grit

Real estate income group

2018

placing and offer prospectus

July 2018

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, as amended ("FSMA") if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

The distribution of this document into jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

This document comprises a prospectus relating to Grit Real Estate Income Group Limited (the "**Company**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority ("**FCA**") made under section 73A of FSMA. A copy of this document has been filed with the FCA and has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

This document does not constitute a prospectus for the purposes of the South African Companies Act and will not be filed with the South African Companies and Intellectual Property Commission in terms of the South African Companies Act. A copy of this document has been filed with the JSE for noting. Save for the unaudited pro forma financial information set out in Part 16 of this document, which complies with the JSE Listings Requirements, the remainder of this document has not been prepared in terms of the JSE Listings Requirements.

This document also does not constitute a prospectus for the purposes of the Mauritian Securities Act 2005 and will not be registered with the Mauritian Financial Services Commission in terms of the Mauritian Securities Act 2005.

This document serves as Listing Particulars pursuant to the SEM Rules and includes particulars given in compliance with the SEM Rules governing the Official Listing of Securities for the purpose of giving information with regard to the Company. A copy of this document has been filed with the SEM and with the Mauritian Financial Services Commission.

This document is not an invitation to the public in South Africa or Mauritius to subscribe for Ordinary Shares and is issued in compliance with the SEM Rules and for the purpose of providing information to invited investors with regard to the Company. This document does not constitute, envisage or represent an offer to the public in South Africa or Mauritius, as envisaged in the South African Companies Act and the Mauritian Securities Act 2005, respectively. Only persons who are invited to participate in the Initial Placing or any Subsequent Placing and who fall within any of the categories envisaged in section 96(1)(a) of the South African Companies Act or who subscribe for a minimum amount of R1,000,000 (one million Rand) per single addressee acting as principal, as contemplated in section 96(1)(b) of the South African Companies Act, are entitled to participate in the Initial Placing or any Subsequent Placing in South Africa.

The Existing Ordinary Shares are admitted to trading on the JSE's main board for listed securities and to the Official Market of the SEM. Application will be made to the UK Listing Authority for admission of both the Issue Shares and the Existing Ordinary Shares to the Official List with a Standard Listing. Application will also be made for the Issue Shares and the Existing Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

A Standard Listing affords investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to a Premium Listing, which are subject to additional obligations and to additional eligibility criteria under the Listing Rules.

Application will also be made to the JSE for all of the Issue Shares to be admitted to the JSE's main board for listed securities.

Application has been made to the SEM for all of the Issue Shares and the Placing Programme Shares to be admitted to the Official Market of the SEM.

This document has been vetted and approved by the Listing Executive Committee of the SEM ("**LEC**"), in conformity with the SEM Rules on 18 July 2018.

Neither the LEC, nor the SEM, nor the Mauritian Financial Services Commission assumes any responsibility for the contents of this document. The LEC, the SEM and the Mauritian Financial Services Commission make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this document and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

Permission has been granted by the LEC on 18 July 2018 for: (i) the listing of the Issue Shares on the Official Market of the SEM in terms of the Initial Placing and Offer for Subscription (i.e. up to 250 million Ordinary Shares); and (ii) the listing of the Placing Programme Shares on the Official Market of the SEM in terms of the Placing Programme (i.e. up to 100 million Ordinary Shares).

It is expected that Initial Admission will become effective, and that dealings in the Issue Shares (and, in the case of the London Stock Exchange, the Existing Ordinary Shares) will commence on, 31 July 2018.

It is expected that any Subsequent Admission pursuant to Subsequent Placings under the Placing Programme will become effective and dealings will commence between 1 August 2018 and17 July 2019.

You should read the whole of this document prior to making any investment decision. Your attention is drawn to the section of this document entitled "Risk Factors" for a discussion of certain factors that should be considered by prospective investors in considering whether to make an investment in the Company.

Grit Real Estate Income Group Limited

(a company registered by continuation in the Republic of Mauritius with registration number C128881 C1/GBL)

Initial Placing and Offer for Subscription for a target issue of 200 million Ordinary Shares at US$1.43 per Ordinary Share[1]

Placing Programme of up to 100 million Ordinary Shares

Admission to a standard listing on the Official List of the UK Listing Authority and admission to trading on the main market of the London Stock Exchange

Lead Transaction Adviser
AXYS Corporate Advisory Limited

Joint UK Placing Agent
Exotix Partners LLP

Joint UK Placing Agent
Baden Hill, a trading name of Northland Capital Partners Limited

SEM Authorised Representative, Sponsor and Mauritian Transaction Adviser
Perigeum Capital Ltd

Sponsor and Placing Agent in South Africa
PSG Capital Proprietary Limited

Mauritius Placing Agent
AXYS Stockbroking Limited

Financial Adviser and Joint UK Placing Agent
finnCap Limited

Completed Application Forms and payments under the Offer for Subscription must be received by 11.00 a.m. (BST) on 26 July 2018. The procedure for application and payments is set out on pages 356 to 366 of this document.

1 The Directors have reserved the right, in conjunction with the Joint UK Placing Agents, to increase the size of the Issue to a maximum of 250 million Ordinary Shares if overall demand exceeds 200 million Ordinary Shares, with any such increase being announced through a Regulatory Information Service, a SENS and a SEM announcement.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular the Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or registered or qualified for sale under the laws of any state of the United States or under the applicable laws of any other Restricted Jurisdiction and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the US Securities Act) or to any national, resident or citizen of any other Restricted Jurisdiction. The Company will not be registered as an investment company under the US Investment Company Act of 1940, as amended. Neither this document nor the Ordinary Shares have been recommended, approved or disapproved by any US federal or state securities commission or regulatory authority. Furthermore, none of such authorities has opined on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

Each of finnCap Limited ("**finnCap**"), Exotix Partners LLP ("**Exotix**") and Baden Hill, a trading name of Northland Capital Partners Limited ("**Baden Hill**"), is authorised and regulated by the FCA, is acting exclusively for the Company and for no-one else in connection with the Issue, the Placing Programme and each Admission and will not be responsible to any other person for providing the protections afforded to their respective clients or for providing advice in connection with the Issue, the Placing Programme or any Admission, the contents of this document or any matters referred to in this document. None of finnCap, Exotix or Baden Hill is responsible for the contents of this document. This does not exclude or limit any responsibilities which finnCap, Exotix or Baden Hill may have under FSMA or the regulatory regime established thereunder.

PSG Capital Propriety Capital ("**PSG Capital**") which is authorised and regulated in South Africa by the JSE, is acting exclusively for the Company and for no-one else in connection with the Issue, the Placing Programme and each Admission and will not be responsible to any other person for providing the protections afforded to clients of PSG Capital or for providing advice in connection with the Issue, the Placing Programme or any Admission, the contents of this document or any matters referred to in this document. PSG Capital is not responsible for the contents of this document. This does not exclude or limit any responsibilities imposed on PSG Capital by the JSE.

AXYS Stockbroking Limited ("**AXYS Stockbroking**") which is authorised and regulated in Mauritius by the Mauritian Financial Services Commission, is acting exclusively for the Company and for no-one else in connection with the Issue, the Placing Programme and each Admission and will not be responsible to any other person for providing the protections afforded to clients of AXYS Stockbroking or for providing advice in connection with the Issue, the Placing Programme or any Admission, the contents of this document or any matters referred to in this document. AXYS Stockbroking is not responsible for the contents of this document. This does not exclude or limit any responsibilities which AXYS Stockbroking may have under the Mauritian Securities Act 2005 or the regulatory regime established thereunder.

Perigeum Capital Ltd ("**Perigeum Capital**") which is regulated in Mauritius by the Mauritian Financial Services Commission, is acting exclusively for the Company and for no-one else in connection with each Admission and will not be responsible to any other person for providing the protections afforded to clients of Perigeum Capital or for providing advice in connection with any Admission, the contents of this document or any matters referred to in this document. Perigeum Capital is not responsible for the contents of this document. This does not exclude or limit any responsibilities which Perigeum Capital may have under the Mauritian Securities Act 2005 or the regulatory regime established thereunder.

The Company and the Directors, whose names appear on page 37 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

A copy of this document is available in English only and may, from 18 July 2018 to 17 July 2019 (both days inclusive), be available for inspection at the addresses specified in paragraph 20 of Part 19 of this document.

Dated: 18 July 2018

(LEC/P/11/2018)

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings		
A.1	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. The Company has not given its consent to the use of this document for subsequent sale or any final placement of securities through financial intermediaries.

Section B – The Company		
B.1	Legal and commercial name of the issuer	Grit Real Estate Income Group Limited.
B.2	Domicile and legal form	The Company was incorporated in Bermuda on 16 May 2012 and was transferred via continuation to Mauritius on 11 March 2015 as a public company limited by shares. The principal pieces of legislation under which the Company operates are the Mauritian Companies Act and the Mauritian Securities Act 2005.
B.3	Key factors relating to the issuer's current operations, principal activities and markets	Grit is a leading pan-African income real estate company focusing on real estate assets in pre-selected African countries (excluding South Africa), these assets being underpinned by predominantly US Dollar and Euro denominated long-term leases with high quality tenants, delivering strong sustainable income. Grit's current portfolio includes assets in Mauritius, Morocco, Mozambique, Zambia, Kenya, Botswana and Ghana. Grit is currently dual and primary listed on the Official Market of the SEM and the main board of the JSE.
B.4a	Significant trends	Alongside rapid economic growth in sub-Saharan Africa, rapid urbanisation, a rapidly growing middle class, expanding businesses and increased business travel and tourism have driven the demand for new and modern commercial and residential buildings, business and leisure hotels, industrial workplace facilities and retail malls.

Despite the weakening of some economies over the last two years, investors' appetite for African real estate remains high, leading to a new wave of African-focused property funds. Other than the significant growth that Grit has experienced from July 2014 to present, a number of other notable market players have made significant investments into the African real estate market. In terms of market players and activity, Actis Capital, one of the largest private equity investors in real estate in the region, closed their third African Real Estate Fund (ARE 3) in 2016 at US$500 million. In 2018, Investec Asset Management together with the IFC and South African REIT Growthpoint look set to close a dedicated SSA closed-end vehicle with assets under management in excess of US$200 million.

However, identifying assets with the appropriate mix of credible local and international tenants is a challenging factor in Africa's real estate markets and the importance of having an experienced local partner is probably greater than elsewhere. For this reason, global investors like GIC Private Limited (GIC), a major subscriber to the ARE 3 fund, have opted to invest in funds created by established regional investors, rather than carry the risk of making direct property investments.

Given the high economic growth experienced in a number of countries in Africa and the resultant rapid expansion and investment in infrastructure to support this growth, Grit was founded in 2014 to offer investors direct participation in property markets on the African continent (excluding South Africa), effectively earning predominantly US Dollar and Euro-based income from leading international tenants at emerging market yields.

The Company is the largest pan African focused real estate company listed on the Official Market of the SEM and the JSE and has rapidly developed a track record of acquiring superior property assets in Africa whilst constantly monitoring opportunities for expansion into new jurisdictions where potential exists for Shareholder value creation and accretion.

Grit has experienced substantial growth over the last few years with significant expansion plans for the future. With that in mind – and at the core of its vision – the Company aims to become the leading real estate owner on the African continent (excluding South Africa) within the next five years, focusing on income-producing assets with strong counterparties as tenants, to seek to ensure consistent income and capital growth.

B.5	Group description	The Company is the ultimate parent company of the Group. The following table sets out the principal subsidiaries and associate investments of the Company, being those considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, financial position and/or profits and losses of the Group:

Name of subsidiary/associate	Country of incorporation	Percentage of issued capital held directly or indirectly by the Company (%)
Delta International Mauritius Limited	Mauritius	100
Mara Viwandani Limited	Kenya	100
IWH Kenya Investments Limited	Mauritius	100
Paradise Consultancy Services Limited	Mauritius	100
BME Kenya Investments Limited	Mauritius	100
IDC Kenya Investments Limited	Mauritius	100
Warehousely Limited	Kenya	100
Paradise Property Investments Ltd	Mauritius	100
Mara Delta (Mauritius) Property Limited	Mauritius	100
Leisure Property Northern (Mauritius) Limited	Mauritius	100
Beachcomber Hospitality Investments Limited	Mauritius	44.4
DIF 1 Co Limited	Mauritius	100
GMS Serviços de Gestao de Imóveis Limitada	Mozambique	100
GMS Mauritius Limited	Mauritius	50.2
BH Property Investments Limited	Mauritius	100
Abland Diversified Holdings Limited	Mauritius	100
Buffalo Mall Naivasha Limited	Kenya	50
Transformers Holdings Mauritius Ltd	Mauritius	100
Delta Tete Limitada	Mozambique	100
Gerania Ltd	Mauritius	100
Mall de Tete Limitada	Mozambique	100
CD Properties Limited	Mauritius	100
Gateway Properties Limitada	Mozambique	100
HM&K Properties Limited	Mauritius	100
Commotor Limitada	Mozambique	100
SAL Investment Holdings Ltd	Mauritius	100
S&C Immobiliaria Limitada	Mozambique	100
Zimpeto Immobliaria Limitada	Mozambique	100
Zambian Property Holdings Limited	Mauritius	100
Ndola Kafubu Investments Limited	Mauritius	100
Kafubu Mall Limited	Zambia	50
Kitwe Mukuba Investments Limited	Mauritius	100
Mukuba Mall Limited	Zambia	50
Lusaka Cosmopolitan Investments Limited	Mauritius	100
Cosmopolitan Shopping Centre Limited	Zambia	50
Delta International Bahrain SPC	Bahrain	100
Freedom Property Fund SARL	Morocco	100
Grit Accra Limited	Ghana	100
Capital Place Limited	Ghana	100
Grit West Africa Limited	Ghana	100
Agridev Real Estate Limited	Ghana	90
CADS Developers Limited	Ghana	50
Casamance Holdings Limited	Mauritius	100

B.6	Major shareholders	So far as is known to the Company, as at the Latest Practicable Date, the following Shareholders held, directly or indirectly, five per cent. or more of the Company's voting rights:

Shareholder	Number of Ordinary Shares	Percentage of voting rights
Government Employees Pension Fund ("**GEPF**")	65,998,116	30.84%
Delta Property Fund Limited	23,866,776	11.15%
Drive in Trading	23,250,000	10.86%
Pivotal Global Pty Limited	13,187,535	6.16%
Eskom Pension & Provident Fund	10,897,483	5.09%

As at the date of this document, the Company does not have a controlling shareholder as defined in the JSE Listings Requirements; being any shareholder that holds 35 per cent. or more of the share capital of Grit. The Company has a controlling shareholder as defined in the SEM Rules, GEPF, being a shareholder holding 20 per cent. or more of the voting rights in the Company.

The Directors are not aware of any other person or persons who could, directly or indirectly, exercise control over the Company.

All Shareholders have the same voting rights in respect of the share capital of the Company.

B.7	Financial statements	The key audited figures that summarise the financial condition of the Group in respect of the year ended 30 June 2017 (and the corresponding figures for the years ended 30 June 2016 and 30 June 2015) and in respect of the seven month period ended 31 January 2018 (and the corresponding unaudited figures for the seven month period ended 31 January 2017) have been extracted directly on a straightforward basis from the historical financial information. In preparation for LSE Admission and the requirement to present historical financial information for the three years ended 30 June 2017, 30 June 2016 and 30 June 2015, the Directors identified a number of adjustments. These adjustments arose from both variations in the established practice of applying IFRS in different jurisdictions and also the correction of prior period errors. The key historical financial information is set out in the following tables:

	As at 30 June			As at 31 Jan
Consolidated statement of financial position	**2015 Audited US$'000**	**2016 Audited US$'000**	**2017 Audited US$'000**	**2018 Audited US$'000**
Non-current assets	210,509	295,492	489,881	588,280
Current assets	25,353	33,112	49,912	59,607
Total assets	235,862	328,604	539,793	647,887
Non-current liabilities	14,071	139,456	207,972	247,477
Current liabilities	99,897	50,831	74,637	122,919
Total liabilities	113,968	190,287	282,609	370,396
Total equity and liabilities	235,862	328,604	539,793	647,887

Consolidated statement of comprehensive income	Year ended 30 June 2015 Audited US$'000	2016 Audited US$'000	2017 Audited US$'000	Seven month period ended 31 Jan 2017 Unaudited US$'000	2018 Audited US$'000
Gross rental income	13,589	19,986	22,872	11,725	17,175
Net property income	12,378	19,577	23,727	11,750	27,004
Other income	384	805	254	(203)	30
Administrative expenses	(5,537)	(5,683)	(7,900)	(4,887)	(9,152)
Profit/(loss) from operations	7,225	14,699	16,081	6,660	17,882
Profit/(loss) before interest and taxation	2,474	2,844	(977)	(314)	30,556
Profit/(loss) before tax	(1,075)	(7,229)	(10,351)	(5,078)	22,387
Profit/(loss) after tax	(3,580)	(17,763)	(7,435)	(2,843)	22,235
Total comprehensive income/(loss)	(3,196)	(17,970)	(4,390)	(1,472)	22,612
Basic earnings per Ordinary Share (cents)	(6.05)	(22.01)	(6.04)	(2.43)	11.49

Consolidated statement of cash flows	Year ended 30 June 2015 Audited US$'000	2016 Audited US$'000	2017 Audited US$'000	Seven month period ended 31 Jan 2017 Unaudited US$'000	2018 Audited US$'000
Net cash (used in)/generated from operating activities	(4,703)	1,081	11,470	(11,509)	7,944
Net cash used in investing activities	(218,928)	(53,197)	(150,067)	(23,556)	(84,770)
Net cash generated from financing activities	229,458	63,781	145,089	18,797	60,706
Net movement in cash and cash equivalents	5,827	11,665	6,492	(16,268)	(16,120)
Cash at beginning of the year/period	649	6,224	17,785	17,785	24,230
Effect of foreign exchange rates	(252)	(104)	(47)	(140)	(212)
Cash at end of the year/period	6,224	17,785	24,230	1,377	7,898

During the period from 1 July 2014 to, and since, 31 March 2018, being the date to which the latest published unaudited interim financial information was prepared, there has been no significant change to the Company's financial condition or its operating results, save as disclosed below:

On 22 January 2018, Shareholders approved a related party transaction between the Public Investment Corporation SOC Limited ("**PIC**") and the Company whereby the Company guarantees PIC for 50 per cent. of any losses suffered by the PIC (up to a maximum of US$17.5 million) resulting from PIC's potential liability under its Contingent Repurchase Obligation ("**CRO**"). In 2017, the Company facilitated a transformation initiative jointly with the PIC on behalf of GEPF. The transformation initiative was to jointly provide guarantees in order to allow Drive in Trading (Pty) Ltd ("**DiT**") to raise cost effective debt facilities in order to subscribe for shares in the Company. The primary security for DiT's financier is a CRO for an amount of US$35.0 million between the PIC and DiT's financier whereby, in the event of default, the PIC would be obliged to purchase the loan from the financier at cost, up to a maximum amount of US$35.0 million. In terms of the Guarantee Agreement between the PIC and the Company, in the event the CRO is triggered, the Company is obliged to guarantee the PIC for 50 per cent. of any losses suffered by the PIC up to a maximum of US$17.5 million.

		Capital Place: On 10 May 2018, the Company, through its wholly-owned subsidiary Grit Accra Limited, concluded the acquisition of 47.5 per cent. of Capital Place Limited ("**Capital Place**"), which owns 100 per cent. of the Capital Place Building, a commercial building in Accra, Ghana. The Company also paid a refundable deposit of US$5 million in April 2018 to secure the acquisition of the remaining 52.5 per cent. The building in Capital Place has a value of US$25.5 million. The initial purchase of 47.5 per cent. has been partly settled through the issue of new Ordinary Shares in the Company at the last published net asset value per share at the date of issue of US$1.53. The new Ordinary Shares were issued with a non-entitlement to dividends prior to the transfer date. Acacia Estate: On 24 May 2018, the Company entered into a binding sale and purchase agreement with Colin Taylor, Stuart Hulley-Miller and Adamo Valy (the "**Original Developers**"), TC Maputo Properties Limited, Tradehold Africa Limited and Cognis 1 Limitada, for the effective acquisition of 80.1 per cent. of the shares in Cognis 1 Limitada (a company incorporated in Mozambique), which in turn owns the building known as Acacia Estate in Maputo, Mozambique. The Company (via a wholly-owned subsidiary) will acquire 15 per cent. of the shares in Cognis 1 Limitada. In addition, the Company (or its nominee) will acquire 76.6 per cent. of the shares in TC Maputo Properties Limited (a special purpose vehicle incorporated in Mauritius), which owns 85 per cent. of the shares in Cognis 1 Limitada. Cognis 1 Limitada is valued at US$15.3 million, which is based on a property value of US$61.8 million, less bank debt of US$28.8 million, less current liabilities of US$6.6 million less loans from shareholders of US$11.2 million. The Company will acquire 80.1 per cent. of the shares in Cognis 1 Limitada for US$12.2 million. In addition, the Company (or its nominee) will be obliged to inject new shareholder loans into TC Maputo of US$11.2 million, the proceeds of which will be used to settle the current shareholders' loan of US$11.2 million. The Group also intends to inject a further US$5.3 million by way of a shareholder loan into Cognis 1 Limitada in order to reduce the current liabilities that exist within that entity.
B.8	Selected key pro forma financial information	The unaudited pro forma statement of net assets for the Group has been prepared in accordance with Annex II to the Prospectus Directive Regulation EU (809/2004/EC), as amended, and in terms of the JSE Listings Requirements, in a manner consistent with the accounting policies applied in preparing the historical financial information of the Group set out in this document. No account has been taken of any results of other activity since 31 March 2018. The unaudited pro forma statement of net assets has been prepared to illustrate the effects of the Issue, repayment of debt, and significant asset acquisitions on the net assets of the Group, had the Issue, repayment of debt, and significant asset acquisitions taken place on 31 March 2018. The unaudited pro forma statement of net assets has been prepared for illustrative purposes only, and by its nature, addresses a hypothetical situation and therefore, does not reflect the Group's actual financial position or results. It may not therefore give a true picture of the Group's financial position or results, nor is it indicative of the results that may or may not be achieved in the future. The unaudited consolidated pro forma net assets as at 31 March 2018 is US$405.3 million.
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate is included in this document.
B.10	Qualifications in the audit report	There are no qualifications in the audit report on the historical financial information in respect of the years ended 30 June 2015 and 30 June 2017 and the seven months ended 31 January 2018. The audit report in respect of the year ended 30 June 2016 is qualified on the following basis:

		'Included within the income statement are foreign exchange losses of US$4,584,000. These foreign exchange losses are the result of an adjustment to restate the deferred tax expense by US$9,710,000. We were unable to fully determine the nature of this adjustment and whether it was appropriately categorised in the income statement as foreign exchange losses or should have been recorded as a separate expense within the income statement, as the Directors were not able to provide supporting documentation. Hence, BDO were unable to obtain sufficient appropriate audit evidence regarding this balance. Any reclassification of the foreign exchange losses within the income statement would have no impact on the Group's total comprehensive income for the year.'
B.11	Insufficiency of working capital	Not applicable. The Company is of the opinion that, taking into account the Minimum Net Proceeds and available facilities, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of this document.

Section C – Securities		
C.1	Type and class of securities	The type and class of securities being offered by the Company pursuant to the Issue and the Placing Programme are ordinary shares of no par value. The ISIN is MU0473N00036. The JSE Share Code is GTR and the SEM Share Code is DEL.N0000. The LSE ticker is GR1T.
C.2	Currency denomination of the shares	The ordinary shares are no par value shares. The Issue Price or Placing Programme Price will be payable in US Dollars in the UK and Mauritius and in Rand in South Africa. The Board shall set such exchange rate and terms and conditions as it shall think fit for the purposes of any such subscription.
C.3	Details of the share capital	At the Latest Practicable Date, the issued share capital of the Company comprised 214,022,425 ordinary shares of no par value (fully paid).
C.4	Rights attaching to the shares	The Ordinary Shares rank *pari passu* as regards voting, entitlement to income and entitlement on a return of capital.
C.5	Restrictions on the transferability of shares	There are no restrictions on the free transferability of the Ordinary Shares.
C.6	Application for admission to trading on a regulated market	Application will be made to the UK Listing Authority for admission of both the Issue Shares and the Existing Ordinary Shares to the Official List with a Standard Listing. Application will also be made for the Issue Shares and the Existing Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Application will also be made to the JSE for all of the Issue Shares to be admitted to the JSE's main board for listed securities. Application has been made to the SEM for all of the Issue Shares to be admitted to the Official Market of the SEM. It is expected that Initial Admission will become effective, and that dealings in the Issue Shares (and, in the case of the London Stock Exchange, the Existing Ordinary Shares) will commence on, 31 July 2018. Application will be made to the UK Listing Authority for admission of any Placing Programme Shares to the Official List. Application will also be made for the Placing Programme Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Application will also be made to the JSE for admission of any Placing Programme Shares to the JSE's main board for listed securities. Application has also been made to the SEM for all of the Placing Programme Shares to be admitted to the Official Market of the SEM. It is expected that any Subsequent Admission pursuant to Subsequent Placings under the Placing Programme will become effective and dealings will commence between 1 August 2018 and 17 July 2019.

C.7	Dividend policy	The dividend policy adopted by the Board is to pay a semi-annual dividend to Shareholders, typically in March and October in each year. Any dividend declared is determined based on rentals received from tenants, rental and income guarantees received from vendors and pre transfer that accrue to the Company, less cash components of administrative expenses and net finances. Such dividend is limited to the maximum amount of distributable reserves and antecedent dividend reserves and shall be determined by the Board in compliance with the solvency and liquidity requirements set out in the Mauritian Companies Act. Grit is targeting paying a dividend in relation to the six months ended 30 June 2018 of approximately 5.9 cents per Share. In addition, moving forward, Grit's management is targeting a US$ total return of approximately 12.00 per cent. per annum. The Company declares dividends in US Dollars and Shareholders on the Guernsey branch register and the Mauritian register will, by default, receive dividend payments in US Dollars. Shareholders on the South African register will, by default, receive dividend payments in Rand. For Shareholders on the South African register, the date on which the exchange rate between US Dollars and Rand is set will be announced at the time the dividend is declared. A further announcement will be made once the exchange rate has been set. Shareholders on the Guernsey branch register may, on completion of a dividend election form, elect to receive dividend payments in Sterling. Dividend election forms will be available from the Guernsey Branch Registrar on request. Following Initial Admission, Depositary Interest Holders will be able to elect through CREST to receive their dividends in Sterling by the usual CREST dividend election processes. Investors should note that the target dividend, including its declaration and payment dates, is a target only and not a profit forecast. There may be a number of factors that adversely affect the Company's ability to achieve the target dividend and there can be no assurance that the target will be met or that any growth in the dividend will be achieved. The target dividend should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not rely on these targets in deciding whether to invest in the Ordinary Shares or assume that the Company will make any distributions at all.

Section D – Risks		
D.1	Key information on the key risks that are specific to the Company	• There can be no guarantee that the strategic objectives of the Company will be achieved or that any dividends will be paid in respect of any financial year or period. • The valuation of the Group's properties is inherently uncertain. Assumptions required to be made in valuations may prove to be inaccurate or flawed. • The past performance of the Company is not a guide to future performance. • The performance of the Company could be adversely affected by a downturn in the property market in terms of capital value or a weakening of rental yields. Both rental income and property values may also be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

		• Demand at the Group's hotels is dependent on the travel industry and demand at the Group's shopping centres is affected by consumer spend. Any declines in, or disruptions to, the travel industry or declines in consumer spend at the Group's shopping centres as a result of terrorist attacks, war or other factors, may adversely affect demand for, and the value of, the Group's properties and impact the ability of the Group's tenants to pay rent to the Group. • Notwithstanding the fact that the Group only operates in carefully pre-determined and approved jurisdictions which satisfy key investment criteria, African markets in general – as with all frontier and/or emerging economies – are subject to higher risk than more developed markets, including in some cases significant legal, economic and political risks. Recent positive trends in most, if not all, African countries, such as the increase in the gross domestic product, relatively stable currency, strong domestic demand, rising real wages and a reduced rate of inflation are not guaranteed to continue. The occurrence of local unrest, or external tensions, could adversely affect the region's political and economic stability and, consequently, affect the Group's investments. • The Group operates in a multi-jurisdictional environment and is therefore exposed to regulatory risk in a number of different jurisdictions. The Company is also exposed to regulatory risk in respect of exchange control regulations in its operating jurisdictions. Although the Company conducts extensive due diligence prior to initial investments and limits investments to countries that target foreign investment, there can be no guarantee that new government policies and processes will not be adopted that are to the determent of foreign investors such as the Company (in respect of flow of dividends, capital, taxation and land ownership or otherwise). • The Group's reporting and functional currency is US Dollars. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and Moroccan Dirham (which itself is partially pegged to the Euro together with the US Dollar) and to a lesser extent the Mauritian Rupee, Mozambican Metical, Zambian Kwacha, Botswanan Pula, Ghanaian Cedi and Kenyan Shilling. Any severe impact of exchange rate conversion may have a negative effect on the Group's earnings, share price, ability to raise capital and repay debts. • The Group's borrowings are secured on its properties and the Group's obligation to make scheduled payments on its indebtedness and to maintain its covenants could limit its financial and operational flexibility and any breach of covenants could require the Group to dispose of assets at significantly less than full value. Additionally, any enforcement of security may lead to reputational damage for the Group and result in lender unwillingness to extend finance and/or raise the Group's future borrowing costs, all of which could have an adverse effect on the business, financial condition and/or results of operations of the Group. In total, approximately 50.7 per cent. of the Group's borrowings are the subject of parent company guarantees from the Company. In addition, two of the Group's loan facilities in Mozambique have cross default clauses to each other. Such facilities total 14.9 per cent. of total Group borrowings. Any default under such loan facilities could trigger an event of default under other loan facilities and, in the case of borrowings backed by parent company guarantees, a right of recourse to other assets of the Company. Nothing in this risk factor prejudices the working capital statement made in paragraph 10 of Part 19 of this document.

- The Group's borrowings also expose it to interest rate risk. Excessive volatility in interest rates may adversely affect the profitability of the Group and return on investments.
- There is a risk that the Company may incur legal, financial and other advisory expenses arising from unsuccessful transactions which may include expenses incurred in dealing with transaction documentation and legal, accounting and other due diligence. There is no certainty that the Acquisitions will become effective as they are subject to the satisfaction of a number of conditions, including, *inter alia*: regulatory approvals; to the extent required in the leases, consent to a change in shareholding of the property holding company; to the extent required in the leases, waiver of pre-emptive rights to acquire the buildings on the same terms and conditions as the Group; waiver of pre-emptive rights of minority shareholders to consent to the sale of the property holding company's shares; and obtaining sufficient bank debt to part-finance the Acquisitions.
- Due diligence may not identify all risks and liabilities in respect of an acquisition.
- The Group may not have full recourse against a seller in respect of all potential liabilitiles in relation to acquisitions. Indemnities, representations and/or warranties given by sellers may not cover all potential liabilities associated with the relevant property or property holding company and they may be limited in their scope, duration and/or amount.
- Development or redevelopment expenditure may be necessary to preserve rental income generated from the Group's properties and/or the value of the Group's properties. The redevelopment, refurbishment and/or expansion of properties may be adversely affected by a number of factors.
- The Group's insurance policies follow relevant industry and market best practice and are subject to the usual or standard exclusions and limitations of liability. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future revenue from that property.
- The Group is reliant on the performance and retention of key personnel and may not be able to retain key members of the executive management team. In addition, in certain of the Group's operating jurisdictions, there is a shortage of suitably qualified finance staff. As a result, and in the event of key staffing changes, there is a risk of delays in the reporting of financial information.
- Ongoing and un-remedied failure of property management companies to perform their key performance duties to the Group in accordance with the cash and/or tenancy management objectives set by the Group may negatively affect the performance of the Group.
- The Group's co-ownership structures in which it participates subject the Group to certain risks of shared ownership and control of the properties affected.
- In line with Grit's commitment to support local economic growth, Grit has facilitated a transformation initiative jointly with the PIC on behalf of the GEPF. The transformation initiative was to jointly provide guarantees in order to allow DiT to raise cost effective debt facilities in order to subscribe for shares in Grit. The primary security for DiT's financier is a CRO for an amount of US$35.0 million between the PIC and DiT's financier whereby, in the event of default, the PIC would be obliged to purchase the loan from the financier at cost, up to a maximum amount of US$35.0 million. In terms of the Guarantee Agreement between the PIC and Grit, in the event the CRO is triggered, Grit is obliged to guarantee the PIC for 50 per cent. of any losses suffered by the

		PIC up to a maximum of US$17.5 million. The guaranteed loss is determined as the loan amount less the proceeds of the sale of underlying shares held as security. The terms of DiT's finance arrangements require that 90 per cent. of any dividends received by DiT must be utilised as loan repayments. As at the Latest Practicable Date, the value of the assets, being shares, exceeds the value of the liability, being the loan.
D.3	Key information on the key risks that are specific to the shares	• Dividends declared are denominated in US Dollars. However, Shareholders on the South African register will receive dividend payments in Rand. Accordingly, the value of such dividend received by such Shareholders may be affected favourably or unfavourably by fluctuations in currency rates. • The Ordinary Shares are priced in US Dollars. The Ordinary Shares held and to be traded on the South African register will be quoted and traded in Rand and this would expose Shareholders on the South African register to exchange rate risks. • Although the Directors have resolved that the Company will voluntarily comply with certain provisions of the Listing Rules which would otherwise apply only to a company with a Premium Listing, a Standard Listing affords Shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. • There may not be a liquid secondary market for the Ordinary Shares. In addition, the value of the Ordinary Shares can go down as well as up. The market price and the realisable value of the Ordinary Shares, as well as being affected by the underlying value of the Company's assets, will be affected by interest rates, supply and demand for the Ordinary Shares, market conditions and general investor sentiment. As such, the market value of the Ordinary Shares will fluctuate and may vary considerably. • Existing Shareholders who do not participate in the Issue will suffer a maximum dilution of approximately 48.3 per cent. to their ownership and voting interests in the Company, assuming that 200 million Ordinary Shares are issued pursuant to the Issue. Following Initial Admission, the Directors also intend to seek authority to issue up to 100 million Ordinary Shares pursuant to the Placing Programme on a non-pre-emptive basis. • Depositary Interest Holders do not have the rights that Mauritian law and the Constitution confer on Shareholders, such as voting rights. In respect of the Ordinary Shares underlying the Depositary Interests those rights vest in the Depositary or any custodian. Consequently, if the Depositary Interest Holders want to exercise any of those rights they must rely on the Depositary or any custodian either to exercise those rights for their benefit or authorise them to exercise those rights for their own benefit. Under the Deed Poll pursuant to which the Depositary Interests are created, the Depositary and any custodian shall pass on to and, so far as they are reasonably able, exercise on behalf of the relevant Depositary Interest Holders all rights and entitlements that they receive or are entitled to in respect of the underlying Ordinary Shares and that are capable of being passed on or exercised. However, there can be no assurance that all such rights and entitlements will at all times be duly and timely passed on or exercised. • Any change in the tax status of the Company or a member of the Group (including, without limitation, if the Company creates a permanent establishment in the United Kingdom or South Africa), or in taxation legislation or practice in Mauritius, the United Kingdom or elsewhere, could affect the value of the Group's investments and the Company's ability to achieve its strategic objectives.

<table>
<tr><th colspan="3">Section E – The Issue</th></tr>
<tr><td>E.1</td><td>Proceeds and expenses of the issue</td><td>The net proceeds of the Issue are dependent on the level of subscriptions received pursuant to the Issue. Assuming gross proceeds of the Issue are US$286 million, the net proceeds will be approximately US$275.9 million.

The costs and expenses of the Issue are expected to be approximately US$10.1 million, equivalent to 3.54 per cent. of the gross proceeds of the Issue, assuming gross proceeds of US$286 million are received under the Issue.

If the Minimum Net Proceeds are raised, the expenses of the Issue will be approximately US$6.6 million.

The net proceeds of the Placing Programme are dependent, inter alia, on the Directors determining to proceed with a Subsequent Placing, the level of subscriptions received and the price at which such Ordinary Shares are issued.

No expenses will be charged to subscribers of Ordinary Shares in connection with the Issue.</td></tr>
<tr><td>E.2a</td><td>Reasons for the issue, use of proceeds and estimated net amount of proceeds</td><td>The Board believes that there are attractive opportunities for the Group to deliver income and value for Shareholders through exposure to the African real estate market.

On the assumption that only the Minimum Net Proceeds of US$120 million are raised in the Issue, the Company intends to deploy the net proceeds of the Issue as follows:

• Approximately US$73 million will be used to part finance the acquisition of the New Portfolio, with the balance of the acquisition cost being financed by debt taken at the asset level.

• Approximately US$47 million will be used to repay Group debt, primarily in relation to the Group's revolving facilities with Barclays Bank (facility amount US$20 million), State Bank of Mauritius (US$20 million) and Bank ABC (US$7 million).

On the assumption that the Issue raises more than the Minimum Net Proceeds, up to the expected maximum gross proceeds of US$286 million, then the additional funds (above and beyond the Minimum Net Proceeds) will be deployed by the Company as follows:

• A further maximum amount of US$76 million will be used to repay additional Group debt to reduce the loan to value ratio of the Group to below 40 per cent., taking the maximum amount of Group debt to be repaid from the Issue proceeds to US$123 million.

• The remainder of the net Issue proceeds will be used to finance further pipeline additions to the Group's portfolio and will enable the Group to enter into new African jurisdictions and consolidate its presence in existing jurisdictions.

The net proceeds of the Placing Programme are dependent, inter alia, on the Directors determining to proceed with a Subsequent Placing, the level of subscriptions received and the price at which such Ordinary Shares are issued.

The Directors intend to use the net proceeds of any Subsequent Placing pursuant to the Placing Programme to fund future acquisitions.</td></tr>
<tr><td>E.3</td><td>Terms and conditions of the issue</td><td>Ordinary Shares are being made available under the Initial Placing and Offer for Subscription at the Issue Price of US$1.43 per Ordinary Share.

The Initial Placing in the UK will close at 5.00 p.m. (BST) on 26 July 2018 (or such later date as the Company, finnCap, Baden Hill and Exotix may agree).</td></tr>
</table>

		The Initial Placing in South Africa will close at 5.00 p.m. (SAST) on 26 July 2018 (or such later date as the Company and PSG Capital may agree). The Initial Placing in Mauritius will close at 5.00 p.m. (MUT) on 26 July 2018 (or such later date as the Company and AXYS Stockbroking may agree). If the Initial Placing is extended, the revised timetable will be notified through a Regulatory Information Service, a SENS and a SEM announcement. The Offer for Subscription is being made in the United Kingdom only and investors in South Africa and Mauritius are not entitled to participate. Applications under the Offer for Subscription must be for a minimum of 1,000 Ordinary Shares and in multiples of 1,000 thereafter. Completed Application Forms and the accompanying payment (if payment is being made outside of CREST by either cheque or CHAPs), as well as any relevant verification of identity documents to be provided and proof of source of funds for payments made by CHAPs only, in relation to the Offer for Subscription and, if applicable, the Tax Residency Self-Certification Forms, must be posted to Link Asset Services (acting as Receiving Agent) so as to be received by no later than 11.00 a.m. (BST) on 26 July 2018. The Initial Placing and Offer for Subscription in the UK are conditional upon: (a) the Placing and Offer Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (b) the Minimum Net Proceeds being raised; and (c) Initial Admission occurring by 8.00 a.m. (BST) on 31 July 2018 (or such later date, not being later than 31 August 2018, as the Company, finnCap, Baden Hill and Exotix may agree). In the event that the Company, in consultation with finnCap, Baden Hill, Exotix, PSG Capital and AXYS Stockbroking, wishes to waive condition (b) referred to above, the Company will be required to publish a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure). If any such conditions are not satisfied or, if applicable, waived, the Issue will not proceed and application monies will be refunded to the applicants, by cheque (at the applicant's risk), without interest, as soon as practicable thereafter. To the extent that South African investors participate in the Initial Placing or Offer for Subscription in the UK by subscribing for Ordinary Shares that will be issued on the Guernsey branch register, such South African investors can only do so by engaging with offshore intermediaries and by complying with the South African exchange control requirements and prudential limits in using offshore funds. Such participation cannot be effected through PSG Capital on the basis that PSG Capital will only embark upon a private placement of Ordinary Shares to invited investors that will subscribe for Ordinary Shares on the South African register. Any interaction by PSG Capital with South African investors that subscribe for Ordinary Shares on the Guernsey branch register is purely incidental and is not intended to be an offer to the public to those investors in South Africa or to make the prospectus available to them for UK purposes. The Initial Placing in South Africa is conditional, *inter alia*, upon: (a) the PSG Capital Mandate becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (b) the Placing and Offer Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (c) the Minimum Net Proceeds being raised; and (d) Initial Admission occurring by 9.00 a.m. (SAST) on 31 July 2018 (or such later date, not being later than 31 August 2018, as the Company and PSG Capital may agree).

		The Initial Placing in Mauritius is conditional, *inter alia*, upon: (a) the Placing and Offer Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (b) the Minimum Net Proceeds being raised; and (c) Initial Admission occurring by 11.00 a.m. (MUT) on 31 July 2018 (or such later date, not being later than 31 August 2018, as the Company and AXYS Stockbroking may agree). Each allotment and issue of Ordinary Shares pursuant to a Subsequent Placing is conditional, *inter alia*, on: (a) the Placing Programme Price being determined by the Directors; (b) Admission of the Ordinary Shares issued pursuant to such issue; (c) a valid supplementary prospectus being published by the Company if such is required pursuant to the Prospectus Rules; and (d) the Company having sufficient Shareholder authorities in place to issue such shares.
E.4	Material or conflicting interests	Not applicable; there are no interests that are material to the Issue or the Placing Programme and no conflicting interests.
E.5	Selling securities holders and lock-up agreements	Not applicable; there are no persons offering to sell shares in the Company as part of the Issue or the Placing Programme. Pursuant to the Lock-in Deed, the Executive Directors and the Senior Manager have agreed that they will not (save in certain circumstances) dispose of any interest in any Ordinary Shares held or acquired by them prior to the first anniversary of Initial Admission.
E.6	Dilution	The Ordinary Shares being issued pursuant to the Issue will represent approximately 48.3 per cent. of the Enlarged Share Capital, assuming that the Issue is subscribed as to 200 million Ordinary Shares. Existing Shareholders who do not participate in the Issue will suffer a maximum dilution of approximately 48.3 per cent. to their ownership and voting interests in the Company by virtue of the issue of Ordinary Shares pursuant to the Issue. If 100 million Ordinary Shares are issued pursuant to the Placing Programme, assuming the Issue is subscribed as to 200 million Ordinary Shares and that there are no other changes to the issued share capital following the date of this document, there would be a dilution of approximately 24.15 per cent. in a Shareholder's ownership and voting interests in the Company in the event that the Shareholder does not participate in the Placing Programme.
E.7	Estimated expenses charged to investors by the Company	Not applicable; expenses of, or incidental to, the Issue will be paid by the Company. There are no commissions, fees or expenses to be charged to investors by the Company. The costs and expenses of each issue of Placing Programme Shares pursuant to a Subsequent Placing will depend on subscriptions received.

RISK FACTORS

The Group's business, financial condition, performance, prospects, results and/or Ordinary Share price could be materially and adversely affected by any of the risks described below. If any of the adverse events described below actually occur, investors may lose all or part of their investment.

In addition to the other information set out in this document, the risks described below should be carefully considered by investors and prospective investors prior to making any investment decision relating to the Ordinary Shares. The risks set out below are those risks which the Directors consider to be material as at the date of this document, but are not the only risks relating to the Ordinary Shares and the Group. There may be additional risks that the Directors do not currently consider to be material or of which the Directors are not aware, which may affect the Group's financial condition, performance, prospects, results and/or the price of the Ordinary Shares.

An investment in the Ordinary Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Ordinary Shares should constitute part of a diversified investment portfolio. If investors are in any doubt as to the consequences of their acquiring, holding or disposing of Ordinary Shares, or whether an investment in Ordinary Shares is suitable for them in the light of information in this document or their personal circumstances, including the financial resources available to them, they should consult their stockbroker or other independent financial adviser authorised under FSMA or, in the case of investors outside the United Kingdom, another appropriately authorised independent financial adviser before making their own decision to invest in the Ordinary Shares.

1 Risks relating to the Company and the markets in which it operates

The Company may not achieve its strategic objectives

The Company may not achieve its strategic objectives. Meeting those objectives is a target but the existence of such objectives should not be considered as an assurance or guarantee that they can or will be met.

The Company will be dependent upon the Board and executive management's successful implementation of the Company's investment strategy and, ultimately, on its ability to grow the property portfolio to generate the target returns. Management's ability to implement the Company's acquisition strategy will be subject to a number of factors, including market conditions and the timing of acquisitions relative to market cycles, many of which are beyond the control of the Company and difficult to predict. There can be no assurance that management will be successful in sourcing suitable investment properties for the Company.

The Company's strategic objectives include the aim of providing Shareholders with a dividend income. There is no guarantee that any dividends will be paid in respect of any financial year or period and no guarantee as to the level of any future dividends to be paid by the Company. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Company's portfolio of property assets. There can be no guarantee that the Company will achieve the stated target dividend or returns referred to in this document or that it will not sustain any capital losses through its investments.

An investor may not get back the amount originally invested. The Company can offer no assurance that the Group's portfolio of property assets will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

Property valuation

The valuation of the Group's properties is inherently uncertain due to, amongst other things, the individual nature of each property, its location and the expected future net revenue generation from that particular property, taking into account relevant appropriate market factors at the time of valuation and the fact that the valuation of property is inherently a subjective opinion at a given point in time and based on a range of assumptions and estimations which require professional judgment by a duly qualified, experienced and accredited independent and professional valuer. Property investments can perform in a cyclical nature and values can increase or decrease. Economic, political, fiscal and legal issues can affect values as they can with any other investment. The Group's portfolio will be valued on each valuation date by an independent professional valuer. This valuation will be by way of a professional opinion of the open market value of the portfolio. The valuation will be undertaken by such reputable entity as may be appointed by the Company from time to time. This entity will be paid fees in accordance with the industry standards for such services.

For the purpose of the valuation reports in Parts 12, 13 and 14 of this document, in determining market value, the valuers are required to make certain independent assumptions based on their experience, market and asset opinion at the time of the valuation with information available at the time. Such assumptions may prove to be inaccurate. Incorrect assumptions or flawed assessments underlying a valuation report could negatively affect the Group's financial condition. Although it is currently not the Group's strategy to dispose of its assets, should a potential disposal opportunity arise that was assessed as strategically and financially beneficial to the Group, any incorrect valuation assumptions could potentially inhibit the Group's ability to realise a sale price that reflects the stated valuation. Further, if the Group acquires properties based on inaccurate valuations, the Group's net assets and results of operations may be materially adversely affected. There can be no assurance that the valuations of the Group's current and prospective properties will be reflected in actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and estimated annual rental income will prove to be attainable or sustainable. In addition, property valuations are dependent on the level of rental income receivable and anticipated to be receivable on that property in the future and, as such, declines in rental income could have an adverse impact on revenue and the value of the Group's properties.

Any of the foregoing factors could have an adverse impact on the Group's business, financial condition and/or results of operations.

Past performance

The past performance of the Company is not a guide to the future performance of the Company. There can be no guarantee that the business strategy of the Company will be successful or that any stated current or future targets or returns will be achieved.

Factors affecting future performance

The performance of the Company could be adversely affected by a downturn in the property market in terms of capital value or a weakening of rental yields. In the event of a default by a tenant (where there is no parent or holding company guarantee) or during any other void period, the Company will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, rates and marketing costs.

Any future property market recession could materially adversely affect the value of properties. Returns from an investment in property depend largely upon the amount of rental income generated from the property and the costs and expenses incurred in the maintenance and management of the property, as well as upon changes in its market value.

Rental income and the market value for properties are generally affected by overall conditions in the relevant economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates.

Both rental income and property values may also be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

The Group may face significant competition from other property companies. Competition in the property market may lead either to an over-supply of premises through over-development or to prices for existing properties or land for development being driven up through competing bids by potential purchasers. Accordingly, the existence of such competition may have a material adverse impact on the Group's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis and to acquire properties or develop land at satisfactory prices.

Major tenants are tenants who are a single tenant occupying a property and/or a tenant for whom a property was specifically designed and built and/or a tenant whose rental contribution is a large percentage of the monthly rental collection and/or whose presence is significant for a property's sustainability or demand or success. Default by such a major tenant might significantly impact the profitability of the Group and affect the loan repayment capacity of the Group.

External events beyond the control of the Group may have a negative impact on demand at the Group's properties and therefore the value of the Group's properties

Demand at the Group's hotels is dependent on the travel industry and demand at the Group's shopping centres is affected by consumer spend. Any declines in, or disruptions to, the travel industry or declines in consumer spend at the Group's shopping centres may therefore adversely affect demand for, and the value of, the Group's properties and impact the ability of the Group's tenants to pay rent to the Group. For example, the occurrence of events such as adverse weather, an outbreak of an infectious disease or any other serious public health concern, could result in a reduction of demand at the Group's hotels and/or consumer spend at the Group's shopping centres.

In addition, accidents, system failures or other similar external events could raise questions as to the safety and security of the Group's assets and result in reputational damage and/or impact the Group's business, financial condition and/or results of operations.

Furthermore, terrorist attacks or war could damage infrastructure or associated transport infrastructure or otherwise inhibit or prevent access to the Group's properties or harm the demand for, and the value of, the Group's properties.

African markets in general are subject to frontier and emerging markets risks

Notwithstanding the fact that the Group only operates in carefully pre-determined and approved jurisdictions which satisfy key investment criteria, African markets in general – as with all frontier and/or emerging economies – are subject to higher risk than more developed markets, including in some cases significant legal, economic and political risks. Recent positive trends in most, if not all, African countries, such as the increase in the gross domestic product, relatively stable currency, strong domestic demand, rising real wages and a reduced rate of inflation are not guaranteed to continue.

The occurrence of local unrest or external tensions could adversely affect the region's political and economic stability and, consequently, adversely affect the Group's investments.

The financial operations of the Company may be adversely affected by general economic conditions, by volatile market conditions applicable to global markets generally or African countries in which the Group operates and holds assets specifically or by the particular financial condition of other parties doing business with the Company.

Country, legal and regulatory risk

The Group operates in a multi-jurisdictional environment and is therefore exposed to regulatory risk in a number of different jurisdictions. Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Group's business, investments and performance or may result in fines or public censures.

The Company is subject to, and will be required to comply with, certain regulatory requirements which are applicable to companies whose shares are admitted to a Standard Listing. In addition, the Company is subject to regulatory risk for non-compliance with the listing requirements of both the SEM and the JSE. Failure to comply with the rules and regulations may lead to, *inter alia*, fines and/or public censures and may ultimately affect the reputation of the Group.

In preparation for LSE Admission and the requirement to present historical financial information for the three years ended 30 June 2017, 30 June 2016 and 30 June 2015, the Directors identified a number of adjustments. These adjustments arose from both variations in the established practice of applying IFRS in different jurisdictions and also the correction of prior period errors. The Company and its local advisers have disclosed these restatements to both the SEM and the JSE. There is a risk that one or both the SEM and the JSE may conduct an investigation into the historical financial reporting of the Group. The results of any such investigation may have adverse consequences for the Group, financially and/or as to its reputation, although the Directors believe that, were any such investigation to occur, such adverse consequences are unlikely to be material.

Notwithstanding the Company's use of political risk insurance where deemed appropriate, the Company is also exposed to regulatory risk in respect of exchange control regulations in its operating jurisdictions. The impact of this could be that repatriation of funds for foreign supplier payments, debt repayments, interest and dividends may be blocked or delayed. Moreover, project financing may also be delayed due to approval processes with regulators in relation to foreign equity to debt investments.

Although the Company conducts extensive due diligence prior to making an investment and limits investments to countries that target foreign investment, there can be no guarantee that new government policies and processes will not be adopted that are to the determent of foreign investors such as the Company (in respect of flow of dividends, capital, taxation and land ownership or otherwise).

Contracts in foreign languages

The Group operates in a multi-jurisdictional and, therefore, multi-lingual environment. Distinct contract laws exist in different countries. Accordingly, and notwithstanding the use of local counsel where appropriate, there is a risk of inability to correctly interpret detailed contractual terms and conditions.

Changes in laws relating to the properties

The Group's performance may be materially adversely affected by changes in laws and governmental regulations in relation to properties, including those relating to permitted and planned usage, taxes and government charges, health and safety, fire safety, environmental compliance, maintenance and liability costs, since a change in any of these laws and regulations could result in the Group having to incur additional and material expenses in order to comply with these laws and regulations. A violation of any of these laws and regulations relating to the Group's properties or a failure to comply with the instructions of the relevant authorities (for example, any relevant health and safety authorities) in respect of such properties could lead to criminal liability, criminal fines, costly compliance procedures, negative publicity, reputational damage and/or in certain circumstances a temporary shutdown of all or part of the Group's properties. Such violations, if substantial, could have a material adverse effect on the Group's prospects, financial condition and results of operations.

Political, economic and social risk

Political, economic, social factors, changes in local laws and regulations and in the status of the Group's operating jurisdictions' relations with other countries may adversely affect the value of the Group's assets. In addition, the economies in the Group's operating jurisdictions may differ favourably or unfavourably from other economies in several respects, including the rate of growth of GDP and the rate of inflation. The occurrence of local unrest, or external tensions, could adversely affect political and economic stability in the Group's operating jurisdictions and, consequently, adversely affect the Group's property assets.

Risks associated with events outside the control of the Group

Damage to investment properties as a result of external factors not within the control of Group, for example, earthquake, flood, terrorist attack and riot may lead to material damage to investment properties and, therefore, financial loss to the Group.

Foreign exchange risk

The Group's reporting and functional currency is US Dollars. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and Moroccan Dirham (which itself is partially pegged to the Euro together with the US Dollar) and to a lesser extent the Mauritian Rupee, Mozambican Metical, Zambian Kwacha, Botswanan Pula, Ghanaian Cedi and Kenyan Shilling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Any severe impact on exchange rate conversion may have a negative effect on the Group's earnings, share price, ability to raise capital and repay debts.

Risks relating to the Group's borrowings

The Group's borrowings are secured on its properties and the Group's obligation to make scheduled payments on its indebtedness and to maintain its covenants could limit its financial and operational flexibility and any breach of covenants could require the Group to dispose of assets at significantly less than full value. Additionally, any enforcement of security may lead to reputational damage for the Group and result in lender unwillingness to extend finance and/or raise the Group's future borrowing costs, all of which could have an adverse effect on the business, financial condition and/or results of operations of the Group.

In total, approximately 50.7 per cent. of the Group's borrowings are the subject of parent company guarantees from the Company. In addition, two of the Group's loan facilities in Mozambique have cross default clauses to each other. Such facilities total 14.9 per cent. of total Group borrowings. Any default under such loan facilities could trigger an event of default under other loan facilities and, in the case of borrowings backed by parent company guarantees, a right of recourse to other assets of the Company.

The Group's borrowings also expose it to interest rate risk. Excessive volatility in interest rates may adversely affect the profitability of the Group and return on investments.

Nothing in this risk factor prejudices the working capital statement made in paragraph 10 of Part 19 of this document.

Unsuccessful transaction costs

There is a risk that the Company may incur legal, financial and other advisory expenses arising from unsuccessful transactions, including the Acquisitions, which may include expenses incurred in dealing with transaction documentation and legal, accounting and other due diligence.

There is no certainty that the Acquisitions will become effective as they are subject to the satisfaction of a number of conditions, including *inter alia*: regulatory approvals (including any central bank or competition commission approvals); to the extent required in the leases, consent to a change in shareholding of the property holding company; to the extent required in the leases, waiver of pre-emptive rights to acquire the buildings on the same terms and conditions as the Group; waiver of pre-emptive rights of minority shareholders to consent to the sale of the property holding company's shares; and obtaining sufficient bank debt to part-finance the Acquisitions.

Due diligence may not identify all risks and liabilities in respect of an acquisition

Prior to entering into an agreement to acquire any property, the Group will perform comprehensive due diligence on the proposed investment, including full commercial, legal and technical due diligence and independent external valuations. In doing so, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (including legal reports and property valuations). Due diligence findings and associated remedial actions required are addressed by way of conditions precedent to a transaction and/or by way of contractual warranties and/or indemnities.

However, to the extent that the Group or other third parties underestimate or fail to identify risks and liabilities associated with the relevant property, the property may be subject to defects in title; to environmental, structural or operational defects requiring investigation, removal or remediation; or the Group may be unable to obtain necessary permits.

If there is a due diligence failure and no contractual recourse, there may be a risk that properties are acquired that are not consistent with the Group's investment strategy, that properties are purchased for a price which exceeds their realistic value or that properties are acquired that fail to perform in accordance with projections.

The Group may not have full recourse against a seller in respect of all potential liabilities in relation to acquisitions, whether identified or unidentified

As part of any acquisition, the Group will normally receive certain indemnities, representations and/or warranties from the seller(s). However, these indemnities, representations and/or warranties may not cover all potential liabilities associated with the relevant property holding entity or the property itself, whether identified or unidentified, and they are in certain circumstances limited in their scope, duration and/or amount. Accordingly, the Group may not have full recourse against, or otherwise recover in full from, any relevant seller in respect of all losses which it may suffer in respect of a breach of those representations and/or warranties, or in respect of the subject matter of any of the indemnities, or otherwise in respect of the acquisition.

In addition, the Group will be dependent on the ongoing solvency of the seller(s) to the extent that it seeks to recover amounts in respect of claims brought under such indemnities, representations and/or warranties. All of the above could have an adverse impact on the Group's business, reputation, financial condition and/or results of operations.

Development or redevelopment expenditure may be necessary in the future to preserve rental income

Returns from investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the repair, maintenance and management of the property, as well as upon changes in its market value. Development or redevelopment expenditure may be necessary to preserve the rental income generated from and/or the value of properties, and this may affect the Group's profits and/or cashflows.

Redevelopment, refurbishment and/or expansion potential may be adversely affected by a number of factors

The potential for value optimisation through redevelopment, refurbishment and/or expansion of properties may be adversely affected by a number of factors, including constraints on location, planning legislation and the need to obtain other licences, consents and approvals and the existence of restrictive covenants affecting the title to such property. Consequently, on some of its assets, there may not be an opportunity for the Group to carry out redevelopment or expansion or refurbishment or enhancement work, which, in each case, may have an adverse effect on the Group's business, financial condition and/or results of operations.

The Group may be insufficiently insured against all losses, damages and limitations of use of its properties

The Group's insurance policies follow relevant industry and market best practice and are subject to the usual or standard exclusions of liability and limitations of liability both in amount and with respect to insured loss events. There are certain types of losses, generally of a catastrophic nature, such as those caused by earthquakes, floods, hurricanes, terrorism or acts of war, which may be uninsurable or, for example, in the case of terrorism, are not economically insurable. In addition, insurance proceeds, if any, may be insufficient to repair or replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds, if any, may be inadequate to restore the Group's economic position with respect to the affected real estate.

Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Group could be liable to repair damage caused by uninsured risks. The Group would also remain liable for any debt or other financial obligation related to that property.

There can be no guarantee that the level of insurance cover for the Group now or in the future will be sufficient. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that any insurance proceeds will be received at all. If such losses occur and are not covered by insurance and the Group has to make a payment, there could be an adverse effect on the Group's business, financial condition and/or results of operations.

There is a risk of accidents involving the public at shopping centres and resorts and other premises owned by the Group. Should an accident attract publicity or be of a size and/or nature that is not adequately covered by insurance, the resulting publicity and/or costs could have an adverse impact on the Group's reputation, business, financial condition and results of operations. In such instance, the Group's ability to put in place public liability insurance cover in the future may also be adversely affected.

Unplanned departure of key personnel

The Company is internally managed and therefore relies on its management and their experience, skill and judgement, in identifying, selecting and negotiating the acquisition of suitable investment opportunities. The Company also relies on the Directors, and in particular, the Executive Directors, to manage the day-to-day affairs of the Company. The Executive Directors' service contracts with the Company may be terminated on three months' notice. There can be no assurance as to the continued service of these individuals as directors and employees of the Company. The sudden departure of any of these individuals from the Company without adequate replacement may lead to disruption of operations. The departure of key personnel may require an extended period in which to find suitable replacements and may have a temporary adverse effect on the business.

Skills shortages in certain jurisdictions

The Group is required to publish financial results regularly and to obtain financial information for monitoring and decision-making processes by the Board. In certain of the Group's operating jurisdictions, there is a shortage of suitably qualified finance staff. As a result, and in the event of key staffing changes, there may be a risk of delays from such jurisdictions to report financial information in a timely manner. Consequently, there is a risk of non-compliance with statutory and internal requirements.

Underperformance of property managers

Ongoing and un-remedied failure of property management companies to perform their key performance duties in accordance with cash and/or tenancy management objectives set by the Group may negatively affect the financial performance of the Group. It may lead to reputational risk, cash flow risk, increased vacancy rates, inadequate return on investment and deterioration of buildings due to poor maintenance.

Co-ownership structures in which the Group participates subject it to certain risks

The Group's co-ownership structures in which it participates subject the Group to certain risks of shared ownership and control of the properties affected. Some of the Group's investments and developments are jointly owned with co-investment partners or associates. The Group may enter into additional associate relationships to finance its acquisition, investment and development activity. Whilst the Group manages and controls the assets that it acquires through its co-ownership structures and associate relationships, by definition, control of such assets is shared with the Group's associates. In particular, certain material decisions relating to co-ownership structures are likely to require the consent of both parties, which may restrict the Group's ability to proceed with a planned operational change, acquisition, disposal or development, or the refinancing or repayment of debt.

Whilst the Group's associate relationships are generally good (with contractual agreements entered into at arm's length with suitable recourse for parties in the event of any deterioration of such relationships), if relationships were to deteriorate for any reason, this may potentially give rise to disputes and/or deadlock and, in serious cases, result in the Group exercising its rights in terms of agreements which may result in a delay in the Group pursuing its desired strategy or to exit the arrangement. There may be restrictive provisions and rights which govern sales or transfers of interests in the Group's co-investment arrangements. These may affect the Group's ability to dispose of a property at a time that is most advantageous, for example, by giving the Group's associate a pre-emptive right and/or requiring the approval of the associate to the making of a disposal. In addition, in the event of an associate being unable to make financial commitments to the relevant asset, it may be difficult to proceed with a particular project relating to an asset or the Group may have increased financial exposure as it may be jointly and severally liable under the terms of the agreement with the associate. The Group's ability to recover any such monies from an associate may be limited. Furthermore, the bankruptcy, insolvency or severe financial distress of one of the Group's associates could materially and adversely affect the relevant co-ownership structure or co-owned asset. The Group may have a right to acquire the relevant co-ownership structure or the relevant co-owned property, but the Group may not wish to do so, may not be able to agree an appropriate price and other terms on which to do so or may not have sufficient funds available to do so, any of which could lead to a third party acquiring such an interest or the co-ownership structure's insolvency, both of which may have uncertain outcomes for the Group and could have an adverse impact on the Group's business, reputation, financial condition and/or results of operations. Further, if a co-ownership arrangement has incurred recourse obligations, the insolvency of an associate may, in certain circumstances, result in the Group assuming a liability for a greater portion of those obligations than it would otherwise bear.

2 Risks relating to transformation initiatives

Risks relating to the Guarantee Agreement

In line with Grit's commitment to support local economic growth, Grit has facilitated a transformation initiative jointly with the PIC on behalf of the GEPF. The transformation initiative was to jointly provide guarantees in order to allow DiT to raise cost effective debt facilities in order to subscribe for shares in Grit. The primary security for DiT's financier is a CRO for an amount of US$35.0 million between the PIC and DiT's financier whereby, in the event of default, the PIC would be obliged to purchase the loan from the financier at cost, up to a maximum amount of US$35.0 million. In terms of the Guarantee Agreement between the PIC and Grit, in the event the CRO is triggered, Grit is obliged to guarantee the PIC for 50 per cent. of any losses suffered by the PIC up to a maximum of US$17.5 million. The guaranteed loss is determined as the loan amount less the proceeds of the sale of underlying shares held as security. The terms of DiT's finance arrangements require that 90 per cent. of any dividends received by DiT must be utilised as loan repayments. As at the Latest Practicable Date, the value of the assets, being shares, exceeds the value of the liability, being the loan.

3 Risks relating to the Ordinary Shares

Entitlement to income

Dividend growth from the Ordinary Shares will depend on growth in the Company's returns from its portfolio of property assets.

Any change in the tax treatment of income or gains received or realised by the Company, or the tax treatment of dividends paid by the Company, may reduce the dividends paid to the holders of the Ordinary Shares. A reduction of returns from the Company's investments would adversely affect the yield on the Ordinary Shares. Such a reduction could arise, for example, from lower rental yields.

Currency risk

Dividends declared are denominated in US Dollars. However, Shareholders on the South African register will receive dividend payments in Rand. Accordingly, the value of such dividend received by such Shareholders may be affected favourably or unfavourably by fluctuations in currency rates.

The Ordinary Shares are priced in US Dollars. The Ordinary Shares held and to be traded on the South African register will be quoted and traded in Rand and this would expose Shareholders on the South African register to exchange rate risks.

Consequences of a Standard Listing

A Standard Listing affords Shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. The Directors have resolved that the Company will voluntarily comply with certain provisions of the Listing Rules which would otherwise apply only to a company with a Premium Listing.

The Ordinary Shares are admitted to the Official Market of the SEM and the main board of the JSE and therefore the Company is subject to the SEM Rules and the JSE Listings Requirements.

There may not be a liquid secondary market for the Ordinary Shares, the price of which may fluctuate

There may not be a liquid secondary market for the Ordinary Shares. In addition, the value of the Ordinary Shares can go down as well as up. The market price and the realisable value of the Ordinary Shares, as well as being affected by the underlying value of the Company's assets, will be affected by interest rates, supply and demand for the Ordinary Shares, market conditions and general investor sentiment. As such, the market value of the Ordinary Shares will fluctuate and may vary considerably. In addition, the published market price of the Ordinary Shares will be, typically, their middle market price. Due to the potential difference between the middle market price of the Ordinary Shares and the price at which the Ordinary Shares can be sold, there is no guarantee that the realisable value of the Ordinary Shares will be the same as the published market price.

Listing should not be taken as implying that there will be a liquid market for the Ordinary Shares. There is no guarantee that an active market will arise or be sustained for the Ordinary Shares. If an active trading market is not maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected. Even if an active trading market is maintained, the market price for the Ordinary Shares may fall below their issue price and Shareholders may not realise their initial investment.

Dilution

The Issue Shares will represent approximately 48.3 per cent. of the Enlarged Share Capital, assuming that the Issue is subscribed as to 200 million Ordinary Shares. Existing Shareholders who do not participate in the Issue will suffer a maximum dilution of approximately 48.3 per cent. to their ownership and voting interests in the Company by virtue of the issue of Ordinary Shares pursuant to the Issue, assuming that the Issue is subscribed as to 200 million Ordinary Shares.

Following the Issue, the Company is proposing to seek authority to issue new equity in the future pursuant to the Placing Programme or otherwise. Where pre-emption rights are dis-applied in respect of any such issue, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

Depositary Interest Holders must rely on the Depositary to exercise their rights

Depositary Interest Holders do not have the rights that Mauritian law and the Constitution confer on Shareholders, such as voting rights. In respect of the Ordinary Shares underlying the Depositary Interests those rights vest in the Depositary or any custodian. Consequently, if the Depositary Interest Holders want to exercise any of those rights they must rely on the Depositary or any custodian either to exercise those rights for their benefit or authorise them to exercise those rights for their own benefit. Under the Deed Poll pursuant to which the Depositary Interests are created, the Depositary and any custodian shall pass on to, and so far as they are reasonably able, exercise on behalf of the relevant Depositary Interest Holders all rights and entitlements that they receive or are entitled to in respect of the underlying Ordinary Shares and that are capable of being passed on or exercised. However, there can be no assurance that all such rights and entitlements will at all times be duly and timely passed on or exercised.

4 Risks relating to taxation

Changes to tax status or legislation

Any change in the tax status of the Company or a member of the Group, (including, without limitation, if the Company creates a permanent establishment in the United Kingdom or South Africa) or in taxation legislation or practice in Mauritius, the United Kingdom or elsewhere, could affect the value of the investments in the Group's portfolio and the Company's ability to achieve its strategic objectives.

Automatic exchange of information (AEOI)

To the extent that the Company may be a Reporting Financial Institution under FATCA and/or the Common Reporting Standard, it may require Shareholders to provide it with certain information in order to comply with its AEOI obligations which information may be provided to the UK tax authorities who may in turn exchange that information with certain other tax authorities.

IMPORTANT NOTICES

General

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

This document should be read in its entirety before making any application for Ordinary Shares. Prospective Shareholders should rely only on the information contained in this document and any supplementary prospectus published by the Company prior to Admission. No person has been authorised to give any information or make any representations other than as contained in this document and any supplementary prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, finnCap, Baden Hill, Exotix, AXYS, AXYS Stockbroking or PSG Capital or any of their respective affiliates, officers, directors, employees, agents or advisers.

Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the JSE Listings Requirements and the SEM Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Apart from the liabilities and responsibilities (if any) which may be imposed on finnCap, Exotix or Baden Hill by FSMA or the regulatory regime established thereunder, none of finnCap, Exotix or Baden Hill makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, any Admission, the Issue or the Placing Programme. Each of finnCap, Exotix and Baden Hill (together with its affiliates) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement.

Apart from the liabilities and responsibilities (if any) which may be imposed on PSG Capital by the South African Financial Markets Act, the JSE or the regulatory regime established thereunder, PSG Capital does not make any representations, express or implied, or accept any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, any Admission, the Issue or the Placing Programme. PSG Capital (together with its affiliates) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement.

Apart from the liabilities and responsibilities (if any) which may be imposed on AXYS Stockbroking by the Mauritian Securities Act 2005 or the regulatory regime established thereunder, AXYS Stockbroking does not make any representations, express or implied, or accept any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, any Admission, the Issue or the Placing Programme. AXYS Stockbroking (together with its affiliates) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement.

Apart from the liabilities and responsibilities (if any) which may be imposed on Perigeum Capital by the Mauritian Financial Services Commission or the SEM, Perigeum Capital does not make any representations, express or implied, or accept any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company or any Admission. Perigeum Capital (together with its affiliates) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement.

In connection with the Issue and any Subsequent Placing, finnCap, Baden Hill, Exotix and any of their respective affiliates (acting as an investor for their own account(s)) may subscribe for the Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or related investments in connection with the Issue or any Subsequent Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, finnCap, Baden Hill, Exotix or any of their respective affiliates acting as an investor for its or their own account(s). None of finnCap, Baden Hill or Exotix intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Constitution which investors should review. A summary of the Constitution is contained in paragraph 4 of Part 19 of this document.

Regulatory information

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment, or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption, or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

The Ordinary Shares have not been nor will they be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. In addition, the Company has not registered and will not register under the US Investment Company Act. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the issue of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and the re-offer or resale of any of the Ordinary Shares in the United States may constitute a violation of US law.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue and the Placing Programme. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint UK Placing Agents will only procure investors (pursuant to the Initial Placing and any Subsequent Placing) who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

Notice to prospective investors in South Africa

This document does not constitute a prospectus for the purposes of the South African Companies Act and will not be filed with the South African Companies and Intellectual Property Commission in terms of the South African Companies Act. A copy of this document has been filed with the JSE for noting. Save for the unaudited pro forma financial information set out in Part 16 of this document, which complies with the JSE Listings Requirements, the remainder of this document has not been prepared in terms of the JSE Listings Requirements.

This document is not an invitation to the public in South Africa to subscribe for Ordinary Shares and is issued for the purpose of providing information to invited investors with regard to the Company. This document does not constitute, envisage or represent an offer to the public in South Africa, as envisaged in the South African Companies Act. Only persons who are invited to participate in the Initial Placing or any Subsequent Placing and who fall within any of the categories envisaged in section 96(1)(a) of the South African Companies Act or who subscribe for a minimum amount of R1,000,000 (one million Rand) per single addressee acting as principal, as contemplated in section 96(1)(b) of the South African Companies Act, are entitled to participate in the Initial Placing or any Subsequent Placing in South Africa.

To the extent that South African investors participate in the Initial Placing or Offer for Subscription in the UK by subscribing for Ordinary Shares that will be issued on the Guernsey branch register, such South African investors can only do so by engaging with offshore intermediaries and by complying with the South African exchange control requirements and prudential limits in using offshore funds. Such participation cannot be effected through PSG Capital on the basis that PSG Capital will only embark upon a private placement of Ordinary Shares to invited investors that will subscribe for Ordinary Shares on the South African register. Any interaction by PSG Capital with South African investors that subscribe for Ordinary Shares on the Guernsey branch register is purely incidental and is not intended to be an offer to the public to those investors in South Africa or to make the prospectus available to them for UK purposes.

Notice to prospective investors in Mauritius

This document does not constitute a prospectus for the purposes of the Mauritian Securities Act 2005 and will not be registered with the Mauritian Financial Services Commission in terms of the Mauritian Securities Act 2005.

This document is not an invitation to the public in Mauritius to subscribe for Ordinary Shares and is issued in compliance with the SEM Rules and for the purpose of providing information to invited investors with regard to the Company. This document does not constitute, envisage or represent an offer to the public in Mauritius, as envisaged in the Mauritian Securities Act 2005.

This document serves as Listing Particulars pursuant to the SEM Rules and includes particulars given in compliance with the SEM Rules governing the Official Listing of Securities for the purpose of giving information with regard to the Company. A copy of this document has been filed with the SEM and with the Mauritian Financial Services Commission.

Notice to prospective investors in the European Economic Area

In relation to Relevant Member States other than the UK, an offer to the public of the Ordinary Shares may only be made once a prospectus has been passported in accordance with the Prospectus Directive as implemented by the Relevant Member State. This document has not been passported into any Relevant Member State; therefore, an offer of the Ordinary Shares to the public in a Relevant Member State other than the UK may only be made pursuant to the following exemption under the Prospectus Directive, if it has been implemented in that Relevant Member State:

(a) to legal entities which are "qualified investors" as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) and subject to obtaining the prior consent of finnCap or Baden Hill or Exotix for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU) (the "**2010 PD Amending Directive**") to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

During the period up to but excluding the date on which the Prospectus Directive is implemented in Member States, this document may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any Member State in which such offer or invitation would be unlawful.

Forward-looking statements

This document contains forward-looking statements including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variation or similar expressions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from future results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect changes in expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based, unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules, the JSE Listings Requirements and the SEM Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 10 of Part 19 of this document.

Pro forma financial information relating to the Group

In this document, any reference to pro forma financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in Part 16 of this document. The unaudited pro forma statement of net assets for the Group has been prepared in accordance with Annex II to the Prospectus Directive Regulation EU (809/2004/EC), as amended, and in terms of the JSE Listings Requirements, in a manner consistent with the accounting policies applied in preparing the historical financial information of the Group set out in this document. No account has been taken of any results of other activity since 31 March 2018. The unaudited pro forma statement of net assets has been prepared to illustrate the effects of the Issue, repayment of debt, and significant asset acquisitions on the net assets of the Group, had the Issue, repayment of debt, and significant asset acquisitions taken place on 31 March 2018. The unaudited pro forma statement of net assets has been prepared for illustrative purposes only, and by its nature, addresses a hypothetical situation and therefore, does not reflect the Group's actual financial position or results. It may not therefore give a true picture of the Group's financial position or results, nor is it indicative of the results that may or may not be achieved in the future.

CONSEQUENCES OF A STANDARD LISTING AND VOLUNTARY COMPLIANCE WITH CERTAIN LISTING RULES

Application will be made for the Existing Ordinary Shares and the Issue Shares to be admitted to a standard listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. It is currently intended that, subject to the Company meeting the eligibility criteria under the Listing Rules, Grit will seek a transfer to a Premium Listing within 18 months following Initial Admission.

For as long as the Company has a Standard Listing, a significant number of the Listing Rules will not apply to the Company and Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing. However, the Directors have resolved that, as a matter of best practice and good corporate governance, the Company will voluntarily comply with certain provisions of the Listing Rules (otherwise applicable only to companies with a Premium Listing) from Initial Admission, as set out below.

The Company will comply with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the UK Listing Authority. The Company is not required to comply with the Premium Listing Principles as set out in Chapter 7 of the Listing Rules as they only apply to companies which obtain a Premium Listing. An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapter 2 of the Listing Rules, which specifies the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 25 per cent. of shares of that class must be distributed to the public in one or more EEA states. Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares must be admitted to trading on a regulated market at all times. Such companies must have a minimum number of shares of any listed class (25 per cent.) in public hands at all times in the relevant jurisdictions and must notify the FCA as soon as possible if these holdings fall below the stated level. There are a number of other continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company.

These include requirements as to:

(a) the forwarding of circulars and other documentation to the FCA for publication through the national storage mechanism, and related notification to a Regulatory Information Service;

(b) the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;

(c) the form and content of temporary and definitive documents of title;

(d) the appointment of a registrar;

(e) Regulatory Information Service notification obligations in relation to a range of debt and equity capital issues; and

(f) compliance with, in particular, Chapters 4 and 6 of the Disclosure Guidance and Transparency Rules.

As a company with a Standard Listing, the Company is not required to comply with, *inter alia*, the provisions of Chapters 6 and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to the Listing Principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars. However, as the Ordinary Shares are admitted to the Official Market of the SEM and to the main board of the JSE, the Company is required to comply with the SEM Rules and the JSE Listings Requirements. In addition, as noted above, the Directors have resolved that the Company will voluntarily comply with certain provisions of the Listing Rules (otherwise applicable only to companies with a Premium Listing) as follows:

- Chapter 10 of the Listing Rules relating to significant transactions; and
- Chapter 11 of the Listing Rules regarding related party transactions. The Company shall not enter into any related party transaction without first obtaining: (i) the approval of a majority of the Directors (excluding any Director(s) who may be interested in the transaction); and (ii) a fairness opinion or third-party valuation (as appropriate) in respect of such related party transaction from an appropriately

qualified independent adviser, save in respect of any related party transaction covered by Listing Rule 11.1.10R (smaller related party transactions) whereby no shareholder approval is required or as set out in Annex 1 to Chapter 11 of the Listing Rules, where the related party transaction rules do not apply. This policy may only be modified with Shareholder approval.

In addition to the additional obligations imposed on companies with a Premium Listing under the Listing Rules, there are additional eligibility criteria for such companies.

Chapter 6 of the Listing Rules contains additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing. Consequently, the Company does not intend to comply with such provisions.

It should be noted that the UK Listing Authority will not have the authority to monitor the Company's voluntary compliance with any Listing Rules which are applicable solely to companies with a Premium Listing, nor will the London Stock Exchange have the authority to monitor the Company's voluntary compliance with any of the Listing Rules applicable to companies with a Premium Listing (and will not do so) nor will they impose sanctions in respect of any breach of such requirements by the Company.

ISSUE STATISTICS

Issue Price	US$1.43
Number of Existing Ordinary Shares in issue as at the date of this document	214,022,425
Target number of Ordinary Shares to be issued pursuant to the Issue*	200 million
Issue Shares as a percentage of the Enlarged Share Capital*	48.3 per cent.
Gross proceeds of the Issue*	US$286 million
Estimated expenses of the Issue*	US$10.1 million
Estimated net proceeds of the Issue receivable by the Company after expenses*	US$275.9 million

* Assuming gross proceeds of the Issue of US$286 million. The number of Ordinary Shares to be issued pursuant to the Issue, and therefore the gross proceeds of the Issue, is not known as at the date of this document but will be notified by the Company via a Regulatory Information Service, a SENS and a SEM announcement prior to Initial Admission. The Directors have reserved the right, in conjunction with the Joint UK Placing Agents, to increase the size of the Issue to a maximum of 250 million Ordinary Shares if overall demand exceeds 200 million Ordinary Shares, with any such increase being announced through a Regulatory Information Service, a SENS and a SEM announcement.

PLACING PROGRAMME STATISTICS

Maximum size of the Placing Programme	100 million Ordinary Shares
Placing Programme Price	not less than the most recently published Net Asset Value per Share at the time of the relevant Subsequent Placing

DEALING CODES

LSE SEDOL	0473N000
LSE Ticker	GR1T
SEM Share Code	DEL.N0000
ISIN	MU0473N00036
JSE Share Code	GTR

EXPECTED TIMETABLE

Each of the times and dates set out below is subject to change. Any changes to the expected timetable will be notified by publication of a notice through an RIS, a SENS and a SEM announcement. All references to times in this document are to London times unless specified otherwise.

Issue	**2018**
Initial Placing and Offer for Subscription opens	18 July
Latest time and date for receipt of completed Application Forms and, if applicable, Tax Residency Self-Certification Forms, payment in full and source of funds under the Offer for Subscription	11.00 a.m. (BST) on 26 July
Latest time and date for commitments under the Initial Placing	5.00 p.m. (BST) or 5.00 p.m. (SAST) or 5.00 p.m. (MUT) on 26 July
Announcement of results of the Issue	30 July
Initial Admission and commencement of dealings in the Issue Shares and, in the case of dealings on the London Stock Exchange, the Existing Ordinary Shares	8.00 a.m. (BST) or 9.00 a.m. (SAST) or 11.00 a.m. (MUT) on 31 July
CREST stock accounts expected to be credited with Depositary Interests (where applicable)	as soon as practicable after 8.00 a.m. (BST) on 31 July
CSDP or brokerage accounts credited with uncertificated Ordinary Shares (where applicable)	as soon as practicable following Initial Admission
Where applicable, share certificates for Ordinary Shares expected to be despatched	within 10 Business Days of Initial Admission

Placing Programme	**2019**
Latest date for issuing Ordinary Shares under the Placing Programme	17 July

DIRECTORS AND ADVISERS

Board of Directors	Peter Todd – *Independent non-executive Chairman* Ian Macleod – *Non-executive and Senior Independent Director* Bronwyn Corbett – *Executive Director and Chief Executive Officer* Leon van de Moortele – *Executive Director and Chief Financial Officer* Paul Huberman – *Independent non-executive Director* Catherine McIlraith – *Independent non-executive Director* Matshepo More – *Non-executive Director* Nomzamo Radebe – *Non-executive Director*
Company Secretary and Registered Address	Intercontinental Fund Services Limited Level 5, Alexander House 35 Cybercity Ebene, 72201 Mauritius
Financial Adviser and Joint UK Placing Agent	finnCap Limited 60 New Broad Street London EC2M 1JJ United Kingdom
Joint UK Placing Agent	Exotix Partners LLP 1st Floor, Watson House 54 Baker Street London W1U 7BU United Kingdom
Joint UK Placing Agent	Baden Hill (a trading name of Northland Capital Partners Limited) 40 Gracechurch Street London EC3V 0BT United Kingdom
Lead Transaction Adviser	AXYS Corporate Advisory Limited 6/7 Floor, Dias Pier Building Le Caudan Waterfront Caudan, Port Louis Mauritius
South African Sponsor and Placing Agent	PSG Capital Proprietary Limited 1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600 South Africa and 2nd Floor Building 3 11 Alice Lane Sandhurst Sandton, 2196 South Africa
Mauritius Placing Agent	AXYS Stockbroking Limited 6/7 Floor, Dias Pier Building Le Caudan Waterfront Caudan, Port Louis Mauritius

SEM Authorised Representative & Sponsor and Mauritian Transaction Adviser	Perigeum Capital Ltd Level 4, Alexander House 35 Cybercity Ebene, 72201 Mauritius
English Legal Advisers to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Mauritian Legal Advisers to the Company	BLC Robert & Associates Ltd 2nd Floor, The Axis 26 Bank Street, Cybercity Ebene 72201 Mauritius
South African Legal Advisers to the Company	Cliffe Dekker Hofmeyr Incorporated 1 Protea Place, Sandton Johannesburg, 2196 South Africa
Legal Advisers to the Joint UK Placing Agents as to English law	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
Auditors	BDO & Co 10 Frère Félix de Valois Port Louis Mauritius
Reporting Accountant	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
Independent Property Valuers	Jones Lang LaSalle (Pty) Ltd 3rd Floor, The Firs Cnr Craddock & Biermann Rosebank, 2196 Johannesburg South Africa and Broll Valuation & Advisory Services (Pty) Ltd 61 Katherine Road Sandown Ext 56 Sandton 2196 PO Box 1455 Saxonworld 2132 South Africa and REC Real Estate Consulting, LDA Edificio JAT V-1 Rua. Dos Desportistas 833 14º Andar, Maputo Mozambique

Guernsey Branch Registrar	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
UK Receiving Agent	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Depositary	Link Market Services Trustees Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Mauritian Registrar and Transfer Agent	Intercontinental Secretarial Services Limited Level 3, Alexander House 35 Cybercity Ebene, 72201 Mauritius
South African Transfer Secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg, 2196 South Africa
Principal Bankers	Standard Bank (Mauritius) Limited Level 9, Tower A 1 CyberCity Ebene Mauritius
	Afrasia Bank Limited 10 Dr Ferriére Street Port Louis Mauritius
	SBM Bank (Mauritius) Ltd 9th Floor SBM Tower Port Louis Mauritius
	Barclays Bank Mauritius Limited International Banking 1st Floor, Barclays House Barclays House 68-68A, Cybercity Ebene Mauritius

PART 1

INVESTMENT HIGHLIGHTS

Grit provides an attractive option for income-seeking investors (with potential for future capital growth built in) – the higher property yields and rental escalation available from non-traditional property markets, underpinned by leases from global corporate tenants, provide a solid foundation for consistent returns:

- Grit is targeting a US Dollar total return of approximately 12.00 per cent. per annum.[2]
- The target dividend in relation to the six months ended 30 June 2018 is approximately 5.9 cents per Share.[3]
- Grit has paid eight dividends since its launch in 2014.
- Grit's experienced management team, along with operational and support staff, have in-depth practical experience of the property sector in the Group's existing and targeted jurisdictions. Grit has established deep relationships with key stakeholders in its existing and targeted jurisdictions including large reputable developers, international blue chip tenants, key regulators and administrators, which Grit intends to continue to leverage fully in the future.
- Tenant strength and quality are the principal risk determinants in Grit's business model, with the majority of income due from multinational tenants not dependent upon the relevant domestic economy.
- Grit's focus on counterparty strength and long-term lease durations (weighted average lease expiry as at 30 June 2018 was 7.0 years) means Grit benefits from high occupancy rates (approximately 97.2 per cent. as at 30 June 2018) and low tenant defaults.
- Approximately 95 per cent. of Grit's rental income is generated in US Dollars and Euros (or in currencies pegged to the US Dollar or Euro), which significantly reduces African currency risk.
- To limit the risk of not being able to convert and/or transfer hard currency, Grit has taken out political risk insurance where necessary at marginal cost.
- Grit's management have historically demonstrated that there are robust processes in place along with strong competency to manage its assets as Grit grows through acquisition and to ensure that net rents flow to the Company as the holding company of the Group and onwards to Shareholders as dividends.
- As a result, Grit has built a quality track record of acquiring superior property assets in Africa, attracting equity funding from high-calibre institutional investors and debt funding from a growing number of leading international banks.
- Grit's business model brings a much greater level of sophistication to property markets in many African countries that either do not have REIT legislation or which have property markets that are evolving.
- The size and strength of Grit's balance sheet as well as its commitment to good corporate governance has created a suitable alternative for international tenants to lease their property rather than own it themselves. The ability to have a reliable landlord in non-traditional markets allows international tenants to follow international market norms of leasing their properties.
- The Group's existing and expansive network of developers, property owners and tenants is expected to continue to provide the Group with a significant pipeline of acquisition opportunities across the African continent. In addition to continuing to capitalise on the experience and knowledge gained in its existing markets (such as Mozambique, Morocco, Zambia, Kenya, Ghana and Mauritius), the Group will also seek out key strategic partners in new jurisdictions with strong local knowledge and presence in order to expand across the continent with a measured approach, whilst at all times limiting the costs and risks of entering such new jurisdictions.

[2] This is a target only and is not guaranteed. It is based on a number of bases and assumptions which may or may not materialise.

[3] This is a target only and is not guaranteed. It is based on a number of bases and assumptions which may or may not materialise.

- The Group will continue to focus on acquiring completed, high-quality income-producing assets that meet its stringent investment criteria of being US Dollar or Euro underpinned leases with strong counterparty tenants. The Group has a highly experienced Investment Committee, which interrogates and scrutinises the investment merits of potential acquisitions against a clearly defined investment process and meets regularly to discuss investment opportunities. The Investment Committee ensures no deviation from this investment process and/or the broader investment strategy of the Company.

PART 2

THE COMPANY

1 Introduction

Grit is a leading pan-African real estate company focused on real estate investment assets in pre-selected African countries (excluding South Africa). Grit's assets are underpinned by predominantly US Dollar and Euro denominated long-term leases with high quality tenants, and delivering strong sustainable long-term income. Grit currently has a dual primary listing on the Official Market of the SEM and the main board of the JSE.

Given the high economic growth experienced in a number of countries in Africa and the resultant rapid expansion of, and investment in, infrastructure to support this growth, Grit was founded to offer investors direct participation in property markets on the African continent (excluding South Africa), whilst earning predominantly Euro and US Dollar-based income from leading international tenants at emerging market yields. The Group's current portfolio includes assets in Mauritius, Morocco, Mozambique, Zambia, Kenya, Botswana and Ghana. Further details on the Existing Portfolio are set out in Part 3 of this document.

The Company has a strong management and support team with the senior executive team having over 65 years combined African real estate experience, supported by in-country asset and property management teams. The internal management team actively manages the portfolio centrally (supported by local teams on the ground in-country) by on-going monitoring of the operations, local market factors and the growth trajectory of the portfolio and the Group as a whole.

Grit has developed a reliable track record of consistently achieving US Dollar-based distribution payments. Moving forward, Grit is targeting a US$ total return of approximately 12.00 per cent. per annum. The target dividend in relation to the six months ended 30 June 2018 is approximately 5.9 cents per Share[4].

2 History and timeline

The following are the significant events which have occurred in connection with the principal activities of the Group up to the date of publication of this document:

July 2014	Acquired Commodity House Phase I (Mozambique) as its first asset for US$32.5 million
July 2014	Acquisition of Anfa Place Shopping Centre (Morocco) for US$114.68 million
July 2014	Completion of inward listing on the JSE Limited's ALT-X Board
March 2015	Maiden distribution of US$6.64 cps
March 2015	Debut on Official Market of the SEM and migration from BSX
April 2015	Introduction of the Government Employees Pension Fund (of South Africa) as anchor Shareholder in US$42.0 million capital raise
April 2015	Acquisition of Hollard/KPMG (Mozambique) building for US$14.9 million
May 2015	Acquired the Vodacom Building (Mozambique) for US$49.0 million
June 2015	Maiden issue of shares on the SEM
July 2015	Transfer of the Company's listing from the ALT-X Board to the Main Board of the JSE Limited
August 2015	Paid second distribution of US$4.65 cps, taking FY2015 distribution to a total of US$11.29 cps
August 2015	Acquisition of Zimpeto Square (Mozambique) for US$10.2 million

[4] This is a target only and is not guaranteed. It is based on a number of bases and assumptions which may or may not materialise.

November 2015	Grit and Pivotal enter into a business relationship agreement to work together and develop a pipeline through promoter agreements to source investment opportunities
December 2015	Acquired 50 per cent. stakes in Kafubu Mall and Mukuba Mall (Zambia) for US$40.6 million
February 2016	Acquisition of Barclays House (Mauritius) for US$13.6 million
March 2016	Paid third distribution of US$6.17 cps for the six-month period ended 31 December 2015
April 2016	Acquisition of a 50 per cent. stake in Buffalo Mall (Kenya) & Bollore Warehouse (Mozambique) for US$14.8 million (combined)
May 2016	Internalisation of the Group's asset management function and team
October 2016	Paid fourth distribution of US$5.58 cps, taking FY2016 distribution to a total of US$11.75 cps
December 2016	Leaseback acquisition of a 44.4 per cent. stake in Beachcomber Hospitality Investments (BHI), owner of 3 luxury resorts in Mauritius for US$83.4 million
March 2017	Leaseback acquisition of Tamassa Resort (Mauritius) from Lux Resorts for US$40.0 million and acquisition of Mall de Tete (Mozambique) for US$24.2 million
March 2017	Paid fifth distribution of US$6.12 cps
June 2017	Sixth distribution – clean out dividend for period 1 January 2017 to 30 April 2017 of US$4.57 cps prior to rights offer
June 2017	Raised US$121.0 million by way of a rights offer at an issue price of US$1.40 per Ordinary Share, significantly increasing market cap and asset value to approximately US$600 million
June 2017	Acquisition of a 50 per cent. stake in Cosmopolitan Mall (Zambia) for US$37.2 million
July 2017	Shareholders approved Grit's rebrand and name change to Grit Real Estate Income Group Limited, reflecting the Group's current reality and future growth ambitions
August 2017	Acquisition of Imperial Distribution Centre (Kenya) for US$18.0 million
August 2017	Acquisition of a 6.25 per cent. stake in Letlole La Rona (Botswana) for US$3.8 million
September 2017	Completion of Commodity House Phase II (Mozambique) at a cost of US$15.9 million and a value of US$17.4 million
October 2017	Inclusion into the SEM-10 Index
October 2017	Paid final distribution for FY 2017 (and seventh in total) of US$1.38 cps, taking the full distribution for the year to US$12.07 cps
January 2018	Acquisition of VDE Housing Estate (Mozambique) for US$33.1 million
March 2018	Paid eighth distribution of US$6.07 cps
April 2018	Announcement of intention to list on the London Stock Exchange
May 2018	Acquisition of a 47.5 per cent. interest in Capital Place Building in Accra (Ghana) for US$8.5 million

3 Investment strategy

Within the next five years, Grit is aiming to become the leading real estate owner on the African continent (excluding South Africa), focusing on income-producing assets with strong counterparties as tenants, to seek to ensure consistent income and capital growth.

Grit's investment strategy is built around the following core principles:

- to grow the portfolio based on quality hard currency long-term leases and strong counterparty tenants;
- to focus on countries with existing/pending REIT structures; and
- to develop and maintain strategic partnerships in existing select jurisdictions that will secure pipeline and strengthen in-country resources.

Grit seeks opportunities in high-yielding properties anchored by high quality tenants in economically sound and politically stable African jurisdictions.

The importance of REITs for Africa and Grit

The South African-listed real estate market provides an excellent case study on the impact that the promulgation of REIT status can have. The introduction of REIT status in May 2013 was a catalyst in transforming the sector from obscurity to one of the best performing asset classes on the JSE over the past five years.

Until recently, REITs have been only marginally successful within many of the African countries that have established REIT frameworks. This is mainly because of a lack of awareness amongst key institutional investors as well as the contexts in which these markets are emerging: in a number of instances, REITs are structured or classified as collective investment schemes with a minimum real estate investment requirement, but no or limited tax incentive or structuring.

In certain countries – including Morocco, Ghana, Kenya and Rwanda – pension funds and regulators are actively working towards transforming REIT structures to attract investment and development capital, with a significant amount of effort going into creating awareness of the structure and its benefits.

The Board believes that, over time, transformation of REIT structures will create a platform for growth in African real estate markets and for the wider economy of African countries as a whole. The Board has mandated the executive team to engage with both pension funds and regulators on this matter in key current and target jurisdictions, including Kenya, Morocco, Ghana and Rwanda.

4 Investment process

Grit considers key investment criteria such as the ability to conduct business in hard currency, repatriation of funds, political risk, currency risk, secure land tenure and debt raising ability in the first instance before proceeding further with the consideration of any investment opportunity.

In addition to the above, the criteria against which Grit determines the attractiveness of an African country for investment include, but are not limited to, the following:

- established Grit in-country presence, partnerships and local experience;
- underpinned with hard currency based economies;
- natural synergies with the European tourism and local retail market;
- strong urbanised and youthful middle class;
- business friendly regime and favorable policy reform;
- stable government where political risk has been mitigated;
- established rule of law, with the ability to write contracts governed by, or proceed to arbitration under, established legal regimes;
- sustainable high economic growth rates;
- acceptable GDP/spending power per capita;
- strong inflow of foreign direct investment;
- acceptable sovereign ratings and outlook by ratings agencies;

- clear tax regimes; and
- ability to repatriate funds to Mauritius.

Risk mitigation

Managing the risks that often exist or are perceived to exist when doing business in Africa is a critical element of Grit's investment approach and process. Grit mitigates operational and other risks associated with African real estate investments through the following key measures:

- Country Risk: Pre-determined/approved selection of target jurisdictions, which satisfy key investment criteria (the status of which are monitored on a consistent basis);
- Repatriation Risk: Ensuring a comprehensive and up-to-date understanding of rules and regulations surrounding repatriation of funds and maintaining robust relations with local central banks in Grit's countries of operation;
- Currency Risk: Prioritisation of assets with US Dollar or combined US Dollar/Euro denominated leases and prioritisation of tenants with access to hard currency revenues from operations;
- Tenancy Risk: Prioritisation of long-term leases with blue chip multinational tenants (i.e. strength of counterparty), supported and strengthened by parent or holding company guarantees where prudent or relevant in the circumstances. Where lease agreements expire within a 3 to 5 year period of acquisition, Grit takes all reasonable steps to either obtain an early renewal commitment from key tenancies in the property and/or a guarantee from the relevant seller for the minimum WALE period income stream post acquisition;
- Operational Risk: Detailed pre-investment assessment of both the ease and cost necessary in ensuring the functional operation of the property, together with the selection of reputable, experienced in-country partners and property managers;
- Over-exposure Risk: A defined diversification strategy, with strategic limits in place related to any or a combination of the following factors: (a) size and value of any single investment; and/or (b) country level; and/or (c) sectoral level; and/or (d) exposure to any single tenant; and
- Political Risk: Political risk insurance (PRI) cover taken out where necessary.

All of these measures create margins of safety around Grit's investments:

Further details on Grit's risk governance and Risk Committee are set out in Part 7 of this document.

Counterparty strength

As part of its risk mitigation strategy – as well as to ensure stable returns for investors – the Company places a strong focus and emphasis on the importance of long-term, hard currency leases by engaging with multinational tenants. This ensures that currency risk due to fluctuations in local currency is kept to a minimum, thereby providing a more reliable income stream for Shareholders.

The portfolio is diversified across sectors, jurisdictions and tenants and includes key tenancies signed with large multinationals, supported and strengthened by parent or holding company guarantees where prudent or relevant in the circumstances. This is evidenced by the composition of the Group's top ten tenancies which includes global hospitality brands such as Beachcomber and Lux, retail tenants such as Shoprite, financial sector tenants such as Barclays as well as oil and mining, logistics and telecommunications providers such as Vale, Imperial and Vodacom.

With its focus on counterparty strength, the Company optimises its structural investments underpinned by solid property and economic fundamentals to achieve superior US Dollar and Euro returns.

Over time, the resilience and tenure of the Group's tenant leases have proven the Group's focus on counterparty strength to be the correct approach. The Group applies stringent investment criteria based on the following key principles:

- ability to conclude leases in hard currency;
- ability to repatriate funds;
- ability to mitigate/insure against political and currency risk;
- land tenure; and
- ability to raise in-country debt.

Grit's most recent transactions with Beachcomber include covenants against the listed parent company in case of default by the operating entity. This, combined with political risk insurance where necessary, provides additional layers of protection against repatriation risk. With effect from 1 July 2018, the Company holds extended Political Risk Insurance providing the Group with further cover in its operating jurisdictions in respect of US Dollar liquidity and expropriation of funds.

In addition to its focus on mitigating counterparty risk, Grit applies significant time and effort in mitigating risk through its portfolio construction and diversification strategies. The Board considers the following areas to be critical:

Multi-jurisdictional

Grit has a self-imposed soft concentration limit of 25 per cent. of gross assets per operational jurisdiction, to ring-fence the Group's exposure to unforeseen events, be they economic, political or natural.

Asset class diversification

The real estate market on the African continent is not yet deep enough to allow for sector specialisation.

Since Grit's mitigation strategy is predominantly focused on counterparty strength and lease tenure (apart from macro-economic qualifications), it therefore considers expansion into any asset class provided risk can be mitigated (as per recent sale-and-leaseback transactions with Mauritian leisure groups, where Grit assumes no direct hospitality risk).

Diversification through co-investors

The ability to leverage on-the-ground expertise remains key to sustainability and growth in the Group's operating markets. Valuable lessons have been learnt since Grit's first acquisitions in 2014 and management has built a track record of retaining the vendor as either the asset manager/operator and/or co-investor in some of its key assets, providing shared risk and also a shared vision.

Long lease terms

Grit's investment criteria prescribe a minimum remaining lease term without which Grit will not consider an acquisition. This, together with the quality of the tenant, not only provides comfort around income streams but has a direct impact on the cost of debt that can be spread over a longer-term.

Financing strategy and policy

Financing the Group's various acquisitions is an integral part of Grit's business model and Grit's Board and senior management continuously seek to build strong relationships with the Group's finance partners. Grit has adopted a multi-bank approach, which has proven to be effective thus far, which lessens its dependence upon any one financing partner.

Historically Grit has targeted a Loan-to-Value level across its real estate portfolio of 50 per cent. Following the LSE Admission, Grit will target a maximum Loan-to-Value level across the portfolio of 40 per cent.

Loan facilities are typically secured against specific assets and may include the cession of rental income, other receivables and insurance payments associated with those assets. Further security may be offered in the form of pledged shares in the asset-owning-entity by the intermediate holding company that owns those shares. Further corporate guarantees may also be offered from time to time by the Company but Grit seeks to ensure that as much of the Group's external debt as possible is not cross collateralised against other assets within the Group or supported with parent company guarantees, whilst ensuring that the Group obtains the best pricing on its debt facilities. In total, approximately 50.7 per cent. of the Group's borrowings are the subject of parent company guarantees from the Company. In addition, two of the Group's loan facilities in Mozambique have cross default clauses to each other. Such facilities total 14.9 per cent. of total Group borrowings.

In addition, there are banking covenants associated with each facility which are typical of loan facilities advanced to property companies and secured on real estate assets. Such covenants include maintenance of minimum values for the relevant asset, interest cover and rental cover covenants associated with the relevant property assets.

Grit also adopts an active interest rate hedging strategy using interest rate swaps and, on occasion, fixed rate loans to match Group borrowings to the underlying cashflows and keep the Group's balance sheet exposure to interest rate movements to a minimum. In addition, the Group actively manages its limited foreign exchange exposure to currencies other than the US Dollar. Regular interactions with Grit's financiers ensure that Grit remains informed of future expectations and market movements.

The Company is reviewing the possibility of refinancing all or part of its current indebtedness through the bond market. This consideration is at an early stage and the Company would make further announcements as appropriate.

PART 3

GRIT'S BUSINESS

1 Existing Portfolio

At the date of this document, Grit has a portfolio of 20 properties plus one vacant land plot held for development. In addition, Grit owns a 6.25 per cent. equity investment in Letlole La Rona ("**LLR**") a listed Botswana industrial property group with a value as at the Latest Practicable Date of US$3.1 million. Grit's current geographical footprint is Mauritius, Mozambique, Morocco, Zambia, Kenya, Ghana and Botswana and its existing properties are in the following sectors: retail; commercial; light industrial; corporate accommodation; and hospitality.

As at 31 January 2018, the date of the property valuations for existing assets set out in Parts 12 to 14 of this document, adjusted for subsequent acquisitions, Grit's portfolio had:

- an aggregate valuation of approximately US$588.5 million and an estimated property net initial yield of 7.86 per cent.;
- 308,105m² of gross lettable space (proportionate to ownership for assets not 100 per cent. owned);
- a vacancy rate of 2.7 per cent., largely due to the impact of strategic vacancies resulting from a major refurbishment project at Anfa Place Shopping Centre in Morocco. Vacancies across the remaining assets remain negligible (approximately 0.7 per cent.); and
- a weighted average lease expiry of 7.1 years.

Further details of the Existing Portfolio as at 30 June 2018 are set out below in this paragraph 1 and in the valuation reports in Parts 12, 13 and 14 of this document:

Property	Country	Sector	Anchor tenant	Grit ownership[1]	Gross lettable area (m²)	Weighted average rental per m² (US$)	Average annualised property yield (%)[4]	Valuer for purposes of the Prospectus	Valuation (US$ million)[1]
Capital Place	Ghana	Commercial	Hollard Insurance	47.5%	4,944	39.1	8.57%	Broll	12.1
Buffalo Mall	Kenya	Retail	Tuskys	50%	6,121	11.0	9.22%	Broll	3.3
Imperial Phase I[2]	Kenya	Light Industrial	Imperial Health Services	100%	13,560	8.9	7.94%	Broll	18.5
Barclays House	Mauritius	Commercial	Barclays Bank	100%	8,269	10.9	6.69%	Broll	16.1
Canonnier Beachcomber Resort & Spa	Mauritius	Hospitality	Beachcomber	44.4%	25,248	13.9	7.57%	Broll	26.8
Mauricia Beachcomber Resort & Spa	Mauritius	Hospitality	Beachcomber	44.4%	23,266	13.9	7.57%	Broll	24.7
Victoria Beachcomber Resort & Spa	Mauritius	Hospitality	Beachcomber	44.4%	41,696	13.9	7.57%	Broll	44.3
Tamassa Resort	Mauritius	Hospitality	Lux Island Resorts	100%	21,567	13.3	8.40%	Broll	47.9
Anfa Place Mall	Morocco	Retail	Carrefour, M&S, H&M, LC Waikiki	100%	31,933	26.4	9.20%	JLL	92.8
Commodity House Phase I	Mozambique	Commercial	A global petroleum company	100%	7,478	37.9	9.10%	REC	43.2

Property	Country	Sector	Anchor tenant	Grit ownership[1]	Gross lettable area (m²)	Weighted average rental per m² (US$)	Average annualised property yield (%)[4]	Valuer for purposes of the Prospectus	Valuation (US$ million)[1]
Hollard	Mozambique	Commercial	KPMG, Hollard & BP	100%	5,052	25.0	8.00%	JLL	18.9
Vodacom	Mozambique	Commercial	Vodacom	100%	10,659	26.2	7.69%	JLL	47.3
Zimpeto Square	Mozambique	Retail	S2 Africa	100%	4,771	17.2	9.13%	JLL	9.2
Bollore Warehouse	Mozambique	Light Industrial	Bollore Africa Logistics	100%	5,856	12.8	13.43%	JLL	6.5
Mall de Tete	Mozambique	Retail	Shoprite, Choppies	100%	11,581	18.4	9.67%	JLL	25.8
VDE Housing Estate	Mozambique	Corporate Accommo-dation	Vale and Barloworld	100%	17,071	20.2	12.13%	JLL	35.6
Commodity House Phase II	Mozambique	Commercial	Hodari Properties, Barclays	100%	3,217	36.0	9.49%	REC	17.3
Mukuba Mall	Zambia	Retail	Shoprite, Game, Pick n Pay, Woolworths	50%	28,236	17.6	7.65%	Broll	37.7
Kafubu Mall	Zambia	Retail	Shoprite	50%	11,923	13.5	7.38%	Broll	12.9
Cosmopolitan Mall	Zambia	Retail	Shoprite, Game, Woolworths	50%	25,675	19.7	8.43%	Broll	40.3

1 Grit's interest in the asset.

2 The Group also owns vacant land adjacent to the existing Imperial building in Kenya. Grit concluded the purchase of the Imperial building in 2017. This transaction included the purchase of the existing property covering 13,500m² and an adjoining piece of vacant land measuring five acres, an equivalent of 20,022m². The vacant land was valued by Broll at US$3.4 million (in addition to the property valuation provided in the above table).

3 The Group also owns a 6.25 per cent. equity investment in Letlole La Rona ("LLR") a listed Botswana industrial property group with a value as at the Latest Practicable Date of US$3.1 million (31 January 2018: US$3.9 million).

4 Calculated using Grit's target forward 12 months net operating income and external property valuation for each property as at 31 January 2018.

Existing Portfolio By Sector

	Retail	Commercial	Light Industrial	Hospitality	Corporate Accommodation	Held for Development	Other Investments	Total
Number	7	6	2	4	1	1	1	22
Property Value/Acquisition Price (US$ million)(4)	222.0	154.9	25.0	143.8	35.5	3.4	3.9	588.5
Weighted Average Capitalisation Rate	7.5%	8.3%	9.4%	7.8%	12.1%	n/a	13.0%	8.1%
WALE (years by GLA)	4.4	7.0	6.9	11.8	2.5	n/a	n/a	7.0
Weighted Average Annual Rent Escalations	3.8%	3.7%	1.9%	1.2%	3.2%	n/a	n/a	3.1%
Weighted Average Gross US$ Rental per m² per month	20.8	26.7	10.0	13.7	20.2	n/a	n/a	18.8
Gross Lettable Area (GLA) (m²)	120,240	39,601	19,416	111,777	17,071	n/a	n/a	308,105
Operating cost to income ratio	27.5%	11.3%	8.4%	0.0%	10.7%	n/a	n/a	15.6%
Vacancies(1)	6.9%(2)	1.0%	0.0%	0.0%	0.0%	n/a	n/a	2.8%
Weighted average cost of property debt	5.9%	6.9%	6.1%	3.8%	7.7%	n/a	n/a	5.7%
Debt to property value ratio(3)	50.7	46.1	34.2	49.0	32.7	n/a	n/a	46.7%

(1) Vacancy is measured as a percentage of Gross Lettable Area available for letting.

(2) Anfa Place comprises approximately 70 per cent. of the Group's vacant retail space.

(3) Excluding revolver facilities.

(4) Value as at 31 January 2018.

Key tenants schedule (top 10) – Existing Portfolio

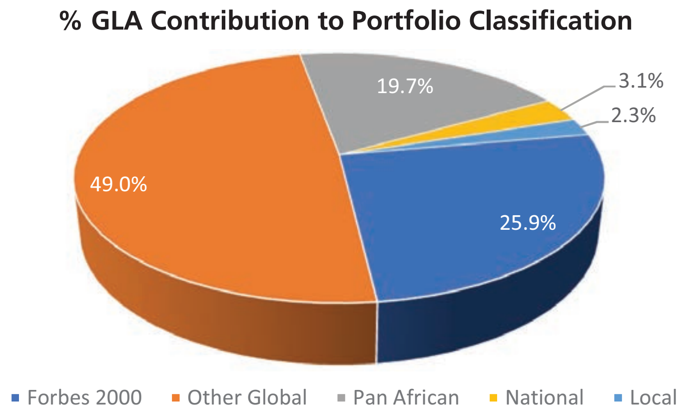
Rank	Key Tenants	Industry	Jurisdiction(s)	Gross Lettable Area (% of Group Total)	Contribution to Income (% of Group Total)	Lease Covenant	Lease Currency
1	Beachcomber	Hospitality	Mauritius	12.4%	11.3%	Triple Net	EUR
2	Vodacom	Telecoms	Mozambique	3.6%	8.8%	Double Net	US$
3	Lux* Resorts & Hotels	Hospitality	Mauritius	7.0%	8.3%	Triple Net	EUR
4	Vale	Mining	Mozambique	3.5%	6.2%	Gross	US$
5	A global petroleum corporation	Oil & Gas Exploration	Mozambique	1.5%	4.9%	Gross	US$
6	Shoprite	Retail	Mozambique/Zambia	5.2%	3.4%	Gross	US$
7	Imperial Health Services	Logistics	Kenya	4.4%	3.0%	Triple Net	US$
8	Barclays	Financial Services	Mauritius/ Mozambique	2.3%	2.9%	Gross	US$/MUR
9	Undisclosed retail	Retail	Morocco	1.2%	2.6%	Gross	MAD/ US$/EUR[1]
10	Undisclosed retail	Retail	Morocco	1.3%	2.6%	Gross	MAD/ US$/EUR[1]

[1] MAD is pegged to the EUR and USD with a 2.5% float

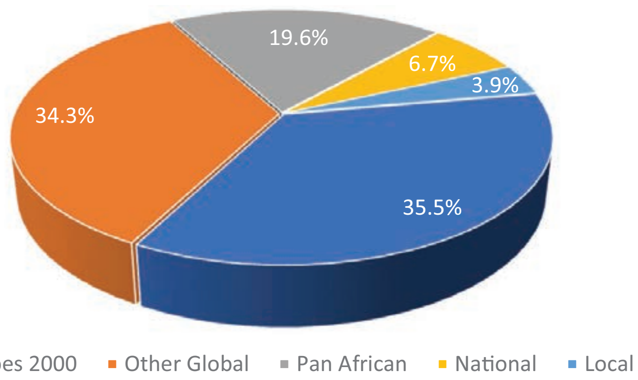
The Existing Portfolio's top ten tenants collectively account for 53.9 per cent. of the total portfolio rent roll, proportionate to ownership for assets not 100 per cent. owned. The focus on stable income and income growth is demonstrated by strong portfolio metrics, for example a weighted average lease expiry of 7.0 years and weighted average rental escalations across the Existing Portfolio of 3.1 per cent. per annum.

