclaimer**

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