THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant and/or independent financial adviser, who is authorised under either: (i) if you are in the United Kingdom, the Financial Services and Markets Act 2000 ("FSMA"); or (ii) if you are in South Africa, the Financial Advisory and Intermediary Services Act 2002. If you are in a territory outside the United Kingdom or South Africa, you are recommended to seek your own financial advice from another appropriately authorised independent financial adviser.

This document comprises a prospectus relating to Sirius Real Estate Limited (the "**Company**") and has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") pursuant to section 73A of the Financial Services and Markets Act 2000, as amended ("**FSMA**"). This document has been approved by the FCA in accordance with section 87A of FSMA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. This document does not constitute a prospectus in terms of the South African Companies Act, No. 71 of 2008, as amended (the "**South African Companies Act**") and will not be filed with the South African Companies and Intellectual Property Commission in terms of the South African Companies Act. This document is sent to the holders of ordinary shares in the capital of the Company (the "**Shareholders**") in South Africa for information purposes only, is in compliance with section 18 of the listings requirements of the JSE Limited (the "**JSE**") (the "**JSE Listings Requirements**"), as amended to the extent required and has been approved by the JSE's Corporate Actions and Clearing and Settlement Departments with regard to any procedural and timetable issues.

Sirius Real Estate Limited

(incorporated as a company limited by shares under The Companies (Guernsey) Law, 2008 as amended and registered with the Registrar of Companies in Guernsey with registered number 46442)

Admission to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities of 852,858,815 Ordinary Shares

Canaccord Genuity Limited
UK Sponsor

PSG Capital Proprietary Limited
RSA Sponsor

The Company's entire issued ordinary share capital comprising ordinary shares of no par value each (the "**Ordinary Shares**") is currently admitted to trading on the AIM market ("**AIM**") of the London Stock Exchange plc ("**LSE**") and the Alternative Exchange ("**AltX**") of the JSE Limited ("**JSE**"). Applications have been made to: (i) the LSE to cancel the admission of the Ordinary Shares to trading on AIM; (ii) the FCA for all of the Ordinary Shares to be admitted to the premium segment of the Official List of the FCA; and (iii) the LSE for the Ordinary Shares to be admitted to trading on its Main Market for listed securities (together, "**UK Admission**"). It is expected that UK Admission will become effective and that dealings in the Ordinary Shares on the main market of the LSE will commence at 8.00 a.m. on 6 March 2017. Trading of the Ordinary Shares on AIM will be cancelled by no later than UK Admission. Application has been made to the JSE for all of the Ordinary Shares of the Company to be transferred to trading on the Main Board for listed securities of the JSE (the "**Main Board**") ("**JSE Transfer**"). It is expected that JSE Transfer will become effective and that dealings in the Ordinary Shares on the Main Board will commence at the same time and date as UK Admission. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other exchange.

The Company and the Directors, whose names appear on page 30, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

The whole text of this document should be read and, in particular, the section headed "Risk Factors" on pages 14 to 25 of this document. All statements (in particular regarding the Group's business, financial position and prospects) should be viewed in light of such Risk Factors.

Shareholders are not required to take any action upon receipt of this document. The Company is not issuing any new Ordinary Shares nor is it seeking to raise any new money in connection with UK Admission or JSE Transfer. This document has been published solely to enable the Company to obtain admission of the Ordinary Shares to the premium segment of the Official List and to trading on the LSE's Main Market for listed securities. The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter.

Canaccord Genuity Limited ("**Canaccord Genuity**") has been appointed as sponsor in the UK (the "**UK Sponsor**"). Canaccord Genuity, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the contents of this document or UK Admission, and will not regard any other person (whether or not a recipient of this document) as a client in relation to UK Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person on the contents of this document or on any other transaction or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Canaccord Genuity under the FSMA or the regulatory regime established thereunder, Canaccord Genuity does not accept any responsibility whatsoever nor makes any representation or warranty, express or implied, concerning the contents of this document including its accuracy, completeness or verification or concerning any other statement made or purported to be made by the Company, or on the Company's behalf, or by Canaccord Genuity, or on Canaccord Genuity's behalf, in connection with the Company or UK Admission and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Subject to applicable law, Canaccord Genuity disclaims, to the fullest extent permitted by applicable law, all and any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) which it might otherwise have in respect of this document and the matters referred to herein.

PSG Capital Proprietary Limited ("**PSG Capital**") has been appointed as sponsor in South Africa ("**RSA Sponsor**"). PSG Capital, which is authorised and regulated in South Africa by the JSE, is acting exclusively for the Company and for no one else in relation to the contents of this document or JSE Transfer. PSG Capital will not regard any other person (whether or not a recipient of this document) as its client in relation to JSE Transfer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person on the contents of this document or on any other transaction or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on PSG Capital by the JSE, PSG Capital does not accept any responsibility whatsoever nor makes any representation or warranty, express or implied, concerning the contents of this document including its accuracy, completeness or verification or concerning any other statement made or purported to be made by the Company, or on the Company's behalf, or by PSG Capital, or on PSG Capital's behalf, in connection with the Company or JSE Transfer and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Subject to applicable law, PSG Capital disclaims, to the fullest extent permitted by applicable law, all and any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) which it might otherwise have in respect of this document and the matters referred to herein.

Investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and any such information or representations must not be relied upon as having been so authorised by the Company, the Directors, or any other person. The Company will comply with any obligation to publish a supplementary prospectus containing further updated information as required by law or by any regulatory authority but assumes no further obligation to publish additional information. Subject to FSMA, the Listing Rules, the Disclosure and Transparency Rules, the Prospectus Rules, the rules of the LSE, the JSE Listings Requirements and applicable laws, the delivery of this document shall not under any circumstances create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time after this date.

The distribution of this document in certain jurisdictions may be restricted by law. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions. No action has been taken or will be taken by the Company, Canaccord Genuity or PSG Capital to permit a public offering of the Ordinary Shares or to permit the possession, issue or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. 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 does not constitute or form part of an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person in any jurisdiction. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "**US Securities Act**") or qualified for sale under the laws of any state of the United States or under the applicable laws of any other prohibited territory. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen of any jurisdiction in which such offer is unlawful. In addition, neither the US Securities and Exchange Commission, nor any securities regulatory authority of any state of the United States, has approved the Ordinary Shares or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States. The distribution of this document into jurisdictions other than the United Kingdom, South Africa and Guernsey may be restricted by law. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any jurisdiction, including Australia, Canada, New Zealand or Japan. The contents of this document should not be construed as legal, business or tax advice. Each prospective investor should consult his, her or its legal adviser, financial adviser or tax adviser for advice, and in making an investment decision each prospective investor must rely on their own examination, analysis and enquiry of the Company, including the merits of the risks involved in an investment in the Company. Neither the Company nor any of its Directors, employees, agents or representatives is making any representation to any offeree or purchaser or acquirer of Ordinary Shares regarding the legality of an investment in Ordinary Shares by such offeree or purchaser or acquirer under the laws applicable to such offeree or purchaser or acquirer.

8 February 2017

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PART I

SUMMARY

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

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

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

Section A – Introduction and warnings		
A.1	Introduction and warnings	This summary should be read as an introduction to this document only. Any decision to invest in the Ordinary Shares should be based on consideration of this document as a whole. Where a claim relating to the information contained in this document is brought before a court, the claimant investor might, under the national legislation of the member state of the EU, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches to the Directors of the Company who are responsible for this summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or 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 Ordinary Shares.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. No consent has been given by the Company or any person responsible for drawing up this document to the use of this document for subsequent resale or final placement of securities by financial intermediaries.
Section B – Issuer and any guarantor		
B.1	Legal and commercial name	The Company's legal and commercial name is Sirius Real Estate Limited.
B.2	Domicile and legal form, applicable legislation and country of incorporation	The Company is a limited company, incorporated in Guernsey on 20 February 2007 under The Companies (Guernsey) Law, 2008 ("**Companies Law**"). Its registered office is situated in Guernsey at PO Box 119, Martello Court, Admiral Park, St. Peter Port, Guernsey, GY1 3HB, Channel Islands. The principal legislation under which the Company operates and under which the Ordinary Shares were created is the Companies Law and the ordinances and regulations made thereunder. The Company is subject to the Takeover Code.

B.3	Current operations, principal activities and markets	The Company is a leading operator of branded business park real estate assets in Germany, acquiring, reconfiguring and integrating business parks into its network of sites under the Company's brand with a focus on the German SME market. In the six month period to 30 September 2016, the Group employed an average of 196 employees, expressed as full time equivalents, throughout Germany and had four Non-executive Directors. As at 30 September 2016, the Group owned or managed a portfolio of 42 industrial and office business parks in Germany, with a market value of €779.6 million. As at 30 September 2016, the Group currently owned more than 400 buildings on these business parks and approximately 164,000 square metres of surplus land which could be developed or sold. The majority of these properties are a mixture of office, storage and production space, and to a lesser extent retail space. Cafeterias and fitness centres also exist on the parks. The Company's strategy is to acquire assets at attractive yields with enough vacancy to provide scope to add value through intensive asset management and investment, combined with financing on favourable terms and the disposal of mature assets. The sites are marketed centrally, enabling the Company's team to offer space across Germany with the ability for tenants to configure space according to their needs. The Company derives a large part of its rental income from conventional industrial tenants which include international blue-chip corporations but the majority of its clients are German SME companies. The Company also creates a range of innovative products including Smartspace, FlexiLager, Conferencing and FlexConnect by investing into its sub-optimal space in order to generate higher income and asset value growth from lower quality space, which attracts a large number of smaller tenants to its sites. The management and development of this space is conducted through the Company's internal asset and property management platform.
B.4a	Significant recent trends affecting the Company and the industry in which it operates	The Group operates in the German real estate market, principally in the operation of branded mixed-use business parks. The Group's core market is the provision of conventional and flexible workspace to German SMEs. The Group is exposed to trends in the German economy which drive demand for commercial real estate. The German economy and the SME market in particular continue to see growth, meaning demand for both the Group's conventional space and flexible workspace continues to be high. According to the OECD, German GDP is forecast to grow by 1.7 per cent. in both 2017 and 2018, supported by a continuing favourable interest rate environment that has encouraged business investment. The trend to long-term low interest rates has also been a factor in allowing the Group to refinance multiple times at progressively more attractive rates, improving returns to Shareholders. To date, the Group has seen no material impact on its markets or its business resulting from the UK's decision to leave the European Union. German business confidence has improved in recent months and, as measured by the Institute for Economic Research ("**Ifo**") Business Climate Index, reached its highest point since May 2014 in September 2016. Strengthening sentiment underpins expectations of a 3.2 per cent. rise in fixed

		capital investment by German businesses in 2017, which is expected to promote further demand for the Group's products.
B.5	Description of the Company's group and the Company's position therein	The Company is the ultimate holding company of the Group. All of the Company's subsidiaries are majority-owned (directly or indirectly) by the Company. The Company indirectly owns 100 per cent. of each of Sirius One B.V., Sirius Two B.V., Sirius Three B.V. and Sirius Four B.V. (the **AssetCo Holding Companies**). As at 7 February 2017 (being the last practicable date prior to the publication of this document), the AssetCo Holding Companies have a majority holding (directly or indirectly) in 42 property holding companies (the **Propcos**) which together own all but two of the Group's properties. As at 7 February 2017, the Company indirectly owns 100 per cent. of DDS Walnut BV which owns 100 per cent. (directly or indirectly) of eight subsidiaries which provide certain services to the Propcos, 100 per cent. directly of one subsidiary which owns one of the Group Properties and 94.15 per cent. indirectly of one subsidiary which owns one of the Group Properties. For more information on the Group please see Part VI of this document.
B.6	Notifiable interests, different voting rights and controlling interests	See below
B.7	Selected historical key financial information	The selected financial information set out below has been extracted without material adjustment from the audited financial information of the Group for the years ended 31 March 2014, 31 March 2015 and 31 March 2016, and for the six months ended 30 September 2016 and unaudited historical financial information for the six months ended 30 September 2015, as set out in Part VIII (Historical Financial Information) of this Prospectus. The financial statements have been prepared in accordance with International Financial Reporting Standards as

B.6 Notifiable interests, different voting rights and controlling interests:

Shareholder	Number of Ordinary Shares as at 27 January 2017*	Percentage of Ordinary Share Capital as at 27 January 2017*
Old Mutual Investment Group	73,388,680	8.62%
Arctospark**	58,743,036	6.90%
Coronation Fund Mgrs	36,497,737	4.28%
BMO Global Asset Mgt	34,517,284	4.05%
Mstead Limited**	29,711,670	3.49%

* This does not include: (i) shares under option; or (ii) treasury shares.

**Homestead Group Holdings Limited is the controlling shareholder of each of Mstead Limited, PDI Investment Holdings Limited and Arctospark (Pty) Limited, giving Homestead Group Holdings Limited an aggregate indirect voting interest in the Company of approximately 11.27 per cent. as at 27 January 2017.

As at 7 February 2017, being the last practicable date prior to the publication of this document, except as disclosed in the table above, in so far as is known to the Company, no person is directly or indirectly interested in 3 per cent. or more of the Company's share capital or voting rights.

The Ordinary Shares owned by the Company's major Shareholders rank *pari passu* with the other Ordinary Shares in all respects.

As at 7 February 2017, being the last practicable date prior to the publication of this document, the Company is not aware of any person who exercises or who could exercise, directly or indirectly, jointly or severally, control over the Company, and is not aware of any arrangement the operation of which may at a subsequent date result in a change of control of the Company.

adopted by the European Union and International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations (together "**IFRS**") and the Companies Act applicable to companies reporting under IFRS, and incorporate the accounts of the Company and its subsidiaries, joint ventures and associates from the effective date of acquisition or to the date of deemed disposal.

Consolidated statement of comprehensive income

	Six months ended 30 September 2016 €000	(Unaudited) six months ended 30 September 2015 €000	Year ended 31 March 2016 €000	Year ended 31 March 2015 €000	Year ended 31 March 2014 €000
Net rental income	**23,736**	17,540	39,958	30,312	28,546
Surplus on revaluation of investment properties	**25,370**	27,027	44,168	25,425	22,735
Administrative expenses	**(5,041)**	(1,651)	(5,603)	(6,526)	(4,043)
Operating profit	**42,764**	41,840	76,324	48,068	43,253
Finance income	**18**	29	45	42	64
Finance expense	**(5,147)**	(13,866)	(18,817)	(12,704)	(12,155)
Profit before tax	**37,509**	28,274	57,076	32,653	31,034
Taxation	**(4,632)**	(185)	(2,388)	(5,651)	(2,102)
Profit for the period	**32,877**	28,089	54,688	27,002	28,932
Earnings per share					
Basic EPS	**4.09c**	3.97c	7.51c	4.84c	7.31c
Diluted EPS	**3.97c**	3.87c	7.13c	4.71c	7.01c
Adjusted EPS	**2.01c**	1.25c	3.16c	2.10c	2.73c

Consolidated statement of financial position

	30 September 2016 €000	31 March 2016 €000	31 March 2015 €000	31 March 2014 €000
Total non-current assets	**770,923**	693,317	551,042	446,659
Total current assets	**39,193**	31,829	29,658	30,006
Total assets	**810,116**	725,146	580,700	476,665
Total current liabilities	**(34,123)**	(36,068)	(30,153)	(23,922)
Total non-current liabilities	**(325,089)**	(301,970)	(262,284)	(226,441)
Total liabilities	**(359,212)**	(338,038)	(292,437)	(250,363)
Net assets	**450,904**	387,108	288,263	226,302
Total equity	**450,904**	387,108	288,263	226,302
NAV per share	**53.62c**	51.47c	45.73c	43.61c
Adjusted NAV per share	**55.62c**	53.35c	47.51c	44.32c

Consolidated statement of cash flow

	Six months ended 30 September 2016 €000	(Unaudited) six months ended 30 September 2015 €000	Year ended 31 March 2016 €000	Year ended 31 March 2015 €000	Year ended 31 March 2014 €000
Cash flows from operating activities	**21,765**	13,480	37,847	29,413	18,524
Cash flow relating to acquisitions	**(51,179)**	(49,479)	(84,863)	(70,975)	—
Cash flows used in other investing activities	**(8,347)**	(4,782)	(15,167)	(4,724)	10,224
Dividends paid	**(5,503)**	(3,425)	(7,345)	(3,871)	—
Proceeds from loans	**141,500**	59,000	99,088	36,000	193,560
Repayment of loans	**(116,426)**	(58,324)	(60,383)	(6,717)	(259,838)
Cash flows from other financing activities	**23,063**	37,507	30,560	27,264	34,559
Cash and cash equivalents at the beginning of the period	**19,874**	20,137	20,137	13,747	16,718
Increase/(decrease) in cash and cash equivalents	**4,873**	(6,023)	(263)	6,390	(2,971)
Cash and cash equivalents at the end of the period	**24,747**	14,114	19,874	20,137	13,747

Certain significant changes to the Group's financial condition and results of operations occurred during the years ended 31 March 2014, 31 March 2015 and 31 March 2016 and the six months ended 30 September 2016 and 30 September 2015. These changes are set out below:

- Between 31 March 2014 and 31 March 2015, annualised rental income increased €8.7 million to €50.0 million, driven by €2.3 million of organic growth and €6.4 million from new acquisitions made in the period. Between 31 March 2015 and 31 March 2016, annualised rental income improved by €10.5 million to €60.5 million. Again this was driven by €3.0 million organic growth and the €7.5 million positive impact of six acquisitions in the period.
- Profit for the year ending 31 March 2016 increased by 102.5 per cent. to €54.7 million from the €27.0 million recorded for the year ending 31 March 2015. This reflects the increase in rental income alongside a much higher surplus on revaluation of investment properties, which increased from €25.4 million to €44.2 million. Profit for the year ending 31 March 2014 was slightly higher than the €27.0 million for the year to 31 March 2015, with rental income improvements offset by a €2.6 million increase in non-recurring expenses and an increase in the tax charge from €2.1 million to €5.7 million relating to the booking of deferred tax in relation to gains on revaluation.
- The impact of the Group's asset management initiatives and investment programme as well as the newly acquired properties drove an increase in Adjusted NAV per share of 7.2 per cent. from 31 March 2014 to 31 March 2015 to 47.51c and 12.3 per cent. from 31 March 2015 and 31 March 2016 to 53.35c.

		• For the six months to 30 September 2016 compared to the six months to 30 September 2015, net rental income increased by €6.2 million to €23.7 million. This was mainly attributable to continued organic growth and acquisitions of CöllnParc, Wűrselen II, Mainz, Markgröningen and Krefeld. Profit for the six months to 30 September 2016 increased by 17.0 per cent. to €32.9 million compared to the interim period in the prior year. This resulted primarily from the growth in net rental income and a reduction in interest costs after securing favourable terms on new loans and on the refinancing of two existing facilities. There has been no significant change in the financial condition and operating results of the Group since 30 September 2016, the date to which the latest audited consolidated financial statements of the Group were prepared.
B.8	Selected key *pro forma* financial information	Not applicable. No securities are being offered pursuant to this Prospectus.
B.9	Profit forecast or profit estimate	Not applicable. The Company has not made a profit forecast or estimate.
B.10	Audit report on the historical financial information – qualifications	Not applicable. The report from KPMG on the historical financial information included in this document does not contain any qualifications.
B.11	Insufficient working capital	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is at least for the period of 12 months from the date of this document.
Section C – Securities		
C.1	Type and class of the securities being admitted to trading, including the security identification number	No securities are being offered pursuant to this Prospectus. The Company has one class of share in issue, being fully paid Ordinary Shares of no par value. The Company has 851,796,757 Ordinary Shares (excluding those held in treasury) and 1,062,058 treasury shares of no par value. The Company will apply for the admission of all of its Ordinary Shares, to: (i) the Official List; (ii) trading on the Main Market; and (iii) trading on the Main Board. When admitted to trading, the Ordinary Shares will be registered with International Securities Identification Number (“**ISIN**”) GG00B1W3VF54 and Stock Exchange Daily Official List (“**SEDOL**”) number B1W3VF5. It is expected that the Ordinary Shares will be traded under ticker SRE on both the LSE and the JSE.
C.2	Currency of the Offer	Not applicable. This document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only. No new Ordinary Shares are being issued by the Company in connection with UK Admission or JSE Transfer. From the date of UK Admission, the Ordinary Shares will trade in Pounds Sterling.

C.3	Number of shares issued and fully paid securities and par value	As at 7 February 2017 (being the latest practicable date prior to publication of this document), the Company had in issue 851,796,757 Ordinary Shares (excluding treasury shares) of no par value all of which are fully paid. As at 7 February 2017 (being the latest practicable date prior to publication of this document), the Company had in issue 1,062,058 treasury shares of no par value all of which are fully paid.
C.4	Rights attached to the securities	The Ordinary Shares rank *pari passu* in all respects and will form a single class for all purposes, including with respect to voting and for all dividends and other distributions declared, made or paid on the Ordinary Shares. The Ordinary Shares rank equally for voting purposes. On a show of hands each Shareholder has one vote, and on a poll each Shareholder has one vote per Ordinary Share held. Each Ordinary Share ranks equally for any dividend declared. Each Ordinary Share ranks equally for any distribution made on a winding up of the Company. Save to the extent agreed from time to time by the Shareholders in a general meeting, the Ordinary Shares will benefit from full pre-emption rights following adoption of the Articles.
C.5	Restrictions on transfer	The Board may decline to register any transfer of certificated Ordinary Shares if they are not fully paid up (provided that the refusal does not prevent dealings in the Company's shares from taking place on an open and proper basis). There are no other restrictions on the free transferability of the Ordinary Shares, save that the Ordinary Shares have not been and will not be registered under the US Securities Act or any US state securities laws and may not be otherwise offered or sold in breach of securities laws of other jurisdictions. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the US (as defined in Regulation S under the US Securities Act) unless the offer and sale of the Ordinary Shares has been registered under the US Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the US Securities Act. Other laws may limit or restrict the free transferability of the Ordinary Shares in certain circumstances (i.e. the Ordinary Shares have not been, and will not be, registered under the applicable securities laws of Australia, Canada, New Zealand or Japan and, subject to certain exceptions, the Ordinary Shares may not be offered or sold directly or indirectly within these jurisdictions or to, or for the account or benefit of, any persons within these jurisdictions). This document does not constitute an offer of, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares to any person in any jurisdiction to whom, or in which jurisdiction, such offer or solicitation is unlawful.
C.6	Application for admission to trading on regulated market	Applications will be made to the FCA and to the LSE respectively for the Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the Main Market. Admission to trading on the Main Market constitutes admission to trading on a regulated market. It is expected that UK Admission will become effective and that dealings will

		commence in the Ordinary Shares on the Main Market at 8.00 a.m. on 6 March 2017. In relation to the applications detailed above, the Company will separately notify the LSE of its wish to cancel the admission of its Ordinary Shares to trading on AIM, and it is anticipated that such cancellation will occur by no later than UK Admission. Application has been made to the JSE for all of the Ordinary Shares of the Company to be transferred to trading on the Main Board for listed securities. It is expected that JSE Transfer will become effective and that dealings in the Ordinary Shares on the Main Board will commence at 9.00 a.m. (South Africa time) on 6 March 2017. Initially, JSE Transfer will result in the Company having a secondary listing on the Main Board. However, it is intended that the Company's listing on the JSE will be converted to a dual primary listing in the financial year ending 31 March 2018. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other exchange.
C.7	Dividend policy	It is the Company's current policy to pay out 65 per cent. of Funds From Operations ("**FFO**") as dividends. FFO is calculated as recurring profit before tax as reported in the Company's statutory accounts, adjusted for depreciation, amortisation of financing fees and current tax receivable/incurred. The Board seeks to balance its dividend policy with its cash flow requirements, in particular its capex investment programme and regular debt amortisation. The Board intends to review the pay-out ratio, regularly taking into account these and other cash flow requirements of the Group. The Company has previously offered Shareholders the opportunity to receive some or all of their dividend entitlement in new Ordinary Shares rather than cash. At the 2016 AGM, the Company obtained authority to offer to Shareholders the right to elect to receive Ordinary Shares instead of some or all of their entitlement to any dividend declared in respect of the financial year of the Company ending in 2017. On 2 December 2016, the Company announced its intention to offer its current Shareholders the chance to receive the whole or part of the interim dividend of 1.39c per Ordinary Share for the six month financial period ended 30 September 2016 in Scrip Shares instead of in cash. 11,027,524 Scrip Shares were issued pursuant to the scrip dividend alternative on 13 January 2017 and the Scrip Shares were admitted to trading on Aim and AltX on 20 January 2017.
Section D – Risks		
D.1	Key information on key risks relating to the Company or its industry	• The Group is subject to location risk in its property portfolio as this consists only of assets in the commercial real estate sector of Germany. The Company's performance may be significantly affected by events such as a general downturn in the German economy, changes in German regulatory requirements and laws and German interest and inflation rate fluctuations. • The Group's ability to generate its desired returns depends partly on its ability to invest successfully into its vacant

		space and realise income and value from letting this space. The Group's ability to implement its strategy and improve returns to Shareholders may be limited if investment is not made into vacant space within existing and new portfolios. Factors such as the economy, competition and sentiment may change in the future which may reduce the demand for commercial property in Germany and thus the income generated. ● The Group's ability to service its debt and provide the returns its shareholders expect is dependent on maintaining a certain level of rental income that is generated by its portfolio. A major loss of tenants will adversely affect the Company's profits, its ability to pay dividends and potentially its ability to service its debt. The Group has developed strong systems and methodologies to mitigate this risk and re-let space whenever it is vacated, and the Directors do not expect a major loss of tenants in the next 12 months. ● The Group's ability to continue to grow will depend on its ability to identify and acquire suitable properties and to overcome competition in doing so. The Group may face significant competition in acquiring suitable properties from other investors, including competitors, who may have greater liquid resources. Competition may materially affect the Group's ability to acquire properties at satisfactory prices. ● The Company is reliant on the performance and retention of key personnel. The departure of any of these individuals without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations. ● A deterioration in general economic conditions could materially affect the Group's business, including changes to interest rates and rates of inflation, market and sector conditions, competition, political and diplomatic events and trends and tax laws. ● The Group invests in property and land, both of which are subject to a number of economic and legal risks. Investments in property may be difficult, slow or impossible to realise. The performance of the Group would be adversely affected by a downturn in the German commercial real estate market in terms of capital value or weakening of rental markets. ● LTV covenant breaches may occur should values of property assets decline. ● Properties such as those in which the Group invests are relatively illiquid. In particular, the Group's properties may be especially illiquid due to their location, age, quality and specification. Illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. ● The ability of the Group to raise funds to roll-over or refinance its existing debt facilities on similar terms to the Group's existing debt facilities, or at all, will depend on a number of factors, including general economic, political,

		debt and equity capital market conditions, funding availability and, importantly, the appetite of the financial institutions to lend to the property sector. ● The Group is exposed to risks relating to its financing terms over the longer term and risks relating to breaching any of the financial covenants in its banking facilities. If re-financing of facilities is on less favourable terms than those currently enjoyed by the Group, the Company's profits, dividends and financial condition may suffer. ● A default by a major tenant or a significant number of tenants in the portfolio could result in a significant loss of rental income, void costs, a reduction in asset values and increased bad debts. ● Any change in the tax status or tax residence of the Company, tax rates applicable to the Company, tax legislation or tax or accounting practice (in Guernsey, the UK, the Netherlands or Germany) may have an adverse effect on the returns available on the Company's investments.
D.2	Key information on the key risks specific to the securities	● The market price of the Ordinary Shares may fluctuate widely and there may be limited liquidity in the Ordinary Shares. The price will be influenced by factors such as the performance of the Group's operations, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, and general economic and legal factors. ● Subject to the application of pre-emptive rights over new shares, issues of Ordinary Shares may result in immediate dilution of existing Shareholders. If existing Shareholders are not eligible to, or do not, subscribe for additional Ordinary Shares on a *pro rata* basis in accordance with their existing shareholdings, their existing interests in the Company will be diluted. ● Overseas Shareholders may be subject to exchange rate risk. The Company's earnings are reported in Euros, however the Ordinary Shares will be traded in Pounds Sterling in the UK and Rand in South Africa. Any dividends to be paid in respect of the Ordinary Shares will be paid in Euros or Pounds Sterling (at the Shareholder's election) for Shareholders on the UK register and Rand for Shareholders on the South Africa register. ● An investment in Ordinary Shares exposes the investor to foreign currency exchange rate risk as the Ordinary Shares trade in Pounds Sterling on the LSE and trade in Rand on the JSE, whereas the Company's earnings are in Euros and the Company's dividends are declared in Euros.
Section E – Offer		
E.1	Total net proceeds and estimated total expenses	Not applicable. This document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only. No new Ordinary Shares are being issued by the Company in connection with UK Admission or JSE Transfer.

E.2a	Reasons for the offer, use of, estimated net amount of the proceeds	Not applicable. This document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only. No new Ordinary Shares are being issued by the Company in connection with UK Admission or JSE Transfer.
E.3	Terms and conditions of the offer	Not applicable. This document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only. No new Ordinary Shares are being issued by the Company in connection with UK Admission or JSE Transfer.
E.4	Material interests	Not applicable. This document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only. No new Ordinary Shares are being issued by the Company in connection with UK Admission or JSE Transfer.
E.5	Lock-in agreements	Not applicable. This document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only. No new Ordinary Shares are being issued by the Company in connection with UK Admission or JSE Transfer.
E.6	Dilution	Not applicable. This document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only. No new Ordinary Shares are being issued by the Company in connection with UK Admission or JSE Transfer.
E.7	Estimated expenses charged to investor	Not applicable. This document relates to the application for listing of the Ordinary Shares on the Official List and admission to trading on the regulated market only. No new Ordinary Shares are being issued by the Company in connection with UK Admission or JSE Transfer.

PART II

RISK FACTORS

An investment in the Company involves a variety of risks. Accordingly, prospective investors should consider carefully the specific risk factors set out below in addition to the other information contained in this document before investing in the Company. In particular, the Company's performance may be materially and adversely affected by changes in the market and/or economic conditions and by changes in the laws and regulations (including any tax laws and regulation) relating to, or affecting, the Group, or the interpretation of such laws and regulations. If any of the following risks materialise, the business, financial condition, results or future operations of the Group could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and investors could lose part or all of the value of their investment in the Ordinary Shares. The risks below are not the only risks to which the Company may be subject. The Company may be unaware of certain risks or believe certain risks to be immaterial which later prove to be material. The order in which risks are presented is not an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Group's business, results of operations and financial condition. Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances.

RISKS RELATING TO THE GROUP AND ITS BUSINESS

The Group is subject to location risk in its property portfolio

The Group's property portfolio consists only of real estate assets in Germany, all of which are in the commercial real estate sector. Accordingly, the Company's performance may be significantly affected by events affecting Germany which are beyond its control, such as a general downturn in the German economy, changes in German regulatory requirements and applicable laws (including in relation to taxation and planning), and German interest and inflation rate fluctuations. Such events could reduce the amount of payments that the Group receives on its properties and the capital value of the Group's properties, which could, in turn, have an adverse impact on the financial condition and results of operations of the Company, its ability to pay dividends and its share price. In particular, the potential for the redevelopment, refurbishment and/or expansion of properties may be adversely affected by a number of factors, including constraints on location, planning legislation and the need to obtain other licences, consents and approvals, and the existence of restrictive covenants affecting the title to such property. Consequently, on some of the Group's assets, there may not be an opportunity for the Group to carry out redevelopment, expansion, refurbishment or enhancement work, which, in each case, may have an adverse effect on the Group's business, financial condition and/or results of operations.

The Group's ability to generate its desired returns depends partly on its ability to invest successfully into its vacant space and realise income and value from letting this space

The Group's ability to improve returns to Shareholders may be limited by its ability to fully realise the returns from its capital investments into the existing and new portfolios. The Group's ability to implement its strategy and improve returns to Shareholders may be limited if investment is not made into vacant space within existing and new portfolios. While the level of demand for the Group's offerings is currently robust, factors such as the economy, competition and sentiment may change in the future which may reduce the income generated from capital expenditure and hence the further improvements that the Company is expecting from its assets.

The Group's ability to service its debt and provide the returns its shareholders expect is dependent on maintaining a certain level of rental income that is generated by its portfolio

The Company's annualised rental income and net operating income is dependent to a degree on keeping its portfolio at a certain occupancy level. As at 30 September 2016, almost half of the Group's rental income is contracted with its top 50 tenants. The Group has developed strong systems and methodologies to mitigate this risk and re-let space whenever it is vacated, and the Directors do not expect a major loss of tenants in the next 12 months. However, a major loss of tenants that are not replaced could adversely affect the Company's profits, its ability to pay dividends and potentially its ability to service its debt providers in the longer term.

The Group's ability to continue to grow will depend on its ability to identify and acquire suitable properties and to overcome competition in doing so

The Group's ability to implement its growth through acquisition and asset recycling strategies and achieve its desired future returns may be limited by its ability to identify and acquire suitable properties. In addition, the Group may face significant competition in acquiring suitable properties from other investors, including competitors, who may have greater liquid resources or who may be prepared to pay a higher price. Competition in the German commercial real estate market may lead to prices for properties identified by the Group as suitable being driven up through competing bids. Accordingly, the existence and extent of such competition may have a material adverse effect on the Group's ability to acquire properties at satisfactory prices and otherwise on satisfactory terms. If increasing competition for properties causes the Group's acquisition pipeline to decline, or its capital expenditure to increase, it is likely to negatively affect the Company's ability to continue the current trajectory of its earnings and dividend growth rates.

Market conditions may delay or prevent the Company from acquiring properties that generate attractive returns

In addition to the competition mentioned above, market conditions may have a negative impact on the Company's ability to identify and execute property acquisitions that generate acceptable returns. Market conditions (in the real estate and the financial sectors) may have a significant negative impact on the availability of credit, property pricing and liquidity levels. During such periods, lenders often tighten their lending criteria, lending lower multiples of income and lowering LTV ratios. Such market conditions may restrict the supply of suitable assets that are able to generate acceptable returns and adverse market conditions may lead to increasing numbers of tenant defaults. The Company may be unable to access credit markets, or may be able to access them only on more onerous (including as to interest rates) terms. Adverse market conditions can have material adverse effects on the Company's NAV or its ability to make distributions to Shareholders.

The Group is exposed to risks relating to indebtedness in the longer term and impact of gearing on NAV

The Group may use its existing cash resources and incur additional borrowings to finance additions to the Group's portfolio. The Group's ability to generate sufficient cash flow to make scheduled interest payments on its indebtedness in the longer term and the Group's ability to refinance its indebtedness when due will depend on the market at the time and its performance over future years, which will be affected by a range of economic, competitive and business factors, many of which are outside the Group's control.

Use of gearing increases volatility in NAV per Ordinary Share. Prospective investors should be aware that, whilst the use of borrowings should enhance the NAV of the Ordinary Shares where the value of the Group's underlying assets is rising, it can have the opposite effect if the underlying asset value is falling. In addition, in the event that the rental income of the Group's property portfolio falls, the use of borrowings will increase the impact of such falls on the profitability of the Group and, accordingly, this will have an adverse effect on the Group's profits and the Company's ability to pay dividends to Shareholders in the future.

As at 7 February 2017 (being the last practicable date prior to the publication of this document), the Group had approximately €350 million of external debt outstanding. If the Group were to breach any of the financial covenants in its banking facilities, or if the Group's lenders determine that there has been a material adverse change in the financial position or business of the Group under the default provisions of the Group's banking facilities, an event of default may arise. If an event of default arises and is continuing, the Group's lenders could enforce their security over the Group's assets.

In addition, any event of default could result in the acceleration of the Group's obligations to repay those borrowings and any amounts owing to the bank or other holders of debt or cancellation of the banking facilities.

In the event of enforcement of security by a lender under one of the Group's borrowing facilities or in the case of a sale required for compliance with covenants contained in the Group's financing, lack of liquidity in the market for the Group's real estate may lead to a significant shortfall between the carrying value of the property on the Group's consolidated balance sheet and the price achieved on the disposal of such property, and there can be no assurance that the price obtained from such a sale would cover the book value of the property sold.

In line with its stated strategy, the Group will continue to look for further acquisitions of high yielding and opportunistic mixed-use commercial real estate assets in Germany which meet the Group's investment objectives and policies. Where such acquisitions are undertaken, the Group may refinance existing borrowings against the value of the asset to be acquired, or may incur additional borrowings against the value of the asset to be acquired.

Nothing in this risk factor is intended to qualify the opinion of the Company (as set out in section 16 of Part XIII) that, taking into account the bank and other facilities available to the Group, the working capital available to the Group is sufficient for the present requirements of the Group, that is, for at least the 12 months following the date of publication of this document.

The Group is exposed to risks relating to holding assets in Special Purpose Vehicles ("SPV")

Many of the Group's German assets are held by various SPVs registered in the Netherlands or Germany, which are subsidiaries of the Company and subject to ring-fenced financing on a local level. Each SPV could be adversely affected if access to debt finance was to be constrained by lenders or any new loans were only available on more onerous (including as to interest rates) terms and as a result the SPV could not refinance its debt or raise new debt to fund acquisitions.

Any increase in interest rates could have significant adverse effects on the relevant Group members' business, financial condition and results of operations. An overall rise in interest rates would increase the relevant Group members' financing costs, could make the sale of properties less profitable or more difficult.

Certain of the SPVs' financing agreements additionally stipulate compliance with specified financial covenants, whereby non-compliance could have serious consequences for the relevant Group member. Violating a financial covenant would, for example, limit such Group member's right to freely dispose of the rental income from its properties which serves to secure the relevant loan agreement. Violating financial covenants could also result in the relevant Group members being required to pay certain amounts based on rental income to specified blocked accounts pledged in favour of the respective lender. Moreover, violating the aforementioned and other obligations arising from loan agreements could entitle lenders to terminate the respective financing agreement without further notice. If one or more loans were to become due because of premature termination, the relevant Group member may not be able to refinance the loans becoming due in a timely manner or at all, or may only be able to do so on considerably less favourable terms. In such event, if the relevant Group member(s) were unable to refinance the terminated financing, possibly on short notice, the worst case scenario could be the insolvency of the relevant Group member.

The Group may not be able to refinance existing facilities over the longer term

The ability of the Group to raise funds to roll-over or refinance its existing debt facilities over the longer term on similar terms to those currently enjoyed, or at all, will depend on a number of factors, including general economic, political, debt and equity capital market conditions, funding availability and, importantly, the appetite of the financial institutions to lend to the property sector. If the Group were to face a tightening in the availability of liquidity in the future, whether for macroeconomic reasons or for reasons specific to the Group, it could significantly increase the Group's cost of funding or lead to difficulties for the Group in refinancing debts. There is no certainty that the Group would be able to retain existing debt facilities over the longer term if the value of its property portfolio should fall below a certain level. An inability to refinance existing facilities may mean that the Group will not have funds available to pay existing debts or invest in or develop properties, which could result in the Group being forced to sell assets. Sales in such circumstances may not deliver the level of proceeds that the Group may otherwise expect. In addition, if the Group is unable to renegotiate or refinance existing debt facilities, this may have a material impact on the financial condition of the Group. This would have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is exposed to risks relating to its financing terms over the longer term

The Group currently has secured low interest rates on all of its banking facilities for the next four to seven years. However, it will need to refinance these facilities in the future. If such re-financing is on less favourable terms than those currently enjoyed by the Group, the Company's profits, dividends and financial condition may suffer.

The Group may be subject to increases in operating and other expenses

The Group's operating, financing and capital expenses could increase without a corresponding increase in turnover or tenant reimbursement of these costs. Factors which could increase operating and other expenses include:

(a) ***Costs not recovered from tenants:***

- increases in interest rates;
- increases in the rate of inflation and currency fluctuation;
- increases in payroll expenses;
- increases in capital expenditure resulting from competition in the market which causes the costs of refurbishment and development of the properties to increase;
- unforeseen increases in the costs of maintaining properties;
- unforeseen capital expenditure arising as a result of defects affecting the properties which need to be rectified; and
- changes in laws, regulations or government policies (including those relating to health and safety and environmental compliance) which increase the costs of compliance with such laws, regulations or policies.

(b) ***Costs mostly recovered from tenants:***

- increases in energy costs;
- increases in property taxes and other local government charges; and
- increases in insurance premiums.

Such increases could have a material adverse effect on the Company's financial position and its ability to make distributions to its Shareholders.

Any costs associated with potential property acquisitions that do not proceed to completion will affect the Group's performance

The Group expects to incur certain third-party costs, including, in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable properties for potential acquisition. The Company usually limits these on a transaction basis but because there can be no guarantee that the Group will be successful in its negotiations to acquire any given property, it may incur costs when transactions fail. The Company may enter into certain purchase agreements which include break fees or other related damages payable by the Company to the vendor if it fails to meet the agreed terms of the purchase agreement. It is therefore the case that, the greater the number of transactions that do not reach completion, the greater the likely impact on the Group's results of operations.

The Company's NAV and Adjusted NAV may not accurately reflect the value of the portfolio

Property assets are inherently difficult to value as there is no liquid market or standard pricing mechanism. As a result, valuations are subject to substantial uncertainty. There is no assurance that estimates resulting from a valuation process will reflect the actual sales price even when such sales occur shortly after the date of the valuation. Shareholders should be aware that the Company currently performs NAV valuations on a half yearly basis only. As a result, the Company's reported NAVs may not accurately reflect the value the Company would receive if it had to sell all of its underlying assets immediately.

The Group is exposed to certain risks in relation to information technology and systems/intellectual property

The nature of the Group's business involves the receipt and storage of personal information about its tenants, customers and employees. If the Group experiences a significant data security breach or fails to detect, and appropriately respond to, a significant data security breach, it could be exposed to government enforcement actions (including substantial fines) and private litigation. In addition, the Group's tenants and customers could lose confidence in its ability to protect their personal information and the Group could see a subsequent reduction in demand. Any material disruption or

slowdown of the Group's IT systems could also cause operations to be disrupted or delayed and business opportunities missed. The loss of confidence from a significant data security breach could damage the Group's reputation, cause recruitment and retention challenges, increase labour costs and affect how the Group operates its business. Any of these factors could have an adverse effect on the Group's business, financial condition and prospects and/or operating results.

The Group's businesses carry with them the risk of alleged intellectual property right infringement in relation to third parties copying websites owned by the Group

The Group may be required to pursue a variety of claims against third parties in order to protect its operations. These claims could relate to alleged copyright infringement, design right infringement, trademark infringement and passing off. The Group seeks to protect its intellectual property rights by relying on trademark and copyright protection in addition to contractual protections.

The Group's insurance policies may not be adequate or comprehensive

The Company maintains insurance within the range of coverage that the Directors believe is consistent with industry practice, having regard to the nature of its assets and the activities being conducted. No assurance, however, can be given that the Company will be able to maintain such insurance coverage at reasonable rates in the future or that any coverage it arranges will be adequate and available to cover any future claims against the Company.

The Group's properties could suffer losses which may not be fully compensated for by insurance, or at all. Inflation, changes in building codes and ordinances, environmental considerations, and other factors, including terrorism or acts of war, may also result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds may be inadequate to restore the Group's economic position with respect to the affected real estate. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Group could be liable to repair damage caused by uninsured risks. The Group would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds, if any, will not occur in the future.

The Company is reliant on the performance and retention of key personnel

The Company is internally managed and relies on its employees and their experience, skill and judgment in identifying, selecting and negotiating the acquisition and disposal of suitable properties, as well as the development and property management of the portfolio when owned. The Company also relies on the executive Directors and other members of the executive team to manage the day-to-day affairs of the Company. There can be no assurance as to the continued service of these individuals as Directors and employees of the Company. The departure of any of these individuals from the Company without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations.

The Group is subject to the risk of contracting counterparties failing to meet their obligations

The Group engages in contractual relationships with third parties in the ordinary course of business. For the Group, this relates to both operating the portfolio and acquiring and selling properties. For the operating of the portfolio, the risk is primarily with tenant lease contracts and contracts with suppliers for services provided to the Group's properties. In relation to acquiring and selling properties, this relates to agreements with vendors and purchasers as well as the financing institutions that provide debt to acquire the assets. Examples of such failures include a lender defaulting on its commitment to provide financing to a purchaser, a purchaser defaulting in respect of the purchase of a property from the portfolio, or tenants of the portfolio defaulting on rental payments, but also include construction companies not completing or unlawfully renovating space, technical facility management suppliers failing to fulfil their obligations on maintenance checks, security companies failing to meet their obligations, or snow removal suppliers not clearing snow properly. The failure of third parties to fulfil their contractual responsibilities could place the Group and its business at risk.

Future dividends will be dependent upon the financial condition of the Group

As a matter of Guernsey law, any distribution of dividends will need to be in accordance with the provisions of the Companies Law. The Directors will therefore need to carry out a liquidity or cash flow test and a balance sheet solvency test before any dividend or distribution payment can be made.

The test requires the Directors to make a future assessment by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made, the Directors believe that the solvency test cannot be passed, no payment may be made to the holders of Ordinary Shares.

A deterioration in general economic conditions could materially affect the Group's business

Changes in economic conditions (both global and/or affecting Germany in particular) including, for example, changes to interest rates and rates of inflation, market and sector conditions, competition, political and diplomatic events and trends, tax laws and other factors, could substantially and adversely affect equity investments and, consequently, the Group's operational and financial prospects.

It should further be noted that the Company is not registered in a territory within the European Union. However, the Company and the Group is nevertheless subject to the risk relating to the outcome of the UK's referendum on continued membership of the European Union ("UK Referendum").

The UK held a referendum on its continued membership of the European Union on 23 June 2016, the result of which was a majority vote for the UK to leave the European Union. The political, economic, legal and social consequences of this decision, and the exact timing for the triggering by the UK government of the formal process for negotiating the UK's exit from the European Union, as well as the potential ultimate outcome of such negotiations, are uncertain at the current time and may remain uncertain for some time to come. Such potentially prolonged political and economic uncertainty and the potential, negative economic trends that may follow could have a material adverse effect on the Group's business, financial position and/or results of operations. Therefore, there can be no certainty at present on the severity or complexity of any negative trends affecting the Group's business, assets and the valuation of its property portfolio following the result of the UK Referendum. A further consequence of the UK leaving the EU may be that the Company's ability to offer Ordinary Shares to EU residents is affected by potential new EU securities laws. The potential significance is such that all of the information in this Part II of this document should be read in conjunction with the statement set out above, as negative outcomes arising from the UK Referendum result could exacerbate the effect on the Group of all or any of the risk factors its business would otherwise face.

Political risk in Europe

The forthcoming 2017 elections in Europe, in France and in Germany in particular, which may result in leadership and policy changes (including in relation to migration) are causing uncertainty and are general areas of risk for the Group's business.

Natural disasters, terrorist attacks, power outages or other detrimental events, whether man-made or natural in origin may affect the Group's business

Such events that prevent the Group from using all or a significant part of its offices or computer systems, or that otherwise disrupt operations, may make it difficult and, in some cases, impossible for the Group to continue to operate its business for a substantial period of time, which could materially and adversely affect the Group's business, results of operations and financial performance. Whilst the Group has in place disaster recovery plans and procedures which the Directors consider to be appropriate, there can be no assurance that these will be adequate to ensure that any disruption is minimised.

RISKS RELATING TO PROPERTY SECTOR

The Group invests in property and land, which are subject to a number of economic and legal risks. Investments in property may be difficult, slow or impossible to realise

The performance of the Group would be adversely affected by a downturn in the German commercial real estate market in terms of capital value or weakening of rental markets. In the event of default by a tenant, the Group would suffer a rental shortfall and incur additional costs, including legal expenses and the costs of maintaining, insuring and re-letting the property. Loss of a major tenant could result in value adjustment which could trigger a LTV covenant default. Any future recession in the German commercial real estate market could materially and adversely affect the value of the Group's portfolio.

Returns from an investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the development or redevelopment and management of the property, as well as changes in its market value.

Rental income and the market value for properties are generally affected by overall conditions in the local economy, such as growth in GDP, employment trends, inflation, changes in interest rates and supply and demand. For example, revenues from properties may be adversely affected by the local conditions, such as oversupply of properties or a reduction in demand for properties in the market in which the Group operates. Changes in GDP may also impact employment levels, which in turn may impact demand for premises, especially for office space for commercial enterprises. Furthermore, movements in interest rates may also affect the cost of financing for real estate companies and may create volatility in relation to the Company's derivative contracts. Both rental income and property values may also be affected by other factors relevant to the German commercial real estate market, such as competition from other property owners and developers, the perceptions of prospective tenants as to the attractiveness, convenience and safety of properties, the inability to collect rents, management fees or expenses because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair or re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. In addition, the owner must meet certain significant expenditures, including operating expenses, even if the property is vacant. Certain significant expenditures associated with each equity investment in real estate (such as external financing costs, real estate taxes and maintenance costs) are generally not reduced when circumstances cause a reduction in revenue from properties. Investments in property are relatively illiquid and it is more difficult, costly and time consuming to realise property investments (if they can be realised at all) than investments in equities or bonds.

A decline in the value of the portfolio could trigger a LTV covenant default.

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

Prior to entering into an agreement to acquire any property, the Group will perform due diligence on the proposed investment. In doing so, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (including legal reports on title and property valuations). To the extent that the Group or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the investment may be subject to defects in title or environmental, structural or operational defects requiring investigation, removal or remediation; or the Group may be unable to obtain the necessary permits. If there is a due diligence failure, there may be a risk that properties that are inconsistent with the Group's strategy are acquired, 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. There can be no assurance that the title to the properties in any acquisition will not be subject to challenge. It can sometimes be difficult to establish beyond doubt that such title is incapable of challenge. Any successful challenge to the validity of the Group's title to a property may have adverse consequences for its title and the Group may not be able to obtain compensation from the seller in this circumstance.

The Group may not have full recourse against a seller in respect of all potential liabilities in relation to acquisitions, whether identified or unidentified. As part of any acquisition, the Group will normally receive certain indemnities, representations and/or warranties from the seller(s). However, these indemnities, representations and/or warranties may not cover all potential liabilities associated with the relevant property holding entity or the property itself, whether identified or unidentified, and in certain circumstances are limited in their scope, duration and/or amount. The Group may also obtain warranty and indemnity insurance in respect of certain acquisitions. However, such insurance is subject to exclusions and limitations and may not cover all of the risks that may manifest themselves in connection with a particular acquisition. Accordingly, the Group may not have full recourse against, or otherwise recover in full from, any relevant seller (or insurer) in respect of all losses suffered as a result of a breach of those representations and/or warranties, in respect of the subject matter of any of the indemnities, or in respect of the acquisition. In addition, the Group will be dependent on the ongoing solvency of the seller(s) to the extent that it seeks to recover amounts in respect of claims brought under such indemnities, representations and/or warranties.

A default by a major tenant or a significant number of tenants in the portfolio could result in a significant loss of rental income, void costs, a reduction in asset value and increased bad debts

The majority of the Group's revenue is derived directly or indirectly from rent received from a number of tenants operating within a number of sectors, with approximately 48 per cent. of its revenue being derived from its top 50 tenants. A downturn in business, bankruptcy or insolvency could force the tenants to default on their rental as at 30 September 2016 obligations and/or vacate the premises. Such a default, in particular by a series of the Group's tenants in any one property or by several of the Group's tenants could result in a significant loss of rental income, void costs, an increase in bad debts and a decrease in the value of the Group's property portfolio. Such a default may also prevent the Group from increasing rents or result in lease terminations by, or reductions in rent for, other tenants. The overall effect of one or more of these risks is likely to have a material adverse effect on the Group's business, financial condition and/or results of operations.

In addition, in the event that the rental income of the Group's property portfolio falls for whatever reason, including tenant defaults, the use of borrowings will increase the impact of such a fall on the net revenue of the Group and accordingly may have an adverse effect on the Company's ability to pay dividends to Shareholders. Amounts owing under the bank facilities will rank ahead of Shareholders' entitlements and, accordingly, if the Group's assets do not grow at a rate sufficient to cover the costs of operating the Group (including interest and loan repayments), Shareholders may not recover the amount initially invested. Since bank facilities are almost certain to be secured by way of a charge over the assets of the Group's property portfolio, in the event that the Group is unable to repay the loan, the Group's creditors will rank ahead of Shareholders. Furthermore, should any fall in the underlying asset value or expected revenues result in the Group breaching the financial covenants contained in its bank facilities, including LTV ratios, the Group may be required to repay such borrowings in whole or in part, together with any attendant costs, including the costs of disposing of any assets comprised in the Group's property portfolio at less than their market value or at a time and in circumstances in which the realisation proceeds are reduced because of a downturn in property values generally or because there is limited time to market the property. If any of the covenants under any such bank facility are breached, the Company is likely to be required to suspend payment of its dividends. Furthermore, the Group is likely to suffer reputational damage which could result in a lender being unwilling to extend additional finance to the Group which may significantly raise the Group's future borrowing costs.

Changes in laws and regulations relating to the German commercial real estate market may have an adverse impact

Any change to the laws and regulations relating to the German commercial real estate market may have an adverse effect on the capital value of the Group's property portfolio and/or the rental income of the Group's property portfolio. Changes in German law relating to foreign ownership of property might have an adverse effect on the net returns from the Group's property portfolio.

Real estate investments are relatively illiquid

Properties such as those in which the Group invests are relatively illiquid. In particular, the Group's properties may be especially illiquid due to their location, age, quality and specification. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiry of the originally agreed term. This could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the market value of the Ordinary Shares or on the Company's ability to make expected distributions to its Shareholders.

The Group may incur environmental liabilities

Under various state and local laws, ordinances and regulations, an owner of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the existence of these substances. The owner's liability as to any property is generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure properly to remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the Group's return from such investment.

RISKS RELATING TO THE ORDINARY SHARES

Investment in the Company may only be suitable for sophisticated investors

The Company is intended for investors who are interested in the German commercial real estate market and are aware of the risks of investing in property in this sector and jurisdiction. Such investments are only suitable for sophisticated investors who fully understand and are willing to accept the risks involved in such investments, including potential illiquidity and volatility. Any investor must be able to accept the possibility of losses and an investment in the Company is only intended for investors who can afford to set aside the invested capital for a number of years. Before making any investment decision in respect of the Ordinary Shares, prospective investors should consult a financial adviser who specialises in advising on the acquisition of Ordinary Shares and other securities and carefully review and consider such an investment decision in light of the above and the prospective investors' personal circumstances. The past performance of the Company is not an indication of future performance.

The market price of the Ordinary Shares may fluctuate widely and there may be limited liquidity in the Ordinary Shares

The price at which the Ordinary Shares may trade and the price which Shareholders may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and some which may affect quoted companies generally. These factors include the performance of the Group's operations, large purchases or sales of shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, a perception that other market sectors may have higher growth prospects, legislative or regulatory changes and general economic conditions. The value of the Ordinary Shares will therefore fluctuate and may not reflect their underlying asset value.

The market value of an Ordinary Share may vary considerably from its underlying NAV. In addition, stock markets have from time to time experienced extreme price and volume volatility which, in addition to general economic and political conditions, could adversely affect the market price for the Ordinary Shares. To optimise returns, investors may need to hold the Ordinary Shares on a long-term basis and they may not be suitable for short-term investment. The value of Ordinary Shares may go down as well as up.

There is no public market for Ordinary Shares in the United States or elsewhere outside of the UK and South Africa

The Ordinary Shares will not be registered under the US Securities Act or any state securities laws of the United States and will be subject to significant restrictions on resale in the United States. The Company does not intend to apply for a listing of the Ordinary Shares on a securities exchange in the United States or elsewhere outside the United Kingdom and South Africa. Consequently, an active trading market is not expected to develop for the Ordinary Shares outside of the United Kingdom and South Africa, and investors outside of the United Kingdom and South Africa may not be able to sell them at an acceptable price or at all. US and other non-EU Shareholders may not be able to participate in future equity offerings. Holders of Ordinary Shares will, in certain cases, be entitled to pre-emption rights to subscribe for shares to be issued in connection with an increase in the Company's share capital, unless such rights have been waived by a resolution at a Shareholders' meeting. US and certain other non-EU holders of Ordinary Shares will usually be excluded from exercising any such pre-emption rights that they may have, unless exemptions from any overseas securities law requirements are available. There can be no certainty that the Company will utilise any such exemption from applicable overseas securities law requirements that might enable US or other non-EU holders to exercise such pre-emption rights. Furthermore, and as mentioned the impact of the UK Referendum result may extend some of these restrictions to EU holders of Ordinary Shares.

The sale of a substantial number of the Ordinary Shares, or the perception that such sales could occur, could adversely affect the price of the Ordinary Shares

The sale of a substantial number of the Ordinary Shares by the holders of such shares in the public market could adversely depress the market price of the Ordinary Shares.

If the Company is wound up, distributions to Shareholders will be subordinated to the claims of creditors

On a return of capital on a winding-up, holders of Ordinary Shares will be entitled to be paid out of the assets of the Company available to members only after the claims of all creditors of the Company have been settled.

The rights of Shareholders and the fiduciary duties owed by the Board will be governed by Guernsey law and the Articles

The rights of Shareholders and the fiduciary duties that its board owes to the Company and Shareholders are governed by Guernsey law and the Articles. As a result, the rights of Shareholders and the fiduciary duties owed to them and the Company may differ in material respects from the rights and duties that would be applicable if the Company were organised under the laws of a different jurisdiction (for example those of England) or if the Company was not permitted to vary such rights and duties in its Articles.

Issues of Ordinary Shares may result in immediate dilution of existing Shareholders

The Company may decide to issue additional Ordinary Shares in the future to fund property acquisitions and capital expenditure, business activities and future plans. If existing Shareholders are not eligible to, or do not, subscribe for additional Ordinary Shares on a *pro rata* basis in accordance with their existing shareholdings, this will dilute their existing interests in the Company. The issue of Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a time or price they deem appropriate. There are no statutory rights of pre-emption for existing Shareholders on the issue of new Ordinary Shares by the Company under Guernsey law. However, the Company is seeking Shareholder approval to adopt new Articles at the Extraordinary General Meeting. These Articles contain rights of pre-emption that are consistent with the Companies Act 2006. UK Admission is conditional on the adoption of these Articles and therefore, from UK Admission, the issue of new Ordinary Shares for cash will be subject to rights of pre-emption unless the Company has received Shareholder approval to dis-apply pre-emption rights.

Shareholders outside the UK and South Africa may not be able to participate in future issues

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by certain Shareholders outside of the UK and South Africa in future equity issues.

Changes in foreign investment laws in South Africa

Any change to the laws and regulations of South Africa relating to investment in foreign businesses may have an adverse effect on the trading liquidity of the Ordinary Shares on the JSE and current or future investments by South African investors in the Company.

Overseas Shareholders may be subject to exchange rate risk

The Company's earnings are reported in Euros. However, the Ordinary Shares are traded in Pounds Sterling in the UK and Rand in South Africa. Any dividends to be paid in respect of the Ordinary Shares will be paid in Euros or Pounds Sterling (at the Shareholder's election) for Shareholders on the UK register and in Rand for Shareholders on the South Africa register. An investment in Ordinary Shares exposes the investor to foreign currency exchange rate risk as the Ordinary Shares trade in Pounds Sterling on the LSE and trade in Rand on the JSE, whereas the Company's earnings are in Euros and the Company's dividends are declared in Euros. Any depreciation of Euros or Pounds Sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in foreign currency terms.

If securities or industry analysts do not publish research or reports about the Group's business, or if they downgrade their recommendations, the market price of the Ordinary Shares and their trading volume could decline

The trading market for the Ordinary Shares will be influenced by the research and reports that industry or securities analysts publish about the Group or its businesses. If any of the analysts that cover the Group or its business downgrade either of them, the market price of the Ordinary Shares may decline. If analysts cease to produce coverage of the Group or fail to publish regular reports on it, the Group could lose visibility in the financial markets, which in turn could cause the market price of the Ordinary Shares and their trading volume to decline.

RISKS RELATING TO THE TAXATION OF THE GROUP

Change in tax status or residence

Any change in the tax status or tax residence of the Company, tax rates applicable to the Company, tax legislation or tax or accounting practice (in Guernsey, the UK, the Netherlands or Germany) may have an adverse effect on the returns available on the Company's investments.

Change in accounting standards, tax law and practice

The anticipated taxation impact of the structure of the Group and its underlying investments is based on prevailing taxation law and accounting practice and standards as at the date of this document. Any change in the tax status of the Group or any of its underlying investments, or in tax legislation or practice (including in relation to taxation rates and allowances) or in accounting standards could adversely affect the investment return of the Company.

Taxation risks

Statements in this Prospectus concerning the taxation of Shareholders and the Group are based on law and practice as at the date of this Prospectus. These are, in principle, subject to change and prospective investors should be aware that such changes may affect the Company's ability to generate returns for Shareholders and/or the taxation of such returns to Shareholders. If you are in any doubt as to your tax position you should consult an appropriate independent professional adviser.

Any change in the Company's tax status, in taxation legislation or the taxation regime, or in the interpretation or application of taxation legislation applicable to the Company or the Group could affect the value of the investments held by the Company, its ability to achieve its stated objective, and its ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders.

Tax residence

The investment objectives and expected returns included in this document are based on the Company being treated as tax resident in the UK. A non-UK incorporated company will generally be regarded as tax resident in the UK if its central management and control is exercised in the UK. The Board of the Company expects the Company to be managed and controlled in such a way that it is UK tax resident.

The tax treatment in each of the Group's underlying subsidiaries included in this document, being established in the Netherlands, Germany and Guernsey is based on each of those entities being treated as tax resident in their respective jurisdictions. In the Netherlands, entities that are incorporated in Netherlands are deemed to be resident in the Netherlands for tax purposes. In Germany, an entity is so resident if either it is incorporated in Germany or if its central management and control is exercised in Germany. In Guernsey, an entity is considered to be tax resident there if it is controlled or incorporated in Guernsey, and has not been granted exempt status. The boards of each of the Group subsidiary entities expect the respective entity to be managed and controlled in such a way that it is tax resident in its respective jurisdiction.

Transfer pricing

Shareholder loans and management agreements between connected parties, i.e. between Group entities are subject to the transfer pricing rules in the jurisdictions in which they operate. Consequently, if the terms of shareholder loans and management agreements are found not to be on arm's length or in accordance with a specified ratio in a particular jurisdiction and as a result a tax advantage is being obtained, an adjustment may be required to compute the taxable profits in that jurisdiction or jurisdictions as if the shareholder loans and management agreement were on arm's length. Such adjustments may have an adverse effect on the returns available on the Company's investments.

Depreciation for German tax purposes

The level of depreciation accounted for within the current tax calculations in the property holding entities for German tax purposes are based on a proportional allocation (of the acquisition costs) to land and building. The amounts allocated to the buildings amount to between 50 per cent. and 100 per cent. which may be considered by the German tax authorities to be excessive. Any adjustment required by German tax authorities may have an adverse effect on the returns available on the Company's investments.

Exchange controls and withholding tax

Realisation proceeds of investments may be subject to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company from such investments.

Automatic exchange of information (AEOI)

If the Company is judged to be a Reporting Financial Institution under FATCA and/or the Common Reporting Standard it may be obliged to require Shareholders to provide it with certain information in order to comply with its AEOI obligations whereby information may be provided to the UK tax authorities who may in turn exchange the information with certain other tax authorities.

THE RISKS NOTED ABOVE DO NOT NECESSARILY COMPRISE ALL THE RISKS FACED BY THE GROUP AND ARE NOT INTENDED TO BE PRESENTED IN ANY ASSUMED ORDER OF PRIORITY.

PART III

IMPORTANT INFORMATION

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 authorised by the Company, Canaccord Genuity or PSG Capital. Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary prospectus pursuant to section 87G FSMA and Rule 3.4 of the Prospectus Rules, the publication or delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company and/or the Group since the date of this document or that the information in this document is correct as at any time subsequent to its date.

This document is being furnished by the Company solely for the purpose of admission of the Ordinary Shares to the Official List and to trading on the Main Market and is sent to Shareholders for information purposes only. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for prospective investors' information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. Prospective investors should consult with an appropriate independent professional advisor for specific advice rendered on the basis of their particular situation.

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All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles which investors should review. A summary of the Articles is contained in section 5 of Part XIII of this document.

Forward-looking statements

Certain statements contained herein are forward looking statements and are based on current expectations, estimates and projections about the potential returns of the Group and the industry and markets in which the Group operates, and the Directors' beliefs and assumptions. Such forward-looking statements are identified by their use of terms and phrases such as "believe", "target", "expect", "aim", "anticipate", "project", "would", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of these, variations or comparable expressions, including references to assumptions. The forward-looking statements in this document are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, those described in the risk factors. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Group and the environment in which the Group will operate in the future. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. The Company and/or its Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein as a result of new information, future events or other information except to the extent required by the Listing Rules, the Disclosure and Transparency Rules, the Prospectus Rules, the Market Abuse Regulation, the rules of the LSE, the JSE Listings Requirements or applicable law. Nothing in this paragraph is intended to qualify the opinion of the Company (as set out in section 16 of Part XIII) that, taking into account the bank and other facilities available to the Group, the working capital available to the Group is sufficient for the present requirements of the Group, that is, for at least the 12 months following the date of publication of this document.