A low vacancy rate, even by international standards, of 2.8 per cent., highlights the fact that Grit's portfolio is comprised of desirable locations where tenants are motivated to stay and renew leases. In addition, Grit works alongside tenants to provide real estate solutions in order to ensure that properties fit the requirements of tenants and their business model not only in terms of the physical property but also in terms of lease structure and length.

Existing Portfolio tenancy mix



% Rental Contribution to Portfolio Classification



Category definitions:

1. Forbes 2000 – companies/groups or holding companies on the Forbes 2000 global list.
2. Other Global Tenancies – business operates across more than one country and continent.
3. Pan-African Tenancies – business operates across more than one African country but only within the African continent.
4. National Tenancies – business operates across all regions of a country.
5. Local Tenancies – business operates within a specified city or region within a country.

2 The Acquisitions

Grit has signed binding agreements to acquire the following assets within the New Portfolio. Each acquisition is conditional on a number of conditions precedent, including the level of subscriptions received pursuant to the Issue.

- ***5th Avenue:*** Grit has agreed to purchase an office complex in Accra, Ghana known as 5th Avenue Corporate Offices, which comprises 5,070 square metres of office space and has an annual rent roll of US$2.0 million. The anchor tenants are Ghana Community Network Services Limited (GCNet), an information and communication technology company with a mandate to provide e-solutions to government agencies, and American Tower Corporation Ghana, a subsidiary of the NYSE-listed American Tower Corporation, a component of the S&P500. The acquisition of the 5th Avenue Corporate Offices will cost US$14.35 million in cash (funded by debt) with a further US$6.15 million payable by an issue of Grit's Ordinary Shares to the vendor (priced at the last published NAV per Share but with no entitlement to dividends prior to the date of issue). Grit will receive a rental guarantee for the anchor tenant lease and to cover legal fees and commissions. The Ordinary Shares being issued will also be pledged to Grit in support of the vendors' obligations to Grit. The aggregate purchase price of 5th Avenue will be US$20.5 million. In connection with the acquisition of 5th Avenue, a 5 year debt facility agreement has been negotiated with Barclays Bank of Ghana for US$14.8 million at an interest rate of 3-month LIBOR + 5.9 per cent. The acquisition is subject to the fulfilment of certain conditions precedent, including consent from the anchor tenants to the change in ownership and the waiver of their pre-emptive rights to acquire the building.
- ***CADS II:*** Grit has agreed to purchase a 50 per cent. interest in an office complex known as the CADS II Building in Accra, Ghana, which comprises 7,262 square metres of office space, wholly let to Tullow Ghana Ltd., a Jersey-based subsidiary of Tullow Oil (UK) plc, a FTSE 250 company, which pays an annual rent roll of US$3.1 million and is currently renewing its lease for 5 years with further extensions. The CADS II Building is valued at US$36 million and Grit has agreed to acquire a 50 per cent. interest in the building. Grit is financing its 50 per cent. interest with an equity commitment of US$10.5 million in cash through an equity injection into the CADS II Building asset holding company which is financing the non-equity element through a combination of external bank debt (US$15 million) and vendor loan (US$10.5 million). Grit will finance the equity commitment using the proceeds of the Issue.
- ***Acacia Estate:*** Grit has agreed to acquire an effective 80.1 per cent. interest in Acacia Estate, a high quality corporate accommodation development located in Maputo, Mozambique, which comprises

76 homes for occupation by expatriate staff based in Mozambique, has an annual net operating income of US$5.1 million and where the anchor tenants are the US State Department and a global petroleum company. The purchase price of the 80.1 per cent. interest is approximately US$23.4 million. Grit will finance the acquisition using the proceeds of the Issue.

- ***Gateway Delta:*** Gateway Delta Development Holdings Limited (Gateway Delta) is a pan-African (excluding South Africa) private real estate development company set up in 2017 and resident in Mauritius. Gateway Delta was established to target value creation through active management of development projects conducted within Africa, focussing on properties to be let to blue-chip multinational companies and other global entities. Gateway Delta expects to hold the assets for a period of time in order to stabilise and bed down the assets, after which they will be available for sale. Grit has no obligation to purchase any developments on completion. Gateway Delta was co-founded and co-sponsored by the Company and Gateway Partners Limited, with the support of anchor shareholders such as the Public Investment Corporation and Prudential Financial. Based on a subscription agreement signed on 29 November 2017 (the "**Subscription Agreement**"), the total capital currently committed to Gateway Delta by its founders and sponsors is US$175 million. As Grit's shareholding in Gateway Delta will be 20 per cent. (in accordance with the Subscription Agreement), Grit's total current commitment is US$35 million. Grit has an arrangement with Gateway Delta and its shareholders that this current commitment of US$35 million will initially be funded as convertible loans, and Grit will meet all of Gateway Delta's initial capital calls up to a maximum of US$35 million. Once Gateway Delta has fully utilised this initial US$35 million, it will begin calling funds from its other shareholders. As other shareholders inject their funds (as equity), Grit will proportionately convert its loans to equity. To date, Grit has provided convertible loans to the value of US$1.0 million. Grit will be increasing its investment into Gateway Delta by an expected further call for capital of US$20 million in the period to June 2019 – again in the form of convertible loans – in order to fund various development projects. These convertible loans earn interest at a rate of LIBOR plus 6.5 per cent. (payable semi-annually).

In addition, Grit is in advanced stage negotiations in relation to the acquisition of the following asset which is expected to form part of the New Portfolio. Grit has completed due diligence in relation to the proposed acquisition, the acquisition cost has been agreed and the relevant parties are discussing transaction structure.

- ***Accra Financial Centre:*** Accra Financial Centre ("**AFC**") is a prime Class A office block located in the heart of Accra's primary Central Business District. The property was built and opened in 2014. Within a one-block radius of the property are several of the city's primary upscale hotels and the headquarters of several large banks and other major companies. The major tenant of AFC is Agricultural Development Bank (ADB), which occupies more than half of the building's gross lettable area. The second major tenant is First National Bank Ghana (FNB), a subsidiary of South African-based First Rand Group. Given the young age of the building, the current lease profile offers an extended period of occupancy with minimal capital improvement requirements.

Further details of the New Portfolio to be acquired pursuant to the Acquisitions are set out below and in the valuation reports in Parts 12 and 13 of this document:

Property	**Country**	**Sector**	**Anchor tenant**	**Grit ownership**[1]	**Gross lettable area (m^2)**	**Weighted average rental per m^2 (US$)**	**Average annualised property yield (%)**[3]	**Valuer for purposes of the Prospectus**	**Valuation (US$ million)**[1]
5th Avenue	Ghana	Commercial	GCNet and ATC	100.0%	5,070	33.1	9.84%	Broll	21.1
Accra Financial Centre	Ghana	Commercial	Agricultural Development Bank	90.0%	14,107	38.6	8.58%	n/a	n/a
CADS II Building	Ghana	Commercial	Tullow (Ghana)	50.0%	7,262	35.0	8.44%	Broll	18.0
Acacia Estate	Mozambique	Commercial	US State Department	80.1%	18,400	23.7	8.25%	JLL	48.6
Gateway Delta	Mauritius	Unlisted Equity	n/a	20.0%[2]	n/a	n/a	n/a	n/a	n/a

[1] Grit's interest in the asset.

[2] Upon conversion of convertible loans.

[3] Calculated using Grit's target forward 12 months net operating income and external property valuation for each property contained within this document.

As each Acquisition is subject to the satisfaction of a number of conditions precedent which are beyond the control of the purchaser or the seller, for example, waiver by the tenants to consent to a change in property owner, there can be no guarantee that any of these investments will be acquired by the Group on the terms indicated above or at all.

3 Enlarged Portfolio overview

The following tables provide an overview of the Group's Enlarged Portfolio following completion of the Acquisitions:

Enlarged Portfolio By Sector

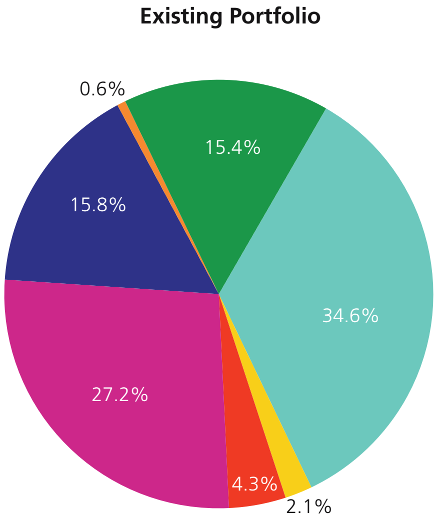
	Retail	Commercial	Light Industrial	Hospitality	Corporate Accommodation	Held for Development	Other Investments	Total
Number	7	9	2	4	2	1	2	27
Property Value/Acquisition Price (US$ million)[3]	222.0	265.7	25.0	143.7	84.2	3.4	23.9	767.9
Weighted Average Capitalisation Rate	7.5%	8.5%	9.4%	7.8%	10.0%	n/a	2.1%	8.0%
WALE (years by GLA)	4.4	4.9	6.3	11.2	3.7	n/a	n/a	6.3
Weighted Average Annual Rent Escalations	3.8%	4.1%	1.9%	1.2%	3.1%	n/a	n/a	3.3%
Weighted Average Gross US$ Rental per m² per month	20.8	30.3	10.0	13.7	21.8	n/a	n/a	20.6
Gross Lettable Area (GLA) (m²)	120,240	66,040	19,416	111,777	35,471	n/a	n/a	352,944
Operating cost to income ratio	27.5%	11.3%	8.4%	0.0%	9.6%	n/a	n/a	15.0%
Vacancies[1]	6.9%	0.6%	0.0%	0.0%	0.0%	n/a	n/a	2.5%
Weighted average cost of property debt	5.9%	7.4%	6.1%	3.8%	7.2%	n/a	n/a	6.1%
Debt to property value ratio[2]	50.7%	54.5%	34.2%	49.0%	41.2%	n/a	n/a	48.3%

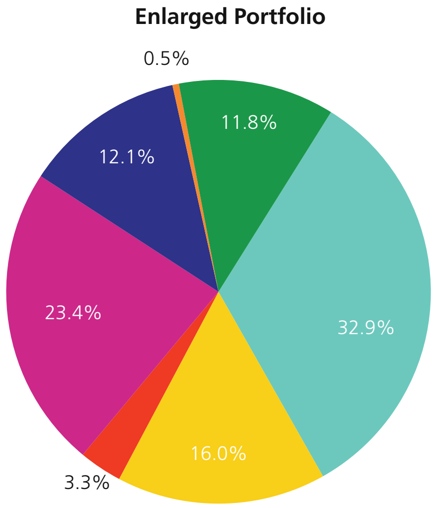
[1] Vacancy is measured as a percentage of Gross Lettable Area available for letting.

[2] Excluding revolver facilities.

[3] Value as at 31 January 2018.

Diversification of Portfolio by Geography



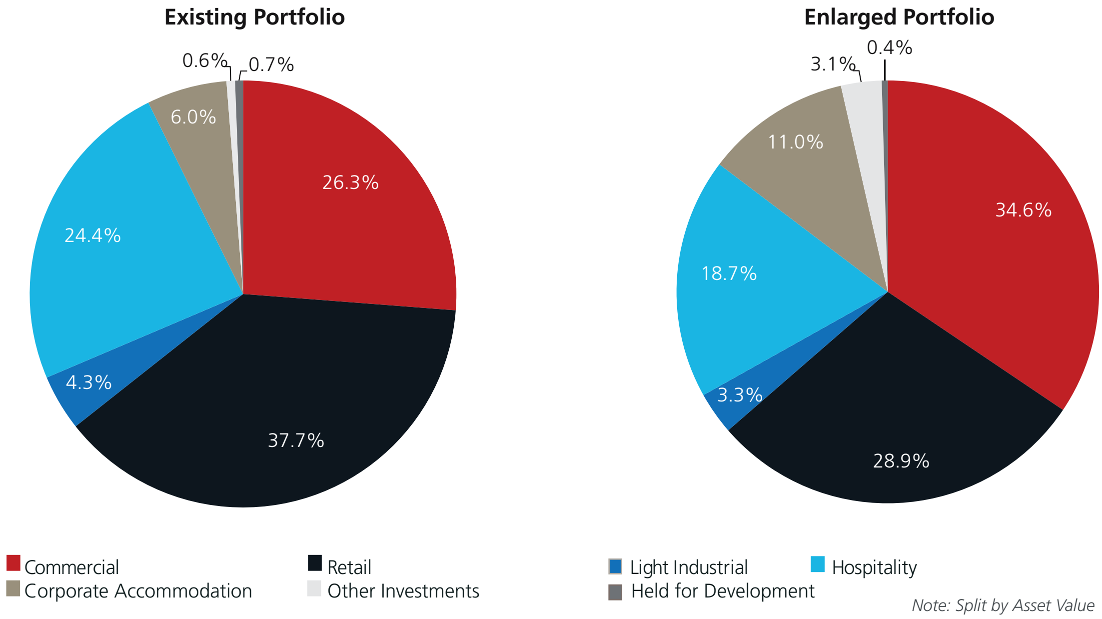


Mauritius* Mozambique Morocco* Zambia Kenya Botswana* Ghana

Note: Split by Asset Value

* Investment Grade Country

Diversification of Portfolio by Sector



Note: Split by Asset Value

Key tenants schedule (top 10) – Enlarged Portfolio

Rank	Key Tenants	Industry	Jurisdiction(s)	Gross Lettable Area (% of Group Total)	Contribution to Income (% of Group Total)	Lease Covenant	Lease Currency
1	Beachcomber	Hospitality	Mauritius	10.8%	8.5%	Triple Net	EUR
2	Vodacom	Telecoms	Mozambique	3.2%	6.6%	Double Net	US$
3	Lux* Resorts & Hotels	Hospitality	Mauritius	6.1%	6.3%	Triple Net	EUR
4	A global petroleum corporation	Oil & Gas Exploration	Mozambique	3.4%	6.2%	Gross	US$
5	Agricultural Development Bank	Financial/ Banking	Ghana	2.4%	5.9%	Gross	US$
6	Vale	Mining	Mozambique	3.0%	4.6%	Gross	US$
7	US State Department	Consular	Mozambique	2.6%	3.5%	Gross	US$
8	Shoprite	Retail	Mozambique/Zambia	4.5%	2.5%	Gross	US$
9	Tullow Ghana Limited	Oil & Gas Exploration	Ghana	2.1%	2.44%	Double Net	US$
10	Imperial Health Services	Logistics	Kenya	3.9%	2.3%	Triple Net	US$

The Enlarged Portfolio's top ten tenants collectively account for 48.8 per cent. of the total Enlarged Portfolio rent roll. The Enlarged Portfolio's weighted average lease expiry is expected to be 6.3 years having weighted average rental escalations of 3.3 per cent. per annum and a vacancy rate of 2.5 per cent.

4 Pipeline

The table below provides a summary of Grit's future pipeline of acquisition opportunities, being opportunities Grit's investment team is conducting significant due diligence on at present but for which there is no legally binding agreement at the date of this document. There can be no guarantee that any of these investments will be acquired by the Group and any future acquisitions will be dependent upon how much capital is raised by the Issue and the Placing Programme.

Country	Sector	Additional Information
Ghana	Retail/Commercial	Class A office with ground floor retail complex in Ghana with anchor tenants including a pan African bank.
Ghana	Light industrial	Acquisition of the warehouse component of a newly built logistics building on airport grounds.
Ghana	Commercial	Acquisition of the remaining 52.5% of Capital Place Limited.
Kenya	Light industrial	Development of a generic warehouse facility.
Mauritius	Hospitality	Expansion of existing resort asset.
Senegal	Hospitality	Hotel resort in Senegal on a triple net EURO Lease.
Mauritius	Hospitality	Development of new Beachcomber Resort (44.4% share).
Seychelles	Hospitality	Purchase and redevelopment of a 5-star resort in Seychelles. Leased to a globally renowned holiday tour operator.
Morocco	Other investments	Purchase of a minority stake in a property group that owns a dominant portfolio of retail assets in major cities across the country.

Below is a brief description of some of these pipeline opportunities:

- ***Ghana office and retail complex:*** Grit is currently conducting due diligence on a strategically located class-A office and retail complex in Ghana on a highly-visible and accessible plot in Airport City, which has emerged in the last 15 years as one of Accra's two primary office submarkets. The building's anchor tenants include a pan African bank as well as a leading international conglomerate in the field of electronic and smart appliance technology.

- ***Ghana logistics building:*** Grit is currently in negotiations regarding the acquisition of part of a newly built, state-of-the-art logistics building (with offices) in Ghana. The Company is considering the acquisition of the warehouse component only, with a gross lettable area of 6,065m^2.

- ***Capital Place:*** On 10 May 2018, Grit acquired 47.5 per cent. of Capital Place Limited which owns 100 per cent. of the Capital Place Building, a commercial building in Accra, Ghana, which comprises 4,944 square metres of office space, has an annual rent roll of US$2.3 million and where the anchor tenant is Hollard (Ghana), a subsidiary of the largest independent insurer in South Africa. Other notable tenants include worldwide shipping and international construction companies. Grit currently expects to be granted an option to acquire the remaining 52.5 per cent. of the shares of Capital Place Limited at a cost of approximately US$9.6 million.

- ***Imperial Health Sciences building expansion:*** Grit is considering the development of a generic warehouse facility on the vacant land adjacent to the existing Imperial Health Sciences (IHS) building in Kenya. Grit concluded the purchase of the IHS warehouse in 2017. This transaction included the purchase of the existing property and an adjoining plot of vacant land measuring five acres, an equivalent of 20,022m^2.

- ***Tamassa Resort expansion:*** Tamassa Resort is a high performing hospitality asset located in Mauritius and has been part of Grit's portfolio since March 2017, with a 2017 average occupancy rate of 88 per cent. The resort has been awarded various international accolades. Grit is of the view that an expansion of the resort will have a significant positive impact on the underlying asset's future revenue opportunities, with Grit obtaining benefit via increased fixed rentals and further profit upside.

- ***Senegal hotel resort:*** Grit has expressed an interest in acquiring a hotel resort in Senegal on a long-term triple net Euro lease. The hotel has been successfully operating for more than 40 years at occupancy levels running at above 80 per cent. The acquisition will be followed by a refurbishment and expansion program, with total consideration (including acquisition, refurbishment and expansion costs) of approximately US$50 million. The resort would represent Grit's first acquisition in Senegal and be part of the Company's increased diversification strategy into West Africa.

- ***New resort development in Mauritius:*** The Company holds a 44.4 per cent. stake in Beachcomber Hospitality Investments (BHI), owner of three luxury resorts in Mauritius. The Company is in negotiations regarding the development of a new bespoke resort in the South West of Mauritius (also to be held through BHI). If concluded, a long term triple net Euro lease will commence on completion with a prominent Mauritian hospitality business.

- ***Seychelles hotel resort:*** The Company is in negotiations regarding the acquisition and subsequent redevelopment and expansion of an existing 5-star resort in the Seychelles, which will be underpinned by a long-term triple net Euro lease with a globally renowned holiday tour operator upon completion. The resort would represent Grit's first acquisition in the Seychelles, increasing the Company's exposure to the Indian Ocean hospitality sector.

- ***Minority interest in Moroccan retail property group:*** Grit has been offered the opportunity to obtain a minority stake in a company in Morocco that owns a dominant portfolio of retail assets in major cities across the country. The investment target has a stated intention to convert to an OPCI (the Moroccan equivalent of a REIT) and list on the Casablanca Stock Exchange within 2 years. The investment would complement the Company's current investment in Anfa Place Shopping Centre in Casablanca and would provide the opportunity to combine the assets with the target investment to create a dominant retail portfolio prior to listing on the Casablanca Stock Exchange. The opportunity includes the option to acquire a proportionate stake in the target investment's asset manager which aligns with Grit's philosophy to remain active with the ongoing asset management of its assets. In assessing the opportunity, Grit will take advantage of various opportunities with its co-owners by leveraging off the Company's strong shareholder base and property and asset management teams that have significant experience in the Moroccan property sector. The target investment's portfolio of assets follows Grit's investment philosophy of acquiring assets with a solid tenant base, WALE in excess of five years and low vacancies.

5 Grit's track record

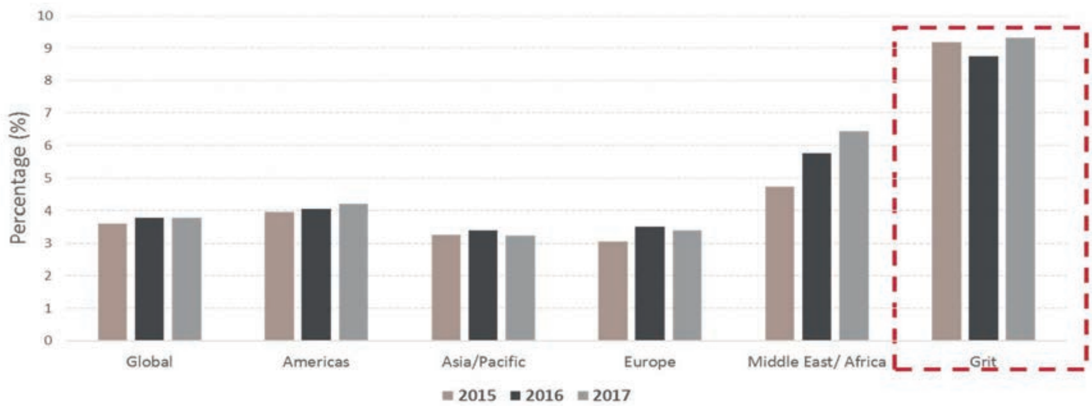
Grit measures its performance by reference to both dividend per Share and NAV per Share progressions.

Although the Company distributes the bulk of its income to Shareholders in the form of dividends in a manner similar to listed Real Estate Investment Trusts (REITs), it is important to highlight that the Company itself is not registered as a REIT. However, the Company regularly benchmarks itself against global REITs as a means of demonstrating the effectiveness of its investment strategy and attractiveness of returns.

Dividends

Data provided by the National Association of Real Estate Investment Trusts shows the impressive returns Grit has delivered to its Shareholders when measured against the dividend yields generated by Global REITs (see chart below).

Dividend Yield



Source: National Association of Real Estate Investment Trusts (as at 26 Jan 2018); Returns in US$ terms. Grit dividend yield calculated using USD-equivalent JSE prices as at financial year end.

1) *Although Grit distributes income similar to listed Real Estate Investment Trusts (REITs), i.e. the company pays out the bulk of its income to Shareholders in the form of dividends, as well as benchmarks itself against REITs globally, it is important to highlight that Grit itself is not a REIT.*

2) *Past performance is not a guide to future performance.*

Grit's internally managed model means that it is able to pass on the benefits of increases in the scale of its operations to its Shareholders as additions to its property portfolio only involves incurring marginal extra overhead (mainly staff and related costs), unlike with a third party managed structure where management fees are related to either gross or net asset value. Grit is therefore able to more easily generate and potentially grow sustainable dividends from its operations that meet its targets from property purchases that meet its acquisition criteria. The benefit of such acquisitions is also magnified by the impact of the gearing that Grit utilises in its acquisitions as there is a clear spread between the cost of debt and the net initial yield on portfolio acquisitions. Grit is therefore able to effectively pass on the bulk of the net rental income received from additions to its portfolio. Further, the enhancement to net income from gearing broadly equates to Grit's overheads and the tax leakage that Grit suffers in its operations in each country where it operates.

Moving forward, Grit is targeting a US$ total return of approximately 12.00 per cent. per annum. The target dividend in relation to the six months ended 30 June 2018 is approximately 5.9 cents per Share[5].

Net Asset Value

Grit's consolidated financial statements are prepared in accordance with IFRS and reported in US Dollars. In preparation for LSE Admission and the requirement to present historical financial information for the three years ended 30 June 2017, 30 June 2016 and 30 June 2015, the Directors identified a number of adjustments. These adjustments arose from both variations in the established practice of applying IFRS in different jurisdictions and also the correction of prior period errors. So as to provide comparability with other European listed REITs and similar companies, Grit intends to follow the guidance published by EPRA and to disclose adjusted measures of NAV, earnings and cashflow which are designed by EPRA to better reflect the core long term operations of the business. These adjustments will include company specific adjustments. The table below shows the historical NAV performance on a restated and adjusted restated EPRA basis:

	30 June 2015	**30 June 2016**	**30 June 2017**	**31 Jan 2018**	**31 Mar 2018**
Restated NAV per Share (US$ cents)	166.5	140.2	128.9	139.3	137.0
Restated EPRA NAV per Share (US$ cents)	169.7	159.9	137.4	147.0	143.0

[5] This is a target only and is not guaranteed. It is based on a number of bases and assumptions which may or may not materialise.

PART 4

INTRODUCTION TO THE ISSUE, THE PLACING PROGRAMME AND USE OF PROCEEDS

1 Background to and reasons for the Issue and LSE Admission

Grit is seeking the admission of its Existing Ordinary Shares and the Issue Shares to: (i) a Standard Listing; and (ii) the main market of the London Stock Exchange (together "**LSE Admission**") to ensure the capital structure of the Company is in line with its growth aspirations. In addition, the net proceeds of the Issue will be utilised for the conversion of its current and future pipeline of acquisitions and to reduce gearing. The capital raised pursuant to the Issue and, subsequently, the Placing Programme will enable the Company to consolidate its presence in existing jurisdictions and enter into new African jurisdictions. The Directors believe that this will enable Grit to become a truly international, leading first class growth platform for investment into African real estate.

It is currently intended that, subject to the Company meeting the eligibility criteria under the Listing Rules, Grit will seek a transfer to a Premium Listing within 18 months of Initial Admission.

In conjunction with the LSE Admission, Grit is looking to improve the depth and diversity of its Shareholder base with established UK and international investors, accessing deeper pools of international capital, while improving the underlying liquidity and tradeability of its Ordinary Shares.

The LSE Admission and proposed subsequent transfer to the Premium Listing are also consistent with Grit's policy of adhering to the highest level of standards for corporate governance and financial reporting. The addition of European standards of corporate governance and financial reporting in addition to the current requirements of the Mauritian Code of Conduct and the King IV Report on Corporate Governance for South Africa will be to the benefit of all of its Shareholders and other stakeholders. The LSE Admission will also serve as a conduit to securing new strategic partnerships such as with banks and prospective multinational tenants by raising the profile and global recognition of the Company.

With effect from Initial Admission, Grit will have a primary listing on the main board of the JSE and on the Official List of the UK Listing Authority, while the primary listing on the Official Market of the SEM will be termed as a secondary listing.

In conjunction with the LSE Admission, it is Grit's intention to undertake the Issue, to finance its pipeline of acquisitions (including the Acquisitions, further details of which are set out in Part 3 of this document) and to reduce its gearing. The Board is seeking to issue 200 million Ordinary Shares pursuant to the Issue, at US$1.43 per Ordinary Share, and has disrection, in consultation with the Joint UK Placing Agents, to increase the size of the Issue to up to 250 million Ordinary Shares.

2 The Issue and use of proceeds

The Issue, which comprises an Initial Placing in the UK, South Africa and Mauritius and an Offer for Subscription in the UK only, is expected to raise up to US$286 million, assuming that 200 million Ordinary Shares are issued pursuant to the Issue.

On the assumption that only the Minimum Net Proceeds of US$120 million are raised in the Issue, the Company intends to deploy the net proceeds of the Issue as follows:

- Approximately US$73 million will be used to part finance the acquisition of the New Portfolio, with the balance of the acquisition cost being financed by debt taken at the asset level. Further details on the New Portfolio are set out in Part 3 of this document.
- Approximately US$47 million will be used to repay Group debt, primarily in relation to the Group's revolving facilities with Barclays Bank (facility amount US$20 million), State Bank of Mauritius (US$20 million) and Bank ABC (US$7 million).

On the assumption that the Issue raises more than the Minimum Net Proceeds, up to the expected maximum gross proceeds of US$286 million, then the additional funds (above and beyond the Minimum Net Proceeds) will be deployed by the Company as follows:

- A further maximum amount of US$76 million will be used to repay additional Group debt to reduce the loan to value ratio of the Group to below 40 per cent., taking the maximum amount of Group debt to be repaid from the Issue proceeds to US$123 million.
- The remainder of the net Issue proceeds will be used to finance further pipeline additions to the Group's portfolio and will enable the Group to enter into new African jurisdictions and consolidate its presence in existing jurisdictions. Details of the Group's pipeline opportunities are set out in Part 3 of this document.

Further details of the Issue are set out in Part 8 of this document.

3 The Placing Programme and use of proceeds

It is the intention of the Board to raise additional equity capital, during the period of 12 months following Initial Admission, pursuant to the Placing Programme. The proceeds of the Placing Programme will be used to fund future acquisitions. It is currently intended that, following Initial Admission, the Company will seek authority from Shareholders to issue up to 100 million Ordinary Shares on a non-pre-emptive basis pursuant to the Placing Programme.

Any Ordinary Shares issued pursuant to the Placing Programme would be issued at not less than the most recently published NAV per Share at the time of issue.

Further details of the proposed Placing Programme are set out in Part 9 of this document.

PART 5

BOARD AND EXECUTIVE MANAGEMENT

The Company has a board of eight directors headed by an independent non-executive Chairman. The Board comprises two executive directors and six non-executive directors, including the Chairman. Of the non-executive directors, four are independent.

In addition to its board of directors, Grit has an executive management team comprising Bronwyn Corbett, the Chief Executive Officer and Executive Director; Leon van de Moortele, the Chief Finance Officer and Executive Director; Greg Pearson, co-founder; Heidi Rix, the Group General Manager; Moira van der Westhuizen, the Chief Integration Officer; and Jaco van Zyl, the Deputy Chief Financial Officer (together "**ExCo**"). Further, Grit has appointed (with effect from 1 September 2018) Eric Weirich as Finance Director of Delta International Mauritius Limited, the Group's principal operating subsidiary. He will also join the ExCo. ExCo is responsible for managing and co-ordinating the Group's operations on a day to day basis. ExCo is supported by additional group management including Debby Kippen, the Group Asset Manager and by in-country asset and property managers.

A brief biography of each Director and member of ExCo is set out below:

Executive Directors

Bronwyn Corbett (37), South African – Executive Director and Chief Executive Officer

Bronwyn is a founding member and Chief Executive Officer (CEO) of Grit. Bronwyn has over 13 years' experience in the real estate investment sector. She was Financial Director of a real estate investment firm for 4 years before joining Motseng Investment Holdings in April 2009 as CFO. Together with the CEO, she was instrumental in growing the company's direct real estate exposure to R2 billion in 3 years, before listing the portfolio on the JSE as Delta Property Fund – where she held the positions of CFO and CIO. Bronwyn was part of the executive team that grew Delta Property Fund to a portfolio valued at R12 billion in 4 years and converted the structure to a REIT. During her tenure at Delta Property Fund, Bronwyn spearheaded the diversification of the REIT's funding sources into the debt capital markets, leading to the establishment of a R2 billion Domestic Medium Term Note Programme. In 2014, she co-founded Grit where she was appointed CEO.

Appointed to the Board on 12 May 2014

Listed directorships: 1

Business address: 3rd Floor, La Croisette Mall, Grand Baie, Mauritius

Leon van de Moortele (42), South African – Executive Director and Chief Finance Officer

Leon joined Grit in April 2015, as Chief Finance Officer (CFO), where he has utilised his tax structuring knowledge and experience in operating in Africa to expand the asset base of the Group. After completing articles with PwC, Leon moved to the Global Risk Management Services within PwC, where he become the senior manager in charge of Data Management. In 2004, he moved to Solenta Aviation where he became Group Finance Director within 18 months. During his tenure as Group Finance Director, the group expanded from 12 aircraft to 48 aircraft, operating in 8 African countries (including South Africa, Mozambique, Algeria, Ghana, Gabon, Kenya, Tanzania and Cote d'Ivoire).

Appointed to the Board on 30 June 2015

Listed directorships: 1

Business address: 3rd Floor, La Croisette Mall, Grand Baie, Mauritius

Non-Executive Directors

Peter Todd (58), British – Independent Non-Executive Chairman

Peter is a qualified attorney and began his career as the senior tax manager at Arthur Anderson and Associates in Johannesburg. He joined TWS Rubin Ferguson in 1993 as a tax partner and was instrumental in listing several companies on the JSE. The practice was focused on the property and finance industry.

In 2000, Peter established Osiris Group in the BVI and Mauritius to provide international corporate finance and administrative services to global clients.

Peter held a non-executive director position at Redefine International Limited from its initial listing for some 9 years and served for several years as audit committee chairman. Peter has been involved with Grit since inception on the SEM and has otherwise been involved in the property industry for many years, in South Africa and also in the UK and in Africa. Peter also has extensive corporate finance experience with regards to listing of companies on various exchanges including the JSE, LSE and SEM.

Appointed to the Board on 14 August 2014. Appointed as Chairman on 12 April 2018.

Listed directorships: 3

Business address: 3rd Floor, La Croisette Mall, Grand Baie, Mauritius

Ian Macleod (64), South African – Senior Independent Director

Ian holds a BCom (Honours) in Real Estate Investment, Valuation and Development and has over 43 years of experience with financial institutions, including Standard Bank of South Africa and Nedbank with a specific focus on Real Estate Credit Risk. He has extensive knowledge of the real estate sector's key role players, business sector and geographic nodes. Ian has managed portfolios in excess of R80 billion during changing economic cycles and managing problematic properties in economic downturns. It is Ian's expertise and knowledge that have seen him previously hold the position of Head of Credit for Real Estate for Standard Bank of South Africa.

Appointed to the Board on 30 June 2015

Listed directorships: 2

Business address: 30 Baker Street, Rosebank, Johannesburg, South Africa

Paul Huberman (57), British – Independent Non-Executive Director

Paul is a Chartered Accountant and Chartered Tax Adviser. He currently advises companies in the real estate and finance sectors and has over 30 years' experience. Paul is a non-executive director at Town Centre Securities plc (TCS), a premium listed company on the London Stock Exchange. TCS is a property investment and development company with property and car parking assets in excess of £385 million. Paul is also a non-executive director at Galliard Homes Ltd, a major UK home builder with a development pipeline of approximately £3.5 billion. Paul is currently a non-executive director of Life At Ltd, which trades as Life Residential, a privately owned residential estate agency, specialising in new luxury developments and having 12 offices across London. Paul is also a non-executive director at a privately-owned family run property group and a member of the Norwood charity property committee.

Until its recent MBO in August 2017, Paul was a non-executive director at JCRA Group Ltd, the holding company of J C Rathbone Associates Ltd, the independent advisers on interest rate risk management, debt finance and foreign exchange exposure. Previously Paul worked with the Administrators of the Targetfollow Group in disposing of its property portfolio and the Administrators of the Brooklands Hotel in operating and selling the hotel. Paul has also separately advised the shareholders of Prestige Finance Ltd, a second mortgage provider, and the shareholders of West One Loan Ltd, a bridging loan provider, on operating and selling their respective companies.

Paul was previously finance director at three primary listed companies on the London Stock Exchange. Asda Property Holdings plc, a property company specialising in commercial and residential investment and development; Regent Inns plc, a managed pub company; and Grantchester Holdings plc, a property company specialising in UK retail warehouses.

Appointed to the Board on 29 March 2018

Listed directorships: 2

Business address: 15 Wildwood Road, Hampstead Garden Suburb, London NW11 6UL, UK

Catherine McIlraith (54), Mauritian – Independent Non-Executive Director

Catherine is a Mauritian citizen and holds a Bachelor of Accountancy degree from the University of the Witwatersrand, Johannesburg and has been a member of the South African Institute of Chartered Accountants since 1992. She served her articles at Ernst & Young in Johannesburg. She then joined the investment banking industry and has held senior positions in corporate and specialised finance for Ridge Corporate Finance, BoE NatWest and BoE Merchant Bank in Johannesburg. She returned to Mauritius in 2004 to join Investec Bank where she was Head of Banking until 2010. Catherine is a Fellow Member of the Mauritius Institute of Directors ("**MIoD**"). She has also been a member of the Financial Reporting Council. She has served as an independent non-executive director and as a member of various committees of a number of public and private companies in Mauritius including AfrAsia Bank Limited from 2011 to 2017. Catherine also served as a Director of MIoD for five years and as its Chairperson for 2 years from 2014 to 2016.

Appointed to the Board on 24 November 2017

Listed directorships: 4

Business address: First Floor, Riverview Shopping Centre, Black River 90606, Mauritius

Nomzamo Radebe (41), South African – Non-Executive Director

Nomzamo is the Chief Executive Officer of Excellerate Real Estate Services, a division of Cushman and Wakefield Excellerate, one of South Africa's leading property services companies. Nomzamo is a qualified Chartered Accountant, with a successful career spanning over 20 years, 12 of those years spent in various roles in the real estate sector. She is a Certified Retail Property Executive by the International Council of Shopping Centres.

Nomzamo is a former chief investment officer of Pareto Limited, a leading company in the retail property industry in South Africa. Prior to joining Pareto, Nomzamo worked in the National Treasury's Asset and Liability Unit as a Director and in the Sasol Group treasury unit as a Treasury Operations Manager. She completed her articles with KPMG Inc.

She is a Past President of the South African Property Owners Association (SAPOA) and also a Past President of the South African Council of Shopping Centres (SACSC). She was awarded the IPM Business Leader of the year 2016 and the Five Star Woman award by the Women in Property Network in 2009.

She is the Chairman of Munich Reinsurance Company of Africa Limited and has been a non-executive director of several other companies.

Appointed to the Board on 24 November 2017

Listed directorships: 1

Business address: 3A Summit Road, Dunkeld West, South Africa

Matshepo More (36), South African – Non-Executive Director

Matshepo is a Chartered Accountant and holds a Certificate in Theory of Accounting and a Bachelor of Business Science in Finance. Matshepo served her articles at Deloitte, specialising in financial institutions, before being seconded to New York to handle a large asset management company. She was promoted to audit manager on her return to SA. Matshepo left Deloitte to join the Public Investment Corporation in South Africa ("**PIC**") in 2009, where she was appointed as Finance Manager. In 2011, she was appointed CFO of the PIC, where she is responsible for the Corporation's finances, ensuring that the PIC complies with the Public Finance Management Act, which regulates financial management of all public entities in the national government and provincial governments. Matshepo is a member of the Financial Reporting Standards Council, a statutory body responsible for issuing financial reporting standards in South Africa and she also serves on the Board of the Independent Regulatory Board for Auditors.

Appointed to the Board on 7 February 2017

Listed directorships: 3

Business address: PIC, Menlyn Maine Central Square, Corner Aramist Avenue & Corobay Avenue, Waterkloof Glen Extension 2

ExCo (in addition to the Executive Directors, Bronwyn Corbett and Leon van de Moortele, whose biographies are set out above)

Greg Pearson – Co-founder

Greg Pearson is a founder member of Grit and has been instrumental in sustaining its rapid growth since inception in 2014. Prior to Grit, Greg was responsible for expanding AECOM's African footprint. His hands-on experience has allowed him to develop an expansive strategic business network with local and global developers as well as influential industry players on the continent and beyond. He has successfully completed a series of developments across the office, retail, leisure, education and healthcare sectors. Greg is registered with the Chartered Management Institute and is a graduate of Kingston University, London.

Since December 2017, Greg has been employed by Gateway Delta and has worked for Grit on a consultancy basis. Greg is responsible for business development for both Grit and Gateway Delta and is paid for the work he does for Grit on a performance related basis.

Heidi Rix – Group General Manager

Heidi joined Grit as Chief Operating Officer in May 2016. She has 19 years' commercial and real estate experience and is an admitted attorney having graduated with BComm and LLB degrees in addition to specialised real estate sector qualifications. Heidi has recently taken on an expanded role as Group General Manager. Before joining Grit, Heidi was with the Broll Property Group where she was a Group Director and Managing Director of their Investor Services Division. In this capacity, Heidi was responsible for the Asset Management, Property Management and Retail Leasing businesses at Broll. Her expertise includes asset management, investment management, portfolio management, portfolio and management structures and performance management, lease management models, value optimisation of property assets, property acquisitions and disposals, real estate development projects (Greenfield opportunities), redevelopment/refurbishment projects (Brownfield opportunities) and portfolio analysis and due diligence. Prior to joining Broll, Heidi successfully managed her own property investment consulting business for over two years and held previous positions in the industry as a director for Atterbury Asset Managers as well as General Manager for RMB Properties (Pty) Ltd (now known as Eris Property Group).

Moira van der Westhuizen – Chief Integration Officer

Moira joined Grit as the Chief Integration Officer in May 2016. She holds a BCom (Honours) degree from the University of South Africa and is a qualified Chartered Accountant with more than twenty years of experience, in auditing, finance and business, including managing her own practice before partnering with an audit and accounting practice in 2005. In 2008 Moira relocated to Mauritius where she worked for Investec Bank (Mauritius) and later the CCI Group as Group Financial Controller before joining Grit. As CIO, Moira oversees the co-ordination of all interacting systems within the Group and its extended environments, ensuring the business is internally and externally coherent and congruent. As the CIO, she is also responsible for ensuring that the Company remains compliant with regulations and recommendations of the various corporate governance frameworks. This is achieved through the effective integration of all business systems and processes with other stakeholders, including corporate partners and statutory bodies.

Jaco van Zyl – Deputy Chief Financial Officer

Jaco holds a BCom degree from the North-West University, a BCompt (Honours) degree from the University of South Africa and he is a qualified Chartered Accountant. After completing his articles, he moved to Federal Airlines as Financial Manager and ultimately assumed responsibility of the full finance function of the South African and Mozambican operations. In January 2012 he joined JSE-listed group, Sentula Mining's exploration drilling division Geosearch as the Financial Manager and developed into the CFO for the Geosearch group. Here his African experience expanded further into Mauritius, Botswana and Mozambique. Since joining Grit in February 2016, Jaco has assumed responsibility for the Group's reporting and treasury function, effectively flowing funds within the Grit structure and maintaining debt facilities.

Eric Weirich – Finance Director Delta International Mauritius Limited

Eric will join Grit as Finance Director of Delta International Mauritius Limited on 1 September 2018. He will also join the ExCo. Eric joins from Gazprom Marketing & Trading (GM&T) London, where he was the Global Head of Business Planning and Reporting and acted as Head of the Global Controlling function from November 2016. His role included managing and directing a 14-member financial reporting team controlling the statutory reporting across three continents. Eric is a Chartered Accountant having qualified with PwC in South Africa before taking up senior roles with Doosan Power Systems and then Gazprom.

Other members of Grit's management team

Debby Kippen – Group Asset Manager

Debby joined Grit in February 2017 as the Senior Asset Manager, responsible for oversight of Zambia, Mozambique, Mauritius and Kenya. In February 2018 she was promoted to Group Asset Manager with responsibility for the oversight of management of all assets held in the Group. She has over 30 years' experience in the commercial property industry during which time she has worked on new developments, the refurbishment of shopping centres, leasing, property and facilities management and system implementation. Since graduating from the University of Cape Town she has worked at Fedsure, Investec, Broll and Eris Property Group where she was Regional Manager for KZN and Eastern Cape. During this time her portfolio has included the management of an extensive rural retail property portfolio and commercial and industrial portfolios. She has held positions on various Management Association Boards including being the founding Chairperson of the Umhlanga Rocks Village Improvement District boards. Prior to joining Grit, Debby was General Manager for Broll Property and Facilities Management, Mauritius. Debby is also jointly responsible for oversight of the Group's properties in Zambia.

OJ Nso – Financial Asset Manager for Group Asset Management

OJ started his career in the IT industry in 2004 as principal business planning consultant and financial analyst for Africa International Network and later occupied the role of financial analyst for Cephas Technology's operations across Western and Central Africa. He started his career in the property industry in June 2009 as Property Investment Analyst at Motseng Property Investments, and subsequently Delta Property Fund and then Grit. OJ is a graduate of the University of Buea – Cameroon, where he majored in Banking and Finance with a second class upper and minored in Economics. He also holds an MPhil. International Banking and Finance from the International Relations Institute of Cameroon, as well as a Business Accounting Certificate from the Chartered Institute of Management Accountants – CIMA. Prior to his appointment as Financial Asset Manager for Group Asset Management, OJ was extensively involved with the Anfa Shopping Centre project and Mozambican portfolio. OJ is also jointly responsible for oversight of the Group's properties in Zambia.

Karen Bramley – Senior Asset and Investment Manager – Kenya

Karen heads up the Kenyan office and is involved in asset management and acquisitions. She holds a B Comm. degree and has over thirty years of experience in the commercial property arena. Starting her career at Old Mutual properties she was involved in property and asset management of various portfolios including the office, retail and industrial sectors. Karen then headed up the acquisition department for Old Mutual Gauteng for two years. Thereafter she spent 10 years as a member of the joint venture team at Standard Bank Properties, investing and developing their property assets. She has had exposure in property broking, working on sales of investment properties and property consulting to the listed sector. Karen has been with the Grit team for three years; focusing on their Kenyan assets.

Trevor Matthews – Senior Asset Manager – Morocco

Trevor's career in the property sector commenced in 1980. He was previously a Leasing Manager at Sandton City in South Africa, after which he played a significant role in the Fountainhead Property Trust portfolio as head of Asset and Development Management. Trevor joined Delta Property Fund in 2013, before transferring to Grit in 2016 where he now focuses on the Group's Moroccan assets.

Brian Holmes – Country Manager – Mozambique

Brian has been a non-executive director of Grit's subsidiaries in Mozambique since March 2016. With over 20 years' experience of doing business in Mozambique, Brian has a good understanding of the Mozambican business environment and a strong business network acquired over this period. Brian holds an MBA in Leadership from Eastern University, Pennsylvania, USA and a Bachelor of Accounting Science (UNISA) that he obtained while doing his articles with Pricewaterhouse in Zimbabwe. Brian is also managing director of the only private airline in Mozambique and has founded several other business enterprises in the country. Previously, Brian spent 15 years working for international non-governmental organisations in Angola, Mozambique and South Africa, where he had global oversight for various commercial activities funded by the US Government.

Edson Neves – Financial Director – Mozambique

Edson joined Grit in January 2016 as the Finance Manager for the Mozambique entities. He holds a degree in Accounting and Finance and is a member of the Mozambique Accountants and Auditors Order (OCAM). After completing articles he moved to Deloitte & Touche Mozambique in December 2012 where he achieved the position of senior. Prior to joining Grit his experience included working in the commercial property industry as well as logistics and industrial companies, during which time he was responsible for planning, performance analysis (analytical and substantive) and reporting.

Matt Jones – Country Manager – Ghana/Regional Manager – West Africa

Matt is leading Grit's expansion strategy across Africa, particularly Grit's entry into new markets. Prior to joining Grit, Matt was the Vice President of Real Estate at Investbridge Capital, a Dubai-based firm specialising in structured finance and private equity investments in real estate across the Middle East and Africa. Previously Matt lived and worked in West Africa for more than eight years, heading investments in commercial and residential property developments as well as affordable housing estates and mortgage finance facilities. Matt holds a BA degree from Cornell University and a M.Sc. in Real Estate from Massachusetts Institute of Technology.

Lotus Dzeke – Group Technical Accounting Manager

Lotus will join Grit on 1 August 2018 as the Group's Technical Accounting Manager. Lotus joins from Deloitte in Sydney, Australia where he reported directly to the Head of Technical Accounting, helping advise on issues relating to IFRS interpretation and complex financial reporting mandates. He brings an in-depth practical experience in IFRS implementation, technical accounting, complex consolidations and accounting standards and developments research. He is a qualified Chartered Accountant having qualified at SizweNtsalubaGobodo (SNG) in South Africa before moving to Deloitte in Australia.

PART 6

DIVIDENDS, DIVIDEND POLICY AND SHARE BUYBACK POLICY

1 Historic dividends

The Company has paid the following dividends during the period covered by the historical financial information included in this document:

Date of dividend	Dividend period	Dividend per Ordinary Share – US$ cents per share	Total Dividend Paid – US$
March 2015	6 mths to 31 Dec. 2014	6.64	2,963,433
August 2015	6 mths to 30 June 2015	4.65	3,423,184
March 2016	6 mths to 31 Dec. 2015	6.17	5,046,135
October 2016	6 mths to 30 June 2016	5.58	5,583,411
March 2017	6 mths to 31 Dec. 2016	6.12	6,841,367
June 2017	4 mths to 30 April 2017	4.57	5,409,784
October 2017	2 mths to 30 June 2017	1.38	2,877,603
February 2018	6 mths to 31 Dec. 2017	6.07	12,656,816

2 Dividend policy

The dividend policy adopted by the Board is to pay a semi-annual dividend to Shareholders, typically in March and October in each year. Any dividend declared is determined based on rentals received from tenants, rental and income guarantees received from vendors and pre transfer that accrue to the Company, less cash components of administrative expenses and net finances. Such dividend is limited to the maximum amount of distributable reserves and antecedent dividend reserves and shall be determined by the Board in compliance with the solvency and liquidity requirements set out in the Mauritian Companies Act.

The target dividend in relation to the six months ended 30 June 2018 is approximately 5.9 cents per Share[6].

The Company declares dividends in US Dollars and Shareholders on the Guernsey branch register and the Mauritian register will, by default, receive dividend payments in US Dollars. Shareholders on the South African register will, by default, receive dividend payments in Rand. For Shareholders on the South African register, the date on which the exchange rate between US Dollars and Rand is set will be announced at the time the dividend is declared. A further announcement will be made once the exchange rate has been set. Shareholders on the Guernsey branch register may, on completion of a dividend election form, elect to receive dividend payments in Sterling. Dividend election forms will be available from the Guernsey Branch Registrar on request. Following Initial Admission, Depositary Interest Holders will be able to elect through CREST to receive their dividends in Sterling by the usual CREST dividend election processes.

There are no arrangements in terms of which future dividends are waived or agreed to be waived.

Investors should note that the target dividend, including its declaration and payment dates, is a target only and not a profit forecast. There may be a number of factors that adversely affect the Company's ability to achieve the target dividend and there can be no assurance that the target will be met or that any growth in the dividend will be achieved. The target dividend should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not rely on these targets in deciding whether to invest in the Ordinary Shares or assume that the Company will make any distributions at all.

3 Share buyback policy

Pursuant to a special resolution passed at the last annual general meeting of Shareholders held on 24 November 2017, the Directors of the Company are authorised to proceed with a repurchase by the Company of up to 4.9 per cent. of its issued Ordinary Shares as at the date of the annual general meeting (being 208,514,261 Ordinary Shares). This approval from the Shareholders is valid until the next annual general meeting of Shareholders.

[6] This is a target only and is not guaranteed. It is based on a number of bases and assumptions which may or may not materialise.

It is the Board's view that repurchasing Ordinary Shares at a discount to their net asset value is an efficient use of Grit's cash. In the absence of any other mitigating factors, any buyback is generally expected to be value enhancing and will benefit the Shareholders as a whole given that the pricing at which any buyback will be effected is less than the intrinsic value of those Ordinary Shares, with the result that the Net Asset Value per Share following any buyback will be increased accordingly.

The Board currently intends that shortly following LSE Admission, the Company will seek a new authority from Shareholders to repurchase Ordinary Shares. It is expected that the authority sought will be for up to 14.99 per cent. of the Enlarged Share Capital. Following Initial Admission, any new authority to repurchase Ordinary Shares will also be compliant with the requirements of the SEM Rules, the JSE Listings Requirements and the Listing Rules.

PART 7

CORPORATE GOVERNANCE

The Board is fully committed to complying with all legislation and regulations that are applicable to the Company in its various jurisdictions including, but not limited to, the Mauritian Companies Act, the SEM Rules, the JSE Listings Requirements, the Listing Rules applicable to a company with a Standard Listing (in addition to certain provisions of the Listing Rules with which the Company has voluntarily determined to comply and which would otherwise only apply to a company with a Premium Listing). In addition, the Company will comply with the recommendations of established corporate governance frameworks, i.e. the National Code of Corporate Governance for Mauritius 2016, the King IV Report on Corporate Governance for South Africa and the UK Corporate Governance Code.

The Board seeks to maintain strong corporate governance structures and processes by working within a clearly defined governance framework which enables the delivery of sustainable growth to all the stakeholders. The governance framework has established a Board committee structure that supports and assists the Board in discharging its duties through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board. The Board has delegated specific authority to each committee. For each committee, the roles and responsibilities are defined in a Board-approved charter. The Board delegates authority to ExCo, via the Chief Executive Office ("**CEO**"), to manage the business and affairs of the Group. Exco is responsible for ensuring that Board decisions are effectively implemented in line with its mandates.

The Board believes that the committees, as shown below, are appropriate for the Company:

BOARD OF DIRECTORS					
Audit Committee	Risk Committee	Investment Committee	Remuneration Committee	Nomination Committee	Social & Ethics Committee

Executive Committee
The Board has delegated the management of the Group's daily operations to ExCo

Board meetings are held at least quarterly, with additional meetings convened when circumstances necessitate. External advisers, Executive Directors and senior management who are not members of specific committees may attend committee meetings by invitation.

Further details of the committees of the Board and their responsibilities are set out below.

Risk governance and internal controls

The Board's responsibility for the establishment of a robust risk management system has been delegated to the Risk Committee and management and is undertaken with the support of the internal audit function.

The risk management mechanisms in place include a system for the ongoing identification and assessment of risks, development of strategies in respect of risk, communication of risk management policies throughout the Group and processes to mitigate and reduce identified risks.

The Board has identified and continuously monitors key risk areas, key performance areas and non-financial aspects relevant to the Group. They are, on an ongoing basis, provided with information in respect of key performance indicators, variance reports and industry trends.

Finance and accounting controls

As part of the proposed LSE Admission, and in response to the need to restate the Group's historic financial information, Grit undertook a detailed review of its financial and accounting systems and controls. As a consequence of this review, Grit commenced a programme of changes and improvements to its systems and controls and the addition of suitably qualified personnel to its management team. These changes and improvements are not yet complete but to date include: (i) the recruitment (with effect from 1 September 2018) of Eric Weirich as Finance Director of Grit's main operating subsidiary, Delta International Mauritius Limited, who will also join the Group's Executive Committee; (ii) the recruitment to the Group's finance function of several suitably qualified personnel (including Lotus Dzeke who is profiled on page 65 above); (iii) the appointment of KPMG as the Group's internal auditor with effect from 1 June 2018; and (iv) an upgrade to the Group's financial systems through the adoption of a leading real estate accounting software package dedicated to the real estate industry supplied by Broll-Online which is being introduced throughout the Group's operations. This commenced in early 2018 and is expected to be completed and fully operational by 1 August 2018.

Directors' dealings

Dealing in the Company's securities by Directors is regulated and monitored as required by the SEM Rules and the JSE Listings Requirements and for the purposes of the Market Abuse Regulation. The Directors have adopted the model code for securities transactions by directors as detailed in Appendix 6 of the SEM Rules as well as the JSE Listings Requirements.

All Directors' trading must take place exclusively outside prescribed closed periods preceding the announcement of the Company's interim and year-end financial results, during any period while the Company is trading under cautionary announcement or during which there is inside information relating to the Company and at any other time deemed necessary by the Board.

This policy is managed by the Company Secretary with the persons authorised to clear Directors for trading in open periods being the Chairman and, in his absence or in the case of any potential conflict, the Senior Independent Director.

Board committees

Audit Committee

The Audit Committee is chaired by Paul Huberman with Ian Macleod and Catherine McIlraith as members. The Board considers that Paul Huberman's professional experience makes him suitably qualified to chair the Audit Committee. The Audit Committee meets at least four times a year and, if required, meetings can also be attended by members of ExCo.

The Audit Committee is responsible for: providing the Board with additional assurance regarding the efficacy and reliability of the financial information used by the Directors to assist them in the discharge of their duties; reviewing interim and annual financial statements and the integrated annual report; providing comfort to the Board that adequate and appropriate financial and operating controls are in place; determining the nature and extent of any non-audit services that the auditors may provide to the Company; ensuring good standards of governance, reporting and compliance are in operation; overseeing the internal audit function; ensuring the independence of the external auditors and overseeing the external audit process; and annually reviewing the expertise, resources and experience of the CFO and finance function and disclosing the results of the review in the integrated report.

Risk Committee

The Risk Committee is chaired by Catherine McIlraith with Ian Macleod, Matshepo More and Paul Huberman as members. The Risk Committee meets at least twice a year and, if required, meetings can also be attended by the CEO, CFO, members of ExCo and the auditors.

The Risk Committee is responsible for: overseeing the development and plan for risk management; monitoring the implementation of the policy and plan for risk management taking place by means of risk management systems and processes; ensuring that the risk management plan is disseminated throughout the Group and integrated in the day-to-day activities of the Group; ensuring that risk management assessments and monitoring are performed on a continuous basis; and ensuring frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks. The Risk Committee liaises closely with the Audit Committee.

Remuneration Committee

The Remuneration Committee is chaired by Ian Macleod with Catherine McIlraith and Peter Todd as members. The Remuneration Committee meets at least three times a year and, if required, meetings can also be attended by the CEO, CFO and any other person knowledgeable in remuneration matters.

The Remuneration Committee is responsible for: ensuring that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes; and making recommendations to the Board on remuneration policy; payment of performance bonuses, executive remuneration, incentive schemes and employee retention schemes.

Nomination Committee

The Nomination Committee is chaired by Peter Todd with Nomzamo Radebe, Paul Huberman and Ian Macleod as members. The Nomination Committee meets at least three times a year.

The Nomination Committee is responsible for: reviewing the Board structure, the size and composition of the various committees and making recommendations; overseeing an adequate split between executives and non-executives; identifying and nominating new directors for approval by the Board; ensuring that appointments to the Board are formal and transparent; ensuring induction and training of Directors; ensuring formal succession plans for the Board, CEO and senior management; performing an annual review of the proper and effective functioning of the Board and the various committees; and agreeing, on an annual basis, all measurable targets for achieving gender diversity on the Board.

Investment Committee

The Investment Committee is chaired by Peter Todd with Ian Macleod, Bronwyn Corbett, Matshepo More and Nomzamo Radebe as members. The Investment Committee meets at least four times a year.

The Investment Committee is responsible for: assisting the Board in recommending to it an investment strategy, policy and guidelines; ensuring that the Group's investments are in line with the Board approved strategy, policy, guidelines and vision; recommending and effecting acquisitions and disposals of investments and ensuring that adequate due diligence procedures are followed when acquiring or disposing of assets.

Social and Ethics Committee

The Social and Ethics Committee is chaired by Catherine McIlraith with Peter Todd, Matshepo More and Nomzamo Radebe as members.

The Social and Ethics Committee is responsible for: advising and providing guidance on the effectiveness of management's efforts in respect of social, ethical and sustainable development related matters; monitoring compliance with legislation; monitoring employment equity and fair labour practices; driving environmental responsibility and sustainability matters; monitoring good corporate citizenship; and reviewing and monitoring the Company's stakeholder engagement plans, guidelines and practices.

Grit gender diversity

The following table illustrates the gender diversity of Grit's Board and senior management as at the Latest Practicable Date:

Description	**Grit Group[3]**	**Male**	**Female**	**Female as a Percentage**
Total Headcount[1]	77	34	43	56%
Founders	2	1	1	50%
Board of Directors	8	4	4	50%
Executive Committee	7	3	4	57%
Group Management[2]	10	4	6	60%

[1] Includes development support services

[2] Includes Executive Committee and other Group operational management

[3] Includes individuals who have agreed to join the Group during August and September 2018

Conflicts of interest

The Board has in place a policy detailing the manner in which a Director's interest in transactions is to be determined, and accordingly addressed. The policy also manages the interested Director's involvement in the decision-making process.

Real or perceived conflicts are disclosed to the Board and managed in accordance with this policy. In respect of the non-executive Directors, their independence is reviewed by the Board from time to time and it is the Company's belief that the passage of time does not lead to a lack of independence.

Matshepo More is a director of the PIC which is the asset manager to GEPF and the Company's largest Shareholder as at the date of this document.

Nomzamo Radebe is a director of DiT which, at the date of this document, is a Shareholder of Grit that holds more than 10 per cent. of the Company's issued Ordinary Shares. Grit facilitated a black economic empowerment structure between DiT as BEE partner, Bank of America Merrill Lynch as debt funder, and the PIC on behalf of the GEPF as guarantor and Grit as co-guarantor to enable DiT to acquire shares in Grit as part of a rights issue undertaken in June 2017.

Although Ian Macleod is a director of Delta Property Fund which currently holds 11.15 per cent. of the issued Ordinary Shares (which shareholding is expected to decrease on Initial Admission), the Board considers that he is independent. Ian is not appointed as a representative of a Shareholder but as an independent non-executive director with significant real estate experience and knowledge.

Peter Todd is a founder of the Osiris Group of companies which provides corporate finance and administrative services to global clients, including the provision of directors' services. Peter sits as an administrative director on many companies incorporated in Mauritius, and was a director of certain companies that became associated with Grit. However, he has resigned as a director of any companies that had an association with Grit. In the past and on an *ad hoc* basis, certain of the Osiris companies have provided administrative services to Grit. The Board has considered these relationships and does not consider that they impact his independence as a non-executive director of Grit.

Save as disclosed above, there are no conflicts of interest between any of the Director's duties to the Company and any of their private interests or other duties.

Stakeholder engagement

The Board recognises the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to Shareholders and other stakeholders, providing a proper and objective perspective of the Company and its activities.

The Directors have, accordingly, established mechanisms and policies appropriate to the Company's business in keeping with its commitment to complying with best practices in corporate governance. The Board will review these from time to time. The Directors recognise that creating wealth and delivering value to all stakeholders are prerequisites for sustainability of the business as a going concern.

Grit is committed to reporting openly on the key issues affecting the Group's operations, its corporate governance practices and any other information which may have a material effect on the decisions of stakeholders. The Directors are cognisant that stakeholder perception may have an impact on the reputation of the Company and, as such, the Board, as the ultimate custodian of corporate reputation and stakeholder relationships, considers a blend of shareholder and stakeholder interests in the context of its overarching duty to act in the best interests of the Company. Management engages with analysts and Shareholders on a regular basis to ascertain expectations and perceptions of the Company.

Stakeholder	Engagement
Shareholders and investment analysts	• Annual general meetings • Annual and interim reports • Results presentations • Continuous one-on-one meetings with investors and analysts • Investor roadshows • Media announcements • SENS, SEM and, following LSE Admission, RIS announcements • Website updates • Compliant and transparent reporting • Integrated report
Financiers	• Multi-bank approach • Cash flow and solvency forecasts • Report to financial stakeholders • Monitoring of key financial ratios and covenants • Site visits • Ongoing negotiations with bankers and financiers to secure better rates and conditions • Consideration of alternative sources of capital by the Board and corporate advisers • Debt markets • Financier roadshows
Tenants	• Regular site visits • Formal communication via email and letters • Strategic discussions at management level • Independent market research • Early renewals
Suppliers & service providers	• Supplier performance is monitored regularly • Tenders are awarded based on price and quality • Formal communication
Employees	• Performance and development reviews • Direct and regular communication • Open door policy by executive management • Formalised HR department
Media	• Web broadcasts • Press releases • Television interviews • One-on-one meetings • Press engagements
Governments & regulators	• Regular contact with the SEM and the JSE • Interaction with the Mauritian Financial Services Commission • Meetings with country Central Banks • Detailed review of policies

PART 8

THE ISSUE

1 Introduction

The Company intends to raise at least US$286 million (gross) or approximately US$275.9 million (net of expenses) through the issue of 200 million Ordinary Shares by way of an Initial Placing and Offer for Subscription at US$1.43 per Ordinary Share. The Issue Price is based on the last published Net Asset Value per Share as at 31 March 2018. The actual number of Ordinary Shares to be issued pursuant to the Issue (which is not being underwritten), and therefore the gross proceeds of the Issue, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service, a SENS and a SEM announcement prior to Initial Admission. The Directors have reserved the right, in conjunction with the Joint UK Placing Agents, to increase the size of the Issue to a maximum of 250 million Ordinary Shares if overall demand exceeds 200 million Ordinary Shares, with any such increase being announced through a Regulatory Information Service, a SENS and a SEM announcement. The maximum Issue size should not be taken as an indication of the number of Ordinary Shares to be issued.

The Issue Shares will, following Initial Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares by reference to a record date after Initial Admission.

The expenses of, or incidental to, the Issue, will be paid by the Company. There are no commissions, fees or expenses to be charged to investors by the Company. The aggregate proceeds of the Issue, after deduction of expenses, are expected to be approximately US$275.9 million on the assumption that the gross proceeds of the Issue are US$286 million.

The expected expenses of the Company in connection with the Issue and LSE Admission are as set out in the table below, assuming the Issue is subscribed as to 200 million Ordinary Shares:

Expense	Recipients	US$ million
Sponsors, Transaction Advisers, Financial Adviser, Broker and Placing Agent Fees	finnCap, AXYS Corporate Advisory, AXYS Stockbroking, Baden Hill, Exotix, PSG Capital and Perigeum Capital	6.3
Guernsey Branch Registrar, Depositary and UK Receiving Agent Fees	Link Market Services (Guernsey) Limited, Link Market Services Trustees Limited and Link Asset Services	0.1
Legal Advisers Fees	Stephenson Harwood LLP, BLC Robert & Associates, Gowling WLG (UK) LLP and Cliffe Dekker Hofmeyr Incorporated	1.2
Auditor, Reporting Accountants and Tax Advisers	BDO	1.5
Valuation Fees	Jones Lang LaSalle (Pty) Ltd, Broll Valuation & Advisory Services (Pty) Ltd and REC Real Estate Consulting, LDA	0.3
Listing Fees – LSE, JSE and SEM	LSE, JSE and SEM	0.3
Miscellaneous	Various	0.4
Contingency	Various	0.1
Total		10.1

2 Conditions to the Issue

The Initial Placing and Offer for Subscription in the UK are conditional upon: (a) the Placing and Offer Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (b) the Minimum Net Proceeds being raised; and (c) Initial Admission occurring by 8.00 a.m. (BST) on 31 July 2018 (or such later date, not being later than 31 August 2018, as the Company, finnCap, Baden Hill and Exotix may agree).

The Initial Placing in South Africa is conditional, *inter alia*, upon: (a) the PSG Capital Mandate becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (b) the Placing and Offer Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (c) the Minimum Net Proceeds being raised; and (d) Initial Admission occurring by 9.00 a.m. (SAST) on 31 July 2018 (or such later date, not being later than 31 August 2018, as the Company and PSG Capital may agree).

The Initial Placing in Mauritius is conditional, *inter alia*, upon: (a) the Placing and Offer Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; (b) the Minimum Net Proceeds being raised; and (c) Initial Admission occurring by 11.00 a.m. (MUT) on 31 July 2018 (or such later date, not being later than 31 August 2018, as the Company and AXYS Stockbroking may agree).

If any such conditions are not satisfied or, if applicable, waived, the Issue will not proceed and application monies will be refunded to the applicants, by cheque (at the applicant's risk), without interest, as soon as practicable thereafter.

In the event that the Company, in consultation with finnCap, Baden Hill, Exotix, PSG Capital and AXYS Stockbroking, wishes to waive the condition relating to Minimum Net Proceeds referred to above, the Company will be required to publish a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure).

3 The Initial Placing

finnCap, Baden Hill and Exotix have agreed under the Placing and Offer Agreement to use their respective reasonable endeavours to procure Placees for Ordinary Shares at the Issue Price. The Placing and Offer Agreement provides for each of the Joint UK Placing Agents to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Issue. Any Ordinary Shares subscribed for by a Joint UK Placing Agent may be retained by or dealt in by it for its own benefit. In addition, each of the Joint UK Placing Agents is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Issue. Each of the Joint UK Placing Agents is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Issue to any or all of those agents out of its own resources. Further details of the Placing and Offer Agreement are set out in paragraph 14.1 of Part 19 of this document.

PSG Capital has agreed to use its reasonable endeavours to procure Placees for Ordinary Shares at the Issue Price on the terms and subject to the conditions set out in the PSG Capital Mandate. The PSG Capital Mandate provides for PSG Capital to be paid certain fixed fees by the Company in respect of services rendered by PSG Capital pursuant to the Initial Placing and LSE Admission. Any fees received by PSG Capital may be retained for its own benefit. Further details of the PSG Capital Mandate are set out in paragraph 14.3 of Part 19 of this document.

Pursuant to the AXYS Mandate, AXYS has agreed to provide strategic and planning advisory services to the Company in contemplation of a capital raising as well as to assist in the preparation of marketing and due diligence materials. In addition, AXYS has agreed to coordinate the fundraising program and to source potential investors. In consideration for the services referred to above, AXYS is entitled to a global coordination fee and a placing commission. Further details of the AXYS Mandate are set out in paragraph 14.4 of Part 19 of this document.

The procedure for, and the terms and conditions of, application under the Initial Placing are set out in Part 21 of this document. The Initial Placing will close at 5.00 p.m. (BST) or 5.00 p.m. (SAST) or 5.00 p.m. (MUT) on 26 July 2018 (or such later date, not being later than 29 August 2018, as the Company, finnCap, Baden Hill, Exotix, PSG Capital and AXYS Stockbroking may agree). If the Initial Placing is extended, the revised timetable will be notified via an RIS, a SENS and a SEM announcement.

Each Placee agrees to be bound by the Constitution once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Initial Placing and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales in respect of Placees on the Guernsey branch register, the laws of South Africa in respect of Placees on the South African register and the laws of Mauritius in respect of Placees on the Mauritian register. For the exclusive benefit of finnCap, Baden Hill and Exotix, each Placee on the Guernsey branch register irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. For the exclusive benefit of PSG Capital, each Placee on the South African register irrevocably submits to the jurisdiction of the courts of South Africa and waives any objection to proceedings in any such court. This does not prevent an action being taken against the Placee in any other jurisdiction. For the exclusive benefit of AXYS Stockbroking and the Mauritian Registrar and Transfer Agent, each Placee on the Mauritian register irrevocably submits to the jurisdiction of the courts of the Republic of Mauritius and waives any objection to proceedings in any such court. This does not prevent an action being taken against the Placee in any other jurisdiction.

4 The Offer for Subscription

The Directors are also proposing to offer Ordinary Shares under the Offer for Subscription. The Offer for Subscription is being made in the UK only and investors in South Africa and Mauritius are not entitled to participate. The public generally (unless they are located or resident outside the UK) may apply for Ordinary Shares through the Offer for Subscription.

Applicants under the Offer for Subscription must specify a fixed number of Ordinary Shares for which they wish to apply at the Issue Price, being US$1.43 per share. The aggregate subscription price is payable in full on application. Applications under the Offer for Subscription must be for a minimum of 1,000 Ordinary Shares and in multiples of 1,000 thereafter, although the Board may accept applications below the minimum amounts stated above in their absolute discretion. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

The procedure for, and the terms and conditions of, application under the Offer for Subscription are set out in Part 22 of this document and an Application Form for use under the Offer for Subscription is set out at the end of this document as Appendix 1.

Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to Link Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 11.00 a.m. on 26 July 2018. For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 11.00 a.m. on 26 July 2018 and a PDF certified copy of the proof of source of funds should be emailed to Link at operationalsupportteam@linkgroup.co.uk. Applicants choosing to settle via CREST on a delivery versus payment ("**DVP**") basis, will need to put in their instructions in the CREST GUI in favour of Link Asset Services' participant account RA06 to settle by no later than 11.00 a.m. on 26 July 2018, allowing for the delivery and acceptance of Issue Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form.

If the Offer for Subscription is extended, the revised timetable will be notified via a Regulatory Information Service, a SENS and a SEM announcement.

Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

To the extent that South African investors participate in the Initial Placing or Offer for Subscription in the UK by subscribing for Ordinary Shares that will be issued on the Guernsey branch register, such South African investors can only do so by engaging with offshore intermediaries and by complying with the South African exchange control requirements and prudential limits in using offshore funds. Such participation cannot be effected through PSG Capital on the basis that PSG Capital will only embark upon a private placement of Ordinary Shares to invited investors that will subscribe for Ordinary Shares on the South African register. Any interaction by PSG Capital with South African investors that subscribe for Ordinary Shares on the Guernsey branch register is purely incidental and is not intended to be an offer to the public to those investors in South Africa or to make the prospectus available to them for UK purposes.

5 Scaling back and allocations

The Directors have reserved the right, in conjunction with the Joint UK Placing Agents, to increase the size of the Issue to a maximum of 250 million Ordinary Shares if overall demand exceeds 200 million Ordinary Shares, with any such increase being announced through a Regulatory Information Service, a SENS and a SEM announcement.

In the event that applications under the Initial Placing and the Offer for Subscription exceed the number of Ordinary Shares available, they will be scaled back at the discretion of the Company, following consultation with finnCap, Baden Hill, Exotix, AXYS Corporate Advisory, AXYS Stockbroking and PSG Capital. There will be no priority given to applications under the Placing or the Offer for Subscription pursuant to the Issue.

6 Dilution

The Ordinary Shares being issued pursuant to the Issue will represent approximately 48.3 per cent. of the Enlarged Share Capital, assuming the Issue is subscribed as to 200 million Ordinary Shares. Existing Shareholders who do not participate in the Issue will suffer a maximum dilution of approximately 48.3 per cent. to their ownership and voting interests in the Company by virtue of the issue of Ordinary Shares pursuant to the Issue.

7 General

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, South Africa and Mauritius, the Company and its agents (and their agents) may require evidence in connection with any application for Ordinary Shares, including further identification of the applicant(s), before any Ordinary Shares are issued to that applicant.

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document and prior to Initial Admission, the Company will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s).

8 Subscriptions

The Board may make arrangements to permit investors to subscribe under the Issue in Rand. The Board shall set such exchange rate and terms and conditions as it shall think fit for the purposes of any such subscription.

9 Admission and dealing arrangements

Application will be made to the UK Listing Authority for admission of both the Issue Shares and the Existing Ordinary Shares to the Official List with a Standard Listing. Application will also be made for the Issue Shares and the Existing Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Application will also be made to the JSE for all of the Issue Shares to be admitted to trading on the JSE's main board for listed securities. Application has also been made to the SEM for all of the Issue Shares to be admitted to the Official Market of the SEM. It is expected that Initial Admission will become effective, and that dealings in the Issue Shares (and, in the case of the London Stock Exchange, the Existing Ordinary Shares) will commence on, 31 July 2018.

The Ordinary Shares will be issued in registered form and may be held in certificated or uncertificated form. In the case of UK investors receiving Ordinary Shares in uncertificated form, it is expected that the appropriate CREST accounts will be credited with Depositary Interests with effect from 31 July 2018. In the case of South African investors receiving Ordinary Shares in uncertificated form, these will be transferred to successful applicants through the Strate system. In the case of Mauritian investors receiving Ordinary Shares in uncertificated form, these will be transferred to successful applicants through the CDS system. Dealings in the Ordinary Shares and/or Depositary Interests in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched by post at the risk of recipients to the relevant holders within 10 Business Days of Initial Admission. Settlement of transactions in the Issue Shares in South Africa will only take place within the Strate system (Ordinary Shares may only be traded on the JSE in uncertificated form). In Mauritius, investors not having a CDS account will be issued share certificates and for those holding CDS securities accounts, the settlement of the Issue Shares will take place through the CDS system (for any trading of Ordinary Shares on the SEM, the Ordinary Shares will need to be in uncertificated form and where Ordinary Shares are in certificated form, such Ordinary Shares will need to be deposited with the CDS prior to any trade).

Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfer of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

10 CREST, Strate and CDS

CREST is a voluntary, paperless settlement procedure enabling securities (including Depositary Interests) to be evidenced otherwise than by a certificate and transferred otherwise than by way of a written instrument in accordance with the CREST Regulations. The system is designed to reduce the costs of settlement and facilitate the processing of settlements and the updating of registers through the introduction of an electronic settlement system. Ordinary Shares may be held in electronic form and evidence of title to Ordinary Shares will be established on an electronic register maintained by a registrar.

As the Company is incorporated in Mauritius its Ordinary Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement. The Depositary Interests representing the Ordinary Shares will be issued to the individual Shareholder's CREST account on a one for one basis and with the Depositary providing the necessary custodial service. It is expected that, where investors have asked to hold their Ordinary Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Initial Admission. For further details of the Depositary Interest arrangement please refer to paragraph 18 of Part 19 of this document.

Strate is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in South Africa. The Constitution permits the holding of Ordinary Shares under the Strate system. Settlement of transactions in the Issue Shares in South Africa will only take place within the Strate system (Ordinary Shares may only be traded on the JSE in uncertificated form).

The SEM established the CDS to provide centralised depository, clearing and settlement services for the Mauritian securities markets. The Securities (Central Depository, Clearing and Settlement) Act 1996 provides the legal framework for the operations of the CDS. The CDS is a paperless settlement system which enables securities to be evidenced in dematerialised form and transferred otherwise than by written instrument in Mauritius. Any dealing of securities on the SEM will only take place within the CDS system (Ordinary Shares may only be traded on the SEM in uncertificated form). Any person holding certificated securities and wishing to trade on the SEM is required to open a securities account with CDS through a participant and deposit such securities with the CDS.

11 Use of proceeds

On the assumption that only the Minimum Net Proceeds of US$120 million are raised in the Issue, the Company intends to deploy the net proceeds of the Issue as follows:

- Approximately US$73 million will be used to part finance the acquisition of the New Portfolio, with the balance of the acquisition cost being financed by debt taken at the asset level. Further details on the New Portfolio are set out in Part 3 of this document.
- Approximately US$47 million will be used to repay Group debt, primarily in relation to the Group's revolving facilities with Barclays Bank (facility amount US$20 million), State Bank of Mauritius (US$20 million) and Bank ABC (US$7 million).

On the assumption that the Issue raises more than the Minimum Net Proceeds, up to the expected maximum gross proceeds of US$286 million, then the additional funds (above and beyond the Minimum Net Proceeds) will be deployed by the Company as follows:

- A further maximum amount of US$76 million will be used to repay additional Group debt to reduce the loan to value ratio of the Group to below 40 per cent., taking the maximum amount of Group debt to be repaid from the Issue proceeds to US$123 million.
- The remainder of the net Issue proceeds will be used to finance further pipeline additions to the Group's portfolio and will enable the Group to enter into new African jurisdictions and consolidate its presence in existing jurisdictions. Details of the Group's pipeline opportunities are set out in Part 3 of this document.

12 Overseas persons

No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom, South Africa or Mauritius where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No person receiving a copy of this document in any territory other than the United Kingdom, may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Ordinary Shares nor should he in any event acquire, subscribe for or purchase Ordinary Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom wishing to acquire, subscribe for or purchase Ordinary Shares should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

This document is not an invitation to the public in South Africa or Mauritius to subscribe for Ordinary Shares and is issued in compliance with the SEM Rules, and for the purpose of providing information to invited investors in South Africa and Mauritius with regard to the Company. This document does not constitute, envisage or represent an offer to the public in South Africa or in Mauritius, as envisaged in the South African Companies Act and the Mauritian Securities Act 2005, respectively. Only persons who are invited to participate in the Initial Placing and who fall within any of the categories envisaged in section 96(1)(a) of the South African Companies Act or who subscribe for a minimum amount of R1,000,000 (one million Rand) per single addressee acting as principal, as contemplated in section 96(1)(b) of the South African Companies Act, are entitled to participate in the Initial Placing in South Africa.

Persons (including, without limitation, custodians, nominees and trustees) receiving this document must not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the Ordinary Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

The Constitution contains provisions designed to restrict the holding of Ordinary Shares by persons, including US Persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company to fall within certain onerous legislative requirements.

Investors should additionally consider the provisions set out under the heading “Important Notices”.

PART 9

THE PLACING PROGRAMME

1 Details of the Placing Programme

Following Initial Admission, the Directors intend to seek one or more authorities to issue up to 100 million Ordinary Shares pursuant to the Placing Programme without having first to offer those Ordinary Shares to existing Shareholders. The Placing Programme is being implemented to enable the Company to raise additional capital in the period from 1 August 2018 to 17 July 2019 as and when it identifies properties that are suitable for acquisition.

The Placing Programme is not being underwritten. The actual number of Placing Programme Shares to be issued pursuant to any Subsequent Placing is not known as at the date of this document but will be notified by the Company through a Regulatory Information Service, a SENS and a SEM announcement prior to each Admission. The issue of Placing Programme Shares pursuant to the Placing Programme is at the discretion of the Directors.

2 Conditions

Each allotment and issue of Placing Programme Shares pursuant to a Subsequent Placing is conditional, *inter alia*, on:

(a) the Placing Programme Price being determined by the Directors as described below;

(b) Admission of the Placing Programme Shares issued pursuant to such issue;

(c) the Placing and Offer Agreement becoming otherwise unconditional in all respects as regards such allotment and issue, and it not having been terminated on or before the date of such Admission;

(d) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules; and

(e) the Company having sufficient Shareholder authorities in place to issue such shares.

In circumstances where these conditions are not fully met, the relevant Subsequent Placing of Ordinary Shares pursuant to the Placing Programme will not take place.

3 Placing Programme Price

The Placing Programme Price will be determined by the Company and will be not less than the most recently published Net Asset Value per Share at the time of the relevant Subsequent Placing.

In determining the Placing Programme Price, the Directors will also take into consideration, *inter alia*, the prevailing market conditions at that time.

The Placing Programme Price will be announced through a Regulatory Information Service, a SENS and a SEM announcement as soon as is practicable in conjunction with each issue.

4 Admission and dealing arrangements

Applications will be made to the UK Listing Authority for all of the Placing Programme Shares to be issued pursuant to a Subsequent Placing to be admitted to the Official List and to the London Stock Exchange for such Placing Programme Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that such Subsequent Admissions will become effective and dealings will commence between 1 August 2018 and 17 July 2019.

Application will be made to the JSE for all of the Placing Programme Shares to be issued pursuant to a Subsequent Placing to be admitted to the JSE's main board for listed securities. It is expected that such Subsequent Admissions will become effective and dealings will commence between 1 August 2018 and 17 July 2019.

Application has also been made to the SEM for all of the Placing Programme Shares to be issued pursuant to a Subsequent Placing to be admitted to trading on the Official Market of the SEM. It is expected that such

Subsequent Admissions will become effective and dealings will commence between 1 August 2018 and 17 July 2019.

Placing Programme Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of UK investors receiving Placing Programme Shares in uncertificated form, it is expected that the appropriate CREST accounts will be credited with Depositary Interests. Investors in South Africa will receive Placing Programme Shares in uncertificated form, which will be transferred to successful applicants through the Strate system. In the case of Mauritian investors receiving Placing Programme Shares in uncertificated form, these will be transferred to successful applicants through the CDS system. Dealings in the Placing Programme Shares and/or Depositary Interests in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

Where applicable, definitive share certificates in respect of the Placing Programme Shares are expected to be despatched by post, at the risk of recipients, to the relevant holders, approximately one week from the relevant Subsequent Admission. Settlement of transactions in the Placing Programme Shares in South Africa will only take place within the Strate system (Ordinary Shares may only be traded on the JSE in uncertificated form). In Mauritius, investors not having a CDS account will be issued share certificates and for those holding CDS securities accounts, the settlement of the Placing Programme Shares will take place through the CDS system (for any trading of Ordinary Shares on the SEM, the Ordinary Shares will need to be in uncertificated form and where Ordinary Shares are in certificated form, such Ordinary Shares will need to be deposited with the CDS prior to any trade). Prior to the despatch of definitive share certificates in respect of any Placing Programme Shares which are held in certificated form, transfer of those Placing Programme Shares will be certified against the Register. No temporary documents of title will be issued.

Any Placing Programme Shares issued pursuant to the Placing Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the issue of the relevant Placing Programme Shares).

5 Dilution

If 100 million Ordinary Shares are issued pursuant to the Placing Programme, assuming the Issue has been subscribed as to 200 million Ordinary Shares and that there are no other changes to the Company's issued share capital following the date of this document, there would be a dilution of approximately 24.15 per cent. in Shareholders' voting control of the Company immediately after the Issue.

6 Scaling back

In the event of oversubscription of a Subsequent Placing, applications under the Subsequent Placing will be scaled back at the discretion of the Company, following consultation with finnCap, Baden Hill, Exotix, AXYS, AXYS Stockbroking and PSG Capital.

7 The Placing and Offer Agreement, the PSG Capital Mandate and the AXYS Mandate

The Placing and Offer Agreement provides for each of the Joint UK Placing Agents to be paid commission by the Company, on a basis to be agreed, in respect of the Placing Programme Shares to be allotted pursuant to a Subsequent Placing. Any Placing Programme Shares subscribed for by a Joint UK Placing Agent may be retained or dealt in by it for its own benefit.

Under the Placing and Offer Agreement, each of the Joint UK Placing Agents is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to a Subsequent Placing. Each of the Joint UK Placing Agents is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of a Subsequent Placing to any or all of those agents out of its own resources.

Further details of the terms of the Placing and Offer Agreement are set out in paragraph 14.1 of Part 19 of this document.

The PSG Capital Mandate provides for PSG Capital to be paid a fixed fee by the Company in respect of the Placing Programme Shares placed by PSG Capital and to be allotted pursuant to any Subsequent Placing. Any fees received by PSG Capital may be retained for its own benefit. Further details of the PSG Capital Mandate are set out in paragraph 14.3 of Part 19 of this document.

The AXYS Mandate provides for AXYS to be paid commission by the Company in respect of the Placing Programme Shares placed by AXYS or a company within its group and to be allotted pursuant to any Subsequent Placing. Any commissions received by AXYS may be retained for its own benefit. Further details of the AXYS Mandate are set out in paragraph 14.4 of Part 19 of this document.

8 Costs of the Placing Programme

The costs and expenses of each issue of Placing Programme Shares under the Placing Programme will depend on subscriptions received.

9 CREST, Strate and CDS

CREST is a voluntary, paperless settlement procedure enabling securities (including Depositary Interests) to be evidenced otherwise than by a certificate and transferred otherwise than by way of a written instrument in accordance with the CREST Regulations. The system is designed to reduce the costs of settlement and facilitate the processing of settlements and the updating of registers through the introduction of an electronic settlement system. Ordinary Shares may be held in electronic form and evidence of title to Ordinary Shares will be established on an electronic register maintained by a registrar.

As the Company is incorporated in Mauritius its Ordinary Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement. The Depositary Interests representing the Ordinary Shares will be issued to the individual Shareholder's CREST account on a one for one basis and with the Depositary providing the necessary custodial service. It is expected that, where Shareholders have asked to hold their Ordinary Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. For further details of the Depositary Interest arrangement please refer to paragraph 18 of Part 19 of this document.

Strate is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in South Africa. The Constitution permits the holding of Ordinary Shares under the Strate system. Settlement of transactions in the Ordinary Shares in South Africa will only take place within the Strate system (Ordinary Shares may only be traded on the JSE in uncertificated form).

The SEM established the CDS to provide centralised depository, clearing and settlement services for the Mauritian securities markets. The Securities (Central Depository, Clearing and Settlement) Act 1996 provides the legal framework for the operations of the CDS. The CDS is a paperless settlement system which enables securities to be evidenced in dematerialised form and transferred otherwise than by written instrument in Mauritius. Any dealing of securities on the SEM will only take place within the CDS system (Ordinary Shares may only be traded on the SEM in uncertificated form). Any person holding certificated securities and wishing to trade on the SEM is required to open a securities account with CDS through a participant and deposit such securities with the CDS.

10 General

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, South Africa and Mauritius, the Company and its agents (and their agents) may require evidence in connection with any application for Placing Programme Shares, including further identification of the applicant(s), before any Placing Programme Shares are issued to that applicant.

In the event that there are any significant changes affecting any of the matters described in this document or where any new significant matters have arisen after the publication of this document and prior to any Subsequent Admission, the Company will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s).

11 Subscriptions

The Board may make arrangements to permit investors to subscribe under any Subsequent Placing in Rand. The Board shall set such exchange rate and terms and conditions as it shall think fit for the purposes of any such subscription.

12 Overseas persons

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The Constitution contains provisions designed to restrict the holding of Ordinary Shares by persons, including US Persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company to fall within certain onerous legislative requirements.

Investors should additionally consider the provisions set out under the heading “Important Notices”.

PART 10

REAL ESTATE IN AFRICA: INVESTMENT OPPORTUNITY

As part of the preparation for the Issue and the listing on the LSE, Grit commissioned a report from Jones Lang LaSalle South Africa (Pty) Limited ("**JLL**") to provide prospective investors with an overview of the various countries in which Grit operates or is considering operating, including an overview of the real estate market in each such country.

JLL Report

JLL has (a) given and not withdrawn its written consent both to the inclusion in this document of the JLL Report and to references to the JLL Report in the form and context in which it appears, and (b) authorised and accepts responsibility for the JLL Report. With the exception of the JLL Report and the JLL Valuation Report, JLL does not accept any liability in relation to the information contained in this document or any other information provided by the Company or any other party in connection with the Issue or the Placing Programme.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law JLL does not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulations, consenting to its inclusion in this Prospectus.

For the purposes of Prospectus Rule 5.5.3R(2)(f), JLL accepts responsibility for the information within this report and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulations.

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18 July 2018

Approach

Jones Lang LaSalle South Africa (Pty) Limited has been engaged by Grit to provide a macro-economic country overview, sector overview and real estate market overview in Grit's countries of operation as well as in Grit's target countries of operation. These countries are Mauritius, Morocco, Zambia, Mozambique, Kenya, Botswana, Ghana and Senegal (the "Countries"). Economic data is sourced from Oxford Economics, unless otherwise indicated.

We summarise our key findings in three sections by addressing the following topics:

Macro-economic overview

The first part of the report contains a review and analysis of macro-economic drivers for each of the Countries with reference to the real estate industry.

Sub-Saharan Africa real estate market overview

The second part of our report provides a broad overview of the sub-Saharan African real estate market, to consider its key drivers as well as to provide some guidance on future trends.

Sub-Saharan Africa real estate sector overview

The third part of our report provides sector analysis of the Countries and is limited to the following sectors for each of the Countries:

- Retail – Morocco, Kenya, Mozambique, Ghana, Zambia

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- Light Industrial – Kenya, Ghana, Mozambique
- Hospitality – Mauritius, Senegal
- Corporate Accommodation – Mozambique

Part 1. Macro-economic overview of selected markets in sub-Saharan Africa ("SSA")

Kenya – Highly Speculative (Non-investment grade B+ with stable outlook)

Kenya has a record of good economic growth with GDP averaging 6% in real terms annually over the past six years. However, economic growth and investment flows into Kenya in 2017 were constrained by domestic factors such as the presidential elections that took place in August 2017, weak agricultural performance during H1 2017 and the impact of the imposed interest rate cap on private sector lending by banks. According to data recently released by the Kenya National Bureau of Statistics, the economy grew by 4.9% in 2017. This is the slowest growth recorded in five years. Adverse weather conditions and a prolonged electoral process vastly contributed to this slow growth.

Instead of addressing the long-awaited issue of interest rate caps, Kenya's Monetary Policy Committee recently reduced the country's benchmark interest rate to 9.5% reflecting low inflationary pressure (inflation currently stands at 4.5%) and the central bank's confidence that the inflation rate will remain within the Government's target range over the near term and is forecasted to average below 6% in 2018. Nevertheless, Kenya's GDP growth is expected to improve to 5.7% in 2018 and reach 6.3% in 2019.

As is common across much of sub-Saharan Africa, there is concern over Kenya's high debt levels which increased by 19.6% between December 2016 and December 2017. The debt comprises 51.9% external debt and 48.1% domestic loans and does not include recent borrowings like the US$2 billion Eurobond raised in late February 2018.

Moving through 2018, business sentiment is expected to improve given that the election period has ended combined with the possibility of an amendment to the current interest rate cap laws. Kenya went up by 12 places, from 92nd to 80th position, in the World Bank's 2018 Ease of doing Business report making the country the third most competitive market in Africa after Mauritius and Rwanda. Slow registration of property and issuance of construction permits remain the biggest drags on the economy.

Kenya's foreign exchange holdings remain at modest levels, at around four months of import cover, and external debt is rising but remains sustainable. However, fiscal policy remains a concern. The overall outlook for Kenya remains stable with expectation that strong economic growth will facilitate fiscal consolidation and keep external debt increases contained.

GDP composition by sector (2017 estimates)

agriculture	35.0%
industry	17.6%
services	47.7%

Source: CIA world factsheet

Summary table of key country statistics

Indicator	2017 (Estimates)	2018 (Forecast)	2019 (Forecast)
Real GDP growth (% annual)	4.9	5.4	5.6
CPI Inflation, average (%)	8.0	5.5	5.7
Real GDP per capita (US$)	1,168	1,201	1,238
Policy Interest Rate	10.0%	9.5%	9.5%
Government debt (% of GDP)	57.7%	60.2%	61.1%
Exchange rate, avg, Local currency per US$	103.4	105.5	110.5

Ghana – Highly Speculative (Non-investment grade B with stable outlook)

Following a challenging few years, Ghana looks set to record a strong recovery in 2017 with real GDP growth expected to rebound to 8.3%, according to Oxford Economics, from 3.7% in 2016. However, recent data from Ghana's statistical office reports an 8.5% growth in GDP for 2017. Looking ahead, on the back of stable elections at the end of 2016, which saw Nana Akufo-Addo elected with almost 54% of the vote, the upswing looks set to persist. Typically underpinned by exports of oil, gold and cocoa investors have been encouraged by efforts to diversify the economy in the last year with agriculture and services set to underpin more stable growth.

Ghana looks set to have one of the strongest economic growth profiles on the African continent in the short and mid-term. The country's recovery from 2016 has been quite impressive, largely bolstered by an increase in oil production. Ghana's recently published 2017 nine months GDP growth has come in at 9.3%, following the fifth successive quarter of economic growth, and compares to 4.3% for the same period the previous year (source: World Bank). This growth has largely been fuelled by an increase in oil production which, according to the World Bank, rose by 16.6% against a decline of 11.2% for the first nine months of the previous year. Growth has also been supported by a recovery in the service sector, which grew 5.6% in Q3 2017 from 3.7% in Q1 2017.

Ghana has one of the most stable and developed economies in SSA and is one of the fastest growing economies in the world over the last ten years. The country is a major exporter of natural resources and has benefited from a substantial pick up in oil production. Ghana is also one of the world's largest diamond and gold producers and the second largest producer of cocoa in the world. As such the country should benefit from the recent recovery in global commodity prices which can be expected to underpin economic growth.

Ghana has a substantial budget deficit. Revenue mobilisation and tax compliance will be key, combined with a sensible approach to expenditure planning in order to contain the Government's wage bill.

GDP composition by sector (2017 estimates)

agriculture	18.3%
industry	24.5%
services	57.2%

Source: CIA world factsheet

Summary table of key country statistics

Indicator	2017 (Estimates)	2018 (Forecast)	2019 (Forecast)
Real GDP growth (% annual)	8.3	7.2	6.1
CPI Inflation, average (%)	12.4	10.8	9.6
Real GDP per capita (US$)	1,810	1,898	1,972
Policy Interest Rate	20.0%	17.0%	15.5%
Government debt (% of GDP)	70.6%	69.4%	68.1%
Exchange rate, avg, Local currency per US$	4.4	4.5	4.8

Mozambique – In default (RD)

The Mozambican economy recently faced numerous challenges with the uncovering of undisclosed Government debt and the Government defaulting on coupon payments for its Eurobond. This has lead to a significant decrease in investment flows into the country and a loss of external funding from global organisations such as the International Monetary Fund ("IMF").

Conversely, strong performance in the extractives industry and exports boosted economic growth for 2017 with the National Institute of Statistics reporting GDP growth of 3.7% in 2017. The strong performance in exports helped narrow the current account deficit to US$4.2 billion (19% of GDP).

While the central bank has tightened monetary policy, given the challenges the economy has faced, the currency has devalued drastically, but is expected to strengthen in the short term, appreciating to an average of MZN59.7/US$ in 2018. According to Standard & Poor's ("S&P"), Mozambique has the highest foreign currency debt in SSA at 84%, which is largely due to the issuance of its Eurobonds.

Business sentiment in Mozambique may remain challenged in the near term as the country prepares for presidential elections in 2019 and is still dealing with the impact of its fiscal resource mismanagement. Mozambique's debt remains a concern with the recent debt restructuring proposals being declined by the country's Eurobond holders. Nevertheless, with liquefied natural gas ("LNG") projects gaining momentum, Mozambique's outlook is improving and the economy is forecast to grow at 4.8% in 2018 and 5.9% in 2019 marking it as one of the highest growth countries in the region in the mid-term.

GDP composition by sector (2017 estimates)

agriculture	24.2%
industry	23.0%
services	52.8%

Source: CIA world factsheet

Summary table of key country statistics

Indicator	2017 (Estimates)	2018 (Forecast)	2019 (Forecast)
Real GDP growth (% annual)	3.7	3.5	3.4
CPI Inflation, average (%)	15.1	4.7	6.3
Real GDP per capita (US$)	518	521	524
Policy Interest Rate	22.7%	16.5%	14.5%
Government debt (% of GDP)	98.7%	106.7%	110.2%
Exchange rate, avg, Local currency per US$	63.7	60.3	61.6

Zambia – Highly Speculative (Non-investment grade B with negative outlook)

Zambia is one of the world's largest producers of copper, accounting for 70% of Africa's copper production and 60% of the country's total exports. To reduce the country's dependence on copper, the Government has implemented programmes targeting the agriculture and energy sectors. Economic prospects for Zambia remain favourable as higher copper prices are expected to support trade activity and inflation has slowed down to the lower end of the target band (6% – 8%).

Zambia's economy looks set to recover in 2017 with GDP growth picking up to 3.7% against 3.6% in 2016, which in turn is significantly below the levels between 2010 and 2014 when GDP averaged 7.0%.

This sluggish recovery, despite a strong harvest in 2017, improved electricity generation, and easing of monetary policy is largely due to weak performances by the services, mining, and construction sectors. Growth is, however, forecast to strengthen to 4.4% in 2018 and 4.7% in 2019, well above the SSA average.

Inflation growth in Zambia has averaged almost 10% over the past 10 years, peaking at above 20% in February 2016. The inflation rate is expected to improve during 2018; at 7.1% on current forecasts, which together with a more stable Kwacha has supported an easing of the interest rate from almost 16% in early 2017 to 9.75% as at May 2018.

Zambia issued three Eurobonds between 2012 and 2015 totalling US$3 billion. This has increased the country's debt ratio to 60% of GDP which is a concern, but is also a common theme across the region. The IMF has called on the Government to scale down on borrowing and has stalled any further discussions of an extended fund facility.

GDP composition by sector (2017 estimates)

agriculture	5.4%
industry	35.6%
services	59.0%

Source: CIA world factsheet

Summary table of key country statistics

Indicator	2017 (Estimates)	2018 (Forecast)	2019 (Forecast)
Real GDP growth (% annual)	3.7	4.4	4.7
CPI Inflation, average (%)	6.6.	7.1	7.6
Real GDP per capita (US$)	1,635	1,657	1,685
Policy Interest Rate	10.3%	9.3%	9.0%
Government debt (% of GDP)	55.5%	58.5%	58.3%
Exchange rate, avg, Local currency per US$	9.5	10.3	11.1

Senegal – Speculative (Non-investment grade Ba3 with stable outlook)

Numerous obstacles, including adverse weather conditions, infrastructure issues, energy shortages and a difficult business environment, caused the Senegalese economy to perform below potential in 2017. However, that is off a high base as the country is a comparatively strong performer in the context of the region and economic growth remains considerably higher than that for SSA as a whole.

Senegal's GDP growth is expected to fall just short of 6.5% in 2017 due to lower than expected growth for H1 2017. Increased investment in infrastructure and the implementation of structural reforms is expected to boost economic growth to 6.7% in 2018.

The Senegalese economy is characterised by a large fiscal deficit, sizeable Government debt and a low GDP per capita which is currently estimated at US$ 952. Nonetheless investors remain attracted to the relatively high growth and stable political climate in the country. Senegal recently issued a Eurobond worth US$2.2 billion which attracted almost US$10 billion in bids. The Senegalese authorities intend to buy back US$200 million of existing 2021 securities.

Inflation historically is low in Senegal and is forecasted to average 1.4% in 2018. Looking ahead, inflationary pressures are expected to remain subdued given the relatively low oil price environment. Senegal uses the CFA franc, which is pegged to the Euro, which means it can be expected to remain relatively stable against the US Dollar and is supportive of a low and stable inflation rate.

Business confidence in Senegal may be subdued in the short to medium term due to the presidential elections which will take place in 2019. Nonetheless, the Senegalese political environment is one of the most stable and predictable on the continent. Its current President, Macky Sall was elected in March 2012 and again in 2016, and the country's political system was strengthened in 2016 by a constitutional referendum that cut presidential terms from 7 to 5 years.

GDP composition by sector (2017 estimates)

agriculture	16.9%
industry	24.3%
services	58.8%

Source: CIA world factsheet

Summary table of key country statistics

Indicator	2017 (Estimates)	2018 (Forecast)	2019 (Forecast)
Real GDP growth (% annual)	6.4	6.7	6.8
CPI Inflation, average (%)	1.3	1.4	1.8
Real GDP per capita (US$)	1,127	1,169	1,216
Policy Interest Rate	2.5%	2.5%	2.5%
Government debt (% of GDP)	59.9%	59.8%	58.5%
Exchange rate, avg, Local currency per US$	580.7	531.9	507.8

Mauritius – Investment grade (Baa1 with stable outlook)

Mauritius's benchmark stock exchange index, the SEMDEX, has risen by approximately 16% over the previous 12 months through to 7 May 2018, reflective of renewed interest in the market. Despite the recent presidential resignation, the country has maintained low levels of political controversy for over a decade. The Government's ongoing demonstration of institutional and regulatory strength is indicative of its capacity to maintain a healthy political environment.

The country saw a trade deficit of 5.2% of GDP in 2017, on the back of declining exports and rising imports, attributable to higher oil prices. It is expected to widen to 6.0% in 2018. The MUR is forecast to continue strengthening against the US$ in 2018, with the annual exchange rate estimated to average MUR 33.9 to one US Dollar and slight weakening anticipated from 2019 with an average annual rate of MUR 34.3 against the US Dollar.

In Q4 2017, business confidence reached an all-time high of 123 points in the Mauritius Chamber of Commerce and Industry business confidence index. This was reflected in the 9.3% and 6.2% increases in the manufacturer and retailer sentiments, respectively. Currently ranked 25th in the World Bank's 2018 Ease of Doing Business Survey rankings, the country has improved significantly in terms of registering property and dealing with construction permits.

Despite the negative impact of cyclone Berguitta which saw inflation rise by 2% in January 2018 versus the previous year, the central bank has maintained its accommodative monetary policy. As such, the country's Repo rate remains at 3.5%, unchanged since it decreased from 4% in September 2017, while prime lending rates remain between 5.65% and 8.5% (Source: Bank of Mauritius).

Inflation rose from 6.2% to 7% in February 2018. However, it is expected to gradually return to its 3-4% rate, averaging around 3.4% for 2018, down from 2017's 3.7% average. Solid growth is expected in the country, with real GDP forecast to grow by 4% in 2018 from 3.9% in 2017, primarily supported by the impact of steady recovery in Europe. GDP per capita is forecast to increase to US$11,517 through 2018, reflecting stable economic growth as well as increased productivity.

GDP composition by sector (2017 estimates)

agriculture	4.0%
industry	21.8%
services	74.2%

Source: CIA world factbook

Summary table of key country statistics

Indicator	2017 (Estimates)	2018 (Forecast)	2019 (Forecast)
Real GDP growth (% annual)	3.8	3.9	3.8
CPI Inflation, average (%)	3.7	5.5	4.1
Real GDP per capita (US$)	10,175	10,548	10,924
Policy Interest Rate	3.5%	3.5%	3.5%
Government debt (% of GDP)	60.1%	58%	56.6%
Exchange rate, avg, Local currency per US$	34.4	32.9	33.6

Morocco – Investment grade (Ba1 with positive outlook)

As a reflection of the strength of the market, the MASI, the benchmark Moroccan equity index, increased by 11% over the course of the last year through to 7 May 2018, surpassing its historic high of 2011. In our view, this strength in investor confidence is built on a foundation of robust economic growth and a stable political environment. Morocco has continued to shift towards more liberal economic policies through the implementation of government initiatives such as "Plan Emergence" that will allow the development of several more industrial free zones. In terms of ease of doing business in 2018, Morocco was ranked at 69th place out of 190 surveyed economies in the most recent World Bank Ease of Doing Business Survey.

In 2018, total imports are forecast to exceed total exports by US$10.78 billion although this gap is expected to decrease, and is estimated to reach US$9.8 billion by 2023. The current account deficit has been reduced from more than US$8.7 billion in 2013 down to US$6.1 billion in 2018 with this downward trend expected to continue but substantially decelerate over the next five years, reaching US$5.4 billion in 2023.

Net foreign direct investment ("FDI") stood at US$1.87 billion in 2018 and has been forecast to increase during 2019 by around 11.4% to reach US$2.09 billion. Although Morocco has recorded relatively stable economic growth over the last 20 years, GDP growth has been fairly inconsistent over the last three years. This may be due to swings in agricultural production. GDP is estimated to grow at a rate of 3.2% in 2018 on a year-on-year basis.

In January 2018, Bank Al-Maghrib (the Central Bank of Morocco), introduced the gradual floating of its currency, the Dirham, in order to gain tighter control over monetary policy going forward. Inflation in 2018 is expected to reach 2.2%, an increase from 0.8% in 2017. Nonetheless, the central bank left its monetary policy rate steady at 2.25% at its recent (March 2018) meeting.

Although the industrial and service sectors make up some 85% of the country's GDP (Source: CIA world factbook), Morocco still relies to a disproportionate extent on its agriculture sector which employs approximately 40% of the population. The Government continues to target a programme of fiscal consolidation with austerity plans in place to limit wage growth, reform the pension system, and free up resources to improve private sector credit and investment related spending. The Government is also investing heavily in tourism infrastructure to help wean the country off its dependence on agriculture.

GDP composition by sector (2017 estimates)

agriculture	14.8%
industry	29.1%
services	56.1%

Source: CIA world factbook

Summary table of key country statistics

Indicator	2017 (Estimates)	2018 (Forecast)	2019 (Forecast)
Real GDP growth (% annual)	4.1	3.2	3.9
CPI Inflation, average (%)	0.8	2.2	2.3
Real GDP per capita (US$)	3,347	3,409	3,499
Policy Interest Rate	2.25%	2.75%	3%
Government debt (% of GDP)	82.2%	81.2%	79.4%
Exchange rate, avg, Local currency per US$	9.7	9.2	9.1

Botswana– Investment grade (A2 with stable outlook)

The benchmark Botswana Gabarone equity index continues to slip, down approximately 4% over the course of the last year through to 7 May 2018, bringing it to approximately 23% off its 2015 highs as the market absorbed a slowing economic growth rate through 2017 with growth for the first three quarters of 2017 coming in at 1% and missing analysts' expectations.

Full year growth for 2017 of 3.1% is expected to accelerate to 4.3% in 2018 supported by an improving market for diamonds which tends to follow global growth patterns. The market is also expecting an improvement in production at Mowana copper mine, a commodity which is also supported by the recovery in the global economy.

The industrial and service sectors make up over 98% of the country's GDP (Source: CIA world factbook). In addition to the diamond resources, Botswana has developed a service-orientated economy with a growing focus on the high-end and controlled tourism sector.

Botswana remains one of the most politically stable countries in Africa, with the oldest continuous democracy on the continent. President Ian Khama (son of Seretse Khama, Botswana's first post-independence president) took office in April 2008 and his resilience in office has underpinned the perception of stability in the country.

This stability is reflected in Botswana's regulatory environment. In terms of ease of doing business in 2018, the country was ranked at 81st out of 190 surveyed economies in the recent World Bank Ease of Doing Business Survey making it amongst the most competitive markets in Africa, and on a par with South Africa.

The country has a largely export-driven economy which includes substantial diamond exports. In 2018, total exports are projected to exceed total imports by US$3.08 billion. The gap is expected to increase, and is forecast to reach US$3.44 billion by 2023.

The country's current account surplus has doubled over recent years, from US$1.38 billion in 2013 up to around US$2.63 billion in 2017 with a slight decrease expected in 2018. A continued decrease is expected over the next five years, reaching around US$1.75 billion in 2023.

The Botswanan Pula is projected to continue to strengthen against the US$ in 2018 at almost 1.8% year-on-year.

FDI is anticipated to reach approximately US$0.36 billion in 2018 with a slight increase expected by 2023 to US$0.4 billion.

The year-on-year inflation rate for 2018 is expected to increase to an average of 3.6% whilst the Central Bank of Botswana left its interest rate unchanged at 5% for the beginning of 2018.

GDP composition by sector (2017 estimates)

agriculture	1.7%
industry	29.2%
services	69.1%

Source: CIA world factbook

Summary table of key country statistics

Indicator	2017 (Estimates)	2018 (Forecast)	2019 (Forecast)
Real GDP growth (% annual)	2.1	4.3	4.8
CPI Inflation, average (%)	3.3	3.6	3.9
Real GDP per capita (US$)	7,508	7,693	7,922
Policy Interest Rate	5%	5%	5.3%
Government debt (% of GDP)	13%	12.6%	11.9%
Exchange rate, avg, Local currency per US$	10.4	9.6	9.7

Part 2. Sub-Saharan Africa real estate market overview

Transactional volumes in real estate investment markets in SSA have been relatively subdued over the course of the last two to three years, in line with a broad correction in GDP growth across the region slipping to 1.6% in 2016 against the previous year. However, 2017 arguably marked the region's cyclical nadir as economies collectively began to recover with 2017 growth anticipated to come in at 2.4% and in 2018 at 3.5%. Over the next five years, growth is expected to average 3.9% across the region, bringing it closer to its historic average of 4.9%.

Of course the growth profile across the region is not homogenous. In particular the recovery profile of the largest economies on the continent (Nigeria, South Africa and Angola) is particularly subdued. Whereas growth is expect at 1.8% in these three economies in 2018, in SSA excluding Nigeria, South Africa and Angola growth of 5.0% is expected in 2018.

Largely due to the 2016 economic downturn, the SSA real estate cycle has de-correlated with the cycle in developed markets. Where occupier take-up and pricing in Europe and the US are now well above the levels going into the global financial crisis in 2007, in our view in SSA the cycle is at a cyclical low with prices having remained relatively stable over the last few years.

We believe that investor sentiment towards the region has also improved thanks to a largely supportive external environment with oil prices anticipated to remain within the current trading range for the foreseeable future. In turn inflation pressures across the region have started to recede, driven largely by a stabilising of exchange rates as well as lower food prices which has allowed a number of central banks across the region to lower interest rates.

Though the region has work to do to improve fiscal deficits (particularly in Nigeria and Angola), broadly speaking deficits have narrowed slightly which is encouraging. The real estate sector across the region has, in our opinion, benefited from a strong demographic tailwind which has supported the growth of a more consumption-driven middle class. The challenge in the long-term will be to ensure that GDP growth can keep up with population growth such that poverty rates do not grow.

The challenge for the region looking through 2018 will be the impact of growing government debt with the median debt-to-GDP ratio rising to 53% in 2017 from 48% in 2016. As global central banks unwind quantitative easing and as inflation pressures pick up in Europe and the US, a stronger US Dollar will make servicing growing external debts increasingly challenging. Therefore, in order to maintain a stable long term growth profile, SSA economies will need to focus on fiscal consolidation, managing government expenditure and efficient revenue collection, as well as boosting private investment.

