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If you sell or have sold or have otherwise transferred all of your Ordinary Shares, please send this document, and any accompanying documents, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the Restricted Jurisdictions. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this document and any accompanying documents and consult with the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

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 (i) a circular prepared for the purposes of the General Meeting convened pursuant to the Notice of General Meeting set out at the end of this document in accordance with the Listing Rules of the Financial Conduct Authority (the "FCA") made under section 73A of FSMA and (ii) a prospectus relating to Grit Real Estate Income Group Limited ("Grit" or the "Company" and, together with its consolidated subsidiaries from time to time, the "Grit Group") prepared in accordance with the Prospectus Regulation Rules of the FCA made under section 73A of FSMA.

Applications will be made to the FCA and the London Stock Exchange for all of the New Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. Application will also be made to the SEM for all of the New Ordinary Shares to be admitted to the Official Market of the SEM. It is currently expected that: (i) Admission of the New Ordinary Shares to be issued pursuant to the Open Offer and Placing will become effective and that dealings in such New Ordinary Shares will commence at 8.00 a.m. (GMT) on 21 December 2021; and (ii) Admission of the New Ordinary Shares to be issued pursuant to the Share Purchase Agreements will become effective on Completion and that dealings in such New Ordinary Shares will commence at 8.00 a.m. (GMT) on the date of Completion whereupon an announcement will be made by the Company through a Regulatory Information Service and a SEM announcement.

This prospectus has been approved by the FCA as the competent authority under the UK Prospectus Regulation. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or as an endorsement of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares. This document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation.

A copy of this document has been filed with the SEM and with the Mauritian Financial Services Commission. This document does not constitute a prospectus for the purposes of the Mauritian Securities Act 2005, as amended, and will not be registered with the Mauritian Financial Services Commission in terms of the Mauritian Securities Act 2005, as amended.

This document is not an invitation to the public in Mauritius 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 Mauritius, as envisaged in the Mauritian Securities Act 2005, as amended.

Neither the Listing Executive Committee ("LEC") of the SEM, 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.

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

*(Registered in Guernsey)
(Registration number: 68739)
SEM share code: DEL.N0000
LSE share code: GR1T
ISIN: GG00BMDHST63*

Proposed Open Offer and Placing of up to 414,647,283 New Ordinary Shares at US\$0.52 per New Ordinary Share

**Proposed Acquisition of majority stake in Gateway Real Estate Africa Ltd and its manager,
Africa Property Development Managers Ltd**

and

Notice of General Meeting

**Baden Hill, a trading name
of Northland Capital
Partners Limited**

finnCap Ltd

*Sponsor, Sole Global
Coordinator and Bookrunner*

Platform3 Limited

Corporate Adviser

Bookrunner

Perigeum Capital Ltd

*SEM Authorised Representative
and Sponsor and Mauritian
Transaction Adviser and Placing Agent*

A Notice of General Meeting of the Company, to be held at 3rd Floor, La Croisette Shopping Centre, Grand-Baie, Mauritius at 2.00 p.m. (MUT)/10.00 a.m. (GMT) on 14 December 2021, is set out at the end of this document. Shareholders are requested to complete and return the relevant Form of Proxy accompanying this document for use at the General Meeting. The results of the votes cast at the General Meeting will be announced as soon as possible, once known, through a Regulatory Information Service, and on the Company's website at <https://grit.group/company-announcements/>.

Your attention is drawn to the letter from the Chairman, which is set out in Part I (“Letter from the Chairman”) on pages 45 to 60 of this document. You should read the entire document but your attention is also drawn to the section of this document headed “Risk Factors” which sets out certain risks and other factors that should be considered by Shareholders when deciding on what action to take in relation to the Proposals.

The Company and the Directors, whose names appear on page 43 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

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Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, finnCap, Baden Hill or Perigeum Capital or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the UK Prospectus Regulation, the Prospectus Regulation Rules, the Listing Rules, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules neither the delivery of the prospectus nor any subscription for or purchase of New Ordinary Shares made pursuant to the Issue shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering the Proposals is prohibited.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities by any person in any circumstances in which such offer or solicitation is unlawful. The distribution of this document into jurisdictions other than the UK may be restricted by law. 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 any such jurisdiction. In particular, this document should not be distributed, forwarded to or transmitted in or into the Restricted Jurisdictions. No action has been taken by the Company or by finnCap, Baden Hill or Perigeum Capital that would permit possession or distribution of this document or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the UK.

Completed Open Offer Application Forms and payments under the Open Offer must be received by 11.00 a.m. (GMT) in the UK/11.00 a.m. (MUT) in Mauritius on 16 December 2021. The procedure for application and payments is set out in Part XV (*Terms and Conditions of Application under the Open Offer*) of this document.

Subject to certain exceptions, the Open Offer is not being made to Shareholders in the United States or any other Restricted Jurisdiction. Capitalised terms used in this document have the meanings ascribed to them in Part XIII (*Definitions*) of this document.

Dated: 22 November 2021

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SUMMARY

1. Introduction and warnings

a. Name and ISIN of securities

The ISIN of the Ordinary Shares is GG00BMDHST63. The SEDOL of the Ordinary Shares is BMDHST6. The ticker for the Ordinary Shares is GR1T.

The ISIN of the Open Offer Entitlements is GG00BPBJRL02. The SEDOL of the Open Offer Entitlements is BPBJRL0.

The ISIN of the Excess CREST Open Offer Entitlements is GG00BPBJRM19. The SEDOL of the Excess CREST Open Offer Entitlements is BPBJRM1.

b. Identity and contact details of the issuer

Name: Grit Real Estate Income Group Limited (the “**Company**”)

Registered Office: PO Box 186, Royal Chambers, St Julian’s Avenue, St Peter Port, Guernsey GY1 4HP

Tel: +44 (0)1481 723 466

Legal Entity Identifier (LEI): 21380084LCGHJRS8CN05

c. Identity and contact details of the authority approving the prospectus

Name: Financial Conduct Authority

Address: 12 Endeavour Square, London, E20 1JN, United Kingdom

Tel: +44 (0) 20 7066 1000

d. Date of approval of the prospectus

22 November 2021

e. Warnings

This summary should be read as an introduction to this document. Any decision to invest in the New Ordinary Shares should be based on a consideration of this document as a whole by the prospective investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this document, or where it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in the New Ordinary Shares.

2. Key information on the issuer

a. Who is the issuer of the securities?

i. Domicile and legal form, LEI, applicable legislation and country of incorporation

Grit Real Estate Income Group Limited 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. On 4 February 2021 the Company completed the migration of its corporate domicile from Mauritius to Guernsey as a non-cellular company, registered under the Companies (Guernsey) Law, 2008, as amended (the “**Companies Law**”) with registered number 68739.

The Company has been registered as a foreign company in Mauritius and holds a Global Business Licence issued by the Mauritian Financial Services Commission. The Company’s LEI is 21380084LCGHJRS8CN05.

ii. Principal activities

Grit is a leading pan-African real estate company focused on the acquisition of real estate assets in pre-selected African countries (excluding South Africa). As at the date of this document, Grit’s property portfolio comprises 54 assets across 8 countries (including 25 properties held in Letlole La Rona in Botswana) predominantly tenanted by investment grade and multi-national companies.

iii. Major Shareholders

So far as is known to the Company, as at the date of this document, the following Shareholders held, directly or indirectly, five per cent. or more of the Company’s voting rights:

Name	Number of Existing Ordinary Shares held	% of voting rights
Government Employees Pension Fund (PIC)	84,599,515	25.54
M&G Investment Management Ltd	35,159,880	10.61
Drive in Trading (Pty) Ltd	23,250,000	7.02

The Company has a controlling shareholder as defined in the SEM Rules, GEPP, being a shareholder holding 20 per cent. or more of the voting rights in the Company. As at the Latest Practicable Date, the Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. All Shareholders have the same voting rights in respect of the share capital of the Company.

iv. **Directors**

Peter McAllister Todd (Chairman), Bronwyn Anne Knight, Leon Paul van de Moortele, David Arthur Love, Catherine McIlraith, Sir Samuel Esson Jonah, Nomzamo Radebe, Jonathan Crichton, Cross Kgosiidile and Nchaube Bright Laaka (permanent alternate to Nomzamo Radebe).

v. **Statutory auditor**

PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH.

b. **What is the key financial information regarding the issuer?**

Investors should read the whole of this document and not rely solely on the summarised financial information set out in this section.

<i>Summary Income Statement</i>	<i>Year ended 30 June 2021</i>
	<i>US\$'000</i>
Total revenue	49,217
Net property income	40,674
Profit from operations	19,857
Total fair value adjustment on investment properties	(51,441)
Share of profits from associates and joint ventures	583
(Loss)/profit before interest and taxation	(38,179)
(Loss)/profit for the year before taxation	(60,931)
(Loss)/profit for the year after taxation	(61,376)
(Loss)/profit attributable to equity shareholders	(51,927)
Total comprehensive (loss)/income relating to the year	(54,329)
Total comprehensive (loss)/income attributable to equity shareholders	(46,511)
Year-on-year revenue growth	1.4%
Operating (loss)/profit margin	40.3%
Net (loss)/profit margin	(124.7)%
Basic and diluted earnings per ordinary share (cents)	(16.54)
	<i>As at</i>
<i>Summary Statement of Financial Position</i>	<i>30 June 2021</i>
	<i>US\$'000</i>
Investment properties	549,491
Investment in associates and joint ventures	167,492
Total assets	810,706
Total equity	278,404
Total liabilities	532,302
Total equity and liabilities	810,706
Net financial debt	405,052
	<i>Year ended</i>
<i>Summary Statement of Cash Flows</i>	<i>30 June 2021</i>
	<i>US\$'000</i>
Net cash generated from/(utilised in) operating activities	19,885
Net cash utilised in investing activities	(1,530)
Net cash generated from financing activities	(9,920)
Net movement in cash and cash equivalents	8,435

Set out below is selected unaudited pro forma financial information which illustrates: (i) the effect on the net assets of the Grit Group as if the Proposed Acquisition and the Issue had taken place on 30 June 2021; and (ii) the effect on the income statement of the Grit Group as if the Proposed Acquisition and the Issue had taken place at the beginning of the year ended 30 June 2021. The unaudited 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 Grit Group's actual financial position or results.

	<i>Grit Group as at 30 June 2021 AUDITED US\$'000</i>	<i>GREA Group as at 30 June 2021 AUDITED US\$'000</i>	<i>Adjustments Pro forma US\$'000</i>	<i>PRO FORMA POSITION Pro forma US\$'000</i>
<i>Summary pro forma statement of net assets</i>				
Investment properties	549,491	59,604	–	609,095
Investment in associates and joint ventures	167,492	64,907	(40,076)	192,323
Total assets	810,706	199,272	(34,564)	975,414
Total liabilities	532,302	6,420	(38,361)	500,361
Total net assets	278,404	192,852	3,797	475,053
Net financial debt	405,052	(10,232)	(48,378)	346,442
	<i>Grit Group for 12 months ended 30 June 2021 AUDITED US\$'000</i>	<i>GREA Group for 12 months ended 31 December 2020 AUDITED US\$'000</i>	<i>Adjustments Pro forma US\$'000</i>	<i>PRO FORMA FOR PERIOD Pro forma US\$'000</i>
<i>Summary pro forma income statement</i>				
Total revenue	49,217	2,779	–	51,996
Net property income	40,674	96	–	40,770
Profit/(loss) from operations	19,857	(736)	–	19,121
Total fair value adjustment on investment properties	(51,297)	7,347	–	(43,950)
Share of profits from associates and joint ventures	583	8,837	(4,135)	5,285
(Loss)/profit before interest and taxation	(38,179)	16,184	(3,600)	(25,595)
(Loss)/profit for the year before taxation	(60,931)	14,676	(2,282)	(48,537)
(Loss)/profit for the year after taxation	(61,376)	12,208	(2,282)	(51,450)

c. What are the key risks that are specific to the issuer?

- (a) The Company may not achieve its strategic objectives and there can be no guarantee that the Company will achieve the stated target returns referred to in this document or that it will not sustain any capital losses through its acquisitions.
- (b) The Grit Group's results are dependent on conditions in the real estate markets in the geographies in which it operates and its performance could be adversely affected by a downturn in those markets, including in terms of property values or a weakening of rental yields. Returns on the Grit Group's investments are particularly dependent on the macroeconomic environment in the African countries in which those investments are located. African economies in general are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks.
- (c) The COVID-19 pandemic has had a negative impact on worldwide economic activity and may have an ongoing impact on the Grit Group's business as it has caused significant disruption to the real estate sector, which could harm the Grit Group's business and results of operations. Africa has borne the economic impacts felt worldwide from the pandemic and remains vulnerable to broader global economic developments associated with the pandemic.
- (d) The Grit Group's operations in Mozambique currently represent a large percentage of the Grit Group's assets, and adverse political, regulatory, competitive or other developments in Mozambique could have a significant impact on the Grit Group's properties in the country in terms of property values or a weakening of rental yields, which could have a material adverse effect on the Grit Group's business, results of operations and financial condition.
- (e) The Proposed Acquisition will expose the Grit Group to new jurisdictions, including Ethiopia, Mali, Uganda and Nigeria. In the event there are adverse political, regulatory, competitive or other developments in such jurisdictions, the value of the Grit Group's assets located there could be negatively impacted, revenues from these assets could decline and the Grit Group's business may be adversely affected which could have a material adverse effect on the Grit Group's business, results of operations or financial condition.
- (f) The performance of certain of the Grit Group's properties, particularly retail and office properties, is highly dependent on anchor or key tenants. Loss of rental income from one or more key tenants could have a material adverse effect on the Grit Group's business, results of operations and financial condition.
- (g) Property markets perform in a cyclical nature and property values can increase or decrease. Economic, political, fiscal and legal issues can affect values as they can with any other investment. As a result, the valuation of the Grit Group's properties is inherently uncertain and valuations may prove to be inaccurate, which could have a material adverse effect on the Grit Group's business, financial condition and results of operations.
- (h) Prior to entering into an agreement to acquire a property, the Grit Group will perform customary due diligence on the proposed investment. However, due diligence may not identify all risks and liabilities in respect of an acquisition, and the Grit Group may not have full recourse against a seller in respect of all potential liabilities, whether identified or unidentified.

- (i) The Grit Group's business has grown significantly in recent years, mostly through acquisitions of additional properties. Property acquisitions may require significant management time and resources, which may divert management's attention from existing operations, and acquisitions that the Grit Group pursues may not be completed successfully. Completion of the Proposed Acquisition is subject to the satisfaction or waiver of a number of conditions. Certain of the conditions to completion will not be satisfied until after the Placing and Open Offer have been completed and there can be no guarantee that the Proposed Acquisition will proceed if all conditions are not satisfied or waived.

It is also possible that the Placing and Open Offer will not raise the Indicated Minimum Proceeds of at least US\$65 million required and therefore neither the Placing and Open Offer nor the Proposed Acquisition will proceed. Grit would then need to pursue alternative actions to rectify its working capital position.

- (j) The Grit Group's reporting and functional currency is US Dollars and it is exposed to foreign exchange risk arising from various currency exposures in the jurisdictions in which it operates. Adverse movements in exchange rates – in particular, movements between the Euro and the US Dollar – may have a negative effect on the Grit Group's earnings, share price, ability to raise capital and repay debts.
- (k) The use of leverage by the Grit Group exposes it to a number of risks associated with borrowings.
- (l) Since the Grit Group operates in a multi-jurisdictional environment, it is 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 Grit Group's business, investments and performance or may result in fines or public censure.

3. Key information on the securities

a. What are the main features of the securities?

i. Type, class and ISIN of the securities being admitted to trading on a regulated market

The securities to be issued under the Issue are Ordinary Shares of no par value in the capital of the Company. The ISIN of the Ordinary Shares is GG00BMDHST63.

ii. Currency, denomination, par value, number of securities issued and term of the securities

The Ordinary Shares are denominated in US Dollars. At the Latest Practicable Date, the issued share capital of the Company comprised 331,235,546 Ordinary Shares.

The Company is targeting an issue of up to 414,647,283 New Ordinary Shares pursuant to the Issue.

iii. Rights attached to the securities

Holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares. The Ordinary Shares carry the right to receive notice of, attend and vote at general meetings of the Company and each holder of Ordinary Shares being present in person or by proxy or by a duly authorised representative at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative shall have one vote in respect of each Ordinary Share held. On a winding-up, the holders of Ordinary Shares shall be entitled to the surplus assets remaining after payment of all the creditors of the Company. The rights attached to any class of shares may be varied with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

iv. Relative seniority of the securities in the event of insolvency

In the event of insolvency, Shareholders will be entitled to a share in the capital of the Company in the same proportions as capital is attributable to them, only after the Company has settled all amounts owed to its creditors.

v. Restrictions on free transferability of the securities

There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws and the restrictions on transfer contained in the Articles. Under the Articles, the Directors may refuse to register the transfer of a share in uncertificated form where it is entitled to refuse to register the transfer under the CREST Regulations, provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:

- (i) is duly stamped to the extent applicable, deposited at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (ii) is in respect of only one class of share; and
- (iii) is not in favour of more than four transferees.

There are also certain limited circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of shares.

vi. **Dividend policy**

The progressive dividend policy adopted by the Board is to pay a semi-annual dividend to Shareholders, typically in March and October in each year. For the year ended 30 June 2021, the Company has paid or declared aggregate dividends of 1.50 cents per Ordinary Share (equivalent to a dividend pay-out ratio of 25.1 per cent. of distributable earnings). This dividend reflected the Board's caution against a backdrop of the global COVID-19 pandemic. However, with the post pandemic recovery hopefully getting underway, the Board expects that dividends (in more normal times) will be at least 80 per cent. of distributable earnings, subject to compliance with the solvency requirements set out in the Companies Law.

Following completion of the Issue and subject to completion of the Proposed Acquisition, the Board expects a higher proportion of annual earnings to be delivered as development profits recognised through increasing property valuations and increasing Net Asset Value. Development gains are not expected to be distributable but should translate into future higher rental income streams being earned.

Following the completion of the Proposed Acquisition and the Issue, Grit is targeting a US Dollar total return of between 13 – 15 per cent. per annum, inclusive of a strong US Dollar dividend generated from higher than average risk adjusted property yields.

The New Ordinary Shares will not carry the right to receive any dividends declared by reference to a record date prior to the date of their issue.

The target total return stated above is a target only and not a profit forecast and there can be no assurance that it will be achieved.

b. **Where will the securities be traded?**

Applications will be made: (i) to the Financial Conduct Authority for all of the New Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium segment of the Official List; (ii) to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the premium segment of the London Stock Exchange's main market; and (iii) to the SEM for such Ordinary Shares to be admitted to the Official Market of the SEM.

c. **What are the key risks that are specific to the securities?**

- (a) 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.
- (b) 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.
- (c) The Ordinary Shares are subject to certain provisions that may cause the Board to refuse to register, or require the transfer of, Ordinary Shares.

4. Key information on the admission to trading on a regulated market

a. **Under which conditions and timetable can I invest in this security?**

i. **General terms and conditions**

New Ordinary Shares are being made available under the Issue at the Issue Price of US\$0.52 per New Ordinary Share. The Issue comprises the Open Offer and the Placing.

Under the Open Offer, Shareholders are being offered the opportunity to apply for up to 1.3011 New Ordinary Shares for every 1 Ordinary Share held and registered in their name as at the Record Date. Completed Open Offer Application Forms and payments under the Open Offer must be received by 11.00 a.m. (GMT) in the UK/11.00 a.m. (MUT) in Mauritius on 16 December 2021.

It is important to the Grit Board that Shareholders are given the opportunity to participate in the Issue. Therefore, priority will be given to applications from Qualifying Shareholders under the Open Offer. Thereafter, any New Ordinary Shares not taken up pursuant to Qualifying Shareholders' applications for their Open Offer Entitlements will be made available to Qualifying Shareholders through the Excess Application Facility, to Placees under the Placing and/or to Selling Shareholders in consideration for Grit's acquisition of their GREA Shares and/or APDM Shares (as applicable) pursuant to the terms of the Share Purchase Agreements entered into in connection with the Proposed Acquisition.

finnCap, Baden Hill and Perigeum Capital have each agreed to use their respective reasonable endeavours to procure subscribers pursuant to the Placing for the New Ordinary Shares. The Placing will close at 3.00 p.m. (GMT) in the UK/3.00 p.m. (MUT) in Mauritius on 17 December 2021 (or such later date as the Company, finnCap and Baden Hill may agree). If the Placing is extended, the revised timetable will be notified through an RIS.

The Open Offer and Placing are conditional on, *inter alia*, (a) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and (b) Admission occurring by 8.00 a.m. (GMT) on 21 December 2021 or such later time and/or date (being no later than 7 January 2022) as the Company, finnCap and Baden Hill may agree). If any such conditions are not satisfied or, if applicable, waived, the Open Offer and Placing 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.

ii. **Expected Timetable**

2021

Record Date for entitlements under the Open Offer	close of business on 19 November
Publication of the Prospectus, posting of the Notice of General Meeting and the Open Offer Application Forms and Issue opens	22 November
Ex entitlement date for the Open Offer	7.00 a.m. (GMT) on 22 November
Open Offer Entitlements and Excess CREST Open Offer Entitlements enabled in CREST and credited to stock accounts of Qualifying CREST Shareholders	as soon as possible on 25 November
Latest time and date for receipt of Forms of Proxy	10.00 a.m. (GMT) / 2.00 p.m. (MUT) on 10 December
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. (GMT) on 10 December
Recommended latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. (GMT) on 13 December
General Meeting	10.00 a.m. (GMT) / 2.00 p.m. (MUT) on 14 December
Announcement of the results of the General Meeting	14 December
Recommended latest time and date for splitting Open Offer Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. (GMT) on 14 December
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions	11.00 a.m. (GMT) in the UK / 11.00 a.m. (MUT) in Mauritius on 16 December
Latest time and date for commitments under the Placing	3.00 p.m. (GMT) in the UK / 3.00 p.m. (MUT) in Mauritius on 17 December
Announcement of results of the Issue	20 December
Admission and dealings in New Ordinary Shares commence ¹	8.00 a.m. (GMT) on 21 December
CREST accounts and CDS accounts credited with uncertificated New Ordinary Shares in respect of the Issue	as soon as possible on 21 December
Where applicable, definitive share certificates in respect of the New Ordinary Shares issued pursuant to the Issue despatched	within 15 Business Days of Admission

iii. **Details of admission to trading on a regulated market**

Applications will be made: (i) to the Financial Conduct Authority for all of the New Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium segment of the Official List; (ii) to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the premium segment of the London Stock Exchange's main market; and (iii) to the SEM for such Ordinary Shares to be admitted to the Official Market of the SEM.

iv. **Plan for distribution**

The Company is targeting an issue of approximately US\$215.6 million (gross) through the issue of up to 414,647,283 New Ordinary Shares by way of the Open Offer and Placing at US\$0.52 per New Ordinary Share.

v. **Amount and percentage of immediate dilution resulting from the issue**

Assuming 125,000,000 New Ordinary Shares are issued, being the minimum amount to be issued pursuant to the Issue:

- Qualifying Shareholders who take up their full Open Offer Entitlement (excluding any New Ordinary Shares acquired through the Excess Application Facility) will not suffer any dilution to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue; and
- Qualifying Shareholders who do not take up any of their Open Offer Entitlement and Shareholders who are not eligible to participate in the Open Offer will suffer a maximum dilution of approximately 27.4 per cent. to their

¹ Shareholders and prospective investors should note that the Share Purchase Agreements are inter-conditional and are subject to the satisfaction, or waiver, of a number of conditions. There can therefore be no guarantee that the Proposed Acquisition will complete. Subject to the satisfaction or waiver of the conditions, the Proposed Acquisition is expected to complete later than Q4 2021. Accordingly, Admission of those New Ordinary Shares to be issued to the Selling Shareholders will take place subsequent to Admission of those New Ordinary Shares to be issued pursuant to the Open Offer and Placing and an announcement relating to such Admission will be made by the Company through a Regulatory Information Service and a SEM announcement.

ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue.

Assuming that 414,647,283 New Ordinary Shares are issued, being the maximum amount to be issued pursuant to the Issue:

- Qualifying Shareholders who take up their full Open Offer Entitlement (excluding any New Ordinary Shares acquired through the Excess Application Facility) will not suffer any dilution to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue; and
- Qualifying Shareholders who do not take up any of their Open Offer Entitlement and Shareholders who are not eligible to participate in the Open Offer will suffer a maximum dilution of approximately 55.6 per cent. to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue.

vi. ***Estimate of the total expenses of the issue***

The costs and expenses of the Issue are expected to be approximately 4.8 per cent. of the Gross Issue Proceeds, on the assumption that the Company issues the maximum number of New Ordinary Shares.

vii. ***Estimated expenses charged to the investor***

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.

b. **Why is this prospectus being produced?**

i. ***Reasons for the issue***

The Issue is being made to reduce Grit's overall indebtedness and leverage levels and provide future capital for further expansion in its core and expanded business. The Issue will also enable Grit to acquire an additional 25.78 per cent. shareholding in GREA and a 78.95 per cent. shareholding in APDM, GREA's external management company (the "Proposed Acquisition").

ii. ***The use and estimated net amount of the proceeds***

The Company intends to use non-cash consideration (through the issue of New Ordinary Shares to Selling Shareholders) to acquire a controlling interest in GREA and APDM, dependant on the level of existing Shareholder participation in the Open Offer. The Gross Issue Proceeds and the value of the amount of New Ordinary Shares to be issued for the purposes of the Proposed Acquisition, on the assumption the Company issues the maximum number of New Ordinary Shares, are anticipated to be approximately US\$215.6 million. On the assumption the Proposed Acquisition is fully settled by the issue of New Ordinary Shares to the Selling Shareholders, then cash proceeds after costs are expected to be approximately US\$126.4 million.

On the assumption that proceeds of only US\$65 million are raised, then cash proceeds after costs are expected to be approximately US\$59.5 million.

The Company anticipates utilising the funds raised through the Issue to make its outstanding capital contributions to GREA, to cash collateralise the DiT guarantee, to reduce Grit's overall indebtedness and leverage levels and provide future capital for further expansion in its core and expanded business.

iii. ***Underwriting***

The Issue is not being underwritten.

iv. ***Material conflicts of interest***

As at the date of this document, there are no interests that are material to the Issue and no conflicting interests.

RISK FACTORS

The Grit Group's business, financial condition, performance, prospects, results and/or the price of the New Ordinary Shares 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 New 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 New Ordinary Shares and the Grit 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 Grit Group's financial condition, performance, prospects, results and/or the price of the New Ordinary Shares.

An investment in the New 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 New Ordinary Shares, or whether an investment in the Ordinary Shares is suitable for them in the light of information in, or incorporated by reference into, 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.

As required by the UK Prospectus Regulation, the risk that the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, has been set out first. Given the forward-looking nature of the risks, there can be no guarantee that any such risk is, in fact, the most material or the most likely to occur. Investors should, therefore, review and consider each risk.

1 Risks relating to the Grit Group's business strategy

The Company may not achieve its strategic objectives

The Company may not achieve its strategic objectives, the main objective being to ensure consistent income and capital growth for investors by focusing on income-producing assets in carefully pre-determined and approved African jurisdictions with strong counterparties as tenants. 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 senior management's successful implementation of the Company's real estate 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 investment strategy will be subject to a number of factors, including market conditions, the availability of funding 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 properties that will fit the Company's strategy, or that it will successfully manage to complete the bidding or negotiation processes for potential investment targets it identifies. Failure to achieve its strategic objectives could have a material adverse effect on the Grit Group's business, results of operations, financial condition and prospects.

The Company may not achieve its target returns or dividend targets

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 Grit Group's portfolio of property assets. In certain of the jurisdictions in which the Grit Group's assets are located, the Grit Group may be subject to regulations restricting the transfer of funds, or requiring the Grit Group to comply with procedural formalities in order to transfer funds outside the country. Compliance with such regulations may result in delays in the

upstreaming of funds generated at the level of the Grit Group's subsidiaries to the Company, which in turn could affect the funds available to the Company for distribution as dividends.

There can be no guarantee that the Company will achieve the stated target returns referred to in this document or that it will not sustain any capital losses through its investments.

The Company can offer no assurance that the Grit Group's portfolio of property assets (including newly acquired assets) will generate sufficient gains or income to offset any losses that may be sustained. If the Company fails to generate the gains or income that it targets, it may not be able to pay dividends at the level it targets or at all.

As the Grit Group expands into new markets, it will face unfamiliar legal, regulatory and business environments, and the Grit Group may not be able to achieve anticipated returns on its investments in new markets

In addition to growing the Grit Group's portfolio in existing markets, the Grit Group's strategy involves selectively seeking and evaluating investment opportunities in new markets in Africa that meet its investment criteria. The successful expansion of the Grit Group into new markets will be dependent on its ability to adapt to new business environments, which may differ significantly from those in the countries in which it currently operates.

This expansion may expose the Grit Group to additional economic or political risks, including threats specific to a particular country or region, such as terrorism, social unrest or other conflicts; negotiations with partners, governments, local communities, suppliers, tenants and other third parties; obtaining financing on terms that are advantageous to the Grit Group; controlling capital and operating costs; regulations relating to the export of currency; and the timely issuance or renewal of permits and licenses by public agencies. Such expansion will expose the Grit Group to a series of unfamiliar laws and regulations. More generally, the success of the Grit Group's expansion into new markets will be dependent on its ability to adapt to different cultures of local government officials, business partners, financial institutions and employees.

As a result of the foregoing factors, investments in new markets may not achieve expected returns or returns that are in line with those of the existing assets in the Grit Group's portfolio, which could have a material adverse effect on the Grit Group's business, results of operations, financial condition and prospects.

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

The Grit Group's co-ownership structures in which it participates subject the Grit Group to certain risks of shared ownership and control of the properties co-owned by the Grit Group under such structures. Approximately 22 per cent. of the Grit Group's income-producing investments and developments in the Existing Portfolio are jointly owned with co-investment partners or associates. The Grit Group may enter into additional associate relationships to finance its acquisition, investment and development activity.

Whilst the Grit 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 Grit 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 Grit Group's ability to proceed with a planned operational change, acquisition, disposal or development, the refinancing or repayment of debt or the ability to respond quickly to changes in the rental market or asset values. For example, the Grit Group has had disagreements with the co-owners of one of its assets regarding a proposed refinancing that in the Grit Group's view would reduce the cost of funding.

Whilst the Grit 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 give rise to disputes and/or deadlock and, in serious cases, may result in the Grit Group exercising its rights under such agreements which may result in a delay in the Grit 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 Grit Group's co-investment arrangements (for example, the Grit Group entered into a leaseback acquisition of a minority stake in Beachcomber Hospitality Investments ("**BHI**"), which includes a call option granted to the majority shareholder to buy back all (but not some) of the shares the Grit Group holds in BHI). Such provisions and

rights may affect the Grit Group's ability to dispose of a property at a time that is most advantageous, for example, by giving the Grit 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 an associate is 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 Grit Group may have increased financial exposure as it may be jointly and severally liable under the terms of the relevant agreement. In such cases, the Grit Group's ability to recover any such monies from an associate may be limited.

Furthermore, the bankruptcy, insolvency or financial distress of one of the Grit Group's associates could materially and adversely affect the relevant co-ownership structure or co-owned asset. The Grit Group may have a right to acquire the relevant co-ownership structure or the relevant co-owned property, but the Grit Group may not wish to do so, may not be able to agree an appropriate price and other terms on which 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 Grit Group and could have an adverse impact on the Grit 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 Grit Group assuming a liability for a greater portion of those obligations than it would otherwise bear.

2 Risks relating to countries where the Grit Group operates

Several countries and regions in which the Grit Group's assets are located have experienced in the past, and may in the future experience, material economic, regulatory, political and civil instability

The returns on the Grit Group's investments are dependent on the macroeconomic environment in the African countries in which those investments are located. African economies in general are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. An economic slowdown in one or more of these countries, such as the significant economic contraction in Ghana and Mozambique in recent years, could exert pressure on market rental rates and could adversely affect the valuation of the Grit Group's properties. In addition, many of the countries in which the Grit Group operates can be affected by economic downturns attributable to factors such as commodity price fluctuations, capital inflows and remittances.

The Grit Group operates in countries with economies in various stages of development and structural reform, some of which are subject to rapid fluctuations in consumer prices, employment levels, gross domestic product and interest and foreign exchange rates. Several countries in Africa have experienced recent periods of governmental or economic instability. The Grit Group may, therefore, be subject to fluctuations in the local economies and to the effect of such fluctuations on the ability of the Grit Group's tenants to pay rent when due.

Governments in certain of the countries in which the Grit Group operates may at times be influenced by political or commercial considerations outside of the Grit Group's control, and may act arbitrarily, selectively or unlawfully, including in a manner that may be harmful to the macroeconomic environment or contrary to common commercial practice, including in ways that may be beneficial to the Grit Group's competitors.

The Grit Group's activities expose it to various levels of political, economic and other risks and uncertainties that vary for each country and include, but are not limited to:

- changes in applicable laws or regulations, including tax laws;
- the risk of arbitrary governmental action;
- retroactive tax claims or claims for secondary tax liabilities;
- expropriation or nationalisation of property;
- limitations on the repatriation of earnings;
- levying of high penalties or demands, including interest on such penalties or demands, for alleged failure to comply with applicable laws or regulations;
- social and labour unrest;

- corruption;
- unstable political, financial, economic or legal systems;
- the lack of well-developed legal systems, which could make it difficult for the Grit Group to enforce contractual rights;
- changing political conditions;
- local content legislation, such as local shareholder participation and local listing requirements;
- limitations on imports or other trade barriers and controls;
- changes to, or implementation of additional, environmental laws, regulations or permitting rules, including changes to existing interpretations of such laws, regulations or permitting rules;
- inflation and currency controls, fluctuations and devaluations;
- wage and price controls;
- governmental regulations that require foreign contractors to purchase supplies locally;
- investment policies for foreign investors, such as clearances and approvals;
- difficulties in staffing and managing operations and risks to the safety and security of employees;
- limitations of autonomy from contracts or joint ventures with public sector entities;
- the risk of uncollectible accounts and long collection cycles;
- allegations of violations of human rights in the countries in which the Grit Group operates, leading to pressure on the Grit Group to cease operations in those countries; and
- outbreaks of disease, civil strife, acts of war, guerrilla activities, insurrection and terrorism.

The Grit Group's ability to pursue recourse against the impact of certain of these risks, should they materialise, may be limited or non-existent, including with respect to any countries where no investment treaty protection is available. Without a bilateral investment treaty or similar protections in place, foreign private investment in certain of the countries in which the Grit Group operates may be constrained.

The above risks could arise in any of the countries in which the Grit Group operates. The occurrence of such risks could have a material adverse effect on the Grit Group's business, results of operations and financial condition.

The Grit Group's operations in Mozambique represent a large percentage of the Grit Group's assets, and changes in demand for the Grit Group's properties in Mozambique or other developments in Mozambique could have a material impact on the Grit Group's assets located there which could have a negative effect on the Grit Group's business

The Grit Group's operations in Mozambique contribute a significant proportion of the Grit Group's revenues and operating profit, although that proportion is expected to reduce following completion of the Proposed Acquisition. For the year ended 30 June 2021, the Grit Group's operations in Mozambique accounted for 38.5 per cent. of the Grit Group's investment portfolio. There can be no assurance that the Grit Group can sustain the current demand for its properties in Mozambique.

Despite rapid development over the past decade, largely fuelled by the oil and gas sector, the economy in Mozambique remains highly dependent on inward flows of foreign capital. A decline in investor sentiment as a result of the collapse in commodity prices and the government defaulting on foreign debt repayments in early 2017 has highlighted the vulnerability of the economy to external dynamics. Forecast real GDP growth of 2.5 per cent. in 2021 will be below the 2009-2020 average of 5.1 per cent., resulting from decreased customer spending following increases in food prices and inflation caused by damage to farmland. Furthermore, deteriorating terms of trade and an ongoing donor boycott are expected to weigh on Mozambique's current account over the coming quarters.

On 26 April 2021, as a result of unrest and security concerns in the northern areas of Mozambique, French energy company Total SE ("**Total**") withdrew its staff from the Afunji LNG site and declared a status of force majeure under their LNG contracts pending restoration of security and stability in Cabo Delgado province. Total continues to fully perform under the terms of its lease contracts with Grit in Maputo,

Southern Mozambique, for office space in Commodity House Phase 1 and corporate accommodation units within Acacia Estate, both leased to Total on long duration contracts. However, if this situation deteriorates the value of, and revenues from, Commodity House Phase 1 and corporate accommodation units within Acacia Estate could be negatively impacted which could have a material adverse effect on the Grit Group's business, results of operations and/or financial condition.

On 20 January 2021, iron ore miner Vale S.A. ("**Vale**") announced its intention to divest of its Mozambique coal assets. Vale continues to support the Moatize coal project's ramp-up to 15 million tonnes per year in the second half of 2021 and 18 million tonnes per year in 2022. Vale currently leases from Grit 163 corporate accommodation units in the VDE housing estate and has more than 3 years remaining on the current lease contract. In the event that there are further adverse political, regulatory, competitive or other developments in Mozambique, the value of the VDE housing estate could be negatively impacted, and revenues therefrom could decline. This could have a material adverse effect on the Grit Group's business, results of operations or financial condition.

The Proposed Acquisition will expose the Grit Group to new jurisdictions not previously approved by the Grit Group's investment committee

Should the Proposed Acquisition proceed, the Grit Group will be entering new jurisdictions – namely Ethiopia, Mali and Nigeria – not previously approved by the Grit Group's Investment Committee. In the event there are adverse political, regulatory, competitive or other developments in such jurisdictions, the value of the Grit Group's assets located there could be negatively impacted, revenues from these assets could decline and the Grit Group's business may be adversely affected which could have a material adverse effect on the Grit Group's business, results of operations or financial condition.

- Ethiopia – the second most populous country in Africa – is a one-party state with a planned economy. For a decade between 2009 and 2019, GDP grew at an average rate of 9.8 per cent. annually – one of the fastest growing economies in the world. This growth was driven by government investment in infrastructure, as well as sustained progress in the agricultural and service sectors. A border war with Eritrea in the late 1990s ended with a peace treaty in December 2000. In November 2007, the Eritrea-Ethiopia Border Commission ("**EEBC**") issued specific coordinates as virtually demarcating the border and pronounced its work finished. Alleging that the EEBC acted beyond its mandate in issuing the coordinates, Ethiopia did not accept them and maintained troops in previously contested areas pronounced by the EEBC as belonging to Eritrea. This intransigence resulted in years of heightened tension between the two countries. However, in June 2018, Prime Minister Abiy Ahmed Ali announced Ethiopia would accept the border ruling of 2000, prompting rapprochement between Ethiopia and Eritrea that was marked with a peace agreement in July 2018 and a reopening of the border in September 2018.

The federal government requested that the National Election Board of Ethiopia cancel elections for 2020 due to health and safety concerns about COVID-19. No official date was set for the next election at that time, but the government promised that once a vaccine was developed for COVID-19 that elections would move forward. The Tigrayan ruling party, Tigray People's Liberation Front ("**TPLF**"), opposed cancelling the elections and, when their request to the federal government to hold elections was rejected, the TPLF proceeded to hold elections anyway on 9 September 2020. Relations between the federal government and the Tigray regional government deteriorated after the election, and on 4 November 2020, Prime Minister Abiy began a military offensive in the Tigray Region in response to attacks on army units stationed there, causing thousands of refugees to flee to neighbouring Sudan.

On 2 November 2021, the Ethiopian government declared a six-month state of emergency after months of escalating conflict with the TPLF led to the latter claiming to have gained significant territory in the Amhara region of northern Ethiopia and threatening to march on Addis Ababa.

- Mali is among the 25 poorest countries in the world and is heavily dependent on foreign aid. In 2019, the IMF granted Mali a 3-year extended credit facility to help implement a structural reform program aimed at improving public finances while promoting economic diversification, energy infrastructure enhancement and human capital improvement. The local economy depends on gold mining and agricultural exports for revenue and the country's fiscal status fluctuates with gold and agricultural commodity prices and the harvest; cotton and gold exports make up around 8 per cent. of export earnings. The country was the location for a military coup in 2012. But despite this it has enjoyed steady economic growth rates in the last few years.

Ibrahim Boubacar Keita won the Malian presidential elections in 2013 and 2018. Terrorism, banditry, ethnic-based violence, and extra-judicial military killings plagued the country during Keita's second term. In August 2020, the military arrested Keita, his prime minister, and other senior members of the government and established a military junta called the National Committee for the Salvation of the People ("**CNSP**"). In September 2020, the junta established a transition government and appointed Bah N'Daw, a retired army officer, as interim president and Colonel Assimi Goita, the coup leader and chairman of the CNSP, as interim vice president. The transition government's charter allows it to rule for up to 18 months before calling a general election.

Tensions have been high between the civilian transitional government and the military since the handover of power in September 2020. On 24 May 2021, tensions came to a head after a cabinet reshuffle and three civilian leaders – including President N'daw, – were detained in a military base in Kati, outside Bamako. On 28 May 2021, Mali's constitutional court named Goita the country's transitional president. On 20 July 2021, Goita survived an assassination attempt, after an assailant attempted to stab the interim President at a mosque in Bamako.

- Nigeria is a key regional player in West Africa and is home to one of the largest youth populations (percentage-wise) worldwide. It has an abundance of natural resources and is Africa's biggest oil exporter, which accounts for over 80 per cent. of the country's export and half of the government's revenue.

In 1999, a new constitution was adopted and a peaceful transition to civilian government was completed. The government continues to face the daunting task of institutionalizing democracy and reforming a petroleum-based economy. In addition, Nigeria continues to experience longstanding ethnic and religious tensions. Although both the 2003 and 2007 presidential elections were marred by significant irregularities and violence, Nigeria is currently experiencing its longest period of civilian rule since independence. The general elections of 2007 marked the first civilian-to-civilian transfer of power in the country's history. National and state elections in 2011 and 2015 were generally regarded as credible. The 2015 election was also heralded for the fact that the then-umbrella opposition party, the All Progressives Congress, defeated the long-ruling People's Democratic Party that had governed since 1999, and assumed the presidency, marking the first peaceful transfer of power from one party to another. Presidential and legislative elections were held in early 2019 and deemed broadly free and fair despite voting irregularities, intimidation, and violence.

Inefficiencies in the judicial systems in African countries and the fragmentation of jurisdictions and legal systems in which the Grit Group operates may create an uncertain environment for investment and business activity

The legal systems in many African countries are in some respects still developing and may be more likely to undergo changes than other more established jurisdictions. This may create uncertainties which do not exist in countries with more developed legal systems. The legal systems of African countries reflect their historical roots and combine elements of traditional, civil and common law. Most of the countries in which the Grit Group has operations are based on English or French legal systems. However, since African countries gained their independence, they have further developed their legal systems, resulting in a highly fragmented legal landscape in Africa.

The legal systems in the Grit Group's African markets continue to undergo development and face a number of challenges, including delays in the judicial process. For example, enforcement of contractual rights through the courts may be subject to difficulties and delays. In many instances, cases take a considerable period of time to be concluded. Delays in obtaining judgments and enforcing them, as well as operating in a number of different legal jurisdictions, result in greater risk and uncertainty in the conduct of the Grit Group's business. The foregoing may have an adverse effect on the Grit Group's ability to protect certain contractual rights, or to defend itself against certain claims by others, including challenges by regulatory and governmental authorities in relation to the Grit Group's compliance with applicable laws and regulations which may have an adverse effect on the Grit Group's business, results of operations and financial condition.

In addition, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business which may be susceptible to revision or cancellation, as a result of which legal redress may be uncertain or delayed. Such uncertainties may impact the Senior Management Team's decision-making process with respect to investments.

There can be no guarantee that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of, and enforcement of, such arrangements in these jurisdictions cannot be assured, which may have a material adverse effect on the Grit Group's business, results of operations and financial condition.

Some of the countries in which the Grit Group owns properties have relatively high rates of inflation

Several of the countries in which the Grit Group operates, such as Ghana, Kenya, Mozambique and Zambia, have at times experienced, and currently experience, relatively high rates of inflation. The volatility of local currencies in those jurisdictions may have a significant effect in particular on the Grit Group's costs when translated into US Dollars.

Notably, inflation in Mozambique is expected to rise over 2019 and 2020, as reduced agricultural output following the recent cyclones raises food prices to push headline price growth higher.

High rates of inflation in some of the countries in which the Grit Group operates may also result in a decrease in consumer purchasing power and consumer confidence, which may negatively affect travel industry demand at the Grit Group's hotels and demand at the Grit Group's shopping centres, particularly in those markets with lower levels of disposable income and foreign tourism, which could in turn increase the likelihood of default by the Grit Group's tenants. High rates of inflation could also adversely affect the ability of the Grit Group's tenants to pay rent in US Dollars or Euros. Inflationary trends are unpredictable and it is possible that significantly higher inflation in the future in the countries in which the Grit Group owns properties could have a material adverse effect on the Grit Group's business, results of operations, financial condition and prospects.

The Grit Group's operations are subject to risks relating to fraud, bribery, theft and corruption and the Grit Group's risk management or compliance systems may be inadequate or unable to detect or prevent such risks

Certain of the countries in which the Grit Group conducts business have, from time to time, experienced high levels of governmental and business corruption. Although the Grit Group adheres to a robust anti-bribery, anti-corruption and anti-money laundering compliance framework, the Grit Group's operations may nevertheless be the target of criminal activity or corruption and, in certain circumstances, strict compliance with anti-bribery and anti-corruption laws may conflict with local customs and practices. Criminal activity, corruption or terrorist action against the Grit Group and its properties or facilities could materially and adversely affect the Grit Group's business, results of operations or financial condition.

While the Grit Group maintains and regularly updates its IT and control systems, anti-corruption, anti-money laundering and economic sanctions training programmes, codes of conduct, know your counterparty ("KYC") procedures and other safeguards designed to prevent the occurrence of fraud, bribery, theft, corruption and breaches of applicable anti-money laundering and sanctions laws and regulations, it may not be possible for the Grit Group to detect or prevent every instance of fraud, bribery, theft, corruption or non-compliance with applicable anti-money laundering and sanctions laws and regulations in every jurisdiction in which the Grit Group's employees, agents, sub-contractors or commercial partners are located.

The Grit Group's ability to comply with applicable anti-bribery, anti-corruption, anti-money laundering and sanctions laws is dependent on the success of its ongoing compliance programme, including its ability to continue to manage its third-party contractors and business partners and supervise, train and retain competent employees. Adverse outcomes in investigations or findings made against the Grit Group or its directors, officers, employees, commercial partners or third-party contractors relating to bribery, corruption, money laundering, sanctions violations or other illegal activity could result in criminal or civil penalties, including substantial monetary fines against the Company and other members of the Grit Group, its directors, officers, employees, commercial partners or third-party contractors.

Any allegations that the Grit Group or its directors, officers, employees, commercial partners or third-party contractors are involved in corrupt practices or other illegal activities, even if subsequently proved to be unfounded, may damage the Grit Group's reputation and require significant expense and management time to investigate. Instances or allegations of fraud, bribery, theft, corruption and money laundering, and violations of sanctions and other applicable laws and regulations in the jurisdictions in which the Grit Group

operates could have a material adverse effect on the Grit Group's business, results of operations, financial condition and prospects.

The time taken to transfer property ownership in some African countries can cause unplanned increases in acquisition costs or delays in yield-enhancing property improvements

Due to government bureaucracy, lack of effective administrative training and out-of-date, paper-based land and property registration systems, property transfers in some African countries can take considerably longer than is usually experienced in developed countries. This translates into legal uncertainty risk, notably in Ghana where, in the Grit Group's experience, the issuance of title deeds may take a significant amount of time, resulting in banks requiring additional corporate guarantees from the Grit Group to cover such risk, and ultimately, increases in acquisition costs for the Grit Group.

Although the Grit Group makes provisions in any sale agreement it enters into to ensure rental receipts in the period between completion and transfer accrue to the Grit Group, the transfer itself can take months and, in some rare cases, over a year. As a result, there is a risk that additional costs might be incurred during the time required to complete the property transfer. In addition, there is a risk that planned improvements to the property anticipated by the Grit Group to enhance rental yields might be delayed until transfer is complete.

The Grit Group is exposed to risks related to underdeveloped infrastructure and disruptions in the supply of utilities in certain of the countries in which the Grit Group does business

Underdeveloped infrastructure and inadequate management of infrastructure in the countries in which the Grit Group operates can result in increased costs for the Grit Group as well as create situations that could negatively impact the Grit Group's ability to conduct business, such as electricity outages and poor voltage output. For example, in May 2019 the Zambian state-owned electricity supplier Zesco announced indefinite, rotating power cuts to take place from 1 June 2019 after severe rainfall deficits had affected water levels at the country's hydropower plants.

Unreliable roadways or underdeveloped road systems, rails, pipelines, telecommunications networks, harbours or airports can cause disruptions to the Grit Group's logistics flow and could hamper its ability to provide services to its tenants efficiently and reliably.

Such risks may increase as the Grit Group expands into new markets where infrastructure may be increasingly underdeveloped. Disruptions in the supply of products or services required for the Grit Group's operations as a result of inadequate infrastructure, or the need to develop infrastructure, could have a material adverse effect on the Grit Group's business, results of operations, financial condition and prospects.

3 Risks relating to the Grit Group's industry sector

The Grit Group's results are dependent on conditions in the real estate market and property values, which are heavily influenced by macroeconomic conditions, in the geographical markets in which it operates

Real estate markets and property values are affected by various economic factors, such as inflation, interest rates, financing conditions, growth in gross domestic product, employment trends and the economic confidence of banks, businesses and consumers as well as demographic factors, such as population, migration and household growth. The performance of the Company could be adversely affected by a downturn in the real estate market in terms of capital value or a weakening of rental yields.

Any future property market recession could materially adversely affect the value of the Grit Group's properties. Returns from an acquisition of 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.

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.

Accordingly, any negative change in market demand as a result of the above factors may also adversely affect valuations of the Grit Group's properties. Any of the above developments could result in a deterioration of the economic environment in the markets in which the Grit Group operates, which could adversely impact the perceived and actual value of the Grit Group's properties which could have a material adverse effect on the Grit Group's business, financial condition and results of operations.

The performance of certain of the Grit Group's properties, particularly retail and office properties, is highly dependent on anchor tenants or key tenants

The Grit Group's largest tenants include international and pan-African supermarket chains and tenants from the hospitality, telecoms, mining, oil and gas, logistics and banking sectors. Certain of the Grit Group's properties are occupied by a single tenant or were designed or built to the specifications of a particular tenant. As at 30 June 2021, approximately 70 per cent. of the Grit Group's rental income was generated through lease agreements entered into with its top fifteen largest tenants (including Beachcomber Resorts & Hotels, Vodacom, Lux Resorts & Hotels, Total, Vale, Vodacom, Tullow Oil and Shoprite amongst others). The largest individual tenant is Beachcomber Resorts & Hotels across three properties, which together account for approximately 11.3 per cent. of the Grit Group's rental income as at 30 June 2021.

If the Grit Group fails to satisfy the needs of its key tenants, or if a key tenant decides not to renew its lease upon expiry or defaults on its rent as a result of changes in its business environment, strategy or otherwise, the Grit Group could suffer material rental shortfall and incur additional expenses – including legal and surveyor's costs in re-letting, maintenance costs, insurance and marketing costs – and the Grit Group's profitability, liquidity and financial condition could be adversely affected until the property is re-let.

In the year ended 30 June 2021, retail properties constituted approximately 25.3 per cent. of the Grit Group's revenues. In general, due to volatile economic conditions, rising inflation in certain jurisdictions and competition from alternative sales channels, the retail sector across Africa is facing increased challenges. Retailers also face continued competition from discount or value retailers, factory outlet centres, wholesale clubs and shopping via the internet. Retail properties are particularly dependent on anchor tenants to attract customers, and are consequently highly exposed to the loss of an anchor tenant. A lease termination by an anchor tenant could also in turn impact the leases of other tenants, as they may be entitled to modify the terms of their existing leases in the event of a lease termination or closure of the business by an anchor tenant (conversely, anchor tenants may have minimum occupancy thresholds that allow for a reduced rental charge if not met). Any such modifications or conditions could be unfavourable to the Grit Group, as the property owner, and could have a material negative impact on the Grit Group's rent revenues or expense recoveries.

The hospitality market, which in the year ended 30 June 2021 accounted for approximately 18.5 per cent. of the Grit Group's revenues and which is expected to be a key sector for the Grit Group going forward, is seasonal in nature and is highly competitive and influenced by factors such as general and local economic conditions, location, room rates, quality, service levels, reputation and reservation systems, among many other factors. Competition also increasingly comes from non-traditional hospitality sources, such as home-sharing platforms. Such competition, along with other factors including over-building in the hospitality or leisure industry and certain deterrents to travelling, may increase the number of rooms available and decrease the average occupancy and room rates of the Grit Group's hospitality properties, which in turn could adversely affect the ability of the Grit Group's hospitality tenants to pay rent when due. In addition, the occurrence of events such as adverse weather or an outbreak of an infectious disease or any other serious public health concern could result in a reduction of demand at the Grit Group's hospitality properties. Any declines in, or disruptions to, the travel industry in the markets in which the Grit Group owns hospitality properties may therefore adversely affect the ability of the Grit Group's tenants to pay rent to the Grit Group and could ultimately adversely affect the valuation of such properties.

Loss of rental income from one or more key tenants, as a result of any one of the factors stated above or any other factor, could have a material adverse effect on the Grit Group's business, results of operations and financial condition.

Competition in the property market may impact the Grit Group's ability to acquire or let properties

The Grit Group may face significant competition from other property companies, including international investors newly attracted to the African continent. Other property companies may have strategic objectives that overlap with the Grit Group, which may create competition for investment opportunities and for tenants. Some of the Grit Group's competitors, including other publicly listed real estate companies, may have comparatively greater name recognition and substantially greater financial and marketing resources. Some competitors may have a lower cost of funds and access to funding sources that are not available to the Grit Group, and may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships.

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. This may result in downward pressure on lease rates, and the Grit Group may fail to acquire properties it targets or may not be able to acquire such properties at expected prices. As a consequence, the Grit Group may not be able to acquire properties as quickly as desired, may need to increase its administrative costs associated with transactions, or may be forced to pay higher prices than projected. Furthermore, there are generally no significant barriers to investing in the property market other than the availability of capital, real estate expertise and access to acquisition offers. Consequently, there are favourable conditions for the entry of new market participants which could result in increased competition in the future.

Accordingly, the existence of such competition or increased competition may have a material adverse impact on the Grit Group's ability to acquire properties or develop land at satisfactory prices or to secure tenants for its properties at satisfactory rental rates and on a timely basis, which could have a material adverse effect on the Grit Group's business, results of operations, financial condition and prospects.

The Grit Group may be insufficiently insured against natural disasters, terrorism and other events beyond the control of the Grit Group and accidents at the Grit Group's properties, even if insured, may damage the Grit Group's reputation

Damage to properties as a result of natural disasters, such as earthquakes, floods, hurricanes or other extreme weather events, or other events beyond the control of the Grit Group, including fires, explosions, acts of terrorism, civil strife, acts of war, guerrilla activities and disease outbreaks, may lead to material damage to investment properties and, therefore, financial loss to the Grit Group. The Grit Group believes its insurance coverage is in line with industry and market best practice, and its insurance policies are subject to 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. Should an uninsured loss or a loss in excess of insured limits occur, the Grit Group could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Grit Group could be liable to repair damage caused by uninsured risks. The Grit 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 Grit 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 Grit Group has to make a payment, there could be an adverse effect on the Grit Group's business, financial condition and results of operations.

There is a risk of accidents involving the public at shopping centres and resorts and other premises owned by the Grit 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 Grit Group's reputation, business, financial condition and results of operations. In such instance, the Grit Group's ability to put in place public liability insurance cover in the future may also be adversely affected.

Development, 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, as well as the availability and cost of required debt financing. Consequently, on some of its assets, there may not be an opportunity for the Grit Group to carry out redevelopment or expansion or refurbishment or enhancement work, which, in each case, may have an adverse effect on the Grit Group's business, financial condition and results of operations.

Real estate projects developed by the Grit Group can take longer than planned or cost more than planned and the return on such projects may decrease for this reason. To the extent that the Company participates in new development opportunities, there is a risk that the development contractor fails to perform their duties in accordance with the objectives set by the Company, or a risk of delay in the project completion schedule leading to financial losses or delayed revenue materialisation to the Company. There is also the risk that licences, consents and approvals and the required debt financing are not obtained on a timely basis, which could lead to delays in project completion and revenue materialisation.

Forward funded projects possess (unless assumed by the developer and/or contractor) potential risks associated with the construction and development of commercial real estate, any of which could result in increased costs and/or damage to persons or property, and there can be no guarantee that the Grit Group will be able to successfully pursue a strategy of forward-funding of risk-mitigated development projects, whether through its relationship with GREA or otherwise

Grit's investment charter allows for pre-funding of risk-mitigated development projects, which together with the investment in GREA, is limited to 20 per cent. of Gross Asset Value measured at the time of investment. Forward funding typically involves the acquisition of land from a developer subject to a pre-let but where the development has not yet been carried out. The developer will construct the development paid for by the acquirer. The forward funding provided by Grit is fully secured with additional developer guarantees and with the developer paying market-related interest rates from inception.

Forward funded projects possess (unless assumed by the developer and/or contractor) potential risks associated with the construction and development of real estate, any of which could result in increased costs and/or damage to persons or property. Forward funded projects are subject to various hazards and risks associated with the construction and development of real estate, including personal injury and property damage, delays in the timely completion of projects and properties being available for occupancy, cost overruns in relation to the services provided by the third party contractors that are not borne by such contractors, fraud or misconduct by an officer, employee or agent of a third party contractor, liability of the Company for the actions of the third party contractors or insolvency of third party contractors.

To the extent that such risks are not assumed by the developer and/or contractor, the occurrence of any of these events could result in increased operating costs, fines and legal fees and potentially reputational damage or criminal prosecution of the Company and its Directors, all of which could have an adverse effect on the Company's business, financial condition, results of operations, future prospects or the market price of the Ordinary Shares.

In addition, there is a risk of disputes with developers and/or contractors should they fail to perform against contractual obligations. Any litigation or arbitration resulting from any such disputes may increase the Grit Group's expenses and distract the Grit Group's management from focusing their time to fulfil the strategic objectives of the Grit Group.

In the event that a developer and/or contractor needs to be replaced, whether due to expiry of an existing contract, insolvency, poor performance or any other reason, the Grit Group will be required to appoint a replacement developer and/or contractor. There can be no assurance that the Grit Group would be able to retain a new developer and/or contractor on acceptable terms or at all. Any such replacement developer and/or contractor may be more costly to the Grit Group. If it takes a long time to find a suitable developer and/or contractor, it could potentially lead to delays, lower technical and operating performance or downtime for the relevant asset or cancellation of key contracts. This could have a material adverse effect on the Grit Group's financial position, results of operation and business prospects.

Through the Proposed Acquisition, the Grit Group will face increased risks associated with the use of third-party development contractors

As is common practice in the real estate development sector, certain aspects of a development project are conducted by outside contractors and as a result, the Grit Group will become subject to increased risks associated with the use of development contractors, including reduced control over the aspects of the development that are the responsibility of a contractor, failure of a contractor to perform under its agreement, the Grit Group's inability to replace the contractor if either the Grit Group or the contractor terminate the service agreement, interruption of operations in the event the contractor ceases operations as a result of a contractual dispute with the Grit Group or as a result of liquidity constraints, insolvency or other unforeseen events, failure of the contractor to comply with applicable legal and regulatory requirements, and failure of the contractor to properly manage its workforce resulting in labour unrest, strikes or other employment issues, and tax issues related to the arrangement of contracts, any of which may have a material adverse effect on the Grit Group's business, financial condition and results of operations. The Grit Group will also become subject to risks associated with contractor misconduct, which could have negative impacts on the communities in which the Grit Group operates and could lead to community issues, enforcement actions, legal claims or could have a negative impact on the Grit Group's reputation. Any of these factors could have a material adverse effect on the Grit Group's business, results of operations and financial condition.

Available development contractors in Africa are drawn from a narrow pool of entities with the requisite experience, sophistication and skill, and the Grit Group's ability to manage the risk of overreliance on one or more contractors may be limited by the availability of credible or sufficiently attractive alternatives.

4 Risks relating to the Grit Group's business operations

Due diligence may not identify all risks and liabilities in respect of an acquisition, and the Grit Group may not have full recourse against a seller in respect of all potential liabilities, whether identified or unidentified

Prior to entering into an agreement to acquire a property, the Grit Group will perform customary due diligence on the proposed acquisition, 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 Grit 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 Grit 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 Grit 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.

Furthermore, as part of any acquisition, the Grit 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 generally limited in their scope, duration and/or amount. Accordingly, the Grit 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 Grit Group will be dependent on the ongoing solvency of, and its ability to gain recourse from, 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 Grit Group's business, financial condition and results of operations.

The Grit Group may be unable to execute acquisitions successfully, including the Proposed Acquisition, or to successfully integrate newly acquired properties

The Grit Group's business has grown significantly in recent years, mostly through acquisitions of additional properties. Property acquisitions may require significant management time and resources, which may divert

management's attention from existing operations, and acquisitions that the Grit Group pursues may not result in the returns that the Grit Group expects or may fail to be completed successfully. In addition, the acquisition of properties is inherently subject to other risks, including:

- over-paying for assets;
- incorrect assumptions regarding the future results of acquired operations;
- taking over lease agreements that include provisions unfavourable to the lessor;
- restrictions on foreign exchange transactions and cross-border movement of domestic and foreign currency limiting repatriation of funds out of the country;
- current operators may not wish to vacate the property;
- failing to attract and subsequently retain highly skilled employees and country managers;
- the acquired operation's accounting records may be deficient; and
- the property may be the object of unforeseen environmental or tax requirements or other circumstances that have a negative impact on the value of the property.

Although the Grit Group performs due diligence before every investment, which is designed to identify and, where possible, reduce the risks that may be associated with that investment, there is a risk that the future operation of properties acquired could have a material adverse effect on the Grit Group's business, financial condition and results of operations.

In addition to the above, the integration and consolidation of acquisitions requires substantial personnel, financial and other resources, including management's time and attention.

Successful integration of acquired properties into the Grit Group's existing business is essential for the Grit Group's ability to grow profitably and if the Grit Group is unsuccessful in identifying, executing and integrating acquisitions in a timely and cost-effective manner, the Grit Group's business, financial condition and results of operations could be materially and adversely affected.

Completion of the Proposed Acquisition is subject to the satisfaction of a number of conditions. The Share Purchase Agreements are inter-conditional and each is subject to the satisfaction or, where applicable, waiver of conditions, including regulatory and competition approvals and the passing of the Proposed Acquisition Resolution. The Gateway Partners Share Purchase Agreement is conditional on the Placing and Open Offer raising a minimum of US\$135 million. This condition may be waived by Gateway Partners, in its sole discretion. The Dorado Share Purchase Agreement is conditional on the Placing and Open Offer raising a minimum of US\$65 million. This condition is not capable of waiver. Certain of the conditions to completion will not be satisfied until after the Placing and Open Offer have been completed and there can be no guarantee that the Proposed Acquisition will proceed if all conditions are not satisfied or waived. If the Proposed Acquisition does not take place following completion of the Placing and Open Offer, Grit will not be able to access the potential benefits of the Proposed Acquisition, being the acceleration of the Grit Group's ability to access development returns from GREA's risk mitigated development projects, potential for NAV growth as projects are completed, exposure to new revenue and income streams, enhanced diversification of the Grit Group's geographic exposure and optimisation of debt funding for the Enlarged Group.

The Grit Group may lose members of its management team or other key personnel and may be unable to recruit suitable replacements

The Company relies on its management and their experience, skill and judgement, in identifying, selecting and negotiating the acquisition of suitable investment opportunities and managing that portfolio going forward. 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 twelve months' notice. The Grit Group is also dependent on local country managers that are highly skilled and knowledgeable with regard to the business environments and cultures in the respective country. Training such individuals often requires considerable time and effort, and there can be no assurance as to the continued service of these individuals as directors, managers 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 and may require an extended period in which to find suitable replacements and may have a temporary adverse effect on the business.

The Grit Group also faces competition for highly qualified employees, in particular from competing real estate companies, and may be unable to recruit, retain or replace such key employees in a timely fashion or at all. If any key personnel leave and carry on any activities that compete with the Grit Group's strategy, the Grit Group may lose potential business opportunities or other key professionals and staff members, and legal remedies against such individuals may be limited.

Underperformance of property managers, development contractors and other third-party contractors

In addition to sourcing and maintaining its own employees and equipment, the Grit Group depends on the provision of labour, equipment and services by third parties, including property managers and development contractors. As a result, the Grit Group's operations are subject to a number of risks, some of which are outside of its control, including:

- failure of a contractor to comply with the terms of an agreement with the Grit Group;
- interruption of operations or increased costs in the event that a contractor ceases its business due to insolvency or other unforeseen circumstances;
- failure of a contractor to comply with applicable legal and regulatory requirements; and
- difficulty in managing the workforce, labour unrest or other employment issues.

In addition, the Grit Group may incur liability to third parties as a result of the actions of its contractors.

Any failure by property managers, development contractors and other third-party contractors to maintain high quality standards could give rise to reputational damage, and to legal or regulatory actions being brought against the Grit Group, which could have a material adverse effect on the Grit Group's business, financial position and results of operations.

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 Grit Group may negatively affect the financial performance of the Grit 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.

The Grit Group may incur expenses even if a transaction is unsuccessful

The Company may incur legal, financial and other advisory expenses arising from unsuccessful transactions, including the Proposed Acquisition, which may include expenses incurred in dealing with transaction documentation and legal, accounting and other due diligence.

There is no certainty that future property acquisitions will become effective as they will be subject to the satisfaction of a number of conditions, including, among other things:

- 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 by the tenant of pre-emptive rights to acquire the buildings on the same terms and conditions as the Grit 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 any acquisitions.

Operational risks may lead to financial loss or reputational damage

Operational risks, including interruption of the Company's information technology, communications systems or data services could disrupt its business and result in financial losses or reputational damage. The Company relies on financial, accounting, communications and other data processing systems. If such

systems do not operate properly, are disabled or are compromised, the Company could suffer financial loss, a disruption of its business, liability, regulatory intervention or reputational damage. Such information technology and communications systems are vulnerable to damage or disruption from fire, power loss, telecommunications failure, system malfunctions, natural disasters such as hurricanes, earthquakes and floods, acts of war or terrorism, employee errors or malfeasance, computer viruses, cyber-attacks, or other events which are beyond the control of the Company. Insurance and other safeguards might only partially reimburse the Company for its losses, if at all.

While the Company has implemented disaster recovery plans and backup systems to lessen the risk of any material adverse impact, its disaster recovery planning may not be sufficient to mitigate the harm and cannot account for all eventualities, and a catastrophic event that results in the destruction or disruption of any data or critical business or information technology systems could severely affect its ability to conduct its business operations, and as a result, could have a materially adverse effect on the Grit Group's reputation, business, financial condition, results of operations and prospects.

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

The Grit Group may undertake refurbishment or redevelopment projects or invest in property that requires refurbishment prior to the letting or re-letting of all or any part of the property. The risks of refurbishment or redevelopment include, but are not limited to:

- delays in timely completion of the project;
- cost overruns which are not borne by a third-party developer;
- poor quality design, management or workmanship;
- lack of adequate sources of funding to allow it to undertake or complete all required works;
- absence of anticipated demand for the property at the time the development, redevelopment or refurbishment;
- failure to secure lease agreements with suitable tenants prior to completion of the project;
- inability to obtain governmental, administrative and/or regulatory permits on a timely basis or at all; and
- diversion of resources and attention of the Board and management from operations and acquisition opportunities.

The Grit Group may not realise anticipated returns and could potentially generate a loss on an investment in property refurbishment or redevelopment. Failure to generate anticipated returns may have a material adverse effect on the Grit Group's financial condition, business, results of operations and prospects.

Operating in multiple languages as well as in markets with different cultures presents challenges

The Grit Group operates in a multi-jurisdictional environment and is therefore exposed to a multi-lingual operating environment—including most commonly English, French, Portuguese, Arabic, Akan, Swahili and Bemba.

Language barriers in day-to-day operations as well as cultural differences in markets where the Grit Group operates currently and plans to operate in the future can create misinterpretation of instructions that might result in delays to projects and non-delivery of services. It may also cause delays in producing management reports. Distinct contract laws exist in different countries and a standard agreement may not be applicable for all jurisdictions. Accordingly, and notwithstanding the use of local counsel where appropriate, there is a risk of inability to correctly interpret detailed contractual terms and conditions where a standardised agreement cannot be adopted.

5 Risks relating to the Grit Group's financial situation

Risks relating to the Grit Group's working capital position if the Placing and Open Offer does not proceed

Grit has sought and received written confirmations from certain existing Shareholders and new investors of their intention to subscribe pursuant to the Placing and Open Offer (the “**Indicated Minimum Proceeds**”). These written confirmations, as at the Latest Practicable Date, total in excess of US\$65 million. However, the written confirmations do not constitute a legally binding agreement and as such there is a risk that the Indicated Minimum Proceeds are not ultimately received by the Company.

It is therefore possible that the Placing and Open Offer will not raise Indicated Minimum Proceeds of US\$65 million required and therefore neither the Placing and Open Offer nor the Proposed Acquisition will proceed. Grit would then need to pursue alternative actions to rectify its working capital position, including but not limited to the following:

- Grit would continue its dialogue with PIC in respect of the DiT obligations, and in particular seek continued assurances from PIC that it does not intend calling on the Grit Group guarantee;
- Grit would seek agreement from GREA to settle the US\$17.9 million final capital contribution in respect of GREA's capital call due in December 2021 by way of a transfer of certain property assets, instead of by settlement in cash;
- Grit would continue to seek to refinance the Grit Group's debt facility due in April 2022 for a net amount of US\$47.1 million, for which negotiations are on-going with the relevant lender as well as other potential lenders; and
- Grit would seek alternative new debt facility and equity fundraising opportunities, for which it has certain on-going discussions with certain potential providers of new debt facilities and/or new equity fundraisings.

The valuation of the Grit Group's properties is inherently uncertain and valuations may prove to be inaccurate

The valuation of the Grit 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. The property market can perform in a cyclical nature and property values can increase or decrease. Economic, political, fiscal and legal issues can affect values as they can with any other investment. The Grit 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.

For the purpose of the valuation reports in Parts IX and X of this document, in determining market value, the independent 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 Grit Group's financial condition. Any incorrect valuation assumptions could potentially inhibit the Grit Group's ability to realise a sale price that reflects the stated valuation.

Further, if the Grit Group acquires properties based on inaccurate valuations, the Grit Group's net assets and results of operations may be materially adversely affected in the event that the Grit Group is required to take an impairment charge or revaluation adjustment. There can be no assurance that the valuations of the Grit 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 Grit Group's properties.

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

The Grit Group is exposed to foreign exchange risk

The Grit Group's reporting and functional currency is US Dollars. The Grit 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. Although the Grit Group actively manages its limited foreign exchange exposure to currencies other than the US Dollar, foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Adverse movements in foreign currency exchange rates – in particular, movements between the Euro and the US Dollar – may have a negative effect on the Grit Group's earnings, share price, ability to raise capital and repay debts.

Although a majority of the Grit Group's revenue is denominated in hard currency (namely US Dollars and Euros), tenants might struggle to obtain sufficient hard currency in local jurisdictions to pay rent when due. The availability of hard currency in local jurisdictions can be subject to seasonal fluctuations (for example, increased demand amongst local businesses at certain periods in the year in order to pay hard currency dividends to foreign owners or shareholders). In the event that insufficient hard currency is available, the Grit Group may have to accept rental payments from tenants in local currency, which would expose it to additional foreign exchange rate risk, or it may face delays in receiving rent from tenants, which would expose it, in particular with regard to key tenants, to additional liquidity risk.

The use of leverage by the Grit Group exposes the Grit Group to risks associated with borrowings

Debt financing is integral to the Grit Group's business model, as debt funding is required to support the Grit Group's investment strategy and development expenditure and to refinance maturing debt. Funding costs are the result of the decision to finance certain activities of the Grit Group with external financing, primarily bank loans. Movements in the cost of debt on non-fixed rate facilities may potentially have a significant impact on the long term profitability of the Grit Group. The availability and cost of debt funding will have a significant impact on the Grit Group's profitability and capital structure. Should debt funding be restricted, the Grit Group may become reliant on equity or equity-related capital. This could increase the Grit Group's overall cost of capital and make certain types of property acquisition economically unattractive or not feasible. A severe rationing of debt funding over the longer term may require the Grit Group to dispose of property assets, potentially at unattractive prices, to avoid expensive refinancing costs.

The Grit Group's financing agreements contain covenants that may restrict the Grit Group's operational flexibility, its ability to make distributions and its ability to obtain additional loans or to further mortgage or dispose of the property or discontinue insurance coverage, and may also limit the Grit Group's ability to enter into or terminate certain operating or lease agreements related to the property. Several of the Grit Group's financing agreements include loan-to-value covenants and/or debt service coverage ratio covenants. Certain of the Grit Group's borrowings also include vacancy covenants, according to which the vacancy rate in relation to certain properties shall not exceed a predetermined percentage—accordingly, should the vacancy rate exceed that threshold without being cured during the grace period, the Grit Group would be required to provide additional equity financing, which could have an adverse effect on the Grit Group's business, financial condition and results of operations.

Any breach of covenants could require the Grit Group to dispose of assets at significantly less than full value. Additionally, any enforcement of security may lead to reputational damage for the Grit Group and result in lender unwillingness to extend finance and/or raise the Grit Group's future borrowing costs, all of which could have a material adverse effect on the Grit Group's business, financial condition and results of operations.

In total, approximately 73 per cent. of the Grit Group's borrowings are the subject of parent company guarantees from the Company. Any default under such loan facilities could trigger a right of recourse to other assets of the Company. Furthermore, approximately 74 per cent. of the Grit Group's financing agreements include cross-default provisions under which loans provided under such agreements will become immediately due if the borrower or another relevant member of the Grit Group defaults under

another financing arrangement to which it is a party. In most cases there are threshold amounts which must be exceeded in order for the cross-default provisions to be triggered.

Nothing in this risk factor prejudices the working capital statement made in paragraph 11 of Part XII (*Additional Information*) of this document.

Increases in interest rates could increase the amount of the Grit Group's loan interest payments and adversely affect its ability to make distributions to Shareholders

Interest rates can fluctuate due to, among other things, inflationary pressures, disruption to financial markets and the availability of bank credit. While the Grit Group would benefit from falling interest rates, rising interest rates would result in higher financing costs. Any rise in interest rates and associated rise in the Grit Group's financing costs for both its existing or new properties could have an adverse effect on its business, net assets, financial condition, cash flow, and results of operations. Interest paid on the Grit Group's borrowings will reduce cash available for distributions. If the Grit Group obtains variable rate loans (as at 30 June 2021, 55 per cent. of the Grit Group's borrowings were at variable rates), increases in interest rates would increase its interest costs, which would reduce cash flows and the Grit Group's ability to make distributions. In addition, if the Grit Group needs to repay existing loans during periods of rising interest rates, it could be required to liquidate one or more of its investments at times that may not permit realisation of the maximum return on such investments. Furthermore, the Grit Group's interest rate hedging strategy, which utilises interest rate swaps and, on occasion, fixed rate loans to match Grit Group borrowings to the underlying cashflows, may be inadequate or insufficient to keep the Grit Group's balance sheet exposure to interest rate movements to a minimum.

6 Regulatory, tax and legal risk

Regulatory decisions and changes in the regulatory environment in the jurisdictions in which the Grit Group operates could adversely affect its business

The Grit 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 Grit Group's business, investments and performance or may result in fines or public censures.

The Company is subject to regulatory risk for non-compliance with the listing requirements of the LSE and the SEM. The applicable listing requirements may at times conflict. Failure to comply with any rules and regulations, including in the event of a conflict, may lead to, among other things, fines and/or public censures and may ultimately affect the reputation of the Grit Group.

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, property 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 acquiring a property and limits acquisitions of properties 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 detriment of foreign investors such as the Company (in respect of flow of dividends, capital, taxation and land ownership or otherwise).

Changes to tax status or tax legislation or the interpretation of tax legislation

Any change in the tax status of the Company or a member of the Grit Group, or in taxation legislation or practice in Mauritius, Guernsey, the United Kingdom or elsewhere, could affect the value of the investments in the Grit Group's portfolio and the Company's ability to achieve its strategic objectives.

The Grit Group is subject to changing tax laws, regulations and treaties in and between the countries in which it operates. The Grit Group's tax expense is based upon the tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, regulations or treaties or in the interpretation thereof, or in the valuation of the Grit Group's deferred tax assets, which are beyond the Grit Group's control, could result in a materially higher tax expense or a higher effective tax rate on the Grit

Group's worldwide earnings. Additionally, any expansion into new jurisdictions could adversely affect the Grit Group's tax profile and significantly increase its future cash tax payments.

Given that tax laws and regulations in the various jurisdictions in which the Grit Group operates may not provide clear or definitive doctrines, the Grit Group's expectations regarding the tax regime applied to its operations and intra-group transactions are based on its interpretations of tax laws and regulations, and on advice received from third parties. Such interpretations may be questioned by the relevant tax authorities, and the Grit Group could become subject to tax audits and tax reviews in the various jurisdictions in which it operates and could become the subject of adverse tax assessments with the local tax authorities in some of these jurisdictions. In certain of the jurisdictions in which the Grit Group operates, the Grit Group has experienced aggressive tax enforcement, for example, in which the tax authority assesses an amount that the Grit Group believes to be without merit, requiring the Grit Group to prosecute lengthy and costly proceedings to dispute the amount assessed.