Presentation of financial information

The Company publishes its financial information in Euros. The abbreviation "€m" represents millions of Euros.

The financial information presented in a number of tables in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the sum of the numbers in a table may not conform exactly to the total figure given for that table. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

The historical financial information presented in this document consists of:

- audited financial information of the Group for the three years ended 31 March 2014, 31 March 2015 and 31 March 2016 and the six months to 30 September 2016 and
- unaudited financial information of the Group for the six months to 30 September 2015.

IFRS

The financial information of the Company is prepared in accordance with the requirements of the Prospectus Directive, the Listing Rules and IFRS, as endorsed and adopted by the EU, and in accordance with the interpretations issued by the International Financial Reporting Interpretations Committee of the IASB, as endorsed and adopted by the EU.

Use of property valuation figures

This document includes valuations by Cushman & Wakefield LLP of the Group's properties in respect of each of the Real Estate Assets as at 30 September 2016, other than Wiesbaden and Krefeld II (which are valued as at 5 July 2016) and Dreieich (which is valued as at 19 October 2016), as set out in Part XI of this document, which has been prepared in accordance with the appropriate sections of the Royal Institution of Chartered Surveyors ("**RICS**") Professional Standards and RICS Global Valuation Practice Standards (the "**Red Book**"). The valuations are based upon assumptions including future rental income, anticipated maintenance costs and an appropriate discount rate. The properties are valued on the basis of a ten year discounted cash flow model supported by comparable evidence. The discounted cash flow calculation is a valuation of rental income considering non-recoverable costs and applying a discount rate for the current income risk over a ten year period. After ten years a determining residual value (exit scenario) is calculated. A capitalisation rate is applied to the more uncertain future income, discounted to a present value. Adjustments are made to account for lease incentive accounting, Directors' write-downs on non-core assets and reclassification of investment properties held for sale. Directors' write-downs represent the discretionary impairment of specific assets resulting from the existence of exceptional leases, geographical distinctions and particular encumbrances that management believes materially impact the amounts which may ultimately be realised in respect of the concerned properties. As a result of the level of judgement used in arriving at the market valuations, the amounts which may ultimately be realised in respect of any given property may differ from the valuations shown in the statement of financial position. Directors' estimates of value should not be construed as valuations by Cushman & Wakefield LLP, nor should they be construed as profit forecasts or interpreted to mean that the Group's asset values or earnings in any future period would necessarily match, be greater than or be less than those for any other period.

The International Valuation Standards Council ("**IVSC**") publishes and periodically reviews the International Valuation Standards ("**IVS**"), which set out internationally accepted, high level valuation principles and definitions. These have been adopted and supplemented by the RICS, and are reflected in the Red Book. Thus, the RICS considers that a valuation that is undertaken in accordance with the Red Book will also be compliant with IVS.

Distribution of this document

This document does not constitute an offer to sell or issue, or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares in Australia, Canada, New Zealand or Japan, or any other jurisdiction where it would be unlawful to do so ("**Restricted Jurisdiction**"). This document is not for distribution in or into the Restricted Jurisdictions and is only distributed in South Africa for information purposes. The Ordinary Shares have not been nor will they be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of the other Restricted Jurisdictions or any other

jurisdiction and, unless an exemption under the US Securities Act or other relevant laws is available, may not be offered for sale or subscription or sold or subscribed, directly or indirectly, in, into or from the United States or any of the Restricted Jurisdictions or for the account or benefit of any national, resident or citizen of the United States or any of the Restricted Jurisdictions. The distribution of this document in jurisdictions other than the United Kingdom, South Africa or Guernsey may be restricted by law and 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 jurisdictions.

Restrictions on sales in the United States

NEITHER THIS DOCUMENT NOR THE ORDINARY SHARES HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES. THE AFOREMENTIONED AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF, *INTER ALIA*, UK ADMISSION OR JSE TRANSFER, OR THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Currency

In this Prospectus references to “Pounds Sterling”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom, references to “Euros”, “€”, “cent” or “c” are to the single currency of those relevant adopting member states of the EU and references to “Rand” or “R” are to the lawful currency of South Africa.

Third party information

Where third party information has been used in this document, the source of such information has been identified. The Company confirms that such information has been accurately reproduced and, so far as it is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No action to be taken by Shareholders

Shareholders are not required to take any action upon receipt of this document. The Company is not issuing any new Ordinary Shares, nor is it seeking to raise any new money, in connection with UK Admission or JSE Transfer. This document has been published solely to enable the Company to obtain admission of the Ordinary Shares to the Official List and to trading on the Main Market.

Website

The contents of the Group’s website and of any website accessible via hyperlinks from the Group’s website are not incorporated into, and do not form part of, this document.

Defined terms

Certain terms used in this document, including certain capitalised terms and certain technical and other terms, are defined in Part XIV of this document.

PART IV

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change. Please read the notes to this timetable set out below.

UK Admission

Notice of intention to de-list from AIM	25 January 2017
Last day of trading of Ordinary Shares on AIM	3 March 2017
Expected delisting of Ordinary Shares from AIM	8.00 a.m. (UK time) on 6 March 2017
Expected admission of the Ordinary Shares to the Official List and expected commencement of dealings on the Main Market[1]	8.00 a.m. (UK time) on 6 March 2017

(1) Or as soon as practicable thereafter. No temporary documents of title will be issued.

JSE Transfer

Last day of trading of Ordinary Shares on AltX	3 March 2017
Expected transfer of Ordinary Shares from AltX to the Main Board and expected commencement of dealings on the Main Board[1]	8.00 a.m. (South Africa time) on 6 March 2017

(1) Or as soon as practicable thereafter. No temporary documents of title will be issued.

Notes

The times and dates set out in the expected timetable of principal events above and mentioned in this document, and in any other document issued in connection with UK Admission or JSE Transfer, are subject to change, in which event details of the new times and dates will be notified to the UK Listing Authority, the LSE, the JSE and, where appropriate, to Shareholders by the release of an announcement on RNS and SENS.

Any reference to a time in this document is to the time in London, England, unless otherwise specified.

PART V

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Neil Sachdev	*(Independent Non-executive Chairman)*
	Andrew Coombs	*(Executive Director)*
	Alistair Marks	*(Executive Director)*
	Wessel Hamman	*(Non-executive Director)*
	James Peggie	*(Non-executive Director)*
	Robert Sinclair	*(Independent Non-executive Director)*

Company secretary
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RSA Sponsor
PSG Capital Proprietary Limited
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SE1 2AQ

Legal advisers to the Company as to South African law
Norton Rose Fulbright South Africa Inc
15 Alice Lane
Sandton
South Africa
2196

Legal advisers to the Company as to Guernsey law
Carey Olsen
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Reporting accountants and auditor
KPMG LLP
15 Canada Square
London
E14 5GL

Legal advisers to the UK Sponsor as to English law	Addleshaw Goddard LLP Milton Gate 60 Chiswell Street London EC1Y 4AG
UK Registrar	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
South African Registrar	Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Ave Rosebank 2169
Independent Valuer	Cushman & Wakefield LLP 125 Old Broad Street London EC2N 1AR

PART VI

INFORMATION ON THE GROUP

INTRODUCTION

The Company is a Guernsey-incorporated property company that is currently a leading operator of branded business parks providing conventional space and flexible workspace in Germany. The Group's core strategy is the acquisition of business parks at attractive yields, the integration of these business parks into its network of sites under the Company's brand, and the reconfiguration and upgrade of existing and vacant space to appeal to the local market, through intensive asset management and investment. The Group's strategy aims to deliver attractive returns for Shareholders by increasing rental income and improving cost recoveries and capital values, as well as by enhancing those returns through financing its assets on favourable terms. Once sites are mature and net income and values have been optimised, the Group may take the opportunity to refinance the sites to release capital for investment in new sites or consider the disposal of sites in order to recycle equity into assets which present greater opportunity for the asset management skills of the Group's team.

The Company is currently listed on AIM of the LSE and the AltX of the JSE. As at 6 February 2017 (being the last practicable date prior to publication of this document), the Company had a market capitalisation of €494 million on AIM and R7,066 million on AltX and, as at 30 September 2016, had net assets of €451 million and an EPRA NAV of 54.84 cents per Ordinary Share.

As at 30 September 2016, the Group:

- owned or controlled a portfolio of 42 industrial and office business parks across Germany;
- had annualised rental income of €67.2 million;
- had portfolio of assets with a book value of €770.9 million; and
- had secured financing against these assets of €321.2 million.

In the financial year to 31 March 2016, the Group made a consolidated profit after tax of €54.7 million.

As at 30 September 2016, the Group's business parks, covered an aggregate of 2.3 million square metres, and comprised over 400 buildings with 1.4 million square metres of gross lettable area. Of this 2.3 million square metres, the Group's management team has identified approximately 164,000 square metres of land which is currently non-income producing and can potentially be developed or sold. The majority of these properties are a mixture of office, storage and production space and, to a much lesser extent, retail space. Whilst retaining the major core anchor industrial tenants, many of the parks are restructured to enhance the working environment of the tenants (for example, by encouraging food and fitness operators to service the working tenant base as well as external customers). In addition, the Group provides conference, meeting room and catering offerings on the majority of sites. The Group's 50 largest tenants contribute approximately 48 per cent. of the September 2016 annualised rental income on more conventional long term contracts and over 3,500 other tenants, mainly SMEs, make up the rest of the annualised rental income on a mixture of flexible and long-term contracts.

1. GERMAN MARKET

The German economy and SME market, in particular, continue to see growth, meaning demand for both the Group's conventional space and flexible workspace continues to be high. The sites acquired over the last few years have enhanced the Group's offering to prospective tenants by adding new locations, different tenant mixes and new space combinations. The Group's capex investment programme, which is directed at transforming sub-optimal space, has provided it with a greater proportion of higher quality space to let which has enabled the Group's marketing and lettings platform to fill this space with multi-tenants, usually at premium pricing levels compared to the rest of the portfolio. This has resulted in the Group being able to significantly and organically increase its annualised rental income, occupancy and average rate per square metre over the last three financial years. Having operated in the business park market in Germany for nearly a decade, the Group now has a strong record in service charge recovery, and the combination of this with top line rental growth and significantly reduced borrowing costs, whilst not having to increase the size of the operating platform materially, has resulted in strong financial performance in recent years.

2. HISTORY AND DEVELOPMENT OF THE BUSINESS

The Company was formed in February 2007 with the intention of purchasing and operating mixed-use industrial business parks in Germany, with an externally operated asset manager (the "**Asset Manager**"). The Company was admitted to trading on AIM in May 2007, with a primary capital raise of €328 million which was initially used to acquire 20 business parks. A further nine business parks were purchased in the year to 31 March 2008 and the portfolio grew to 38 business parks over the course of the following year. The Group's business was not immune from the challenges of the global financial crisis that started in 2007, and in 2009 the Group ceased its acquisition programme and focused on increasing occupancy and Group efficiency, which included a restructuring of the German operating company, a doubling of the sales team and development of the in-house team to improve cost recovery from tenants.

In January 2012, the Group acquired the Asset Manager thereby internalising the asset management platform. Andrew Coombs, who joined the Asset Manager in 2010, and Alistair Marks, who had been with the Asset Manager since the Company's formation, were subsequently appointed as CEO and CFO of the Group, respectively.

Following internalisation, the primary strategic objective of the Group continued to be to improve profitability and strengthen the Group's financial position by disposing of non-core and mature assets, as well as surplus land sales, and refinancing the Group's entire loan book. By 2013, the Group's portfolio was reduced to 34 business parks across Germany and with further disposals the total number of parks was reduced to 30 by 2014. The restructuring undertaken by the Group in the period from 2009 to 2014 led to a significant improvement in profitability and financial strength and the portfolio consisted primarily of well located core properties, following the disposal of the majority of non-core assets. Following this strategy for the last four years has contributed to increasingly strong financial results and the resumption of a regular dividend. The internal asset management platform and financing base gave rise to the opportunity to grow the portfolio organically and through acquisitions, with a focus on clustering in core locations to make the best use of the established local teams.

In the last four financial years the Company has raised €166.5 million in equity from placings on five separate occasions, one of which was executed alongside the successful launch of the Company on the AltX of the JSE in December 2014, giving it a secondary listing alongside the original AIM listing. The capital raised through these placings has enabled the Group to acquire 14 new business parks, supported by the refinancing of the Group's debt facilities at significantly improved rates and on much longer terms than were previously available. As at 30 September 2016, the Group's average weighted interest rate was 2.18 per cent. and the weighted debt expiry was 5.8 years. The most recent placing of €30 million in June 2016 enabled the Group to acquire sites in Dresden, Wiesbaden, Krefeld and Dreieich. The sites located in Dresden and Wiesbaden enabled the Group to secure an attractive €31 million extension of an existing banking facility with BerlinHyp which, when completed in October 2016, further improved the weighted average interest rate to 1.99 per cent. and extended the Group's weighted debt expiry to 6.2 years.

3. OVERVIEW OF THE GROUP'S PRINCIPAL ACTIVITIES

The Group owns and manages a substantial portfolio of primarily large mixed-use commercial real estate assets in Germany which are operated as business parks. As at 30 September 2016, the Group owned 42 business parks, with a market value of €779.6 million. As at 30 September 2016, the Group's business parks, covered an aggregate of 2.3 million square metres, and comprised over 400 buildings with 1.4 million square metres of gross lettable area. Within the business parks, the Group's management team has identified approximately 164,000 square metres of land which is currently non-income producing and can potentially be developed or sold. Many of the parks have been set up to enhance the working environment of the site by encouraging food and fitness operators as tenants to service the working tenant base as well as external customers, and also providing conference, meeting room and catering facilities on the majority of sites. The Group's business parks house a combination of long-term blue-chip anchor tenants, smaller SME tenants on conventional terms and flexible workspaces offering a range of high quality managed business accommodation to national and local businesses.

On every business park, the Group implements strategies to extend and secure a core base of stable income, and sub-divides and converts sub-optimal space into either flexible workspaces, or higher quality conventional spaces, which achieve much higher rents than the unimproved acquired space would have. In addition, the transformation of each site usually includes strategies such as:

- investing in cosmetic improvements to the common areas, including adding the Group's branding to the premises;
- building a marketing suite and Centre Manager office;
- improving the façade and surrounding outside areas;
- ensuring adequate parking is available on site;
- developing on-site cafes and sourcing third party operators to provide on-site catering;
- letting space to fitness centre operators;
- creating meeting rooms and conference facilities; and
- selling excess land on site or developing it into conventional letting and self-storage facilities.

Once transformed, the enhanced working environment within the business parks offer a completely different income profile which provides a stable investment proposition. As valuations increase on mature sites, the Group may take the opportunity to refinance the sites and release capital to invest in new assets or seek to dispose of such assets with a view to crystallising the value created and recycling the capital into sites which present greater opportunity for the asset management skills of the Group's team.

In the six month period to 30 September 2016 the Group employed an average of 196 employees, expressed as full time equivalents, throughout Germany. These employees perform the majority of the asset and property management functions on its business parks and have helped to develop the Group's management platform which is primarily focused on marketing and letting space, renewing tenants, recovering service charge cost, collecting cash and developing and maintaining its properties. The sites are marketed centrally on the Group's website and on many internet portals, enabling the Group's team to offer space across the country. This marketing structure generates more than 1,000 enquiries per month from the full range of large industrial tenants to single-office and self-storage customers. The ability to control the lettings process internally allows the Group to offer a comprehensive range of products from large production factories to more innovative products including Smartspace (higher end flexible office, workboxes and storage); Smartspace FlexiLager (lower end storage); Conferencing; and FlexConnect (internet and telephony services). This generates higher income from previously sub-optimal space and attracts a large number of smaller tenants to its sites. The available space on the sites is designed to be flexible so that the Company can accommodate changes to customers' business and storage needs.

3.1 Group Business Model and Investment Strategy

The Group continues to be focused on both organic growth and growth through acquisition, and has expanded its strategy to include recycling existing assets to free up capital to be used to acquire assets which it can transform and add value to. Organic growth is generated through increasing occupancy, rental revenues, capital values and efficiency across the portfolio, through the Group's asset management. Additionally, it is intended to grow the portfolio with accretive acquisitions which have been funded historically through new equity, refinancing or disposals of mature assets and non-core assets.

The Group's principal objectives are to:

- increase net asset value of the Group's portfolio, through improving net operating income and capital values; and
- generate total returns for Shareholders through the payment of dividends (adopting a risk based approach to managing the Group's business).

Over the last three financial years the Group has delivered an average total shareholder return ("**TSR**") of 14.9 per cent. per year[1], and in the six month period from 31 March to 30 September 2016, a TSR of 6.7 per cent. was achieved. The main contributors to this return were like-for-like increases in market value of 4.2 per cent. and a like-for-like increase in annualised rental income of 2.4 per cent. in the period.

[1] See section 3 in Part VII for the basis of this calculation

3.2 Organic Growth

Enhance organic rental and capital growth through active portfolio management

The Group seeks to maximise its income and the value of its assets through an active and ongoing asset management programme, delivered by converting properties into improved, more efficient, higher yielding and flexible workspaces. This transformation comes from letting vacant space, significantly improving the recovery of service charge costs, extending and improving the lease terms of the anchor tenants, as well as from the Group's capex investment programme, which reconfigures and upgrades sub-optimal space into a combination of conventional office, production and storage spaces as well as its flexible Smartspace (office, workbox and storage) and Smartspace FlexiLager (lower end storage) products.

In addition, the Group provides an enhanced working environment in the common parts of its buildings, through cosmetic improvement schemes, including adding the Group's branding to the premises, and improving the façades, surrounding outside areas, and the shell and core of the buildings.

3.3 Transformation and conversion of sub-optimal space

The Group's intensive capex investment programme, which is aimed at transforming sub-optimal space, is presently one of the major drivers of organic income and capital value growth for the Group. Demand continues to be strong from the Company's target German SME market, and this enables the Group to add significant value to sub-optimal space as well as manage large move-outs by investing and letting at improved rental rates. The current capex investment programme commenced in January 2014, with an initial target of transforming and converting approximately 100,000 square metres of space over a three year period. This programme has since been expanded to cover around 200,000 square metres, to include similar space which has become available from the Group's recent acquisitions and some move-outs.

As at 30 September 2016, €11.7 million of the programme's €24.0 million budget had been invested, transforming 139,900 square metres of space which is now either let or in the process of being let. The €10.8 million of investment which relates to the fully completed space is already generating annualised rental income of €7.6 million as well as contributing significantly to the valuation increases seen over the last few years, which demonstrates the extent to which this programme has and is expected to benefit the Group's annualised rental income, profitability and net asset value. This initial success was achieved at 23 per cent. less than the budgeted cost and the Group hopes to benefit from the continuous improvement in its in-house experience to keep a tight control on costs without impacting the rental improvements. The progress of the programme up to 30 September 2016 can be seen in more detail in the table below.

Capex Investment Programme Progress	Sq. m	Investment Budgeted	Actual Spend	Annualised Rental Income Increase Budgeted	Annualised Rental Income Increase Achieved to Sep 2016	Occupancy Budgeted	Occupancy Achieved to Sep 2016	Rate Per sq. m Budgeted	Rate Per sq. m Achieved to Sep 2016
		€	€	€	€	%	%	€	€
Completed	139,900	14,025,713	10,823,356	8,411,428	7,627,219	86%	78%	5.81	5.82
In Progress	22,765	5,066,699	788,590	1,318,799	–	83%	–	5.89	–
To Commence in Next Financial Year	44,308	4,924,176	86,771	1,764,025	–	74%	–	4.48	–
Total	**206,974**	**24,016,588**	**11,698,717**	**11,494,252**	**7,627,219**	**83%**	**53%**	**5.51**	**5.82**

Across the entire programme, approximately 43,000 square metres of the 139,900 square metres transformed to date has been converted into new Smartspace (office, workbox and storage) products, some of which has involved the conversion of the lower end Smartspace FlexiLager storage product into other more valuable products, and the remainder has been transformed into higher quality conventional space. This has led to increased occupancy levels and an increase in the average rental rate per square metre across the portfolio. This is evidenced by the fact that as at 30 September 2016, the total portfolio's occupancy level was 80 per cent., with a rental rate of €5.10 per square metre per month being achieved which represents a material improvement from the start of the programme (31 March 2014: 76 per cent. occupancy and a rental rate of €4.48 per square metre per month).

In addition, there is currently a 35 per cent vacancy rate at the newly acquired Dresden and Wiesbaden sites which has been identified for significant improvement as well as approximately 12,000 square metres of recently vacated space at other sites which would significantly benefit from upgrading. Based on the results that have been achieved to date from the capex investment programme, this gives the Directors confidence that the value-add business model that the Group runs should deliver further successes over the coming years.

3.4 **Occupancy and rental growth driven by in-house operations and sales and marketing platform**

One of the reasons the Group is able to effectively break up large space into smaller units and let these at much higher rates is due to internal marketing and letting capabilities. This capability provides the Group with more options as to the range of workspace it acquires and allows it to develop its range of products to suit local demand. The operational sales and marketing platform referred to above is also a substantial barrier to entry in terms of competitors moving into the market.

The internal marketing department of the Group generates leads predominantly by means of its significant internet presence but also by means of its strong relationships and active engagement with agents and brokers throughout Germany, fostered over the past decade. To penetrate the market further and generate interest in, and awareness of, its offerings, the Group regularly hosts dedicated sales events on many of its sites. Although many of the larger industrial tenant deals come from the broker channels, more than 98 per cent. of the Group's average 1,072 leads generated per month over the last three years to September 2016 came from the Group's website and the external internet portals upon which space is advertised. The marketing team's use of the internet, integration of digital innovations and search engine optimisation have been key drivers of the Group's high take-up rates and average new lettings of 139,797 square metres per year over this period.

Once leads have been generated, the Group has a dedicated call centre of six employees, who are incentivised to convert leads into viewings. Real-time progress is tracked, which allows the department to convert approximately 70 per cent. of leads into appointments and 55 per cent. of leads into viewings. Detailed information is gathered from all enquiries and stored within the Group's CRM system and this is used to enable the management team to make more informed decisions on investments, campaigns and strategies based on the level of demand and competition in each area in which it operates.

The Group has a further 73 employees based on the Group's business park sites, who are focused on conducting viewings, letting vacant space and actively managing the needs of existing tenants. This enables the Group to both secure and retain tenants as well as provide visibility as to the changes in the tenants' requirements so that the Group has the time to plan its management of each site carefully. On average, 11 per cent. of leads were converted into new contracts over the three years to September 2016. Over this period, 68 per cent. of leases (by value) which had reached their term have been renewed. The on-site employees have been extensively trained to ensure compliance with the Group's policies and objectives, and the sites are regularly visited by mystery shoppers to ensure that they are operating effectively and in accordance with the Group's guidelines. The Directors believe that this national sales force is one of the key reasons for the Group's high let-up rates and good client retention.

3.5 **Improvement of service charge irrecoverables**

Historically across the sector, the recovery of service charge costs for mixed-use, multi-tenant business parks has resulted in high leakage from rental income down to net operating income, particularly when vacancy exists. Since AIM Admission, the Group has invested substantially in its in-house team, systems, suppliers and procedures in order to improve its service charge prepayments and its cost recovery levels, especially with regard to facility management and utilities costs. The Group has focused on improving utilities metering, controlling contracted maintenance and allocating these costs on an actual usage basis, as opposed to the more traditional allocation by square metre basis. Additionally, the increased scale of the Group has provided opportunities to consolidate energy consumption and allowed it to receive attractive terms on utility and facility management contracts. The Group has improved its service charge cost recovery from 69.5 per cent. for the financial year ending 31 March 2010, when average occupancy was 72.0 per cent., to 87.8 per cent. as at 31 March 2016, when average

occupancy was approximately 80.0 per cent.. It is believed that the Group's ability to achieve a cost-recovery percentage that is higher than the percentage occupancy represents a best-in-class performance in terms of recovery of service charge. The improved performance the Group has achieved in this area since the March 2010 year equates to a benefit of approximately €5.8 million per year, and management are continuing to seek further ways of improving this. Developing and performing the service cost recovery function internally has created another major asset and also provides a significant competitive advantage for the Group in an already high yielding asset class.

The detail of the Group's historical service charge recovery record as at 31 March 2016 can be seen in the following table:

	Mar 10 €m	Mar 11 €m	Mar 12 €m	Mar 13 €m	Mar 14 €m	Mar 15 €m	Mar 16 €m
Service Charge Recovery	24.8	26.6	29.4	31.3	33.1	34.0	36.7
Service Charge Costs	(35.7)	(35.9)	(37.6)	(38.4)	(39.6)	(40.3)	(41.8)
Irrecoverable Costs	(10.9)	(9.3)	(8.2)	(7.1)	(6.6)	(6.3)	(5.1)
Recovery Percentage	69.5%	74.1%	78.2%	81.5%	83.4%	84.4%	87.8%
Average Occupancy*	72.0%	76.0%	77.0%	77.0%	75.0%	76.0%	80.0%
Recovery Rate	**96.5%**	**97.5%**	**101.5%**	**105.8%**	**111.2%**	**111.1%**	**109.7%**

* Average occupancy calculated using DDS headleases not DDS subleases.

3.6 Growth through acquisition

The Group has been active in making acquisitions over the last two years and, if suitable opportunities can be identified, it intends to further increase its portfolio size. Over the next 18 to 24 months, in line with its stated strategy, the Group will continue to look for further acquisitions of high yielding and opportunistic mixed-use commercial real estate assets in Germany which meet the Group's investment objectives and policies. The Group is committed to achieving portfolio growth in a sustainable manner that supports the ongoing capex investment programme and therefore such acquisitions will only be undertaken where the Group has in place committed funding from debt, equity or the realisation of value in existing assets to finance each acquisition.

In order to establish and maintain a balanced portfolio, the Group seeks to acquire a mix of opportunistic assets and more stable assets. The more stable and lower risk assets are attractive to the Group's debt providers, whereas the opportunistic assets provide the opportunity for higher returns for Shareholders making optimal use of the Group's asset management capability. When these assets are financed with the currently available low interest rate bank facilities, the Group has the potential to deliver strong cash on cash returns from the date of acquisition. Returns on equity over time are expected to be similarly attractive as value is added to the assets through the application of asset management initiatives. The typical business park that the Group looks to acquire has often been developed by previous owner-occupiers and tailored to their specific needs. Based on a deep understanding of these assets and their potential value, the Group is able to purchase these assets at attractive prices. These assets often come with significant vacancy or underutilised space and high non-recovered service charge costs, which provide the Company with considerable value-add opportunities.

The Group has a highly experienced senior management team who collectively have many years of experience in property markets, most of which is specifically in the German property market. The team is able to leverage its strong market connectivity and track record of acquiring assets to access a large number of potential investment opportunities.

The Group's investment criteria when considering a business park for acquisition is broadly as follows:

- gross lettable area of between 20,000 to 60,000 square metres;
- located in or around the Group's key geographies, typically outlying major conurbations;
- EPRA net initial yield – typically in excess of 8.0 per cent.;
- substantial vacancy and value-add opportunity; and
- office, storage and production usage.

The due diligence process for each potential acquisition involves:

- undertaking a rigorous tenant-by-tenant lease and renewal analysis, which includes detailed legal due diligence of leases and other major contracts to ensure the sustainability of key income streams;
- a competitor analysis to determine demand, pricing and competition;
- a review of the demographics of the specific asset location and its wider geographic location;
- a thorough technical due diligence of the property, reviewing the existing form and functionality of the property; and
- the development of a comprehensive five-year business plan for the asset to analyse its long-term potential.

The information used for the due diligence comes from both the Group's CRM system which maintains all of the historical customer and enquiry information that the Group receives and the data that the Group's marketing department generates from mystery shopping and other sources on its competitors. The team will also assess the opportunity for financing the assets within the parameters of the many channels of bank and other financing that the Group has accessed over the past few years.

One of the reasons that these assets are available to acquire at relatively high yields is because most previous owners, and the Group's competitors do not have the capabilities to release the potential of the sub-optimal space and therefore typically leave this space vacant or use it inefficiently. The Group's capex investment programme aims to deliver high income and significant value uplifts on the property by developing the sub-optimal space into higher quality conventional space or the various products that the Group has developed and which are described in more detail in Section 4 of this Part VI.

Since 1 April 2013, the Group has purchased €229 million (including acquisition costs) of real estate assets throughout Germany comprising 393,179 square metres at an EPRA net initial yield of 8.2 per cent. and a vacancy of 24 per cent.. The acquisitions have all enhanced earnings, as well as providing a good balance of stable high-quality income and value-added opportunity.

The details of these assets are included in the following table:

Site	**Total Investment (incl. Acquisition Costs)**	**Acquisition sq. m**	**Cost Per sq. m**	**Annualised Acquisition Rental Income**	**Annualised Acquisition NOI**	**EPRA Net Initial Yield**
	€		€	€	€	%
Mahlsdorf	19,573,781	30,668	638	1,786,063	1,575,397	8.0%
Potsdam	29,352,527	37,106	791	2,346,622	2,192,091	7.5%
Bonn II	3,316,230	9,810	338	530,601	392,344	11.8%
Aachen I	18,692,656	26,759	699	1,751,112	1,543,587	8.3%
CöllnParc	18,585,679	13,640	1,363	1,468,505	1,355,195	7.3%
Heidenheim	18,319,585	47,535	385	1,845,715	1,511,121	8.2%
Krefeld	13,475,000	11,458	1,176	1,218,603	1,138,290	8.4%
Ludwigsburg	7,442,986	26,917	277	969,305	767,257	10.3%
Mainz	25,074,012	25,112	998	2,218,796	2,003,323	8.0%
Markgröningen	8,720,000	56,615	154	1,321,964	904,872	10.4%
Weilimdorf	5,699,271	5,838	976	510,835	493,900	8.7%
Würselen II	7,339,673	9,679	758	532,424	508,451	6.9%
Dresden	28,600,275	53,200	538	2,781,105	2,376,284	8.3%
Wiesbaden	17,658,382	19,602	901	1,877,793	1,598,203	9.1%
Krefeld II	2,894,100	6,335	457	391,297	380,373	13.1%
Dreieich	4,584,500	12,905	355	287,345	41,247	0.9%
Total	229,328,657	393,179	583	21,838,085	18,781,935	8.2%

Significant improvements have already been made to date on the earlier assets acquired which can be seen in the following tables:

Site	Total Acquisition Cost	Market Value (rounded)	Market Value Increase	Annualised Acquisition Rental Income	Annualised Rental Income for Sep 2016	Annualised Rental Income Increase
	€	€	%	€	€	%
Mahlsdorf	19,573,781	22,700,000	16%	1,786,063	1,953,766	9%
Potsdam	29,352,527	34,200,000	17%	2,346,622	2,638,213	12%
Bonn II	3,316,230	6,900,000	108%	530,601	924,020	74%
Aachen I	18,692,656	22,000,000	18%	1,751,112	2,073,241	18%
Ludwigsburg	7,442,986	9,520,000	28%	969,305	1,098,520	13%
Weilimdorf	5,699,271	5,910,000	4%	510,835	510,835	–
Heidenheim	18,319,585	20,700,000	13%	1,845,715	1,820,450	(1)%
Total	**102,397,036**	**121,930,000**	**19%**	**9,740,253**	**11,019,045**	**13%**

Site	Acquisition Occupancy	Sep 2016 Occupancy	Occupancy Increase	Capex Since Acquisition to Sep 2016
	%	%	%	€
Mahlsdorf	85%	90%	5%	524,163
Potsdam	85%	96%	11%	235,413
Bonn II	76%	93%	17%	78,510
Aachen I	75%	87%	12%	352,337
Ludwigsburg	68%	74%	6%	331,282
Weilimdorf	100%	100%	–	–
Heidenheim	83%	85%	2%	60,031
Total	**80%**	**87%**	**7%**	**1,581,736**

In addition, the Company has notarised four acquisitions since the period ending 30 September 2016. An acquisition of an asset in Krefeld completed on 25 January 2017 and an acquisition of an asset in Dreieich completed on 1 February 2017. Another notarised acquisition is in Frankfurt, with total acquisition costs of €4.5 million. The fourth notarised acquisition is for the purchase of an asset in Cologne for a consideration of €22.9 million. Frankfurt and Cologne are being purchased at EPRA net initial yields of 1.0 per cent. and 8.1 per cent. respectively and represent a continuation of the Group's strategy to acquire a mix of stable and more opportunistic assets. The purchase of Frankfurt is expected to complete by March 2017 and the purchase of the Cologne site is expected to complete in May 2017. The assets are described in further detail in note 30 of Part VIII of this document.

3.7 Refinancing and disposal of assets

As part of its strategy, the Group regularly assesses potential opportunities to refinance or dispose of mature assets that have been successfully repositioned in order to release or recycle capital into new opportunities with high net initial yields and greater opportunity to add value. Since AIM Admission, the Group has disposed of properties or buildings generating aggregate proceeds of approximately €38.6 million.

In addition to the completed disposals, the Group has notarised the sale of a further asset, which is expected to complete by the end of April 2017. The Group has notarised the sale of its Rupert-Mayer-Straße business park in Munich for €85.0 million, which reflects an increase of approximately 9 per cent. on the book value as at 30 September 2016. The agreement includes a leaseback for six years with rent of approximately €5.0 million per annum for the first year increasing each year by 0.125 per cent. up to and including the fifth year. In the final year, the monthly rent is equal to the net rent received by the Group from the sub-tenants. The Group will receive an annual property-management fee of €100,000 for the term of the property management agreement. The sale is expected to complete by the end of April 2017.

The sale of a core asset for a material capital gain provides evidence of the Group's ability to add value to assets in its portfolio and recycle capital from mature assets, which is a main pillar of the Group's strategy. The proceeds of the disposal will be used to fund further acquisitions in the Group's key markets, where it identifies scope for its asset management competencies to add value.

Additionally, as at 7 February 2017 (being the last practicable date prior to the publication of this document), the Group owns or controls approximately 156,000 square metres of surplus land, which can either be developed or sold. Given such land does not typically produce any income, it is rarely attributed material value by the Group's valuers. Since AIM Admission, the Group has disposed of approximately 96,000 square metres of surplus land for an aggregate sales value of approximately €10.6 million and continually assesses the opportunities for further sales or development.

3.8 Bank finance with low interest rates and low levels of gearing

The Group's successful track record and asset management platform in Germany, together with the covenant strength of its major customers, has enabled it to develop strong relationships with a wide range of lending banks, which provide the Group with substantial debt capital on attractive terms. This is evidenced by the fact that between January 2013 and March 2014, when debt capital markets were difficult to access, the Group refinanced its entire loan book of more than €300 million.

More recently, borrowing costs have been driven down by the falling ECB base interest rates and the greater amount of capital available to lend against German property assets. As at 30 September 2016, through new banking arrangements and a refinancing that the Group has undertaken, the total cost of debt was reduced to an average weighted interest rate of 2.18 per cent. and this was subsequently reduced to 1.99 per cent. in October 2016. The Group currently has six different providers of debt.

At present, the Group is usually able to access seven year debt within its normally desired LTV range on very attractive terms, and the Directors believe that this available capital should allow the Group to continue to complete transactions quickly, thus giving it another competitive advantage. As at 30 September 2016, the weighted debt expiry was 5.8 years which increased to 6.2 years after the latest BerlinHyp refinancing in October 2016.

As a matter of policy, the Group is currently targeting debt gearing levels of no more than 40 per cent. at Group level, which it expects to achieve no later than 31 March 2018, and to operate between 40 per cent. and 45 per cent. until then, provided that market conditions and valuation yields on its assets remain consistent with the current position. When appraising future acquisition opportunities, the Board will consider the market conditions, the overall impact on the Group LTVs and the appropriate financing mix for the transaction. This may include acquiring otherwise financeable assets on an unencumbered basis. This has the benefit of reducing LTVs and providing flexibility in the event of any market downturns. With the benefit of increased scale, the Group may seek to move away from asset-by-asset debt financing and towards corporate facilities or other forms of corporate level financing with attendant benefits in flexibility and cost. As at 30 September 2016, the Group's LTV was 41.7 per cent. and is 44.3 per cent. (based on a book value of €790.1 Million) at 7 February 2017, being the last practicable date prior to the publication of this document.

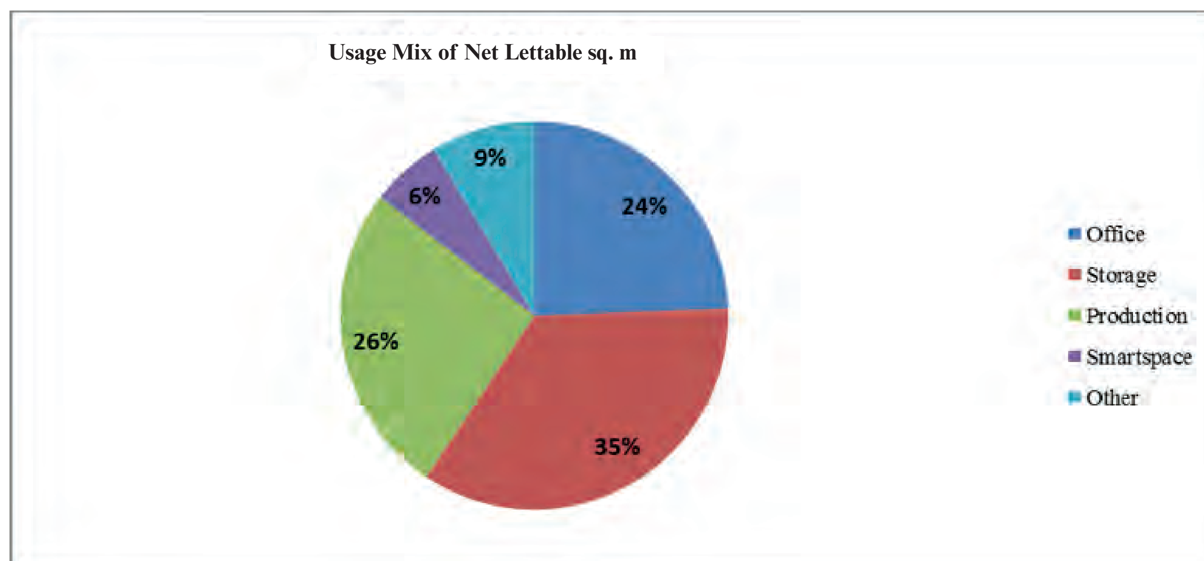
A detailed breakdown of the Group's current borrowings as at 30 September 2016 can be found in note 20 of Part VIII of this document.

4. THE PORTFOLIO

The Group has built a substantial portfolio of assets in Germany. As at 30 September 2016, the Group owned 42 industrial and office business parks, with a market value of €779.6 million. As at 30 September 2016, the Group's business parks had plot sizes totalling 2.3 million square metres with over 400 buildings comprising 1.4 million square metres of gross lettable area. Within this, the Group's sites have, in total, over 164,000 square metres of non-income producing surplus land that can potentially be developed or sold. Most of the parks are mixed-use, multi-tenant office, industrial and storage assets located throughout Germany. The Group has invested significantly in, and transformed, the mature assets to provide higher-quality accommodation with the addition of services such as conferencing, meeting room and catering offerings. The Group has also encouraged food and fitness centre operators to operate on many of its sites. The Group's current portfolio consists of a good balance of high-quality stable assets, mature assets which have been fully or close-to-fully transformed and assets which have significant unrealised value-add potential.

The Group specialises in large-scale commercial and office real estate assets, which are usually located in business parks surrounding the major conurbations of Germany and which are let to

tenants ranging from major international industrial tenants to single office tenants and individuals who rent space for self-storage. The Directors believe that these commercial real estate assets will continue to offer attractive investment opportunities because of the high net initial yields at current acquisition prices, the sustainable income streams and the potential for longer term capital growth through active asset management and development initiatives. The usage mix of the Group's portfolio, as at 30 September 2016, between large-scale production space, conventional office space, conventional storage space and the Group's flexible Smartspace products can be seen on the following chart:



The rental income and occupancy of the Group, as at 30 September 2016, broken down by usage is illustrated by the following table:

Usage Type	Net Lettable sq. m	Occupied sq. m	Annualised Rental Income €	Rate Per sq. m €	Occupancy %
Office	335,189	275,293	21,611,806	6.54	82.13%
Storage	479,423	336,006	15,166,435	3.76	70.09%
Production	357,081	330,728	16,755,710	4.22	92.62%
Smartspace	80,438	53,181	4,156,365	6.51	66.11%
Other	119,230	102,315	6,639,006	5.41	85.81%
Non Occupancy Related			2,893,084		
Total	**1,371,360**	**1,097,523**	**67,222,405**	**5.10**	**80.03%**

The Group's typical asset is a business park which combines either one or a small number of anchor tenants that occupy a significant proportion of the occupied area of the property. These tenants comprise the majority of the top 50 tenants which make up 48 per cent. of the total annualised rental income of the Group. Due to the nature of the mixed-use business parks operated by the Group, the anchor tenants usually lease a combination of production, storage and office space. The Group is mindful of the need to retain a good mix of tenants across the whole portfolio so that the Group has both long-term income, which makes it easier for the Group to access attractive financing terms and higher margin, shorter-term income, which enables it to drive income and, consequently, the value of the assets.

The Group's tenant mix split, as at 30 September 2016, can be seen in the following table:

Type of Tenant	No. of Tenants	Occupied sq. m	Annualised Rental Income €	% of Total Annualised Rental Income	Rate Per sq. m €
Top 50 Anchor Tenants	50	539,431	32,283,912	48%	4.99
Smartspace SME Tenants	1,675	53,181	4,156,365	6%	6.51
Other SME Tenants	1,953	504,911	30,782,128	46%	5.08
Total	**3,678**	**1,097,523**	**67,222,405**	**100%**	**5.10**

4.1 **Large-Scale Industrial and Office Space**

The Group's 50 largest anchor tenants, which, as at 30 September 2016, make up approximately 48 per cent. of the Group's annualised rental income, mainly consist of large international corporations. These anchor tenants provide security to the Group's rental income due to their long term tendencies as well as the industrial nature of their businesses and the space they occupy. Whilst higher returns may come from the smaller tenants, these large tenants provide strong covenants for debt providers of the Group who assess this when granting and determining the pricing of bank facilities. Large-scale industrial and office space represents approximately 48 per cent. of the annualised rental income, as at 30 September 2016. The table below sets out the Group's top 10 tenants across its portfolio by annualised rental income, as at 30 September 2016, illustrating the income provided by the Group's anchor tenants:

Top 10 Tenants	Occupied sq. m	Annualised Rental Income €	% of Total Annualised Rental Income
No. 1	36,673	2,029,660	3.0%
No. 2	18,873	1,785,987	2.7%
No. 3	34,842	1,593,272	2.4%
No. 4	32,962	1,561,559	2.3%
No. 5	35,005	1,493,969	2.2%
No. 6	39,731	1,302,834	1.9%
No. 7	18,179	1,208,748	1.8%
No. 8	17,695	1,080,117	1.6%
No. 9	19,276	1,024,312	1.5%
No. 10	24,062	1,020,922	1.5%
Total	**277,297**	**14,101,380**	**21.0%**

4.2 **Conventional workspace for the SMEs**

In addition to large-scale production facilities, the Group also provides smaller-scale conventional workspace, predominantly for SMEs. This comprises office, industrial or storage space, and is let on both a long-term and short-term basis.

This space appeals to German SMEs because of the size and flexibility of the offering. Given the nature of the industry, this results in higher demand, which enables the Group to replace existing tenants with higher paying, faster growing SMEs on a regular basis. The Directors believe that the strength of the Group's sales and marketing platform (as outlined in Section 3.4 of Part VI of this document) and its policy of pricing products at the bottom of the upper quartile of the next best alternative allow it to keep the available space in this category at a high rate of occupancy. Conventional workspaces represent approximately 46 per cent. of annualised rental income, as at 30 September 2016.

4.3 **Flexible Smartspace for SMEs**

In addition to more traditional business park accommodation, the capex investment programme supports more entrepreneurial developments such as the Smartspace range of products which are generally created from sub-optimal space. The Smartspace product range consists of Smartspace serviced Office; Smartspace Self-storage; Smartspace FlexiLager (lower end storage); and Smartspace Workbox (serviced factory space), as detailed below.

These are available on flexible lease terms with all-inclusive monthly charges and provide an attractive flexible accommodation solution to small, and particularly, growing companies. With respect to creating this type of space from the industrial business parks that the Group owns, it is a unique provider in the German market. Smartspace is highly accretive to the Group because it enables sub-optimal space to be refurbished and leased at materially higher rents than the Directors believe would otherwise be achievable, based on market evidence. As at 30 September 2016, the average rent received from Smartspace tenants was €6.51 per square metre per month, which is approximately 29 per cent. higher than the rent from more traditional large scale commercial space and conventional workspaces. In addition, the Group is able to increase returns from Smartspace through the provision of high margin ancillary services, such as conferencing, catering, telephony and internet services.

Smartspace products currently represent 6 per cent. of the net lettable space, as at 30 September 2016, although the Group aims to be closer to 10 per cent. on completion of the capex investment programme.

4.4 Smartspace Office

The Smartspace Office product is created from excess office space on the Group's business parks, and can be compared to conventional, serviced offices where tenants rent by office with a fixed all-inclusive price per month. As at 30 September 2016, the Smartspace office product had been created on a net lettable area of 30,544 square metres and had been let at an occupancy rate of 78 per cent..

Before and after – Rupert-Mayer-Straße business park in Munich

The Sirius Business Park in Munich was acquired from Siemens in 2008. At that time, Siemens was the main tenant occupying more than 60,000 square metres of the total 71,782 lettable square metres of the site. Siemens has completely vacated the site since the Group acquired this asset, and part of the space returned by Siemens was a 9,364 square metre office building (which has been predominantly re-let on a conventional basis) of which 1,561 square metres was also transformed into Smartspace offices. Approximately €65 per square metre was invested into the transformation, and as at March 2016 the space was 97 per cent. occupied with a rental rate in excess of €9.00 per square metre per month (excluding service charge contribution). The conversion of this space to Smartspace has provided optionality, flexibility and cost certainty to potential tenants, as well as a higher rental rate per square metre for the Group.

In January 2017, the Group notarised the sale of its Rupert-Mayer Straße business park in Munich for €85.0 million to a Munich based consortium. Completion of the sale is expected to be in April 2017. The sale price represents a 9 per cent. premium to book value of €78.1 million as at 30 September 2016.

4.5 Smartspace Workbox (Serviced factory space)

Smartspace Workbox is created by converting large sub-optimal halls into smaller units with separate access. The Directors believe that these spaces are much more desirable to the tenant market. The product is popular with small and growing companies such as eTailers that require less space than a typical industrial unit that is available on industrial business parks. The Smartspace Workbox product provides the business park with a diverse offering alongside the other larger halls that have not been converted. This is also relevant to the Smartspace Office product and is one of the reasons that the Group achieves a high conversion rate of enquiries to sales. Tenants are prepared to pay significant premiums to conventional rents for flexible and smaller sized offerings such as the Smartspace Workbox product.

4.6 Smartspace Self-storage

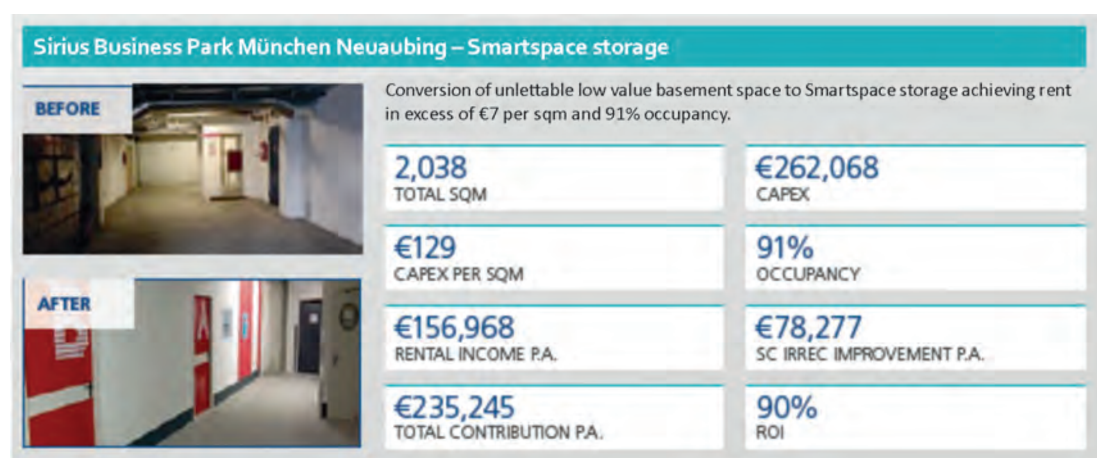
The Smartspace Storage product is similar to that of conventional self-storage and is usually created from basements and redundant halls within the business parks. The cost to create Smartspace Storage in these spaces is usually between €50 to €150 per square metre, which is typically significantly lower than the Group's competitors in more traditionally purpose-built

self-storage centres. One of the reasons that the Group is able to operate this product cost effectively is because it is able to secure customers for its self-storage facilities through its own marketing initiatives.

The average occupancy as at 30 September 2016 of the total Smartspace Storage facilities is 72 per cent. but this is much higher for mature sites (greater than 12 months operation) in the Group's five key regions. The average rental rate per square metre achieved by Smartspace Storage, after adjusting for service charge costs and allocation of common areas, is €5.53 per square metre per month, which is much higher than the amount achievable from this space prior to investment.

4.7 **Before and after- Sirius Business Park München-Neuaubing**

Within the Sirius Business Park München-Neuaubing a basement area of 2,038 square metres, which had remained unlet for many years, was converted into Smartspace storage for a cost of €129 per square metre. This was subsequently let by March 2016 to 91 per cent. occupancy at a rental rate in excess of €7.00 per square metre per month (excluding service charge contribution). This represents a substantial uplift compared to what the basement could have been let for before the transformation. This case study is typical of the kind of Smartspace Storage conversions that the Group undertakes.



4.8 **Smartspace FlexiLager**

The Smartspace FlexiLager product is predominantly used by the Group on a temporary basis and is a cost effective way of converting sub-optimal space into a basic storage product, by using wire fencing and plastic sheeting to separate the storage areas. The product is used to test the levels of demand for storage in a particular area, while providing an immediate revenue stream from otherwise normally vacant space. FlexiLager provides limited valuation uplift to the asset and is often converted to another Smartspace product at the appropriate time, once demand has been proven.

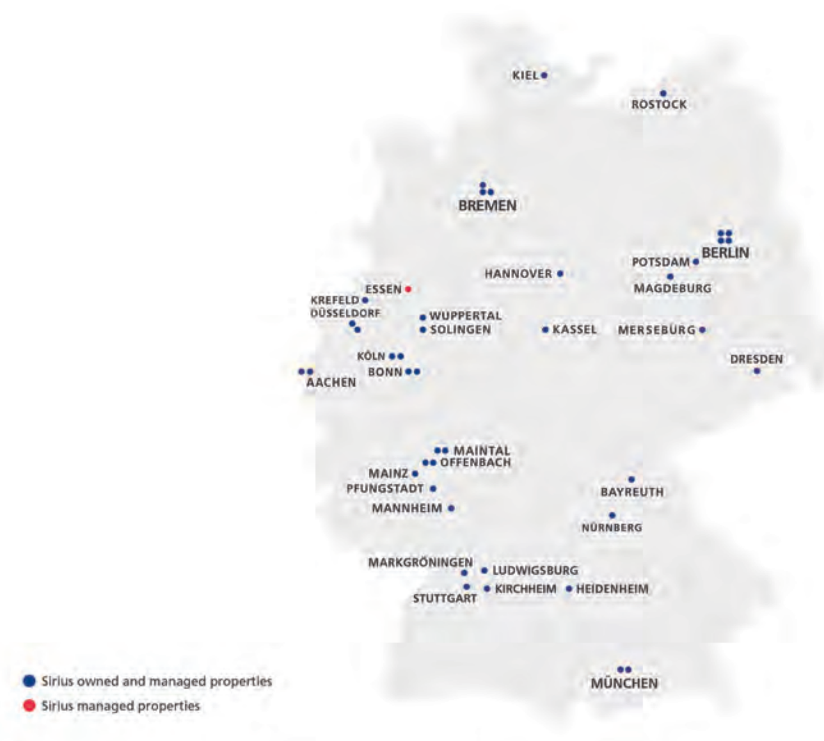
The total Smartspace portfolio, as at 30 September 2016, is illustrated in the table below:

Smartspace Product Type	Total sq. m	Occupied sq. m	Occupancy	Annualised Rental Income (excl Service Charge)	% of Total Annualised Rental Income	Rate Per sq. m (excl Service Charge)
			%	€		€
Smartspace Office	30,544	23,811	78%	2,180,702	52%	7.63
Smartspace Workbox	5,526	3,723	67%	280,786	7%	6.28
Smartspace Storage	23,699	17,083	72%	1,133,028	27%	5.53
Subtotal*	**59,769**	**44,618**	**75%**	**3,594,515**	**86%**	**6.71**
Smartspace Flexilager**	20,668	8,563	41%	561,850	14%	5.47
Smartspace Total	**80,438**	**53,181**	**66%**	**4,156,365**	**100%**	**6.51**

* adjusted for common areas
** not adjusted for common areas

4.9 **Property Locations**

The Group's business parks are located throughout Germany. The main areas of focus in the immediate future will be in and around Berlin, Frankfurt, Stuttgart, Munich, the industrial Rhine Corridor (Bonn, Cologne, Dusseldorf), Dresden and Hamburg. The Group already has sites in all of these areas, apart from Hamburg. The locations of the portfolio as at 30 September 2016 are outlined in map below:



The following table summarises the portfolio in each of the major areas in which the Group currently operates as 30 September 2016:

Region	No. of Sites	Net Lettable sq. m	Occupancy %	Rate Per sq. m	Vacant sq. m	Market Value (rounded) €	Annualised Rental Income €	Annualised NOI €	Gross Yield %	Net Yield %	EPRA Net Yield* %
Berlin	5	191,546	91%	5.22	18,174	127,900,000	10,858,719	10,122,336	8.5%	7.9%	7.3%
Frankfurt	7	236,879	86%	4.88	33,408	137,670,000	11,925,426	10,980,457	8.7%	8.0%	7.4%
Stuttgart	5	204,781	84%	4.26	32,480	91,620,000	8,802,108	7,547,190	9.6%	8.2%	7.6%
Munich	2	153,026	82%	6.64	26,855	148,500,000	10,054,961	9,201,334	6.8%	6.2%	5.7%
Other West Locations ****	11	186,139	85%	5.86	27,474	124,880,000	11,163,211	10,250,273	8.9%	8.2%	7.6%
Dresden	1	59,246	64%	5.93	21,120	28,400,000	2,713,954	2,307,160	9.6%	8.1%	7.5%
Bremen	3	179,131	51%	3.19	88,029	32,860,000	3,491,264	2,074,017	10.6%	6.3%	5.8%
Other	8	160,613	84%	5.10	26,300	87,760,000	8,212,762	7,220,744	9.4%	8.2%	7.6%
Total	**42**	**1,371,360**	**80%**	**5.10**	**273,839**	**779,590,000**	**67,222,405**	**59,703,512****	**8.6%**	**7.7%**	**7.1%**
Post Sep 2016 Acquisition***											
Wiesbaden (Frankfurt Region)	1	19,602	65%	12.36	6,939	17,658,382	1,877,793	1,598,203	10.6%	9.1%	8.4%
Krefeld II (Other West Locations)	1	6,335	100%	5.15	–	2,894,100	391,297	380,373	15.0%	13.5%	13.1%
Dreieich (Frankfurt Region)	1	12,905	29%	6.31	9,110	4,584,500	287,345	41,247	6.8%	6.3%	0.9%

* includes estimated purchaser costs
** Site level NOI only
*** All amounts referred to are in relation to acquisition values
**** Bonn, Köln, Wuppertal, Düsseldorf, Solingen, Aachen and Krefeld

5. PORTFOLIO VALUATION

The following table summarises the market value of the Group's property assets as at 30 September 2016 (except for the Wiesbaden and Krefeld assets, which were valued at 5 July 2016 and the

Dreieich asset which was valued at 19 October 2016), as set out in the valuation report contained in Part XI of this document:

Properties valued under €10 million

Site	Site Address
Kiel	Wittland 2-4
Kirchheim-Nabern	Neue Straße 95 (Geb. 60/35)
Wuppertal	Ludwig Richter Straße 7
Maintal	Philipp-Reis-Straße 17
Offenbach	Sprendlinger Landstraße 180
Bremen	Dötlinger Straße 3
Bremen	Rigaer Straße (HAG) 1
Magdeburg	Lübecker Straße 55-63
Solingen	Georgestraße 5-7
Düsseldorf Heerdt	Wiesenstraße/Clarissenstraße 51
Kassel	Heinrich-Hertz-Straße 11
Bonn II	Siemensstraße 17-21
Ludwigsburg	Osterholzallee 140-144
Weilimdorf	Rossbachstrasse 38
Aachen-Würselen II	Adenauerstraße 20
Krefeld II	Europark Fichtenhain B 15
Dreieich	Otto-Hahn-Str. 36

Properties valued between €10 million and €15 million

Rostock	Industriestraße 15
Hannover	Am Brabrinke 14
Berlin	Großbeerenstraße 2-10
Bonn	Siemenstrasse 2-50
Köln	Wilhelm-Ruppert-Straße 38
Düsseldorf	Am Trippelsberg/Reisholzer Werftstraße 92/76
Bayreuth	Riedinger Straße 16
Markgröningen	Hans-Grüninger Weg 11
Krefeld I	Kimplerstrasse 278-296

Properties valued between €15 million and €20 million

Berlin	Gartenfelder Straße 29-37
Offenbach	Carl-Legien-Straße 15
Pfungstadt	Werner-von-Siemens-Straße 2
Köln	Ruth-Hallensleben-Str. 4-6
Wiesbaden	Mainzer Straße 75

Properties valued between €20 million and €25 million

Bremen	Hermann-Ritter- Straße 108
Nürnberg	Katzwangerstraße 150
Berlin-Mahlsdorf	Landesberger Straße 242-244, 250-251, 263-267, 217-224
Aachen-Würselen	Adenauerstraße 20
Heidenheim	In den Seewiesen 26

Properties valued between €25 million and €30 million

Maintal	Am Technologiepark 1-5
Mainz	Robert-Koch-Str. 50
Dresden	Zur Wetterwarte/Hugo-Junders-Ring

Properties valued between €30 million and €35 million

Potsdam-Babelsberg	Wetzlarer Straße 28-58A, 62+64, 86+88

Properties valued between €35 million and €40 million

Berlin	Egellstraße 21
Kirchheim-Nabern	Neue Straße 95
Mannheim	Carl-Reuther-Straße 1

Properties valued between €70 million and €80 million

München-Neuaubing	Brunhamstraße 21
München	Rupert-Mayer-Straße 44

6. GERMAN PROPERTY MARKET

6.1 Overview

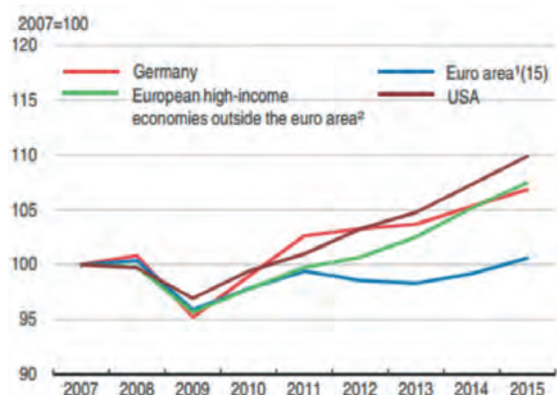
The Group operates in the German real estate market, owning and managing a portfolio of 44 business parks across Germany as at 7 February 2017 (being the last practicable date prior to the publication of this document). As at 30 September 2016, the Group owns and operates 1.4 million square metres of gross lettable space with a NAV of €451 million. Marketed under the Company's brand, each business park offers flexible workspace and services to suit SMEs alongside conventional space which is more suited to national and international corporates. The sites are marketed centrally, enabling the Group to offer space across the country, with the flexibility for tenants to configure space according to their needs. In addition, the Group offers a range of innovative products including Smartspace, Smartspace FlexiLager and FlexConnect. The Group benefits from the dynamics of the wider German economy, which is characterised by strong underlying fundamentals and a well-developed business environment.

6.2 The German Economy

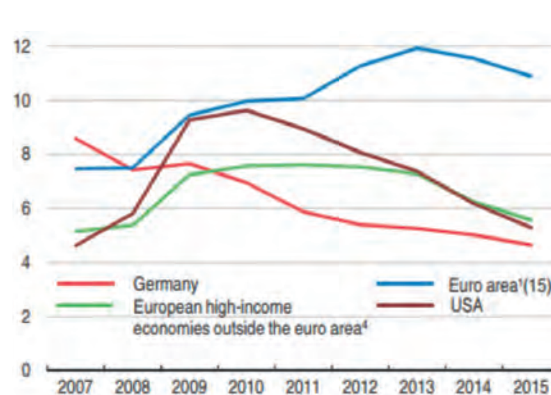
Germany is the largest economy in Europe, with a GDP of $3.4 trillion, representing 20.1 per cent. of total EU GDP. The economy has recovered since the financial crisis of 2008-09, delivering real GDP growth above that of the EU15 (the original 15 EU members). This performance is expected to continue, with GDP forecast to grow by 1.8 per cent. in 2016 and by 1.6 per cent. in 2017 according to the OECD.

Domestic demand is a key driver of Germany's economic growth and is forecast to be the largest driver of growth in 2017 as private consumption expenditure rises against a background of more favourable developments in employment conditions. As at October 2016, Germany had the second lowest rate of unemployment in the European Union, at 4.1 per cent. (Statista). The Ifo, one of Germany's largest economic research institutes, expects the positive basic trend in the German labour market will continue.

Real GDP



Unemployment rate as a per cent. of labour force



Footnote 1 to the above graphs: Euro area countries which are OECD members.

Footnote 2 to the above "Real GDP" graph: Includes Denmark, Sweden, Switzerland and the United Kingdom. They are weighted on the basis of GDP at 2011 purchasing power parities.

Footnote 4 to the above "Unemployment rate as a per cent. of labour force" graph: Includes Denmark, Sweden, Switzerland and the United Kingdom.

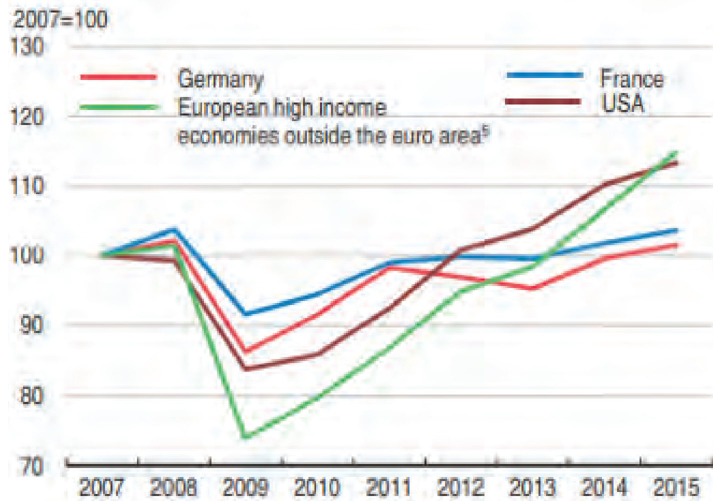
Source: OECD (June 2016)

Monetary policy in Germany, as set by the ECB, continues to be accommodating to both business and consumer spending Economic growth has rebounded quickly since the global financial crisis that started in 2007. A competitive manufacturing sector and Euro depreciation have driven strong export performance. The prolonged, favourable financing conditions, driven by record low central bank rates, are providing positive stimuli for real estate and capital investment. With borrowing costs at historic lows, the German real estate sector is well-positioned to absorb a rise in borrowing costs if there is a reverse in the current rate trend. German business investment has recovered at a slower rate since the trough seen in 2009 as compared with other European nations. Nevertheless, Euro area monetary conditions are relatively loose for the cyclical position of the Germany economy, as economic growth and employment have been stronger than elsewhere in the Euro area, and the output gap in

Germany is now likely to be small. The OECD expects this recovery to continue into 2017 with year-on-year gross fixed capital expansion of 3.6 per cent., up from 3.1 per cent. in 2016 and 1.7 per cent. in 2015.

In addition to supportive monetary policy, high net migration to Germany is underpinning growth in residential construction. In the construction sector, the business climate indicator continued its record-breaking run in October 2016, rising for the seventh month in succession.

