THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations contained on pages 4 to 9 of this Circular apply *mutatis mutandis* throughout this Circular, including this cover page.

Action required

- This Circular is important and should be read in its entirety, with particular attention to the section entitled "Action required by Burstone Shareholders" which commences on page 2.
- If you are in any doubt as to what action you should take, please consult your attorney, banker, broker, CSDP or other professional advisor immediately.
- If you have disposed of all your Burstone Shares, this Circular should be handed to the purchaser of such Burstone Shares or to the banker, broker, CSDP or other agent through whom the disposal was affected.

Burstone does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised Burstone shares to notify such shareholder of the transactions set out in this Circular.

Burstone
REAL ESTATE PARTNERS

BURSTONE GROUP LIMITED
(Previously Investec Property Fund Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2008/011366/06)
ISIN: ZAE000180915
Share code: BTN Bond code: BTNI
("**Burstone**" or the "**Group**")

CIRCULAR TO BURSTONE SHAREHOLDERS

Relating to:

- the proposed disposal by Burstone of a majority of its stake in the PEL Portfolio to Blackstone by the disposal of its shares held in Hexagon Holdco, whilst retaining a minority stake in and continuing to manage the PEL Portfolio, resulting in the acquisition by Blackstone of an 80% stake in the PEL Portfolio from Burstone and EDT, pursuant to the terms of the Sale Agreement and several ancillary agreements; and
- the General Meeting.

and enclosing:

- **a notice convening a General Meeting of Burstone Shareholders; and**
- **a form of proxy *(blue)* to vote at the General Meeting (for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only).**

Lead Financial Advisor and Transaction Sponsor

BofA SECURITIES

Legal Advisors

CDH CLIFFE DEKKER HOFMEYR

BCLP.

Joint Financial Advisor

Investec

Independent Reporting Accountant and Auditor

pwc

Date of issue: **Monday, 30 September 2024**

*Copies of this Circular, in English only, may be obtained at the Company's registered offices during normal business hours 08:00 to 16:00 or Burstone's website **www.burstone.com** from, Monday, 30 September 2024 until Friday, 18 October 2024. The address of Burstone is set out in the "Corporate information and Advisors" section.*

CORPORATE INFORMATION AND ADVISORS SECTION

Registered office and postal address of Burstone

4 Sandown Valley Crescent,
Sandown
Sandton
Johannesburg
Gauteng
2146

Date and place of incorporation:

Incorporated on 7 May 2008 in South Africa
Website: http://www.burstone.com

Burstone Company Secretary

Pieter van der Sandt
4 Sandown Valley Crescent,
Sandown
Sandton
Johannesburg
Gauteng
2146

Lead Financial Advisor and Transaction Sponsor

Merrill Lynch South Africa Proprietary Limited
t/a BofA Securities
The Place 3rd Floor
1 Sandton Drive Sandhurst
Sandton
Johannesburg
Gauteng
2196

Joint Financial Advisor

Investec Bank Limited
(Registration number: 1969/004763/06)
100 Grayston Drive
Sandown
Sandton
2196

(PO Box 785700, Sandton, 2146)

Independent Reporting Accountant and Auditor

PricewaterhouseCoopers Inc
(Registration number 1998/012055/21)
4 Lisbon Lane
Waterfall City, Jukskei View
Johannesburg, South Africa, 2090

(Private Bag X36, Sunninghill, South Africa, 2157)
PwC Société cooperative
(RCS – Numéro d'immatriculation: B65477)
2, rue Gerhard Mercator B.P. 1443 L-1014 Luxembourg

South African Legal Advisor

Cliffe Dekker Hofmeyr Inc.
(Registration number 2008/018923/07)
11 Buitengracht Street
Cape Town
8001

English Law Legal Advisor

Bryan Cave Leighton Paisner LLP
(Companies House registration number: OC315919)
Governor's House,
5 Laurence Pountney Hill,
London, England, EC4R 0BR

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

(Private Bag X9000, Saxonwold, 2132)

Registered office of Hexagon

Hexagon Holdco S.à r.l. and Hexagon Holdco 2 S.à r.l.
1 rue Hildegard von Bingen
L – 1282
Luxembourg

Date and place of incorporation:
Hexagon Holdco S.à r.l.
Luxembourg
15 September 2017

Date and place of incorporation:
Hexagon Holdco 2 S.à r.l.
Luxembourg
23 October 2017

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Notice of General Meeting of Burstone Shareholders		**Attached**
Form of proxy *(blue)* ***(for use by Certificated Shareholders and "own name" Dematerialised Shareholders only)***		**Attached**

ACTION REQUIRED BY BURSTONE SHAREHOLDERS

Please take careful note of the following:

If you are in any doubt as to what action to take in regard to this Circular, please consult your accountant, attorney, banker, broker, CSDP or other professional advisor immediately.

This Circular contains information relating to the Proposed Transaction. You should read this Circular carefully and decide how you wish to vote on the Resolutions to be proposed at the General Meeting.

GENERAL MEETING

The General Meeting, convened in terms of the notice incorporated in this Circular, will be held at Burstone's registered offices at 4 Sandown Valley Crescent, Sandown, Sandton, 2196 on Monday, 28 October 2024 at 10:00.

ACTION REQUIRED BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

A form of proxy is attached for the convenience of Certificated Shareholders and Own-Name Dematerialised Shareholders who are unable to attend the General Meeting, but who wish to be represented thereat. In order to ensure validity, duly completed forms of proxy must either be returned to the:

(a) Transfer Secretaries, so as to reach them by no later than 48 hours before the time of the General Meeting; or

(b) emailed to the Chairperson of the General Meeting at **proxy@computershare.co.za** or, in the case of in person participation, handed to the Chairperson of the General Meeting, at any time prior to the commencement of voting on the Resolutions at the General Meeting.

ACTION REQUIRED BY DEMATERIALISED SHAREHOLDERS OTHER THAN THOSE WITH OWN-NAME REGISTRATION

The broker or CSDP, as the case may be, of Dematerialised Shareholders, other than those with own-name registration, should contact such Dematerialised Shareholders to ascertain how they wish their votes to be cast at the General Meeting and thereafter cast their votes in accordance with their instructions. If such Dematerialised Shareholders have not been contacted, it is recommended that they contact their broker or CSDP, as the case may be, to advise them as to how they wish their votes to be cast.

Dematerialised Shareholders, other than those with own-name registration, who wish to attend the General Meeting, must request a letter of representation from their broker or CSDP, as the case may be, but must not complete the attached form of proxy.

Burstone does not accept any responsibility and will not be held liable for any failure on the part of the broker or CSDP (as the case may be) of a Dematerialised Shareholder to notify such Dematerialised Shareholder of the details of this Circular.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of a teleconference call. If you wish to do so, you must contact Burstone's Company Secretary and identify yourself to the satisfaction of the Company Secretary to obtain the dial in code and pin number. Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf at the General Meeting. The costs borne by you or your proxy in relation to the teleconference call will be for your own account.

IDENTIFICATION OF MEETING PARTICIPANTS

In terms of section 63(1) of the Companies Act, before any person may attend or participate in a Shareholders' meeting, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Shareholder, or as a proxy of a Shareholder, has been reasonably verified.

IMPORTANT DATES AND TIMES

THE DEFINITIONS AND INTERPRETATIONS COMMENCING ON PAGES 4 to 9 OF THIS CIRCULAR APPLY *MUTATIS MUTANDIS* TO THIS SECTION.

	2024
Record date to determine which Burstone Shareholders are entitled to receive the Circular	Friday, 20 September
Circular posted to Burstone Shareholders and posting of the Circular announced on SENS on	Monday, 30 September
Last day to trade in Burstone Shares in order to be entitled to attend, participate in and vote at the General Meeting	Tuesday, 15 October
Record date to be eligible to attend and vote at the General Meeting	Friday, 18 October
Last day for lodging forms of proxy for General Meeting by 10:00 on	Thursday, 24 October
General Meeting of Shareholders at 10:00 on	Monday, 28 October
Announcement of results of General Meeting released on SENS on	Monday, 28 October

Notes:

1. The above dates and times are subject to amendment and any amendment made will be released on SENS and published in the press.
2. Shareholders should note that as transactions in Shares are settled via the electronic settlement system used by Strate, settlement of trades takes place three JSE trading days after such trade. Therefore Shareholders who acquire Burstone Shares after Tuesday, 15 October 2024, will not be eligible to participate in and vote at the General Meeting.
3. All times given are South African local times.
4. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement thereof.
5. For the purposes of effective administration, it is requested that Burstone Shareholders return their duly completed forms of proxy so as to reach the Transfer Secretaries at or before 10:00 on Thursday, 24 October 2024, provided that such form may nevertheless be emailed to the Chairperson of the General Meeting at proxy@computershare.co.za or, in the case of in person participation, handed to the Chairperson of the General Meeting, at any time prior to the commencement of voting on the Resolutions at the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular (inclusive of the pages preceding these definitions and interpretations), unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words incorporating one gender include the other gender and expressions denoting natural persons include juristic persons and associations of persons:

"**Affiliates**"	means in relation to any person or entity, any subsidiary undertaking or parent undertaking of that person or entity and any other subsidiary undertaking of such parent undertaking or any other person that, directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such person;
"**Agreed Form**"	has the meaning given to that term in paragraph 4.2 of this Circular;
"**Blackstone**"	real estate private equity funds advised by Affiliates of Blackstone Europe LLP, a limited liability partnership registered in England and Wales under number OC352581, having its registered office at 40 Berkeley Square, London, W1J5AL, an indirect subsidiary of Blackstone Inc. incorporated in the State of Delaware, United States of America and listed on the New York Stock Exchange;
"**Board**"	collectively the Directors named on page 10 of the Circular;
"**Burstone**"	Burstone Group Limited (previously Investec Property Fund Limited), registration number 2008/011366/06, a public company incorporated under the laws of South Africa and which is listed on the JSE as a REIT;
"**Burstone Lux 1**"	Burstone Luxembourg Investment Holdings S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the R.C.S. Luxembourg under number B240230, a wholly owned subsidiary of Burstone Offshore;
"**Burstone Lux 2**"	Burstone Lux 2 S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the R.C.S. Luxembourg under number B240374 a subsidiary of Burstone Offshore. The shareholders of Burstone Lux 2 are Burstone Lux 1 (c.86%), PELM (c.13%) and Paul Rodger (c.1%);
"**Burstone Offshore**"	Burstone Offshore Proprietary Limited, registration number 2017/013984/07, a private company incorporated under the laws of South Africa, a wholly owned subsidiary of Burstone;
"**Burstone Sellers**"	has the meaning given to that term in paragraph 4.2.1.1 of this Circular (for ease of reference, Burstone Lux 1 and Burstone Lux 2);
"**Burstone Shareholders**" or "**Shareholders**"	collectively, Dematerialised Shareholders and Certificated Shareholders holding Burstone Shares;
"**Burstone Shares**" or "**Shares**"	ordinary shares having no par value in the issued stated capital of Burstone, all of which are listed on the JSE, being 804 918 444, at the Last Practicable Date;
"**Burstone UK**"	Burstone UK Limited (previously Urban Real Estate Partners Limited), company number 11117943, registered in England and Wales and a wholly owned subsidiary of Burstone UK Holdco;
"**Burstone UK 2**"	Burstone UK 2 Limited, company number 15940293, registered in England and Wales and a wholly owned subsidiary of Burstone UK;

"**Burstone UK Holdco**"	Burstone UK Holdco Limited (previously Urban Real Estate Partners II Limited), company number 14961130, registered in England and Wales and a wholly owned subsidiary of Burstone Offshore;
"**Business Day**"	means a day other than a Saturday or Sunday or public holiday in England and Wales, South Africa and Luxembourg on which banks are open in London, Wales, South Africa and Luxembourg for general commercial business (or, for the purpose of determining when a notice is received under clause 24 of the Sale Agreement, in the place where the notice is received);
"**Certificated Shares"**	Burstone Shareholders who hold certificated shares;
"**Certificated Shareholders**"	Shares which have not been dematerialised into the Strate system, title to which is represented by physical documents of title;
"**Circular**"	this bound document, dated Monday, 30 September 2024, including the notice of General Meeting and form of proxy;
"**Closing**"	has the meaning given to that term in paragraph 4.2.1.4.2 of this Circular;
"**Closing Date**"	the date on which Closing occurs;
"**Companies Act**" or "**Act**"	the Companies Act, No 71 of 2008, as amended;
"**Company Secretary**"	Pieter van der Sandt, full details of which are set out in the "Corporate information and advisors" section;
"**Condition**"	the condition set out in paragraph 4.2.1.3.1 of this Circular;
"**Condition Satisfaction Notice**"	has the meaning given to that term in paragraph 4.2.1.4.1 of this Circular;
"**Consideration Loan Notes**"	has the meaning given to that term in paragraph 4.2.1.2.2 of this Circular;
"**Control**"	means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through ownership of voting securities, by contract or otherwise (and "Controlled by" shall be construed accordingly);
"**CSDP**"	a Central Securities Depository Participant, as defined in the Financial Markets Act, appointed by the respective Dematerialised Shareholders for the purposes of, and in regard to, the dematerialisation of documents of title for the purposes of incorporation into Strate;
"**Dematerialisation**"	the process by which Certificated Shares are converted to an electronic form as Dematerialised Shares and recorded in the sub-register of Shareholders maintained by a CSDP;
"**Dematerialised Shareholders**"	all registered holders of Dematerialised Shares;
"**Dematerialised Shares**"	Burstone Shares which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
"**Deposit**"	has the meaning given to that term in paragraph 4.2.1.2.2 of this Circular;
"**Directors**"	the directors of Burstone at the Last Practicable Date, details of whom are set out on page [16] of this Circular;

"**EDT**"	ED Trust INL Investments I Proprietary Limited, registration number 2003/009404/07, a private company incorporated under the laws of South Africa, a 6.00% shareholder of Hexagon. EDT is wholly owned by the Entrepreneurship Development Trust a charitable BEE investor that is focused on supporting entrepreneurial activity and delivering educational enrichment to previously disadvantaged South Africans in order to contribute and make a lasting impact to South Africa's economy. The trustees of the Entrepreneurship Development Trust are Stephen Koseff, Nishlan Andre Samujh, Constance Matshaga Mashaba, Happy Masondo and Luyolo Poswa. The beneficiaries of the Entrepreneurship Development Trust are black people as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003. EDT is independent of Burstone and is not a related party to Burstone;
"**Effective Time**"	means on the Closing Date as at the time immediately prior to Closing;
"**EPS**"	earnings per share;
"**Executive Directors**"	Andrew Wooler and Jenna Sprenger;
"**First-loss Bank Guarantee**"	has the meaning given to that term in paragraph 4.2.1.2.2 of this Circular;
"**First-loss Cash Security Amount**"	has the meaning given to that term in paragraph 4.2.1.2.2 of this Circular;
"**First-loss Protection Agreement**"	has the meaning given to that term in paragraph 4.2.2.1.2 of this Circular;
"**First-loss Share Security Amount**"	has the meaning given to that term in paragraph 4.2.2.1.3 of this Circular;
"**GAV**"	gross asset value;
"**General Meeting**"	the general meeting of Burstone Shareholders to be held at Burstone's registered offices at 4 Sandown Valley Crescent, Sandown, Sandton, 2196, on Monday, 28 October 2024 at 10:00 in order to approve the Resolutions;
"**Group**"	Burstone and its subsidiaries;
"**HEPS**"	headline earnings per share;
"**Hexagon**"	Hexagon Holdco and Hexagon Holdco 2, collectively holding the PEL Portfolio;
"**Hexagon Holdco**"	Hexagon Holdco S.à r.l., a private limited liability company incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the R.C.S. Luxembourg under number B218100. The shareholders of Hexagon Holdco are Burstone Lux 1 (c.19%), Burstone Lux 2 (c.75%) and EDT (c.6%);
"**Hexagon Holdco 2**"	Hexagon Holdco 2 S.à r.l., a private limited liability company incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the R.C.S. Luxembourg under number B218839. The shareholders of Hexagon Holdco 2 are Burstone Lux 1 (c.19%), Burstone Lux 2 (c.75%) and EDT (c.6%);
"**IFRS Accounting Standards**"	the International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board (IASB) or its successor body;
"**Independent Reporting Accountant**" or "**Auditor**"	PricewaterhouseCoopers Incorporated (registration number 1998/012055/21) and PwC Société cooperative (RCS – Numéro d'immatriculation: B65477), full details of which are set out in the "Corporate information and advisors" section;
"**Initial Term**"	has the meaning given to that term in paragraph 4.2.2.2.1 of the Circular;

"**Investment**"	has the meaning given to that term in paragraph 4.2.2.4.3 of this Circular;
"**JSE**"	JSE Limited, registration number 2005/022939/06, a public company duly registered and incorporated with limited liability under the laws of South Africa, listed on the JSE and licensed as an exchange under the Financial Markets Act;
"**Last Practicable Date**"	the last practicable date prior to finalisation of this Circular, being Friday, 20 September 2024;
"**Legal Advisor**" or "**CDH**"	Cliffe Dekker Hofmeyr Incorporated, registration number 2008/018923/21, a personal liability company duly incorporated under the laws of South Africa, full details of which are set out in the "Corporate information and advisors" section;
"**Listings Requirements**"	the listings requirements of the JSE;
"**LTV**"	loan-to-value;
"**Management Agreement**"	has the meaning given to that term in paragraph 4.2.2.2 of this Circular;
"**Manager**"	has the meaning given to that term in paragraph 4.2.2.2.2 of this Circular;
"**Manco Call Option Deed**"	has the meaning given to that term in paragraph 4.2.2.3 of this Circular;
"**Manco Interests**"	has the meaning given to that term in paragraph 4.2.2.3.2 of this Circular;
"**Manco Internalisation**"	the internalisation of the South African and European asset management functions of the Group by way of Burstone acquiring from Investec Property Proprietary Limited (i) the asset management business of Investec Property Proprietary Limited; and (ii) all the shares in Burstone UK, further details of which are included in the SENS announcement published on 6 July 2023 and the circular distributed to Burstone Shareholders on 17 April 2023;
"**Midco Board**"	has the meaning given to that term in paragraph 4.2.2.4.4 of this Circular;
"**MOI**"	the Memorandum of Incorporation of the Company, adopted via a special resolution, which was registered in terms of the Companies Act and amended on 17 September 2018;
"**NAV**"	net asset value;
"**Own-Name Dematerialised Shareholders(s)**"	dematerialised shareholders who have elected own-name registration;
"**PEL Portfolio**"	the Pan-European Logistics Portfolio held by Hexagon comprising 32 properties located in seven jurisdictions across Europe, further details of which are set out in **Annexure 1**;
"**PELM**"	Pan-European Logistics Holdings Limited (registration number 171045) a public company duly incorporated and registered in Mauritius and listed on the Bermuda Stock Exchange, which holds an effective 10.85% of the PEL Portfolio through Burstone Lux 2. The shareholders of PELM are Investec Wealth and Investments' high net worth clients;
"**Property Valuer**"	CBRE Limited (registration number 3536032), a private limited company duly incorporated and registered in England and Wales;
"**Proposed Transaction**"	the proposed disposal by Burstone of a majority of its stake in the PEL Portfolio to Blackstone by the disposal of its shares held in Hexagon Holdco, whilst retaining a minority stake in and continuing to manage the PEL Portfolio, resulting in the acquisition by Blackstone of an 80% stake in the PEL Portfolio from Burstone and EDT, pursuant to the terms of the Sale Agreement and several ancillary agreements;
"**Rand**" or "**R**"	South African Rand;
"**REIT**"	Real Estate Investment Trust;

"**Residual Shareholder Loan**"	has the meaning given to that term in paragraph 4.2.1.2.3 of this Circular;
"Resolutions"	collectively, the ordinary and special resolutions set out in the Notice of General Meeting attached to and forming part of this Circular;
"**Rollover**"	has the meaning given to that term in paragraph 4.2.1.2.3 of this Circular;
"**Safari Bidco**"	Safari Bidco S.à r.l., a private limited liability company incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg and registered with the R.C.S. Luxembourg under number B287661, an Affiliate of Blackstone and an indirect subsidiary of Safari Midco;
"**Safari Midco**"	Safari Midco S.à r.l., a private limited liability company incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg and registered with the R.C.S. Luxembourg under number B287441, an Affiliate of Blackstone and a wholly owned subsidiary of Safari Topco. Upon Closing the shareholders of Safari Midco will be Safari Topco (c.80%) and Burstone Lux 2 (c.20%);
"**Safari Midco Shares**"	the meaning given to that term in paragraph 4.2.1.2.3 of this Circular;
"**Safari Topco**"	Safari Topco S.à r.l., a private limited liability company incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at c/o Revantage Europe, 2-4, rue Eugène Ruppert, Luxembourg L-2453, Luxembourg and registered with the R.C.S. Luxembourg under number B 287367, an Affiliate of Blackstone;
"**Sale Agreement**"	the binding deed for the sale and purchase of shares in Hexagon Holdco entered into between the Sellers, and Safari Bidco as purchaser, and Hexagon Holdco as the company on or about 2 September 2024 in respect of the Proposed Transaction, as amended from time to time;
"**Sale Shares**"	means the ordinary shares and alphabet shares of classes A to H (inclusive), each with a nominal value of €1.00, constituting 100% of the issued shares in the share capital of Hexagon Holdco;
"**Securities Register**"	the securities register of Burstone Shareholders maintained by Burstone in terms of the Companies Act including the register of Certificated Burstone Shareholders and the sub-registers of Dematerialised Burstone Shareholders maintained by the relevant CSDPs in accordance with the Companies Act;
"**Sellers**"	has the meaning given to that term in paragraph 4.2.1.1 of this Circular (for ease of reference, the Burstone Sellers and EDT);
"**SENS**"	the Stock Exchange News Service of the JSE;
"**Shareholders Agreement**"	has the meaning given to that term in paragraph 4.2.2.4.1 of this Circular;
"**South Africa**"	the Republic of South Africa;
"**South African share register**"	the share register maintained on behalf of a company in South Africa by the South African transfer secretaries;
"**Strate**"	the settlement and clearing system used by the JSE managed by Strate Proprietary Limited, registration number 1998/022242/07, a private company duly registered and incorporated with limited liability under the laws of South Africa and the CSD registered in terms of the Financial Markets Act;
"**Target Companies**"	has the meaning given to that term in paragraph 4.2.1.1 of this Circular;
"**TNAV**"	tangible net asset value;

"**Transfer Secretaries**"	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company registered and incorporated under the laws of South Africa, full details of which are set out in the "Corporate information and advisors" section of this Circular;
"**Voting Record Date**"	the date on which a Burstone Shareholder must be recorded in the share register of Burstone in order to vote at the Shareholders' Meeting, being the close of business on Friday, 18 October 2024; and
"**VWAP**"	volume weighted average price.

Burstone
REAL ESTATE PARTNERS

BURSTONE GROUP LIMITED
(Previously Investec Property Fund Limited)
(Incorporated in the Republic of South Africa) (Registration number 2008/011366/06)
ISIN: ZAE000180915
Share code: BTN Bond code: BTNI
("**Burstone**" or the "**Group**")

DIRECTORS OF BURSTONE

Moses Ngoasheng (Chairman)+
Andrew Wooler (Chief Executive Officer)*
Jenna Sprenger (Chief Financial Officer)*
Nicholas Riley#
Philip Hourquebie+
Disebo Moephuli+
Vuyisa Nkonyeni+
Paul Theodosiou+
Rex Tomlinson+

* Executive
# Non-executive
+ Independent non-executive

CIRCULAR TO BURSTONE SHAREHOLDERS
PART I: THE PROPOSED TRANSACTION

1. INTRODUCTION

1.1 Blackstone is listed on the New York Stock Exchange. It currently has assets under management that include global investment strategies focused on real estate, private equity, infrastructure, life sciences, growth equity, credit, real assets, secondaries and hedge funds.

1.2 Neither Blackstone nor any of its Affiliates are related parties to Burstone.

1.3 As part of the Proposed Transaction, Burstone will effectively reduce its interest in the PEL Portfolio to 20%, and continue to manage the PEL Portfolio. Post implementation, Blackstone will hold an 80% interest in the PEL Portfolio.

1.4 The Proposed Transaction is classified as a category 1 transaction in terms of the Listings Requirements and accordingly requires Burstone Shareholder approval.

1.5 The purpose of this Circular is to provide Burstone Shareholders with information relating to the Proposed Transaction, in accordance with the Listings Requirements and to convene a General Meeting to be held at Burstone's registered offices at 4 Sandown Valley Crescent, Sandown, Sandton, 2196, on Monday, 28 October 2024, in order for them to consider and, if deemed fit, pass, with or without modification, the Resolutions required to implement the Proposed Transaction.

2. INFORMATION ON BURSTONE

2.1 Burstone is an integrated international real estate business. The Group listed on the JSE in 2011 and has a strong management track record of more than 30 years, operating in local and international markets.

2.2 The Group is globally diversified and has the capability to invest across all aspects of the real estate life cycle, partnering with specific capital partners for specific opportunities.

2.3 Internationally, the Group has invested and built platforms in markets where its management teams have extensive on-the-ground experience and proven track records. The Group invests in quality local and international property assets with the purpose of delivering attractive long-term returns and unlocking value.

2.4 The Group operates a hybrid model of traditional real estate investment, stapled with expertise across fund management, investment management, asset management and development management. This approach supports the Group's strategy of delivering enhanced returns on capital deployed and maximising operational leverage from its scalable platform.

2.5 Burstone has circa ZAR42 billion GAV under management and more than 50 real estate professionals operating across South Africa, select European markets and Australia.

2.6 In South Africa, the Group pursues a predominantly core investment strategy with a focus on quality income-producing assets in traditional asset classes. The South African portfolio comprises 72 properties diversified across the retail, industrial and office sectors valued at circa ZAR14.2 billion. The Group has had a successful capital recycling programme and will look to further recycle its capital within its South African portfolio with a disposal pipeline of approximately ZAR1.6 billion to ZAR1.8 billion, which it expects to deliver on over the next twelve months.

2.7 The Group is currently in exclusive discussions with cornerstone investors in South Africa to build a core plus fund, in which the Group will utilise a portion of existing assets as a seed portfolio with Burstone acting as fund and asset manager.

2.8 In Australia:

2.8.1 Burstone has established a 50/50 joint venture with the management team of Irongate Group fund management platform. Irongate has circa A$600 million equity under management following the recently announced establishment of a JV in which the Group will hold a minority interest alongside a leading global alternative asset management firm.

2.8.2 In addition, Burstone has a direct equity interest of 18.7% in the Irongate Templewater Australia Property (ITAP) Fund.

2.8.3 The Group also has a 19.9% interest in a JV with an APAC-focused private equity real estate investment group Phoenix Property Investors.

2.8.4 All of these investments and JV's are managed by the Irongate Group. The Irongate JV provides the Group an attractive entry point into the Australian market with potential to further scale its funds management strategy.

2.9 In Europe, Burstone currently has an 83.15% interest in the PEL Portfolio which is valued at €1.1 billion and comprises 32 logistic properties located in seven jurisdictions across Europe. In addition, Burstone manages a circa €170 million light industrial and last mile logistics platform in Germany and is currently in negotiations on a 25% co-investment into that portfolio with ongoing management. In Europe, Burstone targets mid-size and big-box logistics facilities in core Western European markets where it adopts a core-plus or value-add investment strategy to unlock value from both income-producing assets and development opportunities. In terms of the Proposed Transaction, Burstone will dispose of 63.15% of its stake 83.15% in the PEL Portfolio and post implementation will retain a 20% stake and will continue to manage the PEL Portfolio.

2.10 Burstone strives to deliver purposeful and authentic client experiences with agility, speed and passion. Across all regions in which the Group operates, the manager has a presence on-the-ground with in-country expertise and adopts a hands-on approach to managing its properties.

3. **RATIONALE, USE OF PROCEEDS AND PROSPECTS OF THE GROUP**

3.1 Burstone's strategic objectives for the short-to-medium-term include the following five key pillars, each of which are essential to drive long-term success and value creation as an integrated international real estate investor and fund and asset manager:

3.1.1 International integration;

3.1.2 optimise current portfolios;

3.1.3 maintain a robust balance sheet;

3.1.4 growth; and

3.1.5 holistic sustainability.

3.2 Investing in growth opportunities is a core pillar of this strategy with the expansion of the Group's fund and investment management activities being a key driver. A fully aligned and internalised business creates the opportunity for Burstone to expand its fund and investment management strategies across all regions. Substantial progress has been made in this area through the following transactions:

3.2.1 Establishment of the Irongate Group JV and investment into the ITAP Fund in March 2023. First industrial property acquisition to seed a new industrial platform made in November 2023 alongside APAC-focused private equity real estate investment group Phoenix Property Investors, and recent agreement to establish a JV with a leading global alternative asset management firm. Total equity under management has increased by 32% since acquisition from A$450 million to A$600 million.

3.2.2 Burstone manages a circa €170 million light industrial and last mile logistics platform in Germany and is currently in negotiations on a 25% co-investment into that portfolio with ongoing management. This will replicate a successful light industrial track record and is expected to be earnings accretive if concluded in Q3/Q4 2024.

3.2.3 In South Africa, the Group has built the foundation for a third-party fund management platform in which institutional capital can invest. The Group is currently in exclusive discussions with cornerstone investors to build a core plus fund, in which the Group will utilise a portion of existing assets as a seed portfolio with Burstone acting as fund and asset manager.

3.2.4 At 31 March 2024, the Group had ZAR4.7 billion third-party capital under management, with fund and asset management fees amounting to ZAR61 million, comprising approximately 7% of Group distributable earnings.

3.3 The Proposed Transaction launches Burstone's European funds management strategy in line with the Group's strategic objectives, creating an opportunity for Burstone to further expand its fund and investment management strategies. The Group is well positioned to execute this strategy, underpinned by management teams who have a successful track record of aggregating and realising value for multiple third-party capital investors.

3.4 The fund and investment management model has multiple benefits for Burstone, most notably:

3.4.1 it creates new revenue streams for the Group, through fund management fees and enhancing the return on Burstone's deployment of capital;

3.4.2 provides the ability to use existing asset base to seed new portfolios in which the Group will remain invested;

3.4.3 releases capital and serves as a de-gearing mechanism for the Group, as Burstone sells into and seeds new portfolios;

3.4.4 provides the ability to seek third-party capital to co-invest alongside Burstone, with ability to further scale through in-platform gearing;

3.4.5 access to capital to facilitate growth;

3.4.6 diversifies the investment base and capitalises on operational synergies; and

3.4.7 Burstone will serve as fund and asset manager, leveraging the capabilities and skill of its strong management teams in all core geographies.

3.5 The result of these abovementioned benefits is the ability to generate an enhanced integrated real estate return which comprises a traditional real estate asset yield plus the upside from operating a funds and investment and asset management model, where the Group earns management, leasing and acquisition fees and has the potential to generate performance fees based on outperformance.

3.6 This hybrid model of traditional real estate investment, stapled with expertise across fund management, investment management, asset management, development management supports the Group's strategy of delivering enhanced returns on capital deployed and maximising operational leverage from its scalable platform.

3.7 The Proposed Transaction specifically has multiple benefits for Burstone, most notably:

3.7.1 it accelerates the Group's European funds management strategy with a blue-chip partner;

3.7.2 the retention of minority stake in the PEL platform allows Burstone to benefit from any future growth in the business and value creation within the PEL platform;

3.7.3 there is significant deleveraging opportunity with gearing reducing by approximately 12.5% to 33.5% as a result of the Proposed Transaction and look through gearing reducing from 58% to approximately 41%;

3.7.4 it is earnings accretive with a 1.3% *pro forma* positive impact if using FY24 distributable earnings as a base, resulting from higher management fees and interest savings on reduced leverage offsetting the net loss in earnings resulting from the reduced interest held in PEL;

3.7.5 it stabilises future earnings as expected higher Group interest cost impact neutralised. The resultant lower leverage reduces the need to refinance existing hedges which would have rolled off and reset at a higher interest cost in the higher interest rate environment.

3.8 Following recent transactions in Australia and Germany, along with the Proposed Transaction with a deal value of circa €1.0 billion, the Group's total third-party capital under management is set to increase almost fivefold from ZAR4.7 billion to circa ZAR23.0 billion, which will support a significant growth in contribution to earnings from asset and fund management fees over the next two years.

3.9 The net proceeds of circa €250 million (circa ZAR5 billion) from the Proposed Transaction for the sale of 63.15% (of its 83.15%) will be used in line with Burstone's strategic objectives with a focus on:

3.9.1 de-levering by circa ZAR4.5 billion resulting in a decrease in LTV of approximately 12.5%, thereby improving and maintaining a robust balance sheet in the process;

3.9.2 capitalising on potential future growth opportunities across the Group's core regions and strategies (with circa ZAR860 million for near term commitments into the Group's Australian and German platforms which are anticipated to generate high single digit cash on cash returns and high teen leveraged IRRs);

3.9.3 supporting further growth in the PEL platform over time; and

3.9.4 increasing the dividend payout ratio from currently 75% to between 85% to 90% with effect from the Group's interim reporting period (i.e. 1H25).