With real estate markets typically lagging the economy by 12-18 months, we anticipate a broad based recovery in sentiment towards real estate investment activity through 2018. Nonetheless, interest in the region has been reasonably robust during the recent economic downturn. Even if the number of transactions has been limited, a number of sizeable SSA focused real estate funds have come to the market in the last two years. In terms of pricing, we note that office yields for prime real estate assets across SSA tend to be in the region of 7-11%. However, a lack of comparable data makes full transparency on this more challenging than in European markets.

In terms of market players and activity, Actis Capital, one of the largest private equity investors in real estate in the region, closed their third African Real Estate Fund (ARE 3) in 2016 at US$500 million. In 2018, Investec Asset Management, together with South African REIT Growthpoint, look set to close a dedicated SSA closed-end vehicle with assets under management in excess of US$200 million. A number of other players remain active in the market, including South African based RMB Westport who, together with Actis Capital, sold the Ikeja City Mall, the second largest shopping centre in West Africa in 2015, and have developed quality retail and office space in Ghana (Junction Mall, Stanbic Heights). Africa Logistics Properties ("ALP") (backed by the International Financial Corporation ("IFC"), Investec Asset Management and Growthpoint Properties) and CDC Group plc ("CDC") are developing, and have pre-leased upwards of 40,000 sqm of international grade industrial property outside Nairobi, Kenya. ALP acquired land on the Tatu Industrial Park from Rendeavour who themselves are developing new urban centres across the region, not only in Kenya, but also in Ghana, Nigeria and the Democratic Republic of Congo.

Part 3. Sub-Saharan Africa real estate sector overview

Ghana

Office

The short-term outlook, in our view, is fairly stable, while future supply activity will be strongly tied to the performance of the Ghanaian cedi and the economy as a whole. The Central Business District and Airport area continue to hold the most grade A stock, with several new office developments recently being completed within the Central Business District and Airport area. The largest new office building to enter the market is The Octagon, contributing 36,000 sqm to the current stock, followed by the 15,000 sqm One Airport Square development and the Accra Financial Centre, at 14,600 sqm.

Future supply is expected to increase as completions of ongoing developments will be concluded, most of which will be owner-occupied. Therefore, we anticipate an increase in vacancy rates as major tenants relocate to their own premises. The delivery of future supply that is anticipated to come onto the market over the next 24 months is approximately 125,000 sqm.

With Ghana's macroeconomic performance improving in 2017 after a significant slowdown between 2013 and 2016, we expect demand for office space to improve. The competitive advantages of the Central Business District and Airport City nodes is clear with these areas continuing to experience high demand. The current take-up is mostly amongst banks and insurance companies, which occupy spaces ranging between 100 sqm to 250 sqm.

The future demand for office space in Accra is expected to be driven by the telecommunications, financial, and oil & gas sectors. These three sectors are seeing the green shoots of recovery by virtue of increased growth which could result in expansion plans and increased hiring that will ultimately drive demand for office space. However, we are of the view that demand will not be able to keep up with the projected increase in supply.

Office rentals remain stable, with the Central Business District and Airport City achieving the highest rentals ranging between US$30 – US$45 sqm/month, while secondary areas achieve lower rents on average, ranging between US$20 – US$30 sqm/month.

Retail

Accra has seen a number of high quality retail centres added over the last few years. Accra Mall, the first modern large-scale shopping centre to open in Ghana in 2008 with 20,000 sqm of retail space remains popular with low vacancy rates. West Hills Mall opened in 2014, as the largest mall in West Africa providing 27,000 sqm of retail space, some 4,000 sqm larger than Ikeja City Mall in Lagos.

Congestion and the availability of land have pushed recent completions outside the centre of Accra, such as AttAfrica's Achimota Retail Centre (north) completed in 2015, West Hills Mall (west) completed in 2014 and RMB Westport's Junction Mall (east) completed in 2014. The tenant profile for these higher end malls is not dissimilar to a typical mid to high-end South African mall with a mix of recognised brands such as Mr Price, TM Lewin, Jet, and Swatch.

As a general rule these malls tend to be anchored by a recognised brand such as Shoprite. Smaller malls in the city centre, such as Oxford Street Mall, remain tenanted but typically with higher vacancy rates and more heavily depreciated compared to the larger malls mentioned above. The challenge for this type of product remains not only the competition from the larger malls, but also issues to do with traffic and congestion.

Supported by the peaceful elections in 2016, and on the back of a comparatively upbeat economic growth outlook there are several retail centres planned for construction in Accra which will add a further 30,000 to 40,000 sqm of stock to the market. In our view, this pick up in supply does create a headwind, particularly in the Airport area. However the improving economy keeps us optimistic that rental levels can be maintained. However, we are cautious to suggest a reversion from a tenant market soon and would suggest that it will be challenging in the current market for landlords to demand rental growth beyond what is acceptable to cover inflation growth.

Rental levels in formal retail malls range between US$30 to US$80 sqm per month. Vacancy rates in historic malls such as Accra Mall or Marina Mall are negligible, while the newer quality malls experience vacancy rates between 20% and 25%. Older, more depreciated supply can reach vacancy rates of around 50%.

Industrial

Active industrial nodes located in Accra include the South and the North industrial areas where warehouse units typically provide approximately 1,000 sqm of space. The port city of Tema, situated approximately 25 km east of Accra, hosts an oil refinery and several factories. In 2015, the Kuwaiti developer Agility developed a 40-acre site within the Tema Port Free Trade Zone. The Spintex Area and the city of Takoradi are other major industrial nodes. The city of Takoradi is the main base for Ghana's offshore oil operations.

A notable development to watch is the second phase of the Agility Distribution Industrial Park in Tema. The second phase will comprise seven warehouses and several build-to-suit facilities ranging from 5,000 sqm – 25,000 sqm, which is expected to be completed by the end of 2019. More development is to come at Rendeavour's Appolonia project and LMI Holdings' Dawa Industrial City. In the medium-term, supply is expected to increase with the completion of major projects.

The industrial market's performance has remained sluggish in comparison to other sectors. This is owing to the challenges stemming from power supply issues, taxation changes, high borrowing costs and the depreciation of the Ghanaian cedi. The rationing of power in some locations has resulted in several businesses having to stop production and lay off staff to reduce costs.

The North and South industrial areas are still dominated by owner-occupied developments, as well as the newer Spintex area node. These nodes have no recorded transactions that took more than 500 sqm in the last year. Most of the current activity within the market remains centred in and around Tema, and the 70 acre Appolonia Business Park. Emerging sub-markets include the Kpone and Accra-Aflao Road, as land is readily available here.

In our experience, the average rental achievable in Accra for industrial space is approximately US$8 – US$10 sqm/month for prime stock, indicating that rentals for warehousing located within the industrial nodes remain stable.

Kenya

Retail

Estimated formal retail supply in Kenya's two major cities, Nairobi and Mombasa, currently sits at 630,000 sqm and 80,000 sqm, respectively. Following 2016, where new stock within the market was double that of the previous year, and estimated supply of 130,000 sqm in Nairobi, alone, in 2017, the country's retail pipeline is expected to decline with 2018 new entrants comprising of 98,000 sqm of retail space in Nairobi and 14,700 sqm in Mombasa.

The recent surge in retail supply has resulted in slower uptake of new retail space as well stagnating prime rents, culminating in an increasingly competitive market which has prompted some landlords to offer incentives in a bid to attract tenants into recently completed centres. The current market conditions are likely to continue as new stock comes onto the market and landlords seek to fill these vacancies.

The Kenyan retail market has experienced significant growth within the last few years with several international retailers taking an interest in the local retail market. Growth within the country's middle-class, together with the steady increase of disposable income in the market are some of the key factors which have sustained this growth, driving positive sentiment and the surge in retail sales experienced within the last few years, particularly in Nairobi.

Average monthly rental levels for retail space in quality malls within Nairobi currently range between US$32.5 sqm/month and US$48 sqm/month. Even though the market has seen upward movement in rental levels in recent years, attributable to increased development quality and international retailers entering the local market, there is likely to be downward pressure in rentals as the local retail supply reaches saturation. However, the expected decline could be subdued in light of continued interest in market entry and retail expansions by foreign retailers.

Industrial

Although relatively well-located within proximity to various infrastructure and services, industrial supply in Kenya primarily comprises older, basic warehousing stock that is owner-occupied. Despite the recent rise in demand for warehousing in established industrial nodes, speculative development remains low. However, there are major master-planned industrial projects in the pipeline as developers seek to meet the needs of occupiers who require grade-A, modern industrial facilities that meet international standards.

Africa Logistics Properties ("ALP") intends to deliver its logistics and distribution park by Q4 2018 within Rendeavour's Tatu Industrial Park. The project will consist of 50,000 sqm, with Freight Forwarders Solutions having agreed to lease a 14,000 sqm unit within the development. The ALP West project is another major industrial development which will comprise speculative and built-to-suit warehousing in Nairobi West. The project will encompass a total of 80,000 sqm of grade-A warehousing units, measuring in excess of 5,000 sqm each. Prominent South African industrial developer, the Improvon Group ("Improvon"), in conjunction with Actis is also set to develop industrial assets within its Northlands Logistics Park development which will feature best in class standards in respect of traffic circulation, yards and design.

As the Kenyan Government paves the way for Kenya to become the logistics hub in the East African region by undertaking an extensive infrastructure development programme, which will include the development of new roads, airports, railroads, and ports, the shortage of quality industrial stock is becoming more apparent, with some companies in the market reporting various challenges with existing warehousing, including low quality and insufficient warehousing space. These challenges have hampered the operations of both owner-occupiers and tenants, some of whom have sought to lease extra space to meet their needs.

Future growth in demand is expected to be driven by continued market entry of foreign retailers into the market together with the development of key infrastructure such Lamu Port and the LAPPSET corridor which are set to solidify Kenya's position as a gateway into the rest of East Africa. In addition to this, the recovery in Kenya's economic conditions could see the country's food processing sector, as well as exports, play a significant role in generating demand for industrial assets in the market, in addition to the current growing retail demand.

Average warehousing prices in the market typically range between US$3.65 and US$4.70 per sqm. Prices are likely to increase in light of the shortage of high quality space and as more high quality accommodation becomes available within the local market.

Mauritius

Office

As the capital city of Mauritius, Port Louis is the historic centre of the country's financial services industries, with a reputation for high quality offshore financial services offerings. Demand in the Mauritius office market is closely pegged to the economy, which is expected to maintain a stable growth rate at close to 4% in the mid-term and is providing a strong underpinning to the nation's ambitions of growing from a financial services hub which serves the African continent to a hub which, like Singapore, can compete globally.

Part of this underpinning is the country's stable business environment which is highly competitive. Mauritius has long headed the World Bank rankings as the easiest African country in which to do business. The African Development Bank rates it as the most competitive in the continent. Following South Africa's credit rating downgrade to junk status by S&P Global, Mauritius is, together with Morocco, one of only two African countries still with an investment-grade rating.

The challenge for Port Louis has been that the increasing demand for office space has resulted in increased traffic congestion and a shortage of parking spaces. This has prompted developments in peripheral nodes to the centre, such as Ebene, which is 10km to the south east of Port Louis, experiencing growing demand. Whilst these areas have seen an upward trend in rental rates and arguably with better transport links and higher quality buildings, this decentralisation is putting pressure on Port Louis to lower rates.

The Government is focused on supporting the country's infrastructure to facilitate growth and improve productivity. The proposed Metro Express, a 26 km long light railway which will link the island's main towns, including Port Louis, should help to reduce congestion and improve connectivity. Equally the Government is committed to raising annual per capita income to above US$12,000 through a process of economic diversification and mitigating the reliance on tourism and financial services to drive the economy.

High demand has resulted in growing interest for the conversion of residential buildings into office accommodation. Residential areas such as Grand Baie and Tamarin have been a key focus in this regard. Although office rentals are coming under pressure in the Port Louis area, overall the market is seeing stable growth and the market remains firmly in favour of the landlord. Whilst the market is highly diversified with rentals ranging from US$8 to US$19 sqm/month, the average rental rate is estimated at US$10 sqm/month.

As far as the investment market is concerned, investors are keen on holding on to valuable office assets in the market. Key deals to date include the sale of Plantation House to ABC Banking and Grit's purchase of Barclays House.

Hospitality

The hospitality market in Mauritius remains amongst the most robust in SSA with hotel performance enjoying a steady recovery in occupancy since 2013 when the market hit a recent low of 63% with occupancy rising to 75% in 2016 (Source: PWC).

Hotel performance has improved significantly since 2015 due to the improvement in international arrivals since mid-2015. This growth has been attributed to the increase in available air capacity and more competitive air ticket prices. According to PwC, tourist arrivals to the islands are expected to grow from 1.38 million in 2017 to 1.63 million by 2021.

Broadly speaking, much like the growth in demand in the commercial office sector on the island, Mauritius has benefited from being one of the most stable and competitive economies in Africa, ranking first in the World Bank's 2017 Ease of Doing Business Survey. Mauritius is a Euro-denominated leisure destination, and the strengthening US$ against the Euro has meant that US$-denominated destinations have become more expensive in relative terms.

Nonetheless the island's hospitality industry is particularly strongly linked to the improvement in economic fortunes of Europe which accounted for 58% of total arrivals in 2016 (Source: PWC). France remains the largest source of tourists, accounting for 21% of all tourist arrivals in 2016. In addition, Mauritius is perceived as a safe destination with little risk of terrorism and unrest, which has challenged long haul competitors such as Kenya, Turkey, Egypt and Tunisia during the past 24 months.

In November 2015, the Mauritius Tourism Ministry agreed to an 18-month moratorium on new hotel projects which had been proposed by the Association of Hotels and Restaurants as the industry had been challenged by overcapacity that led to declining daily rates. This means that the next supply cycle remains in its infancy, with the culmination of the supply moratorium likely to initiate some development activity that will result in more room stock from 2019. This level of future supply appears to be moderate, with very few projects currently in a planning phase. There are currently some 8,300 hotel rooms on the island with a limited pipeline which is expected to see an additional 803 rooms added through to 2020.

The Average Daily Rate ("ADR") achieved in 2016 was MUR 6,540 which represents an increase of 6.4% since the previous year. Traditionally there is a lag between the growth in occupancy and a growth in ADR and this is particularly the case in tour operator driven markets like Mauritius. The tour operator rate period runs from November to October and for the rate period commencing November 2016 most of the resorts increased rates by 8% to 12%. We anticipate that this should accelerate ADR growth in 2017.

In terms of the investment market, there has been an increasing interest in the hotel sector after a challenging period, although the majority of transactions in the last two years have been on a sale and leaseback basis.

Zambia

Retail

The vast majority of Zambia's quality retail space is located in either Lusaka or in the copper-belt towns of Kitwe and Ndola which continue to perform robustly despite the recent challenges in the broader economy. The retail market is well established and is characterised by regional shopping malls, with an average size of 10,000 sqm. We estimate that there is some 322,000 sqm of quality retail space in Zambia with some 90% of that supply concentrated in Lusaka, Kitwe and Ndola, with rental levels of US$25-35 sqm/month. The major assets in terms of size in the country are: Manda Hill, Lusaka (43,000 sqm); Levy Junction, Lusaka (40,000 sqm); and Cosmopolitan Mall, Lusaka (25,900 sqm).

The growing interest of retailers, particularly from South Africa, remains a major driver of developer activity in the market. As the broader economy improves coming into 2018 in line with the recovery in commodity prices in particular, major retailers such as Pick 'n' Pay, which opened six new stores in 2017, continue to target the market. Botswana retailer Choppies has also continued to expand in Zambia through 2017 and now has 18 stores across the country.

The combination of limited stock availability and the economic headwinds have meant that the Zambian property market has experienced limited deal flow in the past few years. However, as mentioned above, growing interest from retailers in the region has contributed to the growing confidence in retail assets in the country.

Senegal

Hospitality

The hospitality sector remains in the development phase in Senegal as the number of brands is limited and the star ratings of hotels are below the international grading system in some cases. Nevertheless, international operators are present in the market, including Accor Hotels, Onomo Hotels, Warwick Hotels and Radisson Blu.

The quality hotel supply is distributed among different segments, but 5-star hotels make up the largest portion (39%), followed by the 3-star segment (36%). While considering announced openings, the proportion of 4-star and 5-star hotels is expected to increase to 31% and 42% respectively of the supply, while 3-star hotels are expected to represent 27% of the overall supply by 2020.

The hospitality demand in Dakar is largely driven by corporate demand, fuelled by business travellers coming from neighbouring West African countries, France as well as international corporate travellers.

Branded hotels apply more volatile gross rates which depend on the seasonal affluence and previous occupancies of the hotel.

In the 3-star segment, in Dakar, prices per night range between US$104 to US$138. In the 4-star segment, the average price per night is between US$112 to US$169. In the 5-star segment, prices are typically between US$213 to US$291 per night.

One factor that has contributed to the tourism sector's challenge in generating demand, despite some operators lowering their hotel prices, is high airport taxes which affect the country's regional competitiveness as a tourism destination. However, international transport links are improving with the opening of the new airport in Dhakar at the end of 2017 after more than 10 years of delays. The airport, with an estimated cost of US$575 million, is five times larger than the old one. It is expected to see three million passengers in its first year. The Government is aiming for five million passengers by 2023.

Morocco

Retail

Morocco's retail market is dominated by the informal sector with only two major retail developments in the country; Morocco Mall (completed in 2011) and AnfaPlace Shopping Centre (completed in 2013), both located in Casablanca. Large international brands have identified opportunities in the Moroccan retail market and are opening stores in major city malls through local franchise. In 2016, IKEA opened its first store in the country in Zenata.

Future supply is to encompass three main developments. The major development under construction is Marjane Sidi Maarouf's extension, which is expected to be completed in 2018. The two others are La Marina and Petra Mall, projected for 2019.

Only little or no change in retail rents has been witnessed over the past few years in the main Moroccan cities, in line with a comparatively robust economic climate, which has benefited from low inflation and growing consumer spending power.

In addition the retail sector benefits from the broader political stability within the country. Furthermore, the Government has been proactive in supporting the development of the retail and distribution sectors in Morocco. In 2016, the Department of Trade and Industry launched the Rawaj Plan, as a part of its Vision 2020 programme.

Retail spaces in prime malls typically average between US$22 to US$26 per sqm/month. Rental prices are expected to strengthen in the short term in major cities such as Casablanca and Rabat.

Mozambique

Office

The market experienced a considerable slowdown in demand in 2016 and early 2017 which is reflected in a high average vacancy rate of 37.9% in the capital city of Maputo. Since most leases are quoted in US$ converted to the local currency at the prevailing exchange rate, the devaluation of the local currency – which doubled the value of rents – aggravated the situation further causing a decline in the already supressed demand.

Approximately 46,710 sqm of stock was brought into market in 2017 which was not accompanied by an increase in demand due to the undermined economic growth in the country and the lagging nature of the industry. The vacancy rate is expected to increase further in the short to medium-term before improving. Mozambique's office development pipeline is currently sitting at 40,328 sqm which is expected to come into market over the next 12 to 24 months. A major office development in Maputo is the US Embassy Office complex which is being developed on 10-acres of land and is bringing high quality stock into the market. The project is estimated to cost US$253 million and will be completed in 2019.

Developers are looking to improve the quality of stock supplied by developing more modern and sophisticated offices that will meet the standards of multinational occupiers. However, these projects may be put on hold due to the lack of political and financial definition causing further stagnation in the market. Nonetheless, demand is expected to improve as soon as the LNG projects get under way, as many corporates in the oil and gas industries will seek to tap into the Mozambican market.

Average rentals witnessed an approximately 10% decrease from US$29 sqm/month in 2016 to US$26 sqm/month in the first quarter of 2017. Rentals have since stabilised. It is worth noting that rentals vary vastly depending on the location. For instance, office properties located in downtown Maputo, which is the fastest growing business node in the city, could fetch rentals as high as US$40 sqm/month.

However, real estate is a lagging industry and, while the economy may be improving in Mozambique, the office market may take longer to show signs of improvement in terms of rentals and demand for accommodation.

Industrial

Transport and logistics remains a big challenge in the country due to poor infrastructure development which has limited growth in the industrial sector in the country. However, Bollore Africa Logistics, which dominates the logistics market in Mozambique, has over 170,000 sqm of warehousing space across the country, indicating that there is some industrial demand for quality product.

Beluluane Industrial Park ("BIP") in the district of Boane, 16km to the south of Maputo, hosts one of the largest industrial parks in Mozambique. BIP will extend over 700 hectares upon completion. The park is strategically located within 2km of the N4 highway that connects Maputo to Nelspruit, Johannesburg and Pretoria. Major tenants in the park include Mitsubishi Corporation, the Industrial Development Corporation of South Africa ("IDC") and the Mozambique Government. Another node that is experiencing growing investment activity is Pemba. For example, the Pemba Industrial Park is strategically located and draws interest from mostly oil and gas companies operating in the area. The park will extend across 22 hectares upon completion and is being developed by South African investor Atterbury Property Holdings. Upgrades to the Pemba Port, which began in 2015, have played a critical role in positioning the port as a major logistics hub in Mozambique.

Sasol Petroleum plans to build an industrial park in the Inhambane Province, to support natural gas exploration in the Temane and Pande fields. Sasol has earmarked 70 hectares for this project and has started an environmental impact study which, if successful, will pave the way for the development of this park.

Another significant development that has been in the pipeline for some time now is the planned LNG plant in the town of Palma. The development of the LNG plant was originally planned to come online in 2016 but is now expected to come online in 2023 or later (due to the oil price slump). The development has since gained momentum with the recent governmental approval of the Anadarko development project.

Retail

Mozambique's retail supply is still underdeveloped in terms of quality of stock when compared to international standards and therefore this is the sector with the highest growth potential due to limited supply of modern retail space. Current stock amounts to 87,017 sqm with the pipeline sitting at 54,242 sqm.

The retail sector has proven to be the best performing sector due to the increased developer interest and the start of the construction of two new shopping malls and the consolidation of the expansion plans of some retailers (notably PEP Stores), as well as the opening of new banking agencies.

A recent retail development is the Baixa Mall, which is valued at US$96 million, and in which some shops opened in Q4 2017. Other stores will be opened in phases. A major development is Mall de Mozambique – a mixed use development which will span 45,000 sqm making it the largest retail development in Mozambique to date.

The devaluation of the local currency put some retailers under pressure. However, this did not affect demand and vacancies as stores that were left vacant by shops closing were quickly taken up by other retailers, indicating a vigorous demand for retail space.

In Q3 2017 supply increased by 8,000 sqm because of the opening of Pemba Mall with Shoprite, taking up 3,500 sqm, as an anchor tenant. The development was a joint venture between Tradehold Limited and Atterbury Property Holdings two of South Africa's largest property developers/investors. Other major retailers include OK Furniture (part of the Shoprite Group) and PEP Stores.

Average rentals for shopping centres and retail parks are currently at US$28 sqm/month and US$17.5 sqm/month respectively. Rentals for the two types of retail properties vary vastly with shopping centres achieving rentals in the range of US$10 sqm/month – US$38 sqm/month and retail parks achieving US$13 sqm/month – US$30 sqm/month. The difference in rentals is mainly due to the size of space leased with larger or anchor tenants paying the lowest rentals and kiosks and retailers occupying smaller space paying rentals as high as US$40 sqm/month.

Corporate Accommodation

Information on the corporate residential accommodation sector in Mozambique remains opaque. However, there are a number of fully furnished compounds in the country, most of which are located in the northern part of Mozambique, near to the cities of Pemba and Tete. This is largely due to their proximity to the mining industry and oil & gas exploration sites in the region.

Gross rentals range between US$750/month and US$5,500/month per unit for residential accommodation, depending on the services (i.e. water, electricity, internet, laundry and housekeeping) included.

Due to weak economic conditions, many foreign companies have dismissed their expatriate staff which has led to a decline in demand as expatriate employees have been the major drivers of demand for the sector.

Nonetheless, the market is expected to recover gradually, as international companies return in line with the growth in the country's extractive industries which has created an increased need for corporate residential accommodation.

We note, for example, that a number of Chinese companies have submitted proposals to the Mozambican Government to construct corporate residential accommodation for their employees who are working on infrastructure development projects in the country.

PART 11

SUMMARY OF THE EXISTING PORTFOLIO AND THE NEW PORTFOLIO

1 Existing Portfolio

At the date of this document, Grit has a portfolio of 20 properties plus one vacant land plot held for development. In addition, Grit owns a 6.25 per cent. equity investment in Letlole La Rona ("**LLR**") a listed Botswana industrial property group with a value as at the Latest Practicable Date of US$3.1 million. Grit's portfolio of assets and investments comprise completed buildings and brownfield developments for optimising and/or refurbishing existing buildings. Grit's current geographical footprint is Mauritius, Mozambique, Morocco, Zambia, Kenya, Ghana and Botswana and its existing properties are in the following sectors: retail; commercial; light industrial; corporate accommodation; and hospitality.

Further details of the Existing Portfolio as at the Latest Practicable Date are set out below, in Part 3 of this document and in the valuation reports in Parts 12, 13 and 14 of this document:

Property	Country	Sector	Anchor tenant	Grit ownership[1]	Gross lettable area (m^2)	Weighted average rental per m^2 (US$)	Average annualised property yield (%)[4]	Valuer for purposes of the Prospectus	Valuation (US$ million)[1]
Capital Place	Ghana	Commercial	Hollard Insurance	47.5%	4,944	39.1	8.57%	Broll	12.1
Buffalo Mall	Kenya	Retail	Tuskys	50%	6,121	11.0	9.22%	Broll	3.3
Imperial Phase I[2]	Kenya	Light Industrial	Imperial Health Services	100%	13,560	8.9	7.94%	Broll	18.5
Barclays House	Mauritius	Commercial	Barclays Bank	100%	8,269	10.9	6.69%	Broll	16.1
Canonnier Beachcomber Resort & Spa	Mauritius	Hospitality	Beachcomber	44.4%	25,248	13.9	7.57%	Broll	26.8
Mauricia Beachcomber Resort & Spa	Mauritius	Hospitality	Beachcomber	44.4%	23,266	13.9	7.57%	Broll	24.7
Victoria Beachcomber Resort & Spa	Mauritius	Hospitality	Beachcomber	44.4%	41,696	13.9	7.57%	Broll	44.3
Tamassa Resort	Mauritius	Hospitality	Lux Island Resorts	100%	21,567	13.3	8.40%	Broll	47.9
Anfa Place Mall	Morocco	Retail	Carrefour, M&S, H&M, LC Waikiki	100%	31,933	26.4	9.20%	JLL	92.8
Commodity House Phase I	Mozambique	Commercial	A global petroleum company	100%	7,478	37.9	9.10%	REC	43.2
Hollard	Mozambique	Commercial	KPMG, Hollard & BP	100%	5,052	25.0	8.00%	JLL	18.9
Vodacom	Mozambique	Commercial	Vodacom	100%	10,659	26.2	7.69%	JLL	47.3
Zimpeto Square	Mozambique	Retail	S2 Africa	100%	4,771	17.2	9.13%	JLL	9.2
Bollore Warehouse	Mozambique	Light Industrial	Bollore Africa Logistics	100%	5,856	12.8	13.43%	JLL	6.5
Mall de Tete	Mozambique	Retail	Shoprite, Choppies	100%	11,581	18.4	9.67%	JLL	25.8
VDE Housing Estate	Mozambique	Corporate Accommo-dation	Vale and Barloworld	100%	17,071	20.2	12.13%	JLL	35.6

Property	Country	Sector	Anchor tenant	Grit ownership[1]	Gross lettable area (m²)	Weighted average rental per m² (US$)	Average annualised property yield (%)[4]	Valuer for purposes of the Prospectus	Valuation (US$ million)[1]
Commodity House Phase II	Mozambique	Commercial	Hodari Properties, Barclays	100%	3,217	36.0	9.49%	REC	17.3
Mukuba Mall	Zambia	Retail	Shoprite, Game, Pick n Pay, Woolworths	50%	28,236	17.6	7.65%	Broll	37.7
Kafubu Mall	Zambia	Retail	Shoprite	50%	11,923	13.5	7.38%	Broll	12.9
Cosmopolitan Mall	Zambia	Retail	Shoprite, Game, Woolworths	50%	25,675	19.7	8.43%	Broll	40.3

1 Grit's interest in the asset.

2 The Group also owns vacant land adjacent to the existing Imperial building in Kenya. Grit concluded the purchase of the Imperial building in 2017. This transaction included the purchase of the existing property covering 13,500m² and an adjoining piece of vacant land measuring five acres, an equivalent of 20,022m². The vacant land was valued by Broll at US$3.4 million (in addition to the property valuation provided in the above table).

3 The Group also owns a 6.25 per cent. equity investment in Letlole La Rona ("LLR") a listed Botswana industrial property group with a value as at the Latest Practicable Date of US$3.1 million (31 January 2018: US$3.9 million).

4 Calculated using Grit's target forward 12 months net operating income and external property valuation for each property as at 31 January 2018.

2 New Portfolio

The New Portfolio comprises the following assets:

Property	Country	Sector	Anchor tenant	Grit ownership[1]	Gross lettable area (m²)	Weighted average rental per m² (US$)	Average annualised property yield (%)[3]	Valuer for purposes of the Prospectus	Valuation (US$ million)[1]
5th Avenue	Ghana	Commercial	GCNet and ATC	100.0%	5,070	33.1	9.84%	Broll	21.1
Accra Financial Centre	Ghana	Commercial	Agricultural Development Bank	90.0%	14,107	38.6	8.58%	n/a	n/a
CADS II Building	Ghana	Commercial	Tullow (Ghana)	50.0%	7,262	35.0	8.44%	Broll	18.0
Acacia Estate	Mozambique	Commercial	US State Department	80.1%	18,400	23.7	8.25%	JLL	48.6
Gateway Delta	Mauritius	Unlisted Equity	n/a	20.0%[2]	n/a	n/a	n/a	n/a	n/a

1 Grit's interest in the asset.

2 Upon conversion of convertible loans.

3 Calculated using Grit's target forward 12 months net operating income and external property valuation for each property contained within this document.

Further details of the New Portfolio to be acquired pursuant to the Acquisitions are set out in Part 3 of this document and in the valuation reports in Parts 12 and 13 of this document.

As each Acquisition is subject to the satisfaction of a number of conditions precedent which are beyond the control of the purchaser or the seller, for example, waiver by the tenants to consent to a change in property owner, there can be no guarantee that any of these investments will be acquired by the Group.

PART 12

PROPERTY VALUATION REPORT PREPARED BY JONES LANG LASALLE (PTY) LTD IN RELATION TO VODACOM, HOLLARD, ZIMPETO SQUARE, BOLLORE, MALL DE TETE, VDE HOUSING, ANFA PLACE AND ACACIA ESTATE

JLL®

18 July 2018

For the attention of:

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Dear Sirs,

GRIT REAL ESTATE INCOME GROUP LIMITED – MOZAMBIQUE & MOROCCO PORTFOLIO VALUATION AS AT 31ST JANUARY 2018

1. INSTRUCTIONS

In accordance with instructions received from Grit Real Estate Income Group Limited ("Grit"), and finnCap Ltd (FinnCap) dated 19th April 2018, Jones Lang LaSalle (Pty) Ltd ("**JLL**", "**we**" or "**us**") have undertaken a valuation of the properties described in Schedule 1 (the "**Properties**") (together the ''**Portfolio**"). The Portfolio comprises 7 Properties already acquired by Grit (or a member of its group) and 1 Property, being Acacia Estate, which is targeted to be acquired by Grit (or a member of its group). We understand that this Valuation Report is required for inclusion in an approved prospectus (the "**Document**") to be published by Grit in connection with a standard listing on the London Stock Exchange, together with a capital raise by way of private placements in the UK, South Africa and Mauritius as well as an IPO in the UK.

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This Valuation Report has been prepared in accordance with the Royal Institution of Chartered Surveyors (the "RICS") – Professional Standards 2017 (the "RICS Red Book") published in June 2017 and effective from 1st July 2017 and the International Valuation Standards ("IVS"). The valuation is a Regulated Purpose Valuation as defined in the Red Book. This Valuation Report complies with the requirements of the UK Listing Authority and also paragraphs 128 to 130 of ESMA's recommendations on the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004.

2. DATE OF VALUATION

Our opinions of Market Value are as at 31st January 2018.

It has been formally confirmed in writing to us by Grit that there are no material changes in circumstances between the date of the valuation and the date of this valuation report that would affect the valuation. We are not aware, in our role as External Valuer of the Properties, of any matter which is not disclosed in the Document or which has not been disclosed to Grit and finnCap in writing and which is required to be brought to their attention.

3. TERMS OF REFERENCE

The combined Portfolio comprises eight properties held for investment purposes and located in Mozambique and Morocco and are held as freehold/heritable titles. Grit is expected to own an 80.1% interest in Acacia Estate located in Mozambique. The Properties are principally shopping centres, offices, industrial/warehouses units together with a corporate residential estate. The majority comprise assets let on varying lease lengths with a mixture of local and international covenants on varying lease lengths. Many of the leases are partly or fully FRI leases.

All the properties are identified and described briefly on the attached schedule.

4. SOURCES OF INFORMATION

In undertaking our valuations, we have been provided with, and have relied upon, information supplied to us by Grit and its advisors. Grit has confirmed that this information is full and correct as at the date of valuation. It follows that if it is found to contain errors then our opinions of value may change.

Legal Documentation: We have been instructed to rely on due diligence reports, title documentation and tenancy schedules provided by Grit. These reports confirm that the Properties have good and marketable title and are free from any onerous or restrictive conditions. We have not undertaken credit enquiries into the financial status of the tenants and have assumed that they are capable of meeting all of their obligations under the terms of their leases.

Inspections: We have carried out full inspections of each of the Properties and the dates of these are noted on the attached Schedule. As agreed, except where we have been advised to the contrary, Grit has confirmed that there have been no material changes to any of the Properties or their surroundings that could have a material effect on the value of Grit's interest since our inspections.

Floor Areas: We have relied upon floor areas for all the properties supplied to us by GRIT, which we understand were calculated in accordance with SAPOA or local Mozambique/Moroccan measuring standards and upon which we have relied.

Building Surveys: We have been provided with, and have been instructed to rely upon, property condition assessments on each of the Properties produced by Sunbird Support Services.

Planning: We have relied on information on relevant planning consents provided to us. In situations where there is no record, we have assumed all construction was carried out in accordance with a valid planning permission and there are no outstanding planning issues relating to any of the Properties.

5. STATUS OF VALUER

This valuation has been prepared by a number of surveyors and valuers under the supervision of Joshua Askew FRICS and Simon Brand FRICS. We confirm that these valuers have been supervised by RICS Registered Valuers who have the knowledge, skills and understanding to undertake this valuation competently and we are acting in the capacity of External Valuer.

We are required by the Red Book (PS2, 5.1 to 5.7) to disclose the following:

- JLL provides occasional Advisory and Research Services to Grit in Sub-Saharan Africa and Morocco. This has included loan security valuations to Grit and third parties on Anfa Place Shopping Centre since 2015. JLL Middle East and North Africa currently also provide Project and Development services to Grit on Anfa Place Shopping Centre.

In the 12-month period preceding the date of this Valuation Report, the total fees payable by Grit were less than 5% of the total combined fee income of Jones Lang LaSalle (Pty) Ltd.

We do not consider any of the above constitutes a conflict of interest or in any way conflicts with our responsibility to provide an independent and objective opinion of value.

6. VALUATION

6.1 Basis of Valuation

The basis of the valuation for the purpose of the rules of the Financial Conduct Authority made under Part VI of the Financial Services and Markets Act 2000 in relation to offers of securities to the public and to trading on a regulated market (the "Prospectus Rules") is Market Value. Fair Value is the basis adopted by the Company for accounting purposes and although these are different bases of value, we confirm that for the 31 January 2018 valuation date Market Value and Fair Value are similar. For the purposes of an accounts valuation undertaken for the Grit Group effective on 31 January 2018, we have adopted Fair Value (IFRS 13) as the appropriate basis of valuation which is defined in the RICS Valuation – Professional Standards (July 2017) as:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

The basis of value for the FCA Listing Rules is Market Value. We have adopted Market Value as the appropriate basis of valuation which is defined in the RICS Valuation – Professional Standards (July 2017) as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We would note the following from the Red Book:

"The references in the IFRS 13 to market participants and a sale make it clear that for most practical purposes the concept of Fair Value is consistent with that of Market Value and so there would be no difference between them in terms of the valuation figure reported."

We are of the opinion that the Fair Value is similar to the Market Value in each case.

Our valuations have been arrived at predominantly by reference to market evidence for comparable property.

We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of a Property, nor have we allowed for any adjustment to any of the Properties' income streams to take into account any tax liabilities that may arise. We have excluded from our valuations any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupiers. Our valuations are exclusive of VAT (if applicable).

Following local market practice, purchaser's costs have not been reflected in the valuation of the Mozambique and Moroccan assets.

No allowance has been made for rights, obligations or liabilities arising in relation to fixed plant and machinery and it has been assumed that all fixed plant and machinery and the installation thereof complied with the relevant local legislation.

6.2 Valuation Methodology

JLL has valued the Mozambique portfolio adopting a traditional income capitalisation approach and valued these assets off initial or equivalent yields. Available comparable data for investment grade

SSA real estate transactions is typically on the basis of initial yields or on a net distribution yield to shareholders. There is little, if any, reliable data on these comparables reflecting the relevant details on the Internal Rates of Return (IRRs) and discount rates required by the purchasers. We have valued the assets off a range of initial/equivalent yields varying between 6.80% and 13.45%, depending on the risk factors and projected income profile of each asset. We have also had regard to the first year's forward income yield produced by each asset, a metric commonly utilised by investors in buy and sell decisions in SSA.

In Mozambique, JLL has conducted a Discounted Cash Flow (DCF) analysis on each asset alongside the income capitalisation 'rent and yield' approach to sense check our results from an ungeared IRR perspective. Our DCF analyses have assumed prudent levels of rental growth below forecast GDP increases and have either assumed Exit Yields at the end of our 5-year DCF analysis period in line with each asset's equivalent yield or at a level higher than the current equivalent yield to reflect obsolescence, potential competition and potential increased supply related to each asset.

These prudent assumptions have produced IRR/Discount Rate outputs ranging between 10.80% and 13.45%, which we consider plausible given the nature of each asset.

In the Middle East and North Africa region, it is common market practice to conduct a Discount Cash Flow analysis on all income producing property alongside the income capitalisation 'rent and yield' approach to sense check our results. Given the material capital expenditure required for renovation works we have sought to analyse the hypothetical yield before such expenditure as well as analysing the forecast yield upon asset stabilisation in Year 3. Our DCF analysis has assumed rental growth in accordance with Law No. 49.16 that limits rental increases of contracted leases and we have deemed these limits to form our expected rental growth projections across the holding period. We have adopted an Exit Yield at the end of our 10-year DCF analysis period.

The following rates have been applied in the valuations:

Property	Initial Yield	Discount Rate/IRR	Equivalent Yield
Vodacom Office Building	8.00%	10.80%	8.00%
Hollard Building	8.17%	11.32%	8.50%
Zimpeto Square Shopping Centre	6.80%	12.90%	9.45%
Bollore Warehouse	13.45%	13.55%	12.00%
Residential Compound Vale Dos Embondeiros	9.50%	13.40%	10.30%
Mall De Tete	9.58%	11.75%	9.50%
Acacia Estate	8.00%	11.33%	7.68%
Anfa Place Shopping Centre*	-0.11%*	11.00%	8.5%

* Anfa Place Shopping Centre's yield upon forecast stabilisation in Year 3 is 9.46%

6.2.1 **Rental Guarantee**

For properties Acacia Estate and Mall De Tete a rental guarantee was applied based on information provided, which impacted the yield assumptions. The rental guarantee (based on full occupancy) compensates a potential purchaser for any loss of income occurring as a result of vacancy. This ensures that the Property is disposed with a full income stream (provided the asset is sold while the guarantee is still in effect).

Acacia Estate – There is a 3-year seller's net income guarantee in place from 1 February 2018 to the end of January 2021. The guarantee has been provided jointly by TC Maputo Properties Limited, Adamo Valy Mahomed, Tradehold Africa Limited, Stuart Gregory Hulley-Miller, Colin Garfield Page Taylor, and Cognis 1 Limitada. Clause 5 of the agreement states that the sellers provide a guarantee to the purchasers in order to place the company in the position, after the effective date of purchase of the asset, as if it would have received rentals in respect of the vacant units equal to an amount of US$4,125 (four thousand one hundred and twenty five United States Dollars) plus condominium levies of US$375 (three hundred and seventy five) per unit per month, which rentals shall be escalated by 2.5% per annum.

Mall De Tete – There is a 3-year seller's net income guarantee in place from 1 March 2017 to the end of February 2020. The guarantee is provided jointly by Sericea Holdings Limited and Transformers Investment Limited, the previous owners of the Mall de Tete. In terms of the acquisition agreement in 2016, the sellers have guaranteed the projected net operating income for 100% of the GLA of the Property for a period of 3 years from the effective date of the purchase of the asset in favour of Grit.

The parties agreed that in the event that there is a shortfall between the projected NOI and the actual NOI, the sellers will be jointly and severally liable for payment thereof and such payment will be secured by the sellers as follows:

Sericea pledging and ceding 25% of its ordinary shares in Grit; and Transformers pledging and ceding 100% of its ordinary shares in Grit, in favour of Grit in terms of a share pledge agreement.

6.3 GRIT's published accounts as at 30 June 2017

Vodacom Building

Whilst JLL has previously valued the Vodacom building for Grit, the reported June 2017 valuation figure in Grit's annual financial statements was a Director's valuation which assumed the long term Vodacom renewal and as such, this Director's valuation calculation took guidance from a JLL Market Value assessment for the building which was prepared for Grit on the special assumption that Vodacom's Board of Directors had approved the 10 year lease renewal negotiated by senior management of Grit and Vodacom. This assessment had been provided to Grit by JLL for Grit's internal purposes.

Hollard Building

JLL valued the subject property as at 30 June 2017, the date of the Company's latest published annual accounts, and accordingly can comment on any differences between the valuation figures reported in this present report and those which the Company included in its latest published annual accounts.

The property has experienced a 2.16% increase in value, increasing from US$18,500,000 to a current value of US$18,900,000. There have also been multiple lease renewals at the property, which have resulted in a strong WAULT of 6.07 years.

Zimpeto Square Shopping Centre

JLL valued the subject property as at 30 June 2017, the date of the Company's latest published annual accounts, and accordingly can comment on any differences between the valuation figures reported in this present report and those which the Company included in its latest published annual accounts.

The property has experienced a 20.03% decrease in value, decreasing from US$11,470,000 to a current value of US$9,172,500. The decrease in value is due to an increase in the vacancy rate from 0.08% in 2017 to a current rate of 27.17%. The property has also experienced a decrease in NOI from US$1,092,585 down to US$570,437, as a result of the increased vacancy.

Bollore Warehouse

JLL valued the subject property as at 30 June 2017, the date of the Company's latest published annual accounts, and accordingly can comment on any differences between the valuation figures reported in this present report and those which the Company included in its latest published annual accounts.

Although the property's leases are close to expiry, we consider that there will be a substantial amount of interest in the property due to its favourable location, therefore the value of the property has remained stable at US$6,500,000.

Residential Compound Vale Dos Embondeiros

There is no valuation figure in the 30 June 2017 financials as Vale Dos Embondeiros was identified as a post 30 June 2017 acquisition and the valuation was recorded at JLL's 30 June 2017 Valuation of US$35,040,000 for noting purposes only. The VDE compound was only recorded as an asset of Grit's from 12 January 2018.

Mall De Tete

Whilst JLL valued Mall de Tete as part of Grit's acquisition of the asset at US$26,100,000; in the period between the acquisition valuation and the finalisation of transactional agreements and pricing, Grit and the vendor agreed to a reduced acquisition price as a result of a change to the anchor tenant Shoprite's lease agreement negotiations. Accordingly, the 30 June 2017 valuation is reflected as the reduced acquisition price of the asset, regarded by the Board of Directors to be truly representative of fair value for the asset.

Anfa Place Shopping Centre

JLL did not value the subject property as at 30 June 2017, the date of the Company's latest published annual accounts, and accordingly cannot comment on any differences between the valuation figures reported in this present report and those which the Company included in its latest published annual accounts.

Differences in valuation undertaken as at different valuation dates and by different valuers may be due to various factors including, but not limited to, market changes, changes in individual locations, changes to statutory matters (e.g. town planning), physical changes to individual property, tenancy changes and different valuation assumptions to those made by JLL.

6.4 Market Value

We are of the opinion that the aggregate Market Value of the Properties in the Portfolio, held for investment, as at 31 January 2018, is:

Freehold	**US$296,762,500**
TOTAL	**US$296,762,500**

TWO HUNDRED AND NINETY-SIX MILLION, SEVEN HUNDRED AND SIXTY-TWO THOUSAND AND FIVE HUNDRED UNITED STATES DOLLARS

The total valuation figure reported is the aggregate total of the individual Properties and not necessarily a figure that could be achieved if the Portfolio were to be sold as a single holding. No costs of acquisition or realisation have been reflected in accordance with local market practice.

7. DISCLOSURE AND PUBLICATION

The contents of this Valuation Report may be used for the specific purpose to which they refer.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this Valuation Report and declare that we have taken all reasonable care to ensure that the information contained in this Valuation Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Save as provided in this Valuation Report and/or as required under Prospectus Rule 5.5.3R(2)(f), we specifically disclaim liability to any person in the event of any omission from, or false or misleading statement included within, the Document, other than in respect of the information provided within this Valuation Report. We do not make any warranty or representation as to the accuracy of the information in any other part of the Document other than as expressly made or given by Jones Lang LaSalle (Pty) Ltd in this Valuation Report.

SCHEDULE: PROPERTY HELD IN MOZAMBIQUE AND MOROCCO FOR INVESTMENT

Property Name	Sector	Address	City/Region	Country	Description	Approx. Age	Tenancies	Date of Inspection	Market Value 31 January 2018
Vodacom Office Building	Office	Desportistas Road, No. 649, Maputo, Mozambique	Maputo	Mozambique	The property comprises a fifteen storey office building (ground plus 14 floors) with a GLA of 10,659.21 sq. metres (which includes a 537.27 sq. metre technical area). In addition, there is a six storey parkade plus basement offering 336 parking bays.	Constructed in 2010	The property is let to a single tenant – VM, SA (Vodacom) on a 10-year double-net lease (the tenant typically pays a base rent and is responsible for all operating costs on the building, except rates and taxes, lift maintenance and all risk insurance) from 01/01/2010 with a WAULT of 2.92 years. The rent escalates 5% per annum. The net rent passing is US$3,801,240 per annum.	**12 March 2018**	**US$47,300,000**
Hollard Building	Office	Av. Sociedade de Geografia, No. 269, Maputo, Mozambique	Maputo	Mozambique	The property consists of a five-storey office building with four floors of offices and two residential apartments on the fifth floor. The accommodation totals 5,051.34 sq. metres, currently configured with eight office units. A total of 98 covered and basement parking bays are provided on site.	Constructed in 2007/2008	The majority of the office area is occupied by KPMG Auditores e Consultores (1,545 sq. metres) and Hodari (570 sq. metres) and the British Council of Mozambique (560 sq. metres). Other office tenants include Hollard Mozambique Companhia de Seguros, Barclays Bank Mozambique SA and ABB Limitada ranging from 160 to 527 sq. metres. The two apartments are leased to Hollard Vida Companhia de Seguros and Vale dos Embondeiros Limitada. The Property produces a total net income of US$1,544,015 per annum, with a WAULT of 6.07 years.	**12 March 2018**	**US$18,900,000**

Property Name	Sector	Address	City/Region	Country	Description	Approx. Age	Tenancies	Date of Inspection	Market Value 31 January 2018
Zimpeto Square	Retail	Corner of Avenida de Mocambique and Avenida Kamubukwana, Maputo, Mozambique	Maputo	Mozambique	The property consists of an L-shaped two storey shopping centre fronting an open parking area. The accommodation totals 4,771.29 sq. metres and the open-air car parking can accommodate 136 cars.	Constructed in 2012	At the date of valuation, the property had a total of 10 tenants that occupied and let the various units. As at the date of valuation 6 units were vacant, amounting to 30.38% of the total GLA with 1,450.42 sq. metres currently vacant. The Property is anchored by Extra Supermarket which occupies 1,780 sq metres of the GLA, which amounts to 37.30% of the total GLA. The overall WAULT is 5.9 years to expiry. The Property produces a total net income of US$570,437 per annum.	**12 March 2018**	**US$9,172,500**
Bollore Warehouse	Industrial	Porto Road, No. 82, Pemba, Mozambique	Pemba	Mozambique	The Warehousing Compound is situated on the south western side of the Pemba Peninsula inside Pemba Bay. The Property comprises 6 warehouses, 2 office buildings and a clinic which has been converted into further office space. The Property's GLA totals approximately 5,806.51 sq. metres.	Constructed in the early 1950's	One warehouse is occupied by Plexure and the remaining warehouses are leased to Bollore. Both tenants have 5 year leases expiring in March 2020. Net income US$878,284. WAULT is 2.17 years.	**12 March 2018**	**US$6,500,000**

Property Name	Sector	Address	City/Region	Country	Description	Approx. Age	Tenancies	Date of Inspection	Market Value 31 January 2018
Vale Dos Embondeiro Residential Compound	Residential	Zambia Road, No. 8027, Chingozi Suburb, Tete, Mozambique	Tete	Mozambique	The "Vale dos Embondeiros" is a private, gated compound located on a new road on the Northern side of Tete and western side of the Zambezi River. It is 7.5km from the International Airport, near the new Baobab Hotel and the new Mall of Tete. The site is well placed for potential residential occupiers. The Condominium comprises two blocks of 40 two-bedroom apartments (20 of them furnished) and 83 three-bedroom villas, a swimming pool, an administration office, a social area, a sports court, football and volleyball fields. 123 garages and additional open parking bays are provided. The southern extent of the site has approximately 140,000m² of expansion land available which can be used for further development of villas and apartments.	Constructed in 2010	121x of the units are let to Vale and Barlows; both multinational corporation tenants seeking accommodation for their staff and their families; Both leases are short to medium term in length (3-7 years); There are currently 2x three bedroom units (or 325 sq metres) vacant in the compound, which is less than 2% of the total GLA; Current rents of the compound are as follows – US$2,500/unit for a three-bedroom villa, US$1,850/unit for a two-bedroom apartment and US$2,831/unit for a fully furnished two-bedroom unit; The WAULT is 4.33 years with the leases in place containing annually contracted rental escalations at between 0% and 6%; The property produces a total net income of US$3,276,548 per annum.	**13 March 2018**	**US$35,550,000**

Property Name	Sector	Address	City/Region	Country	Description	Approx. Age	Tenancies	Date of Inspection	Market Value 31 January 2018
Mall de Tete	Retail	Corner 103 and 221 Roads, Chingozi Suburb, Tete, Mozambique	Tete	Mozambique	Mall de Tete comprises 11,571 sq. metres of retail and ancillary accommodation with 32x retail units (consisting of 19 tenants as at the date of valuation) present. Shoprite is the anchor tenant, occupying 3,194 sq. metres of accommodation. The site also consists of a vacant land parcel – measuring approximately 11,000 sq. metres.	Constructed in 2016	There are currently 32 units in total, with 23 units currently occupied by 19 tenants; Mall De Tete is anchored by Shoprite (occupying a total GLA of 3,194 sq. metres) and Choppies (which occupies 2,015 sq. metres in total); National tenants collectively occupy approximately 88.74% of the Centre's total occupied GLA of 8,705 sq. metres, with local tenants accounting for the additional 11.26%; While vacant units account for 24.77% of the total GLA of 11,571 sq. metres, it should be noted that 20.9% (599 sq. metres) of this vacancy is the result of Woolworths' withdrawal from Africa – which was based on a corporate strategic decision, as opposed to a centre-specific decision; The Centre has an overall WAULT of 6.4 years to expiry; The Property produces a total net income of US$2,368,673 per annum.	**13 March 2018**	**US$25,800,000**

Property Name	Sector	Address	City/Region	Country	Description	Approx. Age	Tenancies	Date of Inspection	Market Value 31 January 2018
Acacia Estate (Grit is expected to own an 80.1% interest in Acacia Estate)	Residential	Zone 5 A/B, Area da Costa do Sol, Rio Inhamiara Road, Maputo, Mozambique.	Zone 5 A/B, Area da Costa do Sol, Maputo	Mozambique	The estate was completed during 2016 and consists of 16x freestanding H3 type – three storey apartment buildings (48x units in total), 2x freestanding B type – 5 storey apartment buildings (20x units in total), a double storey clubhouse with pool. Covered and open parking bays are provided for these units. 4 semi-detached single storey houses are located along the eastern boundary also offering lock up garages and certain houses having their own private pool.	Completed in 2016	The majority of the units are let to US State Department and a global oil and gas company on long term 7 and 8 year leases respectively. A further 6x H3 apartments are let to companies and individuals with 3x H3 apartments currently vacant, which we have been informed will be covered by a 3 year rent guarantee. Net income US$4,867,033 per annum. WAULT is 5.4 years.	**17 April 2018**	**US$48,620,700**

Property Name	Sector	Address	City/Region	Country	Description	Approx. Age	Tenancies	Date of Inspection	Market Value 31 January 2018
Anfa Place Shopping Centre	Retail	Boulevard de la Corniche, Casablanca, Morocco	Casablanca	Morocco	The 31,917.42 sq. metres of total GLA (including the shopping centre, street retail and storage) is located within a mixed-use project (Anfa Place Living Resort) developed over 3 levels. The mixed-use precinct also includes 260 apartments, two office buildings, a 5-star hotel and 104 serviced apartments. Anfa Place Living Centre is a tourist and leisure project in Casablanca developed on a total site area of 190,000 sq. metres. The subject property is currently subject to a renovation programme, which on completion will provide an additional retail GLA of 2,660.23 sq. metres. The total budgeted costs for the renovation work provided by Grit amount to US$19,755,790.73.	Constructed in 2012/2013	As at the valuation date, 80% of the property (by GLA) is let and producing income. It was apparent that a number of vacant units mostly located on the second floor were vacant due to the planned renovation works. We noted that the ground floor was largely occupied with only a few vacancies (at 7% of ground floor space) and had the highest occupancy level over the three levels. The current general vacancy level of the property stands at 20% with the food court showing the highest vacancy rate of 36% by unit type. The Centre has an overall WAULT of 5.3 years to expiry. The property produces a total net income of US$6,143,048 for year 1 excluding renovation CAPEX.	**13 April 2018**	**US$92,840,000**

PART 13

PROPERTY VALUATION REPORT PREPARED BY BROLL VALUATION AND ADVISORY SERVICES (PROPRIETARY) LIMITED IN RELATION TO BUFFALO MALL, IMPERIAL PHASE I & PHASE II LAND, BEACHCOMBER RESORTS & HOTELS, TAMASSA RESORT, BARCLAYS HOUSE, MUKUBA MALL, KAFUBU MALL, COSMOPOLITAN MALL AND CAPITAL PLACE

broll
VALUATION AND ADVISORY SERVICES

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18 July 2018

Grit Real Estate Income Group Limited
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35 Cybercity
Ebene, 72201
Mauritius

finnCap Ltd
60 New Broad Street
London EC2M 1JJ
United Kingdom

Exotix Partners LLP
1st Floor, Watson House
54 Baker Street
London W1U 7BU
United Kingdom

Baden Hill
c/o Northland Capital Partners Limited
2nd Floor, 40 Gracechurch Street
London EC3V 0BT
United Kingdom

Dear Sirs,

GRIT REAL ESTATE INCOME GROUP LIMITED

VALUATION OF PART OF THE EXISTING PORTFOLIO AS AT 31 JANUARY 2018 AND COMMENTARY FOR INFORMATION PURPOSES ONLY RELATING TO CERTAIN PROPOSED ACQUISITIONS AT 31 DECEMBER 2017 AND 31 MARCH 2018

1. INSTRUCTIONS

In accordance with instructions received from Grit Real Estate Income Group Limited ("Grit"), finnCap Limited, Exotix Partners LLP and Baden Hill c/o Northland Capital Partners Limited, dated 31 January 2018, Broll Valuation & Advisory Services (Proprietary) Limited Advisory Services Limited ("Broll", "we" or "us") have undertaken valuations of the properties described in Schedule 1 (the "Properties").

In addition, although we have been requested to value certain targeted property acquisitions (the "Targeted Acquisitions"), the market values ascribed thereto in the appendix to the main report are included for information only and are not included in the totals on which we have signed off.

We understand that this Valuation Report is required for inclusion in an approved prospectus (the "Document") to be published by Grit in connection with a standard listing on the London Stock Exchange, together with a capital raise by way of private placements in the UK, South Africa and Mauritius as well as an IPO in the UK. This Valuation Report has been prepared in accordance with the Royal Institution of Chartered Surveyors (the "RICS") Global Standards 2017 (the "Red Book") published in June 2017.

The valuation is a Regulated Purpose Valuation. This Valuation Report complies with the requirements of the UK Listing Authority and also paragraphs 128 to 130 of ESMA's recommendations on the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004.

Broll Valuation & Advisory Services (Pty) Ltd. Reg No. 1968/003515/07DIRECTORS: David Alcock, Elscke Badenhorst, Malcolm Horne, Roger Hunting, Justin Weiner

RICS
PART OF THE CBRE AFFILIATE NETWORK CBRE

2. DATES OF VALUATIONS

Our opinions of Market Value for the Properties are as at 31 January 2018. We are not aware of any material changes in circumstances between the dates of the valuations and the date of this valuation report that would affect the valuation and we are not aware, as a result of our role as External Valuer of the Properties, of any matter which is not disclosed in the Document or which has not been disclosed to Grit, finnCap Limited, Exotix Partners LLP and Baden Hill c/o Northland Capital Partners Limited in writing.

3. TERMS OF REFERENCE

The Properties comprise 9 properties held for investment purposes and located in Mauritius, Zambia, Kenya and Ghana. All the Properties are held in leasehold on long leasehold (over 50 years), with the exceptions of Tamassa Resort in Mauritius where the ground lease has 46 years unexpired and Capital Place in Ghana where the ground lease has 45 years unexpired. The Properties comprise resort hotels and an office building in Mauritius, shopping centres in Zambia and Kenya, an industrial property also in Kenya and commercial offices in Ghana. The Properties are briefly described below:

- The properties in Mauritius are all held in leasehold and comprise 4 resort hotels (3 of which resorts are the subject of a single lease), and an office building known as Barclays House. For valuation purposes, the 3 resorts which are the subject of the single lease to Beachcomber Hotels are regarded as one property and thus we have prepared valuations of 3 leasehold properties.
- The properties in Zambia are all held in long term leasehold and comprise 3 modern retail shopping malls located in Lusaka, Ndola and Kitwe.
- In Kenya, Grit holds leasehold interests in a convenience retail shopping mall in Naivasha, a small town about 90 kilometres from Nairobi, known for its tourist attractions, and a modern logistics warehouse situated in an industrial estate in Nairobi. Grit also holds a long term interest in 5 acres of vacant land zoned for industrial use in Nairobi which is contiguous with, and provides for future expansion of, the logistics warehouse, or another freestanding development. The vacant land is valued as one with the logistics warehouse.
- In Ghana, Grit holds a 47.5% leasehold interest in a commercial office development comprising three separate blocks of low rise construction to A-Grade standards. The major tenant is Hollard Insurance Ghana Limited.

Grit holds a 100% interest in three of the Properties, a 50% interest in four of the Properties, a 47.5% interest in one Property and a 44.44% interest in one other of the Properties.

The Targeted Acquisitions comprise 2 properties, commercial offices (one with limited retail), to be held for investment purposes and located in Ghana, as detailed in the appendix to the main report, for information purposes only.

It is a requirement of UKLA Prospectus Rules that the valuations be carried out by an RICS Registered valuer in accordance with RICS Valuation – Global Standards 2017 ("the Standards"). Sub-clause 1.7 (Inspections and investigations) of VPS 2 of the Standards provides, inter-alia, when a valuation instruction is accepted without inspection of the property, the restriction on the valuation due to lack of relevant information should be recorded in writing.

4. SOURCES OF INFORMATION

In undertaking our valuations we have been provided with, and have relied upon, information supplied to us by Grit and its advisors. We have assumed that this information is full and correct. It follows that if it is found to contain errors then our opinions of value may change.

- **FOR THE PROPERTIES**

Legal Documentation: We have relied on title documentation and tenancy schedules provided by Grit. We understand that all the Properties have good and marketable title which is free from any onerous or restrictive conditions. We have not undertaken credit enquiries into the financial status of the tenants and have assumed that they are capable of meeting all of their obligations under the terms of their leases.

Inspections: We have carried out full inspections of each of the Properties and the dates of these are noted on the attached Schedule 1. As agreed, except where we have been advised to the contrary, we have assumed that there have been no material changes to any of the Properties or their surroundings that could have a material effect on the value of Grit's interests since our inspections.

Floor Areas: We have relied upon the floor areas of the Properties provided by Grit and we have not measured the floor areas of the properties.

Building Surveys: We have been provided with building surveys on each of the 3 properties in Zambia prepared by Delta International Zambia and dated September 2015. At that time Cosmopolitan Mall in Lusaka was still under construction. In the absence of more recent reports we have relied on the information provided in the Delta International Zambia reports.

Environmental Surveys: We have not been provided with any Environmental Impact Studies for any of the properties valued by us.

Planning: We have not been provided with information on relevant planning consents for any of the properties. In situations where there is no record, we have assumed all construction was carried out in accordance with a valid planning permission and there are no outstanding planning issues relating to any of the Properties.

- **FOR THE TARGETED ACQUISITIONS**

Legal Documentation: We have relied on title documentation and tenancy schedules provided by Grit. We understand that all the Targeted Acquisitions have good and marketable title which is free from any onerous or restrictive conditions. We have not undertaken credit enquiries into the financial status of the tenants and have assumed that they are capable of meeting all of their obligations under the terms of their leases.

Floor Areas: We have relied upon floor areas of the Targeted Acquisitions provided by Grit and we have not measured the floor areas of these properties.

Due Diligence Reports: We have been provided with Commercial, Technical and Legal due diligence reports on the Targeted Acquisitions. We confirm having relied on the information contained in the various due diligence reports provided to us.

Environmental Surveys: We have not been provided with any Environmental Impact Studies for any of the Targeted Acquisitions valued by us.

Planning: We have not been provided with information on relevant planning consents for any of the Targeted Acquisitions. In situations where there is no record, we have assumed all construction was carried out in accordance with a valid planning permission and there are no outstanding planning issues relating to any of the Targeted Acquisitions.

5. STATUS OF VALUER

This valuation report has been prepared by a number of surveyors under the supervision of Roger Hunting MRICS. We confirm that Roger Hunting is an RICS Registered Valuer and that he and the other surveyors have the knowledge, skills and understanding to undertake this valuation competently and we are acting in the capacity of External Valuer.

The total fees, including the fee for this assignment, earned by Broll (or other companies forming part of the same group of companies within and without South Africa) from Grit (or other companies forming part of the same group of companies) are less than 5.0% of the total South African revenues.

We confirm that we do not have any material interest in Grit or the Properties.

We do not consider that any conflict of interest arises in us preparing this Valuation Report and Grit has confirmed to us that it also considers this to be the case.

6. VALUATION

• BASIS OF VALUATION

The basis of value for the FCA's Listing Rules is Market Value. We have adopted Market Value as the appropriate basis of valuation for this report which is defined in the RICS Valuation – Global Standards 2017 as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

"Market Value" is effectively the same as "Fair Value" for the purpose of financial reporting under International Financial Reporting Standard (IFRS) 13 issued by the International Accounting Standards Board (IASB), wherein it is defined as:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

The valuations are compliant with the International Valuation Standards, and are in accordance with paragraphs 128 to 130 of the ESMA update of the Committee of European Securities Regulators' (CESR) recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004.

ESMA paragraph 130 (vi) requires us to comment on any differences between the valuation figure in this Valuation Report and the valuation figure included in Grit's latest published annual accounts, which we understand were as at 30 June 2017. Broll did not value the subject properties as at 30 June 2017; the date of the Company's latest published annual accounts, and accordingly cannot comment on any differences between the valuation figures reported in this present report and those which the Company included in its latest published annual accounts.

Differences in valuations undertaken as at different valuation dates and by different valuers may be due to various factors including, but not limited to, market changes, changes in individual locations, changes to statutory matters (e.g. town planning), physical changes to individual properties, tenancy changes and different valuation assumptions to those made by Broll.

We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of a property, nor have we allowed for any adjustment to any of the Properties' or Targeted Acquisitions' income streams to take into account any tax liabilities that may arise. We have excluded from our valuations any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupiers. Our valuations are exclusive of VAT (if applicable).

No allowance has been made for rights, obligations or liabilities arising in relation to fixed plant and machinery and it has been assumed that all fixed plant and machinery and the installation thereof complied with the relevant local legislation.

• DISCOUNT METHODOLOGY

Our approach in determining the values of the properties is to adopt the discounted cash flow methodology in terms of which estimated gross income is projected for a period of years depending upon the lease expiry profile and which periods ranges from 5 to 15 years, as appropriate, based on contractual arrangements where leases are in place and on estimated market rent upon the expiry of leases after the date of valuation. Forecast expenses are then deducted from the estimated gross annual income projections to arrive at the net annual income stream throughout the cash flow period.

The net annual income stream is then discounted and aggregated to determine an estimated net present value of the cash flow. To the sum of the discounted net annual value of the cash flow is added an amount that represents an estimate of the value of the property upon reversion at the end of the cash flow period. This latter amount is calculated as the value of the estimated net income in the forward period of 12 months immediately following the final year of the cash flow capitalised at an appropriate rate to reflect the perceived risk in the investment.

Discount rates applied are based on factors such as country, property and income risk and for the purposes of the Grit portfolio these rates range from 11.25% for the resorts in Mauritius, 12% for the malls in Zambia, 13.25% for Buffalo Mall, 12% for the Warehouse in Kenya and 14% for Capital Place in Ghana.

- **GROSS VALUES/PROPORTIONATE ARITHMETICAL INTERESTS HELD BY GRIT**

For the avoidance of doubt, we have valued the Properties described in Schedule 1 as real estate and the values reported herein represent 100% of the market values of the assets. No account has been taken in reporting these fair values of the extent of Grit's interests in the companies holding the various Properties.

Notwithstanding that the Properties have been valued to represent 100% of the market values of the assets we set out below an arithmetic apportionment of the interests of Grit in the various holding companies in which Grit has an interest of less than 100%, but we stress this apportionment does not represent the market valuations of the Properties.

For the avoidance of doubt the percentage apportionments of the market values of the Properties held by Grit are:

Properties	**Percentage acquired by GRIT**	**Arithmetic apportionment of Value**
Kenya		
Buffalo Mall	50%	US$3,315,000.00
Mauritius		
Beachcomber Hospitality Resorts	44.44%	US$95,857,080.00
Zambia		
Cosmopolitan Mall	50%	US$40,300,000.00
Kafubu Mall	50%	US$12,900, 000.00
Mukuba Mall	50%	US$37,700, 000.00
Ghana		
Capital Place	47.5%	US$12,122,000.00

NOTES:

6.1. Grit has advised us that Buffalo Mall is held by an entity in which Grit owns 50% of the shares and has requested that we include a 50% apportionment of the market value. Calculated on an arithmetic basis only, and assuming full management control, a 50% apportionment of the market value reported equates to **US$3,315,000.00**. It should be noted that in providing this figure we do not express an opinion on the market value of the SPV entity or the interest of Grit therein.

6.2. Grit has advised us that Beachcomber Hospitality Resorts is held by an entity in which Grit owns 44.4% of the shares and has requested that we include a 44.44% apportionment of the market value. Calculated on an arithmetic basis only, and assuming full management control, a 50% apportionment of the market value reported equates to **US$95,857,080.00**. It should be noted that in providing this figure we do not express an opinion on the market value of the SPV entity or the interest of Grit therein.

6.3. Grit has advised us that Cosmopolitan Mall is held by an entity in which Grit owns 50% of the shares and has requested that we include a 50% apportionment of the market value. Calculated on an arithmetic basis only, and assuming full management control, a 50% apportionment of the market value reported equates to **US$40,300,000.00**. It should be noted that in providing this figure we do not express an opinion on the market value of the SPV entity or the interest of Grit therein.

6.4. Grit has advised us that Kafubu Mall is held by an entity in which Grit owns 50% of the shares and has requested that we include a 50% apportionment of the market value. Calculated on an arithmetic basis only, and assuming full management control, a 50% apportionment of the market value reported equates to **US$12,900,000.00**. It should be noted that in providing this figure we do not express an opinion on the market value of the SPV entity or the interest of Grit therein.

6.5. Grit has advised us that Mukuba Mall is held by an entity in which Grit owns 50% of the shares and has requested that we include a 50% apportionment of the market value. Calculated on an arithmetic basis only, and assuming full management control, a 50% apportionment of the market value reported equates to **US$37,700,000.00**. It should be noted that in providing this figure we do not express an opinion on the market value of the SPV entity or the interest of Grit therein.

6.6. Grit has advised us that Capital Place is held by an entity in which Grit owns 47.5% of the shares and has requested that we include a 47.5% apportionment of the market value. Calculated on an arithmetic basis only, and assuming full management control, a 47.5% apportionment of the market value reported equates to **US$12,122,000.00**. It should be noted that in providing this figure we do not express an opinion on the market value of the SPV entity or the interest of Grit therein.

7. MARKET VALUE

We are of the opinion that the aggregate Market Value of the Properties, as at 31 January 2018, is **US$515,280,000.00 (Five Hundred and Fifteen Million Two Hundred and Eighty Thousand US Dollars),**

PERIODS OF LEASEHOLD TENURE:

- Long leasehold over 50 years **US$442,130,000.00**
- Short leasehold 50 years or less **US$73,150,000.00**

SUM TOTAL OF VALUATION

The total valuation figure reported is the aggregate total of the individual Properties and not necessarily a figure that could be achieved if the Properties were to be sold as a single holding.

All of our valuations exclude VAT and purchasers'/acquisition costs of whatsoever nature.

The largest property by value among the Properties is that known as Beachcomber Hospitality Resorts in Mauritius, which has an estimated market value of **US$215,700,000.00** and represents 44% of the total value of the Properties.

8. DISCLOSURE AND PUBLICATION

The contents of this Report and Valuation may be used for the specific purpose to which they refer.

Neither the whole nor any part of this Report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

For the purpose of Prospectus Rule 5.5.3R (2)(f), we accept responsibility for the information within this Report and Valuation, and declare that we have taken all reasonable care to ensure that the information contained in the Report and Valuation is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Annex I item 1.2 of the Prospectus Regulation.

Yours faithfully

ROGER HUNTING MRICS Dip T.P. MIV (SA)
RICS Registered Valuer
Professional Valuer

FOR AND ON BEHALF OF BROLL VALUATION AND ADVISORY SERVICES (PROPRIETARY) LIMITED

SCHEDULE 1: PROPERTIES – LEASEHOLD PROPERTIES IN AFRICA HELD FOR INVESTMENT

Address	Commentary	Approx. Age	Tenure	Tenancies	Date of Inspection	Market Value/Date
KENYA						
Imperial Health Sciences (IHS) Kutch Road Mlolongo, Machakos District – off Mombasa Road, Nairobi, Kenya	Leasehold property with GRIT holding 100% interest in leasehold title. State of the art logistics and warehouse facility in Kenya measuring 13,560m². Facilities include high grade admin office accommodation and logistics storage areas, including part temperature controlled areas. Good vehicle and truck circulation space and property offers ample yard and parking facilities. Well located property in close proximity to the JKIA International Airport situated about 14 kilometers south east of Nairobi City. Property comprises two 5 acre plots, one improved with the above facility the second vacant and ready for development. The additional 5 Acre plot of land valued at KES70 Million per acre.	3 Years (January 2015 Occupation)	The property is held under 2 leasehold interests each for 99 years commencing 1 November 1983. The annual rents are peppercorn. Unexpired term 64 years.	1 Tenant – Imperial Health Sciences. Blue chip tenant on long term triple net lease expiring in 2027. Lease escalation applied at 4.85% p/a based on US CPI +3%.	2018/03/13	**US$21, 900,000** **31 January 2018**
Buffalo Mall Naivasha, Kenya	Leasehold property with GRIT holding 50% interest in leasehold title. Buffalo Mall is a modern shopping complex in Naivasha strategically located on the north-west edge of town adjacent to the Trans-African Highway. Naivasha is a market town in Nakuru County, Kenya, lying some 90km north west of Nairobi. The shopping centre (phase 1) is situated on a 2 hectare portion of land and is anchored by a national chain supermarket. The remaining units comprise around 20 retail shops along with ATM's kiosks and a substantial parking area. The retail units cater for all tastes and include a retail gallery, dining and beverage areas as well as an outdoor amphitheater. The Centre showed a low vacancy at the time of inspection, and several of the vacant units already had leases/licenses drawn up and new tenants provisioned for the space. The land provisioned for a phase 2 development (around 4 hectares) has a nominal value as it commands a peppercorn rental. As there is no scheme of development or signed leases for the future development we have not applied any value to the land.	3 Years (February 2015 opening)	The property is held under a leasehold interest for 99 years commencing 1 June 2004. As far as we are aware there is no ground rent payable. Unexpired term 86 years.	38 Tenants in total with the Centre showing a 1.7% vacancy at the date of valuation. However many of the tenants at the Centre have been offered a rental reduction or a rent free period to lessen the rent burden on the smaller line shops. As per the budget provided the current rent rebates amount to around 18% of total annual income. We have applied these rebates and run them for the duration of the cashflow. We have also adjusted market rentals accordingly.	2018/03/12	**US$6,630,000** **31 January 2018**

Address	Commentary	Approx. Age	Tenure	Tenancies	Date of Inspection	Market Value/Date
MAURITIUS						
Beachcomber Hospitality Resorts Mauritius Comprising: Mauricia – Grand Baie, Mauritius Canonnier – Pointe aux Canonniers, Mauritius Victoria – Pointe Aux Piments, Mauritius	Leasehold property with GRIT holding 44.44% interest in leasehold title. The property interest comprises a share of the following 3 luxury resorts: • *Mauricia Resort & Spa Grand Baie, Mauritius* A four-star resort set on the beach front in the village of Grand Baie. Meditation architecture featuring 239 garden-facing and sea views rooms. There's also a villa with a private pool. Other amenities include 2 open-air eateries, a bar and a nightclub, plus a lagoon-style pool, a gym and a spa. • *Canonnier Golf Resort & Spa Pointe aux Canonniers, Mauritius* Set on a peninsula with views of the northern islands and Indian Ocean, this resort lies on 17 acres of tropical gardens. 283 airy rooms with wood and bamboo furnishings. Rooms have terraces or balconies with views of the gardens, lagoon, pool or beach. There are 3 restaurants, an outdoor bar, and a kids' club set in a historic lighthouse. There's a gym, a wellness centre and a pool. • *Le Victoria Resort & Spa Pointe Aux Piments, Mauritius* Located North-west on the coast of Mauritius, this four-star plus resort is conveniently situated between the tourist hub of Grand Baie and Port Louis. The spacious 255 rooms are all sea facing and feature balconies or terraces. There are 4 restaurants, including Italian and seafood options, plus a bar with entertainment; all have terraces. In addition to beach access, there's a lagoon pool, a day spa and a multilevel fitness centre. Tennis and water sports are available, as is a kids' club. The resort also offers the recently opened 'Victoria for 2' couples exclusive accommodation block featuring an additional 40 suites. All resorts have been upgraded through the years, and are currently or have recently been fully refurbished.	Mauricia – opened in 1990 Canonnier – Opened in 1989 Victoria – Opened in 1993	The property is held under a leasehold interest for 60 years commencing 19 July 2008. Unexpired term 50 years. The ground rent is peppercorn but subject to reviews every 3 years. The property is held under a leasehold interest for 60 years commencing 19 July 2008. Unexpired term 50 years. The ground rent is peppercorn but subject to reviews every 3 years. The property is held under a leasehold interest for 60 years commencing 1 July 2009. Unexpired term 49 years. The ground rent is peppercorn but subject to reviews every 3 years.	1 Tenant New Mauritius Hotels Limited On long term triple net lease expiring in 2031. Lease escalation as per the 2018 Q1 Harmonised Index of Consumer Prices published by Eurostat. Estimated at 1.9% for the remainder of the 15 year lease period. As per the lease we have included the additional rental for the upgrades into our cash flow income.	2018/03/14	**US$215,700,000** **Properties valued in Euro (lease currency) and then converted to US$ for summary purposes at the date of valuation** **(31 January 2018) at the rate of 1 EUR = 1.2447 USD.** **31 January 2018**

Address	Commentary	Approx. Age	Tenure	Tenancies	Date of Inspection	Market Value/Date
MAURITIUS						
Tamassa Resort Bel Ombre, Mauritius	Leasehold property with GRIT holding 100% interest in the leasehold title. Tamassa is a 214 key 4-star beach resort on the south coast of Mauritius. Surrounded by tropical lagoons and lush hillsides, it features 3 swimming pools and a luxury spa with dry and wet saunas. The resort offers a bar, a nightclub, and 3 eateries. Other amenities include a tennis court, a gym, a kids' club and a dive school. With a year to date occupancy (from July 17) of 89% the resort is performing exceptionally well attracting mostly European guests. Rental income underpinned by a guarantee agreement provided by the Lux Island Resorts Limited group.	11 years – Opened December 2007	The property is held under a leasehold interest for 19 and a fraction years commencing 21 February 2005 expiring on 30 June 2024. The lease may be renewed for 4 consecutive periods of 10 years. If options exercised the lease may run to 2064. Current annual ground rent is Rs 3,265,650 and will be reviewed in July 2024. Assumed options will be exercised.	1 Tenant – Lux Island Resorts Limited Monthly cashflow rental of US$287,753 for the tenure of the lease, as well as the profit share rental (20% of EBDITA). Profit share budgeted at US$306,240 in year 1 as projected, then a conservative estimate of US$141,914 in Y2. Escalated this income stream at 2% per annum for the remainder of the lease.	2018/03/15	**US$47,900,000** **31 January 2018**
Barclays House Ebene, Mauritius	Leasehold property with GRIT holding 100% interest in the leasehold title. Barclays House is an attractive seven storey commercial office development offering 8,200m² of A-Grade office space along with 150 open parking bays. The building is located in Cybercity, Ebène, a sought-after office node 15 km south of the Mauritian capital of Port Louis. This modern building boasts an open atrium to maximize natural light and offers a gym, bank branch and cafeteria on the ground floor. The ground and floors 1 – 5 are all let to Barclays Bank, who have just signed a 10 year renewal option for 7072.5m² at market related rentals. The top floor (Sixth Floor) is partially vacant, but we understand it will be let in the coming months. Property valued in local currency – Rupee (lease currency) **Rs 519 500 000** and then converted to US$ for summary purposes at the date of valuation (31 January 2018) at the rate of 1 USD = 32.25MUR.	9 Years Old – 2009 Completed	The property is held under a leasehold interest for 30 years commencing 29 Auugust 2005. The unexpired lease term is 17 years but the tenant has the option to renew for two consecutive periods of 30 years each. Assumed options will be exercised.	2 Tenants -Barclays Bank Mauritius LTD. Broll Indian Ocean Small vacancy on 6th floor assumed will be let in 6months at market rates (Rs 538/m² incl. parking).	2018/03/15	**US$16,100,000** **31 January 2018**

Address	Commentary	Approx. Age	Tenure	Tenancies	Date of Inspection	Market Value/Date
ZAMBIA						
Cosmopolitan Mall Lusaka, Zambia	Leasehold property with Grit holding 50% Ownership Cosmopolitan Mall has a total GLA of 26,512m² and is the dominant retail mall in Lusaka, anchored by strong multi-national anchor tenants including Game (13% of rentals), Shoprite (10% of rentals) and The Foschini Group (6% of rentals). Other major tenants include Pep, Jet, OK Furniture, Woolworths, Ackermans, Truworths, Carnival Furnishers, Edgars and Mr Price. Cosmopolitan Mall's strategic location in Makeni incorporates public transport access, including a mini-bus taxi rank to capitalise on severe congestion and long travel times associated with Lusaka traffic	2 years	The property is held under a leasehold interest for 100 years commencing 1 July 1975. No ground rent payable. The unexpired lease term is 57 years.	70 Tenants 0.3% Vacant Allowed definite renewal on all leases. Leases in US Dollar denomination was escalated at 2% and those in ZWW escalated at 8.5% and an exchange rate of ZMW 10 to the US Dollar.	2018/03/13	**US$80,600,000** **31 January 2018**
Kafubu Mall Ndola, Zambia	Leasehold property with Grit holding 50% Ownership Kafubu Mall has a total GLA of 12,061m² and is located in Ndola on the corner of Nkana Road (T3) and President Road, opposite the Ndola Golf Course and in close proximity to Ndola Airport. Kafubu Mall has good visibility and easy vehicular and pedestrian access to the property. The property is multi tenanted with the main anchor being Shoprite (4,144m²) who occupies approximately 34% of the total centre GLA 12 061m². Other notable national tenants are Foschini Group, FNB Bank and OK Furniture.	3 years	The property is held under 2 separate ground leases for 99 years. The first lease commenced 1 October 1991 and the second lease on 1 June 1993. Minimum unexpired term is 74 years.	28 Tenants 0.9% Vacant Allowed definite renewal on all leases. Leases in US Dollar denomination were escalated at 2% and those in ZWW escalated at 8.5% and an exchange rate of ZMW 10 to the US Dollar.	2018/03/12	**US$25,800,000** **31 January 2018**

Address	Commentary	Approx. Age	Tenure	Tenancies	Date of Inspection	Market Value/Date
ZAMBIA						
Mukuba Mall Kitwe, Zambia	Leasehold property with Grit holding 50% Ownership Mukuba Mall has a total GLA of 28,230m² and is situated in the heart of Kitwe at the corner of Freedom and Chiwala Avenues. The property has good visibility and easy vehicular and pedestrian access. Mukuba Mall is multi tenanted and anchored by Shoprite (4,880m²), Game (5,060m²) and Pick n Pay (2,240m²) who together occupy approximately 44% of the total centre GLA. Other major tenants include Jet, Carnival Furnishers, Edgars and Woolworths.	3 years	The property is held under 7 separate ground leases for 99 years commencing 1 October 2001. The unexpired term of each of the leases is 82 years.	68 Tenants – No Vacancy Allowed definite renewal on all leases. Leases in US Dollar denomination were escalated at 2% and those in ZWW escalated at 8.5% and an exchange rate of ZMW 10 to the US Dollar.	2018/03/12	**US$75,400,000** **31 January 2018**
GHANA						
Capital Place Plot No. A-31 Accra Airport Residential Area	Leasehold property: Grit has acquired a 47.5% interest in the SPV entity currently holding the property. Capital Place is a commercial office development comprising three separate blocks of low rise construction to A-Grade standards and the office park is multi-let to a number of tenants who occupy office space, basement parking as well as open parking facilities. Total lettable area is in the order of 4,944m² with 164 parking bays. The major tenant is Hollard Insurance Ghana Limited occupying block C, and accounting for 45% of the total area.	4 Years (Constructed during 2013 – 2014 and was opened during late 2014)	Capital Place Limited holds the leasehold title to the property for a 50 year period which commenced on September 2013 and has 45 years remaining.	12 Tenants with no office vacancy – The Hollard lease expires in 2024 with the majority of the remaining leases expiring in 2020. Lease escalation applied at 5%. Estimated net income in Year 1 is US$2,449,379.	2018/04/24	**US$25,520,000** **31 December 2017**

APPENDIX TO MAIN REPORT FOR INFORMATION ONLY: TARGETED ACQUISITIONS OF LEASEHOLD PROPERTIES IN AFRICA TO POTENTIALLY BE HELD FOR INVESTMENT

Address	Commentary	Approx. Age	Tenure	Tenancies	Date of Inspection	Market Value/Date
TARGETED ACQUISITIONS – GHANA						
5th Avenue Corporate Offices 35 Osu Avenue, Cantonments, Accra	Leasehold property: It is anticipated that Grit will acquire a 100% interest in the property. 5th Avenue comprises a 5,072m² GLA low rise A-Grade office block occupied by multiple tenants along with a basement parking facility accommodating 88 vehicles. A well located property in Accra just off Liberation Road situated midway between airport City and the Ridge commercial nodes. The building itself is an energy efficient building of modern design offering attractive rentals and a reasonable parking ratio to occupiers.	4 Years (Opened in mid – 2014.)	Greenline Development Limited holds the leasehold title to the property for a 50 year period which commenced on 01/01/2007 and has 39 years remaining.	5 Tenants with one vacancy (7.6%) – ATC & GCNET are the larger occupiers both on leases expiring in 2019. Lease escalation applied at between 2% – 5%. Estimated net income in Year 1 is US$ 1,729,042.	2018/03/12	**US$21,100,000** **31 December 2017**
Tullow Oil (CADS II Building) Plot 70, George Bush Highway, North Dzorwulu, Accra	Leasehold property: It is anticipated that Grit will acquire a 50% interest in the SPV entity currently holding the property. CAD II, also known as Tullow Oil comprises a 7262m² GLA A-Grade office development occupied by a single tenant. The property is prominently situated with good exposure along the Accra – Tema Motorway, around 2km north of the popular Airport City commercial hub. Office accommodation is situated on all 7 floors, and parking is provided on grade for the tenant.	5 Years (July 2013 Opening)	Cads Contracts & Services Limited holds the leasehold title to the property for a 50 year period which commenced on 01/01/2002 and has 34 years remaining.	1 Tenant – Tullow Oil Ghana Limited Blue chip tenant on long term triple net lease. Lease renewed for a further 5 years at market related rentals, now expiring in June 2023. Estimated net income in Year 1 is US$2,984,021.	2018/04/23	**Estimated at US$36,100,100** **31 March 2018**

PART 14

PROPERTY VALUATION REPORT PREPARED BY REC REAL ESTATE CONSULTING, LDA IN RELATION TO COMMODITY HOUSE PHASE I AND PHASE II

18 July 2018

The Directors
GRIT Real Estate Income Group Limited
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Ebene, 72201
Mauritius

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Rua dos Desportistas
Nº 833, JAT V-I, 14º andar
Maputo – Mozambique
T: (+258) 21 50 5000

Dear Sirs

GRIT REAL ESTATE INCOME GROUP LIMITED

VALUATION AS AT 31 JANUARY 2018

1. INSTRUCTIONS

In accordance with instructions received from Grit Real Estate Income Group Limited ("Grit"), REC, Lda ("**REC**", "**we**" or "**us**") have undertaken a valuation of the property identified below (the "Property") for the purposes of a Prospectus (the "Prospectus") for a standard listing on the London Stock Exchange (LSE) together with a capital raise by way of private placements in the United Kingdom (UK), South Africa (SA) and Mauritius as well as an IPO in the UK.

The valuation is compliant with the International Valuations Standards and is in accordance with paragraphs 128 to 130 of the ESMA update (ESMA/2011/81) of the Committee of European Securities Regulators' (CESR) recommendations for the consistent implementation of the European Commission regulation (EC) no 809/2004 implementing the Prospectus Directive and the London Stock Exchange requirements.

2. DATE OF VALUATION

The valuation reports to 31st January 2018.

We are not aware of any material changes in circumstances between the date of the valuation and the date of this valuation report that would affect the valuation and we are not aware, as a result of our role as External Valuer of the Property, of any matter which is not disclosed in the Prospectus or which has not been disclosed to Grit and finnCap in writing and which is required to be brought to their attention.

3. TERMS OF REFERENCE

This valuation report is related to the valuation of the commercial building JN3412 – Phase 1 and Phase 2, located in Maputo, Mozambique, located on a development consisting of 2 office buildings on a plot of land with 4,139.21 sqm. Phase 1 is a property of high quality institutional investment stock, currently let to reputable and solid tenants, such as a large local law firm and a multinational oil&gas company. Phase 2 is a property of high quality institutional investment stock, with a solid list of prospective tenants, including embassies and one of the largest professional services companies worldwide.

The Property is identified and described briefly on the attached Schedule.

4. SOURCES OF INFORMATION

In undertaking our valuations we have been provided with, and have relied upon, information supplied to us by Grit and its advisors. We have assumed that this information is full and correct. It follows that if it is found to contain errors then our opinions of value may change.

Legal Documentation: We have relied on title documentation and leases together with a tenancy schedule provided by Grit. We understand that the Property has a good and marketable title which is free from any onerous or restrictive conditions. We have not undertaken credit enquiries into the financial status of the tenants and have assumed that they are capable of meeting all of their obligations under the terms of their leases.

Inspections: We have carried out an inspection of the Property and the date of this is noted on the attached Schedule. As agreed, except where we have been advised to the contrary, we have assumed that there have been no material changes to the Property or its surroundings that could have a material effect on the value of Grit's interest since our inspections.

Floor Areas: We have relied upon floor areas measured in plans provided by Grit, which we understand were calculated in accordance with the current RICS Code of Measuring Practice (6th Edition).

Building Surveys: We did not have access to a Building Survey and have relied upon a simple building inspection that assumes the building conditions can be verified at naked eye. No special inspection was done to determine the conditions of non-visible parts of the building. We assume that the structure has been properly maintained and used according to the specification for what was projected.

Energy Performance Certificates: We were not presented with any Energy Performance Certificates.

Environmental Surveys: Soil stability, mining and geological report analyses were not undertaken by us or normally inspected. Unless we are instructed to the contrary, we assume that the ground and any adjoining or nearby areas are not contaminated, that there are no dangerous materials in the vicinity and that it is capable of development without the need for abnormal costs on foundations and services.

We are not aware of the contents of any environmental audit or other environmental investigation or soil survey which may have been carried out on the Property and which may have drawn attention to any contamination or the possibility of any such contamination. We have not carried out any investigation into past or present uses, either of the Property or of any neighbouring land to establish whether there is any contamination or potential for contamination to the subject Property from these uses or sites and have therefore assumed that none exists.

Should it be established subsequently that contamination, seepage or pollution exists at the Property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this may reduce the figures now reported.

Planning: There's no local town planning approved by the municipality. The building complies with the existing building regulations, namely the "Municipal Posture" and "Municipality Information paper", and in our opinion, doesn't interfere with the surrounding environment.

5. STATUS OF VALUER

The valuation has been prepared under the supervision of Nuno Tavares MRICS. We confirm that REC is a RICS Regulated Firm and that the team assigned to this valuation has the knowledge, skills and understanding to undertake this valuation competently and that we are acting in the capacity of External Valuer.

6. VALUATION

6.1 Basis of Valuation

The basis of the valuation for the purpose of the rules of the Financial Conduct Authority made under Part VI of the Financial Services and Markets Act 2000 in relation to offers of securities to the public and to trading on a regulated market (the "Prospectus Rules") is to be on the same basis as adopted by the Company for accounting purposes. For the purposes of an accounts valuation undertaken for the Grit Group effective on 31 January 2018, we have adopted Fair Value (IFRS 13) as the appropriate basis of valuation which is defined in the RICS Valuation – Professional Standards (July 2017) as:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

The basis of value for the FCA Listing Rules is Market Value. We have adopted Market Value as the appropriate basis of valuation which is defined in the RICS Valuation – Professional Standards (July 2017) as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We would note the following from the Red Book:

"The references in the IFRS 13 to market participants and a sale make it clear that for most practical purposes the concept of Fair Value is consistent with that of Market Value and so there would be no difference between them in terms of the valuation figure reported."

We are of the opinion that the Fair Value is similar to the Market Value in each case.

It should be noted that for Commodity House 1, REC valued the subject property as at 30 June 2017, the date of the Company's latest published annual accounts, and accordingly can comment on any differences between the valuation figures reported in this present report and those which the Company included in its latest published annual accounts.

The valuation in this report differs from the one included in the published annual accounts by an addition of 1.4% to the value of the property. The change is basically related to the discounted cash flow approach used to value the property. Passing rents have increased due to the contractually established escalation, which more than compensates for the fact that the contracts are one year closer to its maturity. Also the discount rate, calculated as per the Capital Asset Pricing Model, has suffered a slight downward variation.

Differences in valuations undertaken as at different valuation dates and by different valuers may be due to various factors including, but not limited to, market changes, changes in individual locations, changes to statutory matters (e.g. town planning), physical changes to individual properties, tenancy changes and different valuation assumptions to those made by REC.

As for Commodity House 2, on REC did not value the subject property as at 30 June 2017, the date of the Company's latest published annual accounts, and accordingly cannot comment on any differences between the valuation figures reported in this present report and those which the Company included in its latest published annual accounts.

The Income Approach used provides an indication of value by converting future cash flows to a single current capital value. This approach considers the income that an asset will generate over its useful life and indicates value through a capitalisation process. Capitalisation involves the conversion of income into a capital sum through the application of an appropriate market yield or discount rate. The income stream may be derived under a contract or contracts, or be non-contractual, e.g. the anticipated profit generated from either the use of or holding of the asset. A discount rate of 10.05% was used. It is the weighted average cost of capital, with the cost of debt being Grit's current financial leveraging cost and the cost of equity having been achieved through application of the Capital Asset Pricing Model.

Our valuations have been arrived at predominantly by reference to market evidence for comparable property.

We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the Property, nor have we allowed for any adjustment to any of the Property's income streams to take into account any tax liabilities that may arise. We have excluded from our valuations any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupiers. Our valuations are exclusive of VAT (if applicable). Also, purchaser or acquisition costs are excluded from the valuation.

No allowance has been made for rights, obligations or liabilities arising in relation to fixed plant and machinery and it has been assumed that all fixed plant and machinery and the installation thereof complied with the relevant local legislation.

6.2 **Market Value**

We are of the opinion that the aggregate Market Value of the Property, as at 31 January 2018, is:

TOTAL	**US$ 60,460,000**

SIXTY MILLION, FOUR HUNDRED AND SIXTY THOUSAND UNITED STATES DOLLARS

7. DISCLOSURE AND PUBLICATION

The contents of this Valuation Report may be used for the specific purpose to which they refer.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this Valuation Report and declare that we have taken all reasonable care to ensure that the information contained in the Valuation Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Nuno Tavares MRICS
Partner – RICS Chartered Surveyor
For and behalf of REC | Real Estate Consulting, Lda

Samantha Baloi
Valuations & Consultancy
For and behalf of REC | Real Estate Consulting, Lda

COMMERCIAL BUILDING JN3412 PHASE 1

Address	Description	Approx. Age	Tenancies	Date of Inspection	Market Value 31 January 2018
The property is located in the Avenida Julius Nyerere in front of UEM (KaMpfumo)	The property consists of an office building with 10 floors, 4 of them for parking and 6 for offices. The office floors are composed of 4 office units, circulation areas, technical areas and toilets. The ground floor also includes a centralized reception. The building has 7,420.0 sqm of GLA (Gross Leasable Area) and 168 parking spaces. The flooring of the circulation is composed of ceramic tiles. The private office areas were finished by the tenants according to their specifications.	2013	The property is fully let to grade-A tenants, with long term contracts,and an average weighted unexpired term of 8.6 years. The current contractual rent for all but one contract is 39.6 US$/m2 per month. The third and fourth floors, rented to a global oil and gas company (36% of the GLA) is currently at 35.0 US$/m2, as its escalation only starts on the the 9th year of contract. There are also several tenants negotiating lease renewals. The net operating income for 2018 is estimated at US$4,336,163. The majority of the GLA is occupied by Blue-Chip Tenants.	31 January 2018	US$43,190,000

COMMERCIAL BUILDING JN3412 PHASE 2

Address	Description	Approx. Age	Tenancies	Date of Inspection	Market Value 31 January 2018
The property is located in the Avenida Julius Nyerere in front of UEM (KaMpfumo)	The property consists of an office building with 6 floors, 3 of them for offices and 3 for parking space with 80 spaces and another 8 spaces in an open parking area. The building has 3,165.4 sqm of GLA (Gross Leasable Area), with 3 office floors, 1 floor with offices, centralised reception and parking and 2 floors with parking. The 3 office floors includes office units, toilets, circulation areas and technical areas.	2017	The property is vacant.	31 January 2018	US$17,270,000

PART 15

HISTORICAL FINANCIAL INFORMATION

SECTION A – ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION

BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Grit Real Estate Income Group Limited
Level 5 Alexander House
35 Cybercity
Ebene, 72201
Mauritius

18 July 2018

Dear Sir or Madam

Grit Real Estate Income Group Limited (the "Company") and its subsidiary undertakings (together, the "Group")

Introduction

We report on the financial information set out in Section B of Part 15. This financial information has been prepared for inclusion in the prospectus dated 18 July 2018 of Grit Real Estate Income Group Limited (the "**Prospectus**") on the basis of the accounting policies set out in note 1 to the financial information. This report is required by item 20.1 of annex I of the Commission Regulation (EC) No. 809/2004 (the "**PD Regulation**") and is given for the purpose of complying with that item and for no other purpose.

We have not audited or reviewed the financial information for the period ended 31 January 2017, which has been included for comparative purposes only and accordingly do not express an opinion thereon.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of annex I of the PD Regulation consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Basis for qualified opinion on the historical financial information for the year ended 30 June 2016

Included within the income statement are foreign exchange losses of US$4,584,000. These foreign exchange losses are the result of an adjustment to restate the deferred tax expense by US$9,710,000. We were unable to fully determine the nature of this adjustment and whether it was appropriately categorised in the income statement as foreign exchange losses or should have been recorded as a separate expense within the income statement, as the Directors were not able to provide supporting documentation. Hence, we were unable to obtain sufficient appropriate audit evidence regarding this balance. Any reclassification of the foreign exchange losses within the income statement would have no impact on the Group's total comprehensive income for the year.

Qualified opinion on the historical financial information for the year ended 30 June 2016

In our opinion, except for the possible effects of matters described in the "Basis for qualified opinion" paragraph, the financial information gives, for the purposes of the Prospectus a true and fair view of the state of affairs of the Group as at 30 June 2016 and of its loss, cash flows and changes in equity for the financial year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Opinion on the historical financial information for the years ended 30 June 2015 and 30 June 2017, and the seven months ended 31 January 2018

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Group as at 30 June 2015, 30 June 2017 and 31 January 2018 and of its results, cash flows and changes in equity for the financial years ended 30 June 2015 and 30 June 2017, and the seven months ended 31 January 2018 in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of annex I of the PD Regulation.

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SECTION B – HISTORICAL FINANCIAL INFORMATION

Grit Real Estate Income Group Limited

Consolidated statement of financial position
As at 30 June 2015, 30 June 2016, 30 June 2017 and 31 January 2018 (audited)

	Notes	As at 30 June 2015 $'000	As at 30 June 2016 $'000	As at 30 June 2017 $'000	As at 31 January 2018 $'000
Assets					
Non-current assets					
Investment properties	3	210,391	239,926	307,795	381,873
Deposits paid on investment properties	3	—	8,620	24,440	4,117
Property, plant and equipment	5	97	525	1,290	1,200
Intangible assets	6	9	599	592	605
Other investments	7	—	—	—	4,931
Investments in associates	8	—	45,822	89,016	155,871
Related party loans receivable	9	12	—	8	820
Other loans receivable	10	—	—	66,740	38,863
Total non-current assets		**210,509**	**295,492**	**489,881**	**588,280**
Current assets					
Current tax receivable		—	—	439	547
Trade and other receivables	12	18,787	15,327	22,805	32,687
Related party loans receivable	9	—	—	2,000	625
Other financial asset	31b	—	—	—	16,856
Derivative financial instruments	19	—	—	—	12
Cash and cash equivalents	13	6,566	17,785	24,668	8,880
Total current assets		**25,353**	**33,112**	**49,912**	**59,607**
Total assets		**235,862**	**328,604**	**539,793**	**647,887**
Equity and liabilities					
Total equity attributable to equity holders					
Ordinary share capital	14a	127,959	171,995	319,979	319,979
Treasury shares reserve	14b	—	(5,100)	(15,031)	(14,811)
Foreign currency translation reserve		437	230	3,275	3,652
Antecedent dividend reserve	14a	—	636	1,261	—
Retained loss		(5,792)	(28,989)	(51,177)	(29,421)
Total equity shareholders' funds		**122,604**	**138,772**	**258,307**	**279,399**
Non-controlling interests		(710)	(455)	(1,123)	(1,908)
Total equity		**121,894**	**138,317**	**257,184**	**277,491**
Liabilities					
Non-current liabilities					
Interest-bearing borrowings	15	10,491	126,633	185,051	225,787
Redeemable preference shares	16	—	—	12,840	12,840
Obligations under finance leases	17	—	—	171	153
Related party loans payable	9	1,153	1,365	1,365	—
Deferred tax liability	11	2,427	11,458	8,545	8,697
Total non-current liabilities		**14,071**	**139,456**	**207,972**	**247,477**
Current liabilities					
Interest-bearing borrowings	15	91,166	34,548	47,959	87,996
Obligations under finance leases	17	—	—	45	43
Trade and other payables	18	8,251	14,700	26,176	16,948
Current tax payable		138	1,029	—	—
Derivative financial instruments	19	—	554	19	—
Other financial liability	31b	—	—	—	16,950
Bank overdrafts	13	342	—	438	982
Total current liabilities		**99,897**	**50,831**	**74,637**	**122,919**
Total liabilities		**113,968**	**190,287**	**282,609**	**370,396**
Total equity and liabilities		**235,862**	**328,604**	**539,793**	**647,887**

Grit Real Estate Income Group Limited

Consolidated statement of comprehensive income
For years ended 30 June 2015, 30 June 2016 and 30 June 2017 (all audited) and for the periods ended 31 January 2017 (unaudited) and 31 January 2018 (audited)

	Notes	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Gross rental income	20	13,589	19,986	22,872	11,725	17,175
Straight-line rental income accrual	4	2,267	1,901	1,132	859	1,061
Revenue		**15,856**	**21,887**	**24,004**	**12,584**	**18,236**
Share of profits from associates	8	—	3,313	6,893	2,368	12,546
Property operating expenses		(3,478)	(5,623)	(7,170)	(3,202)	(3,778)
Net property income		**12,378**	**19,577**	**23,727**	**11,750**	**27,004**
Other income		384	805	254	(203)	30
Administrative expenses (including corporate structuring costs)		(5,537)	(5,683)	(7,900)	(4,887)	(9,152)
Profit from operations	21	**7,225**	**14,699**	**16,081**	**6,660**	**17,882**
Fair value adjustment on investment properties		7,889	(4,625)	(20,729)	(6,092)	1,611
Contractual receipts from vendors of investment properties		329	892	230	—	7,788
Total fair value adjustment on investment properties	3	8,218	(3,733)	(20,499)	(6,092)	9,399
Fair value adjustment on other investments		—	—	—	—	61
Fair value adjustment on other financial asset	31b	—	—	—	—	(94)
Fair value adjustment on derivative financial instruments		—	(554)	535	101	31
Share based payment expense	14c/d	—	(3,235)	(133)	(78)	(214)
Gain from bargain purchase on associates	29	—	251	958	—	—
Foreign currency gains/(losses)		(12,969)	(4,584)	2,081	(905)	3,491
Profit/(loss) before interest and taxation		**2,474**	**2,844**	**(977)**	**(314)**	**30,556**
Interest income	23	91	170	2,059	544	2,763
Finance costs	24	(3,640)	(10,243)	(11,433)	(5,308)	(10,932)
Profit/(loss) for the period before tax		**(1,075)**	**(7,229)**	**(10,351)**	**(5,078)**	**22,387**
Taxation	25	(2,505)	(10,534)	2,916	2,235	(152)
Profit/(loss) for the period after tax		**(3,580)**	**(17,763)**	**(7,435)**	**(2,843)**	**22,235**
Other comprehensive income						
Amounts that may be reclassified to profit and loss:						
Profit/(loss) on translation of foreign operations		384	(207)	3,045	1,371	377
Total comprehensive income/(loss)		**(3,196)**	**(17,970)**	**(4,390)**	**(1,472)**	**22,612**
Profit/(loss) for the period attributable to:						
Owners of the parent		(2,848)	(17,962)	(6,634)	(2,453)	23,020
Non-controlling interests		(732)	199	(801)	(390)	(785)
		(3,580)	(17,763)	(7,435)	(2,843)	22,235
Total comprehensive income/(loss) attributable to:						
Owners of the parent		(2,464)	(18,169)	(3,589)	(1,082)	23,397
Non-controlling interests		(732)	199	(801)	(390)	(785)
		(3,196)	(17,970)	(4,390)	(1,472)	22,612

Grit Real Estate Income Group Limited

Consolidated statement of changes in equity
For the years ended 30 June 2015, 30 June 2016 and 30 June 2017 and for the period ended 31 January 2018 (audited)

	Notes	Share capital $'000	Treasury shares reserve $'000	Foreign currency translation reserve $'000	Antecedent dividend reserve $'000	Retained loss $'000	Non-controlling interests $'000	Total equity $'000
Balance as at 1 July 2014		864	—	53	—	19	22	958
Loss for the year		—	—	—	—	(2,848)	(732)	(3,580)
Foreign currency translation differences		—	—	384	—	—	—	384
Total comprehensive loss		—	—	384	—	(2,848)	(732)	(3,196)
Ordinary shares issued	14a	130,705	—	—	—	—	—	130,705
Share issue expenses	14a	(3,610)	—	—	—	—	—	(3,610)
Ordinary dividends paid	28	—	—	—	—	(2,963)	—	(2,963)
Balance as at 30 June 2015		**127,959**	**—**	**437**	**—**	**(5,792)**	**(710)**	**121,894**
Loss for the year		—	—	—	—	(17,962)	199	(17,763)
Share based payments		—	—	—	—	3,235	—	3,235
Foreign currency translation differences		—	—	(207)	—	—	—	(207)
Total comprehensive loss		—	—	(207)	—	(14,727)	199	(14,735)
Movement in treasury shares	14b	—	(5,100)	—	—	—	—	(5,100)
Ordinary dividends paid	28	—	—	—	—	(8,470)	—	(8,470)
Ordinary shares issued	14a	44,830	—	—	—	—	—	44,830
Share issue expenses	14a	(158)	—	—	—	—	—	(158)
Other share issues		—	—	—	—	—	56	56
Transfer from share issues	14a	(636)	—	—	636	—	—	—
Balance as at 30 June 2016		**171,995**	**(5,100)**	**230**	**636**	**(28,989)**	**(455)**	**138,317**
Loss for the year		—	—	—	—	(6,634)	(801)	(7,435)
Share based payments		—	—	—	—	133	—	133
Foreign currency translation differences		—	—	3,045	—	—	—	3,045
Total comprehensive loss		—	—	3,045	—	(6,501)	(801)	(4,257)
Movement in treasury shares	14b	—	(9,931)	—	—	—	—	(9,931)
Ordinary dividends paid	28	—	—	—	(636)	(11,526)	—	(12,162)
Ordinary shares issued	14a	155,535	—	—	—	—	—	155,535
Share issue expenses	14a	(5,330)	—	—	—	—	—	(5,330)
Other share issues		—	—	—	—	—	133	133
Transfer from share issues	14a	(2,221)	—	—	2,221	—	—	—
Clean-out ordinary dividends paid	28	—	—	—	(960)	(4,161)	—	(5,121)
Balance as at 30 June 2017		**319,979**	**(15,031)**	**3,275**	**1,261**	**(51,177)**	**(1,123)**	**257,184**
Profit for the period		—	—	—	—	23,020	(785)	22,235
Share based payments		—	—	—	—	214	—	214
Foreign currency translation differences		—	—	377	—	—	—	377
Total comprehensive income		—	—	377	—	23,234	(785)	22,826
Movement in treasury shares	14b	—	220	—	—	—	—	220
Ordinary dividends paid	28	—	—	—	(1,261)	(1,478)	—	(2,739)
Balance as at 31 January 2018		**319,979**	**(14,811)**	**3,652**	**—**	**(29,421)**	**(1,908)**	**277,491**

Grit Real Estate Income Group Limited

Consolidated statement of cash flows
For years ended 30 June 2015, 30 June 2016 and 30 June 2017 (all audited) and for the periods ended 31 January 2017 (unaudited) and 31 January 2018 (audited)

	Notes	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Cash generated from/(utilised in) operations	27	(4,532)	1,663	12,170	(10,749)	7,833
Taxation (paid)/recovered		(171)	(582)	(700)	(760)	111
Net cash (utilised in)/generated from operating activities		**(4,703)**	**1,081**	**11,470**	**(11,509)**	**7,944**
Acquisition of investment properties		(218,662)	(31,249)	(70,902)	(3,263)	(54,056)
Acquisition of property, plant and equipment		(110)	(520)	(649)	—	(49)
Acquisition of intangible assets		(511)	(593)	(10)	(6)	—
Acquisition of other investments		—	—	—	—	(3,849)
Net cash outflow on acquisition of associates	29	—	(23,016)	(15,390)	—	(15,738)
Dividends and interest received from associates		—	1,787	3,573	1,648	6,145
Interest received		91	170	2,059	544	2,763
Proceeds from disposal of property, plant and equipment		—	—	—	—	4
Related party loans (advanced)/repaid		264	224	2,008	—	(458)
Other loans (advanced)/repaid		—	—	(66,740)	(22,479)	(19,532)
Net cash utilised in investing activities		**(218,928)**	**(53,197)**	**(150,067)**	**(23,556)**	**(84,770)**
Proceeds from the issue of ordinary shares	14a	126,826	40,695	110,828	18,129	—
Share issue expenses	14a	(3,610)	(158)	(5,330)	(897)	—
Proceeds from the issue of preference shares	16	—	—	12,840	—	—
Ordinary dividends paid	28	(2,963)	(8,470)	(17,283)	(11,564)	(2,739)
Proceeds from interest-bearing borrowings		132,961	142,935	170,933	44,698	121,712
Settlement of interest-bearing borrowings		(20,450)	(101,171)	(114,719)	(26,899)	(49,318)
Finance costs paid		(3,306)	(10,050)	(12,107)	(4,642)	(8,929)
Settlement of obligations under finance leases		—	—	(73)	(28)	(20)
Net cash generated from financing activities		**229,458**	**63,781**	**145,089**	**18,797**	**60,706**
Net movement in cash and cash equivalents		**5,827**	**11,665**	**6,492**	**(16,268)**	**(16,120)**
Cash at beginning of period		649	6,224	17,785	17,785	24,230
Effect of foreign exchange rates		(252)	(104)	(47)	(140)	(212)
Total cash and cash equivalents at end of period	13	**6,224**	**17,785**	**24,230**	**1,377**	**7,898**

Notes to the consolidated historical financial information
For years ended 30 June 2015, 30 June 2016 and 30 June 2017 (all audited) and for the periods ended 31 January 2017 (unaudited) and 31 January 2018 (audited)

1. Accounting policies

1.1 Basis of preparation

The historical financial information includes the consolidated financial information of the parent company and its subsidiaries ("the Group"). The historical financial information presents the financial track record of the Group for the years ended 30 June 2015, 30 June 2016, 30 June 2017 (all audited) and for the 7 month periods ended 31 January 2017 (unaudited) and 31 January 2018 (audited).

The financial information has been prepared in accordance with: International Financial Reporting Standards as adopted by the European Union (IFRS).

The accounting policies have been applied consistently to all periods presented unless otherwise stated below.

The financial information is prepared on a going concern basis and is presented in USD ($), which is the functional and presentational currency of the Group. The financial information has been prepared under the historical cost basis, except for investment properties and certain financial instruments that are measured at fair value through profit or loss and which are stated at fair value. Amounts are rounded to the nearest thousand, unless otherwise stated.

Fair value adjustments do not affect the determination of distributable earnings but have an effect on the net asset value per share presented on the statement of financial position to the extent that such adjustments are made to the carrying values of assets and liabilities.

Where necessary, comparative figures have been amended to be consistent with changes in presentation in later periods.

1.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board as it is the board that makes the Group's strategic decisions.

1.3 Critical judgments and estimates

The preparation of financial information in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and assumptions relating to the fair value of investment properties in particular have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the subsequent financial period.