Real non-residential business investment

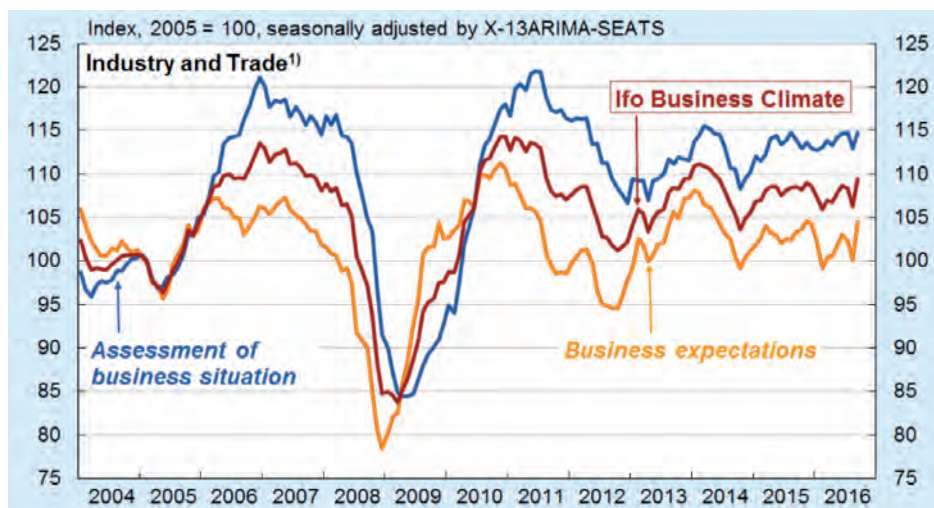


Footnote 5 to the above graph: Includes Denmark, Sweden, Switzerland and the United Kingdom. They are weighted on the basis of investment spending in 2011.

Source: OECD (June 2016)

According to the Ifo Business Climate Index, sentiment in the German economy improved considerably in September 2016, rising to 109.5 from 106.3 points in August (seasonally-adjusted), the index's highest reading since May 2014. Improved sentiment in manufacturing, wholesaling and retailing drove the index performance. Readings continue to recover towards post financial crisis peaks, following a period of decline in 2013. Manufacturing and services sectors in Germany have been buoyant in 2016, with PMI readings showing expansions in every month to December.

E: Ifo Business Climate Index in Germany

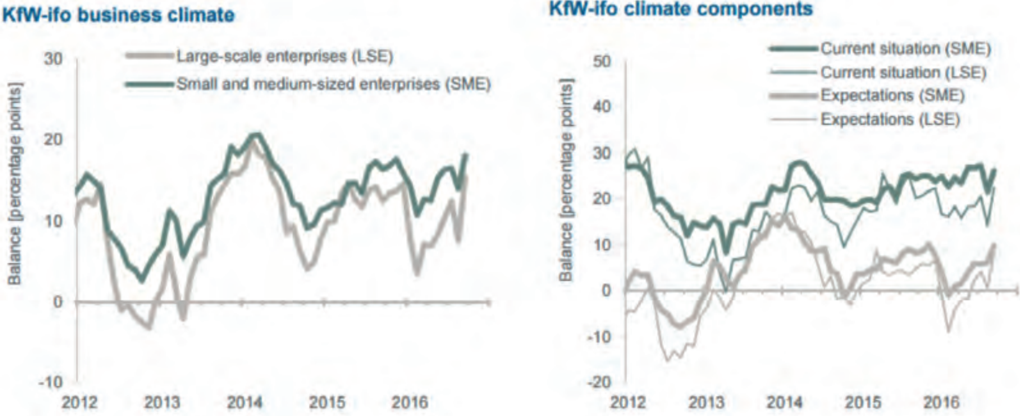


Footnote 1 to the above graph: Manufacturing, construction, wholesaling and retailing.

Source: Ifo Business Survey (September 2016)

6.3 **The German SME Market**

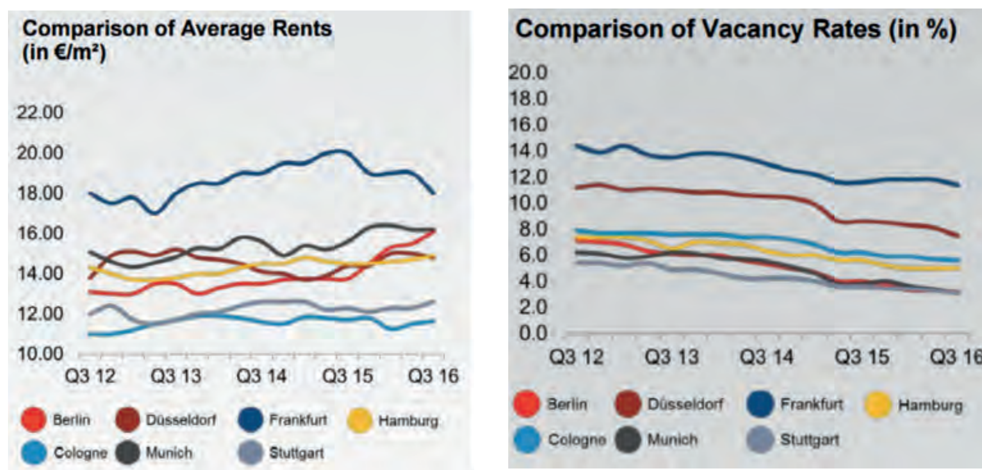
The Group's strategy is to provide flexible workspace for the German SME market, alongside more conventional space typically occupied by national and international corporates. SMEs, defined by Eurostat as enterprises with fewer than 250 employees, represent a fundamental pillar of the German economy and form a significant part of the Company's tenant base. According to KfW, 99.95 per cent. of German enterprises are SMEs and 68 per cent. of workers (29.1 million people) are employed by an SME in Germany. SMEs invest €158 billion in new buildings and facilities, representing a share of 27 per cent. of the total gross fixed capital formation, and 45 per cent. of total corporate investment. Within this SME category, micro enterprises with fewer than 10 employees account for 34 per cent. of workplaces. Service industries dominate, accounting for three quarters of SMEs. Mirroring wider business sentiment in Germany, SME sentiment reached its highest level in two and a half years in September 2016, when the KfW-ifo business climate index for SMEs recorded its largest rise since August 2013. The return to a more positive outlook is underpinned by an expectation that domestic demand, an important driver of SME performance, will remain buoyant. The recent spike in sentiment has also been attributed to an easing in concerns over the impact on German businesses of the UK's decision to leave the EU.



Source: Ifo, KfW (October 2016)

6.4 **Commercial Real Estate Market**

Independent industry analysis from Colliers International has shown that demand for office space has intensified in German cities in Q3 2016. Activity in Germany's seven largest office markets increased, with take-up of space over the first nine months of 2016 totalling approximately 2.7 million square metres, an increase of approximately 15 per cent. year-on-year. This is a return to the peak recorded in 2007 prior to the financial crisis, exceeding the ten-year average by 24 per cent.. Since the UK's vote to leave the EU, there are still no clear signs of any direct impact on the German office leasing markets. Industry analysts believe the situation is unlikely to change in 2017. The strength of SME tenant demand is illustrated by the fact that units of 5,000 square metres or less accounted for more than two thirds of the 554,000 square metres of commercial and light industrial property space taken up in the first half of 2016. Units below 10,000 square metres also recorded an average net absorption of 14.9 per cent. compared with larger units (greater than 10,000 square metres), where net absorption was 11 per cent.. Rental price trends across Germany as a whole are positive, with Berlin, Dusseldorf, Hamburg, Stuttgart and Munich showing growth in average rents. The Group continues to pursue a strategy of geographic diversification within Germany in order to spread risk and capture upside from regional variations whilst also clustering around key locations to make the best use of its local teams and knowledge.



Source: Colliers International (Q3 2016)

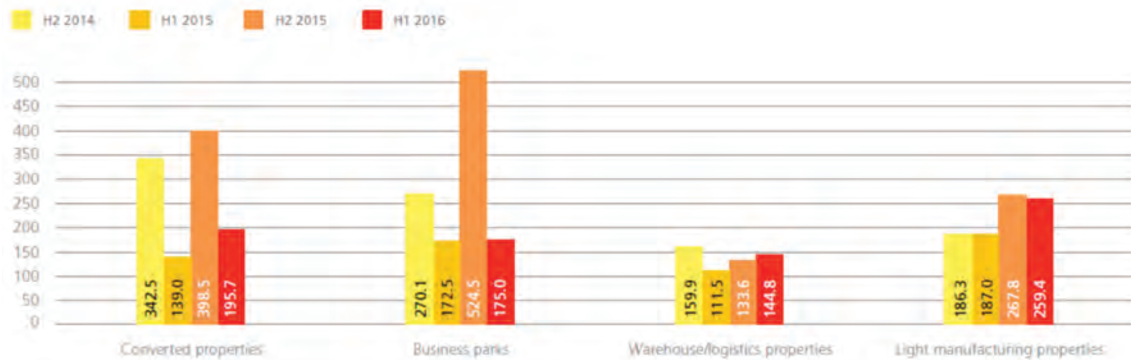
Strong demand for space and moderate new-build activity combined with a decrease in available accommodation has caused ongoing vacancy absorption in office space across all locations. At the end of September 2016, approximately 4.5 million square metres of office space was available for immediate tenancy in Germany's largest seven cities, which represents a reduction of 560,000 square metres year-on-year. The nation-wide vacancy rate was recorded at 5.1 per cent., which represents an improvement of 20 basis points from the previous quarter and 60 basis points down year-on-year. The lowest vacancy rates are recorded in Munich and Stuttgart (3.1 per cent.), followed closely by Berlin (3.2 per cent.). The slightly higher vacancy rates in cities such as Dusseldorf (7.5 per cent.), Cologne (5.6 per cent.) and Hamburg (5.0 per cent.) create less pressure on supply.

6.5 **Industrial Real Estate Market**

Industrial real estate in Germany comprises a spectrum of property types, including business parks, warehouse/logistic properties, light manufacturing properties and converted properties. All four of these categories are characterised by alternative use potential, reversibility of use, and a general suitability for multi-tenant occupation. Business parks tend to consist of a number of separate buildings with a central management function and shared infrastructure, and are typically multi-tenanted and situated in suburban locations with good transport links. Warehouse and logistic properties are generally defined as schemes with simple storage facilities, which are typically characterised by reversibility of use. Warehouse and logistics properties below 10,000 square metres vary in fit out standard and configuration which makes them flexible and affordable solutions for SMEs. Light manufacturing properties consist of individual warehouse structures, which are principally suitable for alternative use types, such as storage, research and development, and services, as well as for wholesale and retail trading, in a flexible and reversible manner. 'Converted properties' refers to transformed and revitalised commercial real estate, which is often located close to town centres, comprising a mix of period and new-build, which permit multi-tenant schemes and a high degree of flexibility.

Improved investor understanding of industrial real estate, combined with the relatively low rates of return possible from more established asset classes, have prompted growing interest in mixed use industrial and commercial real estate, known as Unternehmensimmobilien. The first half of 2016 saw total transaction value of €775 million for this class of German real estate, a 27 per cent. increase on the same period in 2015. Demand for light manufacturing properties remains particularly strong, with investment reaching approximately €260 million during the same period, the equivalent of 33.5 per cent. of all industrial real estate investment in the first half of 2016. The investment volume of the first half-year of 2016 topped the mid-year total 2015 by almost 40 per cent. in the category of converted properties and around 1.5 per cent. in the business park category. At approximately €196 million, converted properties were the category that attracted the second-highest demand in H1 2016.

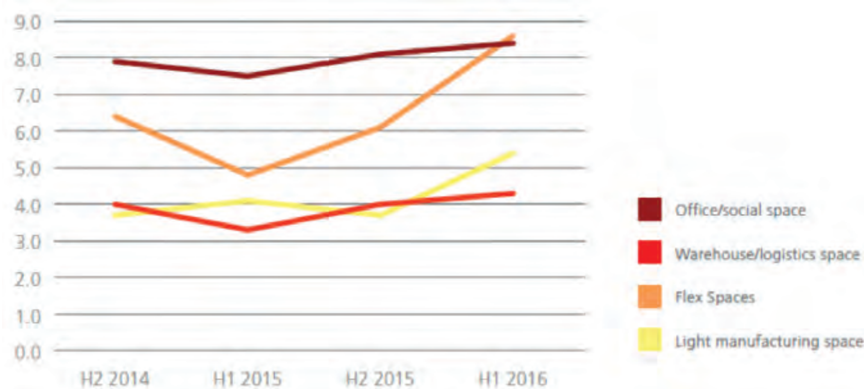
Investment volume in million Euros by property type.



Source: IUI Market Report, September 2016

In 2015 and in the first six months of 2016, property developers and principals represent the group with the largest volume of disposal and institutional funds were the dominant buyer group. Improving asset pricing is reflected in yield compression, which is seen particularly in converted properties which recorded an average yield of 8.4 per cent. in 2015, versus an average on disposal of 6.2 per cent. in the first half of 2016. Light manufacturing properties experienced the least yield compression. Despite some compression, the income return reflected by these yields remains attractive against many other asset classes. The average yield across all four Unternehmensimmobilien classes was 8.2 per cent. at the end of the first half of 2016. Rental price growth continues, with the attraction for tenants of flexible space supporting 13 per cent. growth in monthly prices from the second half of 2015 to the first half of 2016.

Average rents by use (Rolling half-year periods: €/m²/month)



Source: IUI Market Report, September 2016

7. REASONS FOR MOVE UP

On 28 November 2016, the Group announced that it intended to move its listing to the Main Market and, subject to meeting eligibility criteria, for its share capital to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the Main Market of the LSE. The Company has applied for the transfer of its AltX listing to the Main Board. The Directors believe that the proposed move to the Main Market and the Main Board will:

- provide a more appropriate platform for the continued growth of the Group and further raise its profile and status as a high quality real estate business;
- place the Company in a better position to achieve improved liquidity in its Ordinary Shares due to the higher number of institutional investors who regularly trade in shares of companies admitted to the Main Market and the Main Board and the higher profile of such companies;
- facilitate the longer term ambitions of the Company, increase its appeal to a broader range of international investors and, subject to meeting the relevant criteria, allow the Company to benefit from inclusion in certain indices; and
- further develop the Company's corporate governance, regulatory and reporting disciplines.

8. DIVIDEND POLICY

It is the Company's current policy to pay out 65 per cent. of FFO as dividends. FFO is calculated as recurring profit before tax, as reported in the Company's statutory accounts, adjusted for depreciation, amortisation of financing fees and current tax receivable/incurred. The Board seeks to balance its dividend policy with its cash flow requirements, in particular its capex investment programme and regular debt amortisation. The Board intends to review the pay-out ratio regularly taking into account these and other cash flow requirements of the Group.

PART VII

OPERATING AND FINANCIAL REVIEW OF THE GROUP

This Part VII should be read in conjunction with the historical financial information contained in Part VIII of this document and information on the Company and the Group contained in Part III of this document. Prospective investors should read the entire document and not rely solely on the summary information set out below. The financial information considered in this Part VII is extracted without material adjustment from the historical financial information contained in Part VIII of this document.

The following discussion of the Group's results of operations and financial condition contains forward looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, particularly in risk factors set out in the Part II of this document headed "Risk Factors".

In addition, the following discussion of the Group's results of operations and financial condition contains the Directors' estimates with respect to certain revenue and cost break-downs. These estimates are derived from management reporting systems and not from financial accounting systems or financial accounting records and, therefore, are not subject to the same degree of internal controls as information derived from financial accounting systems. The Directors' estimates are unaudited and are not reviewed by the Company's auditors. The Directors nonetheless believe that investors will find this information helpful in assessing the Group's business.

Information in this section covers the six months ended 30 September 2016, the six months ended 30 September 2015 (unaudited) and the three financial years ended 31 March 2014, 31 March 2015 and 31 March 2016.

1. OVERVIEW

The Company is a Guernsey incorporated property company that is currently a leading operator of branded business parks providing conventional space and flexible workspace in Germany. The Group's core strategy is the acquisition of business parks at attractive yields, the integration of these into its network of sites under the Company's brand, and the reconfiguration and update of existing and vacant space to appeal to the local market, through intensive asset management and investment.

The Group aims to deliver attractive returns to Shareholders by increasing rental income and improving capital values. Once sites are mature and attracting significantly higher valuations than the investment cost, the Group may seek to dispose of sites in order to recycle equity from mature assets into more opportunistic assets which have the potential to make higher returns going forward.

The long-term objective of the Group is to continue to grow the business organically and acquisitively, as it has done over the last few years, and hence fully take advantage of the asset management platform that it has created. Further investments into the portfolio will be funded by the surplus of operating cash flow over debt servicing and dividend payments as well as the disposal of non-income producing surplus land and of non-core or mature sites. Further equity raises and expansions into other geographies will be assessed should opportunities present themselves.

2. CURRENT TRADING AND PROSPECTS

On 28 November 2016 the Group published its interim results for the period to 30 September 2016, in which it announced continued progress.

In the six month period to 30 September 2016, the Group again delivered strong trading results with total income rising 25.9 per cent. to €32.6 million and profit before tax increasing 32.5 per cent. to €37.5 million, including €25.4 million of gains from property revaluations. Recurring profit (which represents reported profit before tax adjusted for property revaluation, change in fair value of derivative financial instruments and non-recurring items) increased 87.2 per cent. to €16.1 million, driven by acquisitions and organic growth. The increase in the like-for-like occupancy to 81 per cent. (31 March 2016: 80 per cent.) and the increase in the like-for-like average rate per square metre per month to €5.13 (31 March 2016: €5.06) are indicative of the Group's strong organic growth performance.

Acquisition activity was underpinned by a successful €30.0 million equity raise in June 2016 along with the refinancing of two banking facilities on improved terms. Three acquisitions were completed in the period with the further acquisition sites in Wiesbaden, Krefeld and Dreieich completing post

30 September 2016. All six were immediately earnings enhancing and provide opportunity for future income and capital growth. The new banking arrangements that were completed to finance these purchases, with the exception of Krefeld and Dreieich which were purchased without financing, were agreed at attractive long-term fixed interest rates reducing the Group's weighted average cost of debt to below 2.0 per cent and increasing average debt expiry to 6.2 years.

The Group's NAV per Ordinary Share and Adjusted NAV per Ordinary Share benefited from further uplifts in the values of its properties. Excluding the three acquisitions completed in the six months to 30 September 2016, the acquisitions of the Wiesbaden, Krefeld and Dreieich assets which completed shortly after the period end and the disposals of the Merseburg site and non-income producing land at CöllnParc which completed post period, the like-for-like portfolio increased in market value by 4.2 per cent. to €724.7 million as at 30 September 2016. The revaluation uplift was predominantly income driven but also reflects approximately 10 basis points of yield compression. The effects of the Group's continuing capital investment programme in refurbishing sub-optimal space was a key factor in the valuation gain. Following the post period end completion of the Wiesbaden, Krefeld and Dreieich acquisitions and the completion of the disposals of the Merseburg site and the non-income producing land at CöllnParc, the market value of the total portfolio increased to €799.73 million.

The Company notarised four acquisitions since the period ending 30 September 2016. One of these, an asset located in Krefeld, completed on 25 January 2017 with expected total acquisition costs of €2.9 million. Another asset, located in Dreieich, completed on 1 February 2017 with expected total acquisition costs of €4.6 million. A further asset located in Frankfurt has expected total acquisition costs of €4.5 million. The fourth notarised acquisition is for the purchase of an asset in Cologne for a total consideration of €22.9 million.

In line with its strategy to recycle equity from mature assets into sites with greater opportunities for value enhancement, the Company has also completed the sale of two non-core assets which generated €7.4 million of proceeds. These are a site in Merseburg which generated gross proceeds of €5.9 million and completed in February 2017, and a plot of surplus land in CöllnParc which generated gross proceeds of €1.5 million and completed in December 2016.

In January 2017, the Group notarised the sale of its Rupert-Mayer-Straße business park in Munich for €85.0 million. The agreement includes a leaseback for six years with rent payable of approximately €5.0 million per annum for the first year increasing each year by 0.125 per cent. up to and including the fifth year. In the final year, the monthly rent is equal to the net rent received by the Group from the sub-tenants. The Group will receive an annual property-management fee of €100,000 for the term of the property management agreement. Completion of the sale is expected to be in April 2017.

3. KEY PERFORMANCE INDICATORS

The table below summaries the key performance indicators applied by the Group for the six months ended 30 September 2016 and the three financial years ended 31 March 2016:

	30 September 2016	31 March 2016	31 March 2015	31 March 2014
Annualised rental income	**€67.2m**	€60.5m	€50.0m	€41.3m
Recurring profit before tax	**€16.1m**	€22.9m	€12.6m	€11.3m
FFO	**€17.1m**	€25.0m	€14.3m	€11.2m
Basic EPS (cents)	**4.09**	7.51	4.84	7.31
Adjusted EPS (cents)	**2.01**	3.16	2.10	2.73
Adjusted NAV per share (cents)	**55.62**	53.35	47.51	44.32
Average rate per sq. m.	**€5.10**	€5.06	€4.75	€4.48
Occupancy	**80%**	80%	79%	76%
Property valuation	**€770.9m**	€687.5m	€545.6m	€441.1m
LTV	**41.7%**	42.8%	46.8%	50.9%
Total debt	**€321.2m**	€299.0m	€260.3m	€231.1m
Weighted average cost of debt	**2.2%**	3.0%	4.3%	4.7%
Total shareholder return**	**6.7%**	16.0%	13.0%	15.7%***

* dividends are based on a payout ratio of 65 per cent. of FFO

** TSR is based on adjusted NAV per share increase plus dividends per share

*** Additionally adjusted for equity raises which were completed at a discount to the Adjusted NAV per Ordinary Share

4. KEY FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The Directors believe that the following areas have the most material effect on the Group's results of operations:

4.1 **Rental income and capex programme**

Rental income is the primary source of revenue for the Group and for this reason is believed to be the most significant driver of the Company's recurring profitability, property valuations and ability to pay dividends.

As at 30 September 2016 the Group's rental income is affected by a number of factors and may fluctuate from year to year. However, due to the value-add business model that the Group undertakes, it is the Group's capex investment programme that has recently had the biggest impact on rental income. The Group's business model is to invest in its properties, in particular the sub-optimal space, and optimise the services and configuration in order to deliver improved occupancy and rental rates. As at 30 September 2016, almost three years into the programme, the Group had completed the transformation of 139,900 square metres of the circa 207,000 square metres identified for investment and investing €11.7 million into this space has generated €7.6 million per annum of additional annualised rental income so far at around 78 per cent occupancy. There still remains significant potential to increase rents and values from this programme with around 67,073 square metres of space still to be converted. The total programme requires a further €9.7 million of investment to produce an estimated €3.9 million of annualised rental income. This investment, transformation and subsequent let up of sub-optimal space has been one of the main drivers of annualised rental income increases recently and this is expected to continue going forward.

The underlying occupancy level of the Group's portfolio is one of the key drivers of rental income, regardless of whether this comes from letting up transformed sub-optimal space or prime space. However the development of sub-optimal vacant space and the Group's ability to let space using its own resources has also had a significant impact on the portfolio valuations recently. This is due to the sub-optimal space having very low or no value in the Group's books prior to transformation. The Group's occupancy level has increased over the period under review and as at 30 September 2016 was 80 per cent..

All properties leased by the Group are under operating leases and the future minimum lease payments receivable under non-cancellable leases are as follows:

	30 September 2016 €000	**31 March 2016 €000**	**31 March 2015 €000**	**31 March 2014 €000**
Less than one year	60,098	51,669	42,302	37,728
Between one and five years	96,737	81,813	66,789	61,288
More than five years	27,270	24,467	12,674	16,140
	184,105	157,949	121,765	115,156

4.2 **Changes to recovery of service charge costs**

The other major operational area that impacts the Group's recurring profits is the recovery of service charge costs. As at 30 September 2016, the Group's annualised service charge costs across the whole portfolio were approximately €47.1 million of which around €39.7 million are expected to be recovered from tenants. This represents a recovery of approximately 85 per cent. compared to an average occupancy of 80 per cent. across the portfolio for the period. The higher than occupancy recovery is unusual for this asset class in Germany and the ability to achieve this is a major differentiator for Group. Based on the current portfolio, every percentage point of extra or reduced service charge cost recovery across the Group equates to around €470,000 of extra or reduced recurring profit before tax of the Group.

The historical recovery levels of the Group are described in more detail is Part VI of this document.

4.3 **Property acquisitions**

Due to the high net initial yields of the assets that the Group seeks to acquire, acquisitions have a material impact on the Group's profits when completed. Since 1 April 2013, the Group has completed the purchase of €229.3 million (including acquisition costs) of mixed-use business parks throughout Germany and it is intended that acquisitions will remain key to the Group's strategy.

The details of the recent acquisitions are shown in Section 5.

4.4 **Change in the valuation of property assets**

Since the Group is an active property group with a value-add business model, changes in property values can contribute significantly to shareholder returns alongside the income generated by the portfolio. The Group's capex investment programme and the resulting improvements in rental income are the most significant factors within the Group's control which impact its portfolio's value. This combined with the other major asset management initiatives like extending the lease lengths of core anchor tenants and optimising and improving the recovery of the service charge costs also results in positive movements in property values. The impact of this on returns for Shareholders is enhanced by the fact that properties are purchased on a geared basis. As at 30 September 2016, the Group's property portfolio was valued at €779.6 million and its NAV was €450.9 million. As at 30 September 2016, the portfolio was valued with a gross yield of 8.6 per cent. and a net yield of 7.5 per cent..

The sensitivity on the Group's NAV and NAV per share from the main areas that affect property values as at 30 September 2016 can be seen in the table below:

Portfolio Value	€779,590,000		
Annualised Rental Income	€67,255,406	8.6%	Gross Yield
Annual Net Operating Income	€58,222,878	7.5%	Net Yield
NAV	€450,904,000		

Valuation impact of the following:	**NAV €**	**NAV %**	**NAV per Share**
Increase of 1% of rental income	€7,795,900	1.7%	0.93c
Yield Compression of 1%	€102,270,958	22.7%	12.16c
Increase service charge recovery by 1%	€6,152,453	1.4%	0.73c

4.5 **Cost and availability of funding**

The Group has been successful recently in obtaining banking facilities with low interest rates, fixed for between five and seven years. This has resulted in the Group's weighted average cost of debt reducing from 5.43 per cent. at 31 March 2012 to 1.99 per cent. in October 2016 after the latest BerlinHyp financing which came into effect on 31 October 2016. This deal means that the Group has secured borrowings of €352.0 million at an LTV 44.6 per cent. of the entire portfolio. Based on the current level of debt funding and earnings, every 1 per cent. increase or decrease in interest rates results in a 9.2 per cent. increase or decrease in FFO and consequently dividends.

With the benefit of increased scale, the Group may seek to move away from asset-by-asset debt financing and towards corporate facilities or other forms of corporate level financing with attendant benefits in flexibility and cost. The Group expects to continue to finance its activities through a combination of its existing borrowings, new borrowings where it can secure attractive rates and term length, cash generated from operations, new equity and equity recycled from the disposal of mature assets. The Group's funding requirements are not seasonal and the Group operates with significant headroom throughout its financial year.

5. SIGNIFICANT EVENTS AND KEY FACTORS AFFECTING COMPARABILITY OF THE GROUP'S RESULTS

The following are the significant events that have occurred in connection with the principal activities of the Group over the six months ended 30 September 2016 and the three financial years ended 31 March 2016 and up to the date of the publication of this document:

5.1 **Equity raises**

- Pursuant to an equity raise of €6.5 million on 12 August 2013, the Company issued 30,952,371 Ordinary Shares at an issue price of €0.21, resulting in the Company's overall issued share capital being 358,752,371 Ordinary Shares, of which 10,221,824 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 348,530,547.
- Pursuant to an equity raise of €40 million, the Company issued 166,666,667 Ordinary Shares at an issue price of €0.24 across the following dates: 10 December 2013 (157,933,334); 7 January 2014 (400,000); 21 January 2014 (250,000); and 26 March 2014 (8,083,333). This resulted in the Company's overall issued share capital being

525,419,038 Ordinary Shares of which 6,518,731 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 518,900,307.

- Pursuant to an equity raise of €40 million on 8 December 2014, the Company issued 105,263,158 Ordinary Shares at an issue price of €0.38, resulting in the Company's overall issued share capital being 632,257,837 Ordinary Shares of which 4,981,784 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 627,276,053.
- Pursuant to an equity raise of €50 million on 15 June 2015, the Company issued 108,695,652 Ordinary Shares at an issue price of €0.46, resulting in the Company's overall issued share capital being 744,016,185 Ordinary Shares of which 1,471,875 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 742,544,310.
- Pursuant to an equity raise of €30 million on 21 June 2016, the Company issued 56,603,774 Ordinary Shares at an issue price of €0.53, resulting in the Company's overall issued share capital being 809,964,327 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 808,902,269.

5.2 **Financing and Refinancing**

- On 1 August 2013, the Group agreed to a facility agreement with K-Bonds for €52 million. The loan consists of a senior tranche of €45 million and a junior tranche of €7 million. The senior tranche has a fixed interest rate of 4 per cent. per annum and is due in one sum on 31 July 2023. The junior tranche has a fixed interest rate of 6 per cent. and terminates on 31 July 2020. The junior tranche is amortised at €1 million per annum over a seven year period.
- On 13 December 2013, the Group agreed to a second facility agreement with Macquarie Bank Limited for €32.5 million. The loan was to terminate on 17 January 2017. Amortisation was set at 1 per cent. per annum for the first three years and the facility was charged interest at 6 per cent. plus three months' Euro Interbank Offered Rate ("**EURIBOR**"). The facility was paid back in full through refinancing with the SEB loan on 15 September 2015.
- On 31 March 2014, the Group agreed to a five year facility agreement with Berlin-Hannoversche Hypothekenbank AG and Deutsche Pfandbriefbank AG for €115 million. Amortisation is 2 per cent. per annum for the first two years, 2.5 per cent. for the third year and 3 per cent. thereafter, with the remainder due in the fifth year. Half of the facility (€55.2 million) is charged interest at 3.2 per cent. plus three months' EURIBOR and is capped at 4.5 per cent., and the other half (€55.2 million) has been hedged at a rate of 4.265 per cent. until 31 March 2019.
- On 15 December 2014, the Group agreed to a five year facility agreement with Berlin-Hannoversche Hypothekenbank AG for €36 million. Amortisation is 2 per cent. per annum for the first two years, 2.4 per cent. for the third year and 2.8 per cent. thereafter, with the remainder due in the fifth year. The facility is charged a fixed interest rate of 2.85 per cent..
- On 2 September 2015, the Group agreed to a seven year facility agreement with SEB AG for €59 million to refinance the two existing Macquarie facilities. Amortisation is 2 per cent. per annum with the remainder due in the seventh year. The facility is charged a fixed interest rate of 1.84 per cent..
- On 20 October 2015, the Group agreed to a five year facility agreement with Bayerische Landesbank for €25.4 million. Amortisation is 2 per cent. per annum with the remainder due in the fourth year. The full facility has been hedged at a rate of 1.66 per cent. until 19 October 2020 by way of an interest rate swap.
- On 24 March 2016, the Group agreed to a five year facility agreement with Deutsche Genossenschafts-Hypothekenbank AG for €16 million. Amortisation is 2 per cent. per annum with the remainder of the loan due in the fifth year. The facility is charged a fixed interest rate of 1.59 per cent.. As at 30 September 2016 €15 million had been drawn down.

- On 28 April 2016, the Group agreed to a facility agreement with Berlin-Hannoversche Hypothekenbank AG to add an additional tranche to the existing loan that had an outstanding balance of €35.1 million at 31 March 2016. The additional tranche of €4.5 million brings the total loan to €39.6 million. The maturity of the additional loan tranche is coterminous with the existing loan at 31 December 2019. Amortisation is 2.5 per cent. per annum with the remainder due at maturity. The additional loan tranche is charged with a fixed interest rate of 1.32 per cent. for the full term of the loan.
- On 28 April 2016, the Group agreed to a seven year facility agreement with Berlin-Hannoversche Hypothekenbank AG/Deutsche Pfandbriefbank AG to refinance its existing loan that had an outstanding balance of €110.4 million at 31 March 2016. The new facility is split in two tranches totalling €137 million. Tranche 1, totalling €94.5 million is charged at a fixed interest rate of 1.66 per cent. for the full term of the loan. Tranche 2, totalling €42.5 million is charged with a floating rate of 1.57 per cent. over three month EURIBOR (not less than 0 per cent.) for the full term of the loan. Amortisation is set at 2.5 per cent across the full facility with the remainder due in one instalment on the final maturity date.
- On 20 October 2016, the Group concluded a seven year facility agreement with Berlin-Hannoversche Hypothekenbank AG to refinance and extend its existing loan, which had an outstanding balance of €39.2 million at 30 September 2016. The new facility totals €70.0 million and terminates on 29 October 2023. Amortisation is 2.5 per cent. per annum with the remainder due at maturity. The facility is charged with an all-in fixed interest rate of 1.48 per cent. for the full term of the loan.

5.3 Acquisitions

- Since 1 April 2013 the Group has purchased €229 million (including acquisition costs) of real estate assets throughout Germany with the acquisition of 16 business parks comprising 393,179 square metres of net lettable area at an EPRA net initial yield of 8.2 per cent. and a vacancy of 24 per cent..
- The details of these assets are included on the following table:

Site	Handover Date	Acquisition sq. m	Total Investment (incl. Acquisition Costs)	Cost Per sq. m	Annualised Acquisition Rental Income	Annualised Acquisition NOI	EPRA Net Initial Yield
			€	€	€	€	%
Year ended 31 March 2015							
Mahlsdorf	18-Dec-14	30,668	19,573,781	638	1,786,063	1,575,397	8.0%
Potsdam	18-Dec-14	37,106	29,352,527	791	2,346,622	2,192,091	7.5%
Bonn II	01-Feb-15	9,810	3,316,230	338	530,601	392,344	11.8%
Aachen I	30-Jan-15	26,759	18,692,656	699	1,751,112	1,543,587	8.3%
Total		**104,343**	**70,935,194**	**680**	**6,414,398**	**5,703,419**	**8.0%**
Year ended 31 March 2016							
Ludwigsburg	01-Sep-15	26,917	7,442,986	277	969,305	767,257	10.3%
Weilimdorf	01-Sep-15	5,838	5,699,271	976	510,835	493,900	8.7%
Heidenheim	01-Sep-15	47,535	18,319,585	385	1,845,715	1,511,121	8.2%
CöllnParc	01-Oct-15	13,640	18,585,679	1,363	1,468,505	1,355,195	7.3%
Würselen II	01-Nov-15	9,679	7,339,673	758	532,424	508,451	6.9%
Mainz	31-Mar-16	25,112	25,074,012	998	2,218,796	2,003,323	8.0%
Total		**128,721**	**82,461,206**	**641**	**7,545,580**	**6,639,247**	**8.1%**
Year ended 30 September 2016							
Markgröningen	05-May-16	56,615	8,720,000	154	1,321,964	904,872	10.4%
Krefeld	20-May-16	11,458	13,475,000	1,176	1,218,603	1,138,290	8.4%
Dresden	28-Sep-16	53,200	28,600,275	538	2,781,105	2,376,284	8.3%
Total		**121,273**	**50,795,275**	**419**	**5,321,672**	**4,419,446**	**8.7%**
Post September 2016							
Wiesbaden	01-Nov-16	19,602	17,658,382	901	1,877,793	1,598,203	9.1%
Krefeld II	25-Jan-17	6,335	2,894,100	457	391,297	380,373	13.1%
Dreieich	01-Feb-17	12,905	4,584,500	355	287,345	41,247	0.9%
Total		**38,842**	**25,136,982**	**647**	**2,556,435**	**2,019,823**	**8.0%**
Total period		**393,179**	**229,328,657**	**583**	**21,838,085**	**18,781,935**	**8.2%**

- The Company has notarised four acquisitions since the period ending 30 September 2016. One of these, an asset located in Krefeld, completed on 25 January 2017 with expected total acquisition costs of €2.9 million. One of the assets located in Dreieich completed on 1 February 2017 with expected total acquisition costs of €4.6 million. One further asset located in Frankfurt has expected total acquisition costs of €4.5 million. The fourth notarised acquisition is for the purchase of an asset in Cologne for a total consideration of €22.9 million.

5.4 **Disposals**

- Since 1 April 2013 the Group has disposed of €33.4 million of non-core real estate assets, individual non-core buildings and non-income producing land throughout Germany with approximately 63,000 square metres of gross lettable area.
- The details of these disposals are included on the following table:

Site	Completion Date	Sale Price	Gross Lettable sq. m	Annualised Rental Income (At disposal Date)
		€		€
Year ended 31 March 2014				
Leinfelden	01-Apr-13	5,250,000	10,239	685,536
Merseburg McDonalds	08-May-13	1,050,000	667	84,000
Regensburg	28-Sep-13	6,350,000	24,043	683,155
Rostock II	14-Aug-13	975,000	1,240	101,252
Karlsruhe	21-Sep-13	3,200,000	11,983	546,336
Düsseldorf Land	29-Nov-13	4,200,000	n/a	–
Brinkmann Store	17-Dec-13	187,000	389	–
Total		**21,212,000**	**48,561**	**2,100,279**
Year ended 31 March 2015				
Bonn Siemenstrasse Land	07-Aug-14	186,725	n/a	–
Bremen Dötlinger Str Land	09-Aug-14	2,150,000	n/a	–
Gartenfeld Back Land	01-Dec-14	2,205,000	n/a	–
Cottbus	13-Nov-14	300,000	1,057	45,256
Total		**4,841,725**	**1,057**	**45,256**
Post 30 September 2016				
CöllnParc Land	24-Nov-16	1,500,000	n/a	–
Merseburg	6-Feb-17	5,870,000	13,619	726,201
Total		**7,370,000**	**n/a**	**–**
Total Period		**33,423,725**	**62,237**	**2,871,736**

- In January 2017, the Group notarised the sale of its Rupert-Mayer-Straße business park in Munich for €85.0 million. The agreement includes a leaseback for six years with rent of approximately €5.0 million per annum for the first year increasing each year by 0.125 per cent. up to and including the fifth year. In the final year, the monthly rent is equal to the net rent received by the Group from the sub-tenants. The Group will receive an annual property-management fee of €100,000 for the term of the property management agreement. Completion of the sale is expected to be in April 2017.

5.5 **Other**

- The Company's secondary listing on the JSE became effective on 5 December 2014.
- On 23 June 2016, the Company announced that the Karoo Investment Fund S.C.A. SICAV-SIF served notice to convert its €5,000,000 Convertible Loan Notes due in 2018 in full into, in aggregate, 22,814,731 new Ordinary Shares at the conversion price of €0.22 per Ordinary share. Following the conversion on 23 June 2016 and the subsequent admission

of the shares to AIM on 28 June 2016, the overall issued share capital was 832,779,058 Ordinary Shares of which 1,062,058 were held in Treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 831,717,000.

6. RESULTS OF OPERATIONS

The selected financial information for the Group as at 30 September 2016, 30 September 2015 and for the financial years ended 31 March 2016, 31 March 2015 and 31 March 2014 set out below has been extracted without material adjustment from the consolidated financial information of the Group included in Part VIII of this document. Shareholders should read the audited consolidated financial information and should not rely solely on the selected financial information contained herein.

6.1 Consolidated statement of comprehensive income data

The following table sets out selected components of the Group's condensed consolidated statement of comprehensive income and certain key performance indicators for the six months ended 30 September 2016 and 2015 and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014:

	Six months ended 30 September 2016 €000	(Unaudited) six months ended 30 September 2015 €000	Year ended 31 March 2016 €000	Year ended 31 March 2015 €000	Year ended 31 March 2014 €000
Net rental income	**23,736**	17,540	39,958	30,312	28,546
Surplus on revaluation of investment properties	**25,370**	27,027	44,168	25,425	22,735
Administrative expenses	**(5,041)**	(1,651)	(5,603)	(6,526)	(4,043)
Operating profit	**42,764**	41,840	76,324	48,068	43,253
Finance income	**18**	29	45	42	64
Finance expense	**(5,147)**	(13,866)	(18,817)	(12,704)	(12,155)
Profit before tax	**37,509**	28,274	57,076	32,653	31,034
Taxation	**(4,632)**	(185)	(2,388)	(5,651)	(2,102)
Profit for the period	**32,877**	28,089	54,688	27,002	28,932
Earnings per share					
Basic EPS	**4.09c**	3.97c	7.51c	4.84c	7.31c
Diluted EPS	**3.97c**	3.87c	7.13c	4.71c	7.01c
Adjusted EPS	**2.01c**	1.25c	3.16c	2.10c	2.73c

6.2 Consolidated statement of financial position data

The following table sets out selected components of the Group's condensed consolidated financial position statement and certain key performance ratios as at 30 September 2016, 31 March 2016, 31 March 2015 and 31 March 2014:

	30 September 2016 €000	31 March 2016 €000	31 March 2015 €000	31 March 2014 €000
Total non-current assets	**770,923**	693,317	551,042	446,659
Total current assets	**39,193**	31,829	29,658	30,006
Total assets	**810,116**	725,146	580,700	476,665
Total current liabilities	**(34,123)**	(36,068)	(30,153)	(23,922)
Total non-current liabilities	**(325,089)**	(301,970)	(262,284)	(226,441)
Total liabilities	**(359,212)**	(338,038)	(292,437)	(250,363)
Net assets	**450,904**	387,108	288,263	226,302
Total equity	**450,904**	387,108	288,263	226,302
NAV per share	**53.62c**	51.47c	45.73c	43.61c
Adjusted NAV per share	**55.62c**	53.35c	47.51c	44.32c

7. DESCRIPTION OF KEY STATEMENT OF COMPREHENSIVE INCOME ITEMS

7.1 Net rental income

Net rental income consists of all income derived from the Group's property assets less all costs directly associated with the generation of rental income and certain overhead expenses relating to the Group's operations which are not usually included in the property net operating income from which valuations are derived.

7.2 Rental income

Rental income represents all income derived from the Group's property assets including income recognised in respect of leasing activity, parking, conferencing and catering services and other income the Group is due under contract. Rental income also includes income derived from operating and management agreements relating to property held by an owner other than the Group. Service charge income is not treated as revenue, rather, it is set off against direct costs to which such income relates.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished.

Fixed or determinable rental increases, which can take the form of actual amounts or agreed percentages, are recognised on a straight-line basis over the term of the lease. If the increases are related to a price index to cover inflationary cost increases then the policy is not to spread the amount but to recognise them when the increase takes place.

The value of rent-free periods and all similar lease incentives are spread on a straight-line basis over the term of the lease. Where there is a reasonable expectation that the tenant will exercise break options, the value of rent-free periods and all similar lease incentives are booked up to the break date.

7.3 Direct costs

Direct costs relate to all costs directly associated with the generation of rental income but also includes certain overhead expenses associated with the Group's operations.

Direct costs which are typically included within the net operating income of a property include the element of the provision of property, facility and centre management services, utilities and other running costs which are not recovered from tenants through the service charge as well as the maintenance of properties that are the responsibility of the landlord. As at 31 March 2016 these amounted to €6.2m of the total direct costs.

Direct costs relating to the Group's operations which are typically included in overheads include bad debt write-offs and provisions plus employment and head office related costs for centralised staff such as sales & marketing, legal, finance and other administrative areas.

7.4 Administrative expenses

Administrative expenses primarily consist of non-recurring items, corporate costs and costs of an administrative nature including external legal, audit and other professional fees. Administrative expenses also include transactions relating to the Company's long term incentive plan, as defined in section 9 of Part XIII ("**LTIP**") and associated costs.

7.5 Surplus on revaluation of investment properties

The fair value of the Group's investment properties is based on a valuation carried out, at the reporting date, by an independent valuer. The valuations are performed in accordance with standards complying with the RICS Red Book and the conceptual framework that has been set by the IVSC. In addition to affecting the Group's balance sheet, under IFRS, changes in property valuations also appear in the Group's consolidated income statements under the heading 'Surplus on revaluation of investment properties' which significantly impacts the Group's operating profit/loss.

The valuation surplus or deficit reflects the difference between the fair value of the Group's portfolio at the reporting date and its carrying value prior to re-measurement, as well as capital expenditures incurred during the period. Such valuation changes do not have an impact on the Group's cash flow.

7.6 Finance income

The Group's finance income derives from bank interest earned on its cash deposits. As at 30 September 2016 the Group's cash on deposit was €24.7 million.

7.7 Finance expense

Finance expenses represent the Group's finance costs and include interest payable on bank loans and debt instruments as well as costs incurred in relation to financing or refinancing activity. Finance costs are recognised using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument or a shorter period where appropriate to the net carrying amount of the financial asset or financial liability.

It is the Group's policy to mitigate interest rate risk by ensuring that a minimum of 80 per cent. of its total borrowing is at fixed or capped interest rates by taking out fixed rate loans or derivative financial instruments to hedge interest rate exposure, or interest rate caps. As at 30 September 2016, 86.9 per cent. of the total borrowings of €321.2 million has been fixed with a fixed interest rate or a swap. The only loan that is exposed to interest rate movements was originally expected to be fixed at the end of March 2017 in line with the contractual agreement but is currently the subject of ongoing discussions between the Company and the lenders. In accordance with IFRS, the fair value surpluses or deficits associated with derivative financial instruments are recorded as non-cash fair value adjustments in the Group's Consolidated Statement of Comprehensive Income.

7.8 Profit for the year

Profit for the year represents the post-tax results of the Group's operations after all income and expenses including revaluation gains and losses and change in fair value of derivative financial instruments.

8. DESCRIPTION OF KEY STATEMENT OF FINANCIAL POSITION ITEMS

8.1 Investment properties

Investment properties are properties owned by the Group which are held either for long-term rental income or for capital appreciation or both.

Investment properties are initially recognised at cost, including transaction costs, when ownership of the property is transferred. Where recognition criteria are met the carrying amount includes subsequent costs to add to or replace part of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date.

Investment properties are derecognised when the risks and rewards of ownership of the asset are transferred to a third party.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period in which they arise.

The fair value of the Group's investment properties is based on a valuation carried out, at the reporting date, by an independent valuer. The valuations are performed in accordance with standards complying with the RICS Red Book and the conceptual framework that has been set by the IVSC.

The valuation is based upon assumptions including future rental income, anticipated maintenance costs and an appropriate discount rate. The properties are valued on the basis of a ten year discounted cash flow model supported by comparable evidence. The discounted cash flow calculation is a valuation of rental income considering non-recoverable costs and applying a discount rate for the current income risk over a ten year period. After ten years a determining residual value (exit scenario) is calculated. A capitalisation rate is applied to the more uncertain future income, discounted to present value.

8.2 **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

8.3 **Interest-bearing loans and borrowings**

Interest-bearing bank loans and borrowings comprise bank loans secured on the Group's assets and are initially recorded at fair value, net of direct issue costs.

8.4 **Deferred tax liabilities**

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred tax assets are only recognised to the extent that it is foreseeable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the year when the related asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

9. COMPARISON OF THE SIX MONTHS ENDED 30 SEPTEMBER 2016 AND SIX MONTHS ENDED 30 SEPTEMBER 2015

9.1 **Financial results**

9.1.1. ***Net rental income***

Net rental income recorded in the period increased by €6.2 million to €23.7 million (30 September 2015 €17.5 million). This was mainly attributable to six new acquisitions in the period under comparison increasing the annualised rental income by €9.7 million to €67.2 million as at 30 September 2016 and a like-for-like annualised rental income increase of €4.1 million or 7.7 per cent. to €57.5 million (30 September 2015 €53.4 million).

9.1.2. ***Administrative expenses***

Total administrative expenses at 30 September 2016 were €5.0 million (30 September 2015 €1.7 million). The main increase is attributable to costs associated with the Company's LTIP for the three years ending 31 March 2018 amounting to €2.2 million (30 September 2015 €nil) as well as higher non-recurring items amounting to €0.8 million relating primarily to expenses associated with market listing activities.

9.1.3. ***Surplus on revaluation of investment properties***

Surplus on revaluation of investment properties as at 30 September 2016 was €25.4 million (30 September 2015 €27.0 million). The gross yield on the total portfolio was 8.7 per cent. (30 September 2015 8.7 per cent.).

9.1.4. ***Finance expense***

Net finance expense decreased by 63.0 per cent. or €8.7 million to €5.1 million as at 30 September 2016 (30 September 2015 €13.8 million). The major difference was due to refinancing expenses of €7.6 million being incurred in 2015 relating to the

Macquarie refinancing compared to €0.9 million for the period ending 30 September 2016. There was also some interest cost improvement due to the successful refinancing of the major debt facilities which incurred these refinancing costs plus some interest benefit after the conversion of the Shareholder Loan during the period. Overall the weighted average cost of debt reduced from 3.3 per cent. to 2.2 per cent. in the period. Total interest expense relating to the Group's banking facilities reduced by 33.3 per cent despite an increase of borrowings of €60.2 million. Amortisation of capitalised finance costs reduced from €0.8 million as at 30 September 2015 to €0.6 million as at 30 September 2016.

9.1.5. ***Profit for the year***

As a result of the explanations above, profit for the year increased by 17.1 per cent. to €32.9 million (30 September 2015 €28.1 million).

9.2 Key performance metrics

9.2.1. ***Adjusted EPS***

Adjusted EPS, which attempts to measure the recurring profit of the Group excluding movements in valuations, derivative financial instruments and asset disposals, increased from 1.25c to 2.01c. This represents a 60.8 per cent. increase and is attributable to the organic and acquisition growth of rental income, continued improvements in the recovery of service charge costs and the reduction in the cost of debt.

9.2.2. ***Basic EPS***

Basic EPS increased from 3.97c at 30 September 2015 to 4.09c at 30 September 2016. The increase in Basic EPS was not as high as adjusted EPS due the revaluation increases net of deferred tax being significantly lower in 2016 compared to 2015.

9.2.3. ***Dividend per share***

Dividend per share earned in the period increased from 0.92c at 30 September 2015 to 1.39c at 30 September 2016 which is almost a direct reflection of the increases in adjusted EPS and is attributable to the same reasons.

10. COMPARISON OF THE FINANCIAL YEARS ENDED 31 MARCH 2016 AND 31 MARCH 2015

10.1 Financial results

10.1.1. ***Net rental income***

The improvement in net rental income recorded in the period was €9.6 million. Like for like annualised rental income increased by €3.0 million to €53.0 million as at 31 March 2016 (31 March 2015 €50.0 million). Six new acquisitions in the period increased the total annualised rental income by €7.5 million to €60.5 million at 31 March 2016. Net rental income was positively impacted by the continued reduction in service charge irrecoverable costs to €5.1 million in the period (31 March 2015 €6.3m). Service charge recovery rates increased to 88 per cent. from 84 per cent. in the prior period.

10.1.2. ***Administrative expenses***

Total administrative expenses at 31 March 2016 were €5.6 million (31 March 2015 €6.5 million). The main reduction is attributable to costs associated with the Company's LTIP for which the full payout for the 3 year plan to 31 March 2015 was booked in that year whereas only one third of the estimated payout for the three year LTIP ending 31 March 2018 was accrued for in the year ending 31 March 2016. This was offset by acquisition activity during the year resulting in increases in professional fees relating to audit and valuation work as well as increases in non-recurring costs mainly attributable to scrip dividends and aborted acquisitions.

10.1.3. ***Surplus on revaluation of investment properties***

Surplus on revaluation of investment properties as at 31 March 2016 was €44.2 million (31 March 2015 €25.4 million) driven by both the like-for-like increase in annualised rental income as well as yield compression resulting in like-for-like market valuation increase of 10.9 per cent. for the period (31 March 2015: 6.4 per cent.). The gross yield on the core portfolio was 8.5 per cent. (31 March 2015 8.9 per cent.).

10.1.4. ***Finance expense***

Net finance expense increased to €18.8 million as at 31 March 2016 (31 March 2015 €12.7 million). The increase was primarily due to refinancing costs totalling €7.6 million relating to the early refinancing of the two Macquarie loan facilities with a new €59 million facility with SEB AG. The interest expense relating to the Group's banking facilities reduced by 10.1 per cent. to €9.9 million as at 31 March 2016 (31 March 2015 €11.1 million) despite having the extra banking facilities to fund acquisitions. The decrease was as a result of the successful refinancing of two major debt facilities with existing and new lenders as well as securing favourable terms on new facilities used to part finance acquisitions. Overall the weighted average cost of debt reduced from 4.3 per cent. to 3.0 per cent. in the period. Amortisation of capitalised finance costs reduced from €1.6 million at to 31 March 2015 to €1.3 million as at 31 March 2016.

10.1.5. ***Taxation***

The total tax charge as at 31 March 2016 is €2.4 million (31 March 2015: €5.7 million). This consists of a current income tax credit of €0.2 million (31 March 2015 €0.8 million charge) and a deferred tax charge of €2.5 million (31 March 2015: €4.8 million), which consists of a €2.7 million charge relating to the increase in property values less the recognition of a €183,000 deferred tax asset relating to the accrual of costs for the Company's LTIP. The 31 March 2016 current income tax credit of €0.2 million was mainly due to the expected refund of income tax prepayments as a result of the Group being allowed to convert non-deductible interest expenses from prior years into tax losses that can be offset against future profits.

10.1.6. ***Profit for the year***

Profit for the year increased by 102.6 per cent. to €54.7 million (31 March 2015 €27.0 million).

10.2 **Selected balance sheet data**

10.2.1. ***Investment properties***

As at 31 March 2016, the portfolio was independently valued at €695.2 million by Cushman & Wakefield LLP (31 March 2015 €550.0 million) which includes €61.3 million of valuation increases for the full year. For the portfolio which was owned at 31 March 2015, the valuation increase was €60.2 million in the year which represents a 10.9 per cent. increase. After adjustments in respect of lease incentives and discretionary impairments the book value of investment properties was €687.5 million (31 March 2015 €545.6 million).

10.2.2. ***Cash and cash equivalents***

Total cash and cash equivalents at 31 March 2016 of €19.9 million (31 March 2015 €20.1 million) included €10.9 million (31 March 2015 €10.1 million) of cash held in blocked accounts.

10.2.3. ***Interest-bearing loans and borrowings***

Interest bearing loans and borrowings at 31 March 2016 amounted to €299.0 million (31 March 2015 €260.3 million) excluding capitalised finance costs. Included at 31 March 2016 was a convertible fixed rate facility of €5.0 million (31 March 2015 €5.0 million).

In September 2015 a new seven year €59.0 million facility with SEB AG at an all in fixed interest rate of 1.84 per cent. was completed to refinance the Group's two

expensive Macquarie debt facilities. In October 2015, a new five year €25.4 million facility with Bayerische Landesbank AG at an all in fixed interest rate of 1.66 per cent. was drawn down against four new acquisitions made in the period. In March 2016, a new five year €16 million facility with Deutsche Genossenschafts-Hypothekenbank at an all in fixed rate interest rate of 1.59 per cent. was agreed and €15 million was drawn down against an additional asset acquired in the period.

The Group's LTV ratio reduced to 42.8 per cent. in the period from 46.8 per cent. as at 31 March 2015.

10.2.4. ***Deferred tax liabilities***

Deferred tax liabilities increased by €2.7 million to €11.7 million at 31 March 2016 (31 March 2015 €9.0 million) as a result of deferred tax on the revaluation of investment properties and derivative financial instruments. The Group had tax losses of €235.7 million at 31 March 2016 (31 March 2015 €181.8 million) that were available for offset against future profits of its subsidiaries in which the losses arose. Deferred assets were not recognised in respect of the revaluation losses on investment properties and interest rate swaps as they may not be used to offset taxable profits elsewhere in the Group as realisation was not assured.

10.3 **Key performance metrics**

10.3.1. ***Adjusted EPS***

Adjusted EPS, which attempts to measure the recurring profit of the Group excluding movements in valuations, derivative financial instruments and asset disposals, increased from 2.10c to 3.16c. This represents more than a 50 per cent increase and is attributable to the organic growth of rental income, an improvement in the recovery of service charge costs, and the reduction in the cost of debt as well as the acquisitions that occurred in the period.

10.3.2. ***Basic EPS***

Basic EPS increased from 4.84c to 7.51c in the period. The increase was mainly due to higher profits arising from the gains on revaluation of the Group's portfolio.

10.3.3. ***Dividend per share***

Dividend per share earned in the period increased from 1.61c to 2.22c, which is almost a direct reflection of the increases in Adjusted EPS and is attributable to the same reasons.

10.3.4. ***NAV per share***

NAV per share increased in the period from 45.73c to 51.47c, and adjusted NAV per share, which excludes the provisions for deferred tax and derivative financial instruments, increased from 47.51c to 53.35c. The main reason for this is the higher valuations of the Group's portfolio, as stated above. In the period, the 35 per cent. of FFO retained by the Group was largely offset by depreciation, the amortisation of the initial bank facility fees and the break fees for refinancing the Macquarie facilities early.

11. COMPARISON OF THE FINANCIAL YEARS ENDED 31 MARCH 2015 AND 31 MARCH 2014

11.1. **Financial results**

11.1.1. ***Net rental income***

Four new acquisitions in the period increased the annualised rental income by €6.4 million which, together with €2.3 million of organic growth, increased annualised rental income to €50.0 million as at 31 March 2015 (31 March 2014: €41.3 million). Like-for-like annualised rental income, comparing the 31 March 2014 position to the 31 March 2015 position, increased by €2.3 million to €43.6 million. Net rental income was positively impacted by a reduction in service charge irrecoverable costs from €6.6 million at 31 March 2014 to €6.3 million at 31 March 2015. Service charge recovery rates increased in the year to 84 per cent. from 83 per cent. in the prior period.

11.1.2. ***Administrative expenses***

Total administrative expenses at 31 March 2015 were €6.5 million (31 March 2014 €4.0 million). The year on year increase is primarily as a result of an accrual relating to the granting of shares under the Company's LTIP for the benefit of the Executive Directors and senior management team, costs associated with the provision of scrip dividends as well as costs associated with the migration of tax domicile of the Company from Guernsey to the UK.

11.1.3. ***Surplus on revaluation of investment properties***

Surplus on revaluation of investment properties as at 31 March 2015 was €25.4 million (31 March 2014 €22.7 million) driven by both the like-for-like increase in annualised rental income and yield compression resulting in a like-for-like market valuation increase of 6.4 per cent. for the period (31 March 2014: 6.4 per cent.). The gross yield on the core portfolio was 8.9 per cent. (31 March 2014 9.3 per cent.).

11.1.4. ***Finance expense***

Net finance expense increased to €12.7 million as at 31 March 2015 (31 March 2014 €12.1 million). The increase was due to the impact of a new five year debt facility with Berlin-Hannoversche Hypothekenbank AG for €36 million which was taken out against three of the four new acquisitions and charged at an all in fixed interest rate of 2.85 per cent. for the term of the facility. Overall the weighted average cost of debt reduced from 4.7 per cent. to 4.3 per cent. in the period. Amortisation of capitalised finance costs increased from €1.3 million for the year ending 31 March 2014 to €1.6 million for the year ending 31 March 2015.

11.1.5. ***Taxation***

The total tax charge as at 31 March 2015 is €5.7 million (31 March 2014: €2.1 million). This consists of a current income tax charge of €0.8 million (31 March 2014: €0.5 million charge) and a deferred tax charge of €4.8 million (31 March 2015: €1.6 million). The 31 March 2015 current income tax charge included an adjustment of €0.3 million (31 March 2014: nil) in respect of previous years, relating *inter alia* to expected additional payments from tax audits for previous years.

11.1.6. ***Profit for the year***

Total profit after tax for the year decreased by 6.6 per cent. to €27.0 million (31 March 2014: €28.9 million).

11.2 Selected balance sheet data

11.2.1. ***Investment properties***

As at 31 March 2015, the portfolio was independently valued at €550.0 million by Cushman & Wakefield LLP (31 March 2014: €448.7 million). For the portfolio which was owned at 31 March 2014, the percentage valuation increase was 5.6 per cent.. After adjustments in respect of lease incentives and discretionary impairments the book value of investment properties was €545.6 million (31 March 2014: €441.1 million).

11.2.2. ***Cash and cash equivalents***

Total cash and cash equivalents at 31 March 2015 of €20.1 million (31 March 2014: €13.8 million) included €10.1 million (31 March 2014: €6.7 million) of cash held in blocked accounts.

11.2.3. ***Interest-bearing loans and borrowings***

Interest bearing loans and borrowings at 31 March 2015 amounted to €260.3 million (31 March 2014: €231.1 million) excluding capitalised finance costs. Included at 31 March 2015 was a convertible fixed rate facility of €5.0 million (31 March 2014: €5.0 million).

In December 2014 a new five year €36.0 million facility with Berlin-Hannoversche Hypothekenbank AG at an all in fixed interest rate of 2.85 per cent. was agreed and subsequently drawn down against three acquisitions made in the period.

The Group's LTV ratio reduced to 46.8 per cent. in the period from 50.9 per cent. as at 31 March 2014.

11.2.4. ***Deferred tax liabilities***

Deferred tax liabilities increased by €4.8 million to €9.0 million at 31 March 2015 (31 March 2014 €4.2 million) as a result of deferred tax on the revaluation of investment properties and derivative financial instruments. The Group had tax losses of €181.8 million at 31 March 2015 (31 March 2014 €166.4 million) that were available for offset against future profits of its subsidiaries in which the losses arose. Deferred assets were not recognised in respect of the revaluation losses on investment properties and interest rate swaps as they may not be used to offset taxable profits elsewhere in the Group as realisation was not assured.

11.3 **Key performance metrics**

11.3.1. ***Adjusted EPS***

Adjusted EPS, which attempts to measure the recurring profit of the Group excluding movements in valuations, derivative financial instruments and asset disposals reduced from 2.73c per share to 2.10c per share. The reduction was due to the increased number of shares in issue resulting from the December 2013 and December 2014 equity raises. The former equity raise was used primarily for refinancing purposes and the latter for acquisitions which had limited impact in the 31 March 2015 year.

11.3.2. ***Basic EPS***

Basic EPS reduced from 7.31c to 4.84c also due to the number of shares in issue increasing from the December 2013 and December 2014 equity raises. The former equity raise was used primarily for refinancing purposes and the latter for acquisitions which had limited impact in the 31 March 2015 year.

11.3.3. ***Dividend per share***

The Company recommenced its dividend programme in June 2015 with a 0.3c per share dividend relating to 65 per cent. of the Group's FFO for the last quarter of the 31 March 2014 financial year and stated this as its dividend policy going forward. For the 31 March 2015 year, two dividends were paid totalling 1.61c per share which was also calculated in accordance with the Group's policy of a 65 per cent. of FFO pay-out ratio.

11.3.4. ***NAV per share***

NAV per share and adjusted NAV per share moved from 43.61c and 44.32c per share as at 31 March 2014 to 45.73c and 47.51c per share as at 31 March 2015.

12. LIQUIDITY AND CAPITAL RESOURCES

12.1 **Capital and liquidity requirements**

The Group currently has a policy to pay out as dividends 65 per cent. of FFO, which is effectively the Group's recurring cash flow before acquisitions and disposals, capital investments and repayments of banking facilities. There is significant cashflow with which to pay dividends or invest in the portfolio, since acquisitions are generally funded by new equity or secured debt facilities and in the future are expected also to be funded from the disposal of full or parts of sites. Since a scrip dividend alternative has also been offered to Shareholders, the actual amount of cash needed to fulfil the dividend policy has been significantly less than 65 per cent. of FFO. Historically, there has been a scrip take up of between 29 per cent. and 44 per cent.. The take up of Scrip Shares with regard to the interim dividend declared on 28 November 2016 was 48 per cent..

The remainder of the cash is being used for capex into the Group's portfolio, including the capital expenditure programme to transform the sub optimal space that the Group is currently undertaking.

The Group has in the past derived, and the Directors expect that the Group will continue to derive, substantially all of its revenues from funds generated by the lease contracts it has with tenants on its properties. Currently this is enough to fund the contracted debt repayments, the full dividend payment in cash (if required) and a proportion of the Group's capex investment programme. The Group reviews its capital resources on a monthly basis and is currently funding the extra capex relating to the capex investment programme by offering scrip dividends and selling non-income producing land.

As such, the Group's principal sources of liquidity have been equity raises, operating cash flows, disposals of assets and cash raised from existing borrowing facilities.

12.2 Debt maturity profile

The Group's debt maturity profile over the six months ended 30 September 2016 and the three financial years ended 31 March 2016 can be seen in the following table:

	30 September 2016 €000	**31 March 2016 €000**	**31 March 2015 €000**	**31 March 2014 €000**
On demand or within one year	**7,405**	6,639	5,058	4,337
In the second year	**7,588**	12,358	59,407	4,337
In the third to tenth years inclusive	**306,236**	280,042	195,869	222,378
Total	**321,229**	299,039	260,334	231,052

The Group has completed many new refinancing arrangements over the last three years and has taken advantage of the buoyant lending market. Consequently, it has not only reduced the average cost of debt to below 2 per cent. in October 2016 but has extended the average lease expiry to 6.2 years. Since the loans are fixed over the full length of each facility, the Group has gained both longer-term security of financing and reduction in cost in the process.

Following the extension of the Berlin-Hannoversche Hypothekenbank loan as detailed in the note 30 of Part VIII, the first loan to mature is the junior tranche of the €52.0 million facility with K-Bonds on 31 July 2020 which had an outstanding balance of €4.0 million at 30 September 2016. This loan is secured against four properties which had a valuation of €94.4 million at 30 September 2016. The scheduled amortisation of this loan will mean it is fully paid down by maturity. All facilities are summarised in the table below and disclosed in more detail in note 20 of Part VIII.