Any additional tax liability imposed by such tax authorities may not be provided for and may exceed any accounting provisions made for such tax and may have an adverse impact on the Grit Group's financial condition or results of operations. In addition, the Grit Group benefits from tax and other related exemption regimes in some of the jurisdictions in which it operates. Changes in these exemption regimes or, more generally, any failure to comply with the tax laws or regulations of the countries in which the Grit Group operates, may result in reassessments, late payment interest, fines and penalties, which could have a material adverse effect on the Grit Group's business, results of operations, financial condition and prospects.

7 Environmental, social and governance risks

The Grit Group may be subject to material social, environmental and health and safety requirements and liabilities in connection with its property portfolio and development of its properties

The Grit Group must comply with applicable social, environmental and health and safety requirements in the jurisdictions in which it operates. These requirements relate to a variety of matters relating to the properties that the Grit Group owns. For example, the soil and groundwater at the properties the Grit Group owns could be contaminated with hazardous materials from industrial activity that may have occurred in the past. Under some environmental, health and safety laws and regulations, the Grit Group could be liable to investigate or remediate contamination at properties the Grit Group owns, even if the contamination was caused by persons unrelated to the Grit Group and not through its fault. While the Grit Group is not currently aware of any significant soil or groundwater contamination, the discovery of previously unknown contamination or the imposition of new obligations to investigate contamination at the Grit Group's properties could result in substantial unanticipated costs.

In addition, the Grit Group could be subject to material social, environmental and health and safety requirements as a condition of obtaining the necessary permits or financing for real estate or other project development at its properties. Objections on social, environmental or health and safety grounds, including as may be raised by governmental authorities, surrounding or affected communities, non-governmental organisations, financial institutions, investors or other stakeholders, could materially impede the Grit Group's ability to develop its properties and thereby have a material adverse effect on their value.

Risks relating to Task Force on Climate Related Financial Disclosures ("TCFD")

If the Grit Group fails to respond appropriately, and sufficiently, to climate change risks or fails to benefit from the potential opportunities, this could lead to damage to its reputation, loss of income and/or property values and loss of the Grit Group's licence to operate. Overall, the climate change agenda continues to increase in prominence and importance. Various governments around the world continue to introduce more legislative aspects linked to climate risk, for example from 2022, the Grit Group, as a consequence of having a premium listing, will have to disclose in line with the TCFD in the United Kingdom, the latest UK energy white paper setting out higher standards for energy efficiency in commercial and residential properties.

Risks relating to transformation initiatives

In line with the Company's commitment to support local economic growth, the Company facilitated a transformation initiative together with the PIC on behalf of the GEPP in 2017. The transformation initiative

was established to jointly provide guarantees in order to allow DiT to raise a cost effective debt facility in order to subscribe for shares in the Company. The primary security for DiT's financier was a contingent repurchase obligation ("**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. Under the 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. The guaranteed loss is determined as the loan amount less the proceeds of the sale of underlying shares held as security.

In August 2020, DiT's financier elected not to extend DiT's loan facility past the initial 3 year term. As a result, the CRO was enforced and the CRO obligation was settled by the PIC transferring DiT's loan facility to the PIC. PIC is entitled, but not obligated to enforce their rights under the guarantee agreement. The Company is currently in discussions with the PIC and DiT to find a sustainable solution for its exposure under the guarantee agreement.

Health and safety risk

Health and safety is the highest priority on a construction site. There is always a risk of the construction company not following or adhering to health and safety protocols and policies. This could result in a serious injury or death of labourers on site. This will then result in a delay in completion date or delivery/ handover of the project.

Use of underage labourers on site

Although there are policies and procedures in place regarding this, there is sometimes the risk of a contractor or subcontractor using underage labourers on construction sites. The Grit Group does not tolerate such activities, but this could result in reputational damage to the Grit Group should it occur without the Grit Group's knowledge.

8 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.

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. Securities markets in general, particularly of shares of companies in the real estate sector, have been volatile in the past. The market price and the realisable value of the Ordinary Shares may be affected by the underlying value of the Grit Group's assets, changes in the Grit Group's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategy. It will also be affected by, among other things, 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.

The Ordinary Shares are subject to certain provisions that may cause the Board to refuse to register, or require the transfer of, the Ordinary Shares

Although the Ordinary Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles, compulsorily require the transfer of the Ordinary Shares. These circumstances include where 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 would or might: (i) cause the assets of the Company to be treated as “plan assets” of any Benefit Plan Investor; (ii) result in the Company and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Advisers Act of 1940 and/or the US Securities Act and/or the US Exchange Act of 1934 (as amended) and/or any similar legislation (in any jurisdiction); (iii) cause the Company to be a “controlled foreign corporation” for the purpose of the US Tax Code; (iv) 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); or (v) create a significant legal or regulatory issue for the Company under the US Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder.

Currency risk

The Ordinary Shares are priced in US Dollars on the London Stock Exchange and the SEM and dividends declared are denominated in US Dollars. The value of dividends received by Shareholders may be affected favourably or unfavourably by fluctuations in currency rates.

Future sales of Ordinary Shares could cause the market price of the Ordinary Shares to fall

Sales of Ordinary Shares or interests in the Ordinary Shares by significant investors could depress the market price of the Ordinary Shares. A substantial number of Ordinary Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Ordinary Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

9 Risks relating to the Issue

Shareholders’ ownership and voting interests may be diluted as a result of the Issue

The ownership and voting interests of any Shareholders not participating in the Issue will be diluted.

Qualifying Shareholders who take up their full Open Offer Entitlement (excluding any New Ordinary Shares acquired through the Excess Application Facility) will not suffer any dilution to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue.

Assuming 414,647,283 New Ordinary Shares are issued pursuant to the Issue, Qualifying Shareholders who do not take up any of their Open Offer Entitlement and Shareholders who are not eligible to participate in the Open Offer will suffer a maximum dilution of approximately 55.6 per cent. to their ownership and voting interests in the Company.

10 COVID-19

The COVID-19 pandemic has had a negative impact on worldwide economic activity and may have an ongoing impact on the Grit Group’s business

The rapid, global spread of COVID-19 and its variants has adversely affected the global economy and has resulted in significant volatility in financial markets and volatility in the price of and demand for real estate. Government measures taken in response to the COVID-19 pandemic, including quarantine and lockdown

orders, as well as other indirect effects from the COVID-19 pandemic on global economic activity, have resulted in some degree of global economic downturn.

The pandemic and the widespread and rapid implementation of measures to contain it have had, and continue to have, a significant adverse impact on the global economy, including the economies of Africa. As a result, COVID-19 has emerged as a multi-faceted risk with a variety of implications for the Grit Group. The impact of the COVID-19 pandemic, the steps taken to control it and the measures introduced to support the economies in which the Grit Group operates, may have a material adverse effect on the businesses, financial condition, property valuations, results of operations, execution of medium-term growth strategies, customer proposition development and prospects of the Grit Group.

Operationally, business continuity planning has been and remains challenging in many countries in which the Grit Group operates. The response to the pandemic has varied by jurisdiction, with authorities imposing different requirements, often changing as the crisis evolves.

The future spread of COVID-19, including in areas where the Grit Group's assets are located, may result in greater risk of exposure to employees of both the Grit Group and its tenants. In addition, the Grit Group's tenants may seek to release themselves from their contractual obligations by claiming that the ongoing pandemic and associated government responses constitute a force majeure event. Furthermore, the liquidity of the Grit Group's tenants may be impacted by the COVID-19 pandemic, potentially leading to increased credit risk if the economic downturn and government-imposed measures to curb the spread of the COVID-19 pandemic continue for an extended period of time.

The impact of the COVID-19 pandemic on the Grit Group's business going forward will depend on a range of factors which the Grit Group is not able to accurately predict, including the duration and scope of the pandemic, the geographies impacted, the efficacy and rate of vaccinations, the impact of the pandemic on economic activity and the nature and severity of measures adopted by governments, including restrictions on travel and orders to self-quarantine or shelter in place.

The COVID-19 pandemic has led to sharp reductions in global growth rates and the ultimate impact on the global economy remains uncertain. Accordingly, the COVID-19 pandemic may have significant negative impacts in the medium and long-term, including on the Grit Group's business, financial condition and results of operations.

The full extent to which the COVID-19 pandemic impacts the Grit Group's businesses, financial condition and results of operations, will depend on future developments, which are highly uncertain and cannot be predicted, including the risk of the emergence, severity and spread of additional COVID-19 variants in the future.

Africa has borne the economic impacts felt worldwide from the COVID-19 pandemic

Although the majority of countries in which the Grit Group operates has been far less affected by direct COVID-19 caseloads, and the broader African continent has a significantly lower death rates than Europe, Asia and North America, the African continent has nevertheless borne the economic impacts felt worldwide and remains vulnerable to broader global economic developments associated with the pandemic.

For example, in order to stop the spread of the disease amongst the local population, governments have closed borders which has had an immediate knock-on effect on the local tourism industry. In urban areas, retail malls – particularly enclosed malls – have faced temporary closures which in many cases have led to longer-term financial implications for retail tenants.

Changing real estate trends as a result of the pandemic are not necessarily uniformly comparable across the globe. Although “work from home” has become a new normal in the developed markets, Africa has other contributing factors such as limited access to quality internet connection, security of corporate data and company assets meaning that the “work from home” concept has neither been viable nor practical in many African countries.

However, whilst this has meant many office employees in African countries have returned to their normal place of work post government-imposed lockdowns far quicker, there is a much greater risk of new

waves of the pandemic because of the slow roll-out of vaccination programs compared to developed markets.

According to the World Health Organization, by the end of July 2021 almost 79 million COVID-19 vaccine doses had arrived in Africa and 21 million people, or just 1.6 per cent. of Africa's population, were fully vaccinated. High-income countries have given 61 times more doses per person than low-income countries. It will take considerable time for countries in Africa to demonstrate the level of vaccination that has been experienced in developed markets to date.

The COVID-19 pandemic has caused significant disruption to the real estate sector, which could harm the Grit Group's business and results of operations

The COVID-19 pandemic, together with measures aimed at mitigating the further spread of COVID-19, such as restrictions on travel, imposition of quarantines, border closures, prolonged closures of workplaces, curfews and other social distancing measures, have had a significant adverse effect on the global economy and international financial markets and may have a material adverse effect on the Grit Group's business. A number of factors that are important for the Grit Group to successfully conduct its business could be materially affected by the COVID-19 pandemic and its long-term consequences:

- some tenants in the Grit Group's properties could find it increasingly difficult to pay rent, thereby leading to an increase in late payments and a consequential reduction of the Grit Group's cash flow;
- other tenants in the Grit Group's properties may go bankrupt or may no longer be able to afford to pay rent at all and be forced to move out, thereby further reducing the Grit Group's revenue streams. As a result, the Grit Group may be confronted with having lower occupancy levels or having to lower rental prices at its properties;
- the COVID-19 pandemic may have a negative impact on rental and sale prices and overall demand for real estate, which may also affect the Grit Group's cash flow; and
- the Grit Group's development and construction activities may be negatively affected due to, among other things, delays in performance of the Grit Group's contractors or their unavailability in general, as well as delays in obtaining necessary permits and authorizations as a result of decreased capacity of the relevant governmental and other authorities, agencies and offices.

As of the date of this document, further development and the extent of the long-term impact of the COVID-19 pandemic on the Grit Group is highly uncertain and depends on a number of factors, such as the duration and scope of the pandemic and the suitability and effectiveness of measures adopted by authorities in response to it. The continued spread of the COVID-19 pandemic and the occurrence or escalation of one or more of the above developments may have a material adverse effect on the Grit Group's business, financial condition, results of operations, cash flows and prospects.

The Grit Group has experienced – and may continue to experience – a lower demand for its retail properties as a result of the COVID-19 pandemic and a significant decline in occupancy rates may have an adverse impact on the Grit Group's cash flows

The COVID-19 pandemic and the resultant lockdowns mandated by local governments has had a particular impact on the retail sector in Africa, particularly for enclosed malls. As a result, during the last 18 months, the Grit Group was forced to make concessions to a number of its retail tenants. Although some of the concessions provided were as a result of local laws, the Grit Group also provided support to tenants where necessary to protect the long-term viability of such tenants.

Despite the support offered by the Grit Group, the pandemic has undoubtedly accelerated structural challenges in the retail sector in general, and there has been a large impact on vacancies due to the financial difficulties of some retail tenants.

As of the date of this document, the Grit Group owned retail assets in Kenya, Morocco, Mozambique and Zambia, which collectively account for 21.1 per cent. by value of the Grit Group's property portfolio. Should the Proposed Acquisition go ahead, the retail portfolio will extend to Uganda.

The Grit Group's vacancy rate was 5.3 per cent. at 30 June 2021 (31 December 2020: 8.0 per cent.). However, the vacancy rate in the retail segment was 14.7 per cent. at 30 June 2021 (31 December 2020: 22.8 per cent.), representing over 80 per cent. of the reported Grit Group vacancy.

There can be no assurance that the Grit Group will be able to reduce its vacancy rates in the retail sector in the future, and the risk remains that these vacancy rates may increase again if new waves of the pandemic are experienced and further lockdowns mandated by local governments.

The closure of borders as a result of COVID-19 has put significant pressure on the tourism sector, and the economy in general, in Mauritius

COVID-19 has had a severe impact on the economy of Mauritius after the borders were closed and tourist arrivals halted in March 2020, bringing the country's vital hospitality sector to a complete standstill.

In response, the Mauritian government has provided significant support to the local economy, and specifically the tourism sector, in particular through the following measures:

- Covid Bill: The Covid Bill provided tenants with the ability to defer all rental payments to landlords from April 2020 to August 2020, encouraging tenants not to cancel leases due to inability to service rentals. However, such tenants were also bound by law to repay any rental deferrals by no later than 31 December 2021;
- Wage Subsidy Scheme: The Mauritian government instituted a wage subsidy to assist operators in paying their work force. All salaries up to MUR25,000 per month in the tourism sector were paid for by government until the end of the December 2020. The full amount is to be repaid to government only to the extent that the operators have taxable income in the next financial year;
- Waiver of land leases: As all hotels are on leasehold properties, the government has waived all the land lease charges for 12 to 24 months; and
- Cashflow support through the Mauritius Investment Corporation ("**MIC**"): In May 2020, the government announced a support program for an amount of US\$1.5 billion. The support program is run under the control of the central bank in a new vehicle called the Mauritius Investment Corporation. The cashflow support is provided to qualifying companies by means of a bond over a period of up to 9 years at preferential interest rates. The bonds are convertible to equity at the end of the term should they not be redeemed. Key terms of the MIC program include the requirement to make, amongst other things, rental payments and not to alter the terms of material contracts, thus providing significant comfort to landlords of the successful applicants.

The COVID-19 pandemic may have a direct impact on the wellbeing of the Grit Group's employees

The spread of COVID-19 and measures taken to contain it may have a direct impact on employees' health as well as causing longer term wellbeing risks, such as impact on mental health resulting in absence, increasing pressure on the Grit Group's workforce and reducing skills available in key areas. The unavailability of staff could harm the Grit Group's ability to perform critical functions and adversely impact the quality and continuity of service to customers and the reputation of the Grit Group.

The COVID-19 pandemic may have a direct impact on the IT environment of the Grit Group

Cyber liability continues to pose a major risk to almost all business globally. This has been heightened by the 'work-from-home' environment that COVID-19 has created. Cyber criminals have been actively targeting individuals as they work from less secure IT environments.

IMPORTANT INFORMATION

Notice to investors

Investors should rely solely on the information contained in this document and the information incorporated by reference into this document (and any supplementary prospectus produced to supplement the information contained in this document) when making a decision as to whether to purchase New Ordinary Shares. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company or the Directors.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation and Rule 3.4 of the Prospectus Regulation Rules, neither the delivery of this document nor any issue or sale made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Company and its subsidiaries taken as a whole since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

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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, the Proposed Acquisition, the New Ordinary Shares, the Issue or 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 Placing, finnCap, Baden Hill and Perigeum Capital and any of their respective affiliates (acting as an investor for their own account(s)) may subscribe for the New 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 Placing or otherwise. Accordingly, references in this document to the New 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, Perigeum Capital or any of their respective affiliates acting as an investor for its or their own account(s). None of finnCap, Baden Hill or Perigeum Capital intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

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 New Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of New 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 New 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.

Forward-looking statements

Certain statements contained in this document, which include, but are not limited to, statements in respect of the Proposed Acquisition, the expected timetable for completing the Proposed Acquisition, the benefits of the Proposed Acquisition, and certain plans, targets and expectations relating to the future financial condition, performance, strategic initiatives, objectives and results of the Grit Group and/or GREA and/or APDM and/or the Enlarged Group constitute “forward-looking statements”.

In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, statements containing terms such as “aim”, “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “seek”, “may”, “could”, “outlook” and similar statements of a future or forward-looking nature. Forward-looking statements may be affected by a number of variables which are or may be beyond the control of the Grit Group and/or GREA and/or APDM and which could cause actual results or trends to differ materially, including, but not limited to, domestic and global economic business conditions; market-related risks such as fluctuations in interest rates; the policies and actions of governmental and regulatory authorities; the effect of competition, inflation and deflation; the effect of legislative, fiscal, tax and regulatory developments in the jurisdictions in which the Grit Group, GREA and APDM and their respective affiliates operate; the effect of operational risks; and the loss of key personnel; and the impact of any action taken by governmental and regulatory bodies in seeking to suppress the spread of COVID-19 or in its aftermath. Each forward-looking statement contained in this document speaks only as at the date of this document. Except as required by applicable law, including the Listing Rules, the UK Prospectus Regulation, the Prospectus Regulation Rules, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company’s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

By their nature, all forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. As a result, undue reliance should not be placed on forward-looking statements. The actual results of operations, financial condition, prospects, growth and strategies of the Grit Group, GREA, APDM and the Enlarged Group, and the development of the sectors in which they operate, may differ materially from the plans, goals and expectations set forth in any forward-looking statements. In addition, even if the results of operations, financial condition, prospects, growth, synergies and strategies of the Grit Group, GREA, APDM and the Enlarged Group, and the development of the industry in which they operate, are consistent with the forward-looking statements in this document, those results or developments may not be indicative of results or developments in subsequent periods.

These forward-looking statements are qualified by the risk factors described in the section entitled “Risk Factors” set on pages 11 to 34 of this document. Any forward-looking statement contained in this document based on past or current trends and/or activities of the Grit Group and/or GREA and/or APDM should not be taken as a representation that such trends or activities will continue in the future. Nothing in the preceding three paragraphs should be taken as limiting or qualifying the working capital statement in paragraph 11 of Part XII (*Additional Information*) of this document.

Information to distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the PROD Sourcebook (the “**UK Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares 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 Chapter 3 of the FCA's Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the market price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New 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. Furthermore, it is noted that, notwithstanding the Target Market Assessment, finnCap and Baden Hill will only procure investors 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 Chapters 9A or 10A of the FCA's Conduct of Business Sourcebook; 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 New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

Sources and presentation of financial information

Sources and presentation of financial information relating to the Grit Group

Unless specified otherwise, financial information relating to the Grit Group as at and for the year ended 30 June 2021 has been extracted without adjustment from the consolidated audited financial statements relating to the Grit Group as at and for the year ended 30 June 2021, which are incorporated into this document by reference in Part VI (*Financial Information on Grit Group*) of this document (the "**Grit 2021 Annual Financial Statements**"). The Grit 2021 Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Sources and presentation of financial information relating to GREA

Unless specified otherwise, the financial information relating to GREA as at and for each of the years ended 31 December 2018, 31 December 2019 and 31 December 2020, and the interim financial information for the six months ended 30 June 2021 and the six months ended 30 June 2020, has been extracted without adjustment from the consolidated audited financial statements relating to GREA as at and for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and from the unaudited interim financial information relating to GREA as at and for the six months ended 30 June 2021 and the six months ended 30 June 2020, which are contained in Part VII (*Financial Information on GREA*) of this document (the "**GREA Financial Information**"). The GREA Financial Information has been prepared in accordance with IFRS. The Directors confirm that the unaudited interim financial information on GREA has been prepared in a manner consistent with the accounting policies adopted by the Grit Group in the Grit 2021 Annual Financial Statements.

Enlarged Group financial information

Following Completion, the Company will own a 51.66 per cent. stake in GREA and a 78.95 per cent. stake in APDM. The accounting policies applied to GREA and APDM will be the same as those applied to the Grit Group. The Enlarged Group's financial year will be 1 July to 30 June.

Pro forma financial information relating to the Enlarged 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 VIII (*Unaudited Pro Forma Financial Information on the Enlarged Group*) of this document. The unaudited pro forma financial information for the Enlarged Group has been prepared in accordance with sections 1 and 2 of Annex 20 of the Prospectus Delegated Regulation and in a manner consistent with the accounting policies

and presentation adopted by the Grit Group in its consolidated audited financial statements as at and for the year ended 30 June 2021, which are incorporated by reference in this document. No account has been taken of any results of other activity since 30 June 2021.

The unaudited pro forma statement of net assets of the Enlarged Group has been prepared based on the Grit 2021 Annual Financial Statements and the unaudited interim financial information of GREA for the six months ending 30 June 2021 to illustrate the effect on the net assets of the Grit Group as if the Proposed Acquisition and the Issue had taken place on 30 June 2021.

The unaudited pro forma income statement of the Enlarged Group has been prepared based on the Grit 2021 Annual Financial Statements and the financial information of GREA for the year ended 30 December 2020 to illustrate the effect on the income statement of the Grit Group as if the Proposed Acquisition and the Issue had taken place at the beginning of the year ended 30 June 2021.

The unaudited pro forma income statement of the Enlarged Group and the unaudited pro forma statement of net assets of the Enlarged Group together form the unaudited pro forma financial information.

The unaudited pro forma financial information contained in Part VIII (*Unaudited Pro Forma Financial Information on the Enlarged Group*) of this document has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Grit Group's actual financial position or results.

It may not therefore give a true picture of the Enlarged Group's financial position or results, nor is it indicative of the results that may or may not be achieved in the future.

Non-IFRS financial measures

Any non-IFRS financial measures for the Grit Group and GREA included in this document are supplementary measures that are not required by, or presented in accordance with, IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measures calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. Such non-IFRS financial measures are included in this document because they are used by management to assess operating performance and as a basis for strategic planning and forecasting. The Directors also believe that these or similar measures are widely used by securities analysts, investors and other interested parties as supplemental measures of operating performance. The non-IFRS measures contained in this document have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, measures presented in accordance with IFRS. In addition, the non-IFRS measures presented by the Grit Group or GREA may not be comparable to similarly titled measures presented by other businesses, as such businesses may define and calculate such measures differently. Accordingly, undue reliance should not be placed on the non-IFRS measures contained in this document.

Rounding

Certain numerical figures contained in this document, including financial information, market data and certain operating data have been subject to rounding adjustments for ease of presentation. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

Currencies and exchange rate information

Unless otherwise indicated in this document, all references to:

- (a) "sterling", "pounds sterling" or "£" are to the lawful currency of the UK; and
- (b) "\$" or "US Dollars" or "US\$" are to the lawful currency of the US.

Unless otherwise indicated, the financial information contained in this document has been expressed in US Dollars. The functional currency of the Company is US Dollars and the Grit Group presents its consolidated financial statements in US Dollars. The functional currency of GREA and APDM is US Dollars and the consolidated financial statements and management accounts of GREA are presented in US Dollars.

Where financial information has been converted from one currency to another, the relevant exchange rate used for such conversion is indicated.

No profit forecasts or estimates

No statement in this document or incorporated by reference into this document is intended as a profit forecast or profit estimate for any period and no statement in this document or incorporated by reference into this document should be interpreted to mean that earnings per Ordinary Share for the current or future financial years would necessarily be greater or lesser than those for the relevant preceding financial years for the Company.

Third party information

The Company confirms that all third-party data contained in this document has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Where third party information has been used in this document, the source of such information has been identified.

No incorporation of website

The contents of the Company's or members of the Enlarged Group's websites or any website directly or indirectly linked to the Company's or members of the Enlarged Group's websites do not form part of this document and investors should not rely on them, save for those webpages specifically referred to in paragraph 17 of Part XII (*Additional Information*) of this document.

Definitions

Certain terms used in this document, including capitalised terms, are defined in Part XIII (*Definitions*) of this document.

Notice to prospective investors in Mauritius

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

This document is not an invitation to the public in Mauritius to subscribe for New 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 Mauritius, as envisaged in the Mauritian Securities Act 2005, as amended.

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 (“EEA”)

In relation to each EEA state (each a “**relevant member state**”), no New Ordinary Shares or Open Offer Entitlements have been offered or will be offered pursuant to the Issue to the public in that relevant member state prior to the publication of a prospectus in relation to the New Ordinary Shares or Open Offer Entitlements which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the EU Prospectus Regulation, except that offers of New Ordinary Shares or Open Offer Entitlements may be made in that relevant member state at any time:

- (a) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such relevant member state; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of New Ordinary Shares or Open Offer Entitlements shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the EU Prospectus Regulation.

For this purpose, the expression “offer of New Ordinary Shares or Open Offer Entitlements to the public” in relation to any New Ordinary Shares and Open Offer Entitlements in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Issue and any New Ordinary Shares and Open Offer Entitlements to be offered so as to enable an investor to decide to subscribe for or acquire any New Ordinary Shares or Open Offer Entitlements.

Notice to Shareholders in the United States

The New Ordinary Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the US and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the US except pursuant to an applicable 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 of the US.

SHARE CAPITAL

Number of issued Ordinary Shares at the Latest Practicable Date	331,235,546
Maximum number of New Ordinary Shares to be issued	414,647,283
Price at which the New Ordinary Shares will be issued	US\$0.52
Maximum number of Ordinary Shares in issue immediately following Admission ¹	745,882,829
Estimated market capitalisation of the Company at Completion ¹	US\$387,859,071
New Ordinary Shares as a percentage of the Enlarged Share Capital immediately following Completion ¹	approximately 56 per cent.

Notes:

- ¹ Assuming 414,647,283 New Ordinary Shares are issued in connection with the Proposed Acquisition and pursuant to the Open Offer and Placing and that no additional Ordinary Shares are issued by the Company between the Latest Practicable Date and Completion.

DEALING CODES

ISIN – Open Offer Entitlement	GG00BPBJRL02
SEDOL – Open Offer Entitlement	BPBJRL0
ISIN – Excess CREST Open Offer Entitlement	GG00BPBJRM19
SEDOL – Excess CREST Open Offer Entitlement	BPBJRM1
ISIN – Ordinary Shares	GG00BMDHST63
SEDOL – Ordinary Shares	BMDHST6
LSE Share Code – Ordinary Shares	GR1T
SEM Share Code – Ordinary Shares	DEL.N0000

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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 and a SEM announcement.

2021

Record Date for entitlements under the Open Offer	close of business on 19 November
Publication of the Prospectus, posting of the Notice of General Meeting and the Open Offer Application Forms and Issue opens	22 November
Ex entitlement date for the Open Offer	7.00 a.m. (GMT) on 22 November
Open Offer Entitlements and Excess CREST Open Offer Entitlements enabled in CREST and credited to stock accounts of Qualifying CREST Shareholders	as soon as possible on 25 November
Latest time and date for receipt of Forms of Proxy	10.00 a.m. (GMT) / 2.00 p.m. (MUT) on 10 December
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. (GMT) on 10 December
Recommended latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. (GMT) on 13 December
General Meeting	10.00 a.m. (GMT) / 2.00 p.m. (MUT) on 14 December
Announcement of the results of the General Meeting	14 December
Recommended latest time and date for splitting Open Offer Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. (GMT) on 14 December
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions	11.00 a.m. (GMT) in the UK / 11.00 a.m. (MUT) in Mauritius on 16 December
Latest time and date for commitments under the Placing	3.00 p.m. (GMT) in the UK / 3.00 p.m. (MUT) in Mauritius on 17 December
Announcement of results of the Issue	20 December
Admission and dealings in New Ordinary Shares commence ²	8.00 a.m. (GMT) on 21 December
CREST accounts and CDS accounts credited with uncertificated New Ordinary Shares in respect of the Issue	as soon as possible on 21 December
Where applicable, definitive share certificates in respect of the New Ordinary Shares issued pursuant to the Issue despatched by post	within 15 Business Days of Admission

² Shareholders and prospective investors should note that the Share Purchase Agreements are inter-conditional and are subject to the satisfaction, or waiver, of a number of conditions. There can therefore be no guarantee that the Proposed Acquisition will complete. Subject to the satisfaction or waiver of the conditions, the Proposed Acquisition is expected to complete later than Q4 2021. Accordingly, Admission of those New Ordinary Shares to be issued to the Selling Shareholders will take place subsequent to Admission of those New Ordinary Shares to be issued pursuant to the Open Offer and Placing and an announcement relating to such Admission will be made by the Company through a Regulatory Information Service and a SEM announcement.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Peter Todd – <i>Independent non-executive Chairman</i> Bronwyn Knight – <i>Executive Director and Chief Executive Officer</i> Leon van de Moortele – <i>Executive Director and Chief Finance Officer</i> David Love – <i>Independent non-executive Director</i> Catherine McIlraith – <i>Independent non-executive Director</i> Sir Samuel Jonah – <i>Independent non-executive Director</i> Nomzamo Radebe – <i>Non-executive Director</i> Jonathan Crichton – <i>Independent non-executive Director</i> Cross Kgosidiile – <i>Independent non-executive Director</i> Nchaupe Bright Laaka – <i>Permanent alternate to Nomzamo Radebe</i>
Company Secretary	Intercontinental Fund Services Limited Level 5, Alexander House 35 Cybercity Ebene, 72201 Mauritius
Registered Office	PO Box 186 Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 4HP
Sponsor, Sole Global Co-ordinator and Bookrunner	finnCap Ltd 1 Bartholomew Close London EC1A 7BL United Kingdom
Bookrunner	Baden Hill (a trading name of Northland Capital Partners Limited) 35-39 Maddox Street Prince Frederick House London W1S 2PP United Kingdom
Corporate Adviser	Platform 3 Limited 203 Allied Building 2nd Floor, Francis Rachel Street Victoria, Mahe Seychelles
SEM Authorised Representative and Sponsor and Mauritian Transaction Adviser and Placing Agent	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	Dentons Mauritius LLP Les Jamalacs Building Vieux Conseil Street Port Louis 11328 Mauritius

English Legal Advisers to the Sponsor, Sole Global Coordinator and Bookrunners	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
Statutory Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH United Kingdom
Reporting Accountant to the Company	Deloitte LLP One New Street Square London EC4A 3HQ
Reporting Accountant to GREA	Mazars 4 th Floor Unicorn Centre, 18N, Frere felix de Valois Port Louis Mauritius
Registrar	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
Receiving Agent (UK)	Link Group Corporate Actions 10 th Floor, Central Square 29 Wellington Street Leeds LS1 4DL
Mauritian Registrar and Transfer Agent	Intercontinental Secretarial Services Ltd Level 3, Alexander House 35 Cybercity Ebene, 72201 Mauritius
Independent Valuers	Knight Frank LLP 55 Baker Street Marylebone London W1U 8AN United Kingdom REC Real Estate Consulting, LDA Edificio JAT V-1 Rua. Dos Desportistas 833 14 ^º Andar, Maputo Mozambique

PART I

LETTER FROM THE CHAIRMAN



GRIT REAL ESTATE INCOME GROUP LIMITED

(Registered in Guernsey)
(Registration number: 68739)
SEM share code: DEL.N0000
LSE share code: GR1T
ISIN: GG00BMDHST63
("Grit" or the "Company")

Directors:

Peter Todd (*Chairman*)⁺
Bronwyn Knight (*Chief Executive Officer*)^{*}
Leon van de Moortele (*Chief Financial Officer*)^{*}
Jonathan Crichton⁺
David Love⁺
Sir Samuel Jonah⁺
Nomzamo Radebe
Catherine McIlraith⁺
Nchaupe Bright Laaka
(permanent alternate to Nomzamo Radebe)
Cross Kgosidiile⁺

* *Executive Director*

+ *Independent Non-Executive Director*

Registered Office:

PO Box 186
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 4HP

22 November 2021

To Shareholders

Dear Sir or Madam

Proposed Open Offer and Placing for up to 414,647,283 New Ordinary Shares at US\$0.52 per New Ordinary Share

Proposed acquisition of majority stakes in Gateway Real Estate Africa Limited ("GRE") and Africa Property Development Managers Limited ("APDM") (the "Proposed Acquisition") and connected smaller related party transaction

Notice of General Meeting

1 Introduction

Grit's investment strategy of owning high quality real estate assets across multiple African geographies (excluding South Africa) and across diversified asset classes has proven to be a robust and resilient approach. Grit is the only listed real estate owner and asset management company operating at scale across Africa (excluding South Africa) offering "cradle to grave" real estate solutions to multinational tenants. More recently, with the step up to the premium listing on the Official List of the FCA, Grit has created a strongly governed investment platform for the further deployment of capital onto the African continent.

The challenging operating environment and severe COVID-19 induced lockdowns imposed by national governments in many countries (in Africa and beyond) have directly impacted the Company's retail and hospitality assets, which has resulted in significant asset valuation pressure and in turn a direct impact on the Company's loan-to-value metrics.

Grit has been reviewing and refining its business model and strategy to navigate effectively the current environment and to best position itself for post-pandemic opportunities. The Board and management have focused on factors within their control, which have included cost management (with a significant reduction in operating and administrative costs), the stabilisation of revenues and the effective management of collections and vacancies. Management further extensively engaged with the Company's financiers to ensure the business has sufficient covenant headroom and cashflow and has successfully agreed the extension of a large number of its debt facilities. The Company has also aligned with key tenants to ensure the sustainability and longevity of both their leases and revenue streams over the course of the pandemic and into the future.

The Company's near term capital allocation strategies are being impacted by the following considerations:

- the Company's need for an immediate reduction in the Grit Group's LTV, which will allow further time for the recovery of its property portfolio valuations and also the ability to refinance certain debt facilities for an extended period;
- the desire to resume dividend and distribution payments out of net operating income generated from its property assets;
- a resolution to the guarantees provided to the Grit Group's Black Economic Empowerment partners with respect to the original financing of their Grit share equity ownership;
- Grit's continued intention to reduce its exposure to the retail sector and to achieve its asset recycling targets; and
- the ability to redeploy the Company's capital into net asset value growth opportunities and to leverage off the asset management platform that has been created.

Accordingly, Grit has today announced an Open Offer and Placing to raise up to approximately US\$215.6 million. As at the Latest Practicable Date, Grit had already received written confirmation from existing Shareholders and new investors of their intention to subscribe, in aggregate, for in excess of US\$65 million pursuant to the Open Offer and Placing. The proceeds of the proposed Open Offer and Placing (together, the "**Issue**") are expected to reduce Grit's overall indebtedness and leverage levels and provide future capital for further expansion in its core and expanded business. The proceeds of the Issue will also enable Grit to acquire a controlling shareholding in GREA and a majority shareholding in APDM, GREA's external management company (the "**Proposed Acquisition**").

Following completion of the Proposed Acquisition, Grit will own a combined direct and indirect majority interest in GREA (51.66 per cent.) and a direct majority interest in APDM (78.95 per cent.). The Proposed Acquisition will provide Grit with access to GREA's attractive pipeline of accretive development opportunities and give Grit the additional management resources and control required to lead the further development of GREA, via APDM. The acquisition of a controlling interest in APDM is expected to further allow Grit to earn substantial development and asset management fees into the future from internal and third party clients and joint venture partners. Shareholders and other investors should note that completion of the Proposed Acquisition is conditional on, amongst other things, the passing of the Proposed Acquisition Resolution and Admission.

For the year ended 30 June 2021, as a result of slow progress towards the near term 45 per cent. LTV target, the Grit Board withheld the final dividend. Should the contemplated Issue and the Proposed Acquisition be successful, the Grit Board expects to resume dividend payments, distributing out of net operating income generated from its existing property assets, in line with its stated policy of paying out at least 80 per cent. of distributable earnings and is targeting paying a dividend in the current financial year of between US cents 5 to 6 per share.¹

This document, which is a combined shareholder circular and prospectus, provides further information on the Issue, the planned deleveraging strategy, the Proposed Acquisition and related party aspects of the Proposed Acquisition, and also convenes the General Meeting required to approve the Proposed Acquisition.

¹ Investors should note that the target dividend is a target only and is not a profit forecast. There may be a number of factors that adversely affect the Company's ability to achieve its target dividend and there can be no assurance that it will be met. 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 New Ordinary Shares or assume that the Company will make any distributions at all.

The purpose of this letter is to explain: (i) the background to and reasons for the Proposed Acquisition and the Issue; (ii) why the Grit Board believes the Proposed Acquisition and the Issue are in the best interests of the Grit Group and its Shareholders as a whole; and (iii) why the Grit Board recommends that you vote in favour of the Proposed Acquisition Resolution to be proposed at the General Meeting.

2 Background to and reasons for the Issue

2.1 *Deleveraging and asset recycling strategy*

As stated ahead of its admission to the main market of the London Stock Exchange on 31 July 2018 (the “**IPO**”), Grit’s revised medium-term debt strategy was to reduce its overall LTV to below 40 per cent. and part of the proceeds from the IPO were deployed towards that strategy. In the 18 months following the IPO, Grit continued to make good progress on that strategy, with a reported Grit Group LTV as at 31 December 2019 of 43.9 per cent. (30 June 2018: 51.4 per cent.). As progress was made, Grit further committed to deliver a revised Grit Group LTV target of 35 per cent. – 40 per cent.

However, the onset of the COVID-19 pandemic has regrettably reversed that progress. Whilst Grit’s geographic footprint has been far less affected by direct COVID-19 caseloads, and the broader African continent has significantly lower death rates than Europe, Asia and North America, the continent has nevertheless borne the economic impacts felt worldwide and remains vulnerable to broader global economic developments associated with COVID-19. This increased risk has been reflected in valuers’ assumptions on property discount rates, capitalisation rates and re-let assumptions, which in turn has resulted in portfolio valuation pressures.

Grit’s office, light industrial and corporate accommodation sector assets, which collectively account for more than 50 per cent. by value of the Grit Group’s property portfolio, have remained relatively unaffected by the pandemic. However, travel and economic disruption across Africa has inevitably led to depressed property valuations predominantly in retail and, to a limited extent, in hospitality sector assets.

As a result, the impact of COVID-19 was to reduce Grit’s overall reported portfolio valuations by over US\$114 million since the onset of the pandemic (as at 30 June 2021), which represents a 14.2 per cent. (like-for-like) reduction compared to 31 December 2019. Consequently, Grit Group LTV increased to 53.1 per cent. as at 30 June 2021, predominantly as a result of this decrease in valuations.

Whilst the Grit Group’s cash collections as a percentage of contracted lease income have remained strong throughout the last 18 months, the Grit Group has never expected a rapid recovery in affected valuations and has not budgeted for such – indeed, the Grit Group cautiously does not expect a rebound in retail valuations until the financial year ending 30 June 2023 at the very earliest. The Board does, however, take note of positive trends, such as reduced vacancies and increased footfall in its retail assets and the re-opening of the Mauritian borders to overseas tourists.

The Group has defined an asset recycling strategy whereby it aims to realise property assets at, or as close as practically possible to, their fair values and apply these proceeds to further reduce debt and gearing. The Board has set an asset recycling target of 20 per cent. of the value of its property portfolio by 31 December 2023 and, to this end, has recently announced the granting of an exclusivity period for final stage due diligence over AnfaPlace Mall, the Grit Group’s largest retail asset. Further disposal announcements are expected in due course, and such disposals are expected to contribute to the reduction of reported LTV as at 30 June 2021.

Despite the recent positive rent collection trends and notwithstanding raising gross proceeds of approximately US\$9.8 million of fresh equity in late 2020, the other initiatives by the Grit Group (such as a reduction in operating expenses and the inherently more medium-term activities associated with asset recycling) have so far yet to have a positive impact on the Grit Group LTV. The Grit Group has also taken on additional short-term working capital facilities to fund rental deferrals provided to tenants in the hospitality sector, and also to fund capital expenditure in the normal course of business and GREA capital calls.

Grit has successfully engaged with its debt providers and has both increased its lowest applied LTV and interest service cover ratio covenants and more recently secured maturity extensions for the bulk of the Grit Group's US\$410 million outstanding debt to beyond April 2023.

The Board is of the opinion that the Grit Group should take action now to improve the Grit Group LTV and to proactively enhance the position of the Company for the expected post-pandemic recovery opportunities rather than wait for the natural recovery of valuations. This view is based on the following key considerations:

- (a) Grit's debt funders are currently imposing onerous dividend and debt repayment restrictions on the Grit Group while the Grit Group's LTV remains elevated, which will continue to constrain the Board in meeting its distribution targets out of ongoing operational cashflows;
- (b) with the exception of the retail portfolio, the current asset portfolio performed well throughout the COVID-19 pandemic period and continues to produce strong rent collections and robust operational and asset performance;
- (c) a reduced Grit Group LTV would allow management to focus its attention on further key operational initiatives to support its tenants, increase occupancy and maintain strong cash collections without the constant distraction of managing (non-cash) covenant considerations;
- (d) the Board believes the medium term NAV growth prospects of the Grit Group can be significantly improved when taking into account the Proposed Acquisition and further future pipeline opportunities;
- (e) the Board believes that there are significant opportunities – particularly when taking into account the Proposed Acquisition (further details of which are set out in paragraph 3 of this Part I) – to secure and lock-in longer-term, more cost-effective debt funding through a consolidated debt strategy (for example, potentially tapping into the global bond markets) that should be capitalized on in the short-term (before interest rates rise in the medium-term) and will be facilitated by a larger, stronger and pre-emptively corrected balance sheet;
- (f) capitalising on these opportunities now is expected to establish a more sustainable, longer-term capital structure for Grit (including GREA) that will facilitate multi-year growth; and
- (g) finally, the Grit Group's strengthened balance sheet is expected to be well positioned for any further known or unforeseen shocks and/or liabilities arising directly and indirectly as a result of the pandemic; this includes the potential need to fund future liabilities and obligations of the Drive in Trading ("**DiT**") guarantee, further details of which are set out in paragraph 2.3 of this Part I.

The Board also reiterates its belief that, over time, the depressed valuations in the retail and hospitality sectors will recover. Therefore, the Board views this immediate need to deleverage the balance sheet as an interim measure as the Grit Group rides out the remnants of the pandemic.

2.2 **The Proposed Acquisition – GREA and APDM**

Grit co-founded its development associate GREA, formerly Gateway Delta, in 2018. At its inception, GREA secured US\$175 million of equity commitments from its four principal shareholders. The current shareholders of GREA are as follows:

- 1 Public Investment Corporation of South Africa: 48.52 per cent.
- 2 Gateway Partners: 28.54 per cent.
- 3 Grit*: 19.98 per cent.
- 4 Prudential Investors: 2.85 per cent.
- 5 Dorado 1 Limited: 0.1 per cent.

* All shareholders are fully paid up on equity commitments except for Grit, which has until 10 December 2021 to make its remaining US\$17.5 million capital contribution (excluding interest).

GREA was founded to focus on providing turnkey development and construction real estate solutions in select African countries for multinational and Africa-based companies and supranational institutions and targets internal rates of returns in excess of 16 per cent. GREA does not develop speculatively but rather aligns with specific tenant requirements and therefore does not hold land bank or other speculative investments. Projects typically involve securing land in conjunction with a tenant's lease

commitments to such location, prior to acquisition and development. GREA materially transfers construction risk to professional construction partners through fixed price or turnkey contracts and therefore largely only retains timing and final delivery risks.

GREA was established together with an external management company, Africa Property Development Management Limited (“**APDM**”), to which it outsourced the implementation and management of GREA’s full investment mandate and charter. APDM is owned by:

- 1 Public Investment Corporation of South Africa: 21.05 per cent.
- 2 Gateway Partners: 31.58 per cent.
- 3 Management and Staff (including Greg Pearson, Grit co-founder and GREA’s CEO): 26.32 per cent.
- 4 Dorado 1 Limited*: 21.05 per cent.

* *Dorado 1 Limited is owned 50 per cent. by Grit CEO Bronwyn Knight and 50 per cent. by Greg Pearson. In total, Greg Pearson owns (directly and indirectly) 16.05 per cent. of APDM.*

APDM provides the full management of GREA and carries the full operating costs of GREA’s operations, which is compensated through ongoing development management and asset management fees and a 10 per cent. equity carry in GREA which crystallises upon the achievement of certain targets. The acquisition of a controlling interest in GREA by Grit crystallises this carry. Grit therefore believes it is essential that a controlling interest in APDM is acquired at the same time as the acquisition of a controlling interest in GREA so that Grit is able to both direct the future development and management of GREA and maintain a combined direct and indirect GREA stake greater than 50 per cent. post the dilution derived from the exercise of APDM’s 10 per cent. equity carry. Furthermore, APDM provides development and asset management services to a range of third party clients and joint venture partners and is therefore expected to generate significant additional fee income for the Grit Group into the future.

GREA, through the APDM team, has been very successful at securing an accretive pipeline of development opportunities, most notably providing the United States Bureau of Overseas Buildings Operations (“**OBO**”) with embassy housing across Africa and developing data centres for leading IT services and solutions providers in select African countries. GREA has recently called for the final payment from its shareholders under the original US\$175 million equity commitment but now needs to put in place funding for the next stage in its development. Should Grit not meet its capital commitment it will be diluted under the terms of the shareholders’ agreement and could be forced to sell its remaining interest in GREA. As part of the future expansion, and in order to protect its current interests, the Grit Board believes it appropriate to make its capital contribution but also to take a controlling shareholding in GREA (and its manager, APDM) so that Grit can lead the next stage of GREA’s development and benefit from the fully funded strong asset growth that GREA is generating over the coming three years.

As a consequence, and after discussion with the other GREA and APDM shareholders, Grit has agreed to purchase all of the shares in GREA (28.54 per cent.) and APDM (31.58 per cent.) held by Gateway Partners, all of the shares in GREA (0.1 per cent.) and APDM (21.05 per cent.) held by Dorado 1 Limited and all of the shares held in APDM (26.32 per cent.) by the GREA Executive Share Trust (Gateway Partners, Dorado 1 Limited and the GREA Executive Share Trust together being the “**Selling Shareholders**”).

The PIC wishes to maintain an on-going involvement directly with GREA (alongside its investment in Grit) as its investment mandate includes direct real estate development and investment across Africa which is why it originally invested in GREA (and Grit). The Grit Board is pleased to continue its close working relationship with PIC within GREA.

Summary of GREA’s portfolio

In summary, to date, GREA has undertaken (or is about to undertake), in aggregate, 12 risk mitigated projects on the back of strong tenant demand across nine African countries which are either completed, under construction/development or about to begin construction. In addition, GREA holds a 46.55 per cent. interest in Acacia Estate, a 76-unit luxury housing complex in Maputo, Mozambique tenanted by the US Embassy and the oil and gas company Total and a 39.5 per cent. interest in the AnfaPlace Shopping Mall in Morocco.

Set out in the table below is a summary of GREAs portfolio of projects, anchor tenants and estimated stabilised valuations as at the date of this document:

Completed Projects

Property	Country	Sector	Anchor tenant	Site area	GBA (m ²)	GLA (m ²)	GREA ownership	Project cost (US\$ million)	% of project cost to be equity funded**	Completion value (US\$ million)	Completion/ Acquisition date
OBO Ethiopia	Ethiopia	Diplomatic Residential	US Embassy	6,439	18,215	15,419	50%	52.4	64%	78.9	October 2021
AnfaPlace Mall Redevelopment	Morocco	Retail	Carrefour	56,000	45,619	31,808	39.5%	23.7	100%	79.5	August 2019
Metropolex Redevelopment	Uganda	Retail	Carrefour, Woolworths	25,090	16,089	12,994	100%	20.3	49%	25.9	October 2020 (additional works ongoing)
Halliburton Liquid Mud Plant	Mozambique	Industrial	Halliburton	4,877	1,350	1,350	100%	1.5	100%	N/A***	March 2019

Under Construction

Property	Country	Sector	Anchor tenant	Site area	GBA (m ²)	GLA (m ²)	GREA ownership	Project cost (US\$ million)	% of project cost to be equity funded*	Projected Completion value (US\$ million)	Target completion date
LOS1.1 Data Centre Project	Nigeria	Data centre	Africa Data Centres	4,946	1,168	994	100%	22.64	40%	24.5	Q4 2021 (Phase I)
The Precinct Office Complex	Mauritius	Corporate Offices	Grit Real Estate	35,932	12,631	8,594	50%	27.1	40%	30.4	Q4 2022
St Helene Clinic	Mauritius	Multi-speciality hospital	Polyclinique de L'Ouest Ltée	3,134	6,087	6,087	48.25%	19.9	32%	24.3	Q1 2023
Bollere Warehouse Redevelopment	Mozambique	Industrial	Bollere Africa Logistics	11,960	7,883	7,324	0%	5.1	100%	N/A****	Q2 2022
OBO Kenya Diplomatic Housing (Rosslyn Grove)	Kenya	Diplomatic Residential	US Embassy	29,762	22,767	16,038	50%	48.5	48%	56.0	Q3 2022
Adumuah Place (Rendeavour Group Head Office)	Ghana	Corporate offices & Retail	Rendeavour Group	4,047	2,414	1,996	100%	3.4	56%	3.9*	Q1 2022

Approved Projects

Property	Country	Sector	Anchor tenant	Site area	GBA (m ²)	GLA (m ²)	GREA ownership	Project cost (US\$ million)	% of project cost to be equity funded*	Target completion date
Coromandel Hospital	Mauritius	Oncology Hospital	Polyclinique de L'Ouest Ltée	8,968	10,085	10,085	48.25%	38.6	40%	Q4 2023
OBO Mali Diplomatic Housing	Mali	Diplomatic Residential	US Embassy	9,475	12,362	7,402	92%	52.2	50%	Q3 2023

Completion values have been independently prepared by Knight Frank LLP (except * which is as per a Directors' valuation) and are based on ownership of 100 per cent. of an asset.

** Once all of the above projects are complete and based on stabilised valuations and levels of net debt after completion, GREA's consolidated group LTV is expected to be approximately 17-19 per cent.

*** In 2019, GREA (as lessor) entered into a finance leasing arrangement with Halliburton (as lessee) for the development of a liquid mud plant in Pemba, Mozambique. The lease term is for 5.5 years, expiring in August 2024. The finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on GREA's net investment outstanding in respect of the lease. Amounts due from the lessee under the finance lease are recognised as receivables at the amount of GREA's net investment in the lease.

**** In 2020, Grit Services Ltd, a wholly owned subsidiary of Grit, appointed Boyzana International Ltd, a wholly owned subsidiary of GREA, to manage the execution of the redevelopment of Bollere Warehouse in Pemba, Mozambique. GREA has no ownership in the asset being redeveloped.

GREA has visibility for further accretive pipeline development opportunities, most notably with providing the US Government with additional embassy housing across Africa and developing further data centres for leading IT services and solutions providers in select African countries.

APDM renders asset management, advisory and administrative services to GREA pursuant to an asset management and advisory services agreement entered into between GREA and APDM. The APDM team has over 50 years of collective experience in the development of real estate across the African continent in over 40 countries, making it a world-class team backed by extensive experience.

The principal activities of APDM include: (i) considering and, if considered appropriate, making investments within the ambit of GREA's investment charter as agent for and on behalf of GREA; (ii) providing recommendations and advice to the GREA Board with respect to investments and disposals in accordance with the terms of its appointment; (iii) making recommendations to the GREA Board on investment decisions that do not fall within the investment charter; and (iv) monitoring and reporting to GREA shareholders and the GREA Board on the performance of investments.

Upon gaining control, Grit intends to use APDM to provide such development and asset management services to third parties and to further its fee income generating activities as a trusted supplier across the African continent.

Further detailed information on GREA and APDM is set out in Parts III (*Business Overview of GREA and APDM*) and VII (*Financial Information on GREA*) of this document.

2.3 **Drive in Trading (“DiT”) – update**

By virtue of the Grit Group's historic listing on the Johannesburg Stock Exchange, and in conjunction with its largest shareholder, the South African Government Employee Pension Fund (“**GEPP**”) represented by the Public Investment Corporation (“**PIC**”), the Company facilitated its black economic empowerment and transformation partner, DiT, in the acquisition of 23.25 million Ordinary Shares in June 2017.

DiT secured a loan facility, with an initial break clause on 14 August 2020, from the Bank of America Merrill Lynch (“**BoAML**”) with the PIC providing a guarantee to BoAML in the form of a contingent repurchase obligation (“**CRO**”). Separately, Grit indemnified the PIC for up to 50 per cent. of any potential losses suffered by PIC, capped at US\$17.5 million.

In August 2020, the PIC assumed the position of lender to DiT following the expiry of the initial BoAML loan facility and exercise of the CRO by BoAML. Whilst reserving their rights, the PIC continues to advise Grit that it does not intend calling on the Grit guarantee at this time, giving DiT the opportunity to conclude discussions with further potential lenders.

As at 30 June 2021, the value of the residual exposure is provided for as USD\$5.4 million in the Grit 2021 Annual Financial Statements.

Grit and the PIC remain in negotiations and a proposal has been put to the PIC for their consideration. The PIC has advised that it will consult internally about this proposal but that their reply may take some time. A further announcement regarding the DiT arrangements will be made in due course.

3 Rationale for the Proposed Acquisition

3.1 **Background**

The Grit management team has sought to improve the growth rate of Grit, and specifically views incremental risk mitigated development returns, limited to no greater than 20 per cent. of the Grit Group's gross asset value, as being key to achieving this goal.

Grit's ability to control its own pipeline and fully service its tenants' needs ranging from real estate conceptualisation, development, ownership and property management continues to be a strategic objective of the Company. Although Grit remains confident of delivering superior total returns in the medium to longer term and is well positioned to capitalise on the significant recovery potential across its unique high-quality property portfolio, the Grit Board additionally sees significant further potential

value creation through increasing its capital allocation to limited, risk mitigated development returns and would expect these to increase the Grit Group's total targeted shareholder return over time from 12 per cent. to 13 – 15 per cent. per annum³.

APDM has a team of highly skilled development staff and has the ability to develop in over 15 African countries. With extensive experience delivering projects across the continent, there exists opportunities to provide fee generating professional services to clients external to GREA and to further deliver value to its shareholders.

The Grit Board believes that the Proposed Acquisition therefore brings the following benefits for the Grit Group:

- GREA is the only development company covering every region in Africa and with a multi asset class focus delivering real estate solutions for international global tenants within Grit's existing and target client lists. Gaining control in one transaction materially accelerates the Grit Group's ability to access development returns from risk mitigated development projects;
- GREA's existing pipeline is fully funded through the existing shareholders' equity contributions (as well as secured construction debt facilities) and is expected to deliver strong NAV growth as projects are completed over the next 24 to 36 months;
- GREA has access to an extensive further pipeline of OBO (US diplomatic housing) and data centre development opportunities which are expected to be accretive to NAV, are extremely resilient asset classes and offer exposure to highly rated tenants to underpin future income levels;
- the Proposed Acquisition cements a key strategic relationship with Africa's largest pension fund, PIC, which has a long-term investment horizon on the continent, as co investor into GREA;
- acquiring a majority stake in APDM offers Grit the potential for new revenue and fee income streams, asset and facilities management with respect to OBO and other discrete asset classes and accelerates Grit's strategy of increasing its exposure to the provision of professional services to its clients and other third parties;
- the Proposed Acquisition would further diversify the Grit Group's geographic exposure (and, in particular, will reduce the Company's current overexposure to Mozambique);
- the transaction builds upon an already close working relationship between the management teams of Grit, GREA and APDM; however significant benefits may arise under a streamlined group structure because of current "duplicate functions" within each business; and
- debt funding for the Enlarged Group could be further optimized due to increased geographic and sector diversity and balance sheet size.

3.2 **Acquisition benefits and further opportunities**

Upon gaining control of GREA, Grit would have the ability to execute additional value creating activities which include:

- *Grit balance sheet optimisation and disposal of non-core assets*
Grit continues to pursue strategies to reduce consolidated exposures to the retail segment and would look to use its greater influence in GREA to push through such asset disposals. Such asset recycling would be expected to free up capital that can be recycled into new project opportunities within GREA. When combined with Grit's balance sheet upon consolidation, GREA's current low leverage is expected to result in a material reduction in consolidated Grit Group LTV metrics from Completion.

Whilst GREA is expected to remain relatively lowly geared, its construction debt facilities will be amortising and are relatively expensive compared to Grit's debt facilities and a consistent and consolidated Grit Group approach will provide GREA with cheaper debt funding and, crucially, the ability to recycle operational cashflow into new projects rather than debt repayments, thereby securing enhanced levels of growth.

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.

- *Potential for significant Enlarged Group debt restructure*
Following completion of the Issue, implementation of the above-mentioned deleveraging strategy and the Proposed Acquisition, the Enlarged Group's combined LTV would reduce significantly (the Grit Group LTV ratio will fall from 53.1 per cent. as at 30 June 2021 to a pro forma level of 41.3 per cent if the Issue is subscribed to the level of the Indicated Minimum Proceeds and 33.6 per cent if the Issue is fully subscribed). The larger scale and reduced dependence on hospitality and retail, together with a reduced overall exposure to Mozambique, would facilitate the possible issuance of a corporate bond by Grit in the near future, terming out the maturity profile and reducing costs. Grit is exploring, with its advisers, the possibility of effecting such a bond issue following completion of the Proposals.
- *Cost savings*
Elimination of dual cost structures and redeploying staff are expected to yield cost savings.

3.3 **Summary of the principal terms of the Proposed Acquisition**

Under the terms of the Proposed Acquisition, Grit will become the holding company of the Enlarged Group, which will include GREA and APDM.

The consideration due to the Selling Shareholders pursuant to the terms of the Share Purchase Agreements may be satisfied by the issue to each Selling Shareholder of such number of New Ordinary Shares at the Issue Price as is equal to the US Dollar amount of the consideration payable to such Selling Shareholder pursuant to the terms of its Share Purchase Agreement. Any New Ordinary Shares issued to Selling Shareholders will be issued at the same price per New Ordinary Share as New Ordinary Shares are issued pursuant to the Open Offer and Placing.

Applications will be made for any New Ordinary Shares issued to any of the Selling Shareholders pursuant to the Share Purchase Agreements to be listed on the premium segment of the Official List and to be admitted to trading on the premium segment of the main market of the LSE, in each case, upon Completion. Such New Ordinary Shares will also be admitted to trading on the SEM.

Certain New Ordinary Shares to be issued to the Selling Shareholders will be subject to lock-up provisions, as more fully described in the summaries of the Share Purchase Agreements in Part IV (*Terms of the Proposed Acquisition*) of this document.

Completion is conditional on, among other things, (i) the approval of the Proposed Acquisition Resolution; and (ii) Admission.

As at 30 June 2021, GREA had an unaudited net asset value of US\$193 million. Since that date, GREA has completed and handed over the OBO US Embassy compound in Ethiopia which has therefore increased in value from its construction cost carrying value as at 30 June 2021 of US\$34.9 million to a current investment value of US\$38.3 million (based on a completion value for 100 per cent. of the asset of US\$76.6 million, as shown in Part IX, Section B (*Property Valuation Report prepared by Knight Frank LLP in respect of certain assets in the New Portfolio*) of this document). In addition, GREA has continued with the construction of the six projects shown as "*Under Construction*" in the GREA projects table in paragraph 2.2 above. As at 31 October 2021, the carrying value of these projects has increased in value to US\$50.0 million from a carrying value of US\$40.3 million as at 30 June 2021.

In the view of the Grit Board, the impact of these developments within GREA's portfolio will be to increase GREA's unaudited net asset value to approximately US\$197.2 million by 31 December 2021, the agreed effective date of the Proposed Acquisition. Accordingly, Grit has agreed to purchase an additional 25.78 per cent. of GREA's shares (equal to 50,175,000 GREA Shares) based upon a valuation for 100 per cent. of GREA of US\$197.2 million.

In addition, Grit has agreed to purchase 78.95 per cent. of APDM for US\$29.8 million, valuing 100 per cent. of APDM at US\$37.7 million. This represents a small discount to Grit's internal valuation for APDM of US\$ 38.1 million, with its major assets being a 10 per cent. interest in GREA (valued at US\$19.7 million) and its evergreen contract to manage GREA's assets for a fee of 1.5 per cent. of gross asset value, in perpetuity (with an estimated value of US\$18.4 million).

Therefore, the aggregate consideration payable by Grit in connection with the acquisition of GREA and APDM is US\$80.61 million.

The Grit Board believes that the consideration payable for GREA and APDM is appropriate for the following reasons:

- as shown in Parts IX (*Property Valuation Reports prepared by Knight Frank LLP in relation to certain assets in the Existing Portfolio and in the New Portfolio*) and X (*Property Valuation Report prepared by REC – Real Estate Consulting, LDA in relation to certain assets in the Existing Portfolio and in the New Portfolio*) of this document, the GREA Portfolio has a stabilised value following completion of the developments of US\$280 million compared to a book value as at 30 June 2021 of US\$177 million. Grit is therefore acquiring an attractive and accretive (in the medium term) development portfolio at a valuation that represents a discount of US\$103 million to their completed value in circumstances where this completion is fully funded by GREA's existing capital resources and with recourse to only modest levels of leverage;
- it delivers control of GREA and APDM to Grit;
- through the acquisition of APDM, Grit is not only getting access to an existing contractual income stream but also a management team with depth of experience in the development of real estate across the African continent, a team which has already proven the value of this expertise through its delivery of projects on behalf of GREA to date; and
- although there is no committed pipeline beyond the development projects described in this document, the APDM team has developed the relationships and credentials to secure potential significant pipeline in the future (both with existing and potentially new tenants), negotiations towards which are ongoing.

Gateway Partners has stated that it wishes to remain invested in the Enlarged Group and has committed to accept, by way of consideration in settlement for the exchange of its shareholding in GREA and APDM, a maximum of 137.5 million New Ordinary Shares, representing an aggregate capital commitment equal to US\$71.5 million at the Issue Price. The Grit Board believes that this commitment demonstrates Gateway's faith in GREA and its pipeline and welcomes its continued investment. To the extent that Qualifying Shareholders take up their Open Offer Entitlements in full, then the consideration payable to Gateway may be satisfied in Ordinary Shares from a secondary purchase.

The selected financial information for GREA set out above in this paragraph 3.3 has been extracted without material adjustment from the unaudited interim financial information of GREA set out in Part VII (*Financial Information on GREA*) of this document.

The Company will announce Completion of the Proposed Acquisition through an RIS and a SEM announcement as soon as practicable following Admission.

Further information about the terms of the Proposed Acquisition is set out in Part IV (*Terms of the Proposed Acquisition*) of this document. The Share Purchase Agreements are inter-conditional and each is subject to the satisfaction or, where applicable, waiver of conditions, including regulatory and competition approvals, the Placing and Open Offer raising a minimum of US\$135 million and the passing of the Proposed Acquisition Resolution. There can be no guarantee that the Proposed Acquisition will proceed if all conditions are not satisfied or, where applicable, waived.

The entry by the Company into the Dorado Share Purchase Agreement and GREA Executive Share Trust Share Purchase Agreement each constitutes a smaller related party transaction (as defined in the Listing Rules) by virtue of the direct and indirect interests in GREA and APDM held by Bronwyn Knight (a Director of Grit and a director of Dorado 1 Limited, one of the Selling Shareholders) and Greg Pearson (CEO of GREA (in which Grit owns a 19.98 per cent. interest), a director of several Grit subsidiaries and a director of Dorado 1 Limited) (Bronwyn Knight and Greg Pearson together being the "**Interested Parties**" and each an "**Interested Party**" and the Dorado Share Purchase Agreement and the GREA Executive Share Trust Share Purchase Agreement together being the "**Interested Party Share Purchase Agreements**").

The consideration payable (directly and indirectly) to Bronwyn and Greg pursuant to the Interested Party Share Purchase Agreements is as follows:

Bronwyn Knight	US\$2.69 million
Greg Pearson	US\$4.80 million

Shareholders should note that the consideration payable to them is expected to be satisfied by way of the issue and allotment of such number of New Ordinary Shares at the Issue Price as is equal to the US Dollar amount of the consideration stated above, which Grit intends to facilitate from any New Ordinary Shares that are not taken up by Qualifying Shareholders pursuant to the Open Offer. Such New Ordinary Shares will be subject to lock-up arrangements, as more fully described in paragraph 2 of Part IV (*Terms of the Proposed Acquisition*) of this document.

4. The fundraising

As stated above, it is possible that the Proposed Acquisition will not complete because the Placing and Open Offer does not raise the necessary fresh equity capital for Grit and therefore the conditions attached to the Proposed Acquisition are not satisfied. Accordingly, Grit has sought and received written confirmations from certain existing Shareholders and new investors of their intention to subscribe pursuant to the Placing and Open Offer (the “**Indicated Minimum Proceeds**”). These written confirmations, as at the Latest Practicable Date, total in excess of US\$65 million. However, the written confirmations do not constitute a legally binding agreement and as such there is a risk that the Indicated Minimum Proceeds are not ultimately received by the Company.

If the Placing and Open Offer only raises US\$65 million and the Proposed Acquisition does not proceed, Grit intends to use the net proceeds of the Placing and Open Offer to:

- make the payment of US\$17.9 million for the final capital contributions in respect of GREA’s capital call due in December 2021;
- seek to resolve matters with the PIC regarding the DiT guarantee as set out in paragraph 2.3 of this Part I, where the net exposure to Grit is US\$11 million; and
- reduce Grit’s level of indebtedness.

A fuller breakdown of the use of the net proceeds is set out in paragraph 2 of Part V (*The Issue*) of this document.

However, it is possible that the Placing and Open Offer will not raise Indicated Minimum Proceeds of US\$65 million required and therefore neither the Placing and Open Offer nor the Proposed Acquisition will proceed. Grit would then need to pursue alternative actions to rectify its working capital position, including but not limited to the following:

- Grit would continue its dialogue with PIC in respect of the DiT obligations, and in particular seek continued assurances from PIC that it does not intend calling on the Grit Group guarantee;
- Grit would seek agreement from GREA to settle the US\$17.9 million final capital contribution in respect of GREA’s capital call due in December 2021 by way of a transfer of certain property assets, instead of by settlement in cash;
- Grit would continue to seek to refinance the Grit Group’s debt facility due in April 2022 for a net amount of US\$47.1 million, for which negotiations are on-going with the relevant lender as well as other potential lenders; and
- Grit would seek alternative new debt facility and equity fundraising opportunities, for which it has certain on-going discussions with certain potential providers of new debt facilities and/or new equity fundraisings.

Further details on the above alternative actions are set out in paragraph 11.2 of Part XII (*Additional Information*) of this document.

5 Financial effects of the Proposed Acquisition

Set out in Part VIII (*Unaudited Pro Forma Financial Information on the Enlarged Group*) of this document, the pro forma statement of net assets shows net assets of the Enlarged Group, assuming commitments to subscribe for US\$140.0 million under the Open Offer and Placing are received, of US\$475.0 million as at 30 June 2021 and the pro forma income statement shows a loss before tax of the Enlarged Group for the period to 30 June 2021 of US\$25.6 million. If the Issue is fully subscribed, the pro forma net assets will be US\$540.2 million as at 30 June 2021.

6 Post-acquisition integration

GREA has a strong board and, through APDM, an equally strong executive management team and investment committee comprising individuals with exceptional track records in creating, raising and managing property development and investment companies. This will be supplemented by Grit senior management following completion of the Proposed Acquisition.

Further information on the GREA and APDM management team is contained in paragraph 2.3 of Part III (*Business overview of GREA and APDM*) of this document, and information on the revised senior management team structure and responsibilities at Grit following Completion is set out in Part II (*Business Overview of Grit*) of this document. Shareholders should note that all of APDM's management team and staff will become employees of the Enlarged Group on, essentially, the same employment terms as they currently enjoy at APDM. The consideration payable by Grit to the GREA Executive Share Trust pursuant to the GREA Executive Share Trust Share Purchase Agreement shall be settled by Grit issuing shares in the issued share capital of Grit equal to the amount of the consideration. Such shares are to be retained by the GREA Executive Share Trust, for the benefit of designated participants under a long-term incentive plan, vesting on a future date or earlier if sufficient value is achieved in GREA. Certain participants will also be enrolled to the Grit long-term incentive plan and awarded shares upon the fulfilment of specific key performance indicators.

7 The Issue

7.1 Introduction

The Company is targeting an issue of approximately US\$215.6 million (gross) through the issue of 414,647,283 New Ordinary Shares by way of the Open Offer and Placing at US\$0.52 per New Ordinary Share (the "**Issue Price**").

The Issue Price represents a premium of approximately 4 per cent. to the average closing price across the LSE and SEM for an Ordinary Share on 19 November 2021 (LSE: £0.3468; SEM: US\$0.53), being the last Business Day prior to the date of this document. The Issue Price has been set by the Directors following their assessment of the prevailing market conditions and anticipated demand for the New Ordinary Shares, as well as taking into account the commercial requirements and positive financial impact on the Grit Group of implementing the deleveraging strategy and undertaking the Proposed Acquisition, as described in this Part I. The Grit Board believes that the Issue Price (including the premium) is appropriate in the circumstances.

The actual number of New Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known at the date of this document but will be notified by the Company via an RIS and a SEM announcement prior to Admission. Following Admission, the New Ordinary Shares to be issued pursuant to the Issue will 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 Admission.

It is important to the Grit Board that Shareholders are given the opportunity to participate in the Issue. Therefore, priority will be given to applications from Qualifying Shareholders under the Open Offer. Thereafter, any New Ordinary Shares not taken up pursuant to Shareholders' applications for their Open Offer Entitlements will be made available to Qualifying Shareholders through the Excess Application Facility, to Placees under the Placing and/or to Selling Shareholders in consideration for Grit's acquisition of their GREA Shares and/or APDM Shares (as applicable) pursuant to the terms of the Share Purchase Agreements.

The Open Offer and Placing are conditional on, *inter alia*, (a) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and (b) Admission occurring by 8.00 a.m. (GMT) on 21 December 2021 or such later time and/or date (being no later than 7 January 2022) as the Company and finnCap 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.

7.2 **The Open Offer**

The Grit Board is offering Qualifying Shareholders the opportunity to subscribe for New Ordinary Shares on a pre-emptive basis through the Open Offer *pro rata* to their holdings as at the Record Date at the Issue Price on the basis of 1.3011 New Ordinary Shares for every 1 Existing Ordinary Share held (the "**Open Offer Entitlement**"). Fractions of New Ordinary Shares will be disregarded in calculating Qualifying Shareholders' Open Offer Entitlements and each Qualifying Shareholder's entitlement to New Ordinary Shares will be rounded down to the nearest whole number.

The Open Offer provides an opportunity for Qualifying Shareholders to participate in the fundraising by subscribing for their respective Open Offer Entitlements. Valid applications under the Open Offer will be satisfied in full up to applicants' Open Offer Entitlements. Qualifying Shareholders who wish to subscribe for more New Ordinary Shares than their Open Offer Entitlement should make an application under the Excess Application Facility.

Any New Ordinary Shares not issued to Qualifying Shareholders to satisfy their Open Offer Entitlements may, at Grit's discretion, be apportioned between those Qualifying Shareholders who have applied under the Excess Application Facility, Placees pursuant to the Placing and/or Selling Shareholders in accordance with the terms of the Share Purchase Agreements. Applications under the Excess Application Facility may be scaled back at the Grit Board's discretion and therefore no assurance can be given that such applications by Qualifying Shareholders will be met in full or in part or at all.

Shareholders should note that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Open Offer Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should further note that, although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, the Open Offer Entitlements and Excess Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

The terms and conditions which apply to the Open Offer are set out in Part XV (*Terms and Conditions of Application under the Open Offer*) of this document.

7.3 **The Placing**

finnCap, Baden Hill and Perigeum Capital have each agreed to use their respective reasonable endeavours to procure subscribers pursuant to the Placing for the New Ordinary Shares on the terms and subject to the conditions set out in Part XIV (*Terms and Conditions of Application under the Placing*) of this document.

Details of the Placing and Offer Agreement and the Perigeum Capital Engagement Letter are set out in paragraphs 9.1.2 and 9.1.3, respectively, of Part XII (*Additional Information*) of this document.

The Placing will close at 3.00 p.m. (GMT) in the UK / 3.00 p.m. (MUT) in Mauritius on 17 December 2021 (or such later date as the Company, finnCap and Baden Hill may agree). If the Placing is extended, the revised timetable will be notified through an RIS.

Commitments under the Placing, once made, may not be withdrawn without the consent of the Grit Board. However, as described above, the allocation of New Ordinary Shares to investors pursuant to the Placing will be at Grit's discretion. Under the Issue, priority will be given to applications for New Ordinary Shares received from Shareholders pursuant to the Open Offer. If 100 per cent. of Qualifying Shareholders elect to take up their Open Offer Entitlement of New Ordinary Shares pursuant to the Open Offer then no New Ordinary Shares will be placed pursuant to applications received in connection with the Placing.

As at the Latest Practicable Date, Grit had already received written confirmation from existing Shareholders and new investors of their intention to subscribe, in aggregate, for in excess of US\$65 million pursuant to the Open Offer and Placing (including from certain Shareholders and other investors intending to subscribe for more than 5 per cent. of the maximum amount of the Issue). The Company therefore expects to raise a minimum of approximately US\$145.6 million (assuming those indicative commitments are met and the full consideration for the Proposed Acquisition of US\$80.6 million is satisfied by the issue of New Ordinary Shares. Dependent upon the level of take up under the Open Offer and the Placing, Grit may raise additional capital up to the maximum amount of the Issue, being approximately US\$215.6 million.

The terms and conditions which shall apply to any subscription for New Ordinary Shares procured by finnCap, Baden Hill or Perigeum Capital are set out in Part XIV (*Terms and Conditions of Application under the Placing*) of this document.

7.4 **Dilution**

Assuming 125,000,000 New Ordinary Shares are issued, being the minimum amount to be issued pursuant to the Issue:

- Qualifying Shareholders who take up their full Open Offer Entitlement (excluding any New Ordinary Shares acquired through the Excess Application Facility) will not suffer any dilution to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue; and
- Qualifying Shareholders who do not take up any of their Open Offer Entitlement and Shareholders who are not eligible to participate in the Open Offer will suffer a maximum dilution of approximately 27.4 per cent. to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue.

Assuming that 414,647,283 New Ordinary Shares are issued, being the maximum amount to be issued pursuant to the Issue:

- Qualifying Shareholders who take up their full Open Offer Entitlement (excluding any New Ordinary Shares acquired through the Excess Application Facility) will not suffer any dilution to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue; and
- Qualifying Shareholders who do not take up any of their Open Offer Entitlement and Shareholders who are not eligible to participate in the Open Offer will suffer a maximum dilution of approximately 55.6 per cent. to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue.

8 Costs and expenses

The total costs, charges and expenses payable by the Company in connection with the Proposed Acquisition, the Issue and Admission are expected to be approximately US\$10.4 million. There are no commissions, fees or expenses to be charged to investors by the Company.

9 Risk factors

Investors should consider fully and carefully the risk factors associated with the Grit Group, the Proposed Acquisition, the New Ordinary Shares, the Issue and Admission, which are set out on pages 11 to 34 of this document.

10 Taxation

Certain information about UK and Mauritius taxation is set out in Part XI (*Taxation*) of this document. Such information is intended only as a general guide to the current UK and Mauritius tax position. If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the United Kingdom or Mauritius, you should consult your own independent tax adviser without delay.

11 General Meeting

As a result of the size of GREA when compared to the Grit Group, the proposed acquisition of an additional 25.78 per cent. shareholding in GREA is classified under Chapter 10 of the Listing Rules as a Class 1 transaction and its implementation requires the approval of Shareholders at the General Meeting. Although the size of APDM when compared to the Grit Group means that the acquisition by Grit of a 78.95 per cent. shareholding in APDM is not a significant transaction for the purposes of the Listing Rules requiring Shareholder approval, as the acquisition of the increased stake in GREA and the stake in APDM are linked transactions, the Board believes it appropriate to enable Shareholders to vote on the transactions taken as a whole. The Grit Board is therefore seeking approval of Shareholders at the General Meeting to approve the Proposed Acquisition.

As the Open Offer is being made to all Shareholders on a proportionate basis to their existing shareholdings and the issue of New Ordinary Shares pursuant to the Placing will only be in respect of any New Ordinary Shares not taken up by Shareholders pursuant to their Open Offer Entitlements, there is no requirement to waive the pre-emption rights in the Articles. Further, there is no requirement from a Guernsey law perspective for Shareholder approval to issue and allot the New Ordinary Shares as the Articles provide the Grit Board with the authority to issue shares at their discretion in such circumstances.

The Proposed Acquisition Resolution seeks approval for the Proposed Acquisition and authorises the Directors to take all steps and enter all agreements and arrangements necessary or appropriate to implement the Proposed Acquisition. In accordance with the Listing Rules, the Proposed Acquisition Resolution will be proposed as an ordinary resolution; requiring a simple majority of votes in favour in order to be passed. The Board has received written confirmations from Shareholders holding, in aggregate, 53 per cent. of the Company's issued share capital as at the date of this document, of their intention to vote in favour of the Proposed Acquisition Resolution.

A notice convening a general meeting to be held at 10.00 a.m. (GMT) / 2.00 p.m. (MUT) on 14 December 2021, at which the Proposed Acquisition Resolution will be proposed, is set out at the end of this document.

The results of the votes cast at the General Meeting will be announced as soon as possible, once known, through a Regulatory Information Service, and on Grit's website at <https://grit.group/regulatory-news-announcements/.com>.

Completion of the Proposed Acquisition is conditional, *inter alia*, on the Proposed Acquisition Resolution being passed.

12 Action to be taken in respect of the General Meeting

Shareholders on the Mauritian Register

If you are a Dematerialised Shareholder, you must advise your broker if you wish to attend, or be represented at, the General Meeting. If your broker has not contacted you, you are advised to contact your broker and provide it with your voting instructions. If your broker does not obtain instructions from you, it will be obliged to act in accordance with your mandate furnished to it.