The principal areas where such judgments and estimates have been made are:

Acquisition of investment properties

Where investment properties are acquired through the acquisition of interests in corporate vehicles, the directors have regard to the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business the transactions are accounted for as if the Group had acquired the underlying investment property directly, together with any associated assets and liabilities. Accordingly, no goodwill arises, rather the cost of acquiring the corporate entity is allocated between the identifiable assets and liabilities of the entity, based on their relative fair values at the acquisition date.

Otherwise corporate acquisitions are accounted for as business combinations.

Trade receivables, loans and other receivables

The Group assesses its trade receivables, loans and certain other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgments as to whether there is any observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Fair value estimation

The carrying values, after allowing for any impairment provisions of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of investment properties is determined using a combination of the discounted cash flows method and the income capitalisation valuation method, using assumptions that are based on market conditions existing at the end of the relevant reporting period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In the case of any goodwill, this is tested on an annual basis for impairment.

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that an impairment may have occurred, estimates are prepared of expected future cash flows for each relevant group of assets.

Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including the pre-tax discount rate used that reflects current market assessments of the time value of money, together with economic factors such as exchange rates and country specific inflation and interest rates.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax inspection issues in the jurisdictions in which it operates based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each relevant jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Consolidation

In determining whether or not to consolidate certain entities the directors consider the requirements of IFRS 10 'Consolidated Financial Statements'.

In relation to the principal subsidiaries listed in note 39, judgement was required to be exercised by the directors in concluding that it was appropriate to treat Freedom Asset Management as a subsidiary undertaking. The directors reached the conclusion that the Group had de-facto control over this entity, based on the fact that it had the practical ability to significantly direct the relevant activities of the investee throughout each reporting period, despite not holding any voting rights.

Judgement was also required to be exercised by the directors during the period ended 31 January 2018 in relation to the appropriate accounting treatment of the Group's interests in Drive in Trading Proprietary Limited. As described in note 31b, the directors concluded that it was appropriate to account for this entity as an unconsolidated structured entity as a result of the arrangements the Group has entered into with that entity.

1.4 Consolidation

Basis of consolidation

The financial information incorporates the financial information of the Company and all entities which are controlled by the Group.

The Group has control of an investee when it has power over the investee, it is exposed to or has rights to variable returns from involvement with the investee and it has the ability to use its power over the investee to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Group has the practical ability to direct the relevant activities of an investee without holding the majority of the voting rights. In determining whether de-facto control exists the Group considers all relevant facts and circumstances, including:

- The size of the Group's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by an entity in the Group and by other parties
- Other contractual arrangements entered into between the Group and the investee
- Historic patterns in the direction of the investee's relevant activities

The results of subsidiaries are included in the financial information from the effective date of their acquisition to the effective date of their disposal.

Adjustments are made when necessary to the financial information of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for a non-controlling interest.

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary, both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in the non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets acquired, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest rate and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of any contingent consideration are not adjusted against goodwill, unless they are valid measurement period adjustments. Instead they will be recognised through profit and loss.

The acquirer's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 "Business combinations" are recognised at their fair values at acquisition date, except for non-current assets (or a disposal group) that are classified as held-for-sale in accordance with IFRS 5 "Non-current assets held-for-sale and discontinued operations", which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of an acquiree where there is a present obligation at the relevant acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for the Group's accounting purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Any goodwill is determined as the consideration paid, together with the fair value of any shareholding held prior to obtaining control and any non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Any goodwill arising is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on the acquisition of foreign entities is considered an asset of the relevant foreign entity. In such cases the goodwill would be translated to the functional currency of the Group at the end of each reporting period with any adjustment recognised in equity through other comprehensive income.

1.5 Intangible assets

An intangible asset is recognised when:

– It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

– The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for on such intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The period and the method for amortisation of intangible assets are reviewed at the end of each reporting period.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	**Average useful life**
Computer software	4 years
Right of use of land	15 years

Right of use of land

Land held under an operating lease is accounted for as an operating lease. Upfront payments for operating leases are capitalised as non-current assets and carried at cost less accumulated depreciation. These non-current assets are not revalued. Depreciation is calculated on a straight-line basis over the lease periods.

Goodwill

Any goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Where the net recognised amount of the identifiable assets acquired and liabilities assumed exceeds the fair value of the consideration transferred (including the recognised amount of any non-controlling interest in the acquiree), this excess is recognised immediately in profit or loss.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Any goodwill arising is tested for impairment annually.

1.6 Functional and presentation currency

The functional and presentation currency of the Company was changed from Pounds Sterling to United States Dollars on 16 May 2014. The reason for the change in functional and presentation currency of the Company was largely due to the change in primary focus of the Group as the majority of its transactions within Africa are denominated in United States Dollars.

1.7 Investment properties

An investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the Group, and the cost of the investment property can be measured reliably.

Investment properties are initially recognised at cost. Transaction costs are included in the initial measurement.

Investment properties are those which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. External, independent valuation companies, with professionally qualified valuers and recent experience in the locations and categories of properties being valued, value the Group's investment property portfolios on at least a bi-annual basis. If an investment property is not externally valued at a reporting date then a directors' valuation is undertaken. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and without compulsion.

The valuations are prepared by considering comparable market transactions for sales and letting and having regard for the current leases in place. In the case of lettings this includes considering the aggregate of the net annual market rents receivable from the properties and where relevant, associated costs. A yield which reflects the risks inherent in the net cash flows is applied to the net annual rentals to arrive at the property valuation.

Any gain or loss arising from a change in fair value of an investment property is recognised in profit or loss.

Under the revised IAS 40 "Investment Property", property that is under construction or development for future use as investment property is within the scope of IAS 40. As the fair value model is applied, such property is measured at fair value. However, where the fair value of any investment property under redevelopment is not reliably measurable, the property would be measured at cost.

1.8 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and any impairment losses.

Items of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives to their estimated residual values.

Leasehold improvements are depreciated over the shorter of the useful life of the asset or the lease term.

Item	Average useful life
Leasehold improvements	3 years
Furniture and fittings	6 years
Computer equipment	3 years
Office equipment	8 years
Office buildings	20 years
Plant and machinery	4 years
Motor vehicles	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each period is recognised in profit and loss.

The gain or loss arising from de-recognition of an item of property, plant and equipment is included in profit and loss when the item is derecognised. The gain or loss arising from de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Where the carrying amount of an asset is greater than its recoverable amount, it is written down immediately to its recoverable amount.

1.9 Financial instruments – recognition, classification and measurement

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss – designated;
- Loans and receivables;
- Financial liabilities measured at amortised cost;
- Other investments

Classification depends on the purpose for which the financial instruments were obtained and takes place at initial recognition. Classification is re-assessed at the end of each reporting period, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the relevant contractual arrangement.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments measured at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the relevant period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Group's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (including unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent comparable arm's length transactions, reference to valuations of other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the Group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Non-derivative financial instruments

Non-derivative financial instruments comprise investment in equity securities, other financial assets, trade and other receivables, cash and cash equivalents, loans and other borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value together with, for instruments not carried at fair value through profit or loss, any directly attributable transaction costs, except as described below.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of ownership of the asset.

Investments at fair value through profit or loss

An instrument is classified as fair value through profit or loss if it is held for trading or if it is designated as such upon initial recognition. Financial instruments in the form of other investments are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value.

Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Trade and other receivables

Trade receivables and other receivables, including loans receivable, are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that an asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that a trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses.

When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

The Group's trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash deposited with financial institutions and other short-term liquid investments that are readily convertible to a known amount of cash. These are initially recorded at fair value and subsequently measured at amortised cost. Cash and cash equivalents are classified as loans and receivables.

Bank overdrafts and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Preference share capital

Preference shares, which are redeemable through a put option, are classified as liabilities. Dividends on these preference shares are recognised in profit or loss as finance costs.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Operating leases – lessor

Operating lease income is recognised as income on a straight-line basis over the lease term. The difference between the amounts recognised as income and the contractual amounts received are recognised as an operating lease asset. This asset is not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income from such operating leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.11 Income tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the relevant reporting period. Current tax payable also includes any tax liability arising from the declaration of dividends and payment of withholding taxes.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from temporary differences related to differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that a taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that a taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when temporary differences relate to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the relevant reporting period. For investment properties that are measured at fair value the presumption that the carrying amount of the investment properties will be recovered through sale has not been rebutted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the eventual current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, where they intend to settle the eventual current tax liabilities and assets on a net basis or their assets and liabilities will be realised simultaneously.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the relevant period, except to the extent that the tax arises from:

– A transaction or event which is recognised, in the same or a different period, in other comprehensive income, or

– A business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

1.12 Share capital

Ordinary share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new ordinary shares are shown as a deduction in equity, net of tax, from the proceeds of issue.

Treasury shares

The consideration paid for the purchase of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the 'treasury shares reserve').

Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares would be credited to retained earnings.

1.13 Revenue and other income

Rental income

Rental income from investment properties leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the relevant leases.

Lease incentives granted are recognised as an integral part of the total rental income and amortised over the term of the leases.

Contingent rental income is recognised as it arises. Premiums received to terminate leases are recognised in the statement of comprehensive income as they arise.

Revenue includes any property expenses recoverable from tenants which are recognised in the period to which they relate.

Management has considered the potential transfer of risks and rewards of ownership for all investment properties leased to tenants by the Group and has determined that all such leases entered into are to be classified as operating leases.

Other income

Interest earned on cash invested with financial institutions is recognised as it accrues using the effective interest method.

Dividend income is recognised, in profit or loss, when the Group's right to receive payment has been established.

1.14 Employee benefits

Short-term employee benefits

The costs of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Long-term employee benefits – share based payments

Where equity settled share awards are made to executive directors, senior managers or certain other key employees, the fair value of the awards at the date of grant is charged to profit and loss over the full vesting period. Non-market vesting conditions are factored into the fair value of the awards granted and taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the full vesting period is based on the number of awards of shares that eventually vest. The cumulative expense is not adjusted if a non-market vesting condition is not satisfied.

1.15 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Translation of foreign currencies

Foreign currency transactions within Group entities

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the relevant exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the relevant reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the relevant period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate ruling at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations – inclusion in the consolidation

Items included in each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (their functional currency). The results and financial position of all the Group entities that have a functional currency different from that of the presentation currency of the Company are translated into the presentation currency of the Company as follows:

– assets and liabilities are translated at the exchange rate ruling at the relevant reporting date;

– income and expenses are translated at the average exchange rates for each period; and

Any resulting exchange differences are recognised in other comprehensive income and are accumulated in the foreign currency translation reserve, a separate component of equity, until such time as the relevant foreign entity is disposed of at which time such translation differences are recognised in profit or loss.

1.17 Earnings per ordinary share and diluted earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit or loss by the weighted average number of ordinary shares outstanding during the relevant reporting period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

1.18 Ordinary dividend distributions and the antecedent dividend reserve

Ordinary dividend distributions

Ordinary dividends are recognised when they become legally payable. For all such dividends this is when declared by the directors.

A dividend distribution to ordinary shareholders is accordingly recognised as a liability in the financial statements in the period in which the dividend is declared.

A "clean-out" dividend is an ordinary dividend that is paid to existing ordinary shareholders prior to a new issue of ordinary shares, for the purpose of limiting the quantum of the antecedent dividend (see below).

Antecedent dividend reserve

Not distributing the antecedent portion of ordinary dividends would result in existing ordinary shareholders' interests being diluted. This can arise due to the payment of an ordinary dividend based on a greater number of ordinary shares in issue, without having had the benefit of the cash flow from the new issues of ordinary shares (or the risks and rewards of ownership of any investment property purchased with the proceeds of the issue of new shares) in the financial period to which the dividend relates. Such distributions are made out of the antecedent dividend reserve.

1.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation.

The amount recognised as a provision in each instance would be the directors' best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1.20 Fair value hedges

The Group on occasions uses derivative instruments (primarily interest rate swaps) to convert a proportion of its fixed rate debt to floating rates in order to hedge the interest rate risk arising, principally, from capital market borrowings.

Hedge accounting has not been adopted for any such instruments and accordingly changes in the fair value of the Group's hedging instruments are all recognised in profit and loss.

1.21 Investment in associates

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for under the equity method.

The Group's investments in associates include any goodwill (net of any accumulated impairment loss) identified on acquisition. They are initially recognised at cost. This is subsequently adjusted for post-acquisition changes in the Group's share of the net assets of each associate, less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill which is included in the carrying amount of the relevant investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

In circumstances where the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred a legal or constructive obligation or made payments on behalf of the associate.

The results of associated companies acquired or disposed of during a period are included in the statement of comprehensive income from the date of their acquisition up to the date of their disposal.

Unrealised profits are eliminated to the extent of the Group's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, appropriate adjustments are made to the financial statements of associates to bring their accounting policies in line with those adopted by the Group.

2. New standards and interpretations

2.1 New standards and interpretations effective from 1 July 2014 onwards

The Group's operational activities only commenced in earnest in the year ended 30 June 2015.

There have been no new standards or interpretations that were effective for the first time for periods beginning on or after 1 July 2014 that had a significant effect on the Group's financial information.

2.2 Standards and interpretations not yet effective

The new standards set out below, which are all not yet effective and have not been early adopted in the financial information, are those that that the directors consider could have a material effect on the future financial statements of the Group or are otherwise of some relevance to the Group's operations and interaction with its customers.

Description of new standards

IFRS 9 'Financial Instruments'. This standard is replacing IAS 39 'Financial Instruments' and contains two primary measurement categories for financial assets. The standard also introduces a change to the impairment model and new requirements that align hedge accounting more closely with risk management. It also establishes a more principles-based approach. This standard is effective for annual periods beginning on or after 1 January 2018.

IFRS 15 'Revenue from contracts with customers'. This standard is replacing IAS 11 'Construction Contracts' and IAS 18 'Revenue'. The standard introduces a new revenue recognition model that recognises revenue either at a point in time or over time. This standard is effective for annual periods beginning on or after 1 January 2018.

IFRS 16 'Leases'. This standard introduces a single, on-balance sheet accounting model for leases which refers primarily to accounting for lessees. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for annual periods beginning on or after 1 January 2019.

Current assessment of expected impact

The directors do not currently anticipate that the adoption of IFRS 9 will have a material impact on the Group's financial statements, other than on presentation and disclosure, when the standard is first required to be applied for the Group's year ending 30 June 2019, assuming that the existing capital structure and financing arrangements remain in place when it becomes effective.

The Group's revenues are currently principally derived from property leases, which are outside the scope of IFRS 15 but within the scope of IFRS 16. The directors therefore do not currently expect that IFRS 15 will have a significant impact on the financial statements when the standard is first required to be applied for the Group's year ending 30 June 2019.

Since IFRS 16 will not result in significant changes of accounting policies for lessors, the directors do not currently expect that the adoption of this standard will have a material impact on the financial statements when first required to be applied for the Group's year ending 30 June 2020.

3. Investment properties

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Period ended 31 January 2018 $'000
Net carrying value of investment properties				
Cost of investment properties	219,609	250,858	333,279	387,335
Cumulative foreign currency translation differences	(19,703)	(19,585)	(14,770)	(5,208)
Cumulative fair value surplus/(deficit)	8,218	4,485	(16,014)	(6,615)
	208,124	**235,758**	**302,495**	**375,512**
Movement for the period				
Investment properties at beginning of period	—	**208,124**	**235,758**	**302,495**
Acquisition and construction of investment properties	209,314	29,668	73,708	51,935
Transaction costs capitalised	9,448	1,302	3,920	2,205
Interest costs capitalised	717	—	—	—
Other capital expenditure	130	279	4,793	(84)
Foreign currency translation differences	(19,703)	118	4,815	9,562
Revaluation of properties at end of period	7,889	(4,625)	(20,729)	1,611
Contractual receipts from vendors of investment properties	329	892	230	7,788
Total fair value adjustments on investment properties	8,218	(3,733)	(20,499)	9,399
Investment properties at end of period	**208,124**	**235,758**	**302,495**	**375,512**
Reconciliation to valuations				
Investment properties carrying amount per above	208,124	235,758	302,495	375,512
Straight-line rental income accrual (note 4)	2,267	4,168	5,300	6,361
Total valuation of properties per consolidated statement of financial position	**210,391**	**239,926**	**307,795**	**381,873**

Investment properties pledged as security

Certain of the Group's investment properties have been pledged as security for interest-bearing borrowings (note 15) as follows:

- Mozambican investment properties with a market value of $197.2 million (30 June 2017: $145.5 million, 30 June 2016: $117.0 million and 30 June 2015: $105.7 million) are mortgaged to Standard Bank of Mozambique to secure debt facilities amounting to $10.4 million (30 June 2017 & 2016: $10.4 million and 30 June 2015: $35.1 million), Standard Bank of South Africa to secure debt facilities amounting to $50.0 million (30 June 2017 & 2016: $38.0 million and 30 June 2015: $14.3 million) and Banco Unico of Mozambique to secure debt facilities amounting to $2.9 million (30 June 2017: $3.0 million, 30 June 2016: $2.9 million and 30 June 2015: $0 million), Bank of China to secure debt facilities amounting to $13.3 million (30 June 2017: $13.3 million, 30 June 2016 & 2015: $0 million) and Standard Bank (Mauritius) Limited to secure debt facilities amounting to $11.6 million (30 June 2017, 2016 & 2015 $0 million).

- Moroccan investment properties with a market value of $92.9 million (30 June 2017: $88.1 million, 30 June 2016: $100.6 million and 30 June 2015: $104.7 million) are mortgaged to Investec South Africa (2015: Anfa Plage SARL) to secure debt facilities amounting to $53.3 million (30 June 2017: $50.1 million, 30 June 2016: $51.7 million and 30 June 2015: $52.2 million).

- Mauritian investment properties with a market value of $63.4 million (30 June 2017: $57.6 million, 30 June 2016: $13.7 million and 30 June 2015: $0 million) are mortgaged to Barclays Bank of Mauritius to secure debt facilities amounting to $7.4 million (30 June 2017: $7.4 million, 30 June 2016: $7.9 million and 30 June 2015: $0 million) and State Bank of Mauritius to secure debt facilities amounting to $27.7 million (30 June 2017: $25.4 million, 30 June 2016 & 2015: $0 million).

- Kenyan investment properties with a market value of $18.4 million (30 June 2017, 2016 & 2015: $0 million) are mortgaged to Bank of China to secure debt facilities amounting to $8.5 million (30 June 2017, 2016 & 2015: $0 million).

Valuation policy and methodology for investment properties held by the Group and by associates

Investment properties are valued at each reporting date with independent valuations performed at least every second year by independent professional reputable valuation experts who have sufficient expertise in the jurisdictions where the properties are located. Directors value properties on a discounted cash flow basis at any reporting dates when no independent valuations of any particular properties have taken place, having regard to the most recent independent valuation undertaken. All valuations that are performed in the functional currency of a group entity that is not United States Dollars are converted to United States Dollars at the effective closing rate of exchange. All valuations have been undertaken in accordance with the version of the RICS Valuation Standards that were in effect at the relevant valuation date.

In respect of the majority of the Mozambican investment properties, independent valuations were performed at 31 January 2018 by Jones Lang LaSalle Proprietary Limited (JLL), Chartered Surveyors, using either the income capitalisation (yield) or the discounted cash flow method. The remaining Mozambican properties were valued by REC, Chartered Surveyors and part of the Meridian Group, at 31 January 2018 using the discounted cash flow method. During the years ended 30 June 2015, 30 June 2016 and 30 June 2017, JLL valued certain of the Mozambican properties with the remaining valuations having been undertaken by the directors.

The Moroccan investment property was independently valued at 31 January 2018 by Jones Lang LaSalle Proprietary Limited (JLL), Chartered Surveyors, using the discounted cash flow method. Due to the redevelopment on Anfa Place Mall, no independent valuation was performed of the property during the year ended 30 June 2017, but the directors are of the opinion that the carrying amount of the property as at 30 June 2017 approximated its fair value. During the years ended 30 June 2016 and 30 June 2015 the carrying value of the property was based on prior independent valuations by both JLL and CBRE Morocco, Chartered Surveyors, using the discounted cash flow method.

The Zambian investment properties held by associates were independently valued at 31 January 2018 by Broll Valuation and Advisory Services (Pty) Ltd, Chartered Surveyors, using the discounted cash flow method. During the years ended 30 June 2017 and 30 June 2016, the properties were independently valued by Quadrant Properties, Chartered Surveyors, using the discounted cash flow method.

The Kenyan investment properties held by the Group and its associates were independently valued at 31 January 2018 by Broll Valuation and Advisory Services (Pty) Ltd, Chartered Surveyors, using the discounted cash flow method. During the years ended 30 June 2017 and 30 June 2016, the properties held by associates were independently valued by Jones Lang LaSalle Proprietary Limited, Chartered Surveyors, using the discounted cash flow method.

The Mauritian investment properties held by the Group and its associates were independently valued at 31 January 2018 by Broll Valuation and Advisory Services (Pty) Ltd, Chartered Surveyors, using the discounted cash flow method. During the years ended 30 June 2017 and 30 June 2016, the properties were independently valued by Broll Indian Ocean Limited, Chartered Surveyors, using the discounted cash flow method.

Summary of valuations at each reporting date

Asset	Most recent independent valuation date	Valuer (for the most recent valuation)	Country	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Commodity House Phase I building	31-Jan-18	REC	Mozambique	41,200	41,600	42,570	43,190
Commodity House Phase II building	31-Jan-18	REC	Mozambique	—	—	—	17,270
Hollard Building	31-Jan-18	JLL	Mozambique	18,600	18,600	18,500	18,900
Vodacom Building	31-Jan-18	JLL	Mozambique	45,900	45,700	48,700	47,300
Zimpeto Square	31-Jan-18	JLL	Mozambique	—	11,050	11,470	9,173
Bollore Warehouse	31-Jan-18	JLL	Mozambique	—	8,663	6,500	6,500
Barclays House	31-Jan-18	Broll	Mauritius	—	13,691	13,835	15,529
Anfa Place Mall	31-Jan-18	JLL	Morocco	104,691	100,622	88,119	92,896
Tamassa Resort	31-Jan-18	Broll	Mauritius	—	—	43,814	47,900
Vale Housing Compound	31-Jan-18	JLL	Mozambique	—	—	—	35,550
Imperial Distribution Centre	31-Jan-18	Broll	Kenya	—	—	—	18,445
Imperial Phase II Land	31-Jan-18	Broll	Kenya	—	—	—	3,420
Mall de Tete	31-Jan-18	JLL	Mozambique	—	—	24,220	25,800
Total valuation of investment properties directly held by the Group				**210,391**	**239,926**	**297,728**	**381,873**
Capital expenditure on Commodity House Phase II				—	—	10,067	—
Total carrying value of investment properties per the consolidated statement of financial position, including straight-line rental income accrual				**210,391**	**239,926**	**307,795**	**381,873**
Deposits paid on Imperial Distribution Centre				—	3,000	3,062	—
Deposits paid on Vale Housing Compound				—	5,620	21,378	4,117
Total carrying value of investment properties including straight-line rental income accrual and deposits paid				**210,391**	**248,546**	**332,235**	**385,990**
Investment properties held within associates (note 8) – Group share							
Buffalo Mall (50%)	31-Jan-18	Broll	Kenya	—	6,700	6,025	3,315
Mukuba Mall (50%)	31-Jan-18	Broll	Zambia	—	31,563	34,884	37,700
Kafubu Mall (50%)	31-Jan-18	Broll	Zambia	—	9,913	12,098	12,900
Cosmopolitan Mall (50%)	31-Jan-18	Broll	Zambia	—	—	38,380	40,300
Beachcomber Hospitality (44.42%)	31-Jan-18	Broll	Mauritius	—	—	—	95,814
Total of investment properties acquired through associates – Group share				**—**	**48,176**	**91,387**	**190,029**
Total value of the Group's investment property portfolio (including properties held by associates)				**210,391**	**296,722**	**423,622**	**576,019**

As indicated above, all of the valuations were performed using either the income capitalisation or the discounted cash flow method. These methodologies are based on open market values with consideration given to the future earnings potential and applying an appropriate capitalisation rate and/or discount rate to the property and country. The capitalisation rates (equivalent yield) applied to the Group's valuations of investment properties at 31 January 2018 ranged between 7.5% and 12%. The discount rates applied to the Group valuations that were performed at 31 January 2018 using the discounted cash flow method ranged between 10% and 13.5% (30 June 2017: 9% and 13%, 30 June 2016: 11% and 13% and 30 June 2015: 11% and 12%). Other significant inputs factored into account in the valuations were: vacancy rates based on current and expected future market conditions; terminal value taking into account rental, maintenance projections and vacancy expectations; and additional inputs, where applicable.

The fair value adjustments on investment properties are included in profit or loss.

The directors consider that the deposit payments and capital expenditure which are carried at cost approximate their fair value at the relevant reporting date.

Fair value definition and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. The three levels are explained in note 35.

All of the Group's investment properties are categorised as level 3 in all years.

Inter-relationships between key observable inputs and fair value for level 3 valuations.

All other factors remaining constant, an increase in rental income would increase a valuation whilst increases in capitalisation yields and discount rates would result in a fall in value and vice versa. However, there are inter-relationships between unobservable inputs as they are determined by market conditions. Corresponding movements in more than one unobservable inputs may have a complementary effect on a valuation whereas unobservable inputs moving in opposite directions may compensate each other. For example, where market rents and nominal equivalent yields increase simultaneously, the overall impact on a valuation may be minimal.

4. Straight-line rental income accrual

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Reconciliation to amounts included in investment properties (note 3)				
Balance at beginning of period	—	2,267	4,168	5,300
Movement for the period	2,267	1,901	1,132	1,061
Straight-line rental income accrual at end of period	**2,267**	**4,168**	**5,300**	**6,361**

5. Property, plant and equipment

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Computer equipment	12	144	149	118
Cost	12	159	207	206
Accumulated depreciation	—	(15)	(58)	(88)
Furniture and fittings	49	25	14	8
Cost	62	53	84	123
Accumulated depreciation	(13)	(28)	(70)	(115)
Leasehold improvement	—	292	—	—
Cost	—	294	851	—
Transferred to office buildings	—	—	(823)	—
Accumulated depreciation	—	(2)	(28)	—
Office buildings	—	—	823	798
Cost	—	—	—	823
Transferred from leasehold improvement	—	—	823	—
Accumulated depreciation	—	—	—	(25)
Office equipment	—	1	4	16
Cost	—	1	5	17
Accumulated depreciation	—	—	(1)	(1)
Plant and machinery	36	63	56	49
Cost	36	123	132	131
Accumulated depreciation	—	(60)	(76)	(82)
Motor vehicles	—	—	244	211
Cost	—	—	289	285
Accumulated depreciation	—	—	(45)	(74)
Total property, plant and equipment	**97**	**525**	**1,290**	**1,200**
Movement for the period				
Balance at beginning of period	—	97	525	1,290
Acquisitions	110	520	938	49
Computer equipment	12	147	48	(1)
Furniture and fittings	62	(9)	31	39
Leasehold improvements	—	294	557	—
Office equipment	—	1	4	12
Plant and machinery	36	87	9	(1)
Motor vehicles	—	—	289	—
Disposals				
Motor vehicles	—	—	—	(4)
Transfers	—	—	—	—
Transfer from leasehold improvements	—	—	823	—
Transfer to office buildings	—	—	(823)	—
Depreciation	(13)	(92)	(173)	(135)
Computer equipment	—	(15)	(43)	(30)
Furniture and fittings	(13)	(15)	(42)	(45)
Leasehold improvements	—	(2)	(26)	—
Office buildings	—	—	—	(25)
Office equipment	—	—	(1)	—
Plant and machinery	—	(60)	(16)	(6)
Motor vehicles	—	—	(45)	(29)
Balance at end of period	**97**	**525**	**1,290**	**1,200**

Motor vehicles with a cost of $0.3 million (30 June 2017: $0.3 million, 30 June 2016 & 30 June 2015: $0 million) are held as security in relation to finance leases amounting to $0.2 million (30 June 2017: $0.2 million, 30 June 2016 & 2015: $0 million).

Office buildings comprise of the operating offices of the Group situated on the 3rd Floor, La Croisette Shopping Centre, Grand Baie in Mauritius. The property is held as security by way of a first ranked mortgage bond in favour of Investec Bank (Mauritius) Limited amounting to $0.7 million. This property was previously classified as leasehold improvements and, on completion in the year ended 30 June 2017, was transferred to office buildings.

6. Intangible assets

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Computer software	9	36	38	34
Cost	9	39	49	49
Foreign currency translation differences	—	—	—	1
Accumulated amortisation	—	(3)	(11)	(16)
Right of use of land	—	563	554	571
Cost	—	563	563	563
Foreign currency translation differences	—	—	17	54
Accumulated amortisation	—	—	(26)	(46)
Management agreement	—	—	—	—
Cost	502	—	—	—
Impairment	(502)	—	—	—
Total intangible assets	**9**	**599**	**592**	**605**
Movement for the period				
Balance at beginning of period	—	9	599	592
Acquisitions	511	593	10	—
Computer software	9	30	10	—
Right of use of land	—	563	—	—
Management agreement	502	—	—	—
Foreign currency translation differences	—	—	17	38
Computer software	—	—	—	1
Right of use of land	—	—	17	37
Amortisation and impairment	(502)	(3)	(34)	(25)
Computer software	—	(3)	(8)	(5)
Management agreement	(502)	—	—	—
Right of use of land	—	—	(26)	(20)
Balance at end of period	**9**	**599**	**592**	**605**

During the year ended 30 June 2016, the Group acquired the Barclays House building in Mauritius. As part of this transaction the right of use of the land was obtained for an initial period of 15 years. The building is owned by the Group, and included in investment properties, whereas the land, which is being amortised over 15 years, is owned by the Government of Mauritius.

7. Other investments

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Balance at beginning of period	—	—	—	—
Additions during the period	—	—	—	4,870
Fair value adjustments	—	—	—	61
Balance at end of period	**—**	**—**	**—**	**4,931**

Fair value hierarchy as at 31 January 2018

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment in Letlole La Rona	3,910	—	—	3,910
Investment in Gateway Delta Developments Holdings Limited	—	—	1,021	1,021

Level 1 investments comprise of listed equity investments valued at market prices. If all significant inputs required to fair value an investment are observable, the investment is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

Listed investments

The Group acquired 17,500,000 shares, representing 6.25% of the issued equity capital, in the listed company Letlole La Rona for $3.85 million in the period ended 31 January 2018. This company is incorporated in Botswana and is listed on the Botswana Stock Exchange.

Unlisted investments

The Group invested $1.02 million in an unlisted development company, Gateway Developments Holdings Limited, incorporated in Mauritius, in the period ended 31 January 2018 as part of its strategy to secure future investment pipeline on the African continent. The directors are satisfied that this level 3 investment is carried at fair value at 31 January 2018 after considering the future cash flows associated with the business.

8. Investment in associates

The following entities have been accounted for as associates in the consolidated financial statements using the equity method:

Name of associate	Country of incorporation and operation	% of voting rights held	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Mukuba Mall Limited	Zambia	50.0%	—	31,430	34,770	37,568
Kafubu Mall Limited	Zambia	50.0%	—	9,649	11,788	12,579
Buffalo Mall Naivasha Limited	Kenya	50.0%	—	4,743	4,127	1,405
Cosmopolitan Mall Limited	Zambia	50.0%	—	—	38,331	40,259
Beachcomber Hospitality Investments Limited[1]	Mauritius	44.4%	—	—	—	64,060
Carrying value of associates			**—**	**45,822**	**89,016**	**155,871**

[1] *The carrying value at 31 January 2018 includes an unsecured loan of $46.6 million, from the Group to the associate, which bears interest at 6.25%.*

Secured investments:

Zambian investment properties held by associates have a market value of $181.8 million as at 31 January 2018 (30 June 2017: $173.3 million, 30 June 2016: $80.6 & 2015: $0 million). The properties in the investee entities are fully mortgaged to Bank of China to secure debt facilities amounting to $76.4 million as at that date (30 June 2017: $38.9 million, 30 June 2016 & 2015: $0 million).

Mauritian investment property held by an associate has a market value of $215.7 million as at 31 January 2018 (30 June 2017, 2016 & 2015: $0). The property in the investee entity is mortgaged in equal proportions to SBM Bank (Mauritius) Limited, Investec Bank (Mauritius) and the Mauritius Commercial Bank Limited to secure debt facilities amounting to $62.2 million (30 June 2017, 2016 & 2015: $0 million).

Kenyan investment property held by an associate has a market value of $6.6 million as at 31 January 2018 (30 June 2017: $12.1 million, 2016: $12.2 million & 2015: $0). The property in the investee entity is fully mortgaged to HFCK Bank Limited to secure debt facilities amounting to $4.5 million (30 June 2017: $4.0 million, 2016: $4.2 million & 2015: $0 million).

Set out below is the summarised financial information of each of the Group's associates for each reporting period together with a reconciliation of this financial information to the carrying amount of the Group's interests in each associate. Where an interest in an associate has been acquired in a reporting period the results are shown for the period from the date of such an acquisition.

Each of the acquisitions referred to below have given the Group access to high quality African real estate in line with the Group's strategy.

Where associates have non-co-terminous financial reporting dates, the Group uses unaudited management accounts to incorporate their results into the consolidated accounts.

	Mukuba Mall $'000	Kafubu Mall $'000	Beach-comber Hospitality $'000	Cosmopolitan Mall $'000	Buffalo Mall $'000	Total $'000
As at 31 January 2018						
Statement of financial position						
Non-current assets	75,400	25,800	215,700	80,600	6,630	404,130
Current assets	366	228	1,530	391	889	3,404
	75,766	26,028	217,230	80,991	7,519	407,534
Non-current liabilities	—	—	167,556	—	4,533	172,089
Current liabilities	630	870	10,396	473	176	12,545
	630	870	177,952	473	4,709	184,634
Net asset value	**75,136**	**25,158**	**39,278**	**80,518**	**2,810**	**222,900**
For the period to 31 January 2018						
Total comprehensive income						
Revenue	**3,654**	**1,422**	**7,156**	**3,763**	**577**	**16,572**
Fair value movement in investment properties	5,632	2,956	2,813	3,840	(2,420)	12,822
Profit/(loss) for the period	**8,626**	**4,216**	**6,482**	**6,970**	**(2,714)**	**23,580**
Total comprehensive income/(loss)	**8,626**	**2,672**	**8,426**	**6,970**	**(2,714)**	**23,980**
Dividends and interest received from associates	**1,515**	**545**	**2,527**	**1,558**	**—**	**6,145**
Reconciliation to carrying value in associates						
Balance at the beginning of the period	34,770	11,789	—	38,332	4,125	89,016
Acquired during the period (see below and note 29)	—	—	57,369	—		57,369
Net share of movement in net assets to income	2,744	1,156	1,931	1,927	(1,357)	6,401
Land option not exercised	—	—	—	—	(1,365)	(1,365)
Adjustment account movements	54	406	—	—	2	462
Foreign currency translation differences	—	(772)	4,760	—	—	3,988
Carrying value of associates	**37,568**	**12,579**	**64,060**	**40,259**	**1,405**	**155,871**

Investment in the period ended 31 January 2018

The Group acquired a 44.4% interest in Beachcomber Hospitality Investments Limited on 10 August 2017 for a net purchase consideration of $57.4 million comprising an equity investment of $14.8 million and a shareholder loan of $42.6 million. Leisure Property Northern (Mauritius) Limited, a company incorporated in Mauritius, is 100% owned by the Group and owns 44.4% of the share capital of Beachcomber Hospitality Investments Limited which is also a Mauritian incorporated company and the owner of the Cannonier, Victoria and Mauricia hotels.

	Mukuba Mall $'000	Kafubu Mall $'000	Cosmopolitan Mall $'000	Buffalo Mall $'000	Total $'000
As at 30 June 2017					
Statement of financial position					
Non-current assets	69,767	24,198	76,760	12,050	182,775
Current assets	271	140	299	902	1,612
	70,038	24,338	77,059	12,952	184,387
Non-current liabilities	—	—	—	4,544	4,544
Current liabilities	498	762	394	156	1,810
	498	762	394	4,700	6,354
Net asset value	**69,540**	**23,576**	**76,665**	**8,252**	**178,033**
For the period to 30 June 2017					
Total comprehensive income					
Revenue	**6,011**	**2,236**	**—**	**1,048**	**9,295**
Fair value movement in investment properties	6,642	1,308	—	(1,350)	6,600
Profit/(loss) for the period	**11,768**	**2,830**	**410**	**(1,236)**	**13,772**
Total comprehensive income/(loss)	**11,768**	**5,914**	**410**	**(1,236)**	**16,856**
Dividends received from associates	**2,544**	**817**	**212**	**—**	**3,573**
Reconciliation to carrying value in associates					
Balance at the beginning of the period	31,430	9,649	—	4,743	45,822
Acquired during the period (see below and note 29)	—	—	38,127		38,127
Net share of movement in net assets to income	3,340	598	—	(618)	3,320
Adjustment account movements	—	—	205	—	205
Foreign currency translation differences	—	1,542	—	—	1,542
Carrying value of associates	**34,770**	**11,789**	**38,332**	**4,125**	**89,016**

Investment in the year ended 30 June 2017

The Group acquired a 100% interest in Lusaka Cosmopolitan Investment Limited on 30 June 2017 for a net purchase consideration of $37.2 million, giving rise to a gain from bargain purchase of $0.96 million. Lusaka Cosmopolitan Investment Limited owns 50% of the share capital of Cosmopolitan Shopping Centre Limited, a Zambian incorporated entity and the owner of Cosmopolitan Mall. The outstanding amount of $5.8 million at 30 June 2017 was settled in full on 7 July 2017.

	Mukuba Mall $'000	Kafubu Mall $'000	Buffalo Mall $'000	Total $'000
As at 31 January 2016				
Statement of financial position				
Non-current assets	63,125	19,826	13,400	96,351
Current assets	195	67	988	1,250
	63,320	19,893	14,388	97,601
Non-current liabilities	—	—	4,605	4,605
Current liabilities	459	595	297	1,351
	459	595	4,902	5,956
Net asset value	**62,861**	**19,298**	**9,486**	**91,645**
For the period to 31 January 2016				
Total comprehensive income				
Revenue	**3,216**	**1,145**	**348**	**4,709**
Fair value movement in investment properties	—	1,625	386	2,011
Profit for the period	**2,378**	**2,506**	**426**	**5,310**
Total comprehensive income	**2,378**	**2,052**	**426**	**4,856**
Dividends received from associates	**1,333**	**454**	**—**	**1,787**
Reconciliation to carrying value in associates				
Balance at the beginning of the period	—	—	—	—
Acquired during the period (see below and note 29)	31,575	9,076	4,530	45,181
Net share of movement in net assets to income	(29)	1,342	213	1,526
Adjustment account movements	(116)	(542)	—	(658)
Foreign exchange translation differences	—	(227)	—	(227)
Carrying value of associates	**31,430**	**9,649**	**4,743**	**45,822**

Investment in the year ended 30 June 2016

The Group acquired a 100% interest in Kitwe Mukuba Investments Limited on 1 December 2015 for a net purchase consideration of $31.6 million. Kitwe Mukuba Investments Limited owns 50% of the share capital of Mukuba Mall Limited, a Zambian incorporated entity and the owner of the Mukuba Mall.

The Group acquired a 100% interest in Ndola Kafubu Investments Limited on 1 December 2015 for a net purchase consideration of $9.1 million. Ndola Kafubu Investments Limited owns 50% of the share capital of Kafubu Mall Limited, a Zambian incorporated entity and the owner of the Kafubu Mall.

The Group acquired a 100% interest in Abland Diversified Holdings Limited on 28 February 2016 for a net purchase consideration of $4.5 million. Abland Diversified Holdings Limited owns 50% of the share capital of Buffalo Mall Naivasha Limited, a Kenyan incorporated entity and the owner of the Buffalo Mall.

9. Related party loans

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Loans to/(from) related parties				
Bowwood and Main No 117 Proprietary Limited	(1,153)	—	8	20
Pivotal Global Limited	—	(1,365)	(1,365)	—
Other loans	12	—	—	—
At the relevant reporting dates the above loans were unsecured, did not bear interest and the borrower had an unconditional right to defer payment for a period of 12 months.				
Venus Africa Properties Proprietary Limited	—	—	—	800
This loan is unsecured, bears interest at the USD base rate of the South African Reserve Bank + 300 basis points and is repayable 5 years after the drawdown date				
Gateway Delta Developments Holdings Limited ('Gateway')	—	—	2,000	625
This loan bears interest at 3 month LIBOR plus 6.5% per annum and is unsecured for a period of 18 months. This loan is convertible into ordinary shares in Gateway (note 7).				
	(1,141)	**(1,365)**	**643**	**1,445**
Classification:				
Non-current assets	12	—	8	820
Current assets	—	—	2,000	625
Non-current liabilities	(1,153)	(1,365)	(1,365)	—
	(1,141)	**(1,365)**	**643**	**1,445**

Details of the relationships of the Group with each of the above related parties is disclosed in note 31.

In the opinion of the directors, the carrying values of loans to related parties approximate their fair values at each reporting date.

10. Other loans receivable

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Beachcomber Hospitality Investments Limited[1]	—	—	47,409	—
Ndola Investments Limited[2,4]	—	—	5,103	5,073
Paxton Investments Limited[2]	—	—	8,702	8,723
Kitwe Copperbelt Limited[2,4]	—	—	5,526	5,577
Syngenta Limited[2,4]	—	—	—	18,690
Lifostax Proprietary Limited[3]	—	—	—	800
Other loans receivable at end of period	**—**	**—**	**66,740**	**38,863**

1 This loan, which bore interest at 7.5%, was part payment for the investment made by the Group into this entity in the period to 31 January 2018. The loan was converted into an associate investment on 10 August 2017 (note 8).

2 In April 2017 Bank of China provided the Group with a term loan credit facility of $77 million for 5 years. This facility has been fully drawn by the Group as at 31 January 2018 (note 15). The Group has advanced loans amounting in total to 50% of the $77 million facility to the other investors in the Zambian investments referred to in note 8. Each of these loans has a 5 year term, is secured by a suretyship under the terms of the respective loan agreement and has interest charged at a rate of 6 month LIBOR plus 4%.

3 These loans are unsecured, bear interest at the USD base rate of the South African Reserve Bank + 300 basis points and are repayable 5 years after the drawdown date.

4 Mr Peter Todd, Chairman of the Company, was a non-executive Mauritian resident director of these companies for all or part of the periods during which loans were advanced by the Group to these entities. The total interest receivable by the Group on these loans in the period ended 31 January 2018 was $1.33 million and in the year ended 30 June 2017 was $0.08 million.

In the opinion of the directors, the carrying values of the above loans receivable approximate their fair values at each reporting date.

11. Deferred tax

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Deferred tax asset/(liability)				
Assessed losses	531	45	935	3,220
Foreign exchange losses	—	6,925	5,501	5,734
Provisions	—	—	53	48
Interest-rate swaps	—	147	7	7
Total deferred tax asset	**531**	**7,117**	**6,496**	**9,009**
Straight-line rental income accrual	(824)	(1,101)	(1,148)	(1,594)
Foreign exchange gains	(136)	—	—	—
Fair value adjustments to investment properties	(1,998)	(17,474)	(13,893)	(16,112)
Total deferred tax liability	**(2,958)**	**(18,575)**	**(15,041)**	**(17,706)**
Deferred tax – net position per the consolidated statement of financial position	**(2,427)**	**(11,458)**	**(8,545)**	**(8,697)**
Movement for the period				
Balance at beginning of period	—	(2,427)	(11,458)	(8,545)
Assessed losses recognised/(utilised)	531	(486)	890	2,285
Foreign exchange movements	(136)	7,061	(1,423)	233
Straight-line rental income accrual	(824)	(277)	(47)	(446)
Fair value adjustments to investment properties	(1,998)	(15,476)	3,580	(2,219)
Provisions	—	—	53	(5)
Interest-rate swaps	—	147	(140)	—
Balance at end of period (net)	**(2,427)**	**(11,458)**	**(8,545)**	**(8,697)**

Deferred tax assets have been recognised on deductible temporary differences where management, having reviewed the Group's projections, believe that there will be sufficient suitable taxable income in future to utilise the temporary differences.

In accordance with the Group's accounting policies, deferred tax assets have not been recognised in respect of certain companies within the Group, with unrecognised tax losses (see note 25).

12. Trade and other receivables

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Trade receivables	7,067	6,708	6,238	9,222
Allowance for credit losses	(988)	(1,820)	(2,782)	(2,917)
Trade receivables – net	**6,079**	**4,888**	**3,456**	**6,305**
Accrued income	1,081	363	2,651	3,579
Deposits paid	40	91	578	532
Adjustment account[1]	523	972	—	8,507
Prepaid expenses	176	3,226	7,946	1,416
Sundry debtors	4,634	1,436	913	2,665
VAT recoverable	6,254	4,351	7,261	9,683
Other receivables	**12,708**	**10,439**	**19,349**	**26,382**
Total trade and other receivables	**18,787**	**15,327**	**22,805**	**32,687**
Movement on the provision for doubtful debts				
Opening balance	—	(988)	(1,820)	(2,782)
Provision for doubtful debts made during the period	(988)	(832)	(962)	(135)
Cumulative allowance for credit losses	**(988)**	**(1,820)**	**(2,782)**	**(2,917)**
Ageing of trade receivables past due but not impaired				
Current	471	360	1,372	2,823
30 days	307	181	79	507
60 days	99	359	371	(72)
90 days +	5,202	3,988	1,634	3,047
	6,079	**4,888**	**3,456**	**6,305**
Ageing of impaired receivables				
90 days +	988	1,820	2,782	2,917
	988	**1,820**	**2,782**	**2,917**

[1] On the acquisition of investment properties held within corporate vehicles any other assets and liabilities that are acquired or assumed, as part of the relevant acquisition transaction, are realised and settled respectively using an adjustment account.

Trade and other receivables – past due but not impaired

Trade and other receivables are generally collected within 30 days of invoice, once an investment property has been fully integrated within the Group's portfolio. This represents the Group's normal payment terms. A provision is made for all debtors where legal action has commenced. All other debtors older than 30 days are considered past due but, not impaired. These debts are considered collectable based on a review of historic payment behaviour and extensive analysis of the circumstances in respect of each amount. Security deposits are held for a number of the Group's tenants.

At 31 January 2018, trade receivables of $6.3 million (30 June 2017: $3.5 million, 30 June 2016: $4.9 million and 30 June 2015: $6.1 million) were past due but not impaired.

Trade and other receivables impaired

At 31 January 2018, $2.92 million (30 June 2017:$2.78 million, 30 June 2016: $1.82 million and 30 June 2015: $0.99 million) of the Group's trade and other receivables were impaired and provided for.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

The carrying value of trade and other receivables are considered by the directors to approximate their fair values.

13. Cash and cash equivalents

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Cash and cash equivalents consist of the following:				
Bank balances	4,940	5,857	24,657	8,253
Bank balances held under guarantee	—	11,670	—	—
Short-term deposits	1,561	245	8	622
Petty cash	65	13	3	5
Current assets	**6,566**	**17,785**	**24,668**	**8,880**
Bank overdrafts	(342)	—	(438)	(982)
Current liabilities	**(342)**	**—**	**(438)**	**(982)**
	6,224	**17,785**	**24,230**	**7,898**
Cash, cash equivalents and overdrafts are held in the following currencies:				
United State Dollars	1,950	12,327	22,129	5,115
Mozambique Meticals	645	3,568	643	449
Moroccan Dirhams	3,490	1,379	72	885
Mauritian Rupees	—	499	23	239
Bahraini Dinars	138	12	12	11
South African Rand	1	—	873	866
Euros	—	—	478	333
	6,224	**17,785**	**24,230**	**7,898**

Overdraft facilities

Delta International Mauritius Limited holds an overdraft facility of $1 million with Standard Bank (Mauritius) Limited which is unsecured and carries interest at a rate of 1 month LIBOR plus 2.5%. Freedom Property Fund SARL in Morocco holds an overdraft facility of MAD8 million with BMCE Bank, which is secured by tenant deposits.

14. Ordinary share capital, treasury shares reserve and share awards

14a. Ordinary share capital

	Shares in issue Number ('000)	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Authorised					
7 500 000 000 ordinary shares of no par value (2017; 2016; 2015: 7 500 000 000 ordinary shares of no par value)					
Issued					
Ordinary shares					
208 514 261 ordinary shares of no par value (2017: 208 514 261 ordinary shares of no par value) (2016: 100 061 130 ordinary shares of no par value) (2015: 73 656 446 ordinary shares of no par value)					
Movement for 2015					
Balance at beginning of year	***664***	***864***	**—**	**—**	**—**
Shares issued to 31 December 2014[1]	*43,992*	87,942	—	—	—
Shares issued to 30 June 2015[1]	*29,000*	42,763	—	—	—
Share issue expenses	—	(3,610)	—	—	—
Movement for 2016					
Balance at beginning of year	***73,656***	**127,959**	**127,959**	**—**	**—**
Shares issued to 31 December 2015[2]	*6,124*	—	10,411	—	—
Transferred to antecedent dividend reserve	—	—	(296)	—	—
Shares issued to 30 June 2016[2]	*20,281*	—	34,419	—	—
Transferred to antecedent dividend reserve	—	—	(340)	—	—
Share issue expenses	—	—	(158)	—	—
Movement for 2017					
Balance at beginning of year	***100,061***	**127,959**	**171,995**	**171,995**	**—**
Shares issued to 31 December 2016[3]	*11,726*	—	—	18,129	—
Transferred to antecedent dividend reserve	—	—	—	(897)	—
Shares issued to 30 June 2017[4]	*10,145*	—	—	16,190	—
Rights issue shares issued on 28 June 2017[5]	*86,582*	—	—	121,216	—
Transferred to antecedent dividend reserve	—	—	—	(1,324)	
Share issue expenses	—	—	—	(5,330)	—
Movement for 2018					
Balance at beginning of period	***208,514***	**127,959**	**171,995**	**319,979**	**319,979**
Movements in period	—	—	—	—	—
In issue at end of period	***208,514***	**127,959**	**171,995**	**319,979**	**319,979**

1 72 992 266 shares were issued for a total consideration of $130.71 million at an average issue price of $1.79 per share.

2 26 404 684 shares were issued for a total consideration of $44.833 million at an average issue price of $1.70 per share.

3 11 725 912 shares were issued for a total consideration of $18.13 million at an average issue price of $1.55 per share.

4 10 144 680 shares were issued for a total consideration of $16.19 million at an average issue price of $1.60 per share.

5 86 582 539 shares were issued for a total consideration of $121.22 million at an average issue price of $1.40 per share.

Reconciliation of the consideration received for share issues, by reporting period	Shares issued Number ('000)	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Total consideration for share issues		130,705	44,830	155,535	—
Comprising of:					
Cash proceeds received on issue of shares in the period		126,826	36,816	110,828	—
Cash proceeds received on issue of shares in the subsequent period		3,879	—	—	—
Total cash proceeds from share issues since 1 July 2014	*172,436*	130,705	36,816	110,828	
Shares issued for non-cash consideration (see below):					
Issued on 25 May 2016					
– On acquisition of the Group's associate interests in the Buffalo Mall investment property (note 29)	*1,714*	—	2,914	—	—
– Treasury shares issued to the Company's subsidiary, Freedom Asset Management, on internalisation of a management agreement (note 14b)	*3,000*	—	5,100	—	—
Issued on 22 August 2016					
– On settlement of fees related to the Buffalo Mall investment	*645*	—	—	1,065	—
Issued on 1 March 2017					
– As part of the consideration on acquisition of the Mall de Tete investment property (note 3)	*7,111*	—	—	11,519	—
Issued on 28 June 2017					
– In settlement of certain construction costs on Mall de Tete	*1,018*	—	—	1,425	—
– In part settlement of the cost of acquisition of the Vale Housing Compound investment property (note 3)	*10,083*	—	—	14,118	—
– Treasury shares issued to the Company's subsidiary, Freedom Asset Management (see below and note 14b)	*7,093*	—	—	9,931	—
– In settlement of certain construction costs on the Commodity House phase II building (note 3)	*4,750*	—	—	6,649	—

Shares issued for non-cash consideration

Year to 30 June 2016

On 25 May 2016, 3,000,000 shares were issued as consideration for the internalisation of a management agreement entered into with Freedom Asset Management Limited (notes 14c and 14d) and 1,714,373 shares were issued as part of the purchase consideration for the acquisition of Abland Diversified Holdings Limited (note 29a). Both share issues were at $1.70 per share.

In respect of the 3,000,000 shares relating to Freedom Asset Management Limited, 1,860,000 have been allocated for the benefit of the founders (note 14c).

Year to 30 June 2017

On 22 August 2016, 645,441 shares were issued for the settlement of fees as part of the acquisition of Abland Diversified Holdings Limited and on 1 March 2017, 7,111,420 shares were issued as part of the consideration for the acquisition of Gerania Limited, owner of Mall de Tete (note 29).

The remaining share issues for non-cash consideration in the year to 30 June 2017 all took place at the time of the rights issue on 28 June 2017. This included an issue of a further 7,093,493 shares to the Company's subsidiary, Freedom Asset Management. The consideration for these shares was settled by way of an unsecured interest-bearing loan of $9.931 million. It is intended that these shares will be transferred to the Grit Share Trust in settlement of the loan.

Distributions from capital – antecedent dividend reserve

At each annual general meeting of the Company approval is sought to make distributions from capital. Once approval is obtained amounts are transferred from share capital into the antecedent dividend reserve in order to make such distributions.

Authority in respect of unissued shares

The unissued shares are under the control of the directors. This authority remains in force until the next annual general meeting of the Company.

14b. Treasury shares reserve

	Shares in issue Number ('000)	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Movement for 2016					
Balance at beginning of year	—	—	—	—	—
Issue of treasury shares (note 14a)	(3,000)	—	(5,100)	—	—
Movement for 2017					
Balance at beginning of year	**(3,000)**	**—**	**(5,100)**	**(5,100)**	**—**
Issue of treasury shares (note 14a)	(7,093)	—	—	(9,931)	—
Movement for 2018					
Balance at beginning of period	**(10,093)**	**—**	**(5,100)**	**(15,031)**	**(15,031)**
Disposal of treasury shares	153	—	—	—	220
In issue at end of period	**(9,940)**	**—**	**(5,100)**	**(15,031)**	**(14,811)**

14c. Share awards

In May 2016, the Group internalised its asset management function (note 14b). As payment for cancellation of the management contract, 3 million ordinary shares were issued to the Company's subsidiary, Freedom Asset Management. Of these shares, 1.14 million were allocated to the management and staff of Freedom Asset Management that moved to being employed by the Group, with the balance of the shares being allocated to the founders of Freedom Asset Management, Bronwyn Corbett and Sandile Nomvete.

A total of 1.86 million shares at a share price on the date of award of $1.74 per share (total value of $3.24 million) were awarded to the two founders. A share based payment of $3.235 million was expensed in full in this respect in the year to 30 June 2016.

14d. Share options

Since 1 July 2014 the Group has operated the following equity-settled share based remuneration schemes:

In the period to 31 January 2018, the Company introduced an equity-settled share based remuneration scheme for the executive directors, senior managers and key employees ("Eligible Employee(s)") called the Grit Long Term Incentive Scheme ("the GRIT Scheme"). The purpose of the GRIT Scheme is to provide a long-term performance and retention incentive scheme which aligns the interests of participants with the Company's shareholders, by motivating them, through participation, to increase the long-term growth in shareholder returns. In August 2016, the Company's subsidiary, Freedom Asset Management had implemented an equity-settled share based remuneration scheme ('the FAM scheme) in order to provide for the retention of staff within the Group following the internalisation of the asset management function into the Group. In January 2018, all awards under the FAM scheme were replaced by new awards in the GRIT Scheme.

Under the GRIT Scheme, Eligible Employees are awarded shares on an annual basis subject to the both Company performance and individual performance targets. The weighting between the Company and individual targets vary dependent on the seniority of staff, with the weighting ranging from 30%:70% (individual performance versus Company performance) for lower seniority staff to 70%:30% for executive directors.

Individual performance is measured against key performance indicators which are set annually for management and staff, with such targets approved by the Company's remuneration committee. The board will approve the Company performance targets based on the two key metrics of achieving annual distribution targets and positive net asset value growth.

Eligible Employees are awarded shares and are advanced a notional loan equivalent to the value of the share award at the date of the award. All dividends attributable to the shares are utilised to reduce this notional loan over a five year vesting period. The notional loan bears interest equivalent to the Group's weighted average cost of debt, which is set quarterly in arrears, less attributed dividends accruing on the allocated shares. The effective option price has been determined as the outstanding notional loan balance divided by the number of shares awarded.

The vesting conditions are that Eligible Employees who are in receipt of awards maintain a certain performance level throughout the vesting period of five years and remain in the employment of the Group.

On the date of vesting, the Eligible Employee may elect to sell all the shares and receive a cash pay-out after settlement of the loan; sell sufficient shares to settle the loan and take transfer of the residual shares or may elect the keep the shares within the scheme, at which time the Eligible Employee will become personally liable for the outstanding loan balance attached to the shares.

The GRIT Scheme is administered by the Grit Share Trust ('the Trust') for the benefit of management and staff. The Trust is formed under the laws of Mauritius and the administration of the Trust is conducted out of Mauritius. As noted above, all the share awards that had previously been administered within the FAM Scheme were cancelled and revised awards were reissued under the GRIT Scheme.

Movements in the number of share options outstanding and their related weighted average exercise prices at each reporting date during which the GRIT Scheme was in operation were as follows:

	Weighted average exercise price Cents	**30 June 2017 Shares ('000)**	**Weighted average exercise price Cents**	**31 January 2018 Shares ('000)**
Balance at beginning of period	—	—	103.9	1,140
Granted	103.9	1,140	140.0	2,727
Cancelled	—	—	(103.9)	(1,140)
Balance at end of period	**103.9**	**1,140**	**140.0**	**2,727**

The effective exercise price of the options granted to Eligible Employees was $1.40 per share (2017: between $0.99 per share and $1.28 per share), versus a share price at the date of issue of $1.45 per share (2017: $1.74 per share).

At 31 January 2018, out of the 2.727 million options outstanding (2017: 1.140 million), 0.014 million (2017: 0.084 million) options were exercisable. No options were exercised or lapsed in any of the reporting periods.

The expiry period of the options at those dates were as follows:

	Weighted average exercise price Cents	**30 June 2017 Shares ('000)**	**Weighted average exercise price Cents**	**31 January 2018 Shares ('000)**
2017	128.4	84	—	—
2018	—	—	140.0	14
2019	103.2	504	140.0	573
2020	101.4	420	140.0	216
2021	99.0	132	140.0	113
2022	—	—	140.0	1,811
At end of period	**103.9**	**1,140**	**140.0**	**2,727**

The fair value of options granted in the period to 31 January 2018 were determined using the Black-Scholes valuation model was $0.593million (in respect of the options awarded in the year to 30 June 2017: $0.238million). The significant inputs into the model at 31 January 2018 were: the share price of $1.45 (2017: $1.74) at the grant date; the weighted average exercise price of $1.40 (2017: $1.04); the standard deviation of expected share price returns of 30% (2017: 30%); the weighted average option life of 3.55 years (2017: 2.38 years); the dividend yield of 8.59% (2017: 8.71%); and, the annual risk free interest rate of 2.52% (2017: 1.89%).

Due to the relative illiquidity of the Company's share price over the last three years, the volatility was measured as the standard deviation of expected share price returns of a similar peer group of listed property companies, and is based on a statistical analysis of daily share prices over that timeframe.

The share based payment charge recorded in respect of the above awards was $214,000 for the period to 31 January 2018 (year ended 30 June 2017: $133,000).

15. Interest-bearing borrowings

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Non-current liabilities				
At amortised cost	10,491	126,633	185,051	225,787
Current liabilities				
At amortised cost	91,166	34,548	47,959	87,996
Total interest-bearing borrowings	**101,657**	**161,181**	**233,010**	**313,783**
Currency of the interest-bearing borrowings (stated gross of unamortised loan issue costs)				
United State Dollars	49,418	123,421	160,348	217,848
Euros	—	35,312	72,039	94,870
Mozambican Meticals	—	2,885	3,020	2,946
Moroccan Dirhams	52,239	—	—	—
	101,657	161,618	235,407	315,664
Unamortised loan issue costs	—	(437)	(2,397)	(1,881)
As at end of period	**101,657**	**161,181**	**233,010**	**313,783**
Movement for the period				
Balance at the beginning of the period	—	101,657	161,181	233,010
Proceeds of interest-bearing borrowings:				
– Loans advanced in relation to investment in associates (note 29)	—	19,000	13,001	—
– Other new loans advanced	132,961	142,935	170,933	121,712
Loan issue costs incurred	—	(1,133)	(2,544)	(416)
Amortisation of loan issue costs	334	696	584	932
Foreign currency translation differences	(11,905)	(803)	4,574	7,863
Interest capitalised	717	—	—	—
Debt settled during the period	(20,450)	(101,171)	(114,719)	(49,318)
Balance at end of period	**101,657**	**161,181**	**233,010**	**313,783**

Analysis of the borrowing facilities and loans in issue at each reporting date:

Lender	Initial facility	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Financial institution					
Standard Bank Mozambique	$10.4m	10,491	10,451	10,451	10,451
Standard Bank Mozambique	$24.3m	24,639	—	—	—
Standard Bank South Africa	$14.68m	14,288	11,664	—	—
Standard Bank South Africa	$12m	—	—	—	12,000
Standard Bank South Africa	$38.0m	—	38,000	38,000	38,000
Standard (Bank) Mauritius Limited	$11.7m	—	—	—	11,617
Bank Unico of Mozambique	MZN182.7m	—	2,884	3,020	2,946
Investec South Africa	$15.7m + €36m	—	51,719	50,154	53,302
Barclays Bank Mauritius	$7.9m	—	7,900	7,400	7,400
Barclays Bank Mauritius	$20m + $5m	—	—	—	25,928
Afrasia Bank Mauritius	Revolver	—	20,000	19,312	—
Afrasia Bank Mauritius	€10m	—	—	—	12,387
Bank of China	$13.3m + $77m + $8.5m	—	—	52,150	98,260
State Bank of Mauritius	€22.3m + €9m + €3.2m	—	—	35,725	42,882
Investec Mauritius	$0.5m	—	—	528	491
Nedbank South Africa	$5.6m	—	—	5,666	—
Vendor finance		—	—	—	—
Anfa Plage SARL	MAD62m	52,239	—	—	—
Rockcastle Global Real Estate Ltd	$19m	—	19,000	—	—
Rockcastle Global Real Estate Ltd	$13m	—	—	13,001	—
Total loans in issue		**101,657**	**161,618**	**235,407**	**315,664**
less: unamortised loan issue costs		—	(437)	(2,397)	(1,881)
		101,657	**161,181**	**233,010**	**313,783**

Terms of the facilities (analysed by order of maturity as at 31 January 2018)

Lender	Base rate	Margin	% Fixed	Initial facility	Interest rate	Maturity date	Weighted average cost of debt for the period ended 31 January 2018
Financial institution							
Bank Unico of Mozambique	27.50%	0.00%	0%	MZN182.7m	27.50%	Jul 2027	0.26%
Bank of China	6 Month Libor	4.00%	0%	$8.55m	5.45%	Sep 2022	0.11%
Bank of China	6 Month Libor	4.00%	0%	$77.7m	5.46%	Apr 2022	1.39%
Investec South Africa	3 Month Libor	4.0%-4.05%	63.6%	$15.7m + €36m	4.28%	Feb 2022	0.85%
Bank of China	6 Month Libor	5.10%	0%	$13.3m	6.52%	Feb 2022	0.30%
Investec Mauritius	3 Month Libor	4.50%	0.0%	$527k	5.79%	Sep 2021	0.01%
State Bank of Mauritius	3 month Libor	4.25%	0%	€9.0m			
		4.25%	0%	€3.2m	4.25%	Dec 2020	0.19%
State Bank of Mauritius	3.75%	0.00%	100%	€22.3m	3.75%	Mar 2020	0.35%
Standard Bank Mozambique	6.51%	0.00%	100%	$10.4m	6.51%	Sep 2019	0.23%
Standard Bank (Mauritius) Limited	3 Month Libor	5.50%	0%	$11.7m	6.99%	Mar 2019	0.04%
Barclays Bank Mauritius	3 Month Libor	4.00%	70%	$7.4m	5.33%	Feb 2019	0.13%
Standard Bank South Africa	3 Month Libor	5.50%	0%	$12m	6.88%	Nov 2018	0.08%
Barclays Bank Mauritius	3 Month Euribor	3.80%	0%	$20m	3.47%	Sep 2018	0.18%
Standard Bank South Africa	3 Month Libor	5.40%	70%	$38.0m	6.69%	Jul 2018	0.87%
Afrasia Bank Mauritius	3 Month Libor	3.50%	0%	€10m	3.50%	Nov 2018	0.07%
Barclays Bank Mauritius	1 Month Libor	4.00%	0%	$5m	5.38%	Feb 2018	0.02%
Nedbank South Africa	3 Month Libor	16.02%	0%	$5.6m	17.36%	Dec 2017 (settled)	0.29%
Barclays Bank Mauritius	1 Month Libor	4.00%	4%	$5.5m	5.23%	Oct 2017 (settled)	0.05%
Afrasia Bank Mauritius	3 Month Libor	5.4% – 6.5%	0%	Revolver	6.30%	Sep 2017 (settled)	0.25%
Standard Bank Mozambique	8.60%	4.40%	100%	$24.3m	13.00%	Settled	—
Standard Bank South Africa	1 Month Libor	6.50%	0%	$14.68m	6.42%	Settled	—
Vendor finance							
Anfa Plage SARL			0%	MAD62M	6.77%	Settled	—
Rockcastle Global Real Estate Ltd	5%	0.0%	100%	$19m	5.00%	Settled	—
Rockcastle Global Real Estate Ltd	5%	0.0%	100%	$13m	5.00%	Settled	—
Total weighted average cost of debt for the period ended 31 January 2018							**5.63%**

At 31 January 2018, the Group's loan facilities were fully drawn down.

The interest-bearing borrowings are secured over certain investment properties (including those held by associates) with a carrying value of $562 million (30 June 2017: $384 million, 30 June 2016: $286 million and 30 June 2015: $210 million). Further details of secured investment properties are set out in notes 3 and 8.

Further details on the maturity profile of the interest-bearing borrowings are set out in note 34 and details of the Group's loan to value ratios are set out in note 36.

16. Redeemable preference shares

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Balance at beginning of period	—	—	—	12,840
Proceeds from preference shares issued	—	—	12,840	—
Balance at end of period	**—**	**—**	**12,840**	**12,840**

During the year to 30 June 2017 one of the Company's subsidiaries, Paradise Property Investments Limited, issued 1,284 preference shares at $10,000 per share to the National Pension Fund of Mauritius. The preference shares carry a coupon rate of 6.25% and are redeemable through a put option. The put option can be exercised by the subscriber after 5 years from the subscription date by providing the grantor with 6 months' notice of their intention to exercise.

The directors consider that the fair value of the preference shares approximates to their book value at 30 June 2017 and 31 January 2018 and that the put option has a negligible fair value at both of these dates.

17. Obligations under finance leases

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Minimum lease payments:				
Payable in 1 year	—	—	61	70
Payable between 1 and 5 years	—	—	198	161
Payable after 5 years	—	—	—	—
	—	—	259	231
Future finance charges on finance leases	—	—	(43)	(35)
Total obligations under finance leases	**—**	**—**	**216**	**196**
Maturity of finance lease liabilities				
Current	—	—	45	43
Non-current analysis:				
Payable between 1 and 2 years	—	—	52	58
Payable between 2 and 3 years	—	—	56	63
Payable between 3 and 5 years	—	—	63	32
	—	—	216	196

The finance leases are secured over motor vehicles with a carrying value of $0.2 million (30 June 2017: $0.2 million, 30 June 2016 & 2015: $0 million). Further details of secured motor vehicles are set out in note 5.

Interest is charged at the Mauritius prime lending rate plus 1%. The lease agreements are held in Mauritian Rupees over a term of 5 years.

There are no restrictions imposed on the Group by these lease arrangements other than in respect of the specific assets being leased.

18. Trade and other payables

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Trade payables	2,132	5,102	9,059	5,291
Accruals	466	2,518	2,692	3,195
Deposits received	3,505	2,018	2,260	2,162
Deferred income	2,098	4,301	3,831	1,387
Withholding tax payable	12	33	45	42
Sundry creditors	37	690	7,555	4,635
Taxation and social security costs	1	38	734	236
Total trade and other payables	**8,251**	**14,700**	**26,176**	**16,948**

19. Derivative financial instruments

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Interest rate swap[1] – Barclays	—	96	(3)	39
Interest rate swap[2] – Standard Bank	—	458	22	(51)
Total derivative financial instruments at end of period – liability/(asset)	**—**	**554**	**19**	**(12)**

[1] This interest rate swap is held with Barclays Bank Mauritius Limited. The swap is based on a nominal value of $5.5 million and it matures on 19 February 2019 with a fixed interest rate of 1.5%.

[2] This interest rate swap is held with The Standard Bank of South Africa Limited. The swap is based on a nominal value of $26.6 million and it matures on 31 July 2018 with a fixed interest rate of 1.5%.

20. Revenue

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Contractual rental income	11,058	15,832	18,811	9,643	14,706
Retail parking income	51	242	975	206	583
Recoverable property expenses	2,480	3,912	3,086	1,876	1,886
Total revenue	**13,589**	**19,986**	**22,872**	**11,725**	**17,175**

21. Profit from operations

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Profit from operations for each period is stated after charging:					
Allowance for credit losses (note 12)	988	832	962	463	135
Amortisation and impairment of intangible assets (note 6) – *included in administrative expenses*	502	3	34	3	25
Depreciation of property, plant and equipment (note 5)	13	92	173	84	135
Directors and employee benefit expenses:					
– Executive directors' salaries	60	459	809	271	524
– Executive directors' pensions	—	9	—	—	—
– Staff wages and salaries	—	457	2,049	728	1,383
– Social security costs	—	24	83	22	42
– Total share based payment expense	—	3,235	133	78	214
Audit fees	133	138	186	98	58
Non-audit services performed by BDO Mauritius	12	14	40	—	—
Non-executive directors' fees (note 22)	115	60	96	52	86
Property management fees	1,210	2,377	1,105	667	655
Operating lease expenses – buildings	16	7	15	14	33

Non-audit services provided by BDO Mauritius during the year ended 30 June 2017 related to a limited review of the consolidated accounts of the Group prepared for the period ended 31 March 2017, a review of cash flow forecasts of a subsidiary and acting as the independent financial advisor in connection with the listing of another subsidiary, Paradise Property Investments Limited on the Stock Exchange of Mauritius (years ended 30 June 2016 & 2015: corporate advisory services provided at the time of the listing of the Company on the Stock Exchange of Mauritius and in relation to the preparation of the revised listing particulars). Administrative expenses for the period ended 31 January 2018 includes costs relating to the rebranding to Grit and preliminary costs incurred on the proposed London listing.

22. Directors' emoluments

Details of the directors' emoluments and fees in respect of each reporting period are set out below. Details of any share based payments attributable to the directors of the Company are set out in note 14c and 14d.

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Executive directors' emoluments					
Bronwyn Corbett (appointed 12 May 2015)	30	190	580	211	**367**
Basic salary	30	125	292	167	186
Performance bonus	—	—	212	—	128
Other benefits	—	65	76	44	53
Greg Pearson (appointed 12 May 2014, resigned 1 June 2016)	30	205	—	—	—
Basic salary	30	142	—	—	—
Performance bonus	—	15	—	—	—
Pension contributions	—	4	—	—	—
Other benefits	—	44	—	—	—
Leon van de Moortele (appointed 30 June 2015)	—	208	363	138	**252**
Basic salary	—	164	179	104	**139**
Performance bonus	—	12	126	—	**72**
Pension contributions	—	5	—	—	**—**
Other benefits	—	27	58	34	**41**
Total executive directors' emoluments	**60**	**604**	**943**	**349**	**619**
Total executive directors' emoluments – by category					
Basic salary	60	432	470	271	**324**
Performance bonus	—	27	339	—	**200**
Pension contributions	—	9	—	—	**—**
Other benefits	—	136	134	78	**95**
Total executive directors' emoluments	**60**	**604**	**943**	**349**	**619**
Non-executive directors' fees					
Fees were paid to the following directors:					
Peter Todd	31	11	23	13	16
Maheshwar Doorgakant	5	20	12	7	7
Chandra Gujadhur (appointed 1 July 2015)	5	16	17	10	10
Ian Macleod (appointed 1 July 2015)	—	13	19	11	25
Jackie van Niekerk (appointed 1 June 2016)	—	—	17	10	10
Matshepo More (appointed 7 February 2017)	—	—	8	1	10
Nomzamo Radebe (appointed 24 November 2017)	—	—	—	—	4
Catherine McIlraith (appointed 24 November 2017)	—	—	—	—	4
Sandile Nomvete (resigned 12 April 2018)	30	—	—	—	—
James Keyes (resigned 10 March 2015)	22	—	—	—	—
David Brown (resigned 10 March 2015)	22	—	—	—	—
Total non-executive directors' fees	**115**	**60**	**96**	**52**	**86**
Total directors' fees and emoluments	**175**	**664**	**1,039**	**401**	**705**

23. Interest income

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Bank interest receivable	69	170	13	—	1
Interest on loans to partners[1]	—	—	1,151	—	1,857
Interest on loans to related parties	—	—	66	38	35
Interest on property deposits paid[1]	—	—	532	281	835
Interest on tenant rental arrears	22	—	297	225	35
	91	**170**	**2,059**	**544**	**2,763**

[1] The interest income on loans to partners arises on the loans referred to in note 10. Interest income also includes interest receivable on the deposit paid in respect of the purchase of the Vale Housing Compound in Mozambique (see note 3).

24. Finance costs

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Interest-bearing borrowings – financial institutions	1,918	6,606	9,401	4,546	9,360
Interest-bearing borrowings – vendor loans [1]	1,268	2,928	776	608	—
Amortisation of loan issue costs	334	696	584	(82)	932
Preference share dividends	—	—	220	—	490
Interest on finance leases	—	—	16	7	11
Interest on bank overdrafts	117	—	62	26	13
Other interest payable	3	13	374	203	126
	3,640	**10,243**	**11,433**	**5,308**	**10,932**

[1] The interest payable on vendor loans arises on the vendor finance loans referred to in note 15.

25. Taxation

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Major components of the taxation expense					
Current tax	79	1,503	(3)	—	—
Deferred tax	2,427	9,031	(2,913)	(2,235)	152
Total tax expense	**2,505**	**10,534**	**(2,916)**	**(2,235)**	**152**
Reconciliation of taxation expense					
Profit/(loss) before tax	**(1,075)**	**(7,229)**	**(10,351)**	**(5,078)**	**22,387**
Statutory taxation expense at 15% (2015, 2016, 2017: 15%)	(161)	(1,084)	(1,553)	(762)	3,358
Tax effect of adjustments to taxable income:					
Non-taxable income	(60)	—	(1,686)	(698)	(1,999)
Non-deductible expenditure	646	2,186	131	205	896
Foreign tax credit	(434)	—	33	(252)	(1,322)
Tax losses unutilised carried forward	—	502	2,449	4,320	—
Previously unutilised tax losses now utilised	(3,437)	—	—	—	(1,484)
Effect of different tax rates	5,951	8,930	(2,290)	(578)	703
Effective taxation expense	**2,505**	**10,534**	**(2,916)**	**(2,235)**	**152**

The Company is subject to income tax at the rate of 15% in Mauritius in accordance with the provisions of the Income Tax Act 1995 as amended. As the Company holds a Category One Global Business License, the Income Tax (Foreign Tax Credit) Regulations 1996 allow for the setting off of any underlying tax, withholding tax or tax sparing credit by the Company against any tax due at the 15% rate. In the absence of evidence of payment of foreign tax, the Company can claim as tax credit (presumed tax credit) an amount equal to 80% of the Mauritius tax chargeable on any foreign-source income.

Taxation rates applicable in operating jurisdictions of the Group:

- Mozambique 32%
- Morocco 31%
- Kenya 30%
- Zambia 35%

The tax losses for Mauritian companies are available for set off against future profits over a maximum period of 5 years in accordance with the provisions of the Mauritian Income Tax Act 1995 as amended and expire as follows:

Financial year end	Expiry year	2015 $'000	2016 $'000	2017 $'000	2018 $'000
30 June 2015	30 June 2019	1,026	361	361	361
30 June 2016	30 June 2020	—	5,027	5,024	5,024
30 June 2017	30 June 2021	—	—	1,155	1,155
31 January 2018	30 June 2022	—	—	—	4,385
		1,026	**5,388**	**6,540**	**10,925**

Tax losses arising from the claim of an annual allowance can be carried forward indefinitely.

There are no significant tax losses to carry forward that arise in other jurisdictions.

26. Basic earnings and diluted earnings per ordinary share

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Profit/(loss) after tax attributable to the equity owners of the parent	**(2,848)**	**(17,962)**	**(6,634)**	**(2,453)**	**23,020**
Weighted average number of shares in issue (net of unvested treasury shares)	**'000**	**'000**	**'000**	**'000**	**'000**
In issue at start of period	664	73,656	99,004	99,004	200,364
Effect of shares issued in the period (note 14a)	46,441	8,062	10,849	1,928	—
Effect of treasury shares acquired in period (note 14b)	—	(303)	(58)	—	—
Effect of treasury shares vested or allocated in the period	—	188	—	—	7
Weighted average number of shares at end of period – basic	**47,105**	**81,603**	**109,795**	**100,932**	**200,371**
Dilutive effect of share options	—	—	—	—	—
Weighted average number of shares at end of period – diluted	**47,105**	**81,603**	**109,795**	**100,932**	**200,371**
Basic earnings/(loss) per share (cents)	**(6.05)**	**(22.01)**	**(6.04)**	**(2.43)**	**11.49**
Diluted earnings/(loss) per share (cents)	**(6.05)**	**(22.01)**	**(6.04)**	**(2.43)**	**11.49**

27. Cash generated from/(utilised in) operations

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Unaudited Period ended 31 January 2017 $'000	Period ended 31 January 2018 $'000
Profit/(loss) for the period	(3,580)	(17,763)	(7,435)	(2,843)	22,235
Adjusted for:					
Depreciation and amortisation	515	95	207	87	160
Interest income	(91)	(170)	(2,059)	(544)	(2,763)
Share of profits from associates	—	(3,313)	(6,893)	(2,368)	(12,546)
Finance costs	3,640	10,243	11,433	5,308	10,932
Allowance for credit losses	988	832	962	463	135
Foreign currency losses/(gains)	12,969	4,584	(2,081)	(905)	(3,491)
Straight-line rental income accrual	(2,267)	(1,901)	(1,132)	(859)	(1,061)
Share based payment expense	—	3,235	133	78	214
Fair value adjustment on investment properties	(7,889)	4,625	20,729	6,092	(1,611)
Contractual receipts from vendors of investment properties	(329)	(892)	(230)	—	(7,788)
Gain from bargain purchase on associates	—	(251)	(958)	—	—
Fair value adjustment on other investments	—	—	—	—	(61)
Fair value adjustment on other financial asset	—	—	—	—	94
Fair value adjustment on derivative financial instruments	—	554	(535)	(101)	(31)
Income tax expense/(credit)	2,505	10,534	(2,916)	(2,235)	152
	6,461	**10,412**	**9,225**	**2,173**	**4,570**
Changes to working capital					
Movement in trade and other receivables	(18,994)	(3,355)	447	(337)	(12,343)
Movement on deposits paid on investment properties	—	(8,620)	(4,702)	(14,047)	20,323
Movement in trade and other payables	8,001	3,226	7,200	1,462	(4,717)
Cash generated from/(utilised in) operations	**(4,532)**	**1,663**	**12,170**	**(10,749)**	**7,833**

28. Dividends paid to shareholders

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Period ended 31 January 2018 $'000
Dividends paid during the period	**2,963**	**8,470**	**17,283**	**2,739**

Declaration and payment of ordinary dividends

Set out below is a summary of all the ordinary dividends declared by the board in respect of each reporting period on shares in circulation. All dividends declared in a reporting period have been paid in the same reporting period.

Declared in respect of the year to 30 June 2018:

In respect of the year ending 30 June 2018, an interim dividend of 6.07 cents per share was declared by the board on 8 February 2018. This has not been accrued for above. This dividend was paid on 29 March 2018.

Declared in respect of the year to 30 June 2017:

For the 2017 reporting period, a final dividend for the year of 1.38 cents per share was declared by the board on 21 September 2017. There were 208,514,261 shares in issue at the date of declaration of this final dividend. This was paid on 26 October 2017.

An interim dividend of 6.12 cents per share and a clean-out dividend of 4.57 cents per share had previously been declared by the board on 14 March 2017 and 29 May 2017 respectively.

Declared in respect of the year to 30 June 2016:

For the 2016 reporting period, a total dividend of 11.75 cents per share was declared by the board. There were 100,061,130 shares in issue at the date of declaration of the final dividend of 5.58 cents per share on 2 September 2016. This was paid on 3 October 2016.

An interim dividend of 6.17 cents per share had previously been declared by the board on 14 March 2016.

Declared in respect of the year to 30 June 2015:

For the 2015 reporting period, a total dividend of 11.29 cents per share was declared by the board. There were 73,656,446 shares in issue as at the date of declaration of the final dividend of 4.65 cents per share on 6 August 2015. This was paid on 31 August 2015.

An interim dividend of 6.64 cents per share had previously been declared by the board on 4 February 2015.

29. Assets and liabilities acquired through investment in associates

All the acquisitions described below involved the acquiring of certain incidental other assets and/or liabilities in addition to investment properties. Further details of these acquisitions are set out in note 8.

	Year ended 30 June 2016 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Period ended 31 January 2018 $'000
	Investment in Abland Diversified Holdings Limited	**Investment in Ndola Kafubu Investments Limited**	**Investment in Kitwe Mukuba Investments Limited**	**Total**	**Investment in Lusaka Cosmopolitan Investment Limited**	**Investment in Beachcomber Hospitality Investments Limited**
Fair value of assets and liabilities assumed						
Assets						
Investment properties	6,507	9,101	31,563	47,171	38,380	94,564
Current assets	504	67	98	669	150	414
	7,011	9,168	31,661	47,840	38,530	94,978
Liabilities						
Interest-bearing borrowings	2,303	—	—	2,303	—	74,430
Current liabilities	178	92	86	356	403	5,798
	2,481	92	86	2,659	403	80,228
Identifiable assets acquired and liabilities assumed	**4,530**	**9,076**	**31,575**	**45,181**	**38,127**	**14,750**
Purchase consideration (see below)	(4,279)	(9,076)	(31,575)	(44,930)	(37,169)	(14,750)
Gain from bargain purchase	251	—	—	251	958	—
Purchase consideration, including transaction costs	4,279	9,076	31,575	44,930	37,169	14,750
– Equity instruments issued (note 14a)	(2,914)	—	—	(2,914)	—	—
– Settlement with debt (note 15)	—	(5,000)	(14,000)	(19,000)	(13,001)	—
– Deposit paid in previous period	—	—	—	—	(3,000)	—
– Cash paid in subsequent period	—	—	—	—	(5,778)	—
– Investment through loan provided	—	—	—	—	—	42,619
– Loan advanced in prior period (note 10)	—	—	—	—	—	(47,409)
Net cash outflow	**1,365**	**4,076**	**17,575**	**23,016**	**15,390**	**9,960**

The total net cash outflow in the year to 30 June 2017 from the Lusaka acquisition was $15.4 million, with $3.0 million settled in the prior year and $5.8 million settled in the period to 31 January 2018. The total net cash flow for the period to 31 January 2018, including this $5.8 million was $15.7 million.

30. Commitments

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Year ended 31 January 2018 $'000
Capital commitments				
Acquisition of investment properties				
Approved and committed	10,200	57,251	11,707	—
	10,200	57,251	11,707	—
Operating leases – as lessee (expense)				
Minimum lease payments due:				
– within one year	42	—	—	138
– within two to five years	168	—	—	555
	210	—	—	693
Operating leases – as lessor (income)				
Minimum lease payments receivable:				
– within one year	13,028	21,350	33,295	44,403
– within two to five years	55,068	74,740	107,658	129,329
– in more than five years	44,554	45,927	66,387	132,396
	112,650	142,017	207,340	306,128

Minimum lease payments receivable comprise contractual rental income due under signed lease agreements on the Group's investment properties. The amounts exclude rental income arising on investment properties held by associates and also exclude the straight-line rental income accrual adjustments referred to in notes 3 and 4.

The lease agreements are non-cancellable and have terms ranging from 2 to 10 years. There are no contingent rentals.

Purchase agreements entered into at 31 January 2018

The Group had not entered into any binding purchase agreements at 31 January 2018.

31. Related parties

31a. Related party relationships, transactions and balances

Parties are considered related if one party has the ability to exercise control or significant influence over the other party in making financial or operational decisions.

Details of the parties with which members of the Group have had reportable related party transactions and balances over the period covered by the historical information are set out below, followed by details of the transactions that have taken place and balances with those parties.

Details of an entity that has been accounted for as an unconsolidated structured entity are set out in note 31b.

Related parties and relationships

Name of related entity	Relationship to the Group
Bowwood and Main No 117 Proprietary Limited	Company controlled by Bronwyn Corbett and Sandile Nomvete
Copapax Proprietary Limited	Company controlled by Bronwyn Corbett
Delta Property Fund	Shareholder and common directors
Drive In Trading Proprietary Limited (note 33b)	Shareholder transformation partner and common directors
Gateway Delta Development Holdings Limited (note 7)	Investee and common directors
Osiris Advisors Limited	Company controlled by Peter Todd
Osiris Corporate Solutions (Mauritius) Limited	Company controlled by Peter Todd
Public Investment Corporation	Shareholder and common directors
Redefine Properties Limited and its subsidiary, Pivotal Global Limited	Shareholder and common directors
Venus Africa Properties (Pty) Limited	Shareholder and common directors

Related party transactions and balances	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Year ended 31 January 2018 $'000
Bowwood and Main No 117 Proprietary Ltd				
Current account (payable)/receivable (note 9)	(1,153)	—	8	20
Advisory and payroll fees	2,879	277	899	371
Amount receivable (included in other receivables)	—	124	275	275
Amount payable (included in trade and other payables)	—	(4)	(73)	—
Delta Property Fund				
Commitment and guarantee fees	540	1,205	—	—
Amount payable (included in trade and other payables)	—	—	(6)	(6)
Gateway Delta Developments Holdings Limited				
Loan receivable (note 9)	—	—	2,000	625
Interest receivable	—	—	—	35
Osiris Advisors Limited				
Advisory fees	—	—	—	19
Osiris Corporate Solutions (Mauritius) Limited				
Directors' fees	31	11	23	16
Company secretarial and other corporate advisory fees	13	24	18	47
Amount payable (included in trade and other payables)	(26)	(-)	(6)	(41)
Public Investment Corporation				
Directors' fees	—	—	8	8
Commitment fees	—	—	1,406	—
Amount payable (included in trade and other payables)	—	—	(1,171)	(1,045)
Pivotal Global Limited				
Loan payable (note 9)	—	(1,365)	(1,365)	—

In addition, Copapax Proprietary Limited and Bowwood and Main No 117 Proprietary Limited have a pledge over 1,135,000 and 1,865,000 of the treasury shares respectively. Of these, 1,860,000 are shares allocated to the founders of Freedom Asset Management (note 14a).

All of the transactions referred to above were made in the normal course of business. Key management personnel compensation is equivalent to directors' fees which are disclosed in note 22.

The terms and conditions of loans and current accounts receivable and loans payable are disclosed in note 9. There have been no guarantees provided or received for any related party payables or receivables.

For the period ended 31 January 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2017, 2016 and 2015: $0 million). This assessment is undertaken at each reporting date by examining the financial position of the related parties and the market in which they operate.

Mr. Peter Todd, Chairman of the Company, has historically held the position of a non-executive director on the board of certain companies with which the Group transact. These entities are not deemed to be related parties of the Group as there is no ownership interest and the common directorship in each instance related to him acting in an administrative capacity.

31b. Related parties – unconsolidated structured entity

The directors consider Drive in Trading Proprietary Limited ("Drive in Trading") to be an unconsolidated structured entity as a result of arrangements the Group has entered into with that entity.

As an upstanding corporate citizen of the underlying economies in which it operates in Africa, the Group is committed to supporting these economies. In addition, as a large portion of the Company's shareholders are based in South Africa, it is imperative that the Company abides by the principles transformation in South Africa.

The arrangements entered into between the parties were as follows:

1. As part of the June 2017 rights offer, the Company welcomed Drive in Trading as a new shareholder and transformation partner, with the entity subscribing for a fresh issue of 23,250,000 ordinary shares in the Company for a total consideration of $32.55 million. Drive in Trading, which holds the shares on the Stock Exchange of Mauritius register, was the largest underwriter of the rights offer. The transaction was funded as follows as explained below.

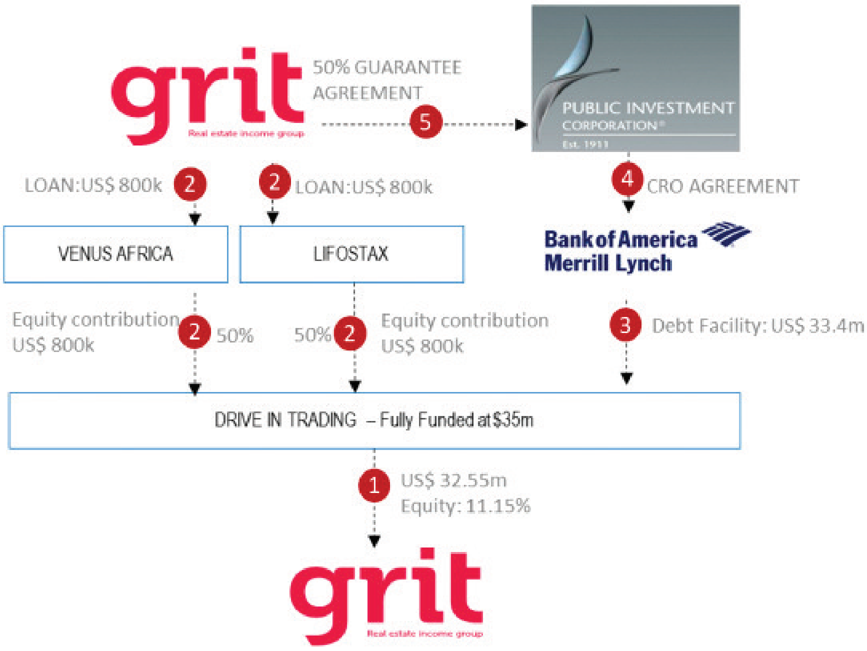
2. As disclosed in notes 9 and 10, the Group provided loans totalling $1.6 million to Drive in Trading's two shareholders, Venus Africa Properties Proprietary Limited ("Venus") and Lifostax Proprietary Limited ("Lifostax"). Venus and Lifostax subscribed for equity in Drive in Trading using these funds.

3. Drive in Trading secured a loan facility of $33.4 million from the Bank of America N.A (UK Branch) ("BoAML") to finance its investment in the Company. The proceeds of the facility were used to invest in the Company and in part to settle transaction costs. The loan is for an initial three year term, with an option to extend for a further two years, with a final repayment date of July 2022. The interest rate is 5.8%. Repayments are to take place in the form of half-yearly payments which equate to 90% of all dividends received from the Group in those periods. Repayments are to be applied initially to settle any interest due and then to capital.

4. The BoAML facility was granted to Drive in Trading after South Africa's Government Employees Pension Fund, represented by its Public Investment Corporation ("PIC"), provided a guarantee to BoAML in the form of a Contingent Repurchase Obligation ("CRO") for up to $35 million. The terms of the CRO obligate PIC to acquire the loan granted to Drive in Trading should that entity default under the BoAML facility.

5. In order to facilitate the above, the Group agreed to de-risk 50% of PIC's $35 million exposure to the CRO, by granting PIC a guarantee whereby should BoAML enforce the CRO, the Group would indemnify PIC for up to 50% of the losses, capped at $17.5 million, following the sale of the underlying securities, being the shares held by Drive in Trading in the Company. In addition, as part of BoAML facility, BoAML has provided the Group with a cash remedy mechanism whereby if it is determined that the Loan to Value ("LTV") trigger will be breached, the Group can make cash payments into a remedy deposit account, thereby dropping the LTV below 99%. This will prevent enforcement of the CRO and the Group's obligations under the guarantee to PIC. Payments into the remedy account would be made in increments of $0.5 million, up to a maximum of $1 million, with amounts so paid to be held for a minimum period of six months or until the LTV ratio drops below 99%.

Set out below is a pictorial representation of the above transactions (the numbers are as per the above analysis):



The result of the above arrangements is that the Group has recognised a current 'other financial liability' within current liabilities equal to the amount that PIC could demand if there was an event of default as described in the CRO (i.e. 50% of the BoAML facility), being $16.95 million. This liability is to be reassessed and remeasured at each reporting date, with any change in value being recorded in profit or loss as a separate line item in the statement of consolidated comprehensive income. There was no fair value adjustment required to this financial liability at 31 January 2018.

On initial recognition of this liability the Group has also recognised an 'other financial asset' within non-current assets, of an amount equal to the liability, which contains certain embedded derivative features. The amount receivable under this financial instrument will be subject to variation depending on:

- The extent of any amounts refundable from the cash payments placed into the remedy deposit account by the Group on an event of default (which will be held by PIC until liabilities are satisfied);
- The impact of the embedded derivative features on the amount receivable, including the impact of the fact that the value of the financial instrument is linked to all of the following:
  - The Company's own quoted share price
  - The amount of the BoAML facility
  - The costs to be incurred by PIC

Given the existence of multiple embedded derivative features in this financial asset, the Group has elected to account for it at fair value through profit or loss, with any fair value adjustments being included on a separate line in the consolidated statement of comprehensive income. There was a fair value adjustment of $0.09 million in the period to 31 January 2018. The financial asset is stated at its fair value of $16.86 million at 31 January 2018.

In summary, the amounts included separately on the face of the consolidated statement of financial position in respect of the above arrangements are as follows:

	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Period ended 31 January 2018 $'000
Non-current assets				
Other financial asset – CRO obligation asset	—	—	—	**16,856**
Current liabilities				
Other financial liability – CRO obligation liability	—	—	—	**16,950**
Maximum exposure to loss	—	—	—	**17,500**

32. Risk management

Financial risk management

The Group's financial instruments consist mainly of deposits with banks, interest-bearing borrowings, related party loans receivable/payable, other loans receivable, trade and other receivables, trade and other payables and the other financial asset and other financial liability referred to in note 31b. Exposure to market, credit and liquidity risk arises in the normal course of business.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial commitments as and when they fall due. This risk is managed by holding cash balances and overdraft facilities and by regularly monitoring cash flows. The directors have taken out Political Risk Insurance ("PRI") to cover the Group in the event of any potential currency inconvertibility or exchange transfer limitations. The insurance cover for Mozambique cost 1.15% per annum of the amount insured whilst the cost of the policy for Morocco is currently 0.40% of the cost insured per annum.

The Group utilises undrawn facilities and cash on hand to meet its short-term funding requirements. The intention is that non-current financial liabilities will predominantly be serviced through cash generated from operations and the restructuring of debt upon maturity. The tables below set out the maturity analysis of the Group's liabilities based on the undiscounted contractual cash flows at each reporting date.

	Weighted average effective interest rate %	Less than one year $'000	One to two years $'000	Two to three years $'000	Three to five years $'000	More than five years $'000	Total $'000
As at 31 January 2018							
Financial liabilities							
Interest-bearing borrowings	5.63%	102,970	42,208	52,164	160,746	5,782	**363,870**
Preference shares	6.25%	803	803	803	13,776	—	**16,185**
Other financial liability (note 31b)	5.80%	16,950	—	—	—	—	**16,950**
Obligations under finance leases	8.75%	70	70	70	45	—	**255**
Trade and other payables[1]		13,121	—	—	—	—	**13,121**
Bank overdrafts	4.12%	982	—	—	—	—	**982**
		134,896	**43,081**	**53,037**	**174,567**	**5,782**	**411,363**
As at 30 June 2017							
Financial liabilities							
Interest-bearing borrowings	5.78%	62,020	51,989	43,644	115,133	6,342	**279,128**
Preference shares	6.25%	803	803	803	14,445	—	**16,854**
Obligations under finance leases	8.75%	61	61	61	76	—	**259**
Trade and other payables[1]	—	19,306	—	—	—	—	**19,306**
Related party loans	—	—	1,365	—	—	—	**1,365**
Bank overdrafts	3.73%	438	—	—	—	—	**438**
		82,628	**54,218**	**44,508**	**129,654**	**6,342**	**317,350**
As at 30 June 2016							
Financial liabilities							
Interest-bearing borrowings	6.22%	54,290	—	109,540	12,786	—	**176,616**
Trade and other payables[1]	—	8,310	—	—	—	—	**8,310**
Related party loans	—	—	1,365	—	—	—	**1,365**
		62,600	**1,365**	**109,540**	**12,786**	**—**	**186,291**
As at 30 June 2015							
Financial liabilities							
Interest-bearing borrowings	6.94%	93,741	717	717	11,387	—	**106,562**
Trade and other payables[1]	—	2,635	—	—	—	—	**2,635**
Related party loans	—	—	1,153	—	—	—	**1,153**
Bank overdrafts	1.44%	342	—	—	—	—	**342**
		96,718	**1,870**	**717**	**11,387**	**—**	**110,692**

[1] Trade and other payables exclude deposits received, deferred income, taxation and social security costs and withholding tax payable.

Interest rate risk

The Group seeks to manage its exposure to changes in interest rates by fixing interest rates in respect of certain of its borrowings when considered appropriate. The Group is however exposed to interest rate risk through its variable rate cash balances and interest-bearing borrowings. At 31 January 2018, interest rates in respect of 29% (30 June 2017 & 2016: 50% and 30 June 2015: 0%) of the Group's borrowings were fixed.

On 12 August 2015, the Group entered into an interest rate swap to effectively fix the interest rate on $26.6 million, representing 16.1% of its total-interest bearing borrowings at 30 June 2016 and on 1 March 2016, the Group entered into an interest rate swap to effectively fix the interest rate on $5.5 million, representing 3.1% of its total-interest bearing borrowings at 30 June 2016.

The Group's weighted average effective rate of interest for the period to 31 January 2018 was 5.63% (30 June 2017: 5.78%, 30 June 2016: 6.22% and 30 June 2015: 6.94%) based on the interest rates applicable to its long-term borrowings, short-term bridge funding and loan issue costs capitalised.

An increase of 1% in the interest rate on floating rate borrowings would result in an increase to finance charges of $1.8 million (30 June 2017: $1.9 million, 30 June 2016: $1.5 million and 30 June 2015: $0.75 million) pre-tax per annum. This is based on calculating the effective interest rate of the Group and adding a 1% escalation to that rate.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables, cash and cash equivalents. There is considered to be no significant concentration of credit risk as exposure is spread over a large number of counterparties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the respective reporting dates in respect of certain financial instruments was as follows:

	2015 $'000	2016 $'000	2017 $'000	2018 $'000
Financial assets				
Cash and cash equivalents	6,566	17,785	24,668	8,880
Loans to related parties	12	—	2,008	1,445
Deposits on investment properties – Vale Housing Compound	—	5,620	21,378	4,117
Other loans receivable	—	—	66,740	38,863
Trade and other receivables[1]	18,048	11,038	14,281	22,232
Other financial asset (note 31b)	—	—	—	16,856

[1] Trade and other receivables excludes deposits paid, prepaid expenses and the adjustment account.

Cash and cash equivalents

It is the Group's policy to deposit short-term cash investments with reputable financial institutions.

Trade and other receivables

Credit risk is principally the risk that a tenant may default or not meet its obligations timeously. The financial position of the tenants is monitored on an ongoing basis. Allowance is made for specific doubtful debts and credit risk is therefore considered to be limited to the carrying amount of the financial assets at the end of the relevant financial period.

Loans to related parties and loans receivable from partners

The Group has policies in place to ensure that loans are granted to related and other parties with an appropriate credit history so as to limit the amount of exposure to credit risk.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Moroccan Dirham and Mozambican Metical and to a lesser extent the Mauritian Rupee, Zambian Kwacha, South African Rand, Euro and Kenyan Shilling. Foreign exchange risk arises in relation to future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has entered into US Dollar denominated rental contracts with tenants that rent properties held within its Mozambican and Kenyan property portfolios. This is to ensure that the Group is not exposed to a devaluation of rental income generated from these property portfolios.

The rental contracts with tenants that rent properties held within the Moroccan property portfolio are denominated in Moroccan Dirhams and the rental contracts with tenants that rent properties within the

Zambian property portfolio are denominated in either Zambian Kwachas or US Dollars. The rental income from the Beachcomber hospitality assets in Mauritius is generated in Euros whilst the rentals on the office building in Mauritius are charged in Mauritian Rupees.

The Group's net exposure to foreign exchange risk, including exposure on intra-group lending, at each reporting date was as follows:

Net financial (liabilities)/assets denominated in a currency other than the functional currency and United States Dollars	2018 USD $'000	MAD $'000	MUR $'000	EUR $'000	Total $'000
Moroccan Dirhams – MAD	—	6,980	—	—	**6,980**
Euros	6,536	(39,830)	—	(87,908)	**(121,202)**
Mauritian Rupees	—	—	(337)	—	**(337)**
United States Dollars	—	(72,981)	(14,140)	(7,085)	**(94,206)**
Total net exposure	**6,536**	**(105,831)**	**(14,477)**	**(94,993)**	**(208,765)**

Net financial (liabilities)/assets denominated in a currency other than the functional currency and United States Dollars	2017 USD $'000	MAD $'000	MUR $'000	EUR $'000	Total $'000
Moroccan Dirhams	—	2,509	—	—	**2,509**
Euros	36,541	(36,315)	—	(25,443)	**(25,217)**
Mauritian Rupees	—	—	(402)	—	**(402)**
United States Dollars	—	(69,290)	(14,107)	(9,723)	**(93,120)**
Total net exposure	**36,541**	**(103,096)**	**(14,509)**	**(35,166)**	**(116,230)**

Net financial (liabilities)/assets denominated in a currency other than the functional currency and United States Dollars	2016 USD $'000	MAD $'000	MUR $'000	EUR $'000	Total $'000
Moroccan Dirham	—	8,053	—	—	**8,053**
Euros	(76)	(35,312)	—	—	**(35,388)**
Mauritian Rupees	—	—	(86)	—	**(86)**
United States Dollars	—	(67,744)	(14,399)	—	**(82,143)**
Total net exposure	**(76)**	**(95,003)**	**(14,485)**	**—**	**(109,564)**

Net financial (liabilities)/assets denominated in a currency other than the functional currency and United States Dollars	2015 USD $'000	MAD $'000	MUR $'000	EUR $'000	Total $'000
Moroccan Dirham	—	(41,015)	—	—	**(41,015)**
Euros	—	—	—	—	**—**
Mauritian Rupees	—	—	—	—	**—**
United States Dollars	—	(70,920)	—	—	**(70,920)**
Total net exposure	**—**	**(111,935)**	**—**	**—**	**(111,935)**

33. Financial assets by category

An analysis of financial assets by category is provided below:

	Loans and receivables – at amortised cost $'000	Fair value through profit and loss – designated $'000	Total $'000
31 January 2018			
Other investments	—	4,931	**4,931**
Loans to related parties	820	625	**1,445**
Deposits paid on investment properties – Vale Housing Compound	4,117	—	**4,117**
Other loans receivable	38,863	—	**38,863**
Derivative financial instruments	—	12	**12**
Trade and other receivables[1]	22,232	—	**22,232**
Other financial asset (note 31b)	—	16,856	**16,856**
Cash and cash equivalents	8,880	—	**8,880**
	74,912	**22,424**	**97,336**

	Loans and receivables – at amortised cost $'000	Fair value through profit and loss – designated $'000	Total $'000
30 June 2017			
Loans to related parties	8	2,000	**2,008**
Deposits paid on investment properties – Vale Housing Compound	21,378	—	**21,378**
Other loans receivable	66,740	—	**66,740**
Trade and other receivables[1]	14,281	—	**14,281**
Cash and cash equivalents	24,668	—	**24,668**
	127,075	**2,000**	**129,075**

	Loans and receivables – at amortised cost $'000	Fair value through profit and loss – designated $'000	Total $'000
30 June 2016			
Deposits paid on investment properties – Vale Housing Compound	5,620	—	**5,620**
Trade and other receivables[1]	11,038	—	**11,038**
Cash and cash equivalents	17,785	—	**17,785**
	34,443	**—**	**34,443**

	Loans and receivables – at amortised cost $'000	Fair value through profit and loss – designated $'000	Total $'000
30 June 2015			
Loans to related parties	12	—	**12**
Trade and other receivables[1]	18,048	—	**18,048**
Cash and cash equivalents	6,566	—	**6,566**
	24,626	**—**	**24,626**

[1] Trade and other receivables exclude deposits paid, prepaid expenses and the adjustment account.

34. Financial liabilities by category

An analysis of financial liabilities by category is provided below:

	Financial liabilities at amortised cost $'000	Fair value through profit and loss – designated $'000	Total $'000
31 January 2018			
Interest-bearing borrowings	313,783	—	**313,783**
Preference shares	12,840	—	**12,840**
Other financial liability (note 31b)	—	16,950	**16,950**
Obligations under finance leases	196	—	**196**
Trade and other payables[1]	13,121	—	**13,121**
Bank overdrafts	982	—	**982**
	340,922	**16,950**	**357,872**

	Financial liabilities at amortised cost $'000	Fair value through profit and loss – designated $'000	Total $'000
30 June 2017			
Interest-bearing borrowings	233,010	—	**233,010**
Preference shares	12,840	—	**12,840**
Obligations under finance leases	216	—	**216**
Trade and other payables[1]	19,306	—	**19,306**
Related party loans	1,365	—	**1,365**
Derivative financial instruments	—	19	**19**
Bank overdrafts	438	—	**438**
	267,175	**19**	**267,194**

	Financial liabilities at amortised cost $'000	Fair value through profit and loss – designated $'000	Total $'000
30 June 2016			
Interest-bearing borrowings	161,181	—	**161,181**
Trade and other payables[1]	8,310	—	**8,310**
Related party loans	1,365	—	**1,365**
Derivative financial instruments	—	554	**554**
	170,856	**554**	**171,410**

	Financial liabilities at amortised cost $'000	Fair value through profit and loss – designated $'000	Total $'000
30 June 2015			
Interest-bearing borrowings	101,657	—	**101,657**
Trade and other payables[1]	2,635	—	**2,635**
Related party loans	1,153	—	**1,153**
Bank overdrafts	342	—	**342**
	105,787	**—**	**105,787**

[1] Trade and other payables exclude deposits received, deferred income, taxation and social security costs and withholding tax payable.

35. Fair value hierarchy

The different levels of the fair value hierarchy are defined as follows:

Level 1 – fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly.

Level 3 – inputs for the valuations of assets or liabilities are not based on observable market data (unobservable inputs).

Fair value hierarchy analysis:

Analysis of certain financial instruments by fair value level hierarchy:

Asset/(liability)

31 January 2018	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value $'000
Derivative financial instruments	—	12	—	**12**
Other investments	3,910	—	1,021	**4,931**
Other financial asset (note 31b)	—	16,856	—	**16,856**
Other financial liability (note 31b)	—	—	(16,950)	**(16,950)**

31 January 2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value $'000
Derivative financial instruments	—	(19)	—	**(19)**

31 January 2016	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value $'000
Derivative financial instruments	—	(554)	—	**(554)**

31 January 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value $'000
Derivative financial instruments	—	—	—	**—**

There have been no transfers of the above instruments between level 1, level 2 and level 3 during any of the above reporting periods.

Details of the other investments are set out in note 7.

The interest rate derivatives are classified as level 2 with their fair values being calculated using the present values of future cash flows, based on market forecasts of interest rates.

Investment properties (note 3)

The fair values of all of the Group's investment properties are categorised as level 3 under the fair value hierarchy due to the fact that the inputs to the valuation techniques used, as referred to in note 3, are not based on observable market data.

Other financial asset and other financial liability (note 31b)

The fair values of the Group's other financial asset and other financial liability, that are described in note 31b, are categorised as level 2 and level 3 respectively under the fair value hierarchy. The fair value of the financial asset is principally, but not wholly, determined by way of consideration of the impact of movements in the Company's share price, whilst the fair value of the other financial liability is principally, but not wholly, determined by way of consideration of what PIC could demand if there was an event of default, as described in the CRO.

The fair value of the financial liability varies by reference to the amount outstanding on the BoAML Facility referred to in note 31b.

36. Capital management

Overall policy

The Group's overall policy in relation to capital management is to maintain an adequate capital base in order to provide a sound platform from which to provide returns for shareholders and benefits for other stakeholders. The directors seek to ensure there is an optimal structure to reduce the Group's overall cost of capital.

Approach to capital management

The board's aim is to maintain a strong equity capital base, comprising of all items within 'total equity attributable to ordinary shareholders' in the consolidated statement of financial position. This is in order to maintain investor, creditor and market confidence and to provide a sound platform from which to enable the Group to sustain its plans for the future development of the business. It is the Group's stated intention to deliver long-term sustainable growth in distributions per ordinary share.

The Group is principally funded by bank debt, equity raised in capital markets, and other new equity issues.

The Company's Memorandum of Incorporation states that the Company has an unlimited borrowing capacity.

The Group utilises gearing in high tax rate countries to reduce its overall tax liability.

It is the Group's objective, whenever practical, to maintain its net borrowings (as defined below) at no more than 50% of the value of its principal property and related assets (as listed in the table below):

	30 June 2015 $'000	30 June 2016 $'000	30 June 2017 $'000	31 January 2018 $'000
Investment properties (including straight-line rental income accrual)	210,391	239,926	307,795	381,873
Deposits paid on investment properties	—	8,620	24,440	4,117
Loans receivable related to property assets	—	—	66,740	39,663
Investment in associates	—	45,822	89,016	155,871
Other investments	—	—	—	4,931
Principal property and related assets – total	**210,391**	**294,368**	**487,991**	**586,455**
50% thereof	***105,196***	***147,184***	***243,996***	***293,228***
Net borrowings	**101,657**	**149,511**	**245,850**	**326,623**
Gross borrowings (interest-bearing borrowings and preference shares)	101,657	161,181	245,850	326,623
Less: Committed cash (note 13)	—	(11,670)	—	—
Unutilised borrowing capacity	3,539	(2,327)	(1,854)	(33,395)
Loan to value ratio (based on above calculations)	**48.3%**	**50.8%***	**50.4%***	**55.7%***

* Although the Group's loan to value ratio target has historically been to maintain a loan to value ratio of 50%, the board will increase the Group's gearing pre-capital raises in order to enable it to secure pipeline assets. The use of revolving credit facilities pre-capital raises enables the Group to secure these pipeline assets, with such facilities being settled from the proceeds of subsequent share issues. This mechanism improves the efficient deployment of cash proceeds from capital raises. The loan to value ratio target will reduce in the future to circa 40%.

37. Subsequent events

The following significant events have taken place since 31 January 2018:

Capital Place: On 10 May 2018, the Company through its wholly-owned subsidiary Grit Accra Limited, concluded the acquisition of 47.5% of Capital Place Limited ("Capital Place"), which owns 100% of the Capital Place Building, a commercial building in Accra Ghana. The Company also paid a refundable deposit of $5m in April 2018 to secure the acquisition of the remaining 52.5%. The building in Capital Place has a value $25.5m. The initial purchase of 47.5% has been partly settled through the issue of new shares in the Company at the last published net asset value per share of $1.53 (as at 31 December 2017). The new shares were issued with a non-entitlement to dividends prior to the transfer date.