12.3 Financial covenants

The Group has financial covenants that apply to its secured debt. As at 30 September 2016 the Group has six facilities outstanding with six different lenders leaving seven properties with a value of €74.6 million at 30 September 2016 unencumbered. Of the €74.6 million of unencumbered assets as at 30 September 2016, €46.2 million remains unencumbered following the financing of the Dresden asset that took place shortly after period end. The hard financial covenants on the six facilities are a combination of LTV, interest cover and debt service cover. In addition to hard covenants, some of the facilities have soft financial covenants, which if breached would effectively result in a cash trap for the borrowers within the specific facility. Soft covenants are usually based on similar items to hard covenants but also include items such as occupancy and rental income. The actual hard covenant details, as set out in the tables below, vary and are specific to each debt facility. As at 30 September 2016 the Group was fully compliant in all financial covenant tests certified to lenders.

Compliance with financial covenants is an important matter in all of the Group's secured loans because hard covenant breaches could result in an event of default and potential foreclosure. All facilities are on a non-recourse basis and contain cure rights which give the Group time to rectify any breach should one occur. Compliance with financial covenants is continuously monitored and any potential breach would be discussed in advance with the relevant lender(s). Actual covenant breaches can be rectified by a number of remedies such as additional security, temporary cash deposit or partial repayment before an event of default occurs.

Financial covenants are prepared on either a quarterly or half-yearly basis per the facility agreement and a summary of the Group's debt covenants is set out below:

	Outstanding at 30 September 2016 €000	Property values at 30 September 2016 €000	LTV ratio at 30 September 2016	LTV covenant at 30 September 2016	Interest cover ratio at 30 September 2016	Debt service cover ratio at 30 September 2016	Cover ratio covenant at 30 September 2016
Deutsche Genossenschafts-Hypothekenbank AG	14,840	25,280	58.7%	68.0%	n/a	1.67	1.25
Bayerische Landesbank	24,875	54,764	45.4%	65.0%	n/a	4.17	2.50
SEB AG	57,820	124,029	46.6%	60.0%	6.88	n/a	5.20
Berlin-Hannoversche Hypothekenbank AG/ Deutsche Pfandbriefbank AG	135,501	312,047	43.4%	62.5%	n/a	2.42	1.50
Berlin-Hannoversche Hypothekenbank AG	39,193	85,752	45.7%	60.0%	n/a	2.58	1.40
K-Bonds I	49,000	94,430	51.9%	n/a	4.05	n/a	2.50
Unencumbered properties	–	74,558	n/a				
Total	321,229	770,860	41.7%				

12.4 Cash flow analysis

The following presents the consolidated cash flows of the Group for the six months ended 30 September 2016 (compared to 30 September 2015) and for the three financial years ended 31 March 2016. The table shows the Group's cash flow from operating activities, cash flow from investing activities, cash flow from financing activities and the decrease or increase (as the case may be) in cash and cash equivalents at the end of each period:

	Six months ended 30 September 2016 €000	(Unaudited) six months ended 30 September 2015 €000	Year ended 31 March 2016 €000	Year ended 31 March 2015 €000	Year ended 31 March 2014 €000
Cash flows from operating activities	**21,765**	13,480	37,847	29,413	18,524
Cash flows relating to acquisitions	**(51,179)**	(49,479)	(84,863)	(70,975)	–
Cash flows used in other investing activities	**(8,347)**	(4,782)	(15,167)	(4,724)	10,224
Dividends paid	**(5,503)**	(3,425)	(7,345)	(3,871)	–
Proceeds from loans	**141,500**	59,000	99,088	36,000	193,560
Repayment of loans	**(116,426)**	(58,324)	(60,383)	(6,717)	(259,838)
Cash flows from other financing activities	**23,063**	37,507	30,560	27,264	34,559
Cash and cash equivalents at the beginning of the period	**19,874**	20,137	20,137	13,747	16,718
Increase/(decrease) in cash and cash equivalents	**4,873**	(6,023)	(263)	6,390	(2,971)
Cash and cash equivalents at the end of the period	**24,747**	14,114	19,874	20,137	13,747

13. CAPITAL STRUCTURE AND DEBT STRATEGY

As at 30 September 2016, the Group was funded by €450.9 million of shareholders' equity and €321.2 million of debt from external financiers. This increased to €453.4 million of equity and €352.0 million of debt after the recent acquisitions and financing. After the latest acquisition in Dreieich and the latest disposal in Merseburg, the market value of the Group's total portfolio is €799.73 million, with an LTV of 44.3 per cent. (based on a book value of €790.1 million) for its debt facilities. However, since these facilities are not secured against all of the Group's 44 business parks as at 7 February 2017 (being the last practicable date prior to the publication of this document), more flexibility exists.

Since the Group runs an active asset management business model with a significant amount of its recurring profits being invested back into the portfolio on a high-returns basis and all of its banking facilities are on a repayment basis, the Group's board expects that the gap between shareholders' equity and debt to increase going forward.

Although the Group has been taking advantage of the buoyant and low interest rate debt environment recently, the Company's board is mindful of protecting the Group's downside risk and has adopted a directive to reduce the Group's LTV down to 40 per cent. by no later than 31 March 2018. The Group plans to operate between 40 per cent. and 45 per cent. until that time. It expects to get there through a combination of debt amortisation payments, whereby most facilities have between 2.0 per cent. and 2.5 per cent. of contracted amortisation payments required each year, as well as valuation increases which are expected to come predominantly as a result of the investments that the Group expects to make into its portfolio over that period. The Company's board would also like to purchase unencumbered assets alongside geared assets in the future to provide the Group with more flexibility with negotiating its debt facilities in the future.

14. FUNDING AND TREASURY POLICIES

Detail on the Group's funding and treasury policies and objectives is set out in Part VIII of this document throughout the Group's Historical Financial Information and notes to the Historical Financial Information. Specifically, detail on the currencies in which the Group holds cash and cash equivalents is set out in note 18 of Part VIII of this document; detail on the rates attached to the Group's borrowings is set out in note 20 of Part VIII of this document; detail of the Group's financial risk management objectives and policies is set out in note 21 of Part VIII of this document; and detail relating to the Group's use of derivative financial instruments is set out in note 22 of Part VIII of this document.

15. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See note 21 of the Group's audited consolidated financial information for the six months ended 30 September 2016 included in Part VIII of this document for the discussion of the Group's financial and capital risk management (including currency risk), interest rate risk, credit risk and liquidity risk.

The Group takes care to manage market risk relating to the interest rates on its banking facilities. Aside from exposure to the movement of 3 month EURIBOR against the €42.5 million floating Tranche 2 of the Berlin-Hannoversche Hypothekenbank AG/Deutsche Pfandbriefbank AG banking facility, as detailed in paragraph 20.8 of Part XIII of this document, all the Group's banking facilities have fixed interest rates or interest rates hedged with a swap for the entire length of the facility. Following the notarisation of the München Rupert-Mayer-Straße asset, the requirement to fix the interest rate on the floating rate tranche, originally scheduled for 31 March 2017, as well as the asset substitution is subject to ongoing discussion with the lenders.

16. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, which are described in the sections headed "Significant accounting policies" in note 2 of Part VIII of this document, the Directors are required to make judgments, estimates and assumptions about the reported amounts of assets and liabilities, of revenues and expenses, and of gains and losses. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. The key assumptions concerning the future and other key sources of estimation uncertainty are described in the sections headed "Significant accounting judgements, estimates and assumptions" in note 3 of Part VIII of this document.

PART VIII

HISTORICAL FINANCIAL INFORMATION

Section A: Accountant's report on historical financial information

The Directors
Sirius Real Estate Limited
Martello Court
Admiral Park,
St. Peter Port, Guernsey
GY1 3HB
Channel Islands

8 February 2017

Dear Directors

Sirius Real Estate Limited

We report on the financial information set out on pages 74 to 75 for the three years and six months ended 30 September 2016. This financial information has been prepared for inclusion in the prospectus dated 8 February 2017 of Sirius Real Estate Limited on the basis of the accounting policies set out in note 2. This report is required by paragraph 20.1 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose. We have not audited or reviewed the financial information for the six months ended 30 September 2015 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Responsibilities

The Directors of Sirius Real Estate Limited are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by 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 paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments 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 prospectus dated 8 February 2017, a true and fair view of the state of affairs of Sirius Real Estate Limited as at 31 March 2014, 31 March 2015, 31 March 2016 and 30 September 2016 and of its consolidated profits, consolidated cash flows and consolidated recognised gains and losses and changes in equity for the years ended 31 March 2014, 31 March 2015 and 31 March 2016 and the six months ended 30 September 2016 in accordance with the basis of preparation set out in note 2 and in accordance with IFRS as adopted by the European Union as described in note 2.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP

Section B: Historical Financial Information

Consolidated statement of comprehensive income

	Notes	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Rental income	5	45,065	45,394	55,790	25,869	**32,636**
Direct costs	6	(16,519)	(15,082)	(15,832)	(8,329)	**(8,900)**
Net rental income		28,546	30,312	39,958	17,540	**23,736**
Surplus on revaluation of investment properties	13	22,735	25,425	44,168	27,027	**25,370**
(Loss)/gain on disposal of properties		(1,687)	1,270	–	(68)	**–**
Administrative expenses	6	(4,043)	(6,526)	(5,603)	(1,651)	**(5,041)**
Other operating expenses	6	(2,298)	(2,413)	(2,199)	(1,008)	**(1,301)**
Operating profit		43,253	48,068	76,324	41,840	**42,764**
Finance income	9	64	42	45	29	**18**
Finance expense	9	(12,155)	(12,704)	(18,817)	(13,866)	**(5,147)**
Change in fair value of derivative financial instruments		(128)	(2,753)	(476)	271	**(126)**
Profit before tax		31,034	32,653	57,076	28,274	**37,509**
Taxation	10	(2,102)	(5,651)	(2,388)	(185)	**(4,632)**
Profit for the period		28,932	27,002	54,688	28,089	**32,877**
Profit attributable to:						
Owners of the Company		28,927	26,985	54,671	28,079	**32,862**
Non-controlling interests		5	17	17	10	**15**
Total comprehensive income for the period		28,932	27,002	54,688	28,089	**32,877**
Earnings per share						
Basic comprehensive income for the period attributable to ordinary equity holders of the Company	11	7.31c	4.84c	7.51c	3.97c	**4.09c**
Diluted comprehensive income for the period attributable to ordinary equity holders of the Company	11	7.01c	4.71c	7.13c	3.87c	**3.97c**

Consolidated statement of financial position

	Notes	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Non-current assets					
Investment properties	13	441,087	545,626	687,453	**764,990**
Plant and equipment	15	1,834	1,678	1,943	**1,928**
Goodwill	16	3,738	3,738	3,738	**3,738**
Deferred tax assets	10	–	–	183	**267**
Total non-current assets		446,659	551,042	693,317	**770,923**
Current assets					
Trade and other receivables	17	12,948	9,448	11,936	**8,576**
Derivative financial instruments		678	73	19	**–**
Cash and cash equivalents	18	13,747	20,137	19,874	**24,747**
Investment properties held for sale	14	2,633	–	–	**5,870**
Total current assets		30,006	29,658	31,829	**39,193**
Total assets		476,665	580,700	725,146	**810,116**
Current liabilities					
Trade and other payables	19	(20,980)	(25,862)	(29,541)	**(27,763)**
Interest-bearing loans and borrowings	20	(2,813)	(3,302)	(5,642)	**(6,204)**
Current tax liabilities		(125)	(451)	(170)	**(144)**
Derivative financial instruments		(4)	(538)	(715)	**(12)**
Total current liabilities		(23,922)	(30,153)	(36,068)	**(34,123)**
Non-current liabilities					
Interest-bearing loans and borrowings	20	(222,071)	(251,480)	(288,348)	**(308,017)**
Derivative financial instruments		(170)	(1,784)	(1,875)	**(587)**
Deferred tax liabilities	10	(4,200)	(9,020)	(11,747)	**(16,485)**
Total non-current liabilities		(226,441)	(262,284)	(301,970)	**(325,089)**
Total liabilities		(250,363)	(292,437)	(338,038)	**(359,212)**
Net assets		226,302	288,263	387,108	**450,904**
Equity					
Issued share capital	23	–	–	–	**–**
Other distributable reserve	24	349,978	384,937	429,094	**460,013**
Retained earnings		(123,698)	(96,713)	(42,042)	**(9,180)**
Total equity attributable to the equity holders of the Company		226,280	288,224	387,052	**450,833**
Non-controlling interests		22	39	56	**71**
Total equity		226,302	288,263	387,108	**450,904**

Consolidated statement of changes in equity

	Issued share capital €000	Other distributable reserve €000	Retained earnings €000	Total equity attributable to the equity holders of the Company €000	Non-controlling interests €000	Total equity €000
As at 31 March 2013	–	303,637	(152,625)	151,012	17	151,029
Shares issued, net of costs	–	45,438	–	45,438	–	45,438
Share-based payment transactions	–	903	–	903	–	903
Total comprehensive income for the year	–	–	28,927	28,927	5	28,932
As at 31 March 2014	–	349,978	(123,698)	226,280	22	226,302
Shares issued, net of costs	–	38,324	–	38,324	–	38,324
Share-based payment transactions	–	506	–	506	–	506
Dividends paid	–	(3,871)	–	(3,871)	–	(3,871)
Total comprehensive income for the year	–	–	26,985	26,985	17	27,002
As at 31 March 2015	–	384,937	(96,713)	288,224	39	288,263
Shares issued, net of costs	–	48,423	–	48,423	–	48,423
Share-based payment transactions	–	1,625	–	1,625	–	1,625
Dividends paid	–	(3,425)	–	(3,425)	–	(3,425)
Total comprehensive income for the year	–	–	28,079	28,079	10	28,089
As at 30 September 2015	–	431,560	(68,634)	362,926	49	362,975
Shares issued, net of costs	–	(48)	–	(48)	–	(48)
Share-based payment transactions	–	1,502	–	1,502	–	1,502
Dividends paid	–	(3,920)	–	(3,920)	–	(3,920)
Total comprehensive income for the period	–	–	26,592	26,592	7	26,599
As at 31 March 2016	–	429,094	(42,042)	387,052	56	387,108
Shares issued, net of costs	–	29,117	–	29,117	–	29,117
Share-based payment transactions	–	2,305	–	2,305	–	2,305
Conversion of shareholder loan	–	5,000	–	5,000	–	5,000
Dividends paid	–	(5,503)	–	(5,503)	–	(5,503)
Total comprehensive income for the period	–	–	32,862	32,862	15	32,877
As at 30 September 2016	**–**	**460,013**	**(9,180)**	**450,833**	**71**	**450,904**

Consolidated statement of cash flow

	Notes	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Operating activities						
Profit after tax		28,927	26,985	54,671	28,079	**32,862**
Taxation		2,102	5,651	2,388	185	**4,632**
Non-controlling interests		5	17	17	10	**15**
Loss/(gain) on sale of properties		1,687	(1,270)	–	68	**–**
Share-based payments		903	506	1,538	–	**2,305**
Surplus on revaluation of investment properties	13	(22,735)	(25,425)	(44,168)	(27,027)	**(25,370)**
Change in fair value of derivative financial instruments		128	2,753	476	(271)	**126**
Depreciation	6	995	893	634	293	**416**
Finance income	9	(64)	(42)	(45)	(29)	**(18)**
Finance expense	9	12,155	12,704	12,888	6,271	**5,132**
Exit fees/prepayment penalties		–	–	5,929	5,929	**15**
Cash flows from operations before changes in working capital		24,103	22,772	34,328	13,508	**20,115**
Changes in working capital						
(Increase)/decrease in trade and other receivables		(3,924)	1,592	(356)	(707)	**3,738**
(Decrease)/increase in trade and other payables		(1,464)	5,601	3,707	721	**(2,206)**
Taxation (paid)/received		(191)	(552)	168	(42)	**118**
Cash flows from operating activities		18,524	29,413	37,847	13,480	**21,765**
Investing activities						
Purchase of investment properties		–	(70,975)	(82,716)	(31,365)	**(50,801)**
Prepayments relating to new acquisitions		–	–	(2,147)	(18,114)	**(378)**
Capital expenditure		(4,260)	(8,433)	(14,391)	(4,363)	**(7,955)**
Purchase of plant and equipment		(391)	(736)	(821)	(380)	**(410)**
Net proceeds on disposal of properties		14,811	4,403	–	(68)	**–**
Interest received		64	42	45	29	**18**
Cash flows used in investing activities		10,224	(75,699)	(100,030)	(54,261)	**(59,526)**
Financing activities						
Issue of shares		45,438	38,324	48,873	48,899	**29,117**
Dividends paid		–	(3,871)	(7,345)	(3,425)	**(5,503)**
Proceeds from loans		193,560	36,000	99,088	59,000	**141,500**
Repayment of loans		(259,838)	(6,717)	(60,383)	(58,324)	**(116,426)**
Exit fees/prepayment penalties		–	–	(5,929)	(5,929)	**(15)**
Finance charges paid		(10,879)	(11,060)	(12,384)	(5,463)	**(6,039)**
Cash flows from financing activities		(31,719)	52,676	61,920	34,758	**42,634**
(Decrease)/increase in cash and cash equivalents		(2,971)	6,390	(263)	(6,023)	**4,873**
Cash and cash equivalents at the beginning of the period		16,718	13,747	20,137	20,137	**19,874**
Cash and cash equivalents at the end of the period	18	13,747	20,137	19,874	14,114	**24,747**

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General information

The Company is a company incorporated in Guernsey and resident in the United Kingdom, whose shares are publicly traded on AIM of the LSE (primary listing) and the AltX of the JSE (secondary listing).

The consolidated financial information of the Company comprises that of the Company and its subsidiaries (together referred to as the "**Group**"). The Group historical financial information has been prepared for the six months ended 30 September 2016, the six months ended 30 September 2015 (unaudited) for comprehensive income and cash flow and the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

The principal activity of the Group is the investment in, and operation and development of, commercial property to provide conventional and flexible workspace in Germany.

2. Significant accounting policies

(a) ***Basis of preparation***

The consolidated financial information has been prepared on a historical cost basis, except for investment properties, investment properties held for sale and derivative financial instruments which have been measured at fair value. The consolidated financial information is presented in Euros and all values are rounded to the nearest thousand (€000) except where otherwise indicated.

(b) ***Statement of compliance***

The consolidated financial information has been prepared in accordance with the requirements of the Prospectus Directive and the Listings Rules and has been prepared in accordance with IFRSs adopted for use in the EU ("**Adopted IFRSs**") and the Companies (Guernsey) Law, 2008. The consolidated financial information gives a true and fair view and is in compliance with the Companies (Guernsey) Law, 2008. This consolidated financial information does not constitute statutory accounts for these periods.

(c) ***Going concern***

Having reviewed the Group's current trading and cash flow forecasts, together with sensitivities and mitigating factors and the available facilities, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, notwithstanding the Group's net current assets/(liabilities) of €5,070,000 (31 March 2016: €(4,239,000); 31 March 2015: €(495,000); 31 March 2014: €6,084,000). Accordingly, the Board continued to adopt the going concern basis in preparing the historical financial information.

(d) ***Basis of consolidation***

The consolidated financial information comprises the financial information of the Group as at 30 September 2016. The financial information of the subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies.

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial information.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the Shareholders' equity.

(e) ***Acquisitions***

Property acquisitions that are not accounted for as business combinations under IFRS 3 are dealt with as acquisitions of property assets.

(f) ***Foreign currency translation***

The consolidated financial information is presented in Euros, which is the functional and presentational currency of all members of the Group.

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

(g) ***Revenue recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. In particular:

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished.

Fixed or determinable rental increases, which can take the form of actual amounts or agreed percentages, are recognised on a straight-line basis over the term of the lease. If the increases are related to a price index to cover inflationary cost increases then the policy is not to spread the amount but to recognise them when the increase takes place.

The value of rent-free periods and all similar lease incentives is spread on a straight-line basis over the term of the lease. Where there is a reasonable expectation that the tenant will exercise break options, the value of rent-free periods and all similar lease incentives is booked up to the break date.

Interest income

Interest income is recognised as it accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument).

Service charges

Service charge income receivable is not treated as revenue; rather, it is set off against the direct costs to which such income relates.

(h) ***Leases***

Group as lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

(i) ***Income tax***

Current income tax

Current income tax assets and liabilities are measured at the reporting date at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Certain subsidiaries may be subject to foreign taxes in respect of foreign sources of income. The Company is UK resident for tax purposes.

Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred tax assets are only recognised to the extent that it is foreseeable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the year when the related asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(j) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(k) ***Investment properties***

Investment properties are properties owned by the Group which are held either for long-term rental income or for capital appreciation or both.

Investment properties are initially recognised at cost, including transaction costs when ownership of the property is transferred. Where recognition criteria are met the carrying amount includes subsequent costs to add to or replace part of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date.

Investment properties are derecognised when the risks and rewards of ownership of the asset are transferred to a third party.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the period in which they arise.

The fair value of the Group's investment properties at 30 September 2016 has been arrived at on the basis of a valuation carried out at that date by Cushman & Wakefield LLP (2016: Cushman & Wakefield LLP; 2015: Cushman & Wakefield LLP; 2014: Cushman & Wakefield LLP), an independent valuer. The valuations are in accordance with standards complying with the RICS' Red Book and the conceptual framework that has been settled by the IVSC.

The valuation is based upon assumptions including future rental income, anticipated maintenance costs and an appropriate discount rate. The properties are valued on the basis of a ten year discounted cash flow model supported by comparable evidence. The discounted cash flow calculation is a valuation of rental income considering non-recoverable costs and applying a discount rate for the current income risk over a ten year period. After ten years a determining residual value (exit scenario) is calculated. A capitalisation rate is applied to the more uncertain future income, discounted to present value.

(l) ***Disposals of investment property***

Investment property disposals are recognised in the financial information on the date of completion. Profit or losses arising on disposal of investment properties are calculated by reference to the most recent carrying value of the asset adjusted for subsequent capital expenditure.

(m) ***Investment properties held for sales***

Investment properties held for sale are separately disclosed at the assets fair value less the costs of selling the asset in accordance with IFRS 5. In order for an investment property held for sale to be recognised the following conditions must be met:

- the asset must be available for immediate sale in its present condition and location;
- the asset is being actively marketed;
- the asset's sale is expected to be completed within 12 months of classification as 'held for sale';
- there must be no expectation that the plan for selling the asset will be withdrawn or changed significantly; and
- the successful sale of the asset must be highly probable.

(n) ***Plant and equipment***

Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Depreciation is charged in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of the fixed assets. The estimated useful lives are as follows:

Plant and equipment – four to ten years

Fixtures and fittings – four years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(o) ***Goodwill***

Goodwill arising on consolidation represents the excess of the cost of the purchase consideration over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment, or more frequently when there is an indication that the business to which the goodwill applies may be impaired.

(p) ***Trade receivables***

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

(q) ***Treasury Shares***

Own equity instruments which are reacquired ("**Treasury Shares**") are deducted from equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's equity instruments.

(r) ***Share-based payments***

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(s) ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and in hand, demand deposits and other short-term, highly liquid investments with original maturities of three months or less that are

readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(t) ***Bank borrowings***

Interest-bearing bank loans and borrowings are initially recorded at fair value, net of direct issue costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(u) ***Trade payables***

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

(v) ***Equity instruments***

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(w) ***Dividends***

Dividend distributions to the Shareholders are recognised as a liability in the consolidated financial information in the period in which the dividends are approved by the Company's Board.

(x) ***Impairment excluding investment properties***

(i) *Financial assets*

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- excessive or persistent debtor ageing;
- a breach of contract, such as a default or delinquency in interest or principal payments; and
- it becomes probable that the debtor will enter bankruptcy or other financial reorganisation.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the statement of comprehensive income.

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**cash-generating unit**").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

(y) ***Compound financial instruments***

Compound financial instruments issued by the Group comprise convertible notes denominated in Euros that can be converted to share capital at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

(z) ***Standards effective in the period***

The accounting policies adopted are consistent with those of the previous financial year, except that the following new standard has been adopted in the current period:

Annual Improvements to IFRSs 2012–2014 Cycle.

The adoption of this has not had any significant impact on the amounts reported in the Group financial information.

(aa) *Standards and interpretations in issue and not yet effective*

IFRS 9 'Financial Instruments' – In November 2009 and October 2010, the IASB issued IFRS 9 'Financial Instruments', which represents part of a project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and to add new requirements to address the impairment of financial assets and hedge accounting. A final standard in relation to hedge accounting is now in issue. The IASB has tentatively set the effective date of IFRS 9 as periods beginning on or after 1 January 2018, it has

not yet had EU endorsement. The Group has yet to assess IFRS 9's full impact and will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB.

IFRS 15 'Revenue from Contracts with Customers' – In 2016, the IASB amended the standard to clarify application issues identified by stakeholders. The clarifications relate principally to identifying performance obligations, accounting for licences of intellectual property and agent vs principal considerations. A five step model will be applied to determine when to recognise revenue, and at what amount. Depending on whether certain criteria are met, revenue is recognised either over time, in a manner that best reflects the Group's performance, or at a point in time when control of the goods or services is transferred to the customer. The new standard requires both qualitative and quantitative disclosures detailing: contracts with customers, significant judgements and assets recognised from the costs to obtain or fulfil a contract with a customer. IFRS 15 will not be effective before 1 January 2018; however, early adoption is permitted. The Group may choose to adopt the new standard either retrospectively or through a cumulative effect adjustment as of the start of the first period for which it applies the new standard. The Group has yet to assess IFRS 15's full impact.

IFRS 16 'Leases' – In 2016, the IASB introduced a new leases standard, with the accounting treatment of leases by lessees fundamentally changing. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. As a result of the amendments, lessees will appear to become more asset rich but also more heavily indebted. Impacts are not limited to the balance sheet. There are also changes in accounting over the life of the lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay annual rents. Lessor accounting will remain similar to current practice, with lessors classifying leases as finance and operating leases. IFRS 16 will not be effective before 1 January 2019. The Group has yet to assess IFRS 16's full impact.

3. Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies, which are described in note 2, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial information:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties and therefore accounts for them as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of investment properties

The fair value of the Group's investment properties of €779.6 million (31 March 2016: €695.2 million; 31 March 2015: €550.0 million; 31 March 2014: €448.7 million) was determined by Cushman & Wakefield LLP (2016: Cushman & Wakefield LLP; 2015: Cushman & Wakefield LLP; 2014: Cushman & Wakefield LLP), an independent valuer. After adjusting investment properties for lease incentive accounting, Directors' write-downs on non-core assets and reclassification of investment properties held for sale, the value of investment properties is shown as €765.0 million (31 March 2016: €687.5 million; 31 March 2015: €545.6 million; 31 March 2014: €441.1 million).

The valuation is based upon assumptions including future rental income, anticipated maintenance costs and an appropriate discount rate. The properties are valued on the basis of a ten year discounted cash flow model supported by comparable evidence. The discounted cash flow calculation is a valuation of rental income considering non-recoverable costs and applying a discount rate for the current income risk over a ten year period. After ten years a determining residual value

(exit scenario) is calculated. A capitalisation rate is applied to the more uncertain future income, discounted to a present value.

The Directors also perform a review of the valuation and they have decided to reduce the value of three of the 42 properties from the Cushman & Wakefield LLP valuation, see note 13 for further details.

Service Charge

Service charge expenses are based on actual costs incurred and invoiced together with an estimate of costs to be invoiced in future periods. The estimates are based on expected consumption rates, historical trends and take into account market conditions at the time of recording.

Service charge income is based on service charge expense and takes into account recovery rates which are largely derived from estimated occupancy levels.

Deferred tax

Deferred tax is measured at rates prevailing at the balance sheet date. Such rates are subject to governmental changes that are outside the control of the entity.

Additionally, management has to assess the recoverability of deferred tax assets and certain assets are not recognised due to uncertainties over the timing and nature of future events that will lead to their realisation. Accordingly, these unrecognised assets may have an impact on future corporate tax changes in certain circumstances.

Impairment of goodwill

The Group is required to test on an annual basis whether goodwill has suffered any impairment. The assessment and quantification of any such impairment charges is determined by key management judgements in terms of:

- detailed short-term budgeting on which the recoverable amounts calculated are based;
- determining the medium and long-term growth rates that are used in extrapolating these budgets over the goodwill's indefinite useful economic life; and
- the discount rate applied to these extrapolated forecasts to calculate the present value of the cash flows.

LTIP

A new LTIP scheme for the benefit of the Executive Directors and the Senior Management Team was approved in October 2015. The fair value of the LTIP as determined at the grant date is expensed on a straight-line basis over the vesting and holding period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Assumptions considered in the valuation of the LTIP include: expected volatility of the Company's share price, as determined by calculating the historical volatility of the Company's share price over the historic period immediately prior to the date of grant and commensurate with the expected life of the awards; dividend yield based on the actual dividend yield as percentage of share price at the date of grant; expected life of the awards; risk-free rates; and correlation between comparators.

4. Operating segments

The Directors are of the opinion that the Group is engaged in a single segment of business, being property investment, trading and management in one geographical area, Germany. All rental income is derived from operations in Germany. There is no one tenant that represents more than 10 per cent. of Group revenues. The chief operating decision maker is considered to be the Board of Directors, which is provided with consolidated IFRS information on a quarterly basis.

5. Revenue

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Rental and other income from investment properties	45,065	45,394	55,790	25,869	**32,636**

Other income relates primarily to income associated with conferencing and catering.

6. Operating profit

The following items have been (credited)/charged in arriving at operating profit:

Direct costs

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Service charge income	(33,965)	(33,995)	(36,729)	(15,962)	**(18,184)**
Property and overhead costs	50,391	49,077	52,561	24,291	**27,084**
Irrecoverable property costs and overheads	16,426	15,082	15,832	8,329	**8,900**
Property management fee	93	–	–	–	**–**
	16,519	15,082	15,832	8,329	**8,900**

Administrative expenses

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Audit fee	352	409	535	288	**213**
Legal and professional fees	1,270	1,379	1,661	740	**779**
Other administration costs	1,186	907	1,491	681	**1,093**
LTIP	240	3,537	1,452	–	**2,152**
Non-recurring items	995	294	464	(58)	**804**
Administrative expenses	4,043	6,526	5,603	1,651	**5,041**

During the period fees of €184,000 (30 September 2015: €35,000; 31 March 2016: €20,000; 31 March 2015: €93,000; 31 March 2014: €112,000) were paid to auditors and their associates in respect of other non-audit services.

Non-recurring items relate primarily to costs associated with scrip dividends, aborted acquisitions and other non-recurring events or transactions. In the six months to 30 September 2016 an amount of €711,000 was accrued for in respect of services relating to market listing activity. It is expected that total costs relating to market listing activity will be in the region of €1,600,000.

Other operating expenses

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Directors' fees	142	171	170	85	**94**
Depreciation	995	893	634	293	**416**
Bank fees	84	88	113	62	**70**
Marketing and other expenses	1,077	1,261	1,282	568	**721**
Other operating expenses	2,298	2,413	2,199	1,008	**1,301**

7. Employee costs and numbers

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Wages and salaries	8,080	11,450	11,301	4,789	**6,921**
Social security costs	1,752	2,159	2,146	943	**1,286**
Other employment costs	25	49	58	29	**48**
	9,857	13,658	13,505	5,761	**8,255**

The costs for the period ended 30 September 2016 include those relating to Executive Directors and an accrual of €2,152,000 (30 September 2015: €nil; 31 March 2016: €1,452,000; 31 March 2015: €3,276,000; 31 March 2014: €nil) relating to the granting of shares under the LTIPs (see note 8).

All employees are employed directly by one of the following Group subsidiary companies: Sirius Facilities GmbH, Sirius Facilities (UK) Limited, Curris Facilities & Utilities Management GmbH, SFG NOVA GmbH and Sirius Corporate Services B.V. The average number of people employed by the Group during the period was 201 (30 September 2015: 188; 31 March 2016: 182; 31 March 2015: 169; 31 March 2014: 151), expressed in full-time equivalents. In addition, the Board of Directors consists of four Non-executive Directors (30 September 2015: four; 31 March 2016: three; 31 March 2015: four; 31 March 2014: five) and two Executive Directors (30 September 2015: two; 31 March 2016: two; 31 March 2015: two; 31 March 2014: two) as at 30 September 2016.

8. Employee schemes

Equity settled share based payments

A new LTIP for the benefit of the Executive Directors and the Senior Management Team was approved in October 2015. The fair value determined at the grant date is expensed on a straight-line basis over the vesting and holding period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Under the LTIP, the awards are granted in the form of whole shares at no cost to the participants. Shares vest after the three year performance period followed by a holding period. The performance conditions used to determine the vesting of the award are based on net asset value and total shareholder return allowing vesting of zero per cent. to a maximum of 125 per cent.. As a result, a maximum of 25,150,000 shares were granted, subject to performance criteria, under the scheme in December 2015 and an expense of €1,452,000 was recognised in the consolidated statement of comprehensive income to 31 March 2016.

A total of 1,300,000 shares were forfeited in the six month period to 30 September 2016. An expense of €2,152,000 was recognised in the statement of comprehensive income to 30 September 2016.

Movements in the number of shares outstanding and their weighted average exercise prices are as follows:

	Year ended 31 March 2016		Six months ended 30 September 2016	
	Number of shares	Weighted average exercise price €000	Number of shares	Weighted average exercise price €000
Balance outstanding as at the beginning of the period (nil exercisable)	–	–	**25,150,000**	–
Maximum granted during the period	25,150,000	–	**–**	–
Forfeited during the period	–	–	**(1,300,000)**	–
Exercised during the period	–	–	**–**	–
Balance outstanding as at the end of the period (nil exercisable)	**25,150,000**	**–**	**23,850,000**	**–**

The fair value per share was determined using the Monte-Carlo model, with the following assumptions used in the calculation as at grant date:

	31 March 2016
Weighted average share price – €	0.52
Weighted average exercise price – €	–
Expected volatility – %	20
Expected life – years	2.48
Risk-free rate based on European treasury bonds' rate of return – %	(0.11)
Expected dividend yield – %	3.41

Assumptions considered in the model include: expected volatility of the Company's share price, as determined by calculating the historical volatility of the Company's share price over the historic period immediately prior to the date of grant and commensurate with the expected life of the awards; dividend yield based on the actual dividend yield as a percentage of share price at the date of grant; expected life of the awards; risk-free rates; and correlation between comparators.

Employee benefit scheme

The original LTIP for the benefit of the Executive Directors and the Senior Management Team expired at the end of March 2015. As a result, a total of 3,471,200 Ordinary Shares were issued during the financial year to 31 March 2016 (30 September 2015: 3,471,200, 31 March 2015: 666,668, 31 March 2014: 1,000,000).

During the period 313,608 shares were issued to the Company's management through its Matching Share Plan ("**MSP**") and Ordinary Shares taken in lieu of bonus (30 September 2015: 38,709 shares, 31 March 2016: 134,918 shares, 31 March 2015: 870,279 shares, 31 March 2014: 2,703,093 shares).

A reconciliation of share-based payments and employee benefit schemes and their impact on the consolidated statement of changes in equity is as follows:

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Charge relating to original LTIP	240	226	1,625	1,625	**–**
Charge relating to MSP	663	280	50	–	**153**
Charge relating to new LTIP	–	–	1,452	–	**2,152**
Share-based payment transactions as per consolidated statement of changes in equity	903	506	3,127	1,625	**2,305**

9. Finance income and expense

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Bank interest income	64	42	45	29	**18**
Finance income	64	42	45	29	**18**
Bank loan interest expense	(10,879)	(11,060)	(9,945)	(5,462)	**(3,642)**
Amortisation of capitalised finance costs	(1,276)	(1,644)	(1,277)	(809)	**(583)**
Refinancing costs	–	–	(7,595)	(7,595)	**(922)**
Finance expense	(12,155)	(12,704)	(18,817)	(13,866)	**(5,147)**
Net finance expense	(12,091)	(12,662)	(18,772)	(13,837)	**(5,129)**

The refinancing costs on derecognition of the loans for the six months ended 30 September 2016 relate to the costs associated with the refinancing of the Berlin-Hannoversche Hypothekenbank AG/Deutsche Pfandbriefbank AG facility with the new €137 million loan facility. The refinancing costs for derecognition of the loans in the year ended 31 March 2016 relate to the costs associated with the refinancing of the Macquarie loan facilities with the new €59 million SEB AG loan facility.

10. Taxation

Consolidated statement of comprehensive income

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Current income tax					
Current income tax (charge)/credit	(538)	(564)	156	256	**(59)**
Adjustment in respect of prior periods	–	(267)	–	–	**81**
	(538)	(831)	156	256	**22**
Deferred tax					
Relating to origination and reversal of temporary differences	(1,564)	(4,820)	(2,727)	(441)	**(4,738)**
Relating to LTIP charge for the period	–	–	183	–	**84**
Income tax charge reported in the statement of comprehensive income	(2,102)	(5,651)	(2,388)	(185)	**(4,632)**

The effective income tax rate for the period differs from the standard rate of corporation tax in Germany of 15.825 per cent. (30 September 2015: 15.825 per cent.; 31 March 2016: 15.825 per cent.; 31 March 2015: 15.825 per cent.; 31 March 2014: 15.825 per cent.). The differences are explained below:

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Profit before tax	31,034	32,653	57,076	28,274	**37,509**
Profit before tax multiplied by the rate of corporation tax in Germany of 15.825%	4,911	5,167	9,032	4,474	**5,936**
Effects of:					
Deductible interest on internal financing	(3,232)	(3,575)	(5,467)	(2,534)	**(2,827)**
Non-deductible expenses	(43)	280	1,355	437	**640**
Tax losses utilised	(903)	(400)	(3,143)	(3,146)	**(692)**
Movement in property valuation losses for which no deferred tax asset is recognised	1,285	3,912	721	1,052	**1,749**
Relating to LTIP charge for the year	–	–	(183)	–	**(84)**
Adjustments in respect of prior periods	–	267	–	–	**(81)**
Other	84	–	73	(98)	**(9)**
Total income tax charge in the statement of comprehensive income	2,102	5,651	2,388	185	**4,632**

Deferred income tax liability

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Opening balance	2,636	4,200	9,020	**11,747**
Taxes on the revaluation of investment properties and derivative financial instruments*	1,564	4,820	2,727	**4,738**
Balance as at period end	4,200	9,020	11,747	**16,485**

* Movement refers to the revaluation of investment properties to fair value, the recognition of derivatives and adjustments for lease incentives (e.g. rent-free periods).

Deferred income tax asset

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Opening balance	–	–	–	**(183)**
Relating to LTIP charge for the year	–	–	(183)	**(84)**
Balance as at period end	–	–	(183)	**(267)**

The Group has tax losses of €252,002,000 (30 September 2015: €222,522,000; 31 March 2016: €235,682,000; 31 March 2015: €181,815,000; 31 March 2014: €166,412,000) that are available for offset against future profits of its subsidiaries in which the losses arose under the restrictions of the minimum taxation. Deferred tax assets have not been recognised in respect of the revaluation losses on investment properties and interest rate swaps as they may not be used to offset taxable profits

elsewhere in the Group as realisation is not assured. Deferred tax assets have been recognised in respect of the valuation of the Company LTIP.

On 1 May 2014, the Company relocated its tax residence from Guernsey to the United Kingdom. Although the Company continues to be a limited company registered in Guernsey, the migration in tax residence to the UK enables the Company to take advantage of recent reforms of the UK tax regime and allows future Board appointments to be made irrespective of their residence. Migration also allows the Company to hold Board and Shareholder meetings in the UK.

11. Earnings per share

The calculation of the basic, diluted, headline and adjusted earnings per share is based on the following data:

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Earnings					
Basic earnings	28,927	26,985	54,671	28,079	**32,862**
Diluted earnings	29,184	27,235	54,921	28,204	**32,862**
Headline earnings	9,458	5,176	13,582	1,785	**12,270**
Diluted headline earnings	9,708	5,426	13,832	1,910	**12,270**
Adjusted					
Basic earnings after tax	28,927	26,985	54,671	28,079	**32,862**
Deduct revaluation surplus, net of related tax	(21,156)	(20,539)	(41,089)	(26,362)	**(20,592)**
Add loss/deduct gain on sale of properties, net of related tax	1,687	(1,270)	–	68	**–**
Headline earnings after tax	9,458	5,176	13,582	1,785	**12,270**
Add/deduct change in fair value of derivative financial instruments, net of related tax	113	2,687	124	(495)	**86**
Add non-recurring items, net of related tax	1,235	3,831	9,329	7,537	**3,794**
Adjusted earnings after tax	10,806	11,694	23,035	8,827	**16,150**
Number of shares					
Weighted average number of Ordinary Shares for the purpose of basic and headline earnings per share	395,758,526	557,221,586	728,152,740	707,075,634	**803,512,009**
Weighted average number of Ordinary Shares for the purpose of diluted earnings and diluted headline earnings per share	416,591,859	578,054,919	770,534,539	727,908,968	**827,362,009**
Weighted average number of Ordinary Shares for the purpose of adjusted earnings per share	395,758,526	557,221,586	728,152,740	707,075,634	**803,512,009**
Basic earnings per share	7.31c	4.84c	7.51c	3.97c	**4.09c**
Diluted earnings per share	7.01c	4.71c	7.13c	3.87c	**3.97c**
Headline earnings per share	2.39c	0.93c	1.87c	0.25c	**1.53c**
Diluted headline earnings per share	2.33c	0.94c	1.80c	0.26c	**1.48c**
Adjusted earnings per share	2.73c	2.10c	3.16c	1.25c	**2.01c**
Adjusted diluted earnings per share	2.59c	2.02c	2.99c	1.21c	**1.95c**

Non-recurring items as stated within earnings per share can be reconciled with those stated within administrative expenses in note 6 as follows:

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Non-recurring items as per note 6	995	294	464	(58)	**804**
Finance restructuring costs	–	–	7,595	7,595	**922**
LTIP	240	3,537	1,452	–	**2,152**
Change in deferred tax assets	–	–	(183)	–	**(84)**
Non-recurring items as per note 11	1,235	3,831	9,329	7,537	**3,794**

The number of shares has been reduced by 1,062,058 shares (30 September 2015: 1,471,875 shares; 31 March 2016: 1,375,666 shares; 31 March 2015: 4,981,784 shares; 31 March 2014: 6,518,731 shares) that are held by the Company as Treasury Shares at 30 September 2016, for the calculation of basic, headline, adjusted and diluted earnings per share.

The weighted average number of shares for the purpose of adjusted earnings per share is calculated as follows:

	31 March 2014 Number of shares	31 March 2015 Number of shares	31 March 2016 Number of shares	(Unaudited) 30 September 2015 Number of shares	**30 September 2016 Number of shares**
Weighted average number of Ordinary Shares for the purpose of basic and headline earnings per share	395,758,526	557,221,586	728,152,740	707,075,634	**803,512,009**
Effect of conversion of convertible shareholder loan	20,833,333	20,833,333	22,261,799	20,833,334	**–**
Effect of grant of LTIP shares	–	–	20,120,000	–	**23,850,000**
Weighted average number of Ordinary Shares for the purpose of diluted earnings and diluted headline earnings per share	416,591,859	578,054,919	770,534,539	727,908,968	**827,362,009**

The Directors have chosen to disclose adjusted earnings per share in order to provide a better indication of the Group's underlying business performance; accordingly, it excludes the effect of non-recurring items, gains/losses on sale of properties, deferred tax and the revaluation deficits/surpluses on the investment properties and derivative financial instruments.

12. Net assets per share

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Net assets				
Net assets for the purpose of assets per share (assets attributable to the equity holders of the Company)	226,280	288,224	387,052	**450,833**
Deferred tax arising on revaluation of properties and LTIP valuation	4,200	9,020	11,564	**16,218**
Derivative financial instruments	(504)	2,249	2,571	**599**
Adjusted net assets attributable to equity holders of the Company	229,976	299,493	401,187	**467,650**
Number of shares				
Number of Ordinary Shares for the purpose of net assets per share	518,900,307	630,338,749	751,984,887	**840,769,233**
Net assets per share	43.61c	45.73c	51.47c	**53.62**
Adjusted net assets per share	44.32c	47.51c	53.35c	**55.62**

The number of shares has been reduced by 1,062,058 shares (31 March 2016: 1,375,666 shares; 31 March 2015: 4,981,784 shares; 31 March 2014: 6,518,731 shares) that are held by the Company as Treasury Shares at 30 September 2016, for the calculation of net assets and adjusted net assets per share.

13. Investment properties

Most of the Group's properties are pledged as security for loans obtained by the Group. See note 20 for details.

A reconciliation of the valuation carried out by the external valuer to the carrying values shown in the statement of financial position is as follows:

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Investment properties at market value	448,653	550,030	695,190	**779,590**
Adjustment in respect of lease incentives	(1,902)	(2,004)	(2,427)	**(2,820)**
Directors' impairment of non-core assets	(3,031)	(2,400)	(5,310)	**(5,910)**
Reclassified as investment properties held for sale	(2,633)	–	–	**(5,870)**
Balance as at period end	441,087	545,626	687,453	**764,990**

The fair value (market value) of the Group's investment properties at 30 September 2016 has been arrived at on the basis of a valuation carried out at that date by Cushman & Wakefield LLP (2016: Cushman & Wakefield LLP; 2015: Cushman & Wakefield LLP; 2014: Cushman & Wakefield LLP), an independent valuer. The adjustment in respect of lease incentives excludes those relating to assets that have been written down. Further details on the impact of lease incentives and the Directors' impairment are given in note 3.

The weighted average lease expiry remaining across the whole portfolio at 30 September 2016 was 2.6 years (31 March 2016: 2.6 years; 31 March 2015: 2.4 years; 31 March 2014: 2.6 years).

The movement on the valuation of the investment properties at market value as set out in the valuer's report is as follows:

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Total investment properties at market value as per valuer's report as at the beginning of the period	440,020	448,653	550,030	**695,190**
Additions	–	70,975	82,716	**50,801**
Subsequent expenditure	4,325	8,591	14,943	**7,236**
Disposals	(18,197)	(3,132)	–	**–**
Surplus on revaluation above capex	22,505	25,054	47,501	**26,363**
Reclassified as other fixed assets	–	(111)	–	**–**
Total investment properties at market value as per valuer's report as at the end of the period	448,653	550,030	695,190	**779,590**

The reconciliation of surplus on revaluation above capex as per the statement of comprehensive income is as follows:

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Surplus on revaluation above capex	22,505	25,054	47,501	**26,363**
Adjustment in respect of lease incentives	230	(102)	(423)	**(393)**
Changes in Directors' discretionary impairment of non-core asset valuations	–	473	(2,910)	**(600)**
Surplus on revaluation of investment properties reported in the statement of comprehensive income	22,735	25,425	44,168	**25,370**

Other than the capital commitments disclosed in note 27, the Group is under no contractual obligation to purchase, construct or develop any investment property. The Group is responsible for routine maintenance to the investment properties.

All investment properties are categorised as Level 3 fair values as they use significant unobservable inputs. There have not been any transfers between levels during the year. Investment properties have been classed according to their real estate sector. Information on these significant unobservable inputs per class of investment property is disclosed below:

As at 31 March 2014

Sector	**Market value (€)**	**Technique**	**Significant assumption**	**Range**
Business park	426,970,000	Discounted cash flow	Current rental income	€91k–€5,059k
			Market rental income	€372k–€6,041k
			Gross initial yield	2.2%–10.9%
			Discount factor	6.5%–11.8%
			Void period (months)	12–24
			Estimated capital value per sq. m.	€83–€815
Other	21,683,000	Discounted cash flow	Current rental income	€38k–€800k
			Market rental income	€56k–€928k
			Gross initial yield	6.2%–8.8%
			Discount factor	7.3%–11.0%
			Void period (months)	12–24
			Estimated capital value per sq. m.	€287–€840

As at 31 March 2015

Sector	Market value (€)	Technique	Significant assumption	Range
Business park	530,530,000	Discounted cash flow	Current rental income	€150k–€5,201k
			Market rental income	€399k–€6,039k
			Gross initial yield	3.5%–11.9%
			Discount factor	6.0%–12.0%
			Void period (months)	12–24
			Estimated capital value per sq. m.	€61–€900
Other	19,500,000	Discounted cash flow	Current rental income	€381k–€780k
			Market rental income	€470k–€884k
			Gross initial yield	7.8%–10.3%
			Discount factor	7.1%–7.9%
			Void period (months)	12–24
			Estimated capital value per sq. m.	€518–€778

As at 31 March 2016

Sector	Market value (€)	Technique	Significant assumption	Range
Business park	674,860,000	Discounted cash flow	Current rental income	€324k–€5,309k
			Market rental income	€424k–€6,034k
			Gross initial yield	4.6%–15.7%
			Discount factor	5.5%–12.0%
			Void period (months)	12–24
			Estimated capital value per sq. m.	€67–€1,318
Other	20,330,000	Discounted cash flow	Current rental income	€422k–€740k
			Market rental income	€466k–€884k
			Gross initial yield	7.4%–8.7%
			Discount factor	6.5%–7.8%
			Void period (months)	12–24
			Estimated capital value per sq. m.	€537–€806

As at 30 September 2016

Sector	Market value (€)	Technique	Significant assumption	Range
Business park	759,460,000	Discounted cash flow	Current rental income	**€406k–€5,441k**
			Market rental income	**€424k–€6,032k**
			Gross initial yield	**4.3%–16.0%**
			Discount factor	**5.1%–12.0%**
			Void period (months)	**12–24**
			Estimated capital value per sq. m	**€67–€1,332**
Other	20,130,000	Discounted cash flow	Current rental income	**€441k–€730k**
			Market rental income	**€467k–€884k**
			Gross initial yield	**6.5%–10.3%**
			Discount factor	**6.4%–7.9%**
			Void period (months)	**12–24**
			Estimated capital value per sq. m	**€512–€815**

The valuation is performed on a lease-by-lease basis due to the mixed-use nature of the sites. This gives rise to large ranges in the inputs.

As a result of the level of judgement used in arriving at the market valuations, the amounts which may ultimately be realised in respect of any given property may differ from the valuations shown in the statement of financial position.

For example, an increase in market rental values of 5 per cent. would lead to an increase in the fair value of the investment properties of €40,160,000 and a decrease in market rental values of 5 per cent. would lead to a decrease in the fair value of the investment properties of €40,120,000. Similarly, an increase in the discount rates of 0.25 per cent. would lead to a decrease in the fair value of the investment properties of €16,150,000 and a decrease in the discount rates of 0.25 per cent. would lead to an increase in the fair value of the investment properties of €16,020,000.

14. Investment properties held for sale

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Merseburg	–	–	–	**5,870**
Bremen Doetlingerstr. partial site	2,150	–	–	**–**
Bonn Siemensstr. land	186	–	–	**–**
Cottbus site	297	–	–	**–**
Balance as at period end	2,633	–	–	**5,870**

Investment properties held for sale at 30 September 2016 is €5.9 million (31 March 2016: €nil, 31 March 2015: €nil, 31 March 2014: €2.6 million) representing a non-core asset that was notarised for sale in the period. A loss of €1.1 million was recognised in the surplus on revaluation of investment properties within the consolidated statement of comprehensive income in the period. See note 30 for details of a disposal of a non-income producing piece of land that was notarised post period end which has not been recognised as an investment property held for sale.

15. Plant and equipment

	Plant and equipment €000	Fixtures and fittings €000	Total €000
Cost			
As at 31 March 2013	4,129	1,709	5,838
Additions in year	129	317	446
Disposals in year	(65)	(404)	(469)
As at 31 March 2014	4,193	1,622	5,815
Depreciation			
As at 31 March 2013	(2,248)	(1,052)	(3,300)
Charge for year	(656)	(339)	(995)
Disposals in year	42	272	314
As at 31 March 2014	(2,862)	(1,119)	(3,981)
Net book value as at 31 March 2014	1,331	503	1,834
Cost			
As at 31 March 2014	4,193	1,622	5,815
Additions in year	332	416	748
Disposals in year	(24)	(17)	(41)
As at 31 March 2015	4,501	2,021	6,522
Depreciation			
As at 31 March 2014	(2,862)	(1,119)	(3,981)
Charge for year	(667)	(226)	(893)
Disposals in year	24	6	30
As at 31 March 2015	(3,505)	(1,339)	(4,844)
Net book value as at 31 March 2015	996	682	1,678
Cost			
As at 31 March 2015	4,501	2,021	6,522
Additions in year	378	522	900
Disposals in year	–	(1)	(1)
As at 31 March 2016	4,879	2,542	7,421
Depreciation			
As at 31 March 2015	(3,505)	(1,339)	(4,844)
Charge for year	(429)	(205)	(634)
Disposals in year	–	–	–
As at 31 March 2016	(3,934)	(1,544)	(5,478)
Net book value as at 31 March 2016	945	998	1,943
Cost			
As at 31 March 2016	4,879	2,542	7,421
Additions in period	285	133	418
Disposals in period	(5)	(20)	(25)
As at 30 September 2016	**5,159**	**2,655**	**7,814**
Depreciation			
As at 31 March 2016	(3,934)	(1,544)	(5,478)
Charge for period	(307)	(109)	(416)
Disposals in period	3	5	8
As at 30 September 2016	**(4,238)**	**(1,648)**	**(5,886)**
Net book value as at 30 September 2016	**921**	**1,007**	**1,928**

16. Goodwill

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Opening balance	3,738	3,738	3,738	**3,738**
Additions	–	–	–	**–**
Impairment	–	–	–	**–**
Closing balance	3,738	3,738	3,738	**3,738**

On 30 January 2012 a transaction was completed to internalise the Asset Management Agreement which was previously held by a company external to the Group and, as a result of the consideration given exceeding the net assets acquired, goodwill of €3,738,000 was recognised. Current business plans indicate that the balance is unimpaired.

Goodwill is tested at least annually for impairment and whenever there are indications that goodwill might be impaired. The recoverable amount of a cash-generating unit is based on its value in use. Value in use is the present value of the projected cash flows of the cash-generating unit. The key assumptions regarding the value-in-use calculations were budgeted growth in revenue and the discount rate applied. Budgeted profit margins were estimated based on actual performance over the past two financial years and expected market changes. The discount rate used is a pre-tax rate and reflects the risks specific to the real estate industry. The Group prepares cash flow forecasts based on the most recent financial budget approved by management, which covers a one year period. Cash flows beyond this period are extrapolated to a period of five years using a revenue growth rate of 2.0 per cent., which is consistent with the long-term average growth rate for the real estate sector. A discount rate of 6.8 per cent. and terminal value of 4.78 per cent. was applied in the impairment review. A discount rate of 10.2 per cent. would be required for the carrying value of goodwill to be greater than the fair value. A negative revenue growth rate of 1.3 per cent. would be required for the carrying value of goodwill to be greater than the fair value.

17. Trade and other receivables

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Trade receivables	4,545	3,591	3,069	**1,808**
Other receivables	6,652	5,532	6,368	**5,265**
Prepayments	1,570	325	2,499	**1,503**
Related party receivable	181	–	–	**–**
Balance as at period end	12,948	9,448	11,936	**8,576**

Other receivables include lease incentives of €3,111,000 (31 March 2016: €2,757,000; 31 March 2015: €2,015,000; 31 March 2014: €1,918,000).

18. Cash and cash equivalents

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Cash at bank and in hand	13,747	20,137	19,874	**24,747**
Balance as at period end	13,747	20,137	19,874	**24,747**

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash as at 30 September 2016 is €24,747,000 (31 March 2016: €19,874,000; 31 March 2015: €20,137,000; 31 March 2014: €13,747,000).

As at 30 September 2016 €11,462,000 (31 March 2016: €10,858,000; 31 March 2015: €10,073,000; 31 March 2014: €6,735,000) of cash is held in blocked accounts. Included in blocked accounts is deposits received from tenants, cash held in escrow as requested by a supplier, restricted accounts for office rent deposits, amounts reserved for future bank loan interest and amortisation payments, pursuant to certain of the Group's banking facilities, and an amount reserved for future capital expenditure.

19. Trade and other payables

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Trade payables	5,318	5,001	6,960	**4,483**
Accrued expenses	6,983	9,712	9,305	**9,568**
Accrued interest	707	692	530	**1,564**
Other payables	7,972	10,457	12,746	**12,148**
Balance as at period end	20,980	25,862	29,541	**27,763**

20. Interest-bearing loans and borrowings

	Effective interest rate %	Maturity	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Current						
Deutsche Genossenschafts-Hypothekenbank AG						
– fixed rate facility	1.59	31 March 2021	–	–	320	**320**
Bayerische Landesbank						
– hedged floating rate facility	Hedged[1]	19 October 2020	–	–	508	**508**
SEB AG						
– fixed rate facility	1.84	1 September 2022	–	–	1,180	**1,180**
Berlin-Hannoversche Hypothekenbank AG/ Deutsche Pfandbriefbank AG						
– floating rate facility	Floating[2]	27 April 2023	1,150	1,150	1,437	**1,063**
– fixed rate facility	1.66	27 April 2023	1,150	1,150	1,437	**2,394**
Berlin-Hannoversche Hypothekenbank AG						
– fixed rate facility	2.85	31 December 2019	–	720	756	**828**
– fixed rate facility	1.32	31 December 2019	–	–	–	**112**
Macquarie Bank Limited						
– hedged floating rate facility	Hedged[3]	17 January 2017	529	555	–	**–**
– floating rate facility	Floating[3]	17 January 2017	183	158	–	**–**
– floating rate facility	Floating[4]	17 January 2017	325	325	–	**–**
K-Bonds I						
– fixed rate facility	6.00	31 July 2020	1,000	1,000	1,000	**1,000**
Capitalised finance charges on all loans			(1,524)	(1,756)	(996)	**(1,201)**
			2,813	3,302	5,642	**6,204**
Non-current						
Deutsche Genossenschafts-Hypothekenbank AG						
– fixed rate facility	1.59	31 March 2021	–	–	14,680	**14,520**
Bayerische Landesbank						
– hedged floating rate facility	Hedged[1]	19 October 2020	–	–	24,621	**24,367**
SEB AG						
– fixed rate facility	1.84	1 September 2022	–	–	57,230	**56,640**
Berlin-Hannoversche Hypothekenbank AG/ Deutsche Pfandbriefbank AG						
– floating rate facility	Floating[2]	27 April 2023	56,350	55,200	53,763	**40,906**
– fixed rate facility	1.66	27 April 2023	56,350	55,200	53,763	**91,138**
Berlin-Hannoversche Hypothekenbank AG						
– fixed rate facility	2.85	31 December 2019	–	35,100	34,344	**33,912**
– fixed rate facility	1.32	31 December 2019	–	–	–	**4,341**
Macquarie Bank Limited						
– hedged floating rate facility	Hedged[3]	17 January 2017	19,471	19,445	–	**–**
– floating rate facility	Floating[3]	17 January 2017	6,728	5,538	–	**–**
– floating rate facility	Floating[4]	17 January 2017	31,815	29,793	–	**–**
K-Bonds I						
– fixed rate facility	4.00	31 July 2023	45,000	45,000	45,000	**45,000**
– fixed rate facility	6.00	31 July 2020	6,000	5,000	4,000	**3,000**
Convertible fixed rate facility	5.00	21 March 2018	5,000	5,000	5,000	**–**
Capitalised finance charges on all loans			(4,643)	(3,796)	(4,053)	**(5,807)**
			222,071	251,480	288,348	**308,017**
Total			224,884	254,782	293,990	**314,221**

1 This facility is hedged with a swap charged at a rate of 1.66 per cent..

2 Tranche 2 of this facility is charged with a floating rate of 1.57 per cent. over three month EURIBOR (not less than 0 per cent.) for the full term of the loan.

3 €20.0 million of this facility was charged interest at 6.0 per cent. plus 0.629 per cent. by means of an interest rate swap. The remainder of the facility was charged interest at 6.0 per cent. plus three months' EURIBOR. This facility was paid in full through refinancing with the SEB AG loan on 15 September 2015.

4 This facility was charged interest at 6.0 per cent. plus three months' EURIBOR. This facility was paid in full through refinancing with the SEB AG loan on 15 September 2015.

The borrowings are repayable as follows:

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
On demand or within one year	4,337	5,058	6,639	**7,405**
In the second year	4,337	59,407	12,358	**7,588**
In the third to tenth years inclusive	222,378	195,869	280,042	**306,236**
Total	231,052	260,334	299,039	**321,229**

The Group has pledged 36 (31 March 2016: 33; 31 March 2015: 29; 31 March 2014: 26) investment properties to secure related interest-bearing debt facilities granted to the Group. The 36 (31 March 2016: 33; 31 March 2015: 29; 31 March 2014: 26) properties had a combined valuation of €696,302,000 as at 30 September 2016 (31 March 2016: €635,413,000; 31 March 2015: €527,075,000; 31 March 2014: €430,267,000).

Deutsche Genossenschafts-Hypothekenbank AG

On 24 March 2016, the Group agreed to a facility agreement with Deutsche Genossenschafts-Hypothekenbank AG for €16 million. As at 31 March 2016 tranche 1 had been drawn down in full totalling €15 million. The loan terminates on 31 March 2021. Amortisation is 2 per cent. per annum. with the remainder of the loan due in the fifth year. The facility is charged a fixed interest rate of 1.59 per cent.. The facility is secured over one property asset and is subject to various covenants with which the Group has complied.

Bayerische Landesbank

On 20 October 2015, the Group agreed to a facility agreement with Bayerische Landesbank for €25.4 million. The loan terminates on 19 October 2020. Amortisation is 2 per cent. per annum. with the remainder due in the fourth year. The full facility has been hedged at a rate of 1.66 per cent. until 19 October 2020 by way of an interest rate swap. The facility is secured over four property assets and is subject to various covenants with which the Group has complied.

SEB AG

On 2 September 2015, the Group agreed to a facility agreement with SEB AG for €59 million to refinance the two existing Macquarie facilities. The loan terminates on 1 September 2022. Amortisation is 2 per cent. per annum with the remainder due in the seventh year. The facility is charged a fixed interest rate of 1.84 per cent.. This facility is secured over 12 of the 14 property assets previously financed through the Macquarie facilities, thereby two non-core assets were unencumbered in the refinancing process. The facility is subject to various covenants with which the Group has complied.

Berlin-Hannoversche Hypothekenbank AG/Deutsche Pfandbriefbank AG

On 31 March 2014, the Group agreed to a facility agreement with Berlin-Hannoversche Hypothekenbank AG and Deutsche Pfandbriefbank AG for €115 million. The loan terminates on 31 March 2019. Amortisation is 2 per cent. per annum for the first two years, 2.5 per cent. for the third year and 3 per cent. thereafter, with the remainder due in the fifth year. Half of the facility (€55.2 million) is charged interest at 3.2 per cent. plus three months' EURIBOR and is capped at 4.5 per cent., and the other half (€55.2 million) has been hedged at a rate of 4.265 per cent. until 31 March 2019. This facility is secured over nine property assets and is subject to various covenants with which the Group has complied.

On 28 April 2016, the Group agreed to a facility agreement with Berlin-Hannoversche Hypothekenbank AG/Deutsche Pfandbriefbank AG to refinance its existing loan that had an outstanding balance of €110.4 million at 31 March 2016. The new facility is split in two tranches totalling €137 million and terminates on 27 April 2023. Tranche 1, totalling €94.5 million is charged at a fixed interest rate of 1.66 per cent. for the full term of the loan. Tranche 2, totalling €42.5 million is charged with a floating rate of 1.57 per cent. over three month EURIBOR (not less than 0 per cent.) for the full term of the loan. Amortisation is set at 2.5 per cent. across the full facility with the remainder due in one instalment on the final maturity date. The facility is secured over 11 property assets and is subject to various covenants with which the Group has complied.

Berlin-Hannoversche Hypothekenbank AG

On 15 December 2014, the Group agreed to a facility agreement with Berlin-Hannoversche Hypothekenbank AG for €36 million. The loan terminates on 31 December 2019. Amortisation is 2 per cent. per annum for the first two years, 2.4 per cent. for the third year and 2.8 per cent. thereafter, with the remainder due in the fifth year. The facility is charged a fixed interest rate of 2.85 per cent.. This facility is secured over three property assets and is subject to various covenants with which the Group has complied.

On 28 April 2016, the Group agreed to a facility agreement with Berlin-Hannoversche Hypothekenbank AG to add an additional tranche to the existing loan that had an outstanding balance of €35.1 million at 31 March 2016. The additional tranche of €4.5 million brings the total loan to €39.6 million. The maturity of the additional loan tranche is coterminous with the existing loan at 31 December 2019. Amortisation is 2.5 per cent. per annum with the remainder due at maturity. The additional loan tranche is charged with a fixed interest rate of 1.32 per cent. for the full term of the loan. The original facility agreement has been amended to include one previously unencumbered property asset located in Würselen. The terms of the original loan are unchanged and the loan continues to be subject to various covenants with which the Group has complied.

Macquarie Bank Limited

On 17 January 2013, the Group agreed to a facility agreement with Macquarie Bank Limited for €28.5 million. The loan was to terminate on 17 January 2017. Amortisation was set at 2.5 per cent. per annum for the first three years, with the remainder due in the fourth year. The facility was subject to a cash sweep each quarter whereby Macquarie swept the rent collection accounts of the facilities' borrowers applying any excess towards the loan balance with immediate effect and without penalty. €20 million of the facility was hedged at a rate of 6.629 per cent. until 23 July 2016 by way of an interest rate swap. The remainder of the facility was charged interest at 6 per cent. plus three months' EURIBOR. This facility was secured over five property assets and was subject to various covenants with which the Group complied. The facility was paid back in full through refinancing with the SEB loan on 15 September 2015.