All Dematerialised Shareholders and Certificated Shareholders are entitled to attend in person, or be represented by proxy, at the General Meeting.

If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the Mauritian Form of Proxy (*blue*), in accordance with the instructions contained therein, so as to be received by Intercontinental Secretarial Services Ltd by no later than 2.00 p.m. (MUT) on 10 December 2021:

Hand deliveries and postal deliveries to:

Intercontinental Secretarial Services Ltd
Level 3, Alexander House
35 Cybercity,
Ebène, 72201
Mauritius

Electronic mail deliveries to:

Intercontinental Fund Services Limited at gritregistry@intercontinentaltrust.com

Shareholders on the UK Register

You are entitled to attend in person, or be represented by proxy, at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the UK Form of Proxy (*green*), in accordance with the instructions contained therein, so as to be received by Link Group by no later than 10.00 a.m. (GMT) on 10 December 2021:

Hand deliveries and postal deliveries to:

PXS 1
Link Group
Central Square
29 Wellington Street
Leeds
LS1 4DL
United Kingdom

Alternatively, proxy appointments may be returned to Link Group by one of the following means: (i) by logging on to www.signalshares.com and following the instructions; or (ii) in the case of CREST members, by utilising the CREST electronic proxy appointment service (details of which are contained in this document).

13 Further information

Your attention is drawn to the further information set out in this document. Shareholders should read all of the information contained in this document before deciding on the action to take in relation to the General Meeting.

14 Recommendation and voting intentions

The Board of Grit considers the Issue, the Proposed Acquisition and the Proposed Acquisition Resolution to be in the best interests of the Grit Group and its Shareholders as a whole.

As referred to in paragraph 3.3 above, under the Listing Rules, Grit's entry into the Interested Party Share Purchase Agreements is classed as a smaller related party transaction under the Listing Rules. The Grit Board, which has been so advised by finnCap, believes that the terms of the Proposed Acquisition and the entry into the Interested Party Share Purchase Agreements are fair and reasonable so far as Shareholders are concerned. finnCap has taken into account the Grit Board's commercial assessment of the effect of the Proposed Acquisition.

Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Proposed Acquisition Resolution, as those Directors who hold Ordinary Shares intend to do in respect of their own holdings of Ordinary Shares, representing approximately 7.35 per cent. of the Existing Ordinary Shares.

The Board has received written confirmations from Shareholders holding, in aggregate, 53 per cent. of the Company's issued share capital as at the date of this document, of their intention to vote in favour of the Proposed Acquisition Resolution.

Yours faithfully

Peter McAllister Todd

Chairman

PART II

BUSINESS OVERVIEW OF GRIT

1 Introduction to Grit

Grit is a leading pan-African real estate company focused on investing in and actively managing a diversified portfolio of assets in carefully pre-selected African countries (excluding South Africa). These high-quality assets are underpinned by predominantly US Dollar and Euro denominated long-term leases with a wide range of blue-chip multinational tenants across a diverse range of property sectors, with the aim of delivering strong sustainable long-term income. Grit currently has a premium listing on the Official List of the FCA and a secondary listing on the Official Market of the SEM.

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 in Africa (excluding South Africa), whilst earning predominantly Euro and US Dollar-based income from leading international tenants at emerging market yields. The Grit Group's current portfolio includes assets in Mauritius, Morocco, Mozambique, Zambia, Kenya, Botswana, Senegal and Ghana. Further details on the Existing Portfolio are set out in paragraph 9 (*Existing Portfolio*) of this Part II.

The Company has a strong management and support team with the Senior Management Team having over 90 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.

Track record

Grit has established a multi-year record of delivery across Africa and is now a key supplier of real estate solutions to a growing number of multinational and blue-chip tenants. The Grit Group's corporate governance framework and its disclosure commitments as a premium listed company have further entrenched it as a trusted real estate partner on the African continent, underpinned by the following:

- The Grit Group has experienced senior management and in-country operational teams who have in-depth practical experience of the property sector in Grit's operating jurisdictions as well as deeply established relationships with key stakeholders (including existing and potential blue-chip tenants, large reputable developers, key regulators and administrators).
- Tenant quality, which is the principal risk determinant in Grit's business model, is reflected in the fact that 90.9 per cent. of rental income (as at 30 June 2021) is generated from multinational and investment grade tenants who are not wholly dependent on the relevant domestic economies. This generally results in very low vacancy rates across the Grit Group's portfolio (5.3 per cent. as at 30 June 2021), even taking into consideration the impact of the COVID-19 pandemic which has particularly impacted the retail sector in Grit's markets.
- This counterparty strength has proven a key differentiator by facilitating hard currency rent collections (92.7 per cent. of Grit's rental income is generated in US Dollars and Euros or in currencies pegged to the US Dollar or Euro) whilst still achieving an average 3.8 per cent. contracted annual rental escalation and a WALE of 4.8 years across the Existing Portfolio (all as at 30 June 2021).
- Recent experiences in Mozambique have validated the Grit Group's business model, where conflicts in the north of the country, large currency devaluations, surging interest rates and rampant inflation have not had any material adverse impact on the performance or operational results of the Grit Group's property portfolio in that country, including lease renewal cycles, due to the strength of Grit's multinational tenants.
- The resilience of Grit's portfolio has also been robustly demonstrated during the last 18 months with the onset of the COVID-19 pandemic; although travel and economic disruption across Africa has inevitably impacted the retail and, to a lesser extent, hospitality assets, the Grit Group's geographical and sectoral diversification has helped mitigate the overall impact of the pandemic, with the remaining sectors (office, corporate accommodation and light industrial) experiencing limited impacts on

cashflows and valuations and the Grit Group's cash collections as a percentage of contracted lease income averaging 92.5 per cent. in the 12 months to 30 June 2021.

- Grit's business model brings a 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. In addition, the Grit Group has attracted debt funding across its operating jurisdictions from a growing number of leading international banks and has been able to refinance maturing facilities throughout the period of the pandemic, demonstrating those banks' commitment to the Grit Group's existing business model.
- Grit's management team believes that the Grit Group continues to make a positive impact on the people of Africa and has demonstrated an ability to drive change, transformation and upliftment. The Company proudly reflects a diverse employee base including a high percentage of female executives, a large contingent of localised employees and diverse languages, religions and cultures within the Grit Group. The Company is also committed to transforming building designs with regard to smarter fit-outs, eco-friendly designs and energy-saving innovations, monitoring the energy, emissions, water and waste management performances of its properties and has made carbon reduction and building efficiency commitments through to 2025. Further detail can be found in paragraph 6 below.
- The Grit Group has historically demonstrated robust processes and strong competencies in managing its existing assets alongside consolidating its substantial acquisitive growth and has successfully ensured net rents have flowed to the Company and onwards to Shareholders in the form of dividends. Although the Grit Group's historically progressive dividend policy has been temporarily impacted by the COVID-19 pandemic, the Grit Group is well positioned for a recovery in the economies where it operates and is confident of returning to its pre-pandemic progressive dividend policy and delivering superior total returns for its shareholders in the medium to longer term.
- Grit's office, light industrial and corporate accommodation sector assets remain relatively unaffected by the COVID-19 pandemic, culminating in the Grit Group collecting 92.5 per cent. of its contracted rentals in the financial year to 30 June 2021. However, higher discount rates and increased risk assumptions applied by the Grit Group's independent professional valuers as a result of COVID-19 uncertainty have led to depressed property valuations in the retail and, to a lesser extent, hospitality sectors. The Grit Group independently values 100 per cent. of its property portfolio annually and at least the top 50 per cent. by value every six months. Greater detail of the impacts of the pandemic are presented further below.

Grit's internally managed model means that it is able to pass on the benefits of increases in scale to its Shareholders as additions to its property portfolio only involve marginal additional overheads (mainly staff and related costs). The current operational platform is already well established and is expected to allow the Grit Group to more easily generate and potentially grow sustainable dividends from future property purchases that meet its acquisition criteria.

The financial benefits of past acquisitions have been magnified by the impact of gearing as there is a clear spread between the cost of debt and the net initial yield on portfolio acquisitions. Grit's enhancement to net income from gearing has, in the past, broadly equated to the value of overheads and has minimised the tax leakage that Grit suffers in its countries of operation.

However, the Grit Group's LTV targets have been impacted negatively by the COVID-19 pandemic (predominantly due to a decrease in the valuation of Grit's retail portfolio); therefore, Grit has set a key near-term objective of reducing gearing and, in particular, the LTV levels across its real estate assets.

The Grit Group has defined an asset recycling strategy whereby it aims to realise property assets at, or as close as practically possible to, their fair values and apply these proceeds to further reduce debt and gearing. The Board has set an asset recycling target of 20 per cent. of the value of its property portfolio by 31 December 2023 and, to this end, has recently announced the granting of an exclusivity period for final stage due diligence over AnfaPlace Mall, the Grit Group's largest retail asset. Further disposal announcements are expected in due course, and such disposals are expected to contribute to the reduction of reported LTV as at 30 June 2021.

Following the completion of the Proposed Acquisition and the Issue, if fully subscribed, the Grit Group LTV ratio will fall from 53.1 per cent. as at 30 June 2021 to a pro forma level of 33.6 per cent.

The impact of the above-mentioned asset recycling strategy, if successfully executed, is expected to further reduce the Grit Group LTV ratio by 3.0 per cent. by 30 June 2023. If the Issue is only subscribed to the level of the Indicated Minimum Proceeds, the LTV will fall to a pro forma level of 41.3 per cent.

2 Strengths

Grit provides an attractive option for income-seeking investors with the potential for future capital growth – the higher development returns, property yields and rental escalation available from non-traditional property markets, underpinned by long-term hard currency leases from global corporate tenants, provide a solid foundation for consistent returns.

Investment highlights

Following the completion of the Proposed Acquisition and the Issue, Grit is targeting a US Dollar total return of between 13 – 15 per cent. per annum⁴, inclusive of a strong US Dollar dividend generated from higher than average risk adjusted property yields.

Portfolio highlights

As at 30 June 2021:

- the value of the Existing Portfolio was US\$755.9 million;
- 90.9 per cent. of the Grit Group's leases were granted to multi-national tenants, demonstrating the Grit Group's ability to attract quality tenants – a key determinant in Grit's business model – who are not wholly dependent on the relevant domestic economies;
- 92.7 per cent. of the Grit Group's income was generated in US Dollars and Euros (or in currencies pegged to the US Dollar or Euro);
- the Grit Group had an EPRA occupancy level of 94.7 per cent. and the average WALE was 4.8 years as a result of Grit's focus on counterparty strength and long-term lease durations;
- the average annual weighted lease escalation was 3.8 per cent., demonstrating the ability of Grit to continue to increase its income over the long term; and
- the Grit Group's cash collections as a percentage of contracted lease income averaged 92.5 per cent. in the year to 30 June 2021.

3 The Grit Group's business

Grit's objective is to become the leading real estate company in Africa (excluding South Africa). The Grit Group aims to ensure consistent income and capital growth for investors by focusing on income producing assets, including up to 20 per cent. of gross asset value exposed to risk mitigated development projects, with strong counterparties as tenants. The Grit Group sees significant value creation from selected prefunding of turnkey developments in its own portfolio and from the assets and development pipeline within GREA.

Grit is the only listed real estate company with an Africa-only strategy that has a full suite of on-the-ground capabilities and adopts a diversified pan-African and pan-asset segment approach. It has a proven ability to generate attractive returns based on African yields for a sound risk profile.

Grit's strategy is based on **counterparty strength**. The Grit Group emphasises long-term partnerships with blue-chip multinational clients and aims to be the real estate partner of choice across Africa. Income and asset value growth is underpinned by an average 3.8 per cent. per annum rental escalation in leases and in the expected delivery of GREA's prefunded turnkey projects and development pipeline. The tenant-led business strategy is delivered through three principal areas of strategic focus, namely:

- property investment;
- risk-mitigated property development; and
- property co-investment and asset management.

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.

Property investment

Grit’s property portfolio is currently comprised of 54 quality assets across 8 countries (including 25 properties held in Letlole La Rona in Botswana) predominantly tenanted by investment grade and multi-national companies.

The Grit Group focuses on acquiring completed, high quality income producing assets that meet its stringent investment criteria. The Grit Group has a highly experienced investment team and investment committee. The latter interrogates and scrutinises the investment merits of potential acquisitions against a clearly defined investment process and meets regularly to discuss investment opportunities around the following core principles:

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

Grit seeks opportunities in high-yielding properties in economically sound and politically stable African jurisdictions. The portfolio is diversified across sectors, geographies and tenants, which are supported and strengthened by, in many instances, each tenant’s parent or holding company guarantees.

Grit’s investment process builds margins of safety around perceived African risk and looks to deliver sustainable long-term value to all stakeholders, including to the people of Africa.



Political risk insurance across the portfolio protects stakeholders’ cash distributions from expropriation and currency transferability risks.

Property development

Grit’s tenants require a full range of property solutions, including brownfield and greenfield developments. The Grit Group’s investment charter allows for combined development exposure and exposures to pre-funding of risk mitigated developments of no greater than 20 per cent. of consolidated Grit Group gross asset value.

Through Grit’s extensive in-country networks and its development associates, the Grit Group has always aimed to meet many of its client’s property needs within the countries it operates, including property development. For this reason it co-founded GREA in which Grit currently holds a 19.98 per cent. interest. GREA specialises in turnkey construction of real estate assets from inception to final handover and is one of Grit’s preferred development partners. Tenant-led demand forms the cornerstone of GREA’s development strategy, which is pursued on a significantly risk mitigated basis. GREA does not hold any land bank nor does it engage in speculative development projects. Through its team of highly experienced professionals, and in conjunction with long standing in-country associates and partners, GREA has achieved significant success in the management and delivery of complex projects throughout Africa. As part of the next stage of Grit’s development it is proposing to take control of GREA by acquiring a further 25.78 per cent. interest in GREA and a 78.95 per cent. interest in its management company, APDM.

Further information on GREA and APDM is set out in Part III (*Business overview of GREA and APDM*) of this document.

Property co-investment and property and asset management

Grit is an internally managed property operating company that has built significant scale and skills across Africa to service its multinational tenants.

Property special purpose vehicles, holding ringfenced assets and introducing third party external co-investment, provides the Grit Group with the ability to reduce concentration risks and the opportunity to provide professional asset management services to the vehicle. The provision of asset management services, both internally and to external property owners, is a strategic focus for the Grit Group that is expected to drive strong fee generation and assist in lowering several of the Grit Group's key operating cost ratios.

The Grit Group continues to align with domestic African pension funds and other partners to professionalise all aspects of real estate management and to enhance the value of their property portfolios. Grit has a number of opportunities to acquire minority and majority interests in direct property SPVs and provide asset management services, with related fees, on full asset values. The cash generative nature of such a business model serves to improve operational cashflows across the Grit Group and utilises existing infrastructure, making it a key contributor to the Grit Group's medium-term target of achieving an administration costs to assets ratio of below 1 per cent.

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 REITs can have on both an economy and its capital markets. It was a key catalyst in transforming the sector from obscurity to one of the better performing asset classes on the JSE since its adoption in May 2013.

The Board believes that, over time, the development of REIT structures will create a platform for growth in African real estate markets and the wider economy and will also provide improved liquidity and compression of property capitalisation rates in the countries that have adopted them. This is expected to impact positively both the value of Grit's portfolio and its future growth aspirations, as well as enhance management's ability to recycle capital.

The success of REITs can only be achieved through the creation of localised structures that benefit from international standards and offerings that are attractive to both foreign capital and local pension and insurance funds as well as retail investors. The Company is focused on engaging with local institutional investors (primarily pension and insurance funds) and regulators on this matter in current and target jurisdictions, including Kenya, Morocco, Mauritius and Ghana.

Managing the impact of COVID-19 on the Grit Group's portfolio

COVID-19's impact on the Grit Group differs by country and sector, whilst tenant business practices, financial stability and direct operational activities continue to evolve.

Whilst Grit's geographic footprint has been far less affected by direct COVID-19 caseloads – and the broader African continent has experienced significantly lower death rates than, for example, Europe, Asia and North America – the continent has nevertheless borne the economic impact felt worldwide and remains vulnerable to broader global economic developments associated with the pandemic.

Changing real estate trends as a result of the pandemic are also not necessarily uniformly comparable across the globe. As “work from home” becomes the “new normal” in the developed markets, questions have been raised on the long-term impacts on specifically the demand for office space.

However, although influenced by these global trends, Africa has other contributing factors such as limited access to quality internet connection, security of corporate data and company assets, etc. which influence real estate demands to a far greater extent. The “work from home” concept has neither been viable nor practical in many African countries, which has been demonstrated by staff employed by tenants in the Grit portfolio returning to their normal place of work post government-imposed lockdowns.

Grit's office, light industrial and corporate accommodation sector assets remained relatively unaffected by the pandemic, but disruption in the retail and, to a lesser extent, hospitality sector across Africa led to

depressed property valuations within Grit's portfolio with higher discount rates and future risk assumptions being applied by the Grit Group's independent professional valuers.

Rental collections across the Grit Group have remained strong since the onset of the pandemic and, despite the economic headwinds, collection trends have continued to improve in recent months with collection rates in the six months to 30 June 2021 averaging 93.7 per cent. of contracted rental income (compared to 91.4 per cent. in the six months to 31 December 2020). The onset of COVID-19 and local lockdowns resulted in the Grit Group providing limited concessions, equating to 5.6 per cent. of contracted rental revenue for the twelve months to 30 June 2021, to tenants. Although some of the concessions provided were as a result of local laws, the Grit Group also provided support to tenants where necessary to protect their long-term viability, specifically in the retail sector.

The robust rental collection in the last 12 months leaves the Board increasingly confident in the Grit Group's outlook following the pandemic. The Grit Group is well positioned for a recovery in the economies where it operates and, despite a number of ongoing challenges, there are positive trends which are expected to position Grit favourably in the short and medium term:

- Mauritian borders opened fully from 1 October 2021. The island's hospitality sector is expected to return to normal operations during the current tourist season. Both of Grit's Mauritian hospitality tenants have received strong government support, including liquidity support, from the Mauritian Investment Corporation.
- The Cap Skirring resort, Senegal, tenanted by Club Med, is expected to resume operations from 5 December 2021 upon resumption of regular incoming flights.
- Improving vaccination rates in both Europe and on the African continent are expected to facilitate a return to normal trading, logistics and travel activities across Grit's countries of operation, which will assist in recovery of domestic economies and normalisation of risk premia and discount rates.
- Footfall in its retail assets has shown steady improvement, most notably in Anfa Place in Morocco where current footfall statistics are 20 per cent. above pre redevelopment levels and substantially higher than in 2020, and rent arrears balances have stabilized and have started to improve.
- The Grit Group's vacancy rate reduced to 5.3 per cent. at 30 June 2021 (31 December 2020: 8.0 per cent.) and whilst the retail segment still accounts for over 75 per cent. of the reported Grit Group vacancy, strong leasing activity is expected to result in continued vacancy improvements over the remainder of 2021.

The pandemic has however undoubtedly accelerated structural challenges in the retail sector and the Grit Group is now actively reducing its exposure to retail, which will include the recycling of assets and/or re-purposing or redeveloping these assets, where there are opportunities to do so.

As the Grit Group continues to navigate the ever-changing environment, management is carefully monitoring the impact of COVID-19 on operations and being watchful for future implications.

4 Executive and Senior Management Team

Grit has a senior management team ("**SMT**") which includes Bronwyn Knight, the Chief Executive Officer and Executive Director, Leon van de Moortele, the Chief Finance Officer and Executive Director, Moira Van der Westhuizen, Chief Operating Officer and Darren Veenhuis, Chief Strategy Officer. The SMT supported by the broader management team inclusive of head of treasury, head of real estate and head of investments, is responsible for managing and coordinating the Grit Group's operations on a day to day basis.

Bronwyn co-founded Grit and was appointed Grit's Chief Executive Officer (CEO) in 2014. Bronwyn has over 18 years' experience in the real estate investment sector. Since Grit was founded, Bronwyn has played a significant role in growing the investment portfolio to over US\$800 million whilst attracting equity funding from high calibre institutional investors and overseeing Grit's listings on the LSE, the SEM and, until recently, the JSE.

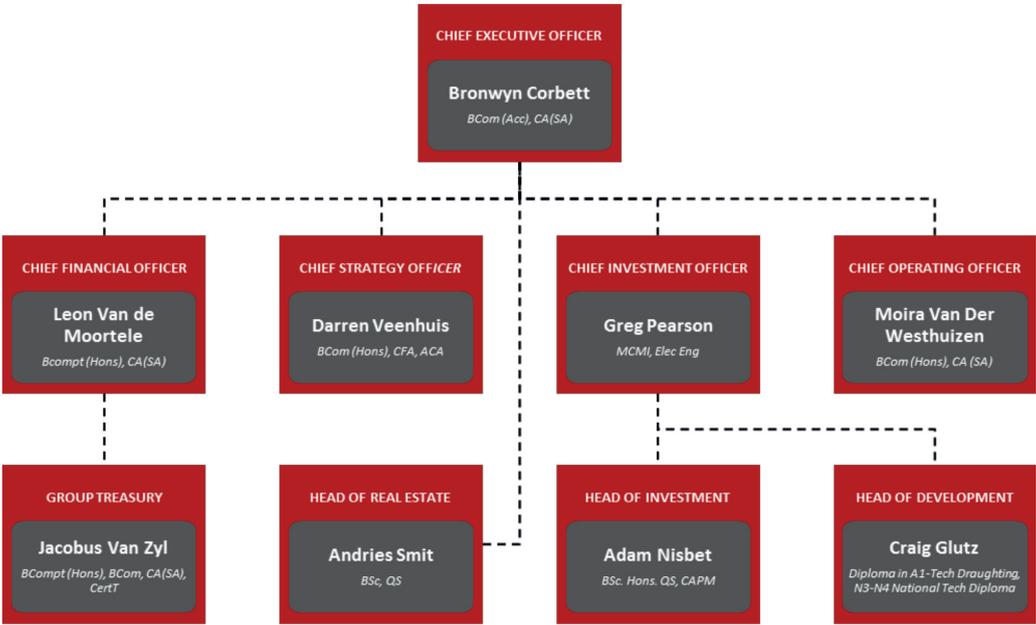
Leon joined Grit in April 2015, as Chief Financial Officer (CFO), and since then he has utilised his knowledge and experience of operating in Africa to help extend the asset base of the Grit Group to eight jurisdictions

(and growing), attracting debt funding from a number of leading international banks and overseeing Grit's step-up to a premium listing on the Official List of the FCA in January 2021.

Following completion of the Proposed Acquisition, the APDM management team will join the Grit Group. In particular, GREA's director and de facto CEO and co-founder of Grit, Greg Pearson, will join Grit as Chief Investment Officer for the enlarged Grit Group whilst remaining CEO of GREA. GREA's de facto CFO, Krishnen Kistnen, will remain CFO of GREA.

APDM management and staff are essential to achieving the final delivery of the projects both currently underway and into the future, the delivery of which is a key feature of the Proposed Acquisition. In order to secure the continued future service of the management and staff, the consideration payable by Grit to the GREA Executive Share Trust pursuant to the GREA Executive Share Trust Share Purchase Agreement shall be settled by Grit issuing shares in the issued share capital of Grit equal to the amount of the consideration. Such shares are to be retained by the GREA Executive Share Trust, for the benefit of designated participants under a long-term incentive plan, vesting on a future date or earlier if sufficient value is achieved in GREA. Certain participants will also be enrolled to the Grit long-term incentive plan and awarded shares upon the fulfilment of specific key performance indicators.

PROPOSED SENIOR MANAGEMENT TEAM OF THE ENLARGED GROUP



5 Investment strategy

Grit considers key investment criteria such as the ability to conclude leases 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;
- favourable policy reform;
- stable government where political risk has been mitigated;
- 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;
- ability to repatriate funds to Mauritius; and
- solid economic fundamentals.

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) – covering all of the Grit Group's overseas operating jurisdictions – taken out to cover US Dollar liquidity and expropriation of funds, providing additional layers of protection against repatriation risk.

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

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 Grit Group's top fifteen tenancies which include the Bureau of Overseas Buildings Operations (a division of the US State department), global hospitality brands such as Club Med, Beachcomber and Lux, retail tenants such as Carrefour and Shoprite, financial sector tenants such as Hollard as well as oil and mining, logistics and telecommunications providers such as Exxon Mobil, Total, 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 Grit Group's tenant leases have proven the Grit Group's focus on counterparty strength to be the correct approach.

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 30 per cent. of gross assets per operational jurisdiction (once gross assets are in excess of US\$1 billion), to ring-fence the Grit Group's exposure to unforeseen events, be they economic, political or natural. However, in certain circumstances the Company may take advantage of merit driven investment opportunities where the circumstances may warrant it.

Locality focus

It is the Company's objective to stay within the major metropolis and cities of each target country but the Company can explore opportunities in: (i) areas earmarked for future growth due to burgeoning industries (e.g. oil and gas); and (ii) areas under-pinned by local and foreign investment from government and multinationals.

Target nodes include:

- high and fast growth areas;
- older well-established areas that are dominant and relevant; and
- that in each case are acceptable from an infrastructure and planning approval point of view.

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).

Leveraging local expertise through co-investment

The ability to leverage on-the-ground expertise remains key to sustainability and growth in the Grit 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 Grit Group's various acquisitions is an integral part of Grit's business model and Grit's Board and Senior Management Team continuously seek to build strong relationships with the Grit 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.

Grit targets an LTV level across its real estate portfolio of a maximum of 40 per cent. (as at 30 June 2021 the Grit Group's LTV was 53.1 per cent. due to the aforementioned depressed property valuations – particularly in the retail sector – brought about by the COVID-19 pandemic). Following the Proposed Acquisition, Grit will target a significantly reduced LTV level across its portfolio of 35 to 40 per cent.

Loan facilities are typically secured against specific assets and may include the assignment 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 are also offered by the Company though Grit seeks to ensure that as much of the Grit Group’s external debt as possible is not cross collateralised against other assets within the Grit Group or supported with parent company guarantees, whilst balancing this against the need to ensure that the Grit Group obtains the best pricing on its debt facilities. In total, approximately 73 per cent. of the Grit Group’s borrowings are the subject of parent company guarantees.

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 interest rate hedging strategy where necessary using interest rate swaps and, on occasion, fixed rate loans to match the Grit Group borrowings to the underlying cashflows and keep the Grit Group’s balance sheet exposure to interest rate movements to a minimum. In addition, the Grit 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.

Following completion of the Issue, the larger scale and reduced dependence on hospitality and retail, together with a reduced overall exposure to Mozambique, should facilitate the possible issuance of a corporate bond by Grit in the near future, terming out the maturity profile and reducing funding costs. Grit is exploring, with its advisers, the possibility of effecting such a bond issue following completion of the Issue and Proposed Acquisition.

Recent debt refinancing activity

In line with the above financing strategy and policy, post the year ended 30 June 2021 the Grit Group has successfully refinanced the majority of the debt becoming due in the next two years. Although the Grit Group’s weighted average debt expiry as at 30 June 2021 was 1.48 years, these actions have resulted in an increase to 1.83 years as at 31 October 2021. The revised debt expiry profile of the Grit Group following this significant post year end activity is summarized in the table below:



In addition, the Grit Group’s treasury team has negotiated further extensions to the covenant relaxations provided by the financiers over the COVID-19 period from December 2021 to beyond the first quarter of 2023. Over this period, the Grit Group LTV covenant from Grit’s main financiers Absa, Nedbank and Standard Bank of South Africa has been extended to 55 per cent. (from 53 per cent.) and Interest Service Cover Ratio (“ISCR”) to 1.8x cover (from 2.0x cover). Also post the year ended 30 June 2021, the Grit Group added a new banking partner – the International Financial Corporation – to the list of Grit’s financiers.

Further details of the debt facilities refinanced by the Grit Group since 30 June 2021 are set out in paragraph 13.1 of Part XII (*Additional Information*) of this document.

6 Sustainability and impact

Sustainability

As a prominent corporate citizen across multiple jurisdictions, the Grit Group manages its business in such a way that is responsible and sustainable and strives to deliver maximum impact and benefit to all stakeholders affected by the business. Being a responsible corporate citizen involves a balance between environmental, social and governance impacts.

To provide a clear focus on how Grit sets out to conduct itself as a responsible and sustainable business, the Grit Group has defined four major pillars and focus areas. These are:

- 1 Managing our assets responsibly – constantly finding ways to drive efficiency, through the close monitoring of our assets, and the provision of innovative solutions that maximize utility for the tenant and returns for our shareholders.
- 2 Uplifting communities and environment – providing support and resources to the communities in which we operate to ensure that our on-the-ground presence, and not just our assets, add value, and provide access and opportunities to the surrounding communities.
- 3 Developing our employees – realizing that it is important to build people, who in turn, build businesses, by creating opportunities for individuals and teams to grow, innovate, debate, problem-solve and realise their full potential.
- 4 Designing and delivering environmentally-conscious and efficient spaces – providing spaces which are energy-efficient, reduce water usage, promote prudent waste management and consider the environment, while also reducing operating costs for the benefit of both our tenants and shareholders.

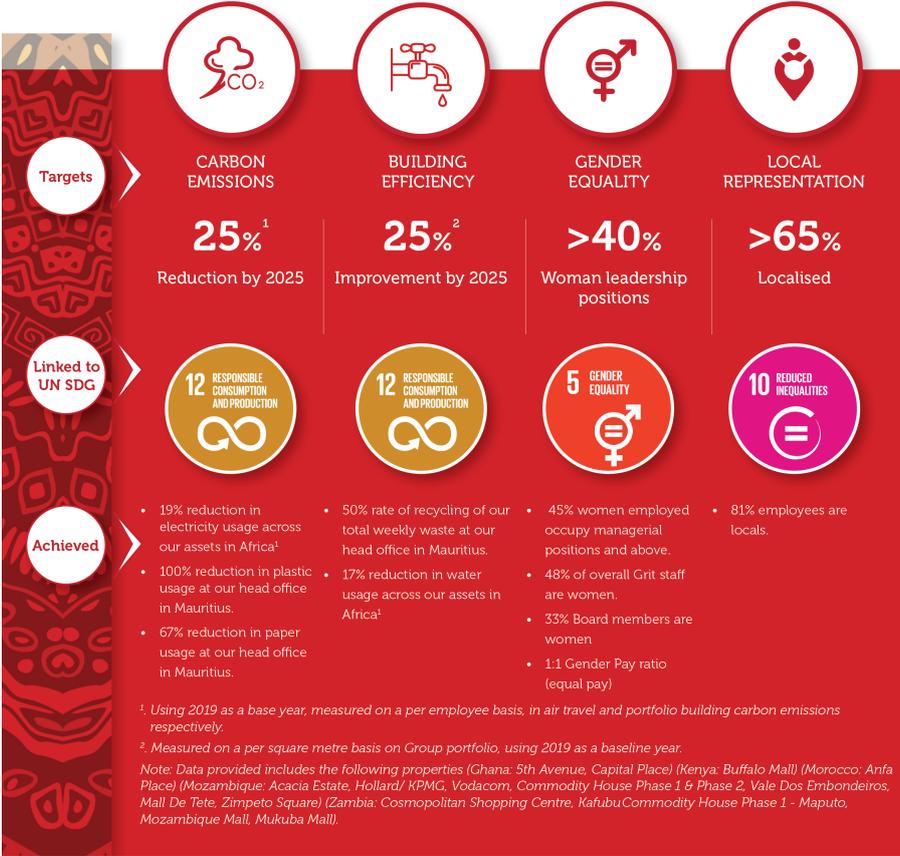
Grit further incorporates a transformation policy into the above focus areas by defining the way it drives positive change across the African continent as follows:



The key principles behind Grit's transformation strategy are as follows:

- Leading with integrity and being socially responsible, contributing to the socio-economic development of the communities in which Grit operates and building community trust;
- Promoting equal opportunity and fair treatment in employing suitably qualified and culturally diverse people that reflect the demographics of countries in which Grit operates;
- Embedding a philosophy of localisation and indigenisation, targeting local talent and creating long-term employment; and
- Providing a platform to empower Grit's people by providing study assistance mechanisms and opportunities to be able to leverage off Grit's diverse talent pool of skills.

Grit has identified 4 high-level KPI's by which it measures and monitors progress in relation to the highest priority focus areas of the sustainability framework, namely:



The Grit Group's broader environmental and social objectives are set out in the Grit Group's Sustainability framework:

ASPECT	SUB-TOPIC	OBJECTIVE
ENVIRONMENTAL	Carbon Emissions	25% reduction in Grit Group carbon emissions by 2025
	Building Efficiency	25% improvement in building-efficiency by 2025 through reductions in electricity & water consumption
	Water Consumption	Reduce water consumption across our assets by 25% through: <ul style="list-style-type: none"> – Installation of sensor taps – Leak detection devices – Low-flow tap nozzles – Rain and grey water harvesting devices – Automated landscaping irrigation
	Electricity Consumption	Reduce electricity consumption across our assets by 25% through the following measures: <ul style="list-style-type: none"> – Promoting responsible consumption amongst all staff and tenants – Replacing existing equipment with energy efficient equipment – Solar PV Plants – LED Lighting – Light Motion Sensors – Day Night Switches

<i>ASPECT</i>	<i>SUB-TOPIC</i>	<i>OBJECTIVE</i>
SOCIAL	Waste Management	Optimize waste management and recycling across our assets by 25% through the following measures: <ul style="list-style-type: none"> – Tenant education and collaboration – Waste sorting – Recycling program – Recycling bins – Composting organic waste
	Animal Welfare	Supporting Mauritian non-profit animal welfare organization “All Life Matters Animal Sanctuary”. The NGO runs an animal sanctuary and operates a low cost veterinary clinic focusing on sterilization to assist the country in managing the over population of dogs and cats. The sanctuary was originally set up for retired race horses that were destined for euthanasia.
	Sourcing Locally	Source most office collaterals from local suppliers only, in a view to avoid any air freight, which insofar as possible are made from recyclable and bio-degradable material
	Responsible HQ Consumption	Increase rate of recycling of our total weekly waste at our head office in Mauritius to sit above 40% Reduce plastic usage at our head office in Mauritius by more than 50% Reduce paper usage at our head office in Mauritius by more than 50%
	Environmental Sustainability Management and Reporting	Deploy our Environmental Sustainability Management and Reporting Policy across all our fully-owned assets in Africa
	Women in Leadership	At least 40% of leadership positions within Grit Group held by women
	Local Representation	At least 65% local employee representation
	Employee Engagement	Maintain an employee satisfaction score above 75% per annum
	Staff Turnover	Monitor staff turnover rate to not exceed more than 10% per annum
	Internships	Create workplace opportunities for students and young graduates, offering a minimum of 2 internships per annum
Leadership Program	Provide a minimum of 100 hours of leadership coaching per annum to Grit’s Executive and Senior Management team through numerous seminars, strategic workshops and 1:1 coaching sessions	
Wellbeing	Maintain open door policy and offer support and services to assist in employees’ personal wellbeing Medical Insurance provided to all employees	
Health & Safety (employees)	Ensure Practical Fire training take place quarterly and offer First Aid courses to staff members annually	
Diversity & Inclusion	Strive to achieve and maintain as close to an equal gender split among work force as possible (50:50) Recruit and retain staff from multiple local, African and international territories/nationalities	

<i>ASPECT</i>	<i>SUB-TOPIC</i>	<i>OBJECTIVE</i>
	Open Communication	Maintain monthly #LetsTalk sessions for employees to openly discuss any concerns they may have in the workplace, to present new ideas and to make suggestions on the logistics and daily running of the business
	Local Supplier Focus	Maintain strict procurement rules for the appointment of suppliers. Local suppliers are to be appointed as far as possible in each of our jurisdictions to ensure that business is being given to local businesses and thus contribute to the local economy and job creation
	Women in the Workplace	Maintain quarterly Women with Grit seminars to get all women in property together in a view to network and exchange experiences, targeting more than 100 participants per annum.
	Staff Policies and Procedures	Integrated employee handbook aimed at guiding employees from their joining date
	Performance Management	Performance Management is monitored with a 360 feedback and a calibration committee to review the scoring and employee data
	Staff Wellbeing	Promote and support employee program around wellbeing and ecofriendly initiatives
	Work Life Balance	Promote work life balance

Grit aims to make a difference not only in the public sphere but also by encouraging its employees to give their time and commitment to CSR activities. The efforts of both the Company and its employees are tested against the pillars of its corporate philosophy and challenges all stakeholders to actively engage in bringing about positive change in areas where they can contribute on a significant scale.

Grit has built its CSR orientation on the following goals aligned to the United Nations' Sustainable Development Goals, and a CSR committee has been created to analyse project applications, evaluate budgets and approve initiatives that meet the criteria for each of these goals:

Goal 1 – No Poverty

The COVID-19 pandemic has affected many of the poorer communities in Mauritius. Grit created a COVID-19 Relief Fund and donations were collected from Grit employees, partners, families and friends. Through this Grit was able to purchase, pack and distribute food packs to hundreds of needy families across the island.

The Grit Group will continue to support initiatives that help the poorer communities and vulnerable people in the fight against poverty.

Goal 2 – Good health and well being

The well-being of Grit's employees is paramount and ensuring employees feel valued and have work-life balance is an important focus area. Grit provides support and services to assist in employees' personal wellbeing. There is an 'open-door' culture between management and staff to encourage interaction, may it be formal or informal.

With the onset of COVID-19, Grit implemented a 'Lockdown Support Committee' whereby employees were able to express their experiences and challenges while being in lockdown.

Grit also made additional monetary donations for hand sanitisers and masks to public servants and front line public sector staff including a donation of 55,000 masks to the Mauritius Diabetes Association.

The Grit Group will continue to support initiatives that help the poorer communities and vulnerable people to promote good health and well-being.

Goal 3 – Quality education

The success of the business is based on the expertise of the teams located in the different countries where Grit operates. Grit believes in the continuous training of its employees and providing access to quality education, which it demonstrates by supporting projects that allow vulnerable populations to have access to education and instructional tools to vulnerable populations.

For example, Grit supports Terre de Paix, a Mauritian NGO that has been combating poverty and its consequences on vulnerable children since 1978. This worthy cause assists abandoned and vulnerable children, children who are not part of the mainstream education system and poverty-stricken families, providing a home-based family structure for children from hostile environments.

Grit created and runs a successful internship program, creating workplace opportunities for students and young graduates to experience the real workplace.

Goal 4 – Life below water

With its head office based in Mauritius, Grit is aware of the urgency to respect marine areas and seeks to encourage awareness and information actions as well as initiatives to save endangered species.

Grit provides support to Reef Conservation, a non-profit organisation dedicated to the conservation and restoration of the coastal and marine environment of Mauritius. It promotes the sustainable use of the biodiversity of marine ecosystems in a partnership approach with all concerned stakeholders and employs qualified biologists to manage and implement its projects.

Goal 5 – Life on land

Grit supports a Mauritian non-profit animal welfare organization “All Life Matters Animal Sanctuary”. The NGO runs an animal sanctuary and operates a low cost veterinary clinic focusing on sterilization to assist the country in managing the over population of dogs and cats. The sanctuary was originally set up for retired race horses that were destined for euthanasia.

Grit is a sponsor of the Last Male Standing programme in Kenya culminating in an annual charity cricket tournament in the middle of one of the world's great conservation areas – Ol Pejeta in Northern Kenya. Ol Pejeta is the largest black rhino sanctuary in East Africa and home to two of the world's last remaining northern white rhino.

Impact

Grit aims to do business in a manner that will have a positive and sustainable impact in the long-term.

The business strategy is designed to help unlock value in the immediate micro-economies within which the Grit Group's assets are located; and unlocking value in the Grit Group's assets means unlocking the potential for creating sustainable long-term employment.

Historically, Grit has been able to provide liquidity to local developers through the purchase of quality assets developed in the various economies. Subsequent redeployment of such capital into new developments is creating stable and sustainable long-term employment in these economies and is assisting local developers and landowners to realise the intrinsic value held in their land assets.

The Grit Group's retail assets bring formal, convenient retail services to local communities and allow previously informal businesses a formalised platform from which to trade and provide for a wider variety of goods and services to the micro-economies. In addition to the employment opportunities offered by retailers within the shopping centres, Grit's property and facilities management generates employment opportunities and skills transfer for local communities and provides an environment for local entrepreneurs and service providers to create and grow their businesses.

Furthermore, Grit goes beyond the acquisition of assets, continuously seeking growth opportunities through new developments or redevelopments of existing properties, providing both short-term and permanent employment opportunities.

In countries such as Mozambique, Ghana and Zambia, Grit has been integral in the formation and growth of specialist property management companies built around local in-country teams. Through hands-on specialist property training provided to its staff and the effective use of technology, Grit continues to add to the growth of a more sustainable and sophisticated property industry within the local communities.

7 Dividends and dividend policy

The progressive dividend policy adopted by the Board is to pay a semi-annual dividend to Shareholders, typically in March and October in each year. For the year ended 30 June 2021, the Company has paid or declared aggregate dividends of 1.50 cents per Ordinary Share (equivalent to a dividend pay-out ratio of 25.1 per cent. of distributable earnings). This dividend reflected the Board's caution against a backdrop of the global COVID-19 pandemic. However, with the post pandemic recovery hopefully getting underway, the Board expects that dividends (in more normal times) will be at least 80 per cent. of distributable earnings, subject to compliance with the solvency requirements set out in the Companies Law.

Following completion of the Issue and subject to completion of the Proposed Acquisition, the Board expects a higher proportion of annual earnings to be delivered as development profits recognised through increasing property valuations and increasing Net Asset Value. Development gains are not expected to be distributable but should translate into future higher rental income streams being earned.

The Company declares dividends in US Dollars and Shareholders on the UK Register and the Mauritian Register will, by default, receive dividend payments in US Dollars. Shareholders on the UK Register may, on completion of a dividend election form, elect to receive dividend payments in sterling. Dividend election forms are available from the Registrar on request.

Following the completion of the Proposed Acquisition and the Issue, Grit is targeting a US Dollar total return of between 13 – 15 per cent. per annum, inclusive of a strong US Dollar dividend generated from higher than average risk adjusted property yields.

The New Ordinary Shares will not carry the right to receive any dividends declared by reference to a record date prior to the date of their issue.

The target total return stated above is a target only and not a profit forecast and there can be no assurance that it will be achieved.

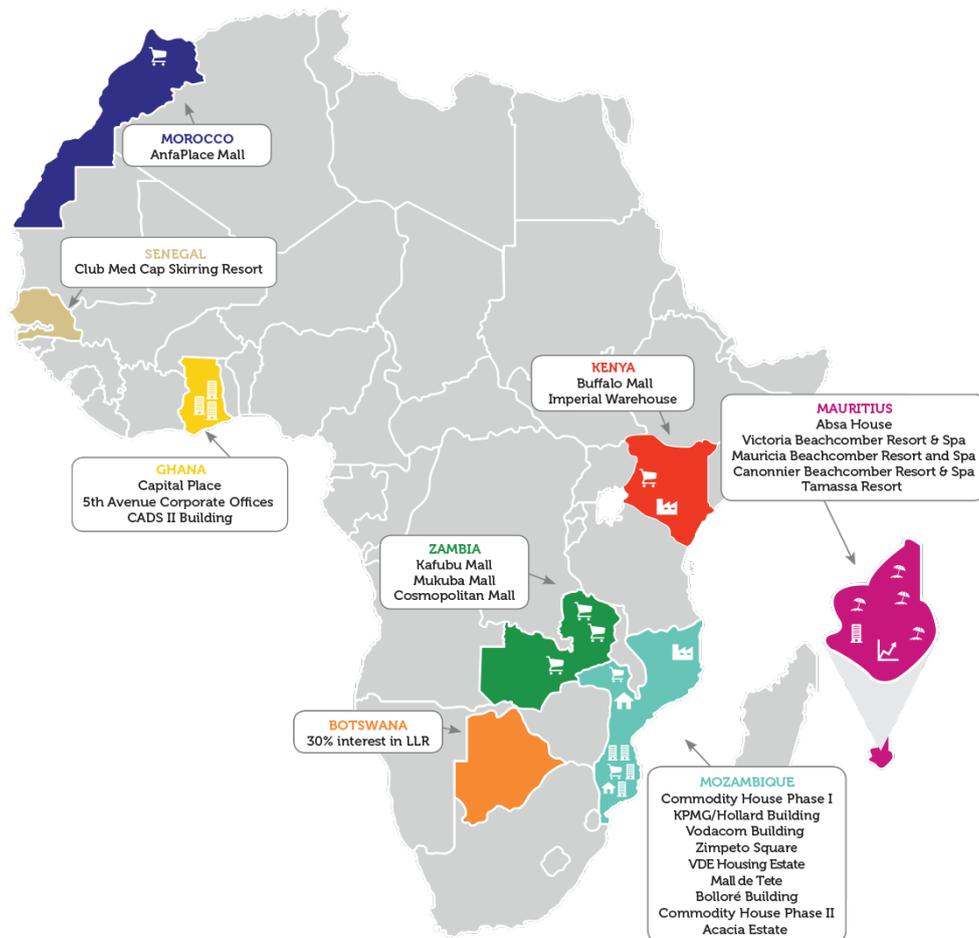
8 Share buyback policy

Pursuant to a special resolution passed at a general meeting of Shareholders held on 17 June 2021, the Directors of the Company were authorised to proceed with a repurchase by the Company of up to 49,652,208 Ordinary Shares. This approval from the Shareholders is valid until the next annual general meeting of Shareholders. The Directors will seek to renew this authority at the forthcoming annual general meeting to be held on 29 November 2021.

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 Ordinary Share following any buyback will be increased accordingly.

9 Existing Portfolio

At the date of this document, Grit has a portfolio of 54 assets across 8 countries (including 25 properties held in Letlole La Rona, a listed Botswana industrial property group) plus one vacant land plot held for development. Grit's current geographical footprint is Mauritius, Mozambique, Morocco, Zambia, Kenya, Ghana, Senegal and Botswana and its existing properties (shown in the graphic below) cover a diverse range of sectors including retail, office, light industrial, corporate accommodation and hospitality.



As at 30 June 2021, the date of the property valuations for existing assets set out in Part IX, Section A (*Property Valuation Report prepared by Knight Frank LLP in respect of certain assets in the Existing Portfolio*) and in Part X (*Property Valuation Report prepared by REC – Real Estate Consulting, LDA in relation to certain assets in the Existing Portfolio and in the New Portfolio*) of this document, Grit's portfolio had:

- an aggregate valuation of approximately US\$755.9 million and an estimated property net initial yield of 7.3 per cent.;
- 342,396m² of gross lettable space (proportionate to ownership for assets not 100 per cent. owned);
- a vacancy rate of 5.3 per cent., largely due to the impact of COVID-19 on Grit's retail portfolio; and
- a weighted average lease expiry of 4.8 years.

10 Orbit acquisition

The Orbit Africa transaction initially comprises the acquisition, on a sale and leaseback basis, of an existing warehouse and manufacturing facility with a gross lettable area ("**GLA**") of 29,243m² and total land parcel of 80,570m² at an accretive net acquisition yield of 9.60 per cent. (net of acquisition costs). The facility will be leased back to Orbit Products Africa Limited ("**OPAL**") on a new 25-year US Dollar denominated triple net lease, with an option to extend the lease term for a further 10 years and includes a contracted average escalation of 2 per cent. per annum. The transaction is targeted to complete in December 2021.

A further redevelopment and expansion of the existing facility will be undertaken from the second quarter of 2022, with expected completion in the fourth quarter of 2023, when it will be let on a new 20-year triple net lease at an attractive contractual development yield of 16.0 per cent. (net of acquisition costs), enhancing the rental income on the expanded asset and its capital value. 14,741m² GLA of modern warehouse space will be added as part of the redevelopment and extension programme, which will reposition the property to today's modern fast-moving consumer goods industry standards and IFC EDGE green building certification upon completion.

OPAL, controlled by the Chandaria family, has operated in Kenya for more than 40 years and is the leading manufacturer of popular personal care and home care products for the East Africa region, employing over 600 permanent staff. OPAL's primary clients include multi-nationals such as Reckitt Benckiser, Ecolab, Colgate and Henkel. The transaction is underpinned by strong corporate guarantees from the parent companies of the Chandaria family, with which Grit has further credit risk insurance policies that provide for up to three years of rental obligation guarantees and cover.

The total expected investment (inclusive of VAT) in the combined initial acquisition and the expansion and redevelopment is expected to be US\$53.6 million and will be funded through a US\$25 million senior debt facility from the International Finance Corporation (the "IFC"), with the balance provided through a Grit issued perpetual preference note of up to US\$31.5 million; Grit will invest the additional proceeds of the perpetual note into accretive near-term growth opportunities such as de-risked Mauritius healthcare developments.

The IFC loan and the preference note fully fund the acquisition and redevelopment of the Orbit Africa facility, and the combined effect of these transactions is expected to be accretive to both NAV and earnings, delivering value to Shareholders.

Debt financing terms

- The IFC provides a US\$25 million senior debt facility.
- US\$16.1 million of the loan will be utilised to fund the purchase consideration and associated transaction costs related to the initial sale and leaseback.
- US\$8.9 million of the loan will be utilised to fund the redevelopment project.
- The loan provided by the IFC carries a tenure of eight years; of which the first three years are provided under a capital repayment moratorium.
- The applicable facility interest rate is 5.75 per cent. per annum above 6-month LIBOR.

Perpetual note terms

- The terms of the note are contained in a subscription agreement dated 13 October 2021, and the note is expected to be issued in late November or early December 2021 subject to customary conditions precedent.
- The principal amount of the note is up to USD 31,500,000, with USD 27,500,00 to be issued initially.
- The note will be treated as equity for IFRS accounting purposes and will reduce the Grit Group's reported LTV.
- The note is issued by Grit Services Limited and guaranteed by the Company. It is a subordinated obligation of Grit Services Limited.
- The note has a cash coupon of 9.0 per cent. per annum, deferrable in certain circumstances, and a 4.0 per cent. per annum redemption premium. The yield of the note (excluding make-whole premium) up to the fifth anniversary is floored at 13 per cent. per annum, and capped at 16 per cent. per annum.
- The note, although it has no fixed maturity date, carries a material coupon step-up provision after the fifth anniversary, which is expected to result in the issuer redeeming the note on or before the fifth anniversary.
- The note has a further potential maximum 3.0 per cent. per annum return which is linked to the performance of the Ordinary Shares over the duration of the note.
- The note is exchangeable into ordinary shares of the Company in certain circumstances between the fifth and seventh anniversary of the issue date.
- The note can be called by the Company at any time after the third anniversary and may be put by holders in certain customary exceptional circumstances.
- The note is secured by a second ranking floating charge over the assets of Grit Services Limited.
- Proceeds of the note issue will be used for the Orbit Acquisition and development of the St Helene Clinic.

PART III

BUSINESS OVERVIEW OF GREA AND APDM

1 GREA

1.1 Introduction

GREA is a private real estate development company specialising in risk mitigated turnkey construction of real estate solutions for multinational companies wishing to expand their operations in Africa.

With the target to bridge the supply-demand gap in African real estate, GREA's strategy is to partner with blue-chip multinationals seeking real estate solutions on the African continent. It develops properties for these companies backed by USD-denominated or USD-linked long-term lease contracts:

GREA:

- was co-founded in 2018 by Grit and Gateway Partners with the support of anchor shareholders such as the PIC and Prudential Financial. At launch GREA raised US\$175 million in equity commitments from these principal shareholders;
- is managed by APDM, an experienced team of professionals with an established track record in African property development, investment and management, delivering projects on time and within budget;
- has strong risk management policies in place to mitigate developmental, operational and other risks associated with African real estate investments;
- is equipped with an extensive knowledge and understanding of Africa, as well as benefiting from an extensive network of trusted partners;
- targets value creation through the active management of both assets under development and completed as tenanted by blue-chip multinational companies; and
- provides investors with high-yielding US Dollar denominated real estate exposure with robust growth potential maximizing return for its shareholders.

As at 30 June 2021, GREA had unaudited net assets of US\$193 million, gross assets of US\$199 million and pre-tax profits for the six months ended 30 June 2021 of US\$5.7 million.

1.2 Summary of operations

GREA offers direct real estate exposure to investors looking for superior, US Dollar-based returns gained from tenant led development and redevelopment opportunities from non-traditional property markets, supported additionally by rental income streams on completed assets.

GREA seeks to address the significant demand from multinational corporates, retailers and investment grade governments seeking quality real estate solutions on the continent but facing a shortage of supply. GREA does not develop speculatively but rather aligns with specific tenant requirements. It does not hold land banks as projects normally involve securing land in conjunction with the tenants' lease commitments to such location prior to development. GREA materially transfers construction risk to professional construction partners whilst retaining only timing and final delivery risks.

In weighing up the perceived African risk, country risk is less significant than it first appears because of the focus on tenants: i.e. counterparty strength; tenant characteristics are the principal risk determinant in GREA's business model and help maximise value when seeking an exit from each asset due to the underlying income strength.

Country risk remains an important factor to be understood and properly managed, but at the micro level the majority of income is from tenants who tend not to be typical of the overall domestic political economy.

Rental income is predominantly generated in US Dollars, which reduces African currency risk.

To limit the risk of not being able to convert and/or transfer hard currency, GREA has taken out political risk insurance where necessary at marginal cost. GREA also has a solid project pipeline and its management has developed long-standing and strategic partnerships with established local developers and multinational companies in developing this pipeline.

APDM's management, on behalf of GREA, has become particularly astute at putting the appropriate corporate structure in place so as to maximise shareholders' returns. APDM also demonstrates a strong competency to manage assets subsequent to completion and prior to sale. Accordingly, GREA's business model brings a much greater level of sophistication to property markets in many African countries.

GREA has a strong board and, through APDM, an equally strong executive management team and investment committee comprising individuals with exceptional track records in creating, raising and managing property development and investment companies. This will be supplemented by Grit senior management following completion of the Proposed Acquisition.

1.3 **Management team**

GREA has appointed APDM, a private company incorporated and domiciled in Mauritius, as the development manager, asset manager and adviser with respect to the investment, reinvestment, administration and disposal of GREA's investments and other assets. Full details of the management team are set out in paragraph 2.3 (*Management team*) below.

1.4 **GREA's investment process**

GREA covers the full life cycle of a real estate asset including sourcing land, execution, implementation of the construction process and exit. Each development is required to pass through a series of stages designed to ensure that key risks are mitigated prior to significant amounts of capital being deployed. In doing so, substantial comfort, pertaining to background due diligence, certainty over development costs and projected income will be obtained prior to capital being deployed on the main contract.

Development stages



Deal parameters

In order to further mitigate risk, the following transaction parameters are in place across the organisation.

(i) Investment Horizon

GREA disposes of or retains assets as required by its pipeline, its capital needs and the market outlook. Investment committee approvals include defining expected holding timeframes of assets under one of the following three broad categories:

- a. Long term strategic investment – Focus sectors with strong fundamentals and high barriers to entry. Completed embassy and corporate accommodation assets are expected to form part of this categorisation.
- b. Medium term investments – Sectors with robust fundamentals but where GREA expects, post an asset stabilisation period, to realise maximum value and thereafter recycle its capital into other accretive opportunities. Data centre and selected industrial assets are expected to form part of this categorisation.
- c. Short term and opportunistic projects – Developments where GREA delivers redevelopments on a turnkey basis or holds projects over the short term while unlocking value through redevelopment or where specific exit opportunities, most notably to African pension funds or other direct real estate buyers, have been identified. Retail assets are largely expected to form part of this categorisation.

(ii) Gearing

Where gearing is to be used, GREA considers Loan to Cost (LTC) on development assets as a key metric and assesses this on a case by case basis.

(iii) Lenders

GREA has relationships with international and local investment grade banks for US Dollar and Euro denominated debt funding.

Key considerations are given to a bank's ability to provide:

- availability and liquidity in terms of US Dollar and Euro funding through the term of the loan;
- non-recourse, ring fenced facilities;
- no cross default provisions to apply to other facilities;
- minimum term of 3 years;
- interest only facilities unless the LTV is at a level where the lenders require capital payments;
- debt interest generally to be rolled up during construction of the assets; and
- generally acceptable debt funding terms and conditions when it comes to default provisions.

(iv) Diversification

As a guideline, GREA seeks to ensure that not more than:

- 15 per cent. of GREA's total committed equity is invested in any single investment;
- 35 per cent. of GREA's total committed equity is invested in any single country;
- 30 per cent. of GREA's total committed equity is invested in any single sector (excluding retail, which is capped at 20 per cent.); and
- 20 per cent. of GREA's total committed equity is exposed to a single tenant.

(v) Currency

GREA targets US Dollar leases or, in the case of retail assets only, leases in local currency at US Dollar referenced/spot rates. For the latter, hedging costs should be minimal and are reflected in the purchase price.

A risk exists that where tenants are exposed to foreign currency risk by paying their rental in hard currency while receiving income in local currency, local currency depreciation could result in tenant failure. As such, anchor and national tenants are required to have access to hard currency across their operations.

(vi) Political Risk

Consideration is given to doing business in countries where political risk exists, including acts of terrorism. Where applicable and deemed necessary, GREA will obtain Political Risk Insurance (PRI) to cover GREA in the event of any potential currency non-convertibility and/or exchange transfer limitations.

1.5 **Portfolio summary**

Overview

As at the date of this document, GREA has undertaken (or is about to undertake), in aggregate, 12 projects across nine countries which are either completed, under construction/development or about to begin construction. Details of these projects are set out in the table below. In addition, GREA holds a 46.55 per cent. interest in Acacia Estate, a 76-unit luxury housing complex in Maputo, Mozambique tenanted by the US Embassy and the oil and gas company Total and a 39.5 per cent. interest in the AnfaPlace Shopping Mall in Morocco.

Completed Projects

Property	Country	Sector	Anchor tenant	Site area	GBA (m ²)	GLA (m ²)	GREA ownership	Project cost (US\$ million)	% of project cost to be equity funded**	Completion value (US\$ million)	Completion/ Acquisition date
OBO Ethiopia	Ethiopia	Diplomatic Residential	US Embassy	6,439	18,215	15,419	50%	52.4	64%	78.9	October 2021
AntaPlace Mall Redevelopment	Morocco	Retail	Carrefour	56,000	45,619	31,808	39.5%	23.7	100%	79.5	August 2019
Metropole Redevelopment	Uganda	Retail	Carrefour, Woolworths	25,090	16,089	12,994	100%	20.3	49%	25.9	October 2020 (additional works ongoing)
Halliburton Liquid Mud Plant	Mozambique	Industrial	Halliburton	4,877	1,350	1,350	100%	1.5	100%	N/A***	March 2019

Under Construction

Property	Country	Sector	Anchor tenant	Site area	GBA (m ²)	GLA (m ²)	GREA ownership	Project cost (US\$ million)	% of project cost to be equity funded*	Projected completion value (US\$ million)	Target completion date
LOS1.1 Data Centre Project	Nigeria	Data centre	Africa Data Centres	4,946	1,168	994	100%	22.64	40%	24.5	Q4 2021 (Phase I)
The Precinct Office Complex	Mauritius	Corporate Offices	Grit Real Estate	35,932	12,631	8,594	50%	27.1	40%	30.4	Q4 2022
St Helene Clinic	Mauritius	Multi-speciality hospital	Polyclinique de L'Ouest Ltée	3,134	6,087	6,087	48.25%	19.9	32%	24.3	Q1 2023
Bollore Warehouse Redevelopment	Mozambique	Industrial	Bollore Africa Logistics	11,960	7,883	7,324	0%	5.1	100%	N/A****	Q2 2022
OBO Kenya Diplomatic Housing (Rosslyn Grove)	Kenya	Diplomatic Residential	US Embassy	29,762	22,767	16,038	50%	48.5	48%	56.0	Q3 2022
Adumuah Place (Rendeavour Group Head Office)	Ghana	Corporate offices & Retail	Rendeavour Group	4,047	2,414	1,996	100%	3.4	56%	3.9*	Q1 2022

Approved Projects

Property	Country	Sector	Anchor tenant	Site area	GBA (m ²)	GLA (m ²)	GREA ownership	Project cost (US\$ million)	% of project cost to be equity funded*	Target completion date
Coromandel Hospital	Mauritius	Oncology Hospital	Polyclinique de L'Ouest Ltée	8,968	10,085	10,085	48.25%	38.6	40%	Q4 2023
OBO Mali Diplomatic Housing	Mali	Diplomatic Residential	US Embassy	9,475	12,362	7,402	92%	52.2	50%	Q3 2023

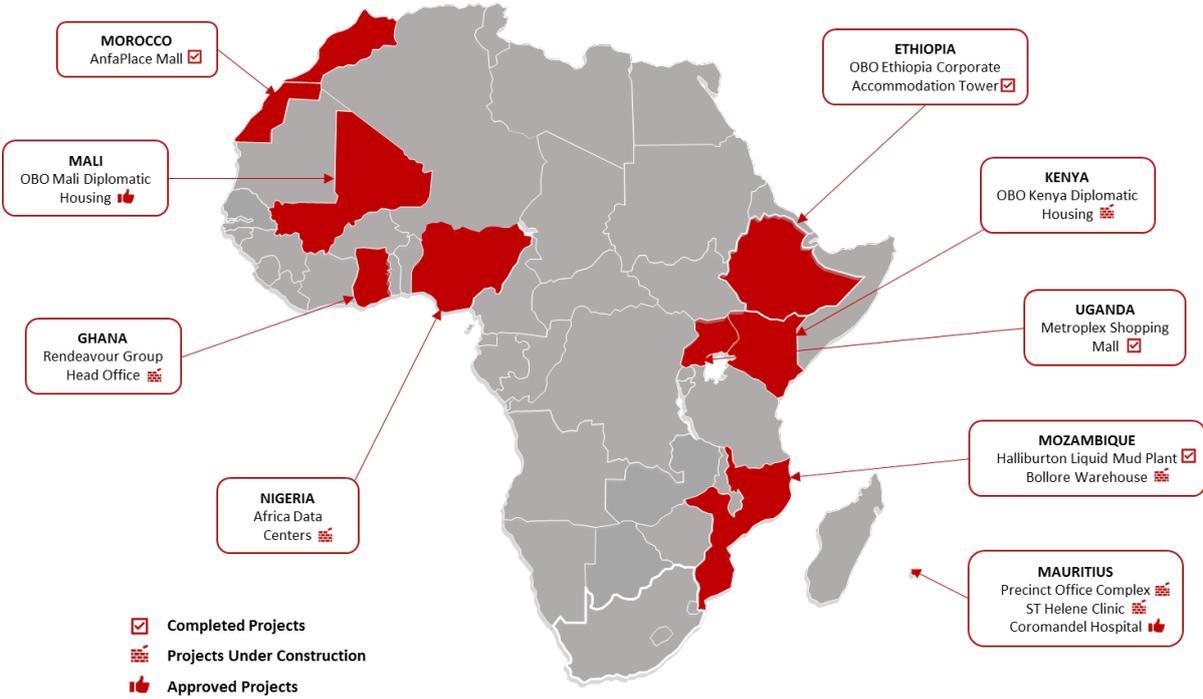
Completion values have been independently prepared by Knight Frank LLP (except* which is as per a Directors' valuation) and are based on ownership of 100 per cent. of an asset.

** Once all of the above projects are complete and based on stabilised valuations and levels of net debt after completion, GREA's consolidated group LTV is expected to be approximately 17-19 per cent.

*** In 2019, GREA (as lessor) entered into a finance leasing arrangement with Halliburton (as lessee) for the development of a liquid mud plant in Pemba, Mozambique. The lease term is for 5.5 years, expiring in August 2024. The finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on GREA's net investment outstanding in respect of the lease. Amounts due from the lessee under the finance lease are recognised as receivables at the amount of GREA's net investment in the lease.

**** In 2020, Grit Services Ltd, a wholly owned subsidiary of Grit, appointed Boyzana International Ltd, a wholly owned subsidiary of GREA, to manage the execution of the redevelopment of Bollore Warehouse in Pemba, Mozambique. GREA has no ownership in the asset being redeveloped.

The image below shows where these projects are located in Africa:



Completed Projects

- (i) OBO Ethiopia Corporate Accommodation Tower, Addis Ababa, Ethiopia

OBO Ethiopia Corporate Accommodation Tower is a co-development and equity partnership between US based Verdant Ventures and GREA.

This 112 unit, international standard, diplomatic residential tower is in the heart of Ethiopia’s capital city, Addis Ababa and is the first of its kind in a city that hosts over 130 diplomatic missions. Addis Ababa is the third largest diplomatic community in the world behind Washington DC and Brussels.

OBO Ethiopia Corporate Accommodation Tower provides high quality, secure, and comfortable housing to diplomatic staff. The project and site selection has been driven by the needs of the US Embassy in Ethiopia.

Designed as a multi-tenant diplomatic community, the project is a design build development and the delivery of a seismically engineered and secure project for the Embassy as key tenant was a vital consideration.

The building conforms to US and other diplomatic agency structural and security requirements. The design and installation of all utilities meet International Building Code Health and Safety standards for apartment construction.

- (ii) AnfaPlace Mall Redevelopment, Casablanca, Morocco

AnfaPlace has been trading since 2013 and was refurbished in 2019. It forms part of a mixed use complex on the Atlantic coast to the west of Casablanca, close to the city’s affluent residential district of Anfa. Its design takes advantage of the site’s magnificent natural setting and extends the city to the shoreline by creating an elegant new waterfront community, with places to live, offices, shops, cafés, leisure facilities and a 5 Star Four Seasons hotel.

GREa was approached in 2018 to manage the refurbishment of the shopping centre. The scope of work entailed an holistic approach to the upgrade within a live trading environment, including the reconfiguration of lettable space to improve trading and profitability and improved customer experience as well as to enhance the visibility of key tenants.

The scope also entailed an upgrade of the parking area through improved energy efficient lighting and painting, an upgrade of lighting throughout the mall, procurement of food court furniture that can resist high traffic use and general upgrade of floor, wall and ceiling finishes.

Overall a total of 178.000 hours of construction work were completed over a period of 8 months within a trading environment. On average, 120 workers were deployed every evening to minimize the impact on shoppers.

(iii) Metroplex Redevelopment, Kampala, Uganda

Metroplex Mall is a well located double level shopping centre. GREA identified Metroplex Mall as an asset with significant development potential with the aim to position the Mall as the primary destination shopping, dining and entertainment hub for the whole family, within its primary and secondary catchment area as a result of the planned diverse and varied tenant mix.

The redevelopment comprised approximately 13,000m² gross lettable area, anchored by Carrefour and Century Cinemax and sub anchored by Woolworths, Aga Khan and DTB Bank. Several restaurant brands as well as diverse local and international fashion and other retailers have also expressed interest.

Post redevelopment, the mall configuration will largely focus on the new central atrium space with promotion court, coffee shops, new lifts and escalators. A new food hall will also be a cornerstone of the new development. The refurbishment will include new finishes to the roof and facades and new signage. The outdoor experience of the mall will feature restaurants, coffee bars, play areas and external seating to complement the redesign of the mall interiors.

A new access road has also been constructed to improve accessibility from all directions.

(iv) Halliburton Liquid Mud Plant, Pemba, Mozambique

In March 2019, GREA successfully concluded the infrastructure development works for a Halliburton Liquid Mud Plant Facility, in Pemba, Mozambique.

The beachfront site is located in the port town of Pemba, the capital of Cabo Delgado Province in Northern Mozambique and has direct access to a floating rig.

Pemba is ideally located in close proximity to the Rovuma Area 1 and 4 reservoirs where oil and gas majors plan to extract over 180 trillion cubic feet of natural gas.

Under construction

(i) LOS 1.1 Data Centre Project, Lagos, Nigeria

GREA has been appointed by Africa Data Centres (“**ADC**”) to develop the first phase of a Tier III, five megawatt data centre in Eko Atlantic City, Lagos, Nigeria.

This facility, which will have an initial capacity of 1.1 MW in Phase I, will accommodate two Modular Data Halls (“**MDH**”) as well as offices to operate this facility. The building will comprise a lower ground level area with a drop off zone, parking area, offices, meeting rooms and stores in addition to a reception and security area.

The modular units (“**Mus**”) will be situated on the ground floor and first floor levels. The roof level will comprise an area suitable for the placement of generators and air conditioning condenser units servicing the requirements of both the MDH as well as the Mus.

The external areas will comprise two levels; a ground floor circulation and loading area and a ramped area servicing the lower ground amenities. The future expansion will allow for a total IT capacity of 10 MW.

The target completion date for Phase I is Q4 2021.

(ii) The Precinct Office Complex, Grand Baie, Mauritius

This landmark development presents a premium grade workplace and an environment which is contextual, climatically responsive, and sustainable. A variety of sustainability initiatives will drive the project in line with best practice green design parameters which will also serve to enhance the design of this building at every level.

Part of a larger complex to be developed in phases, the building capitalizes on its corner positioning and ultimately will form one of three components set in a verdant landscape. This landscape will shade and envelop an open parking set on the site's periphery, providing a significant number of bays for convenient business parking. The office precinct enjoys a secure environment with controlled access and will ultimately benefit from a large central landscaped park in future phases of development.

The planning solution offers a variety of tenancies in terms of size and location. Two floor plates of varying size, depth and dimension are set adjacent to a five-volume atrium into which the building is anchored. The office spaces which interface the atrium consist of projecting glazed and timber clad meeting pods. Lightweight bridges cross the atrium, providing lateral connectivity. The office floors promote substantial space planning options and can be planned to accommodate small businesses through large corporate tenants with a broad range of interior design offerings.

The target completion date is Q4 2022.

(iii) St Helene Clinic, Curepipe, Mauritius

In response to the shortage of quality private health care facilities in Mauritius, GREA is developing St Helene Clinic, a private healthcare facility with a capacity of approximately 81 beds. St Helene is positioned as a private offering to service the general hospital demand for quality medical care, as well as being an important support facility positioned alongside the Oncology focused Coromandel Hospital, also to be developed by GREA.

Mauritian based Polyclinique de L'Ouest Ltée (PDL) has signed an operations and management agreement with Artemis Medicare Services Ltd (Artemis) a well-established and recognized health provider launched by the promoters of Apollo Tyres Group in India, to operate the St Helene and Coromandel Hospitals.

Artemis currently owns a 400 bed multi-specialty, state of the art hospital in Delhi that holds a Joint Commission International (JCI) accreditation. The hospital was established and has been operating successfully since 2007.

Artemis is considered a pioneer of healthcare systems in India, led by top-of-the-line medical technology and equipment. It was also the first hospital in Delhi to get JCI accreditation (2013) and NABH accreditation within three years of its start-up. Artemis will be the operator for both St Helene and Coromandel hospitals.

The target completion date is Q1 2023.

(iv) Bollore Warehouse Redevelopment, Pemba, Mozambique

GREA is currently engaged in the refurbishment and redevelopment of an industrial facility in Mozambique, currently anchored by Bollore Africa Logistics Mozambique SA. The purpose of the redevelopment is to take advantage of the site's strategic location near the port and to pursue maximum value creation through optimized space usage and improved tenancies.

Phase 1 includes the refurbishment of the two existing warehouses and includes the remedy of structural defects, preventative maintenance measures and aesthetic treatment of the asset in addition to service enhancement through electrification, domestic fire and water storage, installation of new sewer reticulation and septic tank and stormwater improvements.

Phase 2 has been designed to extract maximum value from the site. The scope of work comprises the demolition of part of the existing premises and the development of a new warehouse space to service port logistics operations, as well as the construction of suitable circulation and hardstand areas to service the above-mentioned facility.

The redevelopment also includes a new office section for Bollore which will provide approximately 1,350 m² of lettable area, achieved by the construction on a new 3 storey office tower with approximately 455 m² footprint on each floor.

The target completion date is Q2 2022.

(v) OBO Kenya Diplomatic Housing (Rossllyn Grove), Nairobi, Kenya

The 90 unit diplomatic apartment and town home community development marks GREA's first development in Kenya and a second development in conjunction with US based developer, Verdant Ventures. The development will consist of a combination of apartments and townhouses, and a clubhouse with gym, swimming pool and other amenities.

With over 80 foreign diplomatic missions coupled with a growing international investor base, there's a strong demand for diplomatic level, high security residential communities in Nairobi.

Aevitas Group, in collaboration with a local Kenyan architecture firm, Design Partnership, and Sutherland Engineers, have been tasked to design this quality development. GREA has contracted both local and international engineers and consultants. Considering its successful track record with companies such as MACE YMR, services including quantity surveying, project management, construction and other sub-contracting services have been sourced locally, with Betts Townsend Project Managers leading the consultant team.

Materials are sourced locally as far as possible, with only specialist items being imported. The development will also look to make a social contribution to the local community, through support of community organizations in the neighbouring surrounds.

The target completion date is Q3 2022.

(vi) Adumuah Place (Rendeavour Group Head Office), Appolonia City, Ghana

The development of Adumuah Place is GREA's first foray into Ghana and an important milestone in its ongoing partnership with the Rendeavour Group.

The three-story Grade A commercial complex offers office space as well as retail and service space designed to meet the needs of Ghanaian and international businesses. It is anchored by Rendeavour to house its headquarters and sales office. The gross floor area comprises 2,414 m² with 85 secured open parking spaces.

The building will be constructed and finished to A grade standards and the finishes will be selected to cope with local Ghanaian conditions. The building will be responsibly designed and specified as far as green issues are concerned.

Retail spaces are available on the ground floor available for pharmacies, convenience shops, financial institutions, restaurants, supermarkets, and beauty salons.

The precinct also benefits from Appolonia City's world class infrastructure and is within easy driving distance of all points in Greater Accra.

The target completion date is Q1 2022.

Approved projects

(i) Coromandel Hospital, Coromandel, Mauritius

In response to the urgent requirement for private cancer treatment in Mauritius, especially of a more specialized nature, GREA will develop the first all inclusive, state of the art private oncology offering in Mauritius in conjunction with local operator, Polyclinique de L'Ouest Ltée (PDL).

PDL has signed an operations and management agreement with Artemis Medicare Services Ltd, a well-established and recognized health provider launched by the promoters of Apollo Tyres Group in India, to operate the St Helene and Coromandel Hospitals.

Given the lack of fully fledged cancer treatment services in Mauritius, Coromandel is targeting a unique offering with a specialized state of the art oncology unit. Under the partnership with Artemis, Mauritian patients will have access to medical support related to Oncology treatment of an international standard, which is currently not available on the island.

The target completion date is Q4 2023.

(ii) OBO Mali Diplomatic Housing, Bamako, Mali

GREA is to take part in the development of turnkey units to accommodate US embassy staff in Bamako, Mali in partnership with OCCEL Engineering, a reputable contracting and development company in Nigeria.

The project consists of the development of a 45 unit diplomatic residential complex consisting of a multi block mid-rise complex with high security requirements. The US Government will occupy 100 per cent. of the premises. The common area recreational facilities will include a clubhouse, gym, concierge, pool and outdoor play area.

The development is located less than a kilometre from the US Government embassy, in the ACI 2000 area, a prime location in the downtown area of Bamako, close to banking headquarters and with direct access to shops, schools and medical facilities.

The development process is structured on an engineering, procurement and construction (EPC) basis handled by MAN Enterprise, a Lebanese construction group with over 50 years of experience.

The target completion date is Q3 2023.

Future opportunities

In addition to the above list of funded projects, GREA has access to a significant pipeline of further accretive opportunities, particularly new diplomatic housing (with OBO) and data centre projects which provide a highly rated tenant exposure in extremely resilient asset classes.

2 APDM

GREA has appointed APDM, a private company incorporated and domiciled in Mauritius, as its asset manager and adviser with respect to the investment, reinvestment, administration and disposal of GREA's investments. APDM holds a Category 1 Global Business Company license issued by the Mauritian Financial Services Commission (FSC) as well as an Asset Management license pursuant to Section 14 FSC Activity License and is able to provide its service to external clients in addition to its current principal client (GREA).

APDM renders development management, asset management, advisory and administrative services to GREA under the provisions of the Asset Management and Advisory Services Agreement ("**AMASA**"). Under the AMASA, GREA holds the right for exclusive services from APDM, meaning APDM cannot act as development manager to or of other investment funds or engage in any other development activity during the duration of the AMASA without the prior written consent of GREA.

2.1 **Services**

APDM's main services to GREA under the AMASA are summarised as follows:

- to provide a senior management team and directors to deliver strategic planning, operational control, and management advice and services to GREA's portfolio companies;
- to source and investigate potential projects/investments;
- to provide management services in respect of projects during and post construction, which includes (but is not limited to) leasing, maintenance, financial management, and marketing services with a view to maximizing the returns possible from a project;
- to hire, oversee, manage and control the functioning of third-party contractors, local parties and support services engaged with regard to the acquisition, development and management of a project;
- to provide finance, risk and compliance services to GREA and portfolio companies as required by GREA from time to time in connection with the management of its risk, compliance with applicable laws, reporting, and its general financial functions;
- to provide ongoing portfolio management and monitoring of projects, including where applicable the provision of nominating and providing directors to sit on the boards of portfolio companies;
- to assist GREA in preparing its operational and financial budget, and to prepare APDM's budget in accordance with the agreed budgeting process;
- to furnish all administrative services, including, bookkeeping, secretarial and clerical personnel and services, as may be necessary for the proper conduct of the affairs of GREA and its portfolio companies; and
- to make recommendations to the GREA Board with respect to the disposal of investments.

2.2 **Fees**

Under the AMASA, APDM is entitled to charge the following fees in return for these services:

- development fees based on a percentage of total budgeted project costs;
- annual asset management fees based on a percentage of the final account value of each project during the construction and management of that project thereafter;
- any market related fee where APDM carries out services required for entering into leases once the project is complete and preparing and executing all necessary lease documentation; and
- sales commissions based on a percentage of the gross sales proceeds for the disposal of investments.