3.10 The combination of a stronger balance sheet and financial headroom to capitalise on potential future growth opportunities is key to delivering shareholder value and short-to-medium-term growth across the Group's core regions and strategies.

3.11 Effective capital optimisation remains a key strategic imperative and investment opportunities will be considered in line with the Group's capital allocation framework and overall leverage. The Group will seek to target a longer-term leverage ratio below 35% with a medium-term LTV between 34% to 36%.

3.12 The Group will continue to assess several opportunities to fund its growth strategy and decrease reliance on its balance sheet including continued asset recycling; the development of its South African fund management strategy and the introduction of LP capital partners to co-invest alongside Burstone.

3.13 The Group will ensure that it deploys/recycles capital into the best international/local opportunities that will support its longer-term strategic plan and continue to create shareholder value.

4. **DETAILS OF THE PROPOSED TRANSACTION**

4.1 The Proposed Transaction will be implemented in terms of the Sale Agreement, and several ancillary agreements, the salient details of which are set out in paragraph 4.2.2 below.

4.2 The ancillary agreements as set out in paragraph 4.2.2 below are in "**Agreed Form**", meaning in a form of the document that has been formally agreed between Safari Bidco and the Sellers for signature on Closing, following the approval by Shareholders of the Resolutions, as further detailed in paragraphs 4.2.1.3 and 4.2.1.4 below.

4.2.1 **Sale Agreement**

4.2.1.1 In terms of the Sale Agreement, subject to the Condition being fulfilled and with effect from Closing, Burstone will effectively reduce its interest in the PEL Portfolio to 20% by Burstone Lux 1, Burstone Lux 2 (the "**Burstone Sellers**") and EDT (collectively, the "**Sellers**") each selling their respective Sale Shares to Safari Bidco. All outstanding loans, financing liabilities or obligations between the Sellers or their Affiliates and Hexagon Holdco and its subsidiaries (the "**Target Companies**") will be settled.

4.2.1.2 *Consideration and Payment*

4.2.1.2.1 The consideration for the Sale Shares is an amount equal to the final net asset value of the Target Companies as at the Effective Time, and will be allocated 6% to EDT, 19% to Burstone Lux 1, and 75% to Burstone Lux 2.

4.2.1.2.2 On Closing, Safari Bidco will settle the estimated net asset value by (i) instructing the payment of the deposit of €76.65 million ("**Deposit**") to the Sellers in cash, (ii) issuing unsecured loan notes to Burstone Lux 2 ("**Consideration Loan Notes**"), (iii) paying an amount equal to €28 million in cash (which will be held in escrow in terms of the agreed period under the First-loss Protection Agreement ("**First-loss Cash Security Amount"**), unless Burstone Lux 2 furnishes Safari Bidco with a bank guarantee for the same amount ("**First-loss Bank Guarantee**")), and (iv) paying the Sellers an amount equal to the balance.

4.2.1.2.3 Burstone Lux 2 will immediately assign to Safari Midco (i) the Consideration Loan Notes in exchange for a 20% interest in Safari Midco ("**Safari Midco Shares**"), and (ii) 20% of a portion of the shareholder loan debt owed to it by the Target Companies ("**Residual Shareholder Loan**") for an interest-bearing shareholder loan, resulting in Burstone effectively retaining a 20% stake in the PEL Portfolio ("**Rollover**").

4.2.1.2.4 If there is any difference between the estimated net asset value and the final net asset value, a true-up payment will be made by the relevant party within 5 Business Days after finalisation of the aggregated balance sheet of the Target Companies as at the Effective Time.

4.2.1.2.5 On Closing,

4.2.1.2.5.1 the Sellers will repay an amount equal to all outstanding loans or other financing liabilities or obligations to the relevant Target Companies; and

4.2.1.2.5.2 Safari Bidco will procure repayment of the estimated amount of all outstanding shareholder loan debt (less the Residual Shareholder Loan) owing to the Sellers by the Target Companies (excluding the existing capex loan owed by Hexagon Holdco 2 to Burstone Lux 1 which will be settled by the Burstone Sellers).

4.2.1.2.6 If there is any difference between the estimated shareholder loan debt and the final shareholder loan debt, a true-up payment will be made by the relevant party within 5 Business Days after finalisation of the aggregated balance sheet of the Target Companies as at the Effective Time.

4.2.1.3 *Condition*

4.2.1.3.1 Closing of the Sale Agreement is conditional on an ordinary resolution having been passed at a General Meeting of Burstone, in accordance with paragraph 9.20(b) of the Listing Requirements, as set out in the notice to convene a general meeting of the shareholders of Burstone Group Limited contained in the Circular ("**Condition**").

4.2.1.3.2 Unless the parties agree otherwise, the Condition must be satisfied by 120 days after the date of signature of the Sale Agreement.

4.2.1.4 *Closing*

4.2.1.4.1 The Burstone Sellers will notify Safari Bidco in writing after the Condition is satisfied ("**Condition Satisfaction Notice**").

4.2.1.4.2 Unless otherwise agreed between the parties, closing will take place on the later of the last Business Day of the month in which the Condition Satisfaction Notice is given, and the date that is the tenth Business Day after the Condition Satisfaction Notice is given ("**Closing**").

4.2.1.4.3 If any of the documents required by the Sale Agreement to be in Agreed Form is not in Agreed Form by the Business Day preceding Closing, either of the Burstone Sellers or Safari Bidco may terminate the Sale Agreement without liability except for in the case of breach.

4.2.1.5 *Deposit*

4.2.1.5.1 Safari Bidco will be entitled to a refund of the Deposit if (i) the Condition is not satisfied or the parties agree that it has become incapable of satisfaction, (ii) the Sale Agreement is terminated as contemplated in terms of paragraph 4.2.1.4.3 above, or (iii) the Sellers fail to comply with their closing obligations in terms of the Sale Agreement.

4.2.1.5.2 The Sellers will be entitled to payment of the Deposit if (i) Safari Bidco fails to comply with its closing obligations in terms of the Sale Agreement, or (ii) the Sellers terminate the Sale Agreement in any circumstances other than those referred to in paragraph 4.2.1.5.1 above.

4.2.1.6 *Warranties & W&I Insurance*

4.2.1.6.1 The Sale Agreement includes warranties given by the Burstone Sellers (in the case of EDT, the fundamental warranties only), the majority of which will be covered by warranty and indemnity insurance (save for those which are deemed low risk and uninsurable) which Safari Bidco has secured, and which are generally consistent with commercial practice for transactions of this nature. The aggregate liability of the Sellers in respect of all claims other than certain specific tax claims, and specific indemnity claims will not exceed €1.00.

4.2.1.6.2 Burstone Offshore will on Closing provide a guarantee in favour of Safari Bidco to secure Burstone Sellers' payment obligations arising from any potential specific indemnity claim, or failing the provision of such guarantee, the Burstone Sellers will grant Safari Bidco a share pledge over Burstone Lux 2's shares in Safari Midco.

4.2.1.7 *Interim Covenants*

4.2.1.7.1 The Sellers have provided certain undertakings relating to the conduct and operations of the Target Companies during the period commencing on the date of the Sale Agreement until Closing, that are appropriate for transactions of this nature.

4.2.1.8 As part of their closing obligations:

4.2.1.8.1 the Burstone Sellers will deliver to Safari Bidco, the transfer documents and related agreements in terms of which Hexagon Holdco 2 will increase its shareholding to 20% in the Target Companies holding the class B properties in the PEL Portfolio; and

4.2.1.8.2 the Sellers will deliver to Safari Bidco, the sale and purchase agreement in respect of the Hexagon Holdco 2 shares entered into between EDT and Burstone Lux 1 as sellers and Burstone Lux 2 as purchaser, and the updated signed register of shareholders of Hexagon Holdco 2 reflecting Burstone Lux 2 as the sole shareholder (100%) of Hexagon Holdco 2 pursuant to such sale.

4.2.2 **Ancillary Agreements**

4.2.2.1 First-loss Protection Agreement

4.2.2.1.1 For purposes of the Proposed Transaction, Burstone considers the market values of certain of the properties in the PEL Portfolio, held by Hexagon Holdco through the Target Companies, to be higher than the value attributed by Blackstone. The Proposed Transaction will be concluded on the basis of the values attributed by Burstone.

4.2.2.1.2 To address the valuation gap, on the Closing Date, Safari Bidco and Burstone Lux 2 will enter into the First-loss Protection Agreement which addresses the difference in valuation, with Burstone covering its potential future loss of up to circa €60 million, while having the right to market and manage the sale of the relevant properties to avoid or reduce its potential future loss within an agreed period ("**First-loss Protection Agreement**").

4.2.2.1.3 As security for its obligations under the First-loss Protection Agreement, the First-loss Cash Security Amount will be retained in escrow or Burstone will furnish the First-loss Bank Guarantee for the duration of the security period, and where the First-loss Cash Security Amount or First-loss Bank Guarantee (€28 million) is insufficient to meet Burstone's security obligations, Blackstone will have the option to purchase a proportion of Burstone's interests in Safari Midco equal to the lower of the remainder owing under its security obligations and €32 million ("**First-loss Share Security Amount**"). Burstone is in advanced discussions on the sale of several of these properties and expects to de-risk in the near-term.

4.2.2.1.4 A redacted version of the full terms of the First-loss Protection Agreement in Agreed Form will be available for inspection as set out in paragraph 28 of this Circular. The First-loss Protection Agreement has been redacted to remove commercially sensitive information relating to the details of the subject properties, their location, the values attributable to the subject properties and the disposal window period.

4.2.2.2 Management Agreement

4.2.2.2.1 The Management Agreement will commence on Closing and continue for an initial term of 54 months ("**Initial Term**"), whereafter it will continue automatically indefinitely unless terminated by either party. During the Initial Term, a make-whole fee will be payable to Burstone in certain circumstances, *inter alia*, where the other party terminates without cause or Burstone terminates for unremedied material breach or default by the other party, which would generally include the other party's failure to perform significant and/or essential obligations under the Management Agreement.

4.2.2.2.2 In terms of the agreement, Burstone UK 2 (the "**Manager"**) will provide operational management services in respect of the real estate and other assets in the PEL Portfolio, including the monitoring and oversight of property managers, the day-to-day management of the business and operations of the assets, and providing support in respect of corporate matters.

4.2.2.2.3 As consideration for the services, Blackstone will pay market-related asset management fees to the Manager made up of *inter alia* management fees, development management fees and investment opportunity fees.

4.2.2.2.4 As per the Shareholders Agreement, Burstone will not be restricted from providing operational, asset or property management services in respect of other real estate assets.

4.2.2.2.5 During the term of the Management Agreement, a key person as agreed or a replacement key person as approved will be employed or engaged by the Manager and such persons shall devote a substantial and sufficient amount of their professional time and attention to the provision of the services in furtherance of the Manager's obligations pursuant to the Management Agreement.

4.2.2.2.6 A redacted version of the full terms of the Management Agreement in Agreed Form will be available for inspection as set out in paragraph 28 of this Circular. The Management Agreement has been redacted to remove commercially sensitive details, in particular, relating to the fee structure and required performance levels.

4.2.2.3 Manco Call Option Deed

4.2.2.3.1 The Manco Call Option Deed entails that Blackstone will be entitled to internalise the Manager, but only after the expiry of the Initial Term under the Management Agreement and at value for Burstone.

4.2.2.3.2 Within 3 months of the effective date of the Shareholders Agreement, Burstone UK will enter into the Manco Call Option Deed in terms of which it agrees to grant Safari Topco the option to purchase from Burstone UK all of its shares and interests in the Manager (the "**Manco Interests**").

4.2.2.3.3 Subject to the condition precedent as more fully described in paragraph 4.2.2.3.5 below, the option will be exercisable by Blackstone (at its discretion) for a specific period commencing on the date immediately following the date of expiry of the Initial Term until the earlier of (i) two years from such date and (ii) the date of termination of the Management Agreement.

4.2.2.3.4 The consideration payable for the Manco Interests, if the option were to be exercised, will be determined in accordance with a pre-agreed formula, calculated at the time of exercise. As such, the consideration can only be determined at a future date.

4.2.2.3.5 If at the time of exercising the option, such exercise would constitute –

4.2.2.3.5.1 a Category 1 transaction for Burstone, it will be subject to prior shareholder approval being obtained; or

4.2.2.3.5.2 a Category 2 transaction for Burstone, it will be subject to an announcement being published, and

the categorisation calculation will be based on the market capitalisation of Burstone as at the date of signature of the Manco Call Option Deed.

4.2.2.3.6 Subject to obtaining Burstone Shareholder approval to the extent necessary as contemplated in paragraph 4.2.2.3.5 above, Burstone UK shall execute any agreements, notices, documents, votes in favour of shareholders' resolutions, and other reasonably required actions if and when the option is exercised by Safari Topco.

4.2.2.3.7 In the event of the option being exercised in respect of the Manco Interests, Burstone UK undertakes to –

4.2.2.3.7.1 give customary representations, warranties, undertakings, covenants, indemnities and agreements with regard to itself and the Manco Interests; and

4.2.2.3.7.2 transfer the Manco Interests free and clear of any outstanding debt and encumbrances.

4.2.2.3.8 A redacted version of the full terms of the Manco Call Option Deed in Agreed Form will be available for inspection as set out in paragraph 28 of this Circular. The Manco Call Option Deed has been redacted to remove commercially sensitive details, in particular, relating to the manner in which the Manco Purchase Price will be determined.

4.2.2.4 Shareholders Agreement

4.2.2.4.1 Safari Topco and Burstone Lux 2 will on Closing enter into a shareholders' agreement to regulate their relationship in respect of their interests held in Safari Midco ("**Shareholders Agreement**").

4.2.2.4.2 Pursuant to the Rollover on Closing, Safari Topco will hold an 80% controlling interest in Safari Midco (80% equity shareholder), and Burstone Lux 2 will hold the remaining non-controlling interest (20% equity shareholder).

4.2.2.4.3 Burstone Lux 2 will also hold promote share(s) which will entitle it to a performance distribution in respect of each "**Investment**" (being the properties and other assets owned directly or indirectly by Safari Midco and designated as investments by Safari Topco) in accordance with the agreed distribution waterfall, which will be in addition to the amounts distributable to Burstone Lux 2 in proportion to its 20% equity shareholding in Safari Midco.

4.2.2.4.4 The management, control and operation of Safari Midco and the formulation and execution of its business and investment policy shall be vested in its board of managers ("**Midco Board**") and Safari Topco shall have the right to nominate members of the Board. Burstone Lux 2 may nominate an observer to the Midco Board and such observer shall be entitled to attend and speak at the contemplated meetings, but shall not have the right to vote.

4.2.2.4.5 Certain reserved matters will not be carried out by Safari Midco without Burstone Lux 2's prior consent.

4.2.2.4.6 Equity Funding and Debt Funding

4.2.2.4.6.1 The Midco Board may in its discretion call for equity funding. In the case of mandatory funding, to the extent that an equity shareholder does not contribute the relevant funding in full, the other equity shareholder may contribute such shortfall as a penalty capital contribution or make a penalty funding loan to Safari Midco.

4.2.2.4.6.2 In the case of non-mandatory funding for new investments by Safari Midco or its subsidiaries, to the extent Burstone Lux 2 does not meet its agreed funding threshold then it shall not make any equity investment in respect of logistics assets in Europe other than in accordance with the Shareholders Agreement for a period of six calendar months following the funding date (but Burstone Lux 2 and its Affiliates shall not be restricted from providing operational, asset or other property management services in respect of real estate assets during that period).

4.2.2.4.6.3 The Midco Board may elect to obtain external debt funding. In anticipation of third-party financing, Safari Topco may advance funds to Safari Midco to be treated as bridge debt.

4.2.2.4.6.4 In the event that a property owned by Safari Midco is disposed, the Midco Board may decide to issue new shares to fund actual or potential liabilities relating to such property or its transfer and each shareholder shall contribute its portion of the capital required (calculated by Safari Midco with reference to distributions previously paid to the shareholders in terms of the Shareholders Agreement) in the agreed manner on a *pro rata* basis.

4.2.2.4.7 Transfer of Interests

4.2.2.4.7.1 The Shareholders Agreement contains certain restrictions on the transfer of shares and drag rights in favour of Safari Topco which are typically afforded to a controlling shareholder. Essentially, (i) in respect of transfers: except for permitted transfers to an Affiliate, Burstone may not transfer any of its shares in Safari Midco without the prior written consent of Safari Topco for the duration of an agreed term and upon expiry of such term, any transfer of shares (other than permitted transfers to an Affiliate) must be to a specified list of approved transferees and will be subject to Safari Topco's right of pre-emption; (ii) in the event of a proposed transfer by Safari Topco of its shares to an outside party which will result in Safari Topco no longer controlling Safari Midco, Safari Topco will be entitled to require Burstone Lux 2 to transfer a proportionate amount of its shares as Safari Topco is transferring to the outside party, and additionally its promote shares in the event of a complete exit by Safari Topco.

4.2.2.4.7.2 As a minority shareholder, Burstone Lux 2 is afforded the right to tag along in the event of a proposed transfer by Safari Topco of its shares to an outside party. Burstone Lux 2 will be entitled to transfer to the same party a proportionate amount of its shares as Safari Topco is transferring to the outside party, or if following the proposed transfer Safari Topco will no longer hold a majority interest in Safari Midco, at Burstone Lux 2's election, either *(x)* a proportionate amount of its shares as Safari Topco is transferring to the outside party, or *(y)* all of its shares.

4.2.2.4.7.3 Safari Topco (i) may require Burstone Lux 2, or (ii) Burstone Lux 2 may elect, to sell to Safari Topco all its shares including promote shares prior to a proposed direct or indirect transfer of shares in Safari Topco to an outside party, pursuant to which such party will hold majority of the economic interests in Safari Topco.

4.2.2.4.7.4 Safari Topco shall be entitled to purchase Burstone Lux 2's shares:

4.2.2.4.7.4.1 upon the occurrence of an event of default relating to fraud, gross misconduct, wilful act or omission causing financial harm, theft or criminal offence;

4.2.2.4.7.4.2 upon and for a period of one year following the occurrence of the remaining events of default provided for;

4.2.2.4.7.4.3 upon the termination of the Management Agreement pursuant to an event not related to the fault of the Manager in respect of the promote shares only;

4.2.2.4.7.4.4 upon a transaction which results in more than 75% legal/beneficial interest in Burstone Lux 2 held directly or indirectly by one or more new shareholders within the meaning of German real estate tax law.

4.2.2.4.7.5 If after the initial agreed period, Safari Topco is not in the process of seeking an exit, then Burstone Lux 2 shall have the right to require Safari Topco to either, at Safari Topco's election (i) purchase all Burstone shares at fair market value, or (ii) start a sale process aimed at identifying willing purchasers to acquire all the interests in Safari Midco or all the direct or indirect interests in all the properties owned by Safari Midco on commercially acceptable terms to Safari Topco and Safari Midco, in each case within six months following such a request from Burstone Lux 2.

4.2.2.4.8 Distributions

Distributions in respect of Investments will be determined by the Midco Board and will ordinarily be distributed on a quarterly basis. Distributions will be made in accordance with the agreed distribution waterfall, with payment subject to retention as determined by the Midco Board (acting reasonably) to provide for obligations or potential contingencies, claims, losses or damages of Safari Midco or any other member of the Group.

4.2.2.4.9 A redacted version of the full terms of the Shareholders Agreement in Agreed Form will be available for physical inspection only as set out in paragraph 28 of this Circular. The Shareholders Agreement has been redacted to remove certain details that are commercially sensitive to Burstone and/or Blackstone, in particular, references to the First-loss Protection Agreement and Management Agreement.

5. BOARD OPINION RECOMMENDATION

5.1 Having regard to the terms and conditions of the Proposed Transaction, the Board is of the opinion that the terms of the Proposed Transaction are in the interest of the Burstone Shareholders and recommends that Burstone Shareholders vote in favour of the Resolutions necessary to affect the Proposed Transaction.

5.2 Those Directors that hold a beneficial interest in Burstone Shares, intend voting their Burstone Shares in favour of the Resolutions necessary to implement the Proposed Transaction.

6. **SHAREHOLDER SUPPORT**

6.1 Irrevocable undertakings in connection with the Proposed Transaction from the following Directors who collectively hold approximately 7 424 163 Burstone Shares, representing 0.92% of the Burstone Shares in issue irrevocably undertaking to vote in favour of the Proposed Transaction:

Shareholder	**Number of Shares directly/ indirectly held**	**% of Shares in issue**
Andrew Wooler	609 648	0.08
Jenna Sprenger	75 826	0.01
Moses Ngoasheng	6 114 930	0.76
Nicholas Riley	623 759	0.08
Total	**7 424 163**	**0.92**

6.2 Burstone has received in principle support from Burstone Shareholders confirming their intention to vote in favour of the Proposed Transaction, on behalf of their clients where they hold the requisite authority to do so, which represent approximately 50.27% of the Burstone Shares in issue.

7. **NOTICE OF GENERAL MEETING**

7.1 A General Meeting of Burstone Shareholders will be held on Monday, 28 October 2024, at 10:00, to consider, and, if deemed fit, pass, with or without modification, the Resolutions contained in the notice of General Meeting.

7.2 A notice convening the General Meeting and a form of proxy (*blue*), for use by Burstone Shareholders holding Certificated Shares and Dematerialised Shares with "own name" registration, are attached to and form part of this Circular. Duly completed forms of proxy (*blue*) must be received by the Transfer Secretaries by no later than 10:00 on Thursday, 24 October 2024 for administrative purposes.

7.3 If you do not lodge or post the form of proxy to reach the Transfer Secretaries by the relevant date and time, you will nevertheless be entitled to email the form of proxy to the Chairperson of the General Meeting at proxy@computershare.co.za or, in the case of in person participation, hand it to the Chairperson of the General Meeting, at any time prior to the commencement of voting on the Resolutions at the General Meeting.

8. **THE PEL PORTFOLIO**

8.1 **Overview of the PEL Portfolio**

8.1.1 The PEL Portfolio is valued in aggregate at €1 055 051 000 (circa ZAR20.9 billion) as at 1 June 2024.

8.1.2 The PEL Portfolio comprises 32 logistics properties located in seven jurisdictions across Europe, including the core countries of Germany, France and the Netherlands where the majority of the portfolio is situated.

8.1.3 Robust occupier demand and take-up, coupled with limited new supply in core markets ensure a pivotal role for strategically located assets in the continent's economic landscape. With a tenant base operating in diverse industries ranging from manufacturing and 3PL logistics to technology and innovation, the PEL Portfolio offers a wide array of properties to cater to the evolving needs of every business.

8.1.4 A detailed list of the individual properties making up the PEL Portfolio is set out in **Annexure 1**.

8.2 **Description of the PEL Portfolio**

8.2.1 **Hordjik, Rotterdam, Netherlands**

The property is located in the Hordijkveld business park, 8 km south-east of Rotterdam city centre, making it very favourable for last mile logistics. It is located beside Rotterdam's ring road, providing access to the city centre as the property is located just 1 km north-west of junction 20 of the A15 allowing for quick access (30-minute drive) west towards the Port of Rotterdam as well as east to mainland Netherlands and Germany. Likewise, the proximity to the A15/A16 junction allows for a short 20-minute drive to Dordrecht Inland Seaport. The area sees an extremely low vacancy rate.

8.2.2 **Wetzlar, Langgöns, Gießen, Germany**

The property is located in the western part of the 'Magna Park Rhein-Main' industrial park, which covers a total area of 104 ha in the heart of Germany, with strong occupiers such as BLG, Bork Logistics, UPS, Lidl, REWE and CNL. The park has its own motorway access close to the central motorway junction 'Gambacher Kreuz (A5/A45)', which is just 7 km to the east of the asset, providing good transport routes north to south and west to east.

8.2.3 **Hoppegarten, Mahlsdorf, Berlin, Germany**

Hoppegarten is strategically located 16 km to the east of Berlin, within the city's ring road (A10). The park fronts 'Birkenstein' S-Bahn station to the north, which provides direct train access to and from Berlin and is heavily used by the employees in the park. To the south of the asset is the B1 Bundesstraße, a main road that connects Hoppegarten to the city centre of Alexanderplatz within a 30-minute drive. Berlin-Brandenburg (BER) international airport is located 18 km to the south-west of the park and operates flights throughout Germany as well as to several European and international destinations. The asset in Hoppegarten offers further development potential of grade A logistics and warehousing space on ca. 3ha of undeveloped land.

8.2.4 **Frankfurt Airport, Darmstadt, Frankfurt, Germany**

Frankfurt Airport is located in the 'Cargo City South' airport freight area to the south of Frankfurt Airport. The location offers direct runway access for freight operators via express entry to improve transport and handling times. The area benefits from strong transport links with the asset being located 5 km south of the A3/A5 junction, two of Germany's most important motorways. Frankfurt city centre is 12 km to the northeast and can be reached within a 20-minute drive.

8.2.5 **Toussieu Park, Auvergne-Rhône-Alpes, Lyon, France**

The park is located in 'ZAC du Bois Chevrier'. The vacancy rate in Toussieu is 0%, with no visible competition and a high demand in this market. Penon bus station provides direct access to the TER train to Lyon. The park is located adjacent to the E70 east-road, which makes it an ideal location to serve Lyon. The A83 motorway (Lyon-Modane before accessing the Italian roads) is directly accessible at 8 km. It also offers a good connection to the A7 motorway which links Lyon to Marseille.

8.2.6 **Hanover, Old Town in Mitte, Lower Saxony Land, Germany**

The asset is located in a well-established commercial area in northern Hanover, just 3.7 km from the city centre. The asset provides easy access to the A2 motorway and Hanover Airport which are located 2.3 km and 6 km away respectively. The Hanover metro is accessible via the Krepenstraße station, a short walk from the asset. The urbanised location is inside the city and is characterised by limited availability of new construction space.

8.2.7 **Saint-Fargeau, Île-de-France, Seine-et-Marne, France**

The property is located near Sénart, the most dynamic area in the south of Pairs for logistics activities. Given its prime location in the south of Paris and close to the main regional road network (A104, A5, A6, N6, N104), the asset benefits from a strong location and a deep pool of employees and infrastructure. The asset is located 2 km from Ponthierry- Pringy RER D station, allowing direct access to the city centre of Paris via train. The national road N7 and the A6 motorway are directly adjacent to the site.

8.2.8 **Rouen, Seine-Maritime, Le Havre, France**

The area is specialised in the pharmaceutical industry. Availability of space on offer is extremely rare as there is a shortage of class A buildings in the area. The asset is located 6 km from Rouen freight station and 10 km from the TGV (high-speed rail service) station which links Rouen to several major cities. The bus station is 800 m away, allowing direct access to the centre of Rouen. The A13 motorway, connecting Rouen to Paris, is 14 km away.

8.2.9 **Rennes, Brittany Région, Rennes, France**

The asset is located in 'ZA Torcé Ouest'. The area benefits from automotive, BTP and agri-food companies: Logipar, Knauf Industries Automotive, Lactalis Nutrition, Transports Gendron, Duval Etanchéité, etc. Les Lacs railway station is 8 km away from the property and provides direct access by train and bus to Rennes. The asset is adjacent to the national road N157, which makes it an ideal location for regional distribution to Rennes and Laval. This national road provides access to the A81 motorway (La Gravelle-Le Mans). It offers a good connection to the A11 motorway which links the south of Paris to Nantes.

8.2.10 **Marseille Park, Port-Saint-Louis-du-Rhône, Marseille, France**

The Port of Marseille Fos, France's leading port, has the space and infrastructure to accommodate maritime, logistics and industrial activities. As a general port, it handles all types of goods ranging from hydrocarbons and liquid bulk (oil, gas and chemicals) to ores and cereals, as well as classic container goods (e.g. white goods).

There are two logistics zones (La Feuillane and Distriport) near the Fos container terminals with occupiers that operate across various industries (e.g. refineries, steel & chemical industry, goods shipping). The Distriport logistics zone covers over 160 ha. It benefits from exceptional multimodality, at both the domestic and European levels. It is directly linked to the Rhône River and the national rail network. The vacancy rate of this area sits in the low 1%, underlining the strength of the location. The asset is located 1 km away from the Porte de l'Asie bus station and 20 km away from the Malraux Fos-sur-Mer railway station, allowing for easy access to Marseille.

8.2.11 **Le Havre, Seine-Maritime, Le Havre, France**

The asset is located just outside Le Havre in Etainhus, 22 km away from the port and directly adjacent to the A29 motorway (Le Havre-Rouen-Paris). The site is outside the management of the Le Havre Port Authority (HAROPA), without the taxes due to the port which apply to most of the comparable assets in this area; this means lower operational costs for tenants. This location is attractive for occupiers who are not dependent on being located in the port as it is not affected by strike activity. Renowned tenants located in the area include Bolloré, Seafrigo, Dachser, Geodis, DHL and SDV Logistics – servicing the transport, storage and automotive industry. Etainhus-Saint-Romain railway station is located 1 km from the asset and provides a direct access to Fécamp and Rouen. Le Havre railway station itself provides direct access to Paris and Rouen.

The asset offers development potential to create an additional 12 000s qm of modern logistics space.

8.2.12 **Combs-la-Ville, Paris, France**

The property is located near Sénart, the most dynamic area in the south of Paris for logistics activities. Given its prime location and excellent connectivity to the main regional road network (A104, A5, A6, N6, N104), the asset benefits from a strong location and a deep pool of employees and infrastructure. The asset is located 300m away from the Parisud Michel Faure bus station and 4 km away from the Lieusaint-Moissy RER D station.

The asset itself has direct railway access running on-site and serving the tenant inside the warehouse.

8.2.13 **Bourg-en-Bresse Park, Auvergne-Rhône-Alpes, Lyon, France**

The industrial area is located 3 km from the city centre of Bourg-en-Bresse near to both Lyon and Geneva. The area benefits from strong industrial-related occupational demand, given the strategic location close to Swiss and Italian borders. Bourg-en-Bresse railway station is 5 km from the asset and provides direct access to Macon, Lyon and Geneva. The park is located along the D979 departmental road towards Geneva.

8.2.14 **Belfort, Isère, Fontaine, France**

The industrial area, 'Z.I. de l'Aéroparc', was previously an old NATO airbase, which has been converted into a logistics park covering 240 hectares. Renowned tenants located in the logistics park include Plastic Omnium, XPO Logistics, Geodis, Wamar Engineering, Gefco, Voestalpine and Groupe Atlantic. This macro market has an advantage over the rest of the French market due to its proximity to the German and Swiss borders along with the greater Strasbourg region. With Stellantis' largest production factory in France only located 18km away, there is a lack of supply in the local market despite several projects being currently under development. Belfort-Montbéliard railway station is located 18 km from the asset and provides direct and fast train access to Paris, Frankfurt, Luxembourg and Zurich. The asset is located at the D60 (Aeroparc) exit of the A36 (Fontaine) motorway.

The site offers further development potential of ca. 19 00 0sq m of modern logistics space with planning consent granted.

8.2.15 **Carpiano, Milan, Italy**

Our three assets are located in the Carpiano business park which provides a grand total of ca. 230 000 sq m of logistics space for a wide array of logistics operators and was built in the early 2000s. Being located just 15 km to the south of Milan city centre and it can be reached within a 30-minute drive on the A1 or SP412. Its proximity to the city centre has meant that it has established itself as a prime logistics location in the South-Milan logistics and courier market, proving ideal for just-in-time and last mile services. Given the great connectivity of the surrounding road networks, the park has become home to major national and international 3PLs, such as DHL Express, Fercam, HRP local. The Milan metropolitan area is defined by a low availability of space and widespread lack of development plots, which has made Carpiano a desirable location with a high tenancy retention rate. Our three assets offer 12 000, 18 000 and 46 000 sq m of high-quality modern logistics/cross-dock and warehousing space respectively.

8.2.16 Lodz Park, Central Poland, Poland

The park is in an inner-city location in the eastern district of Lodz, a well-established logistics and industrial hot spot in Poland. The A1 motorway is within 8 km of the asset (10-min drive) and offers connectivity to the wider national and international road network. Dostawcza Street on which the park is situated benefits from superb public transport with two bus stops within a 750-m radius from the asset, which services two bus lines, connecting the park to the nearby Lodz Dabrowa train station (3 km) and with the wider city and regional labour market. The micro location is industrial in nature with key occupiers from a variety of industries including BSH, Wirthwein, Tollegno, Whirlpool, Robinson Packaging and Spedimex, among others.

8.2.17 Orléans, Centre Région, Orléans

The asset is part of the Pôle 45 logistics area. Over 200 companies are present with more than 6 500 employees. With the presence of recognised occupiers such as Kuehne+Nagel, Geodis, Alcatel, Amazon, Sephora, Deret, etc., the Pôle 45 business park is an important logistics area within the Orléans market. The area is specialised in the cosmetics industry, and the major supply and transport companies are located here. The asset is located close to the A10 motorway and the D2157 departmental road and provides direct access to major cities in France.