On 13 December 2013, the Group agreed to a second facility agreement with Macquarie Bank Limited for €32.5 million. The loan was to terminate on 17 January 2017. Amortisation was set at 1 per cent. per annum for the first three years, subject to meeting an agreed business plan, with the remainder due in the fourth year. The business plan was tested quarterly in arrears and if the business plan numbers were not achieved, Macquarie had the option to sweep the facilities' borrowers' rent collection accounts applying any excess towards the loan balance with immediate effect and without penalty. The facility was charged interest at 6 per cent. plus three months' EURIBOR. This facility was secured over nine property assets and was subject to various covenants with which the Group has complied. The facility was paid back in full through refinancing with the SEB loan on 15 September 2015.

K-Bonds

On 1 August 2013, the Group agreed to a facility agreement with K-Bonds for €52 million. The loan consists of a senior tranche of €45 million and a junior tranche of €7 million. The senior tranche has a fixed interest rate of 4 per cent. per annum and is due in one sum on 31 July 2023. The junior tranche has a fixed interest rate of 6 per cent. and terminates on 31 July 2020. The junior tranche is amortised at €1 million per annum over a seven year period. This facility is secured over four properties and is subject to various covenants with which the Group has complied.

Convertible shareholder loan

On 22 March 2013, the Company issued €5.0 million convertible loan notes due in 2018 (the "**Convertible Loan Notes**"). The entire issue of €5.0 million has been taken up by the Karoo Investment Fund S.C.A. SICAV-SIF and Karoo Investment Fund II S.C.A. SICAV-SIF. The Convertible Loan Notes were issued at par and carried a coupon rate of 5 per cent. per annum. The majority of the proceeds from the issue of the Convertible Loan Notes were used to reduce debt levels.

On 23 June 2016, the Company announced that the Karoo Investment Fund S.C.A. SICAV-SIF served notice to convert its Convertible Loan Notes in full into, in aggregate, 22,814,731 new Ordinary Shares at the conversion price of €0.22 per Ordinary Share. Following the conversion on 23 June 2016 and the subsequent admission of the shares to AIM on 28 June 2016, the overall issued share

capital was 832,779,058 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 831,717,000.

A summary of the Group's debt covenants is set out below:

	Outstanding at 30 September 2016 €000	Property values at 30 September 2016 €000	LTV ratio at 30 September 2016	LTV covenant at 30 September 2016	Interest cover ratio at 30 September 2016	Debt service cover ratio at 30 September 2016	Cover ratio covenant at 30 September 2016
Deutsche Genossenschafts-Hypothekenbank AG	14,840	25,280	58.7%	68.0%	n/a	1.67	1.25
Bayerische Landesbank	24,875	54,764	45.4%	65.0%	n/a	4.17	2.50
SEB AG	57,820	124,029	46.6%	60.0%	6.88	n/a	5.20
Berlin-Hannoversche Hypothekenbank AG/ Deutsche Pfandbriefbank AG	135,501	312,047	43.4%	62.5%	n/a	2.42	1.50
Berlin-Hannoversche Hypothekenbank AG	39,193	85,752	45.7%	60.0%	n/a	2.58	1.40
K-Bonds I	49,000	94,430	51.9%	n/a	4.05	n/a	2.50
Unencumbered properties	–	74,558	n/a				
Total	321,229	770,860	41.7%				

21. Financial risk management objectives and policies

The Group's principal financial liabilities comprise bank loans, derivative financial instruments and trade payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets, such as trade receivables and cash, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, market risk and interest rate risk.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The risk management policies employed by the Group to manage these risks are discussed below. In the event of a default by an occupational tenant, the Group will suffer a rental shortfall and incur additional costs, including expenses incurred to try and recover the defaulted amounts and legal expenses in maintaining, insuring and marketing the property until it is re-let. During the year, the Group monitored the tenants in order to anticipate and minimise the impact of defaults by occupational tenants, as well as to ensure that the Group has a diversified tenant base.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Trade receivables	4,545	3,591	3,069	**1,808**
Other receivables	6,833	5,532	6,368	**5,265**
Derivative financial instruments	678	73	19	**–**
Cash and cash equivalents	13,747	20,137	19,874	**24,747**
	25,803	29,333	29,330	**31,820**

The ageing of trade receivables at the statement of financial position date was:

Group	Gross 31 March 2014 €000	Impairment 31 March 2014 €000	Gross 31 March 2015 €000	Impairment 31 March 2015 €000	Gross 31 March 2016 €000	Impairment 31 March 2016 €000	**Gross 30 September 2016 €000**	**Impairment 30 September 2016 €000**
Past due 0–30 days	4,466	(1,057)	3,684	(1,214)	3,613	(1,422)	**575**	**(91)**
Past due 31–120 days	1,268	(658)	1,736	(892)	485	(334)	**530**	**(399)**
More than 120 days	2,571	(2,045)	1,914	(1,637)	3,303	(2,576)	**3,981**	**(2,788)**
	8,305	(3,760)	7,334	(3,743)	7,401	(4,332)	**5,086**	**(3,278)**

The movement in the allowance for impairment in respect of trade receivables during the period was as follows:

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Balance as at the beginning of the period	(4,032)	(3,760)	(3,743)	**(4,332)**
Impairment loss released/(recognised)	272	17	(589)	**1,054**
Balance as at the end of the period	(3,760)	(3,743)	(4,332)	**(3,278)**

The allowance account for trade receivables is used to record impairment losses unless the Group believes that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

Most trade receivables are generally due one month in advance. The exception is service charge balancing billing, which is due ten days after it has been invoiced. Included in the Group's trade receivables are debtors with carrying amounts of €1,808,000 (31 March 2016: €3,069,000; 31 March 2015: €3,591,000; 31 March 2014: €4,545,000) that are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the objective of minimising such losses, such as maintaining sufficient cash and other highly liquid current assets and having available an adequate amount of committed credit facilities. The Group prepares cash flow forecasts and continually monitors its ongoing commitments compared to available cash. Cash and cash equivalents are placed with financial institutions on a short-term basis which allows immediate access. This reflects the Group's desire to maintain a high level of liquidity in order to meet any unexpected liabilities that may arise due to the current financial position. Similarly, accounts receivable are due either in advance (e.g. rents and recharges) or within ten days (e.g. service charge reconciliations), further bolstering the Group's liquidity level.

The tables below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year ended 31 March 2014	**Bank and shareholder loans €000**	**Derivative financial instruments €000**	**Trade and other payables €000**	**Total €000**
Undiscounted amounts payable in:				
Six months or less	(8,094)	(260)	(20,980)	(29,334)
Six months to one year	(7,011)	(256)	–	(7,267)
One to two years	(14,905)	(508)	–	(15,413)
Two to five years	(196,958)	(1,267)	–	(198,225)
Five to ten years	(54,900)	–	–	(54,900)
	(281,868)	(2,291)	(20,980)	(305,139)
Interest	50,816	2,291	–	53,107
	(231,052)	–	(20,980)	(252,032)

Year ended 31 March 2015	Bank and shareholder loans €000	Derivative financial instruments €000	Trade and other payables €000	Total €000
Undiscounted amounts payable in:				
Six months or less	(8,652)	(361)	(25,862)	(34,875)
Six months to one year	(7,590)	(358)	–	(7,948)
One to two years	(69,646)	(641)	–	(70,287)
Two to five years	(166,035)	(1,108)	–	(167,143)
Five to ten years	(52,020)	–	–	(52,020)
	(303,943)	(2,468)	(25,862)	(332,273)
Interest	43,609	2,468	–	46,077
	(260,334)	–	(25,862)	(286,196)

Year ended 31 March 2016	Bank and shareholder loans €000	Derivative financial instruments €000	Trade and other payables €000	Total €000
Undiscounted amounts payable in:				
Six months or less	(8,357)	(435)	(29,541)	(38,333)
Six months to one year	(7,318)	(428)	–	(7,746)
One to two years	(21,153)	(840)	–	(21,993)
Two to five years	(198,257)	(1,015)	–	(199,272)
Five to ten years	(103,064)	–	–	(103,064)
	(338,149)	(2,718)	(29,541)	(370,408)
Interest	39,110	2,718	–	41,828
	(299,039)	–	(29,541)	(328,580)

Period ended 30 September 2016	Bank and shareholder loans €000	Derivative financial instruments €000	Trade and other payables €000	Total €000
Undiscounted amounts payable in:				
Six months or less	**(6,685)**	**(78)**	**(27,763)**	**(34,526)**
Six months to one year	**(7,696)**	**(77)**	**–**	**(7,773)**
One to two years	**(14,386)**	**(153)**	**–**	**(14,539)**
Two to five years	**(108,707)**	**(376)**	**–**	**(109,083)**
Five to ten years	**(221,883)**	**–**	**–**	**(221,883)**
	(359,357)	**(684)**	**(27,763)**	**(387,804)**
Interest	**38,128**	**684**	**–**	**38,812**
	(321,229)	**–**	**(27,763)**	**(348,992)**

Currency risk

There is no significant foreign currency risk as most of the assets and liabilities of the Group are maintained in Euros. Small amounts of Pounds Sterling and South African Rand are held to ensure payments made in UK Pounds Sterling and South African Rand can be achieved at an effective rate.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's long-term floating rate debt obligations. The Group's policy is to mitigate interest rate risk by ensuring that a minimum of 80 per cent. of its total borrowing is at fixed or capped interest rates by taking out fixed rate loans or derivative financial instruments to hedge interest rate exposure, or interest rate caps.

A change in interest will only have an impact on the floating loans capped due to the fact that the other loans have a general fixed interest or they are effectively fixed by a swap. An increase in 100 basis points in interest rate would result in a decreased post tax profit in the consolidated statement of comprehensive income of €421,000 (excluding the movement on derivative financial

instruments) and a decrease in 100 basis points in interest yield would result in an increased post tax profit in the consolidated statement of comprehensive income of €421,000 (excluding the movement on derivative financial instruments).

Market risk

The Group's activities are within the real estate market, exposing it to very specific industry risks.

The yields available from investments in real estate depend primarily on the amount of revenue earned and capital appreciation generated by the relevant properties as well as expenses incurred. If properties do not generate sufficient revenues to meet operating expenses, including debt service and capital expenditure, the Group's revenue will be adversely affected.

Revenues from properties may be adversely affected by the general economic climate; local conditions, such as oversupply of properties or a reduction in demand for properties in the market in which the Group operates; the attractiveness of the properties to the tenants; the quality of the management; competition from other available properties; and increased operating costs.

In addition, the Group's revenue would be adversely affected if a significant number of tenants were unable to pay rent or its properties could not be rented on favourable terms. Certain significant expenditures associated with each equity investment in real estate (such as external financing costs, real estate taxes and maintenance costs) are generally not reduced when circumstances cause a reduction in revenue from properties. By diversifying in product, risk categories and tenants, the Group expects to lower the risk profile of the portfolio.

Capital management

The Group seeks to enhance shareholder value both by investing in the business so as to improve the return on investment and by managing the capital structure.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to Shareholders, issue shares or undertake transactions such as those that occurred with the internalisation of the Asset Management Agreement.

The Company holds 1,062,058 of its own shares which continue to be held as Treasury Shares. During the period 313,608 shares were issued from treasury and no shares were bought back.

The Group monitors capital using a gross debt to property assets ratio, which was 41.7 per cent. as at 30 September 2016 (31 March 2016: 42.8 per cent.; 31 March 2015: 46.8 per cent.; 31 March 2014: 50.9 per cent.).

The Group is not subject to externally imposed capital requirements other than those related to the covenants of the bank loan facilities.

22. Financial instruments

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial information:

	31 March 2014		31 March 2015		31 March 2016		30 September 2016	
	Carrying amount €000	Fair value €000	Carrying amount €000	Fair value €000	Carrying amount €000	Fair value €000	Carrying amount €000	Fair value €000
Financial assets								
Cash	13,747	13,747	20,137	20,137	19,874	19,874	**24,747**	**24,747**
Trade receivables	4,545	4,545	3,591	3,591	3,069	3,069	**1,808**	**1,808**
Derivative financial instruments	678	678	73	73	19	19	**–**	**–**
Financial liabilities								
Trade payables	5,318	5,318	5,001	5,001	6,960	6,960	**4,483**	**4,483**
Derivative financial instruments	174	174	2,322	2,322	2,590	2,590	**599**	**599**
Interest-bearing loans and borrowings:								
Floating rate borrowings	39,051	39,051	35,814	35,814	–	–	**41,969**	**41,969**
Floating rate borrowings – hedged*	77,500	77,500	76,350	76,350	80,329	80,329	**24,875**	**24,875**
Floating rate borrowings – capped*	57,500	57,500	56,350	56,350	55,200	55,200	**–**	**–**
Fixed rate borrowings	57,000	56,312	91,820	91,094	163,510	166,570	**254,385**	**256,458**

* The Group holds interest rate swap contracts and cap contracts designed to manage the interest rate and liquidity risks of expected cash flows of its borrowings with the variable rate facility with Bayerische Landesbank. Please refer to note 20 for details of swap and cap contracts.

Fair value hierarchy

The table below analyses financial instruments measured at fair value into a fair value hierarchy based on the valuation technique used to determine fair value:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
31 March 2014				
Derivative financial instruments	–	504	–	504
Fixed rate borrowings	–	(56,312)	–	(56,312)
Floating rate borrowings	–	(174,051)	–	(174,051)
31 March 2015				
Derivative financial instruments	–	(2,249)	–	(2,249)
Fixed rate borrowings	–	(91,094)	–	(91,094)
Floating rate borrowings	–	(168,514)	–	(168,514)
31 March 2016				
Derivative financial instruments	–	(2,571)	–	(2,571)
Fixed rate borrowings	–	(166,570)	–	(166,570)
Floating rate borrowings	–	(135,529)	–	(135,529)
30 September 2016				
Derivative financial instruments	**–**	**(599)**	**–**	**(599)**
Fixed rate borrowings	**–**	**(256,458)**	**–**	**(256,458)**
Floating rate borrowings	**–**	**(66,844)**	**–**	**(66,844)**

Interest rate risk

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

31 March 2014	Within 1 year €000	1–2 years €000	2–3 years €000	3–4 years €000	4–5 years €000	5+ years €000	Total €000
Berlin-Hannoversche Hypothekenbank AG/ Deutsche Pfandbriefbank AG	(1,150)	(1,150)	(1,437)	(1,725)	(52,038)	–	(57,500)
Macquarie Bank Limited	(508)	(508)	(38,035)	–	–	–	(39,051)
Cash assets	13,747	–	–	–	–	–	13,747

31 March 2015	Within 1 year €000	1–2 years €000	2–3 years €000	3–4 years €000	4–5 years €000	5+ years €000	Total €000
Berlin-Hannoversche Hypothekenbank AG/ Deutsche Pfandbriefbank AG	(1,150)	(1,437)	(1,725)	(52,038)	–	–	(56,350)
Macquarie Bank Limited	(483)	(35,331)	–	–	–	–	(35,814)
Cash assets	20,137	–	–	–	–	–	20,137

31 March 2016	Within 1 year €000	1–2 years €000	2–3 years €000	3–4 years €000	4–5 years €000	5+ years €000	Total €000
Berlin-Hannoversche Hypothekenbank AG/ Deutsche Pfandbriefbank AG	(1,437)	(1,725)	(52,038)	–	–	–	(55,200)
Macquarie Bank Limited	–	–	–	–	–	–	–
Cash assets	19,874	–	–	–	–	–	19,874

30 September 2016	Within 1 year €000	1–2 years €000	2–3 years €000	3–4 years €000	4–5 years €000	5+ years €000	Total €000
Berlin-Hannoversche Hypothekenbank AG/ Deutsche Pfandbriefbank AG	**(1,063)**	**(1,063)**	**(1,063)**	**(1,063)**	**(1,063)**	**(36,654)**	**(41,969)**
Macquarie Bank Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Cash assets	**24,747**	**–**	**–**	**–**	**–**	**–**	**24,747**

The other financial instruments of the Group that are not included in the above tables are non-interest bearing or have fixed interest rates and are therefore not subject to interest rate risk.

23. Issued share capital

Authorised	Number of shares	Share capital €
Ordinary Shares of no par value	Unlimited	–
As at 30 September 2016	**Unlimited**	**–**

Issued and fully paid	Number of shares	Share capital €
Ordinary Shares of no par value		
As at 31 March 2013	317,578,176	–
Issued Ordinary Shares	197,619,038	–
Issued Treasury Shares	3,703,093	–
As at 31 March 2014	518,900,307	–
Issued Ordinary Shares	109,901,495	–
Issued Treasury Shares	1,536,947	–
As at 31 March 2015	630,338,749	–
Issued Ordinary Shares	118,040,020	–
Issued Treasury Shares	3,606,118	–
As at 31 March 2016	751,984,887	–
Issued Ordinary Shares	88,470,738	–
Issued Treasury Shares	313,608	–
As at 30 September 2016	**840,769,233**	**–**

Holders of the Ordinary Shares are entitled to receive dividends and other distributions and to attend and vote at any general meeting.

The following changes to the issued share capital of the Company have taken place between 31 March 2013 and 30 September 2016:

(a) Pursuant to an equity raise of €6.5 million on 12 August 2013, the Company issued 30,952,371 Ordinary Shares at an issue price of €0.21, resulting in the Company's overall issued share capital being 358,752,371 Ordinary Shares, of which 10,221,824 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 348,530,547.

(b) Pursuant to an issue of bonus shares and the Company's MSP scheme on 2 October 2013, the Company issued 2,703,093 Ordinary Shares out of treasury to the Company's two Executive Directors and the Group's senior management team. This resulted in the Company's overall issued share capital being 358,752,371 Ordinary Shares of which 7,518,731 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 351,233,640.

(c) On 4 December 2013, the Company issued 1,000,000 Ordinary Shares out of treasury to the Company's two Executive Directors pursuant to the Company's LTIP incentive scheme. This resulted in the Company's overall issued share capital being 358,752,371 Ordinary Shares of which 6,518,731 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 352,233,640.

(d) Pursuant to an equity raise of €40 million, the Company issued 166,666,667 Ordinary Shares at an issue price of €0.24 across the following dates: 4 December 2013 (157,933,334); 7 January 2014 (400,000); 21 January 2014 (250,000); and 26 March 2014 (8,083,333). This resulted in the Company's overall issued share capital being 525,419,038 Ordinary Shares of which 6,518,731 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 518,900,307.

(e) On 3 June 2014, the Company issued 114,285 Ordinary Shares out of treasury to one of the Company's Executive Directors pursuant to the Company's MSP scheme. This resulted in the Company's overall issued share capital being 525,419,038 Ordinary Shares of which 6,404,446 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 519,014,592.

(f) Pursuant to an issue of bonus shares on 7 July 2014, the Company issued 818,494 Ordinary Shares out of treasury to the Company's two Executive Directors and the Group's senior management team. This resulted in the Company's overall issued share capital being 525,419,038 Ordinary Shares of which 5,585,952 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 519,833,086.

(g) On 24 July 2014, the Company issued 666,668 Ordinary Shares out of treasury to the Company's two Executive Directors pursuant to the Company's LTIP incentive scheme. This resulted in the Company's overall issued share capital being 525,419,038 Ordinary Shares of which 4,919,284 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 520,499,754.

(h) Pursuant to a scrip dividend offering, the Company issued 1,575,641 Ordinary Shares at an issue price of €0.3445, resulting in the Company's overall issued share capital being 526,994,679 Ordinary Shares of which 4,919,284 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 522,075,395. The 1,575,641 Ordinary Shares were admitted to AIM on 29 August 2014.

(i) On 8 December 2014, the Company transferred 62,500 Ordinary Shares into treasury pursuant to the Company's MSP incentive scheme. This resulted in the Company's overall issued share capital being 526,994,679 Ordinary Shares of which 4,981,784 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 522,012,895.

(j) Pursuant to an equity raise of €40 million on 8 December 2014, the Company issued 105,263,158 Ordinary Shares at an issue price of €0.38, resulting in the Company's overall issued share capital being 632,257,837 Ordinary Shares of which 4,981,784 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date

was 627,276,053. The Company's secondary listing on the JSE became effective on 5 December 2014.

(k) Pursuant to a scrip dividend offering, the Company issued 3,062,696 Ordinary Shares at an issue price of €0.381, resulting in the Company's overall issued share capital being 635,320,533 Ordinary Shares of which 4,981,784 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 630,338,749. The 3,062,696 Ordinary Shares were admitted to AIM and AltX on 8 January 2015.

(l) On 10 June 2015, the Company issued 3,509,909 Ordinary Shares out of treasury to the Company's two Executive Directors pursuant to the Company's LTIP and MSP schemes. This resulted in the Company's overall issued share capital being 635,320,533 Ordinary Shares of which 1,471,875 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 633,848,658.

(m) Pursuant to an equity raise of €50 million on 15 June 2015, the Company issued 108,695,652 Ordinary Shares at an issue price of €0.46, resulting in the Company's overall issued share capital being 744,016,185 Ordinary Shares of which 1,471,875 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 742,544,310.

(n) Pursuant to a scrip dividend offering, the Company issued 3,866,356 Ordinary Shares at an issue price of €0.4869, resulting in the Company's overall issued share capital being 747,882,541 Ordinary Shares, of which 1,471,875 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 746,410,666. The 3,866,356 Ordinary Shares were admitted to AIM and AltX on 10 July 2015.

(o) On 26 November 2015, the Company issued 62,500 Ordinary Shares out of treasury to one of the Company's Executive Directors pursuant to the Company's MSP incentive scheme. This resulted in the Company's overall issued share capital being 747,882,541 Ordinary Shares of which 1,409,375 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 746,473,166.

(p) Pursuant to an issue of bonus shares on 26 November 2015, the Company issued 33,709 Ordinary Shares out of treasury to one of the Company's Executive Directors and some of the Group's senior management team. This resulted in the Company's overall issued share capital being 747,882,541 Ordinary Shares of which 1,357,666 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 746,506,875.

(q) Pursuant to a scrip dividend offering, the Company issued 5,478,012 Ordinary Shares at an issue price of €0.5178, resulting in the Company's overall issued share capital being 753,360,553 Ordinary Shares of which 1,375,666 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 751,984,887. The 5,478,012 Ordinary Shares were admitted to AltX on 20 January 2016 and to AIM on 21 January 2016.

(r) On 26 May 2016, the Company issued 313,608 Ordinary Shares out of treasury to the Company's two Executive Directors and some of the Group's senior management team pursuant to the Company's MSP incentive scheme. This resulted in the Company's overall issued share capital being 753,360,553 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 752,298,495.

(s) Pursuant to an equity raise of €30 million on 21 June 2016, the Company issued 56,603,774 Ordinary Shares at an issue price of €0.53, resulting in the Company's overall issued share capital being 809,964,327 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 808,902,269.

(t) On 23 June 2016, the Company announced that the Karoo Investment Fund S.C.A. SICAV-SIF served notice to convert its €5,000,000 Convertible Loan Notes due in 2018 in full into, in aggregate, 22,814,731 new Ordinary Shares at the conversion price of €0.22 per Ordinary Share. Following the conversion on 23 June 2016 and the subsequent admission of the Ordinary Shares to AIM on 28 June 2016, the overall issued share capital was 832,779,058 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 831,717,000.

(u) Pursuant to a scrip dividend offering, the Company issued 9,052,233 Ordinary Shares at an issue price of €0.4822, resulting in the Company's overall issued share capital being 841,831,291 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 840,769,233. The 9,052,233 Ordinary Shares were admitted to AIM and AltX on 15 July 2016.

The Company holds 1,062,058 of its own shares, which are held in treasury (31 March 2016: 1,375,666; 31 March 2015: 4,981,784; 31 March 2014: 6,518,731). During the period 313,608 shares were issued from treasury.

No shares were bought back in the period.

24. Other reserves

Other distributable reserve

The other distributable reserve was created for the payment of dividends and for the buyback of shares and is €460,013,000 in total at 30 September 2016 (31 March 2016: €429,094,000; 31 March 2015: €384,937,000; 31 March 2014: €349,978,000).

25. Dividends

In June 2014, the Company announced a dividend of 0.30c per share with a record date of 25 July 2014 and payable on 29 August 2014. On the record date, 525,419,038 shares were in issue, of which 4,981,784 were held in treasury and 520,437,254 were entitled to participate in the dividend. Holders of 180,938,053 shares elected to receive the dividend in ordinary shares under the scrip dividend alternative, representing a dividend of €543,000, while holders of 339,499,201 shares opted for a cash dividend with a value of €1,018,000. The total dividend was €1,561,000.

In November 2014, the Company announced a dividend of 0.77c per share with a record date of 28 November 2014 and payable on 31 December 2014. On the record date, 526,994,679 shares were in issue, of which 4,981,784 were held in treasury and 522,012,895 were entitled to participate in the dividend. Holders of 151,544,140 shares elected to receive the dividend in ordinary shares under the scrip dividend alternative, representing a dividend of €1,167,000, while holders of 370,468,755 shares opted for a cash dividend with a value of €2,853,000. The total dividend was €4,020,000.

In May 2015, the Company announced a dividend of 0.84c per share with a record date of 12 June 2015 and payable on 10 July 2015. On the record date, 635,320,533 shares were in issue, of which 1,471,875 were held in treasury and 633,848,658 were entitled to participate in the dividend. Holders of 223,849,004 shares elected to receive the dividend in ordinary shares under the scrip dividend alternative, representing a dividend of €1,899,000, while holders of 409,999,654 shares opted for a cash dividend with a value of €3,425,000. The total dividend was €5,324,000.

In November 2015, the Company announced a dividend of 0.92c per share with a record date of 18 December 2015 and payable on 20 January 2016. On the record date, 747,882,541 shares were in issue, of which 1,375,666 were held in treasury and 746,506,875 were entitled to participate in the dividend. Holders of 311,075,606 shares elected to receive the dividend in ordinary shares under the scrip dividend alternative, representing a dividend of €2,862,000, while holders of 435,431,269 shares opted for a cash dividend with a value of €3,920,000. The total dividend was €6,782,000.

In May 2016 the Company announced a dividend of 1.30c per share with a record date of 17 June 2016 and payable on 15 July 2016. On the record date, 753,360,553 shares were in issue, of which 1,062,058 were held in treasury and 752,298,495 were entitled to participate in the dividend. Holders of 334,125,185 shares elected to receive the dividend in ordinary shares under the scrip dividend alternative, representing a dividend of €4,344,000 while holders of 418,173,310 shares opted for a cash dividend with a value of €5,503,000. The total dividend was €9,847,000.

The Group's profit attributable to the equity holders of the Company for the period was €32.9 million (30 September 2015: €28.1 million; 31 March 2016: €54.7 million; 31 March 2015: €27.0 million; 31 March 2014: €28.9 million). The Board has declared an interim dividend of 1.39c per share for the period ended 30 September 2016, which was paid on 20 January 2017. The interim dividend represented 65 per cent. of FFO for the period ended 30 September 2016. It is intended that dividends will continue to be paid on a semi-annual basis and offered to Shareholders in cash or scrip form.

The dividend paid per the statement of changes in equity is the value of the cash dividend.

The dividend per share was calculated as follows:

	31 March 2014 €m	31 March 2015 €m	31 March 2016 €m	(Unaudited) 30 September 2015 €m	**30 September 2016 €m**
Reported profit before tax	31.0	32.7	57.1	28.3	**37.5**
Adjustments for:					
Surplus on revaluation	(22.7)	(25.4)	(44.2)	(27.0)	**(25.4)**
Gain of disposals	1.7	(1.3)	–	–	**–**
Non-recurring items	1.2	3.8	9.5	7.5	**3.9**
Change in fair value of financial derivatives	0.1	2.8	0.5	(0.2)	**0.1**
Recurring profit before tax	11.3	12.6	22.9	8.6	**16.1**
Adjustments for:					
Depreciation	1.0	0.9	0.6	0.3	**0.4**
Amortisation of financing fees	1.3	1.6	1.3	0.8	**0.6**
Impact of disposal assets	(0.2)	–	–	–	**–**
Surrender premium	(1.7)	–	–	–	**–**
Current taxes (incurred)/receivable (see note 10)	(0.5)	(0.8)	0.2	0.2	**–**
Funds from Operations, year ended 31 March	11.2	14.3	25.0	n/a	**n/a**
Funds from Operations, six months ended 30 September	5.9	6.2	9.9	9.9	**17.1**
Funds from Operations, six months ended 31 March	5.3	8.1	15.0	n/a	**n/a**
Dividend pool, six months ended 30 September	n/a	4.0[1]	6.9[3]	6.9[3]	**11.7**[3]
Dividend pool, six months ended 31 March	3.4[1]	5.3[1]	9.8[3]	n/a	**n/a**
DPS, six months ended 30 September	n/a	0.77c	0.92c	0.92c	**1.39c**
DPS, six months ended 31 March	0.30c[2]	0.84c	1.30c	n/a	**n/a**

1 Calculated as 65 per cent. of FFO.

2 Calculated as 65 per cent. of FFO for the quarter ended 31 March 2014 based on number of shares outstanding of 518,900,307.

3 Calculated as 65 per cent. of FFO of 2.13c per share (30 September 2015: 1.41c per share; 31 March 2016: 2.01c per share) based on average number of shares outstanding of 803,512,009 (30 September 2015: 707,075,634; 31 March 2016: 749,229,846).

26. Related parties

PCO Real Estate Asset Management Limited (formerly Principle Capital Sirius Real Estate Asset Management Limited), a significant Shareholder and the former asset manager of the Company, had an agreement to assist in the management and advise on the sale of the property at Bremen Holzhafen which expired in January 2014. No fees were paid since 31 March 2014 with fees being €93,000 in that year.

On 22 March 2013, the Company issued €5.0 million Convertible Loan Notes. The entire issue of €5.0 million was taken up by the Karoo Investment Fund S.C.A. SICAV-SIF and Karoo Investment Fund II S.C.A. SICAV-SIF both of which are advised by Wessel Hamman, a Non-executive Director of the Company. The Convertible Loan Notes were issued at par and carried a coupon rate of 5 per cent. per annum. The majority of the proceeds from the issue of the Convertible Loan Notes were used to reduce debt levels. On 23 June 2016, the Company announced that the Karoo Investment Fund S.C.A. SICAV-SIF served notice to convert its Convertible Loan Notes in full into, in aggregate, 22,814,731 new Ordinary Shares at the conversion price of €0.22 per Ordinary Share. Following the conversion on 23 June 2016 and the subsequent admission of the shares to AIM on 28 June 2016, the overall issued share capital was 832,779,058 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 831,717,000.

On 1 October 2013, Andrew Coombs and Alistair Marks, who are both Executive Directors, acquired 762,489 and 704,700 Ordinary Shares in the Company respectively pursuant to performance bonus agreements for the March 2014 financial year. The Executive Directors were liable to income tax and employee's national insurance contributions ("**NICs**") in respect of such acquisitions. To enable the Executive Directors to fund such income tax and NICs, the Company granted loans to Andrew Coombs in the amount of £78,000 (€94,000) and to Alistair Marks in the amount of £72,000 (€87,000). Both of these loans were repaid in March 2015. Interest on these loans was paid in full.

Key management personnel compensation

Fees paid to people or entities considered to be key management personnel of the Group during the year include:

	Year ended 31 March 2014 €000	Year ended 31 March 2015 €000	Year ended 31 March 2016 €000	(Unaudited) six months ended 30 September 2015 €000	**Six months ended 30 September 2016 €000**
Directors' fees	142	171	170	85	**94**
Salary and employee benefits	1,437	1,897	2,003	583	**966**
Share-based payments	380	2,966	1,359	–	**1,525**
	1,959	5,034	3,532	668	**2,585**
Property management fee	93	–	–	–	**–**
Total	2,052	5,034	3,532	668	**2,585**

The share-based payments relating to key management personnel for the period ended 30 September 2016 include an accrual of €1,525,000 (30 September 2015: €nil; 31 March 2016: €1,034,000; 31 March 2015: €2,575,000; 31 March 2014: €nil) for the granting or award of shares under LTIPs (see note 8).

27. Capital and other commitments

The Group's commitments derived from office rental contracts are as follows:

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Less than one year	356	388	497	**499**
Between one and five years	–	356	1,938	**1,938**
More than five years	–	–	727	**485**
	356	744	3,162	**2,922**

As at 30 September 2016, the Group had contracted capital expenditure on existing properties of €5,504,000 (31 March 2016: €4,636,000; 31 March 2015: €4,389,000; 31 March 2014: €4,067,000).

These were committed but not yet provided for in the financial information.

28. Operating lease arrangements

Group as lessor

All properties leased by the Group are under operating leases and the future minimum lease payments receivable under non-cancellable leases are as follows:

	31 March 2014 €000	31 March 2015 €000	31 March 2016 €000	**30 September 2016 €000**
Less than one year	37,728	42,302	51,669	**60,098**
Between one and five years	61,288	66,789	81,813	**96,737**
More than five years	16,140	12,674	24,467	**27,270**
	115,156	121,765	157,949	**184,105**

The Group leases out its investment properties under operating leases. Most operating leases are for terms of one to ten years.

29. List of subsidiary undertakings

The Group consists of 70 subsidiary companies. All subsidiaries are consolidated in full in accordance with International Financial Reporting Standards.

Company name	Country of incorporation	Ownership %
Curris Facilities & Utilities Management GmbH	Germany	100.00
DDS Aspen B.V.	Netherlands	100.00
DDS Bagnut B.V.	Netherlands	100.00
DDS Bramble B.V.	Netherlands	100.00
DDS Business Centers B.V.	Netherlands	100.00
DDS Conferencing & Catering GmbH	Germany	100.00
DDS Edelweiss B.V.	Netherlands	100.00
DDS Elm B.V.	Netherlands	100.00
DDS Fir B.V.	Netherlands	100.00
DDS Hawthorn B.V.	Netherlands	100.00
DDS Hazel B.V.	Netherlands	100.00
DDS Hyacinth B.V.	Netherlands	100.00
DDS Lark B.V.	Netherlands	100.00
DDS Lime B.V.	Netherlands	100.00
DDS Maple B.V.	Netherlands	100.00
DDS Mulberry B.V.	Netherlands	100.00
DDS Rose B.V.	Netherlands	100.00
DDS Walnut B.V.	Netherlands	100.00
DDS Yew B.V.	Netherlands	100.00
LB² Catering and Services GmbH	Germany	100.00
Marba Holland B.V.	Netherlands	100.00
Marba Willstätt B.V.	Netherlands	100.00
SFG NOVA Construction and Services GmbH	Germany	100.00
Sirius Alder B.V.	Netherlands	100.00
Sirius Ash B.V.	Netherlands	100.00
Sirius Beech B.V.	Netherlands	100.00
Sirius Coöperatief U.A.	Netherlands	100.00
Sirius Corporate Services B.V.	Netherlands	100.00
Sirius Facilities (UK) Limited	UK	100.00
Sirius Facilities GmbH	Germany	100.00
Sirius Finance (Guernsey) Ltd.	Guernsey	100.00
Sirius Four B.V.	Netherlands	100.00
Sirius Gum B.V.	Netherlands	100.00
Sirius Ivy B.V.	Netherlands	100.00
Sirius Juniper B.V.	Netherlands	100.00
Sirius Laburnum B.V.	Netherlands	100.00
Sirius Lily B.V.	Netherlands	100.00
Sirius Management One GmbH	Germany	100.00
Sirius Management Two GmbH	Germany	100.00
Sirius Mannheim B.V.	Netherlands	100.00
Sirius Oak B.V.	Netherlands	100.00
Sirius One B.V.	Netherlands	100.00
Sirius Orchid B.V.	Netherlands	100.00
Sirius Pine B.V.	Netherlands	100.00
Sirius Tamarack B.V.	Netherlands	100.00
Sirius Three B.V.	Netherlands	100.00
Sirius Two B.V.	Netherlands	100.00
Sirius Willow B.V.	Netherlands	100.00
Marba Bonn B.V.	Netherlands	99.73
Marba Bremen B.V.	Netherlands	99.73
Marba Brinkmann B.V.	Netherlands	99.73

Company name	Country of incorporation	Ownership %
Marba Catalpa B.V.	Netherlands	99.73
Marba Cedarwood B.V.	Netherlands	99.73
Marba Chestnut B.V.	Netherlands	99.73
Marba Dandelion B.V.	Netherlands	99.73
Marba Dutch Holdings B.V.	Netherlands	99.73
Marba Foxglove B.V.	Netherlands	99.73
Marba HAG B.V.	Netherlands	99.73
Marba Hornbeam B.V.	Netherlands	99.73
Marba Königswinter B.V.	Netherlands	99.73
Marba Maintal B.V.	Netherlands	99.73
Marba Marigold B.V.	Netherlands	99.73
Marba Merseburg B.V.	Netherlands	99.73
Marba Mimosa B.V.	Netherlands	99.73
Marba Regensburg B.V.	Netherlands	99.73
Marba Saffron B.V.	Netherlands	99.73
Marba Troisdorf B.V.	Netherlands	99.73
Sirius Administration One GmbH & Co KG	Germany	94.80
Sirius Administration Two GmbH & Co KG	Germany	94.80
Verwaltungsgesellschaft Gewerbepark Bilderstöckchen GmbH	Germany	94.15

30. Post balance sheet events

On 19 October 2016 the Group notarised the disposal of a piece of non-income producing land at the CöllnParc site for €1.5 million representing an increase on the book value of 41 per cent.. This disposal was completed in December 2016.

On 20 October 2016, the Group concluded an agreement with Berlin-Hannoversche Hypothekenbank AG to refinance and extend its existing loan, which had an outstanding balance of €39.2 million at 30 September 2016. The new facility totals €70.0 million and terminates on 29 October 2023. Amortisation is 2.5 per cent. per annum with the remainder due at maturity. The facility is charged with an all-in fixed interest rate of 1.48 per cent. for the full term of the loan. The facility is secured over five property assets including those located in Dresden and Wiesbaden. Non-recurring costs associated with this refinancing, including early redemption fees and breakage costs on the existing facility are expected to be around €1.4 million. Of this amount €0.8 million is expected to impact upon net asset value immediately, while the remainder, representing arrangement fees on the new facility, will be amortised over the seven year term.

On 25 October 2016, the Group notarised the purchase of an asset located in Krefeld. The property is a single let business park totalling 6,335 square metres of office and warehouse space. The property is 100 per cent. occupied, producing annual income of €0.4 million with a weighted average remaining lease term of 0.9 years. Completion of this purchase occurred on 25 January 2017 with total acquisition costs estimated at €2.9 million being funded through existing cash balances, residual funds from the June 2016 equity raise and proceeds from the sale of non-income producing land at the CöllnParc site.

With effect from 31 October 2016, the Group acquired a property located in Wiesbaden for a total acquisition cost of €17.7 million using proceeds from the June 2016 equity raise as described in note 23. This property is a multi-let office building totalling 19,602 square metres. The property is 65 per cent. occupied and let to three tenants, producing an annual income of €1.9 million and having a weighted average remaining lease term of 2.7 years.

On 1 February 2017, the Group completed the purchase of an asset located in Dreieich. The property is a multi-let business park comprising office, warehouse and service space totalling 12,905 square metres. The property is 29.4 per cent. occupied, producing annual income of €0.29 million with a weighted average remaining lease term of 1.7 years. The purchase of the asset was funded from a combination of existing cash balances, including residual funds from the June 2016 equity raise and the proceeds from the sale of the non-income producing land at the CöllnParc asset.

In November 2016, the Group notarised the purchase of an asset in Cologne for a total consideration of €22.9 million. The site comprises 20,342 square metres of gross lettable space, of which 93.6 per cent. is office space, and at the time of notarisation was 99 per cent. let to multi-tenants. The largest

tenant occupies over 50 per cent. of the gross lettable area and has 2.9 years remaining on its lease. The total tenant base has a weighted average lease length term of 2.4 years.

On 2 December 2016, the Group notarised the purchase of an asset located in Frankfurt for a total acquisition cost of €4.5m. The property is a multi-let business park comprising office, warehouse and service space totalling 4,064 square metres. The property is 28.0 per cent occupied and producing an annual income of €0.15 million with a weighted average remaining lease term of 1.5 years. On completion, the purchase of the asset will be funded from a combination of existing cash balances, including residual funds from the June 2016 equity raise and the proceeds from the sale of the Merseburg asset and the CöllnParc asset.

In January 2017, the Group notarised the sale of its Rupert-Mayer Straße business park in Munich for €85.0 million to a Munich based consortium. The disposal has been structured as a sale and leaseback transaction. As part of the sale the Group has entered into a six year head lease agreement and property management agreement with the following terms:

- Rent will be paid by the Group of €5.0 million per annum for the first year with annual increases of 0.125 per cent. up to and including the fifth year.
- The Group has been granted a rent default warranty subject to certain conditions up to a maximum amount of €1.5 million in the fifth lease year should the net rent owed by the sub-tenants be less than the approximately €5.0 million rent obligation of the Group.
- In the final year, the monthly rent is equal to the net rent of the sub-tenants received by the Group.
- The Group will continue to receive the net income of the business park for the term of the lease which at the time of notarisation was approximately €5.3 million.
- The Group will make contributions towards certain repair and maintenance costs as well as make investments into vacant or vacated space up to and including the fifth year of the lease.
- The Group will receive an annual property-management fee of €100,000 for the term of the property management agreement.

Completion of the sale is expected to be in April 2017. The sale price represents a 9 per cent. premium to book value of €78.1 million as at 30 September 2016.

On 4 February 2017, the Group completed the sale of one of its non-core assets in Merseburg for €5.9 million which was classified as investment property held for sale at 30 September 2016.

In the Group's interim results for the six month period ending 30 September 2016, it was announced that the Board declared an interim dividend of 1.39c per share. This is in line with the Group's stated policy to pay shareholders 65 per cent. of funds from operations on a semi-annual basis. As in previous periods, the Group offered a scrip alternative to the cash dividend. Holders of 401,207,527 Ordinary Shares elected to receive the dividend in Ordinary Shares under the scrip dividend alternative, representing a dividend of €5,577,000 while holders of 439,561,706 Ordinary Shares opted for a cash dividend with a value of €6,036,000. The total dividend was €11,613,000. Pursuant to the scrip dividend offering, the Company issued 11,027,524 Ordinary Shares at an issue price of €0.5055, resulting in the Company's overall issued share capital being 852,858,815 Ordinary Shares of which 1,062,058 were held in treasury. The Ordinary Shares were admitted to AIM and AltX on 20 January 2017. The total number of Ordinary Shares with voting rights in the Company at this date was 851,796,757.

PART IX

CAPITALISATION AND INDEBTEDNESS

The following table sets out the Group's capitalisation as at 30 September 2016:

	30 September 2016 €'000
Shareholders' equity	
Share capital	–
Legal reserve[1]	450,833
Other reserves[2]	71
Total	**450,904**

Notes:

(1) The legal reserve includes retained earnings and other distributable reserves.

(2) Other reserves includes minority interest.

There has been no material change in the Group's capitalisation since 30 September 2016.

The following table sets out the Group's indebtedness as at 30 November 2016:

	30 November 2016 €'000
Current debt	
Guaranteed	–
Secured	8,225
Unguaranteed/unsecured	–
Total non-current debt (excluding current portion of long-term debt)	
Guaranteed	–
Secured	343,664
Unguaranteed/unsecured	–
Total gross indebtedness	**351,889**

The following table sets out the Group's net indebtedness as at 30 November 2016:

		30 November 2016 €'000
A.	Cash	43,901
B.	Cash equivalent	–
C.	Trading securities	–
D.	**Liquidity (A+B+C)**	**43,901**
E.	**Current financial receivables**	**–**
F.	Current bank debt*	(8,225)
G.	Other current portion of non current debt	–
H.	Other current financial debt	–
I.	**Current financial debt (F+G+H)**	**(8,225)**
J.	**Net current financial assets (D+E+I)**	**35,676**
K.	Non-current bank loans*	(343,664)
L.	Bonds issued	–
M.	Other non-current loans	–
N.	**Non-current financial indebtedness (K+L+M)**	**(343,664)**
O.	**Net financial indebtedness (J-N)**	**(307,988)**

*Does not take into account capitalised finance costs.

The Group had no indirect or contingent liabilities as at 30 November 2016.

There has been no material change in the indebtedness of the Group since 30 November 2016.

PART X

DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1. DIRECTORS AND SENIOR MANAGERS

The following table lists the names, positions, ages and business addresses of the Directors:

Name	Age	Position	Date Appointed	Business address
Neil Sachdev	58	Independent Non-executive Chairman of the Company	6 July 2016	Sirius Real Estate Limited, PO Box 119, Martello Court, Admiral Park, St. Peter Port, Guernsey GY1 3HB, Channel Island
Andrew Coombs	51	Chief Executive Officer of the Company and Joint Managing Director of Sirius Facilities GmbH	20 January 2012	Lennestr 3, Berlin 10785, Germany
Alistair Marks	48	Chief Financial Officer of the Company and Joint Managing Director of Sirius Facilities GmbH	20 January 2012	Lennestr 3, Berlin 10785, Germany
Wessel Hamman	44	Non-executive Director of the Company	17 May 2011	Clearance Capital Limited, 26 Throgmorton Street, London EC2N 2AN
James Peggie	46	Non-executive Director of the Company	27 November 2012	Principle Capital Advisors Limited, 63 Grosvenor Street, London W1K 3JG
Robert Sinclair	67	Independent Non-executive Director of the Company	12 April 2007	Artemis Trustees Limited, PO Box 100, Trafalgar Court, 2nd Floor East Wing, Admiral Park, St. Peter Port, Guernsey GY1 3EL

The following table lists the names, positions and business addresses of the Senior Managers:

Name	Position	Business address
Anja Paprocki	Human Resources Director of Sirius Facilities GmbH	Lennestr 3, Berlin 10785, Germany
Rüdiger Swoboda	Sales Director of Sirius Facilities GmbH and Joint Managing Director of Sirius Facilities GmbH	Lennestr 3, Berlin 10785, Germany
Diarmuid Kelly	Finance Director of Sirius Facilities GmbH	Lennestr 3, Berlin 10785, Germany
Anthony Payne	Director of Yield Management, Information & Technology Services of Sirius Facilities GmbH	Lennestr 3, Berlin 10785, Germany
Kremena Wissel	Marketing Director of Sirius Facilities GmbH	Lennestr 3, Berlin 10785, Germany
Craig Hoskins	Asset Management Director of Sirius Facilities GmbH	Lennestr 3, Berlin 10785, Germany

The management expertise and experience of each of the Directors and the Senior Managers is set out below.

1.1 Executive Directors

Andrew Coombs – Chief Executive Officer

Andrew Coombs joined the then external asset manager in January 2010 and became the Chief Executive officer of the Group on 27 January 2012 following the asset management internalisation. Prior to joining the Group, Mr Coombs worked for the Regus Group, as UK Sales

Director, and before that as Director and General Manager for MWB Business Exchange Plc. Prior to working in the property sector Mr Coombs held a number of general management roles. His responsibilities include formulating and agreeing the strategy for delivering shareholder value. He is also responsible, alongside Mr Marks and Mr Swoboda, for running Sirius Facilities GmbH and the other operating companies owned by the Company in Germany and it is through these operating companies that the strategy is ultimately executed.

Alistair Marks – Chief Financial Officer

Alistair Marks joined the then external asset manager of the Company as Finance Director in January 2007 and took the Company through its admission to AIM in April 2007. He became the Chief Financial Officer of the Group on 27 January 2012, following the management internalisation. Prior to this, Mr Marks held the role of Group Financial Controller of MWB Business Exchange Plc, and before that held various financial roles with BBA Group Plc and Pfizer Inc.. Mr Marks qualified as a chartered accountant with BDO in Australia prior to moving to London in 1999. Mr Marks is responsible for the Company's finance, operations and development divisions as well as all of the Group's banking relationships. He has led all debt structuring and refinancing and drove the substantial improvement in the Group's service charge recovery, as well as overseeing the company's successful capex investment programme. Mr Marks is responsible, alongside Mr Coombs and Mr Swoboda, for running Sirius Facilities GmbH and the other operating companies owned by the Company, and for the financial management and control across the Group.

1.2 **Non-Executive Directors**

Neil Sachdev – Independent Non-executive Chairman

The Company announced the appointment of Mr Sachdev as Non-Executive Director on 6 July 2016, and his appointment as Chairman of the Board on 26 September 2016. He is currently Chairman of Market Tech Holdings Limited, the owner of Camden Lock Market and of Martin's Properties Limited, one of the largest owners of property on the King's Road in London. Mr Sachdev recently stepped down as a Non-Executive Director of Intu Properties plc (formerly Capital Shopping Centres) after ten years' service. Prior to this Mr Sachdev held the post of Group Property Director of J Sainsbury and before that served for 28 years with Tesco, where he rose to be Stores Board Director, responsible for property and operations for the entire UK business. He also holds a number of public sector positions and was recently awarded an MBE for his work in relation to Energy Efficiency & Sustainability in the Retail sector. Mr Sachdev is currently the Chair of the Advisory Board of Warwick Business School.

Robert Sinclair – Independent Non-executive Director

Robert Sinclair became a Non-executive Director of the Company on 12 April 2007, and was Chairman of the Board between 15 July 2011 and 26 September 2016. He is managing director of the Guernsey-based Artemis Group and a director of a number of investment fund management companies and investment funds associated with clients of that group. He is chairman of Schroder Oriental Income Fund Limited and is a director of Picton Property Income Limited, EF Realisation Company Limited and Chariot Oil & Gas Limited. Mr Sinclair is a Fellow of the Institute of Chartered Accountants in England and Wales.

Wessel Hamman – Non-executive Director

Wessel Hamman became a Non-executive Director of the Company on 17 May 2011. Mr Hamman is the chief executive of Clearance Capital Limited, a specialist European real estate securities investment management firm. He is a chartered accountant by training and spent eleven years in the investment banking industry before co-founding Clearance Capital in 2008. Mr Hamman is a director of Homestead Group Holdings Limited. Homestead Group Holdings Limited is the controlling shareholder of each of Mstead Limited, PDI Investment Holdings Limited and Arctospark (Pty) Limited, giving Homestead Group Holdings Limited an aggregate indirect voting interest in the Company of approximately 11.27 per cent. as at 27 January 2017. Therefore Mr Hamman is not considered by the Board to be independent.

James Peggie – Non-executive Director

James Peggie became a Non-executive Director of the Company on 27 November 2012. Mr Peggie is a Director and co-founder of the Principle Capital group, and prior to that was Head

of Legal and Corporate Affairs at the Active Value group. He is a qualified solicitor and before working at Active Value, he worked in the corporate finance division of the international law firm, Sinclair Roche & Temperley (now part of Stephenson Harwood). Mr Peggie graduated from Oxford University in 1992 and in 1994 from The College of Law (with distinction). Mr Peggie has a wealth of experience as a director of various publicly listed and private companies including Liberty plc from 2006 to 2010, and Earthchild Clothing, the South African retailer, from 2009 to 2015.

1.3 **Senior Managers**

Anja Paprocki – Director of Sirius Facilities GmbH

Ms Paprocki holds a degree in Business Administration with a focus on Strategic Management, Human Resource Management and Psychology. She studied in Berlin and Rome. A business coach and certified trainer for communication and behavioural training, Ms Paprocki now works as Human Resources Director at Sirius Facilities GmbH. Previously she was responsible for Expert Competency Management & Qualification Processes at Daimler AG.

Rüdiger Swoboda – Managing Director of Sirius Facilities GmbH

Mr Swoboda holds an MBA Dual Award Cambridge/Berlin and an additional degree of business economics. He studied in Pforzheim, Berlin and Cambridge. Currently Mr Swoboda works as Joint Managing Director and Sales Director for Sirius Facilities GmbH. Previously he was Director of Sales & Marketing for the Mice AG and has a wealth of experience in leading national and international sales teams.

Diarmuid Kelly – Director of Sirius Facilities GmbH

Mr Kelly holds a Master's degree in International Management as well as a Bachelor's degree in History and Economics. He studied in Exeter in the United Kingdom. Mr Kelly is a Fellow Chartered and Certified Accountant and now works as the Finance Director for Sirius Facilities GmbH. Previously he held various international positions, including Head of Financial Control – Hospitality Real Estate for the Abu Dhabi Investment Authority in Abu Dhabi and Senior Fund Analyst for Livingbridge in London.

Anthony Payne – Director of Sirius Facilities GmbH

Mr Payne holds a degree in Accounting and Finance. He studied in Brighton in the United Kingdom. Mr Payne is a qualified Chartered Management Accountant and now works as the Director of Yield Management, Information & Technology Services for Sirius Facilities GmbH. Previously he was the Financial Controller for MWB Business Exchange as well as the Head of Management Information Systems. He started his career in the City of London working for NatWest Bank where he qualified as an accountant.

Kremena Wissel – Director of Sirius Facilities GmbH

Ms Wissel holds a Master's degree in Marketing and Advertising and recently graduated with distinction from CASS Business School in London holding an Executive MBA. She studied in Germany, United Kingdom, China, Vietnam and South Africa. Ms Wissel was awarded a lifetime membership of Beta Gamma Sigma, the highest recognition a business student can receive and now works as Marketing Director at Sirius Facilities GmbH. Previously she worked for the Media ProSieben.

Craig Hoskins – Director of Sirius Facilities GmbH

Mr Hoskins holds a degree in combined sciences: Maths, Computing and Physics. He studied in Sunderland in the United Kingdom. Mr Hoskins has almost 20 years' experience in the real estate industry and now works as the asset management director for Sirius Facilities GmbH. Previously he held various management roles, including working in London at the Workspace Group and with Saturn Facilities Ltd, the owners of which were the founding members of Sirius Facilities GmbH.

1.4 **Current and previous directorships of the Directors and the Senior Managers**

1.4.1 The companies and partnerships of which the Directors and Senior Managers are, or have been, within the past five years, members of the administrative, management or supervisory bodies or partners (excluding the Company and its subsidiaries, and also excluding the subsidiaries of the companies listed below) are as follows:

Directors	Current appointments	Previous appointments
Andrew Coombs	Dynamo Serve Ltd	Officebroker.com Official Space Limited
Alistair Marks	Harbour Reach Investment Limited Labiente Limited Mabiente Limited (Partnership)	
Robert Sinclair	Adelphi Management Limited APN Management Limited Artemis Corporate Services Limited Artemis Holdings Limited Artemis Nominees Limited Artemis Secretaries Limited Artemis Societe Avec Responsabilite Limited Artemis Trustees Limited Attis Oil & Gas Limited Avalite Resources Limited Barbican Holdings Limited Benzu Resources Limited Limited Bravo Securities Limited Chariot Oil & Gas Finance (Brazil) Limited Centrale Oil & Gas Limited Centrale Oil and Gas Investments Limited Chadstone Management Inc. Chariot Oil & Gas Investments (Brazil) Limited Chariot Oil & Gas Investments (Mauritania) Limited Chariot Oil & Gas Investments (Morocco) Limited Chariot Oil & Gas Investments (Namibia) Limited Chariot Oil & Gas Limited Cobb Plan Finances Limited DH Property Holdings Limited EF Realisation Company Limited Farringdon Insurance Company Limited Flow East Limited Genel Energy Holding Company Limited Gerel Investment Corp GMS Guernsey Pension Plans Limited Golden Square Investments Limited GRP Investments Limited Helios Oil & Gas Limited Hightrees Inc Kirkland Limited Lawon Trading Corp Mantova Limited Matobo Energy Holdings Limited Medway Developments Limited Merrydown Properties Inc Millennium Asset Management Limited Millennium Global (Japan) Limited Millennium Global Emerging Credit GP Limited Millennium Group Holdings Limited	31SJP Investments Limited Abbeygate Resources Limited Alufer Limited Alufer Mining Limited Antilles Windward Holdings Limited Aquaterra Group SA Ashtone Investments Limited Bella Resources Limited BIL (SCB) Holdings Limited Breezes Beach Club Limited (Guernsey) Brefney Investments Holdings Limited Centenary Investments Limited CoMiCo (BVI) Limited Commonwealth SPC Delstone Management Limited Devoran Trustees Limited Evans Randall Capital Partners International Limited Evans Randall International Limited Financial and International Investment Group Limited Fortuitous Limited Global Drilling and Production Limited Guinness Energy Fund Limited Guinness Energy Master Fund Limited Hallbourgh International Limited Hallbourgh Investments Limited Holland Holdings Limited International Copper Resources Limited Jeremy PTE Limited JNR Limited Kaouat Iron Limited Karo Resources Limited Kilrieco Limited Lunga Resources (BVI) Limited Madini Resources Limited Management Construction & Technical Services Sarl Miranda Properties Limited Narrowpeak Consultants Limited Navite Holdings Limited Pearltona Enterprises Limited Pennycross Limited Pichard Holdings Limited Postillion Investments Limited R.M.S Investments Limited Rainbow Group Services Limited Rainbow International Resources Limited Red Earth Resources Limited Rosanna Resources Limited Rugby Estate Investment Trust PLC SECURE PROPERTY Development & Investment plc

Directors	Current appointments	Previous appointments
Robert Sinclair *(continued)*	Millennium Multi Strategy Fund Montessa Investments Limited NRB Mining Limited Ottilia Investments Limited Pella Resources Limited Picton (General Partner) No2 Limited Picton (General Partner) No3 Limited Picton (UK) Listed Real Estate Limited Picton (UK) Listed Real Estate Nominee (No 1) Limited Picton (UK) Listed Real Estate Nominee (No 2) Limited Picton (UK) REIT (SPV) Limited Picton Capital (Guernsey) Limited Picton Finance Limited Picton Property Income Limited Picton Property No 3 Limited Picton Property Nominee (No 5) Limited Picton Property Nominee (No 6) Limited Picton Property Nominee (No3) Limited Picton Property Nominee (No4) Limited Picton UK Real Estate Trust (Property) Limited Picton UK Real Estate Trust (Property) No 2 Limited Picton UK REIT (SPV No 2) Limited Picton ZDP Limited Pilden Holding Inc. Piran Resources Limited Rainbow Rare Earths Limited Razario Resources Ltd Salene Fishing Guernsey Limited Salene Trading Guernsey Limited Schroder Oriental Income Fund Limited SMR Holdings (PTC) Limited Solaris Limited Toro Gold Limited Vallares Advisers GP Limited VGG Services Limited Zodiac Business Corp	South Sudan Mining Company Limited South Sudan Oil Company Limited St James's Limited St James's Master Fund Limited Toro East Africa Limited Ufford PCC Limited Unipro International Limited Webster Finance Corporation Limited Zambia Exploration Limited Zambia Investments Limited Zenta Investments Limited Zimvest Limited
Wessel Hamman	Clearance Capital (Cayman) Limited Clearance Capital Limited Karoo Investment S.a r.l. Clearance Segura Master Fund Limited Clearance Segura Fund Clearance Segura Fund GP Limited WJ Hamman Eiendomsontwikkeling cc European Real Estate Investment Trust Limited Stabilis Investment Holdings Limited Whippersnapper Limited Hystead Limited Clearance Cantara Fund Clearance Cantara Fund GP Limited Clearance Cantara Master Fund Limited Capital & Regional plc Homestead Group Holdings Limited	Waterside General Partner Limited Clearance Capital LLP Groenkloof Office Park cc

Directors	Current appointments	Previous appointments
James Peggie	Principle Capital Advisors Limited Pointer Investments Limited Proteus Property Advisors (Pty) Limited Principle Capital Advisors (South Africa) (Pty) Limited JJP Limited PGW Productions Limited Ovobix (Pty) Limited PCF Investments (BVI) Limited Sefton Group Limited Sheltam (Mauritius) Limited Sheltam (Pty) Ltd Sheltam Holdings (Pty) Ltd East London Property Investments Limited Lionshead Holdings (Pty) Limited K2015042453 (South Africa) (Pty) Limited	Earthchild Clothing (Pty) Limited Varla Group Limited
Neil Sachdev	CleverTech Ltd Exclusive Contract Services Limited Exclusive Services Group Limited Market Tech Holdings Limited Martin's Design and Construction Ltd Martin's Estates (Clerkenwell) Ltd Martins Properties (Chelsea) Limited Martin's Properties (Kensington) Ltd Martin's Properties (Radnor Walk) Ltd Martin's Properties No.1 Ltd Network Rail Limited NHS Properties Limited Querkus Limited Radnor Walk Investments Ltd	Ballyowan Ltd Barleygold Limited BL Crawley BL Sainsbury Superstores Limited BL Superstores (Funding) Ltd BL Superstores Finance Plc BLS Non Securitised 2012 1 Limited BLS Non Securitised 2012 2 Limited BLSSP (Cash Management) Limited BLSSP (Lending) Limited BLSSP (PHC 1 2010) Limited BLSSP (PHC 1 2012) Limited BLSSP (PHC 1) Limited BLSSP (PHC 10) Limited BLSSP (PHC 11) Limited BLSSP (PHC 12) Limited BLSSP (PHC 13) Limited BLSSP (PHC 14) Limited BLSSP (PHC 15) Limited BLSSP (PHC 16) Limited BLSSP (PHC 17) Limited BLSSP (PHC 19) Limited BLSSP (PHC 2 2010) Limited BLSSP (PHC 2) Limited BLSSP (PHC 20) Limited BLSSP (PHC 21) Limited BLSSP (PHC 22) Limited BLSSP (PHC 23) Limited BLSSP (PHC 24) Limited BLSSP (PHC 25) Limited BLSSP (PHC 26) Limited BLSSP (PHC 27) Limited BLSSP (PHC 28) Limited BLSSP (PHC 3) Limited BLSSP (PHC 30) Limited BLSSP (PHC 31) Limited BLSSP (PHC 32) Limited BLSSP (PHC 33) Limited BLSSP (PHC 35) Limited BLSSP (PHC 4) Limited BLSSP (PHC 5) Limited BLSSP (PHC 6) Limited BLSSP (PHC 7) Limited BLSSP (PHC 9) Limited

Directors	Current appointments	Previous appointments
Neil Sachdev *(continued)*		BLSSP Property Holdings Limited British Land Superstores (Non-Securitised) Clarendon Property Company East Walls Nominees No. 1 Limited East Walls Nominees No. 2 Limited Harvest 2 GP Ltd Harvest 2 Selly Oak Ltd Harvest GP Limited Harvest Nominee No. 1 Limited Harvest Nominee No. 2 Limited HSS Hire Group Plc IGD Services Ltd Institute of Grocery Distribution Ltd Intu Properties Plc J Sainsbury Plc JSD (London) Limited Medico Dental Holdings Ltd Oxford Road Land Limited Pencilscreen Limited Ramheath Properties Limited Reef Investments Ltd Romford Developments Limited S.W. Dewsbury Limited Sainsbury Bridgeco Holdco Limited Sainsbury Bridgeco Propco Limited Sainsbury Holdco A Limited Sainsbury Holdco B Limited Sainsbury Propco A Limited Sainsbury Propco B Limited Sainsbury Propco C Limited Sainsbury Propco D Limited Sainsbury's Supermarkets Ltd Selected Land and Property Company Sixth Sense Partnership Ltd Stamford Properties (Dorking) Limited Ten Fleet Place Vauxhall Storage Limited Vyson
Senior Managers	**Current appointments**	**Previous appointments**
Anthony Payne	Payne Consultancy Services Limited	–

Within the period of five years preceding the date of this document none of the Directors or Senior Managers of the Company:

- has any convictions in relation to fraudulent offences;
- (acting in his capacity as such) has been associated with any bankruptcy, receivership or liquidation; nor
- has been the subject of any official public incrimination and/or sanctions of such person by any statutory or regulatory authority (including a designated professional body) and has never been disqualified by a court from acting as a member of the administrative management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

2. CORPORATE GOVERNANCE

2.1 UK Corporate Governance Code and Market Abuse Regulation

The Board is committed to the highest standards of corporate governance and has adopted processes and policies to seek to ensure a sound framework for the control and management of the business. Following UK Admission, the Board intends to comply with the requirements

of the UK Corporate Governance Code published in September 2014 by the Financial Reporting Council ("**UK Corporate Governance Code**") as it relates to "smaller companies" (companies which are outside the FTSE350 throughout the year immediately prior to the reporting year). The Company is not subject to the Code of Corporate Governance in Guernsey. The Company will report to its Shareholders on its compliance with the UK Corporate Governance Code in accordance with the Listing Rules.

The Board has established an Audit Committee, a Nomination Committee and a Remuneration Committee. In light of UK Admission, the Board intends to review its terms of reference for each committee. If the need should arise, the Board may set up additional committees.

The Company has adopted policies and procedures to comply with the Market Abuse Regulation, including the establishment of a Disclosure Committee and a code of securities dealings in relation to the Ordinary Shares. The Company intends the code to apply to the Directors and other relevant employees of the Company.

2.2 **General: board composition**

The UK Corporate Governance Code recommends that, on appointment, the chairman of a company with a premium listing on the Official List should be independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The Independent Non-Executive Chairman is Neil Sachdev.