2.3 **Management team**

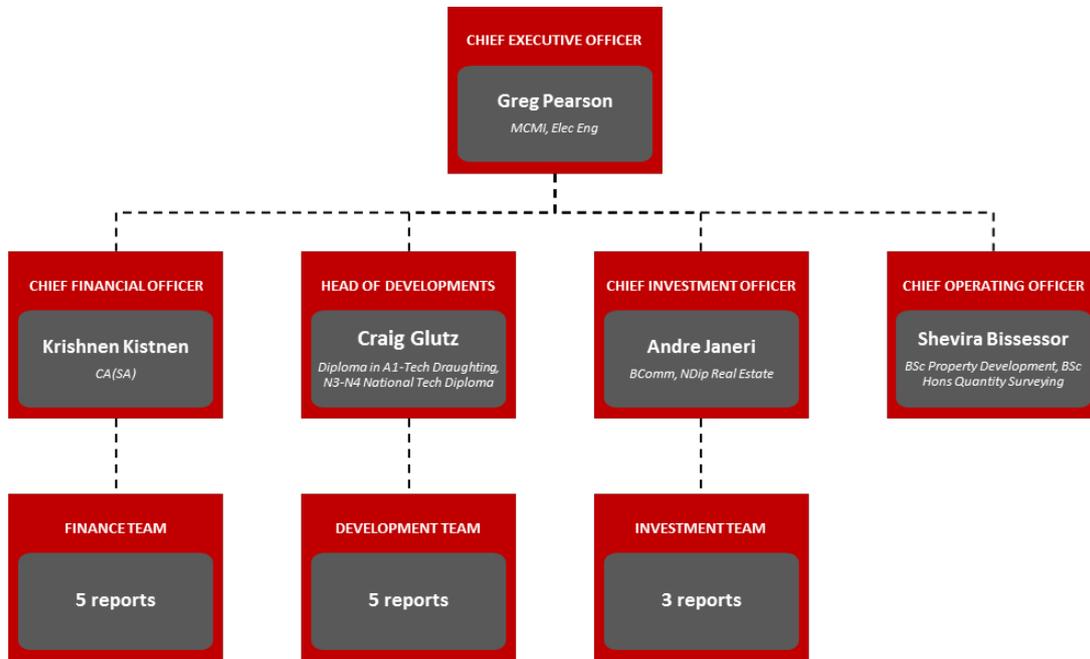
The APDM team is led by Chief Executive Officer, Greg Pearson. Greg is a co-founder of Grit and was instrumental in sustaining its rapid growth from its inception in 2014 through to 2018, when he left Grit to focus his attention on GREA. As a founder of Grit, Greg recognised the significant demand from multinational companies looking for quality real estate solutions in Africa and the limited supply of experienced developers to fulfil their requirements, which led to the creation of GREA. Greg has successfully completed a series of developments across the office, retail, leisure, education and healthcare sectors and also sits on the Board of GREA as its sole director and de facto CEO.

Greg is supported by the following executive team members:

- Krishnen Kistnen, Chief Financial Officer – Krish has more than ten years' financial accounting experience, three years of which are specific to the real estate industry.
- Shevira Bissessor, Chief Operating Officer – Shevira is responsible for business development, operational support, internal control governance and risk mitigation oversight with GREA.

- Andre Janari, Chief Investment Officer – Andre has more than a decade’s experience in the property sector, including in the Real Estate divisions of the Standard Bank Group and Nedbank Corporate Property Finance.
- Craig Glutz, Head of Developments – Craig has significant project and construction management experience across technical and service industries in Africa and his track record of successful project delivery includes 12 years in Southern Africa and five years in West Africa.

The diagram below sets out the structure of the management team:



PART IV

TERMS OF THE PROPOSED ACQUISITION

1 Overview

The Proposed Acquisition will be implemented through three Share Purchase Agreements, as set out below:

1. a share purchase agreement between Grit, Dorado 1 Limited, Bronwyn Knight and Greg Pearson in relation to the sale of 175,000 GREA Shares and 4,210.88 APDM Shares to Grit (the “**Dorado Share Purchase Agreement**”);
2. a share purchase agreement between Grit, the GREA Executive Share Trust, Shevira Bissessor, Craig Glutz, Andre Janari, Krishnen Kistnen and Greg Pearson in relation to the sale of 5,262.37 APDM Shares to Grit (the “**GREA Executive Share Trust Share Purchase Agreement**”); and
3. a share purchase agreement between Grit and Gateway Partners in relation to the sale of 50,000,000.29 GREA Shares and 6,315.87 APDM Shares to Grit (the “**Gateway Partners Share Purchase Agreement**”).

Pursuant to the terms of the Share Purchase Agreements Grit will acquire from the Selling Shareholders an additional 25.78 per cent. interest in GREA and a 78.95 per cent. interest in APDM.

Details of the aggregate consideration payable pursuant to the Share Purchase Agreements are set out in paragraph 3.3 of Part I (*Letter from the Chairman*) of this document.

Completion of each Share Purchase Agreement is conditional on, among other things: (i) the approval of the Proposed Acquisition Resolution; and (ii) Admission. A summary of each Share Purchase Agreement is set out in paragraph 2 below.

2 Summaries of the Share Purchase Agreements

Set out below is a summary of each Share Purchase Agreement:

(A) Gateway Partners Share Purchase Agreement

1. Acquisition of shares and consideration

Under the share purchase agreement entered into between Grit and Gateway Partners (“**Gateway**”) on 22 November 2021 (the “**Gateway Partners Share Purchase Agreement**”), Grit will acquire: (i) all of the shares held by Gateway in the issued share capital of GREA, being 28.54 per cent.; and (ii) all of the shares held by Gateway in the issued share capital of APDM, being 31.58 per cent. (collectively, the “**Gateway Sale Shares**”).

The aggregate consideration payable by Grit to Gateway for the sale and transfer by Gateway to Grit of the Gateway Sale Shares is USD71,506,741 (the “**Gateway Purchase Consideration**”) and is payable in Ordinary Shares (the “**Consideration Shares**”). The Consideration Shares will be subject to a lock-in period of 24 months from completion (with half of such shares being released after 12 months) during which time Gateway may not cede, assign, transfer, sell or otherwise encumber any of the Consideration Shares. The Gateway Partners Share Purchase Agreement is governed by the laws of England.

Following: (i) completion of the share transactions contemplated in the Gateway Partners Share Purchase Agreement, the Dorado Share Purchase Agreement and the GREA Executive Share Trust Share Purchase Agreement; (ii) APDM being issued with 10 per cent. of the shares in GREA as a pre-step to such share transactions; and (iii) the cession, assignment and delegation by Gateway to Grit of its rights under the shareholders’ agreements of GREA and APDM (including rights to nominate directors to the boards of GREA and APDM), Grit will control each of GREA and APDM by, amongst other things: (i) holding a combined direct and indirect equity interest in GREA of at least 51 per cent.; (ii) holding an effective equity interest in APDM of at least 51 per cent.; and (iii) having the ability to exercise the majority of voting rights in GREA and APDM (“**Grit Control**”).

2. **Conditions to Completion**

Completion will take place upon the fulfilment or waiver (as applicable) of the conditions precedent in the Gateway Partners Share Purchase Agreement, which conditions must be fulfilled or waived by no later than 17 December 2021 or 31 March 2022 (as applicable) (or such later date as the parties agree in writing) (the “**Gateway Long-Stop Dates**”). Closing is subject to certain conditions including, amongst other things, the following:

- (i) corporate approvals from Grit, Gateway, GREA and APDM, such as board resolutions;
- (ii) regulatory approvals/notifications, including in terms of the Mauritius Financial Services Act 2007 and the Mauritius Non-Citizens (Property Restriction) Act 1975;
- (iii) competition approvals/filings, including, to the extent required, approval from the Common Market for Eastern and Southern Africa Competition Commission and Competition Regulatory Authority of Mozambique;
- (iv) inter-conditionality with the Dorado Share Purchase Agreement and the GREA Executive Share Trust Share Purchase Agreement;
- (v) Grit satisfactorily completing its due diligence on GREA and APDM;
- (vi) Grit successfully raising at least USD135,000,000 in capital over and above the capital required to fund the Proposed Acquisition;
- (vii) waivers from non-exiting shareholders of GREA and APDM of their rights to the Gateway Sale Shares under the shareholders’ agreements of GREA and APDM; and
- (viii) compliance with formalities under the shareholders’ agreements of GREA and APDM, including the execution of a deed of adherence by Grit to the shareholders’ agreement of APDM and the consents required for the cession, assignment and/or delegation by Gateway to Grit of Gateway’s rights and/or obligations under such agreements.

3. **Representations and warranties**

The Gateway Partners Share Purchase Agreement contains fundamental representations and warranties made by Gateway in favour of Grit.

The Gateway Partners Share Purchase Agreement contemplates Gateway indemnifying Grit for breaches of its representations and warranties, subject to a limitation of 100 per cent. of the Gateway Purchase Consideration.

4. **Termination Rights**

The Gateway Partners Share Purchase Agreement contains certain termination rights for each of Gateway and Grit including, amongst others: (i) termination by mutual written consent of the parties; (ii) by Grit if Gateway, GREA or APDM is provisionally or finally liquidated, if it becomes aware that there is a breach of the warranties and such breach is not cured within a prescribed period, or if an event of default occurs under any facility to which Gateway, GREA or APDM is a party; or (iii) by Gateway if Grit is provisionally or finally liquidated, if it becomes aware that there is a breach of the warranties and such breach is not cured within a prescribed period, an event of default occurs under any facility to which Grit is a party, and fails to perform any of its material obligations or undertakings when it is due and does not cure such failure within a prescribed period. In addition, if one or more of the conditions precedent are not fulfilled or waived on or before the Gateway Long-Stop Dates, the Gateway Partners Share Purchase Agreement will terminate automatically.

(B) Dorado Share Purchase Agreement

1. **Acquisition of shares and consideration**

Under the share purchase agreement entered into between Grit, Dorado 1 Limited (“**Dorado**”), Bronwyn Knight and Greg Pearson (“**Dorado**”) on 22 November 2021 (the “**Dorado Share Purchase Agreement**”), Grit will acquire: (i) all of the shares held by Dorado in the issued share capital of GREA; and (ii) all of the shares held by Dorado in the issued share capital of APDM (collectively, the “**Dorado Sale Shares**”).

The aggregate consideration payable by Grit to Dorado for the sale and transfer by Dorado to Grit of the Dorado Sale Shares is USD5,377,530 (the “**Dorado Purchase Consideration**”) and may be paid in Ordinary Shares if Grit so elects (the “**Consideration Shares**”). The Consideration Shares will be subject to a lock-in period of 24 months from completion (with half of such shares being released after 12 months) during which time Dorado may not cede, assign, transfer, sell or otherwise encumber any of the Consideration Shares. The Dorado Share Purchase Agreement is governed by the laws of Mauritius.

Following: (i) completion of the share transactions contemplated in the Gateway Partners Share Purchase Agreement, the Dorado Share Purchase Agreement and the GREA Executive Share Trust Share Purchase Agreement, (ii) APDM being issued with 10 per cent. of the shares in GREA as a pre-step to such share transactions; and (iii) the cession, assignment and delegation by Dorado to Grit of all of its rights under the shareholders’ agreements of GREA and APDM (including rights to nominate directors to the boards of GREA and APDM), Grit will obtain Grit Control.

2. **Conditions to Completion**

Completion will take place upon the fulfilment or waiver (as applicable) of the conditions precedent in the Dorado Share Purchase Agreement, which conditions must be fulfilled or waived by no later than 31 March 2022 (the “**Dorado Long-Stop Date**”). Closing is subject to certain conditions including, amongst other things, the following:

- (i) corporate approvals from Grit, Dorado, GREA and APDM, such as board resolutions;
- (ii) regulatory approvals/notifications, including in terms of the Mauritius Financial Services Act 2007 and the Mauritius Non-Citizens (Property Restriction) Act 1975;
- (iii) competition approvals/filings, including, to the extent required, approval from the Common Market for Eastern and Southern Africa Competition Commission and Competition Regulatory Authority of Mozambique;
- (iv) inter-conditionality with the Gateway Partners Share Purchase Agreement and the GREA Executive Share Trust Share Purchase Agreement;
- (v) Grit satisfactorily completing its due diligence on GREA and APDM;
- (vi) Grit raising at least USD65 million pursuant to the Placing and Open Offer;
- (vii) waivers from non-exiting shareholders of GREA and APDM of their rights to the Dorado Sale Shares under the shareholders’ agreements of GREA and APDM; and
- (viii) compliance with formalities under the shareholders’ agreements of GREA and APDM, including the execution of a deed of adherence by Grit to the shareholders’ agreement of APDM and the consents required for the cession, assignment and/or delegation by Dorado to Grit of all of Dorado’s rights and/or obligations under such agreements.

3. **Representations, warranties and limitation of liability**

The Dorado Share Purchase Agreement contains fundamental and business-type representations and warranties made by Dorado, Bronwyn Knight and Greg Pearson in favour of Grit, including:

- (i) legal capacity, power and authority warranties;
- (ii) warranties related to Dorado’s valid title to the Dorado Sale Shares;
- (iii) compliance with statutory and other formal requirements; and
- (iv) warranties in relation to accounts, assets, liabilities, material contracts, compliance with laws, permits and licences, legal proceedings, employees, taxes, intellectual property and insurance.

The Dorado Share Purchase Agreement contemplates Dorado, Bronwyn Knight and Greg Pearson indemnifying Grit for breaches of their representations and warranties, subject to a limitation of 100 per cent. of the Dorado Purchase Consideration in the case of Dorado, and other specified thresholds in the case of Bronwyn Knight and Greg Pearson.

4. Termination rights

The Dorado Share Purchase Agreement contains certain termination rights for each of Dorado and Grit including, amongst others: (i) termination by mutual written consent of Grit and Dorado; (ii) by Grit if Dorado, GREA or APDM is provisionally or finally liquidated, or if it becomes aware that there is a breach of the warranties and such breach is not cured within a prescribed period; or (iii) by Dorado if Grit fails to perform any of its material obligations or undertakings when it is due and does not cure such failure within a prescribed period. In addition, if one or more of the conditions precedent are not fulfilled or waived on or before the Long-Stop Date, the Dorado Share Purchase Agreement will terminate automatically.

(C) GREA Executive Share Trust Share Purchase Agreement

1. Acquisition of shares and consideration

Under the share purchase agreement entered into between Grit, the GREA Executive Share Trust and others on 22 November 2021 (the “**GREA Executive Share Trust Share Purchase Agreement**”), Grit will acquire all of the shares held by the GREA Executive Share Trust in the issued share capital of APDM (the “**GREA Executive Trust Sale Shares**”).

The consideration payable by Grit to the GREA Executive Share Trust for the sale and transfer by the GREA Executive Share Trust to Grit of the GREA Executive Share Trust Sale Shares (the “**Executive Trust Purchase Consideration**”) is the amount of USD3,730,000. The Executive Trust Purchase Consideration shall be settled by Grit issuing shares in the issued share capital of Grit equal to the Executive Trust Purchase Consideration. Such shares are to be retained by the GREA Executive Share Trust, for the benefit of designated participants under a long-term incentive plan, vesting on a future date or earlier if sufficient value is achieved in GREA. Certain participants will also be enrolled to the Grit long-term incentive plan and awarded shares upon the fulfilment of specific key performance indicators. The GREA Executive Share Trust Share Purchase Agreement is governed by the laws of Mauritius.

Following: (i) completion of the share transactions contemplated in the Gateway Partners Share Purchase Agreement, the Dorado Share Purchase Agreement and the GREA Executive Share Trust Share Purchase Agreement; (ii) APDM being issued with 10 per cent. of the shares in GREA as a pre-step to such share transactions; and (iii) the cession, assignment and delegation by the GREA Executive Share Trust to Grit of its rights under the shareholders’ agreement of APDM (including rights to nominate directors to the board of APDM), Grit will obtain Grit Control.

2. Conditions to Completion

Completion will take place upon the fulfilment or waiver (as applicable) of the conditions precedent in the GREA Executive Share Trust Share Purchase Agreement, which conditions must be fulfilled or waived by no later than 31 March 2022 (the “**Executive Trust Long-Stop Date**”). Closing is subject to conditions for a transaction of this size and type including, amongst other things, the following:

- (i) corporate approvals from Grit, the GREA Executive Share Trust, and APDM, such as board resolutions;
- (ii) regulatory approvals/notifications, including in terms of the Mauritius Financial Services Act 2007 and the Mauritius Non-Citizens (Property Restriction) Act 1975;
- (iii) competition approvals/filings, including, to the extent required, approval from the Common Market for Eastern and Southern Africa Competition Commission and Competition Regulatory Authority of Mozambique;
- (iv) inter-conditionality with the Dorado Share Purchase Agreement and Gateway Partners Share Purchase Agreement;
- (v) Grit satisfactorily completing its due diligence on APDM;
- (vi) waivers from non-exiting shareholders of APDM of their rights to the GREA Executive Trust Sale Shares under the shareholders’ agreement of APDM; and
- (vii) compliance with formalities under the shareholders agreement of APDM, including the execution of a deed of adherence by Grit and the consents required for the cession, assignment and/or delegation by the Executive Trust to Grit of the Executive Trust’s rights and/or obligations under such agreement.

3. Representations, warranties and limitation of liability

The GREA Executive Share Trust Share Purchase Agreement contains fundamental and business-type representations and warranties respectively made by the GREA Executive Share Trust and the other parties thereto in favour of Grit, including:

- (i) legal capacity, power and authority warranties;
- (ii) warranties related to the GREA Executive Share Trust's valid title to the GREA Executive Trust Sale Shares;
- (iii) compliance with statutory and other formal requirements; and
- (iv) warranties in relation to accounts, assets, liabilities, material contracts, compliance with laws, permits and licences, legal proceedings, employees, taxes, intellectual property and insurance.

The GREA Executive Share Trust Share Purchase Agreement contemplates the GREA Executive Share Trust and the other parties thereto indemnifying Grit for breaches of their representations and warranties, subject to a limitation of 100 per cent. of the Executive Trust Purchase Consideration in the case of the GREA Executive Share Trust, and other specified thresholds in the case of the other parties thereto.

4. Termination rights

The GREA Executive Share Trust Share Purchase Agreement contains certain termination rights for each of the GREA Executive Share Trust and Grit including, amongst others: (i) termination by mutual written consent of Grit and the GREA Executive Share Trust; (ii) by Grit if the GREA Executive Share Trust, GREA or APDM is provisionally or finally liquidated, or if it becomes aware that there is a breach of the warranties and such breach is not cured within the prescribed period; or (iii) by the GREA Executive Share Trust if Grit fails to perform any of its material obligations or undertakings when it is due and does not cure such failure within the prescribed period. In addition, if one or more of the conditions precedent are not fulfilled or waived on or before the Executive Trust Long-Stop Date, the GREA Executive Share Trust Share Purchase Agreement will terminate automatically.

PART V

THE ISSUE

1 Introduction

The Company is targeting an issue of approximately US\$215.6 million (gross) through the issue of up to 414,647,283 New Ordinary Shares by way of the Open Offer and Placing at US\$0.52 per New Ordinary Share (the “**Issue Price**”).

The Issue Price represents a premium of approximately 4 per cent. to the average closing price across the LSE and SEM for an Ordinary Share on 19 November 2021 (LSE: £0.3468; SEM: US\$0.53), being the last Business Day prior to the date of this document. The Issue Price has been set by the Directors following their assessment of the prevailing market conditions and anticipated demand for the New Ordinary Shares, as well as taking into account the commercial requirements and positive financial impact on the Grit Group of implementing the deleveraging strategy and undertaking the Proposed Acquisition, as described in Part I (*Letter from the Chairman*) of this document. The Grit Board believes that the Issue Price (including the premium) is appropriate in the circumstances.

The actual number of New Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known at the date of this document but will be notified by the Company via an RIS and a SEM announcement prior to Admission. Following Admission, the New Ordinary Shares to be issued pursuant to the Issue will 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 Admission. The Existing Ordinary Shares are already admitted to trading on the London Stock Exchange’s main market and to the premium list of the Official List and are listed and admitted to trading on the Official Market of the SEM.

It is important to the Grit Board that Shareholders are given the opportunity to participate in the Issue. Therefore, priority will be given to applications from Qualifying Shareholders under the Open Offer. Thereafter, any New Ordinary Shares not taken up pursuant to Shareholders’ applications for their Open Offer Entitlements will be made available to Qualifying Shareholders through the Excess Application Facility, to Placees under the Placing and/or to Selling Shareholders in consideration for Grit’s acquisition of their GREA Shares and/or APDM Shares (as applicable) pursuant to the Share Purchase Agreements.

New investors will be able to apply for New Ordinary Shares pursuant to the Placing.

As at the Latest Practicable Date, Grit had already received written confirmation from existing Shareholders and new investors of their intention to subscribe, in aggregate, for in excess of US\$65 million pursuant to the Open Offer and Placing. The Company therefore expects to raise a minimum of US\$145.6 million (assuming those indicative commitments are met and the full consideration for the Proposed Acquisition of US\$80.6 million is satisfied by the issue of New Ordinary Shares). Dependent upon the level of take up under the Open Offer and the Placing, Grit may raise additional capital up to the maximum amount of the Issue, being approximately US\$215.6 million.

2 Reasons for the Issue and use of proceeds

The Company intends to use non-cash consideration (through the issue of New Ordinary Shares to Selling Shareholders) to acquire a controlling interest in GREA and APDM, dependant on the level of existing Shareholder participation in the Open Offer. The Gross Issue Proceeds and the value of the amount of New Ordinary Shares to be issued for the purposes of the Proposed Acquisition, on the assumption the Company issues the maximum number of New Ordinary Shares, are anticipated to be approximately US\$215.6 million. On the assumption the Proposed Acquisition is fully settled by the issue of New Ordinary Shares to the Selling Shareholders, then cash proceeds after costs are expected to be approximately US\$126.4 million.

On the assumption that proceeds of only US\$65 million are raised, then cash proceeds after costs are expected to be approximately US\$59.4 million.

The Company anticipates utilising the funds raised through the Issue to make its outstanding capital contributions to GREA, to cash collateralise the DiT guarantee, to reduce Grit’s overall indebtedness and

leverage levels and provide future capital for further expansion in its core and expanded business. The table below sets out the anticipated use of proceeds, based on proceeds of US\$65 million after expected costs, presented in order of priority of such uses:

<i>Use of Proceeds</i>	<i>Amount (US\$ million)</i>
Balance of Funds After Costs	59.4
Planned Debt Reduction:	
Repayment of Debt	(14.8)
Further Debt Reduction (Revolving Credit Facility)	(8.1)
Other Planned Expenditures:	
GREA Capital Contribution	(17.9)
Drive in Trading	(11.0)
Bollere Capex	(7.6)

On the assumption that the Issue raises more than US\$65 million, up to the maximum of US\$126.4 million (after costs), then the additional funds will be deployed by the Company to repay additional Grit Group debt.

3 Expenses of the Issue

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\$205.2 million on the assumption that the gross proceeds of the Issue are US\$215.6 million.

4 Conditions to the Issue

The Open Offer and Placing in the UK are conditional upon, *inter alia*: (a) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and (b) Admission occurring by 8.00 a.m. (GMT) on 21 December 2021 (or such later date, not being later than 7 January 2022, as the Company, finnCap and Baden Hill may agree).

The Placing in Mauritius is conditional, *inter alia*, upon Admission.

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.

The Share Purchase Agreements are inter-conditional and each is subject to the satisfaction or, where applicable, waiver, of a number of conditions, including regulatory and competition approvals and the passing of the Proposed Acquisition Resolution. The Gateway Partners Share Purchase Agreement is conditional on the Placing and Open Offer raising a minimum of US\$135 million. This condition may be waived by Gateway Partners, in its sole discretion. The Dorado Share Purchase Agreement is conditional on the Placing and Open Offer raising a minimum of US\$65 million. This condition is not capable of waiver. There can therefore be no guarantee that the Proposed Acquisition will proceed if all conditions are not satisfied or waived. The Proposed Acquisition is, subject to the satisfaction or waiver of the conditions, expected to complete later than Q4 2021. Accordingly, Admission of any New Ordinary Shares to be issued to the Selling Shareholders will take place subsequent to Admission of those New Ordinary Shares to be issued pursuant to the Open Offer and Placing and an announcement relating to such Admission will be made by the Company through a Regulatory Information Service and a SEM announcement.

5 The Open Offer

The Open Offer provides an opportunity for Qualifying Shareholders to participate in the fundraising by subscribing for their respective Open Offer Entitlements. Valid applications under the Open Offer will be satisfied in full up to applicants' Open Offer Entitlements. Any New Ordinary Shares not taken up pursuant to Shareholders' applications for their Open Offer Entitlements will be made available under the Excess Application Facility, thereby enabling Shareholders to subscribe for more than their Open Offer Entitlements. Qualifying Shareholders who wish to subscribe for more New Ordinary Shares than their Open Offer

Entitlements could therefore make an application under the Excess Application Facility or, if appropriate, the Placing.

Qualifying Shareholders are being offered the opportunity, under the Open Offer, to apply for up to 1.3011 New Ordinary Shares for every 1 Ordinary Share held and registered in their name as at the Record Date. New Ordinary Shares issued to Qualifying Shareholders to satisfy their Open Offer Entitlements are not subject to scaling back to satisfy valid applications under the Placing, the Excess Application Facility or the issue of New Ordinary Shares to the Selling Shareholders.

If you have sold or otherwise transferred all of your Existing Ordinary Shares before the ex-entitlement date, you are not entitled to participate in the Open Offer.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to New Ordinary Shares will be disregarded in calculating Open Offer Entitlements.

Qualifying Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire additional New Ordinary Shares using the Excess Application Facility. Please refer to the terms and conditions for further details of the Excess Application Facility in Part XV (*Terms and Conditions of Application under the Open Offer*) of this document.

The Open Offer Entitlement, in the case of Qualifying non-CREST Shareholders, is equal to the number of New Ordinary Shares shown in their Open Offer Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of New Ordinary Shares representing their Open Offer Entitlement standing to the credit of their stock account in CREST.

If you are a Qualifying non-CREST Shareholder, the Open Offer Application Form shows the number of Ordinary Shares registered in your name at the close of business on the Record Date. Qualifying non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on their Open Offer Application Form.

Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to the CREST Manual for further information on the relevant CREST procedures, including information on how to apply for Excess New Shares pursuant to the Excess Application Facility.

Excess applications may be allocated in such manner as the Company may determine (following consultation with finnCap) and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Application has been made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. It is expected that the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST on 25 November 2021. The Open Offer Entitlements and Excess CREST Open Offer Entitlements will also be enabled for settlement in CREST on 25 November 2021. Applications through means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

The Open Offer is not being made to Shareholders in the United States or any other Restricted Jurisdictions except pursuant to an applicable exemption. Accordingly, Open Offer Application Forms are not (subject to certain exceptions) being sent to, and Open Offer Entitlements are not being credited to, Overseas Shareholders except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. Shareholders who have registered addresses outside the United Kingdom, Mauritius or South Africa who are citizens or residents of countries other than the United Kingdom, Mauritius or South Africa or who are holding Existing Ordinary Shares for the benefit of such persons (including, without limitation, nominees, custodians and trustees) or have a contractual or legal obligation to forward this document or the Open Offer Application Form to such persons, should refer to the section 'Overseas Shareholders' in Part XV (*Terms and Conditions of Application under the Open Offer*) of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.

Shareholders should note that the Open Offer is not a rights issue. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Open Offer Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any New Ordinary Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but may be placed with Placees pursuant to the Placing, made available under the Excess Application Facility or issued to the Selling Shareholders, and the net proceeds will be retained for the benefit of the Company.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, is set out in Part XV (*Terms and Conditions of Application under the Open Offer*) of this document and, where relevant, in the Open Offer Application Form.

Shareholders should consult an independent financial adviser if they are in doubt about the contents of this document or the action they should take.

6 The Placing

finnCap, Baden Hill and Perigeum Capital have each agreed to use their respective reasonable endeavours to procure subscribers pursuant to the Placing for the New Ordinary Shares on the terms and subject to the conditions set out in the Placing and Offer Agreement or the Perigeum Capital Engagement Letter, as applicable. Details of the Placing and Offer Agreement and the Perigeum Capital Engagement Letter are set out in paragraphs 9.1.2 and 9.1.3, respectively, of Part XII (*Additional Information*) of this document.

The terms and conditions which shall apply to any subscription for New Ordinary Shares procured by finnCap, Baden Hill or Perigeum Capital are set out in Part XIV (*Terms and Conditions of Application under the Placing*) of this document. The Placing will close at 3.00 p.m. (GMT) in the UK / 3.00 p.m. (MUT) in Mauritius on 17 December 2021 (or such later date as the Company, finnCap and Baden Hill may agree). If the Placing is extended, the revised timetable will be notified through an RIS and a SEM announcement.

Each Placee agrees to be bound by the Articles once the New Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee.

Commitments under the Placing, once made, may not be withdrawn without the consent of the Directors.

If Qualifying Shareholders take up their Open Offer Entitlements in full, then no New Ordinary Shares will be issued under the Placing.

7 Scaling back and allocation

In the event that commitments under the Issue exceed the maximum number of New Ordinary Shares available, applications under the Issue (other than applications up to Qualifying Shareholders' full entitlement under the Open Offer) will be scaled back at the Company's discretion after consultation with finnCap. The basis of allocation of New Ordinary Shares under the Issue will be:

- (a) to each Qualifying Shareholder who applies, up to his full entitlement under the Open Offer; and
- (b) to applicants under the Placing and the Excess Application Facility and to the Selling Shareholders in connection with the Proposed Acquisition.

8 Dilution

The ownership and voting interests of any Shareholders not participating in the Issue will be diluted.

Assuming 125,000,000 New Ordinary Shares are issued, being the minimum amount to be issued pursuant to the Issue:

- Qualifying Shareholders who take up their full Open Offer Entitlement (excluding any New Ordinary Shares acquired through the Excess Application Facility) will not suffer any dilution to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue; and
- Qualifying Shareholders who do not take up any of their Open Offer Entitlement and Shareholders who are not eligible to participate in the Open Offer will suffer a maximum dilution of approximately 27.4 per cent. to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue.

Assuming that 414,647,283 New Ordinary Shares are issued, being the maximum amount to be issued pursuant to the Issue:

- Qualifying Shareholders who take up their full Open Offer Entitlement (excluding any New Ordinary Shares acquired through the Excess Application Facility) will not suffer any dilution to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue; and
- Qualifying Shareholders who do not take up any of their Open Offer Entitlement under the Issue and Shareholders who are not eligible to participate in the Open Offer will suffer a maximum dilution of approximately 55.6 per cent. to their ownership and voting interests in the Company by virtue of the issue of New Ordinary Shares pursuant to the Issue.

9 Placing and Offer Agreement

finnCap and Baden Hill have conditionally agreed pursuant to the terms of the Placing and Offer Agreement to use their respective reasonable endeavours to procure Placees for New Ordinary Shares at the Issue Price. The Placing and Offer Agreement provides for each of finnCap and Baden Hill to be paid certain commissions by the Company in respect of New Ordinary Shares issued pursuant to the Issue. Any New Ordinary Shares subscribed for by finnCap or Baden Hill may be retained by or dealt in by it for its own benefit. Further details of the Placing and Offer Agreement are set out in paragraph 9.1.2 of Part XII (*Additional Information*) of this document.

10 Perigeum Capital Engagement Letter

Perigeum Capital has agreed to use its reasonable endeavours to procure Placees for New Ordinary Shares at the Issue Price on the terms and subject to the conditions set out in the Perigeum Capital Engagement Letter. The Perigeum Capital Engagement Letter provides for Perigeum Capital to be paid certain commissions by the Company in respect of New Ordinary Shares issued pursuant to the Issue. Further details of the Perigeum Capital Engagement Letter are set out in paragraph 9.1.3 of Part XII (*Additional Information*) of this document.

11 General

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

12 Admission clearing and settlement

Applications will be made for the New Ordinary Shares: (i) to be admitted to listing on the premium segment of the Official List; (ii) to be admitted to trading on the premium segment of the main market of the London Stock Exchange; and (iii) to be admitted to trading on the Official Market of the SEM.

The New Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of New Ordinary Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system or CDS. The New Ordinary Shares will be eligible for settlement through CREST and CDS with effect from Admission.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. Settlement of transactions in the New Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

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.

The Company will arrange for CREST and CDS to be instructed to credit the appropriate CREST and CDS accounts of the applicants concerned or their nominees with their respective entitlements to the New Ordinary Shares. The names of applicants or their nominees that invest through their CREST and CDS accounts will be entered directly on to the share register of the Company.

Dealings in the New Ordinary Shares 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 New Ordinary Shares are expected to be despatched by post at the risk of recipients to the relevant holders within 15 Business Days of Admission. Prior to the despatch of definitive share certificates in respect of any New Ordinary Shares which are held in certificated form, transfer of those New Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the market price of the Ordinary Shares may not necessarily reflect changes in the NAV per Ordinary Share.

The Ordinary Shares are denominated in US Dollars.

13 Material interests

There are no interests that are material to the Issue and no conflicting interests.

14 Overseas Persons

Potential investors in any territory other than the United Kingdom, Mauritius and South Africa should refer to the notices set out in the section entitled "Important Information" of this document.

The Company reserves the right to treat as invalid any agreement to subscribe for New Ordinary Shares under the Issue if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

PART VI

FINANCIAL INFORMATION ON GRIT GROUP

1 Introduction

The audited consolidated financial statements for the Grit Group for the 12 months ended 30 June 2021 (the “**Grit 2021 Annual Financial Statements**”) were prepared in accordance with IFRS and were audited by PricewaterhouseCoopers LLP, who are members of the Institute of Chartered Accountants in England and Wales, whose report was unqualified.

The Grit 2021 Annual Financial Statements are available on the Company’s website at <https://grit.group/documents-circulars/> and are also available for inspection in accordance with paragraph 17 of Part XII (*Additional Information*) of this document.

2 Grit 2021 Annual Financial Statements

The parts of the Grit 2021 Annual Financial Statements set out in the table below are expressly incorporated by reference into this document. The non-incorporated parts of the Grit 2021 Annual Financial Statements are either not relevant to investors or are covered elsewhere in this document. The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

<i>Nature of information</i>	<i>Audited annual report and accounts for the year ended 30 June 2021 Page No. (s)</i>
Independent Auditor’s report	120-127
Financial statements	
Consolidated and Company statements of financial position	128
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PART VII

FINANCIAL INFORMATION ON GREA

Section A: Accountants' report of the historical financial information of GREA for the three years ended 31 December 2020

The Directors
Grit Real Estate Income Group Limited
PO Box 186
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4HP

finnCap Limited
One Bartholomew Close
London
EC1A 7BL
United Kingdom

Dear Sir or Madam

22 November 2021

Gateway Real Estate Africa Limited (the "Target") and its subsidiary undertakings (together, the "Target Group")

Introduction

We report on the financial information of Gateway Real Estate Africa Limited set out in Section B of Part VII of the prospectus and class 1 circular dated 22 November 2021 of Grit Real Estate Income Group Limited (the "Company") (the "Combined Document").

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards.

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 Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by 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 1.3 of Annex 3 and item 1.3 of Annex 12 of the UK version of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and item 13.4.1R(6) of the listing rules made by the Financial Conduct Authority for the purposes of part VI of the Financial Services and Markets Act 2000 (the "Listing Rules"), consenting to its inclusion in the Combined Document.

Basis of preparation

This financial information has been prepared for inclusion in the Combined Document on the basis of the accounting policies set out in note 2 to the financial information. This report is required by item 13.5.21R of the Listing Rules and is given for the purpose of complying with that item and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company and the Target Group in accordance with relevant ethical requirements as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Combined Document, a true and fair view of the state of affairs of the Target Group as at 31 December 2018, 31 December 2019 and 31 December 2020 and of its results, cash flows and changes in equity for the years then ended in accordance with International Financial Reporting Standard and has been prepared in a form that is consistent with the accounting policies adopted in the Company's latest annual accounts.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Combined Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and this report makes no omission likely to affect its import. This declaration is included in the Combined Document in compliance with item 1.2 of Annex 3 and item 1.2 of Annex 12 of the UK version of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council.

Yours faithfully

Mazars

Section B: Historical financial information of GREA for the three years ended 31 December 2020

GATEWAY REAL ESTATE AFRICA LTD
CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

FOR THE YEARS ENDED 31 DECEMBER 2018, 31 DECEMBER 2019 and 31 DECEMBER 2020

Consolidated statements of financial position

For the years ended 31 December 2018, 31 December 2019 and 31 December 2020

	Notes	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
Assets				
Non-current assets				
Investment properties	4	34 960	14 158	–
Deposits on land	4	–	–	89
Property, plant and equipment	11	379	253	93
Finance lease receivable	6	2 637	3 436	–
Intangible assets	12	3	3	16
Financial asset at fair value through profit or loss	13	26 227	–	–
Related party receivable	13	1	130	–
Investments in associates and joint ventures	5	57 010	10 877	–
Deferred costs	14	370	643	686
Goodwill	18	11	11	11
Deferred tax	20	36	22	27
Total non-current assets		<u>121 634</u>	<u>29 533</u>	<u>922</u>
Current assets				
Trade and other receivables	7	7 330	27 965	255
Contract assets	15	548	–	7 499
Finance lease receivable	6	799	702	–
Related party receivable	13	14 904	–	14
Cash and cash equivalents	19	11 031	4 745	4 595
Total current assets		<u>34 612</u>	<u>33 412</u>	<u>12 363</u>
Total assets		<u>156 246</u>	<u>62 945</u>	<u>13 285</u>
Equity and liabilities				
Capital and reserves				
Ordinary share capital	17	111 688	35 919	5 319
Shares to be issued	17	14 131	–	–
Foreign currency translation reserve		6	6	–
Retained earnings/(Accumulated losses)		11 472	72	(3 343)
Equity attributable to owners of the Company		<u>137 297</u>	<u>35 997</u>	<u>1 976</u>
Non-controlling interests		(3 989)	(3 687)	(3 628)
Total equity		<u>133 308</u>	<u>32 310</u>	<u>(1 652)</u>
Liabilities				
Non-current liabilities				
Retirement benefit obligation	23	105	133	72
Lease Liabilities	10	1 158	1 441	–
Related party loans payables	13	–	–	5 720
Deferred tax liability	20	2 292	31	–
Total non-current liabilities		<u>3 555</u>	<u>1 605</u>	<u>5 792</u>
Current liabilities				
Interest-bearing borrowings	8	15 800	27 200	7 995
Lease Liabilities	10	468	426	–
Trade and other payables	9	2 959	1 180	1 014
Current tax payable	20	156	224	26
Related party loans payable	13	–	–	110
Total current liabilities		<u>19 383</u>	<u>29 030</u>	<u>9 145</u>
Total liabilities		<u>22 938</u>	<u>30 635</u>	<u>14 937</u>
Total equity and liabilities		<u>156 246</u>	<u>62 945</u>	<u>13 285</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the years ended 31 December 2018, 31 December 2019, 31 December 2020

		31 December 2020	31 December 2019	31 December 2018
	Notes	\$'000	\$'000	\$'000
Revenue	21	2 779	20 955	7 301
Operating costs		<u>(2 683)</u>	<u>(15,473)</u>	<u>(6 422)</u>
Gross Profit		96	5 482	879
Other income	22	<u>1 353</u>	<u>718</u>	<u>86</u>
		1 449	6 200	965
Administrative expenses		(1 927)	(1 022)	(2 343)
Project costs written off	14	<u>(258)</u>	<u>(83)</u>	<u>(443)</u>
Profit/(loss) from operations	24	(736)	5 095	(1 821)
Fair value adjustment on investment properties	4	7 347	–	–
Fair value adjustment on financial assets through profit and loss		736	–	–
Share of results from associates and joint ventures	5	8 837	(97)	–
Goodwill on joint venture written off		<u>–</u>	<u>(156)</u>	<u>–</u>
Profit/(Loss) before taxation and finance cost		16 184	4 842	(1 821)
Finance costs	16	<u>(1 508)</u>	<u>(1 207)</u>	<u>(282)</u>
Profit/(Loss) for the year before taxation		14 676	3 635	(2 103)
Taxation	20	<u>(2 468)</u>	<u>(279)</u>	<u>(7)</u>
Profit/(Loss) for the year		<u>12 208</u>	<u>3 356</u>	<u>(2 110)</u>
Profit/(loss) attributable to:				
Equity shareholders		12 510	3 415	127
Non-controlling interests		<u>(302)</u>	<u>(59)</u>	<u>(2 237)</u>
Profit/(Loss) for the year		<u>12 208</u>	<u>3 356</u>	<u>(2 110)</u>

Consolidated statement of comprehensive income

For the years ended 31 December 2018, 31 December 2019 and 31 December 2020

	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
Profit/(loss) for the year	12 208	3 356	(2 110)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation of foreign operations	–	6	–
<i>Items that will not be reclassified to profit or loss</i>			
Share of other comprehensive loss of joint venture	(1 110)	–	–
Total comprehensive income/(loss) for the year	<u>11 098</u>	<u>3 362</u>	<u>(2 110)</u>
Attributable to:			
Equity shareholders	11 400	3 421	127
Non-controlling interests	(302)	(59)	(2 237)
Total comprehensive income/(loss) for the year	<u>11 098</u>	<u>3 362</u>	<u>(2 110)</u>

Consolidated statement of changes in equity

For the years ended 31 December 2018, 31 December 2019 and 31 December 2020

	Attributable to owners of the Group							
	Notes	Ordinary share capital \$'000	Shares to be issued \$'000	Foreign currency translation reserve \$'000	Retained earnings/(accumulated losses) \$'000	Attributable to owners of the group \$'000	Non-controlling Interests \$'000	Total equity \$'000
Balance as at 1 January 2018			3 801	–	(3 470)	331	(1 391)	(1 060)
Profit/(loss) for the year		–	–	–	127	127	(2 237)	(2 110)
Total comprehensive income/(loss) for the year		–	–	–	127	127	(2 237)	(2 110)
Transaction with owners of the company								
Issue of shares	17	5 319	(3 801)	–	–	1 518	–	1 518
Balance as at 31 December 2018		5 319	–	–	(3 343)	1 976	(3 628)	(1 652)
Balance as at 1 January 2019		5 319	–	–	(3 343)	1 976	(3 628)	(1 652)
Profit/(loss) for the year		–	–	–	3 415	3 415	(59)	3 356
Other comprehensive income for the year		–	–	6	–	6	–	6
Total comprehensive income/(loss) for the year		–	–	6	3 415	3 421	(59)	3 362
Transaction with owners of the company								
Issue of shares	17	30 600	–	–	–	30 600	–	30 600
Balance as at 31 December 2019		35 919	–	6	72	35 997	(3 687)	32 310
Balance as at 1 January 2020		35 919	–	6	72	35 997	(3 687)	32 310
Profit for the year		–	–	–	12 510	12 510	(302)	12 208
Other comprehensive loss for the year		–	–	–	(1 110)	(1 110)	–	(1 110)
Total comprehensive income (loss) for the year		–	–	–	11 400	11 400	(302)	11 098
Transaction with owners of the company								
Issues of shares		75 769	14 131	–	–	89 900	–	89 900
Balance as at 31 December 2020		111 688	14 131	6	11 472	137 297	(3 989)	133 308

Consolidated statements of cash flows

As at 31 December 2018, 31 December 2019 and 31 December 2020

	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
Cash flow from operating activities			
Profit/(loss) before taxation	14 676	3 635	(2 103)
<i>Adjustment for:</i>			
Depreciation and amortisation	169	160	35
Retirement benefit obligation	(28)	61	72
Share of results from associates and joint ventures	(8 837)	97	–
Fair value gain on investment property	(7 347)	–	–
Interest expense	1 252	1088	203
Project cost written off	258	83	443
Goodwill on joint venture written off	–	156	–
Other movement in joint venture	–	144	–
Fair value adjustment on financial asset through profit or loss	(736)	–	–
Contract revenue	–	(2,742)	–
Loss on disposal of asset	9	–	–
Interest Income	(1 224)	(623)	–
(Loss)/Profit from operating activities before working capital changes	<u>(1 808)</u>	<u>2 059</u>	<u>(1 350)</u>
Movement in trade and other receivables	(1 599)	(27 316)	(211)
Movement in Contract assets	(548)	7 499	(7 499)
Movement in trade and other payables	1 779	166	(514)
Cash generated utilised in operations	<u>(2 176)</u>	<u>(17 592)</u>	<u>(9 574)</u>
Taxation paid	(289)	(45)	–
Interest paid	(1 160)	(1 120)	(74)
Net cash utilised in operating activities	<u>(3 625)</u>	<u>(18 757)</u>	<u>(9 648)</u>
Cash flows from investing activities			
Additions to property, plant and equipment	(76)	(23)	(48)
Additions to intangible assets	(4)	–	(23)
Additions to other investments – Deposit on investment	(1 083)	–	–
Investment in joint venture/associate	(37 387)	(11 269)	–
Expenditure on investment property	(14 372)	(13 772)	–
Refund of deposit	–	89	–
Project cost incurred	(904)	(426)	(804)
Proceeds from disposal of property, plant and equipment	24	–	–
Net cash utilised in investing activities	<u>(53 802)</u>	<u>(25 401)</u>	<u>(875)</u>

	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>	<i>2018</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Cash flow from financing activities			
Proceeds from the issue of ordinary shares	75 769	24 880	1 518
Proceeds from interest bearing borrowings	56 700	49 900	10 003
Related party loans (repaid)/drawn	–	–	5 262
Related party loans advanced	(1 174)	(130)	–
Settlement of interest-bearing borrowings	(68 100)	(30 695)	(2 008)
Principal received on lease receivables	703	523	–
Interest paid on lease liabilities	(109)	(79)	–
Principal paid on lease liabilities	(449)	(336)	–
Interest received from lease receivables	373	245	–
	<hr/>	<hr/>	<hr/>
Net cash generated from financing activities	63 713	44 308	14 775
	<hr/>	<hr/>	<hr/>
Net movement in cash and cash equivalents	6 286	150	4 252
Cash at the beginning of the year	4 745	4 595	343
	<hr/>	<hr/>	<hr/>
Total cash and cash equivalents at the end of the year	<u>11 031</u>	<u>4 745</u>	<u>4 595</u>

Notes to the consolidated historical financial information

For the years ended 31 December 2018, 31 December 2019, and 31 December 2020

1 General information

Gateway Real Estate Africa Ltd (GREA) previously known as Gateway Delta Development Holdings Ltd (the “Company”) is a private company limited by shares incorporated and domiciled in the Republic of Mauritius. The principal activity of the Company is to hold a number of investments in property companies across the African continent. The Company as a holder of Global Business Licence under the Mauritian Companies Act 2001 and the Financial Services Act 2007 is required to carry on its business in a currency other than the Mauritian rupee. Since the Company operates in an international environment and conducts most of its transactions in foreign currencies, the Company has chosen to retain the United States Dollar (“USD”) as its reporting currency.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated historical financial information are set out below.

Basis of preparation and measurement

The historical financial information includes the consolidated historical financial information of the parent company and its subsidiaries (“**the Group**”).

The historical financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB; the Financial Pronouncements as issued by Financial Reporting Standards Council. The historical financial information have been prepared on the going-concern basis and were approved for issue by the board on 10 November 2021).

The historical financial information has been prepared under the historical cost basis, except for:

- (i) investment property is stated at fair value and;
- (ii) Preference shares stated at fair value.

The accounting policies used in the preparation of the historical financial information is line with the accounting policies of GRIT Real Estate Income Group (GRIT).

Going concern

The directors are required to consider an assessment of the Group’s ability to continue as a going concern when producing the historical financial information. The outbreak of Covid-19 has caused delays to completion of the ongoing projects without having a significant increase in their respective cost to completion. The Directors have gone through a process involving a thorough review of the Company’s and Group’s risk register, an analysis of the development overview both pre and post year end, extensive discussions with the contractors, consultants and other professional teams.

As a result, the Group has made an assessment of the profitability of the ongoing projects and also updated the risk register to identify the risks and mitigation measures put in place which are reviewed every quarter. Management continues to monitor the impact of COVID-19 on its operations and its development plans, thus allowing the Board to reassess the Group’s growth strategy and makes decisions in order to adapt them to any change in market conditions in the best interest of the Group and their stakeholders. The Group has also been able to maintain its financial covenant and repay its debt on time. Furthermore, the Group has an unpaid committed capital from its shareholders amounting to \$49.4 million as at 31 December 2020 (2019: \$139.2 million and 2018: \$169.9 million). Based on the above, the directors concluded that the going concern assumptions is appropriate in the preparation of the historical financial information for the years then ended. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

Changes in accounting policies and comparability

The accounting policies have been applied consistently to all years presented. Where necessary, comparative figures have been amended to be consistent with changes in presentation in the later years.

Functional and presentation currency

The consolidated historical financial information are prepared and are presented in USD (\$) which is also the functional and presentational currency of the Group. Amounts are rounded to the nearest thousand, unless otherwise stated. One of the subsidiaries and one joint venture have different functional currencies other than the USD (\$) which is predominantly determined by the country in which they operate.

Foreign currency transactions in Group entities

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at 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 year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year. 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 year; 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.

Consolidation

Basis of consolidation

The historical financial information incorporate 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 the amount of the investor's 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 historical financial information from the effective date of their acquisition to the effective date of their disposal.

Adjustments are made when necessary to the historical 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.

Changes in Ownership 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.

Any difference between the amount of the adjustment to non – controlling interests and any consideration paid or received is recognised in separate reserve within equity attributable to owners.

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.

Goodwill (gain on bargain purchase) is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus any non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. 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.

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 year with any adjustment recognised in equity through other comprehensive income.

Consolidated historical financial information

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's net assets.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interest at initial recognition plus the non-controlling interests' share of subsequent change in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The excess of, the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, over the fair value of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the equity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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 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 amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting year.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

<i>Item</i>	<i>Average useful life</i>
Computer software	2 years
Website	2 years

Investment properties

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 property is 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 subsequently carried 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 on an 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 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 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 investment property under redevelopment is not reliably measurable, the property would be measured at cost until the fair value of the investment property under redevelopment is complete.

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.

Item of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives to their estimated residual values.

<i>Item</i>	<i>Average useful life</i>
Computer equipment	3 years
Office equipment	3 years
Motor vehicles	5 years
Right of use of motor vehicles	5 years
Right of use of buildings	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each year is recognised in profit and loss.

The carrying amount of an item of property, plant and equipment is derecognised on disposal; or when no future economic benefits are expected from its use or disposal.

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.

Financial instruments – recognition, classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition, measurement and derecognition

Financial instruments comprise loans, receivable from related parties, investment in preference shares, trade and other receivables, cash and cash equivalents, and other borrowings and trade and other payables.

All 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.

Subsequent measurement

Subsequent to initial recognition, financial assets are measured as stated below. 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 year.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income from associates and joint ventures is recognised in profit or loss as part of other income when the Group's right to receive payment is established.

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Related party loans receivables, other loans receivable, trade and other receivables and cash and cash equivalents are 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.

Trade and other receivables

Trade and other receivables including related party loans that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

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.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost.

Bank borrowings

Bank 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 year.

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 relying as little as possible on entity-specific inputs.

Impairment of financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative

information and analysis, based on the Group's historical experience, existing market conditions as well as estimates at the end of each reporting period.

The Group assumes that the credit risk on a financial asset has increased significantly when there is breach of contract or changes in financial or economic conditions that are expected to cause a significant change in the client's ability to meet its debt obligations.

The Group considers a financial asset to be in default when any amount is not paid when due or within any originally applicable grace period or insolvency situation of the debtors.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Trade receivables, lease receivables and receivables from related parties

The Group has estimated the lifetime ECL on trade receivables and lease receivables and 12-months ECL on the related party receivables.

ECLs are the expected shortfall of the contractual cash flows, taking into account the risk of default at any point in the life of the financial instrument. When estimating the expected credit losses, the Group carries out an assessment of the counterparty risk of the debtor and their repayment capacity.

The ECL measurement takes into account the historical experience of the Company such as default events, current ageing (and repayments) of the trade and loan receivables amongst others. The ECL measurement also considers the economic environment in which the debtors operate.

(i) *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

(ii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the debtor;
- (b) a breach of contract, such as a default or past due event (see (i) above);

(iii) *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit or loss.

Leases

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group as a lessee

In 2018, all leases were classified as operating leases. Payment made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

1. Leases of low value assets; and
2. Leases with a duration of 12 months or less.

Identifying Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Group obtains substantially all the economic benefits from use of the asset; and
- (c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the

lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease.
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove, or restore the leased asset (typically leasehold dilapidations).

Right of use assets are depreciated over the shorter of the assets useful life and the lease term on a straight line basis.

The average incremental borrowing rate applied to lease liabilities in the statement of financial position is 6.25 per cent. p.a

Income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilized.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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.

Shares to be issued

Shares to be issued relate to committed capital that have been drawn down by the Company from its shareholders that were not received as at reporting date.

Revenue and other income

Rental income

Revenue from the letting of investment property comprises gross rental income, retail parking income and recoveries of operating costs, net of value added tax. Recoveries of costs from lessees, are separately disclosed under revenue in the "Other income" line and the associated costs are disclosed under operating expenditure.

Interest is recognised, in profit or loss, using the effective interest rate method.

Revenue from contracts with customers arises from transactions not associated with financial instruments, or investment properties. Revenue is recognised either when the performance obligation has been satisfied ("point in time") or as control of the goods or service is transferred to the customer ("over time"). This requires an assessment of the Group's performance obligations and of when control is transferred to the customer. When cash is received in advance of revenue being recognised, this is deferred on balance sheet as deferred income. When revenue is recognised in advance of cash being received, this is held on balance sheet as accrued income.

Where revenue is recognised over time, performance obligation over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the service to the customer. Due to the nature of the Group's business, the majority of its revenue from customers is considered to be recognised "over time".

Details related to the nature and measurement of revenue are set out below:

<i>Revenue</i>	<i>Types</i>	<i>Description</i>	<i>Nature, timing of satisfaction of performance obligations and movements</i>
Revenue from fixed price contracts	Fixed price contracts	This income is performance related, over the period of the contract	The Group recognises the revenue on a stage to completion basis as determined by the development manager over the duration of the contract. The general payment terms are consideration received after handing over of the project.
Recoverable property expenses – IFRS 15	Electricity Cleaning Security Refuse & Waste Water Generator & Diesel Marketing	Depending on the type of the lease contract, these can be either explicitly stated or implied in the lease contract that they are borne by the lessee	Utility recoveries are recognised over the year for which the services are rendered and match the expenses

Contract asset

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date on turnkey development contract. The contract assets are transferred to receivables when the rights become unconditional.

No information is provided about remaining performance obligations at 31 December 2018, 2019 and 2020 that have an original expected duration of one year or less, as allowed by IFRS15.

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.

Employee benefits

Short-term employee benefits

The cost 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 year in which the service is rendered and are not discounted.

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.

Gratuity on retirement

The employees are not covered by a pension plan and the net present value of gratuity on retirement payable under the Workers' Rights Act 2019 (2018 – Employment Rights Act 2008) is calculated and provided for. The obligations arising under this item are not funded.

Deferred costs

Deferred costs are initially measured at cost less impairment. Deferred costs relate to project costs incurred by the Group and Company for forthcoming projects.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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 year, taking into account the risks and uncertainties surrounding the obligation.

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 giving between 20 per cent. and 50 per cent. of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

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 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 year 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 historical financial information of associates to bring their accounting policies in line with those adopted by the Group. If the ownership interest in an associate is reduced but significant influence is retained only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Investment in joint ventures

A joint venture is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding giving between 20 per cent. and 50 per cent. of the voting rights. The company has joint control of the entity and have joint rights to the net assets of the arrangement. Investments in joint ventures are accounted for under the equity method.

The Group's investments in joint ventures 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 joint venture, 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 joint venture'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 joint venture's profit or loss.

In circumstances where the Group's share of losses exceeds its interest in a joint venture, the Group discontinues recognising further losses, unless it has incurred a legal or constructive obligation or made payments on behalf of the joint venture.

The results of joint ventured companies acquired or disposed of during a year 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 joint venture. 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 historical financial information of joint ventures to bring their accounting policies in line with those adopted by the Group.

2 New standards and interpretations

Standards, Amendments to published Standards and Interpretations effective in the reporting period

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 01 January 2020. None of these standards, amendments have had any impact on the historical financial information.

<i>Title:</i>	<i>Effective Date</i>
Definition of Material – Amendments to IAS 1 and IAS 8	01 January 2020
Definition of a Business – Amendments to IFRS 3	01 January 2020
Interest Rate Benchmark Reform – Amendments to IFRS 7, IFRS 9 and IAS 39	01 January 2020
Revised Conceptual Framework for Financial Reporting	01 January 2020

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Several standards and interpretations have been issued, but not yet effective, up to the date of issuance of the Group's financial statements. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. None of the following new standards, amendments and interpretations to standards are expected to have a significant impact on the Group's historical financial information.

<i>Title:</i>	<i>Effective Date</i>
IFRS 17 Insurance Contracts	01 January 2023
Covid-19 – related Rent Concessions – Amendments to IFRS 16	01 June 2023
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	01 January 2022
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	01 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	01 January 2022
Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Annual Improvements to IFRS Standards 2018-2020	01 January 2022

3 Critical judgments and estimates

The preparation of historical 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 year.

Judgments

The principal areas where such judgements have been made are:

Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. These calculations require the use of estimates. However, goodwill has suffered no impairment for the years ended 31 December 2020, 31 December 2019, and 31 December 2018.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation based on the projects yields, projects holding period, Group's past history, existing market, securities held conditions as well as forward looking estimates at the end of each reporting period.

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 audit issues 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 income 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 income 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 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.

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors have reviewed the Group's investment property portfolio and have concluded that the properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale. As a result, the Group has recognised deferred tax on changes in the fair value of its investment properties.

The carrying value for deferred tax assets as at 31 December 2020 was USD'000 36 (2019: USD'000 22 and 2018: USD'000 27). The carrying value for deferred tax liabilities as at 31 December 2020 was USD'000 2,292 (2019: USD'000 31 and 2018: nil).

The carrying value for current tax liabilities as at 31 December 2020 was USD'000 156 (2019: USD'000 224 and 2018: USD'000 26).

Revaluation of investment property

The Group measures its investment properties at revalued amounts with changes in fair value being recognised in profit or loss. The Group appointed independent valuation specialists to determine the fair value of the properties which were carried out on the basis of discounted cash flow approach.

As part of the revaluation process, the use of judgement to determine the fair value of properties is necessary.

Africa Property Development Managers Ltd (APDM) as a subsidiary

The Group has considered APDM to be its subsidiary for consolidation purposes due to the Group's implied control of APDM, as the Group has ability to control the variability of returns of APDM. APDM has entered into an Asset Management and Advisory Services Agreement ("AMASA") with the Company which is the sole agreement that APDM has in place. The directors have determined that the Group controls (operational and financial) APDM through the AMASA. The Group does not own any interest in APDM and does not benefit from any profits of APDM nor is it liable for any losses incurred by APDM.

Assets lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the context of current profits and losses on the disposal of similar assets.

Depreciation policies

Property, plant, and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from the disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life. The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the asset at the end of their expected useful lives.

The carrying value for property, plant and equipment as at 31 December 2020 was USD'000 379 (2019: USD'000 253 and 2018: USD'000 93).

Going concern

The Group made an assessment of its ability to continue as going concern and it satisfy that it has the resources to continue its business for the foreseeable future. The historical financial information has thus been prepared on a going concern basis.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company and of the Group is USD.

Rounding of accounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand USD unless otherwise stated.

4 Investment properties

				31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
Movement for the year						
At the beginning of the year				14 158	–	–
Additions				14 372	13 772	–
Transfer to joint venture				(1 020)	–	–
Transfer from deferred costs				103	386	–
Revaluation of properties at end of year				7 347	–	–
As at end of year				34 960	14 158	–
<i>Summary of valuations at reporting date</i>						
<i>Country</i>	<i>Type of property</i>	<i>Valuer</i>		31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
Metroplex Shopping Mall	Uganda	Retail	Knight Frank Uganda Ltd	25 700	12 856	–
Exxon Mobile Tower	Mozambique	Corporate accommodation	NA	–	283	–
ADC Data Centre	Nigeria	Data centre	NA	9 260	–	–
DH3	Kenya	Corporate accommodation	NA	–	1 019	–
Total valuation of investment properties directly held by the Group				34 960	14 158	–
Investment properties per consolidated statement of financial position				34 960	14 158	–
Total carrying value of investment properties per the consolidated statement of financial position				34 960	14 158	–
Deposits paid on Land	Mauritius	Office	NA	–	–	89
Total deposits paid				–	–	89
Total carrying value of investment properties including deposits paid				34 960	14 158	89

Summary of valuations by reporting date	Country	Type of property	Valuer	31 December	31 December	31 December
				2020	2019	2018
				\$'000	\$'000	\$'000
Investment properties held within associates and joint ventures – share						
Cognis 1 Limitada (42.65%)	Mozambique	Corporate accommodation	Real Estate Consulting Lda	28 454	–	–
DH One Real Estate, PLC (50.00%)	Ethiopia	Corporate accommodation	Knight Frank UK	29 424	–	–
GR1T House Limited (50.00%)	Mauritius	Office	NA	3 474	–	–
St Helene Clinic Co Ltd (48.25%)	Mauritius	Medical	NA	1 051	–	–
Total of investment properties acquired through associates and joint ventures				62 403	–	–

Valuation policy and methodology for investment properties held by the Group, associates and joint ventures

Investment properties are valued at each reporting date with independent valuations performed every year by independent professional and reputable valuation experts who have sufficient expertise in the jurisdictions where the properties are located. All valuations have been undertaken by the Royal Institute of Chartered Surveyors' ("RICS's"), accredited and registered valuers, in accordance with the version of the RICS Valuation Standards that were in effect at the relevant valuation date and are further compliant with International Valuation Standards.

Market values presented by valuers have also been confirmed by the respective valuers to be fair value in terms of IFRS. The fair value was determined based on the discounted Cash Flows, which translates into the Net Present Value (NPV) of the future benefits generated by the activities of the assets (Net Revenues).

The fair value of investment properties under development that can be reliably measured are valued by independent valuers, as described above. As at 31 December 2020, 2019 and 2018, the fair value of Investment properties under development could not be reliably determined and therefore have been measured at cost until the fair value becomes reliably determinable or construction is completed.

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.

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).

All of the Group's investment properties are level 3 in all years.

As indicated above, all of the valuations were performed using 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 December 2020 was 9 per cent. (2019: none and 2018: none). The discount rate applied to the Group valuations that were performed at 31 December 2020 using the discounted cash flow method was 13.74 per cent. (2019: none, 2018: none). 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.

Information about the impact of changes in unobservable inputs (level 3) on the fair value of the Group's property portfolio including share of associates and joint ventures for the period ended 31 Dec 2020.

		<i>Fair Value at</i>				
		<i>31 December</i>				
		<i>2020</i>	<i>Impact of valuations</i>		<i>Impact of valuations</i>	
		<i>\$'000</i>	<i>Change in discount rates</i>		<i>Change in RARY*</i>	
<i>Investment</i>			<i>-50 bps</i>	<i>+50 bps</i>	<i>-50 bps</i>	<i>+50 bps</i>
Metroplex Shopping Mall	Discounted cashflow method	25 700	469	(434)	1 480	(1 300)

* Reversionary All Risks Yield

For the year ended 31 December 2019, there was no independent valuation performed on investment property. There have been no material changes to the information used and assumptions applied by the registered valuer. The fair value adjustments on investment property are included in the statement of profit or loss. The Directors are of the opinion that the cost of the investment property under construction approximates its fair value.

5. Investments in associates and joint ventures

		31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000		
The following entities have been accounted for using the equity method:						
Name of joint venture	Country of incorporation and operation	% held	% held			
Diplomatic Housing I Ltd (DH 1) (note (a))	British virgin island	50.00%	20 953	50.00%	10 877	–
DH3 Holdings Ltd (note (a))	Mauritius	50.00%	10 779	–	–	–
St Helene Clinic Co Ltd (note (b))	Mauritius	48.25%	1 259	–	–	–
Gateway Appolonia Holdings Limited (note (c))	Ghana	50.00%	688	–	–	–
GR1T House Limited (note (d))	Mauritius	50.00%	7 055	–	–	–
Carrying value of joint ventures			<u>40 734</u>	<u>10 877</u>		<u>–</u>
TC Maputo Properties Ltd (note (e))	Mozambique	49.00%	16 276	–	–	–
Carrying value of associate			<u>16 276</u>		<u>–</u>	<u>–</u>
Joint ventures			40 734	–	10 877	–
Associates			16 276	–	–	–
Total carrying value of associates and joint ventures			<u>57 010</u>	<u>10 877</u>		<u>–</u>

note (a)

Diplomatic Housing I Ltd holds a fully owned subsidiary in Ethiopia and DH3 Holdings Ltd holds a fully owned subsidiary in Kenya which are both developing diplomatic residences. For both projects, the Group entered in a joint venture agreement with Verdant Ventures LLC (a US based company) for the respective developments.

note (b)

The Group entered the shareholding of St Helene Clinic Co Ltd on 23 November 2020 through a share issue for the development of a medical treatment facility.

note (c)

The project relates to a development of an office building in Appolonia city, Ghana which is scheduled to start in year 2021.

note (d)

GR1T House Limited interest is owned through a fully owned subsidiary of the company, GD (Mauritius) Hospitality Ltd, as from 1 January 2020. The project comprises the development of an office park in the north of Mauritius.

note (e)

Effective from 1 November 2020, the Company acquired 49 per cent. in TC Maputo Properties which holds a subsidiary, Cognis I Limitada, in Mozambique at 85 per cent. shareholding Cognis I Limitada holds investment properties.

Secured investments:

DH1 property held through the subsidiary of Diplomatic Housing 1 Ltd, namely DH ONE Real Estate Ltd in Ethiopia, has a market value of \$60.2 million as at 31 December 2020 (2019: \$17.1 million). The property is secured against a loan contracted from Co-operative Bank of Oromia for the funding of the project amounting to \$10.1 million as at 31 December 2020 (2019: \$6.3 million and 2018: none).

For associates and joint ventures with non-coterminous year end, management accounts at 31 December have been used for equity accounting purposes.

Set out below is the summarised financial information of each of the Group's associates and joint ventures for each reporting period together with a reconciliation of this financial information to the carrying amount of the Group's interests in each associate and joint venture. 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.

	<i>TC Maputo Properties Ltd \$'000</i>	<i>Diplomatic Housing I Ltd (DH 1) \$'000</i>	<i>DH3 Holdings Ltd \$'000</i>	<i>St Helene Clinic Co Ltd \$'000</i>	<i>Gateway Appolonia Holdings Limited \$'000</i>	<i>GR1T House Limited \$'000</i>	<i>Total \$'000</i>
Balance at 1 January 2019	-	-	-	-	-	-	-
Acquired during the year	-	11 269	-	-	-	-	11 269
Share of loss of associates and joint ventures	-	(97)	-	-	-	-	(97)
- Revenue	-	5	-	-	-	-	5
- Admin expenses and recoveries	-	(69)	-	-	-	-	(69)
- Current tax	-	(33)	-	-	-	-	(33)
Goodwill written off	-	(156)	-	-	-	-	(156)
Other movement	-	(144)	-	-	-	-	(144)
Foreign currency translation differences	-	5	-	-	-	-	5
Carrying value of associates and joint ventures at 31 December 2019	-	10 877	-	-	-	-	10 877

	<i>TC Maputo Properties Ltd \$'000</i>	<i>Diplomatic Housing I Ltd (DH 1) \$'000</i>	<i>DH3 Holdings Ltd \$'000</i>	<i>St Helene Clinic Co Ltd \$'000</i>	<i>Gateway Appolonia Holdings Limited \$'000</i>	<i>GR1T House Limited \$'000</i>	<i>Total \$'000</i>
Balance at 1 January 2020	-	10 877	-	-	-	-	10 877
Acquired during the year	15 764	2 581	9 902	1 313	706	7 121	37 387
Share of loss of associates and joint ventures	511	8 605	(141)	(54)	(18)	(66)	8 837
- Revenue	482	-	-	-	-	-	482
- Admin expenses and recoveries	(91)	(100)	(9)	-	(4)	-	(204)
- Finance charges	-	15	(134)	(54)	(14)	(66)	(253)
- Fair value movement on investment property	319	13 979	-	-	-	-	14 298
- Current tax	-	-	2	-	-	-	2
- Deferred tax	(199)	(5 289)	-	-	-	-	(5 488)
Transfer from investment property	-	-	1 019	-	-	-	1 019
Share of other comprehensive loss of joint venture	-	(1 110)	-	-	-	-	(1 110)
Carrying value of associates and joint ventures at 31 December 2020	16 275	20 953	10 780	1 259	688	7 055	57 010

Summarised financial information of the associates and joint ventures is provided

	*	*	*	*	*	*
<i>As at 31 December 2020</i>	<i>TC Maputo Properties Ltd \$'000</i>	<i>Diplomatic Housing I Ltd (DH 1) \$'000</i>	<i>DH3 Holdings Ltd \$'000</i>	<i>St Helene Clinic Co Ltd \$'000</i>	<i>Gateway Appolonia Holdings Limited \$'000</i>	<i>GR1T House Limited \$'000</i>
Summarised financial information						
Current assets	1,576	5,260	13,673	86	436	194
Non-current assets	71,253	58,847	9,478	2,178	297	6,947
Current liabilities	6,711	2,573	19	2,261	35	7,178
Non-current liabilities	47,988	48,593	16,666	–	–	–
The above amounts of assets include the following:						
Cash and cash equivalents	13	1,537	5,819	–	133	36
Summarised statement of profit or loss and other comprehensive income						
Revenue	1,150	–	–	–	–	–
Profit/(Loss) before finance cost	1,697	27,474	(18)	–	8	–
Finance cost	(725)	(1,239)	(100)	(2)	9	–
Profit/(Loss) profit for the period	972	26,235	(118)	(2)	17	–
Taxation	(477)	(10,578)	3	–	–	(1)
Profit/(loss) for the period	495	15,657	(115)	(2)	17	(1)
Other comprehensive income	–	(2,220)	–	–	–	–
Total comprehensive income for the period	495	13,437	(115)	(2)	17	(1)

* Audited financial statement

** Unaudited financial statement

Summarised financial information in respect of the joint venture is set out below.

	<i>Diplomatic* Housing I Ltd (DH 1) \$'000</i>
<i>As at December 2019</i>	
Summarised financial information	
Current assets	11,369
Non-current assets	17,151
Current liabilities	2,974
Non-current liabilities	26,031
The above amounts of assets include the following:	
Cash and cash equivalents	7,813
Revenue	9
Profit/(Loss) before finance cost	(137)
Finance cost	-
Profit/(Loss) profit for the period	(128)
Taxation	(66)
Profit/(loss) for the period	(194)
Other comprehensive income	11
Total comprehensive income for the period	(183)

* Audited financial statement

6. Finance Lease receivable

	<i>31 December 2019 \$'000</i>	<i>31 December 2020 \$'000</i>
Undiscounted lease payments analysed as:		
Recoverable after 12 months	3 022	4 118
Recoverable within 12 months	1 095	1 076
	<u>4 117</u>	<u>5 194</u>
Net investment in the lease analysed as:	2 637	3 436
Recoverable after 12 months	799	702
Recoverable within 12 months	<u>3 436</u>	<u>4 138</u>

The Group entered into a finance leasing arrangement as a lessor for development of a certain liquid mud plant for its tenant. The lease term is for 5.5 years and can be renewed at the option of the tenant only. The selling profit on this arrangement amounted to USD'000 1,498.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in USD.

Amounts receivable under finance leases:

Year 1	1 095	1 076
Year 2	1 116	1 095
Year 3	1 136	1 116
Year 4	770	1 136
Year 5	–	771
	<hr/>	<hr/>
Undiscounted lease payments	4 117	5 194
Unguaranteed residual values	–	–
Less: unearned finance income	(681)	(1 056)
	<hr/>	<hr/>
Present value of minimum lease payments receivable	3 436	4 138
Impairment loss allowance	–	–
Net investment in the lease	<hr/> 3 436	<hr/> 4 138
The amount included in profit and loss:		
Finance income on the net investment in finance leases	245	373

The Group's finance lease arrangements do not include variable payments. The average effective interest rate contracted is approximately 8.3 per cent. per annum.

Impairment of finance lease receivables

The directors of the Group estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, the directors of the Company consider that none of the finance lease receivables is impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

7. Trade and other receivables

	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>	<i>2018</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trade receivables	3 555	26 010	–
Total allowance for credit losses	–	–	–
	<hr/>	<hr/>	<hr/>
Trade receivables – net	3 555	26 010	–
VAT recoverable	745	196	5
Prepayments	285	226	95
Receivable from related parties (Note 13)	1 662	1 533	155
Deposit on investment	1 083	–	–
	<hr/>	<hr/>	<hr/>
Other receivables	3 775	1 955	255
	<hr/>	<hr/>	<hr/>
Total trade and other receivables	<u>7 330</u>	<u>27 965</u>	<u>255</u>

During the year ended 31 December 2020, trade receivable from Grit Services Limited was converted into class B convertible preference shares bearing a coupon rate of 8 per cent. (Refer to note 13 for further details).

At 31 December 2020, the deposit on investment relates to consideration for the acquisition of 49 per cent. stake in Moz Delta FZ LLC, a company incorporated in UAE.

Impairment of trade receivables

Impairment provisions for trade receivables are recognised based on assessment of recoverability (which is done on a case-to-case basis) which takes into consideration past experience, financial stability of the client and the sector in which it operates.

On that basis, the loss allowances as at 31 December 2020 and 2019 were determined to be nil.

	<i>31 December</i> <i>2020</i> <i>\$'000</i>	<i>31 December</i> <i>2019</i> <i>\$'000</i>	<i>31 December</i> <i>2018</i> <i>\$'000</i>
<i>Ageing of trade receivables</i>			
Current	3 116	283	–
30 days	110	223	–
60 days +	–	416	–
90 days +	329	25 088	–
	<u>3 555</u>	<u>26 010</u>	<u>–</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The group holds a collateral as security for trade receivable of a related entity for an amount USD,000 2,796 as at 31 December 2020 (2019: nil).

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.

8. Interest bearing borrowings

	<i>31 December</i> <i>2020</i> <i>\$'000</i>	<i>31 December</i> <i>2019</i> <i>\$'000</i>	<i>31 December</i> <i>2018</i> <i>\$'000</i>
Current liabilities			
Bank loan	15 800	27 200	7 995
	<u>15 800</u>	<u>27 200</u>	<u>7 995</u>
Movement for the year			
Balance at the beginning of the year	27 200	7 995	–
Proceeds of interest bearing-borrowings	56 700	49 900	7 995
Debt settled during the year	(68 100)	(30 695)	–
As at end of year	<u>15 800</u>	<u>27 200</u>	<u>7 995</u>

Bank borrowings are denominated in USD and are secured against undrawn capital commitments and floating charge on the assets of the Company, bears interest at 1 month Libor plus 5 per cent. p.a. and are repayable from capital drawdowns from shareholders within one year.

Analysis of facilities and loans in issue

<i>Lender</i>	<i>Borrower</i>	<i>Initial facility</i>	<i>31 December 2020 \$'000</i>	<i>31 December 2020 \$'000</i>	<i>31 December 2019 \$'000</i>
<i>Financial institutions</i>					
ABSA Bank Mauritius	Gateway Real Estate Africa Ltd	RCF*	15 800	27 200	7 995
<i>Total ABSA Group</i>			<u>15 800</u>	<u>27 200</u>	<u>7 995</u>
Total loans in issue			<u>15 800</u>	<u>27 200</u>	<u>7 995</u>
As at end of year			<u><u>15 800</u></u>	<u><u>27 200</u></u>	<u><u>7 995</u></u>

* Revolving credit facility

9. Trade and other payables

	<i>31 December 2020 \$'000</i>	<i>31 December 2019 \$'000</i>	<i>31 December 2018 \$'000</i>
Trade payables	76	721	89
Sundry creditors and accruals	2 883	459	925
	<u>2 959</u>	<u>1 180</u>	<u>1 014</u>

Trade and other payables are denominated in USD and their carrying amounts approximate their fair value and included in the sundry creditors and accruals is an amount of USD'000 2 182 representing accrued professional fees incurred for property development.

10. Lease Liabilities

	<i>31 December 2020 \$'000</i>	<i>31 December 2019 \$'000</i>	<i>31 December 2018 \$'000</i>
Maturity of lease liabilities:			
Current	468	426	–
Payable between 1 and 5 years	1 158	1441	–
Payable after 5 years	–	–	–
	<u>1 626</u>	<u>1 867</u>	<u>–</u>
At beginning of year	1 867	–	–
First time applications of IFRS 16		2 202	
Additions	207	–	–
Interest expense	109	79	–
Lease payments	(557)	(414)	–
At end of year	<u>1 626</u>	<u>1 867</u>	<u>–</u>
Current	468	426	–
Non Current	1 158	1 441	–
	<u><u>1 626</u></u>	<u><u>1 867</u></u>	<u><u>–</u></u>

(a) Nature of leasing activities (in the capacity as lessee)

The Group leases office spaces, motor vehicles and makes fixed payments over the respective lease terms.

(b) **Extension and termination options**

Neither the Group nor the facilitator shall be permitted to cancel the agreement unless proper notice has been given by the respective parties.