5th Avenue: On 15 March 2018, the Company signed binding heads of agreement with Grit Accra Limited (its wholly-owned subsidiary incorporated in Ghana) ("Grit Accra"), Greenline Development Limited (as seller), Costa Beira Investment Holding Limited (a company incorporated in accordance with the laws of the Republic of Mauritius), Fouad Tabaa Chalabi, Nextregra Ghana Limited and Delta International Mauritius Limited, for the acquisition of an office complex known as 5th Avenue Corporate Offices (the "Property") and the corresponding rental enterprise on the Property as a going concern. The aggregate purchase consideration for the acquisition of the Property and rental enterprise, together with the cost of the rental guarantee and other acquisition costs total $20.5 million, a portion of which will be payable in cash (which will be funded by debt) and the remainder of which the Company will issue its shares valued at the last published net asset value per share with no entitlement to dividend prior to the issue of such shares (such shares being issued on the date of transfer of the Property). A debt facility agreement has been negotiated with Barclays Bank of Ghana for $14.8 million at an interest rate of 3-month Libor + 5.9 per cent.

CADS II Building: On 26 March 2018, the Company through its wholly-owned subsidiary Grit Accra Limited incorporated in Ghana ("Grit Accra"), signed a binding heads of agreement with CADS Contract and Services Ltd (the "Seller"), Christopher Hesse-Tetteh, and CADS Developers Limited, incorporated in Ghana ("CADS") for the acquisition of 50% ownership of an office complex known as the CADS II Building (the "Property"), a commercial building fully tenanted by Tullow Oil and the corresponding rental enterprise on the Property as a going concern (together the "Business"). The Seller will sell the Business as a going concern for $36 million (the "Purchase Consideration") to CADS, of which Grit Accra will, following the date of transfer of the Business to CADS, own a 50% shareholding. The acquisition of the Property by CADS will be funded via equity of $21.0 million (in the form of share capital and shareholder loans), of which Grit Accra will contribute 50%, equating to $10.5 million, with the Seller also contributing $10.5 million. A deposit of $2.0 million was made on 3 April 2018 (funded out of the Group's revolving credit facilities) with the balance due on transfer of the Property or by way of an additional deposit placed by no later than 30 June 2018. The balance of the Purchase Consideration will be funded by debt to the value of $15.0 million. The current financier of the CADS II Building, being Stanbic Jersey, has proposed to retain the finance over the building on terms and conditions suitable to CADS.

Acacia Estate: On 24 May 2018, the Company entered into a binding sale and purchase agreement with Colin Taylor, Stuart Hulley-Miller and Adamo Valy (the "Original Developers"), TC Maputo Properties Limited, Tradehold Africa Limited and Cognis 1 Limitada, for the effective acquisition of 80.1% of the shares in Cognis 1 Limitada (a company incorporated in Mozambique), which in turn owns the building known as Acacia Estate in Maputo Mozambique. The Company (via a wholly-owned subsidiary) will acquire 15% of the shares in Cognis 1 Limitada. In addition, the Company (or its nominee) will acquire 76.6% of the shares in TC Maputo Properties Limited (a special purpose vehicle incorporated in Mauritius), which owns 85% of the shares in Cognis 1 Limitada. Cognis 1 Limitada is valued at $15.3 million, which is based on a property value of $61.8 million, less bank debt of $28.8 million, less current liabilities of $6.6 million less loans from shareholders of $11.2 million. The Company will acquire 80.1% of the shares in Cognis 1 Limitada for $12.2 million. In addition, the Company (or its nominee) will be obliged to inject new shareholder loans into TC Maputo of $11.2 million, the proceeds of which will be used to settle the current shareholders' loan of $11.2 million. The Group also intends to inject a further $5.3 million by way of a shareholder loan into Cognis 1 Limitada in order to reduce the current liabilities that exist within that entity.

The Group has also entered into the following arrangements since 31 January 2018:

– An overdraft facility of $8.5 million with ABC Banking Corporation Limited as an equity bridge in order to assist in securing the Group's upcoming asset acquisitions. The facility bears interest at 3 months LIBOR plus a margin of 3.5%.

– A short-term revolving credit line facility, denominated in Euros equivalent to $20m, with SBM Bank (Mauritius) Limited. The facility bears interest at 3 months' EURIBOR plus a margin of 3%.

38. Segmental information

The Group reports on a segmental basis in terms of geographical location and type of property. Geographical location is split between Morocco, Mozambique, Zambia, Kenya and Mauritius, as relevant to each reporting period. In terms of type of property, the Group has investments in the retail, office and various other sectors.

Geographical location – 2018

Period to 31 January 2018	Morocco $'000	Mozambique $'000	Zambia $'000	Kenya $'000	Mauritius $'000	Total $'000
Reportable segment profit and loss						
Gross rental income	5,472	7,568	—	603	3,532	**17,175**
Straight-line rental income accrual	230	364	—	105	362	**1,061**
Revenue	**5,702**	**7,932**	**—**	**708**	**3,894**	**18,236**
Share of profits from associates	—	—	9,445	(1,357)	4,458	**12,546**
Property operating expenses	(2,923)	(691)	—	(22)	(142)	**(3,778)**
Net property income	**2,779**	**7,241**	**9,445**	**(671)**	**8,210**	**27,004**
Other income	—	—	—	—	30	**30**
Administrative expenses	(286)	(254)	(184)	(60)	(8,368)	**(9,152)**
Profit/(loss) from operations	**2,493**	**6,987**	**9,261**	**(731)**	**(128)**	**17,882**
Fair value adjustment on investment properties	(4,443)	323	—	988	4,743	**1,611**
Contractual receipts from vendors of investment properties	—	7,788	—	—	—	**7,788**
Total fair value adjustment on investment properties	(4,443)	8,111	—	988	4,743	**9,399**
Fair value adjustment on other investments	—	—	—	—	61	**61**
Fair value adjustment on financial instruments	—	—	—	—	(94)	**(94)**
Fair value adjustment on derivatives financial instruments	—	—	—	—	31	**31**
Share based payment expense	—	—	—	—	(214)	**(214)**
Foreign currency (losses)/gains	2,297	(3,405)	—	(7)	4,606	**3,491**
Profit/(loss) before interest and taxation	**347**	**11,693**	**9,261**	**250**	**9,005**	**30,556**
Interest income	—	—	1,745	—	1,018	**2,763**
Finance costs	(1,537)	(2,327)	(2,541)	(239)	(4,288)	**(10,932)**
Profit/(loss) for the period before tax	**(1,190)**	**9,366**	**8,465**	**11**	**5,735**	**22,387**
Taxation	349	(590)	—	69	20	**(152)**
Profit/(loss) for the period	**(841)**	**8,776**	**8,465**	**80**	**5,755**	**22,235**
Reportable segment assets and liabilities						
Non-current assets						
Investment properties	92,896	203,683	—	21,865	63,429	**381,873**
Deposits paid on investment properties	—	4,117	—	—	—	**4,117**
Property, plant and equipment	45	80	—	—	1,075	**1,200**
Intangible assets	17	1	—	—	587	**605**
Other investments	—	—	—	—	4,931	**4,931**
Investment in associates	—	—	90,406	1,405	64,060	**155,871**
Related party loans	—	—	—	—	820	**820**
Loans receivable	—	—	38,063	—	800	**38,863**
Total non-current assets	**92,958**	**207,881**	**128,469**	**23,270**	**135,702**	**588,280**
Current assets						
Current tax receivable	(44)	510	—	—	81	**547**
Trade and other receivables	9,985	8,452	657	224	13,369	**32,687**
Related party loans receivable	—	—	—	—	625	**625**
Other financial asset	—	—	—	—	16,856	**16,856**
Derivative financial instruments	—	51	—	—	(39)	**12**
Cash and cash equivalents	897	1,645	1	248	6,089	**8,880**
Total assets	**103,796**	**218,539**	**129,127**	**23,742**	**172,683**	**647,887**
Liabilities						
Total liabilities	59,200	101,107	77,063	8,723	124,303	**370,396**
Net assets	**44,596**	**117,432**	**52,064**	**15,019**	**48,380**	**277,491**

Type of property – 2018

Period to 31 January 2018	Hospitality $'000	Retail $'000	Office $'000	Light Industrial $'000	Accommodation $'000	Corporate $'000	Total $'000
Reportable segment profit and loss							
Gross rental income	2,408	7,217	6,411	1,139	—	—	**17,175**
Straight-line rental income accrual	—	468	468	125	—	—	**1,061**
Revenue	**2,408**	**7,685**	**6,879**	**1,264**	**—**	**—**	**18,236**
Share of profits from associates	4,458	8,088	—	—	—	—	**12,546**
Property operating expenses	—	(3,206)	(537)	(35)	—	—	**(3,778)**
Net property income	**6,866**	**12,567**	**6,342**	**1,229**	**—**	**—**	**27,004**
Other income	—	—	1	—	—	29	**30**
Administrative expenses	(115)	(605)	(265)	(61)	—	(8,106)	**(9,152)**
Profit/(loss) from operations	**6,751**	**11,962**	**6,078**	**1,168**	**—**	**(8,077)**	**17,882**
Fair value adjustment on investment properties	3,364	(4,492)	401	988	1,350	—	**1,611**
Contractual receipts from vendors of investment properties	—	397	239	—	7,152	—	**7,788**
Total fair value adjustment on investment properties	3,364	(4,095)	640	988	8,502	—	**9,399**
Fair value adjustment on other investments	—	—	—	—	—	61	**61**
Fair value adjustment on financial instruments	—	—	—	—	—	(94)	**(94)**
Fair value adjustment on derivatives financial instruments	—	—	31	—	—	—	**31**
Share based payment expense	—	—	—	—	—	(214)	**(214)**
Foreign currency (losses)/gains	3,626	190	(1,209)	11	—	873	**3,491**
Profit/(loss) before interest and taxation	**13,741**	**8,057**	**5,540**	**2,167**	**8,502**	**(7,451)**	**30,556**
Interest income	1,617	1,746	35	—	—	(635)	**2,763**
Finance costs	(1,523)	(4,436)	(2,299)	(239)	—	(2,435)	**(10,932)**
Profit/(loss) for the period before tax	**13,835**	**5,367**	**3,276**	**1,928**	**8,502**	**(10,521)**	**22,387**
Taxation	84	1,032	(549)	71	(790)	—	**(152)**
Profit/(loss) for the period	**13,919**	**6,399**	**2,727**	**1,999**	**7,712**	**(10,521)**	**22,235**
Reportable segment assets and liabilities							
Non-current assets							
Investment properties	47,900	127,869	142,189	28,365	35,550	—	**381,873**
Deposits paid on investment properties	—	—	—	—	4,117	—	**4,117**
Property, plant and equipment	—	33	92	—	—	1,075	**1,200**
Intangible assets	—	17	572	—	—	16	**605**
Other investments	—	—	—	—	—	4,931	**4,931**
Investment in associates	64,060	91,811	—	—	—	—	**155,871**
Related party loans receivable	—	—	—	—	—	820	**820**
Loans receivable	—	38,063	—	—	—	800	**38,863**
Total non-current assets	**111,960**	**257,793**	**142,853**	**28,365**	**39,667**	**7,642**	**588,280**
Current assets							
Current tax receivable	—	(17)	484	80	—	—	**547**
Trade and other receivables	195	12,934	2,900	3,205	570	12,883	**32,687**
Related party loans receivable	—	—	—	—	—	625	**625**
Other financial asset	—	—	—	—	—	16,856	**16,856**
Derivative financial instruments	—	—	12	—	—	—	**12**
Cash and cash equivalents	303	2,100	524	272	—	5,681	**8,880**
Total assets	**112,458**	**272,810**	**146,773**	**31,922**	**40,237**	**43,687**	**647,887**
Liabilities							
Total liabilities	59,688	155,766	77,239	8,870	12,478	56,355	**370,396**
Net assets	**52,770**	**117,044**	**69,534**	**23,052**	**27,759**	**(12,668)**	**277,491**

Type of property – 2017

Year to 30 June 2017	Hospitality $'000	Retail $'000	Office $'000	Light Industrial $'000	Accommodation $'000	Corporate $'000	Total $'000
Reportable segment profit and loss							
Gross rental income	882	10,118	10,791	1,081	—	—	**22,872**
Straight-line rental income accrual	—	171	961	—	—	—	1,132
Revenue	**882**	**10,289**	**11,752**	**1,081**	**—**	**—**	**24,004**
Share of profits from associates	—	6,893	—	—	—	—	6,893
Property operating expenses	—	(5,759)	(1,271)	(140)	—	—	(7,170)
Net property income	**882**	**11,423**	**10,481**	**941**	**—**	**—**	**23,727**
Other income	—	—	—	—	—	254	254
Administrative expenses	(642)	(903)	(664)	(51)	—	(5,640)	(7,900)
Profit/(loss) from operations	**240**	**10,520**	**9,817**	**890**	**—**	**(5,386)**	**16,081**
Fair value adjustment on investment properties	648	(23,142)	3,956	(2,191)	—	—	(20,729)
Contractual receipts from vendors of investment properties	—	230	—	—	—	—	230
Total fair value adjustment on investment properties	648	(22,912)	3,956	(2,191)	—	—	(20,499)
Fair value adjustment on derivative financial instruments	—	—	535	—	—	—	535
Share based payment expense	—	—	—	—	—	(133)	(133)
Gain from bargain purchase on associates	—	—	—	—	—	958	958
Foreign currency (losses)/gains	(1,470)	2,777	2,072	(294)	—	(1,004)	2,081
Profit/(loss) before interest and taxation	**(582)**	**(9,615)**	**16,380**	**(1,595)**	**—**	**(5,565)**	**(977)**
Interest income	978	298	32	7	—	744	2,059
Finance costs	(519)	(4,180)	(4,121)	—	—	(2,613)	(11,433)
Profit/(loss) for the period before tax	**(123)**	**(13,497)**	**12,291**	**(1,588)**	**—**	**(7,434)**	**(10,351)**
Taxation	(84)	2,629	380	24	—	(33)	2,916
Profit/(loss) for the period after tax	**(207)**	**(10,868)**	**12,671**	**(1,564)**	**—**	**(7,467)**	**(7,435)**
Reportable segment assets and liabilities							
Non-current assets							
Investment properties	43,814	123,809	133,672	6,500	—	—	307,795
Deposits paid on investment properties	—	—	—	3,062	21,378	—	24,440
Property, plant and equipment	—	56	102	—	—	1,132	1,290
Intangible assets	—	16	556	—	—	20	592
Investment in associates	—	89,016	—	—	—	—	89,016
Related party loans receivable	—	—	—	—	—	8	8
Loans receivable	47,409	19,331	—	—	—	—	66,740
Total non-current assets	**91,223**	**232,228**	**134,330**	**9,562**	**21,378**	**1,160**	**489,881**
Current assets							
Current tax receivable	—	(2)	398	42	—	1	439
Trade and other receivables	194	11,920	1,625	378	—	8,688	22,805
Related party loans receivable	—	—	—	—	—	2,000	2,000
Cash and cash equivalents	468	1,157	220	7	—	22,816	24,668
Total assets	**91,885**	**245,303**	**136,573**	**9,989**	**21,378**	**34,665**	**539,793**
Liabilities							
Total liabilities	48,947	139,798	72,647	19	—	21,198	282,609
Net assets	**42,938**	**105,505**	**63,926**	**9,970**	**21,378**	**13,467**	**257,184**

Geographical location – 2017

Year to 30 June 2017	Morocco $'000	Mozambique $'000	Zambia $'000	Kenya $'000	Mauritius $'000	Total $'000
Reportable segment profit and loss						
Gross rental income	8,103	12,477	—	—	2,292	**22,872**
Straight-line rental income accrual	219	747	—	—	166	**1,132**
Revenue	**8,322**	**13,224**	**—**	**—**	**2,458**	**24,004**
Share of profits from associates	—	—	7,511	(618)	—	**6,893**
Property operating expenses	(5,400)	(1,275)	—	—	(495)	**(7,170)**
Net property income	**2,922**	**11,949**	**7,511**	**(618)**	**1,963**	**23,727**
Other income	—	—	—	—	254	**254**
Administrative expenses	(403)	(680)	(291)	(16)	(6,510)	**(7,900)**
Profit/(loss) from operations	**2,519**	**11,269**	**7,220**	**(634)**	**(4,293)**	**16,081**
Fair value adjustment on investment properties	(23,440)	2,717	—	—	(6)	**(20,729)**
Contractual receipts from vendors of investment properties	—	230	—	—	—	**230**
Total fair value adjustment on investment properties	(23,440)	2,947	—	—	(6)	**(20,499)**
Fair value adjustment on derivative financial instruments	—	431	—	—	104	535
Share based payment expense	—	—	—	—	(133)	(133)
Gain from bargain purchase on associates	—	—	—	—	958	958
Foreign currency (losses)/gains	2,483	1,471	—	—	(1,873)	2,081
Profit/(loss) before interest and taxation	**(18,438)**	**16,118**	**7,220**	**(634)**	**(5,243)**	**(977)**
Interest income	297	8	—	—	1,754	2,059
Finance costs	(2,608)	(4,451)	(776)	—	(3,598)	(11,433)
Profit/(loss) for the period before tax	**(20,749)**	**11,675**	**6,444**	**(634)**	**(7,087)**	**(10,351)**
Taxation	2,615	295	—	—	6	2,916
Profit/(loss) for the period after tax	**(18,134)**	**11,970**	**6,444**	**(634)**	**(7,081)**	**(7,435)**
Reportable segment assets and liabilities						
Non-current assets						
Investment properties	88,119	162,027	—	—	57,649	307,795
Deposits paid on investment properties	—	21,378	—	3,062	—	24,440
Property, plant and equipment	54	104	—	—	1,132	1,290
Intangible assets	16	2	—	—	574	592
Investment in associates	—	—	84,889	4,127	—	89,016
Related party loans receivable	—	—	—	—	8	8
Loans receivable	—	—	19,331	—	47,409	66,740
Total non-current assets	**88,189**	**183,511**	**104,220**	**7,189**	**106,772**	**489,881**
Current assets						
Current tax receivable	(29)	420	—	—	48	439
Trade and other receivables	8,764	4,567	(500)	724	9,250	22,805
Related party loans receivable	—	—	—	—	2,000	2,000
Cash and cash equivalents	84	1,290	—	—	23,294	24,668
Total assets	**97,008**	**189,788**	**103,720**	**7,913**	**141,364**	**539,793**
Liabilities						
Total liabilities	57,429	83,116	51,851	—	90,213	282,609
Net assets	**39,579**	**106,672**	**51,869**	**7,913**	**51,151**	**257,184**

Geographical location – 2016

Year to 30 June 2016	Morocco $'000	Mozambique $'000	Zambia $'000	Kenya $'000	Mauritius $'000	Total $'000
Reportable segment profit and loss						
Gross rental income	9,449	9,864	—	—	673	**19,986**
Straight-line rental income accrual	631	965	—	—	305	**1,901**
Revenue	**10,080**	**10,829**	**—**	**—**	**978**	**21,887**
Share of profits from associates	—	—	3,100	213	—	**3,313**
Property operating expenses	(4,603)	(988)	—	—	(32)	**(5,623)**
Net property income	**5,477**	**9,841**	**3,100**	**213**	**946**	**19,577**
Other income	329	(140)	—	—	616	**805**
Administrative expenses	(1,490)	(1,873)	(239)	(139)	(1,942)	**(5,683)**
Profit/(loss) from operations	**4,316**	**7,828**	**2,861**	**74**	**(380)**	**14,699**
Fair value adjustment on investment properties	(5,228)	607	—	7	(11)	**(4,625)**
Contractual receipts from vendors of investment properties	892	—	—	—	—	**892**
Total fair value adjustment on investment properties	(4,336)	607	—	7	(11)	**(3,733)**
Fair value adjustment on derivative financial instruments	—	(455)	—	—	(99)	**(554)**
Share based payment expense	—	—	—	—	(3,235)	**(3,235)**
Gain from bargain purchase on associates	—	—	—	—	251	**251**
Foreign currency (losses)/gains	3	(4,076)	—	11	(522)	**(4,584)**
Profit/(loss) before interest and taxation	**(17)**	**3,904**	**2,861**	**92**	**(3,996)**	**2,844**
Interest income	—	—	—	—	170	**170**
Finance costs	(3,490)	(3,899)	(562)	—	(2,292)	**(10,243)**
Profit/(loss) for the period before tax	**(3,507)**	**5**	**2,299**	**92**	**(6,118)**	**(7,229)**
Taxation	(2,497)	(7,952)	—	—	(85)	**(10,534)**
Profit/(loss) for the period	**(6,004)**	**(7,947)**	**2,299**	**92**	**(6,203)**	**(17,763)**
Reportable segment assets and liabilities						
Non-current assets						
Investment properties	100,622	125,613	—	—	13,691	**239,926**
Deposits paid on investment properties	—	5,620	3,000	—	—	**8,620**
Property, plant and equipment	68	82	—	—	375	**525**
Intangible assets	16	3	—	—	580	**599**
Investment in associates	—	—	41,079	4,743	—	**45,822**
Total non-current assets	**100,706**	**131,318**	**44,079**	**4,743**	**14,646**	**295,492**
Current assets						
Trade and other receivables	11,922	(809)	9	4	4,201	**15,327**
Cash and cash equivalents	1,390	15,601	2	—	792	**17,785**
Total assets	**114,018**	**146,110**	**44,090**	**4,747**	**19,639**	**328,604**
Liabilities						
Total liabilities	59,996	67,698	19,216	10	43,367	**190,287**
Net assets	**54,022**	**78,412**	**24,874**	**4,737**	**(23,728)**	**138,317**

Type of property – 2016

Period to 30 June 2017	Retail $'000	Office $'000	Light Industrial $'000	Accommodation $'000	Corporate $'000	Total $'000
Reportable segment profit and loss						
Gross rental income	10,305	9,606	75	—	—	**19,986**
Straight-line rental income accrual	638	1,263	—	—	—	**1,901**
Revenue	**10,943**	**10,869**	**75**	**—**	**—**	**21,887**
Share of profits from associates	3,313	—	—	—	—	**3,313**
Property operating expenses	(4,698)	(925)	—	—	—	**(5,623)**
Net property income	**9,558**	**9,944**	**75**	**—**	**—**	**19,577**
Other income	183	6	—	—	616	**805**
Administrative expenses	(2,103)	(1,789)	—	—	(1,791)	**(5,683)**
Profit/(loss) from operations	**7,638**	**8,161**	**75**	**—**	**(1,175)**	**14,699**
Fair value adjustment on investment properties	(4,370)	(247)	(8)	—	—	**(4,625)**
Contractual receipts from vendors of investment properties	892	—	—	—	—	**892**
Total fair value adjustment on investment properties	(3,478)	(247)	(8)	—	—	**(3,733)**
Fair value adjustment on derivative financial instruments	—	(554)	—	—	—	**(554)**
Share based payment expense	—	—	—	—	(3,235)	**(3,235)**
Gain from bargain purchase on associates	—	—	—	—	251	**251**
Foreign currency (losses)/gains	616	(5,192)	—	—	(8)	**(4,584)**
Profit before interest and taxation	**4,776**	**2,168**	**67**	**—**	**(4,167)**	**2,844**
Interest income	—	—	—	—	170	**170**
Finance costs	(4,356)	(3,763)	—	—	(2,124)	**(10,243)**
Profit/(loss) for the period before tax	**420**	**(1,595)**	**67**	**—**	**(6,121)**	**(7,229)**
Taxation	(3,548)	(6,947)	(31)	—	(8)	**(10,534)**
Profit/(loss) for the period after tax	**(3,128)**	**(8,542)**	**36**	**—**	**(6,129)**	**(17,763)**
Reportable segment assets and liabilities						
Non-current assets						
Investment properties	111,672	119,591	8,663	—	—	**239,926**
Deposits paid on investment properties	—	—	3,000	5,620	—	**8,620**
Property, plant and equipment	68	82	—	—	375	**525**
Intangible assets	16	566	—	—	17	**599**
Investment in associates	45,822	—	—	—	—	**45,822**
Total non-current assets	**157,578**	**120,239**	**11,663**	**5,620**	**392**	**295,492**
Current assets						
Trade and other receivables	12,044	1,326	555	—	1,402	**15,327**
Cash and cash equivalents	1,528	15,893	93	—	271	**17,785**
Total assets	**171,150**	**137,458**	**12,311**	**5,620**	**2,065**	**328,604**
Liabilities						
Total liabilities	83,272	72,282	60	—	34,673	**190,287**
Net assets	**87,878**	**65,176**	**12,251**	**5,620**	**(32,608)**	**138,317**

Geographical location – 2015

Year to 30 June 2015	Morocco $'000	Mozambique $'000	Mauritius $'000	Total $'000
Reportable segment profit and loss				
Gross rental income	9,335	4,254	—	**13,589**
Straight-line rental income accrual	1,597	670	—	**2,267**
Revenue	**10,932**	**4,924**	**—**	**15,856**
Property operating expenses	(2,770)	(708)	—	**(3,478)**
Net property income	**8,162**	**4,216**	**—**	**12,378**
Other income	393	(9)	—	**384**
Administrative expenses	(754)	13	(4,796)	**(5,537)**
Profit from operations	**7,801**	**4,220**	**(4,796)**	**7,225**
Fair value adjustment on investment properties	(293)	8,182	—	**7,889**
Contractual receipts from vendors of investment properties	329	—	—	**329**
Total fair value adjustment on investment properties	36	8,182	—	**8,218**
Foreign currency (losses)/gains	(13,269)	(224)	524	**(12,969)**
Profit/(loss) before interest and taxation	**(5,432)**	**12,178**	**(4,272)**	**2,474**
Interest income	28	24	39	**91**
Finance costs	(2,353)	(676)	(611)	**(3,640)**
Profit/(loss) for the period before tax	**(7,757)**	**11,526**	**(4,844)**	**(1,075)**
Taxation	**—**	**(2,505)**	**—**	**(2,505)**
Profit/(loss) for the period after tax	**(7,757)**	**9,021**	**(4,844)**	**(3,580)**
Reportable segment assets and liabilities				
Non-current assets				
Investment properties	104,691	105,700	—	**210,391**
Property, plant and equipment	37	60	—	**97**
Intangible assets	—	9	—	**9**
Related party loans receivable	—	—	12	**12**
Total non-current assets	**104,728**	**105,769**	**12**	**210,509**
Current assets				
Trade and other receivables	11,420	3,081	4,286	**18,787**
Cash and cash equivalents	3,970	918	1,678	**6,566**
Total assets	**120,118**	**109,768**	**5,976**	**235,862**
Liabilities				
Total liabilities	56,948	55,101	1,919	**113,968**
Net assets	**63,170**	**54,667**	**4,057**	**121,894**

Type of property – 2015

Year to 30 June 2015	Retail $'000	Office $'000	Corporate $'000	Total $'000
Reportable segment profit and loss				
Gross rental income	9,335	4,254	—	13,589
Straight-line rental income accrual	1,597	670	—	2267
Revenue	**10,932**	**4,924**	**—**	**15,856**
Property operating expenses	(2,770)	(708)	—	(3,478)
Net property income	**8,162**	**4,216**	**—**	**12,378**
Other income	393	(9)	—	384
Administrative expenses	(754)	13	(4,796)	(5,537)
Profit/(loss) from operations	**7,801**	**4,220**	**(4,796)**	**7,225**
Fair value adjustment on investment properties	(293)	8,182	—	7,889
Contractual receipts from vendors of investment properties	329	—	—	329
Total fair value adjustment on investment properties	36	8,182	—	**8,218**
Foreign currency (losses)/gains	(13,269)	(224)	524	(12,969)
Profit/(loss) before interest and taxation	**(5,432)**	**12,178**	**(4,272)**	**2,474**
Interest income	28	24	39	91
Finance costs	(2,353)	(676)	(611)	(3,640)
Profit/(loss) for the period before tax	**(7,757)**	**11,526**	**(4,844)**	**(1,075)**
Taxation	—	(2,505)		(2,505)
Profit/(loss) for the period after tax	**(7,757)**	**9,021**	**(4,844)**	**(3,580)**
Reportable segment assets and liabilities				
Non-current assets				
Investment properties	104,691	105,700	—	210,391
Property, plant and equipment	37	60	—	97
Intangible assets	—	9	—	9
Related party loans receivable	—	—	12	12
Total non-current assets	**104,728**	**105,769**	**12**	**210,509**
Current assets				
Trade and other receivables	11,420	3,081	4,286	18,787
Cash and cash equivalents	3,970	918	1,678	6,566
Total assets	**120,118**	**109,768**	**5,976**	**235,862**
Liabilities				
Total liabilities	56,948	55,101	1,919	113,968
Net assets	**63,170**	**54,667**	**4,057**	**121,894**

39. Principal subsidiaries

The principal subsidiaries of the Company at the respective reporting dates, all of which have been included in the financial information, as appropriate, are as follows:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group: Year ended 30 June 2015	Year ended 30 June 2016	Year ended 30 June 2017	Period ended 31 January 2018
Delta International Mauritius Limited (Direct holding)	Mauritius	100%	100%	100%	100%
Delta International Bahrain SPC (Indirect holding)	Bahrain	100%	100%	100%	100%
DIF 1 Co Limited (Indirect holding)	Mauritius	100%	100%	100%	100%
HM&K Properties Limited (Indirect holding)	Mauritius	100%	100%	100%	100%
Sal Investment Holdings Limited (Indirect holding)	Mauritius	100%	100%	100%	100%
S&C Imobiliaria Limitada (Indirect holding)	Mozambique	100%	100%	100%	100%
Commotor Limitada (Indirect holding)	Mozambique	100%	100%	100%	100%
Freedom Property Fund SARL (Indirect holding)	Morocco	100%	100%	100%	100%
Freedom Asset Management (holding – see below*)	Mauritius	0%*	0%*	0%*	0%*
CD Properties Limited (Indirect holding)	Mauritius	—	100%	100%	100%
Gateway Properties Limitada (Indirect holding)	Mozambique	—	100%	100%	100%
Zimpeto Investment Holdings Limited (Indirect holding)	Mauritius	—	100%	100%	100%
Zimpeto Imobiliaria Limitada (Indirect holding)	Mozambique	—	100%	100%	100%
Kitwe Mukuba Investments Limited (Indirect holding)	Mauritius	—	100%	100%	100%
Ndola Kafubu Investments Limited (Indirect holding)	Mauritius	—	100%	100%	100%
BME Kenya Investments Limited (Indirect holding)	Mauritius	—	100%	100%	100%
BH Property Investments Limited (Indirect holding)	Mauritius	—	100%	100%	100%
Abland Diversified Holdings Limited (Indirect holding)	Mauritius	—	100%	100%	100%
Zambian Property Holdings Limited (Indirect holding)	Mauritius	—	—	100%	100%
Lusaka Cosmopolitan Investments Limited (Indirect holding)	Mauritius	—	—	100%	100%
IWH Kenya Investments Limited (Indirect holding)	Mauritius	—	—	100%	100%
IDC Kenya Investments Limited (Indirect holding)	Mauritius	—	—	100%	100%
THM Kenya Investments Limited (Indirect holding)	Mauritius	—	—	100%	100%
Mara Viwandani Limited (Indirect holding)	Kenya	—	—	100%	100%
Warehousely Limited (Indirect holding)	Kenya	—	—	100%	100%
Gerania Limited (Indirect holding)	Mauritius	—	—	100%	100%
Mall de Tete Limitada (Indirect holding)	Mozambique	—	—	100%	100%
Mara Delta Mauritius Property Limited (Indirect holding)	Mauritius	—	—	100%	100%
Leisure Property Northern Mauritius Limited (Indirect holding)	Mauritius	—	—	100%	100%
Paradise Property Investments Limited (Indirect holding)	Mauritius (listed)	—	—	100%	100%
Delta Tete Limitada (Indirect holding)	Mozambique	—	—	—	100%
Grit Accra Limited (Indirect holding)	Ghana	—	—	—	100%
Transformers Holdings Mauritius Limited (indirect holding)	Mauritius	—	—	—	100%

* The basis for consolidation of Freedom Asset Management by the Group is set out in note 1.

For any subsidiaries with non-coterminous reporting dates with those of the Company, management accounts to the above reporting dates have been used for consolidation purposes.

PART 16

UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION A-1: ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH ANNEX II TO THE EU PROSPECTUS DIRECTIVE REGULATION

BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Grit Real Estate Income Group Limited
Level 5 Alexander House
35 Cybercity
Ebene, 72201
Mauritius

18 July 2018

Dear Sir or Madam

Grit Real Estate Income Group Limited (the "Company")

Pro forma financial information

We report on the unaudited net assets pro forma statement of net assets (the "**Pro Forma Financial Information**") set out in Section B of Part 16 of the prospectus dated 18 July 2018 (the "**Prospectus**") which has been prepared on the basis described, for illustrative purposes only, to provide information about how the proposed Issue, repayment of debt and significant asset acquisitions might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 March 2018.

This report is required by item 7 of Annex II of the Commission Regulation (EC) No. 809/2004 (the "**PD Regulation**") and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "**Directors**") to prepare the Pro Forma Financial Information in accordance with Annex II of the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I of the PD Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SECTION A-2 ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH THE JSE LISTINGS REQUIREMENTS

The Directors
Grit Real Estate Income Group Limited
Level 5 Alexander House
35 Cybercity
Ebene
72201
Mauritius

18 July 2018

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON GRIT REAL ESTATE INCOME GROUP LIMITED

Introduction

We have completed our assurance engagement to report on the compilation of pro forma financial information of Grit Real Estate Income Group Limited ("Grit" or the "Company" and, together with its subsidiaries the "Group"), consisting of the unaudited pro forma statement of net assets of the Group as at 31 March 2018 (the "Pro Forma Financial Information") as set out in Section B of Part 16 of the Prospectus, to be dated on or about 18 July 2018. The Pro Forma Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements (the "JSE Listings Requirements"). Because of its nature, the Pro Forma Financial Information does not represent the Company's actual financial position or results.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the corporate actions or events, described as:

- the admission of the Ordinary Shares to the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange (the "LSE Listing");
- the issue of new Ordinary Shares for cash raising the Minimum Net Proceeds in respect of the proposed Placing and Offer for Subscription (the "Specific Issue"); and
- ancillary proposed transactions, including:
  - The acquisition of 47.5% of an investment in the ordinary issued share capital of Capital Place;
  - The acquisition of the property known as Fifth Avenue;
  - The acquisition of 50% of the property known as CADS II Building; and
  - The acquisition of 80.1% of Acacia Estate

(the "Proposed Investments") (collectively the "Proposed Transactions") on the Company's financial position as at 31 March 2018, as if the Proposed Transactions had taken place on 31 March 2018 for purposes of the statement of financial position.

As part of this process, information relating to Grit's financial position has been extracted by the Directors from Grit's published statement of financial position as at 31 March 2018 (the "Financial Information").

Directors' responsibility

The Directors are solely responsible for the compilation, contents and presentation of the Pro Forma Financial Information as described in the Prospectus, and for the financial information from which it has been prepared.

Quality control

We have applied International Standard on Quality Control 1 ("ISQC 1") and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

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

Reporting Accountants' Responsibility

Our responsibility is to express an opinion, as required by the JSE Listings Requirements, about whether the Pro Forma Financial Information has been compiled, in all material respects, by the Directors in accordance with the applicable criteria, based on our procedures performed. We are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information. In addition, we have not performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

Scope

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Reports on the Process to Compile Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the responsible party has applied the process to compile the Pro Forma Financial Information in accordance with the applicable criteria.

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

As the purpose of Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of significant corporate actions or events on unadjusted financial information of the entity as if the corporate actions or events had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the corporate actions or events as at 31 March 2018 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the Pro Forma Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

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

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate actions or events in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

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

Opinion

In our opinion, the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Section B of Part 16.

Per Nick Lazanakis
Chartered Accountant (SA)

BDO South Africa Incorporated
22 Wellington Road
Parktown
2193

SECTION B

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The following unaudited pro forma statement of net assets of the Group (the "Pro Forma Financial Information") has been prepared to illustrate the effect on the consolidated net assets of the Group as if the proposed Issue, repayment of debt and significant asset acquisitions might have affected the financial information if this had taken place on 31 March 2018.

The Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The Pro Forma Financial Information is based on the consolidated net assets of the Group as at 31 March 2018, set out in the interim results for the nine months ended 31 March 2018 contained in Part 18 of this document, and has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information and on the basis set out in the notes set out below.

In addition to the above, the Pro Forma Financial Information has been prepared in accordance with the JSE Listings Requirements and in compliance with the SAICA Guide on pro forma financial information.

The Pro Forma Financial Information set out below should be read in conjunction with the report of the accountant's set out in Section A of Part 16 of this document.

The Directors of the Company are responsible for the preparation of the Pro Forma Financial Information.

	The Group as at 31 March 2018 (note 1) US$'000	Adjustments: The Issue (note 3) US$'000	Repayment of debt (note 4) US$'000	Purchase of assets completed prior to Initial Admission (note 5) US$'000	Purchase of assets post-Initial Admission but not conditional upon Initial Admission (note 6) US$'000	Purchase of assets conditional upon Initial Admission (note 7) US$'000	Pro forma net assets of the Group US$'000
Assets							
Non-current assets							
Investment property	387,718	—	—	—	20,775	60,700	469,193
Deposits paid on investment property	4,117	—	—	—	—	—	4,117
Property, plant and equipment	1,169	—	—	—	—	—	1,169
Intangible assets	33	—	—	—	—	—	33
Other assets	4,853	—	—	—	—	—	4,853
Financial assets	—	—	—	—	325	—	325
Investments in associates	156,140	—	—	9,003	—	10,726	175,869
Related party loans	800	—	—	—	—	—	800
Loans receivable	38,072	—	—	—	—	—	38,072
	592,902	**—**	**—**	**9,003**	**21,100**	**71,426**	**694,431**
Current assets							
Current tax receivable	566	—	—	—	—	—	566
Derivative financial instrument	25	—	—	—	—	—	25
Trade and other receivables	35,706	—	—	—	110	—	35,816
Other financial asset	16,856	—	—	—	—	—	16,856
Related party loans	795	—	—	—	—	—	795
Cash and cash equivalents	9,484	120,000	(47,000)	—	7	(34,177)	48,314
	63,432	**120,000**	**(47,000)**	**—**	**118**	**(34,177)**	**102,372**
Total assets	**656,334**	**120,000**	**(47,000)**	**9,003**	**21,218**	**37,249**	**796,803**
Liabilities							
Non-current liabilities							
Preference shares	12,840	—	—	—	—	—	12,840
Interest-bearing borrowings	245,809	—	—	—	14,809	28,783	289,401
Obligation under finance lease	145	—	—	—	—	—	145
Deferred tax	9,998	—	—	—	—	—	9,998
	268,792	**—**	**—**	**—**	**14,809**	**28,783**	**312,384**
Current liabilities							
Interest-bearing borrowings	65,020	—	(47,000)	—	—	—	18,020
Obligation under finance lease	42	—	—	—	—	—	42
Trade and other payables	36,115	—	—	503	—	6,612	43,230
Other financial liability	16,950	—	—	—	—	—	16,950
Bank overdrafts	904	—	—	—	—	—	904
	119,031	**—**	**(47,000)**	**503**	**—**	**6,612**	**79,146**
Total liabilities	**387,823**	**—**	**(47,000)**	**503**	**14,809**	**35,395**	**391,530**
Net assets	**268,511**	**120,000**	**—**	**8,500**	**6,408**	**1,854**	**405,273**

Notes:

1. The net assets of the Group at 31 March 2018 have been extracted without material adjustment from the financial information of the Group for the period ended 31 March 2018 set out in the interim results for the nine months ended 31 March 2018 contained in Part 18 of this document and as published on the JSE stock exchange news service on 13 June 2018 and the subsequent statement of changes announced on 29 June 2018.

2. No account has been taken of the financial performance of the Group since 31 March 2018, nor of any other event save as disclosed above.

Adjustments:

3. For the purposes of this Pro Forma Financial Information, it has been assumed that the Issue raises the Minimum Net Proceeds of approximately US$120,000,000, as set out in paragraph 2 of Part 4 of this document. No account has been taken of the potential irrecoverable VAT, which depends upon future VAT recovery rates within relevant Group companies.

4. The adjustment reflects the repayment of debt of US$47,000,000 out of the proceeds of the Issue, as set out in paragraph 2 of Part 4 of this document.

5. The table below indicates an analysis of the adjustments made to the Pro Forma Financial Information in respect of acquisitions which were completed subsequent to 31 March 2018 but prior to Initial Admission.

	Purchase of Capital Place (note a) US$'000
Assets	
Non-current assets	
Investment property	—
Property, plant and equipment	—
Intangible assets	—
Investments in available-for-sale financial assets	—
Investments in associates	9,003
Related party loans	—
Loans receivable	—
Deferred tax	—
	9,003
Current assets	
Current tax receivable	—
Trade and other receivables	—
Cash and cash equivalents	—
	—
Total assets	**9,003**
Liabilities	
Non-current liabilities	
Preference shares	—
Interest-bearing borrowings	—
Secured finance leases	—
Deferred tax	—
	—
Current liabilities	
Interest-bearing borrowings	—
Secured finance leases	—
Trade and other payables	503
Cash and cash equivalents	—
	503
Total liabilities	**503**
Net assets	**8,500**

Notes

a. The adjustment reflects the acquisition of 47.5% of Capital Place for US$8,500,000, comprising gross consideration of US$9,003,139, less a deferred purchase price subject to audit of US$503,139, funded from the issue of shares to the vendor. The investment has been accounted for as an associate in accordance with IFRS standard IAS 28: Investment in Associates and Joint Ventures.

6. The table below shows an analysis of the adjustments made to the pro forma in respect of acquisitions that will complete after Initial Admission which have all been agreed but are not conditional upon Initial Admission as they will largely be funded via a vendor placing.

	Purchase of 5th Avenue (note a) US$'000
Assets	
Non-current assets	
Investment property	20,775
Property, plant and equipment	—
Intangible assets	—
Investments in available-for-sale financial assets	—
Financial assets	325
Investments in associates	—
Related party loans	—
Loans receivable	—
Deferred tax	—
	21,100
Current assets	
Current tax receivable	—
Trade and other receivables	110
Cash and cash equivalents	7
	118
Total assets	**21,218**
Liabilities	
Non-current liabilities	
Preference shares	—
Interest-bearing borrowings	14,809
Secured finance leases	—
Deferred tax	—
	14,809
Current liabilities	
Interest-bearing borrowings	—
Secured finance leases	—
Trade and other payables	—
Cash and cash equivalents	—
	—
Total liabilities	**14,809**
Net assets	**6,408**

Notes

a. The acquisition of 100% of Fifth Avenue has been agreed for a gross consideration of US$20,500,000 together with cash and receivables of US$117,715. The purchase price will be settled via the issue of shares to the vendor amounting to US$6,150,000 and through debt raised of US$14,809,284. The property has been valued by an independent valuer at a value of US$21,100,000 including the rental guarantee valued at US$325,298, resulting in a net revaluation surplus of US$258,431 after deducting acquisition costs amounting to US$341,569.

7. The table below shows an analysis of the adjustments made to the pro forma in respect of the acquisitions of the CADS II Building and Acacia Estate, which have all been agreed conditional upon Initial Admission.

	Purchase of CADS II (note a) US$'000	Purchase of Acacia Estate (note b) US$'000	Total US$'000
Assets			
Non-current assets			
Investment property	—	60,700	60,700
Deposits paid on investment properties	—	—	—
Property, plant and equipment	—	—	—
Intangible assets	—	—	—
Other investments	—	—	—
Financial assets	—	—	—
Investments in associates	10,726	—	10,726
Related party loans	—	—	—
	10,726	**60,700**	**71,426**
Current Assets			
Current tax receivable	—	—	—
Derivative financial instruments	—	—	—
Trade and other receivables	—	—	—
Related party loans	—	—	—
Cash and cash equivalents	(10,726)	(23,451)	(34,177)
	(10,726)	**(23,451)**	**(34,177)**
Total assets	**—**	**37,249**	**37,249**
Liabilities			
Non-current liabilities			
Redeemable Preference shares	—	—	—
Interest-bearing borrowings	—	28,783	28,783
Obligations under finance leases	—	—	—
Deferred tax	—	—	—
	—	**28,783**	**28,783**
Current liabilities			
Interest-bearing borrowings	—	—	—
Obligations under finance leases	—	—	—
Trade and other payables	—	6,612	6,612
Other financial liabilities			
Bank overdraft	—	—	—
	—	**6,612**	**6,612**
Total liabilities	**—**	**35,395**	**35,395**
Net assets	**—**	**1,854**	**1,854**

Notes

a. The acquisition of 50% of the CADS II Building has been agreed for US$10,500,000 (with expected transaction costs of US$225,854 capitalised to the acquisition) to be funded from cash receipts from the Placing and Offer for Subscription. The investment has been accounted for as an associate in terms of IFRS standard IAS 28: Investment in Associates and Joint Ventures.

b. The acquisition of 80.1% of Acacia Estate has been agreed for a consideration of 80.1% of the net asset value determined based on a property value of US$61.9 million, less debt of US$28.8 million, existing shareholder loans of US$11.2 million and current liabilities of US$6.6 million, resulting in a net asset value of US$15.3 million. The Company will further settle the existing shareholder loans of US$11.2 million resulting in a purchase consideration of US$23.4 million. The acquisition will be funded by cash receipts from the Placing and Offer for Subscription of US$23,452,133, conditional upon Initial Admission. The transaction is being concluded net of all working capital and cash and neither taking into consideration the current assets nor the current liabilities of either TC Maputo and Cognis which shall be settled by way of an adjustment account The property has been independently valued at US$60,700,000, resulting in a decrease in reserves of US$0.958 million. The acquisition has been treated as the acquisition of an asset in accordance with IAS 40: Investment Property, and specifically scoped out of IFRS 3: Business Combinations in terms of IFRS. The sources of the information are the independent property valuation, the transaction agreement and limited extracts from the annual financial statements for the year ended 31 December 2017.

PART 17

OPERATING AND FINANCIAL REVIEW

This Part 17 should be read in conjunction with the historical financial information contained in Part 15 of this document, the information on the Company and the Group contained in Part 2 and the information on the Group's Existing Portfolio and New Portfolio in Part 3 of this document. Prospective investors should read the entire document and not rely solely on the summary information set out below. The financial information considered in this Part 17 is extracted without material adjustment from the historical financial information in Part 15 of this document.

The following discussion of the Group's results of operations and financial condition contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, particularly in risk factors set out in the section of this document headed "Risk Factors".

*References to "the periods under review" are to the financial years ended 30 June 2015 ("**FY 2015**"), 30 June 2016 ("**FY 2016**") and 30 June 2017 ("**FY 2017**") and the seven month period ended 31 January 2017 and the seven month period ended 31 January 2018.*

In preparation for LSE Admission and the requirement to present historical financial information for the three years ended 30 June 2017, 30 June 2016 and 30 June 2015, the Directors identified a number of adjustments. These adjustments arose from both variations in the established practice of applying IFRS in different jurisdictions and also the correction of prior period errors.

1 Overview

Grit Real Estate Income Group Limited is a leading pan-African real estate company focusing on real estate investment assets in pre-selected African countries (excluding South Africa), these assets being underpinned by predominantly US Dollar and Euro denominated long-term leases with high quality tenants, delivering strong sustainable long-term income.

Given the high economic growth experienced in a number of countries in Africa and the resultant rapid expansion of, and investment in, infrastructure to support this growth, the Company was founded to offer investors direct participation in property markets on the continent (excluding South Africa), whilst earning predominantly Dollar and Euro-based income from international tenants at emerging market yields.

At the date of this document, Grit has a portfolio of 20 properties plus one vacant land plot held for development. In addition, Grit owns a 6.25 per cent. equity investment in Letlole La Rona ("**LLR**") a listed Botswana industrial property group. Grit's current geographical footprint is Mauritius, Mozambique, Morocco, Zambia, Kenya, Ghana and Botswana and its existing properties are in the following sectors: retail; commercial; light industrial; corporate accommodation; and hospitality.

2 Key performance indicators

The Group presents certain key performance indicators in this document. The Directors believe that these indicators are important to understanding the Group's performance from period to period and that they facilitate comparison with the Group's peers, although these indicators may not be comparable with similarly titled performance indicators presented by others in the Group's industries and the methods of calculation may differ across those industries. These performance indicators are not intended to be a substitute for, or superior to, any IFRS measures of performance. These performance indicators are based on Company estimates, are not part of the Group's historical financial information and have not been audited or otherwise reviewed by external auditors, consultants or experts.

The table below summarises the key performance indicators for the periods under review:

Key Performance Indicators	Year ended 30 June 2017	2016	2015	Seven months ended 31 January 2017	Seven months ended 31 January 2018
Total property portfolio[1] (US$ million)	488	294	210	338	581
Distributions per Share (US$ cents)	12.07	11.75	11.29	6.12	6.07
Loan-to-value (%)	50.4	50.8	48.3	54.3	55.7
WALE (years)	7.8	5.8	7.1	7.3	7.1
Weighted average lease escalation (%)	3.5	3.6	3.4	3.4	3.4
Weighted average cost of debt (%)	5.8	6.2	6.9	5.8	5.6
Weighted average rental per m^2 (US$)	19.3	23.2	27.0	17.9	18.6
Occupancy rate (%)	97	97	96	98	97

[1] Total property portfolio = Investment properties + Deposits paid on investment properties + Investments in associates + Other loans receivables (as presented in the Consolidated Statement of Financial Position in Part 15 Section B)

3 Principal factors affecting the Group's results of operations

The following discussion highlights those factors currently known, or expected by the Directors, to have a material effect on the Group's results of operations.

3.1 Rental income

Lease driven rental income and recoveries are the primary sources of revenue for the Group and are expected to remain the primary source of recurring revenue for the Group for the foreseeable future.

Rental income is affected by a number of factors and may fluctuate from year-to-year and period-to-period. One of the key drivers of rental income is the level of underlying occupancy of the Group's portfolio of income-producing assets, with higher levels of occupancy generally having a positive impact on rental income. Occupancy levels are, in part, influenced by general economic conditions as low or no growth in the economy often results in tenant failures and higher vacancy rates.

Economic growth, on the other hand, is likely to lead to an increase in business demand across all sectors, as well as an increase in consumer spending, demand for retail goods and services and, as a consequence, higher occupancy rates as associated demand for office, retail and hospitality space increases.

Other factors which influence occupancy rates include employment levels, levels of consumer spending and changing consumer shopping habits, such as the growth in online retailing, which impact, among others, the financial condition of tenants.

Since listing on the Official Market of the SEM and the main board of the JSE, the Group's focus has been one of counterparty risk, rather than country risk. Over the periods under review, the resilience and tenure of the Group's tenant leases have proven the Group's focus on counterparty strength to be the correct approach. The Company applies stringent investment criteria based on the following key principles:

- ability to conclude leases in hard currency;
- ability to repatriate funds;
- ability to mitigate/insure against political and currency risk;
- land tenure; and
- ability to raise in-country debt.

Over the periods under review, the Group's occupancy levels have remained consistently high, standing at approximately 97.2 per cent., as at 30 June 2018. The 2.8 per cent. vacancy rate across the Group's portfolio, as at 30 June 2018, is primarily accounted for by the strategic vacancies created within Anfa Place Shopping Centre to achieve the medium-term objectives of the revitalisation and refurbishment works in progress.

In contrast to a number of years where high demand on the continent drove real estate prices to unprecedented levels, the normalisation of real estate markets in conjunction with relevant country-specific economic factors has seen several participants exit the market and sellers' pricing expectations return to more realistic levels.

The strength of the Group's portfolio is the quality of its tenants and the lease income stream that is largely US Dollar or Euro denominated. As a result, the performance of the Group's assets has remained stable despite some of the most challenging economic times in certain countries of operations. If economic conditions were to undergo a prolonged worsening or become more unfavourable, the Group may be required to change its strategy to managing occupancy levels by offering more favourable terms to tenants, such as agreeing monthly payments or temporary reductions in rent over longer periods than may generally be offered at present.

Net rental income may also fluctuate as a result of the signing of a new lease contract by a tenant, a tenant not renewing its lease at the end of its term or as new properties are acquired, developed or sold. For additional discussion on the impact of acquisitions and development, see paragraph 3.3 below.

Restatement of historical financial information – revenue recognition and measurement

The Group has amended its accounting policy and treatment for recognition of cash received from the vendors of properties, either for claims under rental guarantees provided by the seller, or rentals accruing to Grit prior to the date of transfer of the property in terms of IAS 18 Revenue.

Vendor rental guarantees

In acquiring certain properties, the Group has been the beneficiary of rental guarantees as well as net operating income guarantees from the vendors. The Group's accounting policy in respect of amounts received under such guarantees was to recognise them as revenue. Given that such amounts are receivable from the vendor rather than tenants, the Group has now determined that such amounts should be accounted for as an adjustment to the acquisition costs of the asset.

Where a property acquisition cost is adjusted by any amounts received under rental guarantees there will be a corresponding adjustment to the fair value movement on the property.

Tenant lease incentives and rent concessions

In the ordinary course of business, the Group has provided tenants with rent concessions and lease incentives. The principles established in IAS 17 Leases require that such costs are recognised on a straight-line basis over the lease term, unless another systematic basis is more appropriate. Having reconsidered the application of this principle, the Group has concluded that it is appropriate to revise the periods over which certain costs are being recognised.

Pre-transfer rental receipts

In December 2015, the Group entered into an agreement to acquire an investment property. Completion took place in January 2018 and the sale agreement provided for rental receipts to accrue to the Group during the intervening period. The Group's accounting policy in respect of these amounts was to recognise this rent receivable as revenue. Given that the right to rental receipts in the periods prior to completion results from an agreement with the vendor, the Group has now determined that such amounts should be accounted for as an adjustment to the acquisition cost of the asset. Following the completion of the property transfer in January 2018, the fair value movement in the property will include the adjustment for rent received pre-transfer.

The resultant impact to the profit and loss account from the above adjustments is a reduction in revenue recognised and an increase in the fair value movement of the properties in the relevant period.

The above items will have an impact on headline earnings per share, but do not affect distribution as all cash generation is included in distribution. The above treatment will be considered a company specific adjustment to EPRA Earnings in the future, and included in the distribution calculation.

3.2 **Movements in investment property prices**

The market value of the Group's property portfolio is assessed by external independent valuers on an open-market basis. The valuation of investment properties is published and reflected in the Group's consolidated statement of financial position. The change in commercial property yields, which have a considerable impact on property valuations, is driven by both macro and micro market factors and factors relating to each individual property asset such as its location, its assessed quality, facilities offered and tenancy demand. Revaluation gains and losses arising from movements in property valuations are reflected in the Group's consolidated statement of comprehensive income and thus have an impact on the Group's profit or loss for the period.

Such values assigned to the Group's properties may change as they are affected by a number of macro-economic and sector-specific factors that are outside the Group's control, including, amongst others, GDP growth rates, business and consumer confidence levels, demand for business products and services, levels of corporate profitability, government building and infrastructure initiatives, the general availability and cost of credit and interest rates.

The Group's investment properties are revalued bi-annually – once by way of an independent RICS-accredited external valuer (for financial year end reporting); and the second by way of internal Director's valuations (for half year interim reporting). As a result, the Group's profit may experience volatility as valuation factors may change between reporting dates. As a result of the revaluation of the Group's properties in accordance with IAS 40, net revaluation gains/losses recognised on the income statement were a gain of US$7.9 million for FY 2015, a loss of US$4.6 million for FY 2016, a loss of US$20.7 million for FY 2017 and a gain of US$1.6 million for the interim seven month period ending 31 January 2018. Valuation changes recognised in the Group's consolidated income statement do not have an impact on the Group's cash position until the sale or other disposal of such property.

3.3 **Property acquisition and development**

As part of the Group's activities, the Group undertakes the purchase of property and the development and/or optimisation of available bulk within its existing property portfolio. This may include the acquisition of investment properties, the redevelopment and refurbishment of existing assets or the risk-controlled development of new assets on existing land parcels of existing assets offering additional bulk.

Acquisition and development expenditure may include construction costs, financing costs and professional fees. These costs utilise a fair proportion of the Group's capital resources and may affect the Group's results; however any such costs are pre-approved by the Company's Investment Committee on in-principle approval of feasible and viable investment activities considered.

Acquisitions, development and redevelopment of property may also have a significant impact on the Group's results due to the extent that they impact rental income. The addition of new significant tenants when a property is acquired or a property under development is completed, as well as delays in the development or refurbishment process, could result in material fluctuations in the Group's net rental income or operating profit between given periods.

3.4 **Cost and availability of financing**

Financing remains integral to the Group's business model. Funding costs, recognised in the financial information as interest expense, are the result of the decision to finance certain activities of the Group with external financing, primarily bank loans. While the Group aims to arrange the majority of its debt on a fixed rate basis, either through fixed rate term facilities or the Group entering into interest rate swaps, movements in the cost of debt on non-fixed rate facilities may potentially have a significant impact on the long term profitability of the Group. Funding is required to support the Group's development expenditure and to refinance maturing debt. The availability of debt funding will have a significant impact on the Group's profitability and capital structure. Should debt funding be restricted then the Group may become reliant on equity or equity-related capital. This could increase the Group's overall cost of capital and make certain types of property investment economically unattractive or not feasible. A severe rationing of debt funding over the longer term may require the Group to dispose of property assets, potentially at unattractive prices, to avoid expensive refinancing costs.

4 Significant events

The following are the significant events which have occurred in connection with the principal activities of the Group over the periods under review and up to the date of publication of this document:

July 2014	Acquired Commodity House Phase I (Mozambique) as its first asset for US$32.5 million
July 2014	Acquisition of Anfa Place Shopping Centre (Morocco) for US$114.68 million
July 2014	Completion of inward listing on the JSE Limited's ALT-X Board
March 2015	Maiden distribution of US$6.64 cps
March 2015	Debut on Official Market of the SEM and migration from BSX
April 2015	Introduction of the Government Employees Pension Fund (of South Africa) as anchor Shareholder in US$42.0 million capital raise
April 2015	Acquisition of Hollard/KPMG (Mozambique) building for US$14.9 million
May 2015	Acquired the Vodacom Building (Mozambique) for US$49.0 million
June 2015	Maiden issue of shares on the SEM
July 2015	Transfer of the Company's listing from the ALT-X Board to the Main Board of the JSE Limited
August 2015	Paid second distribution of US$4.65 cps, taking FY2015 distribution to a total of US$11.29 cps
August 2015	Acquisition of Zimpeto Square (Mozambique) for US$10.2 million
November 2015	Grit and Pivotal enter into a business relationship agreement to work together and develop a pipeline through promoter agreements to source investment opportunities
December 2015	Acquired 50 per cent. stakes in Kafubu Mall and Mukuba Mall (Zambia) for US$40.6 million
February 2016	Acquisition of Barclays House (Mauritius) for US$13.6 million
March 2016	Paid third distribution of US$6.17 cps for the six-month period ended 31 December 2015
April 2016	Acquisition of a 50 per cent. stake in Buffalo Mall (Kenya) & Bollore Warehouse (Mozambique) for US$14.8 million (combined)
May 2016	Internalisation of the Group's asset management function and team
October 2016	Paid fourth distribution of US$5.58 cps, taking FY2016 distribution to a total of US$11.75 cps
December 2016	Leaseback acquisition of a 44.4 per cent. stake in Beachcomber Hospitality Investments (BHI), owner of 3 luxury resorts in Mauritius for US$83.4 million
March 2017	Leaseback acquisition of Tamassa Resort (Mauritius) from Lux Resorts for US$40.0 million and acquisition of Mall de Tete (Mozambique) for US$24.2 million
March 2017	Paid fifth distribution of US$6.12 cps
June 2017	Sixth distribution – clean out dividend for period 1 January 2017 to 30 April 2017 of US$4.57 cps prior to rights offer

June 2017	Raised US$121.0 million by way of a rights offer at an issue price of US$1.40 per Ordinary Share, significantly increasing market cap and asset value to approximately US$600 million
June 2017	Acquisition of a 50 per cent. stake in Cosmopolitan Mall (Zambia) for US$37.2 million
July 2017	Shareholders approved Grit's rebrand and name change to Grit Real Estate Income Group Limited, reflecting the Group's current reality and future growth ambitions
August 2017	Acquisition of Imperial Distribution Centre (Kenya) for US$18.0 million
August 2017	Acquisition of a 6.25 per cent. stake in Letlole La Rona (Botswana) for US$3.8 million
September 2017	Completion of Commodity House Phase II (Mozambique) at a cost of US$15.9 million and a value of US$17.4 million
October 2017	Inclusion into the SEM-10 Index
October 2017	Paid final distribution for FY 2017 (and seventh in total) of US$1.38 cps, taking the full distribution for the year to US$12.07 cps
January 2018	Acquisition of VDE Housing Estate (Mozambique) for US$33.1 million
March 2018	Paid eighth distribution of US$6.07 cps
April 2018	Announcement of intention to list on the London Stock Exchange
May 2018	Acquisition of a 47.5 per cent. interest in Capital Place Building in Accra (Ghana) for US$8.5 million

4.1 **Results of operations**

The selected financial information for the Group for the periods under review set out below has been extracted without material adjustment from the audited consolidated financial information of the Group in Part 15 of this document. Shareholders should read the audited consolidated financial information referred to above and should not rely solely on the selected financial information contained herein.

4.2 **Consolidated statement of comprehensive income**

The following table sets out selected components of the Group's consolidated income statement and certain key performance indicators for FY 2017, FY 2016 and FY 2015:

Consolidated statement of comprehensive income	**Year ended 30 June**		
(US$'000)	**2017**	**2016**	**2015**
Gross rental income	22,872	19,986	13,589
Net property income	23,727	19,577	12,378
Other income	254	805	384
Administrative expenses	(7,900)	(5,683)	(5,537)
Profit/(loss) from operations	16,081	14,699	7,225
Profit/(loss) before interest and taxation	(977)	2,844	2,474
Profit/(loss) before tax	(10,351)	(7,229)	(1,075)
Profit/(loss) after tax	(7,435)	(17,763)	(3,580)
Total comprehensive income/(loss)	(4,390)	(17,970)	(3,196)
Basic earnings per Ordinary Share (cents)	(6.04)	(22.01)	(6.05)
Key performance indicators[1]			
EPRA earnings per Ordinary Share (cents)	4.92	(3.55)	(17.99)
Adjusted EPRA earnings per Ordinary Share (cents)	5.41	6.34	6.60

1 These performance indicators are not part of the Group's historical financial information and have not been audited or otherwise reviewed by external auditors, consultants or experts.

The following table sets out selected components of the Group's consolidated income statement and certain key performance indicators for the seven month period ended 31 January 2018 (and the corresponding figures for the seven-month period ended 31 January 2017 (unaudited)):

Consolidated statement of comprehensive income (US$'000)	Seven-month period ended 31 January 2018	Seven-month period ended 31 January 2017 (unaudited)
Gross rental income	17,175	11,725
Net property income	27,004	11,750
Other income	30	(203)
Administrative expenses	(9,152)	(4,887)
Profit/(loss) from operations	17,882	6,660
Profit/(loss) before interest and taxation	30,556	(314)
Profit/(loss) before tax	22,387	(5,078)
Profit/(loss) after tax	22,235	(2,843)
Total comprehensive income/(loss) for the period	22,612	(1,472)
Basic earnings per Ordinary Share (cents)	11.49	(2.43)
Key performance indicators[1]		
EPRA earnings per Ordinary Share (cents)	5.30	(1.14)
Adjusted EPRA earnings per Ordinary Share (cents)	3.38	3.02

1 These performance indicators are not part of the Group's historical financial information and have not been audited or otherwise reviewed by external auditors, consultants or experts.

4.3 Consolidated balance sheet data

The following table sets out selected components of the Group's consolidated balance sheet and certain key financial metrics as at 30 June 2017, 30 June 2016 and 30 June 2015:

Consolidated statement of financial position (US$'000)	As at 30 June 2017	As at 30 June 2016	As at 30 June 2015
Non-current assets	489,881	295,492	210,509
Current assets	49,912	33,112	25,353
Total assets	539,793	328,604	235,862
Non-current liabilities	207,972	139,456	14,071
Current liabilities	74,637	50,831	99,897
Total liabilities	282,609	190,287	113,968
Total equity and liabilities	539,793	328,604	235,862
Key performance indicators[1]			
Net assets per Ordinary Share (cents)	128.9	140.2	166.5
EPRA net assets per Ordinary Share (cents)	137.4	159.9	169.7

1 These performance indicators are not part of the Group's historical financial information and have not been audited or otherwise reviewed by external auditors, consultants or experts.

The following table sets out selected components of the Group's consolidated balance sheet and certain key financial metrics as at 31 January 2018 (and the corresponding figures as at 31 January 2017 (unaudited)):

	As at 31 January	
Consolidated statement of financial position (US$'000)	**2018**	**2017 (unaudited)**
Non-current assets	588,280	340,326
Current assets	59,607	20,635
Total assets	647,887	360,961
Non-current liabilities	247,477	122,985
Current liabilities	122,919	87,880
Total liabilities	370,396	210,865
Total equity and liabilities	647,887	360,961
Key performance indicators[1]		
Net assets per Ordinary Share (cents)	139.3	127.1
EPRA net assets per Ordinary Share (cents)	147.0	142.7

1 These performance indicators are not part of the Group's historical financial information and have not been audited or otherwise reviewed by external auditors, consultants or experts.

5 Description of key income statement items

5.1 Net property income

Net property income consists of gross rental income generated by the Group's property assets less property operating expenses directly associated with the generation of that income.

5.2 Rental income

Rental income is recognised on an accruals basis. Rental income is recognised on a straight-line basis over the entire lease term. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial indirect costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the expiry date of the lease.

Where a lease incentive payment is paid to enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the expiry date of the lease.

5.3 Property operating expenses

Property operating expenses relate only to the costs directly associated with the generation of rental income and do not include general and administrative expenses associated with the Group's operations. Property operating expenses include expenses on the provision of property management services typically recovered from tenants through the service charge.

Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the expiry date of the lease.

Service income is recognised in the accounting period in which the services are rendered and the related property expenses are recognised in the period in which they are incurred.

5.4 Administrative expenses

Administrative expenses primarily comprise staff costs and other administrative costs, such as IT, travel, office-related expenditure and legal, accounting and other professional fees. They are recognised in the accounting period in which they are incurred on an accruals basis. Staff costs consist mainly of salaries and bonuses paid to employees of the Group and associated costs. Non cash items charged to administrative expenses include some share based payments.

5.5 **Investment in associated companies**

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20 per cent. and 50 per cent. of the voting rights. Investments in associates are accounted for under the equity method.

The Group's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition. They are initially recognised at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associates less any impairment in the value of individual investments. Any excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

5.6 **Net valuation movement**

The gain or deficit on revaluation of investment and development property reflects the periodic movement in the market value of the Group's investment and development properties, determined by independent valuers. A property's valuation is generally a function of a property's projected rental income and the nominal equivalent yield used to discount the property's projected rental income. Nominal equivalent yield is the effective annual yield to a purchaser from an asset at that asset's market value after taking account of notional acquisition costs and assuming rent is receivable annually in arrear rather than reflecting the actual rental cash flows, gains or losses arising from changes in the fair value of investment properties and any gains or losses arising from the re-measurement of a property to fair value once the Group begins to redevelop it with a view to selling it and therefore transfers it to trading properties to be held as a current asset are included in the income statement in the period in which they arise.

5.7 **Net finance expense**

Net finance expense is the Group's finance income (comprising interest received on the Group's cash and short-term deposits and cash equivalents) less the Group's finance costs (comprising interest payable on bank loans and debt instruments). Finance income and costs are recognised using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Revaluations include a cash component resulting from rental guarantees, income guarantees and pre-transfer rentals that have been recorded as reductions in purchase price.

5.8 **Profit for the year after taxation**

Profit for the year after taxation is the post-tax results of the Group's operations after all income and expenses.

6 Description of key balance sheet items

6.1 **Investment properties**

Property held to earn rental income and for capital appreciation is classified as investment property. Investment property comprises both freehold and leasehold land and buildings.

Investment property is recognised as an asset when: (i) it is probable that the future economic benefits that are associated with the investment property will flow to the Company; (ii) there are no material conditions precedent which could prevent completion of its acquisition; and (iii) the cost of the investment property can be measured reliably.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Valuations are prepared on a biannual basis – once by way of an independent RICS-accredited external valuer (for financial year end reporting); and the second by way of internal Director's valuations (for half year interim reporting). Gains or losses arising from changes in the fair value of investment property are included in the income statement in the period in which they arise.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property remains an investment property and is accounted for as such. When the Group begins to redevelop an existing investment property with a view to selling it, the property is transferred to trading properties and held as a current asset. The property is re-measured to fair value as at the date of the transfer with any gain or loss being taken to the income statement. The re-measured amount becomes the deemed cost at which the property is then carried in trading properties. The Group does not currently classify any developments as trading property.

In completing these valuations, the valuer considers the following:

- current prices in an active market for properties of a different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

6.2 Cash and cash equivalents

Cash and cash equivalents are also classified as loans and receivables. They are subsequently measured at amortised cost. Cash and cash equivalents include cash in hand.

6.3 Borrowings

Borrowings comprises secured bank loans taken by members of the Group on the Group's own balance sheet.

7 Comparison of the seven months ended 31 January 2018 (7M 2018) with the seven months ended 31 January 2017 (unaudited) (7M 2017)

7.1 Financial results

Net property income

Net property income for 7M 2018 increased by 129 per cent. on the previous year, from US$11.8 million for 7M 2017 to US$27.0 million for 7M 2018.

This increase was due primarily to asset acquisitions in the latter half of the previous financial year, being Tamassa Resort, Cosmopolitan Mall and Mall de Tete, together with Imperial Distribution Centre and Beachcomber Hotels that transferred during August 2017 and the completion of Commodity House Phase II in September 2017. The rental income increase included the impact of the hard currency based rental escalations. Operating costs were maintained at expected levels.

Administrative expenses

Administrative expenses increased by 87 per cent., from US$4.9 million for 7M 2017 to US$9.2 million for 7M 2018, in line with the significant scaling up of the business over that period. Despite this absolute increase, the Group's cost ratios continued to improve as the scale of the business increased.

Net interest expense

Net interest expense for 7M 2018 totalled US$8.2 million compared to US$4.8 million for 7M 2017, an increase of 71 per cent. The increase in net interest expense reflects the utilisation of debt financing to increase the Group's property portfolio.

The Group's hedging strategy during 7M 2018 remained prudent with 33 per cent. (7M 2017: 62 per cent.) of Group debt hedged either on a fixed or capped basis. Group interest cover (aggregate cash interest payable as a proportion of aggregate property income received) also remained positive at 2.42 times (7M 2017: 2.24 times).

Profit for the period after taxation

The total profit for the period after taxation for 7M 2018 was US$22.2 million (7M 2017: a loss of US$2.8 million). This year-on-year increase of US$25.0 million was due predominantly to an increase in rental income and in share of profits from associates arising from acquisitions of properties and associates during 7M 2018 (as explained above) as well as upward fair value property valuations recorded during the year.

The increase was also due to an increase in interest income arising from back-to-back loans granted to the Group's Zambian partners in relation to a 5-year US$77.0 million facility provided by Bank of China and arranged by the Group to help fund the Zambian property portfolio.

7.2 Selected balance sheet data

Investment properties

Investment properties amounted to US$382 million as at 31 January 2018 compared to US$246 million as at 31 January 2017, a 55 per cent. increase, representing the significant investment made by the Group in acquiring additional investment properties following the Group's successful capital raisings in 2017, which raised US$156 million of gross proceeds.

US$581 million of property-related assets (7M 2017: US$338 million), including both assets acquired on balance sheet and through associated company investments, had been acquired by the end of 7M 2018 at an average net initial yield of 8.48 per cent. (7M 2017: 8.39 per cent.)

The revaluation gain for 7M 2018 was US$1.6 million after purchase costs (7M 2017: revaluation loss of US$6.1 million).

Cash and cash equivalents

The Group held cash reserves of US$7.9 million as at 31 January 2018 (as at 31 January 2017: US$1.4 million). The difference between the cash reserves held as at 31 January 2018 and those held as at 31 January 2017 was largely as a consequence of an increase in cash generated from operating activities.

Borrowings

During 7M 2018, the Group originated US$122 million of new senior debt facilities (7M 2017: US$34 million). The total interest cost (including fees) on the new senior debt facilities was 5.06 per cent.

7.3 Key financial metrics

*Earnings per share ("**EPS**")*

EPS is an important performance indicator for the Group as it relates to recurring profits only, excluding investment property revaluations and gains on disposals, intangible asset movements and their related taxation. Basic EPS is calculated by dividing the profit or loss by the weighted average number of Ordinary Shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to Shareholders and the weighted average number of Ordinary Shares outstanding adjusted for the effects of all dilutive potential Ordinary Shares.

Basic and diluted EPS was US$11.49 cents for the seven month period ended 31 January 2018 (7M 2017: negative US$2.43 cents), which included the impact of an increase in rental income and in share of profits from associates, upward fair value property valuations recorded during the year and reductions in provisions for deferred tax that had been recorded in prior years.

*Net asset value ("**NAV**") per share*

Net asset value is an important performance indicator for the Group and represents consolidated equity shareholders' funds of the Group. Net asset value per share is calculated by dividing NAV by the number of Ordinary Shares in issue as at the relevant balance sheet date.

NAV per Share as at 31 January 2018 increased by 9.6 per cent. to US$139.3 cps (FY 2017: US$127.1cps). The movement relates to upward fair value property valuations recorded during the year and reductions in provisions for deferred tax that had been recorded in prior years, partially offset by a decrease in the valuation of Anfa Place Shopping Centre (see below) as well as the clean-out dividend paid in June 2017 followed by the successful rights issue (where approximately 86 million Shares were issued at US$1.40 per share).

EPRA NAV per Share as at 31 January 2018 increased by 3.0 per cent. to US$147.0 cps (7M 2017: US142.7 cps), the main factors being as set out above, but excluding the impact of the reductions in provisions for deferred tax (which do not impact EPRA NAV).

8 Comparison of the financial years ended 30 June 2017 and 30 June 2016

8.1 Financial results

Net property income

Net property income for FY 2017 increased by 21 per cent. on the previous year, from US$19.6 million for FY 2016 to US$23.7 million for FY 2017.

This increase was due primarily to US$184.8 million of acquisition activity completed during FY 2017, as well as the full year impact of acquisition activity completed in FY 2016.

Administrative expenses

Administrative expenses increased by 39 per cent., from US$5.7 million for FY 2016 to US$7.9 million for FY 2017; however, despire this overall increase, the Group's cost ratios continued to improve as the scale of the business increased.

Net interest expense

Net interest expense for FY 2017 totalled US$9.4 million compared to US$10.1 million for FY 2016, a decrease of 7 per cent.

The Group's hedging strategy during FY 2017 remained prudent with 47 per cent. (FY 2016: 58 per cent.) of Group debt hedged either on a fixed or capped basis. Group interest cover (aggregate cash interest payable as a proportion of aggregate property income received) also remained positive at 2.42 times (FY 2016: 1.89 times).

Profit for the year after taxation

The total loss for the year after taxation for FY 2017 was US$7.4 million (FY 2016: loss of US$17.8 million). This loss was due predominantly to a decrease in the valuation of Anfa Place Shopping Centre ("**Anfa**"), offset to some degree by new properties coming on stream (which increased net property income by 17 per cent.) With regards to Anfa, the Directors estimate that the devaluation of the property is temporary in nature (see detailed explanation on Anfa below).

8.2 Selected balance sheet data

Investment properties

Investment properties amounted to US$308 million as at 30 June 2017 compared to US$240 million as at 30 June 2016, a 28 per cent. increase, representing the investment made by the Group in acquiring additional investment properties following the Group's successful capital raisings in 2017, which raised US$156 million of gross proceeds.

This included the acquisition of Tamassa Resort for US$40.0 million and acquisition of Mall de Tete for a net purchase consideration of US$12.7 million (purchase price of US$24.2 million less debt of US$13.3 million) in March 2017. As at June 2017, the Group also made deposits of US$21.4 million (FY 2016: US$5.6 million) on VDE Housing Compound and deposit of US$3.0 million on Imperial Distribution Centre (FY 2016: Nil).

Anfa Place Shopping Centre ("**Anfa**") was originally included in the accounts at 30 June 2017 at a Directors' valuation of 987.5 million Moroccan Dirham (approximately US$102.3 million). In addition, the initial pre-construction costs in relation to the redevelopment of Anfa of US$5.4 million were recorded at cost. As part of the proposed LSE Admission, Anfa was subject to an external professional valuation as at 31 January 2018 which valued the property at 850 million Moroccan Dirham (approximately US$92.9 million).

The Directors' valuation at 30 June 2017 was not prepared on a comparable basis. Having reviewed the external valuation at 31 January 2018 and considered the property market of Morocco, both generally and specific to Anfa, during the seven months to 31 January 2018, the Directors have concluded that the external valuation undertaken as at 31 January 2018 is better evidence of the value of Anfa at 30 June 2017 and have therefore adopted this value into the accounts at 30 June 2017 as a restated Directors' valuation. The external valuation included the final project plan, construction costings (which were not finalised prior to the issue of the 30 June 2017 financial statements) as well as the negotiated rental concessions with tenants related to relocation and fit out allowances that was approved by the Board in November 2017.

The impact of the above has been to reduce previously reported net assets for 2017 by US$20.2 million (FY 2016 – reduction of US$0.3 million).

The Directors estimate that the devaluation of the property is temporary in nature with completion of the project within the next 18 months expected to eliminate the negative impact the construction costs have on cashflow, risk weightings on discount rates and exit capitalisation rates used in the discounted cashflow model utilised to value the property.

US$488 million of property-related assets (FY 2016: US$294 million), including both assets acquired on balance sheet and through associated companies, had been acquired by the end of FY 2017 at an average net initial yield of 8.39 per cent. (FY 2016: 8.69 per cent.)

The revaluation loss for FY 2017 was US$20.7 million after purchase costs (FY 2016: loss of US$4.6 million), mainly a result of the above decrease in the valuation of Anfa.

Cash and cash equivalents

The Group held cash reserves of US$24.2 million as at 30 June 2017 (FY 2016: US$17.8 million). The cash reserves held as at 30 June 2017 were largely as a consequence of cash received but not yet deployed from the capital raise in June 2017.

Borrowings

During FY 2017, the Group originated US$171 million of new senior debt facilities (FY 2016: US$143 million). The total interest cost (including fees) on the new senior debt facilities was 6.79 per cent.

8.3 Key financial metrics

Earnings per share

Basic and diluted EPS was negative US$6.04 cents for the financial year ended 30 June 2017 (FY 2016: negative US$22.01 cents), due primarily as a result of downward adjustments to fair value property valuations (especially Anfa, as explained above).

Net asset value per share

NAV per share as at 30 June 2017 decreased by 8.1 per cent. to US$128.9 cps (FY 2016: US$140.2 cps). There are a number of factors that influenced this decrease with the main factors being the decrease in the valuation of Anfa as well as the clean-out dividend paid in June 2017 followed by the successful rights issue where approximately 86 million Shares were issued at US$1.40 per share.

EPRA NAV per share as at 30 June 2017 decreased by 14.1 per cent, to US$137.4 cps (FY 2016: US$159.9 cps), the main factors being as set out above.

9 Comparison of the financial years ended 30 June 2016 and 30 June 2015

9.1 Financial results

Net property income

Net property income for FY 2016 increased by 58 per cent. on the previous year from US$12.4 million for FY 2015 to US$19.6 million for FY 2016. This increase derived largely from the Group's growing investment property portfolio.

Administrative expenses

Administrative expenses totalled US$5.7 million for FY 2016 (including a non-cash charge of US$3.2 million for share based payments in relation to the internalisation of the asset management function) compared to US$5.5 million for FY 2015, an increase of 2.6 per cent. However, the Group's cost ratios improved as the scale of the business increased.

Net finance expense

Net finance expense for FY 2016 totalled US$10.1 million compared to US$3.5 million for FY 2015, an increase of 184 per cent. This increase derived largely from new debt facilities utilised by the Group to support funding of its new property acquisitions.

The Group's hedging strategy during FY 2016 remained prudent with 58 per cent. (FY 2015: 35 per cent.) of Group debt hedged either on a fixed or capped basis. Group interest cover (aggregate cash interest payable as a proportion of aggregate property income received) also remained positive at 1.89 times (FY 2015: 2.00 times).

Profit for the year after taxation

The total loss for the year after taxation for FY 2016 was US$17.8 million (FY 2015: US$3.6 million). The loss in FY 2016 was mainly due to charges for deferred tax liabilities that arose on investment properties during the year as well as a net revaluation loss on the property portfolio as a result of fair value adjustments, offset to some degree by the Group's significantly improved operating performance.

9.2 Selected balance sheet data

Investment properties

Investment properties amounted to US$240 million as at 30 June 2016 compared to US$210 million as at 30 June 2015, a 14 per cent. increase year-on-year representing the significant investment made by the Group in acquiring additional investment properties during that period.

This included the acquisitions of four properties for US$79.2 million in August and December 2015 and February and April 2016 together with deposits on properties of US$8.6 million.

US$294 million (FY 2015: US$210 million) of property-related assets, both on balance sheet and through associated companies, had been acquired by the end of FY 2016 at an average net initial yield of 8.69 per cent. (FY 2015: 8.81 per cent.)

The revaluation loss for FY 2016 was US$4.6 million after purchase costs (FY 2015: revaluation gain of US$7.9 million).

Cash and cash equivalents

The Group held cash reserves of US$17.8 million as at 30 June 2016 (FY 2015: US$6.2 million). The increase in the cash reserves held as at 30 June 2016 and those held as at 30 June 2015 was largely as a consequence of cash held under guarantee of US$11.7 million at 30 June 2016.

Borrowings

During FY 2016, the Group originated US$143 million of new senior debt facilities (FY 2015: US$133 million). This included taking on the existing loan facilities with Barclays Bank, Banco Unico and Rockcastle Global Real Estate Limited/Standard Bank. The total interest cost (including fees) on the new senior debt facilities was 5.84 per cent. (FY 2015: 6.88 per cent).

9.3 **Key financial metrics**

Earnings per share

Basic and diluted EPS was negative US$22.01 cents for the financial year ended 30 June 2016 (FY 2015: negative US$6.05 cents). This was mainly due to charges for deferred tax liabilities that arose on investment properties during the year, in addition to the downward revaluation of certain investment properties.

Net asset value per share

NAV per share as at 30 June 2016 decreased by 15.8 per cent., to US$140.2 cps (FY 2015: US$166.5 cps). The main factor that influenced this decrease was the aforementioned charges for deferred tax liabilities that arose on investment properties during the year, in addition to the downward revaluation of certain investment properties.

EPRA NAV per share as at 30 June 2016 decreased by 5.8 per cent., to US$159.9 cps (FY 2015: US$169.7 cps). The main factor that influenced this decrease was the downward revaluation on certain investment properties.

10 Liquidity and capital resources

10.1 Capital and liquidity requirements

The Group's liquidity requirements arise primarily from the need to fund the purchase and development of property, the repayment of borrowings and the payment of dividends, finance and administration costs. To date, these requirements have been funded largely through cash flow from operations, bank and other borrowings and equity financing. The Group receives relatively stable and predictable cash flows from its tenants and expects to continue to meet short term liquidity requirements through cash generated from operations and existing Group banking facilities. Capital acquisitions are typically funded through a combination of one or more of existing Group banking facilities, asset-specific debt funding provided by a range of lending banks and equity raisings.

Set out below is a description of the Group's current debt structure.

As at 30 June 2017, the Group had US$235.4 million (FY 2016: US$161.6 million) of on-balance sheet secured debt facilities representing an increase of 46 per cent. on the prior period. The increase was due to the new debt acquired from Bank of China (now the Group's biggest financier), State Bank Mauritius and Nedbank Limited.

As at 30 June 2016, the Group had US$161.6 million (FY 2015: US$101.7 million) of on-balance sheet secured debt facilities representing an increase of 59 per cent. since 30 June 2015. The increase in on-balance sheet secured debt facilities was largely due to the new debt acquired from Barclays Bank, Banco Unico and Rockcastle Global Real Estate Limited/Standard Bank.

The majority of the Group's debt is asset-specific (or secured) and is limited or non-recourse from the borrowing and guarantor entities to other Group companies. Please note, however, the risk factor headed "*Risks relating to the Group's borrowings*" set out in the section of this document headed "Risk Factors".

The Group's borrowing requirements are not subject to seasonality.

As at 31 January 2018, the Group had cash, short term investments and unutilised bank term facilities available in the aggregate amount of US$42.2 million.

The net indebtedness of the Group as at 30 April 2018 is set out at paragraph 16 of this Part 17.

10.2 Borrowings profile

During the periods under review, the Group had outstanding debt with the following terms and maturities:

Lender	Base rate	Margin	% Fixed	Initial facility	Interest rate	Maturity date	Weighted average cost of debt for the period ended 31 January 2018
Financial institution							
Bank Unico of Mozambique	27.50%	0.00%	0%	MZN182.7m	27.50%	Jul 2027	0.26%
Bank of China	6 Month Libor	4.00%	0%	$8.55m	5.45%	Sep 2022	0.11%
Bank of China	6 Month Libor	4.00%	0%	$77.7m	5.46%	Apr 2022	1.39%
Investec South Africa	3 Month Libor	4.0%-4.05%	63.6%	$15.7m + €36m	4.28%	Feb 2022	0.85%
Bank of China	6 Month Libor	5.10%	0%	$13.3m	6.52%	Feb 2022	0.30%
Investec Mauritius	3 Month Libor	4.50%	0.0%	$527k	5.79%	Sep 2021	0.01%
State Bank of Mauritius	3 month Libor + 4.25%	4.25%	0%	€9.0m + €3.2m	4.25%	Dec 2020	0.19%
State Bank of Mauritius	3.75%	0.00%	100%	€22.3m	3.75%	Mar 2020	0.35%
Standard Bank Mozambique	6.51%	0.00%	100%	$10.4m	6.51%	Sep 2019	0.23%
Standard Bank (Mauritius) Limited	3 Month Libor	5.50%	0%	$11.7m	6.99%	Mar 2019	0.04%
Barclays Bank Mauritius	3 Month Libor	4.00%	70%	$7.4m	5.33%	Feb 2019	0.13%
Standard Bank South Africa	3 Month Libor	5.50%	0%	$12m	6.88%	Nov 2018	0.08%
Barclays Bank Mauritius	3 Month Euribor	3.80%	0%	$20m	3.47%	Sep 2018	0.18%
Standard Bank South Africa	3 Month Libor	5.40%	70%	$38.0m	6.69%	Jul 2018	0.87%
Afrasia Bank Mauritius	3 Month Libor	3.50%	0%	€10m	3.50%	Nov 2018	0.07%
Barclays Bank Mauritius	1 Month Libor	4.00%	0%	$5m	5.38%	Feb 2018	0.02%
Nedbank South Africa	3 Month Libor	16.02%	0%	$5.6m	17.36%	Dec 2017 (settled)	0.29%
Barclays Bank Mauritius	1 Month Libor	4.00%	4%	$5.5m	5.23%	Oct 2017 (settled)	0.05%
Afrasia Bank Mauritius	3 Month Libor	5.4% – 6.5%	0%	Revolver	6.30%	Sep 2017 (settled)	0.25%
Standard Bank Mozambique	8.60%	4.40%	100%	$24.3m	13.00%	Settled	—
Standard Bank South Africa	1 Month Libor	6.50%	0%	$14.68m	6.42%	Settled	—
Vendor finance							
Anfa Plage SARL			0%	MAD62M	6.77%	Settled	—
Rockcastle Global Real Estate Ltd	5%	0.0%	100%	$19m	5.00%	Settled	—
Rockcastle Global Real Estate Ltd	5%	0.0%	100%	$13m	5.00%	Settled	—
Total weighted average cost of debt for the period ended 31 January 2018							**5.63%**

10.3 Financial covenants

The Group has financial covenants that apply to its secured limited or non-recourse debt. The two main covenants are loan-to-value ("**LTV**") and interest cover. As at the latest relevant date on which the Group was required to certify its compliance with the relevant financial covenants to the relevant lenders in respect of each facility, the Group was in compliance with all such financial covenant tests.

Compliance with financial covenants is an important matter in all of the Group's secured loans. Cure rights are incorporated into all loan agreements as any breach of a financial covenant would be a material issue. Compliance with financial covenants is continuously monitored. In the case of secured limited or non-recourse bank loans, a potential breach would be discussed with the relevant lender(s). This could result in a renegotiation or possible waiving of the relevant covenant. Actual covenant breaches can be rectified by a number of remedies such as additional security, temporary cash deposit or partial repayment before an event of default occurs.

11 Cash flow analysis

The following presents, for the periods under review, the Group's cash flow from operating activities, cash flow from investing activities, cash flow from financing activities and the decrease or increase (as the case may be) in cash and cash equivalents at the end of each period:

	Year ended 30 June			Seven months ended 31 January	Seven months ended 31 January
Consolidated statement of cash flows (US$'000)	**2017**	**2016**	**2015**	**2018**	**2017 (unaudited)**
Cash flows from operating activities	11,470	1,081	(4,703)	7,944	(11,509)
Cash flows from investing activities	(150,067)	(53,197)	(218,928)	(84,770)	(23,556)
Cash flows from financing activities	145,089	63,781	229,458	60,706	18,797
Net (decrease)/increase in cash and cash equivalents	6,492	11,665	5,827	(16,120)	(16,268)
Cash and cash equivalents at the beginning of the period	17,785	6,224	649	24,230	17,785
Effect of foreign exchange rates	(47)	(104)	(252)	(212)	(140)
Cash and cash equivalents at the end of the period	24,230	17,785	6,224	7,898	1,377

11.1 Cash flows from operating activities

The movement between 7M 2018 and 7M 2017 was largely due to the impact of acquisition activity completed in FY 2017 – resulting in an increase in net property income – as well as the effective management of working capital.

The movement between FY 2016 and FY 2017 was also largely due to the acquisition activity completed during FY 2017, as well as the full year impact of acquisition activity completed in FY 2016, resulting in an increase in net property incomeas well as improved management of working capital.

The movement between FY 2015 and FY 2016 was again due to the acquisition activity completed during FY 2016, as well as the full year impact of significant acquisition activity completed in FY 2015, resulting in an increase in net property income, as well as improved management of working capital.

11.2 Cash flows from investing activities

The movement between 7M 2018 and 7M 2017 was largely due to the acquisitions of Vale Housing Compound, Imperial Distribution Centre, Beachcomber Hotels and the construction of Commodity House Phase II.

The movement between FY 2016 and FY 2017 reflected a higher level of acquisition activity by the Group in FY 2017 including the acquisitions of Mall de Tete in Mozambique, Tamassa Resort in Mauritius and the equity stake in Cosmopolitan Mall in Lusaka, Zambia. Further investment in the form of a convertible loan was made for the Beachcomber transaction as well as back-to-back loans for the financing of the remaining two Zambian assets provided to the Group's local Zambian partners.

The movement between FY 2015 and FY 2016 reflected a lower level of acquisition activity by the Group in FY 2016 after significant acquisition activity in the prior year (the first full year of the Group's operations).

11.3 **Cash flows from financing activities**

The movement between 7M 2018 and 7M 2017 was largely due to loans obtained by the Group associated with new acquisitions made in 7M 2018 and the replacement of revolving credit facilities.

The movement between FY 2016 and FY 2017 was largely due to the large capital raise in FY 2017, specifically the rights issue in June 2017 of US$121.0 million.

The negative movement between FY 2015 and FY 2016 was largely due to the significant capital raised (and associated debt funding obtained) for the Group's initial acquisition activity in FY 2015, including for Anfa Place in Casablanca, Morocco, Commodity House, Hollard and the Vodacom buildings in Maputo, Mozambique.

12 Capital expenditure

Capital expenditure is spending associated with the development, redevelopment and refurbishment of the Group's property assets and purchases of new property assets.

The Group incurred US$15.4 million of capital expenditure in FY 2017 (FY 2016: US$Nil) on Commodity House Phase II and on the refurbishment of Anfa Place Shopping Centre. A further US$6.6 million of capital expenditure was incurred on Commodity House Phase II from July to December 2017, at which point it was capitalised as an investment property. Other than the amounts spent on Commodity House Phase II, there was no further significant capital expenditure in the seven-month period to 31 January 2018.

The Group's capital expenditure is principally funded by the debt facilities currently available to the Group, existing cash resources and cash generated from operating activities.

13 Capital structure and debt strategy

The Group seeks to enhance value for Shareholders both by investing in the business so as to improve the return on investment and by managing the capital structure. The capital of the Group consists of equity and debt. The Group aims to access debt and equity capital markets where good risk-reward opportunities arise. The Group's debt strategy focuses on conservative gearing at a low cost. The Directors aim to generate strong sustainable returns for Shareholders and in order to achieve that target a debt:equity ratio of approximately 50 per cent. to allow for a more efficient gearing structure. The Group may, however, take on specific projects, acquisitions or joint ventures that justify a slightly higher LTV.

In addition to the LTV ratio, the other key ratios used by the Group to monitor the capital structure of the Group are the balance sheet gearing ratio and the interest cover ratio. The Directors' medium to long-term preference is for the balance sheet gearing ratio to be less than 45 per cent., and interest cover to be greater than 2.0x.

The table below compares the Group's actual LTV, balance sheet gearing and interest cover ratio performance against its applicable financing policies over FY 2017, FY 2016 and FY 2015:

Period	**FY 2017**	**FY 2016**	**FY 2015**
LTV	50.4%	50.8%	48.3%
Interest cover	2.42	1.89	2.00

The table below provides a summary of the Group's existing loan facilities as at the Latest Practicable Date:

Debt provider	Facility amount (US$)	Drawdown date	Repayment date	Repayment terms	Payment frequency	Interest
Barclays	20,000,000[1]	12 Sept 17	01 Sept 18	Interest only	Annual	3M Euribor + 3.8%
Banco Unico	2,946,052	08 Jul 16	08 Jul 27	Amort	Monthly	Amort MZN at 27.5%
Bank of China	8,555,000	01 Sept 17	01 Sept 22	Interest only	Quarterly	6M Libor + 4%
Investec Bank	527,603	05 Sept 16	04 Sept 21	60% Amort	Monthly	3M Libor + 4.5%
Investec Bank (Euro)	36,345,651	12 Feb 16	10 Feb 22	Interest only	Quarterly	3M Libor + 4%
Investec Bank (US$)	14,829,947	12 Feb 16	10 Feb 22	Interest only	Quarterly	3M Libor + 4%
State Bank of Mauritius	15,160,353	16 Nov 17	31 Dec 20	Interest only	Quarterly	3M Libor + 4.25%
State Bank of Mauritius	27,722,044	23 Mar 17	23 Mar 20	Interest only	Quarterly	Fixed 3.75%
Standard Bank Mauritius	11,731,387	29 Dec 17	28 Mar 19	14% Amort	Quarterly	3M Libor + 5.5%
Standard Bank SA	12,000,000	28 Nov 17	27 Nov 18	Interest only	Quarterly	3M Libor + 5.5%
Standard Bank Mozambique	10,451,125	14 Jul 14	10 Sept 19	Interest only	Monthly	Fixed at 6.51%
Standard Bank SA	38,000,000	17 Jul 15	16 Jul 18	Interest only	Quarterly	3M Libor + 5.4%
Bank of China	13,300,000	01 Mar 17	28 Feb 22	Interest only	Bi-annually	6M Libor + 5.1%
Bank of China	76,405,125	19 Apr 17	18 Apr 22	Interest only	Bi-annually	6M Libor + 4%
Barclays	7,400,000	14 Feb 16	22 Feb 19	Interest only	Monthly	3M Libor + 4%
ABC Banking Corporation	8,500,000	22 Mar 18	31 Jul 18	Interest only	Monthly	3M Libor + 3.5%
State Bank of Mauritius	20,000,000[1]	19 Mar 18	23 Sept 18	Interest and Capital	At maturity	3M Euribor + 3%

(1) Euro equivalent.

14 Qualitative and quantitative disclosures about market risk

The Group's financial instruments consist mainly of deposits with banks, interest-bearing liabilities, trade and other receivables, trade and other payables. The Group's activities expose it to a variety of financial risks in relation to the financial instruments that it uses: market risk (including cash flow and interest rate risk), credit risk, liquidity risk and foreign exchange risk. A full review of the market risks faced by the Group is detailed in the notes to the historical financial information of the Group in Part 15 of this document. Exposure to market, credit and liquidity risk arises in the normal course of business.

14.1 Market risk

The Group has significant interest-bearing cash resources, the majority of which are held in business accounts with its principal bankers. The Group is exposed to interest rate risk through its variable rate cash balances and interest-bearing borrowings.

The Group manages its exposure to changes in interest rates by fixing interest rates in respect of borrowings. At 31 January 2018, interest rates in respect of 29% (30 June 2017 & 2016: 50% and 30 June 2015: 0%) of the Group's borrowings were fixed.

On 12 August 2015, the Group entered into an interest rate swap to effectively fix the interest rate on US$26.60 million, representing 16.1 per cent. of the total interest-bearing borrowings at that time. On 1 March 2016, the Group entered into an interest rate swap to effectively fix the interest rate on US$5.53 million, representing 3.1 per cent. of the total interest-bearing borrowings at that time. The weighted average effective rate of interest for FY 2017 was 5.78 per cent. (FY 2016: 6.22 per cent.) based on the interest rates on long-term borrowings, short-term bridge funding and debt structuring fees capitalised.

An increase of 1.0 per cent. in the interest rate on floating rate borrowings would result in an increase to finance charges of US$1.8 million (30 June 2017: US$1.9 million, 30 June 2016: US$1.5 million and 30 June 2015: US$0.75 million) pre-tax per annum. This was based on calculating the effective interest rate of the Group and adding 1.0 per cent. escalation to the effective interest rate.

14.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables, cash and cash equivalents and loans to subsidiaries. The Group's principal financial assets are cash, trade receivables and other receivables.

Credit risk arises from the risk that a tenant may default or not meet its obligations timeously. There is no significant concentration of credit risk as exposure is spread over a large number of counterparties and the financial position of the tenants is monitored on an ongoing basis, with contracts entered into with tenants meeting appropriate balance sheet covenants, supplemented by rental deposits or bank guarantees from international banks. The credit risk of loans to related parties is minimal due to the fact that the underlying subsidiaries have properties which are currently generating rental income. It is the Group's policy to deposit short-term cash investments with reputable financial institutions in order to mitigate the credit risk on the Group's cash and short-term deposits and derivative financial instruments.

Allowance is made for specific doubtful debts and credit risk is therefore limited to the carrying amount of the financial assets at financial year-end.

14.3 **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial commitments as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages this risk by holding cash balances, overdraft facilities and by regularly monitoring cash flows. The Group will utilise undrawn facilities and cash on hand to meet its short-term funding requirements. Non-current financial liabilities are serviced through cash generated from operations and the restructuring of debt upon maturity. Further to this the Group has taken out PRI to cover the Group in the event of any potential currency inconvertibility or exchange transfer limitations. The insurance cover for Mozambique cost 1.15 per cent. of the amount insured while the cost of the policy for Morocco is currently 0.40 per cent. per annum.

14.4 **Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and Moroccan Dirham (which itself is partially pegged to the Euro together with the US Dollar) and to a lesser extent the Mauritian Rupee, Mozambican Metical, Zambian Kwacha, Botswanan Pula, Ghanaian Cedi and Kenyan Shilling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has entered into US Dollar-denominated rental contracts with tenants within the Mozambican property portfolio. This will ensure that the Group is not exposed to a devaluation of rental income stemming from the Mozambican property portfolio. The rental contracts within the Moroccan property portfolio are not denominated in US Dollars.

14.5 **Capital risk**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns to Shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. The Board's policy is to maintain a strong capital base, comprising its Shareholders' interest, so as to maintain investor, creditor and market confidence and to sustain the future development of the business. It is the Group's stated purpose to deliver long-term sustainable growth in distributions per Share.

Since its formation and the acquisition of the initial portfolio in 2014, the Group's focus has been on growing the first publicly traded African real estate pure-play whilst delivering consistent US Dollar-based distributions to Shareholders against targets. During the periods under review, the Company has made eight distributions to Shareholders:

Distribution No.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Full/Half Year	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017 (1)	H2 2017 (2)	H1 2018
Description	Interim Distribution	Final Distribution	Interim Distribution	Final Distribution	Interim Distribution	Clean-out Distribution	Final Distribution	Interim Distribution
Amount (US$ cps)	6.64	4.65	6.17	5.58	6.12	4.57	1.38	6.07

To maintain or adjust the capital structure, the Group may adjust the amount of distributions paid to Shareholders, return capital to Shareholders, issue new Shares or sell assets to reduce debt.

15 Critical accounting estimates and judgments

In the application of the Group's accounting policies, which are described in the sections headed "Accounting policies" in Section B of Part 15 of this document, the Directors are required to make judgments, estimates and assumptions about the reported amounts of assets and liabilities, of revenues and expenses, and of gains and losses. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. The key assumptions concerning the future and other key sources of estimation uncertainty are described in the section headed "Critical judgments and estimates" in Section B of Part 15 of this document.

16 Capitalisation and indebtedness

The tables below set out the consolidated gross indebtedness of the Group as at 30 April 2018 and the consolidated Group capitalisation as at 31 March 2018.

The capitalisation information as at 31 March 2018 has been extracted without material adjustment from the unaudited interim consolidated financial statements of the Group included in Part 18 of this document.

The indebtedness information as at 30 April 2018 has been extracted, without material adjustment, from the Group's unaudited accounting records. The indebtedness statement has been prepared using accounting policies that are consistent with those used in preparing the Group's financial information for the period ended 31 January 2018 as set out in Part 15 of this document.

	As at 30 April 2018 (unaudited) US$'000
Current Debt	
Guaranteed[(1)]	46,512
Secured[(2)]	12,042
Guaranteed and secured	56,789
Total Current Debt	**115,343**
Non-current Debt (excluding current portion of long-term debt):	
Guaranteed[(1)]	15,025
Secured[(2)]	3,475
Guaranteed and secured	187,361
Total Non-current Debt	**205,861**
Total indebtedness	**321,204**

	As at 31 March 2018 (unaudited) US$'000
Capitalisation[(3)]	
Share capital[(4)]	319,979
Legal reserve[(5)]	(14,414)
Total capitalisation	**305,565**

(1) Guarantees comprise of securitisation by shares in property owning entities.

(2) This is secured over certain investment properties (including those held by associates) or secured by motor vehicles.

(3) Capitalisation does not include the foreign currency translation reserve or the retained loss.

(4) Comprises the ordinary share capital of the Group.

(5) Comprises treasury shares held by the Group.

There has been no material change in the Company's capitalisation since 31 March 2018 to the date of this document.

The following table sets out the Group's unaudited net indebtedness as at 30 April 2018.

	As at 30 April 2018 (unaudited) US$'000
Cash	2,448
Total liquidity	**2,448**
Current financial receivable[1]	**157**
Current bank debt	114,902
Other current financial debt	441
Current financial debt	**115,343**
Net current financial indebtedness	**112,738**
Non-current bank loans	205,725
Other non-current loans	136
Non-current financial indebtedness	**205,861**
Net financial indebtedness	**318,599**

(1) Represents a related party loan receivable to Gateway Delta Developments Holdings Limited of US$0.16 million. This loan bears interest at 3 month LIBOR plus 6.5% per annum and is unsecured for a period of 18 months.

As at 30 April 2018 the Group had no material indirect or contingent indebtedness.

The Group also has derivative financial instruments not reflected in the analysis above with the following fair values as at 30 April 2018:

- An interest rate swap which is held with Barclays Bank Mauritius Limited. The swap is based on a nominal value of US$5.5 million and it matures on 19 February 2019 with a fixed interest rate of 1.5%. Its fair value is a liability of US$0.05 million.
- An interest rate swap which is held with The Standard Bank of South Africa Limited. The swap is based on a nominal value of US$26.6 million and it matures on 31 July 2018 with a fixed interest rate of 1.5%. Its fair value is an asset of US$0.07 million.

Other financial liabilities that are not included in the table above relate to the arrangements with Drive in Trading Proprietary Limited of US$16.46 million. The arrangement's corresponding financial asset is stated at its fair value of US$16.46 million at 30 April 2018.

The Group also has redeemable preference shares not reflected in the analysis above with a fair value as at 30 April 2018 of US$12.84 million. The preference shares carry a coupon rate of 6.25% and are redeemable through a put option. The put option can be exercised by the subscriber after 5 years from the subscription date by providing the grantor with 6 months' notice of their intention to exercise.

PART 18

THIRD QUARTER RESULTS TO 31 MARCH 2018

The Company announced its provisional unaudited results for the three months and nine months ended 31 March 2018 on 13 June 2018. The text of that announcement is reproduced in Section B below.

Subsequent to 13 June 2018, the Company undertook further work in relation to the preparation for the proposed LSE Admission and the requirement to present historical financial information for the 3 years ended 30 June 2017. This work resulted in additional reclassifications and the correction of an error which impacted the previously published provisional quarterly results and the accompanying prior period restatements. The reclassifications arose from the application of applying IFRS in different jurisdictions and also the correction of prior period errors.

Details of all of the adjustments that have been made to the third quarter results to 31 March 2018 and the accompanying prior period restatements were announced on 29 June 2018 and are set out in Section A below.

SECTION A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Note 4 USD'000	As at 31 March 2018 (as restated) USD'000
Assets						
Non-current assets						
Investment properties	387,718					387,718
Deposits paid on investment properties	4,117					4,117
Property, plant and equipment	1,169					1,169
Intangible assets	33					33
Other investments	3,757	1,096				4,853
Investments in associates	157,443			(1,302)		156,141
Related party loans receivable	29,348		(29,348)		800	800
Other loans receivable	8,723		29,348			38,071
Total non-current assets	**592,308**	**1,096**	**—**	**(1,302)**	**800**	**592,902**
Current assets						
Current tax receivable	566					566
Trade and other receivables	35,706					35,706
Related party loans receivable	2,691	(1,096)			(800)	795
Other financial asset	16,856					16,856
Derivative financial instruments	25					25
Cash and cash equivalents	9,484					9,484
Total current assets	**65,328**	**(1,096)**	**—**	**—**	**(800)**	**63,432**
Total assets	**657,636**	**—**	**—**	**(1,302)**	**—**	**656,334**
Equity and liabilities						
Total equity attributable to equity holders						
Ordinary share capital	319,979					319,979
Treasury shares reserve	(14,414)					(14,414)
Foreign currency translation reserve	5,084					5,084
Antecedent dividend reserve	—					—
Retained loss	(38,681)			(1,302)		(39,983)
Total equity shareholders' funds	**271,968**	**—**	**—**	**(1,302)**	**—**	**270,666**
Non-controlling interests	(2,155)					(2,155)
Total equity	**269,813**	**—**	**—**	**(1,302)**	**—**	**268,511**

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Note 4 USD'000	As at 31 March 2018 (as restated) USD'000
Liabilities						
Non-current liabilities						
Interest-bearing borrowings	245,809					245,809
Redeemable preference shares	12,840					12,840
Obligations under finance leases	145					145
Related party loans payable	—					—
Deferred tax liability	9,998					9,998
Total non-current liabilities	**268,792**	**—**	**—**	**—**	**—**	**268,792**
Current liabilities						
Interest-bearing borrowings	65,020					65,020
Obligations under finance leases	42					42
Trade and other payables	36,115					36,115
Current tax payable	—					—
Derivative financial instruments	—					—
Other financial liability	16,950					16,950
Bank overdrafts	904					904
Total current liabilities	**119,031**	**—**	**—**	**—**	**—**	**119,031**
Total liabilities	**387,823**	**—**	**—**	**—**	**—**	**387,823**
Total equity and liabilities	**657,636**	**—**	**—**	**(1,302)**	**—**	**656,334**

Note 1

The Group invested $1.02 million in an unlisted development company, Gateway Developments Holdings Limited, incorporated in Mauritius, in the period ended 31 January 2018 as part of its strategy to secure future investment pipeline on the African continent. This balance has been reclassified to Other investments.

Note 2

Loans to Ndola Investments Limited, Kitwe Copperbelt Investments Limited and Syngeta Limited have been reclassified to Other loans receivable and interest due has been reclassified to Trade and other receivables.

Note 3

The investment in the associate Beachcomber Hospitality Investments Limited has been adjusted to reflect an accrual for property development costs.

Note 4

The loan to Venus Africa Properties (Pty) Limited has been reclassified to Non-current assets.

NAV PER SHARE

	As previously reported	Note 1	Note 2	Period ended 31 March 2018 (as restated)
Equity attributable to owners of the company (US$'000)	271,968	(1,302)		270,666
Ordinary shares in issue in the period	198,573,503		1,943,277	200,516,780
Net asset value per share (US$cents)	**137**			**135**

Note 1

The fair value adjustment to investment property within the associates has been removed, as the value increase related to expansion projects funded by debt.

Note 2

Dilutionary impact of share based payments.

EPRA[1] NAV PER SHARE

	As previously reported	Note 1	Note 2	Note 3	Period ended 31 March 2018 (as restated)
Equity attributable to owners of the company (US$'000)	286,005	(1,302)		1,247	285,951
Ordinary shares in issue in the period	198,573,503		1,943,277		200,516,780
EPRA Net asset value per share (US$cents)	**144**			**143**	**143**

[1] Net Asset Value calculated in accordance with the Best Practice Recommendations published by the European Public Real Estate Association in January 2014.

Note 1

The fair value adjustment to investment property within the associates has been removed, as the value increase related to expansion projects funded by debt.

Note 2

Dilutionary impact of share based payments.

Note 3

Adjustment on deferred taxation on revaluation of investment properties.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Nine months ended 31 March 2018

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Note 4 USD'000	Note 5 USD'000	Note 6 USD'000	Period ended 31 March 2018 (as restated) USD'000
Gross rental income	23,345							23,345
Straight-line rental income accrual	1,063							1,063
Revenue	**24,408**	—	—	—	—	—		**24,408**
Share of profits from associates	15,691			(1,302)				14,389
Property operating expenses	(4,551)							(4,551)
Net property income	**35,548**	—	—	**(1,302)**	—	—		**34,246**
Other income	(90)							(90)
Administrative expenses (including corporate structuring costs)	(6,058)	(5,190)	214					(11,034)
Profit from operations	**29,400**	**(5,190)**	**214**	**(1,302)**	—	—		**23,122**
Acquisition fees and set up costs	(5,190)	5,190						—
Fair value adjustment on investment properties	9,091					308	(7,788)	1,611
Contractual receipts from vendors of investment properties	—						7,788	7,788
Total fair value adjustment on investment properties	9,091	—	—	—	—	308		9,399
Fair value adjustment on other investments	—				(92)			(92)
Fair value adjustment on other financial asset	—				(93)			(93)
Fair value adjustment on derivative financial instruments	(166)				185			19
Share based payment expense	—		(214)					(214)
Gain from bargain purchase on associates	—							—
Foreign currency gains/(losses)	3,744					(308)		3,436
Profit before interest and taxation	**36,879**	—	—	**(1,302)**	—	—		**35,577**
Interest income	3,523							3,523
Finance costs	(14,029)							(14,029)
Profit for the period before tax	**26,373**	—	—	**(1,302)**	—	—		**25,071**
Taxation	(1,125)							(1,125)
Profit for the period after tax	**25,248**	—	—	**(1,302)**	—	—	—	**23,946**
Other comprehensive income								
Amounts that may be reclassified to profit and loss:								
Profit on translation of foreign operations	1,809							1,809
Total comprehensive income	**27,057**	—	—	**(1,302)**	—	—	—	**25,755**
Profit for the period attributable to:								
Owners of the parent	26,280	—	—	(1,302)	—	—		24,978
Non-controlling interests	(1,032)	—	—	—	—	—		(1,032)
	25,248	—	—	(1,302)	—	—	—	23,946

Note 1

In order to provide consistent disclosure, Acquisition costs and corporate setup costs have been reclassified to Administrative expenses (including corporate structuring costs).

Note 2

Share based payments made to Eligible Employees and Share awards in terms of the Long term incentive scheme have been disclosed separately as they are non-cash items.

Note 3

The share of profits from the associate Beachcomber Hospitality Investments Limited has been adjusted to reflect an accrual for property development costs.

Note 4

In order to provide consistent disclosure, the amounts included in Fair value adjustment of derivative financial instruments has been reclassified to Fair value adjustment of financial assets and Fair value adjustments on other investments.