The UK Corporate Governance Code recommends that for small companies with a premium listing on the Official List, at least two Directors on the Board of Directors should comprise Non-Executive Directors, determined by the board to be independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. As at the date of this document, the Board comprises two Executive Directors (Andrew Coombs and Alistair Marks), three independent Non-Executive Directors (Neil Sachdev, James Peggie and Robert Sinclair) and one non-independent Non-Executive Director (Wessel Hamman). The Company regards each of the Non-Executive Directors other than Wessel Hamman as "independent Non-executive Directors" within the meaning of the UK Corporate Governance Code and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

The UK Corporate Governance Code further recommends that the board of directors of a company with a premium listing on the Official List of the FCA should appoint one of the Non-Executive Directors to be the Senior Independent Director to provide a sounding board for the Chairman and to serve as an intermediary for the other Directors when necessary. The Senior Independent Director should be available to Shareholders if they have concerns which contact through the normal channels of the Chairman or the Chief Executive Officer has failed to resolve or for which such contact is inappropriate. It is intended that James Peggie will, subject to UK Admission, be appointed as the Senior Independent Director.

The UK Corporate Governance Code further recommends that directors of companies with a premium listing on the Official List (other than "smaller companies") should be subject to annual re-election. For "smaller companies", directors must be subject to re-election by shareholders at the first annual general meeting after their appointment, and to re-election thereafter at intervals of no more than three years. While the Company remains a "smaller company", it intends to comply with the requirements for "smaller companies" and thereafter intends to comply with the requirements for all other companies with a premium segment listing. The Company is also seeking further independent non-executive directors with the requisite skills to ensure it can comply with the highest standards of corporate governance as the Company grows.

2.3 **Audit Committee**

The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to the financial affairs of the Group and the Group's audits. This includes a review of the interim and annual financial information and accounting policies, internal and external audits and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external

auditors and reviewing the effectiveness of the internal audit, audit controls, whistleblowing and fraud systems in place within the Group. The Audit Committee meets normally not less than twice a year.

In compliance with the requirements of the UK Corporate Governance Code, the Audit Committee is made up of four members, three of whom are independent Non-Executive Directors and two of whom have recent and relevant financial expertise. The Audit Committee is chaired by Robert Sinclair who is considered by the Board to have recent and relevant financial expertise. The other members of the Audit Committee are Neil Sachdev, Wessel Hamman (who is also considered by the Board to have recent and relevant financial expertise) and James Peggie.

2.4 **Remuneration Committee**

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of the Company's remuneration policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors, Non-executive Directors and the Senior Managers. The Remuneration Committee will also ensure compliance with the UK Corporate Governance Code in relation to remuneration. The Remuneration Committee meets normally not less than once a year.

The UK Corporate Governance Code provides that a remuneration committee should comprise at least three members who are independent Non-Executive Directors. The Remuneration Committee is chaired by James Peggie, and its other members are Robert Sinclair, Wessel Hamman and Neil Sachdev and therefore the Company complies with this requirement.

2.5 **Nomination Committee**

The Nomination Committee assists the Board in reviewing the structure, size, composition and performance of the Board. It is also responsible nominating new Directors to become part of the Board, as appropriate.

The UK Corporate Governance Code recommends that a majority of the members of a nomination committee should be independent Non-executive Directors. The Nomination Committee is chaired by Neil Sachdev, and its other members are three Non-executive Directors, James Peggie, Wessel Hamman and Robert Sinclair.

2.6 **Disclosure Committee**

The Disclosure Committee is responsible for monitoring, evaluating and enhancing the disclosure controls and procedures of the Group.

The Disclosure Committee is chaired by James Peggie and its other member is Neil Sachdev. The Disclosure Committee will meet at such times as shall be necessary or appropriate.

3. CONFLICTS OF INTEREST

Wessel Hamman is a director of Homestead Group Holdings Limited ("**Homestead**"), which is indirectly a significant shareholder in the Group through its ownership of Arctospark (Pty) Limited, PDI Investment Holdings Limited and Mstead Limited. Mr Hamman has no direct or indirect economic interest in Homestead, however his directorship of it may provide a potential conflict of interest for Mr Hamman. In addition, Mr Hamman is the chief executive of, and has an interest in, Clearance Capital Limited which manages funds and entities together owning approximately 1.68 per cent. of the Company's Ordinary Shares, which could also possibly give rise to a potential conflict of interest for Mr Hamman.

Robert Sinclair is a director of Artemis Trustees Limited. Sirius Finance (Guernsey) Limited is currently considering entering into an agreement with Artemis Trustees Limited to provide certain company administration services in Guernsey for a proposed annual fee of €25,000.

Save for those instances detailed above, there are no further actual or potential conflicts of interest between any duties owed by the Directors or Senior Managers to the Company and their private interests or other duties.

4. MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES RELATING TO THE ORDINARY SHARES

Other than as provided by the Takeover Code and Part XVIII of the Companies Law, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.

"**Voting rights**" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

Persons acting in concert (and concert parties) comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Certain categories of people are deemed under the Takeover Code to be acting in concert with each other unless the contrary is established.

Mandatory bid

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (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 any interests in the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 per cent. 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 voting rights in the Company.

Squeeze-out

Under the Companies Law, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making a takeover offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, one month later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Companies Law must, in general, be the same as the consideration that was available under the takeover offer.

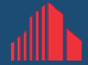
The above process is subject to objection from any dissenting shareholder. A dissenting shareholder (being a shareholder who has not assented to, or who has failed or refused to transfer his shares to the transferee in accordance with the scheme or contract) may, within one month after the date of a notice to acquire, apply to the Court to cancel that notice. The court may then either cancel the notice or make such order as it thinks fit.

Sell-out

The Companies Law does not give shareholders sell-out rights in respect of their Ordinary Shares (that is, the right to have their Ordinary Shares acquired by an offeror as part of a takeover offer, where the offeror had acquired more than 90 per cent. of the Ordinary Shares before the end of the offer period, and the shareholder had not previously accepted the offer).

PART XI

VALUATION REPORT



Summary Appraisal Report

Estimate of Market Values
in accordance with the definition
as settled by the International Valuation Standards Committee
and the Royal Institution of Chartered Surveyors

for an existing portfolio of 45 properties located throughout the Federal Republic of Germany

Effective dates of appraisal for each property of the existing portfolio

Valuation date:	**30 September 2016**
Assumed date for state of property:	**30 September 2016**

Effective dates of appraisal for the newly acquired properties

Wiesbaden & Krefeld II

Valuation date:	**5 July 2016**
Assumed date for state of property:	**5 July 2016**

Dreieich

Valuation date:	**19 October 2016**
Assumed date for state of property:	**19 October 2016**

Client

The directors
Sirius Real Estate Limited
PO Box 119
Martello Court
Admiral Park
St. Peter Port
Guernsey GY1 3HB
Channel Islands

Sponsor

Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR
United Kingdom

Prepared by (Contractor)

Cushman & Wakefield LLP
Rathenauplatz 1
60313 Frankfurt am Main
Germany

Date of Report Issue:

8 February 2017

1. BASIS

1.1 Scope of Instructions

1.1.1 On behalf of the client Sirius Real Estate Limited ("Client"), Cushman & Wakefield LLP ("C&W") has prepared a valuation report to assess the Market Values (in accordance with the International Valuation Standards) of the properties listed below (the "Valuation Report").

1.1.2 We are pleased to submit our Valuation Report, which we understand is required for inclusion in an approved prospectus and circular (the "Prospectus") to be published by Sirius Real Estate in connection with a proposed transaction ("the Transaction") pursuant to which the shares of the Company will be admitted to the premium segment of the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange.

1.1.3 We have undertaken a valuation of the properties described in the Schedule.

1.1.4 The subject properties have been valued in Euro.

1.1.5 Our Valuation Report is only addressed to the Client as well as the sponsor, Canaccord Genuity Limited ("Addressees"), a) to be published as part of the securities prospectus and b) to be submitted to UK Listing Authority for the approval of the prospectus.

1.2 Basis of valuation

1.2.1 The value of the individual properties have been assessed in accordance with the Market Value definition relevant to international property valuations.

1.2.2 The definition of Market Value (MV) used in this Valuation Report is that settled by the International Valuation Standards Committee (IVSC International Valuation Standards (IVS) 2013) as well as the Royal Institution of Chartered Surveyors, London. Accordingly:

"The Market Value is 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."

1.2.3 The Market Value does not directly reflect incidental acquisition costs, tax liabilities (including any VAT) and capital costs (including interest payments). A current market value ('Verkehrswert') in accordance with §194 BauGB has not been calculated.

1.2.4 The Market Value applies to individual subjects of the appraisal, regardless of the fact that the portfolio consists of a number of valuation objects. Accordingly, no portfolio discounts or premiums, if any, have been taken into account (i.e. the Market Value of the portfolios represents the sum of the individual market values of individual valuation objects).

1.2.5 We have carried out inspections of each of the subject properties and the dates of these inspections are detailed in the Schedule.

1.2.6 For the purposes of this Valuation Report, the property at Kirchheim-Nabern has been valued as two separate units as these were acquired separately and are held by two different property companies. We have thus valued the properties separately, as for previous valuations, which were for accounting purposes.

1.2.7 The valuation date is 30 September 2016, except for the properties ID44 Wiesbaden and ID 45 Krefeld II which have been valued as at 5 July 2016 and ID 46 Dreieich which has been valued as at October 19, 2016. The valuation date is relevant to the general value ratios of the property market and to the nature and condition of the subject properties.

1.2.8 We have assumed that there are no changes between the date of inspection and the date of valuation which could have an impact on the Market Value. Further we are not aware of any material changes in circumstances between the date of the valuation and the date of this Valuation Report that would affect the valuation and we are not aware, as a result of our role as External Valuer of the properties, of any matter which is not disclosed in the Prospectus or which has not been disclosed to Sirius Real Estate Limited and Canaccord Genuity Limited in writing and which is required to be brought to their attention.

1.3 **Compliance with professional standards**

1.3.1 This Valuation Report has been prepared in accordance with the International Valuation Standards and the Valuation Standards of the Royal Institution of Chartered Surveyors. In the context of the valuation Cushman & Wakefield acted as an external valuer working in a service provider capacity for the named Client. The valuers do not have any direct or indirect personal or business relationships with the property that is the subject of this appraisal or company and that might lead to a potential conflict of interest. Furthermore, the agreed compensation for provision of expert services is not contingent upon the valuation result in any respect.

1.3.2 We confirm that our Valuation Report is prepared in accordance with the relevant provisions of the listing rules made by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000 (the "Listing Rules"), the prospectus rules made by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000 (the "Prospectus Rules") and of ESMA's current update of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No 809/2004 (the "ESMA Guidelines").

1.3.3 In addition, we consent to the publication and reproduction of the Valuation Report as required under Rules 26 and 29 of the Takeover Code. Our Valuation Report is prepared in accordance with and on the basis of the requirements of Rule 29 of the Takeover Code.

1.3.4 This engagement has been performed independently and without bias toward the Client or others. We have complied with the code of conduct and adhered to the ethical standards set out in the International Valuation Standards.

1.4 **Performance of Instruction**

1.4.1 The valuation has been performed by a number of valuers under the supervision of Dipl.-Ing. Martin Belik MRICS. We confirm that all valuers involved have the knowledge, skills and understanding to undertake this valuation competently and have acted in the capacity of External Valuer.

1.5 **Disclosure of previous involvement**

1.5.1 Cushman & Wakefield LLP has previously valued the subject properties on behalf of Sirius Real Estate Limited and Sirius Facilities GmbH for accounting and acquisition purposes. We consider no conflict of interest arising from the previous valuations.

1.5.2 Cushman & Wakefield LLP has no other material relationship with the Client.

1.6 **Limiting Conditions**

1.6.1 Our assessment is based on information which has been supplied to us by the Client or which we have obtained from our enquiries and inspections. We have relied in our assessment on the provided documents being correct and complete, and on there being no undisclosed matters which would affect the nature of our advice.

1.6.2 We have not carried out a measurement survey of the properties and relied upon the information supplied to us in respect of floor areas. We have not tested any technical or other installations. Observations made by the valuers during the property inspections were made on the basis of a visual inspection only.

1.6.3 We have not made any investigations into the structural integrity of the buildings involving the removal or destruction of construction elements. Any remarks relating to covered building elements or building materials are based solely on information or documents provided to us or are the result of intuitive analysis. We have not carried out a structural survey and have not inspected woodwork or other such parts of the properties which are covered, unexposed or inaccessible. We have assumed, that such parts are in a good state of repair and utilisable condition. All statements regarding the characteristics and actual state of the buildings are solely based on documentation provided by the Client and adopted as the basis of this appraisal without further investigation. No specialist technical investigation of building defects or damage was undertaken.

1.6.4 We have assumed without further investigation that the properties do not contain any building materials and the ground and soil do not have any characteristics that would affect the long term use of the properties or negatively affect or endanger the health of residents and/or users.

1.6.5 We have assumed that there are no regulations under public law (including permits, approvals, burdens, etc.) or any private regulations relating to the existing building or to the use of the ground and soil.

1.6.6 We have assumed that all public charges and other such financial liabilities have been met in full as at the valuation date.

1.6.7 This valuation was carried out on the unverified assumption that there are no potential VAT losses to be considered resulting from letting to tenants who are not entitled to deduct input tax.

1.6.8 We have assumed without further investigation that the subject properties have been appropriately insured both in terms of the type of potential damage and of the sum of likely damages.

1.6.9 For the assessment of the Market Values we have assumed that the existing predominant use of the subject properties remains unchanged in substance and dimension for the full term of the economic useful life of the buildings implied by the choice of capitalisation rates applied or that comparable firms are available as users. It is assumed that the existing type and scope of use of the subject properties as at the valuation date reflects the Highest & Best Use in accordance with the International Valuation Standards (IVS Concepts Fundamental to Generally Accepted Valuation Principles (GAVP) No. 6.0).

1.6.10 Comments made and information provided to us by civil servants and civil representatives may not be considered as being legally binding in accordance with German legal precedents. The valuers therefore assume no liability for the use of such statements in their assessment.

1.6.11 Rights, encumbrances and limitations have been reflected in our calculations only in so far as a recognisable effect which needs to be particularly considered on the income of the subject properties can be identified.

1.6.12 Usual landlord's fixtures such as central heating have been treated as an integral part of the building and are included as part of the assets valued. Tenant's trade fixtures and fittings were excluded from our valuation.

1.6.13 No allowances have been made for tax liabilities or any expenses arising from a sale of the properties.

1.6.14 Our valuation has not made allowance either for the cost of transferring sale proceeds outside of Germany or for any restrictions on doing so.

1.6.15 We have not undertaken investigations into the financial strength of any tenants. Unless we become aware by general knowledge or we are specifically advised to the contrary, it will be assumed that the tenants are financially in a position to meet their obligations and that there are no rent arrears or other breaches of contract.

1.6.16 It has been assumed without investigation as of the valuation date that all relevant requirements under planning law, building law and other public or private law requirements with respect to the nature and extent of construction of any planned projects, as well as any public or private law requirements regarding intended use, unrestricted planned usage and management of all building structures have been fulfilled. It has been assumed without investigation as of the valuation date that all building structures to be constructed have been planned, constructed and completed to the highest quality and without any defects. In this context the planning and execution of construction work is particularly assumed to be completed to a level that is capable of being let at a sustainable rental level.

1.7 **Assumptions and Reservations**

1.7.1 We have made no Special Assumptions.

1.7.2 We have made no Departures from the Red Book except that the properties have been inspected before the date of valuation. The valuation is not subject to a reservation.

1.8 **Sources of Information**

1.8.1 In addition to information established by us, we have relied on the information obtained from the persons below:

Information:	Source:
1. Tenancy Schedules	Sirius Facilities GmbH
2. Details of recently signed lease contracts	Sirius Facilities GmbH

We have been provided with further information (land registry extracts, cadastral maps, etc) for the initial valuations and have used these information for the current valuation.

1.8.2 Cushman & Wakefield LLP accepts responsibility for the information contained in the Valuation Report. To the best of the knowledge of Cushman & Wakefield LLP (having taken all reasonable care to ensure that such is the case) the information contained in this Valuation Report, for which Cushman & Wakefield LLP is responsible, is in accordance with the facts and contains no omission likely to affect the import of such information.

2. GENERAL

2.1 Our opinion of value is based on an analysis of recent market transactions, supported by market knowledge derived from our agency experience. Our valuation is supported by this market evidence.

2.2 Where there are outstanding or forthcoming reviews, rental value has been assessed in accordance with the terms of the occupational lease review provisions. Otherwise, rental value has been assessed on the basis of Market Rent, assuming a new lease drawn on terms appropriate to current practice in the relevant market.

2.3 All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or special assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of market value would exactly coincide with the price achieved were there an actual sale at the valuation date.

2.4 The purpose of the valuation does not alter the approach to the valuation.

2.5 Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

2.6 Should a sale be contemplated, we strongly recommend that the property is given proper exposure to the market.

2.7 We recommend that you keep the valuation of these properties under frequent review.

2.8 You should not rely on this Valuation Report unless any reference to tenure, tenancies and legal title has been verified as correct by your legal advisers.

3. VALUATION RESULT

3.1 **Definition**

3.1.1 As described in section 1.2 of this Valuation Report the Market Value is 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.

3.2 **Market Value**

3.2.1 We are of the opinion that the aggregated sum of Market Values of the existing portfolio, as at 30 September 2016, and the newly acquired properties Wiesbaden and Krefeld II, as at 5 July 2016, and Dreieich, as at October 19, 2016, is:

		No. of properties*
Freehold	€ 783,930,000	44
Long Leasehold	€ 0	0
Short Leasehold	€ 15,800,000	1
Total:	€ 799,730,000	45

(in words: seven hundred and ninety nine million seven hundred and thirty thousand Euro)

*For the purposes of this Valuation Report, the property at Kirchheim-Nabern has been valued as two separate units as these properties were acquired separately, and are held by two different SPVs. We have thus valued the properties separately, as for previous valuations.

3.2.2 The Market Values referred to above are consistent with the results of our valuation carried out for the purpose of the interim accounts for Sirius Real Estate as at 30 September 2016. The properties ID 44 Wiesbaden, ID 45 Krefeld II and ID 46 Dreieich were not included in the valuation for the purpose of the interim accounts. However, we have carried out acquisition valuations for these properties for the Client as at 5 July 2016 and 19 October 2016 respectively.

3.2.3 With the exception of our comment below regarding the impact of the Referendum Result, we hereby confirm that, as at the date of this Valuation Report, there has been no material change since 30 September 2016, 5 July 2016 and 19 October 2016 respectively in any matter relating to the Properties referred to above which, in our opinion, would have a material effect on the Market Value of such Properties.

3.2.4 Following the referendum on the United Kingdom's continued membership of the European Union held on 23 June 2016 (the "Referendum"), whereby the citizens of the United Kingdom voted by a majority in favour of the United Kingdom leaving the European Union (the "Referendum Result"), we are now in a period of uncertainty in relation to many factors that impact the property investment and letting markets. Though we have not seen a material change to valuations since either the result of the referendum or the date of this Valuation Report, there is greater uncertainty over valuations in the longer term. The probability of our opinion of value coinciding with the price achieved, were there to be a sale in the future, has therefore reduced.

4. VALUATION FOR A REGULATED PURPOSE

4.1 This valuation is classified by the Red Book as a Regulated Purpose Valuation and we are therefore required to disclose the following information:

4.2 Cushman & Wakefield LLP provides other professional or agency services to you from time to time and has done so for a period of more than 1 year. In our most recent financial year, Cushman & Wakefield LLP received less than 5 per cent of its total fee income from you.

4.3 We have provided bi-annual valuations on the subject properties for the past three years to the current owners, the Company, for accounting and acquisition purposes.

5. FCA COMPLIANCE

5.1 Cushman & Wakefield LLP has relied upon property data supplied by the Client or its professional advisers which we assume to be true and accurate. Cushman & Wakefield LLP takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

5.2 Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f), 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 person as a result of, arising out of, or in accordance with this Valuation Report and our valuation or our below statement, required by and given solely for the purposes of complying with Annex I item 23.1 of Commission Regulation (EC) 809/2004 (the "Prospectus Regulation"), consenting to its inclusion in the Prospectus.

5.3 For the purposes of Prospectus Rule 5.5.3(R)(2)(f), we are responsible for this Valuation Report and we accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Valuation Report complies with Rule 5.6.5G of the Prospectus Rules and paragraphs 128 to 130 of ESMA's current update of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004 (the "ESMA Guidelines").

5.4 We also confirm that for the purposes of the Listing Rules issued by the Financial Conduct Authority, neither the signatories to this Valuation Report or Cushman & Wakefield LLP has an interest (material or otherwise) in the entity.

6. CONFIDENTIALITY

6.1 Subject to paragraph 5.1.2, to the fullest extent permitted by the law (including any mandatory responsibility arising from the listing rules of any stock exchange and specifically under Prospectus Rule 5.5.3R(2)(f)) we do not assume any responsibility to and we hereby exclude all liability arising from use of and/or reliance on this Valuation Report by any person or persons for the purposes of determining whether or not to take up their entitlement to shares in the Company other than those parties to whom this Valuation Report is addressed and to whom we have issued a reliance letter.

7. DISCLOSURE AND PUBLICATION

7.1 You must not disclose the contents of this Valuation Report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our Valuation Report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.

7.2 You must not modify, alter (including altering the context in which the Valuation Report is displayed) or reproduce the contents of this Valuation Report (or any part) without first obtaining our written approval. Any person who contravenes this provision shall be responsible for all of the consequences of the same. Cushman & Wakefield LLP accepts no liability for any use of the Valuation Report that is in contravention of this section.

Cushman & Wakefield LLP
Chartered Surveyors

Dipl.-Ing. Martin Belik MRICS
Partner

i.A. Dipl.-Wirt.-Ing. Michael J. Störrlein MRICS
Associate

ID	Address	Property Type/ Tenure	Occupational Status/ WALT	Date of Inspection	Lettable area – m² (excluding parking spaces, antenna, advertising areas and other special uses)	Current Rental Income – p.a.	Market Rental Income – p.a.
Properties valued under €10 million							
1	24109 Kiel, Wittland 2-4	Business Park Freehold	Multi-tenant with a vacancy rate of 7.8% WALT: 1.8 years	9 September 2016	10,073 m²	€ 571,787	€ 655,576
14	73230 Kirchheim-Nabern, Neue Straße 95 (Geb. 60/35)	Business Park Freehold	Multi-tenant with a vacancy rate of 11.2% WALT: 6.2 years	12 September 2016	5,949 m²	€ 430,204	€ 430,506
17	42329 Wuppertal, Ludwig Richter Straße 7	Business Park Freehold	Multi-tenant with a vacancy rate of 26.7% WALT: 1.8 years	26 March 2015	15,027 m²	€ 405,778	€ 558,764
20	63477 Maintal, Philipp-Reis-Straße 17	Business Park Freehold	Multi-tenant with a vacancy rate of 3.0% WALT: 2.1 years	7 March 2016	11,319 m²	€ 437,384	€ 505,152
21	63069 Offenbach, Sprendlinger Landstraße 180	Business Park Freehold	Multi-tenant with a vacancy rate of 10.3% WALT: 2.1 years	3 March 2016	15,585 m²	€ 708,791	€ 918,211
24	28197 Bremen, Dötlinger Straße 3	Mixed-use Freehold	Multi-tenant with a vacancy rate of 23.5% WALT: 3.3 years	21 March 2016	10,273 m²	€ 610,084	€ 754,933
25	28217 Bremen, Rigaer Straße (HAG) 1	Business Park Freehold	Multi-tenant with a vacancy rate of 79.2% WALT: 1.5 years	21 March 2016	59,605 m²	€ 524,232	€ 924,648
26	39124 Magdeburg, Lübecker Straße 53-63	Business Park Freehold	Multi-tenant with a vacancy rate of 18.4% WALT: 1.7 years	10 September 2015	32,202 m²	€ 1,746,116	€ 1,125,718

ID	Address	Property Type/ Tenure	Occupational Status/ WALT	Date of Inspection	Lettable area – m² (excluding parking spaces, antenna, advertising areas and other special uses)	Current Rental Income – p.a.	Market Rental Income – p.a.
Properties valued under €10 million							
27	42719 Solingen, Georgestraße 5-7	Business Park Freehold	Multi-tenant with a vacancy rate of 0.0% WALT: 6.1 years	14 March 2016	13,333 m²	€ 407,937	€ 423,758
28	40549 Düsseldorf Heerdt, Wiesenstraße/Clarissenstraße 51	Business Park Freehold	Multi-tenant with a vacancy rate of 4.1% WALT: 2.0 years	14 March 2016	16,607 m²	€ 842,168	€ 851,771
30	34123 Kassel, Heinrich-Hertz-Straße 11	Logistic Freehold	Multi-tenant with a vacancy rate of 7.4% WALT: 1.0 years	28 September 2015	8,344 m²	€ 440,814	€ 466,835
33	53121 Bonn, Siemensstraße 17-21	Business Park Freehold	Multi-tenant with a vacancy rate of 15.7% WALT: 1.4 years	9 September 2015	10,773 m²	€ 863,931	€ 693,871
35	71636 Ludwigsburg, Osterholzallee 140-144	Business Park Freehold	Multi-tenant with a vacancy rate of 29.5% WALT: 1.5 years	10 March 2015	29,427 m²	€ 1,085,461	€ 1,298,845
36	70499 Weilimdorf, Rossbachstraße 38	Business Park Freehold	Single-tenant with a vacancy rate of 0.0% WALT: 2.3 years	31 March 2015	6,766 m²	€ 510,835	€ 545,618
39	52146 Aachen-Würselen II, Adenauerstraße 20	Business Park Freehold	Multi-tenant with a vacancy rate of 2.2% WALT: 2.7 years	25 June 2015	9,888 m²	€ 548,814	€ 594,033
45	47807 Krefeld, Europark Fichtenhain B 15	Business Park Freehold	Vacancy rate of 100% WALT: -	July 5, 2016	6,331 m²	—	€ 485,148
46	63303 Dreieich, Otto-Hahn-Str. 36	Business Park Freehold	Multi tenant with a vacancy rate of 71% WALT: 1.9 years	October 19, 2016	12,904 m²	€ 287,820	€ 891,689

ID	Address	Property Type/ Tenure	Occupational Status/ WALT	Date of Inspection	Lettable area – m² (excluding parking spaces, antenna, advertising areas and other special uses)	Current Rental Income – p.a.	Market Rental Income – p.a.
Properties valued between €10 million and €15 million							
2	18069 Rostock, Industriestraße 15	Business Park Freehold	Multi-tenant with a vacancy rate of 6.1% WALT: 1.9 years.	9 September 2016	19,345 m²	€ 1,164,904	€ 1,068,419
4	30519 Hannover, Am Brabrinke 14	Business Park Freehold	Multi-tenant with a vacancy rate of 34.5% WALT: 1.2 years	21 March 2016	25,624 m²	€ 718,160	€ 1,293,709
8	12107 Berlin, Großbeerenstraße 2-10	Business Park Freehold	Multi-tenant with a vacancy rate of 19.8% WALT: 1.8 years	5 October 2016	25,066 m²	€ 1,136,739	€ 1,289,773
15	53121 Bonn, Siemensstraße 2-50	Business Park Freehold	Multi-tenant with a vacancy rate of 17.0% WALT: 1.8 years	9 September 2015	20,030 m²	€ 965,384	€ 1,220,312
16	51147 Köln, Wilhelm-Ruppert-Straße 38	Business Park Freehold	Multi-tenant with a vacancy rate of 23.9% WALT: 1.5 years	26 March 2015	31,754 m²	€ 1,213,155	€ 1,488,896
18	40589 Düsseldorf, Am Trippelsberg/ Reisholzer Werftstraße 92/ 76	Business Park Freehold	Multi-tenant with a vacancy rate of 10.6% WALT: 2.1 years	14 March 2016	21,905 m²	€ 957,860	€ 1,050,110
22	95448 Bayreuth, Riedinger Straße 16	Business Park Freehold	Multi-tenant with a vacancy rate of 1.8% WALT: 2.6 years	7 October 2015	22,871 m²	€ 1,292,905	€ 1,302,031
41	71706 Markgröningen, Hans-Grüninger Weg 11	Business Park Freehold	Multi-tenant with a vacancy rate of 31.8% WALT: 4.5 years	25 September 2015	59,979 m²	€ 1,342,533	€ 2,014,261
42	47807 Krefeld I, Kimplerstraße 278-296	Business Park Freehold	Multi-tenant with a vacancy rate of 11.2% WALT: 2.7 years	20 November 2015	11,493 m²	€ 1,224,779	€ 1,212,503

ID	Address	Property Type/ Tenure	Occupational Status/ WALT	Date of Inspection	Lettable area – m² (excluding parking spaces, antenna, advertising areas and other special uses)	Current Rental Income – p.a.	Market Rental Income – p.a.
Properties valued between €15 million and €20 million							
6	13599 Berlin, Gartenfelder Straße 29-37	Business Park Freehold	Multi-tenant with a vacancy rate of 7.9% WALT: 1.9 years	4 October 2016	27,296 m²	€ 1,599,179	€ 1,662,152
23	63073 Offenbach, Carl-Legien-Straße 15	Business Park Leasehold, expiring 31 December 2050. The annual ground rent amounts to € 214,507.50 p.a.	Multi-tenant with a vacancy rate of 15.6% WALT: 1.0 years	3 March 2016	46,197 m²	€ 1,800,683	€ 2,316,226
29	64319 Pfungstadt, Werner-von-Siemens-Straße 2	Business Park Freehold	Multi-tenant with a vacancy rate of 18.3% WALT: 2.6 years	7 March 2016	33,514 m²	€ 1,353,900	€ 1,642,937
38	50739 Köln, Ruth-Hallensleben-Straße 4-6	Business Park Freehold	Multi-tenant with a vacancy rate of 13.9% WALT: 1.0 years	7 May 2015	14,040 m²	€ 1,429,952	€ 1,628,508
44	65189 Wiesbaden, Mainzer Straße 75	Office Freehold	Multi-tenant with a vacancy rate of 35.4% WALT: 3.0 years	5 July 2016	19,601 m²	€ 1,877,779	€ 2,162,222
Properties valued between €20 million and €25 million							
3	28217 Bremen, Hermann-Ritter-Straße 108	Business Park Freehold	Multi-tenant with a vacancy rate of 32.0% WALT: 1.1 years	21 March 2016	121,473 m²	€ 2,495,237	€ 3,427,963
12	90461 Nürnberg, Katzwangerstraße 150	Business Park Freehold	Multi-tenant with a vacancy rate of 10.6% WALT: 1.6 years	21 September 2015	36,311 m²	€ 1,639,083	€ 1,880,170
31	12623 Berlin-Mahlsdorf, Landsberger Straße 242-244, 250-251, 263-267, 217-224	Business Park Freehold	Multi-tenant with a vacancy rate of 11.7% WALT: 2.2 years	4 October 2016	29,950 m²	€ 1,932,384	€ 2,153,635

ID	Address	Property Type/ Tenure	Occupational Status/ WALT	Date of Inspection	Lettable area – m² (excluding parking spaces, antenna, advertising areas and other special uses)	Current Rental Income – p.a.	Market Rental Income – p.a.
Properties valued between €20 million and €25 million							
34	52146 Aachen-Würselen, Adenauerstraße 20	Business Park Freehold	Multi-tenant with a vacancy rate of 14.3% WALT: 2.7 years	25 June 2015	24,773 m²	€ 2,035,519	€ 1,968,783
37	89520 Heidenheim, In den Seewiesen 26	Business Park Freehold	Multi-tenant with a vacancy rate of 16.2% WALT: 5.2 years	24 April 2015	47,707 m²	€ 1,819,198	€ 2,158,630
Properties valued between €25 million and €30 million							
19	63477 Maintal, Am Technologiepark 1-5	Business Park Freehold	Multi-tenant with a vacancy rate of 4.2% WALT: 2.6 years	7 March 2016	38,007 m²	€ 2,132,363	€ 2,323,149
40	55129 Mainz, Robert-Koch-Str. 50	Business Park Freehold	Multi-tenant with a vacancy rate of 24.1% WALT: 2.5 years	4 November 2015	28,014 m²	€ 2,214,812	€ 2,344,273
43	01109 Dresden, Zur Wetterwarte/ Hugo-Junkers-Ring 50	Business Park Freehold WALT: 3.3 years	Multi-tenant with a vacancy rate of 37.3%	4 May 2016	60,534 m²	€ 2,682,853	€ 3,510,307
Properties valued between €30 million and €35 million							
32	14482 Potsdam-Babelsberg, Wetzlarer Straße 28-58A, 62+64, 86+88	Business Park Freehold	Multi-tenant with a vacancy rate of 5.5% WALT: 3.4 years	5 October 2016	36,567 m²	€ 2,658,765	€ 2,859,826
Properties valued between €35 million and €40 million							
7	13507 Berlin, Egellstraße 21	Business Park Freehold	Multi-tenant with a vacancy rate of 7.8% WALT: 3.3 years	4 October 2016	79,063 m²	€ 3,354,221	€ 3,472,884
9	68305 Mannheim, Carl-Reuther-Straße 1	Business Park Freehold	Multi-tenant with a vacancy rate of 6.3% WALT: 2.5 years	September 13, 2016	70,980 m²	€ 3,412,659	€ 3,659,052

ID	Address	Property Type/ Tenure	Occupational Status/ WALT	Date of Inspection	Lettable area – m² (excluding parking spaces, antenna, advertising areas and other special uses)	Current Rental Income – p.a.	Market Rental Income – p.a.
Properties valued between €35 million and €40 million							
10	73230 Kirchheim-Nabern, Neue Straße 95	Business Park Freehold	Multi-tenant with a vacancy rate of 7.0% WALT: 2.7 years	12 September 2016	63,147 m²	€ 3,465,248	€ 3,541,967
Properties valued between €70 million and €80 million							
11	81249 München-Neuaubing, Brunhamstraße 21	Business Park Freehold	Multi-tenant with a vacancy rate of 17.5% WALT: 4.8 years	13 September 2016	98,608 m²	€ 4,894,704	€ 5,600,683
13	81379 München, Rupert-Mayer-Straße 44	Business Park Freehold	Multi-tenant with a vacancy rate of 9.5% WALT: 1.4 years	7 October 2015	71,782 m²	€ 5,441,377	€ 6,031,756
TOTAL					**1,460,037 m²**	**€ 68,678,490**	**€ 78,410,211**

We set out below details of the properties which we consider (due to their value relative to the total portfolio value) to be material on an individual basis:

ID	Address	Property Type/ Tenure	Occupational Status/ WALT	Date of Inspection	Lettable area – m² (excluding parking spaces, antenna, advertising areas and other special uses)	Current Rental Income – p.a.	Market Rental Income – p.a.	Market value (rounded)
11	81249 München-Neuaubing, Brunhamstraße 21	Business Park Freehold WALT: 4.8 years	Multi-tenant with a vacancy rate of 17.5%	September 13, 2016	98,608 m²	€ 4,894,704	€ 5,600,683	€70,200,000
13	81379 München, Rupert-Mayer-Straße 44	Business Park Freehold WALT: 1.4 years	Multi-tenant with a vacancy rate of 9.5%	October 7, 2015	71,782 m²	€ 5,441,377	€ 6,031,756	€78,300,000

PART XII

TAXATION

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise in relation to the Company, the Group and Shareholders. The statements below are based upon the relevant laws and published practice in place at the date of this Prospectus, which are subject to change, possibly with retrospective effect. This is not a comprehensive summary of all technical aspects of the structure of the Group and is not intended to constitute legal or tax advice to investors. Investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company. The statements relate to investors acquiring Ordinary Shares for investment purposes only, and not for the purposes of any trade. Certain Shareholders, such as dealers in securities, insurance companies and collective investment vehicles, may be taxed differently and are not considered below. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject.

If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction outside the UK, South Africa or Guernsey, you should consult an appropriate professional adviser without delay.

SECTION A: THE COMPANY AND THE GROUP

Guernsey

The Company has applied for and been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended by the Director of Income Tax in Guernsey for the current year. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £1,200, provided the Company qualifies for exemption under the applicable legislation. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company is and will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than from a relevant bank deposit, from other exempt bodies or from shares in Guernsey companies.

Guernsey currently does not levy taxes upon capital inheritances, capital gains gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of shares.

UK

The information below, which relates only to taxation in the United Kingdom, summarises the advice received by the Directors. It is applicable to the Company. It is based on current UK tax law and published practice, which law or practice is, in principle, subject to any subsequent changes.

The Company is incorporated in Guernsey but in 2014 migrated its tax residency to the United Kingdom such that the Company is now subject to UK corporation tax on its worldwide income and gains. Presently the UK corporation tax rate is 20 per cent., but set to reduce to 17 per cent. by 2020.

The Company is required to consider the controlled foreign companies provisions of Part 9A Taxation (International and Other Provisions) Act 2010 in respect of its subsidiaries. In certain circumstances these provisions can result in the Company being taxed on profits made by those subsidiaries.

The Group has a finance company that is incorporated and resident in Guernsey for tax purposes. The finance company benefits from the finance company exemption available under UK Controlled Foreign Company (CFC) provision which provides a 75 per cent. (or possibly a full) exemption from UK corporation tax on profits from qualifying finance costs provided it meets the necessary conditions.

UK tax on dividend income and capital gains

The Finance Act 2009 exempts dividends received by a UK company from UK corporation tax. On 16 December 2013 the Company has obtained a tax clearance from HMRC in this respect of the application of the exemption under section 931H Corporation Tax Act 2009 ("**CTA 2009**"). Therefore, any distributions from subsidiaries should not be subject to corporation tax in the UK, on the basis the distributions should fall into an exempt class under section 931H CTA 2009. A tax clearance has also been obtained from HMRC in respect of anti-avoidance tax legislation under section 13 Taxation of Chargeable Gains Act 1992 (**CGA 1992**) which seeks to apply a capital gains tax charge on the Company when a disposal of an underlying property investment is made. HMRC has confirmed the Company should be able to rely on the exemption in section 13 (5(ca)) TCGA 1992. This exemption is applicable when the asset being disposed is used only for the purposes the "economically significant activities" carried on by the Company.

Under current UK legislation, no UK tax is required to be withheld from dividend payments to Shareholders by the Company.

Capital gains arising from selling the direct Dutch subsidiary would be subject to UK corporation tax.

The Netherlands

The information below is based on current Dutch tax legislation and regulations as in effect at the date of this document and as interpreted in published case law on the date hereof. Therefore, the summary is subject to change after that date, including changes that could have retrospective effect. Any such change in legislation and/or regulations may thus invalidate part or all of this summary. In this Section XII references to "The Netherlands" or "Dutch" refer only to the European part of the Kingdom of The Netherlands.

Dutch tax on profits and gains from German real estate

Net income and capital gains arising from German real estate directly held by a Dutch company are effectively not subject to Dutch corporate income tax as a result of the application of the German/Dutch tax treaty and Dutch domestic provisions for the avoidance of double taxation.

Dutch tax on profits and gains from Dutch and German shareholdings

Dividend income received and capital gains realised by Dutch resident corporate shareholders – both Dutch companies and Dutch cooperatives – from qualifying shareholdings in Dutch and or foreign subsidiaries are exempt for corporate income tax purposes, provided that such holders are entitled to apply the Dutch participation exemption (deelnemingsvrijstelling) in respect to their shareholding in these subsidiaries.

In order to benefit from the participation exemption with respect to a shareholding, broadly the following requirements must be met on a continuing basis:

- A participation represents 5 per cent. or more of the nominal paid-up share capital of the subsidiary company; **and**
- The participation is held by the Dutch company as an active investment (*intention test*), **or**
- The company in which the participation is held is subject to a reasonable level of profit tax, according to Dutch standards (*subject-to-tax-test*); **or**
- The direct and indirect assets of the company in which the participation is held consist for less than 50 per cent. of low-taxed passive (i.e. not business related) investments (*asset test*).

An entity is generally regarded to be subject to a reasonable level of profit tax at a regular statutory rate of at least 10 per cent., unless specific tax base deviations apply.

For the purposes of the Asset Test, passive investments are investments other than those which are reasonably necessary to carry out a company's business, for example shares in companies held as a passive investment, excess cash, intra-group financing receivables (unless the receivables result

from "active financing activities"), and so on. Real estate is generally not considered a passive investment.

Dutch tax on dividend and interest payments

Interest

The Netherlands does not levy withholding tax on interest payments except for interest on profit sharing bonds and participation loans which are subject to withholding tax at a rate of 15 per cent. unless a reduced rate applies under a tax treaty.

Interest on third party loans is in principle deductible. On the basis any intercompany loans are on an arm's length basis, the interest payable should be deductible for corporate income tax purposes. However, the deductibility of inter-company interest may be limited in specific situations that are deemed abusive.

Dividends

Dividends distributed by Dutch companies with a capital divided into shares are generally subject to Dutch dividend withholding tax at a rate of 15 per cent..

Generally, Dutch resident companies are allowed to refrain from withholding this tax with respect to dividends that are paid to EU resident corporate shareholders, if these EU shareholders should be entitled to apply the Dutch participation exemption (*deelnemingsvrijstelling*) on their shareholding, provided these shareholders are established in the Netherlands.

Profits distributed by a Dutch cooperative to its members fall in principle outside the scope of Dutch dividend withholding tax since a Dutch cooperative does not have a capital that is divided into shares. However, on the basis of anti-abuse legislation, dividend distributions by a cooperative may be subject to 15 per cent. dividend withholding tax if the cooperative owns a subsidiary with the main purpose, or one of the main purposes, to avoid dividend tax or foreign tax of another entity, and it concerns an artificial arrangement.

An artificial arrangement may consist of several steps or components and an artificial arrangement or set of artificial arrangements is considered artificial insofar as it is not structured on the basis of valid business reasons which reflect economic reality.

A non-resident company is subject to Dutch corporate income tax if it receives Dutch taxable income (capital gains/ dividends) from a substantial interest in a company established in the Netherlands (other than an exempted investment entity), and if the taxpayer holds the substantial interest in the Dutch company with the main purpose or one of the main purposes to avoid the levy of income tax or dividend withholding tax of somebody else, and there is an artificial arrangement or set of artificial arrangements.

A non-resident (indirect) holder of shares in a Dutch company has a substantial interest if *inter alia* he, whether directly or indirectly, owns shares representing 5 per cent. or more of the total issued and outstanding capital of the company. A non-resident member of a Dutch cooperative holds a substantial interest in such cooperative if *inter alia* the member is entitled to 5 per cent. of the annual profit of the cooperative or 5 per cent. of the liquidation proceeds of the cooperative.

An artificial arrangement or set of artificial arrangements may consist of several steps or components, which could be considered artificial insofar if it is not structured for valid business reasons reflecting economic reality. Whether a structure should be qualified as artificial, it should be tested at the level of the shareholders/members of the cooperative.

The Netherlands must in principle refrain from withholding any dividend tax on dividend distributions by a Dutch company to a UK tax resident company.

Moreover, under the UK/Netherlands tax treaty the taxation rights in respect of capital gains is in principle allocated to the UK. Accordingly, no Dutch tax should apply on distributions from the Netherlands to the Company.

Germany

The information below which relates to German taxation is based on current German tax law and published practice, which law or practice is, in principle, subject to any subsequent changes.

Corporate income tax

German corporate income tax on rental income and capital gains for taxpayers who are subject to source taxation, is taxable at 15 per cent. plus the solidarity surcharge of 5.5 per cent. on the corporate income tax obligation, giving a total of 15.825 per cent.

Interest expenses are generally tax-deductible, however the interest barrier limits deductibility for tax purposes. Interest expenses can be deducted without any restriction up to the amount of the interest income received. Accordingly, the tax deduction of the net interest expense (excess of interest expenses over interest income) is limited to 30 per cent. of the taxable earnings before interest, taxes, depreciation and amortization determined under tax law (so-called tax EBITDA) in any given financial year. However, the interest barrier does not apply if the amount of interest expenses in the respective financial year exceeds the amount of interest income by less than €3.0 million (so-called exemption limit). The interest barrier also does not apply if the enterprise does not belong to a corporate group and there is no situation involving harmful shareholder debt financing. If the business belongs to a corporate group, the interest barrier also does not apply if evidence can be provided to the effect that the equity capital ratio of the business wanting to deduct interest expenses is no less than two percentage points below the corporate group equity capital ratio and there is no situation involving harmful shareholder debt financing. An amount which cannot be deducted can generally be carried forward to future years where it is tax-deductible subject to the limitations set forth above. Similarly, any tax EBITDA which is not fully used for tax deduction purposes can be carried forward to future years.

Tax Losses

Tax losses may be carried forward without time limitation. However, the offsetting with future profits is limited by the restrictions of the so-called minimum taxation. Only 60 per cent. of annual taxable profits in excess of €1.0 million can be offset by loss carried forward. Thus, 40 per cent. of the portion of profit exceeding €1.0 million is subject to tax.

Tax loss carried forward are forfeited proportionally if more than 25 per cent. of ownership of an entity with tax losses is directly or indirectly transferred to a single new shareholder or a group of shareholders (as detailed below) within a five-year period. If more than 50 per cent. of the shares are transferred within a five-year period, the entire losses carried forward are forfeited. Anti-avoidance rules consider investors with common interests which are acting together to be one for the purposes of this legislation.

Trade tax

Corporations are also generally subject to trade tax on the taxable trade income generated by their operations or their German permanent establishments. In order to determine the tax basis for trade tax, the profit determined for purposes of corporate income tax is modified with additions and deductions. Certain expenses which are fully deductible for corporate income tax purposes are accordingly only deductible to a limited degree for purposes of trade tax and are added back when determining the trade tax basis. For example, consideration for debt is added back in an amount of 25 per cent., rent expenses as well as leasing instalments for certain assets are added back in an amount of 5 per cent., leasing instalments for immovable assets are added back in an amount of 12.5 per cent., royalties are added back in an amount of 6.25 per cent., and certain other expenses are added back to the trade tax basis. An exemption amount for the addition provision in an aggregate annual amount of €100,000 for the sum of the aforementioned expenses is granted.

However, it is generally possible to mitigate the imposition of German trade tax in particular by not creating a permanent establishment in Germany or by fulfilling the requirements of the extended reduction rule under the German Trade Tax Act and, therefore, avoiding Trade Tax being imposed upon rental income.

The amount of the trade tax depends on the local community or communities in which the Company has permanent establishments. The tax assessment factor is uniformly 3.5 per cent.. The respective community applies the valid trade tax assessment rate for that community. The resulting trade tax rate is at least 7 per cent. and otherwise varies depending on the community's trade tax assessment rate in which the permanent establishment is located. The nominal trade tax rate is currently between 7 per cent. and approximately 18.5 per cent..

Real Estate Transfer Tax ("RETT")
RETT is imposed on the transfer of either the legal ownership of or – in some exceptional cases – the economic participation in real estate located in Germany. This includes:

- the transfer of 95 per cent. or more interests in a real estate holding partnership to "new" partners within a time period of five years;
- the unification or transfer of at least 95 per cent.: (i) shares in a real estate holding corporation; or (ii) interests in a real estate holding partnership in or into the hand of one person or a group of related entities, whereas certain complex rules apply how to calculate the 95 per cent. threshold and how to define a group of related entities; and
- the direct and/or indirect unification of at least 95 per cent.: (i) shares in a real estate holding corporation; or (ii) interest in a real estate holding partnership in the hand of one person, whereas the 95 per cent. threshold is calculated from an economic point of view (based on multiplied participation quota).

RETT rate is levied from 3.5 per cent. to 6.5 per cent. depending on the location of the German real estate. RETT is computed on the purchase price or a certain RETT value of the real estate as the case may be (e.g. in case of a share deal).

Baden-Wuerttemberg	5.0%	Lower Saxony	5.0%
Bavaria	3.5%	North Rhine-Westphalia	6.5%
Berlin	6.0%	Rhineland-Pfalz	5.0%
Brandenburg	6.5%	Saarland	6.5%
Bremen	5.0%	Saxony	3.5%
Hamburg	4.5%	Saxony-Anhalt	5.0%
Hesse	6.0%	Schleswig-Holstein	6.5%
Mecklenburg-West Pomerania	5.0%	Thuringia	5.0% (will be increased to 6.5% as of 01.01.2017)

VAT
The VAT rules which apply in the case of the transfer of real estate in Germany are complicated. If the real estate subject to the sale constitutes the complete business of the seller or an independent part thereof, the sale is not subject to VAT. Otherwise, the transfer constitutes a taxable event for VAT purposes, but exemption from VAT is specifically granted where the transaction is subject to RETT. However, an option to VAT can be made in the notarized purchase agreement if the purchaser qualifies as entrepreneur for VAT purposes. The purchaser is then liable to VAT (reverse charge) on the purchase price and can deduct input VAT as the case may be.

If the real estate is rented out then the sale of the property might qualify as a sale of a going concern business unit (*Geschäftsveräußerung im Ganzen*) and thus is not subject to VAT (and an option to VAT is not possible).

Real estate lease income basically is exempted from VAT but in case certain conditions are satisfied an option to VAT can be made. This option basically requires that the property is let to a lessee in turn being an entrepreneur who derives earnings which allow an input VAT claim (whereas various exemptions and limitation apply from this rule).

An input VAT deduction for the purchase price as well as for construction and certain other current costs is limited to the extent the property is used for earning not being exempted from VAT, in particular for lease income opted to VAT.

In case the ratio between VAT exempted and non-exempted "use" of the real estate changes, most likely input VAT claims within the last 10 years are to be adjusted *pro rata*, resulting in a higher or lower input VAT claim as the case may be. This includes the VAT exempted or VAT opted disposal of the property.

The current basic VAT rate in Germany is 19 per cent..

Depreciation
The acquisition costs of the building in Germany are the basis for making regular depreciation deductions. Depending on the use of the building and the completion date for the acquisition, generally a depreciation of 2 per cent. to 3 per cent. per annum is available. The purchase price of land is excluded from annual depreciation.

SECTION B: INVESTORS

United Kingdom tax considerations

The following paragraphs are intended only as a general guide and are based on current legislation and HMRC published practice, which is subject to change at any time (possibly with retrospective effect). They are of a general nature and do not constitute tax advice and apply only to Shareholders who are resident in the UK, who are the absolute beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities, insurance companies or collective investment schemes.

If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

Income

Shareholders who are resident in the UK for taxation purposes may, depending on their circumstances, be liable to UK income tax or corporation tax in respect of dividends paid by the Company.

A UK resident individual will be entitled to an annual tax free dividend allowance of £5,000 of dividend income (which is subject to UK income tax at 0 per cent.). To the extent that dividend income exceeds £5,000 tax will be levied at the rate of 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.

A UK resident corporate Shareholder will be liable to UK corporation tax (currently 20 per cent. but due to reduce to 17 per cent. by 2020) unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is anticipated that dividends will fall within one of such exempt classes (subject to anti-avoidance rules), however this cannot be guaranteed and Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers to determine whether dividends received will be subject to UK corporation tax.

Chargeable gains

Any gains on transfers or disposals of Ordinary Shares (including a disposal on a winding-up of the Company) by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on their circumstances, give rise to a liability to UK tax on capital gains.

UK resident Shareholders who are individuals (or otherwise not within the charge to UK corporation tax) and who are basic rate taxpayers are currently subject to tax on their chargeable gains at a flat rate of 10 per cent.. Individuals who are higher or additional rate taxpayers are currently subject to tax on their chargeable gains at a flat rate of 20 per cent.. No indexation allowance will be available to such Shareholders but they may be entitled to an annual exemption from capital gains (this is £11,100 for the tax year 2016/2017).

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Shareholders within the charge to UK corporation tax may be subject to corporation tax on chargeable gains in respect of any gain arising on a disposal of Ordinary Shares. Indexation allowance may apply to reduce any chargeable gain arising on disposal of the Ordinary Shares but will not create or increase an allowable loss.

Stamp Duty Reserve Tax (“SDRT”)

The following comments are intended as a guide to the general UK stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services to whom special rules apply.

No UK stamp duty or SDRT will be payable on the issue of Ordinary Shares by the Company.

UK stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5, of the amount of the value of the consideration for the transfer) is payable on any instrument of transfer of Ordinary Shares executed within, or in certain cases brought into, the UK.

Provided that Ordinary Shares are not registered in any register of the Company kept in the UK and are not paired with shares issued by a UK company, any agreement to transfer Ordinary Shares should not be subject to SDRT. The Company does not intend to maintain a share register in the UK.

Individual Savings Accounts ("ISAs") and Self-Invested Personal Pensions ("SIPPs")

It is expected that the Ordinary Shares will be eligible for inclusion in an ISA. The subscription limit for an ISA account is £15,240 (for the tax year 2016/2017).

The Ordinary Shares should also qualify as a permissible asset for inclusion in a SIPP.

South Africa Tax Considerations

The following paragraphs are intended only as a general guide and are based on current South African legislation, which is subject to change at any time (possibly with retrospective effect). They are of a general nature and do not constitute tax advice and apply only to Shareholders who are resident in South Africa and who are the beneficial owners of their Ordinary Shares.

If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction outside South Africa, you should consult an appropriate professional adviser without delay.

Shareholders – income tax on dividends

Any cash dividends declared and paid/payable by the Company in respect of the Ordinary Shares to Shareholders who are tax resident in South Africa will be exempt from income tax in their hands as such dividends would constitute foreign dividends received by or accrued to such Shareholders in respect of shares which are listed on the Main Board (secondary listing to its primary listing on the LSE's Main Market).

Shareholders – dividends tax

Any cash dividends declared and paid/payable in respect of the Ordinary Shares to Shareholders who are tax resident in South Africa will be subject to a 15 per cent. dividends tax. Cash dividends paid to such Shareholders may however be exempt from the dividends tax if the beneficial owner of the dividend is:

- a South African tax resident company;
- the Government of South Africa in the national, provincial or local sphere;
- an approved public benefit organisation;
- an approved closure rehabilitation trust;
- an approved institution, board or body established with specific principal objectives the receipts and accruals from which are exempt from tax;
- a fund including a pension fund, provident fund, retirement annuity fund or benefit fund;
- a person exempt from the payment of income tax including certain traditional councils or traditional communities;
- a holder of shares in a registered micro business where the aggregate of all dividends declared and paid by the micro business to all Shareholders during the year of assessment does not exceed the amount of R200 000;
- an approved small business funding entity;
- a person that is not tax resident in South Africa and the divided is paid by a foreign (ie non-South African resident) company;
- a portfolio of a collective investment scheme in securities;
- any person to the extent that the dividend constitutes income of that person (for income tax purposes);
- any fidelity or indemnity fund; or

- A natural person or deceased estate or insolvent estate of that person in respect of a dividend paid in respect of a tax free investment.

Where the beneficial owner of the dividend is exempt from the dividends tax, the beneficial owner will be required to submit to the Company or requisite regulated intermediary (e.g. the central securities depository participant) a signed declaration that the dividend is exempt from the dividends tax. In order for the Company to apply the declared exemption, the declaration should be provided to the Company by the later of:

- the date indicated by the Company; or
- the date of payment of the dividend.

In addition the beneficial owner will be required to provide a written undertaking to inform the Company in writing should the circumstances affecting the exemption applicable to the beneficial owner change or should the beneficial owner cease to be the beneficial owner of the dividend.

Shareholders – income tax on disposal of shares

South African tax residents are taxed on their world-wide income.

The tax consequences arising from the disposal of the Ordinary Shares in the Company will depend on whether the South African tax resident is exempt from the payment of tax as well as whether the shares are held on revenue (e.g. dealers in securities) or capital account.

Corporate South African tax resident Shareholders will be subject to tax on any gain on the disposal of the Ordinary Shares at the current statutory tax rate of 28 per cent. if such Ordinary Shares are held on revenue account. If the Ordinary Shares are held on capital account the effective tax rate on the disposal of Ordinary Shares will amount to:

- 18.648 per cent. if the Corporate South African tax resident shareholder's current year of assessment commenced before 1 March 2016; or
- 22.4 per cent. if the Corporate South African tax resident shareholder's current year of assessment commenced on or after 1 March 2016.

Individual South African tax resident Shareholders will be subject to tax on a sliding scale ranging from 18 per cent. to 41 per cent. for any gains made on the disposal of the Ordinary Shares which are held on revenue account. If the Ordinary Shares are held on capital account the effective tax rate on the disposal of the Ordinary Shares will range between 7.2 per cent.to 16.4 per cent..

South African tax resident trusts will be subject to tax at 41 per cent. for any gains made on the disposal of the Ordinary Shares which are held on revenue account or at an effective rate of 32.8 per cent. if the shares are held on capital account. Special trusts, as defined, will be subject to an effective rate of 16.4 per cent. if the shares are held on capital account.

Stamp duty

South African securities transfer tax ("**STT**") is payable, generally by the purchaser, on the transfer of the Ordinary Shares in the Company. STT is payable at a rate of 0.25 per cent. on the higher of the consideration paid or the market value of securities transferred. In respect of the transfer of a listed security effected through a participant is the amount of the consideration for that security as declared by the purchaser of the security. There are some exemptions from STT, dependent on the nature of the parties to the transfer, which should be considered.

Guernsey tax considerations

Shareholders not resident in Guernsey for tax purposes will not be subject to income tax in Guernsey and will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm will be subject to income tax in Guernsey on any dividends paid on shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status.

The Company is required to provide the Director of Income Tax in Guernsey with such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Shareholders resident in Guernsey

should note that where income is not distributed but is accumulated, then a tax charge will not arise until the holding is disposed of. On disposal the element of the proceeds relating to the accumulated income will have to be determined.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in shares in the Company, with details of the interest.

Shareholders are not subject to tax in Guernsey as a result of purchasing, owning or disposing of Shares or either participating or choosing not to participate in a redemption of shares.

PART XIII

ADDITIONAL INFORMATION

1. PERSONS RESPONSIBLE

The Company and the Directors, whose names appear on page 30, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

The Company was incorporated as a company limited by shares in Guernsey under the Companies Law on 20 February 2007 with registered number 46442 with the name Dawnay, Day Sirius Limited. The name was changed in October 2008 to Sirius Real Estate Limited.

The principal legislation under which the Company operates and under which the Ordinary Shares were created is the Companies Law and the ordinances and regulations made thereunder. The liability of the Company's members is limited to the amount, if any, unpaid on the shares by them.

The Company is domiciled in Guernsey. The Company's registered office and principal place of business is PO Box 119, Martello Court, Admiral Park, St. Peter Port, Guernsey, GY1 3HB, Channel Islands and the telephone number of the Company's registered office is +44 (0)1 481 211 000. The telephone number of the head office of Sirius Facilities GmbH, the Company's subsidiary, which is at Lennéstrasse 3, Berlin, 10785, Germany, is +49 (0)30 285010110.

From UK Admission, the business of the Company, and its principal activity, will be to continue to act as the parent company of the Group. The principal activities of the Group are described in Part VI of this document.

3. SUBSIDIARIES

The Company is the holding company of the Group. The following table contains details of the Company's significant subsidiaries:

Company name	Principal activity	Country of incorporation	Percentage ownership (direct and indirect)
Curris Facilities & Utilities Management GmbH	Facility and utilities services	Germany	100.00
DDS Aspen B.V.	Potential property investment	Netherlands	100.00
DDS Bagnut B.V.	Property investment	Netherlands	100.00
DDS Bramble B.V.	Property investment	Netherlands	100.00
DDS Business Centers B.V.	Property investment	Netherlands	100.00
DDS Conferencing & Catering GmbH	Conferencing & catering service	Germany	100.00
DDS Edelweiss B.V.	Property investment	Netherlands	100.00
DDS Elm B.V.	Property investment	Netherlands	100.00
DDS Fir B.V.	Property investment	Netherlands	100.00
DDS Hawthorn B.V.	Potential property investment	Netherlands	100.00
DDS Hazel B.V.	Property investment	Netherlands	100.00
DDS Hyacinth B.V.	Potential property investment	Netherlands	100.00
DDS Lark B.V.	Property investment	Netherlands	100.00
DDS Lime B.V	Property investment	Netherlands	100.00
DDS Maple B.V.	Property investment	Netherlands	100.00
DDS Mulberry B.V	Property investment	Netherlands	100.00
DDS Rose B.V.	Asset investment	Netherlands	100.00
DDS Walnut B.V.	Holding company	Netherlands	100.00
DDS Yew B.V.	Potential property investment	Netherlands	100.00
LB² Catering and Services GmbH	Catering services	Germany	100.00
Marba Holland B.V.	Investment company	Netherlands	100.00
Marba Willstätt B.V.	Property investment	Netherlands	100.00
SFG NOVA Construction and Services GmbH	Property development	Germany	100.00

Company name	Principal activity	Country of incorporation	Percentage ownership (direct and indirect)
Sirius Alder B.V.	Property investment	Netherlands	100.00
Sirius Ash B.V.	Property investment	Netherlands	100.00
Sirius Beech B.V.	Property investment	Netherlands	100.00
Sirius Coöperatief U.A	Holding company	Netherlands	100.00
Sirius Corporate Services B.V.	Corporate services	Netherlands	100.00
Sirius Facilities (UK) Limited	Property management services	UK	100.00
Sirius Facilities GmbH	Property management services	Germany	100.00
Sirius Finance (Guernsey) Ltd	Financing company	Guernsey	100.00
Sirius Four B.V.	Holding company	Netherlands	100.00
Sirius Gum B.V.	Property investment	Netherlands	100.00
Sirius Ivy B.V	Property investment	Netherlands	100.00
Sirius Juniper B.V.	Property investment	Netherlands	100.00
Sirius Laburnum B.V.	Property investment	Netherlands	100.00
Sirius Lily B.V.	Property investment	Netherlands	100.00
Sirius Management One GmbH	Property management services	Germany	100.00
Sirius Management Two GmbH	Property management services	Germany	100.00
Sirius Mannheim B.V.	Property investment	Netherlands	100.00
Sirius Oak B.V.	Property investment	Netherlands	100.00
Sirius One B.V.	Holding company	Netherlands	100.00
Sirius Orchid B.V.	Property investment	Netherlands	100.00
Sirius Pine B.V.	Property investment	Netherlands	100.00
Sirius Tamarack B.V.	Property investment	Netherlands	100.00
Sirius Three B.V.	Holding company	Netherlands	100.00
Sirius Two B.V.	Holding company	Netherlands	100.00
Sirius Willow B.V.	Property investment	Netherlands	100.00
Marba Bonn B.V.	Property investment	Netherlands	99.73
Marba Bremen B.V.	Property investment	Netherlands	99.73
Marba Brinkmann B.V.	Property investment	Netherlands	99.73
Marba Catalpa B.V.	Property investment	Netherlands	99.73
Marba Cedarwood B.V.	Property investment	Netherlands	99.73
Marba Chestnut B.V.	Property investment	Netherlands	99.73
Marba Dandelion B.V.	Property investment	Netherlands	99.73
Marba Dutch Holdings B.V.	Property investment	Netherlands	99.73
Marba Foxglove B.V.	Property investment	Netherlands	99.73
Marba HAG B.V.	Property investment	Netherlands	99.73
Marba Hornbeam B.V.	Property investment	Netherlands	99.73
Marba Königswinter B.V.	Property investment	Netherlands	99.73
Marba Maintal B.V.	Property investment	Netherlands	99.73
Marba Marigold B.V.	Property investment	Netherlands	99.73
Marba Merseburg B.V.	Potential property investment	Netherlands	99.73
Marba Mimosa B.V.	Property investment	Netherlands	99.73
Marba Regensburg B.V.	Potential property investment	Netherlands	99.73
Marba Saffron B.V.	Property investment	Netherlands	99.73
Marba Troisdorf B.V.	Property investment	Netherlands	99.73
Sirius Administration One GmbH & Co KG	Holding company	Germany	94.80
Sirius Administration Two GmbH & Co KG	Holding company	Germany	94.80
Verwaltungsgesellschaft Gewerbepark Bilderstöckchen GmbH	Property investment	Germany	94.15

4. SHARE CAPITAL

The issued and fully paid shares of the Company as at the date of this document consists of:

Class of share capital	Number of shares issued	Nominal value of shares issued
Ordinary Shares (excluding treasury shares)	851,796,757	No par value
Treasury Shares	1,062,058	No par value

The Company has the power to issue an unlimited number of Ordinary Shares of no par value at the date of this document.

The following changes to the issued share capital of the Company have taken place since 31 March 2013:

(a) Pursuant to an equity raise of €6.5 million on 12 August 2013, the Company issued 30,952,371 Ordinary Shares at an issue price of €0.21, resulting in the Company's overall issued share capital being 358,752,371 Ordinary Shares, of which 10,221,824 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 348,530,547.

(b) Pursuant to an issue of bonus shares and the Company's MSP incentive scheme on 2 October 2013, the Company issued 2,703,093 Ordinary Shares out of treasury to the Company's two Executive Directors and the Group's senior management team. This resulted in the Company's overall issued share capital being 358,752,371 Ordinary Shares of which 7,518,731 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 351,233,640.

(c) On 4 December 2013, the Company issued 1,000,000 Ordinary Shares out of treasury to the Company's two Executive Directors pursuant to the Company's LTIP incentive scheme. This resulted in the Company's overall issued share capital being 358,752,371 Ordinary Shares of which 6,518,731 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 352,233,640.