8.2.18 Krakowska, Warsaw, Szyszkowa, Poland

The asset is located in Warsaw's south-western Włochy district, a well-established hub for inner-city and last mile logistics. The location is highly sought-after by occupiers seeking to operate within Warsaw's city limits while benefitting from strong accessibility to all parts of the wider agglomeration thanks to the nearby S2/S8 expressway junction that forms a part of Warsaw's ring road, and is strategically positioned between Warsaw's city centre, located c. 11 km north east and the Warsaw Chopin Airport, located 8 km south-east of the asset.

8.2.19 Poznañ Park, West-central Poland, River Warta

The park is located ca. 15 km to the south-east of Poznañ city centre in the area of Koninko, which is a well-established industrial market in the Polish market with several major warehouse and logistics parks found in close proximity (Jaryszki, Gadki, Robakowo). Drukarska Street, on which the park is situated, benefits from good access to the S11 expressway (1.5 km), which links up with the A2 motorway (5 km), linking Poznañ to Berlin. Established tenants in the area include key occupiers like Arvato, Promag, DHL, Dantherm, Hellmann, Raben Logistics and Kuehne+Nagel and a high tenant retention in the park speaks for the strength of the location.

8.2.20 Maasvlakte Park, Maasvlakte, Rotterdam, Netherlands

The assets are located on the Maasvlakte business estate adjacent to the Port of Rotterdam, which links cargo ship arrivals from around the world to the road and rail networks of Europe. The location is therefore ideal for tenants who rely on the port for the import and export of goods. Dardanellenstraat is easily accessible, which provides direct access to the 15/N15, 900 m to the northeast. The N15 provides a route east towards Rotterdam and wider Germany. Approximately 70% of the tenants in the Maasvlakte area are active in the 3PL sector, including Odin Warehousing, Broekman Logistics and Nippon Express/Canon. The area has seen a large decrease in vacancy rates in recent years, with limited new supply coming to the market.

8.2.21 Bergen op Zoom, Rotterdam, Netherlands

The asset is located on the Noordland industrial estate, which is 3 km west of the town centre; the majority of the local industrial market is concentrated in this area. The estate houses some major tenants active in the retail/trade sector, with companies like BrandLoyalty, Majestic Products, Bleckmann and DHL, as well as several 3PL/logistics companies. The local municipality has committed to investing approx. €300m into the local port in the near future, which will boost logistics activities in the area even further. The area sees an extremely low vacancy rate.

8.2.22 Oudsbergen Park, Maaseik, Oudsbergen

The park is located 6 km from the motorway E314, which it is connected to via the national road N76, which also makes it an ideal location for international distribution to, among others, the Netherlands, Germany and wider Belgium. The E314 motorway offers good connections to motorways such as the E313 (east-west connection), E40 (north-south connection) and the E42 (east-west connection). The park in Oudsbergen is located in the so-called 'E313 submarket' which is a well-established and growing European logistics hub. With multimodal access from interior waterways, road and rail, this area in particular provides an important logistics and industrial cluster. Important regional cities in the direct vicinity are Genk and Hasselt, which are accessible by a short 20-minute drive. Larger cities such as Liège, Aachen and Antwerp are accessible via the E313 motorway in less than an hour's drive.

The property in Oudsbergen offers additional development potential for ca. 7 000 sq m of modern grade A logistics space.

8.2.23 Tiel, Netherlands

This state-of-the-art logistics warehouse is located on the 'Medel' industrial estate in Tiel and meets all requirements logistics standards of our time. The location is optimally located approximately seven minutes by car from the A15 motorway and benefits from its location on the highway that connects it stands with the Port of Rotterdam and the German border. The Medel business park is spacious and well connected and has the CTU Rivierenland container terminal founded in the late 1990s and expanded in 2012.

There is approximately 8 82 0 m^2 of business space, 461 m^2 of mezzanine floor and 541 m^2 of office space available. The area houses well-known 3PLers such as DHL and Kuehne & Nagel and nationally logistics of retailers such as H&M and Lidl.

8.2.24 Mönchengladbach, Düsseldorf, Mönchengladbach

The asset is located 9 km to the south of Mönchengladbach city centre in the Regioparkring, an established modern logistics park with a strong e-commerce focused occupier base, including Zalando, DHL, L'Oréal, Primark, Esprit and Fiege. Together with the neighbouring Güdderath industrial estate, the Regioparkring forms Mönchengladbach's largest contiguous industrial estate. The Regioparkring is located at the intersection of the A61 and A46 motorways, which provide strong connections to the western Ruhr region (North Rhine-Westphalia) and the Dutch border.

8.2.25 Dortmund, Ruhr, Germany

The property is located within the wider Dortmund area, just 5 km to the north of the city centre. The property fronts the Bundesstraße 236 and sits at the junction of the A2 motorway. The A2 spanning east to West across Germany, which is located just 900 m to the north, provides access to the Dutch border, to Hanover to the north-west and to the wider Berlin metropolitan area in the east/north-east.

8.2.26 Venlo, Southeastern Netherlands, Venlo

The asset is located in Trade Port West industrial park, 7 km north-west of Venlo city centre, providing ca. 2m s qm of logistics and production space. The park is enclosed by the Eindhoven-Venlo railway and the N556 national road, which provides direct access to the motorway A67, 500 m to the south, as well as Venlo Greenpark and Fresh Park Venlo. Port West has been growing for the logistics sector since the 1980's, and it has developed as such with high-profile names from the international logistics market located here including DSV, Geodis, UPS, XPO, FedEx and DB Schenker. Other activities in the park include storage, transhipment and light manufacturing by national and international occupiers including VidaXL, Lidl, Michael Kors, Tommy Hilfiger, Vista Print, Arrow Electronics and Under Armour.

8.2.27 **Logistics Court Schiphol, Amsterdam, Schiphol, Netherlands**

The asset is located at the Schiphol Logistics Park, directly adjacent to Schiphol International Airport in Rozenburg. The park is enclosed by the A4 motorway and the N196 and N201 national roads, which allow for strong connectivity to both the local area and the wider motorway. From the subject property, both Amsterdam city centre and the Port of Amsterdam can be reached within a 30-minute drive. As a result of its proximity to the city centre, 3PLs make up 50% of the tenants in the Schiphol area.

8.2.28 **Tarancon Park, Castile–La Mancha, Cuenca, Spain**

The property is easily visible from the A-3, with direct and easy access for all vehicles, with the motorway A-3 connecting Madrid with Valencia and also crossing the motorway A-40. The assets being located adjacent to the motorway A-3, with a high technical specification level and comparatively lower rents as opposed to the first or second ring of Madrid's central market, provide an ideal location for tenants that have committed to long-term strategies on site. The area forms part of the 'Corredor del Mediterraneo' logistics hub and part of the third ring of Madrid's logistics market.

8.2.29 **Houthalen, Houthalen-Helchteren, Belgium**

The property was developed in 2001 with an 8 m clear height, a 5 t/sq m floor load capacity and 19 loading doors at a ratio of 1 door : 1382 sq m of warehouse space and 8 ground level gates. The building is constructed based on a steel frame structure equipped with a ventilation and heating installation. The location offers the potential to develop an extension around the back of the building.

8.2.30 **Kölleda, Thuringia, Kölleda, Germany**

The asset is located 3 km west of Kölleda town centre in the established Kiebitzhöhe commercial area. The MDC Power assembly plant is located directly to the west of the property, one of Daimlers largest engine production sites. The A71 motorway is located just 2 km to the west of the asset, providing a fast connection to Erfurt. Though currently not actively used by the tenants, a railway runs alongside the site connecting the property to the main station at Kölleda. The area also benefits from easy access to low- cost labour.

8.2.31 **Solingen, Höhscheid, Solingen**

The asset is located 3 km to the north of Solingen town centre in an established commercial area. The B224 Wuppertaler Straße is located 650 m to the west, which provides a route north towards the A46. The asset is located 20 km to the east of Düsseldorf and 8 km south of Wuppertal town centre. Düsseldorf Airport is also accessible within a 30-minute drive. The A1 motorway can be reached within approximately 25 minutes and connects Hamburg in the north with both Luxembourg and France to the south.

8.2.32 **SochaczewPark, Olimpijska 16, 96-500 Sochaczew, Poland**

Park Sochaczew is located just 50km east of Warsaw city centre adjacent to the National Road 92 (Warsaw–Poznáñ route) and ca. 17 km from the A2 motorway (Warsaw–Berlin route) which can be reached via the National Road 50. Sochaczew benefits from a large and local work force which directly benefits long standing tenants operating in our assets. The park benefits from having its own railway siding with access to the international railway route Berlin–Moscow and the "New Silk Road" to the Far East. Park Sochaczew offers additional development space, with ca. 30 000 sq m of modern logistics space already permitted and a further ca. 60 000 of development space subject to planning.

8.3 **Analysis of the PEL Portfolio**

8.3.1 An analysis of the PEL Portfolio as at 31 May 2024 is set out below.

8.4 **Geographical profile**

	Based on GLA %	Based on rental revenue %
Germany	22.4	27.6
France	26.0	24.0
Netherlands	13.4	15.8
Belgium	9.3	8.0
Poland	14.6	12.7
Italy	6.8	7.4
Spain	7.4	4.3
Total	**100.0**	**100.0**

8.5 **Sectoral profile**

	Based on GLA %	Based on rental revenue %
Industrial	100	100
Total	**100.0**	**100.0**

8.6 **Tenant profile**

	Based on GLA %	Based on rental revenue %
A	40.4	39.8
B	43.2	41.8
C	13.3	18.4
Total	**96.9**	**100.0**

For the table above the following key is applicable:

(A) Large national tenants, large listed tenants, government and major franchises such as Geodis, Rhenus & XPO.

(B) National tenants, listed tenants, franchisees, medium to large professional firms, such as Foods Europe, Toolstaion SAS & Woltu GmbH.

(C) Other tenants, comprising 37 tenants.

8.7 **Vacancy profile**

	Based on GLA* %
Industrial	3.10
Total	**3.10**

**Tenancy schedule as at 31 May 2024.*

8.8 **Lease expiry profile based on existing leases**

	Based on GLA %	Based on rental revenue %
2024	5.31%	5.05%
2025	6.60%	5.35%
2026	15.24%	15.57%
2027	11.50%	11.10%
2028	10.13%	14.67%
2029	9.28%	9.06%
2030	13.17%	12.93%
2031	4.87%	4.48%
2032	6.43%	6.47%
2033	2.78%	2.55%
2034	9.73%	9.24%
Total	**95.1**	**96.5**

8.9 **Weighted average rental per square metre by rentable area per sector**

	Weighted average gross rental per m^2 €/m^2
Industrial	54.56
Total	**54.56**

8.10 **Weighted average rental escalation profile, based on existing leases, by rentable area per sector**

Indexation Growth Rates	2024	2025	2026	2027	2028
General	2.83%	2.23%	1.91%	2.32%	2.16%
Germany	2.00%	1.30%	1.90%	1.73%	1.64%
Netherlands	1.90%	2.10%	1.80%	1.93%	1.94%
France	2.30%	1.30%	1.50%	1.70%	1.50%
Belgium	2.40%	2.00%	1.80%	2.07%	1.96%
Italy	2.00%	1.80%	1.80%	1.87%	1.82%
Spain	3.40%	2.50%	2.00%	2.63%	2.38%
Poland	5.80%	4.60%	2.60%	4.33%	3.84%

8.11 The average annualised property yield for the PEL Portfolio, calculated as historic income for the PEL Portfolio for the 12 months ended 31 March 2024, divided by the Consideration is 6%.

9. VALUATION REPORT

9.1 The properties comprising the PEL Portfolio were valued by Graham MacMillan of CBRE Limited, an independent external registered professional valuer in terms of the Royal Institution of Chartered Surveyors.

9.2 A detailed valuation report has been prepared in respect of each of the properties comprising the PEL Portfolio and is available for inspection. A summary of the detailed valuation reports has been included in **Annexure 2** of this Circular.

10. ASSET MANAGEMENT

Pursuant to the Manco Internalisation, the asset management function of the Group has been internalised.

11. **PROPERTY MANAGEMENT**

11.1 The property management function in respect of PEL Portfolio (excluding properties in the Netherlands) is outsourced on market related terms to BNP Paribas Real Estate Property Management ("**BNP**"). The property management function in respect of properties in the Netherlands is outsourced on market related terms to Yield Plus ("**Yield Plus**") Nederland B.V. Details of the property management companies are listed below:

11.1.1 **BNP (Germany)**

11.1.1.1 BNP Paribas Real Estate Property Management GmbH, a German company, having its registered office at Fritz-Vomfelde-Straße 26, 40547 Düsseldorf, Germany, with registered number HRB 37812. The managing director is Sebastian Sasserath.

11.1.2 **BNP (Spain)**

11.1.2.1 BNP Paribas Real Estate Property Management Spain, S.A. a limited liability company incorporated under the laws of Spain, with tax number A83545640 whose registered office is at Madrid (280043), Emilio Vargas, 4, 2. The board member is Boned Lloveras.

11.1.3 **BNP (France)**

11.1.3.1 BNP Paribas Real Estate Property Management France SAS, a French corporation (Société par Actions Simplifiée) having its registered office at 167 Quai de la Bataille de Stalingrad, 92867 - Issy-Les Moulineaux, registered with the Trade and Companies Registry of Nanterre under the number 337 953 459 and is represented by Lauric Leclerc, acting as President.

11.1.4 **BNP (Poland)**

11.1.4.1 BNP Paribas Real Estate Poland Sp. Z o.o., a Polish company, having its registered office at Grzybowska 78, 00-844 Warszawa, Poland, with registered number KRS0000123245. The CEO is Erik Drukker.

11.1.5 **Yield Plus (Netherlands)**

11.1.5.1 Yield Plus Nederland B.V., a limited liability company incorporated in the Netherlands Chamber of Commerce file 18082504 whose registered office and place of business is at, Westerstraat 37, 3016 DG Rotterdam and legally represented by Mr. F. Bosch.

11.2 Neither BNP, Yield Plus nor its directors have any beneficial interest, direct or indirect, in relation to any property held by Burstone or property to be acquired by the Group nor are they contracted to become a tenant of any part of the property of the Group.

11.3 BNP and Yield Plus do not have a beneficial interest, direct or indirect, in any securities or participatory interests issued or to be issued by Burstone in order to finance the acquisition of any properties.

11.4 BNP and Yield Plus' functions as property managers include, *inter alia*, compiling property and service charge budgets, collecting rental income, payment of expenses, preparing service charge reconciliations, monitoring and collection of rental and service charge arrears, managing and adhering to legal processes, assessing prospective tenants, tenant liaison and management, lease management, leasing, management of marketing for buildings, arranging security for buildings, procurement, project management drafting of service level agreements, arranging maintenance and appointing sub-contractors, account payments, compiling reports and maintaining a robust control environment to cover financial and non-financial risks.

12. ***PRO FORMA* FINANCIAL INFORMATION OF BURSTONE**

12.1 The *pro forma* financial effects of the Proposed Transaction on Burstone as set out below should be read in conjunction with the *pro forma* consolidated statement of financial position of Burstone after the Proposed Transaction and the *pro forma* consolidated statement of comprehensive income and related notes and assumptions (the "***Pro Forma* Financial Information**") of Burstone after the Proposed Transaction as set out in **Annexure 3**. The *Pro Forma* Financial Information should be read in conjunction with the Independent Reporting Auditor's report, as contained in **Annexure 4**.

12.2 The *Pro Forma* Financial Information has been prepared to illustrate the impact of the Proposed Transaction for the year ended 31 March 2024, assuming the Proposed Transaction was effective 1 April 2023 for the purposes of the *pro forma* consolidated statement of comprehensive income and 31 March 2024 for the purposes of the *pro forma* consolidated statement of financial position.

12.3 The *Pro Forma* Financial Information has been prepared in accordance with the Listings Requirements, IFRS Accounting Standards, Burstone's accounting policies and the Guide on *Pro Forma* Financial Information issued by SAICA.

12.4 The *Pro Forma* Financial Information has been prepared for illustrative purposes only and because of its nature, may not fairly present Burstone's financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the Proposed Transaction going forward.

12.5 The Directors are responsible for the compilation, content and preparation of the *Pro Forma* Financial Information. Their responsibility includes determining that the *Pro Forma* Financial Information has been properly compiled on the basis stated, which is consistent with the accounting policies of Burstone and that the *pro forma* adjustments are appropriate for the purposes of the *Pro Forma* Financial Information disclosed pursuant to the Listings Requirements.

12.6 The *pro forma* financial effects have been prepared in order to assist Shareholders in assessing the impact of the Proposed Transaction on Burstone's distributable earnings per Share, EPS, HEPS, NAV per Share and TNAV per Share.

12.7 The table below sets out the *pro forma* financial effects of the Proposed Transaction based on the published audited financial statements of Burstone for the year ended 31 March 2024 and on the assumption that:

12.7.1 for the purpose of calculating the NAV and TNAV per share, the Proposed Transaction was effective on 31 March 2024; and

12.7.2 for the purpose of calculating the distributable earnings per share, EPS and HEPS, the Proposed Transaction was effective 1 April 2023.

	Before	***Pro forma* after the Proposed Transaction**	**% Change**
Total available distributable earnings per share (cents)	**105.67**	**107.14**	**1.4%**
Basic earnings per share (cents)	28.91	(182.45)	N/M*
Diluted earnings per share (cents)	28.90	(182.42)	N/M*
Headline earnings per share (cents per share)	28.21	(22.12)	N/M*
Headline earnings per diluted share (cents per share)	28.20	(22.11)	N/M*
Net asset value per share (Rands)	15.45	13.18	(14.9%)
Net tangible asset value per share (Rands)	14.48	12.67	(12.8%)
Weighted average number of shares (in thousands)	801 786	801 786	
Dilutive number of shares in issue (in thousands)	801 928	801 928	
Shares in issue	804 918	804 918	

* N/M – Not Meaningful given the initial figure is positive and the *pro forma* after figure is a negative

Notes:

1. The information in the "Before" column has been extracted, without adjustment, from the audited consolidated financial statements of Burstone for the year ended 31 March 2024.
2. The information in the "Pro forma after the Proposed Transaction" column reflects the impact of the Proposed Transaction on Burstone.
3. The effects of the Proposed Transaction are calculated on the assumption that the net consideration is assumed to be applied to reduce Burstone's short-term and long-term debt.

12.8 Detailed notes and assumptions underlying the *pro forma* financial effects are presented in **Annexure 3**.

13. HISTORICAL FINANCIAL INFORMATION

13.1 The historical financial information of Hexagon for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 (the "**Historical Financial Information**") is set out in **Annexure 5**.

13.2 The preparation and fair presentation of the Historical Financial Information is the responsibility of the Hexagon directors. The preparation and contents of the Historical Financial Information in terms of the Listings Requirements is the responsibility of the Directors.

13.3 The Historical Financial Information should be read in conjunction with the Independent Auditor's report thereon, contained in **Annexure 6**.

14. MATERIAL BORROWINGS

14.1 Details of the anticipated schedule of material borrowings of the Group post implementation of the Proposed Transaction are set out in **Annexure 7**.

15. **DIRECTORS' INTERESTS**

15.1 **Directors' interests in Burstone Shares**

Set out below are the direct and indirect beneficial interests of the Directors in Burstone, including a director who has resigned in the last 18 months, as at 31 March 2024:

	Number of Shares directly held	Number of Shares indirectly held	% of Shares in issue
Executive directors			
Andrew Wooler (CEO)	456 164		0.05
Jenna Sprenger (CFO)	61 789		0.00
Non-executive directors			
Samuel Leon[1]		7 500 000	0.93
Nicholas Riley	623 759		0.08
Independent non-executives			
Moss Ngoasheng (Chairman)	6 114 930[2]		0.76
Philip Hourquebie	–		–
Disebo Moephuli	–		–
Vuyisa Nkonyeni	–		–
Paul Theodosiou	–		–
Rex Tomilinson	–		–
Khumo Shuenyane[3]	74 942		0.01
Total	**14 831 584**		**1.83**

Notes:

1. Retired as a non-executive director with effect from 16 November 2023.
2. Indirectly held through Modidima Ventures Proprietary Limited and Modidima Properties Proprietary Limited.
3. Retired as a non-executive director with effect from 3 August 2023.

15.2 There have been the following changes to the direct and indirect beneficial interests of Directors in Burstone Shares set out in paragraph 15.1.1 above, including those of a director who has resigned in the last 18 months, between 31 March 2024 and the Last Practicable Date:

Name of director	Jenna Sprenger
Class of securities	Ordinary shares
Exercise date of options	2 September 2024
Option strike price	ZAR8.63
Number of options	14 037
Total value	ZAR121 139.31
Nature of transaction	Off-market exercise of share options awarded in terms of the Long-Term Incentive Share Plan
Nature and extent of interest	Direct beneficial

Name of director	Jenna Sprenger
Class of securities	Ordinary shares
Exercise date of options	2 September 2024
Price per share	ZAR8.63
Number of Shares	11 555
Total value	ZAR99 719.65
Nature of transaction	On-market partial sale of shares exercised in terms of the Long-Term Incentive Plan to cover tax obligation
Nature and extent of interest	Direct beneficial

Name of director	Andrew Wooler
Class of securities	Ordinary shares
Exercise date of options	3 September 2024
Option strike price	ZAR8.66
Number of options	153 484
Total value	ZAR1 329 171.44
Nature of transaction	Off-market exercise of share options awarded in terms of the Long-Term Incentive Share Plan
Nature and extent of interest	Direct beneficial

15.3 **Directors' interests in transactions**

15.3.1 Save for the Directors' interests in Burstone Shares, as set out in paragraph 15.1 above, none of the Directors of the Group, including directors who resigned during the last 18 months, have or had any material beneficial interest, direct or indirect, in transactions that were effected by Burstone during the current or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or unperformed.

16. DIRECTORS' EMOLUMENTS

16.1 The remuneration of the Directors as disclosed in the Group's integrated annual report for the year ended 31 March 2024 will not be varied as a consequence of the Proposed Transaction.

16.2 Save for the service contracts concluded with the Executive Directors, a summary of which is included in the Burstone's remuneration report on pages 113 to 146 of Burstone's integrated annual report for the year ended 31 March 2024, which is available on the Burstones website ***https://www.burstone.com/investor-relations*** and is incorporated by reference in this Circular, Burstone has not entered into any contracts relating to directors' and managerial remuneration, secretarial and technical fees or restraint payments.

17. RELATIONSHIP INFORMATION

17.1 Other than the Directors' interests in Burstone Shares as set out in paragraph 15.1 above neither the Directors of Burstone or the directors of its subsidiaries had any beneficial interests, direct or indirect, in any property held or property to be acquired by the Group.

17.2 Other than the Directors' interests in Burstone Shares as set out in paragraph 15.1 above, there is no relationship between any of the parties mentioned in paragraph 15.1 above and another person that may have a conflict with a duty to the Group.

17.3 Other than the Directors' interests in Burstone Shares as set out in paragraph 15.1 above, the Directors have not had a material beneficial interest in the acquisition or disposal of any properties of the Group during the preceding two years.

18. **MAJOR SHAREHOLDERS**

Set out below are the names of shareholders, other than Directors, that are directly or indirectly/ beneficially interested in 5% or more of Burstone Shares at 31 March 2024. Burstone does not have a controlling shareholder.

	Number of shares held	% holding
Investec Limited	195 636 495	24.3
Public Investment Cooperation	124 007 858	15.4
Coronation Fund Managers	82 695 784	10.3
Ninety One	42 075 034	5.2
Total	**444 415 171**	**55.2**

19. **MATERIAL CONTRACTS**

19.1 Other than:

19.1.1 the Sale Agreement, the salient details of which are set out in paragraph 4 of the Circular; and

19.1.2 the agreement relating to the Manco Internalisation,

there are no other material contracts, either verbally or in writing, being a contract entered into by Burstone or its subsidiaries otherwise than in the ordinary course of business, within the two years prior to the Last Practicable Date or at any time containing an obligation or settlement that is material to Hexagon at the Last Practicable Date.

19.2 The abovementioned agreements are available for inspection as set out in paragraph 28 below.

20. **STATEMENT AS TO WORKING CAPITAL**

20.1 In the opinion of the Board, taking into account the available banking facilities and its existing cash resources, the working capital available to the Group is such that:

20.1.1 the Group will, in the ordinary course of business, be able to pay its debts for a period of 12 months after the date of issue of the Circular; and

20.1.2 the assets of the Group will be in excess of its liabilities for a period of 12 months after the date of issue of the Circular. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies applied in the audited consolidated financial statements for the year ended 31 March 2024.

21. **MATERIAL CHANGES**

21.1 Save for the Proposed Transaction:

21.1.1 there have been no material changes in the financial or trading position of Hexagon since 31 December 2023, being the latest financial period in respect of which the Hexagon has published its audited financial statements; and

21.1.2 there have been no material changes in the financial or trading position of Burstone since 31 March 2024, being the latest financial period in respect of which Burstone has published its audited financial statements.

21.2 The trading objects of the Group are detailed throughout this Circular. Other than the Manco Internalisation, there has been no change in the business or trading objects of Burstone or its major subsidiaries during the five years preceding the Last Practicable Date.

22. **MATERIAL RISKS**

22.1 Details relating to the material risks known to Burstone, as at the Last Practicable Date, which would have a material effect on the Group are included on pages 45 to 54 of the Group's integrated annual report for the year ended 31 March 2024, which is available on the Burstones website **https://www.burstone.com/investor-relations** and is incorporated by reference in this Circular.

23. **LITIGATION STATEMENT**

23.1 There are currently no legal or arbitration proceedings, including any such proceedings that are pending or threatened, of which Burstone is aware of, that may have or have had in the recent past, a material effect on the Group's financial position during the 12 months preceding the date of issue of this Circular.

24. **DIRECTORS' RESPONSIBILITY STATEMENT**

24.1 The Directors collectively and individually accept full responsibility for the accuracy of the information provided and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and this Circular contains all information required by law and the Listings Requirements.

25. **CONSENTS**

25.1 The Financial Advisor and Sponsor, Legal Advisor, Auditor and Property Valuer have all consented, in writing, to act in the capacities stated and to their names being used in this Circular and have not withdrawn their consents prior to the publication of this Circular.

26. **TRANSACTION COSTS**

26.1 The estimated costs of preparing and distributing this Circular, holding the General Meeting and payable to professional advisors, are R159 023 639 (excluding VAT) and include the following:

Details	Payable to	R
Financial Advisor	BofA Securities	47 307 407
Transaction Sponsor	BofA Securities	100 000
Financial Advisor	Investec Corporate Finance	6 236 250
Financial Advisor	Eastdil Secured	42 572 800
Independent Property Valuer	CBRE	4 816 516
Legal Advisor fees	Cliffe Dekker Hofmeyr Inc	400 000
Legal Advisor fees	BCLP	26 044 536
Independent Auditors fees	PricewaterhouseCoopers Inc. and PricewaterhouseCoopers, Société coopérative	4 649 513
Tax Advisor fees	Deloitte Touche Tohmatsu Limited	9 015 416
Local council	Multiple	6 313 546
Printing, publication and distribution	Ince	100 000
JSE documentation fee	JSE Limited	111 283
Virtual Data Room	Intralinks Inc.	1 356 369
Contingency		10 000 000
Estimated total		**159 023 639**

27. DISCLOSURE OF CONFLICT

27.1 Shareholders are advised that BofA Securities has been appointed as Transaction Sponsor in relation to the Proposed Transaction.

27.2 In its capacity as Transaction Sponsor, BofA Securities has confirmed to the JSE and Burstone that there is no matter that would impact its ability to exercise reasonable care and judgement to achieve and maintain independence and objectivity in professional dealings in relation to Burstone and that would impact on its ability to act within the code of conduct as set out in the Listings Requirements.

27.3 BofA Securities has various internal procedures in place to ensure that its ability to act independently as sponsor, is not compromised. Pursuant to these internal procedures, BofA Securities has a Compliance Control Room function that identifies and manages conflict risks and ensures that strict "Chinese Walls" are maintained to ensure that as transaction sponsor, it is able to act independently from other divisions within BofA Securities. BofA Securities also enforces and implements physical and logical access restrictions to information, which is limited to deal teams for whom the information is relevant, for the purpose of fulfilling the client mandate.

28. DOCUMENTS AVAILABLE FOR INSPECTION

28.1 The following documents, or copies thereof, will be available for inspection by Burstone Shareholders at the registered offices of Burstone, whose registered office details can be found in the "Corporate information and advisors" section of this Circular, during business hours or can be made available through a secure electronic manner at the election of the person requesting inspection by emailing the Burstone Company Secretary at Investorrelations@burstone.com from Monday, 30 September 2024 until Friday, 18 October 2024:

28.1.1 this Circular;

28.1.2 the MOI of Burstone;

28.1.3 the Sale Agreement, redacted to remove certain personal information and references to the First-loss Protection Agreement and Management Agreement;

28.1.4 the New Shareholders Agreement, which is available for physical inspection only and has been redacted to remove references to the First-loss Protection Agreement and Management Agreement;

28.1.5 a redacted versions of First-loss Protection Agreement and Management Agreement;

28.1.6 a redacted version of the Manco Call Option Deed;

28.1.7 the summary valuation report, prepared by the independent property valuer as set out in **Annexure 2**, together with the detailed valuation report;

28.1.8 the letters of consent referred to in paragraph 25;

28.1.9 the Auditor's report on the *Pro Forma* Financial Information, a copy of which is set out in **Annexure 4**;

28.1.10 the signed Auditor's report on the Historical Financial Information, a copy of which is set out in **Annexure 5**;

28.1.11 the audited financial statements of Burstone for the year ended 31 March 2022, 31 March 2023 and 31 March 2024; and

28.1.12 the service contracts concluded with the Executive Directors.

By order of the Board

Andrew Wooler
Chief Executive Officer

Moses Ngoasheng
Chairman

OVERVIEW OF PEL PORTFOLIO

The table below sets out the details of the property name, the location, the sector, the portfolio GLA, the weighted average rental and the valuation in respect of the PEL Portfolio.

No.	Property name	Location	Portfolio GLA	Weighted average rental	Valuation as at 1 June 2024
			(m^2)	(€/m^2)	(€)
1.	Hordijk	Rotterdam, Netherlands	13 268	66.72	13 800 000
2.	Wetzlar	Langgöns, Gießen, Germany	23 582	61.53	27 500 000
3.	Hoppegarten	Mahlsdorf, Berlin, Germany	97 666	66.40	145 975 000
4.	Frankfurt Airport	Darmstadt, Frankfurt, Germany	26 584	162.87	71 400 000
5.	Toussieu Park	Auvergne-Rhône-Alpes, Lyon, France	38 840	60.78	41 900 000
6.	Hanover	Old Town in Mitte, Lower Saxony Land, Germany	24 471	10.29	18 325 000
7.	Saint-Fargeau	Île-de-France, Seine-et-Marne, France	20 426	46.77	17 800 000
8.	Rouen	Seine-Maritime, Le Havre, France	9 649	44.75	7 430 000
9.	Rennes	Brittany région, Rennes, France	19 158	49.13	14 500 000
10.	Marseille Park	Port-Saint-Louis-du-Rhône, Marseille, France	65 343	52.67	60 700 000
11.	Le Havre	Seine-Maritime, Le Havre, France	28 595	51.04	23 120 000
12.	Combs-la-Ville	Combs-la-Ville, Paris, France	23 262	40.42	18 625 000
13.	Bourg-en-Bresse Park	Auvergne-Rhône-Alpes, Lyon, France	35 000	51.96	27 500 000
14.	Belfort	Isère, Fontaine, France	30 591	47.54	21 570 000
15.	Carpiano	Milan, Italy	76 405	59.52	69 700 000
16.	Lodz Park	Central Poland, Poland	19 422	59.20	13 325 000
17.	Orléans	Centre région, Orléans, France	20 509	43.82	16 575 000
18.	Krakowska	Warsaw, Szyszkowa, Poland	11 046	63.55	11 550 000
19.	Poznañ Park	West-central Poland, River Warta, Poland	31 875	49.67	23 775 000
20.	Maasvlakte Park	Maasvlakte, Rotterdam, Netherlands	67 390	64.73	49 825 000
21.	Bergen op Zoom	Bergen op Zoom, Netherlands	20 958	55.97	19 650 000
22.	Oudsbergen Park	Maaseik, Oudsbergen, Belgium	77 507	46.34	53 550 000
23.	Tiel	Tiel, Netherlands	9 822	0.00	9 400 000

No. Property name	Location	Portfolio GLA	Weighted average rental	Valuation as at 1 June 2024
		(m²)	(€/m²)	(€)
24. Mönchengladbach	Düsseldorf, Mönchengladbach, Germany	10 618	90.98	19 400 000
25. Dortmund	Ruhr, Dortmund, Germany	25 783	45.79	24 700 000
26. Venlo	Southeastern Netherlands, Venlo, Netherlands	25 704	49.77	22 050 000
27. Logistics Court Schiphol	Amsterdam, Schiphol, Netherlands	17 377	151.01	34 600 000
28. Tarancon Park	Castile-La Mancha, Cuenca, Spain	83 005	31.76	45 200 000
29. Houthalen	Houthalen, Houthalen-Helchteren, Belgium	26 995	49.10	20 390 000
30. Kölleda	Thuringia, Kölleda, Germany	16 064	43.13	11 820 000
31. Solingen	Höhscheid, Solingen, Germany	26 025	58.35	25 300 000
32. Sochaczew	Sochaczew Park, Olimpijska, Poland	101 614	42.62	74 096 000
Total		**1 124 555**	**54.56**	**1 055 051 000**

Notes:

1. The PEL Portfolio consists of 32 properties in the logistics sector.
2. Figures represent 100% ownership.
3. The difference between the valuation and the Consideration is due to the fact that the value attributed by the independent property valuer is an open market value while the Consideration is a negotiated value of Hexagon, being the entities that hold the PEL Portfolio.
4. The PEL Portfolio was valued by Graham MacMillan of CBRE Limited, an independent external registered professional valuer in terms of the Royal Institution of Chartered Surveyors.
5. The weighted average per square metre is at 1 June 2024.