(c) **Lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Total cash outflow for lease liabilities amounted to USD'000 558 (2019: USD'000 414 and 2018: Nil)

11. Property, plant and Equipment

	<i>Office equipment \$'000</i>	<i>Computer equipment \$'000</i>	<i>Motor Vehicles \$'000</i>	<i>Right of Use Building \$'000</i>	<i>Right of Use Motor Vehicles \$'000</i>	<i>Total \$'000</i>
Cost						
At 01 January 2018	–	12	58	–	–	70
Additions	1	41	4	–	–	46
Assets scrapped	–	(1)	–	–	–	(1)
At 31 December 2018	1	52	62	–	–	115
Property, plant and equipment (continued)						
At 01 January 2019	1	52	62	–	–	115
Additions	–	23	–	284	–	307
At 31 December 2019	1	75	62	284	–	422
At 01 January 2020	1	75	62	284	–	422
Additions	7	28	40	133	115	323
Assets disposed	–	(4)	(61)	–	–	(65)
At 31 December 2020	8	99	41	417	115	680
Accumulated Depreciation/ Amortisation						
At 01 January 2018	–	–	–	–	–	–
Charge for the year	–	(10)	(12)	–	–	(22)
At 31 December 2018	–	(10)	(12)	–	–	(22)
At 01 January 2019	–	(10)	(12)	–	–	(22)
Charge for the year	–	(23)	(12)	(112)	–	(147)
At 31 December 2019	–	(33)	(24)	(112)	–	(169)
At 01 January 2020	–	(33)	(24)	(112)	–	(169)
Assets disposed	–	2	29	–	–	31
Charge for the year	(2)	(25)	(10)	(113)	(13)	(163)
At 31 December 2020	(2)	(56)	(5)	(225)	(13)	(301)
Net book values						
At 31 December 2020	6	43	36	192	102	379
At 31 December 2019	1	42	38	172	–	253
At 31 December 2018	1	42	50	–	–	93

12. Intangible assets

	<i>Computer software \$'000</i>	<i>Website \$'000</i>	<i>Total \$'000</i>
Cost			
At 01 January 2018	16	2	18
Additions	11	–	11
At 31 December 2018	27	2	29
At 01 January 2019	27	2	29
Additions	–	–	–
At 31 December 2019	27	2	29
At 01 January 2020	27	2	29
Additions	4	–	4
At 31 December 2020	31	2	33
Accumulated amortisation			
At 01 January 2018	–	–	–
Charge for the year	(12)	(1)	(13)
At 31 December 2018	(12)	(1)	(13)
At 01 January 2019	(12)	(1)	(13)
Charge for the year	(12)	(1)	(13)
At 31 December 2019	(24)	(2)	(26)
At 01 January 2020	(24)	(2)	(26)
Charge for the year	(4)	–	(4)
At 31 December 2020	(28)	(2)	(30)
Net book value			
At 31 December 2020	3	–	3
At 31 December 2019	3	–	3
At 31 December 2018	15	1	16

13. Related party transactions

Related party relationships

<i>Company</i>	<i>Relationship to the Group</i>
RSM Investments Ltd 100% owned by GREA	Subsidiaries
Boyzana International Ltd 100% owned by GREA	Subsidiaries
GD (Mauritius) Hospitality Investments Ltd 100% owned by GREA	Subsidiaries
Goodison Two Hundred Thirteen Limited 100% owned by GREA	Subsidiaries
Boyzana Ventures Ltd 100% owned by GREA	Subsidiaries
Tulip Station Lda 100% owned by GREA	Subsidiaries
Metroplex Holding Ltd 100% owned by GREA	Subsidiaries
Gateway Metroplex Limited 100% owned by GREA	Subsidiaries
Diplomatic Housing Addis Ltd 100% owned by GREA	Subsidiaries
Gateway EMT Holdings Ltd 100% owned by GREA	Subsidiaries
Gateway EMT Limitada 100% owned by GREA	Subsidiaries
ADC Eko Land (Mauritius) Ltd 100% owned by GREA	Subsidiaries
LTH New Street Square Limited 100% owned by GREA	Subsidiaries
DH Bamako Investment Holdings Ltd 100% owned by GREA	Subsidiaries
Gateway Apolonia Holdings Ltd 50% owned by GREA	Joint ventures/associates
St Helene Clinic Co Ltd 48.25% owned by GREA	Joint ventures/associates
Gr1t House Limited 50% owned by GREA	Joint ventures/associates

<i>Company</i>	<i>Relationship to the Group</i>		
TC Maputo Properties Limited 49% owned by GREA	Joint ventures/associates		
DH3 Holding Ltd 50% owned by GREA	Joint ventures/associates		
Diplomatic Housing I Ltd 50% owned by Diplomatic Housing Addis Ltd	Joint ventures/associates		
Warehousely Limited	Under common shareholding		
Africa Property Development Managers Ltd	Under common shareholding		
Grit Services Limited	Under common shareholding		
Grit Real Estate Income Group	Shareholder		
Dorado 1 Ltd	Shareholder		
The Prudential Insurance Company of America	Shareholder		
DIF1 Co Ltd	Other related companies		
DH Three Limited	Subsidiary of joint venture		
DH Three Investments LLC	Joint venture partner of DH3 Holdings Ltd		
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>	<i>2018</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Receivable from related parties:			
Financial asset at fair value through Profit or loss			
DIF 1 Co Ltd (note (i))	26 227	–	–
Non-Current	26 227	–	–
Current	–	–	–
Total	26 227	–	–
Financial asset at amortised costs:			
BG Africa Limited	–	–	6
Warehousely Limited	–	–	7
Diplomatic Housing 1 Ltd	–	–	1
Grit Real Estate Income Group (note ii)	14 086	–	–
Grit Real Estate Income Group (Interest Portion)	300	–	–
Dorado 1 Ltd	41	–	–
Dorado 1 Ltd (Interest Portion)	4	–	–
Grit Services Limited	115	–	–
Gr1t House Limited	–	130	–
Gateway Apolonia Holdings Ltd	1	–	–
DH Three Investments LLC	358	–	–
Total	14 905	130	14
Non-Current	1	130	–
Current	14 904	–	14
Total	14 905	130	14
Payable to related parties:			
Grit Real Estate Income Group	–	–	5,720
Grit Real Estate Income Group (Interest portion)	–	–	110
Total	–	–	5,830
Non-Current	–	–	5720
Current	–	–	110
Total	–	–	5,830

<i>Transactions during the year</i>	<i>Nature</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
		<i>2020</i>	<i>2019</i>	<i>2018</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Grit Real Estate Income Group	Interest	333	–	–
Grit Services Limited	Services	30	–	–
Gateway Apolonia Holdings Ltd	Interest	10	–	–
Grit Services Limited	Interest	–	377	–
Total		<u>373</u>	<u>377</u>	<u>–</u>

Amounts receivable from related parties are unsecured, bear interest at the rate of 12 months LIBOR + 4.25 per cent. and are repayable between one to four years from date of advancement or as mutually agreed between parties.

The loan from related party was unsecured, bears interest at 6 month LIBOR plus 6.5 per cent. and should be repaid the by 3rd anniversary of the first draw.

The current account balance from related parties were interest free and repayment is expected to be done within the next twelve month.

Note(i) At 31 December 2020, the financial asset relates to conversion of trade receivables from Grit Services Ltd, into Class B convertible preference shares at a coupon rate of 8 per cent. Fair value is mainly determined by reference to the underlying consideration expected to receive upon exit from the investment.

The financial asset is categorised under level 3 under the fair value hierarchy and at 31 December 2020.

Information about the impact of changes in unobservable inputs (level 3) on the fair value of the Group's property portfolio including share of associates and joint ventures for the year ended 31 December 2021

		<i>Fair Value at</i>	<i>Impact of valuations</i>	
		<i>31 December</i>	<i>Change in discount rates</i>	
		<i>2020</i>		
		<i>\$'000</i>		
<i>Investment</i>			<i>–50 bps</i>	<i>+50 bps</i>
DIF 1 Co Ltd – Preference shares instrument	DCF*	26 227	244	(241)

* Discounted cashflow method

Note (ii) As at 31 December 2020, there were unpaid share capital from Grit Real Estate Income Group and Dorado 1 Ltd which bear default interest of Prime Rate +8 per cent. and repayment is expected to be done within the next twelve months.

Directors' emoluments

Executive director's emoluments

Gregory Pearson				
Basic salary		250	265	200
Performance bonus		125	225	108
Other benefits ²		86	85	64
Total executive directors' emoluments		<u>461</u>	<u>575</u>	<u>372</u>

Key management remuneration

Key Management¹

Basic salary		612	649	500
Performance bonus		194	381	42
Other benefits ²		154	131	124
Total key management remuneration (2018 to June 2021: 4 employees)		<u>960</u>	<u>1,161</u>	<u>666</u>

1 Key Management personnel include: Krishnen Kistnen, Andre Janari, Shevira Bissessor, and Craig Glutz. (2019&2018: Krishnen Kistnen, Andre Janari, Sevira Bissessor, and Tim Redman).

2 Other benefits include car allowance/benefits, school allowance/benefits, medical aid benefits/Group Life.

During the year ended 31 December 2020, fees paid to non-executive directors amounted to USD'000 100 (2019: USD'000 102 and 2018: Nil).

During the year, the Group made a loan to the executive director amounting to USD'000 115 as at 31 December 2020 (2019: Nil and 2018: Nil).

14. Deferred Costs

	<i>31 December</i> 2020 \$'000	<i>31 December</i> 2019 \$'000	<i>31 December</i> 2018 \$'000
At start of the year	643	686	323
Project costs incurred during the year	904	426	806
Transfer to investment property	(103)	(386)	–
Transfer to financial assets at amortised costs	(221)	–	–
Recharges to third parties	(595)	–	–
Project costs written off	(258)	(83)	(443)
At end of the year	<u>370</u>	<u>643</u>	<u>686</u>

Transfer to financial assets relates to project costs that were capitalised as investment property at Group level.

Transfer to loan relates to project costs recharged to associates and joint ventures through loans.

Recharges to third parties are project costs that were incurred by the Group and during the year were recharged to respective related parties.

	<i>31 December</i> 2020 \$'000	<i>31 December</i> 2019 \$'000	<i>31 December</i> 2018 \$'000
<i>Project Cost Written off</i>			
Professional fees	194	39	369
Travel costs	64	44	74
	<u>258</u>	<u>83</u>	<u>443</u>

Project costs written off are costs incurred with respect to project that have either been discontinued or costs that cannot be capitalised on projects.

15. Contract asset

	<i>31 December</i> 2020 \$'000	<i>31 December</i> 2019 \$'000	<i>31 December</i> 2018 \$'000
At start of the year	–	7,499	–
Cost incurred and not yet released to profit or loss	548	17,589	198
Revenue recognised over rights to cash	2,779	–	7,301
Transfer to trade receivables	(2,779)	(25,088)	–
At end of year	<u>548</u>	<u>–</u>	<u>7,499</u>

Impairment of contract assets

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all contract assets.

Impairment assessment of contract assets are based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

This is done through analysis of forecasted cash flows expected from the respective projects and discounted to present value using a project discount rate.

16. Finance Costs

	<i>31 December 2020 \$'000</i>	<i>31 December 2019 \$'000</i>	<i>31 December 2018 \$'000</i>
Interest on loan	1,143	1,009	203
Interest on lease liabilities	109	79	–
Fundraising fees	194	50	–
Exchange loss – realised	1	1	8
Exchange loss – unrealised	14	15	–
Commitment fees	47	53	71
	<u>1 508</u>	<u>1 207</u>	<u>282</u>

17. Stated Capital

	<i>31 December 2020 \$'000</i>	<i>31 December 2019 \$'000</i>	<i>31 December 2018 \$'000</i>
(a) Stated Capital			
Ordinary shares of no par value			
Reconciliation of number of shares issued			
At start of year	35,919	5,319	–
Issued during the year	<u>75,769</u>	<u>30,600</u>	<u>5,319</u>
At end of period	<u>111,688</u>	<u>35,919</u>	<u>5,319</u>

Issued and fully paid up:

	<i>No of shares \$'000</i>	<i>No of shares \$'000</i>	<i>No of shares \$'000</i>
At start of period	35,919	5,319	–
Issued during the year	<u>75,769</u>	<u>30,600</u>	<u>5,319</u>
At end of year	<u>111,688</u>	<u>35,919</u>	<u>5,319</u>
(b) Share to be issued			
At start of year	–	–	3,801
Transfer to stated capital	–	–	(3,801)
Share to be issued	<u>14,131</u>	<u>–</u>	<u>–</u>
At end of year	<u>14,131</u>	<u>–</u>	<u>–</u>

Stated capital is denominated in USD. Shares to be issued relates to committed capital that have been drawn down by the Company from two of its shareholders that were not received as at 31 December 2020. Capital call to shareholders is done as per the shareholders agreement through the issuance of a drawdown notice. In 2019, there was one drawdown notice done representing USD 30.6 million. In 2020, there was

four drawdown notices totaling USD 89.9 million out of which USD 75.8 million was paid. In April 2021, the Group made the remaining capital commitment drawdown to its shareholders and as at 30 June 2021 total unpaid share capital was USD 21 million which is expected in the last quarter of 2021.

18. Goodwill

	<i>31 December</i> 2020 \$'000	<i>31 December</i> 2019 \$'000	<i>31 December</i> 2018 \$'000
At start of the year	11	11	–
Acquisition of business	–	–	11
At end of year	<u>11</u>	<u>11</u>	<u>11</u>

In 2018, goodwill arose upon the acquisition upon 100 per cent. shareholding in Boyzana Ventures Ltd on 1 November 2018 for a consideration of USD'000 12. Goodwill is tested annually for impairment.

19. Cash and Cash equivalents

	<i>31 December</i> 2020 \$'000	<i>31 December</i> 2019 \$'000	<i>31 December</i> 2018 \$'000
Cash at bank	11,031	4,745	4,595
	<u>11,031</u>	<u>4,745</u>	<u>4,595</u>

Cash and cash equivalents are held in the following currencies

United States Dollar	10,945	4,651	4,595
Mauritian Rupees	67	80	–
Mozambican metical	15	5	–
Uganda shilling	1	2	–
Kenyan Shilling	3	7	–
	<u>11,031</u>	<u>4,745</u>	<u>4,595</u>

20. Taxation

	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
<i>(a) Statement of financial position</i>			
At start of period.	224	26	–
Current tax on adjusted profit for the year	328	670	26
Foreign tax credit	(107)	(427)	–
Tax paid during the year	(289)	(45)	–
At end of period,	<u>156</u>	<u>224</u>	<u>26</u>
<i>(b) Tax expense</i>			
Current tax expense	(221)	(243)	(26)
Deferred tax (note 20(c))	(2 247)	(36)	19
	<u>(2 468)</u>	<u>(279)</u>	<u>(7)</u>
<i>(c) Reconciliation of tax on accounting loss with tax expense</i>			
Profit/(loss)before taxation	14,676	3 635	(2,103)
Tax at the applicable rate at 15% (2019:15%)	2,201	545	(315)
Expenses not deductible for tax purposes	954	269	230
Income not subject to tax	(1 966)	(562)	(91)
Effect of different tax rate	1 148	343	(59)
Derecognition of Deferred tax on tax losses	–	28	–
Utilisation of previously recognized losses tax	(23)	–	(1)
Foreign tax credit	(107)	(427)	(103)
Deferred tax asset not recognised	261	83	346
Tax expense	<u>2 468</u>	<u>279</u>	<u>7</u>
<i>(d) Deferred tax liability</i>			
Deferred tax liability			
Right-of-use asset	(34)	(22)	–
Investment property	(2 233)	–	–
Accelerated capital allowance	(25)	(9)	–
	<u>(2 292)</u>	<u>(31)</u>	<u>–</u>
Deferred tax asset			
Lease liability	36	22	–
Tax losses	–	–	27
	<u>36</u>	<u>22</u>	<u>27</u>
Deferred tax liability	(2,292)	(31)	–
Deferred tax asset	36	22	27
Net deferred tax (liability)/asset	<u>(2 256)</u>	<u>(9)</u>	<u>27</u>

	<i>Right of use asset</i>	<i>Revaluation of asset</i>	<i>Accelerated capital allowance</i>	<i>Total</i>
Reconciliation of deferred tax (liability)/asset				
At 31 December 2018	–	–	–	–
Effect of adopting IFRS 16	(36)	–	–	(36)
At 1 January 2019	(36)	–	–	(36)
Charge for the year	14	–	(9)	5
At 31 December 2019	(22)	–	(9)	(31)
At 1 January 2019	(36)	–	–	(36)
Charge for the year	14	–	(9)	5
At 31 December 2019	(22)		(9)	(31)
Charge for the year	(11)	(2 233)	(17)	(2 261)
At 31 December 2020	(33)	(2,233)	(26)	(2 292)

	<i>Right of use asset</i>	<i>Revaluation of asset</i>	<i>Accelerated capital allowance</i>	<i>Total</i>
<i>Deferred tax assets</i>				
At 31 December 2018	–	27	–	27
Effect of adopting IFRS 16	36	–	–	36
At 1 January 2019	36	27	–	63
Charge for the year	13	(27)	–	(14)
At 31 December 2019	49	–	–	49
At 1 January 2019	36	27	–	63
Charge for the year	13	(27)	–	(14)
At 31 December 2019	49	–	–	49
Charge for the year	(14)	–	–	(14)
At 31 December 2020	35	–	–	35

21. Revenue

	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
(a) The following is an analysis of the Group's revenue for the year			
Revenue from rendering of services	2,779	18,213	7,301
Revenue from lease contracts	–	2,742	–
	<u>2,779</u>	<u>20,955</u>	<u>7,301</u>
(b) Timing of revenue recognition			
Over time	<u>2,779</u>	<u>20,955</u>	<u>7,301</u>
	<u>2,779</u>	<u>20,955</u>	<u>7,301</u>
(c) Assets related to contracts with customers			
At start of the year	–	7,499	–
Cost incurred not yet released to profit or loss	548	17,589	198
Revenue recognised over rights to cash	2,779	–	7,301
Transfer to trade receivables	<u>(2,779)</u>	<u>(25,088)</u>	<u>–</u>
At end of year	<u>548</u>	<u>–</u>	<u>7,499</u>

22. Other Income

	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
The following is an analysis of the Group's other income for the year			
Interest income	1,224	623	–
Other income	<u>129</u>	<u>95</u>	<u>86</u>
	<u>1,353</u>	<u>718</u>	<u>86</u>

23. Retirement Benefit Obligations

Other post-retirement benefits

Other post-retirement benefits comprise mainly of gratuity on retirement payable under the Employment Rights Act 2008 and other benefits.

	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
Movement in gratuity on retirement			
At January 1,	133	72	–
Total expense charged in profit or loss	<u>(28)</u>	<u>61</u>	<u>72</u>
At 31 December,	<u>105</u>	<u>133</u>	<u>72</u>

24 Profit/(loss) from operations

Profit/(loss) from operations for each year is stated after (crediting)/charging:

	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2018 \$'000
Other income	(1 353)	(718)	(86)
– Interest income	(1 224)	(623)	–
– Other income	(129)	(95)	(86)
Amortisation and impairment of intangible assets – included in administrative expenses (note 8)	4	13	13
Depreciation of property, plant and equipment (note 7)	165	147	22
Employee benefit expense:			
– Executive directors' salaries, benefits and bonus	461	575	372
Audit fees	85	58	33
Non-executive directors' fees	100	102	–
Asset and property management fees	78	41	–

Total number of employees as at 31 December 2020 was :21, 2019: 21 and 2018:15.

25. Risk management

Financial risk factors

The Group's financial instruments consist mainly of cash and cash equivalents, interest-bearing borrowings, related party loans receivable/payable, other loans receivable, trade and other receivables, trade and other payables and other financial asset and other financial liability. 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 obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is achieved by monitoring rolling forecasts of the Group liquidity reserve on the basis of expected cash flows. The directors do not foresee any major liquidity risk over the next financial year as it has a remaining committed capital of USD 49,355,784 from shareholders.

	<i>Less than one year</i>	<i>One to two years</i>	<i>Two to three years</i>	<i>Three to five years</i>	<i>More than five years</i>	<i>Total</i>
As at 31 Dec 2020						
Interest-bearing borrowings	16,246	–	–	–	–	16,246
Lease Liabilities	1 095	1 116	1 136	770	–	4 117
Trade and other payables	2,959	–	–	–	–	2 959
	<u>20 300</u>	<u>1 116</u>	<u>1 136</u>	<u>770</u>	<u>–</u>	<u>23 322</u>
As at 31 Dec 2019						
Financial liabilities						
Interest-bearing borrowings	28,737	–	–	–	–	28,737
Lease Liabilities	1 076	1 095	1 116	1 907	–	5 194
Trade and other payables	1,180	–	–	–	–	1,180
	<u>30,993</u>	<u>1 095</u>	<u>1 116</u>	<u>1 907</u>	<u>–</u>	<u>35 111</u>
As at 31 Dec 2018						
Financial liabilities						
Interest-bearing borrowings	8,106	–	–	–	–	8,106
Trade and other payables	1 014	–	–	–	–	1 014
Related party loans	110	5 720	–	–	–	5 830
	<u>9 230</u>	<u>5 720</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>14 950</u>

Credit Risk

The Group advances funds to its related parties. The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, credit exposures to customers, lease receivables and amounts advanced to related parties. Credit risk is managed on a group basis and the Group ensures that the receivable from related parties are directed exclusively for development project funding and the Group also seeks sufficient collateral so as to limit the amount of exposure to credit risk. The Group assesses the credit quality of customers taking into account its financial position of the customers, past repayment history and difficulties, the creditworthiness of the customers based on any public information sources. Bank accounts are maintained with financial institutions with good credit ratings and the credit risk is considered to be low. At the end of the period, the maximum exposure to credit risk is the carrying amount of the Group's receivables

and cash and cash equivalents. There has been no significant increase in the credit risk of the financial assets since initial recognition

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:

<i>In \$'000</i>	<i>31 December 2020 \$'000</i>	<i>31 December 2019 \$'000</i>	<i>31 December 2018 \$'000</i>
Financial assets			
Cash and cash equivalents	11,031	4,745	4,595
Loans to related parties	14,580	130	14
Contract assets (see note 11)	548	–	7,499
Trade and other receivables	7 330	27 965	255

Trade, lease and other receivables

Credit risk is principally the risk that a tenant may default or not meet its obligations timeously. In order to minimise the credit risk the Group mainly transact with reputable multinational entities or governmental bodies. 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 year. Trade and other receivables exclude prepayments and vat receivable.

Loans to related parties

The Group has policies in place to ensure that loans are granted to related and other parties with an appropriate credit history and sufficient collateral so as to limit the amount of exposure to credit risk.

Assumptions and estimation for ECL assessment:

- (i) measure the 12-month cash flows and lifetime expected credit losses from their feasibilities; and
- (ii) determine whether the credit risk of the financial instruments has increased significantly since initial recognition.

Interest Rate Risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on the post-tax profit for the Group of a 1 per cent. shift in the interest rates on interest bearing loans would increase/decrease by USD'000 158 as at December 2020 (2019: USD'000 272; 2018: USD'000 138) respectively.

Financial assets and liabilities bearing interest at fixed rates do not expose the group to any interest rate 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, Uganda shilling, Nigerian Naira 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'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 is displayed in the heading with the currency risk below.

	31 December 2020		31 December 2019		31 December 2018	
	<i>Financial</i>	<i>Financial</i>	<i>Financial</i>	<i>Financial</i>	<i>Financial</i>	<i>Financial</i>
	<i>assets</i>	<i>liabilities</i>	<i>assets</i>	<i>liabilities</i>	<i>assets</i>	<i>liabilities</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
United States Dollars	58 892	17 300	32 324	28 084	12 263	9 119
Mauritian Rupees	70	179	80	219	–	–
Kenya Shillings	–	–	7	–	–	–
Mozambique Meticaís	15	25	5	77	–	–
Uganda Shilling	34	1 255	2	–	–	–
	<u>59 011</u>	<u>18 759</u>	<u>32 418</u>	<u>28 380</u>	<u>12 263</u>	<u>9 119</u>

At 31 December 2020, had the United States Dollar strengthened/weakened by 5 per cent. with all variables held constant, pre-tax profit for the year would have been USD 48,000 higher/lower (2019: USD 5,000 ; 2018: USD Nil) mainly as a result of foreign exchange differences on translation of net assets/liabilities denominated in foreign currencies

The risk exposure for the Group was immaterial as the assets and liabilities are mainly denominated in USD.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for the shareholder and benefits for other stakeholders.

The directors consider the shareholder's equity as capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issuing shares to subsequent shareholders, issue new shares to current shareholders or sell assets to reduce debt.

There were no changes to the Group's approach to capital risk management during the year.

The gearing ratios at 31 December 2020, 2019, and 2018 are as follows:

	<i>31 December</i> <i>2020</i>	<i>31 December</i> <i>2019</i>	<i>31 December</i> <i>2018</i>
Borrowings	15,800	27,200	7,995
Lease liabilities	1,626	1,867	–
	<u>17,426</u>	<u>29,067</u>	<u>7,995</u>
Less: Cash and cash equivalent	(11,031)	(4,745)	(4,595)
Net debt	6,395	24,322	3,400
Total equity	133,308	32 310	–
Capital Employed	<u>139,703</u>	<u>56,632</u>	<u>3,400</u>
Gearing	5%	43%	–

26. Financial assets by category

An analysis of financial assets by category is provided below:

<i>In \$'000</i>	<i>At fair value through Profit and loss</i>	<i>Financial assets at amortised cost</i>	<i>Total carrying amount</i>	<i>Total fair value amount</i>
GROUP – 31 December 2020				
Loans to related parties – current	–	14 904	14 904	14 904
Trade and other receivables	–	7 330	7 330	7 330
Financial asset at fair value through Profit and loss	26 227	–	26 227	26 227
Cash and cash equivalents	–	11 031	11 031	11 031
	<u>26 227</u>	<u>33 265</u>	<u>59 492</u>	<u>59 492</u>

<i>In \$'000</i>		<i>Financial assets at amortised cost</i>	<i>Total carrying amount</i>	<i>Total fair value amount</i>
GROUP – 31 December 2019				
Loans to related parties – current	–	–	–	–
Trade and other receivables	–	27 965	27 965	27 965
Cash and cash equivalents	–	4 745	4 745	4 745
	<u>–</u>	<u>32 710</u>	<u>32 710</u>	<u>32 710</u>

<i>In \$'000</i>		<i>Financial assets at amortised cost</i>	<i>Total carrying amount</i>	<i>Total fair value amount</i>
GROUP – 31 December 2018				
Loans to related parties – current	–	14	14	14
Trade and other receivables	–	255	255	255
Cash and cash equivalents	–	4 595	4 595	4 595
	<u>–</u>	<u>4 864</u>	<u>4 864</u>	<u>4 864</u>

27. Financial liabilities by category

An analysis of financial liabilities by category is provided below:

<i>In \$'000</i>		<i>Financial liabilities at amortised cost</i>	<i>Total carrying amount</i>	<i>Total fair value</i>
GROUP – 31 December 2020				
Interest-bearing borrowings		15 800	15 800	15 800
Lease Liabilities		1 626	1 626	1 626
Trade and other payables		2 959	2 959	2 959
		<u>20 385</u>	<u>20 385</u>	<u>20 385</u>

<i>In \$'000</i>	<i>Financial liabilities at amortised cost</i>	<i>Total carrying amount</i>	<i>Total fair value</i>
GROUP – 31 December 2019			
Interest-bearing borrowings	27 200	27 200	27 200
Lease Liabilities	1 867	1 867	1 867
Trade and other payables	1 180	1 180	1 180
	<u>30 247</u>	<u>30 247</u>	<u>30 247</u>

<i>In \$'000</i>	<i>Financial liabilities at amortised cost</i>	<i>Total carrying amount</i>	<i>Total fair value</i>
GROUP – 31 December 2018			
Interest-bearing borrowings	7 995	7 995	7 995
Trade and other payables	1 014	1 014	1 014
Related party loans	5 830	5 830	5 830
	<u>14 839</u>	<u>14 839</u>	<u>14 839</u>

28. Commitments and contingencies

<i>In \$'000</i>	<i>31 December 2020</i>	<i>31 December 2019</i>	<i>31 December 2018</i>
Contractual commitment	<u>10 431</u>	<u>1 850</u>	<u>14 567</u>

The contractual commitment is for a industrial refurbishment project in Mozambique and development of a data centre project in Nigeria.

29. Subsequent events

- (1) In April 2021, the Group made the remaining capital commitment drawdown amounting to USD49.36 million to its shareholders out of which USD39.4 million has been paid and shares issued. In addition an amount of USD 6.5 million of shares was issued out of the shares to be issued as at 31 December 2020 following receipt of the drawdown. The remaining amount is expected to be received by end of the financial year 2021
- (2) On 11 June 2021, DH Bamako, a fully owned subsidiary company, incorporated in Mali, has secured the title deed of the land for the development of the diplomatic housing project for the US Embassy.
- (3) On 8 July 2021, DH3 Kenya Ltd, a joint venture company, contracted a loan of USD25 million from ABSA bank Limited to finance the development of the corporate accommodation project in Kenya. The Group has also signed a guarantee agreement to act as guarantor of the joint venture company limited to its percentage shareholding.
- (4) On 19 July 2021, Gateway Metroplex Ltd, a fully owned subsidiary company, contracted a loan of USD10.75 million from Stanbic bank Uganda Limited to repay the shareholder loan as part of the refinancing strategy of the Group. The Group also signed a guarantee agreement to act as a guarantor for an amount not exceeding USD 1.5 million against the loan amount
- (5) On 21 July 2021, DH One Real Estate, a joint venture company, obtained its occupancy certificate from the Ethiopian authorities and the anchor tenant started inspection of their units for the lease commencement date expected 1 November 2021.

- (6) On 17 August 2021, the actual issue of shares from Moz Delta Management Consultancy FZ-LLC to GREA.
- (7) On 4 October 2021, the Board resolved that the Group to act as a guarantor for its joint venture company, St Helene Clinic Co Ltd, by virtue of its shareholding in the joint venture towards SBM Bank Ltd for a total loan amount of EUR 12.7 million.
- (8) On 29 October 2021, DC One FZE, a subsidiary company, contracted a loan of USD13.35 million from Stanbic bank IBTC (Nigeria) to repay the shareholder loan. The Group has also signed a guarantee agreement for the equivalent loan amount which will be reduced to USD 7 million after the project land's deed of assignment is registered at the Lagos State Lands Registry.

Section C: Unaudited interim financial information of GREA for the six months ended 30 June 2021 and the six months ended 30 June 2020

GATEWAY REAL ESTATE AFRICA LTD

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

For the periods ended 30 June 2021 and 30 June 2020

Consolidated income statements

For the period ended 30 June 2021 and 30 June 2020

	<i>Unaudited period ended 30 June 2021</i>	<i>Unaudited period ended 30 June 2020</i>
<i>Notes</i>	<i>\$'000</i>	<i>\$'000</i>
Revenue	3 144	16
Revenue	3 144	16
Operating costs	(2 338)	–
Gross profit	806	16
Other income	920	682
Administrative expenses	(1 455)	(1 080)
Profit/(loss) from operations	271	(382)
Fair value adjustment on investment properties	4 4 223	–
Fair value adjustment on financial assets through profit and loss	849	–
Share of results from associates and joint ventures	5 5 378	(23)
Impairment of financial assets at fair value	(4 678)	–
Goodwill written off	(28)	–
Gain on deemed disposal of joint venture	9	–
Profit/(Loss) before taxation and finance cost	6 024	(405)
Finance costs	15 (350)	(70)
Profit/(Loss) for the period before taxation	5 674	(475)
Taxation	(161)	(16)
Profit/(Loss) for the period after taxation	5 513	(491)
(Loss)/profit attributable to:		
Equity shareholders	5 681	211
Non-controlling interests	(168)	(702)
Profit/(Loss) for the period after taxation	5 513	(491)

Consolidated Statement of financial position

As at 30 June 2021 and 30 June 2020

	Notes	Unaudited As at 30 June 2021 \$'000	Unaudited As at 30 June 2020 \$'000
Assets			
Non-current assets			
Investment properties	4	59 604	14 833
Property, plant and equipment	11	334	280
Finance lease receivable	10	3 057	3 797
Intangible assets	12	2	1
Investment in financial asset at fair value through profit or loss		28 709	–
Investments in associates and joint ventures	5	64 907	26 449
Deferred costs	14	294	145
Goodwill	17	–	11
Total non-current assets		<u>156 907</u>	<u>45 516</u>
Current assets			
Trade and other receivables	6	399	26 285
Financial asset at amortised cost		3 398	4 273
Related party loans and receivable	13	28 336	–
Cash and cash equivalents	18	10 232	2 403
Total current assets		<u>42 365</u>	<u>32 961</u>
Total assets		<u><u>199 272</u></u>	<u><u>78 477</u></u>
Equity and liabilities			
Total equity attributable to ordinary shareholders			
Ordinary share capital	16	154 136	45 319
Share to be issued	16	21 038	–
Foreign currency translation reserve		6	43
Retained earnings		17 152	284
Equity attributable to owners of the Company		<u>192 332</u>	<u>45 646</u>
Non-controlling interests		521	(4 389)
Total equity		<u>192 853</u>	<u>41 257</u>
Liabilities			
Non-current liabilities			
Retirement benefit obligation		105	134
Lease liabilities	9	1 165	1 679
Deferred tax liability		2 303	–
Total non-current liabilities		<u>3 573</u>	<u>1 813</u>
Current liabilities			
Interest-bearing borrowings	7	–	34 355
Lease liabilities	9	228	46
Trade and other payables	8	2 510	886
Current tax payable		108	120
Total current liabilities		<u>2 846</u>	<u>35 407</u>
Total liabilities		<u>6 419</u>	<u>37 220</u>
Total equity and liabilities		<u><u>199 272</u></u>	<u><u>78 477</u></u>

Consolidated statement of changes in equity

For the periods ended 30 June 2020 and 30 June 2021

	Ordinary share capital \$'000	Shares to be issued \$'000	Foreign currency translation reserve \$'000	(Accumulated losses) /retained earnings \$'000	Total Attributable to owners of the parent \$'000	Non- controlling Interests \$'000	Total equity \$'000
GROUP							
Balance as at 1 January 2020 – Re-stated balance	35 919	–	6	73	35 998	(3 687)	32 311
Profit for the year	–	–	–	211	211	(702)	(491)
Other comprehensive (expense)/income for the period	–	–	37	–	37	–	37
Total comprehensive expense	–	–	37	211	248	(702)	(454)
Issues of shares	9 400	–	–	–	9 400	–	9 400
Unaudited balance as at 30 June 2020	45 319	–	43	284	45 646	(4 389)	41 257
Balance as at 1 January 2021	111 688	14 131	6	11 471	137 296	(3 989)	133 307
Profit for the period	–	–	–	5 681	5 681	(168)	5 513
Total comprehensive income	–	–	–	5 681	5 681	(168)	5 513
Issues of shares	42 448	6 907	–	–	49 355	–	49 355
Transfer to non-controlling interests on cancellation of preference shares by subsidiary	–	–	–	–	–	4 678	4 678
Unaudited balance as at 30 June 2021	154 136	21 038	6	17 152	192 332	521	192 853

Consolidated statements of cash flows

For the period ended 30 June 2021 and 30 June 2020

	<i>Unaudited</i> Period ended 30 June 2021 \$'000	<i>Unaudited</i> Period ended 30 June 2020 \$'000
Cash generated from/(utilised in) from operations		
Profit/(loss) for the period before taxation	5 674	(475)
<i>Adjusted for:</i>		
Depreciation and amortisation	87	88
Loss on disposal of asset	–	9
Share of results from associates and joint ventures	(5 378)	–
Interest income	(738)	(157)
Interest expense	569	68
Gain on deemed disposal of joint venture	(9)	–
Goodwill written off	28	–
Impairment of financial assets at fair value	4 678	–
Fair value adjustment on financial assets through profit and loss	(849)	–
Fair value adjustment on investment properties	(4 223)	–
	<hr/>	<hr/>
	(161)	(467)
<i>Changes to working capital</i>		
Movement in trade and other receivables	2 261	(2 069)
Movement in contract assets	548	–
Movement in trade and other payables	(481)	(291)
	<hr/>	<hr/>
Cash generated from/utilised in operations	2 167	(2 827)
Taxation paid	(161)	(120)
Interest paid	(521)	(11)
	<hr/>	<hr/>
Net cash generated from/utilised in operating activities	1 485	(2 958)
Acquisition of, and additions to investment properties	(19 637)	(674)
Additions to property, plant and equipment	(43)	(9)
Interest received	157	157
Principal received on lease receivables	379	379
Right of use asset – Interest	(48)	(57)
Right of use asset – Principle	(234)	(164)
Project cost incurred	(119)	–
Related party loans advanced	(9 519)	(15 571)
Net cash acquired on acquisition of subsidiary	131	–
	<hr/>	<hr/>
Net cash utilised in investing activities	(28 933)	(15 939)
Proceeds from the issue of ordinary shares	42 448	9,400
Proceeds from interest bearing borrowings	18 000	16 355
Settlement of interest bearing borrowings	(33 800)	(9 200)
	<hr/>	<hr/>
Net cash generated from financing activities	26 648	16 555
Net movement in cash and cash equivalents	(800)	(2 342)
Cash at the beginning of the period	11 032	4 745
	<hr/>	<hr/>
Total cash and cash equivalents (including overdrafts) at the end of the period	<hr/> <hr/>	<hr/> <hr/>
	10 232	2 403

1 General information

Gateway Real Estate Africa Ltd (GREA) previously known as Gateway Delta Development Holdings Ltd (the “Company”) is a private company limited by shares incorporated and domiciled in the Republic of Mauritius. The principal activity of the Company is to hold a number of investments in property companies across the African continent. The Company as a holder of GBL under the Mauritian Companies Act 2001 and the Financial Services Act 2007 is required to carry on its business in a currency other than the Mauritian rupee. Since the Company operates in an international environment and conducts most of its transactions in foreign currencies, the Company has chosen to retain the United States Dollar (“USD”) as its reporting currency.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated historical financial information are set out below.

Basis of preparation and measurement

The historical financial information includes the consolidated historical financial information of the parent company and its subsidiaries (“**the Group**”).

The historical financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB; the Financial Pronouncements as issued by Financial Reporting Standards Council. (The historical financial information have been prepared on the going-concern basis and were approved for issue by the board on 10 November 2021).

The historical financial information has been prepared under the historical cost basis, except for:

- (i) investment property is stated at fair value; and
- (ii) relevant financial assets and financial liabilities are carried at amortised cost.

The accounting policies used in the preparation of the historical financial information is line with the accounting policies of GRIT Real Estate Income Group (GRIT)

Going concern

The directors are required to consider an assessment of the Group’s ability to continue as a going concern when producing the historical financial information. The outbreak of Covid-19 has caused delays to completion of the ongoing projects without having a significant increase in their respective cost to completion. The Directors have gone through a process involving a thorough review of the Company’s and Group’s risk register, an analysis of the development overview both pre and post year end, extensive discussions with the contractors, consultants and other professional teams.

As a result, the Group has made an assessment of the profitability of the ongoing projects and also updated the risk register to identify the risks and mitigation measures put in place which are reviewed every quarter. Management continues to monitor the impact of COVID-19 on its operations and its development plans, thus allowing the Board to reassess the Group’s growth strategy and makes decisions in order to adapt them to any change in market conditions in the best interest of the Group and their stakeholders. The Group has also been able to maintain its financial covenant and repay its debt on time. Furthermore, the Group has an undrawn committed capital from its shareholders amounting to nil as at 30 June 2021 (June 2020: \$129.8 million).

Based on the above, the directors concluded that the going concern assumptions is appropriate in the preparation of the historical financial information for the years then ended. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

Changes in accounting policies and comparability

The accounting policies have been applied consistently to all years presented. Where necessary, comparative figures have been amended to be consistent with changes in presentation in the later years.

Functional and presentation currency

The consolidated historical financial information are prepared and are presented in USD (\$) which is also the functional and presentational currency of the Group. Amounts are rounded to the nearest thousand, unless otherwise stated. One of the subsidiaries and one joint venture have different functional currencies other than the USD (\$) which is predominantly determined by the country in which they operate.

Foreign currency transactions in Group entities

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at 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 year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year. 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 year; 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.

Consolidation

Basis of consolidation

The historical financial information incorporate 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 the amount of the investor's 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 historical financial information from the effective date of their acquisition to the effective date of their disposal.

Adjustments are made when necessary to the historical 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.

Changes in Ownership 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.

Any difference between the amount of the adjustment to non – controlling interests and any consideration paid or received is recognised in separate reserve within equity attributable to owners.

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.

Goodwill (gain on bargain purchase) is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus any non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. 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.

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 year with any adjustment recognised in equity through other comprehensive income.

Investment in subsidiaries

Separate historical financial information of the investor In the separate historical financial information of the investor, investments in subsidiary companies are carried at fair value through other comprehensive income.

Consolidated historical financial statements

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's net assets.

Subsequent to acquisition, the carrying amount of non controlling interests is the amount of those interest at initial recognition plus the non controlling interests' share of subsequent change in equity. Total comprehensive income is attributed to non controlling interests even if this results in the non controlling interests having a deficit balance.

The excess of, the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, over the fair value of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the equity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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 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 amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting year.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

<i>Item</i>	<i>Average useful life</i>
Computer software	2 years

Investment properties

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 property is 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 subsequently carried 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 on an 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 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 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 investment property under redevelopment is not reliably measurable, the property would be measured at cost until the fair value of the investment property under redevelopment is complete.

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.

Item of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives to their estimated residual values.

<i>Item</i>	<i>Average useful life</i>
Computer equipment	3 years
Office equipment	3 years
Motor vehicles	5 years
Right of use of motor vehicles	5 years
Right of use of buildings	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each year is recognised in profit and loss.

The carrying amount of an item of property, plant and equipment is derecognised on disposal; or when no future economic benefits are expected from its use or disposal.

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.

Financial instruments – recognition, classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition, measurement and derecognition

Financial instruments comprise trade and other receivables, cash and cash equivalents, loans, receivable from related parties and other borrowings and trade and other payables.

All 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.

Subsequent measurement

Subsequent to initial recognition, financial assets are measured as stated below. 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 year.

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.

Related party loans receivables, other loans receivable, trade and other receivables and cash and cash equivalents are 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.

Trade and other receivables

Trade and other receivables including related party loans that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

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.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost.

Bank borrowings

Bank 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 year.

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 relying as little as possible on entity-specific inputs.

Impairment of financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, existing market conditions as well as estimates at the end of each reporting period.

The Group assumes that the credit risk on a financial asset has increased significantly when there is breach of contract or changes in financial or economic conditions that are expected to cause a significant change in the client's ability to meet its debt obligations.

The Group considers a financial asset to be in default when any amount is not paid when due or within any originally applicable grace period (cross-default) or insolvency situation of the debtors.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Trade receivables and receivables from related parties

The Group has estimated the lifetime ECL on trade receivables and 12-months ECL on the related party receivables.

ECLs are the expected shortfall of the contractual cash flows, taking into account the risk of default at any point in the life of the financial instrument. When estimating the expected credit losses, the Group carries out specific assessment on each counterparty financial position and their repayment capacity.

The ECL measurement takes into account the historical experience of the Group such as default events, current ageing (and repayments) of the trade and loan receivables amongst others. The ECL measurement also considers the economic environment in which the debtors operate.

(i) *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

(ii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (i) above);

(iii) *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit or loss.

Leases

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group as a lessee

In 2018, all leases were classified as operating leases. Payment made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

1. Leases of low value assets; and
2. Leases with a duration of 12 months or less.

Identifying Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Group obtains substantially all the economic benefits from use of the asset; and
- (c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease.
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove, or restore the leased asset (typically leasehold dilapidations).

The average incremental borrowing rate applied to lease liabilities in the statement of financial position is 6.25 per cent. p.a.

Income tax

Current tax assets and liabilities

Current tax for current and prior years is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior years 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 year. Current tax payable also includes any tax liability arising from the declaration of dividends and payment of withholding taxes.

Deferred tax assets and liabilities

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary difference is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets to liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries and associates 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.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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.

Shares to be issued

Shares to be issued relate to committed capital that have been drawn down by the Company from its shareholders that were not received as at reporting date.

Revenue and other income

Rental income

Revenue from the letting of investment property comprises gross rental income, retail parking income and recoveries of operating costs, net of value added tax. Recoveries of costs from lessees, are separately disclosed under revenue in the "Other income" line and the associated costs are disclosed under operating expenditure.

Interest is recognised, in profit or loss, using the effective interest rate method.

Revenue from contracts with customers arises from transactions not associated with financial instruments, or investment properties. Revenue is recognised either when the performance obligation has been satisfied ("point in time") or as control of the goods or service is transferred to the customer ("over time"). This requires an assessment of the Group's performance obligations and of when control is transferred to the customer. When cash is received in advance of revenue being recognised, this is deferred on balance sheet as deferred income. When revenue is recognised in advance of cash being received, this is held on balance sheet as accrued income.

Where revenue is recognised over time, performance obligation over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the service to the customer. Due to the nature of the Group's business, the majority of its revenue from customers is considered to be recognised "over time".

For each, revenue is measured based on the consideration specified in contracts with customers. Such amounts are only included based on the expected value or most likely outcome method, and only to the extent that it is highly probable that no significant revenue reversal will occur. In assessing whether a significant reversal will occur, the Group considers both the likelihood and the magnitude of the potential revenue reversal.

Details related to the nature and measurement of revenue are set out below:

<i>Revenue</i>	<i>Types</i>	<i>Description</i>	<i>Nature, timing of satisfaction of performance obligations and movements</i>
Contractual rental income – IFRS 16	Rental – Industrial	This is any income for the transferred right to use the asset	The Group recognises lease payments received under an operating lease as income on a straight-line basis over the term as part of revenue. The Group did not need to make any adjustments to the accounting for assets held under operating leases as a result of the adoption of IFRS 16. The normal payment terms are rental received quarterly in advance.
Revenue from fixed price contracts	Fixed price contract	This income is performance related, over the period of the contract	The Group recognises the revenue on a stage to completion basis as determined by the development manager over the duration of the contract. The general payment terms are consideration received after handing over of the project.
Recoverable property expenses – IFRS 15	Electricity Cleaning Security Refuse & Waste Water Generator & Diesel Marketing	Depending on the type of the lease contract, these can be either explicitly stated or implied in the lease contract that they are borne by the lessee	Utility recoveries are recognised over the year for which the services are rendered and match the expenses

Contract asset

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date on turnkey development contract. The contract assets are transferred to receivables when the rights become unconditional. No information is provided about remaining performance obligations at June that have an original expected duration of one year or less, as allowed by IFRS15.

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.

Employee benefits

Short-term employee benefits

The cost 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 year in which the service is rendered and are not discounted.

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.

Gratuity on retirement

The employees are not covered by a pension plan and the net present value of gratuity on retirement payable under the Workers' Rights Act 2019 (2018 – Employment Rights Act 2008) is calculated and provided for. The obligations arising under this item are not funded.

Deferred costs

Deferred costs are initially measured at cost less impairment. Deferred costs relates to project costs incurred by the Group and Company for forthcoming projects.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Translation of foreign currencies

Foreign currency transactions in Group entities

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at 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 year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year. 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 year; 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.

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 and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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 year, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities

The Group and its subsidiaries are party to cross guarantees securing certain bank loans. At 30 June 2021 there was no liability that could arise for the Group from the cross guarantees. Where the Group enters into financial guarantee contracts and guarantees the indebtedness of other companies within the Group, the Group considers these to be insurance arrangements, and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time that it becomes probable that the Group will be required to make a payment under the guarantee.

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 giving between 20 per cent. and 50 per cent. of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

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 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 year 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 historical financial information of associates to bring their accounting policies in line with those adopted by the Group. If the ownership interest in an associate is reduced but significant influence is retained only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Investment in joint ventures

A joint venture is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding giving between 20 per cent. and 50 per cent. of the voting rights. The company has joint control of the entity and have joint rights to the net assets of the arrangement. Investments in joint ventures are accounted for under the equity method.

The Group's investments in joint ventures 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 joint venture, 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 joint venture'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 joint venture's profit or loss.

In circumstances where the Group's share of losses exceeds its interest in a joint venture, the Group discontinues recognising further losses, unless it has incurred a legal or constructive obligation or made payments on behalf of the joint venture.

The results of joint ventured companies acquired or disposed of during a year 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 joint venture. 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 historical financial information of joint ventures to bring their accounting policies in line with those adopted by the Group.

2 New standards and interpretations

Standards, Amendments to published Standards and Interpretations effective in the reporting period

The following standards, amendments and interpretations were in issue at the date of approval of this historical information but were not yet effective for the current accounting period and have not been adopted early. Based on the Group's current circumstances, the Directors do not anticipate that their adoption in future periods will have a material impact on the historical financial information of the Group.

The following standards and interpretations apply for the first time to the financial reporting periods commencing on or after 01 January 2020:

<i>Title</i>	<i>Effective date</i>
Definition of Material – Amendments to IAS 1 and IAS 8	01 January 2020
Definition of a Business – Amendments to IFRS 3	01 January 2020
Interest Rate Benchmark Reform – Amendments to IFRS 7, IFRS 9 and IAS 39	01 January 2020
Revised Conceptual Framework for Financial Reporting	01 January 2020

Standards, Amendments to published Standards and Interpretations issued but not yet effective

<i>Title</i>	<i>Effective date</i>
IFRS 17 Insurance Contracts	01 January 2023
Covid-19 – related Rent Concessions – Amendments to IFRS 16	01 June 2023
Classification of Liabilities as Current or Non-current -Amendments to IAS 1	01 January 2022
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	01 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	01 January 2022
Onerous Contracts – Cost of Fulfilling a Contract -Amendments to IAS 37	01 January 2022
Annual Improvements to IFRS Standards 2018-2020	01 January 2022

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 year.

Judgements

The principal areas where such judgements have been made are:

Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. These calculations require the use of estimates.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation based on the projects yields, projects holding period, Group's past history, existing market, securities held conditions as well as forward looking estimates at the end of each reporting period.

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 audit issues 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 income 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 income 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 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.

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors have reviewed the Group's investment property portfolio and have concluded that the properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale. As a result, the Group has recognised deferred tax on changes in the fair value of its investment properties.

Revaluation of investment property

The Group measures its investment properties at revalued amounts with changes in fair value being recognised in profit or loss. The Group appointed independent valuation specialists to determine the fair value of the properties which were carried out on the basis of discounted cash flow approach.

As part of the revaluation process, the use of judgement to determine the fair value of properties is necessary.

Africa Property Development Managers Ltd (APDM) as a subsidiary

The Group has considered APDM to be its subsidiary for consolidation purposes due to the Group's implied control of APDM, as the Group has ability to control the variability of returns of APDM. The Group does not own any interest in APDM and does not benefit from any profits of APDM nor is it liable for any losses incurred by APDM.

Assets lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the context of current profits and losses on the disposal of similar assets.

Depreciation policies

Property, plant, and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from the disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life. The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the asset at the end of their expected useful lives.

Going concern

The Group made an assessment of its ability to continue as going concern and it satisfy that it has the resources to continue its business for the foreseeable future. The historical financial information has thus been prepared on a going concern basis.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company and of the Group is USD.

4 Investment properties

			<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Movement for the year				
Investment property at the beginning of the period			37 051	13 137
Addition			18 330	1 696
Transfer to joint venture			–	–
Transfer from deferred costs			–	–
Revaluation of properties at end of period			4 223	–
As at end of period			<u>59 604</u>	<u>14 833</u>
			<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
<i>Summary of valuations by reporting date</i>	<i>Country</i>	<i>Sector</i>		
Pemba Liquid Mud Plant	Mozambique	Light industrial		–
Metroplex Shopping Mall	Uganda	Retail	25 860	14 403
EMT	Mozambique	Corporate accommodation	–	291
ADC Data Centre	Nigeria	Data centre	20 700	–
DH4	Mali	Corporate accommodation	12 260	–
Apolonia	Ghana		784	139
DH3	Kenya	Corporate accommodation	–	–
Total valuation of investment properties directly held by the Group			<u>59 604</u>	<u>14 833</u>
Investment properties per consolidated statement of financial position			<u>59 604</u>	<u>14 833</u>
Total carrying value of investment properties per the consolidated statement of financial position				14 833
Deposits paid on Land	Mauritius	Office	–	–
Total deposits paid on investment properties			<u>–</u>	<u>–</u>
Total carrying value of investment properties including deposits paid			<u>59 604</u>	<u>14 833</u>
				<i>Unaudited</i> 30 June 2021 \$'000
<i>Summary of valuations by reporting date</i>	<i>Country</i>	<i>Sector</i>		
Investment properties held within associates and joint ventures – Group share				
Cognis 1 Limitada (June 2021: 46.55%) (2020: 42.65%)	Mozambique	Corporate accommodation		32 749
DH Three Limited (50.00%)	Kenya	Corporate accommodation		13 555
DH One Real Estate, PLC (50.00%)	Ethiopia	Corporate accommodation		34 900
Delta International Bharain (39.90%)	Morocco	Retail		31 703
Gr1T House Limited (50.00%)	Mauritius	Office		3 585
St Helene Clinic Co Ltd (48.25%)	Mauritius	Medical		1 690
Total of investment properties acquired through associates and joint ventures				<u>118 182</u>

5 Investments in associates and joint ventures

		<i>Unaudited</i> 30 June 2021 \$'000		<i>Unaudited</i> 30 June 2020 \$'000	
The following entities have been accounted for using the equity method:					
<i>Name of joint venture</i>	<i>Country of incorporation and operation</i>	<i>% held</i>		<i>% held</i>	
Diplomatic Housing I Ltd (DH 1) (note (a))	British virgin island	50.00%	23 590	50.00%	12 728
DH3 Holdings Ltd (note (a))	Mauritius	50.00%	12 148	50.00%	7 822
St Helene Clinic Co Ltd (note (b))	Mauritius	48.25%	2 662		
Gateway Appolonia Holdings Limited (note (c))	Ghana	50.00%	–		
GR1T House Limited (note (d))	Mauritius	50.00%	7 137	50.00%	5 899
Carrying value of joint ventures			<u>45 537</u>		<u>26 449</u>
<i>Name of associate</i>	<i>Country of incorporation</i>	<i>% held</i>		<i>% held</i>	
TC Maputo Properties Ltd (note (e))	Mozambique	49.00%	18 195		
Moz Delta	UAE	49.00%	1 175		
Carrying value of associates			<u>19 370</u>		<u>–</u>
Joint ventures			45 537	–	26 449
Associates			19 370	–	–
Total carrying value of associates and joint ventures			<u>64 907</u>	<u>26 449</u>	

note (a) Diplomatic Housing I Ltd holds a fully owned subsidiary in Ethiopia and DH3 Holdings Ltd holds a fully owned subsidiary in Kenya which are both developing diplomatic residences. For both projects, the Group entered in a joint venture agreement with Verdant Ventures LLC (a US based company) for the respective developments.

note (b) The Company entered the shareholding of St Helene Clinic Co Ltd on 23 November 2020 through a share issue for the development of a medical treatment facility.

note (c) The project relates to a development of an office building in Appolonia city, Ghana which is scheduled to start in year 2021.

note (d) GR1T House Limited interest is owned through a fully owned subsidiary of the company, GD (Mauritius) Hospitality Ltd, as from 1 January 2020. The project comprises of the development of an office park in the north of Mauritius.

note (e) Effective from 1 November 2020, the Company acquired 49 per cent. in TC Maputo Properties which holds a subsidiary, Cognis I Limitada, in Mozambique at 85 per cent. shareholding Cognis I Limitada holds investment properties.

Secured investments:

DH1 property held through the subsidiary of Diplomatic Housing 1 Ltd, namely DH ONE Real Estate Ltd in Ethiopia, has a market value of \$68.4 million as at 30 June 2021 (2020: \$59.3m; 2019: \$17.1 million). The property is secured against a loan contracted from Co-operative Bank of Oromia for the funding of the project amounting to \$13.8 million as at 30 June 2021 (2020:\$10.1m; 2019: \$6.3 million).

For associates and joint ventures with non-co terminous year end, management accounts at 31 December have been used for equity accounting purposes.

Set out below is the summarised financial information of each of the Group's associates and joint ventures for each reporting period together with a reconciliation of this financial information to the carrying amount

of the Group's interests in each associate and joint venture. 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.

Where associates and joint ventures have non-coterminous financial reporting dates, the Group uses management accounts to incorporate their results into the consolidated financial statements.

	Moz Delta Consultancy \$'000	TC Maputo Properties DIB \$'000	Diplomatic Housing I Ltd \$'000	DH3 Holdings Ltd \$'000	St Helene Clinic Co Ltd \$'000	Gateway Appolonia Holdings Ltd \$'000	GR1T House Ltd \$'000	Total \$'000	
Balance at 1 January 2021			16 276	20 953	10 779	1 259	688	7 055	57 010
Acquired during the period	545	5	538	-	-	-	-	-	1 088
Share of profit/loss of associates and joint ventures	81	(5)	1 381	1 168	2 751	-	-	-	5 376
- Revenue	-	-	1 499	-	-	-	-	-	1 499
- Admin expenses and recoveries	(17)	(5)	(346)	(133)	(2)	(4)	-	-	(507)
- Finance charges	(26)	-	(559)	1	-	4	-	-	(579)
- Fair value movement on investment property	124	-	828	1 857	3 932	-	-	-	6 741
- Deferred tax	-	-	(41)	(557)	(1 180)	-	-	-	(1 778)
Shareholders loan advanced/(repaid)	549	-	-	1 469	(1 382)	1 403	-	82	2 121
Transfer to Subsidiary	-	-	-	-	-	-	(688)	-	(688)
Consolidation elimination	-	-	-	-	-	-	-	-	-
Carrying value of associates and joint ventures at 30 June 2021	<u>1 175</u>	<u>-</u>	<u>18 195</u>	<u>23 590</u>	<u>12 148</u>	<u>2 662</u>	<u>-</u>	<u>7 137</u>	<u>64 907</u>
	Moz Delta Consultancy \$'000	TC Maputo Properties DIB \$'000	Diplomatic Housing I Ltd \$'000	DH3 Holdings Ltd \$'000	St Helene Clinic Co Ltd \$'000	Gateway Appolonia Holdings Ltd \$'000	GR1T House Ltd \$'000	Total \$'000	
Balance at 1 January 2020			-	10 877	-	-	-	-	10 877
Acquired during the period				1 233	4 004			5 921	11 157
Share of profit/loss of associates and joint ventures									
- Revenue									
- Admin expenses and recoveries									
- Finance charges									
- Fair value movement on investment property									
- Deferred tax									
Shareholders loan advanced/(repaid)									
Transfer to Subsidiary									
Consolidation elimination				618	3 817			(21)	4 415
Carrying value of associates and joint ventures at 30 June 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>12 728</u>	<u>7 822</u>	<u>-</u>	<u>-</u>	<u>5 900</u>	<u>26 449</u>

6. Trade and other receivables

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Trade receivables	399	26 285
Trade receivables – net	<u>399</u>	<u>26 285</u>
Other receivables	<u>3 398</u>	<u>4 274</u>
VAT recoverable	796	420
Deferred expenses and prepayments	721	218
Receivable from related parties	1 881	3 636
Deposit on investment	–	
Total trade and other receivables	<u><u>3 797</u></u>	<u><u>30 559</u></u>
Classification of trade and other receivables:		
Non-current assets	–	–
Current assets	<u>3 797</u>	<u>30 559</u>
	<u><u>3 797</u></u>	<u><u>30 559</u></u>

Impairment of trade receivables

On that basis, the loss allowances as at 30 June 2021 were determined to be nil.

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Ageing of trade receivables		
Current	3 797	30 559
30 days	–	–
60 days +	–	–
90 days +	–	–
	<u><u>3 797</u></u>	<u><u>30 559</u></u>

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.

7. Interest-bearing borrowings

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Current liabilities		
Bank loan	–	34 355
	<u>–</u>	<u>34 355</u>
Movement for the year		
Balance at the beginning of the year	15 800	27 200
Proceeds of interest bearing-borrowings	–	16 555
Debt settled during the period/year	(15 800)	(9 400)
	<u>–</u>	<u>34 355</u>
As at end of period	<u>–</u>	<u>34 355</u>

Analysis of facilities and loans in issue

<i>Lender</i>	<i>Borrower</i>	<i>Initial facility</i>	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
<i>Financial institutions</i>				
ABSA Bank Mauritius	Gateway Real Estate Africa Ltd	RCF	–	34 355
<i>Total ABSA Group</i>			<u>–</u>	<u>34 355</u>
Total loans in issue			<u>–</u>	<u>34 355</u>
As at end of period			<u>–</u>	<u>34 355</u>

8. Trade and other payables

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Trade payables	181	393
Sundry creditors and accruals	2 329	493
	<u>2 510</u>	<u>886</u>

Trade and other payables are denominated in USD and their carrying amounts approximate their fair value and included in the sundry creditors and accruals is an amount of USD 2,182,110 representing accrued professional fees incurred for property development.

9. Lease Liabilities

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Maturity of lease liabilities:		
Current	228	46
Non-current can be analysed as follows:		
Payable between 1 and 5 years	1 165	1 679
Payable after 5 years	–	–
	<u>1 393</u>	<u>1 725</u>
Interest on lease liabilities:		
Current	228	46
Non-current can be analysed as follows:		
Payable between 1 and 5 years	1 165	1 679
Payable after 5 years	–	–
	<u>1 393</u>	<u>1 725</u>

(a) ***Nature of leasing activities (in the capacity as lessee)***

The Group leases office spaces, motor vehicles as well as land and makes fixed payments over the respective lease terms.

(b) ***Extension and termination options***

Neither the Group nor the facilitator shall be permitted to cancel the agreement unless proper notice has been given by the respective parties.

(c) ***Lease term***

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

10. Finance Lease Receivables

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Undiscounted lease payments analysed as:		
Recoverable after 12 months	2 496 323	3 571 723
Recoverable within 12 months	1 105 337	1 085 376
	<u>3,601,660</u>	<u>4 657 099</u>
Net investment in the lease analysed as:		
Recoverable after 12 months	2 208 206	3 046 643
Recoverable within 12 months	848 937	750 404
	<u>3 057 143</u>	<u>3 797 047</u>
	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Amounts receivable under finance leases		
Year 1	1 105 337	1 085 376
Year 2	1 125 897	1 105 337
Year 3	1 147 074	1 125 897
Year 4	203 916	1 127 638
Year 5	–	193 415
Undiscounted lease payments	3 582 224	4 637 663
Unguaranteed residual values	–	
Less: unearned finance income	(525 081)	(860 052)
Present value of minimum lease payments receivable	3 057 143	3 777 611
Impairment loss allowance		
Net investment in the lease	<u>3 057 143</u>	<u>3 777 611</u>

The Group's finance lease arrangements do not include variable payments. The average effective interest rate contracted is approximately 6.5 per cent. per annum.

11 Property, plant and Equipment

	<i>Unaudited 30 June 2021</i>		
	<i>Cost</i> \$'000	<i>Accumulated Depreciation /Amortisation</i> \$'000	<i>Net Book Value</i> \$'000
Computer equipment	125	(75)	50
Motor vehicles	58	(10)	48
Office equipment	9	(3)	6
Right-of-use Building	305	(163)	140
Right-of-use Motor Vehicles	115	(25)	90
	<u>612</u>	<u>(276)</u>	<u>334</u>

Reconciliation-Property, Plant and Equipment

	Net book value Opening balance	Additions	Disposal	Depreciation charge / Amortisation for the period	Net book value Closing balance
Computer equipment	42	24	–	(16)	50
Motor vehicles	37	18	(2)	(5)	48
Office equipment	6	1	–	(1)	6
Right-of-use Building	191	–	–	(51)	140
Right-of-use Motor Vehicles	102	–	–	(12)	90
	<u>378</u>	<u>43</u>	<u>(2)</u>	<u>(85)</u>	<u>334</u>

Unaudited 30 June 2020

	Accumulated Depreciation Cost \$'000	/Amortisation \$'000	Net Book Value \$'000
Computer equipment	52	(12)	40
Motor vehicles	9	(6)	3
Office equipment	7	(1)	6
Right-of-use Building	194	(55)	139
Right-of-use Motor Vehicles	100	(8)	92
	<u>362</u>	<u>(82)</u>	<u>280</u>

Reconciliation-Property, Plant and Equipment

	Net book value Opening balance	Additions	Disposal	Depreciation charge / Amortisation for the period	Net book value Closing balance
Computer equipment	42	13	(3)	(12)	40
Motor vehicles	37	–	(28)	(6)	3
Office equipment	1	6	–	(1)	6
Right-of-use Building	172	22	–	(55)	139
Right-of-use Motor Vehicles	–	100	–	(8)	92
	<u>252</u>	<u>141</u>	<u>(31)</u>	<u>(82)</u>	<u>280</u>

12. Intangible Assets

Unaudited 30 June 2021

	Cost \$'000	Accumulated amortisation \$'000	Carrying Value \$'000
Computer software	34	(32)	2
	<u>34</u>	<u>(32)</u>	<u>2</u>

Reconciliation – Intangible asset

	Net book value Opening balance	Additions	Amortisation charge for the year	Net book value Closing balance
Computer software	3	–	(1)	2
	<u>3</u>	<u>–</u>	<u>(1)</u>	<u>2</u>

Audited 30 June 2020

	Cost \$'000	Additions \$'000	Accumulated amortisation \$'000	Carrying Value \$'000
Computer software	30	–	(29)	1
	<u>30</u>	<u>–</u>	<u>(29)</u>	<u>1</u>

Reconciliation – Intangible asset

	Net book value Opening balance	Additions	Amortisation charge for the year	Net book value Closing balance
Computer software	30	–	(29)	1
	<u>30</u>	<u>–</u>	<u>(29)</u>	<u>1</u>

13. Related party loans receivable and payable

Related party relationships

Company	Relationship to the Group
Gateway Real Estate Africa Ltd	Ultimate parent company
RSM Investments Ltd 100% owned by GREA	Subsidiaries
Boyzana International Ltd 100% owned by GREA	Subsidiaries
GD (Mauritius) Hospitality Investments Ltd 100% owned by GREA	Subsidiaries
Goodison Two Hundred Thirteen Limited 100% owned by GREA	Subsidiaries
Boyzana Ventures Ltd 100% owned by GREA	Subsidiaries
Tulip Station Lda 100% owned by GREA	Subsidiaries
Metroplex Holding Ltd 100% owned by GREA	Subsidiaries
Gateway Metroplex Limited 100% owned by GREA	Subsidiaries
Diplomatic Housing Addis Ltd 100% owned by GREA	Subsidiaries
Gateway EMT Holdings Ltd 100% owned by GREA	Subsidiaries
Gateway EMT Limitada 100% owned by GREA	Subsidiaries
ADC Eko Land (Mauritius) Ltd 100% owned by GREA	Subsidiaries
LTH New Street Square Limited 100% owned by GREA	Subsidiaries
DH Bamako Investment Holdings Ltd 100% owned by GREA	Subsidiaries
Gateway Apolonia Holdings Ltd 50% owned by GREA	Subsidiaries
St Helene Clinic Co Ltd 48.25% owned by GREA	Joint ventures/associates
Gr1t House Limited 50% owned by GREA	Joint ventures/associates
TC Maputo Properties Limited 49% owned by GREA	Joint ventures/associates
DH3 Holding Ltd 50% owned by GREA	Joint ventures/associates
Diplomatic Housing I Ltd 50% owned by Diplomatic Housing Addis Ltd	Joint ventures/associates
Warehousely Limited (common shareholder)	Other related companies
Africa Property Development Managers Ltd (common shareholders)	Other related companies
Grit Real Estate Income Group (shareholder)	Other related companies
Dorado 1 Ltd (shareholder)	Other related companies
DIF1 Co Ltd	Other related companies
The Prudential Insurance Company of America (shareholder)	Other related companies

<i>Company</i>	<i>Relationship to the Group</i>	
Grit Services Limited (common shareholder)	Other related companies	
DH Three Limited (subsidiary of joint venture)	Other related companies	
DH Three Investments LLC (Joint venture partner of DH3 Holdings td)	Other related companies	
		<i>Unaudited</i>
		<i>30 June 2021</i>
		<i>\$'000</i>
Receivable from related parties:		
Financial asset at fair value through P&L		28 709
DIF1 Co Ltd (note(i))		—
		<u>28 709</u>
Non Current		—
Current		28 709
		<u>28 709</u>
Total		<u><u>28 709</u></u>
Financial asset at amortised cost:		
BG Africa Limited		—
Warehousely Limited		—
Diplomatic Housing 1 Ltd		—
Grit Real Estate Income Group (note 13b)		17 452
Grit Real Estate Income Group Interest Portion		956
Dorado 1 Ltd (note 13b)		49
Grit Services Limited		109
Gr1t House Limited		—
Gateway Apolonia Holdings Ltd		—
Government Employees Pension Fund (note 13b)		3 537
CD Properties Ltd		6 233
		<u>28 336</u>
Total		<u><u>28 336</u></u>
Non Current		—
Current		28 336
		<u>28 336</u>
Total		<u><u>28 336</u></u>

Note (i) Amount receivable from DIF 1 Co Ltd relates to conversion of trade receivables, from Grit Services Ltd at 31 December 2019, into Class B convertible preference shares at a coupon rate of 8 per cent..

14 Deferred Costs

	<i>Unaudited</i>	<i>Unaudited</i>
	<i>30 June</i>	<i>30 June</i>
	<i>2021</i>	<i>2020</i>
	<i>\$'000</i>	<i>\$'000</i>
At start of the period	368	641
Project costs incurred during the period/year	118	459
Transfer to investment property	(192)	(209)
Transfer to financial assets at amortised costs	—	—
Recharges to third parties	—	(595)
Project costs written off	—	(149)
	<u>294</u>	<u>145</u>
At end of the period	<u><u>294</u></u>	<u><u>145</u></u>

Transfer to financial assets relates to project costs that were capitalised as investment property at Group level.

Transfer to loan relates to project costs recharged to associates and joint ventures through loans.

Recharges to third parties are project costs that were incurred by the Group and during the year were recharged to respective related parties

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Project Cost Written off		
Professional fees	–	150
Travel costs	–	–
	<u>–</u>	<u>150</u>
	<u>–</u>	<u>150</u>

Project costs written off are costs incurred with respect to project that have either been discontinued or costs that cannot be capitalised on projects.

15. Finance costs

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Interest on loan and overdraft	471	12
Interest on lease liabilities	48	56
Fundraising fees	–	55
Exchange loss – realised	109	–
Exchange (gain) – unrealised	(326)	(76)
Commitment fees	50	23
	<u>350</u>	<u>70</u>
	<u>350</u>	<u>70</u>

16. Stated Capital

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
(a) State Capital		
Ordinary shares of no par value		
Reconciliation of number of shares issued		
At start of year	111 688	35 919
Issued during the year	42 448	9 400
	<u>154 136</u>	<u>45 319</u>
At end of period	<u>154 136</u>	<u>45 319</u>

	<i>No of shares \$'000</i>	<i>No of shares \$'000</i>
Issued and fully paid up:		
At start of period	111 688	35 919
Issued during the year	42 448	9 400
At end of period,	<u>154 136</u>	<u>45 319</u>
(b) Shares to be issued		
At start of period	-	-
Transfer to stated capital	-	-
Shares to be issued	21 038	-
At end of period	<u>21 038</u>	<u>-</u>

Stated capital is denominated in USD. Shares to be issued relate to committed capital that have been drawn down by the Company from three of its shareholders that were not received as at 30 June 2021. Capital call to shareholders are done as per the shareholders agreement through the issuance of a drawdown notice. In 2019, there was one drawdown notice done representing \$30.6 million. In 2020, there was four drawdown notices totalling \$89.9 million out of which \$75.8 million was paid. In April 2021, the Group made the remaining capital commitment drawdown to its shareholders and as at 30 June 2021 total unpaid share capital was \$21m which is expected in the last quarter of 2021.

17. Goodwill

	<i>Unaudited 30 June 2021 \$'000</i>	<i>Unaudited 30 June 2020 \$'000</i>
At start of the period	11	11
Acquisition of business		
Goodwill written off	(11)	
At end of period	<u>-</u>	<u>11</u>

In 2018, goodwill arose upon the acquisition upon 100 per cent. shareholding in Boyzana Ventures Ltd on 1 November 2018 for a consideration of USD 12,000. Goodwill is tested annually for impairment.

Significant estimate: key assumptions used for value in use calculations

The Group tests whether goodwill has suffered any impairment on an annual basis. Goodwill is allocated to cash generating unit for the purpose of impairment testing. At reporting date, the recoverable amount of the cash generating units (CGUs) was determined based on discounted cash flow calculations which require assumptions. The calculations used discounted cash flow projections based on forecast approved by management covering a three year period and discount rate of 8 per cent..

18. Cash and Cash equivalent

	<i>Unaudited</i> 30 June 2021 \$'000	<i>Unaudited</i> 30 June 2020 \$'000
Cash at bank	10 232	2 403
At end of period,	<u>10 232</u>	<u>2 403</u>
Cash and cash equivalents are held in the following currencies.		
United States Dollar	8 244	2 071
Mauritian Rupees	110	10
Mozambican metical	1 337	–
Uganda shilling	37	312
Kenyan Shilling	3	10
Nigerian Naira	501	–
	<u>10 232</u>	<u>2 403</u>

PART VIII

UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE ENLARGED GROUP

Section A: Unaudited pro forma financial information

The unaudited pro forma statement of net assets of the Enlarged Group has been prepared based on the Grit 2021 Annual Financial Statements and the unaudited interim financial information of GREA for the six months ending 30 June 2021 to illustrate the effect on the net assets of the Grit Group as if the Proposed Acquisition and the Issue had taken place on 30 June 2021.

The unaudited pro forma income statement of the Enlarged Group has been prepared based on the Grit 2021 Annual Financial Statements and the financial information of GREA for the year ended 30 December 2020 to illustrate the effect on the income statement of the Grit Group as if the Proposed Acquisition and the Issue had taken place at the beginning of the year ended 30 June 2021.

The unaudited pro forma income statement of the Enlarged Group and the unaudited pro forma statement of net assets of the Enlarged Group together form the unaudited pro forma financial information. The unaudited 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 Grit Group's actual financial position or results.

The unaudited pro forma financial information has been prepared in accordance with Annex 20 of the Prospectus Delegated Regulation and in a manner consistent with the accounting policies and presentation adopted by the Grit Group in preparing the Grit 2021 Annual Financial Statements and on the basis of the notes set out below.

Deloitte LLP's report on this unaudited pro forma financial information is set out in Section B of this Part VIII (*Unaudited Pro Forma Financial Information on the Enlarged Group*). The unaudited pro forma financial information set out in this Part VIII does not constitute statutory accounts.

Grit Real Estate Income Group Limited

**Pro-Forma Financial Statements
As at 30 June 2021**

	ADJUSTMENTS					Position post Minimum Raise Pro-forma US\$'000
	Grit Group as at 30 June 2021 AUDITED US\$'000	GREA Group as at 30 June 2021 UNAUDITED US\$'000	CAPITAL RAISE Pro-forma US\$'000	USE OF PROCEEDS Pro-forma US\$'000	GREA Acquisition Consolidation Entries Pro-forma US\$'000	
ASSETS						
Non-current assets						
Investment properties	549,491	59,604	-	-	-	609,095
Deposits paid on investment properties	5,698	-	-	-	-	5,698
Property, plant and equipment	2,448	334	-	-	-	2,782
Goodwill	-	-	-	-	19,945	19,945
Intangible assets	480	2	-	-	-	482
Other investments	1	28,709	-	11,048	(25,481)	14,277
Investments in associates and joint ventures	167,492	64,907	-	17,983	(58,059)	192,323
Finance lease receivable	-	3,057	-	-	-	3,057
Trade and other receivables	2,166	294	-	-	-	2,460
Deferred tax	20,067	-	-	-	-	20,067
Total non-current assets	747,843	156,907	-	29,031	(63,595)	870,186
Current assets						
Trade and other receivables	18,946	399	-	-	-	19,345
Financial assets	-	3,398	-	-	-	3,398
Current tax refundable	1,440	-	-	-	-	1,440
Related party loans receivable	197	28,336	-	(25,583)	-	2,950
Other loans receivable	37,303	-	-	-	-	37,303
Derivative financial instruments	87	-	-	-	-	87
Cash and cash equivalents	4,890	10,232	59,425	(33,842)	-	40,705
Total current assets	62,863	42,365	59,425	(59,425)	-	105,228
Total assets	810,706	199,272	59,425	(30,394)	(63,595)	975,414

	ADJUSTMENTS					Position
	Grit Group	GREA Group	USE OF	GREA	post	
	as at	as at	PROCEEDS	Acquisition	Minimum	
	30 June 2021	30 June 2021	Pro-forma	Consolidation	Raise	
	AUDITED	UNAUDITED	US\$'000	Entries	Pro-forma	
	US\$'000	US\$'000	US\$'000	Pro-forma	US\$'000	
LIABILITIES						
Non-Current Liabilities						
Redeemable preference shares	(12,840)	-	-	-	(12,840)	
Proportional shareholder loans	(17,582)	-	-	7,967	(9,615)	
Interest-bearing borrowings	(215,565)	-	-	-	(215,565)	
Obligations under leases	(750)	(1,165)	-	-	(1,915)	
Related party loans payable	(648)	-	-	-	(648)	
Retirement benefit obligations	-	(105)	-	-	(105)	
Deferred tax liability	(51,720)	(2,303)	-	-	(54,023)	
	<u>(299,105)</u>	<u>(3,573)</u>	<u>-</u>	<u>7,967</u>	<u>(294,711)</u>	
Total non-current liabilities						
Current Liabilities						
Interest-bearing borrowings	(195,023)	-	22,794	-	(172,229)	
Obligations under leases	(205)	(228)	-	-	(433)	
Trade and other payables	(24,843)	(2,511)	7,600	-	(19,754)	
Current tax payable	(1,438)	(108)	-	-	(1,546)	
Derivative financial instruments	(2,714)	-	-	-	(2,714)	
Related party loans payable	(91)	-	-	-	(91)	
Other financial liability	(6,307)	-	-	-	(6,307)	
Bank overdrafts	(2,576)	-	-	-	(2,576)	
	<u>(233,197)</u>	<u>(2,847)</u>	<u>30,394</u>	<u>-</u>	<u>(205,650)</u>	
Total current liabilities						
	<u>(532,302)</u>	<u>(6,420)</u>	<u>30,394</u>	<u>7,967</u>	<u>(500,361)</u>	
NET ASSETS/(LIABILITIES)						
	<u>278,404</u>	<u>192,852</u>	<u>-</u>	<u>(55,628)</u>	<u>475,053</u>	
	note 1	note 2	note 4	note 5		

Grit intends to raise US\$215.6 million through the issue of ordinary shares before costs. Should the full amount specified under the Issue be raised, the cash component of the raise would be increased by US\$65.2 million (net of costs) and debt paid into the revolving Credit facilities (or other facilities where the cash may be redrawn at a future date) would be increased by US\$65.2 million.