(d) Pursuant to an equity raise of €40 million, the Company issued 166,666,667 Ordinary Shares at an issue price of €0.24 across the following dates: 10 December 2013 (157,933,334); 7 January 2014 (400,000); 21 January 2014 (250,000); and 26 March 2014 (8,083,333). This resulted in the Company's overall issued share capital being 525,419,038 Ordinary Shares of which 6,518,731 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 518,900,307.

(e) On 3 June 2014, the Company issued 114,285 Ordinary Shares out of treasury to one of the Company's Executive Directors pursuant to the Company's MSP incentive scheme. This resulted in the Company's overall issued share capital being 525,419,038 Ordinary Shares of which 6,404,446 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 519,014,592.

(f) Pursuant to an issue of bonus shares on 7 July 2014, the Company issued 818,494 Ordinary Shares out of treasury to the Company's two Executive Directors and the Group's senior management team. This resulted in the Company's overall issued share capital being 525,419,038 Ordinary Shares of which 5,585,952 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 519,833,086.

(g) On 24 July 2014, the Company issued 666,668 Ordinary Shares out of treasury to the Company's two Executive Directors pursuant to the Company's LTIP incentive scheme. This resulted in the Company's overall issued share capital being 525,419,038 Ordinary Shares of which 4,919,284 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 520,499,754.

(h) Pursuant to a scrip dividend offering, the Company, issued 1,575,641 Ordinary Shares at an issue price of €0.3445, resulting in the Company's overall issued share capital being 526,994,679 Ordinary Shares of which 4,919,284 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 522,075,395. The 1,575,641 Ordinary Shares were admitted to AIM on 29 August 2014.

(i) On 8 December 2014, the Company transferred 62,500 Ordinary Shares into treasury pursuant to the Company's MSP incentive scheme. This resulted in the Company's overall issued share capital being 526,994,679 Ordinary Shares of which 4,981,784 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 522,012,895.

(j) Pursuant to an equity raise of €40 million on 8 December 2014, the Company issued 105,263,158 Ordinary Shares at an issue price of €0.38, resulting in the Company's overall issued share capital being 632,257,837 Ordinary Shares of which 4,981,784 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 627,276,053. The Company's secondary listing on the JSE became effective on 5 December 2014.

(k) Pursuant to a scrip dividend offering, the Company issued 3,062,696 Ordinary Shares at an issue price of €0.381, resulting in the Company's overall issued share capital being 635,320,533 Ordinary Shares of which 4,981,784 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 630,338,749. The 3,062,696 Ordinary Shares were admitted to AIM and AltX on 8 January 2015.

(l) On 10 June 2015, the Company issued 3,509,909 Ordinary Shares out of treasury to the Company's two Executive Directors pursuant to the Company's LTIP and MSP schemes. This resulted in the Company's overall issued share capital being 635,320,533 Ordinary Shares of which 1,471,875 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 633,848,658.

(m) Pursuant to an equity raise of €50 million on 15 June 2015, the Company issued 108,695,652 Ordinary Shares at an issue price of €0.46, resulting in the Company's overall issued share capital being 744,016,185 Ordinary Shares of which 1,471,875 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 742,544,310.

(n) Pursuant to a scrip dividend offering, the Company issued 3,866,356 Ordinary Shares at an issue price of €0.4869, resulting in the Company's overall issued share capital being 747,882,541 Ordinary Shares, of which 1,471,875 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 746,410,666. The 3,866,356 Ordinary Shares were admitted to AIM and AltX on 10 July 2015.

(o) On 26 November 2015, the Company issued 62,500 Ordinary Shares out of treasury to one of the Company's Executive Directors pursuant to the Company's MSP incentive scheme. This resulted in the Company's overall issued share capital being 747,882,541 Ordinary Shares of which 1,409,375 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 746,473,166.

(p) Pursuant to an issue of bonus shares on 26 November 2015, the Company issued 33,709 Ordinary Shares out of treasury to one of the Company's Executive Directors and some of the Group's senior management team. This resulted in the Company's overall issued share capital being 747,882,541 Ordinary Shares of which 1,357,666 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 746,506,875.

(q) Pursuant to a scrip dividend offering, the Company issued 5,478,012 Ordinary Shares at an issue price of €0.5178, resulting in the Company's overall issued share capital being 753,360,553 Ordinary Shares of which 1,375,666 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 751,984,887. The 5,478,012 Ordinary Shares were admitted to AltX on 20 January 2016 and to AIM on 21 January 2016.

(r) On 26 May 2016, the Company issued 313,608 Ordinary Shares out of treasury to the Company's two Executive Directors and some of the Group's senior management team pursuant to the Company's MSP incentive scheme. This resulted in the Company's overall issued share capital being 753,360,553 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 752,298,495.

(s) Pursuant to an equity raise of €30 million on 21 June 2016, the Company issued 56,603,774 Ordinary Shares at an issue price of €0.53, resulting in the Company's overall issued share capital being 809,964,327 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 808,902,269.

(t) On 23 June 2016, the Company announced that the Karoo Investment Fund S.C.A. SICAV-SIF served notice to convert its €5,000,000 Convertible Loan Notes due in 2018 in full into, in aggregate, 22,814,731 new Ordinary Shares at the conversion price of €0.22 per ordinary share. Following the conversion on 23 June 2016 and the subsequent admission of the shares to AIM on 28 June 2016, the overall issued share capital was 832,779,058 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 831,717,000.

(u) Pursuant to a scrip dividend offering, the Company issued 9,052,233 Ordinary Shares at an issue price of €0.4822, resulting in the Company's overall issued share capital being 841,831,291 Ordinary Shares of which 1,062,058 were held in treasury. The total number of

Ordinary Shares with voting rights in the Company at this date was 840,769,233. The 9,052,233 Ordinary Shares were admitted to AIM and AltX on 15 July 2016.

(v) On 28 November 2016, the Company announced its interim results for the six month period ended 30 September 2016. In its statement accompanying the announcement of the interim results, the Company reported that the Directors have authorised a dividend of 1.39c per Ordinary Share for the six month financial period ended 30 September 2016 in accordance with the Companies Law. On 2 December 2016, the Company announced its intention to offer its current Shareholders the chance to receive the whole or part of the interim dividend in Scrip Shares instead of in cash and confirmed that the reference prices of the scrip dividend shares were 50.55c (for Shareholders on the share register in the UK) and Rand 757.31824c (for Shareholders on the share register in South Africa). The number of Scrip Shares that the Shareholders electing to take the scrip dividend alternative received were as follows: 1 New Share for every 36.36691 Ordinary Shares held on the share register in the UK and 1 New Share for every 36.38698 Ordinary Shares held on the share register in South Africa. The Company issued 11,027,524 Ordinary Shares at an issue price of €0.5055, resulting in the Company's overall issued share capital being 852,858,815 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 851,796,757.

(w) The following is a reconciliation of the number of issued Ordinary Shares from 31 March 2013 to 7 February 2017 (being the last practicable date prior to publication of this document):

Date	Description	Issued Ordinary Shares (including treasury)
31 March 2013	Share capital as at 31 March 2013	327,800,000
12 August 2013	30,952,371 Ordinary Shares issued pursuant to a €6.5 million equity raise	358,752,371
2 October 2013	2,703,093 Ordinary Shares issued out of treasury pursuant to an issue of bonus shares and the Company's MSP incentive scheme	358,752,371
4 December 2013	1,000,000 Ordinary Shares issued out of treasury pursuant to the Company's LTIP incentive scheme	358,752,371
10 December 2013	157,933,334 Ordinary Shares issued pursuant to a €40 million equity raise	516,685,705
7 January 2014	400,000 Ordinary Shares issued pursuant to the same €40 million equity raise (balance shares issued)	517,085,705
21 January 2014	250,000 Ordinary Shares issued pursuant to the same €40 million equity raise (balance shares issued)	517,335,705
26 March 2014	8,083,333 Ordinary Shares issued pursuant to the same €40 million equity raise (balance shares issued)	525,419,038
3 June 2014	114,285 Ordinary Shares issued out of treasury pursuant to the Company's MSP incentive scheme	525,419,038
7 July 2014	818,494 Ordinary Shares issued out of treasury (bonus shares)	525,419,038
24 July 2014	666,668 Ordinary Shares issued out of treasury pursuant to the Company's LTIP incentive scheme	525,419,038
26 August 2014	1,575,641 Ordinary Shares issued pursuant to a scrip dividend alternative	526,994,679
8 December 2014	62,500 Ordinary Shares issued into treasury pursuant to the Company's MSP incentive scheme	526,994,679
8 December 2014	105,263,158 Ordinary Shares issued pursuant to a €40 million equity raise	632,257,837
2 January 2015	3,062,696 Ordinary Shares issued pursuant to a scrip dividend alternative	635,320,533
10 June 2015	3,509,909 Ordinary Shares issued out of treasury pursuant to the Company's LTIP and MSP incentive schemes	635,320,533

Date	Description	Issued Ordinary Shares (including treasury)
15 June 2015	108,695,652 Ordinary Shares issued pursuant to a €50 million equity raise	744,016,185
7 July 2015	3,866,356 Ordinary Shares issued pursuant to a scrip dividend alternative	747,882,541
26 November 2015	62,500 Ordinary Shares issued out of treasury pursuant to the Company's MSP incentive scheme	747,882,541
26 November 2015	33,709 Ordinary Shares issued out of treasury (bonus shares)	747,882,541
15 January 2016	5,478,012 Ordinary Shares issued pursuant to a scrip dividend alternative	753,360,553
26 May 2016	313,608 Ordinary Shares issued out of treasury pursuant to the Company's MSP incentive scheme	753,360,553
21 June 2016	56,603,774 Ordinary Shares issued pursuant to a €30 million equity raise	809,964,327
28 June 2016	22,814,731 Ordinary Shares issued pursuant to the conversion of loan notes by Karoo Investment Fund S.C.A. SICAV-SIF	832,779,058
11 July 2016	9,052,233 Ordinary Shares issued pursuant to a scrip dividend alternative	841,831,291
13 January 2017	11,027,524 Ordinary Shares issued pursuant to a scrip dividend alternative	852,858,815
7 February 2017	Share capital as at 7 February 2017 (being the last practicable date prior to publication of this document)	852,858,815

On 23 September 2016, the following resolution, *inter alia*, was passed by the Shareholders at the Annual General Meeting:

THAT the Company be and is hereby re-authorised in accordance with Section 315 of the Companies (Guernsey) Law 2008, as amended to make market purchases of its own shares provided that:

(i) the maximum number of Ordinary Shares authorised to be acquired is such number as represents 14.99 per cent. of the shares in issue from time to time (rounded to the nearest whole number);

(ii) the minimum price which may be paid for an Ordinary Share is €0.01;

(iii) the maximum price which may be paid for an Ordinary Share is not more than 5 per cent. above the average of the middle market quotations for the relevant Ordinary Shares, as published by the LSE for the five business days before the purchase is made; and

(iv) such authority shall expire on the date of the Annual General Meeting of the Company in 2017 unless the authority is varied, renewed, or revoked prior to such date by a resolution of the Company in a general meeting or the Company has made a contract to purchase its own Ordinary Shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration.

The International Security Identification Number ("**ISIN**") of the Ordinary Shares is GG00B1W3VF54, the Stock Exchange Daily Official List ("**SEDOL**") number is B1W3VF5 and the ticker number for the JSE is SRE.

The Ordinary Shares will be traded in Pounds Sterling on the LSE and Rand on the JSE.

Save as disclosed in this section 4 and sections 9, 12 and 13 of this Part XIII, as at 7 February 2017 (being the last practicable date prior to the publication of this document):

(a) the Company does not hold any treasury shares and no Ordinary Shares were held by, or on behalf of, any member of the Group;

(b) no Ordinary Shares have been issued otherwise than as fully paid;

(c) the Company has no outstanding convertible securities, exchangeable securities or securities with warrants;

(d) the Company has given no acquisition rights and/or obligations over its authorised share capital nor has it given an undertaking to increase its share capital; and

(e) no capital of any member of the Group is under option or is agreed, conditionally or unconditionally, to be put under option.

There have been no public takeover bids by third parties in respect of the Company's share capital within the last financial year or in the current financial year as at 7 February 2017 (being the last practicable date prior to the publication of this document).

5. MEMORANDUM AND ARTICLES OF INCORPORATION

There are no statutory rights of shareholder pre-emption under Companies (Guernsey) Law, 2008, as amended (the Companies Law). Accordingly, new Articles of Incorporation will be adopted to introduce pre-emption rights and UK Admission will be conditional on the New Articles being adopted pursuant to the passing of the required special resolution.

The Company's objects are unrestricted and the liability of the Company's members is limited to the amount, if any, unpaid on their shares.

A summary of the principal provisions of the Articles, including the provisions relating to the rights attaching to the Ordinary Shares, is set out below.

5.1 Amendments to the Articles

The Articles may be altered or amended by a special resolution of the members.

5.2 Share capital

The share capital of the Company consists of an unlimited number of Ordinary Shares, which are freely transferable, fully paid up and rank *pari passu* in all respects.

5.3 Share rights

Subject to the provisions of the Companies Law and to any rights for the time being attached to any existing shares, any shares may be issued with, or have attached to them, such preferred, deferred, or other rights or restrictions, whether with regard to dividends, voting, transfer, return of capital or otherwise, as the Company may from time to time either a) by ordinary resolution, determine or, if no such resolution has been passed, or so far as the resolution does not make specific provision, as the Board may determine; or b) with effect from the date of dual primary listing, by special resolution determine.

5.4 Disclosure of interests

The Company may by written notice request any person whom the Company reasonably believes to be, or have been in the last three years, interested in shares in the capital of the Company to provide further information about any such interests in the Company's shares within 14 days of the written notice.

If the information is not received within 14 days, the Directors may direct that the relevant member shall not be entitled to be present or to vote, either in person or by proxy, at any general meeting of the Company or separate general meeting of the holders of any class of shares in the capital of the Company, or to be reckoned in a quorum.

The Board may also direct that, if such shares represent at least 0.25 per cent. of the issued shares of the same class: (i) the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld; (ii) such a member shall not be entitled to elect to receive shares instead of a dividend; (iii) a transfer of shares will not be registered unless the member is not himself in default as regards supplying the requisite information and, when presented for registration, the transfer is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that none of the shares the subject of the transfer are those shares.

5.5 **Voting rights**

Subject to the provisions of the Companies Law, to any special terms as to voting on which any shares may have been issued or may from time to time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at a general meeting of the Company:

(a) every member who is present in person shall, on a show of hands, have one vote;

(b) every proxy who has been appointed by one or more members entitled to vote on the resolution shall, on a show of hands, have one vote except that a proxy shall have one vote for and one vote against a resolution if the proxy has been appointed by more than one member and the proxy has been instructed by one or more members to vote for and by one or more other members to vote against the resolution, or one or more members have instructed the proxy to vote for the resolution and one or more members gave the proxy discretion as to how to vote and the proxy exercises that discretion by voting against the resolution, or one or more members have instructed the proxy to vote against the resolution and one or more members gave the proxy discretion as to how to vote and the proxy exercises that discretion by voting for the resolution; and

(c) every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders stand in the register of members in respect of such share.

5.6 **Dividends**

In addition to compliance with the provisions of the Companies Law, including the requirement for the board of directors to be satisfied on reasonable grounds that the Company will, immediately after the payment of a dividend satisfy the solvency test set out in the Companies Law, the Articles provide that the Company may by ordinary resolution authorise dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

Subject to compliance with the provisions of the Companies Law, the Board may from time to time authorise the payment to members of such interim dividends (including any dividend payable at a fixed rate) as determined by the Board. If at any time the issued shares of the Company are divided into different classes, the Board may pay such interim dividends in respect of shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all shares shall carry equal dividend entitlements except: (a) to the extent that those entitlements may be defined or restricted by the terms on which the shares are issued by the Board; or (b) in the case of a partly paid share, a partly paid share confers an entitlement only to the proportion of the dividend which the amount paid on the share is to the issue price of the share. Subject as aforesaid, all dividends should be apportioned and paid to members on a date subsequent to the date the dividend is declared, notwithstanding any subsequent transfer or transmission of shares. All dividends or other sums payable on or in respect of any shares which remain unclaimed must be held by the Company in trust for a period of 12 years for the benefit of the relevant holder, whereupon the liability of the Company in relation thereto shall be extinguished.

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks fit.

The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of Ordinary Shares (excluding any member holding Ordinary Shares as treasury shares) the right to elect

to receive Ordinary Shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. The resolution may specify a particular dividend (whether or not already declared), or may specify all or any dividends declared within one or more specified periods provided that any period so specified shall not end later than the third anniversary of the date of the meeting at which the said resolution is passed.

If cheques, warrants or orders for dividends in respect of a share sent by the Company to the person entitled thereto are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose, the Company is not obliged to send any dividends in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

5.7 Transfer of shares

Subject to any applicable restrictions in the Articles, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of members.

The Board may, in its absolute discretion, refuse to register any transfer of a share unless:

(a) it is in respect of a share which is fully paid up;

(b) it is in respect of only one class of shares;

(c) it is in favour of a single transferee or not more than four joint transferees;

(d) it is duly stamped (if so required); and

(e) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of: (a) a transfer by a recognised person where a certificate has not been issued; (b) a transfer of an uncertificated share; or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities (Guernsey) Regulations 2009 (as amended from time to time) and the computer-based system and procedures which enable title to units of a security to be evidenced and transferred without a written instrument pursuant to such regulations.

If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.

No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any share.

5.8 Power of the Board in relation to shares

Subject to the provisions of the Articles and, with effect from the date of dual primary listing, the JSE Listings Requirements, the unissued shares shall be at the disposal of the Board which may:

(a) issue an unlimited amount of shares or grant rights to subscribe for, or convert any security into shares, grant options over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines;

(b) issue shares for cash or grant or issue options and/or convertible securities for cash;

(c) issue shares of different types or shares of different classes including but not limited to shares which:

(i) are redeemable shares,

(ii) confer preferential rights to distribution of capital or income,

(iii) do not entitle the holder to voting rights, or

(iv) entitle the holder to restricted voting rights and the creation or issuance of any such shares or any additional shares ranking equally with an existing type or class of share is deemed not to vary the rights of any existing member;

(d) convert all or any classes of the Company's shares into redeemable shares;

(e) issue shares which have a nominal or par value;

(f) issue shares of no par value;

(g) issue any number of shares they see fit;

(h) issue fractions of a share;

(i) issue shares that provide for the payment of dividends and distributions in differing proportions in accordance with the terms of issue of such shares; and

(j) pay commissions in such manner and in such amounts as the Directors may determine.

Where an authorisation to issue shares or grant rights to subscribe for or to convert any security into shares specifies and expires on any date, event or circumstance, the Directors may issue shares or grant rights to subscribe for or to convert any security into shares after the expiry of such authorisation if the shares are issued or the rights are granted, in pursuance of an offer or agreement made by the Company before the authorisation expired and the authorisation allowed the Company to make an offer or agreement which would or might require shares to be issued, or rights to be granted, after the authorisation had expired.

The Company may from time to time, subject to the provisions of the Companies Law and, with effect from the date of dual primary listing, the JSE Listings Requirements, purchase its own shares (including any redeemable shares) in any manner authorised by the Companies Law and may hold any such shares as treasury shares.

Any shares may, with the sanction of either: (a) the Board; or (b) an ordinary resolution; or, with effect from the date of dual primary listing, a special resolution, be issued on terms that they are or at the option of the Company or the holder are liable to be redeemed on such terms and in such manner as the Company before the issue may determine with the sanction of either the Board or an ordinary or a special resolution, as applicable.

The Company and any of its subsidiary companies may give financial assistance, as defined in the Companies Law, directly or indirectly for the purpose of or in connection with the acquisition of its shares or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company.

If at any time the shares of the Company are divided into different classes, all or any of the rights for the time being attached to any share or class of shares (and notwithstanding that the Company may or may be about to be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in number of the issued shares of that class or with the consent of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles, but so that the quorum at such meeting (or at an adjourned meeting) shall be three persons holding or representing by proxy at least 25 per cent. of the issued shares of the class in question.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by: (a) the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto; or (b) the purchase or redemption by the Company of any of its own shares.

The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall not be deemed to be varied by the exercise of any powers in the Articles.

For the avoidance of doubt, authority to create or increase the authorised share capital of the Company shall not be regarded or deemed as varying or abrogating the special rights conferred upon the holders of any shares issued with preferred, deferred or other special rights.

The Company may pay commission in money or shares, not exceeding 10 per cent. of the subscription price, to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares in the Company or procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in the Company provided that the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Companies Law. The Company may also pay brokerages.

The Directors may at any time after the Board has resolved to issue any share but before any person has been entered in the register as the holder:

(a) recognise a renunciation thereof by the subscriber in favour of some other person and accord to any subscriber of a share a right to effect such renunciation; and/or

(b) allow the rights represented thereby to be one or more participating securities (a security title to units which are permitted to be transferred by means of a relevant system),

in each case upon and subject to such terms and conditions as the Directors may think fit to impose.

Subject to the provisions of the Companies Law, the Board may treat shares of a holder in certificated form and in uncertificated form as separate holdings in giving effect to sub-divisions and/or consolidations and the Board may, at its absolute discretion, cause any shares arising on sub-division or consolidation and representing fractional entitlements to be entered in the Register as shares in certificated form where this is desirable to facilitate the sale thereof.

For the purposes of any sale of consolidated shares pursuant to Article 43.2, the Board may authorise a person to execute an instrument of transfer of the shares to, or in accordance with, the directions of the purchaser, and the transferee shall not be bound to see to the application of any purchase consideration, nor shall his title to the shares be affected by any act, omission, irregularity or invalidity relating to or connected with the proceedings in reference to the sale. In respect of uncertificated shares, the Board may authorise some person to transfer and/or require the holder to transfer the relevant shares in accordance with the facilities and requirements of the relevant system.

5.9 **Variation of rights**

If at any time the issued shares of the Company are divided into shares of different classes, any of the rights for the time being attached to any shares may be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class.

The quorum at any such meeting shall be not less than three persons present (in person or by proxy) holding at least 25 per cent. of the voting rights of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting, such quorum requirements shall continue to apply.

Subject to the terms of issue of or rights attached to any shares, the rights for the time being attached to any shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares or the sale of any shares held as treasury shares in accordance with the provisions of the Companies Law and the Articles.

5.10 **General meetings**

The Board may convene a general meeting, other than an annual general meeting, whenever it thinks fit.

A general meeting shall be convened by the longer of such notice as may be required by law or the rules of the LSE, the JSE Listings Requirements or the requirements of any stock exchange on which the Company's shares are listed or admitted to trading from time to time.

The notice shall specify whether the meeting is convened as an annual general meeting or any other general meeting, the day, time and place of the meeting and the general nature of the business to be transacted at the meeting. In the case of a meeting convened to pass a special resolution, the notice shall include the text of such resolution and specify the intention to propose such resolution as a special resolution. The notice shall specify with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies (provided each proxy is appointed to exercise the rights attached to a different share held by the member) to attend and to speak and vote instead of the member and that a proxy need not also be a member. The notice must be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the Auditors, to the JSE (in any manner authorised by the JSE Listings Requirements) and to any other person who may be entitled to receive it. The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting. In addition, all notices shall be released on the Stock Exchange News Service (SENS) of the JSE.

The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Law or the Articles to be made available at the meeting.

A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting. The chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.

No business shall be transacted at any general meeting, including an adjourned general meeting, unless a quorum is present. Subject to the Articles, three persons (either members, duly authorised representatives or proxies) entitled to vote upon the business to be transacted at the meeting shall be a quorum. A meeting may not begin nor may business be transacted until sufficient persons are present at the meeting to exercise, in aggregate, at least 25 per cent. of all the voting rights entitled to be exercised. The chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.

A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Law, a poll may be demanded by the chairman of the meeting, at least five members present in person or by proxy having the right to vote on the resolution, a member or members representing not less than ten per cent. of the total voting rights of all the members having the right to vote on the resolution or a member or members holding shares conferring the right to vote on the resolution, representing not less than ten per cent. of the total shares conferring that right.

The Board may, for the purpose of controlling the level of attendance, ensuring the safety of those attending at any place specified for the holding of a general meeting, ensuring the security of the meeting and ensuring the future orderly conduct of the meeting, from time to time make such arrangements as the Board shall in its absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place thereof. The entitlement of any member or proxy to attend a general meeting at such place shall be subject to any such arrangements as may be for the time being

approved by the Board. In the case of any meeting to which such arrangements apply the Board may, when specifying the place of the meeting:

(a) direct that the meeting shall be held at a place specified in the notice at which the chairman of the meeting shall preside (being the principal place); and

(b) make arrangements for simultaneous attendance and participation at satellite meeting places or by way of any other electronic means by members otherwise entitled to attend the general meeting or who wish to attend at satellite meeting places or other places at which persons are participating by electronic means, provided that persons attending at the principal place and at satellite meeting places or other places at which persons are participating by electronic means shall be able to see, hear and be seen and heard by, persons attending at the principal place and at such other places, by any means.

Such arrangements for simultaneous attendance at such other places may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any excluded members are able to attend at one of the satellite meeting places or other places at which persons are participating by electronic means. Any such meeting shall be treated as taking place at and being held at the principal place.

The Board may direct that any person wishing to attend any meeting should provide evidence of identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to any meeting to any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions.

5.11 **Borrowing powers**

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the Companies Law, to create and issue debentures and other loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Board shall restrict the borrowings of the Company and shall exercise all voting and other rights and powers of control exercisable by the Company such that the aggregate principal amount outstanding in respect of monies borrowed by the Company does not at any time, without previous sanction of an ordinary resolution of the Company, exceed 95 per cent., of the appraised value of the underlying property portfolio of the Group from time to time, provided that no such sanction shall be required for the borrowing of any sum of money applied or intended to be applied within six months of the date of borrowing in the repayment (with or without premium) of any moneys then already borrowed and remaining undischarged notwithstanding that the same may result in the said limit being exceeded, provided further that for the purposes of the said limit the issue of unsecured loan stock of loan capital shall be deemed to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash.

Any person lending money to the Company shall be entitled to assume that the Company is acting in accordance with the Articles and shall not be concerned to enquire whether such provisions have in fact been complied with.

5.12 **Issue of shares**

Shareholders in general meetings may authorise the Board to issue unissued shares, and/or grant options to subscribe for unissued shares, as the Board in its discretion deems fit, provided that such corporate action has been approved by the JSE and, with effect from the date of dual primary listing, is subject to the JSE Listings Requirements.

Subject to the provisions of the Companies Law and to any rights for the time being attached to any existing shares, any shares may be issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividends, voting, transfer, return of capital or otherwise, as the Company may from time to time: (a) by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make

specific provision, as the Board may determine; or (b) with effect from the date of dual primary listing, by special resolution determine. Any share may with the sanction of either: (a) the Board or; (b) an ordinary resolution or, with effect from the date of dual primary listing, a special resolution, be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed on such terms and in such manner as the Company before the issue may determine with the sanction of either the Board or an ordinary or a special resolution, as applicable.

Subject to the provisions of the Companies Law and to any relevant authority of the Company required by the Companies Law and to the Articles, any new shares shall be at the disposal of the Board.

The Company is prohibited from claiming a lien on any shares issued by it.

5.13 **Offers to members to be on a pre-emptive basis**

Notwithstanding paragraph 5.11, the Company is not permitted to issue "equity securities" (being: (i) shares in the Company; or (ii) rights to subscribe for, or to convert securities into, shares in the Company), on any terms unless it has first made an offer to each person who holds equity securities of the same class in the Company to issue to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of the share capital of the Company, and the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made. These pre-emption rights may be excluded and dis-applied or modified by special resolution of the members.

These pre-emption rights do not apply to an allotment (or sale, in the case of treasury shares) of shares if such shares are or are to be wholly or partly paid otherwise than in cash nor do they apply to any shares allotted or issued (or sold, in the case of treasury shares) pursuant to the terms of an employee share scheme.

5.14 **Alterations to share capital**

With effect from the date of dual primary listing, the Company may by special resolution consolidate its shares, sub-divide its shares or 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 Companies Law.

5.15 **Directors' fees**

The Directors (other than alternate Directors and other than any Director who for the time being is appointed to hold any employment or executive office) shall be entitled to receive by way of fees for their services as Directors such sum as a disinterested quorum of Directors (or any committee authorised by the Board) may from time to time determine (not exceeding in aggregate £600,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.

The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by a disinterested quorum of Directors or any committee authorised by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director.

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

Directors may receive reasonable additional remuneration for performing special duties or service outside his ordinary duties as a Director. The salary or remuneration of any Director holding employment or executive office at the Company may be either a fixed sum or a sum calculated by reference to business done or profits made or otherwise determined by a disinterested quorum of Directors (or any committee authorised by the Board).

5.16 **Pensions and gratuities for Directors**

The Board, or any committee authorised by the Board, may exercise all of the powers of the Company to provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were Directors of the Company and their relatives and dependants.

5.17 **Directors' interests**

The Board may authorise any matter proposed to it in accordance with the Articles which would otherwise involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Law, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interests of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting in which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person and will not be in breach of the general duties he owes to the Company under the Companies Law because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict of interest is discussed, and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser on his behalf and/or behaves in any other way authorised by any guidance which may from time to time be issued by the Board.

Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Law, a Director, notwithstanding his office:

(a) may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested:

(b) may hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as a disinterested quorum of Directors, or a committee authorised by the Board, may determine;

(c) 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 company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and

(d) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.

A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the

interest or it concerns the terms of his service agreement that have been or are to be considered at a meeting of the Directors or a committee of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.

The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

5.18 **Restrictions on Directors' voting**

A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any arrangement, transaction or arrangement in which he is aware he has a material interest, if he purports to do so, his vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:

(a) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;

(b) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

(c) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(d) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;

(e) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(f) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Companies Law) in 1 per cent. or more of the issued shares of any class of such body corporate nor to his knowledge hold one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;

(g) any proposal relating to an arrangement for the benefit of the employees and Directors or former employees and former directors of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

(h) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;

(i) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure where all other Directors are being offered substantially the same arrangements; or

(j) any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

5.19 **Number of Directors**

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not be less than four.

If the number of Directors is less than the minimum, the remaining Directors must fill the vacancy or vacancies or call a general meeting for that purpose as soon as practicable and, in any event, not later than three months after the date that the number falls below the minimum.

5.20 **Directors' appointment and retirement**

Directors may be appointed by the Company by ordinary resolution. If appointed by the Board, a Director holds office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation.

At each annual general meeting of the Company, any Directors appointed by the Board since the last annual general meeting shall retire. In addition one-third of the remaining Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation. If there are fewer than three such Directors, one Director shall retire from office.

At each annual general meeting, any Director who was last elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. If the number of Directors so retiring is less than the minimum number of Directors who are required to retire by rotation, additional Directors up to that number shall retire (namely, those Directors who are subject to rotation but who wish to retire and not offer themselves for re-election and those Directors who have been Directors longest since their appointment or last re-appointment (and, as between those who have been in office an equal length of time, those to retire shall, unless they otherwise agree, be determined by lot).

Any Director (other than the chairman and any Director holding executive office) who would not otherwise be required to retire shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting and shall not be taken into account when deciding which and how many Directors should retire by rotation at the annual general meeting.

The Company may by ordinary resolution remove any Director before the expiration of his period of office.

The office of a Director shall be vacated if:

(a) he resigns by notice in writing delivered to, or, if in electronic form, received by the Company Secretary at the registered office or tendered at a meeting of the Board;

(b) he ceases to be or to be eligible to be a Director by virtue of any provision of the Companies Law, is removed from office pursuant to the Articles or the Companies Law, or becomes prohibited by law from being a Director;

(c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangements or compounds with his creditors or applies to the court for an interim order in connection with a voluntary arrangement or enters into any analogous or similar procedure in any jurisdiction;

(d) a registered medical practitioner gives a written opinion to the Company stating that the Director has become physically or mentally incapable of acting as a Director and may remain so for more than three months and the Board resolves that his office be vacated;

(e) he is absent (whether or not an alternate Director appointed by him attends), without the permission of the Board, from Board meetings for six consecutive months and the Board resolves that his office be vacated; or

(f) his resignation is requested by notice in writing at his last-known address by all the other Directors with such removal to take effect from the date stipulated in the notice.

5.21 **Proceedings of the Board**

Subject to the provisions of the Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit. One Director, or the Company Secretary at the request of a Director, can summon a Board meeting at any time. Notice of a Board meeting shall be deemed to have been given to a Director if it is given to him personally or by word of mouth or sent to him (in hard copy or electronic form) at his last known address. A Director may waive the requirement that notice be given to him of any Board meetings. The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined, shall be two persons, each being a Director or an alternate Director.

Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the Chairman of that meeting shall have a second or casting vote unless he is not entitled to vote on the resolution in question.

5.22 **Disclosure of interests in Shares**

Following UK Admission, the provisions of Chapter 5 of the Disclosure and Transparency Rules will apply to the Company but on the basis that the Company is a "non-UK issuer" (as defined in those rules). This will require persons to notify the Company of the percentage of voting rights in the Company he holds or is deemed to hold if the percentage of those voting rights reaches, exceeds or falls below 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent. However, in order to be consistent with the Company's current Articles of Incorporation, the Articles incorporate the provisions of Chapter 5 of the Disclosure and Transparency Rules as if the Company were a "UK issuer" (as defined in those rules). This will require persons to notify the Company of the percentage of voting rights in the Company he holds or is deemed to hold if the percentage of those voting rights reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent.

5.23 **CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form. The Articles contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the Articles so that they can be applied to transactions with shares in the Company in uncertificated form.

5.24 **STRATE**

Strate is responsible for the JSE's electronic settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise that by written instrument in South Africa. The Articles permit the holding and transfer of Ordinary Shares in uncertificated form. Ordinary Shares may only be traded on the JSE in uncertificated form within the Strate system.

5.25 **Indemnity of officers and insurance**

Subject to the provisions of the Companies Law, but without prejudice to any indemnity to which he might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the Auditors or the auditors of an associated company) shall, to the fullest extent permitted by the Companies Law, be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses, damages and liabilities incurred by him in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, as a trustee of an occupational pension scheme. Subject to the provisions of the Companies Law, the Company may at the discretion of the Board provide any person who is or was at any time a Director or officer of the Company or a director or officer of an associated company (except the Auditors or the auditors of an associated company) with funds to meet expenditure incurred or to be incurred by him (or to enable such Director or officer to avoid incurring such expenditure) in defending any criminal

or civil proceedings or defending himself in any investigation by, or against action proposed to be taken by, a regulatory authority or in connection with any application for relief under the provisions referred to in the Companies Law. In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

6. SHAREHOLDER RIGHTS UNDER GUERNSEY LAW

The following is a summary of the rights of the shareholders under the Companies Law and other applicable laws in Guernsey. Prospective shareholders are advised that this is not a complete statement of the rights of the shareholders under applicable law in Guernsey or under the Articles.

6.1 Board of Directors

Composition and election

Under the Companies Law, the board of directors of a company must be composed of at least one director. Directors are appointed, unless the memorandum and articles of incorporation of the company provide otherwise by way of ordinary resolution of the shareholders passed by simple majority.

Limitation on personal liability of directors

A director may not be exempted from or indemnified directly or indirectly by his company in respect of any liability incurred for negligence, default, breach of duty or breach of trust. A company can, however, obtain directors' and officers' insurance cover. Directors are jointly and severally liable for violations of the law or for exceeding powers granted by the articles of incorporation of a company.

Indemnification of directors

A director may not be exempted from or indemnified directly or indirectly by his company in respect of any liability incurred for negligence, default, breach of duty or breach of trust. Any director who has acted honestly and reasonably and who, having regard to the circumstances of each case, ought fairly be excused, may be relieved of liability by the court.

Removal of directors

Under the Articles, Directors may be removed at any time by a general meeting of shareholders by a simple majority of votes cast. A person will cease to be a director if he/she is ineligible to be appointed or hold office as set out under section 137 of the Companies Law, including where a director is disqualified, by reason of unfitness, from acting as a director under the law of a district territory of place outside Guernsey.

Filling vacancies on the board of directors

Directors may only be appointed by way of ordinary resolution of the shareholders passed by a simple majority, unless a company's articles of incorporation allow otherwise. The Articles provide that the Directors may appoint directors to the Board to fill a vacancy or as an additional director to hold office until the next annual general meeting of the Company.

6.2 Company alterations

(a) Under Guernsey law, an amalgamation of two companies requires a special resolution of the shareholders from each amalgamating company. It is possible for a Guernsey company to merge with another Guernsey company or an overseas company. There is a short form amalgamation process for amalgamations between a company and its wholly owned subsidiary or between two or more wholly owned subsidiaries of the same company which does not require a special resolution of the members of each company. Creditors and members of an amalgamating company can apply to court, if they object to the amalgamation, on the grounds that the amalgamation would unfairly prejudice their interests and, if satisfied that such unfair prejudice may result, the court may order the amalgamation not take effect or be modified.

(b) Under the Companies Law, a compromise or arrangement is permitted between the company and its creditors or shareholders, or any class thereof, whether for the purpose

of facilitating the company's reconstruction or its merger with another company, or otherwise. An application must be made to court which will order a meeting of the company's creditors or shareholders. It is necessary for 75 per cent. in value of the creditors or 75 per cent. of the voting rights of the shareholders, or class thereof, as the case may be, to agree to the compromise or arrangement and if such compromise or arrangement is sanctioned by the court, it will be binding on the creditors or shareholders, or class thereof, as appropriate.

(c) The Companies Law also requires the approval of the shareholders by special resolution for the removal of a company from the Guernsey Register of Companies for the purpose of becoming registered as a company under the law of a district, territory or place outside Guernsey.

(d) Under the Companies Law, the memorandum of incorporation may be altered to the extent permitted by the Companies Law by a unanimous resolution and articles of incorporation may be altered by special resolution unless provisions are embedded in the articles and are stated as requiring a resolution with a higher or lower threshold. Certain provisions within a company's articles can be embedded with a higher voting threshold required for change and certain parts of a company's memorandum may also require a higher voting threshold.

(e) Variation of the rights of a class of shareholders may only be effected: (a) in accordance with any provision in the company's articles for the variation of those rights; or (b) where the company's articles contain no such provision, if the variation is consented to in writing by the holders of at least 75 per cent. in value of the issued shares of that class (excluding any shares held as treasury shares), or if a special resolution passed at a separate general meeting of the shareholders of that class sanctions the variation.

(f) Any amendment of a provision contained in a company's articles of incorporation for the variation of the rights of a class of shareholders, and any insertion of any such provision into the articles, is itself to be treated as a variation of those rights. Under the Companies Law, in certain circumstances dissent rights in respect of such alterations are available (unless the articles of incorporation provide otherwise in certain cases).

(g) Under the Companies Law, amendments to a company's memorandum and articles of incorporation so permitted may be authorised by way of a special resolution of the company's shareholders.

6.3 **Rights of dissent and appraisal**

The Companies Law contains rights of dissent (the granting of which is discretionary on the part of the court), which are applicable where the company resolves to:

(a) amalgamate with another corporation (other than vertical or horizontal short form amalgamations);

(b) transfer of registration of a corporation into a jurisdiction; or

(c) carry out a takeover transaction.

6.4 **Oppression remedy**

Under the Companies Law, a shareholder can apply to the court for an order providing relief on the ground that the company's affairs are being or have been conducted in a manner which is unfairly prejudicial to any of its members.

6.5 **Shareholder derivative actions**

The laws of Guernsey permit derivative actions to be brought by a shareholder, or such person as the court directs who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. Under the laws of Guernsey, the complainant must obtain permission of the court to commence a derivative action.

6.6 **Meetings**

Requisitioned by shareholders

The Companies Law provides the right to call meetings to shareholders of a company where they hold at least 10 per cent. of such of the capital of the company as carries the right of voting at general meetings of the company (excluding any capital held as treasury shares).

Shareholder proposals

The Companies Law does not specifically provide a process for shareholders requesting matters to be put to a vote at shareholder meetings.

Notwithstanding anything to the contrary in the company's memorandum or articles, shareholders who hold more than 10 per cent. of shares in the capital of the company as carries the right of voting at general meetings of the company (excluding any capital held as treasury shares) may require the directors to call a general meeting and the request may include the text of a resolution that is intended to be moved at the meeting. The notice of the meeting must include notice of the resolution. Also, shareholders representing not less than 5 per cent. of the total voting rights of all members entitled to vote on the resolution (or such lower percentage as is specified for this purpose in the company's articles) of a company may require the company to circulate a resolution (and an accompanying written statement of not more than a 1,000 words) that may properly be moved as a written resolution.

Form of proxy and information circular

The Companies Law contains provisions which require every notice calling a meeting to contain a statement that a member is entitled to appoint a proxy (or proxies, if appointed in respect of different shares) to attend, speak and vote at that meeting and that the proxy need not be a member of the company.

Place of Meetings

The Companies Law provides that subject to the provisions of a company's articles of incorporation, a general meeting may be held at any place in Guernsey or elsewhere. The Companies Law states that subject to any provision to the contrary in a company's articles, if a shareholder is, by any means, in communication with one or more other shareholders so that each shareholder participating in the communication can hear or read what is said or communicated by each of the others, each shareholder so participating is deemed to be present at a meeting with the other shareholders so participating and a meeting of shareholders so conducted will be deemed to be held in the place in which the chairman of the meeting is present.

6.7 **Sale of undertaking**

The Companies Law does not contain provisions in relation to shareholder authority for the sale of a company's undertaking and, accordingly, the sale, lease or exchange of all or substantially all the property of the company will be governed by the articles of incorporation of a company.

6.8 **Distributions and dividends; repurchases and redemptions**

(a) Subject to the directors' satisfaction that the company meets a statutory solvency test, dividends need not be paid out of any particular account or source and, specifically, need not be paid from profits or reserves. The same test applies for other distributions such as redemptions, share buybacks, capital reductions, bonus issues and distributions on winding up. The solvency test requires a certificate to be signed by a director by authority of the board that, in the opinion of the board, the company is able to meet its debts and liabilities as they fall due and has assets greater than its liabilities and the grounds for that opinion. If there are no reasonable grounds for certifying that the solvency test is met, or if the correct procedure is not followed, then the directors may be personally liable to reimburse the relevant dividend or distribution if it cannot be recovered from shareholders.

(b) If authorised by its memorandum or articles of incorporation, a company may issue redeemable shares or acquire its own shares (including redeemable shares). A company may not redeem a share unless it is fully paid, nor if as a result the company

would have no shareholders. A company may acquire its own shares pursuant to a market purchase or a contract authorised by the company's shareholders, and must obtain the consent of the shareholders whose shares are being acquired. Shares need not be redeemed or acquired from a particular account or source.

6.9 **Transactions with directors and officers**

The Companies Law includes a statutory regime for disclosure of directors' interests. Where a directors' interest is not disclosed to the board of directors of a company at the time of a transaction, the transaction may be avoided within three months of the date of the company becoming aware of the interest, unless it is ratified by shareholders or the company received fair value for the transaction. Legal protections are available to third parties who transact with the company in good faith, for valuable consideration and without knowledge of the directors' failure to disclose his interests.

6.10 **Interested shareholders**

The Companies Law does not contain restrictions on the transactions that a shareholder may conclude with a company.

6.11 **Schemes of arrangement or compromise**

An arrangement may be proposed between a company and its members, or any class of them or creditors or class of creditors (as the case may be).

In addition to a share purchase arrangement, an arrangement includes a reorganisation of the company's share capital by the consolidation of shares of different classes, or by the division of shares into shares of different classes, a conversion into another type of company, an amalgamation, or a migration into another jurisdiction.

An application may be made to the court to summon a meeting of the shareholders or class of shareholder, or creditors or class or creditors (as the case may be). Notice (containing certain prescribed information) must be given to all of the members or relevant class of members, or creditors or class or creditors (as the case may be), who will be affected by the arrangement.

If a majority in number representing 75 per cent. in value of the members or class of members (excluding any shares held as treasury shares), or creditors or class or creditors (as the case may be), present and voting either in person or by proxy at the meeting summoned by the court, agree a compromise or arrangement, the court may, on an application under this section, sanction the compromise or arrangement.

In exercising its discretion whether to sanction an arrangement, the court may consider whether:

(a) the majority is acting in good faith in the interests of the creditors or class of creditors, or members or class of members (as the case may be) it professes to represent: and

(b) the different interests of creditors or members are such that they should be treated as belonging to a different class of creditors or members.

Consequently, if a court deems that a shareholder with a majority shareholding by value has different interests to that of a minority shareholder, they may be treated by the court as belonging to a different class. As such a majority shareholder might not be able to be counted in the requisite 75 per cent. required to approve an arrangement. The 75 per cent. would then be considered to be 75 per cent. of the minority shareholders by value who are present and voting.

A compromise or agreement sanctioned by the court is then binding upon all creditors or class of creditors, or on the members or class of members (as the case may be), the company, an administrator or liquidator and contributories of the company (if relevant) and any receiver of a cell of a protected cell company (if relevant).

6.12 **Unfair prejudice**

A member of a company may apply to the court on the ground that the affairs of the company are conducted in a manner that is unfairly prejudicial to the interests of members generally or of some part of its members (including at least himself), or an actual or proposed act or omission of the company is or would be so prejudicial.

A person who is not a member of a company but to whom shares in the company have been transferred or transmitted by operation of law may apply as if he was a member.

If the court is satisfied that an application is well founded it may make such orders: (a) to regulate the conduct of the company's affairs in the future; (b) to require the company to refrain from doing or continuing to do an act, or require it to do any act which the applicant has complained it has omitted to do; (c) to authorise civil proceedings to be brought in the name and on behalf of the company by such persons and on such terms as the Court may direct; (d) to provide for the purchase of shares of any member of the company by other members of the company or by the company itself (and the reduction of the company's capital accordingly), and to require the company not to make any, or any specified, alterations in its memorandum or articles of incorporation without the leave of the court, and the court may make such alterations to the company's memorandum or articles of incorporation and any of its resolutions as the court thinks fit.

6.13 Dealing in securities

Under the Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1996, an individual who has information, which specifically relates to particular securities or to a particular issuer(s) (and not to securities or to issuers of securities generally) which has not been made public (but would be likely to have a significant effect on the price of any securities if it were made public), will be guilty of insider dealing if he deals in securities which are price affected securities in relation to the information. That person will also be guilty of insider dealing if he encourages another person to deal in securities which are (whether or not that other knows it) price affected securities in relation to the information, knowing or having reasonable cause to believe that the dealing would take place on a regulated market, or through a professional intermediary or he discloses the information, otherwise than in the proper performance of the functions of his employment, office or profession, to another person.

7. EMPLOYEES

The following table sets out the number of the Group's full time equivalent employees by business area as at 31 December 2016 (being the last practicable date prior to the publication of this document):

Business Area	Number of employees
Marketing	8
Asset Management	7
Centre Management	24
DDS	7
Development	8
Finance	33
Human Resources	8
Information Technology	8
Legal	9
Managing Directors (including assistants)	6
MIS	14
Operating & Management	2
Operations	44
Renewals	5
Sales	14
Service Charge	9
Total	**206**

As at 31 December 2016 (being the last practicable date prior to the publication of this document), 49 employees work less than a 40 hour week.

The Board of Directors consists of two Executive Directors and four Non-executive Directors as at the date of this document.

8. OTHER BENEFITS

The benefits package for the Executive Directors includes private medical insurance, death in service insurance, income protection insurance and travel accommodation. These are reviewed every year to ensure that the level of rates and cover remains competitive. The benefits package for the Senior Managers includes private medical insurance, death in service insurance and travel accommodation.

An amount is paid by the Company on a monthly basis to provide an appropriate level of pension contribution for both Executive Directors and Senior Managers. The Company does not, however, provide self-invested pensions and accordingly does not set aside any amount for pensions, retirement or similar benefits.

Sirius Facilities GmbH operates a company pension plan which is in the form of an annuity insurance contract which is taken out with Allianz Lebensversicherungs-AG. Sirius Facilities GmbH makes contributions in respect of employees based upon their length of service (with levels of contributions increasing with increasing length of service). Employee contributions are made via salary conversion. Irrespective of the duration of service, Directors are entitled to choose the level of contribution that they will make and Sirius Facilities GmbH will match this up to a maximum of 100 Euros per month. Prokurists automatically receive the maximum level of employer contributions (this being 100 Euros per month) irrespective of the duration or the level of employee contributions.

9. SHARE PLANS

The Company operates the following employee share plans, the key terms of which are summarised below, which are used to provide equity-based incentives to executive directors and employees of the Group: (i) LTIP; and (ii) MSP (which will terminate on 31 March 2017 in the event that UK Admission occurs), (together, the "**Share Plans**").

The following features are common to each of the Share Plans, unless otherwise specified.

9.1 Operation and Administration

The Share Plans are operated and administered by the Board. However, the Remuneration Committee will oversee and supervise the aggregate annual levels of awards granted each year, the extent of participation and the applicable performance conditions.

9.2 Eligibility

Employees (including executive Directors) of the Group will be eligible, but not entitled, to participate in the Share Plans.

9.3 Settlement and dilution limits

Awards granted under the Share Plans may be satisfied by the issue of new Ordinary Shares or the transfer of Ordinary Shares from treasury.

At any time, the total number of new Ordinary Shares which have been issued or remain issuable pursuant to awards granted under the Share Plans or awards granted (in the preceding 10 years) under any other employees' share scheme established by the Company may not exceed ten per cent. (10 per cent.) of the Ordinary Shares in issue at that time.

For the purposes of the above limits:

(a) Ordinary Shares which are the subject of lapsed awards (other than any awards in respect of which Ordinary Shares have been issued into any employee benefit trust or in the name of a nominee) shall be excluded; and

(b) treasury shares shall be treated as issued (unless guidance published by relevant institutional investor representative bodies recommends otherwise).

9.4 Voting and other rights

Awards will not provide any voting rights in respect of any Ordinary Shares subject to such award unless otherwise permitted in accordance with the terms of the relevant plans, as set out below. All awards are non-transferable and non-pensionable.

9.5 Dividends

No entitlement to dividends will arise in respect of awards granted under the Share Plans prior to the vesting dates of such awards.

9.6 LTIP

The LTIP provides for the award of conditional share awards, that is, the award of free shares, which are to be issued or transferred subject to certain performance conditions being satisfied or met ("**LTIP Awards**"). As at 7 February 2017 (being the last practicable date prior to the publication of this document), a total maximum of 23,850,000 Ordinary Shares, subject to performance criteria, are currently subject to LTIP Awards.

(a) ***Grant of LTIP Awards***

Eligible employees may be granted LTIP Awards at any time apart from during the period in which dealings in Ordinary Shares are prohibited by virtue of the rules of the LSE or the Company's dealing code.

No LTIP Awards may be granted under the LTIP after July 2023.

(b) ***Vesting of LTIP Awards***

LTIP Awards will normally vest to the extent performance conditions have been satisfied over the performance period following the end of the performance period.

(c) ***Performance conditions***

The Remuneration Committee will determine the performance conditions relating to the LTIP Awards on grant. No such performance conditions may subsequently be varied or waived unless the Remuneration Committee and the participant agree that an event has occurred or circumstances have arisen which mean such performance conditions have ceased to be appropriate.

(d) ***Cessation of employment***

If a participant ceases to hold employment in the Group by reason of his death, permanent disability or ill health, his LTIP Award shall lapse partially, based on the time elapsed since the date of grant and the extent to which performance conditions have been met at such time. The remainder of his LTIP Award will, at the discretion of the Remuneration Committee, vest on the date of cessation.

If a participant ceases to hold employment in the Group for any other reason, his LTIP Award will lapse immediately.

A participant is treated as ceasing to hold employment on the date on which he gives or is served notice of cessation, unless the Board determines otherwise.

(e) ***Change of control***

In the event of a change of control of the Company (other than an internal reorganisation) or an asset sale comprising at least 51 per cent. of the gross assets of the Company, LTIP Awards shall immediately vest to the extent specified in participants' award certificates or to the extent to which the performance conditions have been met.

(f) ***Variation of share capital and special dividends***

In the event of any variation in the Ordinary Share capital of the Company or any capitalisation of profits or reserves by way of any consolidation, sub-division or reduction of the Ordinary Share capital of the Company and in respect of any discount element in any rights issue or any other variation in the Ordinary Share capital of the Company or upon payment of a special dividend, the number of Ordinary Shares subject to an award may be varied in such manner as the Board considers appropriate, but no adjustment which would adversely affect the rights of participants may be made without approval of participants holding at least seventy-five per cent. (75 per cent.) of the Ordinary Shares subject to LTIP Awards so affected.

(g) ***Amendments***

The LTIP may be amended in any respect by the Remuneration Committee provided that no amendment shall be made if it would adversely affect the rights of participants without the approval of participants holding LTIP Awards over seventy-five per cent. (75 per cent.) of Ordinary Shares subject to LTIP Awards so affected.

9.7 ***MSP***

The MSP will terminate on 31 March 2017 in the event that UK Admission occurs.

The MSP encourages share ownership in the Company by offering participants a share at no cost for every share that the participant acquires in the Company during the year.

(a) ***Individual limit***

For every Ordinary Share purchased by a participant (using their own funds) the Company awards a matching Ordinary Share up to a maximum of fifty per cent. (50 per cent.) of the participant's base salary at the end of the relevant financial year (or such other limit as may be determined by the Remuneration Committee) subject to the participant remaining in employment at the end of the financial year and the achievement of a profit before tax related performance condition.

(b) ***Restrictions on share transfers***

Participants in the MSP may not sell or transfer or otherwise dispose of their matching shares for a period of 12 months from the date of acquiring the matching shares.

(c) ***Amendments***

No amendments may be made to the MSP to the extent that this would have an adverse effect on the rights already acquired by a participant.

10. REMUNERATION OF DIRECTORS

In the Financial Year ending 31 March 2016, the amount of remuneration paid, including any deferred contingent or deferred compensation, and benefits in kind granted by the Group for services in all capacities to the Group is as follows:

Director	Base salary €	Bonus €	LTIP €	MSP €	Benefits €	Pension €	Fees €	Total €
Andrew Coombs**	388,421	310,538	427,405	219,928	44,401	42,713	–	1,433,406
Alistair Marks**	272,203	280,529	427,405	33,257	16,568	29,335	–	1,059,297
Robert Sinclair	–	–	–	–	–	–	80,000	80,000
Wessel Hamman	–	–	–	–	–	–	30,000	30,000
James Peggie	–	–	–	–	–	–	30,000	30,000
Neil Sachdev*	–	–	–	–	–	–	–	–

* Note Neil Sachdev was paid no remuneration in the Financial Year ended 31 March 2016 as he was appointed after the end of the Financial Year.

** Note a portion of the bonuses for the financial year ended 31 March 2016 payable to Andrew Coombs (€47,130) and Alistair Marks (€47,130) were deferred and will be paid in the next financial year (subject to the achievement of a performance hurdle in respect of that financial year).

As at the date of UK Admission, the Directors' salaries and fees will be as set out below:

Director	Salary £	Salary €	Fees £	Fees €
Andrew Coombs	400,000	–	–	–
Alistair Marks	–	345,000	–	–
Robert Sinclair*	–	–	47,500	–
Wessel Hamman	–	–	40,000	–
James Peggie**	–	–	52,500	–
Neil Sachdev	–	–	120,000	–

* Includes a fee of £7,500 per annum for chairing the Audit Committee.

** Includes a fee of £7,500 per annum for chairing the Remuneration Committee and a fee of £5,000 for assuming the role of Senior Independent Director.

11. REMUNERATION OF SENIOR MANAGERS

The aggregate of the remuneration paid (including any contingent or deferred compensation and benefits in kind granted to Senior Managers by the Group for services in all capacities to the Group in the Financial Year ended 31 March 2016 was €1,233,412. This is apportioned as follows:

Base salary	Bonus	LTIP	MSP	Benefits	Pension	Fees	Total
€	€	€	€	€	€	€	€
510,326	370,700	306,510	8,717	22,802	14,357	nil	1,233,412

12. INTERESTS OF THE DIRECTORS AND THE SENIOR MANAGERS

As at the date of this document, the interests (all of which are beneficial unless otherwise stated), whether direct or indirect, of the Directors and Senior Managers (and of persons connected with them) in the issued share capital of the Company are, so far as the Directors are aware, as follows:

	Number of Ordinary Shares	Maximum number of Ordinary Shares subject to LTIP Awards***	Percentage of Ordinary Share capital**
Director			
Andrew Coombs*	4,398,853	8,750,000	0.516%
Alistair Marks	2,485,037	8,750,000	0.292%
Robert Sinclair	364,158		0.043%
Wessel Hamman*	100,000		0.012%
James Peggie*	1,402,678		0.165%
Neil Sachdev	23,137		0.003%
Senior Manager			
Rüdiger Swoboda	407,362	1,400,000	0.048%
Anthony Payne	207,606	975,000	0.024%
Craig Hoskins	212,453	975,000	0.025%
Kremena Wissel	173,414	975,000	0.020%
Diarmuid Kelly	95,824	975,000	0.011%
Anja Paprocki	121,014	975,000	0.014%

* includes connected persons.
** does not include: (i) shares under option; or (ii) treasury shares.
*** based on maximum TSR achievement including the 1.25 times share price multiplier and is before tax.

There are no outstanding loans granted by any member of the Group to any Director nor are there any guarantees provided by any member of the Group for the benefit of any Director.

No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were affected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

The Directors (in addition to being Directors of the Company) hold those directorships and are partners in those partnerships listed in paragraph 1.4 of Part X.

13. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Each of the Executive Directors has a service agreement with a subsidiary of the Company. Andrew Coombs has entered into a service agreement with Sirius Facilities (UK) and Alistair Marks has entered into a service agreement with Sirius Facilities GmbH. Details of these service agreements are set out below.

13.1 Directors' Service Agreements

Andrew Coombs Service Agreement

Andrew Coombs is employed by Sirius Facilities (UK) Limited (a wholly owned subsidiary of the Company) as Chief Executive Officer pursuant to the terms of a service agreement dated

31 July 2012. Pursuant to the terms of the service agreement, Andrew Coombs currently receives a gross salary of £290,228.00 per annum. It is intended that Andrew Coombs' gross salary be increased to £400,000.00 per annum from the later of UK Admission and 1 February 2017.

Andrew Coombs is entitled to a performance bonus in respect of the financial year ending March 2017. The level of bonus payable will be determined based upon a combination of the extent to which the Company achieves pre-tax profits exceeding a specified hurdle (which was determined by the Board) (the **2017 Hurdle PBT**), total share price performance and further specified objectives (see below). Under the terms of the performance bonus scheme for the March 2017 financial year, Andrew Coombs will receive:

(a) 2.5 per cent. of the Company's excess recurring pre-tax profits over the 2017 Hurdle PBT which is limited to a maximum of 50 per cent. of Andrew Coombs' base salary.

(b) 20 per cent. of annual base salary as a bonus if the Company's share price is above the reported 30 September 2016 Adjusted NAV per Ordinary Share for at least 42 out of 45 consecutive trading days (excluding trading days on which either the LSE or JSE are closed) between the date of the announcement of the interim results to September 2016 and the date of announcement of the full year results to 31 March 2017;

(c) 20 per cent. of annual base salary, if a target related to the LTV for the financial year ending 31 March 2017 is met in respect of the Company's assets; and

(d) 10 per cent. of annual base salary if the Company achieves a main market listing on either or both of the LSE and JSE by 31 March 2017.

Any annual bonus payable is subject to a cap which is equal to 100 per cent. of Andrew Coombs' annual base salary.

The bonus relating to (a) above will be paid as soon as practicable following publication of the results for the financial year ending 31 March 2017. The bonus relating to (b), (c) and (d) above will be paid as soon as the Board determines, in its sole discretion, that the conditions have been met. Up to 35 per cent. of any bonus payable under (a) to Mr Coombs may be deferred and paid to Mr Coombs no later than 12 months following payment of the amount of bonus not deferred in respect of that bonus year and can be reduced in the event that the Company's pre-tax profit deteriorates in the bonus year following the bonus year to which the deferred amount relates (the **Subsequent Bonus Year**) in accordance with the following scale:

(a) by 25 per cent. if recurring pre-tax profit in the Subsequent Bonus Year is less than 10 per cent. below recurring pre-tax profit in the bonus year to which the deferred amount relates;

(b) by 50 per cent. if recurring pre-tax profit in the Subsequent Bonus Year is between 10 per cent. and 20 per cent. below recurring pre-tax profit in the bonus year to which the deferred amount relates; and

(c) by 100 per cent. if recurring pre-tax profit in the Subsequent Bonus Year is more than 20 per cent. below recurring pre-tax profit in the bonus year to which the deferred amount relates such that no deferred amount will be payable.

In the event that Andrew Coombs' employment terminates for any reason (whether in breach of contract or otherwise) during a bonus year or prior to the scheduled date for payment of bonus in respect of that bonus year, Andrew Coombs shall have no entitlement to any bonus in respect of that bonus year, unless the Remuneration Committee decides in its absolute discretion to award a bonus in respect of that bonus year of whatever amount it sees fit and such a bonus will be subject to the deferral and payment timeframes which are set out above.

In the event that Andrew Coombs has any outstanding entitlement to any deferred element of a bonus from a previous bonus year as at the date of termination of his employment, such entitlement shall immediately lapse on the date of his termination if his employment terminates by reason of his resignation or his employment is terminated summarily by Sirius Facilities (UK) Limited in accordance with his service agreement. If Andrew Coombs' employment terminates for any other reason, he is permitted to retain his entitlement to any deferred element of a bonus from a previous bonus year, subject to his compliance with the terms of his service agreement and in accordance with the timeframes and rules set out above.

Andrew Coombs is also:

(a) eligible, at the discretion of the Remuneration Committee, to participate in the Company's LTIP and MSP (the latter of which will cease to operate on 31 March 2017 in the event that UK Admission occurs);

(b) entitled to 30 days' holiday plus all bank and public holidays normally observed in England and Wales;

(c) eligible to receive sick pay of up to 26 weeks' full base salary in any period of 12 months and thereafter any salary and benefits at the discretion of the Board of Sirius Facilities (UK) Limited;

(d) in receipt of monthly employer pension contributions into a personal pension plan of 15 per cent. of base salary;

(e) entitled to participate in medical expenses and life assurance schemes. The life assurance scheme shall provide for a payment of 3.5 times base salary in the event of death in service; and

(f) entitled to the free use of a company apartment in Berlin, Germany. Andrew Coombs' entitlement to the use of this apartment shall cease from the later of UK Admission and 1 February 2017.

Andrew Coombs' employment is terminable by either Sirius Facilities (UK) Limited or Andrew Coombs on six months' notice. Sirius Facilities (UK) Limited has the ability to terminate the employment of Andrew Coombs with immediate effect by making a lump sum payment in lieu of all or any remaining part of Andrew Coombs' notice period which shall consist of base salary and excludes any benefits, save for any potential bonus entitlement which Andrew Coombs may have. Alternatively, Sirius Facilities (UK) Limited is entitled to put Andrew Coombs on garden leave during any notice period during which he will continue to receive his normal salary and contractual benefits.

Andrew Coombs' service agreement contains a number of post-termination restrictive covenants which remain in force for six months after notice of termination has been given by either Sirius Facilities (UK) Limited or Andrew Coombs and which prohibit him from being employed or engaged by a competitor, from having business dealings with customers or prospective customers, from soliciting business from customers or prospective customers, and from employing or soliciting senior employees. Under the terms of his service agreement, Andrew Coombs is entitled to receive a payment equivalent to 100 per cent. of his base salary for the period for which the post-termination restrictions remain in force as consideration for his observance of the same.

Andrew Coombs Award Certificate

An award certificate dated 9 October 2015 was issued to Andrew Coombs in respect of an LTIP covering the three year period ending 31 March 2018 based on the LTIP Rules. The award is subject to achieving the criteria detailed below and will be paid out with Ordinary Shares in the Company at zero cost to Mr Coombs at the end of a three year cycle ending 31 March 2018, although the Company may pay out part of the awards in cash to the extent that is required by Mr Coombs in order to meet his tax liability arising from the vesting of the awards. The LTIP awards a number of Ordinary Shares based purely on the Company's Total NAV Return for the three year period, which is based on Adjusted NAV movements plus dividends paid, at various levels between 5 per cent. and greater than 15 per cent. per annum with the award then being adjusted for the following two parameters:

(a) the Company's share price movement relative to Adjusted NAV movement, with the share award increasing if the Company's TSR (share price and dividend return) exceeds total Adjusted NAV return subject to a cap of 1.25 times the share award; and

(b) the Company's share price movement relative to the share price movement of the Company's peers, with the share award reduced if the Company's TSR has underperformed relative to a specific peer group by a certain percentage subject to a maximum reduction of 20 per cent. applied to the share award.

The maximum number of Ordinary Shares that Andrew Coombs can be awarded under this LTIP award is 8,750,000 Ordinary Shares before tax, based on the following achievements for

the three year qualifying period: (a) more than 15 per cent. TSR per annum: (b) the Company's TSR movement being 25 per cent. or more higher than the Total NAV Return movement; and (c) the Company's TSR movement being higher than the movement in the total shareholder return of the Company's peer group. Any shares issued through the LTIP will vest after the completion of the audit of the Company's 31 March 2018 statutory accounts and a minimum holding period post vesting (to the publication of the audited results for the financial year ended 31 March 2019) will apply, during which time such shares may be subject to forfeiture in certain circumstances. Pursuant to the above award certificate dated 15 October 2015 in respect of the LTIP, Andrew Coombs has agreed to hold at least 1,200,000 Ordinary Shares at all times. With effect from the later of the date of UK Admission and 1 February 2017, Andrew Coombs is required to hold at least 1,400,000 Ordinary Shares at all times.