SUMMARY VALUATION REPORT IN RESPECT OF THE PEL PORTFOLIO

20 September 2024

The Directors

Burstone Group Limited

Dear Sirs

RE: INDEPENDENT PROPERTY VALUERS' REPORT OF THE PROPERTIES TO BE DISPOSED OF BY BURSTONE GROUP LIMITED ("BTN") AS DETAILED IN THE SUMMARY SCHEDULE ATTACHED AND FOR WHICH THERE ARE DETAILED VALUATION REPORTS

In accordance with your instruction of 03 July 2024, I confirm that we have visited and inspected all 32 properties (for which we prepared detailed valuation reports) comprising 46 standing units and 8 plots of land listed in the attached schedule ("**the properties**") during June and July 2024 and have received all necessary details required to perform a valuation in order to provide you with our opinion of the property Market Values as at 01 June 2024.

1. INTRODUCTION

The valuation of the properties has been carried out by the valuers who have considered all aspects of all the properties. These properties each have a detailed valuation report which has been given to the management of BTN. Reporting for assets in the same location and/or with land have been combined, resulting in a total of 32 detailed property reports. The detailed reports include commentary on the current market, nature of the properties, locality, tenancy, risk profile, forward rent and earning capability and exposure to future expenses and property risk. All these aspects have been considered in the individual valuation reports of the properties. The detailed reports have further addressed the tenancy income capability and expenditure for each property and tenant. The value thus indicates the Market Value for each property which is included in the detailed report and which has been summarised on a summary schedule, attached hereto.

2. BASIS OF VALUATION

The valuation has been prepared on the basis of "Market Value", which is as defined as follows in the current edition of the RICS Valuation – Global Standards and in the VSTOB. According to the RICS Valuation – Professional Standards, "Market Value" is defined as:

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

Basis of Valuation and Valuation Methodology

2.1 We confirm that we have sufficient current local and national knowledge of the properties market involved and have the skills and understanding to undertake the valuation competently.

2.2 This valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the valuation date.

2.3 We have valued the properties using the income capitalisation method, using Argus Enterprise. Argus Enterprise is an internationally recognised valuation software. Within this approach, we apply either a single or split income weighted average equivalent or hardcore yield to our opinion of net current and future net income, reflecting the comparable evidence within the market for guidance on capitalisation rates and capital values per sq m. The applied yield is implicit of market anticipated rental growth, both in terms of the market rental value and the annual step rent or indexation growth. The yields are adjusted to reflect characteristics of the asset including location and income profile. For the latter, we consider key the tenant, remaining lease term and reversion. This is an internationally accepted valuation method recognised as the dominant approach across the majority of European markets.

2.4 In arriving at an opinion of net income, we have adopted the gross or contracted income from the most recent tenancy schedule, making deductions for incentives and non-recoverable costs, including both those based on actual costs sourced from the information provided, including operating cost leakage and ground lease expenses, and our professional judgement or market knowledge. This includes municipal costs, property charges, maintenance and management allowance. These costs vary country to country.

2.5 After capitalising our opinion of the aggregated net income to arrive at Gross Value, we make deductions for capital expenditure, including one off costs for improvement works, renovation or remediation, based on actual costs sourced from the information provided and our own professional judgement or market knowledge, including letting fees. To arrive at our opinion of Market Value, transfer tax and acquisition costs including sales and legal fees are deducted.

Assumptions

We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination.

No adjustments have been made to future rental streams as a result of the rentals being materially different to the market related rentals of that area, as the properties have been valued on the current basis.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

3. SPARE LAND

There are 8 individual plots of developable land across 6 of the properties. This has been valued on a comparative basis compared to similar properties of a like nature in the area. We have attributed independent Market Values to the plots as stated separately within the Schedule of Properties.

The plots in Belfort, Sochaczew DC3, DC4 and DC4, have existing building permits, whilst a building permit for Le Havre has been submitted and awaiting approval.

Aside from Belfort, Sochaczew and Le Havre, no future development has been planned in respect of the spare land and accordingly no planning permission has been applied for in respect of the spare land.

4. BRIEF DESCRIPTION

The portfolio consists of 46 predominantly industrial and logistics assets across 7 European countries with a mixture of freehold and leasehold ownership. The total lettable area is 1 124 555 sq m, with occupancy of 96.9% and an average weighted unexpired term to lease expiry of 5.36 years. The total Gross Income as at the Valuation Date (01 June 2024) is €58 798 520 pa, concentrated in Germany (28.89%), followed by France (23.37%), The Netherlands (16.46%), Poland (11.78%), Belgium (8.36%), Italy (6.65%) and Spain (4.48%). The portfolio includes 8 plots of additional developable land adjoining standing assets.

Germany

Property	Description	Key Facts
Hoppegarten	Hoppegarten is an industrial park located in the city of Berlin. It includes five individual distribution buildings, constructed, and renovated between 1983 and 2020. The total lettable area is 97 666 sq m, including warehouse, mezzanine, office, service & technical space, with external yard area. It is multi-let to 22 tenants, with Rhenus accounting for over 95% of the current income. The property includes 2 plots of additional developable land extending to 40 000 sq m (Hoppegarten Phase 2) and 31 000 sq m (Hoppegarten Phase 3).	Freehold title 5.33 Years to Lease Expiry 1.97% Vacancy by Area Market Value equates to 12.32% of total portfolio
Frankfurt DC1A Frankfurt DC1B	Frankfurt DC1A and DC1B comprises an industrial and logistics property located in the city of Frankfurt. It is arranged over 2 units (DC1A and DC1B), constructed and renovated between 1996 and 2006. The total lettable area is 15 930 sq m (DC1A) and 10 654 sq m (DC1B), including warehouse, office, mezzanine and ancillary space. Each unit is single let to CHI Deutschland (DC1A) and AF Logistik (DC1B).	Leasehold title until 2057 4.59 Years to Lease Expiry 0% Vacancy by Area Combined Market Value equates to 6.77% of total portfolio
Dortmund	Dortmund is an industrial and logistics warehouse located in the city of Dortmund. It includes a standalone building, constructed in 1998. The total lettable area is 25 783 sq m, including warehouse and office space. It is single let to Westdeutsche Getränkelogistik GmbH & Co. KG Dortmund.	Freehold title 3.25 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 2.34% of total portfolio
Hanover	Hanover is an industrial and logistics warehouse and distribution property located in the city of Hanover. It is arranged over 3 units, constructed and renovated between 1967, 1974 and 1993. The total lettable area is 24 471 sq m, including warehouse, mezzanine, office and ancillary space. It is multi-let to 3 tenants, including Sales Verlag GmbH, GPI Hanover GmbH and Teraske OttoReha GmbH & Co. KG.	Freehold title 3.37 Years to Lease Expiry 79.56% Vacancy by Area Market Value equates to 1.74% of total portfolio
Mönchengladbach	Mönchengladbach is a cross-dock facility located in the city of Mönchengladbach. It includes a standalone building, constructed in 2007. The total lettable area is 10 618 sq m, including warehouse and office space. It is single let to Raben Trans European Germany.	Freehold title 8.59 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 1.84% of total portfolio
Koelleda DC1A Koelleda DC1B	Koelleda DC1 and DC1 comprises an industrial and logistics property located in the town of Koelleda, northeast of Erfurt. It is arranged over 2 interconnected units (DC1A and DC1B), constructed in 2008. The total lettable area is 10 827 sq m (DC1A) and 5 237 sq m (DC1B), including warehouse and office space. Both units are let to MDC Power GmbH.	Freehold title 1.59 Years to Lease Expiry 0% Vacancy by Area Combined Market Value equates to 1.12% of total portfolio

Property	Description	Key Facts
Wetzlar DC2	Wetzlar DC2 is an industrial and logistics property located in the small municipality of Langgoens, south of Giessen and north of Frankfurt. It includes a standalone building, arranged over 3 units, constructed in 1997. The total lettable area is 23 582 sq m, including warehouse, office and ancillary space. It is multi-let to 2 tenants, including ET Global GmbH and DFMG Deutsche Funkturm GmbH.	Freehold title 6.53 Years to Lease Expiry 2.80% Vacancy by Area Market Value equates to 2.61% of total portfolio
Solingen	Solingen is an industrial and logistics property located in the city of Solingen, east of Dusseldorf. It includes a logistics building arranged over 2 interconnected warehouse spaces with adjacent office building, constructed in 1995. The total lettable area is 26 025 sq m, including warehouse, office and storage space. It is single let to WOLTU GmbH.	Freehold title 9.84 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 2.40% of total portfolio

France

Property	Description	Key Facts
Marseille B2 Marseille B3	Marseille B2 is an industrial and logistics property located in the city port of Port-Saint-Louis-du-Rhône, west of Marseille. It includes a standalone building, arranged over 6 similarly units (B2-B3 Cells1-6) plus roof solar panels, constructed in 2007. The total lettable area is 31 458 sq m, including warehouse, office and ancillary space. It is multi-let to 7 tenants, with 2 additional agreements over the parking and roof solar panels. Marseille B3 is an industrial and logistics property located in the city port of Port-Saint-Louis-du-Rhône, west of Marseille. It includes a standalone building, arranged over 5 units (B3 Cell A-G) plus roof solar panels, constructed in 2008. The total lettable area is 33 885 sq m, including warehouse, office and ancillary space. It is multi-let to 4 tenants, with an additional agreement over the roof solar panels.	Marseille B2 Freehold title 6.39 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 2.79% of total portfolio Marseille B3 Freehold title 3.94 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 2.97% of total portfolio
Le Havre DC12	Le Havre DC12 is an industrial and logistics property located in the small commune of Etainhus, east of Le Havre in northern France. It includes a standalone building, arranged over 5 units (Cell 1-5) constructed in 2012. The total lettable area is 28 595 sq m, including warehouse and office space. It is multi-let to 4 tenants, including TMT, Logistique Alaine, Dachser France and Brangeon. The property includes additional developable land extending to 31 421 sq m.	Freehold title 3.54 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 2.15% of total portfolio
Orleans DC1	Orleans DC1 is an industrial and logistics property located northwest of the city Orleans. It includes a standalone building, constructed in 1995. The total lettable area is 20 509 sq m, including warehouse and office space. It is single let to Le Roy Logistique. The property includes additional developable land extending to 31 421 sq m.	Freehold title 0.59 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 1.57% of total portfolio
Belfort DC1	Belfort DC1 is an industrial and logistics property in the small city of Fontaine, near Belfort. It includes a standalone building, arranged over 5 units (DC1A-E) constructed in 2004. The total lettable area is 30 591 sq m, including warehouse and office space. It is multi-let to 3 tenants on 6 leases, including Interlogistic Europe, CICE and Voestalpine Automotive. The property includes additional developable land extending to 30 737 sq m.	Freehold title 6.74 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 2.01% of total portfolio
Rouen	Rouen is an industrial and logistics property located the rural commune of Saint-Etienne-du-Rouvray, south of Rouen, in northern France. It includes a standalone building, constructed in 1995. The total lettable area is 9 649 sq m, including warehouse and office space. It is single let to Kuehne&Nagel.	Freehold title 2.59 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 0.7% of total portfolio

Property	Description	Key Facts
Combs-la-Ville	Combs-la-Ville is an industrial and logistics property located in the city of Combs-ls-Ville, south of Paris. It includes a standalone building, constructed in 1995. The total lettable area is 23 262 sq m, including warehouse and office space. It is single let to DHL.	Freehold title 2.59 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 1.77% of total portfolio
Rennes DC1	Rennes DC1 is an industrial and logistics property located in the small commune of Torcé, east of Rennes. It includes a standalone building, arranged over 3 interconnected units constructed in 2009. The total lettable area is 19 158 sq m, including warehouse, office, technical and ancillary space. It is single let to BSL.	Freehold title 5.59 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 1.37% of total portfolio
Toussieu I Toussieu II	Toussieu I and II comprises an industrial and logistics properties located in the city of Toussieu, a neighbouring city to Lyon in southern France. It includes 2 standalone adjacent buildings (I and II), arranged over 4 units in each, constructed between 2005 and 2008. The total lettable area is 38 840 sq m, including warehouse, office and ancillary space. Toussieu I is single let to Cora, whilst Toussieu II is multi-let to Toolstation and XPO Distribution.	Freehold title 9.88 (I) and 6.20 (II) Years to Lease Expiry 0% Vacancy by Area Combined Market Value equates to 3.97% of total portfolio
Bourg-en-Bresse	Bourg-en-Bresse is an industrial and logistics property located in the city of Bourg-en-Bresse, northeast of the city Lyon in southern France. It includes 2 standalone buildings (A and B), arranged over 4 units in each, constructed in 2007. The total lettable area is 35 000 sq m, including warehouse, office and ancillary space. It is multi-let to 3 tenants, including XPO (Building A), La Poste (Building B) and Renault Trucks (Building B).	Freehold title 7.15 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 2.61% of total portfolio
Saint Fargeau	Saint Fargeau is an industrial and logistics property located in the commune of Saint Fargeau-Ponthierry, south of Paris. It includes a standalone building, arranged over 4 units, constructed in 2003. The total lettable area is 20 426 sq m, including warehouse office and ancillary areas. It is multi-let to Bremstar and Casita SARL.	Freehold title 6.38 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 1.69% of total portfolio

The Netherlands

Property	Description	Key Facts
Maasvlakte DC1 Maasvlakte DC2 Maasvlakte DC3	Maasvlakte DC1, DC2 and DC3 comprises an industrial and logistics property located in the established industrial area of Maasvlakte, an extension of the Rotterdam harbour area. It is arranged over 3 properties, constructed between 1999 and 2005. The total lettable area of each property is 20 961 sq m (DC1), 20 724 sq m (DC2) and 25 705 sq m (DC3), including warehouse, mezzanine and office space. Each building is single let to LT Foods Europe (DC1 and DC2) and Neele-Vat Maasvlakte B.V. DC3).	Leasehold title until 2097 (DC1 and DC2) and 2055 (DC3) 2.82 (DC1), 14.59 (DC2) and 3.59 (DC3) Years to Lease Expiry 0% Vacancy by Area Combined Market Value equates to 4.72% of total portfolio
Venlo Marco Poloweg	Venlo Marco Poloweg is an industrial and logistics property located in the city of Venlo. It includes a standalone building, constructed in 2001. The total lettable area is 25 704 sq m, including warehouse, office and mezzanine space. It is single let to Dekkers L.C.S. B.V.	Freehold title 8.68 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 2.09% of total portfolio
Bergen op Zoom	Bergen op Zoom is an industrial and logistics property located in the city of Bergen op Zoom, in southwestern Netherlands. It includes a standalone building, arranged across 3 units (10, 12 and 14) constructed in 2019. The total lettable area is 20 958 sq m, including warehouse, office and mezzanine space. It is multi-let to 3 tenants including Majestic Products B.V. and Lifeplus.	Freehold title 3.74 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 1.86% of total portfolio
Tiel	Tiel is an industrial and logistics property located in the city of Tiel, central Netherlands. It includes a standalone building, constructed in 2005. The total lettable area is 22 169 sq m, including warehouse, office and mezzanine space. It is currently vacant.	Freehold title 0 Years to Lease Expiry 100% Vacancy by Area Market Value equates to 0.89% of total portfolio
Hordijk DC1	Hordijk DC1 is an industrial and logistics property located in the city of Rotterdam. It includes a logistics complex with separate office building, constructed in 1990 and office refurbished in 2013. The total lettable area is 13 268 sq m, including warehouse, cold store and office space. It is single let by way of 2 occupational leases to Fruity Pack.	Leasehold title until 2088 2.08 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 1.31% of total portfolio
Logistics Court Schiphol	Schipol Logistics Court is an industrial and logistics property located in the town of Rozenburg, with the Schipol-Rijk industrial area. It includes a logistics complex, arranged across 7 units (A-H), constructed in 2021. The total lettable is 17 378 sq m, including warehouse, office and mezzanine space. It is multi-let to 5 tenants by way of 8 occupational leases. Tenants include Ferrari Group, Holland Flower Market, Neele Vat, Peva Vastgoed B.V. and Xermis Inc.	Freehold title 5.34 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 3.28% of total portfolio

Poland

Property	Description	Key Facts
Poznañ	Poznañ is an industrial and logistics property located in the village of Koninko, southeast of Poznañ, western Poland. It includes 2 separate standalone buildings, arranged across 5 units, constructed between 2016 (Building 1) and 2018 (Building 2). The total lettable area is 31 875 sq m, including warehouse and office space. The buildings are multi-let to 5 tenants by way of 9 occupational leases. Tenants include Arctos, DSV Solutions, Marco Tran, Ruch and System Transport.	Freehold title 2.14 Years to Lease Expiry 7.57% Vacancy by Area Market Value equates to 2.25% of total portfolio
Lodz	Lodz is an industrial and logistics property located in southeast Lodz, central Poland. It includes 2 separate standalone buildings, arranged across 4 units, constructed in 2009 (Building 1) and 2017 (Building 2). The total lettable area is 19 422 sq m, including warehouse and office space. The buildings are multi-let to 4 tenants, including Eurocash, Argoland, DP Polska and Rohlig, who are the dominant occupier.	Freehold title 0.93 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 1.26% of total portfolio
Sochaczew DC1A Sochaczew DC1B Sochaczew DC2A Sochaczew DC2B Sochaczew DC2C Sochaczew DC2D	Sochaczew DC1-DC2D comprises an industrial and logistics property located in the town of Sochaczew, west of Warsaw in east-central Poland. It includes 2 separate standalone buildings (Building 1 and 2), arranged across 6 units, including DC1A and DC1B (Building 1) and DC2A, DC2B, DC2C and DC2D (Building 2), constructed between 2007 and 2008. The total lettable area is 101 614 sq m, including warehouse and office space. The units are multi-let to 3 tenants by way of 8 occupational leases. Tenants include Procter & Gamble (DC1A and DC1B), Empik (DC2A, DC2B, DC2C, DC2D) and Pilkington Automotive (DC2B). The property includes 2 plots of additional developable land extending to 66 755 sq m (Sochaczew DC3) and 140 937 sq m (Sochaczew DC4 & 5).	Freehold title 4.59 (DC1A and DC1B), 3.77 (DC2B) and 6.17 (DC2A, DC2C, DC2D) Years to Lease Expiry 0% Vacancy by Area Combined Market Value equates to 6.31% of total portfolio
Krakowska	Krakowska is an industrial and logistics property located southwest of the city Warsaw, east-central Poland. It includes a single standalone building, subdivided across approximately 10 units, constructed in 2006. The total lettable area is 11 046 sq m, including warehouse and office space. The building is multi-let to 8 tenants by way of 9 occupational leases, plus 1 telecom arrangement. Tenants include Wineonline, Santint, Rico Logistics, PL Sp.z o.o., Pilkington, ORM Operacje, MMC Car POLAND Sp. z o.o. (Mitsubishi) and Dumel.	Freehold title 3.57 Years to Lease Expiry 4.65% Vacancy by Area Market Value equates to 1.09% of total portfolio

Belgium

Property	Description	Key Facts
Opglabbeek	Opglabbeek is an industrial and logistics property located in the village of Opglabbeek, north of the city Genk, in eastern Belgium. It includes 3 buildings, arranged across 7 units (1-5 and 15), constructed and renovated in 2009 and 2018. The total lettable area is 77 507 sq m, including warehouse, office and mezzanine space. The buildings are let to 3 tenants by way of 7 occupational leases, in addition to agreements over roof space and investment rent. Tenants include H.Essers Logistics Company N.V., Mirka Belgium Logistics and Scania. The property includes additional developable land extending to 8 500 sq m.	Freehold title 3.41 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 5% of total portfolio
Houthalen	Houthalen is an industrial and logistics property located within the industrial park Europarklaan, in the regional municipality of Houthalen, north of the city Genk in the east of Belgium. It includes a standalone building, constructed in 2001. The total lettable area is 26 955 sq m, including warehouse and office space. The building is single let to Harley Davidson. The property includes additional developable land extending to 7 500 sq m.	Freehold title 2.33 Years to Lease Expiry 0% Vacancy by Area Market Value equates to 1.84% of total portfolio

Italy

Property	Description	Key Facts
Carpiano A Carpiano B Carpiano C	Carpiano A, B and C include industrial and logistics properties located in the town of Carpiano, south of the city Milan. They include 3 standalone buildings (A,B,C), constructed between 2001-2002 (C) and 2005 (A-B). The total lettable area is 76 405 sq m, including warehouse and office space. The buildings are single let to ZUST AMBROSETTI S.p.A (A and C)., Geodis Logistics S.p.A. (B).	Freehold title 12.59 (A), 5.17 (B) and 12.51 (C) Years to Lease Expiry 0% Vacancy by Area Combined Market Value equates to 6.61% of total portfolio

Spain

Property	Description	Key Facts
Tarancon DC1 Tarancon DC3	Tarrancon DC1 and DC3 comprises industrial and logistics properties located within the municipality of Tarancon, southeast of Madrid. It includes 2 standalone buildings (DC1 and DC3), with DC1 subdivided in 2, constructed in 2008. The total lettable area is 83 005 sq m, including warehouse and office space. DC1 is let to Werfen Espana and CEPL, whilst DC3 is let to Docout.	Freehold title 1.65 (DC1) and 10.09 (DC3) Years to Lease Expiry 0% Vacancy by Area Combined Market Value equates to 4.28% of total portfolio

5. **OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS**

To our knowledge there are no contractual arrangements on the properties other than the leases as detailed in the report that have a major benefit or are detrimental to the fundamental value base of the properties.

To the best of our knowledge, there are no options in favour of any parties for any purchase of any of the properties.

6. **INTRA-GROUP OR RELATED PARTY LEASES**

Having inspected all the tenant schedules and sample of leases, it is noted that there are no intra-group or related party leases to our knowledge.

7. **CURRENT STATE OF DEVELOPMENT**

There are no properties which are currently being developed. Note, however, that there is spare land capacity for expansion on certain properties.

8. **RENTALS USED IN VALUATIONS**

Most properties are fully let, with the exception of 6 properties, whilst only 2 (Hanover and Tiel) with material vacancy. The current rent compared against our opinion of rental value indicates potential for a total reversion in the income at lease end or renewal of +5.42%.

9. **EXTERNAL PROPERTY**

All of the properties that have been valued are situated outside the Republic of South Africa.

10. **OTHER GENERAL MATTERS AND VALUATION SUMMARY**

A full valuation report is available on a property by property basis detailing tenancy, town planning, valuer's commentary, expenditure and other details. This has been given to the directors of BTN.

11. **ALTERNATIVE USE FOR A PROPERTY**

The properties have been valued in accordance with their existing use which represents their market value. No alternative use for the properties has been considered in determining their value.

12. **OTHER COMMENTS**

Our valuation excludes any amounts of Value-added Tax, transfer duty, or securities transfer duty.

13. **CAVEATS**

13.1 **Source of information and verification**

Information on the properties regarding rental income, lease terms, areas, non-recoverable costs, incentives and capital expenditure including other income details has been provided to us by BTN.

For key tenants, leases, in parallel with legal due diligence, have been read to check against management detail, in order to ensure that management has correctly captured tenant information as per contractual agreement. This has been done to test management information against the underlying agreements.

13.2 **Full disclosure**

This valuation has been prepared on the basis that full disclosures of all information and factors that may affect the valuation have been made to us.

We have to the best of our ability researched the market as well as taken the steps detailed in paragraph 13.3 below.

13.3 **Leases**

Our valuation has been based on a review of tenancy schedules (which include material terms such as current rents, lease term and break options, step rents and rent-free periods, rentable areas) and other pertinent details supplied to us by BTN.

13.4 **Lessee's credibility**

In arriving at our valuation, cognisance has been taken of the lessee's security and rating. In some cases, this has influenced the market rentals applied and capitalisation rate by way of a risk consideration. However, it should be noted that we are not qualified to carry out a detailed analysis of the financial credibility of the lessee. In our valuations, we have assumed that the tenants are in a financial position to meet their obligations and that, unless otherwise stated, there are no material arrears or breaches of covenant. Our valuation does, however, reflect the type of tenants in occupation and the market's general perception of their creditworthiness.

13.5 **Mortgage bonds, loans, etc**.

The properties have been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs of acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction for any purposes which may be made at the discretion of the purchaser when purchasing the properties.

13.6 **Calculation of areas**

All areas quoted within the valuation reports are those stated in the information furnished and correspond with the rent roll provided to us by BTN and verified where plans were available. To the extent that plans were not available, reliance was placed on the information submitted.

Updated plans were not available for the property in respect of internal configuration. The properties generally appear to have the stated square meterage which could only be more accurately determined if re-measured by a professional.

13.7 **Structural condition**

The properties have been valued in their existing state. We have not carried out any structural surveys, nor inspected those areas that are unexposed or inaccessible, neither have we arranged for the testing of any electrical or other services.

13.8 **Contamination**

The valuation assumes that a formal environmental assessment is not required and further that none of the properties are environmentally impaired or contaminated, unless otherwise stated in our report.

13.9 **Town planning**

The valuation was prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire regulations. This is to ensure that for the basis of the valuation that the property comply with town planning regulations and title deeds. There does not appear to be any infringements of local authority regulations or deeds by the property that we are aware of.

The valuation has further assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on inspection it would appear that the improvements are in accordance with the relevant town planning regulations for these properties.

There is no contravention of any statutory regulation, or town planning local authority regulation or contravention of title deed relating to the property which infringement could decrease the value of the property as stated.

14. **MARKET VALUE**

We are of the opinion that the aggregate market value of the properties as at 1 June 2024 is €1 055 051 000 (excluding VAT). A summary of the individual valuations and details of each of the properties is attached.

To the best of our knowledge and belief there have been no material changes in circumstances between the date of the valuation and the date of the valuation report which would affect the valuation.

I have more than 15 years, experience in the valuation of all nature of property and on behalf of CBRE Limited, I am qualified to express an opinion on the Market Value of the properties.

I trust that I have carried out all instructions to your satisfaction and thank you for the opportunity of undertaking this valuation on your behalf.

Yours faithfully,

for and on behalf of CBRE Limited

Graham MacMillan
MRICS
Executive Director
RICS Registered Valuer

Chartered Valuation Surveyor
Registered Professional Valuer (no. 1150903)

SCHEDULE OF PROPERTIES

No	Property name	Property unit	Physical address	Property description and use	Valuer's inspection date	Freehold/ Leasehold	Tenure of leasehold	Rentable area (GLA) (m^2)	Approximate age of building	Net income € as at 1 June 2024	Valuation € as at 1 June 2024
1	Hoppegarten	Hoppegarten	Industriestrasse 12–14, Hoppegarten, Germany, 15366	Industrial and Logistics	21.06.2024	Freehold	N/A	**97 666**	1983	6 375 715	130 000 000
2	Frankfurt	Frankfurt DC1A	Frankfurt DC1A, Cargo City Sued, Frankfurt, Germany, 60549	Industrial and Logistics	26.06.2024	Leasehold	2057 Expiry	**15 930**	1996	2 181 457	44 000 000
3	Frankfurt	Frankfurt DC1B	Frankfurt DC1B, Cargo City Sued, Frankfurt, Germany, 60549	Industrial and Logistics	26.06.2024	Leasehold	2057 Expiry	**10 654**	1996	1 352 255	27 400 000
4	Dortmund	Dortmund	Flautweg 5, Dortmund, Germany, 44329	Industrial and Logistics	26.06.2024	Freehold	N/A	**25 783**	1998	1 167 780	24 700 000
5	Hannover	Hannover	Schachtebeckweg 6–8, Hannover, Germany, 30165	Industrial and Logistics	16.07.2024	Freehold	N/A	**24 471**	1974	63 874	18 325 000
6	Mönchengladbach	Mönchengladbach	Regioparkring 8, Mönchengladbach, Germany, 41199	Industrial and Logistics	17.07.2024	Freehold	N/A	**10 618**	2007	938 934	19 400 000
7	Koelleda	Koelleda DC1A	Koelleda DC1A, Heinrich-Hertz-Straße., Kölleda., Germany, 99625	Industrial and Logistics	17.07.2024	Freehold	N/A	**10 827**	2008	530 289	8 120 000
8	Koelleda	Koelleda DC1B	Koelleda DC1B, Heinrich-Hertz-Straße, Kölleda, Germany, 99625	Industrial and Logistics	17.07.2024	Freehold	N/A	**5 237**	2008	154 927	3 700 000
9	Wetzlar	Wetzlar DC2	Wetzlar DC2, Auf dem Hüttenberg 1, Langgöns, Germany, 35428	Industrial and Logistics	26.06.2024	Freehold	N/A	**23 582**	1997	1 429 294	27 500 000
10	Solingen	Solingen	Dellenfeld 25, 42653 Solingen, Germany	Industrial and Logistics	16.07.2024	Freehold	N/A	**26 025**	1995	1 615 382	25 300 000
11	Marseille	Marseille B2	Marseille B2, Avenue de Shanghai, Port-Saint-Louis-du-Rhône, France, 13230	Industrial and Logistics	04.07.2024	Freehold	N/A	**31 458**	2007	1 664 616	29 400 000
12	Marseille	Marseille B3	Marseille B3, Avenue de Shanghai., Port-Saint-Louis-du-Rhône., France, 13230	Industrial and Logistics	04.07.2024	Freehold	N/A	**33 885**	2008	1 736 097	31 300 000

No	Property name	Property unit	Physical address	Property description and use	Valuer's inspection date	Freehold/ Leasehold	Tenure of leasehold	Rentable area (GLA) (m^2)	Approximate age of building	Net income € as at 1 June 2024	Valuation € as at 1 June 2024
13	Le Havre	Le Havre DC12	Le Havre DC12, Rue de Bleuets, Etainhus, France, 76430	Industrial and Logistics	19.06.2024	Freehold	N/A	**28 595**	2012	1 440 350	22 650 000
14	Orleans	Orleans DC1	Orleans DC1, Rue Passée à Balance, Ormes, France, 45140	Industrial and Logistics	26.06.2024	Freehold	N/A	**20 509**	1995	887 148	16 575 000
15	Belfort	Belfort DC1	Belfort DC1, ZI Aeroparc Fontaine, Fontaine, France, 90150	Industrial and Logistics	20.06.2024	Freehold	N/A	**30 591**	2004	1 404 428	21 200 000
16	Rouen	Rouen	Rouen, Rue du Long Boël, Saint Etienne du Rouvray, France, 76800	Industrial and Logistics	19.06.2024	Freehold	N/A	**9 649**	1995	427 135	7 430 000
17	Combs-la-Ville	Combs-la-Ville	Combs-la-Ville, Boulevard Maurice Faure, Combs-la-Ville, France, 77380	Industrial and Logistics	26.06.2024	Freehold	N/A	**23 262**	1995	1 103 095	18 625 000
18	Rennes	Rennes DC1	Rennes DC1, Zone Du Haut Montigne, Torce France, 35370	Industrial and Logistics	01.07.2024	Freehold	N/A	**19 158**	2009	931 037	14 500 000
19	Toussieu	Toussieu I	128 Rue Pasteur, 69780 Toussieu, France	Industrial and Logistics	23.07.2024	Freehold	N/A	**20 936**	2005	(14 613)	22 600 000
20	Toussieu	Toussieu II	124 Rue Pasteur, 69780 Toussieu, France	Industrial and Logistics	23.07.2024	Freehold	N/A	**17 904**	2008	1 007 708	19 300 000
21	Bourg-en-Bresse	Bourg-en-Bresse	2605 Av. Amédée Mercier, 01000 Bourg-en-Bresse, France	Industrial and Logistics	23.07.2024	Freehold	N/A	**35 000**	2007	1 798 800	27 500 000
22	Saint-Fargeau	Saint-Fargeau	ZA de l'Europe, Rue de Bruxelles, 77310 Saint-Fargeau-Ponthierry, France	Industrial and Logistics	23.07.2024	Freehold	N/A	**20 426**	2003	942 980	17 800 000
23	Maasvlakte	Maasvlakte DC1	Maasvlakte DC1, Hainanstraat, Rotterdam-Maasvlakte, Netherlands, 3199LT	Industrial and Logistics	02.07.2024	Leasehold	2097 Expiry	**20 961**	1999–2005	750 794	13 550 000