Note 5

In order to provide consistent disclosure, a further adjustment has been made to reclassify foreign currency gains/(losses) recorded within fair value gains on investment property.

Note 6

Contractual receipts from vendors of investment properties has been disclosed separately from fair value adjustment on investment property.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Retained earnings as previously reported USD'000	Note 1 USD'000	Retained earnings for period ended 31 March 2018 (as restated) USD'000
Balance as at 30 June 2017	(51,177)		(51,177)
Share based payments	243		243
Ordinary dividends paid	(14,028)		(14,028)
Profit for the period	26,280	(1,302)	24,978
Balance as at 31 January 2018	**(38,682)**	**(1,302)**	**(39,984)**

Note 1

The fair value adjustment to investment property within the associates has been removed, as the value increase related to expansion projects funded by debt.

CONSOLIDATED STATEMENT OF CASHFLOW

	As previously reported USD'000	Note 1 USD'000	Period ended 31 March 2018 (as restated) USD'000
Nine months ended 31 March 2018			
Cash (utilised in)/generated from operating activities	(4,138)	22,090	17,952
Changes in working capital	10,832	(13,794)	(2,962)
Dividends paid	(14,167)	—	(14,167)
Net cash utilised in investing activities	(85,204)	(21,218)	(106,422)
Net cash generated from financing activities	73,128	16,773	89,901
Net movement in cash and cash equivalents	**(19,549)**	**3,851**	**(15,698)**
Cash at the beginning of the period/year	24,228	2	24,230
Effect of exchange rates	—	48	48
Total cash at the end of the period/year	**4,679**	**3,901**	**8,580**

Note 1

Printing error in reported cashflow.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2018

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Note 4 USD'000	As at 31 January 2018 (as restated) USD'000
Assets						
Non-current assets						
Investment properties	381,873					381,873
Deposits paid on investment properties	4,117					4,117
Property, plant and equipment	1,200					1,200
Intangible assets	605					605
Other investments	4,931					4,931
Investments in associates	157,173			(1,302)		155,871
Related party loans receivable	30,263				(29,443)	820
Other loans receivable	9,523				29,340	38,863
Other financial asset	16,856		(16,856)			—
Total non-current assets	**606,541**	**—**	**(16,856)**	**(1,302)**	**(103)**	**588,280**
Current assets						
Current tax receivable	547					547
Trade and other receivables	31,661	923			103	32,687
Related party loans receivable	625					625
Other financial asset	—		16,856			16,856
Derivative financial instruments	12					12
Cash and cash equivalents	8,880					8,880
Total current assets	**41,725**	**923**	**16,856**	**—**	**103**	**59,607**
Total assets	**648,266**	**923**	**—**	**(1,302)**	**—**	**647,887**
Equity and liabilities						
Total equity attributable to equity holders						
Ordinary share capital	319,979					319,979
Treasury shares reserve	(14,811)					(14,811)
Foreign currency translation reserve	3,652					3,652
Antecedent dividend reserve	—					—
Retained loss	(28,119)			(1,302)		(29,421)
Total equity shareholders' funds	**280,701**	**—**	**—**	**(1,302)**	**—**	**279,399**
Non-controlling interests	(1,908)					(1,908)
Total equity	**278,793**	**—**	**—**	**(1,302)**	**—**	**277,491**
Liabilities						
Non-current liabilities						
Interest-bearing borrowings	225,787					225,787
Redeemable preference shares	12,840					12,840
Obligations under finance leases	153					153
Deferred tax liability	8,697					8,697
Total non-current liabilities	**247,477**	**—**	**—**	**—**	**—**	**247,477**

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Note 4 USD'000	As at 31 January 2018 (as restated) USD'000
Current liabilities						
Interest-bearing borrowings	87,996					87,996
Obligations under finance leases	43					43
Trade and other payables	16,025	923				16,948
Other financial liability	16,950					16,950
Bank overdrafts	982					982
Total current liabilities	**121,996**	**923**	**—**	**—**	**—**	**122,919**
Total liabilities	**369,473**	**923**	**—**	**—**	**—**	**370,396**
Total equity and liabilities	**648,266**	**923**	**—**	**(1,302)**	**—**	**647,887**

Note 1

Trade and other receivables with a credit balance have been reclassified to Trade and other payables.

Note 2

The Other financial asset has been reclassified to current assets.

Note 3

The investment in the associate Beachcomber Hospitality Investments Limited has been adjusted to reflect an accrual for property development costs.

Note 4

Loans to Ndola Investments Limited, Kitwe Copperbelt Investments Limited and Syngeta Limited have been reclassified to Other loans receivable and interest due has been reclassified to Trade and other receivables.

NAV PER SHARE

	As previously reported	Note 1	Note 2	Period ended 31 January 2018 (as restated)
Equity attributable to owners of the company (US'000)	280,701	(1,302)		279,399
Ordinary shares in issue in the period	198,573,503		1,943,277	200,516,780
Net asset value per share (US$cents)	**141**			**139**

Note 1

The fair value adjustment to investment property within the associates has been removed, as the value increase related to expansion projects funded by debt.

Note 2

Dilutionary impact of share based payments.

EPRA NAV PER SHARE

	As previously reported	Note 1	Note 2	Note 3	Period ended 31 January 2018 (as restated)
Equity attributable to owners of the company (US$'000)	294,763	(1,302)		1,236	294,697
Ordinary shares in issue in the period	198,573,503		1,943,277		200,516,780
EPRA Net asset value per share (US$cents)	**148**				**147**

Note 1

The fair value adjustment to investment property within the associates has been removed, as the value increase related to expansion projects funded by debt.

Note 2

Dilutionary impact of share based payments.

Note 3

Adjustment on deferred taxation on revaluation of investment properties.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Seven months ended 31 January 2018

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Note 4 USD'000	Period ended 31 January 2018 (as restated) USD'000
Gross rental income	17,175					17,175
Straight-line rental income accrual	1,061					1,061
Revenue	**18,236**	**—**	**—**	**—**	**—**	**18,236**
Share of profits from associates	13,848			(1,302)		12,546
Property operating expenses	(3,778)					(3,778)
Net property income	**28,306**	**—**	**—**	**(1,302)**	**—**	**27,004**
Other income	30					30
Administrative expenses (including corporate structuring costs)	(4,474)	(4,867)	214		(25)	(9,152)
Profit from operations	**23,862**	**(4,867)**	**214**	**(1,302)**	**(25)**	**17,882**
Acquisition fees and set-up costs	(4,867)	4,867				—
Fair value adjustment on investment properties	2,279				(668)	1,611
Contractual receipts from vendors of investment properties	7,788					7,788
Total fair value adjustment on investment properties	10,067	—	—	—	(668)	9,399
Fair value adjustment on other investments	61					61
Fair value adjustment on other financial asset	(93)				(1)	(94)
Fair value adjustment on derivative financial instruments	31					31
Share based payment expense	—		(214)	—		(214)
Foreign currency gains/(losses)	2,797				695	3,491
Profit before interest and taxation	**31,857**	**—**	**—**	**(1,302)**	**1**	**30,556**
Interest income	2,763					2,763
Finance costs	(10,932)					(10,932)
Profit for the period before tax	**23,688**	**—**	**—**	**(1,302)**	**1**	**22,387**
Taxation	(151)				(1)	(152)
Profit for the period after tax	**23,537**	**—**	**—**	**(1,302)**	**—**	**22,235**
Other comprehensive income						
Amounts that may be reclassified to profit and loss:						
Profit on translation of foreign operations	377					377
Total comprehensive income	**23,914**	**—**	**—**	**(1,302)**	**—**	**22,612**
Profit for the period attributable to:						
Owners of the parent	24,322	—	—	(1,302)	—	23,020
Non-controlling interests	(785)					(785)
	23,537	—	—	(1,302)	—	22,235

Note 1
In order to provide consistent disclosure, Acquisition costs and corporate setup costs have been reclassified to Administrative expenses (including corporate structuring costs).

Note 2
Share based payments made to Eligible Employees and Share awards in terms of the Long term incentive scheme have been disclosed separately as they are non-cash items.

Note 3
The share of profits from the associate Beachcomber Hospitality Investments Limited has been adjusted to reflect an accrual for property development costs.

Note 4
In order to provide consistent disclosure, a further adjustment has been made to reclassify foreign currency gains/(losses) recorded within fair value gains on investment property.

EARNINGS PER SHARE

	As previously reported	Note 1	Note 2	Period ended 31 January 2018 (as restated)
Basic earnings (US$'000)	22,235	785		23,020
Weighted average number of ordinary shares in issue in the period*	208,514,261		(8,143,122)	200,371,139
Basic and diluted earnings per ordinary share (US$cents)	**10.66**			**11.49**

Note 1

Non-controlling interest due to the consolidation of Freedom Asset Management Limited.

Note 2

Dilutionary impact of share-based payments.

CONSOLIDATED STATEMENT OF CASHFLOW

	As previously reported US$'000	Note 1 US$'000	Note 2 US$'000	Note 3 US$'000	Note 4 US$'000	Note 5 US$'000	Period ended 31 January 2018 (as restated) US$'000
Cash generated from/(utilised in) operations	(10,394)	394	7,783	(626)	11,016	(340)	7,833
Taxation (paid)/recovered	(112)	223					111
Net cash (utilised in)/generated from operating activities	**(10,506)**	**617**	**7,783**	**(626)**	**11,016**	**(340)**	**7,944**
Acquisition of investment properties	(43,040)	—			(11,016)		(54,056)
Acquisition of property, plant and equipment	(389)	—				340	(49)
Acquisition of intangible assets	(26)	26				—	—
Acquisition of other investments	(3,849)	—					(3,849)
Net cash outflow on acquisition of associates	(62,136)	—		46,398			(15,738)
Dividends and interest received from associates	4,778	—		1,367			6,145
Interest received	1,617	—	1,146				2,763
Proceeds from disposal of property, plant and equipment	4	—					4
Related party loans (advanced)/repaid	(19,460)	—		19,002			(458)
Other loans (advanced)/repaid	46,609	—		(66,141)			(19,532)
Net cash utilised in investing activities	**(75,892)**	**26**	**1,146**	**626**	**(11,016)**	**340**	**(84,770)**
Ordinary dividends paid	(2,878)	139					(2,739)
Proceeds from interest-bearing borrowings	121,712	—					121,712
Settlement of interest-bearing borrowings	(49,319)	1					(49,318)
Finance costs paid	—	—	(8,929)				(8,929)
Settlement of debt structure fees	(32)	32					—
Settlement of obligations under finance leases	(20)	—					(20)
Net cash generated from financing activities	**69,464**	**171**	**(8,929)**	**—**	**—**	**—**	**60,706**
Net movement in cash and cash equivalents	**(16,934)**	**814**	**—**	**—**	**—**	**—**	**(16,120)**
Cash at beginning of period	24,230						24,230
Effect of foreign exchange rates	603	(815)					(212)
Total cash and cash equivalents at end of period	**7,899**	**(1)**	**—**	**—**	**—**	**—**	**7,898**

Note 1
Reclassification of foreign exchange differences to individual components of the cashflow activities.

Note 2
Reclassification of finance cost paid and interest received from operating activities to finance and investing activities.

Note 3
Reclassification of investment in associates, loans to related parties and loans receivable.

Note 4
Reclassification of deposits paid on investment properties between investing activities and operating activities.

Note 5
Reclassification of additions to property, plant and equipment.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	As previously reported USD'000	Note 1 USD'000	As at 30 June 2017 (as restated) USD'000
Assets			
Non-current assets			
Investment properties	307,795		307,795
Deposits paid on investment properties	24,440		24,440
Property, plant and equipment	1,290		1,290
Intangible assets	592		592
Investments in associates	89,016		89,016
Related party loans receivable	10,637	(10,629)	8
Other loans receivable	56,111	10,629	66,740
Total non-current assets	**489,881**	**—**	**489,881**
Current assets			
Current tax receivable	439		439
Trade and other receivables	22,805		22,805
Related party loans receivable	2,000		2,000
Cash and cash equivalents	24,668		24,668
Total current assets	**49,912**	**—**	**49,912**
Total assets	**539,793**	**—**	**539,793**
Equity and liabilities			
Total equity attributable to equity holders			
Ordinary share capital	319,979		319,979
Treasury shares reserve	(15,031)		(15,031)
Foreign currency translation reserve	3,275		3,275
Antecedent dividend reserve	1,261		1,261
Retained loss	(51,177)		(51,177)
Total equity shareholders' funds	**258,307**	**—**	**258,307**
Non-controlling interests	(1,123)		(1,123)
Total equity	**257,184**	**—**	**257,184**
Liabilities			
Non-current liabilities			
Interest-bearing borrowings	185,051		185,051
Redeemable preference shares	12,840		12,840
Obligations under finance leases	171		171
Related party loans payable	1,365		1,365
Deferred tax liability	8,545		8,545
Total non-current liabilities	**207,972**	**—**	**207,972**
Current liabilities			
Interest-bearing borrowings	47,959		47,959
Obligations under finance leases	45		45
Trade and other payables	26,176		26,176
Derivative financial instruments	19		19
Bank overdrafts	438		438
Total current liabilities	**74,637**	**—**	**74,637**
Total liabilities	**282,609**	**—**	**282,609**
Total equity and liabilities	**539,793**	**—**	**539,793**

Note 1

Loans to Ndola Investments Limited, Kitwe Copperbelt Investments Limited and Syngeta Limited have been reclassified to Other loans receivable.

NAV PER SHARE

	As previously reported	Note 1	Period ended 30 June 2017 (as restated)
Equity attributable to owners of the company (US$'000)	258,306		258,307
Ordinary shares in issue in the period	198,420,768	1,943,277	200,364,045
Net asset value per share (US$cents)	**130**		**129**

Note 1

Dilutionary impact of share-based payments.

EPRA NAV PER SHARE

	As previously reported	Note 1	Note 2	Period ended 30 June 2017 (as restated)
Equity attributable to owners of the company (US$'000)	273,225		2,071	275,297
Ordinary shares in issue in the period	198,420,768	1,943,277		200,364,045
EPRA Net asset value per share (US$cents)	**138**			**137**

Note 1

Dilutionary impact of share-based payments.

Note 2

Adjustment on deferred taxation on revaluation of investment properties.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Year ended 30 June 2017 (as restated) USD'000
Gross rental income	22,872				22,872
Straight-line rental income accrual	1,132				1,132
Revenue	**24,004**	**—**	**—**	**—**	**24,004**
Share of profits from associates	6,893				6,893
Property operating expenses	(7,170)				(7,170)
Net property income	**23,727**	**—**	**—**	**—**	**23,727**
Other income	254				254
Administrative expenses (including corporate structuring costs)	(7,006)	(1,027)	133		(7,900)
Profit from operations	**16,975**	**(1,027)**	**133**	**—**	**16,081**
Acquisition fees and set-up costs	(678)	1,027		(349)	—
Fair value adjustment on investment properties	(20,729)				(20,729)
Contractual receipts from vendors of investment properties	230				230
Total fair value adjustment on investment properties	(20,499)	—	—	—	(20,499)
Fair value adjustment on derivative financial instruments	535				535
Share based payment expense	—		(133)		(133)
Gain from bargain purchase on associates	609			349	958
Foreign currency gains/(losses)	2,081				2,081
Loss before interest and taxation	**(977)**	**—**	**—**	**—**	**(977)**
Interest income	2,059				2,059
Finance costs	(11,433)				(11,433)
Loss for the period before tax	**(10,351)**	**—**	**—**	**—**	**(10,351)**
Taxation	2,916				2,916
Loss for the period after tax	**(7,435)**	**—**	**—**	**—**	**(7,435)**
Other comprehensive income					
Amounts that may be reclassified to profit and loss:					
Profit on translation of foreign operations	3,045				3,045
Total comprehensive loss	**(4,390)**	**—**	**—**	**—**	**(4,390)**
Loss for the period attributable to:					
Owners of the parent	(6,634)	—	—	—	(6,634)
Non-controlling interests	(801)				(801)
	(7,435)	—	—	—	(7,435)

Note 1

In order to provide consistent disclosure, Acquisition costs and corporate setup costs have been reclassified to Administrative expenses (including corporate structuring costs).

Note 2

Share based payments made to Eligible Employees and Share awards in terms of the Long term incentive scheme have been disclosed separately as they are non-cash items.

Note 3

In order to provide consistent disclosure, Acquisition costs and corporate setup costs have been reclassified to Gain from bargain purchase on associates.

EARNINGS PER SHARE

	As previously reported	Note 1	Note 2	Period ended 30 June 2017 (as restated)
Basic earnings (US$'000)	(7,436)	802		(6,634)
Weighted average number of ordinary shares in issue in the period*	110,435,576		(640,601)	109,794,974
Basic and diluted earnings per ordinary share (US$cents)	**(6.73)**			**(6.04)**

Note 1

Non-controlling interest due to the consolidation of Freedom Asset Management Limited.

Note 2

Dilutionary impact of share-based payments.

CONSOLIDATED STATEMENT OF CASHFLOW

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Note 4 USD'000	Note 5 USD'000	Year ended 30 June 2017 (as restated) USD'000
Cash generated from/(utilised in) operations	28,331	(21,655)	10,048	(4,554)			12,170
Taxation (paid)/recovered	(1,488)	788					(700)
VAT on acquisition of investment property recoverable	(4,554)	—		4,554			—
Net cash (utilised in)/generated from operating activities	**22,289**	**(20,867)**	**10,048**	**—**	**—**	**—**	**11,470**
Acquisition of investment properties	(85,056)	1,153			13,001		(70,902)
Acquisition of property, plant and equipment	(1,012)	363					(649)
Acquisition of intangible assets	(10)	—					(10)
Net cash outflow on acquisition of associates	(15,183)	(207)					(15,390)
Dividends and interest received from associates	3,573	—					3,573
Interest received	—	—	2,059				2,059
Related party loans (advanced)/repaid	(9,951)	—				7,943	(2,008)
Other loans (advanced)/repaid	(58,582)	(215)				(7,943)	(66,740)
Net cash utilised in investing activities	**(166,221)**	**1,094**	**2,059**	**—**	**13,001**	**—**	**(150,067)**
Proceeds from the issue of ordinary shares	110,962	(134)					110,828
Share issue expenses	(5,331)	1					(5,330)
Proceeds from the issue of preference shares	12,840	—					12,840
Ordinary dividends paid	(17,649)	366					(17,283)
Proceeds from interest-bearing borrowings	183,934	—			(13,001)		170,933
Settlement of interest-bearing borrowings	(114,720)	1					(114,719)
Finance costs paid	—	—	(12,107)				(12,107)
Settlement of debt structure fees	(1,960)	1,960					—
Settlement of obligations under finance leases	(73)	—					(73)
Net cash generated from financing activities	**168,003**	**2,194**	**(12,107)**	**—**	**(13,001)**	**—**	**145,089**
Net movement in cash and cash equivalents	**24,071**	**(17,579)**	**—**	**—**	**—**	**—**	**6,492**
Cash at beginning of period	17,785						17,785
Effect of foreign exchange rates	(17,626)	17,579					(47)
Total cash and cash equivalents at end of period	**24,230**	**—**	**—**	**—**	**—**	**—**	**24,230**

Note 1

Reclassification of foreign exchange differences to individual components of the cashflow activities.

Note 2

Reclassification of finance cost paid and interest received from operating activities to finance and investing activities.

Note 3

Reclassification of finance cost paid and interest received from operating activities to finance and investing activities.

Note 4

Reclassification of vendor finance assumed with the acquisition of Cosmopolitan Mall.

Note 5

Reclassification between related party loan and loans receivable.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	As previously reported USD'000	Year ended 30 June 2016 (as restated) USD'000
Assets		
Non-current assets		
Investment properties	239,926	239,926
Deposits paid on investment properties	8,620	8,620
Property, plant and equipment	525	525
Intangible assets	599	599
Investments in associates	45,822	45,822
Total non-current assets	**295,492**	**295,492**
Current assets		
Trade and other receivables	15,327	15,327
Cash and cash equivalents	17,785	17,785
Total current assets	**33,112**	**33,112**
Total assets	**328,604**	**328,604**
Equity and liabilities		
Total equity attributable to equity holders		
Ordinary share capital	171,995	171,995
Treasury shares reserve	(5,100)	(5,100)
Foreign currency translation reserve	230	230
Antecedent dividend reserve	636	636
Retained loss	(28,989)	(28,989)
Total equity shareholders' funds	**138,772**	**138,772**
Non-controlling interests	(455)	(455)
Total equity	**138,317**	**138,317**
Liabilities		
Non-current liabilities		
Interest-bearing borrowings	126,633	126,633
Related party loans payable	1,365	1,365
Deferred tax liability	11,458	11,458
Total non-current liabilities	**139,456**	**139,456**
Current liabilities		
Interest-bearing borrowings	34,548	34,548
Trade and other payables	14,700	14,700
Current tax payable	1,029	1,029
Derivative financial instruments	554	554
Total current liabilities	**50,831**	**50,831**
Total liabilities	**190,287**	**190,287**
Total equity and liabilities	**328,604**	**328,604**

NAV PER SHARE

	As previously reported	Note 1	Period ended 30 June 2016 (as restated)
Equity attributable to owners of the company (US$'000)	138,771		138,772
Ordinary shares in issue in the period	97,061,130	1,943,277	99,004,407
Net asset value per share (US$cents)	**143**		**140**

Note 1

Dilutionary impact of share-based payments.

EPRA NAV PER SHARE

	As previously reported	Note 1	Note 2	Period ended 30 June 2016 (as restated)
Equity attributable to owners of the company (US$'000)	155,793		2,468	158,261
Ordinary shares in issue in the period	97,061,130	1,943,277		99,004,407
EPRA Net asset value per share (US$cents)	**161**			**160**

Note 1

Dilutionary impact of share-based payments.

Note 2

Adjustment on deferred taxation on revaluation of investment properties.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Note 4 USD'000	Year ended 30 June 2016 (as restated) USD'000
Gross rental income	19,986					19,986
Straight-line rental income accrual	1,901					1,901
Revenue	**21,887**	**—**	**—**	**—**	**—**	**21,887**
Share of profits from associates	3,313					3,313
Property operating expenses	(5,623)					(5,623)
Net property income	**19,577**	**—**	**—**	**—**	**—**	**19,577**
Other income	805					805
Administrative expenses (including corporate structuring costs)	(7,355)	(1,563)	3,235			(5,683)
Profit from operations	**13,027**	**(1,563)**	**3,235**	**—**	**—**	**14,699**
Acquisition fees and set-up costs	(1,563)	1,563				—
Fair value adjustment on investment properties	(4,625)					(4,625)
Contractual receipts from vendors of investment properties	892					892
Total fair value adjustment on investment properties	(3,733)	—	—	—	—	(3,733)
Fair value adjustment on derivative financial instruments	(554)					(554)
Share based payment expense	—		(3,235)			(3,235)
Gain from bargain purchase on associates	251					251
Foreign currency gains/(losses)	4,127			(9,711)	1,000	(4,584)
Profit before interest and taxation	**11,555**	**—**	**—**	**(9,711)**	**1,000**	**2,844**
Interest income	170					170
Finance costs	(9,243)				(1,000)	(10,243)
Loss for the period before tax	**2,482**	**—**	**—**	**(9,711)**	**—**	**(7,229)**
Taxation	(20,245)			9,711		(10,534)
Loss for the period after tax	**(17,763)**	**—**	**—**	**—**	**—**	**(17,763)**
Other comprehensive income						
Amounts that may be reclassified to profit and loss:						
Loss on translation of foreign operations	(207)					(207)
Total comprehensive loss	**(17,970)**	**—**	**—**	**—**	**—**	**(17,970)**
Loss for the period attributable to:						
Owners of the parent	(17,962)	—	—	—	—	(17,962)
Non-controlling interests	199					199
	(17,763)	—	—	—	—	(17,763)

Note 1

In order to provide consistent disclosure, Acquisition costs and corporate setup costs have been reclassified to Administrative expenses (including corporate structuring costs).

Note 2

Share based payments made to Eligible Employees and Share awards in terms of the Long term incentive scheme have been disclosed separately as they are non-cash items.

Note 3

A foreign currency exchange loss recorded within the deferred tax charge has been reclassified to foreign currency gains/(losses).

Note 4

Foreign currency gains on a Mozambique Meticais loan have been reclassified from Finance costs to Foreign currency gains/(losses) to provide for consistent disclosure.

EARNINGS PER SHARE

	As previously reported	Note 1	Note 2	Period ended 30 June 2016 (as restated)
Basic earnings (US$'000)	(17,762)	(200)		(17,962)
Weighted average number of ordinary shares in issue in the period*	81,725,430		(122,322)	81,603,108
Basic and diluted earnings per ordinary share (US$cents)	**(21.73)**			**(22.01)**

Note 1

Non-controlling interest due to the consolidation of Freedom Asset Management Limited.

Note 2

Dilutionary impact of share-based payments.

CONSOLIDATED STATEMENT OF CASHFLOW

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Year ended 30 June 2016 (as restated) USD'000
Cash generated from/(utilised in) operations	(7,068)	2,674	9,880	(3,823)	1,663
Taxation (paid)/recovered	(589)	7			(582)
Net cash (utilised in)/generated from operating activities	**(7,657)**	**2,681**	**9,880**	**(3,823)**	**1,081**
Acquisition of investment properties	(36,116)	4,867			(31,249)
Acquisition of property, plant and equipment	(520)	—			(520)
Acquisition of intangible assets	(593)	—			(593)
Net cash outflow on acquisition of associates	(23,016)	—			(23,016)
Dividends and interest received from associates	1,787	—			1,787
Interest received	—	—	170		170
Related party loans (advanced)/repaid	399	(175)			224
Net cash utilised in investing activities	**(58,060)**	**4,693**	**170**	**—**	**(53,197)**
Proceeds from the issue of ordinary shares	36,872	—		3,823	40,695
Share issue expenses	(158)	—			(158)
Ordinary dividends paid	(8,470)	—			(8,470)
Proceeds from interest-bearing borrowings	141,480	1,455			142,935
Settlement of interest-bearing borrowings	(109,507)	8,336			(101,171)
Finance costs paid	—		(10,050)		(10,050)
Net cash generated from financing activities	**60,217**	**9,791**	**(10,050)**	**3,823**	**63,781**
Net movement in cash and cash equivalents	**(5,500)**	**17,165**	**—**	**—**	**11,665**
Cash at beginning of period	6,224				6,224
Effect of foreign exchange rates	17,061	(17,165)			(104)
Total cash and cash equivalents at end of period	**17,785**	**—**	**—**	**—**	**17,785**

Note 1

Reclassification of foreign exchange differences to individual components of the cashflow activities.

Note 2

Reclassification of finance cost paid and interest received from operating activities to finance and investing activities.

Note 3

Reclassification of proceeds from ordinary shares issued during the prior period received in current year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	As previously reported USD'000	Year ended 30 June 2015 (as restated) USD'000
Assets		
Non-current assets		
Investment properties	210,391	210,391
Property, plant and equipment	97	97
Intangible assets	9	9
Related party loans receivable	12	12
Total non-current assets	**210,509**	**210,509**
Current assets		
Trade and other receivables	18,787	18,787
Cash and cash equivalents	6,566	6,566
Total current assets	**25,353**	**25,353**
Total assets	**235,862**	**235,862**
Equity and liabilities		
Total equity attributable to equity holders		
Ordinary share capital	127,959	127,959
Foreign currency translation reserve	437	437
Retained loss	(5,792)	(5,792)
Total equity shareholders' funds	**122,604**	**122,604**
Non-controlling interests	(710)	(710)
Total equity	**121,894**	**121,894**
Liabilities		
Non-current liabilities		
Interest-bearing borrowings	10,491	10,491
Related party loans payable	1,153	1,153
Deferred tax liability	2,427	2,427
Total non-current liabilities	**14,071**	**14,071**
Current liabilities		
Interest-bearing borrowings	91,166	91,166
Trade and other payables	8,251	8,251
Current tax payable	138	138
Bank overdrafts	342	342
Total current liabilities	**99,897**	**99,897**
Total liabilities	**113,968**	**113,968**
Total equity and liabilities	**235,862**	**235,862**

NAV PER SHARE

	As previously reported	Note 1	Period ended 30 June 2015 (as restated)
Equity attributable to owners of the company (US$'000)	122,603		122,604
Ordinary shares in issue in the period	73,656,446		73,656,446
Net asset value per share (US$cents)	**167**		**167**

Note 1

Non-controlling interest due to the consolidation of Freedom Asset Management Limited.

Note 2

Dilutionary impact of share-based payments.

EPRA NAV PER SHARE

	As previously reported	Note 1	Period ended 30 June 2015 (as restated)
Equity attributable to owners of the company (US$'000)	123,853	1,124	124,977
Ordinary shares in issue in the period	73,656,446		73,656,446
EPRA Net asset value per share (US$cents)	**168**		**170**

Note 1

Adjustment on deferred taxation on revaluation of investment properties.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	As previously reported USD'000	Note 1 USD'000	Year ended 30 June 2015 (as restated) USD'000
Gross rental income	13,589		13,589
Straight-line rental income accrual	2,267		2,267
Revenue	**15,856**	**—**	**15,856**
Property operating expenses	(3,478)		(3,478)
Net property income	**12,378**	**—**	**12,378**
Other income	384		384
Administrative expenses (including corporate structuring costs)	(4,541)	(996)	(5,537)
Profit from operations	**8,221**	**(996)**	**7,225**
Acquisition fees and set-up costs	(996)	996	—
Fair value adjustment on investment properties	7,889		7,889
Contractual receipts from vendors of investment properties	329		329
Total fair value adjustment on investment properties	8,218	—	8,218
Foreign currency losses	(12,969)		(12,969)
Profit before interest and taxation	**2,474**	**—**	**2,474**
Interest income	91		91
Finance costs	(3,640)		(3,640)
Loss for the period before tax	**(1,075)**	**—**	**(1,075)**
Taxation	(2,505)		(2,505)
Loss for the period after tax	**(3,580)**	**—**	**(3,580)**
Other comprehensive income			
Amounts that may be reclassified to profit and loss:			
Profit on translation of foreign operations	384		384
Total comprehensive loss	**(3,196)**	**—**	**(3,196)**
Loss for the period attributable to:			
Owners of the parent	(2,848)	—	(2,848)
Non-controlling interests	(732)		(732)
	(3,580)	—	(3,580)

EARNINGS PER SHARE

	As previously reported	Note 1	Period ended 30 June 2015 (as restated)
Basic earnings (US$'000)	(3,580)	732	(2,848)
Weighted average number of ordinary shares in issue in the period*	47,104,850		47,104,850
Basic and diluted earnings per ordinary share (US$cents)	**(7.60)**		**(6.05)**

Note 1

Non-controlling interest due to the consolidation of Freedom Asset Management Limited.

Note 2

Dilutionary impact of share-based payments.

CONSOLIDATED STATEMENT OF CASHFLOW

	As previously reported USD'000	Note 1 USD'000	Note 2 USD'000	Note 3 USD'000	Year ended 30 June 2015 (as restated) USD'000
Cash generated from/(utilised in) operations	(3,686)	(4,180)	3,215	621	(4,532)
Taxation (paid)/recovered	(171)				(171)
Net cash (utilised in)/generated from operating activities	**(3,857)**	**(4,180)**	**3,215**	**621**	**(4,703)**
Acquisition of investment properties	(220,008)	1,346			(218,662)
Acquisition of property, plant and equipment	—	—		(110)	(110)
Acquisition of intangible assets	—	—		(511)	(511)
Interest received	—	—	91		91
Proceeds from disposal of property, plant and equipment	—	—			—
Related party loans (advanced)/repaid	264	—			264
Other loans (advanced)/repaid	—	—			—
Net cash utilised in investing activities	**(219,744)**	**1,346**	**91**	**(621)**	**(218,928)**
Proceeds from the issue of ordinary shares	126,846	(20)			126,826
Share issue expenses	(3,610)	—			(3,610)
Proceeds from the issue of preference shares	—	—			—
Ordinary dividends paid	(2,963)	—			(2,963)
Proceeds from interest-bearing borrowings	132,961	—			132,961
Settlement of interest-bearing borrowings	(23,304)	2,854			(20,450)
Finance costs paid	—		(3,306)		(3,306)
Settlement of obligations under finance leases	—				—
Net cash generated from financing activities	**229,930**	**2,834**	**(3,306)**	**—**	**229,458**
Net movement in cash and cash equivalents	**5,827**	**—**	**—**	**—**	**5,827**
Cash at beginning of period	649				649
Effect of foreign exchange rates	(252)				(252)
Total cash and cash equivalents at end of period	**6,224**	**—**	**—**	**—**	**6,224**

Note 1

Reclassification of foreign exchange differences to individual components of the cashflow activities.

Note 2

Reclassification of finance cost paid and interest received from operating activities to finance and investing activities.

Note 3

Reclassification as a result of the consolidation of Freedom Asset Management Limited.

SECTION B

GRIT REAL ESTATE INCOME GROUP LIMITED

(previously Mara Delta Property Holdings Limited)
(Registered by continuation in the Republic of Mauritius)
(Registration number: 128881 C1/GBL)
SEM share code: DEL.N0000
JSE share code: GTR
ISIN: MU0473N00036
("**Grit**" or "**the Company**" or with its subsidiaries "**the Group**")

UNAUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2018 AND PROVISIONAL ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SEVEN MONTHS ENDED 31 JANUARY 2018 AND PROVISIONAL ABRIDGED RESTATEMENT OF PRIOR YEARS FINANCIAL STATEMENTS IN LINE WITH THE PROPOSED LISTING ON THE MAIN MARKET OF THE LONDON STOCK EXCHANGE

DIRECTORS' COMMENTARY

NATURE OF THE BUSINESS

Grit is a pan African property investment company focusing on African real estate assets (excluding South Africa and Namibia). The Company is underpinned by predominantly US Dollar and Euro denominated, medium to long term leases with high quality global graded tenants, delivering sustainable income and growth. The Company holds dual primary listings on the main board of the Johannesburg Stock Exchange ("**JSE**"), since July 2014, and on the Official Market of the Stock Exchange of Mauritius Ltd ("**SEM**"), since March 2015. The Company has announced a potential listing on the main market of the London Stock Exchange ("**LSE Listing**") which is due to take place in July 2018. The Company has seen significant growth in the portfolio, with total property related investments of US$591m. The Company has exposure into Morocco, Mozambique, Mauritius, Kenya and Zambia. During the reporting and subsequent period, the Company entered the Botswana and Ghana markets.

The Group's strategy remains to expand its property portfolio throughout targeted countries in Africa. The Company's expansion will provide sustainable long term, hard currency-based income from high quality global graded tenants. The core focus of the Company is on enhancing shareholder value through a progressive dividend policy and long- term capital growth, which supports the target net asset value growth of the Company. The Company's sustained delivery has been attributed to the geographic and asset class diversification, low portfolio vacancy rate, long term lease profile, redevelopment opportunities and strong management expertise.

REVIEW

The financial results of the third quarter of the 2018 financial year reflects deployment of the proceeds of the recently concluded rights offer. This includes the positive financial impact of the remaining assets transferred, together with the consistent performance from the current property portfolio during the quarter.

Total property related investments have increased from US$488m in June 2017 to US$591m in March 2018. Details of the assets acquired during this period are as follows:

– Imperial Health Sciences Logistics Warehouse located in Nairobi, Kenya transferred on 16 August 2017 (total asset value of US$21.86m, including the adjacent vacant land);

– On 11 August 2017, following receipt of the required regulatory approvals, the Company exercised its convertible loan and was issued 44.428% of the share capital of Beachcomber Hospitality Investments Limited. (Total value of the 44.428% in the associated company is US$65.4m, comprising primarily of three hotel assets in Mauritius valued at US$95.8m and debt of US$27.7m);

– On 18 August 2017, the Company acquired a minority stake in Letlole La Rona Limited, which is listed on the Botswana Stock Exchange. The investment provides an initial entry into the Botswana market and a base for developing the necessary expertise to expand investments into the country. The value of the investment is US$3.9m; and

– During the current period, Grit has made its first investment into Ghana by paying a refundable deposit of US$2m for the acquisition of the CADS II building situated in Accra. The building is tenanted by Tullow Oil. The total consideration for a 50% stake in the company is US$10.7m.

All properties have been independently valued as at 31 January 2018 in preparation for the proposed LSE Listing. The Group's office, hospitality, light industrial and corporate accommodation assets have all retained value or shown favorable fair value adjustments when compared to 30 June 2017 valuations.

The retail sector in Zambia remains stable with revaluation gains recognized for all the assets. Challenging trading conditions in Kenya and Mozambique resulted in decreased values for retail assets in these countries.

In Morocco, the refurbishment project of Anfa Place Shopping Centre ("Anfa") has progressed positively beyond the planning stages (which included creation of strategic vacancies of circa 20%) to the implementation and approval stages with associated amended valuation methodology and reduced valuation during project works. Upon completion of the development project, management estimates a valuation upside. This is due to additional gross lettable area achieved on the project and improved tenancy mix and retail offering. The directors estimate that the devaluation of the property is temporary in nature and that within 18 months of the completion of the project, the following will be eliminated: the negative impact that the construction costs have on cashflow, risk weighting on discount rates and exit capitalization rates used in the discounted cashflow model utilized to value the property.

Material changes to the debt facilities were as follows:

– Bank of China advanced long-term debt of US$37.56m for a period of five years for the acquisition of Cosmopolitan Mall in Lusaka, Zambia. The proceeds of the loan were utilized to settle the existing debt held by the vendor with Standard Bank. The loan was priced at 6 months Libor + 4.0%, which had a favorable impact on the cost of funding;

– Bank of China advanced a loan of US$8.55m to acquire the Imperial Health Sciences Logistics Warehouse in Nairobi, Kenya. The loan was priced at 6 months Libor + 4.0%;

– As part of Grit's hedging strategy to convert the Revolving Credit Facility from USD to EUR, the Company secured a dual-currency facility from Barclays Bank Mauritius amounting to US$20.0 million (equivalent to EUR17.1 million). The above loans attract interest at Libor + 3.5% and Euribor + 3.8% respectively; and

– In March 2018, a short-term revolving line of US$20m was advanced from SBM Bank (Mauritius) Ltd, priced at 3 months Libor + 3.5%.

The Company continued with its multibank strategy, which has had a positive impact on the weighted average cost of debt as well as mitigating potential refinance risk.

The result of the above transactions was a reduction in the weighted average cost of debt from 5.78% at 30 June 2017 to 5.68% at 31 March 2018.

The loan to value ("LTV") at 31 March 2018 was 51.13% after it normalised to 42.78% post 30 June 2017 when cash held from the capital raise was effectively deployed. The increase is attributable to further drawdowns made on acquisitions.

LSE Listing

The Company announced its intention to seek a listing on the Official List of the United Kingdom Listing Authority ("**UKLA**") (as a standard listing) and admission to trading on the main market for listed securities of the London Stock Exchange, on 9 April 2018. Subsequently the Company issued a circular to all shareholders to obtain the necessary approvals in relation to the raising of additional equity funding, by way of the placing and offer for subscription in terms of the LSE Listing. The shareholders approved all requisite resolutions on 10 May 2018.

The Company intends to issue up to 250 million shares, subject to raising a minimum amount of US$140m. Shares will not be issued below the net asset value ("NAV") per share as at 31 March 2018, with final pricing details to be included in the prospectus to be issued in connection with the proposed LSE Listing. All cash proceeds will be deployed in acquiring yield accretive prime real estate assets and to reduce the Company's overall LTV to below 40%.

The rationale for the main market LSE Listing, with the intention to convert to a premium listing, is as follows:

- Support the growth aspirations of Grit and to facilitate the conversion of its current and future pipeline. The capital raised from the LSE Listing will enable its entry into new African jurisdictions and consolidate its presence in existing jurisdictions;
- Improve the depth and diversity of the shareholder base as well as improve the liquidity of the stock, resulting in the inclusion in varied indexes specifically the FTSE Frontier Index and MSCI Frontier Index;
- Ensure the Company adheres to European standards of corporate governance and financial reporting for the benefit of its shareholders.

In preparation for the proposed LSE Listing and the requirement to present historical financial information for the 3 years ended 30 June 2017, the directors have identified a number of provisional adjustments, which have resulted in the company restating its historic financial information for the three financial years ended 30 June 2017. The Company's statutory auditors, are presently auditing the seven-month period ended 31 January 2018, including the historic restatements of the accounts.

Introduction of the European Public Real Estate Associations ("EPRA") reporting guidelines

In conjunction with the proposed LSE Listing, the Group will align its reporting with standard practice in the United Kingdom and the European Union by including EPRA reporting as a key metric of movements in net asset value ("NAV") of the Company and earnings. EPRA reporting was introduced after discussion between the investor community who showed the need for reporting that provided consistency and transparency across Europe. EPRA reporting consists of reporting on EPRA Earnings and EPRA NAV, as well as providing a consistent method on reporting property metrics within a real estate company (such as EPRA net initial yield, EPRA vacancy rate and EPRA cost ratios).

EPRA NAV is a measure of the fair value of net assets assuming a normal investment property company business model. Accordingly, there is an assumption of owning and operating investment property for the long term. For this reason, deferred taxes on property revaluations and the fair value of deferred tax liabilities are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialize.

EPRA earnings is a key measure of a real estate company's operational performance, to the extent to which its dividend payments to shareholders are underpinned by earnings from operating activities. Unrealised changes in valuations, gains or losses on disposal of property, acquisition costs of property and other expense items (typically of a non-cash component) are excluded from a Company's underlying operational performance. A Company also provides for a number of Company specific adjustments which are reported as Adjusted EPRA earnings.

HIGHLIGHTS

On track to meet target year end distribution

First Ghana acquisitions secured

WACD – 5.68% (2017: 5.78%)

Proposed Main Market LSE Listing – July 2018

Portfolio occupancy of 97.3%

Multinational Tenants – 70% (Forbes 2000 and Other Global)

Consolidated statement of comprehensive income

	Unaudited for the three months ended 31 March 2018 US$'000	Unaudited and restated for the three months ended 31 March 2017 US$'000	Unaudited and restated for the nine months ended 31 March 2018 US$'000	Unaudited and restated for the nine months ended 31 March 2017 US$'000	Unaudited and restated for the year ended 30 June 2017 US$'000
Gross rental income	8,177	6,040	23,345	16,740	22,872
Straight-line rental income accrual	453	155	1,063	931	1,132
Revenue	8,630	6,195	24,408	17,671	24,004
Income from associates	6,770	2,494	15,691	5,021	6,893
Property operating expenses	(1,254)	(1,370)	(4,551)	(4,306)	(7,170)
Net property income	14,146	7,319	35,548	18,386	23,727
Other income	(1,622)	545	(90)	1,923	254
Administrative expenses	(1,774)	(2,002)	(6,058)	(5,729)	(7,006)
Profit from operations	10,750	5,862	29,400	14,580	16,975
Acquisition fees and set-up costs	(5,047)	(997)	(5,190)	(1,085)	(678)
Fair value adjustment on investment property	4,600	(2,294)	9,091	1,997	(20,499)
Fair value adjustment on derivative financial instruments	(106)	(468)	(166)	114	535
Gain from bargain purchase	—	—	—	—	609
Foreign currency (losses)/gains	2,050	20	3,744	(2,623)	2,081
Profit before interest and taxation	12,247	2,123	36,879	12,983	(977)
Interest income	295	583	3,523	888	2,059
Finance costs	(5,083)	(3,442)	(14,029)	(7,258)	(11,433)
Profit for the period before tax	7,459	(736)	26,373	6,613	(10,351)
Current tax expense	(68)	771	(68)	(159)	(32)
Deferred tax (expense)/income	(315)	(46)	(1,057)	1,367	2,947
Profit for the period after tax	7,076	(11)	25,248	7,821	(7,436)
Profit/(loss) on translation of functional currency	2,122	504	1,809	451	3,045
Other comprehensive income	—	—	—	—	—
Total comprehensive income	9,198	493	27,057	8,272	(4,391)
Profit attributable to:					
Owners of the parent	7,074	461	26,280	8,985	(6,634)
Non-controlling interests	2	(472)	(1,032)	(1,164)	(802)
	7,076	(11)	25,248	7,821	(7,436)
Total comprehensive income attributable to:					
Owners of the parent	9,196	965	28,089	9,436	(3,589)
Non-controlling interests	2	(472)	(1,032)	(1,164)	(802)
	9,198	493	27,057	8,272	(4,391)

Reconciliation of basic earnings and headline earnings

	Unaudited for the nine months ended 31 March 2018 US$'000	Unaudited and restated for the nine months ended 31 March 2017 US$'000	Unaudited and restated for the year ended 30 June 2017 US$'000
Basic earnings	25,248	7,821	(7,436)
Fair value adjustments on investment property (net of deferred taxation)	(9,091)	(1,997)	20,499
Share of value adjustment on investment property accounted by associate	(4,085)	(1,745)	(4,181)
Fair value adjustments on financial instruments	166	(144)	(535)
Headline earnings attributable to shareholders	12,238	3,965	8,347
Number of shares in issue at interim	208,514,261	100,061,130	111,787,042
Number of shares in issue	208,514,261	121,931,722	208,514,261
Treasury shares (number of shares)	9,940,758	3,000,000	10,093,493
Weighted average number of shares	208,514,261	106,301,518	110,435,576
Earnings per share			
Basic and diluted profit per share (cents)	12.11	7.36	(6.73)
Headline and diluted headline earnings per share (cents)	5.87	3.73	7.56

Consolidated statement of financial position

	Unaudited as at 31 March 2018 US$'000	Restated unaudited as at 31 March 2017 US$'000	Restated unaudited as at 30 June 2017 US$'000
Assets			
Non-current assets			
Investment properties	387,718	318,651	307,795
Deposit paid on investment properties	4,117	8,620	24,440
Property, plant and equipment	1,169	1,611	1,290
Intangible assets	33	216	592
Other investments	3,757	—	—
Investment in associates	157,443	48,403	89,016
Related party loans	29,348	—	10,637
Loans receivable	8,723	23,194	56,111
Deferred tax	—	954	—
Total non-current assets	592,308	401,649	489,881
Current assets			
Current tax receivable	566	—	439
Derivative financial instruments	25	—	—
Trade and other receivables	35,706	11,942	22,805
Other financial asset	16,856	—	—
Related party loans	2,691	1,989	2,000
Cash and cash equivalents	9,484	6,489	24,668
Total current assets	65,328	20,420	49,912
Total assets	657,636	422,069	539,793
Equity and liabilities			
Total equity attributable to equity holders			
Share capital	319,979	203,952	319,979
Treasury shares	(14,414)	(5,100)	(15,031)
Foreign currency translation reserve	5,084	680	3,275
Antecedent dividend reserve	—	391	1,261
Retained (loss)	(38,681)	(30,651)	(51,177)
Equity attributable to owners of the company	271,968	169,272	258,307
Non-controlling interests	(2,155)	(1,485)	(1,123)
Total equity	269,813	167,787	257,184

Consolidated statement of financial position (continued)

	Unaudited as at 31 March 2018 US$	Restated unaudited as at 31 March 2017 US$	Restated unaudited as at 30 June 2017 US$
Liabilities			
Non-current liabilities			
Reedeemable preference shares	12,840	12,840	12,840
Interest-bearing borrowings	245,809	146,591	185,051
Obligation under finance lease	145	180	171
Related party loans	—	1,365	1,365
Deferred tax	9,998	11,419	8,545
Total non-current liabilities	268,792	172,395	207,972
Current liabilities			
Interest-bearing borrowings	65,020	70,227	47,959
Obligation under finance lease	42	47	45
Trade and other payables	36,115	10,775	26,176
Other financial liability	16,950	—	—
Derivative financial instruments	—	55	19
Bank overdraft	904	783	438
Total current liabilities	119,031	81,887	74,637
Total liabilities	387,823	254,282	282,609
Total equity and liabilities	657,636	422,069	539,793
Loan to value	51.13%	52.93%	42.78%
Net asset value per share (cents)	136.96	142.33	130.18
Net asset value per share (excluding deferred taxation) (cents)	142.00	151.13	134.49
EPRA net asset value per share (cents)	144.03	154.87	137.70

Condensed consolidated statement of cash flows

	Unaudited for the nine months ended 31 March 2018 US$'000	Unaudited and restated for the nine months ended 31 March 2017 US$'000	Unaudited and restated for the year ended 30 June 2017 US$'000
Cash (utilised in)/generated from operating activities	(4,138)	1,989	20,193
Changes in working capital	10,832	172	6,649
Dividends paid	(14,167)	(12,239)	(17,649)
Net cash utilised in investing activities	(85,204)	(89,469)	(170,775)
Net cash generated from financing activities	73,128	87,471	185,653
Net movement in cash and cash equivalents	(19,549)	(12,076)	24,071
Cash at the beginning of the period/year	24,228	17,772	159
Total cash at the end of the period/year	4,679	5,696	24,230
Represented by:			
Cash at bank	9,479	6,478	24,667
Bank overdraft	(904)	(783)	(438)
Total cash at the end of the period/year	8,575	5,695	24,229

Consolidated statement of changes in equity

	Share capital US$'000	Non-controlling interest US$'000	Treasury shares US$'000	Foreign currency translation reserve US$'000	Antecedent dividend reserve US$'000	Retained earnings US$'000	Total equity holders US$'000
Balance as at 1 July 2016							
– as previously reported	171,995	—	—	(2)	636	(9,256)	163,372
– effect of prior year adjustment	—	(455)	(5,100)	231	—	(19,732)	(25,056)
– as restated	171,995	(455)	(5,100)	229	636	(28,989)	138,317
Profit for the period – restated	—	(1,164)	—	—	—	8,985	7,821
Dividends paid	—	—	—	—	(1,311)	(10,647)	(11,957)
Foreign currency translation reserve movement	—	—	—	451	—	—	451
Shares issued	34,320	133	—	—	—	—	34,453
Share issue expenses	(1,298)	—	—	—	—	—	(1,298)
Ordinary shares held as treasury shares	—	—	—	—	—	—	—
Transfer from share issues	(1,066)	—	—	—	1,066	—	—
Balance as at 31 March 2017	**203,952**	**(1,485)**	**(5,100)**	**680**	**391**	**(30,651)**	**167,787**
Profit for the period	—	362	—	—	—	(15,619)	(15,257)
Dividends paid	—	—	—	—	(285)	(5,125)	(5,409)
Share based payments	—	—	—	—	—	218	218
Foreign currency translation reserve movement	—	—	—	2,594	—	—	2,594
Shares issued	121,215	—	—	—	—	—	121,215
Share issue expenses	(4,033)	—	—	—	—	—	(4,033)
Ordinary shares held as treasury shares	—	—	(9,931)	—	—	—	(9,931)
Transfer from share issues	(1,155)	—	—	—	1,155	—	—
Balance as at 30 June 2017	**319,979**	**(1,123)**	**(15,031)**	**3,274**	**1,261**	**(51,177)**	**257,183**
Unaudited for the nine months ended							
Profit for the period	—	(1,032)	—	—	—	26,280	25,248
Dividends paid	—	—	—	—	(1,261)	(14,028)	(15,289)
Foreign currency translation reserve movement	—	—	—	1,810	—	—	1,810
Ordinary shares held as treasury shares	—	—	617	—	—	—	617
Share based payments	—	—	—	—	—	243	243
Transfer from share issues	—	—	—	—	—	—	—
Balance as at 31 March 2018	**319,979**	**(2,155)**	**(14,414)**	**5,084**	**—**	**(38,682)**	**269,812**

Condensed consolidated segmental analysis

	Ghana	Botswana	Morocco	Mozambique	Zambia	Kenya	Mauritius	Total
Geographical location 31 March 2018 – US$'000								
Gross rental income	—	—	6,966	10,916	—	940	4,523	23,345
Straight-line rental income accrual	—	—	120	526	—	109	308	1,063
Property operating expenses	—	—	(3,438)	(796)	—	(30)	(287)	(4,551)
Income from Associates	—	—	—	—	11,280	(3,070)	7,480	15,691
Net property rental and related income	—	—	3,648	10,646	11,280	(2,051)	12,024	35,548
Fair value adjustment on investment property	—	—	(871)	5,094	—	771	4,098	9,091
Investment Property vehicles	2,000	3,757	97,526	202,326	91,339	22,119	129,851	548,918
Investment property at fair value	2,000	—	94,842	198,762	—	21,756	63,442	380,803
Straight-line rental income accrual	—	—	2,684	3,564	—	109	558	6,915
Investment in associates	—	—	—	—	91,339	253	65,851	157,443
Equity investments:								
Available-for-sale	—	3,757	—	—	—	—	—	3,757
Other financial assets	—	—	—	—	—	—	—	—

	Equity investments	Hospitality	Retail	Office	Light industrial	Corporate accomm-odation	Head office	Total
Type of property 31 March 2018 – US$'000								
Gross rental income	—	3,019	8,693	8,722	1,626	1,284	—	23,345
Straight-line rental income accrual	—	138	107	567	109	142	—	1,063
Property operating expenses	—	—	(3,744)	(539)	(47)	(221)	—	(4,551)
Income from Associates	—	7,480	8,210	—	—	—	—	15,691
Net property rental and related income	—	10,638	13,267	8,750	1,688	1,205	—	35,548
Fair value adjustment on investment property	—	2,394	(4,816)	1,154	828	8,831	—	8,392
Investment Property vehicles	3,757	114,023	222,459	143,642	28,370	36,668	—	548,918
Investment property at fair value	—	47,900	128,226	139,748	28,260	36,668	—	380,802
Straight-line rental income accrual	—	—	2,912	3,894	109	—	—	6,915
Investment in associates	—	66,123	91,319	—	—	—	—	157,443
Equity investments:								
Available-for-sale	3,757	—	—	—	—	—	—	3,757
Other financial assets	—	—	—	—	—	—	—	—

SUBSEQUENT EVENTS

Other than those items mentioned above, the following material events occurred subsequent to the end of the reporting period:

- On 10 May 2018, the Company through its wholly-owned subsidiary Grit Accra Limited, concluded the acquisition of 47.5% of Capital Place Limited ("Capital Place"), which owns 100% of the Capital Place Building, a commercial building in Accra Ghana. The Company also paid a refundable deposit of US$5m in April 2018 to secure the acquisition of the remaining 52.5%. The building in Capital Place has a value US$25.5m. The initial purchase of 47.5% has been partly settled through the issue of new shares in the Company at the last published net asset value per share of US$1.5267 (as at 31 December 2017). The new shares were issued with a non-entitlement to dividends prior to the transfer date.
- The Company signed a binding Heads of Agreement for the acquisition of the Fifth Avenue asset in Ghana for a gross consideration of US$20.5m of which US$5.8m shall be through the issue of new shares and US$14.8m payable in cash. The shares will be issued at the last published net asset value per share and will include a non-entitlement to dividends prior to transfer date.
- Grit obtained an overdraft facility of US$8.5m from ABC Bank as an equity bridge for the upcoming capital raise in order to secure the upcoming acquisitions. The facility bears interest of 3 months' LIBOR + a margin of 3.5%.

CHANGES TO THE BOARD

Since the last quarterly results were published, the following changes to the board of directors ("Board") have taken place:

- 8 March 2018 – Mr Maheshwar Doorgakant resigned as permanent Alternate Director to Mr Chandra Gujadhur;
- 29 March 2018 – Mr Chandra Gujadhur resigned as Chairman of the Audit Committee and as a member of the Board due to him reaching the age of seventy and other commitments;
- 29 March 2018 – Mr Paul Huberman was appointed as a member of the Board and as the Chairman of the Audit Committee;
- 12 April 2018 – Mr Sandile Nomvete resigned as the Chairman and member of the Board to focus on his role as CEO of Delta Property Fund; and
- 12 April 2018 – Mr Peter Todd was appointed as the Chairman of the Board.

The Board wishes to thank Mr Doorgakant, Mr Gujadhur and Mr Nomvete for their valuable contributions to the Group during their tenure on the Board. The Board also welcomes Mr Huberman and is of the view that with his extensive experience in the real estate and finance sectors in the UK, he will add great value to the Board and to the proposed LSE Listing.

Mr Todd, who has been a member of the Board since his appointment as the Lead independent non-executive director in August 2014, is welcomed as the new Chairman.

NOTES

The Group is required to publish interim reports in accordance with the Listing Rule 12.19 of the SEM. Accordingly, this announcement presents the abridged unaudited consolidated financial results of the Group in respect of the three and nine months period from 1 January 2018 to 31 March 2018 and 1 July 2017 to 31 March 2018 respectively.

Save for the changes in accounting policies as detailed further down in this announcement, the accounting policies which have been applied are consistent with those used in the preparation of the audited financial statements for the year ended 30 June 2017.

The abridged unaudited consolidated financial statements for the three and nine months ended 31 March 2018 (the "**Financial Statements**") have been prepared in accordance with the measurement and recognition requirements of IFRS, the requirements of IAS 34: Interim Financial Reporting, the SEM Listing Rules, the JSE Listings Requirements and the Securities Act of Mauritius 2005. The Financial Statements have not been reviewed or reported on by the Group's external auditors. These Financial Statements were approved by the Board on 11 June 2018.

Copies of the above Financial Statements and the statement of direct and indirect interests of each officer of the Group, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules of Mauritius 2007, are available free of charge, upon request at the Company's registered address. Contact person: Mrs Smitha Algoo.

Restatement of accounts

In preparation for the proposed LSE Listing and the requirement to present historical financial information for the 3 years ended 30 June 2017, the directors have identified a number of adjustments. These adjustments arose from the application of applying IFRS in different jurisdictions and also the correction of prior period errors.

The nature of the restatements can be described as follows:

Revenue recognition and measurement

The Group has amended its accounting policy and treatment for recognition of cash received from the vendors of properties, either for claims under rental guarantees provided by the seller, or rentals accruing to the Group prior to the date of transfer of the property in terms of IAS 18 Revenue.

Vendor rental guarantees

In acquiring certain properties, the Group has been the beneficiary of rental guarantees as well as net operating income guarantees from the vendors. The Group's accounting policy in respect of amounts received under such guarantees was to recognise them as revenue. Given that such amounts are receivable from the vendor rather than tenants, the Group has now determined that such amounts should be accounted for as an adjustment to the acquisition costs of the asset.

Where a property acquisition cost is adjusted by any amounts received under rental guarantees there will be a corresponding adjustment to the fair value movement on the property.

Tenant lease incentives and rent concessions

In the ordinary course of business, the Group has provided tenants with rent concessions and lease incentives. The principles established in IAS 17 Leases requires that such costs are recognised on a straight-line basis over the lease term, unless another systematic basis is more appropriate. Having reconsidered the application of this principle, the Group has concluded that it is appropriate to revise the periods over which certain costs are being recognised.

Pre-transfer rental receipts

In December 2015, the Group entered into an agreement to acquire an investment property. Completion took place in January 2018 and the sale agreement provided for rental receipts to accrue to the Group during the intervening period. The Group's accounting policy in respect of these amounts was to recognise this rent receivable as revenue. Given that the right to rental receipts in the periods prior to completion results from an agreement with the vendor, the Group has now determined that such amounts should be accounted for as an adjustment to the acquisition cost of the asset. Following the completion of the property transfer in January 2018, the fair value movement in the property will include the adjustment for rent received pre-transfer.

The resultant impact to the Group is to reduce the revenue recognized through profit and loss and increase the fair value adjustment in the appropriate period. The combined impact of the above adjustments is a reduction of previously reported net assets for 2017 of US$5,567,816, (2016: US$1,987,335), and to reduce previously reported profit after tax for 2017 of US$3,580,481 (2016 – reduction of US$1,987,335).

The above items will have an impact on headline earnings per share, but do not affect distribution as all cash generation is included in distribution. The above treatment will be considered a company specific adjustment to EPRA earnings in the future.

Consolidation of Freedom Asset Management

Freedom Asset Management Limited ("FAM"), a company owned by entities controlled by Bronwyn Corbett and Sandile Nomvete ("founders"), was appointed as the asset manager of the Group in September 2014.

Having reviewed the terms of the asset management agreement between FAM and Grit it has been determined that Grit had de facto control over the business of FAM. FAM's sole contract was the contract with Grit (and its subsidiaries) and the contract determined the services and operations of FAM. The structure of the asset management agreement was such that Grit had the ability to vary the returns to FAM via the absolute discretion Grit had in accepting or rejecting which assets were acquired by Grit (which would attract a fee of 1% for each asset acquisition), and as such, Grit controlled the variability of the returns of FAM and controlled the applicable costs within Grit.

In May 2016, the asset management agreement was terminated, and the employees transferred to the Group in exchange for the issue of three million shares at a value of US$1.70 a share. As a result, the Group previously recognised an intangible asset of US$5,100,000.

Subsequent to the termination of the agreement, 1,859,243 of the shares issued to FAM were in part allocated for the benefit of the founders, with the remaining 1,140,757 subject to share option awards made to the employees transferred to Grit.

Further to this in June 2017, FAM also subscribed for 7,093,493 shares as part of the rights issue with the consideration paid through an unsecured interest-bearing loan (with an interest rate of Libor + 6.5%) of US$9,930,890 provided by the Group, with such shares being acquired for the benefit of the executive management and staff of Grit's long-term incentive plan. The shares are held within FAM until such time as the formation of Grit Executive Share Trust is completed, with the transfer of the shares to the Grit Executive Share Trust being concluded through the cession of the loan from FAM to the Trust.

Based on the above, the directors reconsidered the nature of the above transactions and the relationship that existed between the Group and FAM, in particular with regard to the application of IFRS 10. It was concluded that both before and after the termination of the asset management agreement the Group controlled FAM and as a result FAM has been consolidated for each of the periods presented.

The shares issued to FAM, previously recognised as an intangible asset of US$5,100,000 being 3,000,000 shares and the shares acquired by FAM (for the benefit of the executive management and staff) of US$9,930,890 being 7,093,493 shares, held on the Group's balance sheet have now been recorded as a reduction of share capital with the shares treated as treasury shares on consolidation. The residual amounts in FAM after the elimination of these amounts and the asset management fees recharged to the Group, has been treated as a non-controlling interest.

The Group has also recognised share based payments in respect of the above shares allocated to the founders and the share option awards made to staff in August 2016.

The impact of the above item has been to reduce previously reported total net assets for 2017 by US$15,787,005 (2016 – reduction of US$5,554,515, 2015 – reduction of US$710,312), with such reductions being recorded as treasury shares and losses attributable to non-controlling Interests. Profit after tax decreased in 2017 by US$934,929 (2016 – decrease of US$3,034,933, 2015 – decrease of US$731,305). The reduction in profit after tax is attributable to non-controlling Interest.

The NAV per share is not materially impacted by the above restatement as the treasury shares are excluded from the calculation of the net asset value attributable to the owners of Grit.

Deferred tax

The Group holds its investment properties through corporate vehicles and effects disposals of such properties through the sale of the corporate vehicle holding the property in question. No tax arises on the sale of shares in the jurisdictions in which the Group is domiciled for tax purposes. The Group therefore expected the fair value of its investment properties to be realised in a manner that did not result in a tax liability. For this reason, the Group had previously adopted an accounting policy of not providing for deferred tax on changes in the fair value of investment properties. The Group has reconsidered its accounting policy in the light of conclusions reached by the IFRS Interpretations Committee in July 2014 and has determined that a change in policy is required to reflect the tax that would be payable on a disposal both inside and outside the corporate vehicle.

The impact of the above item has been to reduce previously reported net assets for 2017 by US$13,821,131 (2016 – reduction of US$16,606,028, 2015 – reduction of US$1,809,574) and to increase previously reported profit after tax for 2017 by US$2,784,897 (2016 – decrease of US$14,796,454, 2015 – decrease of US$1,809,574).

The above changes do not impact tangible net asset value per share or EPRA net asset value per share as the deferred tax related to the restatements are excluded from such calculations.

Restatement of the valuation of Anfa Place Shopping Centre

Anfa was included in the accounts at 30 June 2017 at a directors' valuation of 987,500,000 Moroccan Dirham (or US$102,270,351). In addition, the initial pre-construction costs in relation to the redevelopment of Anfa of US$5,350,852 was recorded at cost. As part of the proposed LSE Listing, Anfa was subject to an external professional valuation as at 31 January 2018 which valued the property at 850,000,000 Moroccan Dirham (or US$92,896,176).

The directors' valuation at 30 June 2017 was not prepared on a comparable basis. Having reviewed the external valuation at 31 January 2018 and considered the property market of Morocco, both generally and specific to Anfa, during the seven months to 31 January 2018, the directors have concluded that the external valuation undertaken as at 31 January 2018 is a better evidence of the value of Anfa at 30 June 2017 and have therefore adopted this value into the accounts at 30 June 2017 as a restated directors valuation. The external valuation included the final project plan, construction costing (which were not finalized by the date of prior to the issue of the 30 June 2017 financial statements) as well as the negotiated rental concessions with tenants related to relocation and fit out allowances that was approved by the board in November 2017.

The impact of the above has been to reduce previously reported net assets for 2017 by US$20,230,194 (2016 – reduction of US$278,520). Profit after tax decreased in 2017 by US$19,951,674 (2016 – decrease of US$278,520).

Accounting for foreign currency

In prior years, the Group incorrectly recorded foreign currency exchange movements relating to subsidiaries and associates with a functional currency other than the reporting currency of the group within the income statement lines 'Foreign currency gains and losses' and 'Share of profits from associates', whereas these should have been recorded as a movement in the foreign currency translation reserve. In addition to this, the group had incorrectly classified exchange movements within the income statement line 'Fair value adjustment on investment properties'.

The impact of the above has no impact to previously reported net assets. Profit after tax decreased in 2017 by US$1,211,320 (2016 – increase of US$990,990, 2015 – decrease of US$1,222,246). Other comprehensive income increased in 2017 by US$1,979,842 (2016 – decrease of US$990,585 and 2015 – increase of US$1,222,246).

Write off of certain balances

The Group identified a number of corrections to the recorded amounts of certain assets and liabilities in prior periods that should have either been expensed or credited to profit and loss. The adjustments predominately relate to transactions with the vendors of the properties and are deemed as irrecoverable.

The impact of the above has been to reduce previously reported net assets for 2017 by US$2,135,225 (2016 – reduction of US$629,336). Profit after tax increased in 2017 by US$1,505,890 (2016 – decrease of US$629,336).

Reclassification of accounts

Acquisition accounting

When acquiring an investment property through the acquisition of a corporate vehicle, the Group's accounting policy has been to account for the transaction as a business combination. This has involved measuring the identifiable assets acquired and liabilities assumed at fair value and recognising and measuring any goodwill or gain from a bargain purchase.

The Group has reconsidered the nature of such acquisitions in the light of guidance provided by IFRS 3 Business Combinations and has concluded that they are not characterised by the features typically associated with a business combination, but rather that of an asset. This involves allocating the acquisition cost to the identifiable assets and liabilities based on of their relative fair values at the date of purchase. In contrast to the position when accounting for a business combination, no goodwill or gain from a bargain purchase arises and acquisition costs are generally capitalised rather than expensed.

The above item has had no impact on previously reported net assets or profit after tax but has led to reclassifications within the statement of comprehensive income and statement of cashflows for the years ended 30 June 2017, 30 June 2016 and 30 June 2015.

Reclassification for disclosure purposes

Certain items have been reclassified to provide consistent disclosure with property companies in the United Kingdom. The reclassifications include:

- Disclosure of unamortised debt origination fees from other receivables to Interest bearing borrowings
- Certain related party loans are classified as current assets rather than non-current assets
- Related party loans are classified as non-current liabilities rather than current liabilities
- The movement in the interest swap has been reclassified from finance costs to fair value movement in derivatives
- The movement between straight-line leasing and Fair value adjustment on investment property

Rights offer

As part of the Rights offer in June 2017, certain shareholders participated in the offer to subscribe for 15,342,886 shares with a total value of US$21,480,041. Settlement of their obligations was conducted via a setoff of funds due to the respective shareholders by the Company. The Company incorrectly recorded the amount in the statement of cashflows as 'Proceeds from the issue of shares' and cash outflows as 'Acquisition of investment property'. The cashflow has been restated to correct the classification.

The impact of the reclassification is to reduce the Proceeds from the issue of shares by US$21,480,041 and decrease the cash outflow for the Acquisition of investment property by US$21,480,041.

All details of the above restatements are fully detailed in the below provisional abridged unaudited consolidated financial statements for the seven-month period ended 31 January 2018, which also includes the provisional abridged restated historical financial information for the years ended 30 June 2015, 30 June 2016 and 30 June 2017. The full set of financial statements will be available on the Company website when the audit of the aforementioned financial statements is complete, which will be prior to the publication of the Prospectus.

Grit Real Estate Income Group Limited
Consolidated statement of financial position
As at 30 June 2015, 30 June 2016, 30 June 2017 (restated and unaudited) and 31 January 2018 (unaudited)

	Restated as at 30 June 2015 US$'000	Restated as at 30 June 2016 US$'000	Restated as at 30 June 2017 US$'000	Unaudited as at 31 January 2018 US$'000
Assets				
Non-current assets				
Investment properties	210,391	239,926	307,795	381,873
Deposits paid on investment properties	—	8,620	24,440	4,117
Property, plant and equipment	97	525	1,290	1,200
Intangible assets	9	599	592	605
Other investments	—	—	—	4,931
Investments in associates	—	45,822	89,016	157,173
Related party loans	12	——	10,637	30,263
Loans receivable	—	—	56,111	9,523
Other financial asset	—	—	—	16,856
Total non-current assets	210,508	295,492	489,881	606,541
Current assets				
Current tax receivable	—	—	439	547
Derivative financial instruments	—	—	—	12
Trade and other receivables	18,787	15,327	22,805	31,661
Related party loans	—	—	2,000	625
Cash and cash equivalents	6,566	17,785	24,668	8,880
Total current assets	25,354	33,112	49,911	41,725
Total assets	235,861	328,604	539,792	648,266
Equity and liabilities				
Total equity attributable to ordinary shareholders				
Ordinary share capital	127,959	171,995	319,979	319,979
Treasury shares reserve	—	(5,100)	(15,031)	(14,811)
Foreign currency translation reserve	437	230	3,275	3,652
Antecedent dividend reserve	—	636	1,261	—
Retained loss	(5,792)	(28,989)	(51,177)	(28,119)
Equity attributable to owners of the Company	122,603	138,771	258,306	280,701
Non-Controlling interest	(710)	(455)	(1,123)	(1,908)
Total equity	121,893	138,317	257,183	278,793

	Restated as at 30 June 2015 US$'000	Restated as at 30 June 2016 US$'000	Restated as at 30 June 2017 US$'000	Unaudited as at 31 January 2018 US$'000
Liabilities				
Non-current liabilities				
Redeemable preference shares	—	—	12,840	12,840
Interest-bearing borrowings	10,491	126,633	185,051	225,787
Obligations under finance leases	—	—	171	153
Related party loans	1,153	1,365	1,365	—
Deferred tax	2,427	11,458	8,545	8,697
Total non-current liabilities	14,070	139,456	207,972	247,476
Current liabilities				
Interest-bearing borrowings	91,166	34,548	47,959	87,996
Obligations under finance leases	—	—	45	43
Trade and other payables	8,252	14,700	26,176	16,026
Current tax payable	138	1,029	—	—
Derivative financial instruments	—	554	19	—
Other financial liability	—	—	—	16,950
Bank overdrafts	342	—	438	982
Total current liabilities	99,898	50,832	74,637	121,996
Total liabilities	113,968	190,287	282,609	369,473
Total equity and liabilities	235,861	328,604	539,792	648,266
Net asset value per share (cents)	166.45	142.97	130.18	141.36
Net asset value per share (excluding deferred taxation) (cents)	169.75	154.78	134.49	145.74
EPRA Net asset value per share (cents)	168.15	160.51	137.7	148.44

Grit Real Estate Income Group Limited
Consolidated statement of comprehensive income
For years ended 30 June 2015, 30 June 2016, 30 June 2017 (unaudited and restated) and for the periods ended 31 January 2017 (unaudited) and 31 January 2018 (unaudited)

	Year ended 30 June 2015 Restated US$'000	Year ended 30 June 2016 Restated US$'000	Year ended 30 June 2017 Restated US$'000	Period ended 31 January 2017 (Unaudited) US$'000	Period ended 31 January 2018 (Unaudited) US$'000
Gross rental income	13,589	19,986	22,872	12,441	17,175
Straight-line rental income accrual	2,267	1,901	1,132	859	1,061
Revenue	15,856	21,887	24,004	13,300	18,236
Share of profits from associates	—	3,313	6,893	2,793	13,848
Property operating expenses	(3,478)	(5,623)	(7,170)	(3,202)	(3,778)
Net property income	12,378	19,577	23,727	12,891	28,307
Other income	384	805	254	1,559	30
Administrative expenses	(4,541)	(7,355)	(7,006)	(3,518)	(4,474)
Profit from operations	8,221	13,027	16,974	10,933	23,863
Acquisition fees and set-up costs	(996)	(1,563)	(678)	(818)	(4,867)
Fair value adjustment on investment properties	7,889	(4,625)	(20,729)	4,460	2,279
Fair value adjustment on investment properties from cash receipts from Sellers	329	892	230	—	7,788
Fair value adjustment on other investments	—	—	—	—	61
Fair value adjustment on financial instruments	—	—	—	—	(93)
Fair value adjustment on derivative financial instruments	—	(554)	535	101	31
Gain from bargain purchase on associates	—	251	609	—	—
Foreign currency (losses)/gains	(12,969)	4,127	2,081	(3,124)	2,796
Profit before interest and taxation	2,474	11,554	(977)	11,552	31,858
Interest income	91	170	2,059	506	2,763
Finance costs	(3,640)	(9,243)	(11,433)	(5,290)	(10,932)
Profit for the period before tax	(1,075)	2,481	(10,351)	6,767	23,689
Taxation	(2,505)	(20,243)	2,914	251	(151)
Profit for the period after tax	(3,580)	(17,762)	(7,436)	7,018	23,538
Amounts that may be reclassified to profit and loss					
(Loss)/profit on translation of functional currency	384	(207)	3,045	217	377
Other comprehensive income	—	—	—	—	—
Total comprehensive income	(3,196)	(17,969)	(4,391)	7,235	23,915
Profit attributable to:					
Owners of the parent	(2,848)	(17,962)	(6,635)	7,018	24,322
Non-controlling interests	(731)	200	(802)	—	(785)
	(3,580)	(17,762)	(7,436)	7,018	23,538
Total comprehensive income attributable to:					
Owners of the parent	(2,464)	(18,169)	(3,589)	7,235	24,699
Non-controlling interests	(731)	200	(802)	—	(785)
	(3,196)	(17,969)	(4,391)	7,235	23,915
Basic and diluted earnings per ordinary share (cents)*	(7.60)	(21.73)	(6.73)	6.79	11.29

Grit Real Estate Income Group Limited
Consolidated statement of changes in equity
As at 30 June 2015, 30 June 2016, 30 June 2017 (restated and unaudited) and 31 January 2018 (unaudited)

	Share capital US$'000	Treasury shares reserve US$'000	Foreign currency translation reserve US$'000	Antecedent dividend reserve US$'000	Retained loss US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance as at 1 July 2014							
– As previously reported	865		53	—	19	—	937
– effect of prior year adjustments	—	—	—	—	—	21	21
– as restated	865	—	53	—	19	21	958
Profit for the year (as restated)	—	—	—	—	(2,848)	(731)	(3,580)
Foreign currency translation differences (as restated)	—	—	384	—	—	—	384
Other comprehensive income	—	—	—	—	—	—	—
Total comprehensive income	—	—	384	—	(2,848)	(731)	(3,196)
Ordinary shares issued	130,704	—	—	—	—	—	130,704
Share issue expenses	(3,610)	—	—	—	—	—	(3,610)
Ordinary dividends paid	—	—	—	—	(2,963)	—	(2,963)
Balance as at 30 June 2015 (restated)	127,959	—	437	—	(5,792)	(710)	121,893
Balance as at 1 July 2015							
– As previously reported	127,959	—	(785)	—	(2,761)	—	124,413
– effect of prior year adjustments	—	—	1,222	—	(3,032)	(710)	(2,520)
– as restated	127,959	—	437	—	(5,792)	(710)	121,893
Profit for the year (as restated)	—	—	—	—	(17,962)	200	(17,762)
Share based payments	—	—	—	—	3,235	—	3,235
Foreign currency translation differences (as restated)		—	(207)	—	—	—	(207)
Total comprehensive income	—	—	(207)	—	(14,727)	200	(14,734)
Ordinary dividends paid	—	—	—	—	(8,470)	—	(8,470)
Treasury shares	—	(5,100)	—	—	—	—	(5,100)
Ordinary shares issued	44,830	—	—	—	—	—	44,830
Ordinary shares issued	—	—	—	—	—	56	56
Share issue expenses	(158)	—	—	—	—	—	(158)
Transfer from share issues	(636)	—	—	636	—	—	—
Balance as at 30 June 2016	171,995	(5,100)	230	636	(28,989)	(455)	138,317
Balance as at 1 July 2016							
– As previously reported	171,995	—	(2)	636	(9,256)	—	163,372
– effect of prior year adjustments	—	(5,100)	232	—	(19,733)	(455)	(25,056)
– as restated	171,995	(5,100)	230	636	(28,989)	(455)	138,317
Profit for the year (as restated)	—	—	—	—	(6,635)	(802)	(6,668)
Share based payments	—	—	—	—	133	—	133
Foreign currency translation differences (as restated)		—	3,045	—	—	—	2,277
Other comprehensive income	—	—	—	—	—	—	—
Total comprehensive income	—	—	3,045	—	(6,501)	(802)	(4,258)

	Share capital US$'000	Treasury shares reserve US$'000	Foreign currency translation reserve US$'000	Antecedent dividend reserve US$'000	Retained loss US$'000	Non-controlling interests US$'000	Total equity US$'000
Ordinary dividends paid	—	—	—	(636)	(11,526)	—	(12,161)
Treasury shares	—	(9,931)	—	—	—	—	(9,931)
Ordinary shares issued	155,535		—	—	—	—	155,535
Ordinary shares issued	—		—	—	—	133	133
Share issue expenses	(5,331)		—	—	—	—	(5,331)
Transfer from share issues	(2,221)		—	2,221	—	—	—
Clean-out ordinary dividend paid*	—	—	—	(960)	(4,161)	—	(5,121)
Balance as at 30 June 2017	319,979	(15,031)	3,275	1,261	(51,177)	(1,123)	257,183
Balance as at 1 July 2017							
– As previously reported	319,979	—	1,064	1,261	(7,578)	—	314,725
– effect of prior year adjustments	—	(15,031)	2,212	—	(43,599)	(1,123)	(57,541)
– as restated	319,979	(15,031)	3,275	1,261	(51,177)	(1,123)	257,183
Profit for the year	—	—	—	—	24,322	(785)	23,538
Share based payments	—	—	—	—	214	—	214
Foreign currency translation differences	—	—	377	—	—	—	377
Other comprehensive income	—	—	—	—	—	—	—
Total comprehensive income	—	—	377	—	24,536	(785)	24,129
Ordinary dividends paid	—	—	—	(1,261)	(1,478)	—	(2,738)
Treasury shares	—	220	—	—	—	—	220
Balance as at 31 January 2018	319,979	(14,811)	3,652	—	(28,119)	(1,908)	278,793

Grit Real Estate Income Group Limited
Consolidated statement of cash flows
For years ended 30 June 2015, 30 June 2016, 30 June 2017 (unaudited and restated) and for the periods ended 31 January 2017 (unaudited) and 31 January 2018 (unaudited)

	Year ended 30 June 2015 US$'000	Year ended 30 June 2016 US$'000	Year ended 30 June 2017 US$'000	Period ended 31 January 2017 (Unaudited) US$'000	Period ended 31 January 2018 (Unaudited) US$'000
Cash generated from/(utilised in) operations					
Profit before tax	(1,075)	2,481	(10,351)	6,767	23,689
Adjusted for:					
Depreciation and amortisation	14	94	208	87	149
Interest income	(91)	(170)	(2,059)	(506)	(2,763)
Income from associates	—	(3,313)	(6,893)	(2,793)	(13,848)
Interest expense	3,640	9,243	11,433	5,290	10,932
Allowance for credit losses	988	832	962	463	135
Unrealised foreign exchange loss	13,774	(17,560)	17,683	17,934	5,859
Straight-line income accrual	(2,267)	(1,901)	(1,132)	(859)	(1,061)
Fair value adjustment on investment properties	(7,889)	4,625	20,729	(4,460)	(2,279)
Fair value adjustment on investment properties from cash receipts from Sellers	(329)	(892)	(230)	—	(7,788)
Gain from bargain purchase on associates	—	(251)	(609)	—	—
Share based payment	—	3,235	133	—	214
Fair value adjustment on other investments	—	—	—	—	(61)
Fair value adjustment on financial instruments	—	—	—	—	93
Fair value adjustment on derivative financial instruments	—	99	(535)	(101)	(31)
	6,764	(3,477)	29,338	21,823	13,240
Changes to working capital					
Trade and other receivables	(16,301)	(1,415)	9,149	(1,638)	(13,209)
Trade and other payables	9,615	6,440	(2,500)	1,328	(3,794)
	79	1,549	35,987	21,513	(3,764)
Cash (utilised in)/generated from operations	79	1,549	35,987	21,513	(3,764)
Interest received	91	170	2,059	506	2,815
Finance costs paid	(4,358)	(8,787)	(9,716)	(4,605)	(9,445)
Taxation paid	(171)	(589)	(1,488)	(810)	(112)
VAT on acquisition of investment property recoverable	—	—	(4,554)	(1,304)	—
Net cash (utilised in)/generated from operating activities	(3,857)	(7,657)	22,289	15,300	(10,506)
Acquisition of investment property	(220,008)	(36,116)	(85,056)	(17,848)	(43,040)
Acquisition of property, plant and equipment	—	(520)	(1,012)	—	(389)
Acquisition of intangible assets	—	(593)	(10)	(6)	(26)
Acquisition of other investments	—	—	—	—	(3,849)
Net cash outflow on acquisition of associates	—	(23,016)	(15,183)	—	(62,136)
Dividends received from associates	—	1,787	3,573	1,648	4,778
Interest received from associates	—	—	—	—	1,617
Proceeds from disposal of property, plant and equipment	—	—	—	—	4
Loans (advanced to)/raised from related parties	264	399	(9,951)	281	(19,460)
Other loans (advanced)/repaid	—	—	(58,582)	(23,073)	46,609
Net cash utilised in investing activities	(219,745)	(58,060)	(166,221)	(38,997)	(75,892)

	Year ended 30 June 2015 US$'000	Year ended 30 June 2016 US$'000	Year ended 30 June 2017 US$'000	Period ended 31 January 2017 (Unaudited) US$'000	Period ended 31 January 2018 (Unaudited) US$'000
Proceeds from the issue of ordinary shares	126,846	36,872	110,962	17,377	—
Share issue expenses	(3,610)	(158)	(5,331)	(1,269)	—
Proceeds from the issue of preference shares	—	—	12,840	—	—
Ordinary dividends paid	(2,963)	(8,470)	(17,649)	(11,564)	(2,878)
Proceeds from interest-bearing borrowings	132,961	141,480	183,934	44,698	121,712
Settlement of interest-bearing borrowings	(23,303)	(109,507)	(114,720)	(28,268)	(49,319)
Settlement of debt structure fees			(1,960)		(32)
Settlement of obligations under finance leases	—	—	(73)	(28)	(20)
Net cash generated from financing activities	229,930	60,217	168,003	20,947	69,464
Net movement in cash and cash equivalents	5,827	(5,500)	24,071	(2,750)	(16,934)
Cash at the beginning of the period	649	6,224	17,785	17,772	24,230
Effect of foreign exchange rates	(252)	17,061	(17,626)	(17,934)	603
Total cash at the end of the period	6,224	17,785	24,230	(2,913)	7,899

IMPACT OF PRIOR YEAR RESTATEMENTS AND CORRECTION OF PRESENTATION

Impact to the 2017 Financial Year

IMPACT ON STATEMENT OF FINANCIAL POSITION	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
ASSETS										
Non-Current Assets										
Investment property	351,822,336	—							(19,587,426)	332,234,910
Property Plant and Equipment	1,932,521								(642,768)	1,289,753
Intangible assets	5,692,190				(5,100,000)					592,190
Investment in available-for-sale financial asset	—									—
Investments in associates	89,049,264						(33,388)			89,015,876
Investments in subsidiaries	—									—
Related party loans	12,722,604				—			(11,930,890)		791,714
Loans receivable	66,740,037				—					66,740,037
Other financial assets	—									—
Deferred tax assets	6,174,482		(6,174,482)							—
Total non-current assets	**534,133,434**	**—**	**(6,174,482)**	**—**	**(5,100,000)**	**—**	**(33,388)**	**(11,930,890)**	**(20,230,194)**	**490,664,480**
Current Assets										
Current tax receivable	438,831									438,831
Derivative financial instruments	—									—
Trade and other receivables	25,916,520	(5,567,816)			19,602		(2,101,837)	4,538,114	—	22,804,583
Related party loans	—				(10,714,274)			11,930,890		1,216,616
Cash and cash equivalents	24,666,676				1,258					24,667,934
Total current assets	**51,022,027**	**(5,567,816)**	**—**	**—**	**(10,693,414)**	**—**	**(2,101,837)**	**16,469,004**	**—**	**49,127,964**
TOTAL ASSETS	**585,155,461**	**(5,567,816)**	**(6,174,482)**	**—**	**(15,793,414)**	**—**	**(2,135,225)**	**4,538,114**	**(20,230,194)**	**539,792,444**
EQUITY AND LIABILITIES										
Equity										
Share Capital	319,978,513				—					319,978,513
Treasury shares	—				(15,030,891)					(15,030,891)
Foreign currency translation reserve	1,063,721					2,211,099			—	3,274,820

IMPACT ON STATEMENT OF FINANCIAL POSITION	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Antecedent dividend reserve	1,260,656									1,260,656
Retained Earnings	(7,578,171)	(5,567,816)	(13,821,131)		366,770	(2,211,098)	(2,135,225)	—	(20,230,194)	(51,176,865)
Non-Controlling interest	—				(1,122,884)					(1,122,884)
Total equity attributable to equity holders	**314,724,719**	**(5,567,816)**	**(13,821,131)**	**—**	**(15,787,005)**	**—**	**(2,135,225)**	**—**	**(20,230,194)**	**257,183,348**
LIABILITIES										
Non-current liabilities										
Redeemable preference shares	12,840,000									12,840,000
Interest-bearing borrowings	187,447,310							(2,396,611)		185,050,699
Obligations under finance leases	171,247									171,247
Related party loans	—							1,365,000		1,365,000
Deferred tax liabilities	898,773		7,646,649							8,545,422
Total non-current liabilities	**201,357,330**	**—**	**7,646,649**	**—**	**—**	**—**	**—**	**(1,031,611)**	**—**	**207,972,368**
Current liabilities										
Interest-bearing borrowings	47,959,452									47,959,452
Obligations under finance leases	44,566									44,566
Trade and other payables	19,247,458				(6,409)			6,934,725		26,175,774
Related party loans	1,365,000							(1,365,000)		—
Current tax payable	—									—
Financial instruments	18,724									18,724
Other financial liabilities	—									—
Cash and cash equivalents	438,212									438,212
Total current liabilities	**69,073,412**	**—**	**—**	**—**	**(6,409)**	**—**	**—**	**5,569,725**	**—**	**74,636,728**
Total liabilities	**270,430,742**	**—**	**7,646,649**	**—**	**(6,409)**	**—**	**—**	**4,538,114**	**—**	**282,609,096**
Total equity and liabilities	**585,155,461**	**(5,567,816)**	**(6,174,482)**	**—**	**(15,793,414)**	**—**	**(2,135,225)**	**4,538,114**	**(20,230,194)**	**539,792,444**
Impact on net asset value per share (cents)										
NAV per Share	150.94	(2.67)	(6.63)	0.00	0.29	0.00	(1.02)	0.00	(9.70)	130.18
TNAV per Share	148.41	(0.14)	2.53	2.53	2.82	2.53	1.51	2.53	(7.17)	134.49
EPRA NAV per Share	150.94	(2.67)	0.52	0.00	0.29	0.00	(1.02)	0.00	(9.70)	137.70

IMPACT ON STATEMENT OF CHANGES IN EQUITY

	Share Capital USD	Treasury Shares USD	Foreign currency translation reserve USD	Antecedent dividend reserve USD	Retained loss USD	Non-controlling interest USD	Total Equity USD
Balance as at 1 July 2016	**171,995,297**	**(5,100,000)**	**229,358**	**635,547**	**(28,988,973)**	**(454,515)**	**138,316,715**
As previously stated	171,995,297		(1,898)	635,547	(9,256,498)		163,372,448
Restatements to opening balance	—	(5,100,000)	231,256	—	(19,732,475)	(454,515)	(25,055,733)
Profit for the year	—	—	—	—	(6,634,574)	(801,659)	(7,436,233)
Profit for the year as previously stated	—	—	—	—	17,731,685		17,731,685
Revenue Recognition and measurement					(3,580,481)		(3,580,481)
Deferred Tax					2,784,897		2,784,897
Consolidation of Freedom Asset Management Limited					(133,270)	(801,659)	(934,929)
Write off of certain balances					(1,505,890)		(1,505,890)
Accounting for foreign currency					(1,979,842)		(1,979,842)
Restatement of the valuation of Anfa Place Shopping Centre					(19,951,674)		(19,951,674)
Foreign currency translation differences	—	—	3,045,461	—	—	—	3,045,461
Movement for the year as previously stated	—		1,065,619	—	—		1,065,619
Accounting for foreign currency			1,979,842				1,979,842
Share based payments					133,270		133,270
Total comprehensive income	—	—	3,045,461	—	(6,501,305)	(801,659)	(4,257,502)
Ordinary shares issued	155,534,757						155,534,757
Ordinary shares held as treasury shares	—	(9,930,891)			—		(9,930,891)
Non—controlling interest						133,290	133,290
Share issue expenses	(5,330,652)						(5,330,652)
Transfer from share issues	(2,220,889)			2,220,889			—
Ordinary dividends paid				(1,595,780)	(15,686,588)		(17,282,368)
Balance as at 30 June 2017	**319,978,513**	**(15,030,891)**	**3,274,820**	**1,260,656**	**(51,176,865)**	**(1,122,884)**	**257,183,348**

IMPACT ON STATEMENT OF COMPREHENSIVE INCOME

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Gross rental income	24,329,570	(1,458,053)								22,871,517
Straight-line rental income accrual	1,132,143							—		1,132,143
Revenue	**25,461,713**	**(1,458,053)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**24,003,660**
Share of profits from associates	7,621,227					(1,541,391)	813,245			6,893,081
Property operating expenses	(7,170,116)									(7,170,116)
Net property income	**25,912,824**	**(1,458,053)**	**—**	**—**	**—**	**(1,541,391)**	**813,245**	**—**	**—**	**23,726,625**
Other income	3,274,668	(3,274,470)			253,752					253,950
Administrative expenses	(5,601,436)				(1,405,018)					(7,006,454)
Profit from operations	**23,586,056**	**(4,732,523)**	**—**	**—**	**(1,151,266)**	**(1,541,391)**	**813,245**	**—**	**—**	**16,974,121**
Fair value adjustment on investment properties	2,936,120	922,000		(224,883)	—	(4,410,266)		—	(19,951,674)	(20,728,703)
Fair value adjustment on investment properties from cash receipts from Sellers	—	230,042								230,042
Fair value adjustment on derivative financial instruments	103,624							431,864		535,488
Gain from bargain purchase	957,837			(348,779)						609,058
Acquisition and setup costs	(1,166,356)			573,662	—		(85,606)			(678,300)
Foreign exchange differences	778,640		(616,706)		181,239	3,971,815	(2,233,529)			2,081,459
Profit before interest and taxation	**27,195,921**	**(3,580,481)**	**(616,706)**	**—**	**(970,027)**	**(1,979,842)**	**(1,505,890)**	**431,864**	**(19,951,674)**	**(976,835)**

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Interest income	1,993,516				65,792					2,059,308
Finance costs	(10,970,561)				(30,694)			(431,864)		(11,433,119)
Profit for the period before tax	**18,218,876**	**(3,580,481)**	**(616,706)**	**—**	**(934,929)**	**(1,979,842)**	**(1,505,890)**	**—**	**(19,951,674)**	**(10,350,646)**
Current Tax	(32,326)									(32,326)
Deferred Tax	(454,865)		3,401,603							2,946,738
Profit for the period after tax	**17,731,685**	**(3,580,481)**	**2,784,897**	**—**	**(934,929)**	**(1,979,842)**	**(1,505,890)**	**—**	**(19,951,674)**	**(7,436,233)**
Foreign currency transaction reserve	1,065,619					1,979,842				3,045,461
Total comprehensive income	**18,797,304**	**(3,580,481)**	**2,784,897**	**—**	**(934,929)**	**—**	**(1,505,890)**	**—**	**(19,951,674)**	**(4,390,772)**
Owners of the parent	17,731,685	(3,580,481)	2,784,897	—	(133,270)	(1,979,842)	(1,505,890)	—	(19,951,674)	(6,634,574)
Non-controlling interest in income	—	—	—	—	(801,659)	—	—	—	—	(801,659)
	17,731,685	(3,580,481)	2,784,897	—	(934,929)	(1,979,842)	(1,505,890)	—	(19,951,674)	(7,436,233)
Other comprehensive income attributable to:										
Owners of the parent	1,065,619	—	—	—	—	1,979,842	—	—	—	3,045,461
Non-controlling interest in income	—	—	—	—	—	—	—	—	—	—
	1,065,619	**—**	**—**	**—**	**—**	**1,979,842**	**—**	**—**	**—**	**3,045,461**
Impact on earnings per share (cents)										
Basic diluted earnings per share	16.06	(3.24)	2.52	0.00	0.33	(1.79)	(1.36)	0.00	(18.07)	(6.18)
Headline earnings per share	8.65	(4.29)	2.52	0.52	0.12	2.20	(1.36)	(0.39)	0.00	7.95

IMPACT ON STATEMENT OF CASH FLOWS

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Rights issue USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Profit before tax	18,218,876	(3,580,481)	(616,706)	—	(934,929)	(1,979,842)	(1,505,890)	—	—	(19,951,674)	(10,350,646)
Adjusted for:											
Depreciation and amortisation	207,535										207,535
Interest income	(1,993,516)										(1,993,516)
Share in profit from associates	(7,621,227)					1,541,391	(813,245)				(6,893,081)
Finance costs	10,970,561				(30,694)			(431,864)			10,508,003
Tax Paid	—										—
Allowance for credit losses	962,073										962,073
Unrealised foreign exchange loss	1,220,542		616,706		(181,239)	(3,971,815)	2,233,529				(82,277)
Straight-line income accrual	(1,132,143)										(1,132,143)
Gain from bargain purchase	(957,837)			348,779							(609,058)
Share based payments	—				133,270	—					133,270
Acquisition costs	—			(573,662)		—	85,606				(488,056)
Fair value adjustment on investment properties	(2,936,120)	(922,000)		224,883		4,410,266				19,951,674	20,728,703
Fair value adjustment on derivative financial instruments	(103,624)	(230,042)			—			431,864			98,198
Fair value adjustment on investment in subsidiary	—										—
	16,835,120	**(4,732,523)**	**—**	**—**	**(1,013,592)**	**—**	**—**	**—**	**—**	**—**	**11,089,005**
Changes to working capital											
Trade and other receivables	8,459,768	4,732,523			268,339						13,460,630
Trade and other payables	(9,939,611)				355,827						(9,583,784)
	15,355,278	**—**	**—**	**—**	**(389,426)**	**—**	**—**	**—**	**—**	**—**	**14,965,852**
Interest received	1,993,516				18,380						2,011,896
Finance costs paid	(9,685,296)										(9,685,296)
Taxation paid	(1,479,815)				(8,022)						(1,487,837)
Dividends paid	(17,649,138)				366,770						(17,282,368)
Net cash (utilised in)/generated from operating activities	**(11,465,455)**	**—**	**—**	**—**	**(12,298)**	**—**	**—**	**—**	**—**	**—**	**(11,477,753)**

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Rights issue USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Acquisition of investment property	(82,561,907)								21,480,041		(61,081,866)
VAT on acquisition of investment property	(4,553,568)										(4,553,568)
Acquisition of property, plant and equipment	(1,011,886)										(1,011,886)
Acquisition of intangible assets	(10,374)										(10,374)
Net cash outflow on acquisition of interest in subsidiaries	(24,118,753)										(24,118,753)
Dividends received from associates	3,573,077										3,573,077
Loans (advanced to)/raised from subsidiaries and related parties	(68,533,142)										(68,533,142)
Investment in subsidiaries	—										—
Net cash utilised in investing activities	**(177,216,553)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**21,480,041**	**—**	**(155,736,512)**
Proceeds from the issue of shares	133,439,348								(21,480,041)		111,959,307
Share issue expenses	(5,330,652)										(5,330,652)
Proceeds from the issue of preference shares	12,840,000										12,840,000
Proceeds from interest bearing borrowings and finance leases	168,983,007										168,983,007
Settlement of interest bearing borrowings and finance leases	(114,793,052)										(114,793,052)
Net cash generated from financing activities	**195,138,652**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(21,480,041)**	**—**	**173,658,611**
Net movement in cash and cash equivalents	6,456,643	—	—	—	(12,297)	—	—	—	—	—	6,444,346
Cash at the beginning of the year	17,771,821				13,555						17,785,376
Total cash at the end of the year	**24,228,464**	**—**	**—**	**—**	**1,258**	**—**	**—**	**—**	**—**	**—**	**24,229,722**

IMPACT ON STATEMENT OF FINANCIAL POSITION

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
ASSETS										
Non-Current Assets										
Investment property	248,545,665	—							—	248,545,665
Property, plant and equipment	803,240								(278,520)	524,720
Intangible assets	5,699,199				(5,100,000)					599,199
Investments in associates	45,945,339						(123,030)			45,822,309
Related party loans	978,277				(978,275)					2
Deferred tax assets	5,984,142		(5,984,142)							—
Total non-current assets	**307,955,862**	**—**	**(5,984,142)**	**—**	**(6,078,275)**	**—**	**(123,030)**	**—**	**(278,520)**	**295,491,895**
Current Assets										
Trade and other receivables	18,101,466	(1,987,335)			155,991		(506,305)	(437,033)		15,326,784
Cash and cash equivalents	17,771,821				13,555					17,785,376
Total current assets	**35,873,287**	**(1,987,335)**	**—**	**—**	**169,546**	**—**	**(506,305)**	**(437,033)**	**—**	**33,112,160**
TOTAL ASSETS	**343,829,149**	**(1,987,335)**	**(5,984,142)**	**—**	**(5,908,729)**	**—**	**(629,335)**	**(437,033)**	**(278,520)**	**328,604,055**
EQUITY AND LIABILITIES										
Equity										
Share capital	171,995,297				—					171,995,297
Treasury shares	—				(5,100,000)					(5,100,000)
Foreign currency translation reserve	(1,898)					231,256				229,358
Antecedent dividend reserve	635,547									635,547
Retained Earnings	(9,256,498)	(1,987,335)	(16,606,028)	—	—	(231,256)	(629,336)	—	(278,520)	(28,988,973)
Non-controlling interest	—				(454,515)					(454,515)
Total equity attributable to equity holders	**163,372,448**	**(1,987,335)**	**(16,606,028)**	**—**	**(5,554,515)**	**—**	**(629,336)**	**—**	**(278,520)**	**138,316,715**

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
LIABILITIES										
Non-current liabilities										
Interest-bearing borrowings	127,070,183							(437,033)		126,633,150
Related party loans	—							1,365,000		1,365,000
Deferred tax liabilities	835,646		10,621,886							11,457,532
Total non-current liabilities	**127,905,829**	**—**	**10,621,886**	**—**	**—**	**—**	**—**	**927,967**	**—**	**139,455,682**
Current liabilities										
Interest-bearing borrowings	34,548,386									34,548,386
Trade and other payables	15,062,336				(362,236)					14,700,100
Related party loans	1,365,000							(1,365,000)		—
Current tax payable	1,020,938				8,022					1,028,960
Financial instruments	554,212									554,212
Total current liabilities	**52,550,872**	**—**	**—**	**—**	**(354,214)**	**—**	**—**	**(1,365,000)**	**—**	**50,831,658**
Total liabilities	**180,456,701**	**—**	**10,621,886**	**—**	**(354,214)**	**—**	**—**	**(437,033)**	**—**	**190,287,340**
Total equity and liabilities	**343,829,149**	**(1,987,335)**	**(5,984,142)**	**—**	**(5,908,729)**	**—**	**(629,336)**	**(437,033)**	**(278,520)**	**328,604,055**
NAV per Share	163.27	(1.99)	(16.60)	0.00	(0.21)	0.00	(0.63)	0.00	(0.28)	142.97
TNAV per Share	158.13	3.16	5.15	5.15	4.94	5.15	4.52	5.15	4.87	154.78
EPRA NAV per Share	163.27	(1.99)	0.41	0.00	(0.21)	0.00	(0.63)	0.00	(0.28)	160.51

IMPACT ON STATEMENT OF CHANGES IN EQUITY

	Share Capital USD	Treasury Shares USD	Foreign currency translation reserve USD	Antecedent dividend reserve USD	Retained loss USD	Non-controlling interest USD	Total Equity USD
Balance as at 1 July 2015	**127,958,794**	**—**	**436,857**	**—**	**(5,792,403)**	**(710,312)**	**121,892,936**
As previously stated	127,958,794	—	(785,389)	—	(2,760,583)		124,412,822
Restatements to opening balance	—	—	1,222,246	—	(3,031,820)	(710,312)	(2,519,886)
Profit for the year	—	—	—	—	(17,961,949)	200,150	(17,761,799)
Profit for the year as previously stated	—	—	—	—	1,973,789		1,973,789
Revenue Recognition and measurement					(1,987,335)		(1,987,335)
Deferred Tax					(14,796,454)		(14,796,454)
Consolidation of Freedom Asset Management Limited					(3,235,083)	200,150	(3,034,933)
Write off of certain balances			—		990,990		990,990
Accounting for foreign currency					(629,336)		(629,336)
Restatement of the valuation of Anfa Place Shopping Centre					(278,520)		(278,520)
Foreign currency translation differences	—	—	(207,499)	—	—	—	(207,499)
Movement for the year as previously stated	—		783,491	—	—		783,491
Accounting for foreign currency			(990,990)				(990,990)
Share based payments					3,235,083		3,235,083
Total comprehensive income	—	—	(207,499)	—	(14,726,865)	200,150	(14,734,214)
Ordinary shares issued	44,830,305	—	—	—	—		44,830,305
Ordinary shares held as treasury shares	—	(5,100,000)					(5,100,000)
Non-controlling interest						55,647	55,647
Share issue expenses	(158,255)	—	—	—	—		(158,255)
Transfer from share issues	(635,547)	—	—	635,547	—		—
Ordinary dividends paid	—	—	—	—	(8,469,704)		(8,469,704)
Balance as at 30 June 2016	**171,995,297**	**(5,100,000)**	**229,358**	**635,547**	**(28,988,973)**	**(454,515)**	**138,316,715**

IMPACT ON STATEMENT OF COMPREHENSIVE INCOME

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Gross rental income	20,878,458	(892,133)								19,986,325
Straight-line rental income accrual	2,217,399	(316,786)								1,900,613
Revenue	**23,095,857**	**(1,208,919)**	—	—	—	—	—	—	—	**21,886,938**
Share of profits from associates	3,219,866					227,534	(134,422)			3,312,978
Property operating expenses	(5,769,024)	146,300								(5,622,724)
Net property income	**20,546,699**	**(1,062,619)**	—	—	—	**227,534**	**(134,422)**	—	—	**19,577,193**
Other income	2,933,782	(2,133,635)			5,184					805,331
Administrative expenses	(3,856,608)				(3,498,633)		11,391			(7,355,241)
Profit from operations	**19,623,873**	**(3,196,254)**	—	—	**(3,493,449)**	**227,534**	**(123,031)**	—	—	**13,027,282**
Fair value adjustment on investment properties	(3,759,543)	316,786		(328,766)		(586,502)			(278,520)	(4,625,154)
Fair value adjustment on investment properties from cash receipts from Sellers	—	892,133								892,133
Fair value adjustment on derivative financial instruments	(99,198)							(455,014)		(554,212)
Gain from bargain purchase	250,515			—						250,515
Acquisition and setup costs	(1,838,800)			328,766	453,050		(506,305)			(1,563,289)
Foreign exchange differences and other	2,763,774		—		13,488	1,349,958				4,127,220
Profit before interest and taxation	**16,940,621**	**(1,987,335)**	—	—	**(3,026,911)**	**990,990**	**(629,336)**	**(455,014)**	**(278,520)**	**11,554,495**
Interest income	170,158									170,158
Finance costs	(9,698,267)							455,014		(9,243,253)
Profit for the period before tax	**7,412,512**	**(1,987,335)**	—	—	**(3,026,911)**	**990,990**	**(629,336)**	—	**(278,520)**	**2,481,400**
Current Tax	(1,493,959)				(8,022)					(1,501,981)
Deferred Tax	(3,944,764)		(14,796,454)							(18,741,218)
Profit for the period after tax	**1,973,789**	**(1,987,335)**	**(14,796,454)**	—	**(3,034,933)**	**990,990**	**(629,336)**	—	**(278,520)**	**(17,761,799)**

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Foreign currency transaction reserve	783,491					(990,990)				(207,499)
Total comprehensive income	**2,757,280**	**(1,987,335)**	**(14,796,454)**	**—**	**(3,034,933)**	**0**	**(629,336)**	**—**	**(278,520)**	**(17,969,298)**
Profit attributable to:										**—**
Owners of the parent	1,973,789	(1,987,335)	(14,796,454)	—	(3,235,083)	990,990	(629,336)	—	(278,520)	(17,961,949)
Non-controlling interest in income	—	—	—	—	200,150	—	—	—	—	200,150
	1,973,789	**(1,987,335)**	**(14,796,454)**	**—**	**(3,034,933)**	**990,990**	**(629,336)**	**—**	**(278,520)**	**(17,761,799)**
Other comprehensive income attributable to:										
Owners of the parent	783,491	—	—	—	—	(990,990)	—	—	—	(207,499)
Non-controlling interest in income	—	—	—	—	—	—	—	—	—	—
	783,491	**—**	**—**	**—**	**—**	**(990,990)**	**—**	**—**	**—**	**(207,499)**
Impact on earnings per share (cents)										
Basic diluted earnings per share	2.42	(2.43)	(18.11)	0.00	(3.96)	1.21	(0.77)	0.00	(0.34)	(22.06)
Headline earnings per share	5.09	(3.91)	(18.11)	0.40	(3.95)	1.92	(0.77)	0.56	0.00	(18.84)

IMPACT ON STATEMENT OF CASH FLOWS

	As previously reported USD	Revenue Recognition and measurement USD	Correction of Accounting Policy – the Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of property USD	RESTATED USD
Profit before tax	7,412,512	(1,987,335)	—	—	(3,026,911)	990,990	(629,336)	—	(278,520)	2,481,400
Adjusted for:										—
Depreciation and amortisation	94,133									94,133
Interest income	(170,158)									(170,158)
Share in profit from associates	(3,219,866)					(227,534)	134,422			(3,312,978)
Finance costs	9,698,267							(455,014)		9,243,253
Allowance for credit losses	831,600									831,600
Unrealised foreign exchange loss	725,284		—			(1,338,567)	(11,391)			(624,674)
Straight-line income accrual	(2,217,399)									(2,217,399)
Gain from bargain purchase	(250,515)			—						(250,515)
Share based payments	—				3,235,083					3,235,083
Acquisition costs				(328,766)	—	—				(328,766)
Fair value adjustment on investment properties	3,759,543	—		328,766		575,111	—		278,520	4,941,940
Fair value adjustment on derivative financial instruments	99,198							455,014		554,212
	16,762,599	**(1,987,335)**	**—**	**—**	**208,172**	**—**	**(506,305)**	**—**	**—**	**14,477,131**
Changes to working capital										
Trade and other receivables	(3,203,268)	1,987,335			(90,579)		506,305			(800,207)
Trade and other payables	5,726,945				(105,180)					5,621,765
	19,286,276	**—**	**—**	**—**	**12,413**	**—**	**—**	**—**	**—**	**19,298,689**
Interest received	170,158									170,158
Finance costs	(9,241,646)									(9,241,646)
Taxation paid	(589,490)									(589,490)
Dividends paid	(8,469,704)									(8,469,704)
Net cash generated from/(utilised in) operating activities	**1,155,594**	**—**	**—**	**—**	**12,413**	**—**	**—**	**—**	**—**	**1,168,007**

	As previously reported USD	Revenue Recognition and measurement USD	Correction of Accounting Policy – the Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of property USD	RESTATED USD
Acquisition of investment property	(31,490,817)	—								(31,490,817)
Acquisition of property, plant and equipment	(798,114)									(798,114)
Acquisition of intangible assets	(593,172)									(593,172)
Net cash outflow on acquisition of subsidiaries and associates	(31,419,780)									(31,419,780)
Dividends received from associates	1,786,552									1,786,552
Loans raised from/(advanced to) subsidiaries and related parties	398,501									398,501
Net cash utilised in investing activities	**(62,116,830)**	—	—	—	—	—	—	—	—	**(62,116,830)**
Proceeds from the issue of ordinary shares	40,695,046									40,695,046
Share issue expenses	(158,255)									(158,255)
Proceeds from interest bearing borrowings	142,152,774									142,152,774
Settlement of interest bearing borrowings	(110,179,398)									(110,179,398)
Net cash generated from financing activities	**72,510,167**	—	—	—	—	—	—	—	—	**72,510,167**
Net movement in cash and cash equivalents	11,548,930	—	—	—	12,413	—	—	—	—	11,561,343
Cash at the beginning of the year	6,222,891				1,142					6,224,033
Total cash at the end of the year	**17,771,821**	—	—	—	**13,555**	—	—	—	—	**17,785,376**

IMPACT ON STATEMENT OF FINANCIAL POSITION

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
ASSETS										
Non-Current Assets										
Investment property	210,390,631									210,390,631
Property, plant and equipment	96,512									96,512
Intangible assets	8,774	—			—					8,774
Related party loans	11,778									11,778
Deferred tax assets	190,143		(190,143)							—
Total non-current assets	**210,697,838**	**—**	**(190,143)**	**—**	**—**	**—**	**—**	**—**	**—**	**210,507,695**
Current Assets										
Trade and Other Receivables	18,777,373				9,767					18,787,140
Cash and Cash equivalents	6,565,282				1,142					6,566,424
Total current assets	**25,342,655**	**—**	**—**	**—**	**10,909**	**—**	**—**	**—**	**—**	**25,353,564**
TOTAL ASSETS	**236,040,493**	**—**	**(190,143)**	**—**	**10,909**	**—**	**—**	**—**	**—**	**235,861,259**
EQUITY AND LIABILITIES										
Equity										
Share capital	127,958,794									127,958,794
Foreign currency translation reserve	(785,389)					1,222,246				436,857
Retained Earnings	(2,760,583)		(1,809,574)			(1,222,246)				(5,792,403)
Non Controlling Interest	—				(710,312)					(710,312)
Total equity attributable to equity holders	**124,412,822**	**—**	**(1,809,574)**	**—**	**(710,312)**	**—**	**—**	**—**	**—**	**121,892,936**
LIABILITIES										
Non-current liabilities										
Interest-bearing borrowings	10,490,966									10,490,966
Deferred tax liabilities	807,205		1,619,431							2,426,636
Total non-current liabilities	**11,298,171**	**—**	**1,619,431**	**—**	**—**	**—**	**—**	**—**	**—**	**12,917,602**

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Current liabilities										
Interest-bearing borrowings	91,165,629									91,165,629
Trade and other payables	8,683,724				(431,313)					8,252,411
Related party loans	—				1,152,534					1,152,534
Current tax payable	137,756				—					137,756
Cash and cash equivalents	342,391									342,391
Total current liabilities	**100,329,500**	—	—	—	**721,221**	—	—	—	—	**101,050,721**
Total liabilities	**111,627,671**	—	**1,619,431**	—	**721,221**	—	—	—	—	**113,968,323**
Total equity and liabilities	**236,040,493**	—	**(190,143)**	—	**10,909**	—	—	—	—	**235,861,259**
Impact on net asset value per share (cents)										
NAV per Share	168.91	0.00	(2.46)	0.00	0.00	0.00	0.00	0.00	0.00	166.45
TNAV per Share	169.75	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	169.75
EPRA NAV per Share	168.91	0.00	(0.76)	0.00	0.00	0.00	0.00	0.00	0.00	168.15

IMPACT ON STATEMENT OF CHANGES IN EQUITY

	Share capital USD	Treasury Shares USD	Foreign currency translation reserve USD	Antecedent dividend reserve USD	Retained loss USD	Non-controlling interest USD	Total Equity USD
Balance as at 1 July 2014	**864,655**	**—**	**52,865**	**—**	**19,471**		**936,991**
Profit for the year	—	—	—	—	(2,848,440)	(731,305)	(3,579,745)
Profit for the year as previously stated	—	—	—	—	183,380		183,380
Deferred Tax					(1,809,574)		(1,809,574)
Acquisition accounting					—	(731,305)	(731,305)
Accounting for foreign currency					(1,222,246)		(1,222,246)
Foreign currency translation differences	—	—	383,992	—	—	—	383,992
Movement for the year as previously stated	—	—	(838,254)	—	—		(838,254)
Accounting for foreign currency			1,222,246				1,222,246
Total comprehensive income	—	—	383,992	—	(2,848,440)	(731,305)	(3,195,753)
Ordinary shares issued	130,704,474	—	—	—	—		130,704,474
Non-controlling interest						20,993	20,993
Share issue expenses	(3,610,335)	—	—	—	—		(3,610,335)
Ordinary dividends paid	—	—	—	—	(2,963,434)		(2,963,434)
Balance as at 30 June 2015	**127,958,794**	**—**	**436,857**	**—**	**(5,792,403)**	**(710,312)**	**121,892,936**

IMPACT ON STATEMENT OF COMPREHENSIVE INCOME

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Gross rental income	13,918,198	(329,114)								13,589,084
Straight-line rental income accrual	2,622,295	(355,329)								2,266,966
Revenue	**16,540,493**	**(684,443)**	—	—	—	—	—	—	—	**15,856,050**
Property operating expenses	(3,477,760)	—								(3,477,760)
Net property income	**13,062,733**	**(684,443)**	—	—	—	—	—	—	—	**12,378,290**
Other income	384,061	—								384,061
Administrative expenses	(1,711,297)				(2,829,868)					(4,541,165)
Profit from operations	**11,735,497**	**(684,443)**	—	—	**(2,829,868)**	—	—	—	—	**8,221,186**
Fair value adjustment on investment properties	4,560,459	355,329		2,478,150		495,354				7,889,292
Fair value adjustment on investment properties from cash receipts from Sellers	—	329,114								329,114
Gain from bargain purchase	3,504,523			(3,504,524)						(1)
Acquisition and setup costs	(4,121,219)			1,026,374	2,098,563					(996,282)
Foreign exchange differences and other	(11,251,461)					(1,717,600)				(12,969,061)
Profit before interest and taxation	**4,427,799**	—	—	—	**(731,305)**	**(1,222,246)**	—	—	—	**2,474,248**
Interest income	91,478									91,478
Finance costs	(3,640,293)									(3,640,293)
Profit for the period before tax	**878,984**	—	—	—	**(731,305)**	**(1,222,246)**	—	—	—	**(1,074,567)**
Current Tax	(78,542)									(78,542)
Deferred Tax	(617,062)		(1,809,574)							(2,426,636)
Profit for the period after tax	**183,380**	—	**(1,809,574)**	—	**(731,305)**	**(1,222,246)**	—	—	—	**(3,579,745)**

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
(Loss)/profit on translation of functional currency	(838,254)				—	1,222,246				383,992
Total comprehensive income	**(654,874)**	**—**	**(1,809,574)**	**—**	**(731,305)**	**(0)**	**—**	**—**	**—**	**(3,195,753)**
Owners of the parent	183,380	—	(1,809,574)	—	—	(1,222,246)	—	—	—	(2,848,440)
Non-controlling interest in income	—	—	—	—	(731,305)	—	—	—	—	(731,305)
	183,380	**—**	**(1,809,574)**	**—**	**(731,305)**	**(1,222,246)**	**—**	**—**	**—**	**(3,579,745)**
Owners of the parent	(838,254)	—	—	—	—	1,222,246	—	—	—	383,992
	(838,254)	**—**	**—**	**—**	**—**	**1,222,246**	**—**	**—**	**—**	**383,992**
Impact on earnings per share (cents)										
Basic diluted earnings per share	0.39	0.00	(3.84)	0.00	0.00	(2.59)	0.00	0.00	0.00	(6.05)
Headline earnings per share	(16.73)	(1.45)	(3.84)	2.18	0.00	(3.65)	0.00	0.00	0.00	(23.49)

IMPACT ON STATEMENT OF CASH FLOWS

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Profit/(loss) before tax	878,984	—	—	—	(731,305)	(1,222,246)	—	—	—	(1,074,567)
Adjusted for:										—
Depreciation	13,973									13,973
Interest income	(91,477)									(91,477)
Finance costs	3,640,293									3,640,293
Allowance for credit losses	413,784									413,784
Unrealised foreign exchange loss	11,803,314					1,717,600				13,520,914
Straight-line income accrual	(2,622,295)									(2,622,295)
Acquisition costs				(1,026,374)						(1,026,374)
Gain from bargain purchase	(3,504,523)			3,504,524						1
Fair value adjustments on investment properties	(4,560,458)			(2,478,150)		(495,354)				(7,533,962)
	5,971,595	**—**	**—**	**—**	**(731,305)**	**—**	**—**	**—**	**—**	**5,240,290**
Changes to working capital										
Trade and other receivables	(14,141,497)				(9,767)					(14,151,264)
Trade and other payables	1,454,330				721,221					2,175,551
	(6,715,572)	**—**	**—**	**—**	**(19,851)**	**—**	**—**	**—**	**—**	**(6,735,423)**
Interest received	91,477									91,477
Finance costs	(4,357,686)									(4,357,686)
Taxation paid	(171,207)									(171,207)
Dividends paid	(2,963,434)									(2,963,434)
Net cash utilised in operating activities	**(14,116,422)**	**—**	**—**	**—**	**(19,851)**	**—**	**—**	**—**	**—**	**(14,136,273)**

	As previously reported USD	Revenue Recognition and measurement USD	Deferred Tax USD	Acquisition accounting USD	Consolidation of Freedom Asset Management Limited USD	Accounting for foreign currency USD	Write off of certain balances USD	Reclassification for disclosure purposes USD	Restatement of the valuation of Anfa Place Shopping Centre USD	RESTATED USD
Acquisition of investment property & property, plant & equipment	(172,115,747)									(172,115,747)
Net cash outflow on acquisition of subsidiaries	(31,115,210)									(31,115,210)
Loans refunded from/(advanced to) subsidiaries and related parties	263,956									263,956
Net cash (utilised in)/generated from investing activities	**(202,967,002)**	—	—	—	—	—	—	—	—	**(202,967,002)**
Proceeds from the issue of ordinary shares	126,825,299				20,993					126,846,292
Capital issue expenses	(3,610,335)									(3,610,335)
Proceeds from interest bearing borrowings	122,745,142									122,745,142
Settlement of interest bearing borrowings	(23,303,118)									(23,303,118)
Net cash generated from financing activities	**222,656,987**	—	—	—	**20,993**	—	—	—	—	**222,677,980**
Net movement in cash and cash equivalents	5,573,563	—	—	—	1,142				—	5,574,705
Cash at the beginning of the year	649,328									649,328
Total cash at the end of the year	**6,222,891**	—	—	—	**1,142**	—	—	—	—	**6,224,033**

OUTLOOK

Whilst the Board recognises the complexity and risk in Africa, the Group has positioned itself with a skilled and experienced management team and platform to capitalise on the significant opportunities on the continent. With the proposed LSE Listing, the Company will position its reporting and governance in line with European standards. Given the strength of the Company's existing portfolio coupled with the opportunities presented by the Company's proposed LSE Listing, the Board continues looks to the future with confidence.