NOTES

- (1) Grit's net asset information as at 30 June 2021 has been extracted, without material adjustment, from Grit's audited financial information for the year ended 30 June 2021.
- (2) GREA's net asset information as at 30 June 2021 has been extracted, without material adjustment, from the financial information in Part VII of this document (*Financial Information on GREA*; Section C: Unaudited interim financial information of GREA for the six months ended 30 June 2021 and the six months ended 30 June 2020), for the pro forma net asset statement.
- (3) Grit has announced its intention to raise up to US\$215.6 million before fees by way of the Issue. Share issue costs are estimated at US\$10.4 million. As set out in Paragraph 1 of Part I (Letter from the Chairman) of this document, at the Latest Practicable Date the Company has received written confirmation from existing Shareholders and new investors of their intention to subscribe, in aggregate, for in excess of US\$65 million pursuant to the Open Offer and Placing (the "**Indicated Minimum Proceeds**"), which net of costs of US\$5.6 million amounts to net proceeds of approximately US\$59.4 million. In addition, in the event that only the Indicated Minimum Proceeds are raised pursuant to the Open Offer and Placing, New Ordinary Shares for a total of US\$80.6 million would be issued to the Selling Shareholders pursuant to the Share Purchase Agreements, resulting in a minimum Issue of approximately US\$140.0 million.
- (4) The Indicated Minimum Proceeds of the Open Offer and Placing, net of costs, of US\$59.4 million (as set out in note (3) above) will be used: (i) US\$17.9 million will be utilised to make the final capital contributions in terms of GREA's initial capital calls (included under Investments in associates and joint ventures); (ii) US\$11.0 million to cash collateralise the Drive in Trading Guarantee (included as Other Investments); (iii) US\$7.6 million would be paid to GREA to settle construction contract costs (included in Trade and Other Payables); and (iv) with the remainder being utilised to reduce the gearing of Grit.
- (5) The consideration will be settled in a combination of cash and ordinary shares in Grit to the owners of GREA and APDM.

The total consideration payable is set out below:	US\$'000
Acquisition of shares in GREA and ADPM	80,614 ^a

- (a) to the extent the existing shareholders do not take up their pre-emptive entitlements to subscribe for shares, the GREA shareholders will be settled through the issue of Grit ordinary shares.

The determination of goodwill has been calculated as follows:	US\$'000
TOTAL CONSIDERATION	80,614
Total Assets Acquired	97,658
Cash on hand	5,286
Liabilities assumed	(3,317)
Less Current investment in GREA (included as Investment in Associate)	(38,689)
Pro forma goodwill	19,945 ^a

^a the final determination of any Intangible Asset (being valuation of the asset management contract) will be conducted on the date of acquisition through the purchase price allocation, see note 10 below.

	<i>Grit Group for 12 months ended 30 June 2021 AUDITED US\$'000</i>	<i>GREA Group for 12 months ended 31 December 2020 AUDITED US\$'000</i>	<i>USE OF PROCEEDS Pro-forma US\$'000</i>	<i>GREA Acquisition Consolidation Entries Pro-forma US\$'000</i>	<i>Pro-forma US\$'000</i>
Revenue	49,217	2,779	–	–	51,996
Property operating expenses	(8,543)	(2,683)	–	–	(11,226)
Net property income	40,674	96	–	–	40,770
Other income	169	1,353	–	–	1,522
Administrative expenses	(13,867)	(1,927)	–	–	(15,794)
Project costs written off	–	(258)	–	–	(258)
Net impairment charge	(7,119)	–	–	–	(7,119)

	<i>Grit Group for 12 months ended 30 June 2021 AUDITED US\$'000</i>	<i>GRE A Group for 12 months ended 31 December 2020 AUDITED US\$'000</i>	<i>USE OF PROCEEDS Pro-forma US\$'000</i>	<i>GRE A Acquisition Consolidation Entries Pro-forma US\$'000</i>	<i>Pro-forma US\$'000</i>
Profit / (loss) from operations	19,857	(736)	–	–	19,121
Total fair value adjustment on investment properties	(51,297)	7,347	–	–	(43,950)
Corporate restructure costs	(3,467)	–	–	–	(3,467)
Fair value adjustment on other financial liability	(5,230)	–	–	–	(5,230)
Fair value adjustment on other financial assets	(1,106)	736	–	–	(370)
Fair value adjustment on derivative financial instruments	1,378	–	–	–	1,378
Share-based payment expense	(127)	–	–	–	(127)
Deemed gain on acquisition of subsidiary	–	–	–	–	–
Share of profits from associates and joint ventures	583	8,837	–	(4,135)	5,285
Impairment of loans and other receivables	(1,113)	–	–	–	(1,113)
Foreign currency (losses) / gains	2,343	–	535	–	2,878
(Loss) / profit before interest and taxation	(38,179)	16,184	535	(4,135)	(25,595)
Interest income	2,690	–	–	–	2,690
Finance costs	(25,442)	(1,508)	1,318	–	(25,632)
(Loss) / profit for the year before taxation	(60,931)	14,676	1,853	(4,135)	(48,537)
Taxation	(445)	(2,468)	–	–	(2,913)
Loss) / profit for the year after taxation	(61,376)	12,208	1,853	(4,135)	(51,450)
	note 6	note 7	note 8	note 9	

NOTES

- (6) Grit's income statement for the year ended 30 June 2021 has been extracted, without material adjustment, from Grit's audited financial information for the year ended 30 June 2021.
- (7) GRE A's income statement for the 12 months ended 31 December 2020 has been extracted, without material adjustment, from the financial information in Part VII of this document (Financial Information on GRE A; Section B: Historical financial information of GRE A for the three years ended 31 December 2020).
- (8) Impact of the use of proceeds
- 8 (a) Adjustments expected to have a continuing impact:
- | | |
|--|--------|
| The following adjustments to reflect reduction in debt as if it had happened on 1 July 2020 in the pro forma income statement: | \$'000 |
| Reduction in finance costs | 1,318 |
- 8 (b) Adjustments expected not to have a continuing impact:
- | | |
|--|--------|
| The following adjustments to reflect reduction in debt as if it had happened on 1 July 2020 in the pro forma income statement: | \$'000 |
| Foreign currency (losses)/gains | 535 |

(9) Consolidation impacts of the GREA acquisition

9 (a) Adjustments expected not to have a continuing impact:

\$'000

Reversal of the share of profits from associates and joint ventures relating to Grit's existing
19.98 per cent. interest in GREA

(4,135)

(10) GREA acquisition

The unaudited pro forma income statement does not reflect the impact of the GREA properties that are currently under construction and due to be completed within the next 3 to 24 months. Upon completion of the purchase price allocation, which will be finalised on the transaction date, the goodwill figure shall be reduced by any intangible asset that may be recognised in terms of the asset management contract included within the asset purchased as part of the transaction. Should an investment property increase or decrease in value during the intervening period between the pro forma date and the transaction date (which shall reflect the percentage completion of the assets under construction and completed during the intervening period) will be immediately recognised as a fair value movement in property within the opening net asset value of GREA and may impact the final goodwill amount recognised.

No adjustments have been made to reflect any synergies that may arise after the transaction, as these are dependant upon the future actions of the combined management teams.

Section B: Accountant's Report on the Unaudited Pro Forma Financial Information

The Board of Directors
on behalf of Grit Real Estate Income Group Ltd
PO Box 186 Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
Channel Islands
GY1 4HP

finnCap Ltd
One Bartholomew Close
London
EC1A 7BL

22 November 2021

Dear Sirs/Mesdames,

Grit Real Estate Income Group Ltd (the "Company")

We report on the pro forma financial information (the "Unaudited Pro forma financial information on the Enlarged Group") set out in Section A of Part VIII of the combined prospectus and class 1 circular dated 22 November 2021 (the "Prospectus"). This report is required by Annex 20, section 3 of the UK version of the Commission delegated regulation (EU) 2019/980 (the "Prospectus Delegated Regulation") and is given for the purpose of complying with that regulation and for no other purpose.

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.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro forma financial information in accordance with Annex 20 sections 1 and 2 of the Prospectus Delegated Regulation.

It is our responsibility to form an opinion, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex 20 section 3 of the Prospectus Delegated Regulation.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by 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 Annex 1 item 1.3 of the Prospectus Delegated Regulation, consenting to its inclusion in the Prospectus.

No reports or opinions have been made by us on any financial information used in the compilation of the Proforma financial information. In providing this opinion we are not providing any assurance on any source financial information on which the Pro forma financial information is based beyond the above opinion.

Basis of preparation

The pro forma financial information has been prepared on the basis described in Section A of Part VIII of the Prospectus, for illustrative purposes only, to provide information about how the transaction 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 ending 30 June 2021.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company and the Target in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 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 jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that to the best of our knowledge, the information contained in this report is, in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Delegated Regulation.

Yours faithfully

Deloitte LLP

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom. Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients.

PART IX

**PROPERTY VALUATION REPORTS PREPARED BY KNIGHT FRANK LLP IN RELATION
TO CERTAIN ASSETS IN THE EXISTING PORTFOLIO AND IN THE NEW PORTFOLIO**

SECTION A: VALUATION REPORT IN RESPECT OF CERTAIN ASSETS IN THE EXISTING PORTFOLIO



The Addressees:

Grit Real Estate Income Group Limited
3rd Floor, La Croisette
Grand Baie
Mauritius

finnCap Limited
One Bartholomew Close
London EC1A 7BL
United Kingdom

Date of issue: 22 November 2021

Dear Sirs

Valuation Report in respect of certain properties in Botswana, Ghana, Kenya, Mauritius, Morocco, Senegal and Zambia that are either owned or partially owned by Grit Real Estate Income Group Limited (“Grit” or the “Company”) or a member of its group (the “Properties” or “Grit Properties”)

Terms of engagement

Engagement of Knight Frank LLP

- 1.1 This valuation report (the “Valuation” or “Valuation Report”) has been prepared in accordance with our Terms of Engagement letter dated 12 November 2021 and our General Terms of Business for Valuation Services (together the “Agreement”).

This Valuation Report is required for inclusion in a combined circular and prospectus (the “Combined Document”) to be published by Grit in connection with the proposed acquisition (the “Acquisition”) of a controlling stake in Gateway Real Estate Africa Ltd (“GREA”) by Grit and the proposed admission to listing on the Official List of the Financial Conduct Authority and admission to trading on the London Stock Exchange of the new ordinary shares of the Company to be issued in connection with: (a) the Acquisition; and (b) an open offer and placing to be undertaken in conjunction with the Acquisition (the “Issue” and together with the Acquisition the “Transaction”).

Valuation standards

- 1.2 This valuation has been undertaken in accordance with the RICS Valuation – Global Standards 2020, incorporating the International Valuations Standards (IVS), and RICS Professional Standards UK January 2020 and other local standards. References to the “Red Book” refer to either or both of these documents, as applicable. This valuation has also been undertaken in accordance with PRR5.4.5G of the Prospectus Regulation Rules published by the FCA, and with paragraphs 128 to 130 of the European Securities and Markets Authority (ESMA) Update of the CESR Recommendations for the consistent implementation of the European Commission’s Regulation (EC) No 809/2004 on prospectuses (the “CESR Recommendations”).

Independence and expertise

Disclosure of any conflicts of interest

1.3 Knight Frank LLP was retained by the Company to value the Grit Properties (Appendix 1) for financial reporting under International Financial Reporting Standards (IFRS) for the year ended 30 June 2021. Other than valuation services Knight Frank LLP has not had any material involvement with the Properties within the last 18 months or any material interest in Grit, subject to our comments below:

Senegal and Morocco

- Knight Frank LLP have worked with Grit providing property advice involving valuation and agency in Senegal and Morocco.
- Knight Frank LLP are currently instructed to value AnfaPlace Mall on behalf of the Public Investment Corporation of South Africa.

Botswana

- Knight Frank Botswana are appointed valuers for Letlole La Rona (LLR).

Board Member of Grit

- David Love is serving as a Non-Executive Independent Board Member of Grit and is also the CFO of Knight Frank Investment Management (“KFIM”). KFIM is a totally independent and different business unit than Knight Frank LLP and the valuation team involved in the engagement. Knight Frank LLP highlight that there are clear Chinese Walls between the businesses.

1.4 We confirm that we are not aware of any undisclosed matter giving rise to a potential conflict of interest and that we are providing an objective and unbiased valuation.

Valuer and expertise

1.5 The valuers, on behalf of Knight Frank LLP, with the responsibility for this report are Peter Welborn FRICS and Ian Lawrence, MRICS, RICS Registered Valuers. Parts of this valuation have been undertaken by additional valuers as listed on our file.

1.6 We confirm that the valuer and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.7 For the purposes of the Red Book, we are acting as External Valuers, as defined therein and regulations made by the Financial Conduct Authority.

1.8 In relation to Knight Frank LLP’s preceding financial year, the proportion of the total fees paid by the Company to the total fee income of Knight Frank LLP was less than 5 per cent. We recognise and support the RICS Rules of Conduct and have procedures for identifying conflicts of interest.

1.9 This report has been vetted as part of Knight Frank LLP’s quality assurance procedures.

Use of this Valuation

Purpose of valuation

1.10 This Valuation Report is provided for the purpose of inclusion within the Combined Document which is to be reviewed and approved by the FCA in connection with the Transaction only and may not be used for any other purpose without our express written consent. This is a condensed report for the purpose of the Prospectus Regulation Rules.

Reliance

1.11 We accept no liability to anyone for any improper or unauthorised reliance on this Valuation.

Disclosure and publication

1.12 Knight Frank LLP hereby gives consent to the inclusion of this Valuation Report in the Combined Document and to the references to this Valuation Report and Knight Frank LLP in the Combined

Document. Knight Frank LLP authorises, and accordingly takes responsibility for, the contents of this Valuation Report for the purposes of Rule 5.3.2(R)(2)(f) of the Prospectus Regulation Rules and confirms that, to the best of our knowledge, the information contained in this Valuation Report is in accordance with the facts and this Valuation Report makes no omission likely to affect its import.

Limitations on liability

- 1.13 The Addressees agree and acknowledge that we have no liability for any error, omission or inaccuracy in the Valuation Report to the extent resulting from our reliance on information provided by or on behalf of the Addressees unless otherwise stated.
- 1.14 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.
- 1.15 We confirm that we hold adequate and appropriate PII cover for this instruction.
- 1.16 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.
- 1.17 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Scope of work

Information provided to us which we have relied upon

- 1.18 As agreed between the Addressees and us, we are entitled to rely upon the completeness, accuracy, sufficiency and consistency of the information set out below, and any other information supplied to us by or on behalf of the Addressees, without undertaking any additional verification. Such information has been assumed by us to be correct in all respects. If any of the information or assumptions are subsequently found to be incorrect then our valuations should be reviewed.
- Floor areas
 - Building surveys
 - Land plans
 - Summary lease documentation
 - Title documents
 - Leases
 - Tenancy schedules
 - In relation to hotels full detailed accounts
 - In relation to buildings in the course of construction detailed quantity surveyor reports and development timeframes
- 1.19 In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from the lack of information are also set out in the relevant section of this Valuation Report.

Data room documents

- 1.20 We have not had practical access to data rooms but relied on information provided by Grit and their asset managers.

1.21 We have assumed that all documents provided to us by Grit or a third party are authentic and accurate; accordingly, we relied on all relevant information that has been reviewed by us on this basis and without additional verification by us.

Investigations carried out by us

1.22 In carrying out this Valuation we have undertaken verbal / web-based enquiries referred to in the relevant sections of this report. We have relied upon this information as being accurate and complete.

1.23 We have inspected the Properties internally or where relevant by going onto the site, as well as externally.

1.24 We have been provided with floor areas upon which we were instructed to rely.

The Properties

1.25 The Properties we have valued, including the dates of inspection, are as set out in Appendix 1.

Marketing history of the properties

1.26 We have been made aware by you of recent transactions relating to a number of the Properties as follows:

<i>Property</i>	<i>Transaction date</i>	<i>Transaction price</i>
Capital Place, Accra, Ghana	14 April 2018	USD8,500,000 (for 47.5%)
5 th Avenue, Accra Ghana	15 April 2018	USD20,500,000
Cads, Accra, Ghana	15 August 2018	USD10,700,000 (for 50.0%)

We understand that in 2020 Grit entered into a binding agreement with GREA for Grit to dispose of a 39.50 per cent. interest in Delta International Bahrain SPC ("DIB"), the beneficial owner of AnfaPlace Mall for a total transaction value of US\$25,488,440. We understand that Grit currently owns 60.5 per cent. of AnfaPlace Mall and that GREA owns 39.5 per cent. of AnfaPlace Mall and that, following the Acquisition, Grit will own 100 per cent. of AnfaPlace Mall.

1.27 This information has been considered by us in undertaking our valuation as background information to the valuation only.

2. Valuation

Methodology

2.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Investment method

2.2 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the Properties, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject Properties. With the benefit of such transactions we have then applied these to the Properties, taking into account size, location, terms, covenant and other material factors.

Valuation bases

Portfolios

2.3 In a valuation of a property portfolio, we have valued the individual Properties separately and we have assumed that the individual Properties have been marketed in an orderly way.

Market Value

2.4 Market Value is defined within RICS Valuation – Global Standards, adopting the definition of the International Valuation Standards, 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.”

The valuation of the Properties is completed with reference to Fair Value defined in the IVS. We opine that there is no material difference in value between Fair Value and Market Value.

Assumptions

2.5 Our valuation is necessarily based on a number of assumptions. Full assumptions are set out in individual property valuation reports.

Key assumptions

2.6 Whilst we have not provided a summary of all these assumptions here, we would in particular draw your attention to the following:

- That Freehold or Leasehold ownership interests in the Properties are fully transferable;
- All statutory documentation, including planning approval is in place for the Properties;
- All information provided by Grit or by others on Grit’s behalf including the lettable areas, current income and outgoings is correct.

Special Assumptions

2.7 A number of the Properties have been valued with reference to a Special Assumption as follows:

- (a) Club Med, Cap Skirring, Casamance, Senegal has been valued on the Special Assumption that the 10-year tax break is transferable.
- (b) Club Med, Cap Skirring, Casamance, Senegal is subject to construction works to extend the existing Property and is subject to conditions and / or conditional leases. In this instance we have assumed that all the conditions in the agreements are met and the owners will suffer no financial penalties.

Market Value reported with a Special Assumption (Property (a) and (b) above) may differ significantly from the Market Value of those Properties without the application of the relevant Special Assumptions.

2.8 Save as otherwise disclosed, it has been assumed for the purpose of valuation that the relevant interests in the Properties are free of mortgage, charge or other debt security and no deduction has been made for such charge or debt.

2.9 We have valued each Property separately on the basis of Market Value (i.e. as if the Property had been transacted as a single lot). We are not qualified to report on the value or comment on the value of shares in each Property which may be impacted by a number of different issues such as tax, jurisdiction, company law etc. Accordingly, the value of Grit’s share in each Property that is quoted in the schedule in Appendix 1 is calculated *pro rata* simply by multiplying Grit’s percentage share in a Property by that Property’s Market Value which may or may not reflect the achievable value of Grit’s share in that Property.

Material uncertainty

2.10 The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11 March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied to varying degrees and to tackle further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly

functioning again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value.

In respect of the leisure properties located in Senegal and Mauritius, as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant / sufficient market evidence on which to base our judgements. Our valuation is therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared.

Valuation date

Valuation date

2.11 The valuation date is 30 June 2021 for the Grit Properties, save for AnfaPlace Mall for which the valuation date is 31 October 2021.

Changes from the valuation date

2.12 In correspondence dated 18 November 2021 Grit confirmed that between the date of valuations (para 2.11) and the date of this Valuation Report there had been no material change to the information relied upon by Knight Frank to calculate values of the Properties.

Market Value

2.13 We are of the opinion that the Market Value of the freehold or leasehold interest in the Grit Properties, subject to the existing tenancies and on the assumption of 100 per cent. ownership, at the valuation date is:

USD 610,409,174 (Six hundred and ten million, four hundred and nine thousand one hundred and seventy-four United States Dollars)

2.14 The tenure of the Grit Properties held by the Company as at 30 June 2021 comprises the following:

<i>Tenure</i>	<i>No of Properties</i>	<i>Market Value (representing 100% of each asset and not accounting for Grit's ownership where it is less than 100%)</i>
Freehold ⁵	2	USD96,819,174
Leasehold	15	USD513,590,000
Total	17	USD610,409,174

5 Tenure at AnfaPlace Mall is assumed to be the equivalent of a freehold tenure. Original due diligence report for the Property dated 2 May 2014 and 14 May 2012, prepared by Norton Rose Fulbright indicates that there is “full ownership” of 33 plots of land, subject to membership of a Joint Owners’ Association which has bylaws to which the members must adhere. Tenure at Cap Skirring is freehold, although there is a small area of leased land on which a hydraulic drilling rig is sited where the rent is understood to be XOF 618,240 (although this would be a “pass-through” to Club Med).

2.15 The following individual Grit Properties have values that exceed 5 per cent. of the aggregate valuation:

<i>Property</i>	<i>Country</i>	<i>Market Value (representing 100% of each asset and not accounting for Grit's ownership where it is less than 100%)</i>
AnfaPlace Shopping Centre	Morocco	USD 79,589,174
Mauricia – Grand Baie	Mauritius	USD 61,980,000
Canonnier – Pointe aux Canonniers	Mauritius	USD 74,950,000
Victoria – Pointe Aux Piments	Mauritius	USD 91,230,000
Tamassa Resort	Mauritius	USD 52,100,000
Cosmopolitan Mall	Zambia	USD 49,890,000
Mukuba Mall	Zambia	USD 46,210,000

2.16 The Market Value reported in paragraph 2.13 does not include the value attributable to the value of the Letlole La Rona (LLR) Botswana property portfolio which amounts to USD 90,022,590 as at 30 June 2021. Grit holds a 30 per cent. share in LLR which on a prorate basis would amount to USD 27,006,777⁶.

Signed for and on behalf of Knight Frank LLP

Signature.

Peter Welborn FRICS
 RICS Registered Valuer
 Consultant, Knight Frank LLP
 peter.welborn@knightfrank.com

Signature.

Ian Lawrence MRICS
 RICS Registered Valuer
 Consultant, Knight Frank LLP
 ian.lawrence@knightfrank-emc.com

6 The Market Value was reported in Botswana Pula and converted to United States Dollars at the valuation date at a rate of 10.85 provided by Grit.

Appendix 1
Property Schedule

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 31 October 2021 ²	Grit's Ownership post Acquisition	Initial yield before CAPEX ¹
AnfaPlace Mail	Morocco, Casablanca	Retail	Boulevard de la Corniche, Casablanca, Morocco	The property principally comprises a shopping mall on three retail levels with two basement car parking levels. It includes 62 shops plus 29 "retail street" units. The development was completed in 2013 and designed by Norman Foster. It appears to be of concrete framed construction with brick-facing to the mall, and rendered facing to the retail street, under flat roofs.	Constructed in 2012/2013	The Net Operating Income for the period 1 July 2021 to 30 June 2022 is calculated as: MAD 36,319,919 (excluding CAPEX).	Valued on the assumption of the equivalent of freehold ownership.	02/06/2022	USD 79,589,174	100%	5.13%

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 30 June 2021 ²	Grit's Ownership ³	Initial yield before CAPEX
Imperial Distribution Centre	Kenya, Nairobi	Light Industrial	Kutch Road Mlolongo, Machakos District - off Mombasa Road, Nairobi, Kenya	A 12m high, prime-grade distribution warehouse incorporating freezer and cold room facilities and 3 levels internally to part, the upper levels housing the offices and staff amenities. Loading bays are served with multiple door access and dock-levelers. The yard areas of approximately 10,000 sq m are paved. The outbuildings include a generator room and security office with access control and secure perimeter.	January 2015	The property is fully let on net lease terms to Imperial Health Services Kenya Limited for a term of 10 years from 16-8-2017 to 15-8-2027, with renewal option. The current annual rental income is USD 1,730,980 and escalates at 3% plus US CPI.	Leasehold interest for a term of 99 years from 1-11-1983 at an annual rent of KShs. 850/- (revisable). Unexpired lease term is about 61 years.	31/05/2021	USD 24,170,000	100%	7.84%

- 1 Initial yield before CAPEX is defined as the result of dividing the net operating income, excluding capital expenditure by the Market Value.
- 2 Market Value represents the Market Value for 100% of the asset and does not account for Grit's ownership where it is less than 100%.
- 3 With reference to paragraph 2.9, where Grit owns less than 100% of an asset a value has been included in this column which has been calculated by multiplying Grit's percentage share in that Property by that Property's Market Value. As set out in paragraph 2.9, this may or may not reflect the achievable value of Grit's share in that Property.

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 30 June 2021 ²	Grit's Ownership ³	Initial yield before CAPEX
Imperial Land	Kenya, Nairobi	Land	Kutch Road, off Mombasa Road, Mlolongo, Machakos County	An unimproved cut and backfilled red soils plot with perimeter wall.	N/A	N/A	Leasehold interest for a term of 99 years from 1-11-1983 at an annual rent of KShs. 850/- (revisable). Unexpired lease term is about 61 years.	31/05/2021	USD 3,050,000	100%	-
Buffalo Mall	Kenya, Naivasha	Retail	LR No. 23399 (Part), Off Moi South Lake Road, Naivasha Town, Nakuru County	A mainly single level, partly let, modern design neighbourhood shopping centre with 40 retail units and kiosks, to be anchored by Chandarana Foodplus Supermarket as from 31 July 2021. Ancillary buildings include gate houses and a generator house. The Property has 200 parking bays.	February 2015 opening	The property is multi-let and the total monthly income according to the tenancy schedule is USD 53,521.58	L.R Number 23399 is a leasehold interest registered in the name of Thirty Six C Limited who have in turn assigned Buffalo Mall Development Limited a long term lease of 99 years dated 1-6-2004 less one day for all that premises as registered on Plan in Vol. D1 Folio 178/2960 file MMXI at peppercorn rent (if demanded) vide IF 138630.	26/05/2021	USD 6,570,000	50% USD 3,285,000	7.29%

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 30 June 2021 ²	Grit's Ownership ³	Initial yield before CAPEX
Buffalo Mall Ph2 Land	Kenya, Naivasha	Land	LR No. 23399 (part), Off Moi South Lake Road, Naivasha Town, Nakuru County	This is level, vacant land that lies adjacent to Buffalo Mall and is earmarked for the expansion of Buffalo Mall as Phase 2 & 3.	N/A	N/A	L.R Number 23399 is a leasehold interest registered in the name of Thirty Six C Limited who have in turn assigned Buffalo Mall Development Limited a long term lease of 99 years dated 1-6-2004 less one day for all that premises as registered on Plan in Vol. D1 Folio 178/2960 file MMXI at peppercorn rent (if demanded) vide IR 138630. The subject is identified as 'Phase 2 & 3 Shopping Mall' and it extends to 37,280 sq m. The subject property can be legally hived off from L.R No. 23399, registered separately and issued with its own copy of title.	26/05/2021	USD 4,310,000	50% USD 2,155,000	-

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 30 June 2021 ²	Grit's Ownership ³	Initial yield before CAPEX
Beachcomber Hospitality Resorts Mauritius	Mauritius	Hospitality	Canonmier- Route Côtière (Coastal Road), Pointe aux Canonniers, Grand Bale, Mauritius	a) Canonmier- A recently refurbished, 4-star family resort hotel developed to 283 rooms and suites spread from the foyer to the pool area and beach. The development incorporates remnants of the French fortifications dating from the 1750's and includes a mini-replica of the Mon Choissy signature golf course by Peter Matkovich. Facilities include 3 rustic restaurants; 2 beach bars; gymnasium and children's and teenager's centre.	a) Canonmier – Opened in 1989 refurbished in 2018	a) Canonmier b) Victoria and c) Mauricia - The Properties are leased on fully net, fixed rental lease terms to New Mauritius Hotels Limited (Lessee) for 15 years from 2 December 2016 to 1 December 2031. Annual rent escalations at the greater of 1% pa or the Eurostat HICP. There are 3 x 10- year renewal options. COVID-19 relief has been agreed to by way of a Lease Addendum which applies to the duration of the current lease. This provides for an additional 90 days above the current 30-day payment against invoice date. In terms of cashflow, this defers the rental escalation date by 3 months.	a) Canonmier b) Victoria and c) Mauricia – The land is leased from the Government of Mauritius for 60 years commencing on 19 July 2008 and expiring on 18 July 2068. The land rental is escalated 3 yearly over the period of the lease at the cumulative CPI (Mauritian). The land rent is paid by the hotel operator.	15/07/2021	a) USD 74,950,000 b) USD 91,230,000 c) USD 61,980,000	44.4% 44.4% 44.4% a) USD 33,277,800 b) USD 40,506,120 c) USD 27,519,120	5.64%
Comprising :			Victoria- Route Côtière (Coastal Road), Pointe aux Piments, Mauritius	b) Victoria – Opened in 1993 extended and refurbished in 2018	b) Victoria – Opened in 1993	b) Victoria – The development incorporates remnants of the French fortifications dating from the 1750's and includes a mini-replica of the Mon Choissy signature golf course by Peter Matkovich. Facilities include 3 rustic restaurants; 2 beach bars; gymnasium and children's and teenager's centre.					
a) Canonmier - Pointe aux Canonniers, Mauritius			Mauricia- Royal Road, Triplet, Grand Bale, Mauritius	c) Mauricia – opened in 1990							
b) Victoria - Pointe Aux Piments, Mauritius											
c) Mauricia - Grand Bale, Mauritius											

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 30 June 2021 ²	Grit's Ownership ³	Initial yield before CAPEX
Tamassa Resort	Mauritius, Bel Ombre	Hospitality	B9 Coastal Road, Bel Ombre, Mauritius	A 4-star rated resort and spa hotel offering 214 rooms developed across 24 freestanding multi-level villas, set back from approximately 284m of prime beach frontage. The hotel includes 3 freshwater pools, spa, several restaurants; night-club and children's club. The hotel is operated by Lux Island Resorts and was built in 2005.	Opened December 2007	Tamassa Hotel is leased to Neireide Limited, a wholly owned subsidiary of Lux Island Resorts Limited. The lease is on fully net terms for 10-years from 31 March 2017, with 3 x 10 year renewal options. The rental is payable yearly in advance in Euros, fixed at 8% of the historic price paid (USD40million) plus 20% of annual EBITDA as reported by Neireide Ltd. In terms of the COVID Act, Neireide will defer rental payments. The rental due for the months May to August 2020 was deferred for repayment by no later than 31 December 2021. As at the reporting date, a balance of €700, 708 is repayable before 31 December 2021.	The hotel land is leased from the Government of Mauritius for 19 years; 4 months and 7 days, commencing on 21 February 2005. The land rental is escalated over the period of the lease by pre-determined amounts, fully paid by the hotel operator in terms of the hotel lease. We have assumed this lease will be renewed on similar terms and conditions.	16/07/2021	USD 52,100,000	100%	8.38%
ABSA House	Mauritius, Ebene.	Commercial	Wall Street, Ebene Cybercity, Quatre Bornes, Mauritius.	A 7 storey, 'A' Grade office block with ground floor banking hall and offices above, designed around a full height atrium with roof light and internal lift and service core. The elevations incorporate alternating window and anodised aluminium plates, with full height glazing above the entrance foyer and portico. 145 open, paved parking bays are provided.	2012	The major tenant, ABSA Bank, renewed their lease for 10 years from 1 June 2018 escalating annually at CPI (Mauritian) with a min/max threshold of 1.5% to 7%. The balance of space is let to Orezone and ELCA Ltd, a multi-national IT services company with fixed annual rental escalations of 3.5%.	The development lies across two even, each held on 30-year leasehold with Business Park of Mauritius Ltd, commencing 2005 and 2006, with 3 x 30 year options to renew.	07/01/2021	USD 13,000,000	100%	7.61%

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 30 June 2021 ²	Grit's Ownership ³	Initial yield before CAPEX
Clubmed	Cap Skirring, Senegal	Hospitality	Club Med, Cap Skirring, Casamance, Senegal	Hotel resort operating as Club Med, and comprising 205 guest rooms in thatched buildings clustered in a "village" on a very large site of 87.19 hectares including F&B facilities, a 9-hole golf course, pool, tennis courts and sailing school.		The Property is leased to Société de Gestion Touristique du Cap (effectively underwritten by Club Med), and we have valued it based on the Lease dated 27 January 2020, plus Addendum No 1 dated 10 December 2020 plus Addendum No 2 dated 23 July 2021, the terms of which had been largely agreed prior to the valuation date of 30 June 2021. The contractual position is complex, but essentially the initial term runs for 12 years from the earlier of completion of the extension/refurbishment works (which the landlord will fund to a maximum of EUR 28 million although now budgeted at EUR 27.02 million) or 27 January 2024. Further notes on the contract are include in footnotes ⁴	The Property is assumed to be owned on an unencumbered freehold basis, although there is a small area of leased land on which a hydraulic drilling rig is sited where the rent is understood to be XOF 618,240 (although this would be a "pass-through" to Club Med).	19/07/2021	USD 17,230,000	50% USD 8,615,000	6.41%

4 The contract has an option for the tenant to extend by +10 years, and provides an Initial Rent (EUR 1,319,929.66 /year), and Additional Rent for the financing by the landlord of the extension /refurbishment works (+50% of the "funding cost" + 25% of the irrecoverable VAT on the "funding cost"), based on an annual return of 8%. It should be noted that the Initial Rent is currently suspended until the earlier of 31 December 2021 or the reopening of the hotel, the agreement being that the Force Majeure and Hardship Clauses in the Lease will not be invoked by Club Med during 2021. Club Med appears to be preparing to reopen, and we have assumed that it does so at the beginning of October 2021 and that the Initial Rent starts to be paid again at that time. During the period from end January 2024 until end September 2024 in accordance with clause 1.2 of Addendum No 2, and because the extension/refurbishment works will not have been completed by 27th January 2024, the Initial Rent will reduce to be based on a starting position of EUR 1,154,938 (escalated) and the Additional Rent will reduce to be based on an annual return of 7% on the drawdowns/costs. Following completion of those extension/refurbishment works (set for October 2024) the Definitive Rent is set, based on the escalated Initial Rent + 8% on the total cost of the extension/refurbishment works, on half the "funding cost" and on one quarter of the cost of irrecoverable VAT on that "funding cost". Whereas previously we have factored in probability of the Hardship Clause being invoked, we have not done so this time. As mentioned above we believe that it cannot be invoked now until next year, and the trigger for being able to invoke is based on air traffic into Dakar dropping 25% or more compared with the same time 12 months prior. As we appear now to be in a period of recovery from the coronavirus pandemic, we consider that the current arrangement means that this risk is negligible. The Lease appears to us to be effectively underwritten by Club Med. We understand that there is an advantageous tax position with little or no tax being payable for ten years, and we have assumed this to be the case and that this advantage, if still effective, can be passed on to a third-party in the event that the Property is sold in the future.

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 30 June 2021 ²	Grit's Ownership ³	Initial yield before CAPEX
Cosmopolitan Mall	Zambia, Lusaka	Retail	Cosmopolitan Shopping Mall, Kafue Dual Carriageway, Makeni, Lusaka, Zambia	Shopping mall comprising 75 retail units whose use is dominated by Fashion (22.6%), Furniture (6.6%) Banking (13.3%) and Restaurant / Pub / Cafe (8%), based on floor area.	2015	A total of 75 retail units leased on gross rental terms with United States Dollar (84%) and Zambian Kwacha (16%), CPI linked rental escalations per annum and recoveries on utility charges. The mall is variously anchored by strong multi-national tenants including Game Stores, Shoprite, and Hungry Lion. The mall is fully occupied.	The subject property is held on a statutory lease for a period of 100 years from 1 July 1975. Ownership is held in favour of Cosmopolitan Shopping Centre Limited under certificate of title number 203532.	9 th to 17 th June 2021	USD 49,890,000	50% USD 24,945,000	7.36%
Kafubu Mall	Zambia, Ndola	Retail	Katubu Shopping Mall, Corner of President Avenue and Nkana Road, Town Centre, Ndola, Zambia.	A Community Shopping Centre whose use is dominated by Fashion (26%), Restaurant/Pub/Café (18%), Banking and Furniture (3%) based on GLA.	2015	A total of 41 retail units leased on gross rental terms with United States Dollar (34%) and Zambian Kwacha (66%) based rentals, with CPI linked annual rental escalations and recoveries on utility charges. The mall is variously anchored by secure multi-national tenants including Shoprite and Hungry Lion. The mall is 96.2% occupied.	The Property is held under two separate state leases for a period of 99 years.	9 th to 17 th June 2021	USD 19,240,000	50% USD 9,620,000	7.70%

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 30 June 2021 ²	Grit's Ownership ³	Initial yield before CAPEX
Mukuba Mall	Zambia, Kitwe	Retail	Mukuba Shopping Mall, Corner of Freedom and Chiwala Avenues, Parklands, Kitwe.	A small regional shopping centre comprising 77 shops, anchored by Game, Shoprite and Pick n Pay (41%), Fashion (27%), Banking and Furniture (14%) Restaurant / Pub / Cafe (7%), based on GLA.	2015	A total of 77 retail units leased on gross rental terms in United States Dollar and Zambian Kwacha rentals, with CPI linked annual rental escalations. Recoveries are made on utility charges. The mall is variously anchored by strong multi-national tenants including Shoprite, Pick n Pay and Game. The mall is 99% occupied.	The Property is held under eleven separate state leases for a period of 99 years.	17 th June 2021 to 9 th to	USD 46,210,000	50% USD 23,105,000	8.15%
Capital Place	Ghana, Accra.	Commercial.	Plot No. A-31 Accra Airport Residential Area	Office complex comprising of 3 independent office blocks constructed on ground and two upper levels. Blocks B & C also share additional parking at basement level.	Constructed during 2013 – 2014 and opened during late 2014	There are currently 9 separate tenants and a 25.11% vacancy rate. The estimated annual rental income for 1 July 2021 to 30th June 2022 is USD 1,918,855.	50-year ground lease from 1 September 2013	21/05/2021	USD 20,300,000	47.5% USD 9,642,500	9.82%
5th Avenue Building	Ghana, Accra	Commercial	35 Osu Avenue, Cantonments, Accra	A single, modern, office building built to provide 3 floors of offices plus car parking and storage in the basement.	Opened in mid - 2014	The Property has 6 tenancies one of which (ATC) accounts for 34% of the GLA. Another tenant, GCNet, which has 53% of the Property has agreed the terms for an early termination of their lease. At the date of valuation the details of the termination had been agreed but not signed. Another small tenant has expressed a desire to terminate their lease. The remaining three leases are associated with the previous owner. The estimated annual rental for 1 July 2021 to 30 June 2022 is USD 897,128. This assumes the GCNet lease is terminated. (If the GCNet lease is not terminated then the estimated annual rental is USD 1,722,730).	50-year ground lease from 1 January 2007	21/05/2021	USD 16,440,000	100%	12.19%

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 30 June 2021 ²	Grit's Ownership ³	Initial yield before CAPEX
CADS II Building	Ghana, Accra	Commercial	Plot 70, George Bush Highway, North Dzorwulu, Accra.	Stand-alone 'L' shaped office building constructed on ground and six upper floors. There are 11-car parking spaces and ancillary buildings including a guardhouse, a generator building, water storage block and an electrical sub-station.	July 2013 opening	Site is 100% leased to Tullow Oil to 2nd June 2023. Estimated annual rental 1 July 2021 to 30th June 2022 is USD 3,178,374.	50-year ground lease from 1 January 2002	22/05/2021	USD 30,150,000	50% USD 15,075,000	9.11%

SECTION B: VALUATION REPORT IN RESPECT OF CERTAIN ASSETS IN THE NEW PORTFOLIO



The Addressees:

Grit Real Estate Income Group Limited
3rd Floor, La Croisette
Grand Baie
Mauritius

finnCap Limited
One Bartholomew Close
London EC1A 7BL
United Kingdom

Date of issue: 22 November 2021

Dear Sirs

Valuation Report in respect of certain properties in Ethiopia, Kenya, Mali, Mauritius, Morocco, Nigeria and Uganda to be owned or partially owned by Grit Real Estate Income Group Limited (“Grit” or the “Company”) or a member of its group (the “Properties” or “GREA Properties”)

Terms of engagement

Engagement of Knight Frank LLP

1.1 This valuation report (the “Valuation” or “Valuation Report”) has been prepared in accordance with our Terms of Engagement letter dated 12 November 2021 and our General Terms of Business for Valuation Services (together the “Agreement”).

This Valuation Report is required for inclusion in a combined circular and prospectus (the “Combined Document”) to be published by Grit in connection with the proposed acquisition (the “Acquisition”) of a controlling stake in Gateway Real Estate Africa Ltd (“GREA”) by Grit and the proposed admission to listing on the Official List of the Financial Conduct Authority and admission to trading on the London Stock Exchange of the new ordinary shares of the Company to be issued in connection with: (a) the Acquisition; and (b) an open offer and placing to be undertaken in conjunction with the Acquisition (the “Issue” and together with the Acquisition the “Transaction”).

Valuation standards

1.2 This valuation has been undertaken in accordance with the RICS Valuation – Global Standards 2020, incorporating the International Valuations Standards (IVS), and RICS Professional Standards UK January 2020 and other local standards. References to the “Red Book” refer to either or both of these documents, as applicable. This valuation has also been undertaken in accordance with PRR5.4.5G of the Prospectus Regulation Rules published by the FCA, and with paragraphs 128 to 130 of the European Securities and Markets Authority (ESMA) Update of the CESR Recommendations for the consistent implementation of the European Commission’s Regulation (EC) No 809/2004 on prospectuses (the “CESR Recommendations”).

Independence and expertise

Disclosure of any conflicts of interest

1.3 Knight Frank LLP was retained by the Company to value the GREA Properties (Appendix 1) in preparation for the Acquisition on 31 October 2021. Other than valuation services Knight Frank LLP has not had any material involvement with the Properties within the last 18 months or any material interest in Grit, subject to our comments below:

Uganda

- Knight Frank Uganda concluded the sale of Metroplex Mall to Gateway Delta and Grit and were involved in the initial stages of the process as agents for Gateway Delta. They are also valuers and managing agents for Metroplex Mall. Knight Frank LLP have valued Metroplex Mall on behalf of the Public Investment Corporation of South Africa.

Ethiopia

- Knight Frank LLP have valued Elevation Residence, Addis Ababa on behalf of GREA and the Public Investment Corporation of South Africa.

Mali

- Knight Frank LLP have valued DH Bamako on behalf of GREA.

Morocco

- Knight Frank LLP have worked with Grit providing property advice involving valuation and agency in Morocco.
- Knight Frank LLP are currently instructed to value AnfaPlace Mall on behalf of the Public Investment Corporation of South Africa.

Kenya

- Knight Frank LLP are currently instructed to value DH3 on behalf of the Public Investment Corporation of South Africa.

Mauritius

- Knight Frank LLP are currently instructed to value St Helene on behalf of the Public Investment Corporation of South Africa.

Board Member of Grit

- David Love is serving as a Non-Executive Independent Board Member of Grit and is also the CFO of Knight Frank Investment Management ("KFIM"). KFIM is a totally independent and different business unit than Knight Frank LLP and the valuation team involved in the engagement. Knight Frank LLP highlight that there are clear Chinese Walls between the businesses.

1.4 We confirm that we are not aware of any undisclosed matter giving rise to a potential conflict of interest and that we are providing an objective and unbiased valuation.

Valuer and expertise

1.5 The valuers, on behalf of Knight Frank LLP, with the responsibility for this report are Peter Welborn FRICS and Ian Lawrence, MRICS, RICS Registered Valuers. Parts of this valuation have been undertaken by additional valuers as listed on our file.

1.6 We confirm that the valuer and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.7 For the purposes of the Red Book, we are acting as External Valuers, as defined therein and regulations made by the Financial Conduct Authority.

1.8 In relation to Knight Frank LLP's preceding financial year, the proportion of the total fees paid by the Company to the total fee income of Knight Frank LLP was less than 5 per cent. We recognise and support the RICS Rules of Conduct and have procedures for identifying conflicts of interest.

1.9 This report has been vetted as part of Knight Frank LLP's quality assurance procedures.

Use of this Valuation

Purpose of valuation

1.10 This Valuation Report is provided for the purpose of inclusion within the Combined Document which is to be reviewed and approved by the FCA in connection with the Transaction only and may not be used for any other purpose without our express written consent. This is a condensed report for the purpose of the Prospectus Regulation Rules.

Reliance

1.11 We accept no liability to anyone for any improper or unauthorised reliance on this Valuation.

Disclosure and publication

1.12 Knight Frank LLP hereby gives consent to the inclusion of this Valuation Report in the Combined Document and to the references to this Valuation Report and Knight Frank LLP in the Combined Document. Knight Frank LLP authorises, and accordingly takes responsibility for, the contents of this Valuation Report for the purposes of Rule 5.3.2(R)(2)(f) of the Prospectus Regulation Rules and confirms that, to the best of our knowledge, the information contained in this Valuation Report is in accordance with the facts and this Valuation Report makes no omission likely to affect its import.

Limitations on liability

1.13 The Addressees agree and acknowledge that we have no liability for any error, omission or inaccuracy in the Valuation Report to the extent resulting from our reliance on information provided by or on behalf of the Addressees unless otherwise stated.

1.14 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.

1.15 We confirm that we hold adequate and appropriate PII cover for this instruction.

1.16 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.

1.17 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Scope of work

Information provided to us which we have relied upon

1.18 As agreed between the Addressees and us, we are entitled to rely upon the completeness, accuracy, sufficiency and consistency of the information set out below, and any other information supplied to us by or on behalf of the Addressees, without undertaking any additional verification. Such information has been assumed by us to be correct in all respects. If any of the information or assumptions are subsequently found to be incorrect then our valuations should be reviewed.

- Floor areas
- Building surveys
- Land plans
- Summary lease documentation
- Title documents

- Leases
- Tenancy schedules
- Specialist studies and consultancy reports relating to hospital and data centre properties
- In relation to buildings in the course of construction detailed quantity surveyor reports and development timeframes

1.19 In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from the lack of information are also set out in the relevant section of this Valuation Report.

Data room documents

1.20 We have not had practical access to data rooms but relied on information provided by Grit and their asset managers.

1.21 We have assumed that all documents provided to us by Grit or a third party are authentic and accurate; accordingly, we relied on all relevant information that has been reviewed by us on this basis and without additional verification by us.

Investigations carried out by us

1.22 In carrying out this Valuation we have undertaken verbal / web-based enquiries referred to in the relevant sections of this report. We have relied upon this information as being accurate and complete.

1.23 In all but the valuation of St Helene you have instructed us to rely on the inspections completed for the valuation of the Properties as at 30 June 2021 or 31 August 2021 where relevant. For St Helene we are instructed to inspect internally or where relevant by going onto the site, as well as externally.

1.24 Our General Terms set out the scope of our investigations.

1.25 We have been provided with floor areas upon which we were instructed to rely.

The Properties

1.26 The Properties we have valued, including the dates of inspection, are as set out in Appendix 1.

Marketing history of the properties

1.27 We understand that in 2020 Grit entered into a binding agreement with GREA for Grit to dispose of a 39.50 per cent. interest in Delta International Bahrain SPC ("DIB"), the beneficial owner of AnfaPlace Mall for a total transaction value of US\$25,488,440. We understand that Grit currently owns 60.5 per cent. of AnfaPlace Mall and that GREA owns 39.5 per cent. of AnfaPlace Mall and that, following the Acquisition, Grit will own 100 per cent. of AnfaPlace Mall.

1.28 This information has been considered by us in undertaking our valuation as background information to the valuation only.

2. Valuation

Methodology

2.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Investment method

2.2 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the Properties, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject Properties. With the benefit of such transactions we have then applied these to the Properties, taking into account size, location, terms, covenant and other material factors.

Valuation bases

Portfolios

- 2.3 In a valuation of a property portfolio, we have valued the individual Properties separately and we have assumed that the individual Properties have been marketed in an orderly way.

Market Value

- 2.4 Market Value is defined within RICS Valuation – Global Standards, adopting the definition of the International Valuation Standards, 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.”

The valuation of the Properties is completed with reference to Fair Value defined in the IVS. We opine that there is no material difference in value between Fair Value and Market Value.

Assumptions

- 2.5 Our valuation is necessarily based on a number of assumptions. Full assumptions are set out in individual property valuation reports.

Key assumptions

- 2.6 Whilst we have not provided a summary of all these assumptions here, we would in particular draw your attention to the following:

- That Freehold or Leasehold ownership interests in the Properties are fully transferable;
- All statutory documentation, including planning approval is in place for the Properties;
- All information provided by Grit or by others on Grit’s behalf including the lettable areas, current income and outgoings is correct.

Special Assumptions

- 2.7 A number of the Properties have been valued with reference to a Special Assumption as follows:

- (a) For Properties that are under construction as at the date of the Combined Document where we have provided a valuation as if the Properties are complete we have assumed that all lease agreements are signed and the Properties are income producing with no outstanding costs.
- (b) Where Properties are under construction or subject to refurbishment they are subject to conditions and/or conditional leases. In such instances we have assumed that all the conditions in the agreements are met and the owners will suffer no financial penalties.
- (c) In the case of Elevation Residence Market Value excludes the final account payment and retention. The final account and retention amount to USD 3,570,895 (USD 1,839,290 plus USD 1,731,605).

Market Value reported with a Special Assumption (Properties (a) to (c) above) may differ significantly from the Market Value of those Properties without the application of the relevant Special Assumptions.

- 2.8 Save as otherwise disclosed, it has been assumed for the purpose of valuation that the relevant interests in the Properties are free of mortgage, charge or other debt security and no deduction has been made for such charge or debt.
- 2.9 We have valued each Property separately on the basis of Market Value (i.e. as if the Property had been transacted as a single lot). We are not qualified to report on the value or comment on the value of shares in each Property which may be impacted by a number of different issues such as tax, jurisdiction, company law etc. Accordingly, the value of Grit’s share in each Property following the Acquisition that is quoted in the schedule in Appendix 1 is calculated *pro rata* simply by multiplying Grit’s percentage share in a Property following the Acquisition by that Property’s Market Value which may or may not reflect the achievable value of Grit’s share in that Property.

Material uncertainty

2.10 The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11 March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied to varying degrees and to tackle further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value.

For the avoidance of doubt this explanatory note does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared.

Valuation date

Valuation date

2.11 The valuation date is 31 October 2021.

Changes from the valuation date

2.12 In correspondence dated 18 November 2021 Grit confirmed that between the date of valuations (para 2.11) and the date of this Valuation Report there had been no material change⁸ to the information relied upon by Knight Frank to calculate values of the Properties that are not in the course of construction.

Market Value

2.13 We are of the opinion that the Market Value of the freehold or leasehold interest in the GREA Properties, subject to the existing tenancies and on the assumption of 100 per cent. ownership, at the valuation date is:

USD 266,624,174 (Two hundred and sixty-six million, six hundred and twenty-four thousand and one hundred and seventy-four United States Dollars)

2.14 The tenure of the GREA Properties as at 31 October 2021 comprises the following:

<i>Tenure</i>	<i>No of Properties</i>	<i>Market Value (representing 100% of each asset and not accounting for ownership where it is less than 100%)</i>
Freehold ⁹	6	165,924,174
Leasehold	2	100,700,000
Total	8	266,624,174

8 No Material Change⁷ in the context of this Valuation Report means that there has not been a change in information provided that would result in a change to the Market Value of greater than + or - 5 per cent.

9 Tenure at AnfaPlace Mall is assumed to be the equivalent of a freehold tenure. Original due diligence reports for the Property dated 2 May 2014 and 14 May 2012, prepared by Norton Rose Fulbright, indicates that there is “full ownership” of 33 plots of land, subject to membership of a Joint Owners’ Association which has bylaws to which the members must adhere.

DH Bamako is located on a site that is partly owned (9,290 sq m) and partly leased (825 sq m).

2.15 All of the GREA Properties with the exception of St Helene, DH Bamako and Precinct have values that exceed 5 per cent. of the aggregate valuation. St Helene, DH Bamako and Precinct Market Values amounts to 2.18 per cent., 4.13 per cent. and 4.48 per cent. of the aggregate valuation respectively.

Signed for and on behalf of Knight Frank LLP

Signature.

Peter Welborn FRICS
RICS Registered Valuer
Consultant, Knight Frank LLP
peter.welborn@knightfrank.com

Signature.

Ian Lawrence MRICS
RICS Registered Valuer
Consultant, Knight Frank LLP
ian.lawrence@knightfrank-emc.com

Appendix 1
Property Schedule

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 31 October 2021 ¹⁰	Grit's Ownership post Acquisition ¹¹	Initial yield before CAPEX ¹²
AnfaPlace Mail	Morocco, Casablanca	Retail	Boulevard de la Corniche, Casablanca, Morocco	The property principally comprises a shopping mall on three retail levels with two basement car parking levels. It includes 62 shops plus 29 "retail street" units. The development was completed in 2013 and designed by Norman Foster. It appears to be of concrete framed construction with brick-facing to the mall, and rendered facing to the retail street, under flat roofs.	Constructed in 2012/2013	The Net Operating Income for the period 31 st October 2021 to 1 st November 2022 is calculated as: MAD 40,502,055.	Valued on the assumption of the equivalent of freehold ownership.	02/06/2021	USD 79,589,174	100%	5.97%
DH3	Kenya, Nairobi	Residential	DH3, Magnolia Close, Rosslyn Estate, Nairobi, Kenya	90-unit upmarket gated estate of 16,038 sq m GLA, currently under construction.	Under construction	100% leased to United States of America for a term of 8 years. First year's rental income will be USD 4,723,835.	Freehold.	5/07/2021	USD 34,320,000 <i>The market value of the property in the event that it was complete and income producing as at the date of the valuations is USD 55,970,000</i>	50% (USD 17,160,000)	-

10 Market Value represents the Market Value for 100 per cent. of the asset and does not account for Grit's ownership following the acquisition where it would be less than 100 per cent.

11 With reference to paragraph 2.9, where Grit would own less than 100 per cent. of an asset following the Acquisition a value has been included in this column which has been calculated by multiplying Grit's percentage share in that Property following the Acquisition by that Property's Market Value. As set out in paragraph 2.9, this may or may not reflect the achievable value of Grit's share in that Property following the Acquisition.

12 Initial yield before CAPEX is defined as the result of dividing the net operating income, excluding capital expenditure (and, in the case of Elevation Residence income resulting from tenant's improvements) by the Market Value.

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 31 October 2021 ¹⁰	Ownership post Acquisition ¹¹	Grit's Initial yield before CAPEX
Metroplex Mall	Uganda, Kampala	Commercial	Metroplex Mall, Plot 2112, Plot 220, Naalya, Kampala, Uganda	Mall of 13,089 sq m GLA over two levels which has recently been refurbished and is currently being re-launched.	2010	105 retail units of which 39 have signed contracts representing 59% of the mall floor area. Anchor tenants are Carrefour, Woolworth and Cinemax.	99-year lease from 24 th July 2014.	6/05/2021	USD 27,200,000	100%	4.43%
Elevation Residence	Ethiopia, Addis Ababa	Residential	DH1, Gulele, Sub City, Woreda 2, Addis Ababa, Ethiopia	112-unit apartment building where construction has recently completed and handover in progress.	Construction complete and handover in progress.	65 apartments have been leased conditionally to the United States of America for a term of 10 years at an initial rent of USD 4,444,404 per year. 47 apartments are to be leased and being discussed with potential tenants.	60-year ground lease from 17 th September 2009.	4/01/2021	USD 73,500,000¹³ <i>The market value of the property in the event that handover was complete and the property was fully income producing as at the date of the valuations is USD76,600,000</i>	50% (USD 36,750,000)	7.60%
DH Bamako	Mali, Bamako	Residential	DH Bamako, ACI, 2000, Bamako, Mali	Land to be developed for a 45-unit diplomatic residential complex for occupation by the United States of America.	To be constructed	100% leased to United States of America for a term of 9 years. First year's rental income will be USD 4,250,125.	Mostly freehold with a small land area which is leased.	19/08/2021	USD 11,000,000 <i>The market value of the property in the event that it was complete and income producing as at the date of the valuations is USD 52,000,000</i>	92% (USD 10,120,000)	-

13 Refer to 2.7 (c) in relation to the Special Assumption made in the preparation of the Market Value.

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 31 October 2021 ¹⁰	Ownership post Acquisition ¹¹	Initial yield before CAPEX ¹²
ADC	Nigeria, Lagos	Data centre	Data centre, Plot HL-B-10b and HL-B-11, Eko Atlantic, Lagos, Nigeria	Data centre currently under construction which will have a floor area of 609.6 sq m.	Under construction	Leased to Africa Data Centre Holdings for 10 years at a rent based on 10.5% return on cost.	The Property is held by Gateway Real Estate Africa Ltd (GREA) through ADC Eco Land and LTH New Street Square Limited (LTH). We have assumed that the interest in the Property is the equivalent of a freehold interest albeit with stipulations relating to the wider Eko Atlantic project.	3/06/2021	USD 23,275,000 The market value of the property in the event that it was complete and income producing as at the date of the valuations is USD 24,471,891	100%	-
Precinct	Mauritius, Port Louis	Commercial	Fond Du Sac, Pamplémousses	A 4 level, 'P' Grade office complex to be known as "The Precinct" and currently approximately 15% into construction with completion expected in August 2022.	Under construction	Grit Service Limited: 5-year lease from 30 Sept 2022 (or completion). 2,356 sqm offices @ USD28/sq m; 33 sqm storerooms @ USD10/sq m; 12 basement parking bays @ USD100/bay/month; 48 open bays allocated. 2.5% pa rental escalation. Syndic costs USD1.99/sq m Africa Property Development Managers Ltd: 5-year lease from 30 Sept 2022 (or completion). 637 sqm offices @USD28/sq m; 3 basement parking bays @ USD100/bay/month; 12 open bays allocated 2.5% pa rental escalation; Syndic costs USD1.99/sq m Dentons Mauritius LLP: 5 year lease from 1 Oct 2022 (or completion). 800 sqm offices @ USD16/sq m; 3 basement parking bays @ USD100/bay/month; 16 open bays allocated 3% pa rental escalation; Syndic costs at USD1.98/sq m.	28/05/2021	USD 11,940,000 The market value of the property in the event that it was complete and income producing as at the date of the valuations is USD 30,400,000	50% (USD 5,970,000)	-	

Property Name	Country/City	Sector	Address	Description	Approx. Age	Tenancies	Tenure	Date of Inspection	Market Value 31 October 2021 ¹⁰	Ownership post Acquisition ¹¹	Grit's Initial yield before CAPEX ¹²
St Helene	Mauritius, Port Louis	Healthcare	Curepipe-Phoenix Road (A10) Road, Pamplémousses	<p>The Property is being built on freehold land in Curepipe in the district of Pamplémousses, Mauritius. It is adjacent to the St Helene Church with frontage onto the Curepipe-Phoenix Road (A10) Road. This location is quite central within the island of Mauritius.</p> <p>St Helene will be an 80-bed, multi-speciality hospital offering a full range of medical treatments with Cardiology, Orthopaedics, General Surgery, Gastroenterology, Urology, Obstetrics and Gynaecology being the main specialities.</p> <p>Key features of the hospital include:</p> <ul style="list-style-type: none"> the latest radio diagnostic technology (CT, MRI, USG, etc.); Cath Lab (for invasive cardiac procedures) and a fully non-invasive cardiology unit; three functional operating theatres; a fully-equipped, 10-bed Intensive Care Unit; an Endoscopic Suite; a Urology Lab; causality with 3 bedded triage and procedure room; and a comprehensive mother-and-child programme (Neonatology Unit). 	Under construction	<p>Once completed the Property will be leased to a single tenant - Polyclinique de L'ouest Ltée. The lease is for a period of 15 years with the tenant having an option to renew for a further 15 years. The rent is equal to 10.5% of the Project Cost payable monthly in advance. Based upon current costs the initial rent will be USD 2,127,148 per annum rent starting upon completion which is scheduled for January 2023. The rent is subject to an annual increase in line with the European Harmonised Index of Consumer Prices subject to a minimum increase of 2%. A rent reserve is to be made available by the Tenant and equivalent to the shortfall between the rent payable and the EBITDA forecast for the first year of operation. The Tenant is also to enter into a Rent Guarantee Agreement with the FSA. The Tenant will set aside an additional sum to cover the annual rent guarantee renewal fee. The Lease has been concluded on the basis that it is intended to be a triple net or fully repairing, maintaining and insuring lease.</p>	Freehold	12/11/2021	USD 5,800,000 The market value of the property in the event that it was complete and income producing as at the date of the valuations is USD 24,315,000	48.25% (USD 2,798,500)	-

PART X
PROPERTY VALUATION REPORT PREPARED BY REC-REAL ESTATE CONSULTING,
LDA IN RELATION TO CERTAIN ASSETS IN THE EXISTING PORTFOLIO
AND IN THE NEW PORTFOLIO

Edifício TVSD
Av. Vladimir Lenine, nº3071,
5º andar, Maputo
Moçambique

22 November 2021

For the attention of:
Grit Real Estate Income Group Limited
PO Box 186
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 4HP

finnCap Ltd
One Bartholomew Close
London EC1A 7BL
United Kingdom

Dear Sirs,

GRIT REAL ESTATE INCOME GROUP LIMITED

MOZAMBIQUE PORTFOLIO VALUATION

1. INSTRUCTIONS

In accordance with instructions received from Grit Real Estate Income Group Limited ("**Grit**") and finnCap Ltd ("**finnCap**") dated August 2021, REC – Real Estate Consulting, Lda ("**REC**", "**we**" or "**us**") have undertaken a valuation of the properties described in Schedule 1 (the "**Properties**" and each a "**Property**") (together the "**Portfolio**"). The Portfolio comprises 9 Properties owned by Grit (or a member of its group). We understand that this Valuation Report is required for inclusion in a combined circular and prospectus (the "**Document**") to be produced pursuant to Part VI of the Financial Services and Markets Act 2000 in connection with the proposed issue of new ordinary shares in the capital of Grit and the proposed acquisition by Grit of an equity stake in Gateway Real Estate Africa Limited ("**GREA**").

This Valuation Report has been undertaken in accordance with: (i) the current editions of RICS Valuation – Global Standards, which incorporate the International Valuation Standards ("**Red Book**"); (ii) Rule 5.4.5G of the Prospectus Regulation Rules published by the Financial Conduct Authority (the "**Prospectus Regulation Rules**"); and (iii) paragraphs 128 to 130 of ESMA Update of the CESR Recommendations for the consistent implementation of the European Commission's Regulation (EC) No 809/2004 implementing the Prospectus Directive (as now applicable to the UK Prospectus Regulation) (the "**CESR Recommendations**"). For the purposes of this letter, "**UK Prospectus Regulation**" shall mean Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended).



This document was prepared under the supervision of an RICS Member

2. DATE OF VALUATION

Our opinions of Market Value for the Properties in the Portfolio are as at 30 June 2021 with the exception of Acacia Estate in which case our opinion of Market Value is as at 31 October 2021.

It has been formally confirmed in writing to us by Grit that there are no material changes in circumstances between the dates of the valuations 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

This Valuation Report is related to the valuation of Grit's portfolio in Mozambique.

The portfolio comprises 9 properties held for investment purposes and located in Maputo, Tete and Cabo Delgado provinces, Mozambique. 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. The portfolio is briefly described below:

Office segment

- Commodity House Phases 1 and 2 - two office buildings, developed on the same plot of land, of high-quality institutional investment stock, currently let to reputable blue-chip tenants;
- Hollard Building – office building in the new CBD of Maputo, known for its distinctive architecture and for housing the HQ in Mozambique of high-profile companies such as KPMG, Hollard or BP Mozambique;
- Vodacom Building – office building in the new CBD of Maputo and fully occupied by Vodacom's headquarters.

Corporate accommodation residential segment

- Acacia Estate – 76-unit luxury housing complex in Maputo tenanted by the US Embassy and the Oil&Gas company Total;
- Vale dos Embondeiros Housing Estate – prime corporate accommodation housing complex in Tete serving primarily the needs of mining industry players.

Retail segment

- Zimpeto square – convenience shopping centre located in the outskirts of Maputo;
- Mall de Tete – convenience shopping centre in Tete city.

Light Industrial segment

- Bolloré Warehouse – a recently redeveloped warehouse compound strategically located near the port of Pemba in Cabo Delgado province, having Bolloré Logistics as its anchor tenant.

Grit holds a 100% interest in all of the Properties, except for Acacia Estate where it holds a 53.45% interest. The remaining 46.55% interest is held by GREA.

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 advisers. 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 relied on title documentation and leases together with tenancy schedules provided by Grit. We understand that the Properties have good and marketable titles 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 RICS Code of Measuring Practice (6th Edition).

Building Surveys: We did not have access to Building Surveys on each of the Properties 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 buildings. We assume that the structure has been properly maintained and used according to the specification for which it was intended.

Environmental Surveys: We have not been provided with any Environmental Impact Studies for any of the Properties.

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 Nuno Tavares MRICS. 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:

- REC provides regular valuation services in relation to Grit's assets in Mozambique and has previously valued these assets for audit purposes. Two of the assets were also valued for inclusion in a previous prospectus.

In the financial year preceding the date of this Valuation Report, the total fees payable by GRIT were between 5% and 10% of the total combined fee income of REC – Real Estate Consulting, Lda.

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

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 Properties have been valued on the basis of Market Value which is defined 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.”

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 any of the assets valued.

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.

The valuations are compliant with the International Valuation Standards and are in accordance with paragraphs 128 to 130 of the ESMA update of the CESR recommendations.

6.2 Valuation Methodology

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 capitalization process. Capitalization 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.

In our DCF calculations we have considered the Net Operating Income to be generated by each asset over a period of 10 years discounted to the present date using a discount rate reflective of both the ARY and the expected growth in the market. To the sum of the discounted net annual value of the cash flow we have added an amount that represents an estimate of the value of the Property upon reversion at the end of the cash flow period. This 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 capitalized at a reversionary yield reflective of the perceived risk.

In our DCF calculation we have considered the following rates:

<i>Property</i>	<i>All Risks Yield Initial Yield</i>	<i>Discount Rate</i>	<i>Reversionary All Risks Yield Exit Yield</i>
Commodity House Phase 1	7.00%	9.50%	7.50%
Commodity House Phase 2	7.00%	9.50%	7.50%
Hollard Building	7.50%	10.00%	8.00%
Vodacom building	7.50%	10.00%	8.00%
Acacia Estate	7.00%	9.50%	7.50%
Vale dos Embondeiros Housing Estate	9.25%	11.75%	9.75%
Zimpeto Square Shopping Centre	8.00%	10.50%	8.50%
Mall de Tete	8.50%	11.00%	9.00%
Bolloré Warehouse	8.00%	10.50%	8.50%

6.3 Market Value of Grit's Portfolio

We are of the opinion that the aggregate Market Value of the Properties in the Portfolio, as at 30 June 2021 (and as at 31 October 2021 in the case of Acacia Estate), is:

<i>Property Name</i>	<i>Market Value of the Property</i>	<i>Market Value of the surplus land</i>
Commodity House Phase 1	US\$ 47,214,000	N/A
Commodity House Phase 2	US\$ 19,047,000	N/A
Hollard Building	US\$ 20,816,000	N/A
Vodacom building	US\$ 49,624,000	N/A
Acacia Estate	US\$ 70,228,000	N/A
Vale dos Embondeiros Housing Estate	US\$ 54,747,000	US\$ 2,799,000
Zimpeto Square Shopping Centre	US\$ 4,407,000	US\$ 180,000
Mall de Tete	US\$ 14,552,000	US\$ 1,400,000
Bolloré Warehouse	US\$ 9,012,000	N/A
Total Aggregated Market Value	US\$ 289,647,000	US\$ 4,379,000

Total Market Value amounts to: **US\$ 294,026,000 (TWO HUNDRED NINETY-FOUR MILLION AND TWENTY-SIX THOUSAND UNITED STATES DOLLARS)**.

The total valuation figure reported considers both the Properties and surplus land (where applicable) and takes into consideration a 100% ownership.

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 realization have been reflected in accordance with local market practice.

We have been advised by Grit that Acacia Estate is owned by an entity in which Grit owns 53.45% of the shares and GREA owns 46.55% of the shares. The following apportionments of the Market Value have therefore been calculated for this Property:

<i>Acacia Estate</i>	<i>Ownership</i>	<i>Apportionment of Market Value</i>
Grit Real Estate Income Group Limited	53.45%	US\$ 37,536,866
Gateway Real Estate Africa Limited	46.55%	US\$ 32,691,134

These figures do not reflect an opinion of the Market Value of the SPV entity or the interest of either Grit or GREA therein.

7. DISCLOSURE AND PUBLICATION

This Valuation Report has been prepared for inclusion in the Document. We hereby give consent to the inclusion of this Valuation Report in the Document and to the references to this Valuation Report and REC – Real Estate Consulting, LDA in the Document in the form and context in which they appear. For the purposes of Prospectus Regulation Rule 5.3.2(R)(2)(f), we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge, the information contained in this Valuation Report is in accordance with the facts and the Valuation Report makes no omission likely to affect its import. This Valuation Report complies with Rule 5.4.5G of the Prospectus Regulation Rules and paragraphs 128 to 130 of the CESR Recommendations.

Yours faithfully,

Nuno Tavares MRICS
Partner

For and on behalf of
REC Real Estate Consulting

SCHEDULE 1:

<i>Property Name</i>	<i>Sector</i>	<i>Address</i>	<i>City/Region</i>	<i>Country</i>	<i>Description</i>	<i>Approx. Age</i>	<i>Tenancies</i>	<i>Date of Inspection</i>	<i>Market Value 30 June 2021</i>
Commodity House Phase 1	Office	Avenida Julius Nyerere N. 3412	Maputo City	Mozambique	<p>Commodity House "Phase 1" building is part of a real estate development comprising two office buildings, each with independent access, located on a plot of land with an area of 4,139.21 sqm.</p> <p>Commodity House "Phase 1" is a 10-floor building, 6 of which above ground with a leasable area of 7,702 sqm. The building has a total of 24 office spaces and 169 parking spaces dedicated to the offices. The ground floor comprises reception, 4 offices, canteen and toilet facilities. The floors 1 to 5 have 4 offices and common toilet facilities. The underground levels are allocated to parking and technical areas. The private office areas were fitted-out by the tenants to their specifications.</p>	2013	<p>The asset is fully leased to grade-A tenants, including TOTAL E&P Mozambique Area 1 Limitada, ExxonMobil and PTTEP.</p> <p>TOTAL occupies c. 88% of the Property's GLA with most office spaces contracted until 2028.</p>	7 May 2021	US\$ 47,214,000 (100% ownership of the Property)
Commodity House Phase 2	Office	Avenida Julius Nyerere N. 3412	Maputo City	Mozambique	<p>Commodity House "Phase 2" building is part of a real estate development comprising two office buildings, each with independent access, located on a plot of land with an area of 4,139.21 sqm.</p> <p>Commodity House Phase 2 is a 6-floor building, 3 of which above ground with a leasable area of 3,167 sqm. The building has a total of 5 office spaces and 83 parking spaces dedicated to the offices. The ground floor comprises reception, lobby and toilet facilities. The floors below ground are intended for parking. Part of floor 1 below ground also comprises office spaces and sanitary facilities.</p>	2017	<p>The asset is 100% leased to a single blue-chip tenant – Exxon Mobil.</p> <p>Exxon's lease contract includes an annual rental escalation of 3.5% and expires in 2024.</p>	7 May 2021	US\$ 19,047,000 (100% ownership of the Property)

<i>Property Name</i>	<i>Sector</i>	<i>Address</i>	<i>City/Region</i>	<i>Country</i>	<i>Description</i>	<i>Approx. Age</i>	<i>Tenancies</i>	<i>Date of Inspection</i>	<i>Market Value 30 June 2021</i>
Hollard Building	Office	Rua nº 1233	Maputo City	Mozambique	<p>Hollard Building is located in the new Maputo CBD in a mixed-use area, characterized by office buildings for the medium and medium-high segment.</p> <p>The Property consists of a building inserted in a land plot of about 4,015.8 sqm, with a total leasable area of 5,051.4 sqm, divided in two distinct blocks each with its own pedestrian entrance and parking basement. The building comprises 5 floors above ground, including four floors dedicated to office spaces and two residential apartments on the fifth floor. It also includes a basement for technical areas, as well as covered and non-covered parking bays.</p> <p>The circulation area finishes include ceramic tile flooring whereas the private office areas were fitted-out by the tenants to their specifications.</p> <p>The building provides 109 parking spaces, of which 66 are covered.</p>	2008	<p>97% of leasable area is taken up by 9 grade A tenants such as KPMG, Hollard, The British Council, BP Mozambique, Absa Bank and Capital Bank.</p> <p>Main tenant (KPMG) accounts for c. 30% of total GLA on a long term lease agreement (expiring in 2028).</p>	7 May 2021	US\$ 20,816,000 (100% ownership of the Property)
Vodacom Building	Office	Rua dos Desportistas, Nº 649	Maputo City	Mozambique	<p>This Property is located in the new Maputo CBD in a mixed-use area, characterized by office buildings for the medium and medium-high segment.</p> <p>Vodacom building, with 10,835.96 sqm of GLA, consists of 15 floors above ground with offices, one basement for technical areas and parking spaces and a parking silo with 5 floors above ground with a total of 335 parking spaces. The Property is inserted in a land plot of 3,680 sqm.</p>	2009	<p>The Property is fully let by a single tenant – Vodacom Moçambique.</p> <p>Vodacom's lease agreement renewed in 2020 with an expiry date in 2025 and a YoY rental escalation of 3%.</p>	7 May 2021	US\$ 49,624,000 (100% ownership of the Property)

<i>Property Name</i>	<i>Sector</i>	<i>Address</i>	<i>City/Region</i>	<i>Country</i>	<i>Description</i>	<i>Approx. Age</i>	<i>Tenancies</i>	<i>Date of Inspection</i>	<i>Market Value 31 October 2021</i>
Acacia Estate	Corporate residential accommodation	Rua do Rio Inhamiara, No 314	Maputo City	Mozambique	<p>Acacia Estate is located in the Sommerschild II neighbourhood, a premium residential area comprised predominantly of residential condominiums aimed at the medium-high and high segments.</p> <p>The Property consists of a residential condominium inserted in a land plot with an area of 23,500.06 sqm. The condominium has a leasable area of 18,400 sqm corresponding to a total of 76 residential units (8 houses and 68 apartments) distributed in 3 distinct blocks.</p> <p>The condominium includes a clubhouse consisting of a 2-storey building that offers an exclusive area on the ground floor for residents of the condominium for leisure and events and on the top floor a condominium management office. The leisure area provides a bar, kitchen and covered patio. The first floor is made up of a reception, meeting room, canopy, toilet and an open space.</p> <p>The clubhouse also provides two swimming pools, a jungle gym, a gym with changing rooms, an ATM machine and 13 parking spaces.</p>	Completed in 2016	<p>Apart from a single unit that is temporarily vacant (until the end of November), the Property is fully let to blue chip tenants, with the Embassy of the United States of America and Total E&P Mozambique Area 1 Limitada as the main anchor tenants.</p> <p>At 31 October 2021 the former occupies 35 units on a lease contract expiring in 2023 while the latter takes up another 37 units with expiry date in 2024.</p> <p>5 units currently let to Total E&P Mozambique Area 1 Limitada will be relinquished by this tenant at the end of November 2021. The US Embassy has expressed interest in taking up these units and a new lease agreement is currently being finalized between Grit and the US Embassy.</p>	7 May 2021	<p>US\$ 70,228,000 (100% ownership of the Property)</p> <p>US\$ 37,536,866 (Grit's ownership – 53.45%)</p> <p>US\$ 32,691,134 (GREA's ownership – 46.55%)</p>

<i>Property Name</i>	<i>Sector</i>	<i>Address</i>	<i>City/Region</i>	<i>Country</i>	<i>Description</i>	<i>Approx. Age</i>	<i>Tenancies</i>	<i>Date of Inspection</i>	<i>Market Value 30 June 2021</i>
Vale dos Embondeiros Housing Estate	Corporate residential accommodation	Zambia Road, No. 8,027, Chingodzi	Tete City	Mozambique	<p>The Property consists of a residential condominium developed in a land parcel measuring circa 25 ha in total, divided into two plots of land of 9.5ha and 15.5ha respectively.</p> <p>The 9.5ha plot comprises a block of 40 2-bedroom apartments and a block of 83 3-bedroom villas with a total of 17,070.9 sqm of GLA. The second plot (15.5 ha) comprises a block of 20 2-bedroom apartments with 1,800 sqm of GLA plus another recently developed 60 units (a block of 40 2-bedroom apartments and a block of 20 3-bedroom villas) with an area of 6,846 sqm.</p> <p>The Property also comprises recreational facilities such as clubhouse, swimming pool, social area, tennis court, football and volleyball fields.</p> <p>Available land in the Property has potential for additional real estate mixed-use and/or other developments.</p>	2010 (with additional 60 units added in 2019)	<p>The Property is fully occupied by VALE (anchor tenant, taking up 182 units) and Tsebo Servco (40 units commercially explored as short term B&B accommodation).</p> <p>Notwithstanding VALE's recent announcement of their intention to dispose of their mining assets in Tete, current contracts secure the corresponding rental cash flows until 2024.</p>	6 May 2021	<p>US\$ 54,747,000 (100% ownership of the Property)</p> <p>US\$ 2,799,000 (surplus land)</p>

<i>Property Name</i>	<i>Sector</i>	<i>Address</i>	<i>City/Region</i>	<i>Country</i>	<i>Description</i>	<i>Approx. Age</i>	<i>Tenancies</i>	<i>Date of Inspection</i>	<i>Market Value 30 June 2021</i>
Zimpeto Square Shopping Centre	Retail	Avenida de Moçambique, land plot A1, Nº 851	Maputo City	Mozambique	<p>Zimpeto Square is located in KaMbukuane District, in Maputo City, Mozambique, approximately 15.0 km north-east of the Maputo city centre, in a high population density area. The Property benefits from excellent vehicular, pedestrian and public transportation access. The Property can be easily reached by private and public transportation from National Road No 1, the main access handling most of the traffic coming in and out of the city centre.</p> <p>Recent investments were made to improve access to the Property and its visibility. A small portion of land (approximately 250.0 sqm) was recently added to the Property to enable the new access.</p> <p>The Property includes a Shopping Centre with 4,769.19 sqm of GLA comprised of separate retail blocks in an L-shape configuration, with 12 stores and 135 parking places for visitors, inserted in a land plot of about 13,618.5 sqm.</p> <p>Available land in the Property has potential for additional real estate mixed-use and/or other developments.</p>	2012	<p>The asset is currently leased to 10 tenants of which we highlight VIP Spar (anchor tenant occupying 1780 sqm with lease term to 2024), Vodacom, BIM and PEP.</p> <p>The retail centre has 4 vacant spaces, accounting for c. 38.4% of total GLA, including the Property's entire 1st floor.</p> <p>The majority of the leases expire in 2022 and 2023.</p>	7 May 2021	<p>US\$ 4,407,000 (100% ownership of the Property)</p> <p>US\$ 180,000 (surplus land)</p>

<i>Property Name</i>	<i>Sector</i>	<i>Address</i>	<i>City/Region</i>	<i>Country</i>	<i>Description</i>	<i>Approx. Age</i>	<i>Tenancies</i>	<i>Date of Inspection</i>	<i>Market Value 30 June 2021</i>
Mall de Tete	Retail	National Road 103, Chingodzi	Tete City	Mozambique	<p>The Property is located in Chingodzi Neighbourhood, Tete District, the capital city of the Tete Province, approximately 3.5 km north-east of the Tete city centre (Eduardo Mondlane Av.). The site has excellent car, pedestrian and public transport access provided by National Road N° 7.</p> <p>The Property is inserted in a land plot with a total area of 74,010 sqm. The asset consists of a Shopping Centre with 11,581 sqm of GLA (Gross Leasable Area), 32 stores, with Shoprite as the anchor tenant (occupying approximately 3,194 sqm) and 419 parking spaces.</p> <p>A filling station with an implantation area of about 2,600 sqm is planned to be built in this Property.</p> <p>Available land in the Property has potential for additional real estate mixed-use and/or other developments</p>	2016	<p>The asset is leased to 17 different tenants including Shoprite as anchor (with a long-term lease expiring in 2028), KFC, Studio 88, PEP and New Macau Casino.</p> <p>Five of the tenants are currently on a month to month tenancy while longer term contracts are being negotiated.</p> <p>There are currently 3,604 sqm of vacant space, accounting for 31.7% of total GLA.</p>	6 May 2021	<p>US\$ 14,552,000 (100% ownership of the Property)</p> <p>US\$ 1,400,000 (surplus land)</p>
Bolloré Warehouse	Light industrial	Plots No. 556, 1111 and 2945 located on the corner of Av. da Marginal and Rua No. 1, Port Area, Pemba	Pemba	Mozambique	<p>The Property is located at Pemba City, Cabo Delgado, approximately 1.8 km South-west of the Pemba Bay and strategically located to serve the port's activities and logistics companies.</p> <p>Bolloré Warehouse accommodates several offices and warehouses that until recently provided approximately 5,855.4 sqm of lettable space.</p> <p>The Property is under refurbishment and redevelopment construction works (due to be completed in 2021), that will entirely change the buildings setup and aesthetics.</p> <p>The new setup of the Property consists of a total of 7,407.05 sqm of GLA subdivided into 1,350.5 sqm of new office spaces, 3,540.2 sqm of renewed warehouse space, 469.7 sqm of refurbished office spaces and 2,046.6 sqm of refurbished warehouses.</p>	Property completely redeveloped in 2020 and 2021	<p>Bolloré Logistics is currently the single tenant of the Property, occupying c. 46% of the total GLA to be provided by this asset once the renovations are complete.</p> <p>Bolloré lease agreement expires in 2025.</p> <p>The GLA not taken by Bolloré (3,540.2 sqm of renewed warehouse space) is due to be ready to enter the market in Q4 2021.</p>	10 May 2021	<p>US\$ 9,012,000 (100% ownership of the Property)</p>

PART XI

TAXATION

The content of this Part XI (*Taxation*) is not to be construed as tax advice. You should consult your tax adviser for tax advice. The tax legislation of the jurisdiction in which you are resident, and of the Company's country of incorporation, may have an impact on the income received from securities.