No	Property name	Property unit	Physical address	Property description and use	Valuer's inspection date	Freehold/ Leasehold	Tenure of leasehold	Rentable area (GLA) (m^2)	Approximate age of building	Net income € as at 1 June 2024	Valuation € as at 1 June 2024
24	Maasvlakte	Maasvlakte DC2	Maasvlakte DC2, Bosporusstraat, Rotterdam-Maasvlakte., Netherlands, 3199LJ	Industrial and Logistics	02.07.2024	Leasehold	2097 Expiry	**20 724**	1999-2005	922 078	15 675 000
25	Maasvlakte	Maasvlakte DC3	Maasvlakte DC3, Bosporusstraat, Rotterdam-Maasvlakte, Netherlands, 3199LJ	Industrial and Logistics	02.07.2024	Leasehold	2055 Expiry	**25 705**	1999-2005	1 058 334	20 600 000
26	Venlo Marco Poloweg	Venlo Marco Poloweg	Venlo Marco Poloweg 7, Venlo, Netherlands, 5928LE	Industrial and Logistics	02.07.2024	Freehold	N/A	**25 704**	2001	1 148 309	22 050 000
27	Bergen op Zoom	Bergen op Zoom	Conradweg 10-14, Bergen op Zoom, Netherlands, 4612PD	Industrial and Logistics	02.07.2024	Freehold	N/A	**20 958**	2019	1 011 454	19 650 000
28	Tiel	Tiel	Oudewei 4, Tiel, Netherlands, 4004LS	Industrial and Logistics	03.07.2024	Freehold	N/A	**9 822**	2005	(53 102)	9 400 000
29	Hordijk	Hordijk DC1	Hordijk DC1, Bergambachstraat 10, Rotterdam, Netherlands, 3079DA	Industrial and Logistics	02.07.2024	Leasehold	2088 Expiry	**13 268**	2013	792 197	13 800 000
30	Logistics Court Schiphol	Logistics Court Schiphol	Logistics Court Schipol, Hanedaweg, Rozenburg, Netherlands, 1437EN	Industrial and Logistics	03.07.2024	Freehold	N/A	**17 377**	2016	1 860 887	34 600 000
31	Poznañ	Poznañ	Poznañ, ul. 59 Drukarska, Koninko, Poland, 62-023	Industrial and Logistics	20.06.2024	Freehold	N/A	**31 875**	2016-2018	1 363 760	23 775 000
32	Lodz	Lodz	Lodz, ul. 3A Dostawcza, Lodz, Poland, 93-231	Industrial and Logistics	25.06.2024	Freehold	N/A	**19 422**	2009-2017	1 138 326	13 325 000
33	Sochaczew	Sochaczew DC1A	Sochaczew DC1A u.a, ul. Olimpijska., Sochaczew., Poland, 96-500	Industrial and Logistics	25.06.2024	Freehold	N/A	**27 087**	2007-2008	1 190 391	18 300 000
34	Sochaczew	Sochaczew DC1B	Sochaczew DC1B u.a, ul. Olimpijska., Sochaczew., Poland, 96-500	Industrial and Logistics	25.06.2024	Freehold	N/A	**10 926**	2007-2008	422 550	6 410 000
35	Sochaczew	Sochaczew DC2A	Sochaczew DC2A u.a, ul. Olimpijska., Sochaczew., Poland, 96-500	Industrial and Logistics	25.06.2024	Freehold	N/A	**15 703**	2007-2008	147 501	10 100 000

No	Property name	Property unit	Physical address	Property description and use	Valuer's inspection date	Freehold/ Leasehold	Tenure of leasehold	Rentable area (GLA) (m^2)	Approximate age of building	Net income € as at 1 June 2024	Valuation € as at 1 June 2024
36	Sochaczew	Sochaczew DC2B	Sochaczew DC2B u.a, ul. Olimpijska., Sochaczew., Poland, 96-500	Industrial and Logistics	25.06.2024	Freehold	N/A	**15 354**	2007–2008	618 090	9 470 000
37	Sochaczew	Sochaczew DC2C	Sochaczew DC2C u.a, ul. Olimpijska., Sochaczew., Poland, 96-500	Industrial and Logistics	25.06.2024	Freehold	N/A	**15 731**	2007–2008	596 394	10 325 000
38	Sochaczew	Sochaczew DC2D	Sochaczew DC2D u.a, ul. Olimpijska., Sochaczew., Poland, 96-500	Industrial and Logistics	25.06.2024	Freehold	N/A	**16 813**	2007–2008	718 477	11 925 000
39	Krakowska	Krakowska	Krakowska, ul. 43 Szyszkowa, Warsaw, Poland, 02-285	Industrial and Logistics	25.06.2024	Freehold	N/A	**11 046**	2006	554 798	11 550 000
40	Oglabbeek (Oudsbergen Park)	Opglabbeek – Weg Naar Zwartberg	Opglabbeek, Zwartberg, Opglabbeek, Belgium, 3660	Industrial and Logistics	21.06.2024	Freehold	N/A	**77 507**	2009	3 552 169	52 700 000
41	Houthalen	Houthalen – Europarklaan	Europarklaan 1026, 3530 Houthalen-Helchteren, Belgium	Industrial and Logistics	21.06.2024	Freehold	N/A	**26 995**	2001	1 310 393	19 450 000
42	Carpiano	CARPIANO A 2005	Via Sandro Pertini, 5, 20074 Carpiano MI, Italy	Industrial and Logistics	15.07.2024	Freehold	N/A	**12 079**	2001–2002	658 002	11 800 000
43	Carpiano	CARPIANO B 2005	Via Sandro Pertini, 5, 20074 Carpiano MI, Italy	Industrial and Logistics	15.07.2024	Freehold	N/A	**46 146**	2001–2002	2 135 983	37 800 000
44	Carpiano	CARPIANO C 2002	Via Sandro Pertini, 51, 20080 Carpiano MI, Italy	Industrial and Logistics	15.07.2024	Freehold	N/A	**18 180**	2005	482 381	20 100 000
45	Tarancon	Tarancon DC1	I_LO SP1 Tarancon DC1, Calle Roma., Tarancon., Spain, 16400	Industrial and Logistics	20.06.2024	Freehold	N/A	**39 474**	2008	1 299 096	22 200 000
46	Tarancon	Tarancon DC3	I_LO SP1 Tarancon DC3, Calle Roma, Tarancon, Spain, 16400	Industrial and Logistics	20.06.2024	Freehold	N/A	**43 531**	2008	1 247 348	23 000 000
	Total										**1 028 880 000**

Spare Land

No	Development Land	Physical address	Property description and use	Valuer's inspection date	Freehold/ Leasehold	Tenure of leasehold	Valuation € as at 1 June 2024 in current state	Planning permission applied for (Y/N)	Planning permission obtained (Y/N) and date of permission obtained/ refused
1	Belfort	Belfort DC1, ZI Aeroparc Fontaine, Fontaine, France, 90150	Industrial and Logistics	20.06.2024	Freehold	N/A	370 000	N	N
2	Le Havre	Le Havre DC12, Rue de Bleuets, Etainhus, France, 76430	Industrial and Logistics	19.06.2024	Freehold	N/A	470 000	N	N
3	Hoppegarten Phase 2	Industriestrasse, Hoppegarten, Germany, 15366	Industrial and Logistics	21.06.2024	Freehold	N/A	9 000 000	N	N
4	Hoppegarten Phase 3	Industriestrasse, Hoppegarten, Germany, 15366	Industrial and Logistics	21.06.2024	Freehold	N/A	6 975 000	N	N
5	Houthalen	Europarklaan 1026, 3530 Houthalen-Helchteren, Belgium	Industrial and Logistics	21.06.2024	Freehold	N/A	940 000	N	N
6	Opglabbeek	Opglabbeek, Zwartberg, Opglabbeek, Belgium, 3660	Industrial and Logistics	21.06.2024	Freehold	N/A	850 000	N	N
7	Sochaczew DC3	Sochaczew DC3 u.a, ul. Olimpijska., Sochaczew., Poland, 96-500	Industrial and Logistics	25.06.2024	Freehold	N/A	2 525 000	N	N
8	Sochaczew DC4 & 5	Sochaczew DC4-5 u.a, ul. Olimpijska., Sochaczew., Poland, 96-500	Industrial and Logistics	25.06.2024	Freehold	N/A	5 041 000	N	N
Total							**26 171 000**		

PRO FORMA FINANCIAL INFORMATION OF THE PROPOSED TRANSACTION

The definitions and interpretations commencing on page 4 of the Circular apply, *mutatis mutandis*, to this **Annexure 3**.

Set out below is the consolidated *pro forma* statement of financial position and statement of comprehensive income of Burstone, illustrating the *pro forma* financial effects of the Proposed Transaction (the "***Pro Forma* Financial Information**").

The *Pro Forma* Financial Information has been prepared to illustrate the impact of the Proposed Transaction on the published audited financial information of Burstone for the year ended 31 March 2024, based on the assumption that the Proposed Transaction took place on 1 April 2023 for purposes of the *pro forma* consolidated statement of comprehensive income and on 31 March 2024 for purposes of the *pro forma* consolidated statement of financial position. Because of its nature, the *Pro Forma* Financial Information may not fairly present Burstone's financial position, changes in equity, results of operations or cash flows after the Proposed Transaction.

The *Pro Forma* Financial Information has been prepared using the accounting policies of Burstone as at 31 March 2024, which are in compliance with IFRS Accounting Standards, in accordance with the applicable criteria of the Listings Requirements and in terms of the Guide on *Pro Forma* Financial Information issued by SAICA.

The *Pro Forma* Financial Information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors.

The *Pro Forma* Financial Information should be read in conjunction with the Independent Auditor's report thereon, which is presented in **Annexure 4**.

Pro Forma Consolidated Statement of Comprehensive Income

R'000	Before	Reduction of interest in the PEL portfolio to 20%	Application of proceeds and unwinding of derivatives	Settlement of capex loan	Fair value adjustment	Adjustment to operational management fee	Impairment relating to change in management fee	Manco call option	First loss liability	Transaction costs	*Pro forma* after the Proposed Transaction
Notes	1	2	3	4	5	6	7	8	9	10	
Revenue, before straight-line rental revenue adjustment	1 858 260	–	–	–	–	–	–	–	–	–	1 858 260
Fee income from asset management business	198 387	–	–	–	–	(50 666)	–	–	–	–	147 721
Straight-line rental revenue adjustment	(4 639)	–	–	–	–	–	–	–	–	–	(4 639)
Revenue	2 052 008	–	–	–	–	(50 666)	–	–	–	–	2 001 342
Income from investments	323 195	(242 910)	–	–	–	10 133	–	–	–	–	90 418
Property expenses	(699 788)	–	–	–	–	–	–	–	–	–	(699 788)
Expected credit losses – trade receivables	(9 638)	–	–	–	–	–	–	–	–	–	(9 638)
Other operating expenses	(266 092)	–	–	–	–	–	–	–	–	(189 803)	(455 895)
Operating profit	1 399 685	(242 910)	–	–	–	(40 533)	–	–	–	(189 803)	926 439
Fair value, foreign exchange (losses)/ gains and other adjustments on financial instruments	(524 693)	(1 455 737)	284 587	–	180 887	–	–	–	(154 497)	–	(1 669 453)
Fair value adjustment on investment property	(1 672)	–	–	–	–	–	–	–	–	–	(1 672)
Profit/(Loss) on disposal of investment property	7 285	–	–	–	–	–	–	–	–	–	7 285
Finance costs	(639 489)	–	231 115	17 084	–	–	–	–	–	–	(391 290)
Finance income	87 204	–	53 676	(6 624)	–	–	–	–	–	–	134 256
Equity accounted losses from associate	–	–	–	–	–	–	–	–	–	–	–
Expected credit losses on financial instruments and impairment of investment in subsidiaries	(21 966)	–	–	–	–	–	–	–	–	–	(21 966)
Amortisation and depreciation	(72 440)	–	–	–	–	–	–	–	–	–	(72 440)
Impairment of intangible asset	–	–	–	–	–	–	(371 918)	–	–	–	(371 918)
Profit before taxation	233 914	(1 698 647)	569 378	10 460	180 887	(40 533)	(371 918)	–	(154 497)	(189 803)	(1 460 759)
Taxation	(1 468)	–	–	–	–	–	–				(1 468)
Profit after taxation	232 446	(1 698 647)	569 378	10 460	180 887	(40 533)	(371 918)	–	(154 497)	(189 803)	(1 462 227)
Exchange differences on translation of foreign subsidiary	(660)	–	–	–	–	–	–			–	(660)
Total comprehensive income attributable to equity holders	231 786	(1 698 647)	569 378	10 460	180 887	(40 533)	(371 918)	–	(154 497)	(189 803)	(1 462 887)

R'000	Before	Reduction of interest in the PEL portfolio to 20%	Application of proceeds and unwinding of derivatives	Settlement of capex loan	Fair value adjustment	Adjustment to operational management fee	Impairment relating to change in management fee	Manco call option	First loss liability	Transaction costs	*Pro forma* after the Proposed Transaction
Notes	1	2	3	4	5	6	7	8	9	10	
Headline earnings reconciliation											
Basic and diluted profit attributable to ordinary equity holders of the parent	231 786	(1 698 647)	569 378	10 460	180 887	(40 533)	(371 918)	–	(154 497)	(189 803)	(1 462 887)
Adjusted for:											
Fair value, foreign exchange (losses)/gains and other adjustments on financial instruments	–	–	–		–	–	–	–	–	–	–
Fair value adjustment on investment property	1 672	–	–		–	–	–	–	–	–	1 672
(Profit)/loss on disposal of investment property	(7 285)	–	–		–	–	–	–	–	–	(7 285)
Profit/(loss) on disposal of investment in Hexagon	–	1 455 737	(164 579)		–	–	–	–	–	–	1 291 158
Amortisation and depreciation	–	–	–		–	–	–	–	–	–	–
Headline earnings attributable to shareholders	**226 173**	**(242 910)**	**404 799**	**10 460**	**180 887**	**(40 533)**	**(371 918)**	**–**	**(154 497)**	**(189 803)**	**(177 342)**

R'000	Before	Reduction of interest in the PEL portfolio to 20%	Application of proceeds and unwinding of derivatives	Settlement of capex loan	Fair value adjustment	Adjustment to operational management fee	Impairment relating to change in management fee	Manco call option	First loss liability	Transaction costs	*Pro forma* after the Proposed Transaction
Notes	1	2	3	4	5	6	7	8	9	10	
Distributable earnings reconciliation											
Profit after tax	232 446	(1 698 647)	569 378	10 460	180 887	(40 533)	(371 918)	–	(154 497)	(189 803)	(1 462 227)
Adjusted for:											
Straight-line rental revenue adjustment	4 639	–	–	–	–	–	–	–	–	–	4 639
Transaction costs	–	–	–		–	–	–	–	–	189 803	189 803
Fair value, foreign exchange (gains)/ losses and other adjustments	524 693	1 455 737	(284 587)	–	(180 887)	–	–	–	154 497	–	1 669 453
Fair value adjustment on investment property	1 672	–	–	–	–	–	–	–	–	–	1 672
Profit/(Loss) on disposal of investment property	(7 285)	–	–	–	–	–	–	–	–	–	(7 285)
Unwinding of interest in deferred consideration	(6 284)	–	–	–	–	–	–	–	–	–	(6 284)
Cost of funding ITAP in development	28 225	–	–	–	–	–	–	–	–	–	28 225
Amortisation and depreciation	72 440	–	–	–	–	–	–	–	–	–	72 440
Impairment of intangible assets	–	–	–	–	–	–	371 918	–	–	–	371 918
Distributable earnings	850 546	(242 910)	284 791	10 460	–	(40 533)	–	–	–	–	862 354
Accretion/(dilution)											1.4%
Basic earnings per share (cents)	28.91										(182.45)
Diluted earnings per share (cents)	28.90										(182.42)
Headline earnings per share (cents per share)	28.21										(22.12)
Headline earnings per diluted share (cents per share)	28.20										(22.11)
Total available distributable earnings per share (cents)	105.67										107.14
Weighted average number of shares (in thousands)	801 786										801 786
Diluted weighted average number of shares (in thousands)	801 928										801 928
Shares in issue	804 918										804 918

Notes and assumptions:

1. Extracted, without adjustment, from the audited consolidated financial statements of Burstone as at and for the year ended 31 March 2024.
2.
   a) Represents the reduction in Burstone's share of distributions from the PEL Portfolio to 20% as a result of the Proposed Transaction.
   b) Represents the once-off loss on the Proposed Transaction. The loss on the Proposed Transaction has been determined based on the estimated net proceeds to Burstone and the carrying value of Burstone's 94% stake in the PEL Portfolio as follows:

	R in thousands
Net proceeds to Burstone – refer to Note 3 of the *Pro Forma* Consolidated Statement of Financial Position	7 574 186
Carrying value of 94% stake in the PEL Portfolio	(9 029 923)
Loss on the disposal of the PEL Portfolio	**(1 455 737)**
Portion attributable to Burstone	*(1 291 158)*
Portion attributable to PELM effective 10.85% share	*(164 579)*

Burstone's share in the PEL Portfolio at 31 March 2024 is effectively 83.15% plus 10.85% for Pan-European Logistics Mauritius ("**PELM**") which invests behind Burstone and will also sell its interest). The loss on sale for Burstone's effective stake (excluding PELM) of (R1 291 158 thousand) should be read in conjunction with column 5 fair value adjustment of R180 887 thousand to represent the net loss on sale on Burstone's effective stake being (R1 110 271 thousand).

3. Represents the *pro forma* impact of the application of the proceeds on the Proposed Transaction on the trading results as follows:
   a) Profit on settlement of the PELM profit participating loan based on the difference between the carrying value of the loan with PELM and PELM's share of the Hexagon estimated net asset value as at 31 December 2023, amounting to R164 579 thousand.
   b) Reversal of the foreign exchange (losses)/gains amounting to R120 008 thousand arising from the settlement of the € denominated borrowings.
   c) Finance cost savings arising from settlement of interest-bearing loans as follows: (Refer to Note 3 of the *Pro Forma* Consolidated Statement of Financial Position):
      i. The finance cost saving for the year ended 31 March 2024 on the profit participating loans held with PELM of R32 316 thousand.
      ii. The finance cost saving for the year ended 31 March 2024 assuming the net proceeds are used to settle € and ZAR denominated short-term and long-term borrowings (the finance cost of the € denominated borrowings has been multiplied by the average exchange rate for the year ended 31 March 2024 of ZAR 22.50: €1).

	R in thousands
Interest saving on the profit participating loan held with PELM (i)	32 316
Total finance cost savings on borrowings (ii)	**198 799**
Interest savings on the long and short-term European debt at a weighted average interest rate of 5.81%	119 553
Settlement of a portion of the interest rate swaps	(48 299
Settlement of a portion of the cross-currency swaps	(108 479)
Interest savings on the long and short-term South African debt at a weighted average interest rate of 9.84%	236 024
Total finance cost savings (i) and (ii)	**231 115**

   d) The resultant finance income of R53,676 thousand on cash held in escrow of €28 million that earns interest at a weighted average rate of 8.52%, multiplied by the average exchange rate for the year ended 31 March 2024 of ZAR 22.50: €1.

4. Represents finance costs savings arising from the utilisation of the proceeds from the settlement of the capex loan in terms of the Proposed Transaction to settle interest-bearing loans at a weighted average rate of 5.91% and reversal of finance income recognised for the year ended 31 March 2024 on the capex loan.
5. Represents the fair value adjustment on Burstone's effective 20% interest in the PEL Portfolio following the Rollover based on the fair value of the PEL Portfolio as at 31 March 2024. The fair value is to be remeasured at each reporting date.
6. Represents the adjustment to the operational management fee based on the Management Agreement of R50 666 thousand. Further, as a consequence of this reduction in the operational management fee, Burstone will realise additional distribution income of R10 133 thousand.
7. The current management agreement over the PEL Portfolio will be replaced with the Management Agreement. This results in an initial impairment of the intangible asset relating to the current management agreement as a result of the shorter tenor and reduced management fee and is to be remeasured at each reporting period. The valuation of the intangible does not take into account any assumption of the potential future value of the Management Company post the exercise of the Manco Call Option.
8. Represents the one-off recognition of the call option in terms of the Manco Call Option Deed, which has been assessed at zero value.
9. Represents the once-off recognition of a derivative liability in terms of the First-loss Protection Agreement effected by way of an asset or share sale to a purchaser(s). This derivative liability is to be remeasured at each reporting period. Per the current market values received by CBRE's independent valuation the first loss will not be triggered using those values. However, IFRS requires outside market factors to be considered, including historical volatility, etc. in order to determine the market value of this option into the future. Management raised the derivative liability determined in terms of IFRS.
10. Once-off transaction costs of R189 803 thousand (including VAT) are expected to be incurred as a result of the Transaction. The transaction costs are paid from internal cash reserves.
11. All adjustments are expected to have a continuing effect except where otherwise stated.

Pro Forma Consolidated Statement of Financial Position

R'000	Before	Reduction in interest in the PEL Portfolio to 20%	Application of proceeds and unwinding of derivatives	Settlement of capex loan	Fair value adjustment	Adjustment to operational management fee	Impairment relating to change in management fee	Manco call option	First loss liability	Transaction costs	*Pro forma* after the Proposed Transaction
	1	2	3	4	5	6	7	8	9	10	
Assets											
Non-current assets											
Investment property	13 411 735	–	–	–	–	–	–	–	–	–	13 411 735
Straight-line rental revenue adjustment	326 742	–	–	–	–	–	–	–	–	–	326 742
Property, plant and equipment	11 754	–	–	–	–	–	–	–	–	–	11 754
Intangible assets	569 054	–	–	–	–	–	(371 918)	–	–	–	197 136
Goodwill	217 600	–	–	–	–	–	–	–	–	–	217 600
Derivative financial instruments	125 221	–	(16 679)	–	–	–	–	–	–	–	108 542
Other financial instruments	10 124 924	(7 397 608)	–	(289 093)	180 887	–	–	–	–	–	2 619 110
Total non-current assets	24 787 030	(7 397 608)	(16 679)	(289 093)	180 887	–	(371 918)	–	–	–	16 892 619
Current assets											
Derivative financial instruments	47 329	–	(30 896)	–	–	–	–	–	–	–	16 433
Trade and other receivables	312 965	–	–	–	–	–	–	–	–	–	312 965
Cash and cash equivalents	283 513		573 440	–	–	–	–	–	–	(189 803)	667 150
Total current assets	643 807	–	542 544	–	–	–	–	–	–	(189 803)	996 548
Non-current assets held for sale	417 247	–	–	–	–	–	–	–	–	–	417 247
Total assets	25 848 084	(7 397 608)	525 865	(289 093)	180 887	–	(371 918)	–	–	(189 803)	18 306 414
Equity and liabilities											
Stated capital	11 103 638	–	–	–	–	–	–	–	–	–	11 103 638
Foreign currency translation reserve	(660)	–	–	–	–	–	–	–	–	–	(660)
Retained income/(accumulated loss)	1 330 163	(7 397 608)	6 106 450	–	180 887	–	(371 918)	–	(154 497)	(189 803)	(496 326)
Share based payment reserve	6 090	–	–	–	–	–	–	–	–	–	6 090
Total equity	12 439 231	(7 397 608)	6 106 450	–	180 887	–	(371 918)	–	(154 497)	(189 803)	10 612 742

R'000	Before	Reduction in interest in the PEL Portfolio to 20%	Application of proceeds and unwinding of derivatives	Settlement of capex loan	Fair value adjustment	Adjustment to operational management fee	Impairment relating to change in management fee	Manco call option	First loss liability	Transaction costs	*Pro forma* after the Proposed Transaction
	1	2	3	4	5	6	7	8	9	10	
Liabilities											
Non-current liabilities											
Long-term borrowings	9 889 611	–	(4 321 678)	(289 093)	–	–	–	–	–	–	5 278 840
Deferred consideration	94 828	–	–	–	–	–	–	–	–	–	94 828
Derivative financial instruments	147 770	–	(43 424)	–	–	–	–	–	–	–	104 346
Total non-current liabilities	10 132 209	–	(4 365 102)	(289 093)	–	–	–	–	–	–	5 478 014
Current liabilities											
Current portion of long-term borrowings	2 364 377	–	(1 209 628)	–	–	–	–	–	–	–	1 154 749
Derivative financial instruments	222 907	–	(5 855)	–	–	–	–	–	154 497	–	371 549
Employee benefit liabilities	70 490	–	–	–	–	–	–	–	–	–	70 490
Intercompany payables	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	618 870	–	–	–	–	–	–	–	–	–	618 870
Total current liabilities	3 276 644	–	(1 215 483)	–	–	–	–	–	154 497	–	2 215 658
Total liabilities	13 408 853	–	(5 580 585)	(289 093)	–	–	–	–	154 497	–	7 693 672
Total equity and liabilities	25 848 084	(7 397 608)	525 865	(289 093)	180 887	–	(371 918)	–	–	(189 803)	18 306 414
Net asset value per share (Rands)	15.45										13.18
Net tangible asset value per share (Rands)	14.48										12.67
Shares in issue	804 918										804 918

Notes:

1. Extracted, without adjustment, from the audited consolidated financial results of Burstone as at and for the year ended 31 March 2024.
2. Represents the reduction in Burstone's interest in the PEL Portfolio to 20% through the derecognition of Burstone's 94% investment in the PEL Portfolio and reinvestment of the Rollover (refer to Note 3 below) as a consequence of the Proposed Transaction as follows:

	R in thousands
Derecognition of carrying value of 94% interest in the PEL Portfolio	**(9 029 923)**
Reinvestment of Rollover (refer Note 3 below)	**1,632,315**
	(7,397,608)

3. The net proceeds will be finalised based on Hexagon's actual financial position on the Closing Date of the Proposed Transaction. For the purposes of the *pro forma* consolidated financial statements, the estimated net asset value is based on the financial position of Hexagon as at the date of its latest audited balance sheet date, being 31 December 2023. The effect of a movement in the final net asset value on the Closing Date will result in a rand-for-rand adjustment to the net proceeds. The net proceeds to Burstone based on the estimated net asset value are assumed to be utilised as follows:

	€ in millions	**R in thousands**
Aggregate market value of the properties	1 022	20 930 560
Less: CGT at the agreed ratio of 50%	(56.4)	(1 155 585)
Less: Debt within Hexagon (base on Hexagon balance sheet at 31 December 2023) adjusted in terms of the Sale Agreement	(569.6)	(11 665 149)
Less: Capex loan (based on Burstone balance sheet at 31 March 2024)	(14.1)	(289 093)
Add: Other net assets in terms of the Sale Agreement (based on balance sheet at 31 December 2023)	16.6	340,841
Estimated net asset value (at 100%)	**398.5**	**8,161,574**
Burstone's 94% share of *pro forma* estimated net asset value	**374.6**	**7,671,880**
Reinvestment of Rollover	(79.7)	(1,632,315)
Settlement of PELM profit participating loan and other obligations	(48.0)	(983,225)
Carrying value of PELM profit participating loan (included in long-term borrowings)		(1,050,110)
Profit on settlement of PELM profit participating loan and settlement of other obligations		66,885
Net proceeds to Burstone	**246.9**	**5,056,340**
Net proceeds to Burstone utilised as follows:		
Cash held in escrow	(28.0)	(573 440)
Settlement of long-term borrowings		(3,271,568)
Settlement of short-term borrowings		(1,209,628)
Settlement of cross currency and interest rate swap derivatives related to the borrowings to be settled		(1 704)
Non-current derivative asset		16 679
Current derivative asset		30 896
Non-current derivative liability		(43 424)
Current derivative liability		(5 855)
Balance of proceeds placed on call		-
Summary of liabilities settled from proceeds		
Burstone debt settled (current and non-current borrowing)		4,481,196
PELM profit participating loan (included in long-term borrowings)		1,050,110
Reversal of cross currency and interest rate swap derivative liabilities[1]		49,279
Total liabilities assumed to be settled		5,580,585
Cash in escrow		573,440
Reversal of cross currency and interest rate swap derivative assets[1]		(47,575)
PELM profit participating loan (included in long-term borrowings)		(1,050,110)
Net proceeds to Burstone		5,056,340

1 Net impact of the derivative settlement is R1.7 million disclosed on the SOFP as required by IFRS.

4. Represents the settlement by Hexagon of the capex loan entered into between Burstone Lux 1 as lender and Hexagon Holdco and Hexagon Holdco 2 as agreed in the Sale Agreement, with the proceeds thereof being utilised to settle long-term borrowings.
5. Represents the fair value adjustment of Burstone's effective 20% interest in the PEL Portfolio following the Rollover based on the fair value of the PEL Portfolio as at 31 March 2024.
6. The adjustment to the operational management fee will not have an impact on the *Pro Forma* Consolidated Statement of Financial Position.
7. The current management agreement over the PEL Portfolio will be replaced with the Management Agreement. This results in an impairment of the intangible asset relating to the current management agreement as a result of the shorter tenor and reduced management fee and is to be re-measured at each reporting period. The valuation of the intangible does not take into account any assumption of the potential future value of the Management Company post the exercise of the Manco Call Option.

8. Represents the recognition of the call option in terms of the Manco Call Option Deed which has been assessed at zero value.
9. Represents the initial recognition of a derivative liability in terms of the First-loss Protection Agreement effected by way of an asset or share sale to a purchaser(s). This derivative liability is to be remeasured at each reporting period. Per the current market values received by CBRE's independent valuation the first loss will not be triggered using those values. However, IFRS requires outside market factors to be considered, including historical volatility, etc. in order to determine the market value of this option into the future. Management raised the derivative liability in terms of IFRS.
10. Once-off transaction costs of R189,803 thousand (including VAT) are expected to be incurred as a result of the Proposed Transaction. The transaction costs are paid from internal cash reserves.
11. Reconciliation of NAV per share:

	R in thousands	Rand per share	% movement
NAV at 31 March 2024	12 439 231	15.45	
Effect of the Proposed Transaction excluding first loss liability and impairment relating to change in management fee	(1 300 074)	(1.62)	
	11 139 157	13.83	(10.5%)
First loss liability	(154 497)	(0.19)	
Impairment relating to change in management fee	(371 918)	(0.46)	
***Pro forma* after the Proposed Transaction**	10 612 742	13.18	(14.7%)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in a Circular

"To the Directors of Burstone Group Limited

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Burstone Group Limited ("Burstone", the "Company", or "you") by the directors. The pro forma financial information, as set out on in paragraph 9 and Annexure 3 of the circular to Burstone shareholders (the "Circular"), consist of the *pro forma* consolidated statement of financial position as at 31 March 2024, the *pro forma* consolidated statement of comprehensive income for the year ended 31 March 2024, related notes and the *pro forma* financial effects. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Limited ("JSE") Listings Requirements and described in paragraph 9 and Annexure 3 of the Circular.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the proposed disposal of an effective 63.15% interest in the Pan-European Logistics Portfolio (the "PEL Portfolio"), resulting in Burstone retaining a 20% interest (the "Proposed Transaction").

As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 31 March 2024, on which an audit report has been published.

Directors' responsibility[1]

The directors of the Company are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the Listings Requirements and described in paragraph 9 and Annexure 3 of the Circular.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' ("IRBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the Listings Requirements and described in paragraph 9 and Annexure 3 of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the Listings Requirements.

1 The examination of controls over the maintenance and integrity of Burstone Group's website is beyond the scope of the review performed on the *pro forma* financial information. Accordingly, we accept no responsibility for any changes that may have occurred to the *pro forma* financial information since they were initially presented on the website.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the Listings Requirements and described in paragraph 9 and Annexure 3 of the Circular.

PricewaterhouseCoopers Inc.
Director: Costa Natsas
Registered Auditor
Johannesburg, South Africa
20 September 2024

HISTORICAL FINANCIAL INFORMATION OF HEXAGON FOR THE YEARS ENDED 31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023

Introduction to the Historical Financial Information of Hexagon

The definitions and interpretations commencing on page 4 of the Circular apply, *mutatis mutandis*, to this **Annexure 5**.

The Historical Financial Information of Hexagon consists of the statements of financial position and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years ended 31 December 2021, 31 December 2022, and 31 December 2023, and the notes to the Historical Financial Information including material accounting policy information of Hexagon.