GOING CONCERN

Having considered the Group's budget and cash flow, the Board is of the opinion that the Group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the Group's financial statements. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

NOTES

The provisional abridged unaudited consolidated financial statements for the seven months ended 31 January 2018, together with the provisional abridged restated figures for the years ended 30 June 2015, 30 June 2016 and 30 June 2017 have been prepared in accordance with the measurement and recognition requirements of IFRS, the SEM Listing Rules, the JSE Listings Requirements and the Securities Act of Mauritius 2005. The aforementioned financial statements for the seven months ended 31 January 2018, together with the abridged restated figures for the years ended 30 June 2015, 30 June 2016 and 30 June 2017 are provisional as they are still subject to audit sign-off which is expected shortly.

The financial information in this announcement was approved by the Board on 11 June 2018.

By order of the Board

12 June 2018

JSE sponsor and corporate advisor to Grit | **SEM authorised representative and sponsor to Grit**

PSG CAPITAL

Perigeum Capital

Directors: Peter Todd (chairman), Bronwyn Corbett*, Paul Huberman, Ian Macleod, Leon van de Moortele*, Nomzamo Radebe, Catherine McIlraith and Matshepo More (*executive director*)

Company secretary: Intercontinental Fund Services Limited

Registered address: c/o Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebène, 72201, Mauritius

Transfer secretary (South Africa): Computershare Investor Services Proprietary Limited

Registrar and transfer agent (Mauritius): Intercontinental Secretarial Services Limited

Corporate advisor and JSE sponsor: PSG Capital Proprietary Limited

Sponsoring Broker: Axys Stockbroking Ltd

S**EM authorised representative and sponsor:** Perigeum Capital Ltd

This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.19 and section 88 of the Mauritian Securities Act 2005 and the JSE Listings Requirements. The Board accepts full responsibility for the accuracy of the information contained in these abridged unaudited consolidated financial statements and this communiqué.

PART 19

ADDITIONAL INFORMATION

1 Information on the Company

1.1 Grit Real Estate Income Group Limited (formerly Mara Delta Property Holdings Limited (until 25 July 2017), Delta Africa Property Holdings Limited (until 11 May 2016), Delta International Property Holdings Limited (until 29 September 2015) and Osiris Properties International Limited (until 16 May 2014)) was incorporated in Bermuda on 16 May 2012 and registered by continuation in Mauritius as a public company limited by shares on 11 March 2015, with registered number C128881 C1/GBL. The Company holds a Category One Global Business Licence issued by the Mauritian Financial Services Commission. The principal pieces of legislation under which the Company operates and under which the Ordinary Shares are created are the Mauritian Companies Act and the Mauritian Securities Act 2005.

1.2 The registered office of the Company is at c/o Intercontinental Fund Services Ltd, Level 5, Alexander House, 35 Cybercity, Ebene, 72201, Mauritius and the address and telephone number of its principal place of business is 3rd Floor, La Croisette Mall, Grand Baie, Mauritius (telephone number +230 269 7090).

2 Share capital

2.1 The capital of the Company consists of ordinary no par value shares having attached to them the following rights:

2.1.1 the right to one vote on a poll at a meeting of the Company on any resolution;

2.1.2 the right to an equal share in dividends authorised by the Board; and

2.1.3 the right to an equal share in the distribution of the surplus assets of the Company.

2.2 The following alterations in the issued share capital of the Company have taken place during the period for which the historical financial information contained in Part 15 of this document has been prepared and up to the date of this document:

- upon the migration of the Company to Mauritius on 11 March 2015, the Company had an issued capital of 44,656,446 Ordinary Shares;
- in April 2015, the Company issued 26,354,444 Ordinary Shares;
- in June 2015, the Company issued 2,645,556 Ordinary Shares;
- on 24 December 2015, the Company issued 6,124,370 Ordinary Shares;
- on 13 February 2016, the Company issued 2,004,192 Ordinary Shares;
- on 18 March 2016, the Company issued 8,823,529 Ordinary Shares;
- on 22 March 2016, the Company issued 4,738,220 Ordinary Shares;
- on 25 May 2016, the Company successfully placed 4,174,373 Ordinary Shares with targeted investors;
- on 22 August 2016, the Company issued 645,441 Ordinary Shares at an issue price of US$1.65 per Ordinary Share;
- on 9 December 2016, the Company issued 11,080,471 Ordinary Shares at an issue price of US$1.54 per Ordinary Share. These Ordinary Shares were issued for the acquisition of assets;
- on 1 March 2017, the Company issued 7,111,420 Ordinary Shares at an issue price of US$1.6198 per Ordinary Share. These Ordinary Shares were issued for the acquisition of assets;

- on 1 March 2017, the Company successfully placed and issued 3,033,260 Ordinary Shares with targeted investors at an issue price of US$1.54 per Ordinary Share. These Ordinary Shares were issued on the South African register;

- on 28 June 2017, the Company issued 86,582,539 Ordinary Shares to existing Shareholders at US$1.40 per Ordinary Share pursuant to a rights offer;

- pursuant to its share buyback programme, the Company repurchased 59,400 of its own Ordinary Shares during April 2018. These Ordinary Shares were subsequently cancelled with effect from 30 April 2018; and

- on 11 May 2018, Grit issued 5,567,554 new Ordinary Shares at US$1.5267 per Ordinary Share as consideration for its acquisition of a 47.5 per cent. of Capital Place Limited which owns 100 per cent. of the Capital Place Building, a commercial building in Accra, Ghana.

2.3 The following table shows the issued share capital of the Company as at the Latest Practicable Date and the issued share capital of the Company immediately following completion of the Issue (assuming that there have been no awards under the Grit Share Incentive Plan):

	Ordinary Shares as at the Latest Practicable Date	**Ordinary Shares following completion of the Issue***
Issued and fully paid	214,022,425	414,022,425

* Assuming that 200 million Ordinary Shares are issued in connection with the Issue.

2.4 The issued share capital of the Company at the beginning and end of the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017, and at the beginning and end of the seven-month period ended 31 January 2018 was as follows:

	At 1 July	**At 31 January**
2017/18	208,514,261	208,514,261

	At 1 July	**At 30 June**
2016/17	100,061,130	208,514,261
2015/16	73,656,446	100,061,130
2014/15	664,180	73,656,446

2.5 On 10 May 2018, the Shareholders at such time passed the following resolutions:

2.5.1 as required by paragraph 5.51 of the JSE Listings Requirements and by Rule 11.12 of the SEM Rules, to authorise the Directors to allot and issue or sell from treasury up to 250 million Ordinary Shares in terms of the Issue at a price to be determined by the Company in conjunction with its advisers, provided that such price will not be less than the most recently published Net Asset Value per Ordinary Share in US$ at the time of the Issue;

2.5.2 that the Directors are specifically and unconditionally authorised in accordance with the Constitution to exercise all the powers of the Company to issue or sell from treasury up to 250 million Ordinary Shares in terms of the Issue, such authority to expire immediately following completion of the Issue, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the issuance of Ordinary Shares in pursuance of such an offer or agreement, as if such authority had not expired; and

2.5.3 that the Directors are specifically empowered to issue Ordinary Shares and to sell Ordinary Shares from treasury (as applicable) for cash pursuant to the authorities referred to in paragraphs 2.5.1 and 2.5.2 above as if the pre-emption rights on issue in the Constitution, the Mauritian Companies Act or otherwise applicable did not apply to any such issue or sale, such power to expire immediately following completion of the Issue, save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be issued or sold from treasury after such expiry and the Directors may issue or sell from treasury equity securities in pursuance of such offer or agreement as if the power had not expired.

2.6 As at the date of this document, other than in connection with the Grit Share Incentive Plan, no share capital is, or after Initial Admission will be, under option or award or agreed conditionally or unconditionally to be put under option or award.

3 Mandatory takeover offers, squeeze-out rules and sellout rules

3.1 Grit is not subject to the provisions of the UK Takeover Code but is subject to the following takeover rules that apply to certain companies listed on the SEM. Takeovers in Mauritius are regulated under the Mauritian Securities Act 2005 and the Mauritian Securities (Takeover Rules) 2010 ("**Mauritius Securities Laws**") issued by the Mauritian Financial Services Commission (the "**Commission**"). Takeovers falling within the ambit of the Mauritius Securities Laws are subject to the regulatory oversight of the Commission. The Mauritian Securities (Takeover) Rules 2010 (the "**Takeover Rules**") apply where the target company (that is the company in respect of whose shares an offer relates) is a *reporting issuer* or is a corporation holding a global business licence which is listed on a relevant securities exchange in Mauritius. In defining reporting issuer the Takeover Rules adopt the definition laid down in the Mauritian Securities Act 2005, being an issuer:

(a) who by way of a prospectus, has made an offer of securities either before or after the commencement of the Mauritian Securities Act 2005;

(b) who has made a takeover offer by way of an exchange of securities or similar procedure;

(c) whose securities are listed on a securities exchange in Mauritius; or

(d) who has not less than 100 shareholders.

The Mauritius Securities Laws:

(a) require equal and fair treatment of shareholders by an offeror (being the person by or on whose behalf the offer is being made or is to be made); and

(b) regulate, among other things, the conduct of the offer, the appointment of independent advisers in certain circumstances, restrictions on dealings, variations of the offer, mandatory offers, delays before subsequent offers are made and dissenting shareholders.

3.2 **General principles of an offer**

In relation to the general principles of an offer, shareholders shall be given full, complete, and timely information to enable them to reach an informed decision concerning the merits or demerits of the offer. Directors of the target company must, when advising or informing the company's shareholders in connection with a takeover, act only in their capacity as directors without regard to any personal or family interests and have regard only to the interests of the shareholders, employees and creditors and act in good faith.

A person wishing to make a voluntary offer, has to communicate a firm intention to make an offer to the board of the target company, to the Commission and to the relevant securities exchange and a public announcement of the offer must be made in two daily newspaper of wide circulation. The person making an offer is required to prepare an offer document containing information prescribed under the Takeover Rules and to communicate such offer document to the Commission, the securities exchange and the shareholders of the target company.

The target company is tasked with appointing an independent adviser which shall guide the board of the target company as to whether the offer is fair and reasonable. The target company, on consideration of the report may make a recommendation or provide a diverging view on the offer made by an offeror.

3.3 **Mandatory offer**

The Takeover Rules further set out the circumstances where a mandatory offer has to be made on the voting shares of a company. The requirement to make a mandatory offer will be triggered:

(a) where a person individually or together with a person acting in concert, acquires effective control of a company; or

(b) following a dealing in securities of a company, that person, either individually or together with a person acting in concert, acquires the right to exercise, or control the exercise of, more than 50 per cent. of the rights attached to the voting shares of the company.

Effective control is defined in the Takeover Rules as "the holding of securities by any person, either individually or together with a person acting in concert, which will result in that person, either individually or together with a person acting in concert, having the right to exercise, or control the exercise of, more than 30 per cent. of the rights attached to the voting shares of the company".

Where a mandatory offer requirement is triggered under the Takeover Rules, the offeror is required to (i) make an offer on all voting shares not already held by the offeror (ii) make a public announcement containing details prescribed under the Takeover Rules; and (iii) follow the same procedure as for a voluntary offer.

The price for the offering shares under the voluntary and mandatory offer is determined pursuant to the Takeover Rules – being the sum of any premium and of the highest of:

(a) the price paid by the offeror or a person acting in concert for any acquisition, including by way of allotment in a public issue, if any, during the 6 month period prior to the date of public announcement;

(b) the price paid by the offeror under a preferential allotment made to him or to a person acting in concert at any time during the 12 month period up to the date of closure of the offer; or

(c) the average of the weekly high and low of the closing prices of the shares of the target company as listed on the securities exchange where the shares of the target company are most frequently traded during the 6 months preceding the date of public announcement.

3.4 Compulsory acquisition and protection of minority shareholders

When the offeror has, by virtue of acceptances of an offer, acquired or contracted to acquire not less than 90 per cent. of the voting shares to which the offer relates, he may give notice to any dissenting shareholder (who is a shareholder who has not assented to the offer and a shareholder who has failed or refused to transfer his shares to the offeror in accordance with the terms of the offer) that he intends to acquire his voting shares or any dissenting shareholder may require the offeror to acquire his shares, within 28 days from the day after which the dissenting shareholder has been informed by the offeror of the acquisition. Unless an application is made by the dissenting shareholder to the court, the offeror shall acquire the shares of any dissenting shareholder on the same terms as for the approving shareholders within 21 days after the issue of a notice.

4 Constitution of the Company

4.1 The Constitution, which was adopted on 10 May 2018, is available for inspection at the addresses specified in paragraph 20 of this Part 19. The Constitution sets out the Company's objects, being to carry out any business activities relating to real estate, including, but without limitation, investment, development, operation, leasing and management of real estate assets, and which are not prohibited under the laws of Mauritius and the laws of the countries where the Company is transacting business. The Company has the power to do all such things as are incidental or conducive to the attainment of these objects. The Constitution also contains provisions, *inter alia*, to the following effect:

4.2 *Limited liability*

The liability of the Company's Shareholders is limited to any unpaid amount on the shares in the Company held by them.

4.3 *Voting rights*

Where a meeting of Shareholders is held by means of Shareholders constituting a quorum assembling together in person, unless a poll is demanded (or is otherwise required in accordance with the Listing Rules), voting at such meeting shall be by voice or by show of hands. Where a meeting of Shareholders is held by means of Shareholders constituting a quorum participating by audio, or audio and visual communication, whereby all Shareholders can simultaneously hear each other throughout the meeting, unless a poll is demanded, voting shall be by participating Shareholders signifying individually their assent or dissent by voice.

Subject to any rights or restrictions attached to any class of shares, when voting by voice or on a show of hands, every Shareholder present in person has one vote and every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote, and on a poll every Shareholder (whether present in person or by proxy) has one vote per share. Where postal votes are permitted, every Shareholder voting by postal vote shall have one vote for every share of which he is the holder.

On a poll, every Shareholder (whether present in person or by proxy) shall have one vote for every share of which he is a holder.

Where two or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter shall be accepted to the exclusion of the votes of the other joint holders.

4.4 ***Dividends and return of capital***

The Company may, at a general meeting, declare dividends in accordance with the Listing Rules, the SEM Rules and the JSE Listing Requirements but may not declare a larger dividend than that declared by the Directors. The Directors may also, from time to time, pay to Shareholders such interim dividends as appear to the Directors to be justified by the financial position of the Company.

No dividend shall be declared and paid except out of the profits of the Company unless the Directors determine that immediately after the payment of the dividend:

(a) the Company shall be able to satisfy the solvency test in accordance with section 6 of the Mauritian Companies Act; and

(b) the realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the Company's accounts, and its capital.

In calculating the profits of the Company for the purpose of resolving to declare and pay a dividend, the Directors may include in their calculation the net unrealised appreciation of the assets of the Company.

Subject to the rights of Shareholders (if any) entitled to special rights as to dividends, all dividends shall be declared and paid equally on all shares in issue at the date of declaration of the dividend. Dividends are payable to Shareholders registered as at a date subsequent to the date of declaration of the dividend or date of confirmation of the dividend, whichever is the later. If several persons are registered as joint holders of any share, any of them may give effectual receipt for any dividend or other monies payable on or in respect of the share.

Before recommending any dividend, the Directors may set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for any other purpose to which the profits of the Company may be properly applied.

Dividends may be declared and paid in money, shares or other property, and the right of election of Shareholders is not prohibited by the Constitution. Dividends may be declared and paid in any currency or currencies that the Board shall determine. The Board may also determine the relevant date and the exchange rate for determining the value of the dividend in any currency and an announcement to that effect must be released on SENS, on the website of the SEM and to the market on the London Stock Exchange.

If the Company is wound up, the liquidator may, with the authority of a special resolution:

(a) divide among Shareholders in specie the whole or any part of the assets of the Company (and may, for that purpose, value any assets and determine how the division will be carried out as between the Shareholders or different classes of Shareholders); and

(b) vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the Shareholders as the liquidator may determine,

but no Shareholder will be compelled to accept any assets in respect of which there is a liability.

4.5 ***Unclaimed dividends***

If a dividend is left uncashed or is returned to the Company and after reasonable enquiries the Company is unable to establish any new address or a new account, or such a payment is left uncashed or returned to the Company on two separate occasions, the Company may cease sending dividend warrants.

For so long as is required by the SEM Rules and the JSE Listing Requirements, the Company must hold all unclaimed distributions to Shareholders in trust, provided that that all dividends which remain unclaimed for five years after having been declared may be forfeited by resolution of the Directors for the benefit of the Company.

4.6 ***Transfer of shares***

Shares held in certificated form shall be transferred by an instrument of transfer, which may be in any usual or common form, or in such other form as shall be approved by the Board. Such instrument of transfer shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Register in respect of it. Shares held in uncertificated form may be transferred in accordance with the requirements of the relevant electronic system concerned.

The Company shall not be bound to register more than four persons as the joint holders of any share or shares and in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor (where applicable), and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

The Directors shall, subject always to the Mauritian Companies Act, any other applicable laws and regulations, the facilities and requirements of any relevant system concerned and the provisions of the Constitution, have the power to implement and/or approve any arrangements that they may, in their absolute discretion, think fit in relation to (without limitation) the evidencing of title to and transfer of depositary or similar interests in shares in the capital of the Company in the form of depositary interests, instruments or securities, and, to the extent such arrangements are so implemented, subject always to the Mauritian Companies Act, no provision of the Constitution shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of such depositary or similar interests thereof of the shares in the capital of the Company in which there is an interest. The Directors may, from time to time, take such actions and do such things as they may, in their absolute discretion, think fit in relation to the operation of any such arrangements including, without limitation, treating holders of any depositary or similar interests relating to shares in the capital of the Company as if they were the holders directly thereof for the purposes of compliance with any obligations imposed under the Constitution on Shareholders.

If and to the extent that the Directors implement and/or approve any arrangements in relation to the evidencing of title to and transfer of depositary or similar interests in shares in the capital of the Company then the Directors shall ensure, in so far as practicable, that such arrangements provide:

(a) a holder of any such depositary or similar interest in share(s) in the capital of the Company with the same or similar rights as a member of the Company, including, without limitation, in relation to the exercise of voting rights and to the provision of information; and

(b) the Company and the Directors with similar powers as given under the Constitution in respect of a member of the Company, including, without limitation, the power of the Board to deduct or retain any dividend or other moneys payable to any Shareholder, so that such power may be exercised against a holder of a depositary or similar interest in share(s) in the capital of the Company and the share(s) in the capital of the Company represented by such depositary or similar interest.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the US Securities Act and/or the US

Exchange Act of 1934 and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the US Exchange Act of 1934; (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the US Tax Code; or (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation), then the Directors may declare the Shareholder in question a "**Non-Qualified Holder**" and the Directors may require that any shares held by such Shareholder ("**Prohibited Shares**") (unless the Shareholder concerned satisfies the Directors that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

4.7 ***Alteration of share capital***

The Company may, by way of special resolution from time to time and in accordance with the Mauritian Companies Act, the Listing Rules, the SEM Rules and the JSE Listing Requirements:

(a) create any class of shares;

(b) increase or decrease the number of shares of any class of the Company's shares;

(c) consolidate and reduce the number of the Company's shares of any class;

(d) subdivide its shares of any class by increasing the number of its issued shares of that class without an increase of its capital; and

(e) convert one class of shares into one or more other classes of share, save where a right of conversion attaches to the class of shares created.

4.8 ***Restrictions on shares***

The Board has the power by notice (a "**disclosure notice**") to require any Shareholder or any other person it has reasonable cause to believe to be interested in shares or to have been so interested at any time during the three years immediately preceding the date on which the disclosure notice is issued (an "**interested party**"), to disclose to the Company the nature and extent of his interest and any documents to verify the identity of the interested party as the Board deems necessary.

If a recipient of a disclosure notice fails to provide the information requested in that notice within seven days of receipt of the notice, or has provided information which is false or inadequate in a material way, then the Board may, in its absolute discretion, at any time thereafter by notice (a "**direction notice**") to such Shareholder or interested party impose a sanction on such Shareholder or interested party. These sanctions include suspending the right to attend or vote (whether in person or by proxy) at a general meeting or at any separate meeting of the Shareholders of that class of shares or on any poll.

4.9 ***Variation of rights***

If at any time the share capital of the Company is divided into different classes of shares, the Company shall not take any action which varies the rights attached to a class of shares unless that variation is approved by a special resolution of the holders of the shares of that class (being a majority of not less than 75 per cent. of the votes cast by all Shareholders entitled to do so, present in person or represented by proxy). The quorum for such separate class meeting to consider a variation of the rights of any class of shares shall be the holders of one third of the issued shares of that class (but at any adjourned meeting the presence of three Shareholders or their proxies who are between them able to exercise, in aggregate, at least 25 per cent. of the votes to be cast on the business to be transacted at the meeting shall constitute a quorum). So long as the Company shall be a listed company, the preferences, rights, limitations or other terms of any class of shares of the Company must not be varied and no resolution may be proposed to Shareholders for rights to include such variation in response to any objectively ascertainable external fact. Adequate voting rights will, in appropriate circumstances, and as determined by the Board and Shareholders, be secured to preference Shareholders.

4.10 ***Shareholder meetings***

Written notice of the time and place of a meeting of Shareholders shall be sent to every Shareholder entitled to vote at such meeting not less than 15 Business Days prior to the date of the meeting. For so long as the Company's shares are listed on the JSE at the time of such notice, at the same time the notice is sent to Shareholders a copy must also be sent to the JSE and announced on the SENS.

No business shall be transacted at any general meeting or annual meeting (or any adjournment thereof) unless a quorum is present. The presence of three Shareholders (or their proxies) who are between them able to exercise, in aggregate, at least 25 per cent. of the votes to be cast on the business to be transacted by the meeting shall constitute a quorum.

A Shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A proxy shall be appointed by notice in writing signed by the Shareholder and the notice will state whether the appointment is for a particular meeting or for a specified term. The instrument appointing a proxy shall not be effective unless it is produced at least 24 hours before the start of the relevant meeting. A body corporate which is a Shareholder may appoint a representative to attend a meeting of Shareholders on its behalf in the same manner as that in which it could appoint a proxy.

At a Shareholders' meeting, a poll may be demanded by (i) not less than three Shareholders who have the right to vote at the meeting, (ii) a Shareholder or Shareholders representing not less than 10 per cent. of the total voting rights of all Shareholders having the right to vote at the meeting, (iii) a Shareholder or Shareholders holding shares in the Company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 per cent. of the total amount paid up on all shares that confer that right, or (iv) the chairperson of the meeting.

4.11 ***Notices to Shareholders***

Any notice to be given to a Shareholder must be given in writing. It may be sent or supplied by the Company to a Shareholder personally, by post in a prepaid envelope addressed to the Shareholder at his registered or postal address (or by leaving it at that address), or by sending it in electronic form to a Shareholder (provided that such Shareholder has consented to receiving notices in electronic form).

If several persons are registered as joint holders of a share, it shall be sufficient for all notices, documents and other information to be sent or supplied to the joint holder whose name is listed first in the Register and the agreement of such first named holder to receiving notices, documents and other information in electronic form or by being made available on a website shall be binding on all the joint holders.

The Company may at any time, in its sole discretion, choose to send or supply notices, documents and other information only in hard copy to some or all Shareholders.

4.12 ***Directors***

Unless otherwise determined, the number of Directors shall not be less than four and shall include at least two Directors who are ordinarily resident in Mauritius.

If the number of Directors falls below four the remaining Directors shall, as soon as possible and in any event not later than three months from the date that the number fell below the minimum, fill the vacancy or call a general meeting to fill the vacancy. If three months passes and the Directors have not themselves filled the vacancy or called a general meeting, they may then only call a general meeting for the purpose of filling the vacancy.

At least seven days' notice shall be given to the Company of any intention to propose a person for election as a Director at a meeting of the Shareholders and the consent of such person in relation thereto shall be communicated to the Company at least seven days before the date of the meeting.

No Director shall be required to hold shares in the Company to qualify him for an appointment.

The appointment of a person as a Director by the other Directors is required to be approved by the Shareholders at the Company's next general meeting or annual meeting.

Each Director shall retire from office at every annual general meeting of the Company and may make themselves available for re-election.

The business of the Company shall be managed by the Directors in Mauritius who may exercise all such powers of the Company as are, by the Mauritian Companies Act or by the Constitution, required to be exercised by the Company in general meeting, subject, nevertheless, to the provisions of the Constitution and to the provisions of the Mauritian Companies Act.

A Director may by a written instrument appoint an alternate (who need not be a Director). Such alternate is entitled to attend meetings in the absence of the Director who appointed him and to vote or consent in the place of the Director.

The Board may determine the terms of any service contract with a chief executive Director, managing Director or other executive Director. The remuneration of Directors shall be determined by the Remuneration and Nomination Committee. Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending meetings of the Board or in connection with the business of the Company.

A Director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a major subsidiary of, the Company. In such event, his appointment must be determined by the Company in general meeting or, if appointed to such role by the Board (a disinterested quorum of Directors only), his appointment must be approved by Shareholders at the next general meeting or annual meeting of the Company. His remuneration in respect of such role must be determined by the Remuneration and Nomination Committee (a disinterested quorum of Directors only).

Where a Director is required to perform extra services, reside abroad or be specifically occupied about the Company's business, he may be entitled to such remuneration as is determined by a disinterested quorum of Directors of any remuneration committee established from time to time, which may be either in addition to or in substitution for any other remuneration payable. This may also include reasonable expenses which the Directors properly incur in connection with their attendance at Board meetings or committee meetings, meetings of Shareholders or separate class meetings otherwise than in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

The quorum for all Board meetings shall be a simple majority of Directors.

Every Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of, a resolution of the Board unless he expressly dissents from or votes against the resolution at the meeting. A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it.

A Director shall not vote on any contract or arrangement or any other proposal in which he or his associates have a material interest nor shall he be counted in the quorum present at the meeting at which such contract or arrangement or other proposal is considered. Notwithstanding this, a Director shall be entitled to vote and be counted in the quorum at the meeting in respect of the following matters:

(a) the giving of any security or indemnity either: (i) to the Director in respect of money lent or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries; or (ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

(c) any proposal concerning any other company in which the Director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director is beneficially interested in shares of that company, provided that he, together with any of his associates, is not beneficially interested in shares of that company, provided that he, together with any of his associates, is not beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights;

(d) any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including: (i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the issuer or any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not generally accorded to the class of person to which such scheme or fund relates; and

(e) any contract or arrangement in which the director is interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his interest in shares or debentures or other securities of the issuer.

For these purposes, "associate" shall mean, in relation to any Director, (i) his spouse and any child or stepchild under the age of 18 years, (ii) the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object, and (iii) any company in the equity capital of which the individual and/or any Shareholder(s) of the individual's family are directly or indirectly interested so as to exercise or control the exercise of 20 per cent. or more (in aggregate) of the voting power at meetings of Shareholders, or to control the appointment and/or removal of directors holding a majority of voting rights at Board meetings on all or substantially all matters, and any other company which is its subsidiary.

For the purposes of (c) above, "associate" shall have the following meanings, in relation to a Director, (i) a spouse living "en concubinage" under the common law with the Director, any child or stepchild or any relative residing under the same roof as the Director, (ii) a succession in which the Director has an interest, (iii) a partner of the Director, (iv) any company in which the Director owns securities assuring him of more than 10 per cent. of a class of shares to which are attached voting rights or an unlimited right to participate in earning and in the assets upon winding up, (v) any controller of the Director, (vi) any trust in which the Director has a substantial ownership interest or in which he fulfils the functions of a trustee or similar function, and (vii) any company which is a related company.

Members of the Board or of any committee thereof may meet at such times and in such manner and places within the Republic of Mauritius or elsewhere as the Board may determine to be necessary or desirable. A Director shall be deemed to be present at a meeting of the Board if he participates by telephone or other electronic means and all Directors participating in the meeting are able to hear and communicate with one another.

4.13 ***Indemnity of Directors***

Subject to the provisions of the Statutes, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to, or be incurred by the Company in the execution of his office, or in relation thereto.

4.14 ***Borrowing powers***

Subject to the provisions of the Mauritian Companies Act, the Directors may exercise all the powers of the Company to borrow or raise or secure the payment of money or the performances or satisfaction by the Company of any obligation or liability and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue mortgages, charges, bonds, notes and other securities and other instruments whether outright or as security for any debt liability or obligation of the Company or of any third party.

4.15 ***Notifications of interests in Shares***

The provisions of Chapter 5 (*Vote Holder and Issuer Notification Rules*) of the Disclosure Guidance and Transparency Rules (the "**DTRs**"), as revised from time to time, shall apply to the Company and members shall make such notifications to the Company as they would be required to make under the DTRs.

5 Directors and Senior Manager

5.1 The Directors and Senior Manager of Grit and their functions are as follows:

Name	Position
Directors	
Peter Todd	Independent non-executive Chairman
Ian Macleod	Non-executive and Senior Independent Director
Bronwyn Corbett	Executive Director/Chief Executive Officer
Leon van de Moortele	Executive Director/Chief Finance Officer
Paul Huberman	Independent non-executive Director
Catherine McIlraith	Independent non-executive Director
Nomzamo Radebe	Non-executive Director
Matshepo More	Non-executive Director
Senior Manager	
Greg Pearson	Co-founder

Matshepo More is a director of the PIC, which is the asset manager to GEPF and the Company's largest Shareholder as at the date of this document.

Nomzamo Radebe is a director of DiT which, at the date of this document, is a Shareholder of Grit that holds more than 10 per cent. of the Company's issued Ordinary Shares. Grit facilitated a black economic empowerment structure between DiT as BEE partner, Bank of America Merrill Lynch as debt funder, and the PIC on behalf of the GEPF as guarantor and Grit as co-guarantor to enable DiT to acquire shares in Grit as part of a rights issue undertaken in June 2017.

Although Ian Macleod is a director of Delta Property Fund which currently holds 11.15 per cent. of the issued Ordinary Shares (which shareholding is expected to decrease on Initial Admission), the Board considers that he is independent. Ian is not appointed as a representative of a Shareholder but as an independent non-executive director with significant real estate experience and knowledge.

Peter Todd is a founder of the Osiris Group of companies which provides corporate finance and administrative services to global clients, including the provision of directors' services. Peter sits as an administrative director on many companies incorporated in Mauritius, and was a director of certain companies that became associated with Grit. However, he has resigned as a director of any companies that had an association with Grit. In the past and on an *ad hoc* basis, certain of the Osiris companies have provided administrative services to Grit. The Board has considered these relationships and does not consider that they impact his independence as a non-executive director of Grit.

Save as disclosed above, there are no conflicts of interest between any of the Director's duties to the Company and any of their private interests or other duties.

The business address of each of the Executive Directors and the Senior Manager of Grit is 3rd Floor, La Croisette Mall, Grand Baie, Mauritius.

5.2 As at the Latest Practicable Date, the interests (all of which are beneficial) of the Directors and the Senior Manager, their immediate families and (so far as is known to them or could with reasonable diligence be ascertained by them) persons connected with the Directors and the Senior Manager in the issued share capital of the Company, together with such interests as are expected to subsist immediately following Initial Admission are set out in the following table:

	As at the Latest Practicable Date		**Interests immediately following Initial Admission**	
	Number of Ordinary Shares	**Percentage of issued share capital(%)**	**Number of Ordinary Shares**	**Percentage of issued share capital(%)***
Directors				
Peter Todd	—	—	—	—
Paul Huberman	—	—	—	—
Bronwyn Corbett	5,459,614	2.55	5,459,614	1.32
Leon van de Moortele	1,202,187	0.56	1,202,187	0.29
Ian Macleod	—	—	—	—
Catherine McIlraith	—	—	—	—
Nomzamo Radebe	3,875,000	1.81	3,875,000	0.94
Matshepo More	—	—	—	—
Senior Manager				
Greg Pearson	1,116,728	0.52	1,116,728	0.27

* Assuming that 200 million Ordinary Shares are issued in connection with the Issue.

Pursuant to the Lock-in Deed, the Executive Directors and the Senior Manager have agreed that they will not (save in certain circumstances) dispose of any interest in any Ordinary Shares held or acquired by them prior to the first anniversary of Initial Admission.

5.3 Details of awards over Ordinary Shares granted pursuant to the Grit Share Incentive Plan which are held by the Directors and the Senior Manager as at the date of this document are as follows:

	Date of grant of award	**Number of Ordinary Shares**	**Vesting date for award**
Bronwyn Corbett	30 June 2014	340,987	June 2019
	30 June 2017	534,375	June 2022
Leon van de Moortele	30 June 2015	215,862	June 2020
	30 June 2017	273,597	June 2022
Greg Pearson	30 June 2014	189,958	June 2019
	30 June 2017	230,663	June 2022

5.4 Other than current or former directorships of members of the Group, during the five years immediately prior to the date of this document, the Directors and the Senior Manager are, or have been, directors or partners or members of the administrative, management or supervisory bodies of the companies or partnerships listed below:

Director/Senior Manager	**Current directorships/ partnerships**	**Former directorships/ partnerships**
Directors		
Peter Todd	Osiris Management Services Ltd Osiris Secretarial Services Ltd Osiris Corporate Solutions (Mauritius) Ltd Osiris International Trustees Ltd Starlite Aviation Operations Ltd Starlite Africa Training Ltd Heavylift Charters Ltd Hover Aviation Insurance Ltd Luangwa Investments Ltd African Construction Ltd	New Frontier Properties Ltd Trevo Capital Ltd International Hotel Group Ltd Redefine International Management Holdings Ltd Delamere Place Crewe Ltd Postmodern Editorial Ltd Business Warriors UK Ltd Pearl House Swansea Ltd Telestream Communications Ltd Southern View Finance UK Ltd

Director/Senior Manager	Current directorships/ partnerships	Former directorships/ partnerships
Peter Todd *(continued)*	Kabwe Investments Ltd Luano Investments Ltd Solwezi Investments Ltd Tradehold API Ltd Nampula Investments Ltd Coronation Group Investments Ltd CGI Capital Ltd Ascheim Property Ltd CGI Capital Ltd CoroCap Holdings Ltd CoroCap Property Ltd CoroCap Property Management Ltd Coronation Group Investments Ltd CoroCap Ruby Limited Ltd Eschbon Property Limited Ltd Astoria Investments Ltd Astoria LP Holdings Ltd Sofrica Investment Company Ltd Sofrica Holdings Ltd Drake Fund Advisors GB Fund Services Daytona Capital Rock PHB Ltd Delta International Mauritius Limited DRC Investments Limited Great North Investments Limited Kabwe Investments Limited Katanga Investments Limited Kin Oasis Investments Limited Kinois Investments Limited Kinshasa Investments Limited Lubumbashi Investments Limited Wusakili Investments Limited	Osiris Advisors Ltd Management Ltd The Hampshire Motor Group Ltd Sandown Surrey and Hampshire Ltd The Hampshire Motor Investment Company Ltd Jacksons Investments Ltd Botraysa Ltd Starlite Aviation Ireland Ltd Starlite Maintenance Ireland Ltd Starlite Aviation Training Services Ltd Starlite Training Leasing Ltd Starlite Investments Ireland Ltd Magatar Mining Limited Osiris Financial Management Limited Hodarihold Ltd* Africa Property Investments Ltd* Kitwe Copperbelt Investments Ltd* Ndola Investments Ltd* Syngenta Limited* One Property Management Services Limited Freedom Asset Management

* Peter Todd historically held the position of non-executive director on the board of these companies with which the Group transacts. These entities are not deemed to be related parties of the Group as there is no ownership interest and the common directorship, in each instance, related to him acting in an administrative capacity.

Director/Senior Manager	Current directorships/ partnerships	Former directorships/ partnerships
Paul Huberman	Wigan Properties Limited Jawbones Hill Limited J.C. Rathbone Trustees Limited Tufton Media Limited Clapham Offices Limited Town Centre Securities plc Galliard Group Limited Galliard Holdings Limited Galliard Homes Limited The Protein Ice Cream Company Limited Life at Parliament View Limited Life at Limited Javin Property Co (London) Limited Javin Property Portfolio Limited Javin Enterprises Limited Bevian London Properties Limited Peaktop Properties (Marylebone) Limited Transgain Limited Advance Holdings Limited	Formatflower Limited Extendframe Limited Tufton Properties Limited Clapham Land Limited Leamington Land Limited Lyme Regis Land Limited PH Asset Management Limited PH Business Services Limited F.G.L. Investments Limited Glintack Limited Grand Central Limited Targetfollow (Birmingham) Limited Targetfollow (Swanley) Limited Targetfollow (Warrington) Limited Bloomsbury Property Investments Limited Targetfollow (Holdings) Limited Healthweb (UK) Limited Targetfollow (Croydon) Limited Targetfollow Investments Limited Dyle Limited

Director/Senior Manager	Current directorships/ partnerships	Former directorships/ partnerships
Paul Huberman *(continued)*	Templewood Securities Limited P H Outdoor Media Ltd	Targetfollow (City) Limited Speycress Estates Limited Targetfollow (Brentwood) Limited IH Investments Limited Targetfollow (Residential) Limited Targetfollow (Wembley) Limited Targetfollow (Peterborough) Limited Targetfollow (Kidlington) Limited Targetfollow (Chadderton) Limited Targetfollow (Stockport) Limited Targetfollow (Chiltern) Limited Targetfollow (Dover) Limited Targetfollow (Portman Flats) Limited Cambrian Wharf Limited Targetfollow (Edinburgh) Limited West One Loan Limited JCRA Group Limited Brooklands Hotel (Developments) Limited Paul Huberman Business Services Limited J C Rathbone USA Holdings Inc JCRA Financial LLC Targetfollow (Barking) Limited Riveridge Investments Limited Golden Properties Limited Southgate Properties Limited Nomad Limited Targetfollow (Hall Road) Limited Quay Business One Limited Quay Business Two Limited Brooklands Hotel Limited Clicstone Limited
Bronwyn Corbett	Copapax Proprietary Limited Bowwood and Main No 117 Phamog Properties Pty Ltd Choice Decisions 300 Pty Ltd Atterbury Parkdev Consortium Proprietary Ltd Hendisa Investments Proprietary Ltd Dorado 1 Ltd Gateway Delta Development Holdings Limited and Africa Property Development Managers Ltd and BG Africa Ltd	Bury Holdings Ltd 277 Vermeulen Properties Proprietary Ltd Delta Property Fund Limited Hestitrix Proprietary Ltd K2014000273 Proprietary Ltd Motseng Property Investments Proprietary Ltd Motseng Investment Holdings Delta Property Asset Management MPI Property Asset Management
Leon van de Moortele	van de Moortele Properties Pty Ltd Pettiford Property Pty Ltd Abland Diversified Holdings Limited BH Property Investments Limited Casamance Holdings Limited CD Properties Limited DIF 1 Ltd Freedom Asset Management Gerania Ltd GMS Mauritius Limited HM&K Properties Limited	Solenta Investment Holdings (Pty) Ltd Solenta Aviation (Pty) Ltd Solenta Aviation Workshop (Pty) Ltd Solenta Aviation Training Academy (Pty) Ltd Federal Holdings (Pty) Ltd Federal Air (Pty) Ltd Federal Airlines (Pty) Ltd Fedikwe Air Safaris (Pty) Ltd Really Useful Investments No 221 (Pty) Ltd

Director/Senior Manager	Current directorships/ partnerships	Former directorships/ partnerships
Leon van de Moortele *(continued)*	IDC Kenya Investments Limited Kitwe Mukuba Investments Limited Leisure Property Northern (Mauritius) Limited Lusaka Cosmopolitan Investments Limited Mara Delta (Mauritius) Property Limited Ndola Kafubu Investments Limited Transformers Holdings Mauritius Limited Zambian Property Holdings Limited BME Kenya Investments Limited Delta International Mauritius Limited IWH Kenya Investments Limited SAL Investment Holdings Ltd	Takifa Properties (Pty) Ltd Solenta Aviation Kenya Limited Tadvest Limited Tripletech Limited
Ian Macleod	Delta Property Fund Ltd	None
Catherine McIlraith	Les Gaz Industriels Ltd CIEL Ltd Astoria Investments Ltd CIEL Finance Ltd The Mauritian Union Assurance Ltd La Prudence Mauricienne Assurances Ltee Mammouth Mauritius Ltd Mid-Market Africa Fund Marina Joint Investment Ltd Southern Ocean Holdings Ltd Canal Duplex Investment Ltd Que Pasa Investment Ltd	Navitas Holdings Ltd Navitas Management Services Ltd New Frontier Properties Ltd Mauritius Institute of Directors Financial Reporting Council The Mauritius Development Investment Trust Co Ltd AfrAsia Bank Ltd Store Nautique Ltd Anchor Capital (Mauritius) Ltd
Nomzamo Radebe	Munich Re-insurance Company of Africa Excellerate Property Services (Pty) Ltd Excellerate Real Estate Services (Pty) Ltd, trading as JHI JHI Properties (Namibia)(Pty) Ltd JHI Retail Proprietary Limited Gensec Property Services(Lesotho) Proprietary Limited	SAPOA Bursary Trust JHI Inyathi Consortium (Pty) Ltd South African Property Owners Association
Matshepo More	Public Investment Corporation Soc Ltd Independent Regulatory Board for Auditors Industrial Development Corporation ADR International Airports South Africa	None

Director/Senior Manager	Current directorships/ partnerships	Former directorships/ partnerships
Senior Manager		
Greg Pearson	Delta International Mauritius Limited Paradise Consultancy Services Limited Paradise Property Investments Ltd Freedom Asset Management Africa Property Development Managers Ltd Gateway Delta Development Holdings Ltd GD (Mauritius) Hospitality Investments Ltd BG Africa Ltd Goodison Two Hundred Thirteen Limited Mara Viwandani Limited Warehousely Limited Delta International Bahrain Grit Accra Limited Grit West Africa Limited Dorado 1 Ltd	Abland Diversified Holdings Limited BME Kenya Investments Limited CD Properties Limited DIF 1 Co Ltd HM&K Properties Ltd IDC Kenya Investments Limited IWH Kenya Investments Limited SAL Investment Holdings Limited THM Kenya Investments Limited Zimpeto Investments Holdings Limited Little Creek Trading 478 Zelpy 2023 Autumn Storn Investments 265 Davis Langdon Project Management

5.5 Other than loans made pursuant to the Grit Share Incentive Plan, there are no loans made, or guarantees granted or provided by, Grit or any member of the Group to, or for the benefit of, any Director or the Senior Manager.

5.6 No Director or Senior Manager is, or has been, interested in any transaction which is, or was, unusual in its nature or conditions or significant to the business of the Group and which was effected by Grit or any member of the Group during the current or immediately preceding financial year or which was effected by Grit or any member of the Group during any earlier financial year and remains in any respect outstanding or unperformed.

5.7 Save as disclosed in this paragraph 5, as at the date of this document, there are no potential conflicts of interest between the duties of any Director or the Senior Manager to the Company and his or her private interests or other duties.

5.8 Save as disclosed below, as at the date of this document, no Director or Senior Manager has at any time in the five years preceding the date of this document:

(a) been convicted in relation to a fraudulent offence; or

(b) been associated with any bankruptcies, receiverships or liquidations while acting in the capacity of a member of the administrative, management or supervisory bodies or as a partner, founder or senior manager of any partnership or company; or

(c) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies); or

(d) been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company.

Paul Huberman was a director of Brooklands Hotel Limited (incorporated in the British Virgin Islands and registered as an overseas business in England) and Brooklands Hotel (Developments) Limited (incorporated in England), which companies owned and operated a hotel. He was appointed as a director of the companies in June 2013 at the behest of the administrators of their parent company to assist them in selling the hotel while it continued to operate and trade normally. Following such sale in March 2014, the companies went into administration and subsequently underwent voluntary liquidations in October 2016.

6 Directors' service contracts and remuneration

6.1 The Executive Directors have entered into service contracts with the Company. Particulars of the service contracts are set out below:

Executive Director	Date of service contract	Base salary and bonus	Notice period
Bronwyn Corbett	11 March 2015	US$318,300 Discretionary bonus – on such terms as the Remuneration Committee determines at its discretion	3 months' notice served by Company or Executive Director
Leon van de Moortele	1 April 2015	US$237,679 Discretionary bonus – on such terms as the Remuneration Committee determines at its discretion	3 months' notice served by Company or Executive Director

There are no provisions of the Executive Directors' service contracts which provide for benefits upon termination of employment.

6.2 The aggregate of the remuneration (including any contingent or deferred compensation) paid and benefits in kind granted to the Directors and the Senior Manager by the Group in respect of the financial year ended 30 June 2017 was US$1,371,661 made up as follows:

Name	Date of appointment to the Board	Remuneration (US$)
Sandile Nomvete*	12 May 2014	Nil
Peter Todd	14 August 2014	22,800
Bronwyn Corbett	12 May 2014	579,850
Leon van de Moortele	30 June 2015	362,974
Ian Macleod	30 June 2015	19,200
Chandra Gujadhur**	30 June 2015	16,800
Matshepo More	7 February 2017	8,400
Maheshwar Doorgakant***	11 March 2015	12,000
Jackie van Niekerk****	1 June 2016	16,800
Greg Pearson*****	n/a	332,837

** Resigned from the Board on 12 April 2018*

*** Resigned from the Board on 29 March 2018*

**** Resigned from the Board on 8 March 2018. Alternate to Mr Gujadhur.*

***** Did not submit put herself forward for re-election to the Board at the AGM held on 24 November 2017*

****** Senior Manager. Not appointed to the Board.*

6.3 During the financial year ended 30 June 2017, there were no amounts set aside by the Group to provide pension, retirement or similar benefits to the Directors or the Senior Manager.

6.4 The current fees payable to the non-executive Directors are US$12,000 per annum per Director and an additional US$2,400 per annum for each member of each Board committee (US$4,800 per annum for each chairman of each Board committee). Nomzamo Radebe does not receive any fees in respect of her appointment as a non-executive Director.

6.5 Following Initial Admission, the remuneration receivable by the Directors will be adjusted so as to be comparable to the market norm of directors' fees received by directors of companies listed on the Official List of the UKLA. It is currently intended that the fees payable to the non-executive Directors following Initial Admission will be £34,000 per annum per Director, with an additional £34,000 per annum payable to the Chairman, an additional £17,000 per annum payable to the Senior Independent Director and an additional £3,000 per annum payable to each Chairman and member of each Board sub-committee (save that the Chairman of the Audit Committee will be entitled to receive an additional £14,000 per annum). Each of the non-executive Directors will also be entitled to receive an intercontinental allowance of £5,000 per meeting for travel to fulfil their roles and responsibilities.

7 Major Shareholders

7.1 So far as is known to the Company, as at the Latest Practicable Date, the following Shareholders held, directly or indirectly, five per cent. or more of the Company's voting rights:

Shareholder	**Number of Ordinary Shares**	**Percentage of voting rights**
Government Employees Pension Fund ("**GEPF**")	65,998,116	30.84%
Delta Property Fund Limited	23,866,776	11.15%
Drive in Trading	23,250,000	10.86%
Pivotal Global Pty Limited	13,187,535	6.16%
Eskom Pension & Provident Fund	10,897,483	5.09%

7.2 None of the Shareholders referred to in paragraph 7.1 above has different voting rights from any other holder of shares in respect of any shares held by them.

7.3 As at the date of this document, the Company does not have a controlling shareholder as defined in the JSE Listings Requirements; being any shareholder that holds 35 per cent. or more of the share capital of Grit. The Company has a controlling shareholder as defined in the SEM Rules, GEPF, being a shareholder holding 20 per cent. or more of the voting rights in the Company.

The Directors are not aware of any other person or persons who could, directly or indirectly, exercise control over the Company.

7.4 The Company and the Directors are not aware of any arrangements, the operation of which may, at a subsequent date result in a change in control of the Company.

7.5 The Directors are not aware of any interest that is material to the Issue.

8 Grit Share Incentive Plan

The principal provisions of the Grit Share Incentive Plan (the "**Scheme**") are as follows:

8.1 Purpose

The purpose of the Scheme is to provide a long-term performance and retention incentive scheme which aligns the interests of participants with the Company's Shareholders, by motivating them, through participation, to increase the long-term growth in Shareholder returns.

8.2 Introduction

8.2.1 Under the terms of the Scheme (the "**Rules**"), awards of Ordinary Shares may be made to Eligible Employees, with an "**Eligible Employee**" being a person eligible for participation in the Scheme, namely an executive director, senior manager or key employee of the Company who has completed his probation period, which Eligible Employee shall be nominated by the Remuneration Committee and be approved as such by the Board from time to time in its sole and absolute discretion.

8.2.2 An Eligible Employee to whom an award has been made, and who has accepted such award, is referred to in this summary as a "**Participant**" and includes the executor of the Participant's deceased estate or family entity, where applicable.

8.3 Administration of the Scheme

8.3.1 The Board is responsible for the operation and administration of the Scheme.

8.3.2 The Scheme shall be administered in conjunction with a share trust ("**Share Trust**") and for these purposes the Company will either allocate Ordinary Shares to the trustee of the Share Trust, or provide a loan account to the Share Trust to purchase Ordinary Shares in the open market to satisfy obligations under the Scheme.

8.3.3 For the avoidance of doubt, Directors of the Company who are Participants shall not take part in, and shall recuse themselves from, any Board decisions relating to the Scheme.

8.4 **Participation**

8.4.1 The participation by a Participant in the Scheme shall at all times be approved and confirmed by the Board, as recommended by the Remuneration Committee.

8.4.2 The participation by Eligible Employees in the Scheme, and the award and settlement of Ordinary Shares to them, shall at all times comply with the provisions of the Mauritian Companies Act.

8.5 **Maximum Number of Ordinary Shares**

8.5.1 The maximum aggregate number of Ordinary Shares that may be:

(i) utilised for the purposes of this Scheme, shall not exceed 15,000,000 Ordinary Shares;

(ii) acquired by any one Participant under the Scheme, shall not exceed 4,600,000 Ordinary Shares.

8.5.2 The above limits are subject to adjustment in terms of paragraph 8.9 below.

8.5.3 Any Ordinary Shares which have been purchased by the Scheme through the open market of the SEM or JSE, shall not be taken into account when calculating the number of Ordinary Shares utilised by the Scheme.

8.6 **Award of Ordinary Shares**

8.6.1 The Board may, in its sole and absolute discretion, upon recommendation by the Remuneration Committee, resolve to make awards to Eligible Employees based on certain award criteria ("**Award Criteria**").

8.6.2 The Board shall, as soon as reasonably practicable on or after the award date, notify the Eligible Employee of the award in an award letter. The award letter shall be in the form as prescribed by the Board from time to time and shall specify, *inter alia*:

(i) the number of Ordinary Shares awarded to the Eligible Employee;

(ii) the award date;

(iii) the "**Vesting Date**", being the date five years from the award date, provided that the Board may, in its absolute and sole discretion, be entitled to determine a longer period as a result of a failure to meet certain performance criteria. In addition, if any of the above dates falls on a date which, or during a period in which by virtue of any applicable laws or any policy of the Company (including any corporate governance policy), it is not permissible to settle Ordinary Shares to a Participant or for a Participant to receive or otherwise deal or trade in Ordinary Shares, the Vesting Date shall be the second trading day after the date on which it becomes permissible to settle Ordinary Shares to a Participant and/or for the Participant to receive or deal or trade in Ordinary Shares;

(iv) the "**Subscription Price**", being the price per Ordinary Share awarded by the Share Trust for the Ordinary Shares on an award date, being a price equal to the volume weighted average price of an Ordinary Share on the SEM or the JSE as relevant over the 30 trading days immediately preceding the award date, or such higher amount as determined by the Board, on the recommendation of the Remuneration Committee; and

(v) the vesting criteria imposed by the Board ("**Vesting Criteria**").

8.6.3 Acceptance by an Eligible Employee of an award shall be communicated to the Board by the signature and return of the award letter within 30 days of such award. An award which is not accepted by an Eligible Employee as aforesaid shall automatically be deemed to have been cancelled, subject to re-instatement or extension by the Board in its sole and absolute discretion, provided such extension shall not exceed 30 days.

8.6.4 Immediately following the 30-day acceptance period, the Share Trust shall allocate the total number of Ordinary Shares accepted by the Eligible Employees of Unawarded Shares in the Share Trust to the relevant Eligible Employees. In the event that there are insufficient Unawarded Shares in the Share Trust, the Company shall within 15 business days, either:

(i) issue the awarded Ordinary Shares to the Share Trust at the Subscription Price, which shall remain outstanding on the Loan Account; or

(ii) provide a loan to the Share Trust to purchase such Ordinary Shares on the open market, which shall remain outstanding on the Loan Account.

(iii) in any event, the Participant shall be appointed as a beneficiary of the Share Trust in respect of the Ordinary Shares and the Ordinary Shares shall be held in a share account by the Share Trust for the benefit of the Participant. In respect of the above:

(iv) "**Loan Account**" means the loan account from the Company to the Share Trust in respect of the Subscription Price of the awarded Ordinary Shares to the Share Trust, which Loan Account shall accrue interest at a rate equal to the Company's weighted average cost of debt (which rate shall be reset annually, with effect from the first day of each consecutive financial year, to the previous financial year's reported weighted average cost of debt), in respect of Ordinary Shares awarded to Participants, and a rate of US Dollar Libor plus 6.5 per cent. per annum in respect of any Unawarded Shares; and

(v) "**Unawarded Shares**" means the Ordinary Shares which have been issued to or otherwise acquired by the Share Trust on the Loan Account in order to meet the Scheme's obligations to the Participants, but which have not yet been awarded to a specific Eligible Employee.

8.6.5 Save for a cession to a family entity, which is to comply with the requirements of the Rules, an award is personal to a Participant and shall not be capable of being ceded, assigned, transferred or otherwise disposed of or encumbered by a Participant.

8.6.6 An award may be cancelled at any time after the date of acceptance thereof if the Board and the Participant so agree in writing.

8.6.7 Awards shall be made annually following the publication of the Group's audited financial statements.

8.6.8 Any dividends (or other distributions) earned by the Share Trust in respect of the Ordinary Shares shall be utilised by the trustee to repay the Loan Account. As a result, a Participant shall have no expectation of earning any dividends (or other distributions made) and shall have no right to vote in respect of Ordinary Shares awarded to him, unless and until and to the extent that the Ordinary Shares under his award are settled in accordance with the provisions of this Scheme.

8.7 **Vesting of Ordinary Shares**

8.7.1 The Remuneration Committee shall, prior to the Vesting Date in respect of an award, assess and determine the extent to which the Vesting Criteria imposed by the Board have been achieved, and make a recommendation to the Board in this regard. Subject to the Vesting Criteria having been achieved, the Ordinary Shares shall vest on the Vesting Date. In the event that the Vesting Criteria have not been met, the Board may extend the Vesting Date accordingly.

8.7.2 On the Vesting Date, the Participant shall be entitled to make an election as to the treatment of the Ordinary Shares:

(i) The Trustee may, on the behalf of the Participant, sell, in the open market, sufficient Ordinary Shares to settle the Outstanding Loan Account, and settle the remainder of the Ordinary Shares to the Participant, either in cash or in Ordinary Shares; or

(ii) The Participant may elect to purchase the Ordinary Shares from the Share Trust against payment of the Outstanding Loan Account; or

(iii) The Participant may elect to leave the Ordinary Shares in the Share Trust after the Vesting Date and trigger a sale of the Ordinary Shares at a future date, to be advised to the Trustee in writing, but which shall not exceed 90 days. Should this be elected, the Participant will be required to sign personal surety for the Outstanding Loan Account and shall be solely responsible for the repayment of the Outstanding Loan,

and failing any election being made within 90 days following the Vesting Date, such Award shall be settled in Ordinary Shares as per 8.7.2(i) above. In relation to the above, "**Outstanding Loan Account**" means, in respect of any Participant, the portion of the Loan Account applicable to such Participant, plus interest accrued thereon, less any repayments made out of the dividends received on the applicable Ordinary Shares and less any payments received from short-term incentives of such Participant utilised to repay the Loan Account.

8.7.3 The Rules detail the treatment of the rights of a Participant, should he cease to be employed by the Company prior to the Vesting Date and differentiates between no fault termination and fault termination (in the latter instance, all unvested Ordinary Shares shall be forfeited).

8.8 **Ordinary Share Rights**

8.8.1 Save as expressly indicated otherwise in the Rules, the Scheme Ordinary Shares shall in all respects rank *pari passu* with ordinary issued shares of the Company, including as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company.

8.8.2 Until the vesting date, the Participant shall have no rights whatsoever in and to the Ordinary Shares and in particular shall not:

(i) have any ownership interest in; or

(ii) receive any dividends and/or exercise any voting rights attached to; or

(iii) have acquired Ordinary Shares being the subject of an award.

8.9 **Adjustments**

8.9.1 In the event of sub-division or consolidation, then such adjustments, as confirmed by the Company's auditors in accordance with paragraph 8.9.5, shall be made to the maximum number of Ordinary Shares that may be used by the Scheme as set out in paragraph 8.5.1(i) above and to the Subscription Price, as may be determined by the Board to be fair and reasonable to the Participants concerned, provided that such adjustment shall give a Participant entitlement to the same proportion of equity capital as that to which he was previously entitled, including the number of Ordinary Shares awarded.

8.9.2 In the event of a capitalisation issue, special dividend, rights issue or reduction of capital, then such adjustments, as confirmed by the auditors in accordance with paragraph 8.9.5, shall be made to the maximum number of Ordinary Shares that may be issued to Participants as set out in paragraph 8.5.1(ii) and to the Subscription Price, as may be determined by the Board to be fair and reasonable to the Participants concerned, provided that such adjustment shall give a Participant entitlement to the same proportion of equity capital as that to which he was previously entitled, including the number of Ordinary Shares awarded.

8.9.3 No adjustments shall be required in the event of the issue of equity securities as consideration for an acquisition, the issue of securities for cash and the issue of equity securities for a vendor considering placing.

8.9.4 If the Company undergoes a "**Change of Control**" (as defined in the Rules) after an Award Date, then the rights (whether conditional or otherwise) in and to the Ordinary Shares of Participants under this Scheme will, to the extent necessary to ensure the Participants are substantially in a similar position before and after any such Change of Control, be accommodated on a basis which shall be determined by the Board to be fair and reasonable to Participants.

8.9.5 The auditors must confirm to the SEM and the JSE in writing that any adjustment pursuant to this paragraph 8.9 is in accordance with these Rules, such confirmation to be provided at the time that such adjustment is finalised. Any adjustment made in accordance with this paragraph must be reported on in the Company's annual financial statements in the year during which the adjustment is made.

8.9.6 If the Company is placed in liquidation other than for purposes of a reorganisation, the Scheme and any Awards granted under it which have not Vested at the date of liquidation, shall *ipso facto* lapse from the date of liquidation. For the purposes hereof, "**date of liquidation**" shall mean the date upon which any application (whether provisional or final) for the liquidation of the Company is lodged at the relevant court.

8.10 **Amendment of The Scheme**

It shall be competent for the Board to amend any of the provisions of the Scheme subject to the prior approval (if required) of every securities exchange on which the Ordinary Shares are for the time being listed, provided that no such amendment affecting the vested rights of any Participant shall be effected without the prior written consent of the Participant concerned, and provided further that no such amendment affecting any of the matters requiring Shareholder approval under the JSE Listings Requirements or the SEM Rules shall be competent unless it is approved by ordinary resolution of 75 per cent. of the Shareholders of the Company in general meeting, excluding all of the votes attached to Ordinary Shares owned or controlled by existing Participants in the Scheme (but only to the extent that such Ordinary Shares have been acquired under this Scheme and may be impacted by any change).

9 Group structure and subsidiaries

The Company is the ultimate parent company of the Group. The following table sets out the principal subsidiaries and associate investments of the Company, being those considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, financial position and/or profits and losses of the Group:

Name of subsidiary/associate	Country of incorporation	Percentage of issued capital held directly or indirectly by the Company (%)
Delta International Mauritius Limited	Mauritius	100
Mara Viwandani Limited	Kenya	100
IWH Kenya Investments Limited	Mauritius	100
Paradise Consultancy Services Limited	Mauritius	100
BME Kenya Investments Limited	Mauritius	100
IDC Kenya Investments Limited	Mauritius	100
Warehousely Limited	Kenya	100
Paradise Property Investments Ltd	Mauritius	100
Mara Delta (Mauritius) Property Limited	Mauritius	100
Leisure Property Northern (Mauritius) Limited	Mauritius	100
Beachcomber Hospitality Investments Limited	Mauritius	44.4
DIF 1 Co Limited	Mauritius	100
GMS Serviços de Gestao de Imóveis Limitada	Mozambique	100
GMS Mauritius Limited	Mauritius	50.2
BH Property Investments Limited	Mauritius	100
Abland Diversified Holdings Limited	Mauritius	100
Buffalo Mall Naivasha Limited	Kenya	50
Transformers Holdings Mauritius Ltd	Mauritius	100
Delta Tete Limitada	Mozambique	100
Gerania Ltd	Mauritius	100
Mall de Tete Limitada	Mozambique	100

Name of subsidiary/associate	Country of incorporation	Percentage of issued capital held directly or indirectly by the Company (%)
CD Properties Limited	Mauritius	100
Gateway Properties Limitada	Mozambique	100
HM&K Properties Limited	Mauritius	100
Commotor Limitada	Mozambique	100
SAL Investment Holdings Ltd	Mauritius	100
S&C Immobiliaria Limitada	Mozambique	100
Zimpeto Immobiliaria Limitada	Mozambique	100
Zambian Property Holdings Limited	Mauritius	100
Ndola Kafubu Investments Limited	Mauritius	100
Kafubu Mall Limited	Zambia	50
Kitwe Mukuba Investments Limited	Mauritius	100
Mukuba Mall Limited	Zambia	50
Lusaka Cosmopolitan Investments Limited	Mauritius	100
Cosmopolitan Shopping Centre Limited	Zambia	50
Delta International Bahrain SPC	Bahrain	100
Freedom Property Fund SARL	Morocco	100
Grit Accra Limited	Ghana	100
Capital Place Limited	Ghana	100
Grit West Africa Limited	Ghana	100
Agridev Real Estate Limited	Ghana	90
CADS Developers Limited	Ghana	50
Casamance Holdings Limited	Mauritius	100

10 Working capital

The Company is of the opinion that, taking into account the Minimum Net Proceeds and available facilities, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of this document.

11 Significant change

Save as disclosed below, there has been no significant change in the financial or trading position of the Group since 31 March 2018, being the date to which the latest published unaudited interim financial information for the Group set out in Part 18 of this document was prepared. In addition, there has been no interruption in the business of the Group which may have or has had a significant effect on its financial position in the last twelve months.

Capital Place: On 10 May 2018, the Company through its wholly-owned subsidiary Grit Accra Limited, concluded the acquisition of 47.5 per cent. of Capital Place Limited ("**Capital Place**"), which owns 100 per cent. of the Capital Place Building, a commercial building in Accra Ghana. The Company also paid a refundable deposit of US$5 million in April 2018 to secure the acquisition of the remaining 52.5 per cent. The building in Capital Place has a value US$25.5 million. The initial purchase of 47.5 per cent. has been partly settled through the issue of new shares in the Company at the net asset value per share of US$1.53 as at 31 December 2017. The new shares were issued with a non-entitlement to dividends prior to the transfer date.

Acacia Estate: On 24 May 2018, the Company entered into a binding sale and purchase agreement with Colin Taylor, Stuart Hulley-Miller and Adamo Valy (the "**Original Developers**"), TC Maputo Properties Limited, Tradehold Africa Limited and Cognis 1 Limitada, for the effective acquisition of 80.1 per cent. of the shares in Cognis 1 Limitada (a company incorporated in Mozambique), which in turn owns the building known as Acacia Estate in Maputo Mozambique. The Company (via a wholly-owned subsidiary) will acquire 15 per cent. of the shares in Cognis 1 Limitada. In addition, the Company (or its nominee) will acquire 76.6 per cent. of the shares in TC Maputo Properties Limited (a special purpose vehicle incorporated in Mauritius), which owns 85 per cent. of the shares in Cognis 1 Limitada. Cognis 1 Limitada is valued at US$15.3 million, which is based on a property value of US$61.8 million, less bank debt of US$28.8 million, less current liabilities of US$6.6 million less loans from shareholders of US$11.2 million. The Company will acquire

80.1 per cent. of the shares in Cognis 1 Limitada for US$12.2 million. In addition, the Company (or its nominee) will be obliged to inject new shareholder loans into TC Maputo of US$11.2 million, the proceeds of which will be used to settle the current shareholders' loan of US$11.2 million. The Group also intends to inject a further US$5.3 million by way of a shareholder loan into Cognis 1 Limitada in order to reduce the current liabilities that exist within that entity.

12 Property

Information on the material tangible fixed assets of the Group as at the Latest Practicable Date is as set out in the historical financial information in Part 15 of this document and in Part 3 of this document. Information on the Group's planned material tangible fixed assets following the Acquisitions is set out in Part 3 of this document.

As far as the Directors are aware, there are no environmental issues affecting the Group's utilisation of its fixed assets.

13 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had a significant effect on the Group's financial position or profitability during the 12 months preceding the date of this document.

14 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or a member of the Group: (a) within the two years immediately preceding the date of this document: or (b) at any time, and contain provisions under which the Company or a member of the Group has an obligation or entitlement which is, or may be, material to the Group as at the date of this document:

14.1 Placing and Offer Agreement

A Placing and Offer Agreement dated 18 July 2018 between the Company, the Directors, Greg Pearson, finnCap, Baden Hill and Exotix whereby each of finnCap, Baden Hill and Exotix has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers on the Guernsey branch register under the Initial Placing and the Placing Programme for Ordinary Shares.

The Placing and Offer Agreement is subject to, *inter alia*, the Ordinary Shares to be issued pursuant to the Initial Placing and Offer for Subscription being admitted to a Standard Listing and to trading on the main market for listed securities of the London Stock Exchange by 31 July 2018 (or such later date and time as finnCap, Baden Hill, Exotix and the Company agree but not later than 8.00 a.m. (BST) on 31 August 2018).

Any Ordinary Shares subscribed for by a Joint UK Placing Agent may be retained by or dealt in by it for its own benefit. In addition, each of the Joint UK Placing Agents is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Issue or a Subsequent Placing. Each of the Joint UK Placing Agents is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Issue or a Subsequent Placing to any or all of those agents out of its own resources.

Under the Placing and Offer Agreement, which may be terminated by finnCap, Baden Hill or Exotix in certain circumstances, the Company has given certain warranties and indemnities to finnCap, Baden Hill and Exotix and the Directors have given certain warranties to finnCap, Baden Hill and Exotix. These warranties and indemnities are customary for an agreement of this nature.

The Placing and Offer Agreement is governed by the laws of England and Wales.

14.2 Lock-in Deed

By way of a deed between each of the Executive Directors, Greg Pearson, the Company and finnCap dated 18 July 2018, the Executive Directors and Greg Pearson have agreed that they will not sell, grant options over or otherwise dispose of any interest in any Ordinary Shares held or acquired by them (the "**Restricted Shares**") (save in certain circumstances, including: (i) in acceptance of a general offer made for the entire issued share capital of the Company; or (ii) pursuant to an intervening court order) prior to the first anniversary of Initial Admission. In addition, pursuant to the Lock-in Deed the Restricted Shares will be subject to orderly market arrangements for a period of one year following the first anniversary of Initial Admission.

The Lock-in Deed is governed by the laws of England and Wales.

14.3 **PSG Capital Mandate**

A mandate dated 9 April 2018 between the Company and PSG Capital pursuant to which PSG Capital has agreed to provide certain services in respect of LSE Admission, the Issue and the Placing Programme.

The obligations on PSG Capital under the PSG Capital Mandate are subject to a number of conditions, including the Placing and Offer Agreement becoming unconditional (save for any condition relating to Admission) and not having been terminated.

Under the PSG Capital Mandate, PSG Capital is entitled to certain fixed fees in respect of its services.

Under the PSG Capital Mandate, which may be terminated by either party in certain circumstances, the Company has given certain warranties and indemnities to PSG Capital.

The PSG Capital Mandate is governed by South African law.

14.4 **AXYS Mandate**

Pursuant to a mandate agreement dated 30 October 2017 as amended by a side letter dated 11 April 2018 (together the "**AXYS Mandate**") AXYS agreed to provide strategic and planning advisory services to the Company in contemplation of a capital raising as well as to assist in the preparation of marketing and due diligence materials. In addition, AXYS agreed to coordinate the fundraising program and to source potential investors.

In consideration for the services referred to above, AXYS is entitled under the AXYS Mandate to a global coordination fee equal to 1.0 per cent. of the gross proceeds of the Issue and a placing fee equal to 2.0 per cent. of amounts raised from investors procured by AXYS save that, in respect of existing investors in the Company or other investors procured by the Company, such rate of commission is reduced to 1.0 per cent.

14.5 **Acquisition Agreements relating to the New Portfolio**

5th Avenue: On 15 March 2018, the Company signed binding heads of agreement with Grit Accra Limited (its wholly-owned subsidiary incorporated in Ghana) ("**Grit Accra**"), Greenline Development Limited (as seller), Costa Beira Investment Holding Limited (a company incorporated in accordance with the laws of the Republic of Mauritius), Fouad Tabaa Chalabi, Nextregra Ghana Limited and Delta International Mauritius Limited, for the acquisition of an office complex known as 5th Avenue Corporate Offices (the "**Property**") and the corresponding rental enterprise on the Property as a going concern. The aggregate purchase consideration for the acquisition of the Property and rental enterprise, together with the cost of the rental guarantee and other acquisition costs total US$20.5 million, a portion of which will be payable in cash (which will be funded by debt) and the remainder of which the Company will issue its shares valued at the last published net asset value per share with no entitlement to dividend prior to the issue of such shares (such shares being issued on the date of transfer of the Property). A debt facility agreement has been negotiated with Barclays Bank of Ghana for US$14.8 million at an interest rate of 3-month Libor + 5.9 per cent.

CADS II Building: On 26 March 2018, the Company through its wholly-owned subsidiary Grit Accra Limited incorporated in Ghana ("**Grit Accra**"), signed a binding heads of agreement with CADS Contract and Services Ltd (the "**Seller**"), Christopher Hesse-Tetteh, and CADS Developers Limited, incorporated in Ghana ("**CADS**") for the acquisition of 50 per cent. ownership of an office complex known as the CADS II Building (the "**Property**"), a commercial building fully tenanted by Tullow Oil and the corresponding rental enterprise on the Property as a going concern (together the "**Business**"). The Seller will sell the Business as a going concern for US$36 million (the "**Purchase Consideration**") to CADS, of which Grit Accra will, following the date of transfer of the Business to CADS, own a 50 per cent. shareholding. The acquisition of the Property by CADS will be funded via equity of US$21.0 million (in the form of share capital and shareholder loans), of which Grit Accra will contribute 50 per cent. equating to US$10.5 million, with the Seller also contributing US$10.5 million. A deposit of US$2.0 million was made on 3 April 2018 (funded out of the revolving credit facilities) with the balance due on transfer of the property or by additional deposit placed by no later than 30 June 2018. The balance of the Purchase Consideration will be funded by debt to the value of US$15.0 million. The current financier of the CADS II Building, being Stanbic Jersey, has proposed to retain the finance over the building on terms and conditions suitable to CADS.

Acacia Estate: On 24 May 2018, the Company entered into a binding sale and purchase agreement with Colin Taylor, Stuart Hulley-Miller and Adamo Valy (the "**Original Developers**"), TC Maputo Properties Limited, Tradehold Africa Limited and Cognis 1 Limitada, for the effective acquisition of 80.1 per cent. of the shares in Cognis 1 Limitada (a company incorporated in Mozambique), which in turn owns the building known as Acacia Estate in Maputo Mozambique. The Company (via its wholly owned subsidiaries) will acquire 15 per cent. of the shares in Cognis 1 Limitada. In addition, the Company (or its nominee) will acquire 76.6 per cent. of the shares in TC Maputo Properties Limited (a special purpose vehicle incorporated in Mauritius), which owns 85 per cent. of the shares in Cognis 1 Limitada. Cognis 1 Limitada is valued at US$15.3 million, which is based on a property value of US$61.9 million, less bank debt of US$28.8 million, less current liabilities of US$6.6 million less loans from shareholders of US$11.2 million. The Company will acquire 80.1 per cent. of the shares in Cognis 1 Limitada for US$12.2 million, this being settled through the issue of 511,874 Ordinary Shares (valued at US$0.78 million) and the remaining US$11.42 million in cash to the sellers. In addition, the Company (or its nominee) will be obliged to inject new shareholder loans into TC Maputo of US$11.2 million, the proceeds of which will be used to settle the current shareholders' loan of US$11.2 million. The Group also intends to inject a further US$5.3 million by way of a shareholder loan into Cognis 1 Limitada in order to reduce the current liabilities that exist within that entity. On the effective date, the Company will endeavour to restructure the current bank debt provided by Standard Bank of South Africa to more favourable terms (the target being a three year non-amortising debt with an interest rate of no more than three months Libor + 5.75 per cent.)

Grit also intends to enter into an option agreement with the Original Developers pursuant to which the Original Developers will have a call option in respect of three units at a nominal value.

Gateway Delta: Gateway Delta Development Holdings Limited ("**Gateway Delta**") is a pan-African (excluding South Africa) private real estate development company set up in 2017 and resident in Mauritius. Gateway Delta was established to target value creation through active management of development projects conducted within Africa, focussing on properties to be let to blue-chip multinational companies and other global entities. Gateway Delta expects to hold the assets for a period of time in order to stabilise and bed down the assets, after which they will be available for sale. Grit has no obligation to purchase any developments on completion. Gateway Delta was co-founded and co-sponsored by the Company and Gateway Partners Limited, with the support of anchor shareholders such as the Public Investment Corporation and Prudential Financial. Based on a subscription sgreement signed on 29 November 2017 (the "**Subscription Agreement**"), the total capital currently committed to Gateway Delta by its founders and sponsors is US$175 million. As Grit's shareholding in Gateway Delta will be 20 per cent. (in accordance with the Subscription Agreement), Grit's total current commitment is US$35 million. Grit has an arrangement with Gateway Delta and its shareholders that this current commitment of US$35 million will initially be funded as convertible loans, and Grit will meet all of Gateway Delta's initial capital calls up to a maximum of US$35 million. Once Gateway Delta has fully utilised this initial US$35 million, it will begin calling funds from its other shareholders. As other shareholders inject their funds (as equity), Grit will proportionately convert its loans to equity. To date, Grit has provided convertible loans to the value of US$1.0 million. Grit will be increasing its investment into Gateway Delta by an expected further call for capital of US$20 million in the period to June 2019 – again in the form of convertible loans – in order to fund various development projects. These convertible loans earn interest at a rate of LIBOR plus 6.5 per cent. (payable semi-annually).

14.6 Guarantee Agreement

Grit is committed to supporting the underlying economies of its operations and to being a responsible corporate citizen of these economies in Africa. As a large portion of Grit's existing Shareholders are based in South Africa, and Grit is listed on the main board of the JSE, it is imperative that the Company abides by the principles of BEE in South Africa. Accordingly, in partnership with GEPF, Grit has implemented a transaction in order to ensure a long-term sustainable funding solution for its BEE partner, Drive in Trading. Grit recently undertook a rights offer, in which Drive in Trading, a BEE consortium, was the primary underwriter, and as a result subscribed for new Ordinary Shares (the "**Subscription Shares**"). The subscription by Drive in Trading for the Subscription Shares was funded by the Short Term Loan. Drive in Trading subsequently concluded a senior term loan facility agreement with BoAML pursuant to which BoAML made available to Drive in Trading the Senior Term Loan Facility, the proceeds of which were used to settle the Short-Term Loan.

As security for the payment obligations of Drive in Trading under the Senior Term Loan Facility, BoAML, Drive in Trading and GEPF entered into the CRO, pursuant to which GEPF grants to BoAML an irrevocable and unconditional right to require GEPF, on the occurrence of a CRO Trigger Event, to purchase from BoAML all the present and future liabilities and obligations at any time of Drive in Trading owed to BoAML, limited to a specified amount as set out in the CRO Agreement.

As security for the obligations assumed by GEPF under the CRO Agreement, Drive in Trading pledges and cedes its rights, title and interest in and to the Subscription Shares to and in favour of GEPF.

In turn, GEPF requires Grit to share in the financial risk of GEPF arising under the CRO by providing an irrevocable and unconditional guarantee to GEPF pursuant to the Guarantee Agreement for 50 per cent. of all losses that may be suffered by GEPF under the CRO Agreement following the occurrence of a CRO Trigger Event and the actual enforcement of the CRO by BoAML, and after GEPF having exercised its rights under the Pledged Securities, up to a maximum of US$17.5 million.

The obligations of Grit under the Guarantee Agreement continue in full force and effect until the date on which GEPF notifies Grit that all sums due from Grit in respect of the total facility liabilities as contemplated in the CRO Agreement have been paid in full, and all other actual or contingent liabilities or payment obligations of Grit thereunder or in respect thereof have been satisfied and fully and finally discharged. Immediately upon the occurrence of a CRO Trigger Event, GEPF shall be entitled to demand payment from Grit of the Guarantee Amount by delivering a demand notice to Grit pursuant to which Grit shall be obliged to pay the Guarantee Amount into a cash collateral account. The cash collateral account shall be held by GEPF and be used to secure the liability of Grit in respect of the payment of the Guarantee Amount, until the amount standing to the cash collateral account is repaid pursuant to the provisions of the Guarantee Agreement. Grit shall be required to maintain the cash collateral account with a minimum balance equal to 50 per cent. of the total facility liabilities as contemplated in the CRO Agreement, subject to a maximum of US$17,500,000. Following the enforcement and realisation of the Pledged Securities, the Guaranteed Obligations payable by Grit to GEPF shall be determined and calculated as 50 per cent. of the actual total facility liabilities as contemplated in the CRO Agreement less the Recovered Collateral Amount plus the costs of enforcement incurred by GEPF pursuant to enforcing the Pledged Securities. Grit shall be required to pay the Guaranteed Obligations, following the determination of same. Payment of the Guaranteed Obligations shall be settled by netting the Guaranteed Obligations off against the balance in the cash collateral account.

14.7 **Facility agreements**

(a) US$20.0 million revolving credit facility

A US$20.0 million multicurrency revolving credit facility agreement (the "**Credit Facility**"), dated 12 September 2017 between (i) Grit (as "**Borrower**"), (ii) Delta International Mauritius Limited (as "**Guarantor**"), and (iii) Barclays Bank Mauritius Limited (as "**Lender**"). The purpose of the Credit Facility is to bridge finance the Borrower's property investment opportunities. The Credit Facility is governed by the laws of Mauritius.

Interest is payable at an annual floating rate of LIBOR or EURIBOR plus a margin of up to 3.8 per cent. The Credit Facility terminates 12 months after first drawdown. Financial covenants include gross debt gearing: the Borrower's gross borrowings must not exceed 125 per cent. of its net tangible assets.

The obligations of the Borrower and the Guarantor under the Credit Facility are secured by a floating charge over the assets of the Borrower and the Guarantor.

An event of default occurs if, among other things, the Lender is of the opinion that there are any circumstances which may result in the rejection of the Borrower's request for exchange control approval from the South Africa Reserve Bank.

(b) *US$77.0 million term loan credit facility*

A term loan credit facility agreement (the "**Credit Facility**") dated 31 January 2017 between (i) Bank of China Limited Johannesburg Branch (as "**Lender**") and (ii) Zambian Property Holdings Limited (as "**Borrower**"), whereby the Lender made available to the Borrower a term loan credit facility in an amount equal to US$77.0 million. The purpose of the Credit Facility is for the acquisition and refinancing costs of three shopping centres located in Zambia. The Credit Facility has a term of five years from the first drawdown. It is governed by the laws of the Republic of South Africa.

The loan is repayable in six biannual instalments commencing in month 30. Interest is payable at a rate of 6-month LIBOR plus 4 per cent. Financial covenants include loan to value covenant not to exceed 50 per cent.

The Borrower and Kafubu Mall Limited, Mukuba Mall Limited and Cosmopolitan Shopping Centre Limited are joint and severally liable for the Borrower's obligations under the Credit Facility to the equivalent amount of US$77.0 million. Credit support is also given by Mara Delta Africa Properties Holdings Limited and Delta Property Fund Limited. A mortgage was also created to secure the obligations of the Borrower to the equivalent amount of US$77.0 million in favour of the Lender over certain properties situated in the Republic of Zambia.

An event of default occurs if, among other things, the Borrower or any surety undergoes a change of control without Lender consent.

(c) *€21.4 million term loan credit facility*

A term loan credit facility agreement (the "**Credit Facility**") dated 3 November 2016 between (i) SBM Bank (Mauritius) Ltd (as "**Lender**"); and (ii) Mara Delta (Mauritius) Property Limited (as "**Borrower**"), whereby the Lender made available to the Borrower a term loan credit facility in an amount equal to €21.4 million. The purpose of the Credit Facility is to part finance purchase of the rights to the lease of a plot of land together with all buildings of a hotel complex known as "Tamassa Hotel" built thereon (owned by Nereide Ltd, part of Lux Group) for a price consideration of US$40.0 million. The Credit Facility is a bilateral facility agreement with a term of three years from the first drawdown. The Credit Facility is governed by the laws of Mauritius.

Interest on the Credit Facility is payable monthly at fixed rate of 3.75 per cent. per annum. Financial covenants include gross debt/equity gearing, where the ratio shall be maintained at 2:1 during the period of the loan.

The Credit Facility includes a provision that the Borrower must notify the Lender in writing of any change in the ultimate holding companies and/or shareholders and/or sponsors which presently hold more than a 10 per cent. shareholding in holding companies and/or shareholders and/or sponsors. Any failure to notify the Lender of any change will be treated as an event of default. The Credit Facility also provides that any shareholder loans (if any) shall be subordinated to the Credit Facility and should not be repaid without the Lender's permission. No interest shall be paid thereon until the Lender's debts are settled.

The obligations of the Borrower under the Credit Facility are secured by a floating charge over the assets of the Borrower and Mara Delta (Mauritius) Limited for €21.4 million in favour of the Lender. The obligations of the Borrower under the Credit Facility are also secured by a fixed charge on all buildings of a hotel complex known as "Tamassa Hotel", situated at Bel Ombre and built on a leased plot of land of an extent of 91,888.78 square metres and assignment of rights to the lease, to be purchased by the Borrower to the equivalent amount of €21.4 million in favour of the Lender. The obligations are also secured by a pledge of all rental proceeds to be received by the Borrower from Nereide Ltd and pledge of shares in the Borrower (100 per cent. shareholding) owed by Delta International Mauritius Limited. A guarantee for the full amount of the loan has been provided by Mara Delta Property Holdings Limited to secure repayment of the interest portion of the Credit Facility.

(d) ***Multicurrency terms facility agreement***

A syndicated secured multicurrency term facilities agreement (the "**Facilities Agreement**") dated 22 January 2016 between (i) Freedom Property Fund S.A.R.L (as "**Freedom**"); (ii) Delta Africa Property Holdings Limited (as "**Delta A**" and, together with Freedom, the "**Borrowers**"); (iii) Investec Bank Limited (as "**Agent**" and "**Original Lender**"); and (iv) Anfa Retail Finance Company S.A.R.L.A.U (as "**Security Agent**"), making available (a) a euro multicurrency term loan facility for €29,463,178.94 ("**EUR Facility A**"); (b) a euro multicurrency term loan facility for €2,336,821.06 ("**EUR Facility B**"); and (c) a dollar multicurrency term loan facility for US$22,867,380 ("**USD Facility**").

The purpose of the Facilities Agreement is to repay a loan of 479,824,979.15 Moroccan Dirhams from Anfa Plage, a company incorporated in Morocco, to Freedom under the purchase agreement for the acquisition of the ANFA Place Shopping Centre in Morocco (the "**Property**") and associated costs.

The Facilities Agreement has a term of six years from the first drawdown. It is governed by the laws of England. Interest is charged at a floating rate of LIBOR plus 4% for EUR Facility B and the USD Facility and LIBOR plus 4.25% for EUR Facility A. Financial covenants include loan to value not exceeding 60%.

Loans under the Facilities Agreement are secured by a suite of Moroccan law governed security, including a mortgage over the Property, a receivables pledge and charges over shares in the capital of Freedom.

(e) ***US$38.0 million term loan facility***

A syndicated secured term loan facility agreement (the "**Facility Agreement**") dated 25 June 2015 between (i) The Standard Bank of South Africa Limited (as "**Original Lender**" and "**Agent**"); (ii) Standard Bank, SA Mozambique (as "**Security Trustee**" and "**Account Bank**"); (iii) Commotor Limitada as (as "**Borrower**") and (iv) HM&K Properties Limited and Sal Investment Holdings Limited (as "**Obligors**"), making available a term loan facility for US$38,000,000.

The purpose of the Facility Agreement is for the acquisition of two properties in Mozambique (Erf 226 Aterro Da Maxaquene, Maputo and Erf 12A1 Avenida President Carmona, Baixa de Citade de Maputo) (the "**Properties**") and for the Borrower's general corporate purposes.

The Facility Agreement has a term of three years from the first drawdown. It is governed by the laws of South Africa. Interest is charged at a floating rate of LIBOR plus 5.4%. Financial covenants include look-back interest cover not to be less than 2.5 times and loan to value not exceeding 50%.

Loans under the Facility Agreement are secured, including by mortgages over the Properties and charges over the shares in the Borrower and Obligors from their shareholders. Guarantees are provided by Delta International Mauritius Limited and SAL Investment Holdings Limited.

14.8 **Framework and subscription agreement**

On 17 November 2015, Grit and The Pivotal Fund Limited ("**Pivotal**") entered into a framework and subscription agreement (the "**Framework Agreement**") relating to the acquisition by Grit of: (i) its interest in Buffalo Mall (Kenya); and (ii) an office development in Nigeria. The acquisition in (ii) did not subsequently complete but the acquisition by Grit of a 50 per cent. interest in Buffalo Mall completed in April 2016.

The Framework Agreement also contained provisions relating to: (i) a commitment from Pivotal to subscribe for Ordinary Shares; (ii) the termination of an existing investment management agreement between Grit and Freedom Asset Management Limited ("**Freedom**"), under which Freedom provided investment, asset management and other services to Grit: (iii) the internalisation by Grit of its asset management function; and (iv) a promoters agreement between Abland Africa Limited, Carlisle Property Holdings Limited and Ameiya Holdings Limited (together the "**Promoters**") and Grit, pursuant to which the Promoters will source investment and development opportunities for Grit.

The Framework Agreement is governed by the laws of the Republic of Mauritius.

14.9 **Receiving agent agreement**

On 11 May 2018, the Company entered into a receiving agent agreement between the Company and the Receiving Agent, pursuant to which the Receiving Agent has agreed to provide receiving agent duties and services to the Company in respect of the Offer for Subscription. Under the terms of the agreement, the Receiving Agent is entitled to a management fee. The Receiving Agent will also be entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with its duties. These fees will be for the account of the Company.

The agreement contains a provision whereby the Company indemnifies the Receiving Agent and its affiliates against all losses, damages, liabilities, professional fees, court costs and expenses incurred in connection with the Receiving Agent's services under the agreement, save where due to fraud, wilful default or negligence on the part of the Receiving Agent or its affiliate. The agreement is governed by the laws of England.

14.10 **Guernsey Branch Registrar Agreement**

On 18 July 2018, the Company entered into a registrar agreement under which the Guernsey Branch Registrar will provide services connected with the maintenance of the Company's Guernsey branch register. The initial term of the Guernsey Branch Registrar Agreement is for three years from the commencement date after which period the Guernsey Branch Registrar Agreement shall automatically renew for successive periods of 12 months, unless otherwise terminated in accordance with the agreement. The Guernsey Branch Registrar Agreement contains certain indemnities given by the Company to the Guernsey Branch Registrar which are customary for an agreement of this nature. The agreement is governed by the laws of Guernsey.

14.11 **Deed Poll**

On 18 July 2018, the Depositary entered into the Deed Poll which is governed by English law and which contains, among other things, provisions to the following effect which are binding on holders of Depositary Interests:

(i) The Depositary will hold (itself or through the custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities for the time being held by the Depositary or the custodian pertaining to the Depositary Interests for the benefit of the holders of the Depositary Interests. The Depositary will re-allocate securities or distributions allocated to the custodian *pro rata* to the Ordinary Shares held for the respective accounts of the holders of Depositary Interests but will not be required to account for fractional entitlements arising from such re-allocation.

(ii) Holders of Depositary Interests warrant, *inter alia*, that the securities in the Company transferred or issued to the custodian on behalf of the Depositary for the account of the Depositary Interest Holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues of securities to the custodian are not in contravention of the Constitution, any contractual obligation or applicable law or regulation binding or affecting such holder. Depositary Interest Holders are required to indemnify the Depositary from and against any liability which it may suffer by reason of any breach of such warranty.

(iii) The Depositary shall pass on to and, so far as it is reasonably able, exercise on behalf of and shall ensure that the custodian passes on to and, so far as it is reasonably able, exercises on behalf of the relevant Depositary Interest Holders, all rights and entitlements received by the Depositary or the custodian in respect of the underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at general meetings and class meetings shall, subject to the Deed Poll, be passed on in the form which they are received, together with amendments and additional documentation necessary to effect such passing-on, or exercised in accordance with the Deed Poll. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must put the Depositary in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights.

(iv) The Depositary will be entitled to cancel Depositary Interests and treat the holder as having requested a withdrawal of the underlying securities in certain circumstances including where a holder of Depositary Interests fails to furnish to the Depositary such certificates or representation or warranties as to material matters of fact, including the holder's identity, as the Depositary deems necessary or appropriate.

(v) The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any Depositary Interests holder or any other person for liabilities incurred in connection with the performance or non-performance of its obligations or duties under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom the Depositary is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of the custodian or agent. Furthermore, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

(a) the value of the shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and

(b) that proportion of £10 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the holder of the Depositary Interests bears to the aggregate of the amounts that the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission, or event which gave rise to such liability or, if there are no such other amounts, £10 million.

(vi) The fees of the Depositary for the provision of its services under the Deed Poll shall be settled by the Company. In limited circumstances, the Depositary is entitled to charge Depositary Interest Holders fees and expenses for the provision of its services under the Deed Poll.

(vii) The holders of Depositary Interests are required to agree and acknowledge that it is their responsibility to ensure that any transfer of Depositary Interests by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary immediately if this is not the case, and to pay to Euroclear UK & Ireland Limited any interest, charges or penalties arising from late or non-payment of stamp duty reserve tax in respect of such transaction.

(viii) Each holder of Depositary Interests is liable to indemnify the Depositary and the custodian (and their respective agents, officers and employees) against all liabilities arising from or incurred in connection with or arising from any act related to, the Deed Poll insofar as they relate to the Depositary Interests (and any property or rights held by the Depositary or custodian in connection with the Depositary Interests) held by that holder other than those caused by or resulting from the wilful default, negligence or fraud of the Depositary, or the custodian or any agent if the custodian or agent is a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of the custodian or agent.

(ix) The Depositary is entitled to make deductions from any income or capital arising from the underlying securities, or to sell such underlying securities and make deductions from the sale proceeds therefrom, in order to discharge the indemnification obligations of Depositary Interest Holders.

(x) The Depositary may terminate the Deed Poll by giving 30 days' notice. During such notice period holders shall be obliged to cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination the Depositary shall, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest Holders or, at its discretion substitute CREST depositary interests for the Depositary Interests or sell all or part of such deposited property. The Depositary shall, as soon as reasonably practicable, deliver the net proceeds of any such sale (or if applicable any CREST depositary interests substituted for the Depositary Interests), after deducting any monies due to it, together with any other cash held by it under the Deed Poll *pro rata* to holders of Depositary Interests in respect of their Depositary Interests.

(xi) The Depositary or the custodian may require from any holder or former or prospective holder information as to the capacity in which Depositary Interests are or were owned and the identity of any other person(s) with or previously having any interest in such Depositary Interests and/or the underlying securities and the nature of such interest and evidence or declarations of nationality or residence of the legal or beneficial owner(s) of Depositary Interests and such information as is required for the transfer of the relevant Ordinary Shares to the holders. Holders agree to provide such information requested and consent to the disclosure of such information by the Depositary or the custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Constitution requires disclosure to the Company of, or limitations in relation to, beneficial or other ownership of the Company's securities, the holders of Depositary Interests are to comply with the Company's instructions with respect thereto.

14.12 **Depositary Agreement**

On 18 July 2018, the Company and the Depositary entered into an agreement for the provision of Depositary services and custody services (the "**Depositary Agreement**"), pursuant to which the Company appointed the Depositary to act as the depositary and custodian in respect of the Depositary Interests and to provide the services set out in the Depositary Agreement. The Company has agreed to pay the Depositary certain fees which are customary for an agreement of this nature. The Depositary's maximum liability under the Depositary Agreement is capped at an amount equal to the lesser of (i) £500,000; and (ii) five times the Depositary's annual fee. The parties are required under the Depositary Agreement to indemnify each other in certain circumstances. Neither party is liable to indemnify the other in respect of any loss arising from the fraud, negligence or willful default of the other party. The initial term of the Depositary Agreement is for three years from the commencement date after which period the Depositary Agreement shall automatically renew for successive 12 month periods, unless otherwise terminated in accordance with the agreement. The Depositary Agreement is governed by English law.

15 Related Party Transactions

Other than the transaction and agreement summarised at paragraph 14.6 of this Part 19 and the transactions disclosed at note 31 of the historial financial information contained in Part 15 of this document, the Company has not entered into any related party transactions during or subsequent to the period covered by the historical financial information contained in Part 15 of this document.

16 Consent

16.1 Jones Lang LaSalle (Pty) Ltd of 3rd Floor, The Firs, Cnr Craddock & Biermann, Rosebank 2196, Johannesburg, South Africa, which is qualified for the purpose of the below mentioned valuation in accordance with the RICS Valuation – Global Standards 2017, incorporating the International Valuation Standards, and RICS Professional Standards UK January 2014 (revised April 2015), issued by the Royal Institution of Chartered Surveyors, has given and not withdrawn its consent to the inclusion in this document of its report in Part 12 of this document and to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear and has authorised the contents of its report in Part 12 of this document, in the form and context in which they appear.

16.2 Broll Valuation & Advisory Services (Pty) Ltd of 61 Katherine Road, Sandown Ext 56, Sandton 2196, PO Box 1455, Saxonworld 2132, South Africa, which is qualified for the purpose of the below mentioned valuation in accordance with the RICS Valuation – Global Standards 2017, incorporating the International Valuation Standards, and RICS Professional Standards UK January 2014 (revised April 2015), issued by the Royal Institution of Chartered Surveyors, has given and not withdrawn its consent to the inclusion in this document of its report in Part 13 of this document and to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear and has authorised the contents of its report in Part 13 of this document, in the form and context in which they appear.

16.3 REC Real Estate Consulting, LDA of Edifício JAT V-1, Rua. dos Desportistas 833, 14º Andar, Maputo, Mozambique, which is qualified for the purpose of the below mentioned valuation in accordance with the RICS Valuation – Global Standards 2017, incorporating the International Valuation Standards, and RICS Professional Standards UK January 2014 (revised April 2015), issued by the Royal Institution of Chartered Surveyors, has given and not withdrawn its consent to the inclusion in this document of its report in Part 14 of this document and to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear and has authorised the contents of its report in Part 14 of this document, in the form and context in which they appear.

16.4 There has been no material change in the valuations of the properties which are the object of the valuation reports referred to in paragraphs 16.1, 16.2, and 16.3 above since the date of the relevant valuations contained in such reports.

16.5 finnCap Limited is acting as financial adviser and placing agent in the UK and has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which it appears.

16.6 Baden Hill is acting as placing agent in the UK and has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which it appears.

16.7 Exotix Partners LLP is acting as placing agent in the UK and has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which it appears.

16.8 PSG Capital Proprietary Limited is acting as sponsor and placing agent in South Africa has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which it appears.

16.9 AXYS Stockbroking Limited is acting as placing agent in Mauritius has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which it appears.

16.10 Perigeum Capital Ltd is acting as SEM authorised representative & sponsor and Mauritian transaction adviser and has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which it appears.

16.11 AXYS Corporate Advisory Limited is acting as lead transaction adviser and has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which it appears.

16.12 BDO LLP has given and has not withdrawn its written consent to the inclusion of its reports set out in section A of Part 15 and section A-1 of Part 16 of this document, in the form and context in which they are included and has authorised the contents of its reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

16.13 BDO South Africa Incorporated has given and has not withdrawn its written consent to the inclusion of its report set out in section A-2 of Part 16 of this document, in the form and context in which it is included.

16.14 The Company and the Directors, whose names appear on page 37 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

16.15 The Company and the Directors, whose names appear on page 37 of this document, collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

17 General

17.1 Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

17.2 The Group's accounts for the period covered by the historical financial information set out in Part 15 of this document were audited by BDO & Co of 10 Frère Félix de Valois, Port Louis, Mauritius. BDO & Co is registered to carry on audit work by the Financial Reporting Council of Mauritius.

17.3 The Company prepares an audited annual report and accounts to 30 June in each year. In addition, the Company prepares financial statements for the six-months ended 31 December in each year. The Company typically holds its annual general meeting in November of each year.

17.4 As at the Latest Practicable Date, the Group had 57 permanent employees. At the end of the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017, the Group had 14, 32 and 45 employees (including the Executive Directors), respectively. At the end of the seven-month period ended 31 January 2018, the Group had 49 employees (including the Executive Directors).

17.5 Following Initial Admission, Grit will have a primary listing on the JSE and the LSE while the current primary listing on the Official Market of the SEM will be termed a secondary listing. If the requirements of any of those exchanges conflict with each other, the most onerous rules shall prevail unless the Board, in consultation with the relevant exchanges, determines otherwise.

18 Depositary Interest arrangement for UK investors

The shares of companies incorporated in England (and the shares of companies incorporated in certain other jurisdictions) which are traded on the London Stock Exchange are settled through CREST. However, with limited exceptions, only shares and other securities which are constituted under English law can be settled through the CREST system, regardless of the fact that they may be admitted to trading on the London Stock Exchange. As the Company is incorporated in Mauritius its Ordinary Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement.

The Depositary Interests representing the Ordinary Shares will be issued to the individual Shareholders' CREST accounts on a one for one basis and with the Depositary providing the necessary custodial service. It is expected that where investors have asked to hold their Ordinary Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. Investors who are able to and elect to hold their Ordinary Shares as Depositary Interests will be bound by a Deed Poll, executed by the Depositary in favour of the investors from time to time, the terms of which are summarised in paragraph 14.11 of this Part 19. The rights and obligations pertaining to the Depositary Interests will be governed by English law. Holders of Depositary Interests will have no rights in respect of the underlying Ordinary Shares or the Depositary Interests against CREST, the operating company of the CREST system, or its subsidiaries. The Depositary Interests are themselves independent securities constituted under English law and can be traded and settled within the CREST system in the same way as any other CREST security. Eligible Shareholders have the choice of whether to hold their Ordinary Shares in certificated form or in uncertificated form in the form of Depositary Interests. Shareholders who are able to and elect to hold their Ordinary Shares in uncertificated form through the Depositary Interest facility will be bound by a deed of trust.

The Company's Guernsey branch share register, which will be kept by the Guernsey Branch Registrar in Guernsey, will show the Depositary or its nominated custodian as the holder of the Ordinary Shares represented by Depositary Interests but the beneficial interest will remain with the Depositary Interest Holders who will continue to receive all the rights attaching to the Ordinary Shares as they would have if they had themselves been entered on the Company's share register. Depositary Interest Holders can withdraw their Ordinary Shares back into certificated form at any time using standard CREST messages.

Where investors have requested to receive their Ordinary Shares in certificated form, share certificates will be despatched by first-class post within ten Business Days of the date of Admission. No temporary documents of title will be issued. Pending the receipt of definitive share certificates in respect of the Ordinary Shares (other than in respect of those Ordinary Shares settled via Depositary Interests through CREST), transfers will be certified against the Company's share register.

19 South African Exchange Control Regulations

The following comments do not constitute exchange control advice and are intended only as a guide to current South African law and South African Reserve Banks ("**SARB**") published practice as at the date of this document (both of which are subject to change at any time, possibly with retrospective effect).

Prospective investors on the South African register who are in any doubt as to their exchange control position are strongly advised to consult their own professional advisers.

A summary of the Currency and Exchanges Manual for Authorised Dealers is set out below. South African Shareholders will be treated according to the provisions of Section H of the Currency and Exchange Manual for Authorised Dealers.

South African Shareholders will be treated according to the provisions of Section H.(A) of the South African Exchange Control Rulings.

19.1 **South African individuals**

South African individuals will be able to subscribe for shares of foreign entities that are listed on the JSE, without restriction. Such shares are on the South African register and are Rand denominated. Consequently, the subscription for Ordinary Shares under the Initial Placing or any Subsequent Placing by a South African individual or an acquisition of Ordinary Shares by a South African individual post Initial Admission will, if registered on the South African register, not affect such individual's offshore investment allowance.

South African individuals need not take any administrative action and can instruct their broker to participate in the Initial Placing or any Subsequent Placing or to buy and sell Ordinary Shares on their behalf as they would with any other listed security on the JSE.

19.2 **South African institutional investors**

All inward listed ordinary shares on the JSE, traded and settled in Rand are classified as domestic for exchange control purposes. Accordingly, South African retirement funds, long-term insurers, collective investment scheme management companies and investment managers who have registered with the SARB Exchange Control Department as institutional investors for Exchange Control purposes and authorised dealers approved as such by SARB may now invest in such shares without affecting their permissible foreign portfolio investment allowances or foreign exposure limits.

South African institutional investors may therefore subscribe for Ordinary Shares under the Initial Placing or any Subsequent Placing or acquire Ordinary Shares on the market that are registered on the South African register without affecting their foreign portfolio investment allowances or foreign exposure limits.

19.3 **South African corporate entities and trusts**

South African corporate entities or trusts are able to subscribe for shares of foreign entities that are listed on the JSE without restriction. Such shares are on the South African register and are Rand-denominated.

Accordingly South African corporate entities or trusts may therefore subscribe for Ordinary Shares under the Initial Placing or any Subsequent Placing or acquire Ordinary Shares on the market that are registered on the South African register.

19.4 **Non-residents of the common monetary area**

Non-residents of the Common Monetary Area will be able to subscribe for or acquire shares of foreign entities that are listed on the JSE without restriction, provided that payment is received in foreign currency or Rand from a non-resident Rand account.

Non-residents of the Common Monetary Area may dispose of inward listed shares on the JSE and repatriate the proceeds without restriction.

Former residents of the Common Monetary Area who have emigrated may use emigrant blocked funds to subscribe for inward listed shares on the JSE or acquire inward listed shares on the market. Such shares will be credited to their blocked share accounts at the Central Securities Depository Participant controlling their blocked portfolios or if the shares are issued in certificated form, then such shares will be forwarded to the Authorised Dealer in foreign exchange controlling the emigrants' blocked assets. The sale proceeds derived from the sale of such shares will be transferred to the Authorised Dealer in foreign exchange controlling the emigrants' blocked assets for credit to the emigrants' blocked account.

19.5 **Movement of Ordinary Shares between registers**

Ordinary Shares are fully fungible and may be transferred between the South African, Guernsey branch and Mauritian registers.

South African resident investors who acquire Ordinary Shares via the JSE on the South African register may not transfer such shares to the Guernsey branch register or Mauritian register, unless prior exchange control approval is obtained.

Non-residents may freely transfer shares between branch registers.

Section H(C) of the Currency and Exchange Manual for Authorised Dealers provides for a special dispensation to local brokers to facilitate the trading in inward listed shares. South African brokers are now allowed as a book-building exercise, to purchase the foreign entity's shares offshore and to transfer the shares to the South African register. This special dispensation is confined to foreign listed shares and brokers may warehouse such shares for a maximum period of thirty days only.

20 Documents available for inspection

20.1 Copies of the following documents will be available for inspection on the Company's website at www.grit.group.com and during normal business hours on any weekday (public holidays excepted), at the registered office of Grit at c/o Intercontinental Fund Services Ltd, Level 5, Alexander House, 35 Cybercity, Ebene 72201, Mauritius and at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH, United Kingdom until 17 July 2019:

20.1.1 the Constitution;

20.1.2 all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request, any part of which is included or referred to in any part of this document;

20.1.3 the audited consolidated accounts of the Group for the financial years ended 30 June 2016 and 30 June 2017; and

20.1.4 this document.