1 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.

1.1 *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 generally be subject to UK income tax or UK corporation tax, except on certain types of UK source income.

1.2 *Investors – dividends*

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 and any available exemption, allowance or relief, 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

Shareholders who are resident and domiciled in the UK for taxation purposes may, depending on their circumstances, be liable to UK income tax in respect of dividends paid by the Company.

All dividends received from the Company by an individual Shareholder who is resident and domiciled in the UK will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax, form part of the Shareholder's total income for income tax purposes and will represent the highest part of that income.

A nil rate of income tax will apply to the first £2,000 of dividend income received by an individual Shareholder in a tax year from 6 April 2019 (the “**Nil Rate Amount**”), regardless of what tax rate would otherwise apply to that dividend income. Any dividend income received by an individual Shareholder in a tax year in excess of the Nil Rate Amount will be subject to income tax at the following dividend rates for 2021/22: 7.5 per cent. for basic rate taxpayers; 32.5 per cent. for higher rate taxpayers; and 38.1 per cent. for additional rate taxpayers. Following the publication of the UK Finance (No. 2) Bill on 4 November 2021 the dividend tax rates mentioned in the previous sentence will each be increased by 1.25 percentage points from 6 April 2022.

Dividend income that is within the dividend nil rate amount counts towards an individual’s basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the nil rate amount falls, savings and dividend income are treated as the highest part of an individual’s income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

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 provided certain conditions are met (including an anti-avoidance condition and that the Company is not a dual tax resident company).

Other Shareholders within the charge to UK corporation tax which are not “small companies” will be liable to corporation tax on dividends paid by the Company on the Ordinary Shares unless the dividends fall within an exempt class and certain conditions are met. Examples of exempt classes include dividends paid on shares that are “ordinary shares” (that is shares that do not carry any present or future preferential right to dividends or to the Company’s assets on its winding up) and which are not “redeemable”, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made). However, it should be noted that the exemptions are not comprehensive and are subject to anti-avoidance rules. Shareholders should therefore consult their own professional advisers where necessary.

1.3 Investors – chargeable gains

Acquisition of Ordinary Shares pursuant to Open Offer

As a matter of UK tax law, the acquisition of Ordinary Shares pursuant to the Open Offer may not, strictly speaking, constitute a reorganisation of share capital for the purposes of UK taxation of chargeable gains. The published practice of HMRC to date has been to treat a subscription for shares by an existing shareholder which is equal to or less than the shareholder’s minimum entitlement pursuant to the terms of an open offer as a reorganisation, but it is not certain that HMRC will apply this practice in circumstances where an open offer is not made to all shareholders. HMRC’s treatment of the Open Offer cannot therefore be guaranteed and specific confirmation has not been requested in relation to the Open Offer.

To the extent that the acquisition of Ordinary Shares pursuant to the Open Offer is regarded as a reorganisation of the share capital of the Company for the purposes of UK taxation of chargeable gains, the new Ordinary Shares issued to a Shareholder will be treated as the same asset as, and as having been acquired at the same time as, the Shareholder’s existing holding of Ordinary Shares. The amount of subscription monies paid for the new Ordinary Shares will be added to the base cost of the Shareholder’s existing holding of Ordinary Shares.

To the extent that Ordinary Shares are acquired pursuant to the Open Offer in excess of the Shareholder’s Open Offer Entitlement, the acquisition of such excess Ordinary Shares will not be treated as a reorganisation of the share capital of the Company for the purposes of UK taxation of chargeable gains.

If, or to the extent that, the acquisition of new Ordinary Shares under the Open Offer is not regarded as a reorganisation of the share capital of the Company for the purposes of UK taxation of chargeable gains, the new Ordinary Shares will generally be treated as having been acquired as part of a separate

acquisition of shares, with the base cost for those Ordinary Shares being calculated by reference to price paid for them.

The issue of Ordinary Shares pursuant to the Placing will not constitute a reorganisation of the share capital of the Company for the purposes of UK taxation of chargeable gains and, accordingly, will generally be treated as a separate acquisition of shares, with the base cost for those Ordinary Shares being calculated by reference to price paid for them.

Disposals of Ordinary Shares

Shareholders that are not UK resident will not generally be subject to UK taxation of chargeable gains on a disposal of their Ordinary Shares, provided that their Ordinary Shares are not and have not been acquired, held or used in or for the purposes of any trade, profession or vocation carried on by the Shareholder in the UK through a branch, agency or permanent establishment. This also assumes that the Company does not fall to be treated for UK tax purposes as deriving 75 per cent. or more of its value from interests in UK land.

It should be noted that, in certain circumstances, an individual Shareholder who is only temporarily non-UK resident may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals (or deemed disposals) which occurred in the period of temporary non-residence.

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.

Shareholders within the charge to UK capital gains tax

For an individual Shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on disposal of shares is 10 per cent. (2021/22) for individuals who are subject to income tax at the basic rate and 20 per cent. (2021/22) for individuals who are subject to income tax at the higher or additional rates. An individual Shareholder is entitled to realise an annual exempt amount of gains (currently £12,300) for the year to 5 April 2022 without being liable to UK capital gains tax.

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 (currently at a rate of 19 per cent. but scheduled to rise to 25 per cent. on 1 April 2023) on any chargeable gains made on disposal (or deemed disposal) of the Ordinary Shares.

1.4 **Stamp duty and stamp duty reserve tax ("SDRT")**

The issue of Ordinary Shares pursuant to the Issue should not be subject to UK stamp duty or stamp duty reserve tax ("SDRT").

No SDRT should generally be chargeable in respect of an agreement to transfer Ordinary Shares provided that the Ordinary Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Ordinary Shares are not paired with any shares issued by a company incorporated in the UK.

Subject to an exemption for certain low value transactions where the aggregate consideration is certified as being £1000 or less, UK stamp duty (at the rate of 0.5 per cent. of the value of the consideration, rounded up where necessary to the nearest £5) is in principle chargeable in respect of any instrument transferring Ordinary Shares which is executed in the UK or which relates to any matter or thing done or to be done in the UK. As a practical matter, however, it may not be necessary to pay UK stamp duty in respect of such an instrument of transfer unless and until the instrument is required to be adduced in evidence before the UK courts in civil proceedings or used for any other official purpose in the UK. Shareholders should seek professional tax advice as to the consequences of not stamping an instrument of transfer in these circumstances, including as to potential liabilities to interest and penalties should the instrument subsequently need to be stamped for any reason.

The cost of any stamp duty or SDRT that arises in connection with a transfer of Ordinary Shares would normally be borne by the purchaser.

1.5 **Individual Savings Accounts (“ISAs”)**

Ordinary Shares acquired pursuant to the Open Offer or in the secondary market (but not Ordinary Shares acquired directly under the 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.

1.6 **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.

2 Mauritian Taxation

The following is a summary of some of the anticipated tax treatment affecting the Company and its Shareholders and intended only as a general guide. It does not constitute legal or tax advice.

Shareholders must consult their own professional advisors on the taxation implications of acquiring, holding or disposing of Ordinary Shares under the laws of the jurisdiction in which they are citizens or residents, they conduct a business or are otherwise liable to taxation.

This summary is based on the current taxation law and practice, both of which are subject to change (potentially with retroactive effect) following future enactments and decisions from courts or other authorities.

2.1 **The Company**

The Company is tax resident in Mauritius because its central management and control is in Mauritius.

The Company is registered as a foreign company in Mauritius. It holds a Global Business Licence issued by the Mauritian Financial Services Commission according to the Financial Services Act 2007.

The Company will be chargeable to Mauritius income tax at the rate of fifteen per cent. (15 per cent.).

The Company is allowed to claim the actual foreign tax paid, including underlying tax, on foreign source income as a tax credit against its Mauritian tax payable arising on such income.

The Company can also claim a partial income exemption of 80 per cent. (PIE) on foreign dividend and interest income. However, the PIE cannot be claimed if the actual foreign tax credit has been claimed.

Consequently, the Company's effective tax rate may be reduced to a maximum of three per cent. (3 per cent.). In addition, any profit derived from the sale of securities is specifically exempt from tax.

The Company will apply for a tax residence certificate from the Mauritius Revenue Authority as evidence of this 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.

2.2 **Shareholders**

Mauritius has no withholding tax on dividends paid out of retained earnings by the Company to any Shareholder.

Mauritius has no withholding tax on any gains or profits derived from the sale of Ordinary Shares or other securities.

2.3 **Mauritian resident Shareholders**

Gains or profits derived by a person from the sale of shares are exempt from tax.

PART XII

ADDITIONAL INFORMATION

1. The Company

- 1.1 Grit Real Estate Income Group Limited 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. On 4 February 2021 the Company completed the migration of its corporate domicile from Mauritius to Guernsey as a non-cellular company, registered under the Companies (Guernsey) Law, 2008, as amended (the “**Companies Law**”) with registered number 68739. The principal piece of legislation under which the Company operates and under which the Ordinary Shares are created is the Companies Law. The Company has been registered as a foreign company in Mauritius and holds a Global Business Licence issued by the Mauritian Financial Services Commission.
- 1.2 The registered office of the Company is at PO Box 186, Royal Chambers, St Julian’s Avenue, St Peter Port, Guernsey GY1 4HP (telephone number +44 (0)1481 723 466) and the address and telephone number of its principal place of business is 3rd Floor, La Croisette Shopping Mall, Grand Baie, Mauritius (telephone number +230 269 7090).
- 1.3 The Company’s website address is <https://grit.group/>. The information contained in the Company’s website does not form part of this prospectus, save to the extent that such information has been expressly incorporated by reference into this prospectus.
- 1.4 The liability of the members of the Company is limited.

2. Share capital of the Company

- 2.1 The issued share capital of the Company as at the Latest Practicable Date is set out below. All the issued share capital of the Company is denominated in US Dollars and is fully paid.

<i>Class</i>	<i>Number</i>
Ordinary shares of no par value	331,235,546

- 2.2 As at the Latest Practicable Date there were 12,545,758 Ordinary Shares held in treasury.
- 2.3 As at 30 June 2021:
- 2.3.1 other than in connection with the Grit Share Incentive Plan, no share capital was under option or award or agreed conditionally or unconditionally to be put under option or award;
- 2.3.2 no person has any acquisition rights and/or obligations over authorised but unissued capital;
- 2.3.3 the Company has not given any undertaking to increase the capital of the Company; and
- 2.3.4 the Company has not issued any convertible securities, exchangeable securities or securities with warrants which remain outstanding.
- 2.4 There are no restrictions on the free transferability of the Ordinary Shares under the Articles.
- 2.5 All of the Existing Ordinary Shares are admitted to: (i) listing on the premium segment of the Official List; (ii) trading on the premium segment of the London Stock Exchange’s main market for listed securities; and (iii) trading on the Official Market of the SEM in accordance with the SEM Rules.

3. Articles of Incorporation

The Articles of Incorporation, which were adopted by special resolution of the Company on 28 December 2020, include provisions to the following effect:

3.1 **Unrestricted objects**

The objects and powers of the Company are not restricted.

3.2 **Ordinary Share rights**

The holders of Ordinary Shares have the following rights:

- 3.2.1 Dividends: Holders of Ordinary Shares are entitled to receive, and participate in, any dividends or other distributions resolved to be distributed in respect of any accounting period or other period.
- 3.2.2 Winding-Up: On a winding-up, the holders of Ordinary Shares shall be entitled to the surplus assets remaining after payment of all the creditors of the Company.
- 3.2.3 Voting: The holders of Ordinary Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company and each holder of Ordinary Shares being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of each Ordinary Share held by him.
- 3.2.4 Variation: The rights attached to any class of shares may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.
- 3.2.5 Further issues of shares: The Company will not allot any shares in the capital of the Company which are unissued from time to time ("Unissued Shares") to any person unless it has previously offered to each holder of Ordinary Shares to allot to him on the same or more favourable terms a proportion of those Unissued Shares which is as nearly as practicable equal to the proportion held by him of the aggregate Shares in issue at such date.

3.3 **Restrictions on members**

- 3.3.1 No member shall be entitled to be present or take part in any proceedings or vote, either personally or by proxy, at any meeting unless all calls due from him have been paid.
- 3.3.2 The Directors shall have the power by notice in writing to require any member to disclose to the Company the identity of any person other than the member who has any interest in the shares and the nature of such interest. Where the member fails to comply with the notice within a period of time prescribed by the New Articles, the Company may give the holder of those shares a direction notice, which imposes restrictions on those shares while the default continues, which restrictions may include restrictions on any dividend, distribution or other payment which would otherwise be paid on the shares, restrictions on the transfer of such shares, the disentitlement to attend, speak or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class, in person or by proxy, or to exercise any privilege as a member in relation to meetings of the Company.
- 3.3.3 The provisions of Chapter 5 (Vote Holder and Issuer Notification Rules) of the Disclosure Guidance and Transparency Rules (the "DTRs") made by the FCA pursuant to Part V of the FSMA, 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.

3.4 **Life of the Company**

The Company shall have an indefinite life.

3.5 **Representatives of corporations**

Any corporation which is a member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual member of the Company.

3.6 **General meetings**

- 3.6.1 In accordance with the requirements of the Companies Law. Subject to the Companies Law, the Board may convene a general meeting whenever it thinks fit. A annual general

meeting shall be held at least once in each calendar year in accordance with the Companies Law and no more than 15 months may elapse between one annual general meeting and the next.

3.6.2 A general meeting (including an annual general meeting) of the Company (other than an adjourned meeting) must be called by notice of at least fourteen (14) clear days.

3.6.3 The ordinary business of an annual general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports (if required) of the Directors and the auditors, if any, to elect or re-elect Directors and appoint auditors in the place of those retiring, to fix the remuneration of the Directors and auditors, to sanction or declare dividends (if required by the New Articles) and to transact any other ordinary business which ought to be transacted at such meeting. All other business of an annual general meeting shall be deemed special and shall be subject to notice as hereinbefore provided. The quorum for a general meeting shall be one (1) or more members present in person or by proxy and holding five per cent. or more of the voting rights available at such general meeting.

3.7 **Uncertificated shares**

Subject to the Companies Law, the Directors may resolve that any class or classes of share or other securities of the Company from time to time in issue or to be issued may be in uncertificated form and no provision in the New Articles will apply to any uncertificated share or other securities of the Company to the extent they are inconsistent with the holding of such shares or other securities in uncertificated form or the transfer of title to any such shares or other securities by means of a relevant system.

3.8 **Electronic communications**

All members shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with Sections 524 and 526 and Schedule 3 of the Companies Law unless a member notifies the Company otherwise. Notice under this paragraph must be in writing and signed by the member and delivered to the Company's Office or such other place as the Board directs.

3.9 **Dividends**

3.9.1 The Company may by ordinary resolution declare dividends in accordance with the LSE Listing Rules and the SEM Rules but may not declare a larger dividend than that recommended by the Directors. Dividends may also be declared at the sole discretion of the Directors in accordance with the LSE Listing Rules and the SEM Rules without the requirement of any prior approval of Members.

3.9.2 Subject to compliance with Section 304 of the Companies Law and the above paragraph 3.9.1, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company whenever the position in the opinion of the Board so justifies.

3.9.3 The method of payment of dividends shall be at the discretion of the Board.

3.9.4 No dividend shall be paid in excess of the amounts permitted by the Companies Law or approved by the Board.

3.9.5 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid *pro rata* according to the number of shares held by each member.

3.9.6 The Board may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

- 3.9.7 The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- 3.9.8 The Board may retain dividends payable upon shares in respect of which any person is entitled to become a member until such person has become a member.
- 3.9.9 With the sanction of the Company in General Meeting, any dividend may be paid wholly or in part by the distribution of specific assets. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Members based on the value so fixed in order to adjust the rights of Members and may vest any such specific assets in trustees for the Members entitled as may seem expedient to the Board.
- 3.9.10 The Board may, without the authority of an ordinary resolution, direct that payment of any dividend declared may be satisfied wholly or partly in paid up shares of the Company and that, where any difficulty arises regarding such a distribution, the Board may settle the same as it thinks expedient, including, without limitation, making provisions for the benefit of any fractional entitlements to accrue to the Company
- 3.9.11 Without prejudice to the provisions of paragraph 3.9.10 above, the Board may offer any holders of shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend.
- 3.9.12 Any dividend or other monies payable in cash on or in respect of a share or debenture or other security may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or to such person at such address as such Member or person or persons may by writing direct. Any such dividend or other monies may also be paid by such other method (including, without limitation, direct debit, bank or other funds transfer system or transfer by any electronic media) as the Board may in its absolute discretion think fit (subject always, in the case of shares or securities in uncertificated form, to the facilities and requirements of the Relevant Electronic System concerned where payment is to be made by means of such Relevant Electronic System) to or through such person as the holder or person entitled may in writing direct. Every such cheque or warrant so sent or payment so made shall be sent or made at the risk of the holder or person entitled. The Company shall have no responsibility for any sums lost or delayed in the course of payment by a method selected by the Board pursuant to the New Articles, or where it has acted on any directions given by the holder or person entitled.
- 3.9.13 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 3.9.14 For so long as is required by SEM Rules, the Company must hold all unclaimed distributions due to Members in trust, provided that the Board may cause any such unclaimed distributions unclaimed for a period of five years (from the due date for payment) to be forfeited for the benefit of the Company. Notice of any dividend that may have been declared shall be given to each Member in the manner hereinafter mentioned. All dividends unclaimed for five years after having been declared may be forfeited by resolution of the Directors for the benefit of the Company. The Company shall hold monies other than dividends due to Members in trust indefinitely until lawfully claimed by such Member.
- 3.10 **Untraced shareholders**
- 3.10.1 The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a member or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

- (a) during the period of not less than twelve (12) years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three (3) dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed;
- (b) the Company shall following the expiry of such period of twelve (12) years have inserted advertisements in a national newspaper and/or in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected under the New Articles is located giving notice of its intention to sell the said shares;
- (c) during the period of three (3) months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such member or person; and
- (d) notice shall have been given to the stock exchanges on which the Company is listed or admitted to trading, if any

3.10.2 The foregoing provisions of this paragraph are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.

3.11 ***Distributions of assets otherwise than in cash***

If the Company is wound up whether voluntarily or otherwise the liquidator may with the sanction of a special resolution divide among the members in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members as the liquidator with the like sanction shall think fit.

3.12 ***Transfer and transmission of shares***

3.12.1 Subject to the provisions of the New Articles, where shares are listed on the SEM or to trading on the London Stock Exchange, or on another securities exchange, the shares of the Company shall be freely transferable and free from any lien. Each Member may transfer, without payment of any fee or other charges, save brokerage fees payable in relation to such transfer, all or any of his shares which have been fully paid.

3.12.2 Subject to paragraph 3.12.3, for so long as the Company shall be admitted for listing on the SEM or to trading on the London Stock Exchange, all shares transferred on those exchanges must be in the dematerialized form and must be conducted through the automatic trading system in accordance with the relevant trading procedures. Without prejudice to the foregoing, all transfers of shares in uncertificated form shall be made in accordance with and be subject to the Regulations and the facilities and requirements of the Relevant Electronic System concerned and, subject thereto, in accordance with any arrangements made by the Board pursuant to paragraph 3.12.3.

3.12.3 For so long as the Company shall be admitted for listing on the SEM or to trading on the London Stock Exchange, a Member wishing to transfer its shares, shall where physical share certificates have been issued to that Member, cause its shares to be dematerialized unless the Board in its absolute discretion may determine (generally or in any one or more specific cases) otherwise.

3.12.4 Unless otherwise determined by the Board and permitted by the Regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument by virtue of the Regulations. The Board shall have power to implement any arrangements it may, in its absolute discretion, think fit in relation to the evidencing and transfer of shares in uncertificated form (subject always to the Regulations and the facilities and requirements of the Relevant Electronic System concerned).

- 3.12.5 Conversion of shares in certificated form into shares in uncertificated form and vice versa may be made in such manner as the Board may, in its absolute discretion, think fit (subject always to the Regulations and the facilities and requirements of the Relevant Electronic System concerned).
- 3.12.6 Notwithstanding any other provision of the New Articles, any provision in the New Articles which is inconsistent with the Regulations in relation to the holding of shares in uncertificated form or the transfer thereof by means of a Relevant Electronic System shall not apply in relation to any shares which are to be so held or transferred and shall accordingly be construed as if such provision incorporates such amendment as may be necessary to make the same consistent with the Regulations.
- 3.12.7 Shares in the Company in certificated form shall be transferred by instrument in writing in any form as the Board may accept. Any instrument of transfer shall be signed by or on behalf of the transferor who shall be deemed to remain the holder until the name of the transferee is entered in the Register.
- 3.12.8 Every instrument of transfer shall be left at the Office or such other place as the Board may prescribe with the certificate (if any) of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and any such certificate shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives. A fee determined by the Board may be charged for each transfer and also for the registration of every probate notice, power of attorney or document tendered for registration and shall be paid before registration.
- 3.12.9 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such registration of transfers shall not be suspended for more than 30 days in any year.
- 3.12.10 All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.
- 3.12.11 A person entitled to shares in consequence of death, disability or insolvency shall not be entitled to receive notice of or to attend or to vote at any meeting or (save as regards the receipt of such dividends as the Board shall not elect to retain) to exercise any of the rights of a holder unless and until he shall have been registered as holder.
- 3.12.12 The Articles are subject to, and do not limit or restrict the Company's powers to transfer shares in accordance with the Uncertificated Securities Regulations, on such terms as the Board may deem fit.
- 3.12.13 In relation to all transfers of shares, the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the Register as the holder thereof.
- 3.12.14 The Board may refuse to recognise any instrument of transfer in respect of any share in certificated form unless:
- (a) it is duly stamped to the extent applicable, is deposited at the Office or such other place as the Board may appoint, and (except in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange where a certificate has not been issued in respect of the shares) is accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (b) it is in respect of only one class of shares.

- 3.12.15 The Board may also refuse to register a transfer of any share (whether in certificated form or not) to more than four persons to be held jointly by them, except in the case of executors or trustees of a deceased Member.
- 3.12.16 The Board may also, subject to giving reason(s) together with, if required, such further information as the transferee may reasonably request, refuse to register a transfer of shares in uncertificated form in such other circumstances as may be permitted by the Regulations and the requirements of the Relevant Electronic System concerned provided that such restrictions do not prevent any dealing in the shares from taking place on an open and proper basis.
- 3.12.17 If the Board refuses to register a transfer of any share it shall within 28 days after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the Regulations send to the transferee notice of the refusal.
- 3.12.18 The Company shall not charge any fee in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice, order of court or other document or instruction relating to or affecting the title to any share.
- 3.12.19 In the case of the death of a Member the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he/she was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in any share, but nothing contained in this paragraph shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him/her with any other person.
- 3.12.20 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member, or of any other event giving rise to its transmission by operation of law, may, upon such evidence of his title being produced as may reasonably be required by the Board (but subject to the provisions contained below), and (in the case of shares in uncertificated form) subject to compliance with such other procedures (consistent with the facilities and requirements of the Relevant Electronic System concerned) as the Board may determine elect either to be registered him/herself as the holder of the share or transfer such share to some other person.
- 3.12.21 If the person so becoming entitled shall elect to be registered him/herself, he/she shall deliver or send to the Company a notice in writing signed by him/her stating that he/she so elects. If he/she shall elect to transfer the share in question to some other person he/she shall testify his election by, in the case of a share in certificated form, executing a transfer of the share or, in respect of a share in uncertificated form, by authorising any person to transfer such share, in accordance with the facilities and requirements of the Relevant Electronic System concerned, in each case to the person concerned. All the limitations, restrictions and provisions of the New Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member or other event giving rise to the transmission had not occurred and the notice or transfer were a transfer signed by that Member.
- 3.12.22 A person entitled to a share in consequence of the death or bankruptcy of a Member, or of any other event giving rise to its transmission by operation of law, shall, upon such evidence of his title being produced as may reasonably be required by the Board, be entitled to receive and may give a discharge for all dividends and other monies payable in respect of the share and shall have the same rights to which he/she would be entitled if he/she were the holder of the share, except that he/she shall not, before he/she is registered as the holder of the share, be entitled in respect of the share to attend or vote at any General Meeting or at any separate meeting of the holders of any class of shares of the Company provided that the Board may at any time give notice requiring any such person to elect either to be registered him/herself or to transfer the share, and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends or other monies payable in respect of the share until the requirements of the notice have been complied with.

3.13 **Alteration of capital**

- 3.13.1 The Company at any time may, by special resolution, increase its authorised share capital, if such has been specified, by such sum to be divided into shares of such amount as the resolution shall prescribe.
- 3.13.2 Unless the Company shall have resolved otherwise, any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class, whether then issued or not, or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.
- 3.13.3 The Company may by way of special resolution from time to time and in accordance with the Law, the LSE Listing Rules and the SEM Rules:
- (a) create any class of shares;
 - (b) consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing shares;
 - (c) subject to paragraph 3.13.4, subdivide all or any of its shares into shares of a smaller amount;
 - (d) subject to applicable share class rights, vary any preference rights, limitations or other terms attaching to any class of shares;
 - (e) cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
 - (f) convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other day as may be specified therein;
 - (g) where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.
- 3.13.4 In any subdivision under paragraph 3.13.3I, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived.
- 3.13.5 The Board on any consolidation of shares may deal with fractions of shares in any manner.
- 3.13.6 The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authorisation or consent required by the Law.

3.14 **Repurchase of shares**

- 3.14.1 Subject to the Listing Rules, the SEM Rules and any other applicable rules, the Company may, at the discretion of the Board, purchase any of its own shares, whether or not they are redeemable, and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law.
- 3.14.2 Shares repurchased by the Company may be held as treasury shares and dealt with by the Directors to the fullest extent permitted by the Companies Law.

3.15 **Directors**

- 3.15.1 Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than four and shall include at least two Directors who are ordinarily resident in Mauritius. The Board should comprise a majority of non-executive Directors.

- 3.15.2 At each annual general meeting all the Directors shall retire from office and may make themselves available for re-election.
- 3.15.3 A Director shall, notwithstanding that he/she may not be a Member, be entitled to attend and speak at general meetings or separate meetings of the holders of any class of shares.
- 3.15.4 The Directors may appoint one or more of their number to the office of managing director or to any other executive office of the Company and any such appointment may be made for such term, at such remuneration and on such other conditions as the Directors think fit. Any appointment of a Director to an executive office shall terminate if he/she ceases to be a Director but without prejudice to any claim for damages for breach of the contract of service between the Director and the Company.
- 3.15.5 The remuneration of Directors shall be determined by the remuneration committee of the Board established from time to time.
- 3.15.6 The Board may determine the terms of any service contract with a chief executive Director, managing Director or other executive Director.
- 3.15.7 The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending any meetings of the Board or in connection with the business of the Company
- 3.15.8 Subject to the provisions of the Articles and provided that he/she has disclosed to the Directors the nature and extent of any material interest of his/ hers, a Director, notwithstanding his/her office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and
 - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested;
- and (i) he/she shall not, by reason of his/her office, be accountable to the Company for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate, (ii) he/she shall not infringe his/her duty to avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such office or employment or any such transaction or arrangement or any interest in any such body corporate, (iii) he/she shall not be required to disclose to the Company, or use in performing his/her duties as a Director of the Company, any confidential information relating to such office or employment if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by him/her in relation to or in connection with such office or employment, (iv) he/she may absent himself/ herself from discussions, whether in meetings of the Directors or otherwise, and exclude himself/herself from information, which will or may relate to such office, employment, transaction, arrangement or interest, and (v) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 3.15.9 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:
- (a) any matter which would otherwise result in a Director infringing his/her duty to avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and
 - (b) a Director to accept or continue in any office, employment or position in addition to his/her office as a Director of the Company and, without prejudice to the generality of paragraph 16.9.1, may authorise the manner in which a conflict of interest arising out

of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises;

provided that the authorisation is effective only if (i) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and (ii) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

- 3.15.10 If a matter, or office, employment or position, has been authorised by the Directors in accordance with this paragraph then (subject to such terms and conditions, if any, as the Directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below):
- (a) the Director shall not be required to disclose to the Company, or use in performing his/her duties as a Director of the Company, any confidential information relating to such matter, or such office, employment or position if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by him/her in relation to or in connection with that matter, or that office, employment or position;
 - (b) the Director may absent himself/herself from discussions, whether in meetings of the Directors or otherwise, and exclude himself/herself from information, which will or may relate to that matter, or that office, employment or position; and
 - (c) a Director shall not, by reason of his/her office as a Director of the Company, be accountable to the Company for any benefit which he/she derives from any such matter, or from any such office, employment or position.
- 3.15.11 Subject to the provisions of the New Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he/ she or his/her associates have a material interest nor shall he/she be counted in the quorum present in relation to a matter or resolution on which he/she is not entitled to vote (or on which his/her vote cannot be counted).
- 3.15.12 Notwithstanding paragraph 3.15.11 above, 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/her 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/herself 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/she, together with any of his/her associates, is not beneficially interested in 5 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 Company or any of 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/she 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 Company 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 Company by virtue only of his/her interest in shares or debentures or other securities of the Company.

3.15.13 If a question arises at a meeting of the Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting (or, if the Director concerned is the chairperson, to the other Directors at the meeting) and his/her ruling in relation to any Director other than him/herself (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairperson) shall be final and conclusive.

3.16 **Disqualification and retirement of Directors**

3.16.1 At each Annual General Meeting all the Directors shall retire from office and may make themselves available for re-election.

3.16.2 At the meeting at which a Director retires the Company may by ordinary resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected except in any of the following cases:

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;
- (b) where such Director has given notice in writing to the Company that he/she is unwilling to be re-elected; and
- (c) where such Director has attained any retiring age applicable to him/her as Director.

3.16.3 No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless, not less than 14 clear days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.

3.16.4 The office of a Director shall be vacated in any of the events following, namely: a) if he/she resigns his/her office by notice in writing delivered to the Office or submitted to a meeting of the Board; b) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months or by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; c) if, without leave, he/she is absent from meetings of the Board (whether or not any alternate Director appointed by him/her attends) for six consecutive months, and the Board resolves that his/her office is vacated; d) if he/she becomes bankrupt or makes any arrangement or composition with his/her creditors generally; e) if he/she is removed from office pursuant to the New Articles or by virtue of any provision of the Law or prohibited by law from being a Director; f) if, being an executive director, he/she ceases to be the holder of executive office; or g) if all the other Directors unanimously resolve that he/she be removed as a Director.

3.17 **Borrowing powers**

The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking property and uncalled capital and to issue

debentures and other securities, whether outright or as collateral security for any liability or obligation of the Company or of any third party.

3.18 **Liability of members**

The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by him.

3.19 **Indemnities**

Subject to the provisions of the Law, 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/she may sustain or incur in or about the execution of the duties of his/her 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/ her office, or in relation thereto.

3.20 **US Tax Matters**

3.20.1 The Board may at any time and from time to time serve notice on any member requiring that Member to promptly provide the Company with any information, representations, certificates, waivers or forms ("**Information**") relating to such Member (and its direct or indirect owners or account holders or the persons beneficially interested, directly or indirectly in the shares held by such Member) that the Board determines from time to time is necessary or appropriate for the Company to have in order to:

- (a) satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under or in relation to FATCA or the requirements of any similar laws or regulations to which the Company may be subject enacted from time to time by any other jurisdiction ("**Similar Laws**");
- (b) avoid or reduce any tax otherwise imposed by FATCA or Similar Laws (including any withholding upon any payments to such Member by the Company); or
- (c) permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in Section 1471(b) of the US Tax Code or under Similar Laws.

3.20.2 If any Member is in default of supplying the Information to the Company within the period set out in the notice referred to in paragraph 3.20.1 (which shall not be less than ten days after the service of the notice), the Board may by notice to such Member declare him/her to be a Non-Qualified Holder for the purposes of these New Articles, including without limitation, paragraphs 3.20.5 and 3.20.6 below, and declare that the shares which in the opinion of the Board are held by such Member shall be regarded as Prohibited Shares.

3.20.3 The Directors may at any time, and from time to time, give written notice to any member requiring him/her to make a declaration as to whether or not any share held by such person is a Prohibited Share. 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 Board, would or might give rise to an Onerous Obligation, then the Board may by written notice to the holder of such shares declare such holder to be a Non-Qualified Holder and declare that the shares which are held by such holder shall be regarded as Prohibited Shares.

3.20.4 The Board may at any time, and from time to time, give written notice to any Non-Qualified Holder, requiring him/her either:

- (a) (in the case of a person who has been declared a Non-Qualified Holder under paragraph 21.3) to provide the Board within 21 days of service of such notice with sufficient satisfactory documentary evidence to satisfy the Board (in its discretion) that such person should not be regarded as a Non-Qualified Holder and that the shares held by such person should not be treated as Prohibited Shares; or, (in the case of a person who has been declared a Non-Qualified Holder under paragraph 3.20.3) to provide the Board within 21 days of service of such notice with the Information so as to satisfy the Board (in its discretion) that such person should not be regarded as a

Non-Qualified Holder and that the shares held by such person should not be treated as Prohibited Shares; or

- (b) to sell or transfer his Prohibited Shares to a person who is not, and would not be upon such sale or transfer, a Non-Qualified Holder within 21 days of service of such notice (or such longer period as the Board may determine) and within such 21 days (or such longer period as the Board may determine) to provide the Board with satisfactory evidence of such sale or transfer and pending such sale or transfer, the Board may suspend the exercise of any voting or consent rights (and such rights will vest in the chairperson of any such meeting who may act entirely at his/her discretion) and rights to receive notice of or attend any meeting of the Company and any rights to receive dividends or other distributions with respect to such Prohibited Shares.

3.20.5 Where the conditions in paragraph 3.20.4 are not satisfied within 21 days (or such longer period as the Board may determine) after the serving of the notice, the person will be deemed, upon the expiration of such 21 days, to have forfeited his/her Prohibited Shares. The Board will direct the Company to dispose of the Prohibited Shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the former holder.

3.20.6 Upon transfer of a share, the transferee of such share shall be deemed to have represented and warranted to the Company that he/she is acquiring those shares in an offshore transaction meeting the requirements of Regulation S and is not a Benefit Plan Investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as “plan assets” of any Benefit Plan Investor.

4. Mandatory bid, squeeze out and sell-out rules relating to the Ordinary Shares

Other than as provided for by the Takeover Code and the Companies Law there are no rules or provisions relating to mandatory bids and/or squeeze-out rules relating to the Company. There are no sell-out rules under the Companies Law.

4.1 Mandatory bid

The Takeover Code applies to the Company. Under the Takeover Code, if a person acquires an interest in shares which, taken together with shares in which persons acting in concert with him (within the meaning of the Takeover Code) are interested and which carry 30 per cent. or more of the voting rights in the Company, the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in the Ordinary Shares by the acquiror or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of interests in shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights of the Company.

4.2 Squeeze-out

Following the launch of a takeover offer for a Guernsey company, the bidder has the right to acquire any minority shareholdings on a compulsory basis if it has acquired not less than 90 per cent. in value of the shares to which the takeover offer relates, provided that this threshold is reached within four months of first making the takeover offer. The squeeze-out notice must be given to any dissenting shareholders within two months after the close of the offer period.

The squeeze-out provisions will only apply if the offer relates to all of the shares in the company or, as the case may be, to all of the shares in the particular class to which the dissenting shareholder belongs, excluding any shares held as treasury shares (unless the bidder elects that they should be included) and any shares held by the bidder or which it has otherwise contracted to acquire. Shares held as treasury shares and shares held by the bidder or its nominees or other closely related entities (including its holding company, subsidiaries and fellow subsidiaries), shares acquired by the bidder during the offer period at a price higher than the offer price (save where the offer price is raised to match the higher price) and, where the bidder is an individual, certain family members, will not be taken into account in calculating the 90 per cent. threshold.

4.3 **Takeover bids affecting the Company**

There have been no public takeover bids by third parties in respect of the Company's equity which have occurred during the last financial year or the current financial year.

5. **Major Shareholders**

5.1 So far as is known to the Company, as at the date of this document, the following persons (other than the Directors) were, directly or indirectly, interested in 5 per cent. or more of the Company's voting rights. Their proportionate ownership of the Enlarged Share Capital assuming: (i) 414,647,283 New Ordinary Shares are issued pursuant to the Issue; (ii) that all Qualifying Shareholders take up their Open Offer Entitlements in full; and (iii) that no additional Ordinary Shares are issued by the Company between the date of this document and Admission) is also set out below:

<i>Shareholder</i>	At the date of this document		Immediately following Admission	
	<i>Number of Ordinary Shares</i>	<i>Percentage of voting rights (%)</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital (%)</i>
Government Employees Pension Fund (PIC)	84,599,515	25.54	190,502,880	25.54
M&G Investment Management Ltd	35,159,880	10.61	79,173,721	10.61
Drive in Trading (Pty) Ltd	23,250,000	7.02	52,354,815	7.02

5.2 The Company has a controlling shareholder as defined in the SEM Rules, GEPPF, 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.

5.3 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.

5.4 None of the Shareholders referred to in paragraph 5.1 above has different voting rights from any other holder of shares in respect of any shares held by them.

6. **Directors' interests**

6.1 The Directors and their functions are as follows:

<i>Name</i>	<i>Position</i>
Peter Todd	Independent non-executive Chairman
Bronwyn Knight	Executive Director/Chief Executive Officer
Leon van de Moortele	Executive Director/Chief Finance Officer
David Love	Independent non-executive Director
Catherine McLraith	Independent non-executive Director
Sir Samuel Jonah	Independent non-executive Director
Nomzamo Radebe	Non-executive Director
Jonathan Crichton	Independent non-executive Director
Cross Kgosidile	Independent non-executive Director
Nchaupe Bright Laaka	Permanent alternative to Nomzamo Radebe

6.2 The business address of each of the Directors of Grit is 3rd Floor, La Croisette Shopping Mall, Grand Baie, Mauritius.

6.3 None of the Directors has any business interests nor performs any activities outside the Grit Group which are significant with respect to the Grit Group.

6.4 As at the Latest Practicable Date, the interests (all of which are or will be beneficial unless otherwise stated) of the Directors in the share capital of the Company are set out in the following table. Their

proportionate ownership of the Enlarged Share Capital assuming: (i) 414,647,283 New Ordinary Shares are issued pursuant to the Issue; (ii) that all Qualifying Shareholders take up their Open Offer Entitlements in full; and (iii) that no additional Ordinary Shares are issued by the Company between the Latest Practicable Date and Admission) is also set out below:

	As at the latest Practicable Date		Interests immediately following Admission	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital (%)</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital (%)</i>
<i>Directors</i>				
Peter Todd	8,437	0.00	18,999	0.00
Bronwyn Knight	6,715,432	2.03	15,121,944	2.03
Leon van de Moortele	2,133,734	0.64	4,804,785	0.64
David Love	41,013	0.01	92,354	0.01
Catherine McLraith	–	–	–	–
Sir Samuel Jonah	5,567,564	1.68	12,537,152	1.68
Nomzamo Radebe	3,875,000	1.17	8,725,803	1.17
Jonathan Crichton	180,000	0.05	405,328	0.05
Cross Kgosiile	–	–	–	–
Nchaupe Bright Laaka	5,812,500	1.75	13,088,829	1.75

6.5 Details of awards over Ordinary Shares granted pursuant to the Grit Share Incentive Plan which are held by the Directors as at the Latest Practicable Date are as follows:

	<i>Date of grant of award</i>	<i>Number of Ordinary Shares</i>	<i>Vesting date for award</i>
Bronwyn Knight	30 June 2017	534,375	June 2022
	1 May 2020	1,280,906	April 2025
Leon van de Moortele	30 June 2015	215,862	June 2020
	30 June 2017	273,597	June 2022
	1 May 2020	924,897	April 2025

6.6 Other than current or former directorships of members of the Grit Group, during the five years immediately prior to the date of this document, the Directors are, or have been, directors or partners or members of the administrative, management or supervisory bodies of the companies or partnerships listed below:

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships</i>
Peter Todd	Afine Investments Proprietary Limited Aspera Capital Management Ltd Carroll Industrial Holdings Ltd Cathral Investments Seventy Two (Pty) Ltd CG Energy Services (Mauritius) Ltd Daytona Holdings (Mauritius) Ltd Daytona Technologies Ltd Diaspora Technologies Ltd GB Fund Services Heavylift Charters Ltd Hover Aviation Insurance Ltd Maialcha.com Ltd (previously known as Snode Technologies Ltd) Orbit Insurance Ltd Osiris Corporate Solutions (Mauritius) Ltd Osiris International Trustees Ltd Osiris Management Services Ltd Osiris Resources Limited Osiris Secretarial Services Ltd	Africa Property Investments Ltd* African Construction Ltd Ascheim Property Ltd Astoria Investments Ltd Astoria LP Holdings Ltd Botraysa Ltd Business Warriors UK Ltd CGI Capital Ltd CoroCap Holdings Ltd CoroCap Property Ltd CoroCap Property Management Ltd CoroCap Ruby Limited Ltd Coronation Group Investments Ltd Daytona Capital Management Ltd Delamere Place Crewe Ltd Drake Fund Advisors DRC Investments Limited Eschbon Property Limited Ltd Great North Investments Limited Greyhound Investing Corp Hodarihhold Ltd*

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships</i>
Peter Todd (continued)	Rock PHB Ltd Sandown Motors Ltd SONS Investments Ltd Starlite Africa Training Ltd Starlite Aviation Operations Ltd Substantiation Investments SPC Ltd The Virtulab (Mauritius) Ltd VATit Group Limited	International Hotel Group Ltd Jacksons Investments Ltd Kabwe Investments Ltd Katanga Investments Limited Kin Oasis Investments Limited Kinois Investments Limited Kinshasa Investments Limited Kitwe Copperbelt Investments Ltd* Luangwa Investments Ltd Luano Investments Ltd Lubumbashi Investments Limited Magatar Mining Limited Management Ltd Nampula Investments Ltd Ndola Investments Ltd* New Frontier Feeder Fund Limited New Frontier Properties Ltd One Property Management Services Limited Osiris Advisors Ltd Osiris Financial Management Limited Pearl House Swansea Ltd Postmodern Editorial Ltd Redefine International Management Holdings Ltd Sandown Surrey and Hampshire Ltd Sofrica Holdings Ltd Sofrica Investment Company Ltd Solwezi Investments Ltd Southern View Finance UK Ltd Starlite Aviation Ireland Ltd Starlite Aviation Training Services Ltd Starlite Investments Ireland Ltd Starlite Maintenance Ireland Ltd Starlite Training Leasing Ltd Syngenta Limited* Telestream Communications Ltd The Hampshire Motor Group Ltd The Hampshire Motor investment Company Ltd Tradehold API Ltd Trevu Capital Ltd Wusakili Investments Limited

** Peter Todd historically held the position of non-executive director on the board of these companies with which the Grit Group transacts. These entities are not deemed to be related parties of the Grit Group as there is no ownership interest and the common directorship, in each instance, related to him acting in an administrative capacity.*

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships</i>
David Love	A D Mathias Ltd	CB Richard Ellis Investor Partner Ltd CBRE Central London (General Partner) Ltd CBRE Global Investors (UK Fund) Ltd CBRE Global Investors (UK Investments) Ltd CBRE Global Investors (UK) Ltd CBRE Global Investors Group (UK) Ltd CBRE Global Investors Ltd CBRE Global Investors (Guernsey) Ltd CBRE Global Investors Trustee Ltd CBRE Retail Property Fund (General Partner) Ltd CBRE UK Property Fund (General Partner) Ltd CBRE UK Property PAIF HOLDCO Ltd CBRE UK Property PAIF Nominee Holding Ltd CBRE UK Residential (General Partner) Ltd CBRE UKPF PAIF (GT) Nominee 1 Ltd Partnership Shares Ltd Tritax Brindleyplace (7, 8 & 10) GP Ltd Tritax Brindleyplace (7, 8 & 10) Nominee Ltd
Bronwyn Knight	Africa Property Development Managers Ltd Beachcomber Hospitality Investments Ltd BGL Investments Ltd Bowwood and Main No 117 Copapax Proprietary Limited Dorado 1 Ltd Gateway Real Estate Africa Ltd Letlole La Rona Limited	277 Vermeulen Properties Proprietary Ltd BG Africa Ltd Bury Holdings Ltd Delta Property Asset Management Delta Property Fund Limited Hendisa Investments Proprietary Ltd Hestitrix Proprietary Ltd K2014000273 Proprietary Ltd Kenzlex (Mauritius) Ltd Motseng Property Investments Holdings MPI Property Asset Management
Leon van de Moortele	Beachcomber Hospitality Investments Ltd BGL Investments Ltd CADS DEVELOPERS LIMITED Kafubu Mall Limited St Helene Clinic Co Ltd van de Moortele Properties Pty Ltd	Federal Air (Pty) Ltd Federal Airlines (Pty) Ltd Federal Holdings (Pty) Ltd Fedikwe Air Safaris (Pty) Ltd Pettiford Property Pty Ltd Really Useful Investments No 221 (Pty) Ltd Solenta Aviation (Pty) Ltd Solenta Aviation Kenya Limited Solenta Aviation Training Academy (Pty) Ltd Solenta Investment Holdings (Pty) Ltd Tadvest Limited Takifa Properties (Pty) Ltd Tripletech Limited

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships</i>
Catherine McIlraith	Astoria Investments Ltd Blue Roof Limited Bolt Talents Solutions Ltd Canal Duplex Investment Ltd CIEL Finance Ltd CIEL Ltd Les Gaz Industriels Ltd Marina Joint Investment Ltd MUA Life Limited MUA Limited Que Pasa Investment Ltd The Mauritius Union Assurance Company Ltd	AfrAsia Bank Ltd Anchor Capital (Mauritius) Ltd Barak Fund SPC Ltd Financial Reporting Council Mammoth Mauritius Ltd Mauritius Institute of Directors Mid-Market Africa Fund Navitas Holdings Ltd Navitas Management Services Ltd New Frontier Properties Ltd Southern Ocean Holdings Ltd Store Nautique Ltd The Mauritius Development Investment Trust Co Ltd
Nomzamo Radebe	Drive In Trading (Pty) Ltd Excellerate Property Services (Pty) Ltd Excellerate Real Estate Services (Pty) Ltd, trading as JHI JHI Retail Proprietary Limited Munich Re-insurance Company of Africa Rehna Investments (Pty) Ltd Venus Africa Properties (Pty) Ltd	Business Venture Investments (Pty) Limited Gensec Property Services (Lesotho) Proprietary Limited Interpark South Africa (Pty) Limited JHI Corporate Real Estate Services Limited JHI Inyathi Consortium (Pty) Ltd JHI Properties (Namibia) (Pty) Ltd Pareto Limited SACSC Education Fund SAPOA Bursary Trust South African Council of Shopping Centres South African Property Owners Association
Sir Sam Jonah	Helios Towers PLC Hollard Insurance Company Ltd Iron Mineral Beneficiation Services (Pty) Ltd Jonah Capital Pty Ltd Jonah Capital, Inc. Mobus Property Developers Roscan Gold Incorporation University of Cape Coast	African Gold Group, Inc. Anglo American Platinum Corp. Ltd Bank of America Global Advisory Council Bayport Financial Services Pty Ltd Excellerate Brand Management (Pty) Ltd Imara Energy Corp. Jonah Mining (Mauritius) Ltd. Metropolitan Insurance Company Limited Moto Goldmines Australia Pty Ltd Vodafone Group PLC
Nchaube Bright Laaka	Aria Energy (Pty) Ltd BioAfqri BrightVest Africa (Pty) Ltd Herd Holdings Phetolo Health Strategies & Solutions Pty Ltd Rural Development Alliance Group Small Business Development Institute	

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships</i>
Jonathan Crichton	Aditya (Mauritius) Ltd Ardisia Limited Carlina Ltd Commelina Ltd Ccreator I, LLC Ccreator II, LLC Ccreator II L.P. Ccreator III L.P. Ccreator IV L.P. Ccreator Management Company I Ltd Ccreator Management Company II Ltd Ccreator Management III Ltd Ccreator Management IV Ltd Cycas Cydista Ltd Latinia Ltd Neobalano Carpus Ltd Sundara (Mauritius) Limited	MCB Bank Ltd HSBC Bank (Armenia) HSBC Bank (Kazakhstan) HSBC Bank (Poland) HSBC Bank (Russia) HSBC Bank (Turkey)
Cross Kgosiidile	ABM University Amarile Trends (Pty) Ltd Botswana Development Corporation Limited Didikadike Wealth Management (Pty) Ltd Empor 3000 (Pty) Ltd Mashatu Nature Reserve (Pty) Ltd Minergy Limited Mmila Fund Administrators (Pty) Ltd PrimeTime Property Holdings Limited	Botswana Building Society Botswana Medical Aid Society Botswana Railways Biz Capital KYS Investments Ltd Stanbic Bank

- 6.7 There are no potential or actual conflicts of interest between any duties to the Company of the Directors and their private interests or their other duties.
- 6.8 As at the date of this document, no Director has at any time in the five years preceding the date of this document:
- 6.8.1 been convicted in relation to a fraudulent offence; or
 - 6.8.2 been associated with any bankruptcies, receiverships, liquidations or companies put into administration 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
 - 6.8.3 been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies); or
 - 6.8.4 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.

7. Directors' service contracts and remuneration

7.1 The Executive Directors have entered into service contracts with the Company. Particulars of the service contracts are set out below:

<i>Executive Director</i>	<i>Date of service contract</i>	<i>Base salary and bonus</i>	<i>Notice period</i>
Bronwyn Knight	11 March 2015	US\$497,580 Discretionary bonus – on such terms as the Remuneration Committee determines at its discretion	12 months' notice served by Company or Executive Director
Leon van de Moortele	1 April 2015	US\$388,800 Discretionary bonus – on such terms as the Remuneration Committee determines at its discretion	12 months' notice served by Company or Executive Director

7.2 There are no provisions of the Executive Directors' service contracts which provide for benefits upon termination of employment.

8. Related party transactions

Other than the transactions disclosed in the historical financial information incorporated by reference in Part VI (*Financial information on Grit Group*) of this document and the Interested Party Share Purchase Agreements, the Company has not entered into any related party transactions during or subsequent to the period covered by the historical financial information incorporated by reference in Part VI (*Financial information on Grit Group*) of this document up to the date of this document.

9. Material contracts

9.1 The following section contains summaries of the principal terms of each material contract (other than contracts entered into in the ordinary course of business) that have been entered into by the Company or a member of the Grit 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 Grit Group has an obligation or entitlement which is, or may be, material to the Grit Group as at the date of this document:

9.1.1 *Share Purchase Agreements*

Please refer to the summary of the terms of the Share Purchase Agreements in Part IV (*Terms of the Proposed Acquisition*) of this document.

9.1.2 *Placing and Offer Agreement*

On 22 November 2021, the Company, finnCap and Baden Hill entered into the Placing and Offer Agreement, pursuant to which finnCap and Baden Hill, acting as agents for the Company, have conditionally agreed to use their respective reasonable endeavours to procure Placees for Ordinary Shares at the Issue Price.

The obligations of finnCap and Baden Hill under the Placing and Offer Agreement are conditional upon, among other things: (i) the Company having complied with all of its obligations, undertakings and covenants under the Placing and Offer Agreement; (ii) all necessary permits, authorisations and consents to the Placing and Offer being received; and (iii) there being no breach of warranties being given by the Company.

The Company has given certain warranties to finnCap and Baden Hill concerning, among other things, the accuracy of the information contained in this document, the business of the Grit Group and the conduct of the Issue. The Company has indemnified finnCap and Baden Hill on customary terms in respect of any losses they may incur in connection with the Issue. finnCap and Baden Hill have the right to terminate the Placing and Offer

Agreement prior to Admission in certain circumstances, including, among other things, in the event of a breach of the warranties given under the Agreement, the Company breaching any of its obligations under the Agreement and the occurrence of certain force majeure events.

Subject to the Placing and Offer Agreement becoming unconditional and not being terminated in accordance with its terms, finnCap and Baden Hill shall be entitled to certain commissions, payable by the Company out of the proceeds of the Issue.

finnCap is also entitled to receive a corporate finance fee and a fee for acting as settlement agent under the terms of the Placing and Offer Agreement and the Company has agreed to reimburse finnCap and Baden Hill in respect of expenses incurred by them in connection with the Issue.

The Placing and Offer Agreement is governed by the laws of England and Wales.

9.1.3 *Perigeum Capital Engagement Letter*

On 5 November 2021, the Company and Perigeum Capital entered into the Perigeum Capital Engagement Letter, pursuant to which Perigeum Capital has agreed to provide certain services in connection with the Placing and Open Offer in Mauritius.

The Company has given an indemnity in respect of Perigeum Capital and its members, directors, employees and agents in respect of any losses they may incur in connection with the services to be provided pursuant to the Perigeum Capital Engagement Letter.

The Perigeum Capital Engagement Letter may be terminated by the Company or Perigeum Capital on 60 days' notice in writing, or immediately in certain circumstances, including in the event of a material and unremedied breach or insolvency.

Perigeum Capital is entitled to receive certain commissions pursuant to the Perigeum Capital Engagement Letter, payable by the Company out of the proceeds of the Issue.

The Perigeum Capital Engagement Letter is governed by the laws of Mauritius.

9.1.4 *Receiving Agent Agreement*

Pursuant to the terms of a receiving agent agreement dated 22 November 2021 between the Company and the Receiving Agent (the "**Receiving Agent Agreement**"), the Receiving Agent has agreed to provide receiving agent duties and services to the Company in respect of the Issue.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to customary fees. The Receiving Agent is also entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with its duties.

The Receiving Agent Agreement limits the Receiving Agent's liability thereunder to the lesser of £250,000 or an amount equal to five times the fee payable to the Receiving Agent under the agreement. The Receiving Agent Agreement also contains an indemnity from the Company in favour of the Receiving Agent, its affiliates and their directors, officers, employees and agents against any and all losses, damages, liabilities, professional fees, court costs and expenses resulting or arising from the Company's breach of the agreement and, in addition, any third party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the agreement or services provided thereunder, except to the extent that such losses are determined to have resulted from the fraud, wilful default or negligence on the part of the party seeking indemnity under the agreement. The indemnity is customary for an agreement of this nature.

The Receiving Agent Agreement is governed by the laws of England.

9.1.5 *Up to USD 31,500,000 perpetual note issuance*

The terms of the note are contained in a subscription agreement dated 13 October 2021, and the note is expected to be issued in late November or early December 2021 subject to customary conditions precedent. The principal amount of the note is up to USD 31,500,000, with USD 27,500,00 to be issued initially. The note will be treated as equity for IFRS accounting purposes and will reduce the Grit Group's reported LTV. The note is issued by Grit Services Limited and guaranteed by the Company. It is a subordinated obligation of Grit Services Limited.

The note has a cash coupon of 9.0 per cent. per annum, deferable in certain circumstances, and a 4.0 per cent. per annum redemption premium. The yield of the note (excluding make-whole premium) up to the fifth anniversary is floored at 13 per cent. per annum, and capped at 16 per cent. per annum. The note, although it has no fixed maturity date, carries a material coupon step-up provision after the fifth anniversary, which is expected to result in the issuer redeeming the note on or before the fifth anniversary. The note has a further potential maximum 3.0 per cent. per annum return which is linked to the performance of the Ordinary Shares over the duration of the note. The note is exchangeable into ordinary shares of the Company in certain circumstances between the fifth and seventh anniversary of the issue date. The note can be called by the Company at any time after the third anniversary and may be put by holders in certain customary exceptional circumstances. The note is secured by a second ranking floating charge over the assets of Grit Services Limited. Proceeds of the note issue will be used for the Orbit Acquisition and development of the St Helene Clinic.

9.1.6 *Standard Bank US\$140 million term loan facility*

A term loan credit facility agreement (the "**Credit Facility**") dated 13 September 2019 between, amongst others, (i) the Standard Bank of South Africa Limited (the "**Lender**") and (ii) Commotor Limitada (as "**Borrower**"), whereby the Lender made available to the Borrower a term loan credit facility in an amount equal to US\$140.0 million. The purpose of the Credit Facility was for the refinancing of the existing debt associated with the asset pool of the Grit Mozambique portfolio as well as transaction costs and expansion of the residential compound Vale Dos Embondeiros. The Credit Facility has a term of four years from the first drawdown.

The loan is repayable in full on maturity. Interest is payable quarterly in arrear at a rate of 3-month LIBOR plus 5 per cent. Financial covenants include a transactional loan to value ratio covenant not to exceed 60 per cent. and a Grit Group loan to value ratio covenant not to exceed 55 per cent. Further covenants include both a transactional and Grit Group interest service cover ratio to be at least 1.8x cover and a minimum net asset value for the Grit Group of US\$250 million.

The obligations of the Borrower in respect of the Credit Facility are subject to a parent company guarantee from Grit as well as guarantees from a number of the Group's subsidiaries.

The facility agreement is governed by the laws of England.

9.1.7 *Bank of China US\$77 million term loan facility*

A term loan credit facility agreement (the "**Credit Facility**") dated 31 January 2017 and as amended on 21 April 2017, 13 June 2017 and 16 October 2019 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 namely Kafubu Mall, Mukuba Mall and Cosmopolitan Shopping Centre. 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 by way of a bullet capital payment at the end of the term. Interest is payable in arrears on a bi-annual basis at a rate of 6-month LIBOR plus 4 per cent. The only material financial covenant is a transactional loan to value ratio covenant at

disbursement of no higher than 50 per cent. There are no further ongoing financial covenants.

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.

9.1.8 *Investec multi currency term facility agreement*

A secured multicurrency term facilities agreement (the "**Facilities Agreement**") dated 22 January 2016 and as amended on 11 May 2020 and 27 September 2021 between (i) Freedom Property Fund S.A.R.L (as "**Freedom**"); (ii) Grit Real Estate Income Group Limited (formerly Delta Africa Property Holdings Limited) (as "**Grit**" 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 term loan facility for €29,463,178.94 ("**EUR Facility A**"); (b) a euro term loan facility for €2,336,821.06 ("**EUR Facility B**"); and (c) a dollar term loan facility for \$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 formed one of a number of debt facilities that were refinanced post the year ended 30 June 2021 (see Part II (*Business Overview of Grit*) and paragraph 13.1 of Part XXII (*Additional Information*) of this document) and now terminates on 30 April 2023. Subject to three mandatory interim prepayments, EUR Facility A, EUR Facility B and the USD Facility are repayable at the end of the term.

The Facilities Agreement is governed by the laws of England.

Interest is charged at a floating rate of EURIBOR plus 5.08 per cent. for EUR Facility A and EUR Facility B and LIBOR plus 4.564 per cent. for the USD Facility.

The only material financial covenant is a transactional loan to value ratio covenant not to exceed 60 per cent. There are no Grit Group covenants nor any further transactional covenants (for example, with regards to interest service cover). 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.

9.1.9 *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. Accordingly, in partnership with GEPF, Grit implemented a transaction in order to ensure a long-term sustainable funding solution for its BEE partner, DiT. In 2017, Grit undertook a rights offer, in which DiT, a BEE consortium, was the primary underwriter, and as a result subscribed for new Ordinary Shares (the "**Subscription Shares**"). The subscription by DiT for the Subscription Shares was funded by a short term loan. DiT subsequently concluded a senior term loan facility agreement with Bank of America Merrill Lynch ("**BoAML**"), the proceeds of which were used to settle the short-term loan.

As security for the payment obligations of DiT under the senior term loan facility, BoAML, DiT and GEPF entered into a CRO, pursuant to which GEPF granted 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 DiT owed to BoAML, limited to a specified amount as set out in a CRO agreement.

As security for the obligations assumed by GEPF under the CRO agreement, DiT pledged and ceded its rights, title and interest in and to the Subscription Shares to and in favour of GEPF.

In turn, GEPF required Grit to share in the financial risk of GEPF arising under the CRO by providing an irrevocable and unconditional guarantee to GEPF pursuant to a 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.

In August 2020, the PIC assumed the position of lender to DiT following the expiry of the initial BoAML loan facility and exercise of the CRO by BoAML. Whilst reserving their rights, the PIC continues to advise Grit that it does not intend calling on the Grit guarantee at this time, giving DiT the opportunity to conclude discussions with further potential lenders.

Grit and the PIC remain in negotiations and a proposal has been put to the PIC for their consideration. The PIC has advised that it will consult internally about this proposal but that their reply may take some time.

- 9.2 The following section contains summaries of the principal terms of each material contract (other than contracts entered into in the ordinary course of business) that have been entered into by GREA: (a) within the two years immediately preceding the date of this document: or (b) at any time, and contain provisions under which GREA or a member of its group has an obligation or entitlement which is, or may be, material to GREA or any member of its group as at the date of this document:

9.2.1 *Shareholders' agreement*

On 29 November 2017, GREA (then Gateway Delta), as well as APDM, became signatories to the Gateway Delta shareholders' agreement (the "**GREA SHA**") between: (1) The Government Employees Pension Fund of South Africa (as represented by its duly authorized agent, Public Investment Corporation SOC Limited); (2) Grit; (3) Gateway Africa Real Estate Limited (representing Gateway Partners); (4) Prudential Impact Investments Private Equity LLC (representing Prudential Investors); and (5) Dorado 1 Ltd (representing the co-founders of both Grit and GREA).

The GREA SHA deals with, amongst other areas, key matters such as the committed capital of the initial shareholders (including commitment periods), procedures for allowing and admitting new shareholders after final closing, procedures for dealing with defaulting shareholders, management of the company (including investment charter, composition of the board, board responsibilities, general board procedures and procedures specific to oversight of the manager, APDM), shareholder meetings, reserved matters, accounting, reports and valuations and shareholder distributions.

Furthermore, the GREA SHA sets out high level principles for a pre-emptive rights offer in the event that the initial committed capital is fully drawn as well as rules and restrictions regarding the sale and/or transfer of shares prior to a planned liquidity event on or before the fifth anniversary of the first closing date. With regards to the latter, the GREA SHA makes clear the founding shareholders' intentions to achieve a liquidity event, ideally via an IPO, on or before that fifth anniversary, to allow GREA to raise capital, crystallize a market valuation and allow shareholders to decide on the timing of the disposal of their individual shares. APDM has the duty to deliver to the shareholders on or about the fourth anniversary an exit report setting out the feasibility of achieving an exit via IPO or other methods (such as the private sale of shares to a strategic purchaser).

9.2.2 *Asset Management and Advisory Services Agreement*

In November 2017, GREA (then Gateway Delta) and APDM entered into an Asset Management and Advisory Services Agreement (the "**AMASA**") in which GREA appointed

APDM as its asset manager and adviser with respect to the investment, reinvestment, administration and disposal of GREA's investments.

Under the AMASA, GREA holds the right for exclusive services from APDM, meaning APDM cannot act as development manager to or of other investment funds or engage in any other development activity during the duration of the AMASA without the prior written consent of GREA.

The AMASA deals with, amongst other areas, key matters such as the undertakings of the manager, manager's compensation, key persons, duration, manager's exclusivity and manager's liability.

The main undertakings of the manager under the AMASA include: to provide a senior management team and directors to deliver strategic planning, operational control, and management advice and services to GREA's portfolio companies; to source and investigate potential projects/investments; to provide management services in respect of projects during and post construction, which includes (but is not limited to) leasing, maintenance, financial management and marketing services with a view to maximizing the returns possible from a project; to hire, oversee, manage and control the functioning of third-party contractors and support services engaged with regard to the acquisition, development and management of a project; to provide finance, risk and compliance services to GREA and portfolio companies as required; to provide ongoing portfolio management and monitoring of projects; to assist GREA in preparing its operational and financial budget; to furnish all administrative services as may be necessary for the proper conduct of the affairs of GREA and its portfolio companies; and to make recommendations to the GREA Board with respect to the disposal of investments.

10. Legal and arbitration proceedings

- 10.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company and/or the Grit Group.
- 10.2 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of GREA.

11. Working capital

11.1 Working Capital Statement – Enlarged Group

The Company is of the opinion that the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

11.2 Working Capital Statement – Grit Group

The Company is of the opinion that the Grit Group does not have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

11.2.1 Action Plan

The Company intends to rectify its working capital position with the indicated minimum proceeds from the Open Offer and Placing. As set out in Paragraph 1 of Part I (*Letter from the Chairman*) of this document, at the Latest Practicable Date the Company has received written confirmation from existing Shareholders and new investors of their intention to subscribe, in aggregate, for in excess of US\$65 million pursuant to the Open Offer and Placing (the "**Indicated Minimum Proceeds**"). The Company therefore has a reasonable level of confidence that the Indicated Minimum Proceeds will be received. However, the Indicated Minimum Proceeds are not underwritten, and therefore the Company is unable to take them into account in making its working capital statement on Grit Group. Furthermore,

the written confirmations of intention received from new and existing Shareholders are not legally binding commitments, rather a confirmation of intent, and therefore there is a risk that all or certain of the existing Shareholders and/or new investors that have provided the written confirmations of intention do not ultimately subscribe pursuant to the Open Offer and Placing as indicated, and therefore the Indicated Minimum Proceeds are not ultimately received by the Company.

11.2.2 *Shortfall and Timing*

Grit Group has the following existing working capital requirements and/or potential requirements against which the Company intends to apply the Indicated Minimum Proceeds:

- as set out in Paragraph 2.3 of Part I (*Letter from the Chairman*) of this document, Grit Group is currently a guarantor to DiT for an amount of up to US\$17.5 million (being 50 per cent. of the total loan amount). PIC has matched the balance of the guarantee. Since August 2020, when PIC took over the debt from BoAML, PIC have the ability to call for cash collateral for the guarantee on four days' notice. Whilst reserving their rights, PIC continues to advise Grit Group that it does not intend alling on the Grit Group guarantee at this time;
- payment of the US\$17.9 million final capital contributions in respect of GREA's initial capital calls due in December 2021; and
- one of the Grit Group's debt facilities (for a net amount of US\$47.1 million, being the total loan amount of US\$76.4 million, less the back-to-back loan to the property partners of US\$29.3 million) is required to be refinanced by April 2022. While the Company has no reason to believe that this will not be refinanced, should that not occur the Grit Group would need to secure additional financing to avoid being in default, with three related properties, valued at US\$115.3 million at 30 June 2021, being pledged as security for the loan as well as a group guarantee on the loan.

11.2.3 *Implications*

As set out above, whilst the Company has received written confirmations of intention from existing Shareholders and new investors of their intention to subscribe pursuant to the Open Offer and Placing for the Indicated Minimum Proceeds, the written confirmations of intention do not constitute a legally binding agreement and as such there is a risk that the Indicated Minimum Proceeds are not ultimately received by the Company. In such an eventuality, the Proposed Acquisition would not proceed to Completion as the minimum equity capital raise condition under the Dorado Share Purchase Agreement, as set out in paragraph 2 B of Part IV (*Terms of the Proposed Acquisition*) of this document, would not have been satisfied. In addition, the Company would need to pursue alternative actions to rectify its working capital position, including but not limited to the following:

- the Company would continue its dialogue with PIC in respect of the DiT obligations, and in particular seek continued assurances from PIC that it does not intend calling on the Grit Group guarantee. The PIC has written to Grit advising it that they are still in the process of considering the proposals made by Grit for the resolution of the DiT guarantee and that it expects to have a decision and resolution of the matter within six months of the letter dated 28 October 2021. Accordingly, the Grit Board believes that there is a strong likelihood that Grit will reach a satisfactory conclusion in the negotiations with the PIC;
- the Company would seek agreement from GREA to settle the US\$17.9 million final capital contribution in respect of GREA's initial capital calls due in December 2021 by way of a transfer of certain property assets, instead of by settlement in cash. An agreement in principle has been reached for such asset to be sold (whether partially or in whole) to GREA and the Grit Board believes that there is a strong likelihood that, should it prove necessary, this agreement will be concluded in order for Grit to meet its capital contribution obligation to GREA;
- the Company would continue to seek to refinance the Grit Group's debt facility due in April 2022 for a net amount of US\$47.1 million, for which negotiations are on-going with the relevant lender as well as other potential lenders. The Grit Board believes there

is a strong likelihood it will conclude satisfactory negotiations with either the current or new lender(s) ahead of the maturity date of this facility in April 2022 and is already in discussions with three such lenders; and

- the Company would seek alternative new debt facility and equity fundraising opportunities, for which it has certain on-going discussions with certain potential providers of new debt facilities and/or new equity fundraisings. The Grit Board is confident that this can be achieved in a timely manner.

11.3 **COVID-19**

11.3.1 *Impact of COVID-19*

In preparing the working capital statements in paragraphs 11.1 and 11.2 above, the Company is required to identify, define and consider a reasonable worst-case scenario. This has involved making certain assumptions regarding the potential evolution of the COVID-19 pandemic and its potential impact on the Grit Group and the Enlarged Group in that reasonable worst-case scenario.

11.3.2 *COVID-19 reasonable worst-case assumptions*

COVID-19 has resulted in significantly increased levels of uncertainty with a wide range of possible scenarios and financial impacts. In determining the potential further impact resulting from COVID-19, the Directors' projections take into account the underlying legal positions of the Grit Group's long-term lease contracts, the financial obligations of the Grit Group and Enlarged Group and current policy measures introduced by various governments which could impact the performance of the Grit Group's assets. This results in the following COVID-19 related assumptions under a reasonable worst-case scenario upon which the working capital statements depend:

- (a) Rent concessions provided to a range of tenants, particularly in the retail and hospitality sectors, including extended assumptions on vacancy take up as detailed below:
 - a delay in vacancy take up of 12 months for all vacant space for the retail sector, and 6 months for all other sectors;
 - average of 5 per cent. additional rental concession on all non-essential services tenants in the retail sector; and
 - average rental concessions and deferrals extension of 6 months on the hospitality tenants who have yet to fully commence normalised rentals.
- (b) Cumulative decline in property valuations over the base case scenario of:
 - a decline in property valuations of 10.4 per cent. to June 2022 (predominately weighted to the retail sector of 15.9 per cent. and the hospitality sector of 21.6 per cent., both inclusive of the foreign currency downside impacts); and
 - property valuation decline of 17.6 per cent. to June 2023 (predominately weighted to the retail sector of 23.7 per cent. and the hospitality sector of 32.7 per cent., both inclusive of the foreign currency downside impacts).

11.3.3 *Basis of working capital statement*

The working capital statement in this announcement has been prepared in accordance with the ESMA Recommendations as they relate to working capital statements, and the technical supplement to the FCA Statement of Policy published on 8 April 2020 relating to the coronavirus crisis.

12. **Capitalisation and indebtedness**

The tables below set out the unaudited consolidated gross indebtedness and net indebtedness of the Grit Group as at 30 September 2021 and the consolidated capitalisation of the Grit Group as at 30 June 2021.

The capitalisation information as at 30 June 2021 has been extracted without material adjustment from the audited consolidated financial statements of the Grit Group incorporated by reference in Part VI (*Financial Information on Grit Group*) of this document.

The gross indebtedness information as at 30 September 2021 has been extracted, without material adjustment, from the Grit Group's unaudited accounting records. The gross and net indebtedness statement has been prepared using accounting policies that are consistent with those used in preparing the Grit Group's consolidated financial statements as at and for the year ended 30 June 2021 incorporated by reference in Part VI (*Financial Information on Grit Group*) of this document.

	<i>As at 30 September 2021 (unaudited) US\$'000</i>
Current Debt	
Guaranteed	–
Secured	5,479
Guaranteed and secured	125,494
Unsecured	11,739
Total Current Debt	<u>142,712</u>
	<i>As at 30 September 2021 (unaudited) US\$'000</i>
Non-current Debt (excluding current portion of long-term debt):	
Guaranteed	–
Secured	–
Guaranteed and secured	269,988
Unsecured	30,501
Total Non-current Debt	<u>300,489</u>
Total indebtedness	<u><u>443,201</u></u>
	As at 30 June 2021 (audited) US\$'000
Capitalisation	
Share capital	463,842
Legal reserve	(16,911)
Total capitalisation	<u><u>446,931</u></u>

There has been no material change in the Company's capitalisation since 30 June 2021 to the date of this document.

The following table sets out the Grit Group's unaudited net indebtedness as at 30 September 2021, which has been extracted without material adjustment, from the Grit Group's unaudited accounting records.

	<i>As at 30 September 2021 (unaudited)</i>
Cash	4,017
Total liquidity	4,017
Current financial receivable	35,338
Current bank debt	136,405
Other current financial debt	6,307
Current financial debt	142,712
Net current financial indebtedness	103,356
Non-current bank loans	269,420
Other non-current loans	31,069
Non-current financial indebtedness	300,489
Net financial indebtedness	403,845

As at 30 September 2021, the Grit Group had no material indirect or contingent indebtedness.

13. Significant change

13.1 **Grit Group**

Save as set out below, there has been no significant change in the financial position or the financial performance of the Grit Group since 30 June 2021 (being the end of the last financial period for which audited financial statements have been published).