The Historical Financial Information has been specifically prepared for the purposes of the Circular in order to comply with section 8.2 of the Listings Requirements.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, the interpretation adopted by the International Accounting Standards Board ("**IASB**"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

The Board of Managers of Hexagon are responsible for the preparation and fair presentation of the Historical Financial Information in accordance with IFRS Accounting Standards and for such internal controls as the directors of Hexagon determine are necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The Directors are responsible for the preparation, contents and presentation of the Historical Financial Information as included in this Circular and are responsible for ensuring that the Group complies with the Listings Requirements.

PricewaterhouseCoopers, Société coopérative, provided the Independent Auditor's report on the Historical Financial Information for the years ended 31 December 2021, 31 December 2022, and 31 December 2023, included in **Annexure 6** of this Circular.

Commentary on the Historical Financial Information of Hexagon Holdco S.à r.l.

The European logistics sector

The European logistics sector has been robust and over the past few years has experienced strong demand driven by a requirement within the logistics sector to support the higher demand from e-commerce. This resulted in low supply and low vacancy levels, which has driven rental growth.

Development in Europe has also been constrained due to banks taking a conservative view on financing developments as well as high development costs driven by constrained supply, inflation and energy costs across Europe. This further supported the demand for well located, functional logistics real estate.

The PEL Portfolio

Performance of the PEL Portfolio is underpinned by a strong, defensive portfolio that has capitalised on the sector dynamics consistently since acquisition in 2018. The portfolio is geographically diverse and concentrated in core Western European jurisdictions, with a strong tenant base and a varied lease expiry profile providing opportunities to drive rental income on a staggered basis, with the income derived from a wide spread of strong, household named companies.

The underlying portfolio has improved on key portfolio metrics. In 2022, the logistics portfolio delivered gross rental growth of 7.1% driven by positive rental reversion, good letting activity and captured c.6% indexation across the portfolio. The management team re-let or renewed 98% of space that expired in 2022 at a positive reversion of 8.6%. In 2023, the logistics portfolio delivered strong gross rental growth driven by positive rental reversion, good letting activity and captured c.7.8% indexation across the portfolio. The Group has re-let or renewed 96% of space that expired over the year at a positive reversion of 5.2%. As a result, base like-for-like net operating income for the year grew by 6.2% (in EUR). The above activity resulted in vacancies of below 1% for the last three years.

Since July 2022, overall performance was, however, dampened by the increase and volatility in global interest rates. PEL Portfolio income declined year-on-year from 2021 largely as a result of its weighted average funding costs increasing by 1.4% on c.€0.6bn of debt (in the last quarter of the financial year). The majority of the debt is hedged with a cap, but the increase in interest continued to impact the business in 2023 to the cap of 1.4% and resulted in a further 26.7% increase in finance costs for the year.

The PEL Portfolio balance sheet

The PEL Portfolio has delivered consistent income growth over the three years valuations were stable. In the last 12 months, there was significant yield expansion and although this was largely offset by income growth, the portfolio was revalued to €1 030m in December 2023 (from €1 082m in December 2022).

The PEL Portfolio has debt amounting to €563m at December 2023, which reflects an LTV of 55%. The debt is 93% hedged by way of a cap at weighted average interest rate of 1.4%.

Arrears as a percentage of collectibles remain well managed at 1.4% at December 2023 (Dec 2022: 1.0%).

The PEL Portfolio income statement

The PEL Portfolio was able to take advantage of market dynamics and rental income saw compound annual growth of 7.3% since 2021, driven by the management team that actively sought to capture ERV growth. Property expenses were well managed, only increasing by 3.3% in 2022 due to indexation, but mitigated by the increased occupancy which reduced non-recovery of service charges. As a result, the cost-to-income ratio reduced to 8.4% in December 2023 (from 8.7% in December 2022).

In addition, positive earnings growth was supported by cost savings initiatives. PEL extracted corporate cost savings of €2 million from the platform in 2023.

Consolidated statement of financial position

as at 31 December 2023, 31 December 2022 and 31 December 2021

	Notes	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Non-current assets				
Investment properties	6	1 073 668 452	1 147 685 691	1 190 567 063
Property, plant and equipment	7	16 531	109 262	225 122
Derivative financial instruments	10	16 947 438	27 969 278	3 239 389
Restricted cash	11	847 193	423 932	547 902
Deferred tax assets	8	18 717 495	17 253 992	5 375 271
		1 110 197 109	**1 193 442 155**	**1 199 954 747**
Current assets				
Trade receivables	9	5 079 233	5 929 809	4 913 106
Other receivables	9	8 135 481	8 173 226	9 836 923
Tax advances	9	1 134 020	1 413 142	1 018 598
Due from related parties	21	261 557	97 166	1 197 526
Due from investors	21	2 036 164	86 159	3 461 165
Cash and cash equivalents	11	18 787 240	15 247 852	15 428 655
		35 433 695	**30 947 354**	**35 855 973**
Total assets		**1 145 630 804**	**1 224 389 509**	**1 235 810 720**
Equity				
Share capital	12	120 000	120 000	120 000
Share premium	12	4 487 085	6 088 760	6 088 760
Foreign currency translation reserves		3 661 087	43 167	1 304 982
Retained earnings		272 708 876	311 278 206	335 927 834
		280 977 048	317 530 133	343 441 576
Non-controlling interest	13	10 407 563	11 773 549	13 926 408
Total equity		**291 384 611**	**329 303 682**	**357 367 984**
Non-current liabilities				
Loans and borrowings	15	503 701 831	517 480 189	457 657 022
Loans from investors	15	106 040 065	167 643 226	168 460 256
Lease liabilities	16	43 056 143	42 505 685	40 586 532
Other non-current liabilities		5 268 605	4 803 043	3 187 144
Deferred tax liabilities	8	110 415 156	126 750 248	122 576 868
		768 481 800	**859 182 391**	**792 467 822**
Current liabilities				
Loans and borrowings	15	59 036 769	3 695 658	57 847 911
Interest on loans from investors	15	800 070	2 591 114	2 239 423
Lease liabilities	16	1 149 884	1 093 222	1 005 399
Trade payables	14	2 093 788	4 266 582	4 072 925
Other payables	14	16 172 495	17 702 723	15 189 899
Deferred income	14	5 091 144	5 222 426	3 855 679
Current tax liabilities	14	1 420 242	1 331 711	1 763 678
		85 764 393	**35 903 436**	**85 974 914**
Total equity and liabilities		**1 145 630 804**	**1 224 389 509**	**1 235 810 720**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2023, 31 December 2022 and 31 December 2021

	Notes	For the year ended 31 December 2023 EUR	For the year ended 31 December 2022 EUR	For the year ended 31 December 2021 EUR
Rental income	17	56 827 300	53 662 817	49 403 232
Other Rental Income	17	1 202 905	2 105 640	2 178 136
Service charge income	17	15 145 714	12 981 062	9 625 739
Net changes in fair value of investment properties	6	(54 250 863)	(54 088 089)	129 441 283
Net changes in fair value of derivative financial instruments	10	(11 021 840)	24 473 390	2 564 504
Gain on sale of Subsidiary		9 898 911	–	–
Total operating income		**17 802 127**	**39 134 820**	**193 212 894**
Service charge expenses	19	(17 002 715)	(16 111 043)	(12 534 200)
Operating expenses	20	(6 722 631)	(11 309 506)	(7 066 803)
Asset management fees		(8 126 918)	(8 883 833)	(7 396 348)
Net impairment losses on financial and contract assets		(348 271)	(183 123)	(590 338)
Other expenses		(1 344 171)	(1 359 549)	(1 751 927)
Operating (loss)/profit		**(15 742 579)**	**1 287 766**	**163 873 278**
Finance costs	18	(35 851 234)	(26 493 232)	(14 913 561)
Finance income	18	9 747 365	451 321	-
(Loss) before tax		**(41 846 448)**	**(24 754 145)**	**148 959 717**
Current income tax (loss)	8	(1 237 715)	(2 475 347)	(1 333 541)
Deferred tax	8	12 597 006	7 475 529	(38 207 138)
(Loss) for the year		**(30 487 158)**	**(19 753 963)**	**109 419 038**
Attributable to:				
Equity holders of the parent		(29 121 171)	(17 601 104)	108 012 578
Non-controlling interests		(1 365 986)	(2 152 859)	1 406 460
		(30 487 157)	**(19 753 963)**	**109 419 038**
Other comprehensive income/(loss) – items that may be subsequently reclassified to income/(loss):				
Exchange differences on translation of foreign operations		3 617 920	(1 261 816)	3 206 204
Total other comprehensive income/(loss)		**3 617 920**	**(1 261 816)**	**3 206 204**
Total comprehensive (loss) for the year		**(26 869 237)**	**(21 015 779)**	**112 625 242**
Attributable to:				
Equity holders of the parent		(25 503 251)	(18 862 920)	111 218 782
Non-controlling interests		(1 365 986)	(2 152 859)	1 406 460
		(26 869 237)	**(21 015 779)**	**112 625 242**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

as at 31 December 2023, 31 December 2022 and 31 December 2021

	Share capital EUR	Share premium EUR	Retained earnings EUR	Foreign currency translation reserve EUR	Non-controlling interest EUR	Total equity EUR
As at 1 January 2021	120 000	6 296 697	229 953 435	(1 901 222)	12 519 948	246 988 858
Contributions	–	(207 937)	–	–	–	(207 937)
Translation reserve change for the year	–	–	–	3 206 204	–	3 206 204
Dividends paid during the year	–	–	(2 038 179)	–	–	(2 038 179)
Total comprehensive income for the year	–	–	108 012 578	–	1 406 460	109 419 038
As at 31 December 2021	**120 000**	**6 088 760**	**335 927 834**	**1 304 982**	**13 926 408**	**357 367 984**
As at 1 January 2022	120 000	6 088 760	335 927 834	1 304 982	13 926 408	357 367 984
Contributions	–	(0)	–	–	–	(0)
Translation reserve change for the year	–	–	–	(1 261 816)	–	(1 261 816)
Dividends paid during the year	–	–	(7 048 524)	–	–	(7 048 524)
Total comprehensive income for the year	–	–	(17 601 103)	–	(2 152 859)	(19 753 962)
As at 31 December 2022	**120 000**	**6 088 760**	**311 278 206**	**43 167**	**11 773 549**	**329 303 681**
As at 1 January 2023	120 000	6 088 760	311 278 206	43 167	11 773 549	329 303 681
Contributions	–	–	–	–	–	–
Translation reserve change for the year	–	–	–	3 617 920	–	3 617 920
Repayment of share premium	–	(1 601 675)	–	–	–	(1 601 675)
Disposal of shares in subsidiary*	–	–	(7 010 059)	–	–	(7 010 059)
Dividends paid during the year	–	–	(2 438 100)	–	–	(2 438 100)
Total comprehensive loss for the year	–	–	(29 121 171)	–	(1 365 986)	(30 487 156)
As at 31 December 2023	**120 000**	**4 487 085**	**272 708 876**	**3 661 087**	**10 407 563**	**291 384 611**

The accompanying notes form an integral part of these consolidated financial statements.

* Titan Schiphol Disposal 26 April 2023

Consolidated statement of cash flows

as at 31 December 2023, 31 December 2022 and 31 December 2021

	Notes	For the year ended 31 December 2023 EUR	For the year ended 31 December 2022 EUR	For the year ended 31 December 2021 EUR
Cash flows from operating activity				
Receipts from customers		72 141 113	67 113 988	56 699 293
Payments to suppliers and employees		(35 554 497)	(32 334 064)	(26 014 698)
Other income		1 202 905	2 105 640	2 178 136
Interest charges paid		(30 862 325)	(15 008 048)	(23 095 160)
Other financial charges paid		(679 626)	(695 361)	(1 549 139)
Income taxes paid		(2 080 421)	(2 098 106)	(2 191 350)
Net cash inflow from operating activities		**4 167 149**	19 084 049	**6 027 082**
Cash flows from investing activities				
Payments for investment property	6	(3 900 157)	(12 197 432)	(12 499 795)
Proceeds from sale of investment properties	6	33 000 000	-	-
Net cash inflow/(outflow) from investing activities		**29 099 843**	(12 197 432)	**(12 499 795)**
Cash flows from financing activities				
Distributions to shareholders		(2 438 100)	(4 560 833)	(46 191)
Repayments of loans from investors net of proceeds		(4 713 739)	(1 439 167)	(4 101 053)
Repayment of share premium	12	(1 601 674)	-	-
Repayments of borrowings	15	(19 898 280)	-	-
Payment of lease liabilities	16	(1 083 728)	(1 039 351)	(599 967)
Net cash (outflow) from financing activities		**(29 735 521)**	(7 039 351)	**(4 747 211)**
Net decrease in cash and cash equivalents		3 531 471	(152 734)	(11 219 924)
Cash and cash equivalents at the beginning of the year	11	15 247 852	15 428 655	26 665 120
Effects of exchange rate changes on cash and cash equivalents		7 917	(28 069)	(16 541)
Cash and cash equivalents at end of year		**18 787 240**	**15 247 852**	**15 428 655**

The accompanying notes form an integral part of these consolidated financial statements.

1. **GENERAL INFORMATION**

Hexagon Holdco S.à r.l. is a private limited liability company ("société à responsabilité limitée", hereafter the "Company"), having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg, and registered with the Trade Register and Companies of Luxembourg (**"RCS"**) under the number B 218.100.

The Company was incorporated on 15 September 2017 for an unlimited duration.

The financial year of the Company and the Group begins on 1 January and ends on 31 December of each year.

The consolidated financial statements include the Company and its directly and indirectly owned subsidiaries (together referred to as the "**Group**").

The objective of the Group is to invest in real estate or projects related to real estate, and to engage in any related activity ancillary to the objective as provided for in the plan of activity updated from time to time.

These consolidated financial statements have been authorised for issue by the Board of Managers on 18 September 2024 and cannot be modified thereafter.

Impact of certain matters

The rapid increase in interest rates across Europe has significantly influenced borrowing costs, which in turn has affected the valuation of our property portfolio, through widening of cap rates. Despite this, and as an offset, through asset management initiatives, we have managed to unlock ERV growth and reduce vacancy which has grown the rental revenue line offsetting some of the impairment on the valuation of the portfolio. The Company was also well hedged, with a five-year interest rate hedge via a cap, which has assisted in managing the impact of interest rate risks and has been proactive in refinancing initiatives where possible.

The persistent inflationary environment has also resulted in higher operating expenses, particularly in energy costs, however, these are largely recoverable from tenants. Although the overall burden of increased cost of occupation is continually monitored, the Company has not seen a spike or delay in payment timing to cause concern as at present date and continues to work closely with tenants as they navigate the higher cost environment. Additionally, the Company is committed to sustainability and recognises the financial risks posed by climate change. We have begun incorporating energy efficiency improvements across our properties and continue to assess the long-term implications of climate-related risks on our business model, in addition to supporting our tenants to reduce their cost of occupation.

Description of segments and principal activities:

The Group is engaged in the business of real estate and more specifically in logistics (one operating segment). The Group earns rental income from various tenants across Europe (seven jurisdictions) where the portfolio is split. The Group's strategic steering committee, consisting of the chief executive officer, the chief financial officer, the asset management team and the property managers, receives separate reports for each tenant and each investment property held by the Group. The Group generates one type of revenue which is rental income (refer also to Note 17).

2. **SUMMARY OF MATERIAL ACCOUNTING POLICIES**

2.1 Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by IASB.

Statement of profit or loss and other comprehensive income

The Group has elected to present a single statement of comprehensive income and presents its expenses by nature.

Statement of cash flows

The Group reports cash flows from operating activities using the direct method. Interest received is presented within operating cash flows; interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

Preparation of the consolidated financial statements

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment properties at fair value, financial assets and financial liabilities classified as fair value through profit or loss ("**FVPL**").

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below.

New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2023:

- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12
- Definition of Accounting Estimates– Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards and interpretations issued by the IASB and endorsed by the EU, but not yet adopted by the Group

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group.

These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In July 2020, the narrow-scope amendments to IAS 1: Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the "settlement" of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. Since approving these amendments, the IASB has issued an exposure draft proposing further changes and the deferral of the amendments until at least 1 January 2024. The amendment is not expected to have any significant impact on the Group.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16: Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains.

A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. The amendment is intended to improve the requirements for sale and leaseback transactions in IFRS 16. It does not change the accounting for leases unrelated to sale and leaseback transactions.

The amendment applies retrospectively to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. The amendment is not expected to have any significant impact on the Group.

Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

In August 2023, the IASB issued Lack of Exchangeability (Amendments to IAS 21). IAS 21 sets out the requirements for determining the exchange rate to be used for recording a foreign currency transaction into the functional currency and translating a foreign operation into a different currency.

If a currency lacks exchangeability, it can be difficult to determine an appropriate exchange rate to use. While relatively uncommon, a lack of exchangeability might arise when a government imposes foreign exchange controls that prohibit the exchange of a currency or that limit the volume of foreign currency transactions.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted, in which case, an entity is required to disclose that fact. The date of initial application is the beginning of the annual reporting period in which an entity first applies the amendments. When applying the amendments, an entity cannot restate comparative information, instead:

- When the entity reports foreign currency transactions in its functional currency, and, at the date of initial application, concludes that its functional currency is not exchangeable into the foreign currency or, if applicable, concludes that the foreign currency is not exchangeable into its functional currency, the entity is required at the date to:
  - translate affected foreign currency monetary items, and non-monetary items measured at fair value in a foreign currency, using the estimated spot exchange rate at that date; and
  - recognise any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings.
- When the entity uses a presentation currency other than its functional currency, or translates the results and financial position of a foreign operation, and, at the date of initial application, concludes that its functional currency (or the foreign operation's functional currency) is not exchangeable into its presentation currency or, if applicable, concludes that its presentation currency is not exchangeable into its functional currency (or the foreign operation's functional currency), the entity is required at the date of initial application to:
  - translate affected assets and liabilities using the estimated spot exchange rate at that date;
  - translate affected equity items using the estimated spot exchange rate at that date if the entity's functional currency is hyperinflationary; and
  - recognise any effect of initially applying the amendments as an adjustment to the cumulative amount of translation differences – accumulated in a separate component of equity.

The amendment is not expected to have any significant impact on the Group.

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

In May 2024 amendments were made to the classification and measurement of financial instruments which resulted in the following:

- Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("**SPPI**") criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environmental, social and governance ("**ESG**") targets); and
- Make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income ("**FVOCI**").

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted, in which case, an entity is required to disclose that fact.

Amendments to IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024 a new standard was created on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The amendments apply for annual reporting periods beginning on or after 1 January 2027.

2.2 Basis of consolidation

2.2.1 **Subsidiaries**

The consolidated financial statements comprise the financial statements of Hexagon Holdco S.à r.l. and its direct and indirect subsidiaries as at 31 December 2023, 31 December 2022 and 31 December 2021.

Control

Subsidiaries are all companies (including structured companies) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group's subsidiaries have 31 December as their year-end.

Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains or losses on transactions between the consolidated entities are eliminated, except where there are indications for impairment. A list of consolidated entities is disclosed in Note 5.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interest as transactions with owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in liabilities. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in equity.

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

Property acquisitions and business combinations

Where property is acquired, via corporate acquisitions or otherwise, Management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill arises. Otherwise, acquisitions are accounted for as business combinations.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

The consolidated financial statements are presented in euros ("**EUR**"), which is the Group's presentation currency as well as the functional currency of the Company.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and recycles the gain or loss that arises from using this method.

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates.

2.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the statement of profit or loss and other comprehensive income within finance costs and finance income respectively, unless they are capitalised. All other foreign exchange gains and losses are presented net in the statement of profit or loss and other comprehensive income under "Exchange differences on translation of foreign operations".

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item.

For the purpose of consolidation, items of the statement of financial position were converted using the closing exchange rate as at 31 December 2023: EUR/PLN 0.2300 (as at 31 December 2022: EUR/PLN 0.2132, as at 31 December 2021: EUR/PLN 0.2174). Items of the statement of profit or loss and other comprehensive income were translated using the average exchange rate for 2023: EUR/PLN 0.2201 (for 2022: EUR/PLN 0.2134, for 2021: EUR/PLN 0.2189).

2.3.3 Group companies

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates that approximate the rates prevailing at the dates of the transactions. These rates are based on the average monthly rates during which the transactions occur, unless where there is significant volatility of exchange rates. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.4 Investment properties

Investment properties comprise completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both. Properties held under a lease is classified as investment properties when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at its cost, including related transaction costs. Transaction costs include only direct acquisition costs linked to due diligence costs such as legal costs, external valuer fees and tax structuring fees.

After initial recognition, investment property is carried at fair value. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier.

The fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the year end date by professional valuers who hold recognised and relevant professional qualifications like the Royal Institute of Chartered Surveyors ("**RICS**") and have experience in the location and category of the investment property being valued.

These valuations form the basis for the carrying amounts in the consolidated financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are derecognised when they have been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment properties, recognised in profit or loss in the year of retirement or disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity.

Any resulting decrease in the carrying amount of the investment property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

2.5 Leasehold interest

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate. The Group did not make any such adjustments during the years presented.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. Right-of-use assets, which meet the conditions of being investment property, are subsequently measured at fair value.

2.6 Property, plant and equipment

All property, plant and equipment ("**PPE**") are stated at historical cost less depreciation.

Cost of an item of PPE includes its purchase price and any directly attributable costs. Cost includes the cost of replacing part of an existing PPE at the time that cost is incurred if the recognition criterion is met and excludes the costs of day-to-day servicing of an item of PPE and where applicable, borrowing costs.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

- Solar panels: 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in profit or loss.

2.7 Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("**FVOCI**").

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its financial assets:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the consolidated statement of comprehensive income.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a financial asset that is subsequently measured at FVTPL is recognised in profit or loss and is presented net within other gains/(losses) in the period in which it arises.

The Group subsequently measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised in net change in fair value of financial instruments at fair value through profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derivatives financial instruments

Derivative financial assets are classified as financial assets at fair value through profit or loss. Derivative financial assets comprise mainly interest rate swaps and interest rate caps. The Group does not apply hedge accounting in accordance with IFRS 9.

Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Gains or losses on derivatives are recognised in profit or loss in net changes in fair value of derivative financial instruments.

Prepayments and other assets

Prepayments and other assets are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method, less impairment provision. The Group holds other assets, including receivables with the objective to collect the contractual cash flows.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Financial risk management

The Group recognises an allowance for expected credit losses ("**ECLs**") for rent and other trade receivables applying a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The provision matrix is based on payment profiles of sales since the incorporation of the Group, on 15 September 2017, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable. Such forward-looking information would include:

- changes in economic, regulatory, technological and environmental factors, (such as industry outlook, GDP, employment and politics);
- external market indicators; and
- tenant base.

2.8 Fair value measurement

The Group measures certain financial instruments such as derivatives, and non-financial assets such as investment property, at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

Restricted cash is disclosed separately in the consolidated financial statements (Note 11).

2.9 Share capital

Ordinary shares are classified as equity and are stated at nominal value of cash received, or in the case of shares issued by way of contributions in kind at the agreed value for the assets received as part of the contribution.

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.10 Financial liabilities

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Group opted to measure a liability at FVTPL.

All loans and borrowings, including loans and borrowings from investors are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

2.11 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity – in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in the countries where the Group operates.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, 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; or
- in respect of taxable temporary differences associated with investments in subsidiaries, and joint ventures where the timing of the reversal of the temporary differences can be controlled by the parent, venture or investor, respectively, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. The carrying value of the Group's investment property is assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the consolidated statement of financial position regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable company or different taxable companies where there is an intention to settle the balances on a net basis.

2.12 Provisions

Provisions for legal claims are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

Where the Group, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

Contingencies are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements, but disclosed when an inflow of economic benefit is possible.

2.13 Revenue recognition

Revenue includes rental income, other service charges and direct recoveries, and sale of redeveloped units. Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Revenue on sale of redeveloped units is recognised when control over the unit has been transferred to the customer, which is considered to be at a point in time when the customer has taken possession of the unit.

Revenue from service charges is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue from service and property management charges is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Some property management contracts may include multiple elements of service, which are provided to tenants. The Group assesses whether individual elements of service in the contract are separate performance obligations. Where the contracts include multiple performance obligations, and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services. This consideration may include discounts, trade allowances, rebates and amounts collected on behalf of third parties. For arrangements that include deferred payment terms that exceed 12 months, the Group adjusts the transaction price for the financing component, with the impact recognised as interest income using the effective interest rate method over the period of the financing. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

A receivable is recognised when services are provided as and when required and the consideration is unconditional as only the passage of time is required before the payment is due. When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

2.14 Interest income and expense

Interest income and expense are recognised within "finance income" and "finance costs" in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalised as part of the cost of that asset. The Group has chosen to capitalise borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

Any borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss 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. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options), but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.15 Other expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

2.16 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily take a substantial period of time to get ready for intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised as from the date of commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed.

The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group manages financial risks through its risk management function. Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Key financial risk management reports are produced monthly on a Group level and are provided to the key management personnel of the Group.

3.1.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in (a) interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to interest rate risk that may be accepted, which are monitored on a monthly basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated – for example, changes in interest rate and changes in foreign currency rates.

Foreign exchange risk

The Group operates in Luxembourg, Spain, France, Belgium, Germany, Italy, the Netherlands and Poland; as a result, the Group is exposed to foreign exchange risk on the Polish Zloty ("**PLN**"). Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective Group entity.

The Group has various financial assets such as derivative financial assets and liabilities, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Group's principal financial liabilities, besides derivative financial liabilities, comprise bank loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The derivative transactions that the Group enters into are primarily interest rate swaps and caps. The purpose is to manage the interest rate risk arising from the Group's operations and its sources of finance (economic hedges).

The tables below summarise the reports provided to key management personnel and are used to monitor the Group's exposure to foreign currency risk arising from financial instruments as at 31 December. The Group's assets and liabilities which are not in the functional currency of the Group are included in the table categorised by currency at their carrying amount, and the figures displayed correspond to the value of such assets and liabilities in EUROS.

	As at 31 December 2023 EUR	**As at 31 December 2022 EUR**	**As at 31 December 2021 EUR**
Current assets			
Trade receivables	1 458 865	1 157 415	924 441
Other receivables	673 984	979 475	495 572
Cash and cash equivalents	2 261 854	1 036 738	2 139 131
Current liabilities			
Trade payables	(482 231)	(359 358)	(144 148)
Other payables	(1 524 708)	(1 203 193)	(888 231)
Current tax liabilities	–	–	–

The Group manages the foreign exchange risk by matching together assets and liabilities denominated in PLN.

The functional currency of the Group is the euro. The following paragraph presents sensitivities of profit or loss to reasonably possible changes in exchange rates applied at the financial position date relative to the functional currency of the respective Group entities, with all other variables held constant.

A 1% appreciation/depreciation in Polish Zloty against the euro would result in an unrealised gain/loss of EUR 29 092 (2022: EUR 16 111; 2021: EUR 25 267). A 1% variability is industry standard.

Price risk

The Group has no significant exposure to price risk as it does not hold any equity securities or commodities.

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property rentals risk.

Interest rate risk

As the Group's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Group's income. Trade and other receivables and trade and other payables are interest free and with a term of less than one year, which is assumed that there is no interest rate risk associated with those financial assets and liabilities.

The Group's interest rate risk arises from long-term borrowings with Aareal Bank AG and Citigroup Global Markets Limited, Deutsche Pfandbriefbank AG (**"PBB**") and RMB International (Mauritius) Limited at variable interest rate. As at 31 December 2023, the Group has no borrowings with fixed rates of interest.

Group policy is to manage interest rate risk exposure by hedging through the use of financial derivatives (interest rate caps and swaps). The Group's borrowings at variable rates are denominated in Euro.

Throughout the year ending 31 December 2023, the EURIBOR 3M rate ranged from 2.18% to 3.90%. As part of the Group's Loan Agreement, a EURIBOR 3M rate is prescribed through the Interest Payment Date ("**IPD**") notices that the Group receives.

For the purposes of the sensitivity below, prescribed interest rates have been used across the years ended 31 December 2023, 31 December 2022 and 31 December 2021 to calculate the sensitivity impact of the points basis movements.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

				31 December 2023	
Portfolio	**Bank**	**Principal**	**Interest rate**	**Impact on interest expense if the interest rate changes by**	
		EUR		**1% EUR**	**(1%) EUR**
Group (except Novem)	Aareal Bank AG and Citigroup Global Markets Limited	453 501 720	EURIBOR 3M + 2.35%	–	(1 448 545)
	RMB International (Mauritius) Limited	57 641 804	EURIBOR 3M + 2.1%	576 418	(576 418)
Novem	Deutsche Pfandbriefbank AG	55 742 406	EURIBOR 3M + 1.7%	224 124	(558 951)
Total		**566 885 930**		**800 542**	**(2 583 914)**

				31 December 2022	
Portfolio	**Bank**	**Principal**	**Interest rate**	**Impact on interest expense if the interest rate changes by**	
		EUR		**1% EUR**	**(1%) EUR**
Group (except Novem)	Aareal Bank AG and Citigroup Global Markets Limited	473 400 000	EURIBOR 3M + 2.35%	3 945 000	(803 465)
Novem	Deutsche Pfandbriefbank AG	55 742 406	EURIBOR 3M + 1.7%	557 424	(557 424)
Total		**529 142 406**		**4 502 424**	**(1 360 889)**

Portfolio	Bank	Principal	Interest rate	31 December 2021 Impact on interest expense if the interest rate changes by	
		EUR		1% EUR	(1%) EUR
Group (except Novem)	Aareal Bank AG and Citigroup Global Markets Limited	473 400 000	EURIBOR 3M + 2.35%	4 734 000	(4 734 000)
Novem	Deutsche Pfandbriefbank AG	55 742 406	EURIBOR 3M + 1.7%	557 424	(557 424)
Total		**529 142 406**		**5 291 424**	**(5 291 424)**

As at 31 December 2023, if interest rates had been 100 basis points higher (2022: 100 basis points higher; 2021 100 basis points higher) with all other variables held constant, pre-tax profit for the year would have been EUR 0.8M lower (2022: EUR 4.5M lower; 2021: EUR 1.2M lower) and post-tax profit would have been EUR 0.6M lower (2022: EUR 3.4M lower; 2021: EUR 4.0). If interest rates had been 100 basis points lower (2022: 100 basis points lower; 2021: 100 basis points lower) with all other variables held constant, pre-tax profit for the year would have been EUR 2.6M higher (2022: EUR 1.4M higher; 2021: EUR 1.2M higher).

3.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks, trade receivables, including rental receivables from lessees and derivatives.

Credit risk is managed on a Group basis. The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or group of counterparties, and to geographical and industry segments. Such risks are subject to a regular review. The utilisation of credit limits is regularly monitored.

The Group's maximum exposure to credit risk by class of financial asset other than derivatives is as follows:

	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Trade and other receivables, net of provision for impairment:	**14 348 735**	15 516 178	**15 768 627**
– Trade receivables	5 079 233	5 929 809	4 913 106
– Other receivables	9 269 501	9 586 368	10 855 521
Cash and cash equivalents	**19 634 432**	15 671 784	**15 976 557**
– Cash at bank and on hand	18 787 240	15 247 852	15 428 655
– Restricted cash	847 193	423 932	547 902

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. The following credit risk table provides information regarding the credit risk exposure of the Group as at 31 December 2023, 31 December 2022 and 31 December 2021 by classifying cash and cash equivalents according to the credit ratings of the counterparties under Moody's.

	Aa3 EUR	A1 EUR	A2 EUR	A3 EUR	Not rated EUR	Total EUR
As at 31 December 2023						
Société Générale	–	9 120 382	–	–	–	9 120 382
ING Bank N.V.	–	2 261 854	–	–	–	2 261 854
Deutsche Bank	–	809 437	–	–	–	809 437
Commerzbank	–	4 477 817	–	–	–	4 477 817
Banco Santander	–	–	542 116	–	–	542 116
ABN AMRO Bank N.V.	154 034	–	–	–	–	154 034
BNP Paribas Fortis SA/NV	–	–	933 388	–	–	933 388
Others	–	–	–	–	1 335 404	1 335 404
	154 034	**16 669 490**	**1 475 504**	**–**	**1 335 404**	**19 634 432**

	Aa3 EUR	A1 EUR	A2 EUR	A3 EUR	Not rated EUR	Total EUR
As at 31 December 2022						
Société Générale	–	7 103 768	–	–	–	7 103 768
ING Bank N.V.	–	1 036 326	–	–	–	1 036 326
Deutsche Bank	–	346 583	–	–	–	346 583
Commerzbank	–	4 500 075	–	–	–	4 500 075
Banco Santander	–	–	332 981	–	–	332 981
ABN AMRO Bank N.V.	–	495 332	–	–	–	495 332
BNP Paribas Fortis SA/NV	–	–	564 588	–	–	564 588
Others	–	–	–	–	1 292 131	1 292 131
	–	**13 482 084**	**897 569**	**–**	**1 292 131**	**15 671 784**

	Aa3 EUR	A1 EUR	A2 EUR	A3 EUR	Not rated EUR	Total EUR
As at 31 December 2021						
Société Générale	–	7 821 356	–	–	–	7 821 356
ING Bank N.V.	3 287 004	–	–	–	–	3 287 004
Deutsche Bank	–	–	–	272 105	–	272 105
Commerzbank	–	2 812 285	–	–	–	2 812 285
Banco Santander	–	–	602 136	–	–	602 136
ABN AMRO Bank N.V.	–	281 538	–	–	–	281 538
BNP Paribas Fortis SA/NV	–	–	797 067	–	–	797 067
Others	–	–	–	–	103 067	103 067
	3 287 004	**10 915 179**	**1 399 203**	**272 105**	**103 067**	**15 976 557**

Aa Obligations rated Aa by Moody's are judged to be of high quality and are subject to very low risk.