In the event of a change of control of the Company (other than an internal reorganisation) or an asset sale comprising at least 51 per cent. of the gross assets of the Company, Mr Coombs' LTIP Awards shall immediately vest based on the extent to which the performance conditions have been met and subject to pro-rating to reflect the shortened performance period.

Andrew Coombs MSP Entitlement

Pursuant to Andrew Coombs' MSP entitlement, the Company will issue Andrew Coombs an Ordinary Share at no cost for every share that he acquires in the Company during each year that the Remuneration Committee determines he is to be included in the MSP and subject to a profit before tax related performance condition. This includes Ordinary Shares received through election to receive Ordinary Shares by way of scrip dividend, but excludes Ordinary Shares acquired pursuant to the LTIP. The value of Ordinary Shares that can be issued is subject to an annual cap equal to 50 per cent. of Andrew Coombs' base salary. Andrew Coombs is liable for any personal income tax that becomes payable as a result of any Ordinary Shares issued from this scheme and a minimum holding period of 12 months from issue of the matching shares applies. The MSP scheme will cease to operate on 31 March 2017 in the event that UK Admission occurs.

Alistair Marks Service Agreement

Alistair Marks is employed by Sirius Facilities GmbH as Chief Financial Officer pursuant to the terms of a service agreement between him and Sirius Facilities GmbH and his employment commenced on 1 January 2016. Pursuant to the terms of his service agreement, Alistair Marks is currently entitled to receive a gross salary of €301,390.00 per annum. It is intended that Alistair Marks' gross salary be increased to €345,000.00 per annum from the later of the date of UK Admission and 1 February 2017.

Pursuant to the terms of a letter dated 27 July 2016, Alistair Marks is entitled to a performance bonus in respect of the financial year ending 31 March 2017. The level of bonus payable will be determined based upon a combination of the extent to which the Company achieves pre-tax profits exceeding a specified hurdle (which was determined by the Board) (the **2017 Hurdle PBT**), total share price performance and further specified objectives (see below). Under the terms of the performance bonus scheme for the financial year ending 31 March 2017, Alistair Marks will receive:

(a) 2.5 per cent. of the Company's excess recurring pre-tax profits over the 2017 Hurdle PBT which is limited to a maximum of 50 per cent. of Alistair Marks' base salary;

(b) 20 per cent. of annual base salary as a bonus if the Company's share price is above the reported 30 September 2016 Adjusted NAV per Ordinary Share for at least 42 out of 45 consecutive trading days (excluding trading days on which either the LSE or JSE are closed) between the date of the announcement of the interim results to September 2016 and the date of announcement of the full year results to 31 March 2017;

(c) 20 per cent. of annual base salary, if a target related to the LTV for the financial year ending 31 March 2017 is met in respect of the Company's assets; and

(d) 10 per cent. of annual base salary if the Company achieves a main market listing on either or both of the LSE and JSE by 31 March 2017.

Any annual bonus payable is subject to a cap which is equal to 100 per cent. of Alistair Marks' annual base salary.

The Remuneration Committee has discretion to defer payment of up to 35 per cent. of bonus on such terms as the Remuneration Committee determines.

The bonus relating to (a) above will be paid as soon as practicable following publication of the results for the March 2017 financial year. The bonus relating to (b), (c) and (d) above will be paid as soon as the Board determines, in its sole discretion, that the conditions have been met.

Alistair Marks is also:

(a) entitled to 20 days' holiday as a statutory minimum, plus an additional 10 days along with all bank and public holidays observed in Berlin, Germany;

(b) in receipt of monthly employer pension contributions of 15 per cent. of base salary;

(c) eligible to receive sick pay for a maximum period of six weeks;

(d) entitled to participate in medical expenses and life assurance schemes. The life assurance scheme shall provide for a payment of 3.5 times base salary in the event of death in service; and

(e) eligible to participate in the Company's LTIP and MSP (the latter of which will cease to operate on 31 March 2017 in the event that UK Admission occurs).

Alistair Marks' employment is terminable by either Sirius Facilities GmbH or Alistair Marks on six months' notice. Sirius Facilities GmbH has the ability to terminate the employment of Alistair Marks with immediate effect by making a lump sum payment in lieu of all or any remaining part of Alistair Marks' notice period which shall consist of base salary and excludes any benefits, save for any potential bonus entitlement which Alistair Marks may have. Alternatively, Sirius Facilities GmbH is entitled to put Alistair Marks on garden leave during any notice period during which he will continue to receive his normal salary and contractual benefits.

Alistair Marks' service agreement contains a number of post-termination restrictive covenants which remain in force for six months after notice of termination has been given by either Sirius Facilities GmbH or Alistair Marks and which prohibit him from being employed or engaged by a competitor, from having business dealings with customers or prospective customers, from soliciting business from customers or prospective customers, and from employing or soliciting senior employees. Under the terms of his service agreement, Alistair Marks is entitled to receive a payment equivalent to 100 per cent. of his base salary for the period for which the post-termination restrictions remain in force as consideration for his observance of the same.

Alistair Marks Award Certificate

An award certificate dated 9 October 2015 was issued to Alistair Marks in respect of an LTIP covering the three year period ending 31 March 2018 based on the LTIP Rules The award is subject to achieving the criteria detailed below and will be paid out with Ordinary Shares in the Company at zero cost to Mr Marks at the end of a three year cycle ending 31 March 2018, although the Company may pay out part of the awards in cash to the extent that is required by Mr Marks in order to meet his tax liability arising from the vesting of the awards. The new scheme will award a number of Ordinary Shares based purely on the Company's Total NAV Return for the three year period, which is based on Adjusted NAV movements plus dividends paid, at various levels between 5 per cent. and greater than 15 per cent. per annum with the award then being adjusted for the following two parameters:

(a) the Company's share price movement relative to Adjusted NAV movement, with the share award increasing if the Company's TSR (share price and dividend return) exceeds total Adjusted NAV return subject to a cap of 1.25 times the share award; and

(b) the Company's share price movement relative to the share price movement of the Company's peers, with the share award reduced if the Company's TSR has underperformed relative to a specific peer group by a certain percentage subject to a maximum reduction of 20 per cent. applied to the share award.

The maximum number of Ordinary Shares that Alistair Marks can be awarded under this scheme is 8,750,000 Ordinary Shares before tax, based on the following achievements for the three year qualifying period: (a) more than 15 per cent. TSR per annum; (b) the Company's TSR movement being 25 per cent. or more higher than the Total NAV Return movement; and (c) the Company's TSR movement being higher than the movement in the total shareholder return of the Company's peer group. Any Ordinary Shares issued

through this scheme will vest after the completion of the audit of the Company's 31 March 2018 Statutory Accounts and a minimum holding period post vesting (to the publication of the audited results for the financial year ended 31 March 2019) will apply, during which time such shares may be subject to forfeiture in certain circumstances.

Pursuant to the above award certificate dated 9 October 2015 in respect of the LTIP, Alistair Marks has agreed to hold at least 800,000 Ordinary Shares in the Company at all times. With effect from the later of the date of UK Admission and 1 February 2017, Alistair Marks is required to hold at least 950,000 Ordinary Shares at all times.

In the event of a change of control of the Company (other than an internal reorganisation) or an asset sale comprising at least 51 per cent. of the gross assets of the Company, Mr Marks' LTIP Awards shall immediately vest based on the extent to which the performance conditions have been met and subject to pro-rating to reflect the shortened performance period.

Alistair Marks MSP Entitlement

Pursuant to Alistair Marks' MSP entitlement, the Company will issue Alistair Marks an Ordinary Share at no cost for every Ordinary Share that he acquires in the Company during each year that the Remuneration Committee determines he is to be included in the MSP and subject to a profit before tax related performance condition. This includes Ordinary Shares received through election to receive Ordinary Shares by way of scrip dividend, but excludes Ordinary Shares acquired pursuant to the LTIP. The value of Ordinary Shares that can be issued is subject to an annual cap equal to 50 per cent. of Alistair Marks' base salary. Alistair Marks is liable for any personal income tax that becomes payable as a result of any Ordinary Shares issued from this scheme and a minimum holding period of 12 months from issue of the matching shares applies. The MSP scheme will cease to operate on 31 March 2017 in the event that UK Admission occurs.

13.2 **Non-Executive Director Letters of Appointment**

Robert Sinclair Letter of Appointment

Pursuant to the terms of a letter of appointment dated 12 April 2007 as amended on 4 July 2008, Mr Sinclair has agreed to act as Non-Executive Director of the Company. From the later of the date of UK Admission and 1 February 2017, Mr Sinclair's gross annual fee will be £47,500.00, which comprises £40,000.00 of director fees and £7,500.00 for acting as the chairman of the Company's Audit Committee. The appointment is stated in the letter of appointment to have been for an initial term commencing on the date of appointment until the Company's first annual general meeting unless terminated by either party giving to the other six months' notice, such notice not to expire before the last day of the initial period. There are no written provisions dealing with duration of term or notice period beyond the first annual general meeting referred to above. The letter of appointment contains a post-termination restriction of three months in duration which prevents Mr Sinclair from accepting a directorship with a competitor of the Company (or company in the Group) or providing services to a competitor of the Company (or company in the Group).

Wessel Hamman Letter of Appointment

Pursuant to the terms of a letter of appointment dated 23 January 2017, Mr Hamman has agreed to act as Non-Executive Director of the Company for an annual gross fee of £40,000.00. This appointment is for an indefinite term subject to termination by either party giving to the other not less than three months' notice and subject to re-election. The letter of appointment contains a post-termination restriction of three months in duration which prevents Mr Hamman from accepting a directorship with a competitor of the Company (or company in the Group) or providing services to a competitor of the Company (or company in the Group) without the prior written consent of the Board.

James Peggie Letter of Appointment

Pursuant to the terms of a letter of appointment dated 23 January 2017, Mr Peggie has agreed to act as Non-Executive Director of the Company. Mr Peggie currently receives an annual gross fee of £40,000. This appointment is for an indefinite term subject to termination by either party giving to the other not less than three months' notice and subject to re-election. The letter of appointment contains a post-termination restriction of three months in duration which prevents

Mr Peggie from accepting a directorship with a competitor of the Company (or company in the Group) or providing services to a competitor of the Company (or company in the Group) without the prior written consent of the Board. From the later of the date of UK Admission and 1 February 2017, James Peggie's gross annual fee will be £52,500.00, which comprises £40,000.00 of directors' fees, £7,500.00 for acting as chairman of the Company's Remuneration Committee and £5,000.00 for acting as Senior Independent Director on the Board.

Neil Sachdev Letter of Appointment

Pursuant to the terms of a letter of appointment dated 26 September 2016, Mr Sachdev has agreed to act as Non-Executive Director of the Company and has agreed to act as Non-Executive chairman of the Company. From the later of the date of UK Admission and 1 February 2017, Neil Sachdev's gross annual fee will be £120,000.00 per annum. This appointment is for an indefinite term subject to termination by either party on three months' notice, and subject to re-election in accordance with the Articles. The letter of appointment contains a post-termination restriction of three months in duration which prevents Mr Sachdev from accepting a directorship with a competitor of the Company (or company in the Group) or providing services to a competitor of the Company (or company in the Group) without the prior written consent of the Board.

Bonus arrangements for Senior Managers

All of the Senior Managers participate in an annual performance bonus scheme. Under the scheme, the maximum amount payable to an employee in any bonus year is 50 per cent. of the employee's base annual salary. Bonuses payable to an employee are calculated by reference to a percentage of the Company's profit before tax which is in excess of a hurdle profit before tax figure. Both the hurdle profit before tax figure, and the individual employee's percentage share of the profit in excess of the hurdle, are set by the Remuneration Committee on an annual basis.

65 per cent. of any bonus payable to an employee is payable following completion of the Company's annual audit in the respect of the relevant bonus year and at the Remuneration Committee's discretion, the payment of up to 35 per cent. can be deferred and payable following completion of the Company's annual audit for the subsequent bonus year (historically less than 35 per cent. has been deferred). This deferred amount can be reduced based on the following scale:

(a) if the Company's recurring profit before tax in the subsequent bonus year is less than 10 per cent. below recurring profit before tax in the bonus year to which the deferred amount relates, the deferred amount is reduced by 25 per cent.;

(b) if the Company's recurring profit before tax in the subsequent bonus year is between 10 and 20 per cent. below recurring profit before tax in the bonus year to which the deferred amount relates, the deferred amount is reduced by 50 per cent.; and

(c) if the Company's recurring profit before tax in the subsequent bonus year is greater than 20 per cent. below recurring profit before tax in the bonus year to which the deferred amount relates, the deferred amount is reduced by 100 per cent..

In the event that employment terminates during a particular bonus year the employee has no entitlement to a bonus in respect of that bonus year, unless the Remuneration Committee exercises its discretion to award a bonus. Entitlement to any deferred bonus amount outstanding at termination of employment is lost if the reason for termination is the employee's resignation or dismissal for reasons caused by the employee. In the event of termination of employment for any other reason, entitlement to any deferred bonus amount is retained.

LTIP and MSP arrangements for Senior Managers

As with the service agreements with the Executive Directors, the service agreements of the Senior Managers states that they are eligible to participate in the Company's LTIP and MSP awards. The MSP will terminate on 31 March 2017 in the event that UK Admission occurs.

Each Senior Manager was issued an award certificate dated 9 October 2015 in respect of an LTIP covering the three year period ending 31 March 2018 based on the LTIP Rules. The awards are subject to achieving the criteria detailed below and will be paid out with Ordinary Shares in the Company at zero cost to the participant at the end of a three year cycle ending 31 March 2018, although the Company may pay out part of the awards in cash to the extent

that is required by the participating individual in order to meet their tax liability arising from the vesting of the awards. The scheme will award a number of shares based purely on the Company's Total NAV Return for the three year period, which is based on Adjusted NAV movements plus dividends paid, at various levels between 5 per cent. and greater than 15 per cent. per annum with the award then being adjusted for the following two parameters:

(a) the Company's share price movement relative to Adjusted NAV movement, with the share award increasing if the Company's TSR (share price and dividend return) exceeds total Adjusted NAV return subject to a cap of 25 per cent.; and

(b) the Company's TSR movement relative to the share price movement of the Company's peers, with the share award reduced if the Company's TSR has underperformed relative to a specific peer group by a certain percentage subject to a maximum of 20 per cent..

The maximum number of Ordinary Shares that Senior Managers can be awarded under this scheme is 6,275,000 shares before tax, based on the following achievements for the three year qualifying period:

(a) more than 15 per cent. TSR per annum;

(b) the Company's TSR movement being 25 per cent. or more higher than the Total NAV Return movement; and

(c) the Company's TSR movement being higher than the movement in the total shareholder return of the Company's peer group.

Any Ordinary Shares issued through this scheme will vest after the completion of the audit of the Company's 31 March 2018 Statutory Accounts and a minimum holding period post vesting will apply during which time such shares may be subject to forfeiture in certain circumstances.

In addition each Senior Manager has an MSP entitlement (provided that the Remuneration Committee has approved such entitlement in any relevant year) whereby the Company will issue each participant an Ordinary Share at no cost for every Ordinary Share that they acquire during each year. This includes Ordinary Shares received through election to receive Ordinary Shares by way of scrip dividend, but excludes Ordinary Shares acquired pursuant to the LTIP. The value of shares that can be issued is subject to an annual cap equal to 50 per cent. of each participant's base salary. The participants are liable for any personal income tax that becomes payable as a result of any shares issued from this scheme and a minimum holding period of 12 months from issue of the matching shares applies. The MSP scheme will cease to operate on 31 March 2017 in the event that UK Admission occurs.

14. MAJOR SHAREHOLDERS

14.1 So far as the Directors are aware, the only persons who are interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company as at 27 January 2017 (being the last practicable date prior to the publication of this document) are as follows:

Shareholder	Number of Ordinary Shares as at 27 January 2017*	Percentage of Ordinary Share Capital/Voting rights as at 27 January 2017*
Old Mutual Investment Group	73,388,680	8.62%
Arctospark**	58,743,036	6.90%
Coronation Fund Mgrs	36,497,737	4.28%
BMO Global Asset Mgt	34,517,284	4.05%
Mstead Limited**	29,711,670	3.49%

* This does not include: (i) shares under option; or (ii) treasury shares.

**Homestead Group Holdings Limited is the controlling shareholder of each of Mstead Limited, PDI Investment Holdings Limited and Arctospark (Pty) Limited, giving Homestead Group Holdings Limited an aggregate indirect voting interest in the Company of approximately 11.27 per cent. as at 27 January 2017.

14.2 None of the major Shareholders referred to above have different voting rights from any other holder of Ordinary Shares in respect of the Ordinary Shares held by them.

14.3 Save as disclosed in paragraph 14.1 above, as at 7 February 2017, being the last practicable date prior to the publication of this document, the Company and the Directors are not aware of: (i) any persons who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company; nor (ii) any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

15. RELATED PARTY TRANSACTIONS

On 22 March 2013, the Company issued €5 million 5 per cent. Convertible Loan Notes. The entire issue of €5.0 million was taken up by the Karoo Investment Fund S.C.A. SICAV-SIF and Karoo Investment Fund II S.C.A. SICAV-SIF. The Convertible Loan Notes were issued at par and carried a coupon rate of 5 per cent. per annum. The majority of the proceeds from the issue of the Convertible Loan Notes were used to reduce debt levels. On 23 June 2016, the Company announced that the Karoo Investment Fund S.C.A. SICAV-SIF served notice to convert its Convertible Loan Notes in full into, in aggregate, 22,814,731 new Ordinary Shares at the conversion price of €0.22 per Ordinary Share. Following the conversion on 23 June 2016 and the subsequent admission of the shares to AIM on 28 June 2016, the overall issued share capital was 832,779,058 Ordinary Shares of which 1,062,058 were held in treasury. The total number of Ordinary Shares with voting rights in the Company at this date was 831,717,000. The Directors considered that the terms of this transaction were fair and reasonable insofar as its Shareholders were concerned.

PCO Real Estate Asset Management Limited (formerly Principle Capital Sirius Real Estate Asset Management Limited or PCSREAM) had an agreement to manage the property at Bremen Holzhafen. An annual property management fee of €120,000 was payable quarterly in advance. In the 2013 year fees of €120,000 (2012: €30,000) were paid of which €10,000 was a prepayment at 31 March 2013. The agreement expired in January 2014. In the year to 31 March 2014 fees of €93,385 (2013: €120,000) were paid.

On 1 October 2013, Andrew Coombs and Alistair Marks, both Executive Directors, acquired 762,489 and 704,700 Ordinary Shares in the Company respectively, pursuant to performance bonus agreements for the March 2014 financial year. The Executive Directors were liable to income tax and employees' NICs in respect of such acquisitions. To enable the Executive Directors to fund such income tax and NICs, the Company granted loans to Andrew Coombs in the amount of £77,747 (€94,068) and to Alistair Marks in the amount of £71,839 (€86,919). Both of these loans were repaid in March 2015. Interest on these loans was paid in full.

16. WORKING CAPITAL

The Company is of the opinion that, taking into account the bank and other facilities available to the Group, the working capital available to the Group is sufficient for the present requirements of the Group, that is at least for the period of 12 months from the date of this document.

17. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 30 September 2016, the date to which the audited financial information for the Group in Part VIII (Historical Financial Information) was prepared. There has been no material change in the valuation of the Group's properties since the dates of valuation, respectively 5 July 2016 for Wiesbaden and Krefeld II, 19 October 2016 for Dreieich and 30 September 2016 for the remainder of the portfolio.

As disclosed in section 3.6 of Part VI, section 2 of Part VII and note 30 of Part VIII of this document, subsequent to the 30 September 2016 valuation date the Group has notarised the acquisitions of four properties. The acquisition of Krefeld completed on 25 January 2017. The acquisition of Dreieich completed on 1 February 2017. Another property is in Frankfurt, with acquisition costs of €4.5 million. Frankfurt is being acquired at EPRA net initial yields of 1.0 per cent., and is expected to complete by March 2017. The fourth notarised acquisition is for the purchase of a site in Cologne with 20,342 square metres of gross lettable space for a consideration of €22.9 million. The asset is being acquired on an 8.1 per cent. EPRA net initial yield (equating to €1,126 per sq. m of capital value) and is expected to complete in May 2017.

In October 2016 the Group notarised the disposal of 8,155 square metres of land at its CöllnParc site in Cöln for €1.5 million, representing a 41 per cent. uplift on the book value as at 30 September 2016. The sale of this land was completed in December 2016. The Group has also notarised the disposal of a non-core site in Merseburg for €5.9 million which is expected to complete by March 2017 and

more recently has notarised the disposal of its Rupert-Mayer Straße business park in Munich for €85.0 million, as announced on 6 January 2017. The €85.0 million sale price achieved for the Rupert-Mayer Straße site represents a 9 per cent. premium to its book value of €78.1 million as at 30 September 2016 and is expected to complete in April 2017.

18. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) during the 12 months preceding the date of this Prospectus which may have, or have had, a significant effect on the Group's financial position or profitability.

19. ENVIRONMENTAL ISSUES

As far as the Directors are aware, there are no environmental issues that may affect the Company's utilisation of the Real Estate Assets.

20. MATERIAL CONTRACTS

20.1 Placing agreements

(a) ***Placing Agreement dated 4 June 2015***

The Company and Peel Hunt LLP entered into a placing agreement dated 4 June 2015 pursuant to which, subject to certain conditions, Peel Hunt LLP agreed to use reasonable endeavours to procure subscribers for new Ordinary Shares at a placing price of at least €0.46 per new Ordinary Share. The Placing Agreement was conditional upon, amongst other things: (i) admission of the new Ordinary Shares placed by Peel Hunt LLP to trading on AIM; and (ii) admission of any new Ordinary Shares placed by PSG Capital Proprietary Limited to trading on AltX, each taking place not later than 5 p.m. on 29 June 2015. Pursuant to this placing and the placing conducted in South Africa by PSG Capital at the same time, on 15 June 2015, the Company issued 108,695,652 Ordinary Shares at an issue price of €0.46. 34,311,275 Ordinary Shares were issued to Shareholders in the UK and 74,384,377 Ordinary Shares were issued to Shareholders in South Africa.

The placing agreement, provided that the Company pay to Peel Hunt LLP a corporate finance fee of £20,000 plus a placing commission fee equal to 2 per cent. of the aggregate value of the Ordinary Shares placed by Peel Hunt LLP at the issue price (together with any VAT and excluding any costs or expenses which were incidental to the placing (including legal and other professional advisers fees incurred in connection with the placing).

In the placing agreement, the Company gave customary warranties, undertakings and indemnities to Peel Hunt LLP and provided that, under certain circumstances (including for breach of warranty), Peel Hunt LLP could terminate the placing agreement. The placing agreement is governed by the laws of England and Wales.

(b) ***Placing Agreement dated 9 June 2016***

The Company, Peel Hunt LLP and Canaccord Genuity entered into a placing agreement dated 9 June 2016 pursuant to which, subject to certain conditions, Peel Hunt LLP and Canaccord Genuity agreed to use their respective reasonable endeavours to procure subscribers for new Ordinary Shares at a placing price of at least €0.51 per new Ordinary Share. The Placing Agreement was conditional upon, amongst other things: (i) admission of the new Ordinary Shares placed by Peel Hunt LLP and Canaccord Genuity to trading on AIM; and (ii) admission of any new Ordinary Shares placed by PSG Capital Proprietary Limited to trading on AltX , each taking place not later than 5.00 p.m. on 29 June 2016. Pursuant to this placing and the placing conducted in South Africa by PSG at the same time, on 21 June 2016, the Company issued 56,603,774 Ordinary Shares at an issue price of €0.53. 109,802 Ordinary Shares were issued to Shareholders in the UK and 56,493,972 Ordinary Shares were issued to Shareholders in South Africa.

The placing agreement, provided that the Company pay to each of Peel Hunt LLP and Canaccord Genuity a placing commission fee equal to 1 per cent. of the aggregate value of the Ordinary Shares placed by Peel Hunt LLP and Canaccord Genuity at the

issue price (together with any VAT and excluding any costs or expenses which were incidental to the placing (including legal and other professional advisers fees incurred in connection with the placing). The placing agreement provided that the Company, in its absolute discretion, to pay Peel Hunt LLP and Canaccord Genuity a further placing commission equal to, in aggregate, up to 1 per cent. of the aggregate value of the Ordinary Shares placed by Peel Hunt LLP and Canaccord Genuity at the issue price (such amount, if any, to be shared equally between Peel Hunt LLP and Canaccord Genuity).

In the placing agreement, the Company gave customary warranties, undertakings and indemnities to Peel Hunt LLP and Canaccord Genuity and provided that, under certain circumstances (including for breach of warranty), Peel Hunt LLP and Canaccord Genuity could terminate the placing agreement. The placing agreement is governed by the laws of England and Wales.

20.2 **PSG Capital Mandate**

The PSG Capital Mandate dated 7 November 2014 as amended on 16 November 2016 between the Company and PSG Capital governs PSG Capital's appointment as corporate adviser for the purposes of raising capital and sponsor in relation to the Company's listing on the JSE (both in respect of the Company's current listing on AltX and, following JSE Transfer, its listing on the Main Board). Pursuant to the terms of the PSG Capital Mandate, the Company pays a retainer in consideration of PSG Capital performing such services.

The agreement may be terminated without cause by PSG Capital or the Company on 60 days' notice (subject to a new sponsor being appointed in place of PSG Capital). Pursuant to the PSG Capital Mandate, the Company has given certain customary undertakings and indemnities to PSG Capital.

20.3 **Joint Broker Agreements**

The Company has entered into an agreement with each of Canaccord Genuity and Peel Hunt LLP (together, the **Joint Brokers**) pursuant to which Canaccord Genuity and Peel Hunt LLP have been appointed as joint broker to the Company. The joint broker engagement letter entered into between Canaccord Genuity and the Company (the **CG Letter**) is dated 18 June 2015 with an effective date of 19 June 2015. The joint broker engagement letter entered into between Peel Hunt LLP and the Company (the **PH Letter**) is dated 13 January 2017 and takes effect on the date of UK Admission.

Pursuant to the CG Letter and the PH Letter (the **Joint Broker Agreements**), the Joint Brokers shall provide the Company with certain financial advisory services including in relation to the Company's shareholders, market intelligence and the assessment of strategic options and ensuring compliance by the Company on a continuing basis with the requirements of the Listing Rules and the Disclosure and Transparency Rules. Pursuant to the terms of the Joint Broker Agreements, the Company pays a retainer to each of the Joint Brokers in consideration of each Joint Brokers performing such services.

The Company has granted customary indemnities in favour of the Joint Brokers in relation to the provision by each Joint Brokers of its services pursuant to the Joint Broker Agreements. The Joint Broker Agreements can be terminated either by the relevant Joint Broker or the Company on one month's written notice. The obligations of each Joint Broker pursuant to the Joint Broker Agreements are several and neither is liable for the breach, non-performance or default of the other.

20.4 **UK Sponsor Agreement**

On or about the date of this document, the Company, the Directors and Canaccord Genuity entered into a sponsor agreement pursuant to which Canaccord Genuity has agreed to act as the Company's sponsor in relation to UK Admission (the **Sponsor Agreement**).

Pursuant to the Sponsor Agreement, each of the Company and the Directors have given certain customary warranties, undertakings and indemnities to Canaccord Genuity.

The Sponsor Agreement is subject to certain conditions. These conditions include the absence of any breach of representation or warranty under the Sponsor Agreement and UK Admission

occurring. In addition, Canaccord Genuity has the right to terminate the Sponsor Agreement, exercisable in certain circumstances prior to UK Admission. The Sponsor Agreement is governed by the laws of England and Wales.

20.5 **Nominated Advisor Agreement**

Pursuant to a letter dated 16 August 2010, Peel Hunt LLP agreed to act as the Company's nominated adviser as required by the AIM Rules. In its capacity as nominated adviser, Peel Hunt LLP agreed to provide advice and guidance to the Directors as to their responsibility and obligations under the AIM Rules. This agreement will terminate with effect from UK Admission.

20.6 **Advisory Agreement**

On 21 December 2016, the Company entered into an agreement with McLean Advisory Limited (**McLean Advisory**) whereby McLean Advisory agreed to provide certain financial advisory service to the Company (the **Advisory Agreement**) which commenced on 18 November 2016 and which will continue until 31 December 2017. The services provided by McLean Advisory include advising on matters relating to equity capital markets and shareholder communications and providing market intelligence.

The Company has granted customary representations, warranties and undertakings in favour of McLean Advisory pursuant to the Advisory Agreement and an indemnity in favour of McLean Advisory for losses incurred including, but not limited to, losses which arise out of any breach of warranty by the Company and any investment decisions made by the Company. McLean Advisory's liability in connection with the Advisory Agreement in the absence of fraud or negligent personal injury shall be limited to an amount equal to the annual retainer fee at the time the event giving rise to the relevant claim took place. The Advisory Agreement can be terminated by either party on written notice.

20.7 **Research Agreement**

On 21 December 2016, the Company entered into an agreement with the Lazarus Partnership Limited (**Lazarus Research**) whereby the Company agreed to subscribe to a real estate subscription provided by Lazarus Research (the **Research Agreement**). Pursuant to the terms of the Research Agreement, the Company pays an annual subscription fee, the level of which is dependent on the level of services and products provided by Lazarus Research.

The Company has granted customary representations, warranties and undertakings in favour of Lazarus Research pursuant to the Research Agreement and an indemnity in favour of Lazarus Research for losses incurred including, but not limited to, losses which arise out of any breach of warranty by the Company and any investment decisions made by the Company. Lazarus Research's liability in connection with the Research Agreement in the absence of fraud or negligent personal injury shall be limited to an amount equal to the annual retainer fee at the time the event giving rise to the relevant claim took place. The Company may terminate the provision of a service provided pursuant to the Research Agreement with effect from the first day of the third quarter of the relevant 12-month subscription period provided that written notice has been provided to Lazarus Research before the end of the second quarter of that subscription period.

20.8 **Facility Agreements**

(a) ***€52,000,000 assignable loan agreement including K-Bonds with Baader Bank***

On 31 July 2013 DDS ELM B.V., DDS Lime B.V., Sirius Orchid B.V. and Sirius Willow B.V. as borrowers entered into a €52,000,000 German law governed assignable loan agreement (Schuldscheindarlehen) with Baader Bank Aktiengesellschaft as lender.

Pursuant to this agreement a senior facility in an amount of €45,000,000 and a junior facility in an amount of €7,000,000 have been made available to the borrowers thereunder for the financing of certain properties owned by the respective borrowers.

The agreement provides for a term until 31 July 2023 in the case of the senior facility and 31 July 2020 in the case of the junior facility and a fixed interest rate of four per cent per annum. on amounts drawn under the senior facility and six per cent per annum on amounts drawn under the junior facility. While the amounts borrowed under the senior facility are to be repaid in one amount at the maturity date, the amounts borrowed under

the junior facility are to be repaid in annual instalments of €1,000,000 each and the final balance at the maturity date.

Financial covenants include an interest cover ratio which is tested on an annual basis and which must not be less than 250 per cent.. In addition the agreement provides for customary prepayment obligations (including, amongst others, in the case of the disposal of a property financed with the proceeds of a facility), customary representations and warranties and undertakings (including, amongst others, restrictions on the incurrence of financial indebtedness and a negative pledge) as well as customary events of default (including, amongst others, cross default of another borrower thereunder subject to a threshold of €1,000,000).

The borrowers are jointly and severally liable (haften als Gesamtschuldner) for their obligations towards the lender. In addition the obligations of each borrower under the facility agreement are secured by customary collateral (including, amongst others, land charges, assignment of receivables and insurance claims and pledges over bank accounts).

(b) ***€59,000,000 loan agreement with SEB AG***

On 2 September 2015 Marba Hornbeam B.V., Marba Maintal B.V., Marba Foxglove B.V., Marba Dutch Holdings B.V., Marba Bremen B.V., Marba Bonn B.V., Sirius Tamarack B.V., Sirius Lily B.V., Sirius Oak B.V., Sirius Gum B.V., Sirius Alder B.V. and DDS Fir B.V. as borrowers entered into a €59,000,000 German law governed facility agreement with SEB AG as lender.

Pursuant to this agreement a facility has been made available to the borrowers thereunder for the financing of certain properties owned by the respective borrowers.

The agreement provides for a term until 1 September 2022 and a fixed interest rate of 1.84 per cent. per annum. The amounts borrowed under the facility are to be repaid in quarterly instalments of two per cent. per annum on the utilised nominal amount of the facility.

Financial covenants include: (i) an interest cover ratio which is tested on a quarterly basis and which must: (A) from the date of the agreement until its second anniversary not be less than 5.20: (B) from its second anniversary until its fourth anniversary not be less than 5.90; and (C) from its fourth anniversary not be less than 6.20; (ii) a LTV ratio which is regularly tested on a quarterly basis and which must: (A) from the date of the agreement until its second anniversary not exceed 60 per cent.; (B) from its second anniversary until its third anniversary not exceed 57.5 per cent; (c) from its third anniversary until its fifth anniversary not exceed 55 per cent; and (D) from its fifth anniversary not exceed 52.5 per cent..

In addition the agreement provides for customary prepayment obligations (including, amongst others, in the case of the disposal of a property financed with the proceeds of the facility), customary representations and warranties and undertakings (including, amongst others, restrictions on the incurrence of financial indebtedness and a negative pledge) as well as customary events of default (including, amongst others, cross default of another borrower thereunder subject to a threshold of €50,000). The facility agreement provides for a customary change of control prepayment undertaking in the event of a change of control in relation to the borrower special purpose vehicle.

The borrowers are jointly and severally liable (haften als Gesamtschuldner) for their obligations towards the lender. In addition the obligations of each borrower under the facility agreement are secured by customary collateral (including, amongst others, land charges, assignment of receivables and insurance claims, assignment of rights and claims from future purchase agreements, assignment of rights and claims from asset, property and facility management agreements and other material contracts relating to the financed properties, pledges over bank accounts and the shares of each of the borrowers as well as subordination of shareholder loans to the borrowers).

(c) ***€25,382,500 loan agreement with Bayerische Landesbank***

On 20 October 2015 Marba Chestnut B.V., Marba Dandelion B.V., Marba Mimosa B.V. and Verwaltungsgesellschaft Gewerbepark Bilderstöckchen GmbH as borrowers

entered into a €25,382,500 German law governed facility agreement with Bayerische Landesbank as lender. The facility agreement was amended pursuant to an amendment agreement dated 21/ 27 January 2016.

Pursuant to this agreement a facility has been made available to the borrowers thereunder for the financing of certain properties owned by the respective borrowers.

The agreement provides for a term until 19 October 2020 and a floating interest of rate of EURIBOR plus a margin of 1.25 per cent per annum which is subject to interest rate hedging. The amounts borrowed under the facility are to be repaid in semi-annual instalments of €253,825 (which in the case of a breach of the LTV ratio may increase up to an amount of €507,650).

Financial covenants include a LTV ratio which is regularly tested on an annual basis and which must not exceed 65 per cent. and a debt service cover ration which is tested on a semi-annual basis and which must not be less than 250 per cent..

In addition the agreement provides for customary prepayment obligations (including, amongst others, in the case of the disposal of a property financed with the proceeds of the facility), customary representations and warranties and undertakings (including, amongst others, restrictions on the incurrence of financial indebtedness) as well as customary events of default. The facility agreement provides for a customary change of control prepayment undertaking in the event of a change of control in relation to the borrower special purpose vehicle.

The borrowers are jointly and severally liable (haften als Gesamtschuldner) for their obligations towards the lender. In addition the obligations of each borrower under the facility agreement are secured by customary collateral (including, amongst others, land charges, assignment of receivables and insurance claims, assignment of rights and claims under purchase agreements and sale agreements, assignment of rights and claims under the interest hedging agreements pledges over bank accounts and the shares of each of the borrowers as well as subordination of shareholder loans to the borrowers).

(d) ***€16,000,000 loan agreement with Deutsche Genossenschafts-Hypothekenbank Aktiengesellschaft***

On 24 March 2016 Sirius Laburnum B.V. as borrower entered into a €16,000,000 German law governed facility agreement with Deutsche Genossenschafts-Hypothekenbank Aktiengesellschaft as lender.

Pursuant to this agreement a €15,000,000 facility and a €1,000,000 facility have been made available to the borrower thereunder for the financing of certain properties owned by the borrower.

The agreement provides for a term until 31 March 2021 and a fixed interest rate of 1.59 per cent. per annum. The amounts borrowed under the €15 million facility are to be repaid in quarterly instalments of €80,000 with the final balance to be repaid at the maturity date. The amounts borrowed under the €1 million facility are to be repaid on the maturity date.

Financial covenants include a debt service cover ratio which is tested on a semi-annual basis and which must not be less than 125 per cent. and a LTV ratio which is regularly tested every three years and which must not exceed 68 per cent..

In addition the agreement provides for customary prepayment obligations (including, amongst others, in the case of the disposal of a property financed with the proceeds of the facility), customary representations and warranties and undertakings as well as customary events of default. The facility agreement provides for a customary change of control prepayment undertaking in the event of a change of control in relation to the borrower special purpose vehicle.

The borrowers are jointly and severally liable (haften als Gesamtschuldner) for their obligations towards the lender. In addition the obligations of each borrower under the facility agreement are secured by customary collateral (including, amongst others, land

charges, assignment of receivables and insurance claims and pledges over bank accounts as well as subordination of shareholder loans to the borrowers).

(e) ***€137,000,000 loan agreement with Berlin Hyp AG and Deutsche Pfandbriefbank***

On 28 April 2016 Sirius Ash B.V., DDS Bramble B.V., Sirius Mannheim B.V., Marba Catalpa B.V., DDS Lark B.V., DDS Maple B.V., DDS Edelweiss B.V., DDS Bagnut B.V., Sirius Beech B.V., Sirius Juniper B.V. and Marba Troisdorf B.V. as borrowers entered into a €137,000,000 German law governed facility agreement with Berlin Hyp AG and Deutsche Pfandbriefbank AG as lenders.

Pursuant to this agreement a €94,500,000 facility and a €42,500,000 facility have been made available to the borrowers thereunder for the financing of certain properties owned by the respective borrowers.

The agreement provides for a term until 17 April 2023 and a fixed interest rate of 1.66 per cent. per annum on the €94.5 million facility and a floating interest of rate of EURIBOR plus a liquidity surcharge of 0.32 per cent. per annum plus a margin of 1.25 per cent. per annum on the €42.5 million facility which is required to become subject to interest rate hedging if such facility is not repaid by 31 March 2017. The amounts borrowed under the €94.5 million facility are to be repaid in equal quarterly instalments of 2.5 per cent. per annum. on the nominal amount of the facility. The amounts borrowed under the €42.5 million facility are to be repaid in equal quarterly instalments of €265,625.

Financial covenants include a debt service cover ratio which is tested on a quarterly basis and which must not be less than 110 per cent., a LTV ratio which is tested on an annual basis and which must: (i) in the first and second year after the first utilisation not exceed 67 per cent.; (ii) in the third and fourth year after the first utilisation not exceed 65 per cent.; and (iii) from the fifth year after the first utilisation not exceed 62.5 per cent. and a junior collateral value ratio which is tested on an annual basis and which must not exceed 0 per cent..

In addition the agreement provides for customary prepayment obligations (including, amongst others, in the case of the disposal of a property financed with the proceeds of the facility), customary representations and warranties and undertakings (including, amongst others, restrictions on the incurrence of financial indebtedness and a negative pledge) as well as customary events of default (including, amongst others, cross default of another borrower thereunder subject to a threshold of €100,000). The facility agreement provides for a customary change of control prepayment undertaking in the event of a change of control in relation to the borrower special purpose vehicle.

The borrowers are jointly and severally liable (haften als Gesamtschuldner) for their obligations towards the lender. In addition the obligations of each borrower under the facility agreement are secured by customary collateral (including, amongst others, land charges, assignment of receivables and insurance claims, pledges over bank accounts and the shares of each of the borrowers as well as subordination of shareholder loans to the borrowers).

(f) ***€70,000,000 loan agreement with Berlin Hyp AG***

On 20 October 2016 Sirius Ivy B.V., Marba Cedarwood B.V., Marba Marigold B.V., Marba Konigswinter B.V. and DDS Hazel B.V. as borrowers entered into a €70,000,000 German law governed facility agreement with Berlin Hyp AG as lender.

Pursuant to this agreement a facility in an amount of €70,000,000 has been made available to the borrowers thereunder for the financing of certain properties owned by the respective borrowers.

The agreement provides for a term until 29 October 2023 and a fixed interest rate of 1.48 per cent. per annum. The amounts borrowed under the facility are to be repaid in equal monthly instalments of €232,166.67.

Financial covenants include a debt service cover ration which is tested on a quarterly basis and which must not be less than 140 per cent, a LTV ratio which is tested on an annual basis and which must: (i) in the first and second year after the first utilisation not exceed 65 per cent.; (ii) in the third and fourth year after the first utilisation not exceed

62.5 per cent.; (iii) in the fifth and sixth year after the first utilisation not exceed 60 per cent.; and (iv) in the seventh year after the first utilisation not exceed 57.5 per cent. and a junior collateral value ratio which is tested on an annual basis and which must not exceed 0 per cent..

In addition the agreement provides for customary prepayment obligations (including, amongst others, in the case of the disposal of a property financed with the proceeds of the facility), customary representations and warranties and undertakings (including, amongst others, restrictions on the incurrence of financial indebtedness and a negative pledge) as well as customary events of default. The facility agreement provides for a customary change of control prepayment undertaking in the event of a change of control in relation to the borrower special purpose vehicle.

The borrowers are jointly and severally liable (haften als Gesamtschuldner) for their obligations towards the lender. In addition the obligations of each borrower under the facility agreement are secured by customary collateral (including, amongst others, land charges, assignment of receivables and insurance claims and pledges over bank accounts as well as subordination of shareholder loans to the borrowers).

20.9 Cologne Business Park Acquisition Agreement

H.F.S. Immobilienfonds Deutschland 9 GmbH & Co. KG (the "**Seller**") and DDS Aspen B.V (the "**Buyer**") entered into an acquisition agreement regarding a business park at Frankfurter Straße PO 720, 726, Friedrich-Naumann-Straße 4, Cologne (the "**Property**") on 30 November 2016, as approved by the Seller on 5 December 2016 and amended on 19 December 2016 (the "**Acquisition Agreement**") whereby the Seller agreed to sell the Property to the Buyer, subject to certain conditions. The Buyer is an indirect subsidiary of the Company.

The purchase price is €21 million (excluding VAT and other taxes) (the "**Purchase Price**"). The Purchase Price becomes payable once the Buyer has received the notary's notice that the conditions have been satisfied (the "**Maturity Notice**"). If the Maturity Notice is received before the 23rd calendar day of the month, the Purchase Price is payable on the last banking day (in Munich) of the month. If the Maturity Notice is received after the 23rd calendar day of the month, the Purchase Price is payable on the last banking day (in Munich) of the month following the receipt of the Maturity Notice.

The acquisition is subject to certain conditions including, *inter alia*: (i) the notary receiving the Seller's consent to the declarations contained in the Acquisition Agreement in a form suitable for the land register; (ii) the notary receiving a written statement from the Seller that its investors have consented to the Acquisition Agreement with the necessary majority; and (iii) the earlier of the following events occurring: (a) the agreement regarding the transfer of catering services being concluded between VMG Vermietungsgesellschaft mbH and Eurest Deutschland GmbH (as transferors) and DDS Conferencing & Catering GmbH (as transferee); or (b) 16 March 2017. DDS Conferencing & Catering GmbH is an indirect subsidiary of the Company.

The acquisition is also conditional on the notary receiving a written declaration from the Buyer which confirms that the Buyer has the necessary funds to finance the acquisition and that the acquisition can be implemented unrestrictedly (the "**Implementation Notice**"). The Buyer is obliged to undertake all necessary and reasonable measures until 28 February 2017, in particular to carry out a financing tender in order to obtain funds for the acquisition in an amount of up to €12.5 million, without restriction to finance the acquisition completely from its own resources. If the Implementation Notice is not received by the notary on or before 28 February 2017, the Buyer shall pay the Seller a fee of €500,000 (the "**Penalty Fee**"). The Acquisition Agreement provides that an upfront deposit of €500,000 is to be paid by the Buyer and held in escrow by the notary (the "**Deposit**"). In the event that the purchase completes, the Deposit shall serve as a down-payment on the Purchase Price. If the Implementation Notice is not received by the notary on or before 28 February 2017, the Deposit shall be used to pay the Penalty Fee and neither party will be bound to proceed with the purchase of the property. The long-stop-date for the disbursement of the Deposit to the Seller is 15 December 2017.

The Seller may withdraw from the Acquisition Agreement if the Buyer defaults in its obligations to pay all or part of the Purchase Price, provided that the Buyer has not rectified such default within a grace period (which shall be set by the Seller but shall be at least eight banking days (in Munich)). In the event of withdrawal under these circumstances, the Buyer must pay the

Seller €150,000. In case of default of payment of the Purchase Price, the Buyer has to pay default interest to the Seller in an amount of 9 percentage points above the respective base interest rate according to section 247 of the German Civil Code until the Purchase Price is fully paid or the Seller choses to make use of his withdrawal right. Further claims and rights of the Seller due to default of the Buyer to pay the Purchase Price remain unaffected.

The Buyer or the Seller may withdraw from the Acquisition Agreement if the Maturity Notice has not been obtained by 31 July 2017. In the event that the reason for the delay is that the notice of conveyance has not been entered in to the land register due to fault of the Buyer, the Buyer must pay the Seller €150,000.

The acquisition agreement contains market-standard warranties. The Seller will only be liable if: (i) the amount of the liability in respect of an individual warranty claim exceeds €10,000 (a "**Qualifying Claim**"); and (ii) a minimum aggregate amount of €100,000 for all Qualifying Claims has been reached, in which case the Seller is only liable for the amount above the €100,000 threshold. The maximum aggregate liability of the Seller for all claims is 5 per cent. of the Purchase Price. Claims arising out of a breach of the warranties are time-barred 24 months after completion of the acquisition.

Certain intellectual property rights relating to the Property have been assigned to the Buyer conditional on the acquisition completing.

20.10 Munich Business Park Sale Agreement

DDS Bramble B.V. (the "**Seller**") and FC REF V GmbH, FC REF VI GmbH and FC REF VII GmbH (the "**Buyers**") entered into a sale agreement regarding a business park at Rupert-Mayer-Straße 44, 81379 Munich (the "**Property**") on 5 January 2017 (the "**Sale Agreement**") whereby the Seller agreed to sell the Property to the Buyers, subject to certain conditions. The Seller is an indirect subsidiary of the Company.

The Buyers and DDS Yew B.V. (the "**Head Tenant**") (an indirect subsidiary of the Company) entered into a lease agreement with the same notarial deed as the Sale Agreement regarding the Property (the "**Head Lease Agreement**") which is conditional on the Sale Agreement becoming effective. Pursuant to the Head Lease Agreement, the Buyers agree to lease the Property to the Head Tenant with a fixed term of six years. The Head Lease Agreement allows the Head Tenant to sub-lease the Property during the fixed lease term. Should the Seller intend to conclude new lease agreements exceeding the first five years of the Head Lease Agreement, the Buyers' prior consent is necessary. The monthly rent pursuant to the Head Lease is €416,666.67 for the first year and the rent increases each year up to €418,753.91 per month in the fifth year. In the final year the monthly rent is equal to the net rent of the sub-tenants. The Buyers have granted the Head Tenant a rent default warranty in a maximum amount of €1,500,000 for the fifth lease year (subject to certain conditions).

In addition, the Buyers and Sirius Facilities GmbH (the "**Contractor**") (an indirect subsidiary of the Company) entered into a six year service agreement with the same notarial deed as the Sale Agreement (the "**Service Agreement**") which is conditional on the Sale Agreement becoming effective. Pursuant to the Service Agreement, the Contractor provides property management services for the Property at a remuneration of €100,000 per annum.

The total purchase price pursuant to the Sale Agreement is €85 million (excluding VAT and other taxes) (the "**Purchase Price**"). The Purchase Price becomes payable once the Buyers have received the notary's notice that the conditions have been satisfied (the "**Maturity Notice"**). The Buyers are entitled to withdraw from the Sale Agreement, if the conditions for the Maturity Notice have not been satisfied by 30 June 2017.

After a fixed period of three years, the Buyers may terminate the Head Lease Agreement extraordinarily by giving twelve months' notice whereupon the scope of the services provided pursuant to the Service Agreement in the following year is limited to the preparation of the ancillary cost statement for the previous year. If the Head Lease Agreement is terminated, the party who has not caused the reason for the termination of the Head Lease Agreement is entitled to terminate the Service Agreement on one month's notice. The payment of the Purchase Price is conditional on certain taxation conditions, i.e. where the tax authority has issued a tax deduction order in accordance with sec. 50a para. 7 of the German Income Tax

Act which (together with the trust requirements of the banks to be redeemed) exceeds the Purchase Price (as reduced by any warranty claims).

The Seller may withdraw from the Sale Agreement under certain conditions, including, *inter alia:* (i) if the Buyers default in their obligations to pay all or part of the Purchase Price, provided that the Buyers have not rectified such default within two weeks from the due date. Late payment of the Purchase Price incurs default interest at a rate of 9 percentage points above the respective base interest rate per annum (as calculated in accordance with the German Civil Code) from the due date until the earlier of payment of the Purchase Price or the exercise by the Seller of its right to withdraw. In the event that the Seller exercises its right to withdraw, the Buyer must pay the Seller fixed damages of EUR 2,125,000 (the "**Fee**").

The Sale Agreement provides that, before signing, a deposit of EUR 2,125,000 is to be paid by the Buyers and held in escrow by the notary (the "**Deposit**"). In the event that the purchase completes, the Deposit shall serve as a down-payment on the Purchase Price. If the Seller makes use of its withdrawal right, the Deposit shall be used to pay the Fee and the Sale Agreement will be unwound.

The Seller has committed itself to remedy certain identified defects by 31 March 2017. In order to secure the Seller's obligations, the Seller shall provide the notary a bank guarantee of at least EUR 500,000 by 10 March 2017.

The Sale Agreement contains a limited set of market-standard warranties. The Seller is only liable, if (i): the amount of the liability in respect of an individual warranty claim exceeds EUR 50,000 (a "**Qualifying Claim**"); and (ii) a minimum aggregate amount of EUR 150,000 for all Qualifying Claims has been reached in which case all Qualifying Claims become payable. The maximum aggregate liability of the Seller for all claims is 5 per cent of the Purchase Price. Claims arising out of a breach of the warranties are time-barred 18 months after completion of the sale.

21. CONSENTS

KPMG is a member firm of the Institute of Chartered Accountants in England and Wales, and has given and has not withdrawn its written consent to the inclusion of the report on the historical financial information in Section A of Part VIII of this document in the form and context in which it appears and has authorised the contents of that part of this document which comprises its report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

Cushman & Wakefield LLP is indirectly wholly-owned by DTZ Worldwide Limited, the controlling entity of the global Cushman & Wakefield Group and is a member firm of RICS and is certified in Germany by ISO 9001 (International Organization for Standardization – Quality Management System). Cushman & Wakefield LLP has given and has not withdrawn its written consent to the inclusion of the valuation report in Part XI of this document in the form and context in which it appears and has authorised the contents of that part of this document which comprises its report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

Canaccord Genuity has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

PSG Capital has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

22. GENERAL

The Directors are not aware of any patents or other intellectual property rights, licences, particular contracts or manufacturing processes on which the Company is dependent.

Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Company's recent activities.

Save as disclosed in this document and so far as the Directors are aware, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current year.

All information specified in this document as being from a third party source has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published

by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

23. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London, SE1 2AQ and at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of one month from the date of this document:

(a) the existing articles of association of the Company in force at the date of this document;

(b) the Articles;

(c) the Annual Report and Accounts for the financial years ending 31 March 2014, 31 March 2015 and 31 March 2016;

(d) the Company's unaudited interim results for the six month period ended 30 September 2016;

(e) KPMG LLP's report on the historical financial information set out in Section A of Part VIII of this document;

(f) Cushman and Wakefield LLP's valuation report set out in Part XI of this document;

(g) the letters relating to those consents referred to in section 21 above and

(h) a copy of this document.

Dated 8 February 2017

PART XIV

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"**Acquisition Agreement**"	acquisition agreement regarding a business park in Frankfurter Straße PO 720, 726, Friedrich-Naumann-Straße 4, Cologne
"**Adjusted NAV**"	Net Asset Value excluding deferred tax and derivate financial instruments
"**Adopted IFRSs**"	IFRSs adopted for use in the EU
"**AEOI**"	Automatic Exchange of Information
"**AGM**" or "**Annual General Meeting**"	the Annual General Meeting of the Company which was held at 33 St James Square, London on 23 September 2016
"**AIM**"	the AIM Market, a market operated by the London Stock Exchange
"**AIM Admission**"	means the admission of the entire issued share capital of the Company to trading on AIM which occurred on 4 May 2007
"**AIM Rules**"	the rules for companies governing admission to and the operation of AIM, published by the London Stock Exchange
"**AltX**"	the Alternative Exchange (AltX) of the JSE
"**Articles**"	the memorandum of incorporation and articles of incorporation of the Company proposed to be adopted at the Extraordinary General Meeting
"**AssetCo Holding Companies**"	Sirius One B.V., Sirius Two B.V., Sirius Three B.V. and Sirius Four B.V.
"**Asset Manager**"	Dawnay, Day Sirius Real Estate Asset Management Limited
"**Audit Committee**"	the audit committee of the Board
"**Auditors**" or "**KPMG**"	KPMG LLP
"**Board**" or "**Directors**"	the board of directors of the Company as at the date of this document whose names are set out on page 30 and "Director" means any one of them
"**Canaccord Genuity**"	Canaccord Genuity Limited
"**capex**"	capital expenditure
"**CESR**"	the Committee of European Securities Regulators
"**CGA 1992**"	Chargeable Gains Act 1992
"**Chairman**"	the chairman of the Company from time to time
"**Client**"	Sirius Real Estate Limited
"**Common Reporting Standard**"	the Organisation for Economic Co-operation and Development's "Common Reporting Standard"
"**Companies Law**"	the Companies (Guernsey) Law, 2008, as amended and where the context requires, every other law or ordinance from time to time in force concerning companies in Guernsey and affecting the Company
"**Company**"	Sirius Real Estate Limited, registered number 46442 whose registered office is at PO Box 119, Martello Court, Admiral Park, St. Peter Port, Guernsey, GY1 3HB, Channel Islands
"**Convertible Loan Notes**"	the €5,000,000 5 per cent. convertible loan notes due 2018 which have been converted

“**CREST**”	the system for the paperless settlement of share transfers and the holding of uncertificated shares operated by Euroclear UK & Ireland Limited (formerly CRESTCo)
“**CRM**”	Client Relationship Management
“**CTA 2009**”	Corporation Tax Act 2009
“**Director of Income Tax in Guernsey**”	the person in whom the care and management of the taxation system in Guernsey is vested
“**Director**”	a director for the time being of the Company, including any person appointed by him as his alternate director but only while acting as such
“**Disclosure and Transparency Rules**”	the rules relating to the disclosure of information made in accordance with Section 73A and 89A to 89G of FSMA
“**EBITDA**”	earnings before interest, tax, depreciation and amortisation
“**ECB**”	European Central Bank
“**EGM Circular**”	the circular to be circulated to Shareholders on or around the date of this Prospectus containing the notice convening the Extraordinary General Meeting
“**Elements**”	the disclosure requirements as set out in Part I
“**EPRA**”	European Public Real Estate Association
“**EPS**”	earnings per share
“**ESMA**”	European Securities and Markets Authority
“**ESMA Guidelines**”	ESMA’s current update of the CESR recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses No 809/2004
“**EU**”	the European Union
“**EURIBOR**”	Euro Interbank Offered Rate
“**Euro**” or “**€**”	the single currency of those relevant adopting member states of the EU
“**Extraordinary General Meeting**”	the extraordinary general meeting of the Company to be convened pursuant to the EGM Circular and to be held on 23 February 2017
“**FATCA**”	the Foreign Account Tax Compliance Act 2010
“**FCA**”	the Financial Conduct Authority
“**FSMA**”	the Financial Services and Markets Act 2000, as amended
“**FTSE**”	the Financial Times Stock Exchange
“**Funds From Operations**” or “**FFO**”	recurring profit before tax adjusted for depreciation, amortisation of financing fees and current tax receivable/incurred
“**GAVP**”	Generally Accepted Valuation Principles
“**GDP**”	Gross Domestic Product
“**German Trade Tax Act**”	German Trade Tax is based on federal law, regulated by the German Trade Tax Act and is levied by local municipalities on a corporation’s trade income at a rate of 7 per cent. to 17.2 per cent., depending on the location
“**Group**”	the Company and its consolidated subsidiaries and subsidiary undertakings from time to time

"**Guernsey Grant of Representation**" or "**Grant**"	either the grant of probat*e or the grant of letters of administration in Guernsey, in each case in relation to the estate of a deceased person
"**HMRC**"	HM Revenue & Customs
"**Homestead**"	Homestead Group Holdings Limited
"**IASB**"	International Accounting Standards Board
"**Ifo Business Climate Index**"	the Ifo's indicator of economic developments in Germany published on a monthly basis
"**Ifo**"	Ifo Institute for Economic Research, based in Munich
"**IFRIC**"	International Financial Reporting Interpretations Committee
"**IFRS**"	International Financial Reporting Standards
"**Interim Dividend**"	the interim dividend of €1.39c per Ordinary Share declared in respect of the six month financial period of the Company ended 30 September 2016
"**ISA**"	Individual Savings Account
"**ISIN**"	International Securities Identification Number
"**IVS**"	IVSC International Valuation Standards 2013
"**IVSC**"	International Valuation Standards Committee
"**JSE**"	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act of South Africa, 2012 (Act 19 of 2012), as amended
"**JSE Listings Requirements**"	the listings requirements of the JSE, as amended from time to time
"**JSE Transfer**"	the transfer of the Ordinary Shares to trading on the Main Board of the JSE
"**Karoo**"	Karoo Investment Fund S.C.A. SICAV-SIF
"**KfW**"	KfW Group, a bank based in Frankfurt, Germany
"**KfW-ifo**"	KfW-ifo SME Barometer, based on a scale-of-enterprise evaluation of the well-known ifo business climate index for which about 7,000 enterprises from trade and industry from western and eastern Germany are polled every month on current and future business
"**Listing Rules**"	the listing rules of the UK Listing Authority made under Part VI of FSMA, as amended
"**LSE**"	The London Stock Exchange, the stock exchange based in the City of London operated by London Stock Exchange plc (a public limited company registered in England and Wales with company number 02075721)
"**LTIP**"	the Company's long term incentive plan, as defined in section 9 of Part XIII
"**LTIP Award**"	the award of conditional share awards delivering free shares subject to performance conditions pursuant to the LTIP
"**LTIP Rules**"	the LTIP rules adopted by the Company on 2 August 2013 and amended by the Company on 9 October 2015
"**LTV**"	Loan To Value, being the ratio of a loan to the book value of an asset or assets
"**Macquarie**"	Macquarie Bank Limited
"**Main Board**"	the main board for listed securities of the JSE

"**Main Market**"	the main market for listed securities of the London Stock Exchange
"**Market Abuse Regulation**"	Regulation 596/2014/EU of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)
"**Matching Share Plan**" or "**MSP**"	the Company's matching share plan scheme, as further described in section 9 of Part XIII, which will cease to operate on 31 March 2017 in the event that UK Admission occurs
"**Member States**"	member states of the European Economic Area
"**NAV**"	Net Asset Value
"**Netherlands**"	the Kingdom of the Netherlands
"**NICs**"	employees' national insurance contributions
"**NOI**"	Net Operating Income
"**Nomination Committee**"	the nomination committee of the Board
"**Non-executive Directors**"	the non-executive Directors of the Company
"**OECD**"	Organisation for Economic Co-operation and Development
"**Official List**"	the Official List of the UK Listing Authority
"**Ordinary Shares**"	ordinary shares of no par value each in the capital of the Company
"**PMI**"	Purchasing Managers' Index
"**Prospectus Directive**"	the EU Prospectus Directive (2003/71/EC), as amended
"**Prospectus Directive Regulations**"	Prospectus Regulations 2005 (SI 2005/1433)
"**Prospectus Rules**"	the prospectus rules of the UK Listing Authority made pursuant to section 73A of FSMA
"**Prospectus**" or "**this document**"	this document dated 8 February 2017, comprising a prospectus for the purposes of the Prospectus Rules (together with any supplements or amendments thereto)
"**PSG Capital Mandate**"	the agreement entered into on 16 November 2016 between the Company and PSG Capital, details of which are set out in paragraph 20.2 of Part XIII of this Prospectus
"**PSG Capital**"	PSG Capital Proprietary Limited
"**Real Estate Assets**"	the 44 business parks owned or controlled by the Company as at 7 February 2017 (being the last practicable date prior to the publication of this document) more particularly described in Part VI of this document
"**Red Book**"	the RICS Valuation Professional Standards January 2014
"**Referendum**" or "**UK Referendum**"	the referendum on the United Kingdom's continued membership of the European Union held on 23 June 2016
"**Referendum Result**"	in the Referendum, the citizens of the United Kingdom voted by a majority in favour of the United Kingdom leaving the European Union
"**Registrars**"	the UK Registrar and the South African Registrar
"**Remuneration Committee**"	the remuneration committee of the Board
"**Restricted Jurisdiction**"	Australia, Canada, New Zealand or Japan or any other jurisdiction where it would be unlawful to offer to sell or issue, or invite to subscribe for, or solicit an offer to buy or subscribe for, Ordinary Shares

"**RETT**"	German Real Estate Transfer Tax
"**RICS**"	the Royal Institution of Chartered Surveyors
"**RNS**"	a Regulatory Information Service that is approved by the FCA and that is on the list of Regulatory Information Service providers maintained by the FCA
"**RSA Sponsor**"	PSG Capital
"**Scrip Shares**"	new Ordinary Shares issued pursuant to the scrip dividend alternative in relation to the Interim Dividend (as more particularly described in section 4 of Part XIII of this document
"**SDRT**"	Stamp Duty Reserve Tax
"**SEC**"	the U.S. Securities and Exchange Commission
"**Securities Act**"	the U.S. Securities Act of 1933, as amended
"**SEDOL**"	the Stock Exchange Daily Official List
"**Senior Independent Director**"	The senior independent director of the Company from time to time
"**SENS**"	the Stock Exchange News Service of the JSE
"**Share Plans**"	the LTIP and the MSP
"**Shareholders**"	the holders of Ordinary Shares in the capital of the Company from time to time
"**SIPP**"	Self-Invested Personal Pensions
"**SME**"	a small or medium-sized enterprise or business
"**SPV**"	Special Purpose Vehicle
"**South Africa**" or "**RSA**"	the Republic of South Africa
"**South African Companies Act**"	the Companies Act of South Africa, 2008 (Act 71 of 2008), as amended from time to time
"**South African Companies and Intellectual Property Commission**"	the Companies and Intellectual Property Commission, a juristic person established under the South African Companies Act
"**South African Registrar**"	Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Ave, Rosebank, South Africa, 2196
"**Strate**"	Strate Proprietary Limited (Registration number 1998/022242/07), a registered central securities depositary in terms of the Financial Markets act of South Africa 2012 (Act 19 of 2012), as amended
"**STT**"	South African securities transfer tax
"**subsidiary company**"	a subsidiary company within the meanings given in Schedule 2 of the Banking Supervision (Bailiwick of Guernsey) Law, 1994 as amended
"**Takeover Code**"	the UK City Code on Takeovers and Mergers
"**Takeover Panel**"	the panel charged with monitoring compliance with the Takeover Code
"**Tax EBITDA**"	taxable earnings before interest, taxes, depreciation and amortization determined under tax law
"**TCGA 1992**"	Taxation of Chargeable Gains Act 1992
"**Total NAV Return**"	annualised percentage change in Adjusted NAV plus dividends paid over a given period of time
"**treasury shares**"	the Company's own issued shares that have been repurchased by the Company but not cancelled

"**TSR**"	total shareholder return
"**UK Admission**"	the admission of the Ordinary Shares to the premium segment of the Official List and to trading on the Main Market
"**UK Corporate Governance Code**"	the UK Corporate Governance Code published by the Financial Reporting Council in September 2014
"**UK Registrar**"	Capita Registrars (Guernsey) Limited, a company incorporated under the laws of the Island of Guernsey with registered number 38018 and having its registered office situated at Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey, GY2 4LH
"**UK Sponsor**"	Canaccord Genuity
"**UK/Netherlands tax treaty**"	the double taxation convention between the UK and the Netherlands as amended from time to time
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**US**" or "**United States**"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"**US Securities Act**"	the United States Securities Act of 1933 (as amended)
"**Valuation Report**"	the valuation report set out in Part XI
"**VAT**"	value added tax

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