PART 20

TAXATION

UK Taxation

The following comments are intended only as a general guide to current UK tax law and the published practice of HMRC (both of which are subject to change, possibly with retrospective effect). They do not constitute tax advice. The comments relate only to certain aspects of the UK tax treatment of Shareholders and are intended only as a general guide. They apply only to Shareholders resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents) and, in the case of individuals, domiciled in the UK and to whom "split year" treatment does not apply, who hold Ordinary Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Ordinary Shares. The information provided below is not exhaustive. Potential Shareholders who (i) hold or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent. of the Ordinary Shares in the Company (ii) are members of a special class of taxpayer, such as charities, pension funds and insurance companies, financial traders, brokers or dealers or persons who acquire their shares by reason of an employment or directorship, (iii) intend to acquire Ordinary Shares as part of tax avoidance arrangements or (iv) are in any doubt as to their tax position should seek advice from their own professional advisers as to the tax consequences of making an investment in the Company.

All potential investors, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or disposing of Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

The Company

The Directors intend to conduct the affairs of the Company in such a manner that it does not become resident in the UK for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a permanent establishment situated therein), the Company will not be subject to UK income tax or UK corporation tax, except on certain types of UK source income.

Investors

Dividends on Ordinary Shares

The Company is not required to withhold UK tax from payments of dividends on the Ordinary Shares.

Shareholders who are resident in the United Kingdom for tax purposes will, subject to their individual circumstances, be liable to UK income tax or, as the case may be, corporation tax on dividends paid to them by the Company.

Taxation of dividends – individuals

Each individual who is resident in the UK for tax purposes is entitled to an annual tax free dividend allowance (from 6 April 2018 this is £2,000). Dividends received in excess of this threshold will be taxed, currently at the rates of 7.5 per cent. (basic rate taxpayers), 32.5 per cent. (higher rate taxpayers) and 38.1 per cent. (additional rate taxpayers).

Taxation of dividends – companies

Shareholders within the charge to United Kingdom corporation tax which are "small companies" (for the purposes of United Kingdom taxation of dividends) will not generally be subject to UK corporation tax on any dividends paid by the Company on the Ordinary Shares.

Other Shareholders within the charge to UK corporation tax will not be subject to corporation tax on dividends paid by the Company on the Ordinary Shares so long as the dividends fall within an exempt class and certain conditions are met. Although it is likely that any dividends paid by the Company on the Ordinary Shares would qualify for exemption from corporation tax for other Shareholders, it should be noted that the exemption is not comprehensive and is subject to anti-avoidance rules. Shareholders should therefore consult their own professional advisers where necessary.

Disposals of Ordinary Shares

A disposal (or deemed disposal) of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes, or who carries on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, may depending on the Shareholder's individual circumstances, and subject to any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

The offshore fund rules

The Taxation (International and Other Provisions) Act 2010 and the Offshore Funds (Tax) Regulations 2009 contain provisions (the 'offshore fund rules') which apply to persons who hold an interest in an entity which is an 'offshore fund' for the purposes of those provisions. Under the offshore fund rules, any gain accruing to a person upon the sale or other disposal of an interest in an offshore fund can, in certain circumstances, be chargeable to UK tax as income, rather than as a capital gain.

The offshore fund rules will apply to an investment in Ordinary Shares only if a reasonable investor acquiring those Ordinary Shares in the Company would expect to be able to realise all or part of his investment on a basis calculated entirely, or almost entirely, by reference to the net asset value of the Company's assets (to the extent attributable to the Ordinary Shares) or by reference to an index of any description. The Directors are of the view that a reasonable investor acquiring Ordinary Shares in the Initial Placing or Offer for Subscription would not have such an expectation, and that therefore the Ordinary Shares should not be treated as constituting interests in an offshore fund for such investors. On that basis, the offshore fund rules should not apply to such investors and any gain realised by such an investor on a disposal of Ordinary Shares should not be taxable under the offshore fund rules but should be respected as a capital gain.

Shareholders within the charge to UK capital gains tax

UK resident individuals may be subject to UK capital gains tax on any chargeable gains realised but are, for each tax year, entitled to an exemption from UK capital gains tax for a specified amount of gains realised in that tax year. The annual exempt amount for the tax year 2018/19 is £11,700.

No indexation allowance will be available to individual Shareholders.

Shareholder within the charge to UK corporation tax on chargeable gains

Shareholders within the charge to UK corporation tax may be subject to UK corporation tax on any chargeable gains made on disposal (or deemed disposal) of the Ordinary Shares. It should be noted that with effect for disposals on or after 1 January 2018, no indexation allowance will be available for gains arising after December 2018.

Stamp duty and stamp duty reserve tax

The issue of Ordinary Shares pursuant to the Issue should not be subject to UK stamp duty or stamp duty reserve tax.

On subsequent transfers of Ordinary Shares, UK stamp duty will generally be payable (at the rate of 0.5 per cent. of the value of the consideration paid, rounded up where necessary to the next £5) if an instrument of transfer is executed in the UK or, in certain cases, is brought into the UK. Transfers of Ordinary Shares for less than £1,000 are not generally subject to UK stamp duty, provided that they are not part of a wider transaction or series of transactions.

An agreement to transfer certificated Ordinary Shares will not be subject to UK stamp duty reserve tax ("**SDRT**") provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and the Ordinary Shares are not paired with shares issued by any company incorporated in the UK.

Where Ordinary Shares of the Company are transferred into a depositary, investors will deal in the depositary interests within CREST. Dealings in these depositary interests should not attract stamp duty, as there will be no instrument of transfer on which the charge could fall. Agreements to transfer depositary interests will not be subject to stamp duty reserve tax provided that the Company is not centrally managed and controlled in the UK, the Shares are not registered in any register kept in the UK for or on behalf of the Company and the Shares are listed on a recognised stock exchange. The Directors intend that the Company will satisfy these conditions.

Individual Savings Accounts ("ISAs")

Ordinary Shares acquired pursuant to the Offer for Subscription or in the secondary market (but not Ordinary Shares acquired directly under the Initial Placing) should be qualifying investments for inclusion in an ISA.

Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility.

Information reporting

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, an Inter-governmental Agreement with the US in relation to FATCA. The UK has also introduced legislation implementing other international exchange of information arrangements, including the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. In connection with such international arrangements the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with the relevant international agreements.

South African Taxation

General

The comments below are based on the current South African Income Tax law as contained in the Income Tax Act no 58 of 1962 (the "**Act**") and international tax principles. These principles are subject to change occasioned by future legislative amendments and court decisions. The comments do not constitute tax advice and are intended only as a guide to certain South African tax treatment of Shareholders who for South African tax purposes are resident in and, in the case of individuals, domiciled in South Africa.

The comments apply only to Shareholders who are the absolute beneficial owners of the Ordinary Shares and dividends payable to them.

These comments are limited to Shareholders who hold the Ordinary Shares as investments (and not as securities to be realised in the course of a trade).

These comments do not apply to certain categories of Shareholders such as:

a) Dealers in securities;

b) Insurance companies;

c) Collective investment schemes;

d) Exempt Shareholders; and

e) Shareholders who have acquired shares through employment.

Prospective investors who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than South Africa are strongly advised to consult their own professional advisers

Shareholders

(A) Dividends which are not designated as "interest distributions"

The following statements in this section (A) summarise the expected South African tax treatment for individual and company Shareholders who receive foreign dividends in respect of their Ordinary Shares which are not subject to the streaming regime.

A foreign dividend will be received by the individual and company shareholders in foreign currency.

In order to determine the amount to be included in the individual's gross income, the dividend should be translated into Rand by electing the spot rate on the date on which that amount was so received or accrued or the average exchange rate for the applicable year of assessment.

The foreign dividend received by a company should be translated into Rand by using the spot rate on the date on which that amount was so received or accrued.

Individual Shareholders

Where an individual receives a foreign dividend which relates to a listed share (i.e. a share listed on the JSE), the foreign dividend is exempt from normal tax. However, this exemption will not apply to distributions of an asset *in specie*.

Company Shareholders

Where a company receives a foreign dividend which relates to a listed share (i.e. a share listed on the JSE), the foreign dividend is exempt from normal tax. This exemption will also apply to distributions of an asset *in specie*.

Imposition of South African Dividend Withholding Tax

South Africa dividend withholding tax ("**DWT**") is a tax at the Shareholder level. A dividend (which includes a foreign dividend from a listed company) is subject to DWT in terms of the Act at a rate of 20 per cent. of the amount declared. It is important to note whilst that the DWT falls upon the shareholder, the duty to withhold the tax is imposed at the corporate level (i.e. it is the company declaring the dividend that is responsible for withholding the DWT).

A regulated intermediary (i.e. the institution acting on behalf of the Company in respect of the shares listed on the JSE) that pays a dividend that was declared by the Company must withhold DWT from that payment unless the beneficial owner of that share is exempt in terms of section 64F of the Act and the various declaration requirements are met.

Individuals will not be exempt from DWT and therefore the regulated intermediary will have an obligation to withhold DWT from dividends paid to these investors. Special rebate provisions would apply if UK withholding tax was levied on the dividend distributed. However, since there is no UK withholding tax imposed upon dividend distributions made by the Company, there is no corresponding tax rebate.

South African resident companies are exempt from DWT, which includes a foreign dividend declared in respect of a listed share (i.e. listed on the JSE) and provided the foreign dividend does not consist of a distribution of an asset in specie. In order to apply the exemption, the beneficial owners (the South African tax resident company) will need to inform the distributing company of their exempt status by submitting Declaration and Undertaking (Exemption from Tax) forms to the Company stating that they are exempt from DWT.

Table A

	Dividend distributions			
	SA Tax		UK Tax	Effective tax rate
Nature of Shareholder	Dividend taxed as income	DWT	Withholding tax	
Company	Exempt	Exempt	0%	0%
Individual	Exempt	20%	0%	20%

(B) "Interest distributions"

The following statements in this section (B) summarise the expected South African tax treatment for an individual and company Shareholders who receive dividends in respect of their Ordinary Shares which are designated as interest distributions and thus subject to the streaming regime. The interest distribution will not constitute a foreign dividend for South African tax purposes, for the reason that such distribution will be deductible in the hands of the Company when determining its UK tax liability.

An interest distribution will be treated as gross income, as it is an amount received or accrued to the SA individual or company Shareholders. This will be included in their taxable income and taxed at their marginal tax rates for individuals and at 28 per cent. for companies. The amount will be received in foreign currency and as stated above, there are certain rules to translate the foreign currency amount received into Rand for South African tax purposes for both individuals and companies.

There is no UK withholding tax on this amount distributed and therefore no corresponding tax credit for the Shareholders.

Table B

	Dividends designated as interest distributions		
Nature of Shareholder	**SA Tax**	**UK Tax**	**Effective tax rate**
Company	28%	0%	28%
Individual	45% (assume maximum rate of tax)	0%	45%

Taxation of disposals

South African taxpayers are subject to tax on their world-wide income including gains and losses on the sale of any assets.

Capital gains can be taxed up to the following effective tax rates:

Individuals – up to a maximum of 18 per cent.

Companies – approx. 22.4 per cent.

In South Africa, capital gains tax ("**CGT**") is levied on a portion of the net capital gain made on the disposal or deemed disposal of an asset. A capital gain or loss is calculated as the difference between the proceeds realised on the disposal of an asset (e.g. Shares in the Company) and what is termed the "base cost" of that asset.

One must determine the base cost of the asset concerned. The expenditure must be "actually incurred" in order for it to be considered as part of the base cost of the asset acquired. It follows that the base cost of the listed share (Ordinary Shares subscribed for in the Company) will be the expenditure that is actually incurred by the South African investor to acquire the listed share.

For South African resident investors (regardless of the percentage of their holding in the Company), the capital gains derived by a South African resident company will be subject to South African CGT at an effective rate of approximately 22.4 per cent.; and for individual investors, the statutory tax rate is currently 0 per cent. to 45 per cent. and CGT is calculated at 40 per cent. of their net capital gain for the year (i.e. the maximum effective tax rate is 18 per cent.).

South African residents can disregard any capital gains or losses made on the disposal of equity shares in a foreign company, provided the following requirements are met:

- The person disposing of the shares held at least 10 per cent. of the equity shares and voting rights for at least 18 months prior to the sale; and
- The shares are disposed of to a non-resident of South Africa (not being a controlled foreign company) for an amount that is equal to or exceeds the market value of the interest and to a person who is not considered to be connected to the company/individual disposing of the shares.

If the above requirements are met, there will be no South African tax consequences on such a disposal for the company or individual South African resident.

The UK should not have taxing rights on disposal of shares in the Company under the DTA between South Africa and the UK unless the shares are attributable to a permanent establishment in the UK, of the South African tax resident.

Securities transfer tax implications

There must be levied and paid securities transfer tax ("**STT**") in respect of every transfer (which includes the transfer, sale, assignment or cession, or disposal in any other manner of a security or the cancellation or redemption of that security) of any security issued, by amongst other, a company incorporated, established or formed outside South Africa and listed on an exchange, at the rate of 0.25 per cent. of the taxable amount of that security. The concept of "security" is any share or depository receipt in a company.

Insofar as the listed shares in the Company can be said to constitute a share for purposes of the STT Act, then a disposal of such listed shares by the South African investors may result in a STT charge, subject to certain exemptions.

In the case of a listed security, a member or participant may recover the amount of the tax payable by that member or participant in respect of the transfer of that security from the person to whom that security is transferred; or that cancels or redeems that security.

Mauritian Taxation

The Company

The Company holds a Category 1 Global Business Licence issued by the Mauritian Financial Services Commission pursuant to the provisions of the Financial Services Act 2007. The Company will be chargeable to Mauritius income tax at the rate of fifteen per cent. (15%). It will be entitled to claim a tax credit on foreign source income at a rate which is the higher of:

a) the actual foreign tax paid (including underlying tax) on such income; or

b) a deemed foreign tax representing eighty per cent. (80%) of the Mauritius tax on such income, if evidence is not provided for actual foreign tax paid.

Consequently, after the application of applicable foreign tax credit, the effective tax rate payable on the taxable profits of the Company may be reduced to a maximum of three per cent. (3 per cent.). Any profit derived from the sale of securities is specifically exempt from tax.

The Company is resident in Mauritius on the basis that it is incorporated in Mauritius and has its central management and control in Mauritius. In that respect, the Company will apply for a tax residence certificate from the Mauritius Revenue Authority as evidence of this in order to facilitate access to the benefits of Double Taxation Agreements to which Mauritius is a party. Whether or not such treaty benefits may be available to the Company will depend on the source jurisdiction of the Company's revenues.

Shareholders

There is no withholding tax in Mauritius on dividends paid out of retained earnings by the Company to any Shareholder.

There is no withholding tax in Mauritius on any gains or profits derived from the sale of Ordinary Shares or other securities of the Company to a person who is not tax-resident in Mauritius.

Mauritian resident Shareholders

Gains or profits derived by a person (other than a holder a global business licence) from the sale of shares held for a continuous period of at least six months are exempt from tax.

In respect of any gains derived from the sale of shares held for a period of less than six months:

- any gains derived from the sale of shares by an individual resident in Mauritius are considered to be capital gains and are not subject to income tax; and
- the taxation of gains derived by a company resident in Mauritius (other than a global business licence holder) from the sale of shares will depend on the nature of the business in which the company is involved. Where the shares are held by a company as fixed assets, the gains derived from the sale of the assets are treated as capital gains.

PART 21

TERMS AND CONDITIONS OF APPLICATION UNDER THE INITIAL PLACING AND THE PLACING PROGRAMME

1 Introduction

1.1 Ordinary Shares are available under the Initial Placing at a price of US$1.43 per Ordinary Share and under the Placing Programme at the relevant Placing Programme Price. The Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

1.2 Each Placee which confirms its agreement to finnCap, Baden Hill, Exotix, PSG Capital or AXYS Stockbroking to subscribe for Ordinary Shares under the Initial Placing and/or a Subsequent Placing will be bound by these terms and conditions and will be deemed to have accepted them.

1.3 The Company and/or finnCap and/or Baden Hill and/or Exotix and/or PSG Capital and/or AXYS Stockbroking may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as they (in their absolute discretion) see(s) fit.

1.4 The commitment to acquire Ordinary Shares under the Initial Placing and/or a Subsequent Placing in the UK may be agreed orally with finnCap and/or Baden Hill and/or Exotix as agent for the Company and further evidenced in a contract note ("**Contract Note**") or placing confirmation ("**Placing Confirmation**").

2 Agreement to subscribe for Ordinary Shares and conditions

2.1 A Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by the Company in consultation with finnCap, Baden Hill, Exotix, PSG Capital, AXYS Stockbroking or AXYS at the relevant issue price, conditional on:

2.1.1 the Placing and Offer Agreement becoming unconditional in respect of the Initial Placing or any Subsequent Placing, as the case may be, (save for any condition relating to Admission) and not having been terminated on or before the date of Admission of the relevant Ordinary Shares being issued;

2.1.2 in the case of the Initial Placing, the Minimum Net Proceeds being raised;

2.1.3 Initial Admission or any Subsequent Admission, as applicable;

2.1.4 in the case of any Subsequent Placing, a valid supplementary prospectus being published by the Company if such is required;

2.1.5 in the case of any Subsequent Placing, the Company having sufficient Shareholder authorities in place to issue the relevant number of Placing Programme Shares; and

2.1.6 in the case of any Subsequent Placing, the relevant Placing Programme Price being determined by the Directors.

2.2 In the event that the Company, in consultation with finnCap, Baden Hill, Exotix, PSG Capital and AXYS Stockbroking, wishes to waive condition 2.1.2 referred to above, the Company will be required to publish a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure).

2.3 To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3 Payment for Ordinary Shares

3.1 Each Placee must pay the relevant Issue Price or Placing Programme Price (as the case may be) for the Ordinary Shares issued to the Placee in the manner and by the time directed by finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Ordinary Shares may, at the discretion of finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply.

3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant Issue Price or Placing Programme Price (as the case may be) for the Ordinary Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking, as applicable elects to accept that Placee's application, finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking may sell all or any of the Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for finnCap's or Baden Hill's or Exotix's or PSG Capital's or AXYS Stockbroking's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Ordinary Shares on such Placee's behalf. finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking, as applicable, shall be entitled to determine in its discretion any foreign exchange rate to be applied in determining any shortfall and such determination shall be binding on each relevant Placee.

3.3 Placees may be permitted to subscribe for Ordinary Shares in Rand at such exchange rate as may be determined by the Board and communicated to them by PSG Capital.

4 Representations and warranties

4.1 By agreeing to subscribe for Ordinary Shares, each Placee which enters into a commitment to subscribe for Ordinary Shares will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to represent, warrant and acknowledge to each of the Company, the Guernsey Branch Registrar, the Transfer Secretaries, the Mauritian Registrar and Transfer Agent, finnCap, Baden Hill, Exotix, PSG Capital and AXYS Stockbroking that:

4.1.1 in agreeing to subscribe for Ordinary Shares under the Initial Placing and/or under a Subsequent Placing, it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Initial Placing and/or the Placing Programme. It agrees that none of the Company, finnCap, Baden Hill, Exotix, PSG Capital, AXYS Stockbroking, the Transfer Secretaries, the Mauritian Registrar and Transfer Agent, or the Guernsey Branch Registrar, nor any of their respective officers, agents, or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

4.1.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Initial Placing and/or under a Subsequent Placing (including specifically the laws of South Africa or Mauritius), it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, finnCap, Baden Hill, Exotix, PSG Capital, AXYS Stockbroking, the Transfer Secretaries, the Mauritian Registrar and Transfer Agent or the Guernsey Branch Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or a Subsequent Placing (including specifically the laws of South Africa and Mauritius);

4.1.3 it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 21 and the Constitution as in force at the date of Admission of the relevant Ordinary Shares;

4.1.4 it has not relied on finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking or any person affiliated with finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking in connection with any investigation of the accuracy of any information contained in this document;

4.1.5 the content of this document and any supplementary prospectus issued prior to Admission of the relevant Ordinary Shares is exclusively the responsibility of the Company and its Directors and none of finnCap, Baden Hill, Extoix, PSG Capital, AXYS Stockbroking or any person acting on their respective behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document, any such supplementary prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing and/or a Subsequent Placing based on any information, representation or statement contained in this document or otherwise;

4.1.6 it acknowledges that no person is authorised in connection with the Initial Placing and/or a Subsequent Placing to give any information or make any representation other than as contained in this document and any supplementary prospectus issued prior to Admission of the relevant Ordinary Shares and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, finnCap, Baden Hill, Exotix, PSG Capital or AXYS Stockbroking;

4.1.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services);

4.1.8 if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order and/or is a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations;

4.1.9 if it is within South Africa, it is a person who falls within any of the categories envisaged in section 96(1)(a) of the South African Companies Act or it is a person who subscribes for a minimum amount of R1,000,000 (one million Rand) per single addressee acting as principal, as contemplated in section 96(1)(b) of the South African Companies Act;

4.1.10 if it is within Mauritius, it is a person who has been invited to participate in the Initial Placing and/or a Subsequent Placing;

4.1.11 if it is a resident in the EEA (other than the United Kingdom), it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive 2003/71/EC;

4.1.12 in the case of any Ordinary Shares acquired by a Placee as a financial intermediary within the EEA (other than the United Kingdom) as that term is used in Article 3(2) of the Prospectus Directive: (a) the Ordinary Shares acquired by it in the Initial Placing and/or a Subsequent Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of finnCap and/or Baden Hill and/or Exotix has been given to the offer or resale; or (b) where Ordinary Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;

4.1.13 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;

4.1.14 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom and South Africa and Mauritius) on the date of such Placee's agreement to subscribe for Ordinary Shares under the Initial Placing and/or under a Subsequent Placing and will not be any such person on the date any such agreement to subscribe under the Initial Placing or a Subsequent Placing is accepted;

4.1.15 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Initial Placing and/or a Subsequent Placing or the Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;

4.1.16 it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States purchase and transfer restrictions" in paragraph 7, below;

4.1.17 it acknowledges that none of finnCap, Baden Hill, Exotix, PSG Capital, AXYS Stockbroking nor any of their respective affiliates, nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or a Subsequent Placing or providing any advice in relation to the Initial Placing and/or a Subsequent Placing and participation in the Initial Placing and/or a Subsequent Placing is on the basis that it is not and will not be a client of finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking and that none of finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking has any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Initial Placing and/or a Subsequent Placing nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Initial Placing and/or a Subsequent Placing;

4.1.18 it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account:

(a) to subscribe for the Ordinary Shares for each such account;

(b) to make on each such account's behalf the representations, warranties and agreements set out in this document; and

(c) to receive on behalf of each such account any documentation relating to the Initial Placing and/or a Subsequent Placing in the form provided by the Company and/or finnCap and/or Baden Hill and/or Exotix or PSG Capital or AXYS Stockbroking;

and it agrees that the provisions of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;

4.1.19 it irrevocably appoints any director of the Company and any director or member of finnCap or Baden Hill or Exotix or PSG Capital or AXYS Stockbroking to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under the Initial Placing and/or a Subsequent Placing, in the event of its own failure to do so;

4.1.20 it accepts that if the Initial Placing and/or a Subsequent Placing does not proceed or the conditions to the Placing and Offer Agreement or the PSG Capital Mandate are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to a Standard Listing and to trading on the London Stock Exchange's main market for listed securities or to trading on the JSE's main board for listed securities or to trading on the Official Market of the SEM for any reason whatsoever then none of finnCap nor Baden Hill nor Exotix nor PSG Capital nor AXYS Stockbroking nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

4.1.21 in connection with its participation in the Initial Placing and/or a Subsequent Placing it has observed all relevant legislation and regulations;

4.1.22 it acknowledges that finnCap, Baden Hill, Exotix and the Company are entitled to exercise any of their rights under the Placing and Offer Agreement or any other right in their absolute discretion without any liability whatsoever to it;

4.1.23 it acknowledges that PSG Capital and the Company are entitled to exercise any of their rights under the PSG Capital Mandate or any other right in their absolute discretion without any liability whatsoever to it;

4.1.24 it acknowledges that AXYS Stockbroking and the Company are entitled to exercise any of their rights under the AXYS Stockbroking Mandate or any other right in their absolute discretion without any liability whatsoever to it;

4.1.25 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that finnCap, Baden Hill, Exotix, PSG Capital, AXYS Stockbroking and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify finnCap, Baden Hill, Exotix and the Company (if in the UK or elsewhere other than South Africa or Mauritius) or PSG Capital and the Company (if in South Africa) or AXYS Stockbroking and the Company (if in Mauritius);

4.1.26 where it or any person acting on behalf of it is dealing with finnCap or Baden Hill or Exotix, any money held in an account with finnCap or Baden Hill or Exotix on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require finnCap or Baden Hill or Exotix to segregate such money, as that money will be held by finnCap or Baden Hill or Exotix under a banking relationship and not as trustee;

4.1.27 any of its clients, whether or not identified to finnCap or Baden Hill or Exotix, will remain its sole responsibility and will not become clients of finnCap or Baden Hill or Exotix for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;

4.1.28 it accepts that the allocation of Ordinary Shares shall be determined by the Company in its absolute discretion (in consultation with finnCap, Baden Hill, Exotix, AXYS, PSG Capital and AXYS Stockbroking) and that the Company may scale down any commitments for this purpose on such basis as it may (in consultation with finnCap, Baden Hill, Exotix, AXYS, PSG Capital and AXYS Stockbroking) determine;

4.1.29 time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Initial Placing and/or a Subsequent Placing;

4.1.30 if it is acquiring Ordinary Shares pursuant to the Initial Placing or any Subsequent Placing in the UK, its commitment to acquire Ordinary Shares will be agreed orally with finnCap or Baden Hill or Exotix as agent for the Company and that a Contract Note or Placing Confirmation will be issued by finnCap or Baden Hill or Exotix as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and finnCap or Baden Hill or Exotix to subscribe for the number of Ordinary Shares allocated to it at the Issue Price or the Placing Programme Price on the terms and conditions set out in this Part 21 and, as applicable, in the Contract Note or Placing Confirmation. Except with the consent of finnCap, Baden Hill or Exotix, such oral commitment will not be capable of variation or revocation after the time at which it is made; and

4.1.31 its allocation of Ordinary Shares under the Initial Placing or any Subsequent Placing will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming:

(a) the number of Ordinary Shares that such Placee has agreed to subscribe for;

(b) the aggregate amount that such Placee will be required to pay for such Ordinary Shares; and

(c) settlement instructions to pay finnCap, Baden Hill or Exotix as agents for the Company. The terms of this Part 21 will be deemed to be incorporated into that Contract Note or Placing Confirmation.

The Company reserves the right to reject all or part of any offer to purchase Ordinary Shares for any reason. The Company also reserves the right to issue or sell fewer than all of the Ordinary Shares offered by this document or to issue or sell to any purchaser fewer than all of the Ordinary Shares a Placee has offered to subscribe for or purchase.

5 Money Laundering

Each Placee in the UK or elsewhere (other than South Africa or Mauritius):

5.1 represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("**Money Laundering Regulations**") and any other applicable law concerning the prevention of money laundering and, if it is making payment on behalf of a third party, that: (i) satisfactory evidence has been obtained and recorded by it to verify the identity of the third party; and (ii) arrangements have been entered into with the third party to obtain from the third party copies of any identification and verification data immediately on request as required by the Money Laundering Regulations and, in each case, agrees that pending satisfaction of such obligations, definitive certificates (or allocation under the CREST system) in respect of the Ordinary Shares comprising the Placee's allocation may be retained at finnCap's and/or Baden Hill's and/or Exotix's discretion; and

5.2 acknowledges and agrees that, due to anti-money laundering and the countering of terrorist financing requirements, finnCap and/or Baden Hill and/or Exotix and/or the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, finnCap and/or Baden Hill and/or Exotix and/or the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify finnCap, Baden Hill, Exotix and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis.

Each Placee in South Africa acknowledges and agrees that:

5.3 its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person; (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the "**Money Laundering Directive**"); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive; and

5.4 due to money laundering requirements, PSG Capital and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, PSG Capital and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify PSG Capital and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it.

Each Placee in Mauritius acknowledges and agrees that:

5.5 its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Financial Intelligence and Anti-Money Laundering Act 2002 and the Financial Intelligence and Anti-Money Laundering Regulations 2003 in force in Mauritius, and the Code of the Prevention of Anti-Money Laundering and Terrorist Financing 2012 (as amended) issued by the Mauritius Financial Services Commission (the "**Money Laundering Rules**"); or (ii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Rules; and

5.6 due to money laundering requirements, AXYS Stockbroking and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, AXYS Stockbroking and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify AXYS Stockbroking and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it

6 Data Protection

6.1 Each Placee acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 and The Data Protection Act 2017 of Mauritius (together the "**DP Legislation**"), the Company and/or the Transfer Secretaries and/or the Mauritian Registrar and Transfer Agent and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent, may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a reasonable period after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Transfer Secretaries, the Mauritian Registrar and Transfer Agent, the Guernsey Branch Registrar, the Depositary and the Receiving Agent will process such personal data at all times in compliance with the DP Legislation and shall only process for the purposes set out below (collectively, the "**Purposes**"), being to:

6.1.1 process its personal data to the extent and in such manner as is necessary for the performance of their obligations under their respective service contracts, including as required by or in connection with its holding of Ordinary Shares or Depositary Interests, including processing personal data in connection with credit and money laundering checks on it;

6.1.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or Depositary Interests;

6.1.3 to comply with the legal and regulatory obligations of the Company and/or the Transfer Secretaries and/or the Mauritian Registrar and Transfer Agent and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent; and

6.1.4 process its personal data for the Transfer Secretaries' and/or the Mauritian Registrar and Transfer Agent's and/or the Guernsey Branch Registrar's and/or the Depositary's and/or the Receiving Agent's internal administration.

6.2 In order to meet the Purposes, it will be necessary for the Company and/or the Transfer Secretaries and/or the Mauritian Registrar and Transfer Agent and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent to provide personal data to:

6.2.1 third parties located either within, or outside of the EEA, if necessary for the Transfer Secretaries and/or the Mauritian Registrar and Transfer Agent and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent to perform their functions, or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares or Depositary Interests; or

6.2.2 their affiliates, the Company and their respective associates, some of which may be located outside the EEA.

6.3 By becoming registered as a holder of Ordinary Shares or Depositary Interests a person becomes a data subject (as defined in the DP Legislation). In providing the Guernsey Branch Registrar, the Mauritian Registrar and Transfer Agent, the Transfer Secretaries, the Depositary and the Receiving Agent with information, each Placee hereby represents and warrants to the Guernsey Branch Registrar, the Mauritian Registrar and Transfer Agent, the Transfer Secretaries, the Depositary and the Receiving Agent that it has: (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of any data protection notice which has been provided by the Company and/or the Transfer Secretaries and/or the Mauritian Registrar and Transfer Agent and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Transfer Secretaries and/or the Mauritian Registrar and Transfer Agent and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 6).

6.4 Each Placee acknowledges that by submitting personal data to the Transfer Secretaries and/or the Mauritian Registrar and Transfer Agent and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent (acting for and on behalf of the Company) where the Placee is a natural person he or she has read and understood the terms of the Company's privacy notice which is available for review on the Company's website www.grit.group.com ("**Privacy Notice**").

6.5 Each Placee acknowledges that by submitting personal data to the Transfer Secretaries and/or the Mauritian Registrar and Transfer Agent and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants that:

6.5.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company as a result of the Placee agreeing to subscribe for Ordinary Shares;

6.5.2 the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company; and

6.5.3 it shall immediately on demand, fully indemnify each of the Company and the Transfer Secretaries and the Mauritian Registrar and Transfer Agent and the Guernsey Branch Registrar and the Depositary and the Receiving Agent and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Transfer Secretaries and/or the Mauritian Registrar and Transfer Agent and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent in connection with any failure by the Placee to comply with the provisions of this clause 6.5.

7 United States Purchase and Transfer Restrictions

7.1 By participating in the Initial Placing and/or a Subsequent Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Transfer Secretaries, the Guernsey Branch Registrar, the Mauritian Registrar and Transfer Agent, the Depositary, the Receiving Agent, finnCap, Baden Hill, Exotix, PSG Capital and AXYS Stockbroking that:

7.1.1 it is either:

(a) not a US Person, is not located within the United States, is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Ordinary Shares for the account or benefit or a US Person; or

(b) a US Person to whom Ordinary Shares may be offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States;

7.1.2 it acknowledges that the Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the US Investment Company Act;

7.1.3 it acknowledges that the Company has not and will not be registered under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the US Investment Company Act;

7.1.4 unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of:

(a) an "**employee benefit plan**" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA;

(b) a "**plan**" as defined in Section 4975 of the US Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Code; or

(c) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Code. In addition, if a Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

7.1.5 if any Ordinary Shares are issued to it in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:

"GRIT REAL ESTATE INCOME GROUP LIMITED (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE US SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH DO NOT REQUIRE THE COMPANY TO REGISTER UNDER THE US INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. IN ADDITION, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY PERSON USING THE ASSETS OF (I) (A) AN ''EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF ERISA THAT IS SUBJECT TO TITLE I OF ERISA; (B) A ''PLAN" AS DEFINED IN SECTION 4975 OF THE US CODE, INCLUDING AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE US CODE; OR (C) AN ENTITY WHICH IS DEEMED TO HOLD THE ASSETS OF ANY OF THE FOREGOING TYPES OF PLANS, ACCOUNTS OR ARRANGEMENTS THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE US CODE OR (II) A GOVERNMENTAL, CHURCH, NON-US OR OTHER EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-US LAW THAT IS

SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE US CODE UNLESS THE PURCHASE, HOLDING OR DISPOSITION OF THE SECURITIES WILL NOT RESULT IN A VIOLATION OF APPLICABLE LAW AND/OR CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 503 OF THE US CODE OR ANY SUBSTANTIALLY SIMILAR LAW.";

7.1.6 if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as stated in the Constitution;

7.1.7 it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;

7.1.8 it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such Ordinary Shares or interests in accordance with the Constitution;

7.1.9 it acknowledges and understands that the Company may be required to comply with FATCA and/or the CRS and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA and/or the CRS;

7.1.10 it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Transfer Secretaries, the Guernsey Branch Registrar, the Depositary, the Receiving Agent, the Mauritian Registrar and Transfer Agent, finnCap, Baden Hill, Exotix, PSG Capital, AXYS Stockbroking or their respective members, directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Initial Placing and/or a Subsequent Placing or its acceptance of participation in the Initial Placing and/or a Subsequent Placing;

7.1.11 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Ordinary Shares to within the United States or to any US Persons, nor will it do any of the foregoing; and

7.1.12 if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

7.2 The Company, the Transfer Secretaries, the Guernsey Branch Registrar, the Depositary, the Receiving Agent, the Mauritian Registrar and Transfer Agent, finnCap, Baden Hill, Exotix, PSG Capital, AXYS Stockbroking and their respective members, directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

7.3 If any of the representations, warranties, acknowledgments or agreements made by the Placee are no longer accurate or have not been complied with, the Placee will immediately notify the Company, finnCap, Baden Hill and Exotix (if in the UK or elsewhere other than South Africa or Mauritius) or the Company and PSG Capital (if in South Africa) or the Company and AXYS Stockbroking (if in Mauritius).

8 Supply and Disclosure of Information

If finnCap or Baden Hill or Exotix (in relation to Placees to be entered on the Guernsey branch register), PSG Capital (in relation to Placees to be entered on the South African register), AXYS Stockbroking (in relation to Placees to be entered on the Mauritian register), the Transfer Secretaries, the Guernsey Branch Registrar, the Mauritian Registrar and Transfer Agent or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares under the Initial Placing and/or a Subsequent Placing, such Placee must promptly disclose it to them.

9 Non United Kingdom Investors

9.1 If the Placee is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing and/or the Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Initial Placing and/or a Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements.

9.2 None of the Ordinary Shares has been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the United States, Canada, Australia, the Republic of South Africa or Japan or to any US Person or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available.

Notice to prospective investors in South Africa

9.3 This document does not constitute a prospectus for the purposes of the South African Companies Act and will not be filed with the South African Companies and Intellectual Property Commission in terms of the South African Companies Act. A copy of this document has been filed with the JSE for noting. Save for the unaudited pro forma financial information set out in Part 16 of this document, which complies with the JSE Listings Requirements, the remainder of this document has not been prepared in terms of the JSE Listings Requirements.

9.4 This document is not an invitation to the public in South Africa to subscribe for Ordinary Shares and is issued for the purpose of providing information to invited investors with regard to the Company. This document does not constitute, envisage or represent an offer to the public in South Africa, as envisaged in the South African Companies Act. Only persons who are invited to participate in the Initial Placing and/or any Subsequent Placing and who fall within any of the categories envisaged in section 96(1)(a) of the South African Companies Act or who subscribe for a minimum amount of R1,000,000 (one million Rand) per single addressee acting as principal, as contemplated in section 96(1)(b) of the South African Companies Act, are entitled to participate in the Initial Placing and/or any Subsequent Placing in South Africa.

9.5 To the extent that South African investors participate in the Initial Placing or any Subsequent Placing in the UK by subscribing for Ordinary Shares that will be issued on the Guernsey branch register, such South African investors can only do so by engaging with offshore intermediaries and by complying with the South African exchange control requirements and prudential limits in using offshore funds. Such participation cannot be effected through PSG Capital on the basis that PSG Capital will only embark upon a private placement of Ordinary Shares to invited investors that will subscribe for Ordinary Shares on the South African register. Any interaction by PSG Capital with South African investors that subscribe for Ordinary Shares on the Guernsey branch register is purely incidental and is not intended to be an offer to the public to those investors in South Africa or to make the prospectus available to them for UK purposes.

Notice to prospective investors in Mauritius

9.6 This document does not constitute a prospectus for the purposes of the Mauritian Securities Act 2005 and will not be registered with the Mauritian Financial Services Commission in terms of the Mauritian Securities Act 2005.

9.7 This document is not an invitation to the public in Mauritius to subscribe for Ordinary Shares in Mauritius and is issued in compliance with the SEM Rules and for the purposes of providing information to invited investors with regard to the Company. This document does not constitute, envisage or represent an offer to the public in Mauritius, as envisaged in the Mauritian Securities Act 2005.

9.8 This document serves as Listing Particulars pursuant to the SEM Rules and includes particulars given in compliance with the SEM Rules governing the Official Listing of Securities for the purpose of giving information with regard to the Company. A copy of this document has been filed with the SEM and with the Mauritian Financial Services Commission.

10 Miscellaneous

10.1 The rights and remedies of the Company, finnCap, Baden Hill, Exotix, PSG Capital, AXYS Stockbroking, the Transfer Secretaries, the Mauritian Registrar and Transfer Agent and the Guernsey Branch Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

10.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing and/or a Subsequent Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

10.3 Each Placee agrees to be bound by the Constitution once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or a Subsequent Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Initial Placing and/or a Subsequent Placing and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales, if the Placee is in the UK or elsewhere other than South Africa or Mauritius, the laws of South Africa, if the Placee is in South Africa and the laws of Mauritius, if the Placee is in Mauritius. For the exclusive benefit of finnCap, Baden Hill and Exotix, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales, if the Placee is in the UK or elsewhere other than South Africa or Mauritius, the courts of South Africa, if the Placee is in South Africa, and the courts of Mauritius if the Placee is in Mauritius, and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

10.4 In the case of a joint agreement to subscribe for Ordinary Shares under the Initial Placing and/or a Subsequent Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

10.5 finnCap, Baden Hill, Exotix, PSG Capital, AXYS Stockbroking and the Company expressly reserve the right to modify the Initial Placing and/or a Subsequent Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Initial Placing and any Subsequent Placing are subject to the satisfaction of the conditions contained in the Placing and Offer Agreement and the PSG Capital Mandate, as applicable and the Placing and Offer Agreement and/or the PSG Capital Mandate and/or the AXYS Stockbroking Mandate not having been terminated in accordance with their respective terms. Further details of the terms of the Placing and Offer Agreement and the PSG Capital Mandate are contained in paragraphs 14.1 and 14.3 respectively of Part 19 of this document.

PART 22

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1 Introduction

1.1 Ordinary Shares are available under the Offer for Subscription at a price of US$1.43 per Ordinary Share. The Offer for Subscription is being made in the United Kingdom only and investors in South Africa and Mauritius are not entitled to participate. The Ordinary Shares will, when issued and fully paid, either in certificated form or in depositary interest form through CREST, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

1.2 Applications to acquire Ordinary Shares must be made on the Application Form attached as Appendix 1 to this document or otherwise published by the Company.

1.3 In addition to completing and returning the Application Form to Link Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The "individual tax residency self-certification – sole holding" form can be found at Appendix 2 of this document and further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 am – 5:30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

It is a condition of application that (where applicable) a completed version of that form is provided with the Application Form before any application can be accepted.

2 Offer for subscription to acquire Ordinary Shares

2.1 By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

2.1.1 offer to subscribe for the number of Ordinary Shares specified in Box 1 of your Application Form (or such lesser number for which your application is accepted) at the Issue Price on the terms, and subject to the conditions, set out in this document, including these terms and conditions of application and the Constitution;

2.1.2 agree that, in consideration for the Company agreeing that it will not offer any Ordinary Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked, subject to your statutory right of withdrawal in the event of publication of a supplementary prospectus by the Company, and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;

2.1.3 undertake to pay the full subscription amount (being the total amount of Ordinary Shares shown in Box 1 multiplied by the Issue Price of US$1.43 per Ordinary Share) on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and finnCap against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received at your risk of any proceeds of the remittance which accompanied your Application Form, without interest);

2.1.4 agree that, where on your Application Form a request is made for Depositary Interests representing Ordinary Shares to be deposited into a CREST account:

(a) the Receiving Agent may in its absolute discretion amend the form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST account or in receiving your remittance in cleared funds); and

(b) the Receiving Agent, the Company or finnCap may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST account with Depositary Interests in respect of, the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;

2.1.5 agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1.4 of this paragraph 2.1 to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled (and any monies returnable to you) may be retained by the Receiving Agent:

(a) pending clearance of your remittance;

(b) pending investigation of any suspected breach of the warranties contained in paragraphs 6.1.1, 6.1.2, 6.1.6, 6.1.8, 6.1.13 or 6.1.16 below or any other suspected breach of these terms and conditions of application; or

(c) pending any verification of identity and/or source of funds which is, or which the Receiving Agent considers may be, required for the purpose of the Money Laundering Regulations and any other regulations applicable thereto,

and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;

2.1.6 agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;

2.1.7 agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account name on which the payment accompanying the application was first drawn without interest and at your risk;

2.1.8 agree that you are not applying on behalf of a person engaged in money laundering;

2.1.9 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;

2.1.10 undertake to pay interest at the rate described in paragraph 3.3 below if the remittance accompanying your Application Form is not honoured on first presentation;

2.1.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed section 5 on your Application Form or, subject to paragraph 2.1.4 above, to deliver the number of Depositary Interests representing Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing bank to the bank account name from which such monies were first received without interest and at your risk;

2.1.12 confirm that you have read and complied with paragraph 8 below;

2.1.13 agree that all subscription cheques and payments will be processed through a bank account opened by the Receiving Agent;

2.1.14 agree that your Application Form is addressed to the Company and the Receiving Agent; and

2.1.15 agree that any application may be rejected in whole or in part at the sole discretion of the Company.

3 Acceptance of your offer

3.1 The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying the basis of allocation through a Regulatory Information Service (in which case the acceptance will be on that basis).

3.2 The basis of allocation will be determined by the Company in consultation with AXYS, finnCap, Baden Hill and Exotix. The right is reserved, notwithstanding the basis as so determined, to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these terms and conditions of application.

3.3 The Receiving Agent will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The right is also reserved to reject in whole or in part, or to scale down or limit, any application. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. per annum.

3.4 Except as provided below, payments must be made by cheque or banker's draft in US Dollars drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual applicant where they have sole or joint title to the funds, should be made payable to **Link Market Services Ltd re: Grit Real Estate CHQ A/C** and crossed "A/C payee only". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has inserted the full name of the building society or bank account holder and has added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as that shown on the Application Form.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 11.00 a.m. on 26 July 2018 to the CHAPS bank account details of Link, given on section 4.1.2 of the Application Form. Applicants wishing to make a CHAPS payment must provide Link with proof of source of funds as per the notes on section 4.1.2 of the Application Form.

Applicants choosing to settle via CREST, that is DVP, will need to input their instructions in favour of Link Asset Services' participant account RA06 by no later than 11.00 a.m. on 26 July 2018, allowing for the delivery and acceptance of Depositary Interests representing Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form.

4 Conditions

4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

4.1.1 Initial Admission occurring by 8.00 a.m. (BST) on 31 July 2018 (or such later date as the Company, finnCap, Baden Hill and Exotix may agree (not being later than 8.00 a.m. (BST) on 31 August 2018)); and

4.1.2 the Placing and Offer Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Initial Admission; and

4.1.3 the Minimum Net Proceeds being raised.

4.2 In the event that the Company, in consultation with finnCap, Baden Hill, Exotix, PSG Capital and AXYS Stockbroking, wishes to waive condition 4.1.3 referred to above, the Company will be required to publish a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure).

4.3 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

5 Return of application monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

6 Warranties

6.1 By completing an Application Form, you:

6.1.1 undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;

6.1.2 warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;

6.1.3 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in this document and any supplementary prospectus issued by the Company prior to Initial Admission (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such other information or representation;

6.1.4 agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations contained therein;

6.1.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this document and any supplementary prospectus issued by the Company prior to Initial Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, finnCap, Baden Hill, Exotix or the Receiving Agent;

6.1.6 warrant that you are not under the age of 18 on the date of your application;

6.1.7 agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;

6.1.8 confirm that you have reviewed the restrictions contained in paragraphs 8 and 10 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein;

6.1.9 agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Guernsey Branch Registrar to enter your name on the Register;

6.1.10 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription and any non-contractual obligations existing under or in connection therewith shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

6.1.11 irrevocably authorise the Company, finnCap or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or finnCap and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;

6.1.12 agree to provide the Company with any information which it, finnCap or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations;

6.1.13 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, finnCap or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;

6.1.14 warrant that you are knowledgeable and experienced in business and financial matters so as to be capable of evaluating the merits and risks of an investment in the Ordinary Shares; fully understand the risks associated with such investment and are able to bear the economic risk of your investment including the complete loss of your investment;

6.1.15 agree that finnCap and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or be responsible to you for the protections afforded to their customers;

6.1.16 warrant that the information contained in the Application Form is true and accurate; and

6.1.17 agree that if you request that Ordinary Shares are issued to you on a date other than Initial Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date.

7 Money Laundering

7.1 You agree that, in order to ensure compliance with the Money Laundering Regulations, the Receiving Agent may at its absolute discretion require verification of identity of you as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

7.1.1 the owner(s) and/or controller(s) (the "**payor**") of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker's draft or cheque; or

7.1.2 where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons, such person or persons.

7.2 Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents or CREST account being credited.

7.3 Without prejudice to the generality of this paragraph 7, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (approximately US$17,500 as at the date of this document). If, in such circumstances, you use a building society cheque or banker's draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and payor an original or copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee's risk) together with a signed declaration as to the relationship between the payor and you, the applicant.

7.4 For the purpose of the Money Laundering Regulations, a person making an application for Ordinary Shares will not be considered as forming a business relationship with either the Company or with the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.

7.5 The person(s) submitting an application for Ordinary Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

7.6 If the amount being subscribed exceeds €15,000 (approximately US$17,500 as at the date of this document) the Receiving Agent may accept a Reliable Introducer Certificate duly completed by an

FCA approved firm or person instead of the full identity documents required in Section 7 of the Application Form, as per the notes given on Section 8 of the Application Form.

8 Non United Kingdom Investors

8.1 If you receive a copy of this document or an Application Form in any territory other than the United Kingdom, you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Ordinary Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

8.2 None of the Ordinary Shares has been or will be registered under the laws of Canada, Japan, the Republic of South Africa, Australia or under the US Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan, the Republic of South Africa or Australia. Accordingly, unless an exemption under such act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan, the Republic of South Africa, Australia or the United States (as the case may be). If you subscribe for Ordinary Shares you will, unless the Company and the Guernsey Branch Registrar agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Canada, Japan, the Republic of South Africa, Australia or a corporation, partnership or other entity organised under the laws of the US or Canada (or any political subdivision of either) or Japan, the Republic of South Africa or Australia and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of Canada, Japan, the Republic of South Africa or Australia and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into the United States, Canada, Japan, or Australia or to any US Person or resident of Canada, Japan, the Republic of South Africa or Australia. No application will be accepted if it shows the applicant or a payor having an address in the United States, Canada, Japan, the Republic of South Africa or Australia.

9 Data Protection

9.1 Each applicant acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/279 and The Data Protection Act 2017 of Mauritius (together the "**DP Legislation**"), the Company and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent, may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a reasonable period after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent will process such personal data at all times in compliance with the DP Legislation and shall only process for the purposes set out below (collectively, the "**Purposes**"), being to:

9.1.1 process its personal data to the extent and in such manner as is necessary for the performance of their obligations under their respective service contracts, including as required by or in connection with its holding of Ordinary Shares or Depositary Interests, including processing personal data in connection with credit and money laundering checks on it;

9.1.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or Depositary Interests;

9.1.3 to comply with the legal and regulatory obligations of the Company and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent; and

9.1.4 process its personal data for the Guernsey Branch Registrar's and/or the Depositary's and/or the Receiving Agent's and/or the Mauritian Registrar and Transfer Agent's internal administration.

9.2 In order to meet the Purposes, it will be necessary for the Company and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent to provide personal data to:

9.2.1 third parties located either within, or outside of the EEA, if necessary for the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent to perform their functions, or when it is necessary for its legitimate interests, and in particular in connection with its holding of Ordinary Shares or Depositary Interests; and

9.2.2 its affiliates or the Company some of which may be located outside the EEA.

9.3 By becoming registered as a holder of Ordinary Shares or Depositary Interests a person becomes a data subject (as defined in the DP Legislation). In providing the Guernsey Branch Registrar or the Depositary or the Receiving Agent or the Mauritian Registrar and Transfer Agent with information, it has: (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of any data protection notice which has been provided by the Company and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 9).

9.4 Each applicant acknowledges that by submitting personal data to the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent (acting for and on behalf of the Company) where the applicant is a natural person he or she has read and understood the terms of the Company's privacy notice which is available for review on the Company's website www.grit.group.com ("**Privacy Notice**").

9.5 Each applicant acknowledges that by submitting personal data to the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent (acting for and on behalf of the Company) where the applicant is not a natural person it represents and warrants that:

9.5.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the applicant may act or whose personal data will be disclosed to the Company as a result of the applicant agreeing to subscribe for Ordinary Shares;

9.5.2 the applicant has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company; and

9.5.3 it shall immediately on demand, fully indemnify each of the Company and the Guernsey Branch Registrar and the Depositary and the Receiving Agent and the Mauritian Registrar and Transfer Agent and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Guernsey Branch Registrar and/or the Depositary and/or the Receiving Agent and/or the Mauritian Registrar and Transfer Agent in connection with any failure by the applicant to comply with the provisions of this clause 9.5.

10 United States purchase and transfer restrictions

10.1 By participating in the Offer for Subscription, each applicant acknowledges and agrees that it will be further deemed to represent and warrant to each of the Company, finnCap, the Receiving Agent, the Depositary and the Guernsey Branch Registrar that:

10.1.1 it is not a US Person, is not located within the United States and is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Ordinary Shares for the account or benefit of a US Person;

10.1.2 it acknowledges that the Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the US Investment Company Act;

10.1.3 it acknowledges that the Company has not and will not be registered under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the US Investment Company Act;

10.1.4 unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of:

(a) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA;

(b) a "plan" as defined in Section 4975 of the US Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Code; or

(c) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Code. In addition, if an applicant is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

10.1.5 if any Ordinary Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:

"GRIT REAL ESTATE INCOME GROUP LIMITED (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE US SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH DO NOT REQUIRE THE COMPANY TO REGISTER UNDER THE US INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. IN ADDITION, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY PERSON USING THE ASSETS OF (I) (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF ERISA THAT IS SUBJECT TO TITLE I OF ERISA; (B) A "PLAN" AS DEFINED IN SECTION 4975 OF THE US CODE, INCLUDING AN INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE US CODE; OR (C) AN ENTITY WHICH IS DEEMED TO HOLD THE ASSETS OF ANY OF THE FOREGOING TYPES OF PLANS, ACCOUNTS OR ARRANGEMENTS THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE US CODE OR (II) A GOVERNMENTAL, CHURCH, NON-US OR OTHER EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-US LAW THAT IS

SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE US CODE UNLESS THE PURCHASE, HOLDING OR DISPOSITION OF THE SECURITIES WILL NOT RESULT IN A VIOLATION OF APPLICABLE LAW AND/OR CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 503 OF THE US CODE OR ANY SUBSTANTIALLY SIMILAR LAW.";

10.1.6 if in the future the applicant decides to offer, sell, transfer, assign or otherwise dispose of its Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Constitution;

10.1.7 it is purchasing the Ordinary Shares for its own account for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;

10.1.8 it acknowledges and understands that the Company may be required to comply with FATCA and/or the CRS and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA and/or the CRS;

10.1.9 it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company or its directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Offer for Subscription or its acceptance of participation in the Offer for Subscription; and

10.1.10 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Ordinary Shares to within the United States or to any US Persons, nor will it do any of the foregoing.

10.2 The Company, the Guernsey Branch Registrar, the Receiving Agent and/or the Depositary and their respective members, directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

10.3 If any of the representations, warranties, acknowledgments or agreements made by the applicant are no longer accurate or have not been complied with, the applicant will immediately notify the Company.

11 Miscellaneous

11.1 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.

11.2 The rights and remedies of the Company, finnCap and the Receiving Agent under these terms and conditions of application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

11.3 The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 11.00 a.m. (BST) on 26 July 2018. In that event, the new closing time and/or date will be notified through a Regulatory Information Service.

11.4 The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Initial Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest at the risk of the applicant.

11.5 You agree that finnCap and the Receiving Agent are acting for the Company in connection with the Issue and no-one else and that neither of finnCap or the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or otherwise in relation to the Offer for Subscription or for providing the protections afforded to their customers.

11.6 Save where the context requires otherwise, terms used in these terms and conditions of application bear the same meaning as where used elsewhere in this document.

PART 23

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"Acquisition Agreements"	the agreements entered into in relation to the acquisition of certain assets within the New Portfolio, as described in paragraph 14.5 of Part 19 of this document
"Acquisitions"	the proposed acquisition of the New Portfolio on the terms set out, where applicable, in the Acquisition Agreements, conditional, *inter alia*, on Initial Admission
"Admission"	admission of the Ordinary Shares to be issued pursuant to the Issue or a Subsequent Placing: (i) to the Official List of the UK Listing Authority becoming effective in accordance with the Listing Rules; (ii) to trading on the main market for listed securities of the London Stock Exchange becoming effective in accordance with the Admission and Disclosure Standards; (iii) to trading on the JSE's main board in accordance with the JSE Listings Requirements; and (iv) to trading on the Official Market of the SEM in accordance with the SEM Rules and, where the context requires, admission of the Existing Ordinary Shares: (a) to a Standard Listing becoming effective in accordance with the Listing Rules; (b) to trading on the main market for listed securities of the London Stock Exchange becoming effective in accordance with the Admission and Disclosure Standards
"Admission and Disclosure Standards"	the Admission and Disclosure Standards published by the London Stock Exchange
"AltX"	the Alternative Exchange of the JSE
"Application Form"	the application form for use in connection with the Offer for Subscription set out at the end of this document
"Audit Committee"	the audit committee established by the Board
"AXYS" or **"AXYS Corporate Advisory"**	AXYS Corporate Advisory Limited, the Company's lead transaction adviser
"AXYS Mandate"	the mandate between the Company and AXYS, as described in paragraph 14.4 of Part 19 of this document
"AXYS Stockbroking"	AXYS Stockbroking Limited, the Company's placing agent in Mauritius
"AXYS Stockbroking Mandate"	the mandate between the Company and AXYS Stockbroking, pursuant to which AXYS Stockbroking has agreed to act as Grit's placing agent in Mauritius
"Baden Hill"	Baden Hill, a trading name of Northland Capital Partners Limited, the Company's joint UK placing agent
"BEE"	black economic empowerment, as such term is defined in the Broad-Based Black Economic Empowerment Act, No. 53 of 2003

"Benefit Plan Investor"	a "benefit plan investor" as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being "employee benefit plans" as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, "plans" that are subject to the prohibited transaction provisions of Section 4975 of the US Code, and entitles the assets of which are treated as "plan assets" under Section 3(42) of ERISA and any regulations promulgated thereunder
"BoAML"	Bank of America, N.A.
"Broll"	Broll Valuation & Advisory Services (Pty) Ltd
"BST"	British Summer Time
"Business Day"	a day (excluding Saturdays and Sundays or public holidays in England and Wales, Mauritius and South Africa) on which commercial banks are open for business in London or Johannesburg or Mauritius for the transaction of normal business
"CDS"	Central Depository & Settlement Co. Ltd, established under the Securities (Central Depository, Clearing and Settlement) Act 1996 of Mauritius
"certificated" or **"in certificated form"**	not in uncertificated form
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho
"Common Reporting Standard" or **"CRS"**	the Common Reporting Standard on Automatic Exchange of Information
"Company" or **"Grit"**	Grit Real Estate Income Group Limited
"Company Secretary"	Intercontinental Fund Services Limited
"Constitution"	the constitution of the Company, as amended from time to time
"cps"	cents per share
"CREST"	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of uncertificated securities in the United Kingdom administered by Euroclear as operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"CRO"	the contingent repurchase obligation pursuant to which GEPF grants to BoAML an irrevocable and unconditional right to require GEPF to purchase from BoAML all the present and future liabilities and obligations of Drive in Trading owed to BoAML under the Senior Term Loan Facility, limited to a specified amount as set out in the CRO Agreement
"CRO Agreement"	the contingent repurchase obligation agreement entered into between BoAML (as lender), the GEPF (as grantor) and Drive in Trading on or about 14 August 2017, which agreement records the terms of the CRO

"CRO Trigger Event"	the occurrence or existence of an event giving rise to an entitlement on the part of BoAML to enforce its rights under the CRO as a result of a trigger event under the CRO Agreement and payment by the GEPF to BoAML in compliance with its obligations under the CRO as a result of enforcement by BoAML of the CRO
"CSDP"	a central securities depositary participant, being a participant as defined in section 1 of the South African Financial Markets Act, appointed by a Placee for purposes of holding and administering securities or an interest in securities on behalf of a Placee in uncertificated form
"Deed Poll"	the deed poll dated 18 July 2018 entered into by the Depositary in favour of the holders of Depositary Interests
"Depositary"	Link Market Services Trustees Limited
"Depositary Agreement"	the agreement for the provision of depositary services in respect of the Depositary Interests dated 18 July 2018 between the Company and the Depositary, summarised in paragraph 14.12 of Part 19 of this document
"Depositary Interest Holders"	holders of Depositary Interests
"Depositary Interests"	dematerialised depositary interests representing underlying Ordinary Shares that can be settled electronically through and held in CREST, as issued by the Depositary or its nominees who hold the underlying securities on trust
"Directors" or **"Board"**	the directors of the Company
"Disclosure Guidance and Transparency Rules"	the disclosure guidance and transparency rules as set out in the FCA Handbook, as amended
"Drive in Trading" or **"DiT"**	Drive in Trading Proprietary Limited, registration number 2017/059131/07, a private company duly incorporated in accordance with the laws of South Africa
"EEA"	European Economic Area
"Enlarged Group"	the Group as enlarged following the Acquisitions
"Enlarged Portfolio"	the Existing Portfolio and the New Portfolio
"Enlarged Share Capital"	the issued Ordinary Share capital of the Company following Initial Admission
"EPRA"	European Public Real Estate Association
"EPRA NAV"	net asset value calculated in accordance with the Best Practice Recommendations published by EPRA in January 2014
"ERISA"	the US Employee Retirement Income Security Act 1974, as amended from time to time
"Euro" or **"€"**	the lawful currency of the Eurozone in the European Union
"Euroclear"	Euroclear UK & Ireland Limited
"ExCo"	Grit's executive management committee
"Executive Directors"	Bronwyn Corbett and Leon van de Moortele

"Existing Ordinary Shares"	the 214,022,425 existing Ordinary Shares in issue as at the date of this document
"Existing Portfolio"	the property assets of the Group as at 30 June 2018, details of which are set out in Parts 3 and 11 of this document
"Exotix"	Exotix Partners LLP, the Company's joint UK placing agent
"FATCA"	the US Foreign Account Tax Compliance Act
"FCA"	the UK Financial Conduct Authority
"finnCap"	finnCap Limited, the Company's UK financial adviser and joint UK placing agent
"FSMA"	the UK Financial Services and Markets Act 2000 (as amended)
"Gateway Delta"	Gateway Delta Development Holdings Limited
"GEPF"	Government Employees Pension Fund, a fund created under the South African Government Pension Law, 1996 (acting through its authorised representative, the Public Investment Corporation)
"Grit Share Incentive Plan"	The Grit Real Estate Income Group Limited Long-Term Incentive Scheme, details of which are set out in Part 19 of this document
"Group"	the Company and its subsidiaries from time to time
"Guarantee Agreement"	the agreement entered into between Grit and GEPF on 11 December 2017, pursuant to which GEPF requires Grit to equally share the financial risk by providing an irrevocable and unconditional guarantee for 50 per cent. of the losses that may be suffered by the GEPF, up to an amount limited to US$17.5 million, following a CRO Trigger Event, and actual enforcement of the CRO by BoAML, summarised in paragraph 14.6 of Part 19 of this document
"Guarantee Amount"	an amount equal to 50 per cent. of the total facility liabilities, as contemplated in the CRO Agreement, which amount shall not exceed US$17.5 million and shall be payable by Grit to GEPF in accordance with the provisions of the Guarantee Agreement
"Guarantee Obligations"	the amount actually payable by Grit to GEPF under the Guarantee Agreement, which amount shall be equal to 50 per cent. of the total facility liabilities owing by GEPF to BoAML under or in connection with the CRO following a CRO Trigger Event, including without limitation the payment of all amounts of any nature whatsoever (whether in respect of interest, principal, indemnities or otherwise) less the Recovered Collateral Amounts, up to a maximum amount of US$17.5 million
"Guernsey Branch Registrar"	Link Market Services (Guernsey) Limited
"Guernsey Branch Registrar Agreement"	the agreement entered into between the Company and the Guernsey Branch Registrar for the UK listing, as described in paragraph 14.10 of Part 19 of this document
"HMRC"	Her Majesty's Revenue & Customs

“IFRS”	International Financial Reporting Standards
“Initial Admission”	Admission of the Ordinary Shares issued pursuant to the Initial Placing and Offer for Subscription
“Initial Placing”	the conditional placing of Ordinary Shares at the Issue Price by finnCap, Baden Hill and Exotix in the UK, PSG Capital in South Africa and AXYS Stockbroking in Mauritius, pursuant to the Placing and Offer Agreement, the PSG Capital Mandate and the AXYS Stockbroking Mandate respectively, as described in Part 8 this document
“Investment Committee”	the investment committee established by the Board
“ISA”	individual savings account
“ISIN”	International Security Identification Number
“Issue”	together the Initial Placing and the Offer for Subscription
“Issue Price”	the price at which Ordinary Shares are issued under the Initial Placing and Offer for Subscription, being US$1.43 per Ordinary Share
“Issue Shares”	the Ordinary Shares to be issued or sold pursuant to the Issue
“JLL”	Jones Lang LaSalle (Pty) Ltd
“JLL Report”	the African real estate market report produced by Jones Lang LaSalle South Africa (Pty) Limited at the request of the Company and reproduced at Part 10 of this document
“JLL Valuation Report”	the valuation report produced by JLL at the request of the Company and reproduced at Part 12 of this document
“Joint UK Placing Agents” and each a **“Joint UK Placing Agent”**	finnCap, Baden Hill and Exotix
“JSE”	JSE Limited (registration number 2005/022939/06), a company incorporated under the laws of South Africa and licenses as an exchange under the South African Financial Markets Act
“JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time
“Latest Practicable Date”	12 July 2018, being the latest practicable date prior to the date of this document for ascertaining certain information contained herein
“Link Asset Services”	a trading name of Link Market Services Limited
“Listing Rules”	the rules and regulations made by the UKLA under Part VI of FSMA
“LLR”	Letlole La Rona, a listed Botswana industrial property group
“Lock-in Deed”	the lock-in deed dated 18 July 2018 between the Executive Directors, the Senior Manager, the Company and finnCap, summarised in paragraph 14.2 of Part 19 of this document
“London Stock Exchange”	London Stock Exchange plc
“LSE Admission”	admission of the Existing Ordinary Shares and Issue Shares to: (i) a Standard Listing; and (ii) to the main market of the London Stock Exchange

"MAD"	Moroccan Dirham
"Market Abuse Regulation"	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
"Mauritian Companies Act"	the Mauritian Companies Act, No. 15 of 2001, as amended
"Mauritius" or **"MRU"**	the Republic of Mauritius
"Mauritian Registrar and Transfer Agent"	Intercontinental Secretarial Service Limited
"Member State"	any member state of the European Economic Area
"Minimum Net Proceeds"	the minimum net proceeds of the Issue, being US$120 million
"Money Laundering Regulations"	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
"MUR"	Mauritian Rupee
"MUT"	Mauritius Time
"MZN"	Mozambican Metal
"NAV" or **"Net Asset Value"**	the value of the assets of the Company less its liabilities determined in accordance with the accounting policies adopted by the Company from time to time
"NAV per Share" or **"Net Asset Value per Share"**	the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury if any) at the date of calculation
"New Portfolio"	the portfolio of assets to be acquired conditional, *inter alia*, on Initial Admission, details of which are set out in Parts 3 and 11 of this document
"Nomination Committee"	the nomination committee established by the Board
"Offer for Subscription"	the offer for subscription of Ordinary Shares at the Issue Price as described in this document
"Official List"	the Official List of the UK Listing Authority
"Official Market"	the Official Market of the SEM
"Ordinary Shares" or **"Shares"**	the ordinary shares of no par value in the capital of the Company
"Perigeum Capital"	Perigeum Capital Ltd, the Company's SEM authorised representative & sponsor and Mauritian transaction adviser
"Pivotal"	The Pivotal Fund Limited
"Placees"	the persons with whom the Ordinary Shares are placed pursuant to the Initial Placing or any Subsequent Placing
"Placing and Offer Agreement"	the conditional placing and offer agreement entered into between finnCap, Baden Hill, Exotix, the Company, the Directors and Greg Pearson in relation to the Issue, the Placing Programme and Admission, as described in paragraph 14.1 of Part 19 of this document

"Placing Programme"	the conditional programme of Subsequent Placings of Ordinary Shares by finnCap, Baden Hill and/or Exotix in the UK pursuant to the Placing and Offer Agreement, by PSG Capital in South Africa pursuant to the PSG Capital Mandate and by AXYS Stockbroking in Mauritius pursuant to the AXYS Stockbroking Mandate as described in Part 9 of this document
"Placing Programme Price"	the price at which Ordinary Shares will be issued pursuant to a Subsequent Placing, as described in Part 9 of this document
"Placing Programme Shares"	the Ordinary Shares to be issued or sold pursuant to the Placing Programme
"Pledged Securities"	the pledge and cession by Drive in Trading of its rights, title and interest in and to the Subscription Shares to and in favour of GEPF as security for the obligations assumed by GEPF under the CRO Agreement
"Premium Listing"	a premium listing on the Official List under Chapter 6 of the Listing Rules
"PRI"	political risk insurance
"Prospectus Directive"	EU Directive 2003/71/EC (and the amendments thereto)
"Prospectus Rules"	the rules published by the FCA under section 73A of FSMA
"PSG Capital"	PSG Capital Proprietary Limited, the Company's sponsor and placing agent in South Africa
"PSG Capital Mandate"	the mandate dated 9 April 2018, between the Company and PSG Capital, as described in paragraph 14.3 of Part 19 of this document
"Public Investment Corporation" or **"PIC"**	the Public Investment Corporation SOC Limited, a public company created in terms of the Public Investment Corporation Act, 2004, with registration number 2005/009094/30
"Rand" or **"R"**	South African Rand, the lawful currency of South Africa
"REC"	REC Real Estate Consulting, LDA
"Receiving Agent"	Link Asset Services
"Recovered Collateral Amounts"	the amounts, equal to the net proceeds of all amounts received pursuant to the sale or other realisation of the Pledged Securities (after deducting all costs and expenses incurred by GEPF in relation to such realisation), by which GEPF's losses following an event of default under the Senior Term Loan Facility is reduced or discharged, as the case may be
"Register"	the register of members of the Company
"Regulation S"	Regulation S under the US Securities Act
"Regulatory Information Service" or **"RIS"**	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
"REIT"	Real Estate Investment Trust

"Relevant Member State"	each Member State which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
"Remuneration Committee"	the remuneration committee established by the Board
"Restricted Jurisdictions"	Australia, Canada, Japan, the United States and any other jurisdiction where the availability of the Issue or any Subsequent Placing would breach any applicable law
"RICS"	The Royal Institution of Chartered Surveyors
"Risk Committee"	the risk committee established by the Board
"SAST"	South African Standard Time
"SDRT"	UK stamp duty reserve tax
"SEC"	the United States Securities and Exchange Commission
"SEM"	the Stock Exchange of Mauritius Ltd, established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act of Mauritius
"SEM Rules"	the SEM Listing Rules, as amended from time to time
"Senior Manager"	Greg Pearson
"Senior Term Loan Facility"	the senior term loan facility in the amount of US$33.4 million made available by BoAML to Drive in Trading
"SENS"	the Stock Exchange News Service of the JSE
"Shareholder"	a holder of Ordinary Shares or, as applicable, a holder of Depositary Interests
"Short-Term Loan"	the short-term loan advanced by GEPF to Drive in Trading for the purpose of funding the subscription by Drive in Trading for Ordinary Shares
"SIPP"	a UK self-invested personal pension scheme
"Social and Ethics Committee"	the social and ethics committee established by the Board
"South Africa"	the Republic of South Africa
"South African Companies Act"	the South African Companies Act, No. 71 of 2008, as amended
"South African Exchange Control Regulations"	the South African Exchange Control Regulations, 1961 (as amended), promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended
"South African Exchange Control Rulings"	the South African exchange control rulings issued in terms of the Exchange Control Regulations to authorised dealers in South Africa by the Financial Surveillance Department of the South African Reserve Bank
"South African Financial Markets Act"	the South African Financial Markets Act, No. 19 of 2012, as amended
"sqm"	square metres
"SSA"	sub-Saharan Africa

"Standard Listing"	a standard listing on the Official List under Chapter 14 of the Listing Rules
"Sterling" or **"£"**	pounds sterling, the lawful currency of the United Kingdom
"Strate"	Strate Proprietary Limited (registration number 1998/022242/07), a central securities depository licensed in terms of the South African Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE
"Strate system"	the clearing and settlement system used by the JSE for security transactions to be settled and transfer of ownership to be recorded electronically, managed by Strate
"Subscription Shares"	23,250,000 shares in the ordinary share capital of Grit issued to Drive in Trading pursuant to a rights offer undertaken by Grit
"Subsequent Admission"	Admission in respect of any Ordinary Shares issued pursuant to a Subsequent Placing
"Subsequent Placing"	any placing of Ordinary Shares pursuant to the Placing Programme described in this document
"Tax Residency Self-Certification Form"	the tax residency self-certification form to be completed by individual applicants under the Offer for Subscription who do not intend to hold Depositary Interests in CREST, attached as Appendix 2 to this document or, in respect of joint holders or entities, such other form as provided by the Receiving Agent for use in connection with the Offer for Subscription
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited
"UK" or **"United Kingdom"**	the United Kingdom of Great Britain and Northern Ireland
"UK Corporate Governance Code"	the UK Corporate Governance Code as published by the UK Financial Reporting Council
"UKLA" or **"UK Listing Authority"**	the United Kingdom Listing Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA, or any successor authority
"uncertificated" or **"in uncertificated form"**	in the UK, an Ordinary Share recorded on the Register as being held in Depositary Interest form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST and in South Africa, an Ordinary Share which has been incorporated into the Strate System and which is no longer evidenced by certificates or other physical documents of title and in Mauritius, an Ordinary Share which has been deposited with the CDS and which is no longer evidenced by certificates or other physical documents of title
"US" or **"United States"**	United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US Code"	the US Internal Revenue Code of 1986, as amended from time to time
"US Dollar" or **"US$"**	United States Dollars, the lawful currency of the US
"US Investment Company Act"	the United States Investment Company Act of 1940, as amended

"US Person"	has the meaning given to it in Regulation S under the US Securities Act
"US Securities Act"	the United States Securities Act of 1933 (as amended)
"WALE"	weighted average lease expiry
"ZMW" or **"Kwacha"**	Zambian Kwacha

In this document words denoting any gender include both genders (unless the context otherwise requires).

APPENDIX 1 – OFFER FOR SUBSCRIPTION APPLICATION FORM

Grit Real Estate Income Group Limited

If you wish to apply for Ordinary Shares or Depositary Interests representing Ordinary Shares in CREST, please complete, sign and return this Application Form, by post or (during normal business hours only) by hand to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, **so as to be received by no later than 11.00 a.m. on 26 July 2018.**

IMPORTANT: Before completing this Application Form, you should read the prospectus dated 18 July 2018 published by the Company (the "Prospectus"), to which this Application Form is appended, and the notes set out under the section entitled "Notes on how to complete the Application Form for the Offer for Subscription" at the back of this Application Form. Applicants who are individuals must complete Box 2 and corporate applicants should complete Box 3.

If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

To: **Grit Real Estate Income Group Limited**

APPLICATION

I/We offer to subscribe for a number of fully paid Ordinary Shares to be calculated by multiplying the number of Ordinary Shares set out in Box 1 below by the Issue Price of US$1.43 per Ordinary Share (the minimum number of shares being 1,000 Ordinary Shares), subject to the terms and conditions set out in Part 22 (Terms and Conditions of Application under the Offer for Subscription) of the Prospectus, including the representations, warranties and agreements therein, and subject to the Constitution of the Company (as amended from time to time) and, if paying by cheque or banker's draft, enclose a cheque or banker's draft for the amount payable (the "**Application Monies**").

Minimum number of 1,000 Ordinary Shares (and in multiples of 1,000 Ordinary Shares thereafter)

APPLICANT DETAILS (INDIVIDUALS)

1. Single Applicant

Title	
Forenames (in full)	
Surname	
Address (in full)	
Postcode	
Date of Birth	

2. Joint Applicants

By completing Box 2.2 below, you are deemed to have read the Prospectus and agreed to the terms and conditions set out in Part 22 (Terms and Conditions of Application under the Offer for Subscription) of the Prospectus and to have given the representations, warranties and agreements therein.

Second joint applicant	
Title	
Forenames (in full)	
Surname	
Date of Birth	
Third joint applicant	
Title	
Forenames (in full)	
Surname	
Date of Birth	
Fourth joint applicant	
Title	
Forenames (in full)	
Surname	
Date of Birth	

APPLICANT DETAILS (CORPORATE)

Full Company Name	
Registered Number	
Company Address	

PAYMENT DETAILS

Complete Box 4.1, Box 4.2 or Box 4.3.

4 By Bank Transfer in US Dollars* ☐

4.1 **Please provide the following details:**

Name of Bank	
Branch	
Sort Code	
Account Name	
Account Number	
Reference (your initials and telephone number)	

Link Electronic Bank details

Account Name	Link Market Services Ltd re: Grit Real Estate CHAPS A/C
Account Number	43557899
Sort Code	20-00-00
IBAN	GB93BARC20000043557899
SWIFT No	BARCGB22

***Following any electronic Bank Transfers being made to the above Link CHAPs account, a PDF copy of one of the following items should be provided to cover off source of funds by email to operationalsupportteam@linkgroup.co.uk:**

1. A certified/notarised copy of your bank statement showing the funds leaving the account named to Link, or;

2. A letter from your bank that the payment was made from confirming transfer amount, account name, date and where the funds were sent to (i.e. Link's bank account)

4.2 **By Cheque or Banker's Draft in US Dollars** ☐

Attach your US Dollar cheque or banker's draft for the exact amount (being the total number of Ordinary Shares shown in Box 1 multiplied by the Issue Price of US$1.43 per Ordinary Share), made payable to **Link Market Services Ltd re: Grit Real Estate CHQ A/C** and crossed "A/C Payee".

4.3 **By CREST** ☐

I/We confirm that I/we will make payment through CREST via DVP (Delivery Versus Payment).

CREST DETAILS

Only complete this Box 5 if you wish to register your application directly into your CREST account, which should be in the same name(s) as the applicants identified in Boxes 2 or 3 above (as applicable).

CREST Participant ID	
CREST Member Account ID	

SIGNATURE

By completing Box 6 below, you are deemed to have read the Prospectus and agreed to the terms and conditions set out in Part 22 (Terms and Conditions of Application under the Offer for Subscription) of the Prospectus and to have given the representations, warranties and agreements therein.

1. Execution by Individuals:

First Applicant Signature		**Date**	
Second Applicant Signature		**Date**	
Third Applicant Signature		**Date**	
Fourth Applicant Signature		**Date**	

2. **Execution by a Corporate:**

Executed by (Name of Corporate)			
Name of Director			
Signature of Director		**Date**	
Name of Director/Secretary			
Signature of Director/Secretary		**Date**	
If you are affixing a company seal, please mark a cross here:	**Affix Company Seal here:**		

IDENTITY INFORMATION

Link Asset Services

Individual Shareholders

Verification of your name and address

Under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, Link Asset Services ("**Link**") are obliged to obtain evidence of identity and place of residence, where either shares are transferred via Link as part of a larger transaction or payment for shares is made to or by Link.

What do I need to do?

Please send us two different documents to verify your name and your address from the list over the page:

- List A – will be used to verify your name
- List B – will be used to verify your address.

Please note that we cannot accept mobile telephone bills or a P45 or P60 document as evidence.

Please submit **certified scanned copies** of your documents to: sharedealingaml@linkgroup.co.uk, as a pre-vetting measure, with either the original or certified in true ink copies of the documents (please see over the page for certification guidance) to be sent by post to:

Link Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

You should ensure that you confirm the Company or Project name of the Company the documents relate to as well as providing your daytime telephone number and/or email address with your documents so that we can contact you if we have any queries.

List A	List B
Acceptable Government-issue documents of evidence of identity	**Evidence of address (not older than 3 months)**
☐ Current Full signed valid passport	☐ Bank. Building Society, Credit Union statement or passbook
☐ Current Full UK/EU valid photo-card driving licence (full or provisional)	☐ Water, Gas, Electricity or other utility bill
☐ EEA member state identity Card	☐ Union statement or passbook
☐ UK Firearms certificate or shotgun licence	☐ Recent evidence of entitlement to a state or local authority-funded benefit (including housing benefit and council tax benefit), tax credit, pension, educational or other grant
☐ Identity card issued by the Electoral Office for Northern Ireland	☐ Most recent Inland Revenue tax notification
☐ State Pension Letter or Benefit Book	☐ Current council tax statement or demand letter

What do joint investors need to provide?

For joint or multiple shareholdings, we need the first named investor to supply two documents, one from List A and one from List B as explained above. The second, third or fourth named investor should supply one document from List A only.

What if I am authorised to act on behalf of the shareholder?

If you are acting under a Power of Attorney, please supply an original or certified copy of the Power of Attorney in English, along with the evidence documentation for the shareholder from List A and one from List B as explained above.

Do I need to send original documents?

We can accept both original and certified in true ink copy documents. However we cannot accept faxed documents or copies of documents printed from the internet. Any copy document provided to Link must be certified as a true copy of the original.

What are Link's requirements for copy documents?

<table>
<tr><th colspan="2">Where certified copy documents are required these may be certified by any of the following:</th></tr>
<tr><th>UK Jurisdiction</th><th>All Offshore Jurisdictions</th></tr>
<tr><td>• Registered Chartered Accountant
• Bank/building society official
• Legal secretary (members and fellows of ILSPA)
• Member of Parliament
• Police officer (must include their badge number on the documents)
• Solicitor/Lawyer/Barrister
• FCA listed individual
• Notary public
• Qualified Doctor or Dentist
• UK school teacher/university lecturer
• Post Office Official
Identification documents for a non-UK national can be certified by:
o An embassy, consulate or high commission of the country of issue
o A Lawyer or attorney</td><td>• An embassy, consulate or high commission of the country of issue of the document
• A member of the judiciary, senior civil servant or serving police officer or customs officer
• A lawyer or notary public who is a member of a recognised professional body
• An actuary, accountant or tax advisor who is a member of a recognised professional body
• A director, officer or manager of a regulated financial institution operating in the UK, Jersey, Guernsey, Isle of Man or a comparable jurisdiction
Identification documents for a non-Crown Dependencies national can be certified by:
o An embassy, consulate or high commission of the country of issue
o A Lawyer or attorney
Other Jurisdictions:
Local Compliance does not distinguish between types of certifiers in higher risk jurisdictions, but do require that independent checks are made on the certifier.</td></tr>
</table>

Please note that the documents cannot be self-certified (i.e. by yourself for your own investment) or by anyone that is Related, Living at the same address or with a personal or professional relationship.

The certification of documentary evidence of Name ID must contain the following wording: ***"I hereby certify this document is a complete, accurate and true copy of the original document which I have seen and the photograph contained therein bears a true likeness of the individual".***
The certification of documentary evidence of address must contain the following wording: ***"I hereby certify this document is a complete, accurate and true copy of the original document which I have seen".***
The certifier must state on the first page of all copy documents: • His/her full name printed in Capitals • Position or capacity • Address • A telephone number or email at which they can be contacted • The date • The certifier must sign and date the copy documents

What happens next?

Please send us the documents we have asked for as above within the required timescales. Failure to provide the necessary evidence of identity and address in the agreed timescales may result in Link being unable to proceed with your account as part of the project.

All original documents will be returned to you as soon as possible, following the completion of our checks.

How do I contact Link?

If you need any help with the above, please call Link on 0371 664 0321.

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Link Asset Services

Corporate Shareholders

Verification of your name and address

Under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, Link Asset Services ("Link") are obliged to obtain evidence of identity and place of residence, where either shares are transferred via Link as part of a larger transaction or payment for shares is made to or by Link.

What do I need to do?

Please provide the following information/documentation to verify your name and your address

- Articles of Association
- Certificate of Incorporation
- Proof of Trading Address (Business bank statement, within the last three months)
- Authorised signatory list
- Evidence of name, evidence of address for a minimum of two Directors, depending on the company structure – please refer to page 2 for document guidance
- Evidence of name, evidence of address for shareholders, having a 25% stake or higher
- Accompanying Letter on Company headed note paper.

The evidence of name and address documents must clearly show your full name and current residential address.

We accept certified scanned copies of documents via email to begin the initial process but the original true certified copies must follow in the post for final verification purposes, before your funds and/or stock can be released. Link cannot accept liability for documents that have been lost or damaged in the post.

Please submit **certified scanned copies** of your documents to: sharedealingaml@linkgroup.co.uk, as a pre-vetting measure, with either the original or certified in true ink copies of the documents (please see over the page for certification guidance) to be sent by post to:

Link Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

You should ensure that you confirm the Company or Project name of the Company the documents relate to as well as providing your daytime telephone number and/or email address with your documents so that we can contact you if we have any queries.

What if I am authorised to act on behalf of the shareholder?

If you are acting under a Power of Attorney, please supply an original or certified copy of the Power of Attorney in English, along with the evidence documentation for the shareholder as explained above.

Do I need to send original documents?

We can accept both original and certified in true ink copy documents. However we cannot accept faxed documents or copies of documents printed from the internet. Any copy document provided to Link must be certified as a true copy of the original.

Certification of Copy Documentation

Any copy document provided to Link Asset Services must be certified as a true copy of the original.

The copy document must be signed, dated and stamped (or sealed) by an officer from an authorised financial intermediary i.e. Financial Conduct Authority registered or from a Bank or Building Society institution, Post Office, an Accountant/Chartered Accountant or Chartered Secretary registered with a relevant professional body, a Notary Public, a qualified Lawyer/Barrister or Legal Secretary, a Customs Officer, Police Officer including badge number, a Doctor registered with the General Medical Council to include their GMC reference number, a Local Member of Parliament, Consular Officials, National or local Government Officials in the course of their duty.

Each document must have the following information stated by the document certifier:

- Their full name
- Position or capacity
- Company/employers name
- Address and a telephone number or e-mail address at which they can be contacted
- The certifier must sign and date each copy document, printing his/her name in capital letters.

An example of recommended wording for the certification of documents is:

"I certify this document is a true copy of the original document which I have seen"

Translation

Any document provided to Link Asset services must be fully legible, in other words in the English language. If not, a translation of the type of document (e.g. an electricity bill) and the relevant information stated to include the name and address of the company must be provided by the certifier along with the certification.

Please note that the documents cannot be self-certified (i.e. by yourself for your own investment) or by anyone that is Related, Living at the same address or with a personal or professional relationship.

What happens next?

Please send us the documents we have asked for as above within the required timescales. Failure to provide the necessary evidence of identity and address in the agreed timescales may result in Link being unable to proceed with your account as part of the project.

All original documents will be returned to you as soon as possible, following the completion of our checks.

How do I contact Link?

Should you require further assistance with your identity and address documentation, please contact us on +44 (0)20 3728 5201 lines are open between 9.00am to 5.30pm Monday to Friday (excluding UK Bank Holidays).

Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

CONTACT DETAILS

To ensure the efficient and timely processing of this Application Form please enter below the contact details of a person that the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the first person signing in Box 6. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	
Contact address:	
Email address:	
Telephone no:	
Fax no:	

NOTES ON HOW TO COMPLETE THE APPLICATION FORM FOR THE OFFER FOR SUBSCRIPTION

Applications should be returned so as to be received by no later than 11.00 a.m. on 26 July 2018.

If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

APPLICATION

Fill in Box 1 with the total number of Ordinary Shares for which your application is made. Applications must be for a minimum number of 1,000 Ordinary Shares and in multiples of 1,000 thereafter. However, the Company may, in its absolute discretion, determine to accept applications in other amounts.

APPLICANT DETAILS (INDIVIDUALS)

Fill in (in block capitals) the full name(s) and address of the applicant. Applications may only be made by persons aged 18 or over as at the date that the application is made. In the case of joint applicants only the first named may bear a designation reference and the address given for the first named applicant will be entered as the registered address for the register of members and used for all future correspondence. A maximum of four joint applicants is permitted. All applicants named must sign the Application Form at Box 6.1.

APPLICANT DETAILS (CORPORATE)

Fill in (in block capitals) the full company name, registered number and company address. All applicants named must sign the Application Form at Box 6.2.

PAYMENT DETAILS/CREST SETTLEMENT

As the Company is incorporated in Mauritius its Ordinary Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement. The Depositary Interests representing the Ordinary Shares will be issued to the individual Shareholders' CREST account on a one for one basis and with the Depositary providing the necessary custodial service.

The Depositary will apply for the Depositary Interests for any Ordinary Shares to be issued as part of the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from the date of Initial Admission (the "**Settlement Date**"). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system in Depositary Interest form.

The Application Form contains details of the information which the Company's Receiving Agent, Link Asset Services, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Link Asset Services to match to your CREST account, Link Asset Services will deliver your Ordinary Shares in certificated form on the Guernsey Branch register, provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Link Asset Services, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Link Asset Services in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (a) the person procured by you to subscribe for or acquire the relevant Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Link Asset Services nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the DVP instructions into the CREST system in accordance with your application. The input returned by Link Asset

Services of a matching or acceptance instruction to your CREST input will then allow the delivery of your Ordinary Shares in Depositary Interests to your CREST account against payment of the Issue Price through the CREST system upon the Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Depositary Interests to be made prior to 8.00 a.m. on 31 July 2018 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of 2 percentage points above the then published bank base rate of a clearing bank selected by Link Asset Services.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date: 27 July 2018

Settlement Date: 31 July 2018

Company: Grit Real Estate Income Group Limited

Security Description: ordinary shares of no par value

SEDOL: 0473N000

ISIN: MU0473N00036

Should you wish to settle on a "delivery versus payment" basis, you will need to input your instructions to Link Asset Services' Participant account RA06 to settle by no later than 11:00 am on 26 July 2018.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with Link Asset Services, reserves the right to deliver Ordinary Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Offer have been satisfied.

Payment may be made by either bank transfer or cheque or banker's draft in US Dollars. If payment is made by bank transfer, such payment must be for the exact amount (being the total number of Ordinary Shares shown in Box 1 multiplied by the Issue Price of US$1.43) on your Application Form and the details of such bank transfer payment must be included in Box 4.1.

Where an electronic bank transfer of a sum exceeding the US Dollar equivalent of GBP 15,000 is being made by CHAPS, the investor should also supply a PDF scan of either a certified/notarised copy of your bank statement showing the funds leaving the account named to the Link bank account, or a letter from your bank where the payment was made from confirming transfer amount, account name, date and where the funds were sent to (i.e. Link's bank account) by email to operationalsupportteam@linkgroup.co.uk. If your investment is the US Dollar equivalent of GBP 50,000 or more, the investor must also provide a certified copy of their passport and a recent bank statement. No receipt in respect of electronic payments or acknowledgement of applications will be issued.

If payment is by cheque or banker's draft, such payment must accompany your Application Form and be for the exact amount (being the total number of Ordinary Shares shown in Box 1 multiplied by the Issue Price of US$1.43) on your Application Form. Your cheque or banker's draft must be drawn on your personal account where you have sole or joint title to the funds and should be made payable to **Link Market Services Ltd re: Grit Real Estate CHQ A/C** and crossed "A/C Payee". If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in US Dollars on an account at a bank branch in the United Kingdom and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of cheque/banker's draft.

CREST DETAILS

If you wish your Ordinary Shares to be deposited in a CREST Account in Depositary Interests in the name of the applicant(s) given in Boxes 2 or 3, enter in Box 5 the details of that CREST Account. Where it is requested that Depositary Interests be deposited into a CREST Account please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued. It is not possible for an applicant to request that Depositary Interests be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

SIGNATURE

All applicant(s) named in Boxes 2 or 3 must sign Box 6 (where applicable) and insert the date. The Application Form may be signed by another person on behalf of each applicant if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

IDENTITY INFORMATION

For applications that exceed €15,000 (approximately US$17,500 as at the date of this document), applicants will need to provide Link with either original or certified in true ink documents as per the certification requirements given in the Identity Information section at the end of the Application Form and provide the documents with the completed Application Form and payment.

CONTACT DETAILS

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the first person signing in Box 6. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

INSTRUCTIONS FOR DELIVERY FOR COMPLETED APPLICATION FORMS

Completed Application Forms should be returned, by post or by hand (during normal business hours), to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, so as to be received by no later than 11.00 a.m. on 26 July 2018, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned and not accepted.

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APPENDIX 2 –TAX RESIDENCY SELF-CERTIFICATION FORM FOR INDIVIDUAL HOLDERS

Tax Residency Self-Certification Form (Individuals)	
Company that shares are held in: *	**Grit Real Estate Income Group Limited**
Investor code *	
Name: *	
Registered Address: * *If your address has changed, then you will need to notify us separately. See the notes for guidance.*	
Tax Residence Address *Only if different to your registered address above*	
Date of Birth * (DD/MM/YY)	

Country/Countries of Residence for Tax Purposes	
Country of residence for tax purposes	**Tax Identification Number** *In the UK this would be your NI number*
1 *	**1 ***
2	**2**
3	**3**
4	**4**

US Citizen
Please mark the box ONLY if you are a US Citizen (see definition below) ☐

Declarations and Signature

I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.

I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.

I certify that I am the shareholder (or I am authorised to sign for the shareholder**). If this relates to a joint holding, I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.

I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature: *	
Print Name: *	
Date: *	
Daytime telephone number/email address***	

* Mandatory field
** If signing under a power of attorney, please also attach a certified copy of the power of attorney.
*** We will only contact you if there is a question around the completion of the self- certification form.

"US Citizen"

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

NOTES ON SELF-CERTIFICATION FOR INDIVIDUAL HOLDERS

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including the account holders tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (http://www.oecd.org/tax/transparency/AEOI-commitments.pdf), the Financial Institution will be obliged to share this information with it's local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your registered address (or name) has changed, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

JOINT HOLDERS (IF RELEVANT)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for all joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

DEFINITIONS

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

"Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Link holds the shares on your behalf, the person whose name appears on the register of entitlement that Link maintains.

"Country/Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a **tax identification number (TIN)**. Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

"Tax Identification Number or TIN"

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

"US Citizen"

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.

NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

Questions & Answers

Why are you writing to me and asking for a "Tax Residency Self Certification"?

The governments of more than 90 countries around the world have agreed to exchange tax related information. These governments have passed similar sets of laws to enable the Automatic Exchange of Information ("AEOI"). The full list of countries involved can be seen at: www.oecd.org/tax/transparency/AEOI-commitments.pdf

Additionally, the United States has over 100 similar agreements with many countries referred to as the 'Foreign Account Tax Compliance Act'.

The legislation can vary slightly from jurisdiction to jurisdiction, but at a high level, it requires Financial Institutions to:

- Identify existing Holders that may be resident (for tax purposes) in other participating jurisdictions. Then contact any such Holders and request that they complete a "Tax Residency Self Certification" form.
- Obtain a "Tax Residency Self Certification" form for all new Holders.
- Identify holders who move from one jurisdiction to another and request that they complete a "Tax Residency Self Certification" form.
- Identify Holders who have payments sent to a different jurisdiction.
- Submit a return to the Financial Institution's "local" tax authority on an annual basis. As an example for a company incorporated in the UK, then the local tax authority would be HM Revenue & Customs (HMRC).
- Follow up on any non-responders at least annually for at least 3 years.

The "local" tax authority will pass information onto the tax authority in the relevant jurisdiction. As an example the tax authority in the US is the Inland Revenue Service ("IRS"), so HMRC will exchange information with IRS.

Where can I find out more information about the legislation?

The legislation is quite complex and you may wish to speak to your tax adviser.

The web site of your local tax authority will contain more information e.g. HMRC for the UK; the IRS for the US; Jersey Income Tax Department for Jersey, etc.

Additionally, the web site of The Organisation for Economic Co-operation and Development (OECD) gives further information.

What happens if I do not complete the form?

In the annual report that the Financial Institution sends to their local tax authority you will be shown as 'Undocumented'.

The local tax authority will collate the responses from all of its financial institutions and pass that information onto the relevant local tax authority for the jurisdictions identified.

Link is not able to comment on what action the tax authority for the jurisdiction will take.

What if I am a Tax Resident in 2 or more countries?

The self-certification form allows for up to 4 tax residencies to be recorded.

I do not pay tax or I do not know which country I am tax resident in

Please refer to your local tax authority or tax adviser.

I do not have a tax identification number

Please refer to your local tax authority or tax adviser.

Note that different countries call their tax identification numbers using alternative terminology. As an example in the UK it would be a National Insurance number.

I have already completed a W8 or W9 form. Do I still need to complete a "Tax Residency Self Certification"?

Yes. The US legislation governing W8/W9 forms overlaps with US FATCA legislation.

What is classed as my Tax Residence Address?

Please refer to your local tax authority or tax adviser.

In addition, you may wish to consider: Where you are a citizen with a passport; your residential home address in a country and unrestricted right of entry back into that country once you depart.

Joint Holders

When there are multiple holders on an account, then every joint holder must complete a Tax Residency Self Certification and every joint holder will receive a letter in their own right. The letter will be sent to the registered address recorded for the holding.

Joint holders are treated as separate holders for these tax purposes. If any one of the joint holders is reportable, the value of the whole shareholding will be reported for all of the joint shareholder(s).

If we do not receive a validly completed self-certification for each joint shareholder, the whole shareholding will be treated as "undocumented" and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

Can I use the Self Certification Form to advise of a Change of Name?

No. You must advise Link Asset Services separately.

For more information, see www.linkassetservices.com

Can I use the Self Certification Form to advise of the death of a holder, or registration of a power of Attorney?

No. You must advise Link Asset Services separately. For more information, see www.linkassetservices.com

How do I contact Link Asset Services, to advise of a change of address or any other changes to my account?

Share Holder Portal:	www.linkassetservices.com
Telephone:	+44 (0) 371 664 0300 Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
Address:	The Registry 34 Beckenham Road Beckenham, Kent, BR3 4TU

I would like future dividends paid into a different bank account

Contact Link Asset Services. For more information, see www.linkassetservices.com

I have given a different address for tax purposes; will the registered address of my shareholding be altered?

No. The details on the Self Certification form are for tax purposes only. If you want to alter any of the registered details relating to your investment then you need to inform Link Asset Services. For more information, see www.linkassetservices.com

I have recently sold all of the shares; do I still need to complete a Self-Certification form?

Yes. Your account will be reportable in the current year, but will be cease to be reportable in subsequent years.

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APPENDIX 3 – SA APPLICATION FORM

Grit Real Estate Income Group Limited

(a company registered by continuation in the Republic of Mauritius with registration number C128881 C1/GBL)

("**the Company**")

INITIAL PLACING APPLICATION FORM FOR SOUTH AFRICA

*The definitions and interpretations contained in the prospectus to which this application form is attached ("**Prospectus**") apply mutatis mutandis to this application form.*

This application form should be read in conjunction with the Prospectus.

TO BE COMPLETED ONLY BY investors invited to participate in the Initial Placing and who fall within any of the categories envisaged in section 96(1)(a) of the South African Companies Act or who subscribe for a minimum amount of R1,000,000 (one million Rand) per single addressee acting as principal, as contemplated in section 96(1)(b) of the South African Companies Act, and are entitled to participate in the Initial Placing in South Africa ("**Invited Investors**").

The Company is undertaking the Initial Placing, involving the placing of the Issue Shares at the Issue Price, such placement to be implemented by the conditional placing by finnCap, Baden Hill and Exotix in the UK, PSG Capital in South Africa and AXYS Stockbroking in Mauritius, as described in Part 21 of the Prospectus.

The Existing Ordinary Shares are admitted to trading on the JSE's main board for listed securities and to the Official Market of the SEM.

Subject to the conditions of the Initial Placing being fulfilled;

- application will be made to the UK Listing Authority for admission of both the Issue Shares and the Existing Ordinary Shares to the Official List with a Standard Listing. Application will also be made for the Issue Shares and the Existing Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities;
- application will also be made to the JSE for all of the Issue Shares to be admitted to the JSE's main board for listed securities; and
- application has been made to the SEM for all of the Issue Shares to be admitted to the Official Market of the SEM,

(collectively the "**Listings**").

Successful applicants will be advised of their allocations of Issue Shares by 27 July 2018, with the allocated Issue Shares thereafter being transferred, on a "**delivery-versus-payment**" **basis**, to successful applicants on the settlement date, which is expected to be 31 July 2018.

Invited Investors must make application to subscribe or acquire Issue Shares in the US$ amount of 1.43 per Issue Share ("Issue Price"). Successful applicants will be required to pay the Rand equivalent of the Issue Price. Successful applicants will be advised of the applicable exchange rate to apply to the Issue Price in order to determine the Rand equivalent of the Issue Price that must be paid on the settlement date in order to subscribe for or purchase the Issue Shares.

Invited Investors are referred to the terms of the Issue, as detailed in the Prospectus (and in particular in Part 8 and Part 21 thereof), which are incorporated by reference herein. Invited Investors, by their signature of this application form, agree to be bound by the terms, conditions, representations, undertakings and warranties as detailed in the Prospectus.

Applications are irrevocable and may not be withdrawn once submitted.

In addition, please refer to the instructions overleaf before completing this application form.

Dematerialised Issue Shares

The allocated Issue Shares will be transferred to successful applicants in dematerialised form only. Accordingly, all successful applicants must appoint a CSDP directly, or a broker, to receive and hold the dematerialised shares on their behalf. Should successful applicants wish to obtain a physical share certificate for their Issue Shares, they may do so following the Listings and should contact their CSDP or broker in this regard.

As allocated Issue Shares will be transferred to successful applicants on a "**delivery-versus-payment**" **basis**, payment will be made by your CSDP or broker on your behalf.

Invited Investors should complete this application form in respect of the Initial Placing and hand deliver or email it to:

If delivered by hand or by courier:	*If emailed:*
Attention: David Tosi **PSG Capital Proprietary Limited** 1st Floor, Ou Kollege 35 Kerk Street Stellenbosch, 7600	davidt@psgcapital.com

This application form must be received by no later than 5.00 p.m. (SAST) on 26 July 2018.

Invited Investors must contact their CSDP or broker and advise them that they have submitted the application form as instructed above. Pursuant to the application, successful applicants must make arrangements with their CSDP or broker for payment to be made as stipulated in the agreement governing their relationship with their CSDP or broker, in respect of the Issue Shares allocated to them in terms of the Initial Placing by the settlement date, expected to be 31 July 2018.

Conditions Precedent

The Initial Placing in South Africa is conditional, *inter alia*, on:

a) the PSG Capital Mandate becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission;

b) the Placing and Offer Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission;

c) Initial Admission occurring by 9.00 a.m. (SAST) on 31 July 2018 (or such later date, not being later than 31 August 2018, as the Company and PSG Capital may agree); and

d) the Minimum Net Proceeds being raised.

Accordingly, should any of these conditions fail, the Initial Placing in South Africa and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against the Company or any other person as a result of the failure of the conditions.

To the Directors:

Grit Real Estate Income Group Limited

1. I/We, the undersigned, confirm that I/we have full legal capacity to contract and, having read the Prospectus, hereby irrevocably apply for and request you to accept my/our application for the undermentioned value to subscribe for Issue Shares under the Initial Placing set out in the Prospectus to which this application form is attached and in terms of the terms and conditions set out therein and that may, in your absolute discretion, be allocated to me/us.

2. I/We wish to receive my/our allocated Issue Shares in dematerialised form and will deliver this application form to PSG Capital, and will provide appropriate instructions to my/our CSDP or broker, as the case may be, with regard to the application herein and the payment thereof, as stipulated in the agreement governing my/our relationship with my/our CSDP or broker, as the case may be. I/We accept that payment in respect of this application will be, in terms of the custody agreement entered into between me/us and my/our CSDP or broker, as the case may be, on a delivery-versus-payment basis.

3. I/We understand that the Listings and Initial Placing are subject to the conditions detailed in the Prospectus and in this application form and that, should any of the conditions fail, the Initial Placing and any acceptance thereof shall not be of any force or effect and that I/we will not have any claim whatsoever against the Company, PSG Capital or any other person as a result of the failure of the conditions.

4. By completing and signing this application form, I/we confirm that I/we are deemed to have read the Prospectus and agreed to be bound to the terms and conditions in Part 21 (*Terms and Conditions of Application under the Initial Placing and the Placing Programme*) and to have given the warranties, representations and undertakings set out therein.

Date 2018

Signature

Telephone number ( ) Cell phone number

Assisted by (where applicable)

Name of corporate body (*if legal entity*) or surname of individual (*if individual*)	Mr
	Mrs
	Miss
	Other title
Full names (*if individual*)	
Postal address (*preferably PO Box address*)	Postal code
Telephone number ( )	
Cell phone number	
Email address	
Number of Issue Shares applied for at US$1.43 per Issue Share	
Total value of Ordinary Shares applied for **(US$ amount)**	**US$**

Required information must be completed by CSDP or broker* with their stamp and signature affixed hereto

CSDP name	
CSDP contact person	
CSDP contact telephone number	
SCA or bank CSD account number	
Scrip account number	
Settlement bank account number	
Stamp and signature of CSDP or broker	

Note:

* *If an applicant has more than one account, please attach a separate schedule with all relevant details.*

This application form is a legal contract between the Company and the applicant. Application forms may not be accepted unless the above information has been furnished.

Instructions

1. **Applications are irrevocable and may not be withdrawn once submitted.**
2. CSDPs and brokers will be required to retain a copy of this application form for presentation to the Directors, if required.
3. Applicants should consult their broker or other professional advisor in case of doubt as to the correct completion of this application form.
4. Applicants need to have appointed a CSDP or broker and must advise their CSDP or broker in terms of the Custody Agreement entered into between them and their CSDP or broker. Payment will be made on a delivery-versus-payment basis.
5. No payment should be submitted with this application form to the Company or PSG Capital.
6. If payment is dishonoured, or not made for any reason, the Company may, in its sole discretion, regard the relevant application as invalid or take such other steps in regard thereto as it may deem fit.
7. No receipts will be issued for application forms, application monies or any supporting documentation.
8. All alterations on this application form must be authenticated by full signature of the applicant and his CSDP or broker.
9. As allocated Issue Shares are being transferred to successful applicants on a delivery-versus-payment basis, no payment will be required to be made if the Initial Placing or the Listings are not successful.

PLEASE REFER TO THE DETAILED TERMS AND CONDITIONS OF THE INITIAL PLACING, AS SET OUT IN THE PROSPECTUS AND IN PART 21 THEREOF.

APPENDIX 4 – MRU APPLICATION FORM

Grit Real Estate Income Group Limited

(a company registered by continuation in the Republic of Mauritius with registration number C128881 C1/GBL)

("**the Company**")

INITIAL PLACING APPLICATION FORM FOR MAURITIUS

*The definitions and interpretations contained in the prospectus to which this application form is attached ("**Prospectus**") apply mutatis mutandis to this application form.*

This application form should be read in conjunction with the Prospectus.

TO BE COMPLETED ONLY BY investors invited to participate in the Initial Placing ("Invited Investors").

The Company is undertaking the Initial Placing, involving the placing of new Ordinary Shares ("Issue Shares") at the issue price of US$1.43 per Issue Share ("Issue Price"), such placement to be implemented by the conditional placing by finnCap, Baden Hill and Exotix in the UK, PSG Capital in South Africa and AXYS Stockbroking in Mauritius, as described in Part 21 of the Prospectus.

Invited Investors must make application to subscribe for Issue Shares in the US$ amount of 1.43 per Issue Share.

Successful applicants will be advised of their allocations of Issue Shares by 31 July 2018, with the allocated Issue Shares thereafter being transferred, on a "**delivery-versus-payment**" **basis**, to successful applicants on the settlement date, which is expected to be 31 July 2018.

Invited Investors are referred to the terms of the Issue, as detailed in the Prospectus (and in particular in Part 8 and Part 21 thereof), which are incorporated by reference herein. Invited Investors, by their signature of this application form, agree to be bound by the terms, conditions, representations, undertakings and warranties as detailed in the Prospectus.

Applications are irrevocable and may not be withdrawn once submitted.

To meet the requirements of the Financial Intelligence and Anti-Money Laundering Act 2002, the following documents should be attached with this application form.

Individual applicant/Joint Applicant:

- A certified copy of National Identity Card or of a valid passport or of a birth certificate (for minors);
- A certified copy of a recent (dated within the last six months) utility bill (CEB, CWA, Mauritius Telecom); and
- A certified copy of a recent (dated within the last three months) bank statement showing the applicant's name and bank account number (without any transaction details).

Corporate Applicant:

- Official documents certifying the legal existence of the applicant;
- Documents certifying the identity of at least two directors (same as for individual applicant, see above); and
- A resolution of the Board of Directors or managing body or any other official documents granting the relevant authority to the signatories.

Applicants may call in person at any licenced investment dealer with the stipulated original documents and their officers will certify the copies accordingly.

Alternatively, the required documents can be certified as true copies by any one of the following persons: a notary, a lawyer, an actuary or an accountant holding a recognised professional qualification, a serving high-ranked police or customs officer, a member of the judiciary, a civil servant, an employee of an embassy or consulate of the country of issue of documentary evidence of identity, or a director of a regulated financial services business in Mauritius.

Your application may be rejected if relevant instructions are not complied with and if the documents mentioned above are not submitted together with your application form in respect of the Initial Placing.

APPLICATION FORM FOR INITIAL PLACING IN MAURITIUS

Please use BLOCK LETTERS to complete this form

SECTION 1A – INVESTOR DETAILS (INDIVIDUAL)

	PRIMARY INVESTOR	JOINT INVESTOR
Title	....	....
Surname	....	....
First Name(s)	....	....
Marital Status	....	....
Maiden name	....	....
Date of birth	....	....
NIC/birth certificate/passport	....	....
Passport issuing country	....	....
Passport expiry date	....	....
Nationality	....	....
Permanent address	....	....
Mailing address (if different)	....	....
Mailing address	....	....
Telephone (home)	....	....
Telephone (mobile)	....	....
Telephone (office)	....	....
Occupation	....	....
Email	....	....
Employer's name	....	....
Employer's address	....	....
Employer's address	....	....
Source of funds	....	....

SECTION 1B – INVESTOR DETAILS (CORPORATE)

Corporate Name	....
Business Registration No.	....
Company number	....
Registered office	....
Permanent address	....
Email address	....

SECTION 2 – INVESTMENT DETAILS

Ordinary Shares applied for (min. 1,000 and in multiples of 1,000 thereafter)	....	....
Investment amount at issue price (US$1.43 per Ordinary Share)	....	....
Payment Mode (Bank Transfer only)	**Bank Transfer**	**Bank Transfer**
Bank Ref. No.	....	....
CDS Account No.	....	....

SECTION 3 – APPLICANT ACCOUNT DETAILS

This section should be completed with the details of a Mauritian bank account

Bank	....
Account Holder	....
Account No	....

Subject to section 5.6, this account will be used for newly opened CDS accounts. For refund of monies in case of oversubscription or cancellation of the Initial Placing, please select from one of the following options:

☐ Electronic transfer to the above bank account ☐ Cheque

SECTION 4 – METHOD OF PAYMENT

Payment by bank transfer only; payments to be made into the following account:

Beneficiary Name:	GRIT REAL ESTATE INCOME GROUP LIMITED
IBAN:	MU92STCB1170000000206664000USD
Account Number:	50100000206664
Beneficiary's Bank:	SBM Bank (Mauritius) Ltd, 9th Floor SBM Tower, Port Louis, Mauritius
Swift Code:	STCBMUMU

SECTION 5 – DECLARATIONS

5.1 I/We the undersigned agree to purchase the above mentioned Ordinary Share(s) and I/We agree to accept the same or lesser number of Ordinary Shares that may be allocated to me/us upon the terms and conditions of the Prospectus.

5.2 I/We hereby acknowledge that I/We have received, read and understand the Prospectus and agree to be bound by the provisions contained therein and by the provisions of the Financial Intelligence and Anti-Money Laundering Act 2002, as may be amended from time to time. I/We acknowledge that we have taken independent professional advice in relation to the Prospectus.

5.3 I/We represent and warrant that I/We have the necessary authority and power to purchase and hold the Ordinary Shares in accordance with this application form and have taken all necessary corporate action if applicable to approve such purchase and to authorise the person(s) signing this application form to bind me/us in accordance with the terms hereof.

5.4 In accordance with anti-money laundering requirements I/We hereby consent to the Company and/or AXYS Stockbroking Ltd making reasonable enquiries for the purpose of verifying the information disclosed herein and obtaining information about me/us. I/We certify that the monies being invested are not proceeds from illegal activities and that my/our investment is not designed to conceal such proceeds so as to avoid prosecution for an offence.

5.5 I/We undertake to promptly notify the Company and AXYS Stockbroking Ltd of any change in the information and/or details submitted in this application.

5.6 I/We understand that if a CDS account number is not specified in section 2 above or if the corresponding CDS Statement is not attached to this application, by signing this application form, I/We am/are expressly authorising AXYS Stockbroking Ltd to open a CDS account as per sections 1 and 3 above. I/We undertake to provide any other documentation as may be requested by AXYS Stockbroking Ltd.

5.7 I/We declare that all statements and declarations made in this application and any related documents submitted are true, correct and complete.

Signature	**Signature** ....
Name	**Name** ....
Capacity	**Capacity** ....
Date	**Date** ....

AXYS Stockbroking Ltd
6th Floor, Dias Pier Building
Le Caudan Waterfront
Caudan, Port Louis
Mauritius
Tel: (+230) 405 4000

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