A Obligations rated A by Moody's are considered upper-medium-grade and are subject to low credit risk.

The fair values of cash and cash equivalents approximates their carrying values. While cash and cash equivalents are also subject to the requirements of IFRS 9, the identified impairment loss is immaterial.

	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Rent and service charge receivables	5 802 781	6 480 936	6 106 979
Less: provision for impairment of trade receivables	(723 548)	(551 127)	(1 193 873)
Trade receivables net of provision for impairment	**5 079 233**	**5 929 809**	**4 913 106**

The expected loss rates are based on the payment profile of sales since the incorporation of the Group as at 15 September 2017, and the corresponding historical credit losses experienced within this period. On that basis, the impairment provision was determined as follows:

	Current	30 to 60 days past due	60 to 120 days past due	More than 120 days past due	Total
As at 31 December 2023					
Expected loss rate	0%	15%	30%	70%	
Gross carrying amount – trade receivables (EUR)	4 290 679	135 335	651 223	725 544	5 802 781
Loss allowance (EUR)	**–**	**20 300**	**195 367**	**507 881**	**723 548**
Additional provision raised					–
Total provision for impairment					**723 548**
As at 31 December 2022					
Expected loss rate	0%	15%	30%	70%	
Gross carrying amount – trade receivables (EUR)	5 132 050	95 760	878 038	375 088	6 480 936
Loss allowance (EUR)	**–**	**14 364**	**263 411**	**262 561**	**540 337**
Additional provision raised					10 790
Total provision for impairment					**551 127**
As at 31 December 2021					
Expected loss rate	0%	15%	30%	70%	
Gross carrying amount – trade receivables (EUR)	3 546 204	633 217	688 136	1 239 422	6 106 979
Loss allowance (EUR)	**–**	**94 983**	**206 441**	**867 595**	**1 169 019**
Additional provision raised					24 854
Total provision for impairment					**1 193 873**

The additional provision raised reflects Management's review of trade receivables and known doubtful debts relating to companies where there are indications that debtors may not be fully recoverable. In prior year this balance was higher due to two tenants falling into administration during the year.

The following table explains the changes in the credit loss allowance for trade and other receivables under the simplified ECL model. Impairment provision for trade receivables reconciles to the opening impairment provisions as follows:

	2023 EUR	2022 EUR	2021 EUR
Opening impairment provision as at 1 January	551 127	1 193 873	1 077 363
Impairment charges recognised in profit or loss during the year	348 271	183 123	668 639
Write-offs	(175 850)	(825 869)	(552 129)
Foreign exchange impact	–	–	–
Closing impairment provision as at 31 December	**723 548**	551 127	**1 193 873**

All other receivables are neither impaired nor past due. In all portfolios, tenant receivables are reported quarterly by the property managers and discussed with the asset management team, along with recommendations by the property manager concerning potential write-offs. Write-offs are raised on specific tenant receivables when the asset management team are confident that the money cannot be recovered.

The Group has proven to be resilient throughout 2023 and Management consider the Company and the underlying Group entities have experienced minimal overall impact from the war in Ukraine. Rent collections across the portfolio have remained strong.

All tenants demonstrating an inability to pay have been sufficiently provided for. The ECL rates have been assessed and are considered to remain appropriate with no changes from the previous year. The overall allowance is considered to be sufficient to cover both tenants in administration as well as the aged items.

The Group has two types of trade receivables: (a) rent receivables; and (b) service charge receivables. The loss rates identified above have been consistently applied to both types of receivables except for the service charge receivables that are more than 120 days past due, to which the Group has not applied a loss rate on the basis that long-outstanding service charge receivables do not imply decrease in credit quality. Service charge reconciliations take time to prepare. Although tenants may contest the invoices where they are required to contribute more, these are generally agreed as the obligation to settle arises from the lease. There is no significant concentration of credit risk with respect to cash and cash equivalents, as the Group holds cash accounts in a large number of financial institutions, intentionally dispersed.

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Group's liquidity position is monitored on an ongoing basis by the Management and is reviewed quarterly by the Board of Managers. A summary table with maturity of financial liabilities presented below is used by key management personnel to manage liquidity risks and is derived from managerial reports at Group level. The amounts disclosed in the tables below are the contractual undiscounted cash flows and the total cash outflow for leases. Undiscounted cash flows in respect of balances due within 12 months generally equal to their carrying amounts in the statement of financial position, as the impact of discounting them is not significant.

The maturity analysis of derivative and non-derivative financial liabilities are as follows:

	Less than 1 year EUR	1 to 5 years EUR	More than 5 years EUR	Total non-derivative financial liabilities EUR
As at 31 December 2023				
Non-derivatives	102 070 193	558 364 299	169 070 149	829 504 641
Loans and borrowings: bank loans	76 885 793	525 100 309	–	601 986 102
Loans and borrowings: related party loans	5 305 182	21 220 729	123 710 124	150 236 035
Lease liabilities	1 612 930	6 774 656	45 360 025	53 747 611
Other non-current liabilities	–	5 268 605	–	5 268 605
Trade and other payables**	18 266 288	–	–	18 266 288
Derivatives	(11 374)	(16 936 064)	–	(16 947 438)
Derivatives	(11 374)	(16 936 064)	–	(16 947 438)
Total	**102 058 819**	**541 428 235**	**169 070 149**	**812 557 203**
As at 31 December 2022				
Non-derivatives	51 275 881	656 884 245	165 478 784	873 638 910
Loans and borrowings: bank loans	18 992 033	560 486 363	–	579 478 396
Loans and borrowings: related party loans	8 687 439	85 086 426	120 603 112	214 376 977
Lease liabilities	1 627 103	6 508 413	44 875 672	53 011 188
Other non-current liabilities	–	4 803 043	–	4 803 043
Trade and other payables**	21 969 306	–	–	21 969 306
Derivatives	–	(27 969 278)	–	(27 969 278)
Derivatives	–	(27 969 278)	–	(27 969 278)
Total	**51 275 881**	**628 914 967**	**165 478 784**	**845 669 632**
As at 31 December 2021				
Non-derivatives	99 818 575	619 285 313	171 189 151	890 293 039
Loans and borrowings: bank loans	71 882 398	521 630 485	–	593 512 883
Loans and borrowings: related party loans	7 157 877	88 405 781	127 896 039	223 459 697
Lease liabilities	1 515 476	6 061 903	43 293 112	50 870 491
Other non-current liabilities	–	3 187 144	–	3 187 144
Trade and other payables**	19 262 824	–	–	19 262 824
Derivatives	–	(3 239 389)	–	(3 239 389)
Derivatives	–	(3 239 389)	–	(3 239 389)
Total	**99 818 575**	**616 045 924**	**171 189 151**	**887 053 650**

*** Excluding deferred income amounting to EUR 5 061 144 (2022: EUR 5 222 426; 2021: EUR 3 855 679).*

3.2 **Financial risk factors**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by the Group as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

The gearing ratio are as follows:

	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Total borrowings	669 578 735	691 410 189	686 204 612
Less: Cash and cash equivalents	(18 787 240)	(15 247 852)	(15 428 655)
Net debt	**650 791 496**	**676 162 336**	**670 775 957**
Total equity	291 384 611	329 303 682	357 367 984
Total capital	942 176 107	1 005 466 018	1 028 143 941
Gearing ratio	**69.07%**	**67.25%**	**65.24%**
Loans and borrowings:			
bank loans	562 738 600	521 175 848	515 504 933
Investment property	1 073 668 452	1 147 685 691	1 190 567 063
Loan to value ratio	**52.41%**	**45.41%**	**43.30%**

3.3 **Financial assets and liabilities carried at fair value**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Valuation processes:

The Group engages external, independent and qualified valuers to advise on the fair value of the Group's derivative financial instruments during the year. As at 31 December 2023, 2022 and 2021 the fair values of the derivatives have been determined by Chatham using methods including option pricing models (e.g. Black-Scholes model). The main level 2 inputs used by the Group are the underlying swap rates as shown in the tables below which are estimated by Chatham and Management based on comparable transactions and industry data. Changes in level 2 fair values, if any, are analysed at each reporting date during the yearly valuation discussion between the Management and the independent valuer. There were no transfers between level 1, 2 and 3 fair values during the year.

Valuation techniques used to determine level 2 fair values:

The Group obtains independent valuations for its derivative financial instruments quarterly. Management updates their assessment of the fair value of each derivative with the most recent independent valuations. Specific valuation techniques used to value financial instruments include:

- for interest rate swaps – the present value of the estimated future cash flows based on observable yield curves; and
- for foreign currency options – option pricing models (e.g. Black-Scholes model).

There are no transfers between different levels of fair value hierarchy during the year. All derivative financial instruments were measured at level 2 for the periods presented in this report.

The Group's policy is to recognise transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The following table present the sensitivity analysis of the derivatives valuations as at 31 December 2023:

	Valuation technique	**Significant observable inputs**	**Sensitivity of the input to fair value**
Interest rate caps	Modified Black-Scholes formula	Underlying Swap Rate	0.5% increase/(decrease) to all the rates on the forward curve would result in an increase/(decrease) in fair value by pre-tax EUR 20 527 225 (EUR 13 623 423) and post-tax EUR 15 407 735 (EUR 10 225 741)

The following table present the sensitivity analysis of the derivatives valuations as at 31 December 2022:

	Valuation technique	**Significant observable inputs**	**Sensitivity of the input to fair value**
Interest rate caps	Modified Black-Scholes formula	Underlying Swap Rate	0.5% increase/(decrease) to all the rates on the forward curve would result in an increase/(decrease) in fair value by pre-tax EUR 33 580 486 (EUR 22 388 216) and post-tax EUR 25 205 513 (EUR 16 804 595)

The following table present the sensitivity analysis of the derivatives valuations as at 31 December 2021:

	Valuation technique	**Significant observable inputs**	**Sensitivity of the input to fair value**
Interest rate caps	Modified Black-Scholes formula	Underlying Swap Rate	0.5% increase/(decrease) to all the rates on the forward curve would result in an increase/(decrease) in fair value by pre-tax EUR 5 982 587 (EUR 1 481 591) and post-tax EUR 4 490 530 (EUR 1 112 082)

3.4 Assets and liabilities not carried at fair value, but for which fair value is disclosed

The fair value of the Group's all other assets and liabilities not measured at fair value is considered to approximate their carrying values disclosed in the statement of financial position.

These assets and liabilities are carried at amortised cost.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT

The preparation of the Group's consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

4.1 Judgments other than estimates

In the process of applying the Group's accounting policies, Management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1.1 Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group.

4.1.2 Valuation of investment properties

The fair value of investment properties are determined by real estate valuation experts using recognised valuation techniques in accordance with IFRS 13.

The estimates and associated assumptions are based on Management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Management adjusts such estimates when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from those estimates. The estimates and underlying 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 significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in Note 6.

4.1.3 Discount rate

The discount rate used to calculate the present value of the future lease payments for the ground lease is based on 30-year Germany and Dutch Bond Yields, the longest bond rate available on the German and Dutch bond markets and which approximates the interest rate implicit in the lease. The Group will regularly update the discount rate, following changes in the German and Dutch bond markets.

5. **CONSOLIDATED ENTITIES**

Details of the Group's subsidiaries, the result of which are included in the consolidated financial statements, are as follows:

Company name	Country	Currency	Group ownership 31 December 2023	Group ownership 31 December 2022	Group ownership 31 December 2021
Hexagon Holdco S.à r.l.	Luxembourg	EUR	**Parent**	Parent	Parent
Beaconville, S.L.	Spain	EUR	**100%**	100%	100%
Titan Belfort EURL	France	EUR	**100%**	100%	100%
Titan Belfort Holding B.V.	Netherlands	EUR	**100%**	100%	100%
Titan Belfort Land EURL	France	EUR	**100%**	100%	100%
Titan Frankfurt S.à r.l.	Luxembourg	EUR	**89.9%**	89.9%	89.9%
Titan Havre SARL	France	EUR	**100%**	100%	100%
Titan Havre Holding SARL	France	EUR	**100%**	100%	100%
Titan Havre Land EURL	France	EUR	**100%**	100%	100%
Hexagon Investment S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
Hoppegarten Investment S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
Hoppegarten Property II S.à r.l.	Luxembourg	EUR	**89.9%**	89.9%	89.9%
Hoppegarten Property S.à r.l.	Luxembourg	EUR	**89.9%**	89.9%	89.9%
Hoppegarten Solar S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
Titan Hordijk B.V.	Netherlands	EUR	**100%**	100%	100%
Kenwyn Sp. z o.o. SKA	Poland	PLN	**100%**	100%	100%
Kenwyn Sp. z o.o.	Poland	PLN	**100%**	100%	100%
Titan Koelleda I B.V.	Netherlands	EUR	**88.9%**	88.9%	88.9%
Titan Koelleda II B.V.	Netherlands	EUR	**88.9%**	88.9%	88.9%
Titan Maasvlakte S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
Monet Investment SAS	France	EUR	**100%**	100%	100%
Monet Investment S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
Novem Fund (GE)	Germany	EUR	**100%**	100%	100%
Novem Investment S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
SCI Titan Orleans	France	EUR	**100%**	100%	100%
Titan Rennes EURL	France	EUR	**100%**	100%	100%
Rubinstein Investment S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
Titan Schiphol B.V.*	Netherlands	EUR	**0%**	100%	100%
Titan Sochaczew I Sp. z.o.o.	Poland	PLN	**100%**	100%	100%
Titan Sochaczew II Sp. z.o.o.	Poland	PLN	**100%**	100%	100%
Titan Tarancon I, S.L.	Spain	EUR	**100%**	100%	100%
Titan Tarancon Senda de los Pastores S.L.	Spain	EUR	**100%**	100%	100%
Triad Property S.à r.l.	Luxembourg	EUR	**89.9%**	89.9%	89.9%
Triad Investment S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
Titan Wetzlar B.V.	Netherlands	EUR	**89.9%**	89.9%	89.9%
Fos Property SAS	France	EUR	**100%**	100%	100%
SLP Investment S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
SLP Property S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
Bergen Property S.à r.l.	Luxembourg	EUR	**100%**	100%	100%
Bedale Sp. z o.o.	Poland	PLN	**100%**	100%	100%
VRE 3 Sp. z o.o.	Poland	PLN	**100%**	100%	100%
VRE 4 Sp. z o.o.	Poland	PLN	**100%**	100%	100%
Belgium Investments S.à r.l.	Belgium	EUR	**100%**	100%	100%
Flanders Property S.à r.l.	Belgium	EUR	**100%**	100%	100%

* The Titan Schiphol B.V. asset was sold and disposed of on 26 April 2023.

6. INVESTMENT PROPERTIES

The Group's investment properties are measured at fair value. The following table presents the movements as follows:

	Total EUR	Titan EUR	Hoppegarten EUR	Novem EUR	Monet EUR	Triad EUR	Flanders EUR	SLP EUR	Rubinstein EUR
As at 1 January 2021	1 045 840 060	415 469 993	138 700 000	155 000 000	23 524 999	173 630 002	64 915 000	30 649 999	43 950 067
Acquisitions	3 997 837	3 997 837	–	–	–	–	–	–	–
Capitalised expenditure	8 843 788	2 114 312	1 769 969	4 192 192	93 307	582 225	91 783	–	–
Net change in tenant incentives including foreign currency translation impact	3 136 012	1 902 082	354 714	(73 265)	(31 587)	346 402	397 745	416 913	(176 992)
Changes in right-of-use asset	387 892	387 892	–	–	–	–	–	–	–
Net changes in fair value	129 441 283	51 345 512	7 356 759	28 081 073	2 066 059	7 950 546	14 444 095	8 182 595	10 014 644
Foreign currency translation impact	(1 079 809)	(587 986)	–	–	–	–	–	–	(491 821)
As at 31 December 2021	**1 190 567 063**	**474 629 642**	**148 181 442**	**187 200 000**	**25 652 778**	**182 509 175**	**79 848 623**	**39 249 507**	**53 295 898**
As at 1 January 2022	1 190 567 065	474 629 642	148 181 442	187 200 000	25 652 778	182 509 175	79 848 623	39 249 507	53 295 898
Acquisitions	–	–	–	–	–	–	–	–	–
Disposals	(31 440)	(31 440)	–	–	–	–	–	–	–
Capitalised expenditure	8 033 998	1 979 588	806 616	1 342 914	–	3 904 880	–	–	–
Net change in tenant incentives including foreign currency translation impact	2 950 764	482 435	(112 425)	2 221 453	(31 587)	350 119	(71 201)	114 006	(2 036)
Changes in right-of-use asset	3 046 327	3 046 327	–	–	–	–	–	–	–
Net changes in fair value	(54 088 089)	(17 748 952)	(7 509 448)	(15 664 367)	(441 192)	(6 685 296)	(2 469 923)	(3 563 514)	(5 397)
Foreign currency translation impact	(2 792 934)	(1 604 534)	–	–	–	–	–	–	(1 188 398)
As at 31 December 2022	1 147 685 691	460 753 066	141 366 185	175 100 000	25 179 999	180 078 878	77 307 499	35 799 999	52 100 067

As at 1 January 2023	1 147 685 691	460 753 066	141 366 185	175 100 000	25 179 999	180 078 878	77 307 499	35 799 999	52 100 067
Acquisitions	–	–	–	–	–	–	–	–	–
Disposals	(33 179 038)	(33 000 000)	–	–	–	(179 038)	–	–	–
Capitalised expenditure	2 852 725	1 028 804	49 534	(161 980)	882 354	975 350	70 373	–	8 290
Net change in tenant incentives including foreign currency translation impact	139 113	(475 681)	(35 635)	415 497	(31 585)	524 019	(90 813)	(134 848)	(31 843)
Changes in right-of-use asset	1 690 848	1 690 848	–	–	–	–	–	–	–
Net changes in fair value	(54 250 863)	(29 420 571)	(1 350 084)	2 626 483	(1 220 768)	(13 334 209)	(1 984 559)	(2 065 151)	(7 502 004)
Foreign currency translation impact	8 729 976	5 104 486	–	–	–	–	–	–	3 625 490
As at 31 December 2023	**1 073 668 452**	**405 680 952**	**140 030 000**	**177 980 000**	**24 810 000**	**168 065 000**	**75 302 500**	**33 600 000**	**48 200 000**

There were no additions to right-of-use assets during 2023; 2022 and 2021. Changes to the right-of-use assets during the year were 2023: EUR 1 690 848 (2022: EUR 3 046 327; 2021: EUR 387 892) due to price indexation of annual rent. As at 31 December 2023, the value of the right-of-use asset is EUR 44 206 028 (2022: EUR 43 598 907; 2021: EUR 41 208 081). The Schiphol Asset sale was completed on 26 April 2023. The Schiphol Asset sale was completed on 26 April 2023 for a purchase consideration of EUR 21 097 554. The proceeds from this sale were used to replay additional Aareal debt at the Company of c.EUR 10 000 000.

Valuation techniques used to determine level 3 fair values

The Group obtains independent valuations for its investment properties annually.

Management updates their assessment of the fair value of each property with the most recent independent valuations. Management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value are the current prices in an active market for similar properties. Where such information is not available, Management consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- discounted cash flow projections based on reliable estimates of future cash flows; and
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for properties are included in level 3.

Valuation inputs and relationships to fair value

The following table summarises the quantitative information per location relating to the significant unobservable inputs used in recurring level 3 fair value measurements:

Country	Total lettable area SQM	Total Estimated Rental Value ERV	Gross Initial Yield (GIY) on ERV %	Fair value Total EUR
Belgium	104 502.00	4 731 106	6.22% - 6.26%	75 302 500
France	291 415.00	14 965 650	5.54% - 6.91%	241 980 000
Germany	250 842.00	17 794 340	4.57% - 7.05%	336 935 000
Italy	76 405.00	4 732 811	5.82% - 5.82%	68 300 000
Netherlands	154 520.00	11 226 011	4.98% - 7.46%	143 510 000
Poland	163 957.00	8 045 964	6.73% - 7.04%	119 467 000
Spain	83 005.00	2 639 559	5.55% - 5.55%	45 000 000
Total	**1 124 646.00**	**64 135 441**		**1 030 494 500**

Valuation processes

The Group engages external, independent and qualified valuers to advise on the fair value of the Group's investment properties during the year. As at 31 December 2023, the fair values of the investment properties have been determined by Coldwell Banker Richard Ellis ("**CBRE**") Group Incorporated using methods including the capitalisation method, which includes taking the estimated rental revenue and dividing by the capitalisation rate. The fair value total also includes the balance of the right-of-use asset which as at 31 December 2023 equates to EUR 44 206 027 which is not included in the fair value table above.

The main level 3 inputs used by the Group are capitalisation rates and the estimated rental values which are estimated by CBRE and Management based on comparable transactions and industry data. Changes in level 3 fair values, if any, are analysed at each reporting date during the yearly valuation discussion between the asset manager and the independent valuer. There were no transfers between level 1, 2 and 3 fair values during the year. The significant inputs that build up the fair value of the population are as follows; total lettable area (the total available space for rent), estimated rental value (estimated annual rent of the portfolio or ERV) and the gross initial yield (which is the passing rent of the property over the property value or GIY).

The following table summarises the quantitative sensitivity analysis of the significant unobservable inputs used in level 3 fair value measurements:

Portfolio	Valuation EUR	ERV 5.00% EUR	ERV (5.00%) EUR	GIY on ERV 0.25% EUR	Sensitivity analysis GIY on ERV (0.25%) EUR
Hexagon Logistics	821 845 000	855 930 000	787 785 000	758 965 000	830 650 000
Novem	173 300 000	179 090 452	168 100 000	167 100 000	179 900 000
Total	**995 145 000**	**1 035 020 452**	**955 885 000**	**926 065 000**	**1 010 550 000**

As of 31 December 2023, if the ERV for the portfolio was 5.00% higher (lower), the pre-tax profit would be EUR 39.9M higher (EUR 39.2M lower) and the post-tax profit would be EUR 29.9M higher (EUR 29.5M lower). If the GIY on ERV was 0.25% higher (lower) the pre-tax profit would be EUR 69.1M lower (EUR 15.4M higher) and the post-tax profit would be EUR 51.9M lower (EUR 11.6M higher). The 5% applied is common market practice.

[1] The sensitivity is run on the valuation as at 31 December 2023 and excludes the value of land and the right-of-use asset.

7. PROPERTY, PLANT AND EQUIPMENT

	Solar equipment 2023 EUR	Solar equipment 2022 EUR	Solar equipment 2021 EUR
Cost			
As at 1 January	579 300	579 300	579 300
Additions	–	–	–
As at 31 December	**579 300**	**579 300**	**579 300**
Accumulated depreciation			
As at 1 January	(470 037)	(354 178)	(238 319)
Depreciation charge	(92 732)	(115 859)	(115 859)
As at 31 December	**(562 769)**	**(470 037)**	**(354 178)**
Net book value as at 31 December	**16 531**	**109 263**	**225 122**

The Group purchased solar equipment used to generate electricity, which is then sold over to the national electricity grid. For the years ended 2023, 2022 and 2021, the Group has not yet recognised any income.

8. TAXES

Major components of the tax expense are as follows:

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Current tax	(1 237 715)	(2 475 347)	(1 333 541)
Deferred tax	12 597 006	7 475 529	(38 207 138)
Total	**11 359 291**	**5 000 182**	**(39 540 679)**

The amendments to IAS 12 (refer also to Note 2) have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less than EUR 750 million/year.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate on the applicable profits of the consolidated companies as follows:

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Profit before tax	**(41 347 432)**	**(24 754 146)**	**148 959 717**
Tax calculated on domestic tax rates applicable to profits in the respective countries	(14 501 602)	(4 336 217)	34 549 423
Tax effect on:			
Income not subjected to tax	308 437	(190 221)	(365 560)
Expenses not deductible for tax purposes	(264 356)	495 799	335 747
Other adjustments	3 098 229	(969 545)	5 021 071
Income tax expense	**(11 359 292)**	**(5 000 185)**	**39 540 681**

The weighted average applicable tax rate for the year ended 31 December 2023 was 21.38% (2022: 17.52%; 23.19%). The gross movement on the deferred income tax is as follows:

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Beginning of the year	109 496 256	117 201 597	79 292 430
Income statement change	(12 597 006)	(7 475 529)	38 207 138
Effect of translation to presentation currency	854 355	(229 812)	(297 971)
Other adjustments*	(6 055 944)	–	–
End of the year	**91 697 661**	**109 496 256**	**117 201 597**

* Related to Titan Schiphol B.V.

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	**Total EUR**
As at 1 January 2021	**6 285 812**
Charged to the income statement	(910 541)
As at 31 December 2021	**5 375 271**
Charged to the income statement	11 878 721
As at 31 December 2022	**17 253 992**
Charged to the income statement	1 463 503
As at 31 December 2023	**18 717 495**

After assessing the deferred tax asset position, the Group is comfortable that there are sufficient future cash flows to recover the previous incurred losses.

Deferred tax liabilities	Total EUR
As at 1 January 2021	**85 578 242**
Charged to the income statement	37 296 598
Effect of translation to presentation currency	(297 973)
As at 31 December 2021	**122 576 867**
Charged to the income statement	4 403 192
Effect of translation to presentation currency	(229 812)
As at 31 December 2022	**126 750 247**
Charged to the income statement	(10 279 147)
Effect of translation to presentation currency	854 355
Effect of translation to presentation currency	(6 055 944)
As at 31 December 2023	**110 415 156**

* Related to Titan Schiphol B.V.

There are no other significant unrecognised deferred tax assets and liabilities.

The deferred tax liabilities above have been determined in accordance with IAS 12 which is on an asset basis. This is largely attributed to the temporary differences on the investment properties of EUR 552 870 152. Should the Group adopt an exit strategy which is share based with appropriate tax planning, it is unlikely that the deferred tax liabilities would crystallise.

Below the Group has summarised the changes in local tax rates by region:

Regional tax rate	2023	2022	2021
France	25.00%	25.00%	26.50%
Italy	27.90%	27.90%	27.90%
Luxembourg	24.94%	24.94%	24.94%
Netherlands	25.80%	25.80%	25.00%
Poland	19.00%	19.00%	19.00%
Spain	25.00%	25.00%	25.00%
Germany	15.83%	15.00%	15.00%

Tax rate change in the Netherlands:

In 2022, the government enacted a change in the national income tax rate from 25% to 25.80%.

Tax rate change in France:

For the financial years starting as of 1 January 2022, the government enacted a change in the national income tax rate from 26.5% (or 27.5% if the total revenues of a company were more than EUR 250m) to 25%.

Tax rate change in Germany:

In 2023, the government enacted a change in the national income tax rate from 15% to 15.825%.

Corporation tax is levied at a uniform rate of 15% and is then subject to a surcharge of 5.5% (solidarity surcharge). This results in a total tax rate of 15.825%.

9. **TRADE AND OTHER RECEIVABLES**

The trade and other receivables are as follows:

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Rent and service charge receivables	5 802 781	6 480 936	6 106 979
Less: provision for impairment of trade receivables	(723 548)	(551 127)	(1 193 873)
Trade receivables net of provision for impairment	**5 079 233**	**5 929 809**	**4 913 106**
Other receivables	9 269 501	9 586 368	10 855 521
Total Trade Receivables and Other receivables	**14 348 735**	**15 516 177**	**15 768 627**

Other receivables in 2023 mainly include service charge accruals amounting to EUR 3 773 102 (2022: EUR 3 765 058; 2021: EUR 4 183 966), VAT receivables amounting to EUR 1 062 965 (2022: EUR 1 068 807; 2021: EUR 3 103 795), and tax advances amounting to EUR 1 465 972 (2022: EUR 1 413 142; 2021: 1 018 598).

The estimated fair values of receivables are the discounted amount of the estimated future cash flows expected to be received and approximate their carrying amounts.

There is no significant concentration of credit risk with respect to trade receivables as the Group has a large number of tenants internationally dispersed.

The Group has recognised an impairment loss of EUR 348 271 (2022: 183 123; 2021: 668 639) relating to the impairment of its trade receivables. The adjustments have been included in profit or loss. The other movements of the allowance are disclosed in Note 3.1.2.

10. **DERIVATIVE FINANCIAL INSTRUMENTS**

	As at 31 December 2023		As at 31 December 2022		As at 31 December 2021	
	Assets EUR	Liabilities EUR	Assets EUR	Liabilities EUR	Assets EUR	Liabilities EUR
Interest rate caps	16 947 438	–	27 969 278	–	3 239 389	–
Total	**16 947 438**	**–**	**27 969 278**	**–**	**3 239 389**	**–**

The above movement in the derivative financial instruments created a fair value loss of EUR 11 021 840 for the year ending 31 December 2023.

There was a loss in fair value of EUR 11 021 840 in 2023 (2022: Gain of EUR 24 729 889; 2021: Loss of EUR 2 564 504)

As of 31 December 2023, the Group had the following derivative financial instruments outstanding:

	Notional EUR	IR Strike %	Counterparty	Maturity date	Fair value as at 31 December 2023 EUR
Interest rate cap	59 175 000	0.00%	Aareal Bank AG	30/10/2025	3 336 507
Interest rate cap	177 525 000	1.50%	Aareal Bank AG	30/10/2025	5 131 525
Interest rate cap	59 175 000	0.00%	Investec Bank Plc	30/10/2025	3 336 507
Interest rate cap	177 525 000	1.50%	Investec Bank Plc	30/10/2025	5 131 525
Interest rate cap	29 684 852	4.00%	Deutsche Pfandbriefbank	28/10/2024	6 057
Interest rate cap	6 286 378	4.00%	Deutsche Pfandbriefbank	28/10/2024	1 283
Interest rate cap	19 771 176	4.00%	Deutsche Pfandbriefbank	28/10/2024	4 034
	529 142 406				16 947 438

As of 31 December 2022, the Group had the following derivative financial instruments outstanding:

	Notional EUR	IR Strike %	Counterparty	Maturity date	Fair value as at 31 December 2022 EUR
Interest rate cap	59 175 000	0.00%	Aareal Bank AG	30/10/2025	5 321 929
Interest rate cap	177 525 000	1.50%	Aareal Bank AG	30/10/2025	8 560 163
Interest rate cap	59 175 000	0.00%	Investec Bank Plc	30/10/2025	5 321 929
Interest rate cap	177 525 000	1.50%	Investec Bank Plc	30/10/2025	8 560 162
Interest rate cap	29 684 852	4.00%	Deutsche Pfandbriefbank	28/10/2024	109 221
Interest rate cap	6 286 378	4.00%	Deutsche Pfandbriefbank	28/10/2024	23 130
Interest rate cap	19 771 176	4.00%	Deutsche Pfandbriefbank	28/10/2024	72 744
	529 142 406				**27 969 278**

As of 31 December 2021, the Group had the following derivative financial instruments outstanding:

	Notional EUR	IR Strike %	Counterparty	Maturity date	Fair value as at 31 December 2021 EUR
Interest rate cap	59 175 000	0.00%	Aareal Bank AG	30/10/2025	692 819
Interest rate cap	177 525 000	1.50%	Aareal Bank AG	30/10/2025	926 876
Interest rate cap	59 175 000	0.00%	Investec Bank Plc	30/10/2025	692 819
Interest rate cap	177 525 000	1.50%	Investec Bank Plc	30/10/2025	926 876
	473 400 000				**3 239 389**

Derivatives are only used for economic hedging purposes and not as speculative investments. These derivatives do not meet the hedge accounting criteria and are classified as "held for trading" for accounting purposes at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting year.

11. CASH AND CASH EQUIVALENTS

The table below shows the breakdown of the cash accounts of the Group:

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Non-current assets			
Restricted cash	847 193	423 932	547 902
Current assets			
Cash and cash equivalents	18 787 240	15 247 852	15 428 655
	19 634 433	15 671 784	**15 976 557**

The restricted cash balance mainly pertains to accounts held by the Novem Fund related to reserve bank accounts for tenant deposits, loan servicing and service charges.

12. EQUITY

12.1 Share capital

	Number of shares	Share value EUR	Share premium EUR	Total EUR
As at 31 December 2021	120 000	120 000	6 088 760	**6 208 760**
As at 31 December 2022	120 000	120 000	6 088 760	**6 208 760**
As at 31 December 2023	120 000	120 000	4 487 085	**4 607 085**

The total authorised number of ordinary shares is 120 000 with a par value of EUR 1 per share. All issued shares are fully paid up.