- **Perpetual Preference Note.** Grit Services Limited, a 100 per cent. subsidiary of the Group, has entered into a Subscription Agreement with Ethos Mezzanine Partners GP Proprietary Limited and Blue Peak Private Capital GP for the issuance by Grit of a perpetual note that will raise up to US\$ 31,500,000 (the “**Note**”) and will be applied towards:
 - the acquisition and redevelopment of the Orbit Africa warehousing and manufacturing facility in Nairobi, Kenya; and
 - the St Helene Private Hospital development in Mauritius.

The Note is subject to fulfilment of conditions precedent prior to disbursement.

Salient features of the Note include:

- The Note is treated as equity for IFRS accounting purposes and will reduce the Group’s reported LTV.
- The Note has a cash coupon of 9 per cent. per annum and a 4 per cent. per annum redemption premium. The Company may elect to capitalise cash coupons.
- The Note, although perpetual in tenure, carries a material coupon step-up provision after the fifth anniversary that is expected to result in an economic maturity and redemption by the Company on or before that date.
- The Note may be voluntarily redeemed by the Company at any time, although there would be call-protection costs associated with doing so before the third anniversary.
- The Note is subordinated to permitted indebtedness in the Company but ranks ahead of shareholder claims.
- The Note potentially offers noteholders an additional return of not more than 3 per cent. per annum, linked to the performance of Grit’s ordinary shares over the duration of the Note.

- o The Note is exchangeable into Ordinary Shares in certain circumstances between the 5th and the 7th anniversary of the issue date.
- o The Note is guaranteed by the Company.
- **Orbit Africa transaction.** The Orbit facility is situated on Mombasa Road, the principal route south of Nairobi centre serving the main industrial node, the link to the port of Mombasa and the industrial town of Athi River and is strategically located 11 kilometres south of the international airport and 9.6 kilometres from the Inland Container Depot. The site is well known to Grit, being less than one kilometre from the Imperial Health Sciences logistics facility owned by Grit in the same industrial precinct.

The transaction comprises the acquisition of an existing warehouse and manufacturing facility with a gross lettable area (“**GLA**”) of 29,243 sqm at an accretive net acquisition yield of 9.60 per cent. The facility will be leased back to Orbit Products Africa Limited (the “**Tenant**”) in terms of a 25-year US Dollar denominated triple net lease with an option to extend for a further 10 years and includes a contracted average annual escalation of 2 per cent. The transaction also incorporates a redevelopment and expansion of the facility for the Tenant, to be undertaken by the Company at a contractual development yield of 16.0 per cent. The development project provides potential scope for further value accretion through the addition of 14,741 sqm GLA of modern warehouse space that will reposition the property to the standards expected of a modern FMCG light industrial facility and shall target an IFC EDGE green building certification upon completion.

The total investment (including VAT) in the combined initial acquisition and the expansion and redevelopment is expected to be US\$ 53.6 million and will be funded through the US\$ 25 million senior debt financing from the International Finance Corporation (“**IFC**”), and the balance can be provided through the perpetual preference note issuance.

The IFC debt terms are summarised below:

- o The IFC provides a US\$ 25 million senior debt facility (the “**Loan**”).
- o US\$ 16.1 million of the Loan will be utilised to fund the purchase consideration and associated transaction costs related to the initial sale and leaseback of the Orbit transaction mentioned above.
- o US\$ 8.9 million of the Loan will be utilised to fund the Redevelopment Project.
- o The Loan provided by the IFC carries a tenure of eight years of which the first three years are provided under a capital repayment moratorium.
- o The applicable facility interest rate is 5.75 per cent. per annum above 6-month libor.
- **Interest bearing borrowings.** The following debt transactions were concluded subsequent to the period as a short term measure to create a platform for a more strategic and suitable balance sheet solution. The Grit Group has engaged advisors and is currently investigating the potential for a corporate bond issuance, which it would expect to pursue in 2022 subject to prevailing market conditions at that time. The benefits would largely be extension of debt tenure, diversification of the Grit Group’s funding base and taking advantage of supportive credit markets in relation to African and frontier markets issuance:
 - o The Grit Group has extended the MUR 72 million (or US\$ 1.7million) COVID-19 facility from the State Bank of Mauritius, to an evenly amortized 48 month facility.
 - o The Grit Group has extended all its facilities with the State Bank of Mauritius (“**SBM**”) to 2025. This applies to the following facilities:
 - Leisure Property North Mauritius Limited (EUR 12.2 million, with interest of 4.25 per cent. + 3 Month Euribor) for the Beachcomber properties;
 - Mara Delta (Mauritius) Property Limited, owner of the Lux Tamassa resort (EUR 22.3 million, with interest of 4.00 per cent. fixed); and
 - Grit Real Estate Income Group, a Corporate facility (US\$ 20 million, with interest of 4.00 per cent. fixed)

- o The US\$ 46 million facility (EUR31.8 million and US\$ 8.7million) with Investec Bank on the AnfaPlace Mall held by Freedom Property Fund SARL in Morocco has been extended to April 2023. As part of the terms of the refinance, an amount of US\$ 6 million will become due in the next 12 months.
- o The Group's RCF facility of US\$ 7 million held with Nedbank has been extended to April 2023, with optional capital repayment conditions, bearing an interest of 6-month libor + 8.40 per cent.
- o The BHI syndicated loan of EUR 50 million has been extended to April 2023.

13.2 **GREA**

There has been no significant change in the financial position or the financial performance of GREA since 30 June 2021 (being the end of the last financial period for which interim financial information has been published).

14. **Investments**

Since 30 June 2021 (being the date to which the Grit Group's last published financial statements have been prepared), the Company has not made any material investments, nor are there any investments in progress or for which firm commitments have been made, save for the Proposed Acquisition and the Orbit Acquisition.

15. **Regulatory disclosures under UK MAR and EU MAR**

The table below sets out a summary of the information disclosed by the Company under UK MAR and, prior to 1 January 2021, EU MAR over the last 12 months, which is relevant as at the date of this document:

<i>Date</i>	<i>Title of Announcement</i>	<i>Disclosure</i>
2 July 2021	IFC Loan Agreement for the Acquisition, Expansion and Redevelopment of the Orbit Africa Warehousing and Manufacturing Facility, Nairobi, Kenya	The Grit Board announces that it has entered into a loan agreement with the International Finance Corporation, the investment arm of the World Bank, for a US\$25 million senior debt financing to facilitate the acquisition and redevelopment of the Orbit Africa warehousing and manufacturing facility in Nairobi, Kenya. The total investment in the acquisition and redevelopment is expected to be US\$53.6 million. The difference will be funded through a Grit issued perpetual preference note.
16 December 2020	Result of placing	The Grit Board announces a successful placing of 15,000,000 ordinary shares at a price of £0.481/US\$0.65 per share raising gross proceeds of approximately £7.2/\$9.8 million.
15 December 2020	Proposed placing to raise approximately \$10 million	Grit announces a proposed placing of new ordinary shares to raise gross proceeds of approximately \$10 million/£7.5 million. The Company intends to use the net proceeds of the placing for general corporate purposes.

16. **Responsibility and consents**

- 16.1 Knight Frank LLP of 55 Baker Street, Marylebone, London W1U 8AN, which is qualified for the purpose of the valuation reports in Part IX (*Property Valuation Reports prepared by Knight Frank LLP in relation to certain assets in the Existing Portfolio and in the New Portfolio*) of this document in accordance with the RICS Valuation – Global Standards, January 2020, issued by the Royal Institution of Chartered Surveyors, has given and not withdrawn its consent to the inclusion of its reports in Part IX (*Property Valuation Reports prepared by Knight Frank LLP in relation to certain assets in the Existing Portfolio and in the New Portfolio*) of this document and has authorised the contents of its report for the purposes of Prospectus Regulation Rule 5.3.2R(2)(f).

- 16.2 REC Real Estate Consulting, LDA of Edifício JATV 1, Rua. Dos Desportistas 833, 14º Andar, Maputo, Mozambique, which is qualified for the purpose of the valuation report in Part X (*Property Valuation Report prepared by REC – Real Estate Consulting, LDA in relation to certain assets in the Existing Portfolio and in the New Portfolio*) of this document in accordance with the RICS Valuation – Global Standards, January 2020, issued by the Royal Institution of Chartered Surveyors, has given and not withdrawn its consent to the inclusion of its report in Part X (*Property Valuation Report prepared by REC – Real Estate Consulting, LDA in relation to certain assets in the Existing Portfolio and in the New Portfolio*) of this document and has authorised the contents of its report for the purposes of Prospectus Regulation Rule 5.3.2R(2)(f).
- 16.3 There has been no material change in the valuations of the properties which are the subject of the valuation reports referred to in paragraphs 16.1 and 16.2 above since the date of the relevant valuations contained in such reports.
- 16.4 Deloitte LLP, whose registered address is at One New Street Square, London EC4A 3HQ, has given and not withdrawn its consent to the inclusion of its Accountant’s Report on the Unaudited Pro Forma Financial Information on the Enlarged Group set out in Part VIII (*Unaudited Pro Forma Financial Information on the Enlarged Group*) of this document and has authorised the contents of its report for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules.
- 16.5 Mazars, whose registered address is at 4th Floor Unicorn Centre, 18N, Frère felix de valois, Port Louis, Mauritius, has given and not withdrawn its consent to the inclusion of its Accountant’s Report on the Historical Financial Information of GREA set out in Part VII (*Financial Information on GREA*) of this document and has authorised the contents of its report for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules.
- 16.6 finnCap Limited has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

17. Documents available

Copies of the following documents will be available for inspection on the website of the Company at <https://grit.group/documents-circulars/> and during normal business hours on any weekday (public holidays excepted) at the registered office of the Company from the date of this document until Admission:

- 17.1 the Articles;
- 17.2 all reports, letters, and other documents, valuations and statements prepared by any expert at the Company’s request, any part of which is included or referred to in this document;
- 17.3 the Share Purchase Agreements; and
- 17.4 this document.

PART XIII

DEFINITIONS

In this document, the following expressions have the following meanings, unless the context requires otherwise:

“Admission”	admission of the New Ordinary Shares: (i) to listing on the premium segment of the Official List becoming effective in accordance with the Listing Rules; (ii) to trading on the premium segment of the London Stock Exchange’s main market becoming effective in accordance with the Admission and Disclosure Standards; and (iii) to trading on the Official Market of the SEM in accordance with the SEM Rules
“Admission and Disclosure Standards”	the Admission and Disclosure Standards published by the London Stock Exchange
“APDM”	Africa Property Development Managers Ltd
“APDM Shares”	shares of US\$1.00 nominal value each in the capital of APDM
“Articles of Incorporation” or “Articles”	the articles of incorporation of the Company
“Asset Management and Advisory Services Agreement” or “AMASA”	the asset management and advisory services agreement between GREA and APDM dated November 2017, a summary of which is set out in paragraph 9.2.2 of Part XII (<i>Additional Information</i>) of this document
“Auditors”	PricewaterhouseCoopers LLP
“Baden Hill”	Baden Hill, a trading name of Northland Capital Partners Limited, the Company’s bookrunner
“BEE”	Black Economic Empowerment
“Board” or “Grit Board” or “Directors”	the board of directors of the Company
“Business Day”	a day (excluding Saturdays and Sundays or public holidays in England and Wales and Mauritius) on which commercial banks are open for business in London, Guernsey 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”	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST or in CDS)
“Certificated Shareholder”	a Shareholder who holds Certificated Shares
“Certificated Shares”	Ordinary Shares which have not been Dematerialised, title to which is represented by a share certificate or other Document of Title
“Chairman”	the chairman of the Board

“Companies Law”	Companies (Guernsey) Law, 2008, as amended
“Company”	Grit Real Estate Income Group Limited
“Company Secretary”	Intercontinental Fund Services Limited
“Completion”	completion of the Proposed Acquisition in accordance with the terms of the Share Purchase Agreements
“COVID-19”	the novel coronavirus (2019-nCoV)
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is operated by Euroclear UK & International Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
“CRO”	contingent repurchase obligation
“CRS”	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD
“Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares
“Dematerialised Shares”	Ordinary Shares which have been incorporated into the CDS system and which are no longer evidenced by certificates or other physical Documents of Title
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules contained within the FCA Handbook
“DiT”	Drive in Trading
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to Grit
“Dorado Share Purchase Agreement”	the share purchase agreement dated 22 November 2021 between (1) the Company, (2) Dorado 1 Limited, (3) Greg Pearson and (4) Bronwyn Knight, as more particularly described in Part IV (<i>Terms of the Proposed Acquisition</i>) of this document
“EEA”	European Economic Area
“Enlarged Group”	the Grit Group following Completion of the Proposed Acquisition which, for the avoidance of doubt, includes GREA and APDM
“Enlarged Share Capital”	the issued share capital of the Company on Admission
“EPRA”	European Public Real Estate Association
“EU”	the European Union
“EU MAR”	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
“EU Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC

“Euroclear”	Euroclear UK & International Limited
“EUWA”	the European Union (Withdrawal) Act 2018 (as amended)
“Excess Application Facility”	the arrangements pursuant to which Qualifying Shareholders may apply for Excess New Shares in excess of their Open Offer Entitlements in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for Excess New Shares using CREST pursuant to the Excess Application Facility
“Excess New Shares”	such number of New Ordinary Shares as may be allocated to the Excess Application Facility (as determined by finnCap and the Company) that have not been taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements
“Executive Directors”	Bronwyn Knight and Leon van de Moortele
“Existing Ordinary Shares”	the 331,235,546 Ordinary Shares in issue at the date of this document or, where the context requires, the Ordinary Shares held by Qualifying Shareholders as at the Record Date
“Existing Portfolio”	the property assets of the Grit Group as at 30 June 2021, details of which are set out in Part II (<i>Business Overview of Grit</i>) of this document
“FATCA”	the US Foreign Account Tax Compliance Act
“FCA”	the UK Financial Conduct Authority
“FCA Handbook”	the FCA handbook of rules and guidance as amended from time to time
“finnCap”	finnCap Ltd, the Company’s UK sponsor, sole global co-ordinator and bookrunner
“Form of Proxy”	the Mauritian Form of Proxy and/or the UK Form of Proxy, as the context requires
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“Gateway Partners” or “Gateway”	Gateway Africa Real Estate Limited
“Gateway Partners Share Purchase Agreement”	the share purchase agreement dated 22 November 2021 between the Company and Gateway Partners, as more particularly described in Part IV (<i>Terms of the Proposed Acquisition</i>) of this document
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. (GMT)/2.00 p.m. (MUT) on 14 December 2021, or any adjournment thereof
“GMT”	Greenwich Mean Time
“GREa”	Gateway Real Estate Africa Ltd
“GREa Board”	the board of directors of GREa
“GREa Executive Share Trust”	Gateway Delta Executive Share Trust

“GREA Executive Share Trust Share Purchase Agreement”	the share purchase agreement dated 22 November 2021 between, <i>inter alia</i> , the Company and Osiris Corporate Solutions (Mauritius) Limited as trustee of the GREA Executive Share Trust, as more particularly described in Part IV (<i>Terms of the Proposed Acquisition</i>) of this document
“GREA Shares”	shares of no par value each in the capital of GREA
“Grit 2021 Annual Financial Statements”	the audited consolidated annual financial statements of the Grit Group for the 12 months ended 30 June 2021
“Grit Group”	the Company and its subsidiaries, from time to time
“Grit Share Incentive Plan”	The Grit Real Estate Income Group Limited Long-term Incentive Scheme
“Gross Issue Proceeds”	the gross proceeds of the Issue
“HMRC”	HM Revenue & Customs
“IFRS”	the International Financial Reporting Standards as adopted by the European Union
“Indicated Minimum Proceeds”	has the meaning given in paragraph 11 of Part XII (<i>Additional Information</i>) of this document
“Interested Parties”	Bronwyn Knight and Greg Pearson, and each an “Interested Party”
“Interested Party Share Purchase Agreements”	has the meaning given in paragraph 3.3 of Part I (<i>Letter from the Chairman</i>) of this document
“ISIN”	international security identification number
“Issue”	the Open Offer and Placing and, where the context requires, the issue of New Ordinary Shares to the Selling Shareholders pursuant to the Share Purchase Agreements
“Issue Price”	US\$0.52 per New Ordinary Share
“IPO”	the Company’s admission to trading on the main market of the London Stock Exchange which occurred on 31 July 2018
“JSE”	Johannesburg Stock Exchange
“Latest Practicable Date”	the latest practicable date for ascertaining information for the purposes of publishing it in this document, being 18 November 2021
“LEI”	legal entity identifier
“Listing Rules”	the listing rules made by the FCA pursuant to Part VI of the FSMA
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“LTV”	loan-to-value
“Mauritian Form of Proxy”	for the purposes of the General Meeting, the form of proxy (<i>blue</i>) for use by Shareholders on the Mauritian Register
“Mauritian Register”	the register of Shareholders maintained by Intercontinental Secretarial Services Ltd in Mauritius

“Mauritian Registrar and Transfer Agent” or “ISSL”	Intercontinental Secretarial Services Ltd
“Member State”	any member state of the EEA
“Money Laundering Regulations”	has the meaning given to it on page 291 of this document
“Money Laundering Rules”	has the meaning given to it on page 291 of this document
“MUT”	Mauritius Time
“NAV” or “Net Asset Value”	the value, as at any date, of the assets of the Company on a consolidated basis less its liabilities, determined in accordance with the accounting policies adopted by the Company from time to time
“New Ordinary Shares”	the Ordinary Shares to be issued by the Company pursuant to the Open Offer and Placing and/or, as the context requires, the Ordinary Shares to be issued by the Company to the Selling Shareholders pursuant to the Share Purchase Agreements
“New Portfolio” or “GREA Portfolio”	the property assets of GREA as at the date of this document, details of which are set out in Part III (<i>Business overview of GREA and APDM</i>) of this document
“Notice of General Meeting”	the notice convening the General Meeting, set out at the end of this document
“Official List”	the Official List of the FCA
“Official Market”	the Official Market of the SEM
“Open Offer”	the offer to Qualifying Shareholders, constituting an invitation to apply for New Ordinary Shares, on the terms and subject to the conditions set out in Part XV (<i>Terms and Conditions of Application under the Open Offer</i>) of this document and, in the case of Qualifying non-CREST Shareholders, the Open Offer Application Form
“Open Offer Application Form”	the application form on which Qualifying non-CREST Shareholders may apply for New Ordinary Shares under the Open Offer
“Open Offer Entitlement”	the entitlement of Qualifying Shareholders to apply for New Ordinary Shares pursuant to the Open Offer on the basis of 1.3011 New Ordinary Shares for every 1 Ordinary Share held and registered in their names at the Record Date
“Orbit Acquisition”	the acquisition of an existing warehouse and manufacturing facility in Kenya, as described in paragraph 10 of Part II (<i>Business Overview of Grit</i>) of this document
“Ordinary Shares”	ordinary shares of no par value in the capital of the Company
“Overseas Shareholders”	Shareholders with registered addresses outside the United Kingdom, Mauritius or South Africa or who are citizens or residents of countries outside the United Kingdom, Mauritius or South Africa
“Perigeum Capital”	Perigeum Capital Limited, the Company’s SEM authorised representative and sponsor and Mauritian transaction adviser and placing agent

“Perigeum Capital Engagement Letter”	the agreement dated 5 November 2021 between the Company and Perigeum Capital, a summary of which is set out in paragraph 9.1.3 of Part XII (<i>Additional Information</i>) of this document
“PIC”	Public Investment Corporation of South Africa
“Placee”	a person subscribing for Ordinary Shares under the Placing
“Placing”	the conditional placing of New Ordinary Shares at the Issue Price as described in this document
“Placing and Offer Agreement”	the placing and offer agreement dated 22 November 2021 between the Company, finnCap and Baden Hill, a summary of which is set out in paragraph 9.1.2 of Part XII (<i>Additional Information</i>) of this document
“PROD Sourcebook”	the Product Intervention and Product Governance Sourcebook contained in the FCA’s Handbook of Rules and Guidance
“Proposals”	together the Proposed Acquisition, the Issue and Admission
“Proposed Acquisition”	the proposed acquisition by Grit of an additional stake of 25.78 per cent. in GREA and a 78.95 per cent. stake in APDM, further details of which are set out in Part IV (<i>Terms of the Proposed Acquisition</i>) of this document
“Proposed Acquisition Resolution”	the ordinary resolution to be proposed at the General Meeting to approve the Proposed Acquisition
“Prospectus Delegated Regulation”	Commission Delegated Regulation (EU) 2019/980, as it forms part of the domestic law of the United Kingdom by virtue of the EUWA
“Prospectus Regulation Rules”	the rules and regulations made by the FCA under Part VI of FSMA
“Prudential Investors”	Prudential Impact Investments Private Equity LLC
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares are in uncertificated form
“Qualifying non-CREST Shareholders”	Qualifying Shareholders: (i) on the UK Register whose Existing Ordinary Shares are held in certificated form; and (ii) on the Mauritian Register whose Existing Ordinary Shares are held in certificated or uncertificated form
“Qualifying Shareholders”	holders of Ordinary Shares on the Register on the Record Date (other than certain Overseas Shareholders as described in Part XV (<i>Terms and Conditions of Application under the Open Offer</i>) of this document)
“Receiving Agent”	Link Group, a trading name of Link Market Services Limited
“Receiving Agent Agreement”	the receiving agent agreement dated 22 November 2021 between the Company and the Receiving Agent, a summary of which is set out in paragraph 9.1.4 of Part XII (<i>Additional Information</i>) of this document
“Record Date”	close of business on 19 November 2021
“Register”	the register of members of the Company
“Registrar”	Link Market Services (Guernsey) Limited

“Regulatory Information Service” or “RIS”	a regulatory information service authorised by the FCA to release regulatory announcements to the London Stock Exchange
“REIT”	real estate investment trust
“Relevant Member State”	each Member State which is bound by the EU Prospectus Regulation
“Restricted Jurisdictions”	Australia, Canada, Japan, the United States and any other jurisdiction where the availability of the Issue would breach any applicable law
“RICS”	Royal Institution of Chartered Surveyors
“Selling Shareholders”	Gateway Partners, Dorado 1 Limited and the GREA Executive Share Trust
“SEM”	the Stock Exchange of Mauritius Ltd, established under the repealed Stock Exchange Act of 1988 of Mauritius and now governed by the Securities Act of 2005 of Mauritius
“SEM Rules”	the SEM Listing Rules
“Senior Management Team” or “SMT”	those persons listed in paragraph 4 of Part II (Business overview of Grit) of this document
“Share Purchase Agreements”	together the Dorado Share Purchase Agreement, the Gateway Partners Share Purchase Agreement and the GREA Executive Share Trust Share Purchase Agreement, the terms of which are summarised in Part IV (<i>Terms of the Proposed Acquisition</i>) of this document
“Shareholder”	a holder of Ordinary Shares
“Takeover Code”	the City Code on Takeovers and Mergers in the UK
“Takeover Panel”	the Panel on Takeovers and Mergers in the UK
“Target Market Assessment”	has the meaning given to it on page 37 of this document
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Form of Proxy”	for the purposes of the General Meeting, the form of proxy (green) for use by Shareholders on the UK Register
“UK Market Abuse Regulation”	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as it forms part of the domestic law of the United Kingdom by virtue of the EUWA
“UK Product Governance Requirements”	has the meaning given to it on page 36 of this document
“UK Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as it forms part of the domestic law of the United Kingdom by virtue of the EUWA
“UK Register”	the register of Shareholders maintained by the Registrar

“uncertificated” or “in uncertificated form”	a share or other security title to which it is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST or CDS, and title to which may be transferred by means of CREST or through CDS
“Uncertificated Securities Regulations”	the Uncertificated Securities (Guernsey) Regulations, 2009, as amended from time to time
“US” or “United States”	United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Investment Company Act”	US Investment Company Act of 1940, as amended
“US Securities Act”	the United States Securities Act of 1933 (as amended)
“US Tax Code”	US Internal Revenue Code, as amended

PART XIV

TERMS AND CONDITIONS OF APPLICATION UNDER THE PLACING

1. Introduction

- 1.1 Participation in the Placing is only available to persons who are invited to participate by finnCap, Baden Hill or Perigeum Capital. These terms and conditions apply to persons making an offer to subscribe for New Ordinary Shares under the Placing. The Placee hereby agrees with finnCap and/or Baden Hill and/or Perigeum Capital and the Company to be bound by these terms and conditions as being the terms and conditions upon which the New Ordinary Shares will be sold under the Placing. A Placee shall, without limitation, become so bound if finnCap or Baden Hill or Perigeum Capital confirms its allocation of New Ordinary Shares under the Placing to such Placee.
- 1.2 Upon being notified of its allocation of New Ordinary Shares under the Placing, a Placee shall, subject to the provisions of paragraph 7 of this Part XIV, be contractually committed to acquire the number of New Ordinary Shares allocated to them at the Issue Price and to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitments. Dealing may not begin before any notification is made.
- 1.3 The Company and/or finnCap and/or Baden Hill and/or Perigeum Capital may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) see(s) fit.
- 1.4 The commitment to acquire New Ordinary Shares under the Placing in the UK may be agreed orally with finnCap and/or Baden Hill as agent for the Company and further evidenced in a contract note ("**Contract Note**") or placing confirmation ("**Placing Confirmation**").

2. Agreement to acquire New Ordinary Shares

- 2.1 A Placee agrees to become a member of the Company and agrees to subscribe for those New Ordinary Shares allocated to it by the Company at the Issue Price, conditional on, *inter alia*:
 - 2.1.1 the Placing and Offer Agreement becoming unconditional in respect of the Placing (save for any condition relating to Admission) and not having been terminated on or before Admission; and
 - 2.1.2 Admission occurring on or before 21 December 2021 (or such later date as may be agreed between the Company, finnCap and Baden Hill not being later than 7 January 2022).
- 2.2 The number of New Ordinary Shares issued to such Placee under the Placing shall be in accordance with the arrangements described above, subject to the provisions of paragraph 7 of this Part XIV with respect to New Ordinary Shares.
- 2.3 If any of the relevant conditions set out in the Placing and Offer Agreement is not fulfilled or, where permitted, waived to the extent permitted by law or regulation in accordance with the Placing and Offer Agreement, or the Placing and Offer Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.
- 2.4 The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares then in issue 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 Admission.
- 2.5 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 New Ordinary Shares

- 3.1 Each Placee undertakes to pay the Issue Price for the New Ordinary Shares issued to the Placee in the manner and by the time directed by finnCap or Baden Hill or Perigeum Capital. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for New Ordinary Shares may, at the discretion of finnCap or Baden Hill or Perigeum Capital 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 Issue Price for the New Ordinary Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and finnCap or Baden Hill or Perigeum Capital, as applicable, elects to accept that Placee's application, finnCap or Baden Hill or Perigeum Capital may sell all or any of the New Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for its 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 New Ordinary Shares on such Placee's behalf. finnCap or Baden Hill or Perigeum Capital, 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.

4. Representations and warranties

- 4.1 By agreeing to subscribe for New Ordinary Shares under the Placing, each Placee which enters into a commitment to subscribe for such New Ordinary Shares will (for itself and any person(s) procured by it to subscribe for New Ordinary Shares and any nominee(s) for any such person(s)) be deemed to represent, warrant and acknowledge to each of the Company, the Registrar, the Mauritian Registrar and Transfer Agent, finnCap, Baden Hill and Perigeum Capital that:
- 4.1.1 in agreeing to subscribe for New Ordinary Shares under the 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 or the Placing. It agrees that none of the Company, finnCap, Baden Hill, Perigeum Capital, the Mauritian Registrar and Transfer Agent or the 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 New Ordinary Shares under the Placing, 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, Perigeum Capital, the Mauritian Registrar and Transfer Agent or the 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 Placing;
- 4.1.3 it has carefully read and understands this document and any supplementary prospectus issued by the Company in its entirety and acknowledges that it is acquiring New Ordinary Shares on the terms and subject to the conditions set out in this Part XIV and, as applicable, the Contract Note or Placing Confirmation and the Articles and agrees that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the New Ordinary Shares;
- 4.1.4 it has the power and authority to subscribe for New Ordinary Shares under the Placing and to execute and deliver all documents necessary for such subscription;
- 4.1.5 it has not relied on finnCap or Baden Hill or Perigeum Capital or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this document and/or any supplementary prospectus issued by the Company and it has

- relied on its own investigation with respect to the New Ordinary Shares and the Company in connection with its investment decision;
- 4.1.6 the content of this document and any supplementary prospectus issued prior to Admission is the responsibility of the Company and its Directors and none of finnCap, Baden Hill, Perigeum Capital 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 Placing based on any information, representation or statement contained in this document or any supplementary prospectus issued by the Company or otherwise;
- 4.1.7 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and any supplementary prospectus issued prior to 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 or Perigeum Capital;
- 4.1.8 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 (depository receipts and clearance services);
- 4.1.9 it accepts that none of the New Ordinary Shares has been or will be registered under the laws of the United States or any other Restricted Jurisdiction. Accordingly, the New Ordinary Shares may not be sold, issued or delivered, directly or indirectly, into or within the United States or any other Restricted Jurisdiction unless an exemption from any registration requirement is available;
- 4.1.10 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 New 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 New Ordinary Shares may be lawfully offered under that other jurisdiction’s laws and regulations;
- 4.1.11 if it is within Mauritius, it is a person who has been invited to participate in the Placing;
- 4.1.12 if it is a resident in the EEA, it is a qualified investor within the meaning of Article 2(3) of the EU Prospectus Regulation;
- 4.1.13 in the case of any New Ordinary Shares acquired by a Placee as a financial intermediary within the EEA as that term is used in Article 5(1) of the EU Prospectus Regulation: (a) the New Ordinary Shares acquired by it in the 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 EU Prospectus Regulation, or in circumstances in which the prior consent of finnCap and/or Baden Hill has been given to the offer or resale; or (b) where New Ordinary Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Ordinary Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;
- 4.1.14 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 New Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.1.15 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the New Ordinary Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no documents are being issued by either finnCap or Baden Hill in its capacity as an authorised person under

section 21 of FSMA and such documents may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;

- 4.1.16 it acknowledges that no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the New Ordinary Shares or possession of this document (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.1.17 it is entitled to subscribe for or acquire the New 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 New Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Registrar, the Mauritian Registrar and Transfer Agent, finnCap, Baden Hill, Perigeum Capital or their respective members, directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing or its acceptance of participation in the Placing;
- 4.1.18 if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Ordinary Shares pursuant to the 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 material could lawfully be provided to it or such person and New 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;
- 4.1.19 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 Mauritius) on the date of such Placee's agreement to subscribe for New Ordinary Shares under the Placing and will not be any such person on the date any such agreement to subscribe under the Placing is accepted;
- 4.1.20 it has complied with and will comply with all applicable provisions of the Criminal Justice Act 1993 and the UK Market Abuse Regulation with respect to anything done by it in relation to the Placing and/or the New Ordinary Shares;
- 4.1.21 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Placing or the New Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- 4.1.22 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;
- 4.1.23 it acknowledges that none of finnCap nor Baden Hill nor Perigeum Capital 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 Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of finnCap or Baden Hill or Perigeum Capital and that none of finnCap or Baden Hill, or Perigeum Capital has any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the 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 Placing;
- 4.1.24 it acknowledges that, save in the event of fraud on the part of finnCap, Baden Hill or Perigeum Capital, as applicable, or any person acting on their respective behalf, none of finnCap, Baden Hill or Perigeum Capital, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to a Placee or any of its clients for any matter arising out of its respective role as sponsor, financial adviser and bookrunner or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately

waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;

- 4.1.25 it acknowledges that where it is subscribing for New 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 New 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 Placing in the form provided by the Company and/or finnCap and/or Baden Hill and/or Perigeum Capital;

and it agrees that the provisions of this paragraph shall survive any resale of the New Ordinary Shares by or on behalf of any such account;

- 4.1.26 if it is acting as a "distributor" (for the purposes of the UK Product Governance Requirements):
- (a) it acknowledges that the Target Market Assessment undertaken by finnCap and Baden Hill does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A of the FCA's Conduct of Business Sourcebook; 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 New Ordinary Shares and each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels;
 - (b) notwithstanding any Target Market Assessment undertaken by finnCap and Baden Hill, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the New Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such New Ordinary Shares with the end target market;
 - (c) it acknowledges that the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New 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; and
 - (d) it agrees that if so required by finnCap and/or Baden Hill, it shall provide aggregate summary information on sales of the New Ordinary Shares as contemplated under rule 3.3.30(R) of the PROD Sourcebook and information on the reviews carried out under rules 3.3.26(R) to 3.3.28(R) of the PROD Sourcebook;

- 4.1.27 it irrevocably appoints any director of the Company or finnCap or Baden Hill or Perigeum Capital 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 New Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;

- 4.1.28 it accepts that if the Placing does not proceed or the conditions to the Placing and Offer Agreement are not satisfied or the New Ordinary Shares for which valid applications are received and accepted are not admitted to a premium listing on the Official List and to trading on the London Stock Exchange's main market 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 Perigeum Capital 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;

- 4.1.29 in connection with its participation in the Placing it has observed all relevant legislation and regulations;

- 4.1.30 it acknowledges that finnCap, Baden Hill 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;
- 4.1.31 it acknowledges that Perigeum Capital and the Company are entitled to exercise any of their rights under the Perigeum Capital Engagement Letter or any other right in their absolute discretion without any liability whatsoever to it;
- 4.1.32 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that finnCap, Baden Hill, Perigeum Capital 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 New Ordinary Shares are no longer accurate, it shall promptly notify the Company and either finnCap, Baden Hill or Perigeum Capital (as applicable);
- 4.1.33 where it or any person acting on behalf of it is dealing with finnCap or Baden Hill, any money held in an account with finnCap or Baden Hill 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 to segregate such money, as that money will be held by finnCap or Baden Hill under a banking relationship and not as trustee;
- 4.1.34 any of its clients, whether or not identified to finnCap or Baden Hill, will remain its sole responsibility and will not become clients of finnCap or Baden Hill for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.1.35 it accepts that the allocation of New Ordinary Shares shall be determined by the Company in its absolute discretion (in consultation with finnCap) and that the Company may scale down any commitments for this purpose on such basis as it may (in consultation with finnCap (for itself and on behalf of Baden Hill)) determine, including, without limit, to satisfy valid applications for Open Offer Entitlements;
- 4.1.36 time shall be of the essence as regards its obligations to settle payment for the New Ordinary Shares and to comply with its other obligations under the Placing;
- 4.1.37 if it is acquiring New Ordinary Shares pursuant to the Placing in the UK, its commitment to acquire New Ordinary Shares will be agreed orally with finnCap or Baden Hill as agent for the Company and that a Contract Note or Placing Confirmation will be issued by finnCap or Baden Hill 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 to subscribe for the number of New Ordinary Shares allocated to it at the Issue Price on the terms and conditions set out in this Part XIV and, as applicable, in the Contract Note or Placing Confirmation. Except with the consent of finnCap or Baden Hill, such oral commitment will not be capable of variation or revocation after the time at which it is made;
- 4.1.38 if it is acquiring New Ordinary Shares pursuant to the Placing in the UK, its allocation of New Ordinary Shares under the Placing will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming:
- (a) the number of New Ordinary Shares that such Placee has agreed to subscribe for;
 - (b) the aggregate amount that such Placee will be required to pay for such New Ordinary Shares; and
 - (c) settlement instructions to pay finnCap as agent for the Company. The terms of this Part XIV will be deemed to be incorporated into that Contract Note or Placing Confirmation;
- 4.1.39 if it is acquiring New Ordinary Shares pursuant to the Placing in the UK, settlement of transactions in the New Ordinary Shares following Admission will take place in CREST but finnCap reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or

otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction;

- 4.1.40 if it is acquiring New Ordinary Shares pursuant to the Placing in the UK, the price payable per New Ordinary Share is payable to finnCap on behalf of the Company in accordance with these terms and conditions and the terms set out in the Contract Note or Placing Confirmation, and it has the funds available to pay for in full the New Ordinary Shares for which it has agreed to subscribe and it will pay the total subscription amount in accordance with the terms set out in these terms and conditions and as set out in the Contract Note or Placing Confirmation on the due time and date; and
 - 4.1.41 the commitment to subscribe for New Ordinary Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing.
- 4.2 The Company reserves the right to reject all or part of any offer to purchase New Ordinary Shares for any reason. The Company also reserves the right to issue or sell fewer than all of the New Ordinary Shares offered by this document or to issue or sell to any purchaser fewer than all (including none) of the New Ordinary Shares a Placee has offered to subscribe for or purchase.

5. Money laundering

Each Placee in the UK or elsewhere (other than Mauritius):

- 5.1 represents and warrants that it has complied with and will at all times comply 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, as amended ("**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 New Ordinary Shares comprising the Placee's allocation may be retained at finnCap's and/or Baden Hill'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 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 the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify finnCap, Baden Hill 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 Mauritius 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 Financial Intelligence and Anti-money Laundering Act 2002 and the Financial Intelligence and Anti-money Laundering Regulations 2018 in force in Mauritius (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
- 5.4 due to money laundering requirements, Perigeum Capital 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, Perigeum Capital and/or the Company may refuse to accept the application and the

subscription moneys relating thereto. It holds harmless and will indemnify Perigeum 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.

6. Data protection

- 6.1 Each Placee acknowledges and agrees that it has been informed that, pursuant to the EU General Data Protection Regulation 2016/679 (“**EU GDPR**”) and/or the EU GDPR as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (“**UK GDPR**”), the UK Data Protection Act 2018 (as amended), and The Data Protection Act 2017 of Mauritius (together the “**DP Legislation**”), the Company and/or the Mauritian Registrar and Transfer Agent and/or the Registrar, 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 Mauritian Registrar and Transfer Agent and the Registrar 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, 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;
 - 6.1.3 comply with the legal and regulatory obligations of the Company and/or the Mauritian Registrar and Transfer Agent and/or the Registrar; and
 - 6.1.4 process its personal data for the Mauritian Registrar and Transfer Agent’s and/or the Registrar’s internal administration.
- 6.2 In order to meet the Purposes, it will be necessary for the Company and/or the Mauritian Registrar and Transfer Agent and/or the Registrar to provide personal data to:
- 6.2.1 third parties located either within or outside of the United Kingdom (or the EEA, to the extent that the EU GDPR applies in respect of the personal data being shared), if necessary for the Registrar and/or the Mauritian Registrar and Transfer Agent to perform its functions or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
 - 6.2.2 its affiliates, the Company (in the case of the Registrar and/or the Mauritian Registrar and Transfer Agent) and their respective associates, some of which may be located outside of the United Kingdom (or the EEA, to the extent that the EU GDPR applies in respect of the personal data being shared).
- 6.3 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar and/or the Mauritian Registrar and Transfer Agent with information, each Placee hereby represents and warrants to the Registrar and the Mauritian Registrar and Transfer 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 Mauritian Registrar and Transfer Agent and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Mauritian Registrar and Transfer Agent and/or the Registrar 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 Mauritian Registrar and Transfer Agent and/or the Registrar (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 (“**Privacy Notice**”).

- 6.5 Each Placee acknowledges that by submitting personal data to the Mauritian Registrar and Transfer Agent and/or the Registrar (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.
- 6.6 Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
- 6.6.1 comply with all applicable data protection legislation;
 - 6.6.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
 - 6.6.3 if required, agree with the Company and the Registrar and/or the Mauritian Registrar and Transfer Agent, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
 - 6.6.4 shall immediately on demand, fully indemnify each of the Company and the Mauritian Registrar and Transfer Agent and the Registrar 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 Mauritian Registrar and Transfer Agent and/or the Registrar in connection with any failure by the Placee to comply with the provisions of this clause 6.

7. United States purchase and transfer restrictions

- 7.1 By participating in the Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for New Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Registrar, the Mauritian Registrar and Transfer Agent, finnCap, Baden Hill and Perigeum Capital that:
- 7.1.1 it is either: (i) not a US Person and it is acquiring the New Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the New Ordinary Shares for the account or benefit of a US Person; or (ii) a US Person to whom New 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 New 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 absent registration or an exemption from registration under the US Securities Act;
 - 7.1.3 it acknowledges that the Company has not and will not be registered 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 New 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 Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax 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 Tax 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 Tax 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 New 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 (THE “US SECURITIES ACT”), 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 EXCEPT IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT 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 STATE OR OTHER SECURITIES LAWS;**
- 7.1.6 if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its New 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 in the Articles;
- 7.1.7 it is purchasing the New 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 distribution or resale of the New Ordinary Shares, directly or indirectly, in the United States or otherwise 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 New Ordinary Shares or interests therein at any time as to such person’s status under US federal securities and other 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 or other laws to transfer such New Ordinary Shares or interests in accordance with the Articles;
- 7.1.9 it acknowledges and understands that the Company may be required to comply with FATCA and 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 the CRS;
- 7.1.10 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 New Ordinary Shares within the United States, nor will it do any of the foregoing; and
- 7.1.11 if it is acquiring any New 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 Registrar, the Mauritian Registrar and Transfer Agent, finnCap, Baden Hill, Perigeum Capital and their respective 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 and either finnCap, Baden Hill or Perigeum Capital (as applicable).

8. Supply and disclosure of information

If finnCap, Baden Hill, Perigeum Capital, the 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 New Ordinary Shares under the 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 Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Ordinary Shares pursuant to the 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 New 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 New Ordinary Shares has been or will be registered under the laws of the United States, Canada, Australia or Japan. Accordingly, the New Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the United States, Canada, Australia or Japan or to any US Person or to any national, resident or citizen of Canada, Australia or Japan unless an exemption from any registration requirement is available.

10. Notice to prospective investors in Mauritius

- 10.1 This document does not constitute a prospectus for the purposes of the Mauritian Securities Act 2005, as amended, and will not be registered with the Mauritian Financial Services Commission in terms of the Mauritian Securities Act 2005, as amended.
- 10.2 Neither the Mauritian Financial Services Commission nor the Bank of Mauritius assumes responsibility for the contents of this document. The Mauritian Financial Services Commission and the Bank of Mauritius 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.
- 10.3 This document is not an invitation to the public in Mauritius to subscribe for New Ordinary Shares in Mauritius and is issued 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, as amended. No action has been taken by the Company or Perigeum Capital that would, or is intended to, permit a public offer in Mauritius.
- 10.4 A copy of this document has been filed with the SEM and with the Mauritian Financial Services Commission.

11. Miscellaneous

- 11.1 The rights and remedies of the Company, finnCap, Baden Hill, Perigeum Capital, the Mauritian Registrar and Transfer Agent and the 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.

- 11.2 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. On application, if a Placee is an individual, that Placee may be asked to disclose, in writing or orally, his nationality. All documents provided in connection with the 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.
- 11.3 Each Placee agrees to be bound by the Articles once the New Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for New Ordinary Shares under the 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. For the exclusive benefit of the Company, finnCap and Baden Hill, each Placee 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. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 11.4 In the case of a joint agreement to subscribe for New Ordinary Shares under the 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.
- 11.5 finnCap, Baden Hill, Perigeum Capital, and the Company expressly reserve the right to modify the Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing and Offer Agreement and the Placing and Offer Agreement not having been terminated in accordance with its terms. Further details of the terms of the Placing and Offer Agreement are contained in paragraph 9.1.2 of Part XII (*Additional Information*) of this document.

PART XV

TERMS AND CONDITIONS OF APPLICATION UNDER THE OPEN OFFER

1. Introduction

The Open Offer is an opportunity for Qualifying Shareholders to apply for New Ordinary Shares *pro rata* to their holdings as at the Record Date at the Issue Price on the basis of 1.3011 New Ordinary Shares for every 1 Ordinary Share held as at the Record Date in accordance with the terms of the Open Offer.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying non-CREST Shareholders is close of business on 19 November 2021. Open Offer Application Forms for Qualifying non-CREST Shareholders accompany this document.

It is important to the Grit Board that Shareholders are given the opportunity to participate in the Issue. Therefore, priority will be given to applications from Qualifying Shareholders under the Open Offer. Thereafter, any New Ordinary Shares not taken up pursuant to Shareholders' applications for their Open Offer Entitlements will be made available to Qualifying Shareholders through the Excess Application Facility, to Placees under the Placing and/or to Selling Shareholders in consideration for Grit's acquisition of their GREA Shares and/or APDM Shares pursuant to the Share Purchase Agreements in connection with the Proposed Acquisition.

The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant instructions (as appropriate) is expected to be 11.00 a.m. (GMT) in the UK/11.00 a.m. (MUT) in Mauritius on 16 December 2021 with Admission and commencement of dealings in New Ordinary Shares expected to take place at 8.00 a.m. (GMT) on 21 December 2021.

This document and, for Qualifying non-CREST Shareholders only, the Open Offer Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraphs 4.1 and 4.2 of this Part XV which give details of the procedure for application and payment for the New Ordinary Shares under the Open Offer.

Applications will be made: (i) to the FCA for the New Ordinary Shares to be admitted to the premium listing segment on the Official List; (ii) to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the main market of the London Stock Exchange; and (iii) to the SEM for the New Ordinary Shares to be admitted to the Official Market of the SEM.

Any Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 22 November 2021 (being the ex-entitlement date for the Open Offer) is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for New Ordinary Shares under the Open Offer may be a benefit which may be claimed from him by the purchasers under the rules of the London Stock Exchange.

2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying non-CREST Shareholders, in the Open Offer Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for up to 1.3011 New Ordinary Shares for every 1 Ordinary Share held and registered in their name as at the Record Date. Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to New Ordinary Shares will be disregarded in calculating Open Offer Entitlements.

Excess applications may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying non-CREST Shareholder, the Open Offer Application Form shows the number of New Ordinary Shares available to you under your Open Offer Entitlement (in Box 7).

Qualifying CREST Shareholders will have Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2(g) of this Part XV for information on the relevant CREST procedures. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

Shareholders should be aware that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should also note that their respective Open Offer Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by CREST's Claims Processing Unit. New Ordinary Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up New Ordinary Shares will have no rights under the Open Offer. Any New Ordinary Shares which are not applied for by Qualifying Shareholders under their Open Offer Entitlements may be made available under the Excess Application Facility and/or the Placing (with the proceeds in each case being retained for the benefit of the Company) and/or to Selling Shareholders in consideration for Grit's acquisition of their GREA Shares and/or APDM Shares pursuant to the Share Purchase Agreements in connection with the Proposed Acquisition.

Application will be made for the Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. (GMT) on 25 November 2021.

3. Conditions and further terms of the Open Offer

The Open Offer is conditional upon, amongst other things, the Placing and Offer Agreement becoming unconditional in respect of the Issue (other than as to Admission) and not being terminated prior to Admission and Admission becoming effective by not later than 8.00 a.m. (GMT) on 21 December 2021 (or such later time and/or date as finnCap and the Company may determine, being not later than 7 January 2022).

Accordingly, if these conditions are not satisfied the Open Offer will not proceed and any applications made will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable, but in any event within 14 days thereafter.

No temporary documents of title will be issued. Definitive certificates in respect of New Ordinary Shares are expected to be posted to those Qualifying Shareholders who have validly elected to hold their New Ordinary Shares in certificated form in the week commencing 10 January 2022. In respect of those Qualifying Shareholders who have validly elected to hold their New Ordinary Shares in uncertificated form, the New Ordinary Shares are expected to be credited to their stock accounts maintained in CREST (or in CDS) on 21 December 2021.

All monies received by the Receiving Agent in respect of New Ordinary Shares will be credited to a non-interest bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the FCA and make an appropriate RIS and SEM announcement giving details of the revised dates.

4. Procedure for application and payment in respect of the Open Offer

For Qualifying Shareholders on the UK Register, the action to be taken by you in respect of the Open Offer depends on whether you hold your Existing Ordinary Shares in certificated or uncertificated form. All Qualifying Shareholders on the Mauritian Register will need to follow the procedures set out in paragraph 4.1 below.

Qualifying Shareholders on the UK Register who hold all their Existing Ordinary Shares in certificated form (and all Qualifying Shareholders on the Mauritian Register) will receive an Open Offer Application Form. The Open Offer Application Form shows Qualifying non-CREST Shareholders the number of New Ordinary Shares available under their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted their Open Offer Entitlements in CREST. Qualifying Shareholders on the UK Register who hold part of their Existing Ordinary Shares in uncertificated form will be allotted New Ordinary Shares in uncertificated form to the extent that their entitlement to New Ordinary Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders on the UK Register to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of this Part XV.

CREST sponsored members should refer to their CREST sponsor as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply for New Ordinary Shares in respect of their Open Offer Entitlements or who wish to apply to subscribe for more than their Open Offer Entitlement in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not wish to apply for New Ordinary Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form, or send a USE message through CREST.

4.1 If you have an Open Offer Application Form in respect of your Open Offer Entitlement under the Open Offer

(a) *General*

Subject as provided in paragraph 6 of this Part XV in relation to certain Overseas Shareholders, Qualifying non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of New Ordinary Shares available to them under their Open Offer Entitlement in Box 7. Any fractional entitlements to New Ordinary Shares will be disregarded in calculating Open Offer Entitlements. Box 8 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a *bona fide* market claim. Qualifying non-CREST Shareholders may also apply for Excess New Shares under the Excess Application Facility by completing Box 3 on the Open Offer Application Form.

The instructions, and other terms set out in the Open Offer Application Form, form part of the terms of the Open Offer in relation to Qualifying non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire New Ordinary Shares under the Open Offer may only be made on the Open Offer Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer (being 22 November 2021). Open Offer Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. (GMT) on 14 December 2021. The Open Offer Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire New Ordinary Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Open Offer Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Open Offer Application Form should not, however be forwarded to or transmitted in or into the United States or any other Restricted Jurisdiction. If the

market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Open Offer Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2(b) below.

A Qualifying CREST Shareholder that, as a result of a *bona fide* market claim has received a shortfall of Excess CREST Open Offer Entitlements to their CREST account and would like to apply for a larger number of Excess CREST Open Offer Entitlements should contact the Receiving Agent and arrange for a further credit of Excess CREST Open Offer Entitlements to be made, subject at all times to the maximum number of Excess CREST Open Offer Entitlements available.

(c) *Excess Application Facility*

Qualifying Shareholders may apply to acquire Excess New Shares using the Excess Application Facility, should they wish. Qualifying non-CREST Shareholders wishing to apply for Excess New Shares may do so by completing Box 3 on the Open Offer Application Form. The maximum number of New Ordinary Shares to be allotted under the Excess Application Facility shall be limited to: (a) the maximum size of Issue; less (b) the New Ordinary Shares issued under the Open Offer pursuant to existing Shareholders' Open Offer Entitlements and any New Ordinary Shares that the Directors determine to issue under the Placing or to Selling Shareholders. Applications under the Excess Application Facility shall be allocated by the Company in consultation with finnCap and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part. Excess monies in respect of applications which are not met in full will be returned to the applicant at the applicant's risk without interest as soon as practicable, but in any event within 14 days thereafter, by way of cheque or CREST payment, as appropriate.

A credit of Excess CREST Open Offer Entitlements will be made to each Qualifying CREST Shareholder; if a Qualifying CREST Shareholder would like to apply for a larger Excess CREST Open Offer Entitlement such Qualifying CREST Shareholder should contact the Receiving Agent and arrange for a further credit of Excess CREST Open Offer Entitlements to be made, subject at all times to the maximum number of Excess CREST Open Offer Entitlements available.

(d) *Application procedures*

Qualifying non-CREST Shareholders wishing to apply to acquire New Ordinary Shares (whether in respect of all or part of their Open Offer Entitlement) should complete the Open Offer Application Form in accordance with the instructions printed on it.

Qualifying non-CREST Shareholders on the UK Register

Completed Open Offer Application Forms should be posted in the accompanying pre-paid envelope or returned by post to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. (GMT) on 16 December 2021, after which time Open Offer Application Forms will not be valid. Qualifying non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

All payments must be in US Dollars and made by cheque or banker's draft made payable to "Link Market Services Limited RE: Grit Real Estate Income Group Limited – Open Offer Account" and crossed "A/C payee only". Cheques or bankers' drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. 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 cheque or draft to confirm that the relevant Qualifying Shareholder

has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or bankers' drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and bankers' drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or bankers' drafts are presented for payment before the conditions of the Issue are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Issue does not become unconditional, no New Ordinary Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable, but in any event within 14 days, following the lapse of the Issue.

The Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Open Offer Application Forms received after 11.00 a.m. (GMT) on 16 December 2021; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. (GMT) on 16 December 2021 from authorised persons (as defined in FSMA) specifying the New Ordinary Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If New Ordinary Shares have already been allotted to a Qualifying non-CREST Shareholder and such Qualifying non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, finnCap shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying non-CREST Shareholder's New Ordinary Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. Neither finnCap nor the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders.

Qualifying Shareholders on the Mauritian Register

Completed Open Offer Application Forms should be returned by post to Intercontinental Secretarial Services Ltd ("**ISSL**"), Level 3, Alexander House, 35 Cybercity, Ebene, 72201, Mauritius or via email to gritregistry@intercontinentaltrust.com so as to be received by ISSL by no later than 11.00 a.m. (MUT) on 16 December 2021, after which time Open Offer Application Forms will not be valid. Qualifying non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Qualifying Shareholders are recommended to allow at least four working days for delivery.

All payments must be in US Dollars and made by electronic bank transfer. Payment must be made for value no later than 11.00 a.m. (MUT) on 16 December 2021 Applicants should contact ISSL by email to gritregistry@intercontinentaltrust.com for full bank details for payments.

If the Issue does not become unconditional, no New Ordinary Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable, but in any event within 14 days, following the lapse of the Issue.

The Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept Open Offer Application Forms received after 11.00 a.m. (MUT) on 16 December 2021.

Multiple applications will not be accepted. All documents and remittances sent by post or email by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

(e) *Effect of application*

By completing and delivering an Open Offer Application Form the applicant:

- (i) represents and warrants to the Company and finnCap that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and, if applicable, the Excess Application Facility and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and finnCap that all applications under the Open Offer and the Excess Application Facility and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company and finnCap that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this prospectus and any supplementary prospectus published by the Company prior to Admission, and the applicant accordingly agrees that no person responsible solely or jointly for this prospectus, any supplementary prospectus published by the Company prior to Admission or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this prospectus and any supplementary prospectus published by the Company prior to Admission, he will be deemed to have had notice of all information in relation to the Company contained in this prospectus (including matters incorporated by reference) and any supplementary prospectus published by the Company prior to Admission;
- (iv) represents and warrants to the Company and finnCap that he is the Qualifying Shareholder originally entitled to his Open Offer Entitlement or that he received such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (v) represents and warrants to the Company and finnCap that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vi) requests that the New Ordinary Shares, to which he will become entitled, be issued to him on the terms set out in this document and the Open Offer Application Form subject to the Articles;
- (vii) represents and warrants to the Company and finnCap that he is not, nor is he applying on behalf of, any person who is in the United States or any other Restricted Jurisdiction, or is a citizen or resident, or is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any other Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the New Ordinary Shares which are the subject of his application in or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or any other Restricted Jurisdiction or any jurisdiction

in which the application for New Ordinary Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor person(s) otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares under the Open Offer;

- (viii) represents and warrants to the Company and finnCap that he is not, and nor is he 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 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;
 - (ix) confirms that in making the application he is not relying and has not relied on finnCap, Baden Hill or Perigeum Capital or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this prospectus or any supplementary prospectus published by the Company prior to Admission or his investment decision;
 - (x) acknowledges that the content of this prospectus and any supplementary prospectus published by the Company prior to Admission is the responsibility of the Company and its Directors, and none of finnCap, Baden Hill, Perigeum Capital nor any person acting on their behalf nor any of their affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision to participate in the Open Offer based on any information, representation or statement contained in this document or otherwise;
 - (xi) acknowledges that no person is authorised in connection with the Open Offer to give any information or make any representation other than as contained in this prospectus or any supplementary prospectus published by the Company prior to 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, Perigeum Capital, the Receiving Agent or the Mauritian Registrar and Transfer Agent; and
 - (xii) agrees that finnCap, the Receiving Agent and the Mauritian Registrar and Transfer Agent are acting for the Company in connection with the Open Offer 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 New Ordinary Shares or concerning the suitability of the New Ordinary Shares for you or be responsible to you for the protections afforded to their customers.
- (f) *Incorrect or incomplete applications*
- If an Open Offer Application Form includes a payment for an incorrect sum, the Company reserves the right:
- (i) to reject the application in full and refund the payment to the applicant (without interest);
 - (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the applicant (without interest); and
 - (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the New Ordinary Shares referred to in the Open Offer Application Form, refunding any unutilised sum to the applicant (without interest).

For Shareholders on the UK Register: All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or you can contact the Receiving Agent on +44 (0)371 664 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. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. **Please**

note that Link cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

For Shareholders on the Mauritian Register: All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to the Mauritian Registrar and Transfer Agent, Intercontinental Secretarial Services Ltd, Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius or you can contact the Mauritian Registrar and Transfer Agent via email on gritregistry@intercontinentaltrust.com or by phone on +230 403 0800. **Please note that ISSL cannot provide any financial, legal or tax advice.**

Qualifying non-CREST Shareholders who do not wish to take up or apply for the New Ordinary Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

A Qualifying non-CREST Shareholder who is also a CREST member may elect to receive the New Ordinary Shares to which he is entitled in uncertificated form in CREST (please see paragraph 4.2 below for more information).

4.2 If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) General

Subject as provided in paragraph 6 of this Part XV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of New Ordinary Shares for which he is entitled to apply to acquire under the Open Offer. Entitlements to New Ordinary Shares will be rounded down to the nearest whole number and any Open Offer Entitlements will therefore also be rounded down. Any fractional entitlements to New Ordinary Shares will be disregarded in calculating Open Offer Entitlements.

The CREST stock account to be credited will be an account under the participant ID and member account ID specified below.

If for any reason the Open Offer Entitlement and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by 3.00 p.m. (GMT) on 25 November 2021, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Open Offer Application Forms will apply to Qualifying CREST Shareholders who receive such Open Offer Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to New Ordinary Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent on +44 (0)371 664 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. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link cannot provide **any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for New Ordinary Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

The Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Qualifying Shareholders may apply to acquire Excess New Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess New Shares in excess of their Open Offer Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of these terms and conditions in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess New Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer and the Excess Application Facility may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess New Shares pursuant to the Excess Application Facility, Qualifying CREST Shareholders should follow the instructions in paragraphs 4.2(e) and 4.2(f) below and must not return a paper form and cheque.

Should a transaction be identified by Euroclear U.K. & International’s Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

(d) *Unmatched Stock Event (“USE”) instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for New Ordinary Shares in respect of all or some of their Open Offer Entitlements and/or Excess CREST Open Offer Entitlements must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of New Ordinary Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above.

(e) *Content of USE instruction in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of New Ordinary Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is GG00BPBJRL02;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 21499GRT;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. (GMT) on 16 December 2021; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. (GMT) on 16 December 2021.

In order to assist prompt settlement of the USE instruction, CREST members (or their CREST sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 16 December 2021 in order to be valid is 11.00 a.m. (GMT) on that day.

In the event that the Issue does not become unconditional by 8.00 a.m. (GMT) on 21 December 2021 or such later time and date as the Company and finnCap determine (being not later than 7 January 2022), the Issue will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable, but in any event within 14 days thereafter.

(f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess New Shares for which application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GG00BPBJRM19;
- (iii) the CREST participant ID of the accepting CREST member;

- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 21499GRT;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess New Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. (GMT) on 16 December 2021; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Excess Application Facility to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. (GMT) on 16 December 2021.

In order to assist prompt settlement of the USE instruction, CREST members (or their CREST sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 16 December 2021 in order to be valid is 11.00 a.m. on that day.

In the event that the Issue does not become unconditional by 8.00 a.m. (GMT) on 21 December 2021 or such later time and date as the Company and finnCap determine (being not later than 7 January 2022), the Issue will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable, but in any event within 14 days, thereafter.

(g) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Qualifying non-CREST Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. (GMT) on 16 December 2021. After depositing their Open Offer Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent: (i) the recommended latest time for depositing an Open Offer Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Open Offer Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. (GMT) on 13 December 2021; and (ii) the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. (GMT) on 10 December 2021 – in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements, as the case may be, prior to 11.00 a.m. (GMT) on 16 December 2021. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw both their Open Offer Entitlements and the Excess CREST Open Offer Entitlements.

Delivery of an Open Offer Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed “Instructions for depositing entitlements under the Open Offer into CREST” on page 3 of the Open Offer Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in the United States or any Restricted Jurisdiction, or citizen(s) or resident(s) of, the United States or any other Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. (GMT) on 16 December 2021 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer and the Excess Application Facility. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above and settled by 11.00 a.m. (GMT) on 16 December 2021. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the New Ordinary Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants to the Company and finnCap that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and, if applicable, the Excess Application Facility and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company and finnCap that all applications and contracts resulting therefrom under the Open Offer and the Excess Application Facility shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company and finnCap that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this prospectus and any supplementary prospectus published by the Company prior to Admission, and the applicant accordingly agrees that no person responsible solely or jointly for this prospectus or any supplementary prospectus published by the Company prior to Admission or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this prospectus and any supplementary prospectus published by the Company prior to Admission, he will be deemed to have had notice of all the information in relation to the Company contained in this prospectus (including matters incorporated by reference) and any supplementary prospectus published by the Company prior to Admission;
- (v) represents and warrants to the Company and finnCap that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement and Excess CREST Open Offer Entitlement or that he has received such Open Offer Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vi) represents and warrants to the Company and finnCap that if he has received some or all his Open Offer Entitlement and Excess CREST Open Offer Entitlement from a person other than the Company, he is entitled to apply under the Open Offer and the Excess Application Facility in relation to such Open Offer Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vii) requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Articles;
- (viii) represents and warrants to the Company and finnCap that he is not, nor is he applying on behalf of anyone who is in the United States or any other Restricted Jurisdiction, or is a citizen or resident, or is a corporation, partnership or other entity created or organised in or under any laws of, the United States or any other Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the New Ordinary Shares which are the subject of his application in or to, or for the benefit of, any person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or any other Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory

restrictions from applying for New Ordinary Shares under the Open Offer or Excess Application Facility;

- (ix) represents and warrants to the Company and finnCap that he is not, and nor is he 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 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
 - (x) confirms that in making the application he is not relying and has not relied on finnCap, Baden Hill or Perigeum Capital or any person affiliated with finnCap, Baden Hill or Perigeum Capital in connection with any investigation of the accuracy of any information contained in this prospectus or any supplementary prospectus published by the Company prior to Admission or his investment decision.
- (l) *Company's discretion as to the rejection and validity of applications*
- The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part XV;
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “**first instruction**”) as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for New Ordinary Shares by means of the above procedures. In normal circumstances, this discretion 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 systems operated by the Receiving Agent in connection with CREST.
- (m) *Lapse of the Open Offer and Excess Application Facility*

In the event that the Issue does not become unconditional by 8.00 a.m. (GMT) on 21 December 2021 or such later time and date as the Company and finnCap may agree (being not later than 7 January 2022), the Issue will lapse, the Open Offer Entitlements and the Excess CREST Open Offer Entitlement admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a CREST Shareholder by way of a CREST payment, without interest, as soon as practicable, but in any event within 14 days, thereafter.

5. Money laundering regulations

5.1 Holders of Open Offer Application Forms

Shareholders on the UK Register

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Open Offer Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”). If the Open Offer Application Form is submitted by a UK

regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Open Offer Application Form.

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are performed to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that the Receiving Agent itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

While these checks can be carried out at any time, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is the US Dollar equivalent of €15,000 (currently approximately US\$17,000).

Money laundering checks may require an investor to provide an original or certified copy of their passport, driving licence and recent bank statements to support any enquiries made of the Credit Reference Agencies. A money laundering check does not mean the investor is suspected of anything illegal, and, there is nothing to worry about. The checks made at credit reference agencies leave an 'enquiry footprint' – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit.

Anti-Money Laundering Checks appear as an enquiry/soft search on the investor's credit report. The report may contain a note saying "Identity Check to comply with Anti Money Laundering Regulations".

The person lodging the Open Offer Application Form with payment and in accordance with the other terms as described above (the "acceptor"), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of New Ordinary Shares as is referred to therein (for the purposes of this paragraph 5 the "relevant New Ordinary Shares") and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant New Ordinary Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent and finnCap from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Regulations;
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;

- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the New Ordinary Shares is less than €15,000 (approximately US\$17,000).

In other cases the verification of identity requirements may apply. If payment is made by cheque or banker's draft in US Dollars drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to "Link Market Services Limited RE: Grit Real Estate Income Group Limited – Open Offer Account" and crossed "A/C payee only". 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 cheque/banker's draft to such effect. The account name should be the same as that shown on the Open Offer Application Form.

If you have any queries in this regard, please contact the Receiving Agent on +44 (0)371 664 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. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. **Please note that Link cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

If the Open Offer Application Form(s) is/are in respect of New Ordinary Shares under the Open Offer with an aggregate subscription price of the US Dollar equivalent of €15,000 (approximately US\$17,000) or more and is/are lodged by hand by the acceptor in person, or if the Open Offer Application Form(s) in respect of New Ordinary Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. (GMT) on 16 December 2021, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent under instructions from the Company may, at its discretion, reject the relevant application, in which event the monies submitted in respect of that application will be returned, at the risk of the applicant, without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

Shareholders on the Mauritian Register

The Mauritian Registrar and Transfer Agent will require a detailed verification of the applicant's identity and the source of the payment from any person delivering an Open Offer Application Form in accordance with the Financial Intelligence and Anti-Money Laundering Act 2002 and the Financial Intelligence and Anti-Money Laundering Regulations 2018.

In order to comply with regulations aimed at the prevention of money laundering in Mauritius, verification of identity from all prospective investors to the extent required under the applicable regulations of Mauritius will be required.

Depending on the circumstances of each application, it may not be necessary to obtain full documentary evidence of identity where:

- (a) the prospective investor is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction; or
- (b) the application is made by an intermediary acting on behalf of the prospective investor and such intermediary is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction; or

- (c) where the prospective investor already holds a securities account with a licensed investment dealer in Mauritius through which the prospective investor will be holding the New Ordinary Shares.

If the investor is an investor intermediary investing in its own name on behalf of other investors, which, for these purposes, may include, without limitation, an introducing firm, an asset aggregator, a nominee or a fund of funds (each, an “**Intermediary**”), the investor represents that:

- (a) the Intermediary is subscribing as a record owner in its capacity as agent, representative or nominee on behalf of one or more investors (“**Underlying Investors**”), and agrees that the representations, warranties and covenants made in the Open Offer Application Form are made by it on behalf of itself and the Underlying Investors;
- (b) the Intermediary: (i) has all requisite power and authority from the relevant investor to execute and perform the obligations under the Open Offer Application Form; and (ii) has carried out agreed reasonable procedures that are designed to verify the relevant investors’ identities to the extent as per the Financial Intelligence and Anti-Money Laundering Act 2002 and the Financial Intelligence and Anti-Money Laundering Regulations 2018; and
- (c) has established the identity of all the relevant investors, holds evidence of such identities and the appropriate approval from all the relevant investors to disclose such information to the Mauritian Registrar and Transfer Agent and will make such information available to the Mauritian Registrar and Transfer Agent upon request.

The reduced due diligence will only apply if the financial institution or intermediary referred to above is a regulated entity within a country recognized as having sufficient anti money laundering regulations.

5.2 **Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlement in CREST and apply for New Ordinary Shares in respect of some or all of your Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to the Company, the Receiving Agent and finnCap to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Ordinary Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Ordinary Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. **Overseas Shareholders**

This document has been approved by the FCA in accordance with the UK Prospectus Regulation. The information set out in this paragraph 6 is intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 **General**

The distribution of this document and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom, Mauritius or South Africa or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of countries other than the United Kingdom, Mauritius or South Africa may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult

their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirements or other formalities to enable them to apply for New Ordinary Shares under the Open Offer.

No action has been or will be taken by the Company, finnCap, Baden Hill, Perigeum Capital or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the New Ordinary Shares under the Open Offer) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

No public offer of New Ordinary Shares is being made by virtue of this document or the Open Offer Application Form in or into the United States or any other Restricted Jurisdiction.

Receipt of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

Open Offer Application Forms will not be sent to, and Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom, Mauritius or South Africa may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Open Offer Application Form and/or credit of Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Open Offer Application Form and/or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom, Mauritius or South Africa wishing to apply for New Ordinary Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

Neither the Company nor finnCap nor Baden Hill nor Perigeum Capital, nor any of their respective representatives is making any representation to any offeree or purchaser of the New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for New Ordinary Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Open Offer Application Form and/or transfers Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise,

should draw the attention of the recipient to the contents of this Part XV and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for New Ordinary Shares that appears to the Company or its agents to have been executed, effected, or despatched from or in relation to the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates relating to New Ordinary Shares (or in the case of a credit of Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be), in the United States or any other Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Open Offer Application Form, the Company reserves the right to permit any person to apply for New Ordinary Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for New Ordinary Shares should note that payment must be made in US Dollar denominated cheques or bankers' drafts or where such Overseas Shareholder is a CREST Shareholder, through CREST.

6.2 **United States**

The New 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, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, into or within the United States.

Accordingly, the Company is not extending the Open Offer into the United States and neither this document nor the Open Offer Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States. Neither this document nor an Open Offer Application Form, will be sent to, and no New Ordinary Shares will be credited to, a stock account in CREST of, any Shareholder with a registered address in the United States. Open Offer Application Forms sent from or postmarked in the United States will be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Any person who acquires New Ordinary Shares under the Open Offer or Excess Application Facility declares, warrants and agrees, by accepting delivery of this document or the Open Offer Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Open Offer Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Open Offer Application Form to the effect that the person completing the Open Offer Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Open Offer Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Open Offer Application Form or any New Ordinary Shares may be transferred. In addition, the Company reserves the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares.

6.3 **Restricted Jurisdictions**

The New Ordinary Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption. No offer of New Ordinary Shares is being made by virtue of this document or the Open Offer Application Form into any Restricted Jurisdiction.

6.4 **Other overseas territories**

Open Offer Application Forms will be sent to Qualifying non-CREST Shareholders and Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Shareholders in jurisdictions other than the United Kingdom, Mauritius or South Africa may, subject to the laws of their relevant jurisdiction, take up New Ordinary Shares under the Open Offer in accordance with the instructions set out in this document and the Open Offer Application Form.

Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of countries other than the United Kingdom, Mauritius or South Africa should consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for any New Ordinary Shares in respect of the Open Offer.

6.5 **Representations and warranties relating to Overseas Shareholders**

(a) *Non-CREST Shareholders*

Any person completing and returning an Open Offer Application Form or requesting registration of the New Ordinary Shares comprised therein represents and warrants to the Company, finnCap, the Receiving Agent and the Mauritian Registrar and Transfer Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Open Offer Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant New Ordinary Shares from within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire New Ordinary Shares in respect of the Open Offer or to use the Open Offer Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within the United States or any other Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in an Open Offer Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or any other Restricted Jurisdiction for delivery of the share certificates (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this subparagraph 6.5(a).

(b) *CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part XV represents and warrants to the Company, finnCap and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not located within the United States or any other Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire New Ordinary Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within the United States or any other Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above

at the time the instruction to accept was given; and (iv) he or she is not acquiring any New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into any of the above territories.

6.6 **Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and/or finnCap in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Open Offer Application Form and, in the event of more than one person executing an Open Offer Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. **Withdrawal rights**

There are only limited rights of withdrawal associated with the Issue. Shareholders wishing to exercise or direct the exercise of statutory withdrawal rights pursuant to Article 23 of the UK Prospectus Regulation after the issue by the Company of a prospectus supplementary to this document must do so by lodging a written notice of withdrawal within two Business Days commencing on the Business Day after the date on which the supplementary prospectus is published.

For Shareholders on the UK Register: the notice of withdrawal must be deposited by post to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by email to withdraw@linkgroup.co.uk so as to be received before the end of the withdrawal period. Please call the Receiving Agent on +44 (0)371 664 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. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Notice of withdrawal given by any other means or which is deposited with the Receiving Agent after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant person for the New Ordinary Shares applied for in full and the allotment of such New Ordinary Shares to such person becoming unconditional save to the extent required by statute. In such event, Shareholders are advised to seek independent legal advice.

For Shareholders on the Mauritian Register: the notice of withdrawal must be deposited by post to Intercontinental Secretarial Services Ltd, Level 3, Alexander House, 35 Cybercity, Ebene, 72201, Mauritius or by email to gritregistry@intercontinentaltrust.com so as to be received before the end of the withdrawal period. Notice of withdrawal given by any other means or which is deposited with the Mauritian Registrar and Transfer Agent after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant person for the New Ordinary Shares applied for in full and the allotment of such New Ordinary Shares to such person becoming unconditional save to the extent required by statute. In such event, Shareholders are advised to seek independent legal advice.

8. **Admission, settlement and dealings**

The result of the Issue is expected to be announced on 20 December 2021. Applications will be made: (i) to the FCA for the New Ordinary Shares to be admitted to the premium listing segment on the Official List; (ii) to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market; and (iii) to the SEM for the New Ordinary Shares to be admitted to the Official Market of the SEM. It is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence, at 8.00 a.m. (GMT) on 21 December 2021.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. (GMT) on 16 December 2021 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The Receiving Agent will instruct

Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to New Ordinary Shares with effect from Admission (expected to be at 8.00 a.m. (GMT) on 21 December 2021). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying non-CREST Shareholders on the UK Register who have applied by using an Open Offer Application Form, share certificates in respect of the New Ordinary Shares validly applied for are expected to be despatched within 15 Business Days of Admission. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants or as they may direct, will be sent through the post at their own risk.

For Qualifying non-CREST Shareholders on the Mauritian Register who have applied by using an Open Offer Application Form, their CDS accounts are expected to be credited with New Ordinary Shares on 21 December 2021. For qualifying non-CREST certificated shareholders on the Mauritian Register, share certificates will be ready for collection at Level 3, Alexander House, Cybercity, Ebene 72201, Mauritius within 15 Business Days of Admission. Such Shareholders will need to liaise with the Mauritian Registrar and Transfer Agent, should they wish to have their share certificates couriered to them.

For more information as to the procedure for application, Qualifying non-CREST Shareholders are referred to paragraph 4.1 above and their respective Open Offer Application Form.

9. Times and dates

The Company shall, in agreement with finnCap, and after consultation with its financial and legal advisers, be entitled to amend the dates that Open Offer Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the FCA and make an RIS and SEM announcement and, if appropriate, to Shareholders but Qualifying Shareholders may not receive any further written communication.

10. Taxation

Certain statements regarding United Kingdom and Mauritian taxation in respect of the New Ordinary Shares and the Open Offer are set out in Part XI (*Taxation*) of this document. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer or who are subject to tax in any jurisdiction other than the United Kingdom or Mauritius, should immediately consult a suitable professional adviser.

11. Further information

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying non-CREST Shareholders and other Shareholders to whom the Company has sent Open Offer Application Forms, to the terms, conditions and other information printed on the accompanying Open Offer Application Form.

12. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Open Offer Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have non-exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Open Offer Application Form. By taking up New Ordinary Shares by way of their Open Offer Entitlement, in accordance with the

instructions set out in this document and, where applicable, the Open Offer Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive 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.

NOTICE OF GENERAL MEETING

GRIT REAL ESTATE INCOME GROUP LIMITED

(Registered in Guernsey)

(Registration number: 68739)

SEM share code: DEL.N0000

LSE share code: GR1T

ISIN: GG00BMDHST63

(“**Grit**” or the “**Company**”)

NOTICE IS HEREBY GIVEN that a general meeting of Shareholders will be held at 2.00 p.m. (MUT) 10.00 a.m. (GMT) on 14 December 2021 at 3rd Floor, La Croisette Shopping Centre, Grand-Baie, Mauritius, for the purpose of considering, and if thought fit, approving the following resolution:

Ordinary Resolution – the Proposed Acquisition Resolution

THAT:

- (i) the proposed acquisition of GREA and APDM by the Company as described in the combined circular and prospectus to the shareholders of the Company (dated 22 November 2021 (the “**Combined Circular and Prospectus**”), substantially on the terms and subject to the conditions set out in the Dorado Share Purchase Agreement, the Gateway Partners Share Purchase Agreement and the GREA Executive Share Trust Share Purchase Agreement (as each such term is defined in the Combined Circular and Prospectus, of which this notice forms part), each dated 22 November 2021 (as amended, modified restated or supplemented from time to time) (the “**Proposed Acquisition**”) be and is hereby approved; and
- (ii) the directors of the Company (the “**Directors**”) be and are hereby authorised to take all necessary or appropriate steps and to do all necessary or appropriate things to implement, complete or to procure the implementation or completion of the Proposed Acquisition and give effect thereto with such modifications, variations, revisions, waivers or amendments (not being modifications variations, revisions, waivers or amendments of a material nature in the context of the Proposed Acquisition taken as a whole) as the Directors may deem necessary, expedient or appropriate in connection with the Proposed Acquisition.

Dated 22 November 2021

By Order of the Board

Intercontinental Fund Services Limited

Company Secretary

22 November 2021

Registered office

PO Box 186
Royal Chambers
ST Julian's Avenue
St. Peter Port
Guernsey
GY1 4HP

NOTES TO THE NOTICE OF GENERAL MEETING

All terms defined in the Combined Prospectus and Circular shall bear the same meanings where used in this Notice of General Meeting.

The following notes explain your general rights as a Shareholder and your right to attend and vote at this meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), Shareholders must be registered in the register of members of the Company at close of trading on 10 December 2021. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
5. You can vote:
 - 5.1 in the case of Shareholders on the UK Register, by logging on to www.signalshares.com and following the instructions; or
 - 5.2 by completing and returning a hard copy form of proxy in accordance with the instructions printed thereon; or
 - 5.3 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In each case the proxy appointment must be received no later than 48 hours prior to the time of the meeting.

6. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last before the latest time for the receipt of proxies will take precedence.
7. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 9 below) will not prevent a Shareholder from attending the meeting and voting in person if he/she is permitted and wishes to do so.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be

received by the issuer's agent (ID RA10) by 10.00 a.m. (GMT) on 10 December 2021. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations, 2009, as amended from time to time.
11. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
12. As at 19 November 2021, the Company's ordinary issued share capital consisted of 331,235,546 Ordinary Shares, carrying one vote each, of which 12,545,758 were held in treasury. Therefore, the total voting rights in the Company as at 19 November 2021 are 318,689,788.
13. Any Shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