As at 31 December 2023, 2022 and 2021, the subscribed capital amounting to EUR 120 000 is represented by the following:

- 12 000 ordinary shares;
- 12 000 class A shares;
- 12 000 class B shares;
- 12 000 class C shares;
- 12 000 class D shares;
- 12 000 class E shares;
- 12 000 class F shares;
- 12 000 class G shares;
- 12 000 class H shares; and
- 12 000 class I shares.

12.2 Share premium account

As at 31 December 2023, the Share premium account of the Company is as follows:

	Share premium 2023 EUR	Share premium 2022 EUR	Share premium 2021 EUR
As at 1 January	6 088 760	6 088 760	6 296 697
Repayment of Share Premium	(1 601 675)	–	(207 937)
As at 31 December	**4 487 085**	**6 088 760**	**6 088 760**

13. NON-CONTROLLING INTEREST

Non-controlling interest is as follows:

Company name	Country	Currency Group ownership %	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Titan Koelleda I B.V.	Netherlands EUR	88.90%	35 906	30 334	(68 017)
Titan Koelleda II B.V.	Netherlands EUR	88.90%	7 635	(12 751)	(50 113)
Titan Frankfurt S.à r.l.	Luxembourg EUR	89.90%	(4 706 968)	(5 578 571)	(6 365 636)
Titan Wetzlar B.V.	Netherlands EUR	89.90%	(474 513)	(329 176)	(402 718)
Triad Property S.à r.l.	Luxembourg EUR	89.90%	(574 085)	(1 228 687)	(1 758 558)
Hoppegarten Property S.à r.l.	Luxembourg EUR	89.90%	(3 773 580)	(4 236 273)	(4 942 657)
Hoppegarten Property II S.à r.l.	Luxembourg EUR	89.90%	(921 960)	(418 424)	(338 708)
Non-controlling interest			**(10 407 565)**	**(11 773 548)**	**(13 926 407)**

Profit per non-controlling interest per company is as follows:

Company name	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Titan Koelleda I B.V.	45 593	278 666	(724 917)
Titan Koelleda II B.V.	166 824	38 707	(382 111)
Titan Frankfurt S.à r.l.	7 758 127	27 321 646	(7 992 281)
Titan Wetzlar B.V.	(1 293 643)	453 439	(123 569)
Triad Property S.à r.l.	5 826 610	5 253 121	2 345 380
Hoppegarten Property S.à r.l.	4 118 444	6 271 300	(3 838 726)
Hoppegarten Property II S.à r.l.	(4 481 968)	(789 266)	(1 705 493)
Profit/(loss) for the year	**12 139 987**	**38 827 613**	**(12 421 718)**

Main financial information for the non-controlling interest per year is as follows:

	As at 31 December 2023						
Item	**Hoppegarten Property II S.à r.l.**	**Hoppegarten Property S.à r.l.**	**Titan Frankfurt S.à r.l.**	**Titan Koelleda I B.V.**	**Titan Koelleda II B.V.**	**Titan Wetzlar B.V.**	**Triad Property S.à r.l.**
Amortisation of debt arrangement fees		775 733	127 184	32 037	11 738	102 397	268 206
Bad debt		(11 958)	(48 700)			(1 533)	158 856
Cash and cash equivalents	1 709	1 208 535	532 828	114 766	48 034	247 411	306 913
Foreign exchange (losses)/gains			(514)		(29)	(212)	(2 234)
Insurance expense		183 952	34 716				148 174
Interest expense to Affiliated Undertakings	8 517	19 054	269	7 589	4 849	15 034	55 385
Interest expenses	75 813	2 938 146	636 549	245 830	106 868	731 280	1 998 392
Intra-group interest payable	(8 517)	(199)	(269)	(1 503)	(4 849)	(12 583)	(47 187)
Investment properties	12 800 000	127 230 000	92 841 913	7 880 000	3 600 000	26 600 000	61 675 000
Loans and borrowings Total		(81 264 639)	(18 710 313)	(5 470 588)	(2 011 761)	(17 657 864)	(44 472 769)
Loans from investors Total	(173 747)	(355 017)	(8 207)	(106 876)	(78 686)	(223 685)	(694 460)
Loans to Affiliated Undertakings		72 104	64 396	5 850	1 936	23 040	54 009
NCI Adjustment	(503 536)	462 695	871 603	5 572	20 387	(145 337)	654 602
NOPAT attributable to Owners	(4 481 968)	4 118 444	7 758 127	45 593	166 824	(1 293 643)	5 826 610
Other expenses	535	9 343	23 188	(59)	251	(291)	5 730
Other financial charges			237 231	2 206	1 362	16 128	
Other income		(38 776)	(125 005)			(25 047)	(50 691)
Other payables	(1 632 612)	(4 267 514)	(885 899)	(853 405)	(673 241)	(1 982 131)	(6 343 569)
Other property operating expenses		47 296	(59 134)				20 296
Other receivables	38 309	1 404 574	2 733 837	49 647	24 406	9 909 466	253 367
Prepayments		(6 233)					
Retained income	(8 298 139)	(33 329 797)	(43 981 160)	(939 806)	(616 256)	(13 380 649)	(7 102 250)
Service charge expenses		1 505 228	465 079	129 337	74 871	559 957	723 699
Service charge income		(1 799 178)	(391 812)	(132 944)	(61 017)	(459 661)	(412 294)
Trade receivables		93 956	77 635	390		167 546	143 291

Item	As at 31 December 2022						
	Hoppegarten Property II S.à r.l.	Hoppegarten Property S.à r.l.	Titan Frankfurt S.à r.l.	Titan Koelleda I B.V.	Titan Koelleda II B.V.	Titan Wetzlar B.V.	Triad Property S.à r.l.
Amortisation of debt arrangement fees		399 571	106 524	27 453	10 134	89 494	268 024
Bad debt		(28 842)	96 622	(12 944)		(12 898)	(47 493)
Cash and cash equivalents	4 667	1 304 335	293 906	106 578	34 403	261 733	282 211
Insurance expense		156 478	29 420				76 725
Interest expense to Affiliated Undertakings	7 160	19 544		5 738	3 606	4 945	35 389
Interest expenses	63 727	2 411 362	512 532	213 817	88 635	561 588	1 531 595
Investment properties	6 700 000	134 666 185	85 715 410	8 440 000	3 850 000	26 920 739	66 628 950
Loans and borrowings Total		(80 178 433)	(18 604 711)	(5 444 850)	(2 002 339)	(17 575 798)	(44 255 792)
Loans to Affiliated Undertakings	1 037	892	46 091	625	247	1 085	50
NOPAT attributable to Owners	(789 266)	6 271 300	27 321 646	278 666	38 707	453 439	5 253 121
Other expenses	535	13 972	5 402	(8 712)	22 138	34 063	27 841
Other financial charges			236 089				
Other income			(893)				
Other payables	(1 516 403)	(5 073 342)	(789 387)	(883 447)	(573 962)	(2 019 410)	(5 289 845)
Other property operating expenses		17 060	19 950			(29 352)	39 812
Other receivables	28 614	768 190	517 283	65 748	22 187	10 051 712	342 571
Prepayments		(6 233)					25 575
Retained income	(3 871 773)	(37 516 099)	(31 423 305)	(1 511 515)	(1 050 093)	(12 288 163)	(12 266 993)
Service charge expenses		1 694 303	426 948	156 146	71 309	682 543	764 378
Service charge income		(1 701 741)	(461 241)	(86 867)	(54 602)	(694 152)	(679 465)
Trade receivables		31 307	333 800			43 623	275 282

Item	As at 31 December 2021						
	Hoppegarten Property II S.à r.l.	**Hoppegarten Property S.à r.l.**	**Titan Frankfurt S.à r.l.**	**Titan Koelleda I B.V.**	**Titan Koelleda II B.V.**	**Titan Wetzlar B.V.**	**Triad Property S.à r.l.**
Amortisation of debt arrangement fees		815 885	100 977	37 133	13 538	117 447	265 657
Bad debt		168 300	3 731	12 944		26 716	20 811
Insurance expense		153 371	116 772	57 865	5 529	32 200	147 576
Interest expense to Affiliated Undertakings	6 528	23 879		4 547	2 934	122	27 693
Interest expenses	58 107	2 171 198	448 677	194 943	78 803	475 937	1 313 075
Investment properties	5 600 000	142 581 442	118 149 309	8 592 754	3 770 000	27 310 278	69 133 687
Loans and borrowings Total		(79 262 197)	(18 430 083)	(5 358 767)	(1 970 996)	(17 305 187)	(43 670 750)
Loans from investors Total	(128 775)	(374 640)		(65 130)	(63 079)	(53 591)	(303 487)
Loans to Affiliated Undertakings				28 424			
NOPAT attributable to Owners	(1 705 493)	(3 838 726)	(7 992 281)	(724 917)	(382 111)	(123 569)	2 345 380
Other financial charges			227 466				
Other payables	(1 433 368)	(8 244 388)	(3 849 297)	(1 094 610)	(599 623)	(2 238 262)	(4 753 782)
Other receivables	20 671	4 210 303	2 816 600	225 853	75 329	9 998 844	799 973
Prepayments			-				
Retained income	(3 029 406)	(44 179 511)	(59 508 951)	(1 790 181)	(1 088 800)	(12 741 602)	(15 853 114)
Service charge expenses	800	1 712 219	54 019	18 399	51 672	381 185	521 482
Service charge income		(985 360)	(174 320)	(179 903)	(86 316)	(268 170)	(426 946)
Trade receivables		68 402	446 529	131 110	31 983	47 030	89 972

No dividends were paid to the NCI companies for 2021, 2022 and 2023.

14. TRADE PAYABLES, OTHER PAYABLES AND CURRENT TAX LIABILITIES

Trade and other payables are as follows:

Current liabilities:	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Trade payables	2 093 788	4 266 582	4 072 925
Other payables are composed:	**21 263 640**	**22 925 149**	**19 045 578**
- Hexagon Holdco 2 S.à r.l.	-	-	717 926
Deferred income	5 091 144	5 222 426	3 855 679
Other financial liabilities	16 172 496	17 702 723	14 471 973
Current tax liabilities	1 420 242	1 331 711	1 763 678
Total	**24 777 670**	**28 523 441**	**24 882 181**

Other non-financial liabilities mainly comprise service charges, property costs, asset management fees and corporate costs.

15. LOANS AND BORROWINGS AND LOANS FROM INVESTORS

All the Group's borrowings are at floating rates of interest. Interest costs may increase or decrease as a result of changes in the interest rates.

The Group's interest-bearing loans and borrowings are as follows:

	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Non-current			
Loans and borrowings from financial institutions	503 701 831	517 480 189	457 657 022
Loans and borrowings from investors	106 040 065	167 643 226	168 460 256
	609 741 897	**685 123 416**	**626 117 278**
Current			
Loans and borrowings from financial institutions	59 036 769	3 695 658	57 847 911
Loans and borrowings from investors	800 070	2 591 114	2 239 423
	59 836 839	**6 286 772**	**60 087 334**
Total borrowings	**669 578 736**	**691 410 188**	**686 204 612**

The fair values of borrowings approximates their carrying values at the date of the consolidated statement of financial position. The exposure of the Group's borrowings from financial institutions to interest rate changes and the contractual repricing dates at the end of the year are as follows:

	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
12 months or less	59 036 769	3 695 658	58 267 802
After 12 months	503 701 831	517 480 189	457 110 128
Total external borrowings	**562 738 600**	**521 175 847**	**515 377 930**

Novem portfolio

The Novem portfolio is being financed by external borrowings of EUR 55 742 406 which represents a Senior facility loan, acquired with the portfolio, payable to Deutsche Pfandbriefbank AG ("**PBB**") with a EURIBOR 3M + 1.7% interest rate. During the 2022 Financial year a two-year extension option was activated and as a result the loan is now payable on 28 October 2024. Management are actively in the process of refinancing this loan to have the balance fully refinanced well prior to this maturity date. For the year ended 31 December 2023, the interest expense amounted to EUR 2 750 826 (2022: EUR 1 150 735; 2021: EUR 950 469) and there was no principal repayment for the same period.

The Senior loan has the following covenants:

- Loan to Value covenant: Less than 60%, Actual value: 32.67%
- Debt Yield covenant: Greater than 8.00%, Actual value: 16.88%

All covenants are respected as at 31 December 2023.

In exchange for the bank loans, Novem Investment pledged to PBB the unit certificate in Novem.

Hexagon portfolio

The asset portfolio of the Group is partially financed by external borrowings, which was refinanced during 2020 with Aareal Bank AG, mandated as the lead arranger, effective as at 30 October 2020. The Group also reclassified its internal "Bridge Loan" facility, which was previously held with Burstone Offshore Pty Limited, to an external loan in March 2023 when RMB International (Mauritius) Limited took on the facility.

Lenders	Facility A	Facility B	Facility C	Total
Aareal Bank AG	212 851 285	196 761 131	43 889 304	**453 501 720**
RMB International (Mauritius) Limited	57 641 804			**57 641 804**

Aereal Bank AG

The total commitment drawn under the facility agreement was EUR 453 501 720 segregated per above and has been used as per Clause 3.1 of the Facility Agreement ("**Agreement**") after repayments made in 2023.

The total undrawn amount is 6 249 204 (Facility A), 13 649 076 (Facility B) and 0 (Facility C).

There were no undrawn amounts for 2021 and 2022.

The total loan of EUR 453 501 720 which was done in three tranches with the third tranche amounting to EUR 43 889 304 related to the financing of the Flanders Portfolio being released on 15 January 2021.

The loan carries an interest rate of EURIBOR 3M + 2.35% and the applicable rate at 31 December 2023 was 3.95% (2022: 3.93%). Interest is payable on 28 January, 28 April, 28 July and 28 October of each year.

Subject to below covenants being respected at each interest payment date, the repayment of the term loans, shall be done in full on the termination date (the term of the loan is five years commencing, 30 October 2020 and expiring 30 October 2025). For the year ended 31 December 2023, the interest expense amounted to EUR 25 695 625 (2022: EUR 12 459 915; 2021: EUR 11 239 303); the principal repayment amounted to EUR 19 898 280.

The loan has the following financial covenants:

- Loan to Value covenant: Less than 70%, Actual value: 51.50%.
- Debt Yield covenant: Greater than 7.0%, Actual value: 9.76%.

All covenants are respected as at 31 December 2023.

RMB International (Mauritius) Limited

The total commitment drawn under the facility agreement was EUR 57 641 804.

The total undrawn amount is 101 058 196 (Facility A) and 38 500 000 (Facility B).

The loan carries an interest rate of EURIBOR 3M + 2.10% and the applicable rate at 31 December 2023 was 3.95% (2022: 3.93%). Interest is payable on 25 March, 25 June, 25 September and 25 December of each year.

There were no undrawn amounts for 2021 and 2022.

Subject to the below covenants being respected at each interest payment date, the repayment of the term loans, shall be done in full on the termination date (the term of the loan is five years commencing 24 March 2023 and expiring 24 March 2028). For the year ended 31 December 2023, the interest expense amounted to EUR 2 538 731; no principal repayment occurred for the same period.

The loan has the following financial covenants:

a. Loan to Value covenant: Less than 70%, Actual value: 51.50%.

b. Debt Yield covenant: Greater than 7.0%, Actual value: 9.76%.

All covenants are respected as at 31 December 2023.

In exchanged of the bank loans, the Group pledged securities, receivables, shares, rights, etc related to:

c. Security assignment in respect of receivables owed to Investec Property Fund Luxembourg S.à r.l. by the Company and Hexagon Holdco 2 S.à r.l.

d. Pledge in respect of shareholders' shares in the Company and Hexagon Holdco 2 S.à r.l.

e. Receivables pledge agreement in respect of receivables owed to shareholders by the Company and Hexagon Holdco 2 S.à r.l. and their rights under any W&I insurance policies maintained in connection with the Acquisition Agreement Documents.

f. Assignment of shareholders rights under the Ares Acquisition Agreement and the Paul Rodger Acquisition Agreement.

g. Share pledge in respect of Company's subsidiaries shares (other than Polish subsidiaries).

h. Receivables pledge agreement/assignment by way of security in respect of intercompany receivables.

i. Account pledge in respect of each of the Company's subsidiaries:

- Pledge/assignment by way of security over the subsidiaries' (other than Polish subsidiaries):
  - i) Lease Documents;
  - ii) Asset Management Agreements;
  - iii) Managing Agent Agreements;
  - iv) Insurances; and
  - v) any other material agreement or intra-group agreement.
- Assignment of rights over Hedging Agreements, Insurances and contracts of the subsidiaries;
- Mortgage over each property owned by the property holding subsidiaries "Propcos" (other than a German Propco, a Polish Propco, Titan Belfort Land or Titan Havre Land).
- Promissory mortgage over each property owned by a Spanish Propco.
- Land charge (other than Frankfurt HBR Property) of German Propcos together with the enforceable copy of the German Land Charge Deed pertaining thereto.
- Security Trust Agreement of relevant subsidiaries.
- Rental assignment agreement over rental income and all other rights and claims under Lease Documents of each German Propcos.
- Global assignment agreement over, *inter alia*, German law insurance claims, purchase deeds related to the German Properties, German law asset and property management agreements of the Properties and existing and future German law governed shareholder and intra-group debt of each German Propco and relevant subsidiaries.
- An account pledge agreement over all Accounts (other than any Rent Deposit Account (if any)) held in Germany by relevant subsidiaries.
- Security Purpose Agreement in respect of the German Land Charge(s) (other than Frankfurt HBR Property) of each German Propcos.
- Share Registered Pledge Agreement (except for shares in Kenwyn Sp. z o.o. SKA.) of shareholder of respective Polish subsidiaries.

- Share Financial Pledge Agreement (except for shares in Kenwyn Sp. z o.o. SKA.) of shareholder of respective Polish subsidiaries.
- Registered Pledge over General Partner Rights of General Partner of respective Polish subsidiaries being a partnership limited by shares.
- Accounts Registered Pledge Agreement of each Polish subsidiaries.
- Accounts Financial Pledge Agreement of each Polish subsidiaries.
- Subject to the Existing Polish Security, a first ranking mortgage securing up to 150% of the Total Commitments of each Polish Propco.
- Power of Attorney to Bank Accounts of each Polish subsidiaries; Security Assignment Agreement in relation to each Polish subsidiaries:
    i) Lease Documents;
    ii) Asset Management Agreements;
    iii) Managing Agent Agreements;
    iv) Insurances; and
    v) any other material agreement or intra-group agreement.
- Submission to Enforcement in the form of a voluntary submission to enforcement in respect of each Polish subsidiaries' obligations under the Finance Documents in accordance with Article 777 of the Polish Civil Procedure Code, in form and substance satisfactory to the Security Agent.

Loans from related parties are summarised in below together with accrued interests as at 31 December 2023, 31 December 2022 and 31 December 2021 and interest expense for the year:

	Subscriber	Portfolio	Maturity date	Interest rate	Nominal Value 31 December 2022 EUR	Borrowing EUR	Reimburse-ment EUR	Transfer EUR	Nominal value 31 December 2023 EUR	Interest expense EUR	Accrued Interest EUR
PPL	Burstone Lux 2 S.à r.l.	Hexagon	2030/02/23	0.5% + variable interest	81 332 947	5 161 272	(10 270 446)	-	**76 223 773**	3 664 206	491 921
PPL	Hercules Hex Holdco	Hexagon	2030/02/23	0.5% + variable interest	27 111 119	-	-	(27 111 119)	**-**	255 405	-
PPL	Burstone Luxembourg Investment Holdings S.à r.l.	Hexagon	2033/02/28	0.5% + variable interest	-	705 305	(2 601 847)	21 206 677	**19 310 135**	726 291	124 620
PPL	ED Trust INL Investment 1 Proprietary Limited	Hexagon	2033/02/28	0.5% + variable interest	-	222 728	(821 636)	6 696 845	**6 097 937**	229 355	39 354
IBL	Burstone Offshore Pty Ltd	Hexagon	2025/10/29	2.1% +Euribor	57 689 322	-	-	(57 689 322)	**-**	567 516	-
IBL - Capex	Burstone Luxembourg Investment Holdings S.à r.l.	Hexagon	2025/10/30	5.25% +Euribor	-	2 867 309	(99 766)	-	**2 767 543**	69 069	69 069
IBL - Capex	Hexagon Holdco 2 S.à r.l.	Titan	2025/10/30	5.25% +Euribor	-	35 178	(13 810)	-	**21 367**	-	-
IBL - Capex	Hexagon Holdco 2 S.à r.l.	Hoppegarten	2025/10/30	5.25% +Euribor	-	13 300	-	-	**13 300**	-	-
IBL - Capex	Hexagon Holdco 2 S.à r.l.	Triad	2025/10/30	5.25% +Euribor	-	59 001	-	-	**59 001**	-	-
IBL	Hexagon Holdco 2 S.à r.l.	Titan	2028/01/16	7.00%	383 977	12 109	-	-	**396 086**	27 801	19 204
IBL	Hexagon Holdco 2 S.à r.l.	Hoppegarten	2030/12/14	5.00%	570 060	-	(54 596)	-	**515 464**	27 572	8 716
IBL	Hexagon Holdco 2 S.à r.l.	Triad	2030/12/14	5.00%	555 801	79 658	-	-	**635 459**	55 385	47 187
Total					**167 643 226**	**9 155 859**	**(13 862 102)**	**(56 896 919)**	**106 040 065**	**5 622 599**	**800 071**
PPL	IPF Lux 2	Hercules	2030/02/23	0.5% + variable interest	92 805 984	-	(10 469 412)		**82 336 572**	2 816 879	-
PPL	Hercules Hex Holdco	Hercules	2030/02/23	0.5% + variable interest	30 935 449	-	(3 489 789)		**27 445 660**	938 973	-
IBL	Investec Property Fund Limited	Hercules	2025/10/29	2.1% + Euribor	105 341 804	-	(47 652 482)		**57 689 322**	1 297 625	1 294 859
IBL	Hexagon Holdco 2 S.à r.l.	Titan	2028/01/16	7.00%	260 255	-	(151 474)		**85 405**	7 615	314 855
IBL	Hexagon Holdco 2 S.à r.l.	Hoppegarten	2030/12/14	5.00%	599 811	-	-		**599 811**	30 407	314 855
IBL	Hexagon Holdco 2 S.à r.l.	Triad	2030/12/14	5.00%	303 488	-	-		**303 488**	27 693	314 855
Total									**168 460 258**	**5 119 192**	**2 239 424**

The following table sets out an analysis of net debt and lease liabilities (please see Note 15) and the relevant movements:

	Borrowings from financial institutions EUR	Borrowings from related parties EUR	Lease liabilities EUR	Total EUR
As at 1 January 2021	469 255 089	231 838 432	42 191 898	743 285 419
Proceeds from borrowings	43 889 304	–	–	43 889 304
Repayments (Capital and interest) – net of interest accrued	439 553	(61 138 753)	–	(60 699 200)
Amortisation of finance costs – net of payments	1 920 987	–	–	1 920 987
Variable lease payment adjustment	–	–	(599 967)	(599 967)
As at 31 December 2021	**515 504 933**	**170 699 679**	**41 591 931**	**727 796 543**
As at 1 January 2022	515 504 933	170 699 679	41 591 931	727 796 543
Proceeds from borrowings	–	2 275 322	–	2 275 322
Repayments (Capital and interest) – net of interest accrued	1 583 100	(2 740 661)	–	(1 157 561)
Amortisation of finance costs – net of payments	4 087 814	–	–	4 087 814
Variable lease payment adjustment	–	–	2 006 976	2 006 976
As at 31 December 2022	**521 175 847**	**170 234 340**	**43 598 907**	**735 009 094**
As at 1 January 2023	**521 175 847**	**170 234 340**	**43 598 907**	**735 009 094**
Proceeds from borrowings	**57 689 322**	**9 155 859**	**–**	**66 845 181**
Repayments (Capital and interest) – net of interest accrued	**(20 217 698)**	**(72 550 066)***	**–**	**(92 767 763)**
Amortisation of finance costs – net of payments	**4 091 129**	**–**	**–**	**4 091 129**
Variable lease payment adjustment	**–**	**–**	**607 120**	**607 120**
As at 31 December 2023	**562 738 600**	**106 840 134**	**44 206 027**	**713 784 761**

* Previously the Group held an Investor "Bridge Loan" with Investec Property Fund Limited. During 2023, this Investor Loan was sold to RMB International (Mauritius) Limited.

16. LEASE LIABILITIES

The Titan portfolio has lands, which are rented based on leasehold agreements assigned to the Group in the sale and purchase agreement for Titan Portfolio. A summary of key conditions of both leaseholds are as follows:

Portfolio	Country	Maturity date	Annual rent 2023 EUR	Annual rent 2022 EUR	Annual rent 2021 EUR	Discount rate (30-year bond yield)	Present value at remeasurement date EUR	Present value at acquisition EUR
Frankfurt	DE	2056/01/02	754 010	753 357	688 505	1.16%	20 557 486	19 443 822
Maasvlakte	NL	2055/02/02	939 924	873 746	812 604	1.31%	24 044 103	23 342 238

Leasehold agreements are recognised as lease liabilities in accordance with IFRS 16. At acquisition, right-of-use assets and the related lease liabilities were recognised. Subsequently right-of-use assets are measured at fair value. The carrying value of lease liabilities is also subsequently remeasured when the variable element of future lease payment dependent on a rate or index is revised.

During the year 2023, the annual rent increased for Maasvlakte and Frankfurt due to price indexation which was in line with the terms of the leasehold agreement. There were no other changes in the lease terms. As a result, the Group remeasured the lease liability (and made a corresponding adjustment to the related right-of-use asset) by EUR 1 690 848 (2022: EUR 3 046 327; 2021: EUR 387 892).

Minimum lease payments in respect of lease liabilities are as follows:

	As at 31 December 2023 EUR	**As at 31 December 2022 EUR**	**As at 31 December 2021 EUR**
Gross lease liabilities – minimum lease payments:			
No later than one year	1 612 930	1 627 103	1 515 476
Later than one year and no later than five years	6 774 656	6 508 413	6 061 903
Later than five years	45 360 025	44 875 672	43 569 377
Future finance charges on leases	(9 541 584)	(9 412 281)	(9 554 825)
Present value of lease liabilities	**44 206 027**	**43 598 907**	**41 591 931**
The present value of lease liabilities is as follows:			
No later than one year	1 149 884	1 093 222	1 005 399
Later than one year and no later than five years	4 749 803	4 509 354	4 147 230
Later than five years	38 306 340	37 996 331	36 439 302
Present value of lease liabilities	**44 206 027**	**43 598 907**	**41 591 931**

17. **RENTAL INCOME**

Rental revenue from contracts with tenants are as follows:

	As at 31 December 2023 EUR	**As at 31 December 2022 EUR**	**As at 31 December 2021 EUR**
Rental income (i)	56 827 300	53 662 817	49 403 232
Other income	1 202 905	2 105 640	2 178 136
Service charges to tenants (ii)	15 145 714	12 981 062	9 625 739
	73 175 919	**68 749 519**	**61 207 107**

For the year ended 31 December 2023, a single tenant under the Hoppegarten Portfolio contributed to 9.96% (2022: 9.51%; 2021: 9.74%) of the total rental and service charge income of the Group.

i) Rental income and leasing arrangements

Rental income is generated by the investment properties held by the Group. For information on investment properties, please refer to Note 6.

The Group leases out its investment properties under operating leases with an average period of 5.09 years (2022: 4.92 years; 2021: 5.21 years). The future aggregated minimum rentals receivables under non-cancellable operating leases are as follows:

	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
No later than one year	56 865 359	52 131 861	50 280 062
Later than one year, but no later than five years	178 941 035	173 772 257	154 819 585
Later than five years	70 227 399	81 938 069	84 507 663
	306 033 793	**307 842 187**	**289 607 310**

ii) Service charge income

Service charges from tenants and property management charges can only be included in their entirety as part of revenue if the entity acts as principal rather than as an agent.

Income recognised in relation to service charges from tenants is for relevant period.

18. FINANCE COSTS (NET)

The finance costs are as follows:

	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Interest expenses on bank borrowings	30 985 182	14 061 972	12 200 925
Interest income on bank borrowings	(9 747 365)	(451 321)	–
Interest expenses on loans from investors	5 622 540	5 209 310	(3 107 691)
Interest expenses on lease liabilities	528 984	526 598	513 252
Other financial charges	121 951	168 763	1 035 887
Amortisation of debt arrangement fees	4 111 912	4 281 966	4 254 646
Foreign exchange gain/(losses)	(5 519 335)	2 244 623	16 542
Finance costs (net)	**26 103 869**	**26 041 911**	**14 913 561**

19. SERVICE CHARGE EXPENSES

The service charge expenses are as follows:

	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Property management fees	697 932	746 992	559 382
Repair and maintenance fees	3 387 873	3 465 300	2 567 247
Utility fees	5 776 254	3 920 452	1 326 115
Property tax fees	3 441 803	4 018 620	3 785 252
Letting costs – Advertising/marketing	1 639	21 768	4 422
Other service charge expenses	2 889 124	3 137 455	3 239 605
Other property costs – Professional fees	808 091	800 456	1 052 176
Service charge expenses	**17 002 715**	**16 111 043**	**12 534 199**

20. OPERATING EXPENSES

The operating expenses are as follows:

	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Professional fees	1 820 208	3 604 790	3 225 148
Legal fees	387 791	2 653 268	418 320
Corporate administration	2 282 374	2 167 968	652 899
Valuation fees	295 997	122 108	267 013
Insurance expense	842 087	522 786	1 152 729
Other consulting fees	526 400	1 065 318	614 205
Other property operating expenses	567 772	1 173 268	736 488
Operating expenses	**6 722 631**	**11 309 506**	**7 066 803**

All the above expenses are linked to the fully let properties.

21. RELATED PARTY TRANSACTIONS

a) *As at 31 December 2023, the Group's immediate parent companies are:*

Shareholder	Country of incorporation	Ownership of Group shares
Burstone Luxembourg Investment Holdings S.à r.l.	Luxembourg	19%
ED Trust INL Investment 1 Proprietary Limited	South Africa	6%
Burstone Lux 2 S.à r.l.	Luxembourg	75%

Please see Note 5 for the Group's subsidiaries.

Transactions with related parties as at 31 December 2023, 2022 and 2021 are as follows:

Assets:	As at 31 December 2023 EUR	As at 31 December 2022 EUR	As at 31 December 2021 EUR
Due from other related parties:			
- Hexagon Holdco 2 S.à r.l.	261 557	97 166	-
- Hexagon Investmnet S.à r.l.	-	-	1 017 448
- Titan Koelleda I B.V.	-	-	28 424
- Belgium Investment S.à r.l.	-	-	151 654
Due from investors:			
- Advances to shareholders	2 036 164	86 159	3 461 165
	2 297 721	**183 325**	**4 658 691**

The above transactions relate to interest free loans and short-term advancements granted on an arm's-length basis. For the related party transactions and balances on the liability side, please see Note 15.

22. CONTINGENCIES AND COMMITMENTS

The Group has commitments relating to the covenants concluded with the banks on borrowings as disclosed in the Note 15.

23. **SUBSEQUENT EVENTS**

For the Group's quarterly IPD reporting on the Aerwal Bank senior loan, dated 29 April 2024, the LTSV of 60.66% marginally exceeded the 60% LTSV threshold level in relation to the Frankfurt asset. Management is working towards curing this position, as required by the SFA, within the next six months, either through the ongoing refinancing of the debt facility or through a sale of the asset.

Management are in talks on partnership with funds advised by Blackstone to invest on the Hexagon portfolio.

There were no other significant subsequent events to report.

INDEPENDENT AUDITOR'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF HEXAGON FOR THE YEARS ENDED 31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023

To the Board of Managers of Hexagon Holdco S.à r.l. and

the Board of Directors of Burstone Group Limited

Report on the audit of the Historical Financial Information

1. OUR OPINION

Burstone Group Limited ("Burstone" or "you") is issuing a Circular to its shareholders (the "Circular") regarding the proposed disposal of its shareholding in Hexagon Holdco S.à r.l. (the "Proposed Transaction").

In our opinion, the consolidated historical financial information as set out in Annexure 5 of the Circular (the "Historical Financial Information") presents fairly, in all material respects, the consolidated financial position of Hexagon Holdco S.à r.l. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2021, 31 December 2022 and 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited

At your request and solely for the purposes of the Circular to be dated on or about 23 September 2024, we have audited the Historical Financial Information, which comprises:

- the consolidated statements of financial position as at 31 December 2021, 31 December 2022 and 31 December 2023;
- the consolidated statements of profit or loss and other comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated historical financial information, which include a summary of significant accounting policies.

2. BASIS FOR OPINION

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises" ("IRE"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the IRE are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the Historical Financial Information' section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the Historical Financial Information. We have fulfilled our other ethical responsibilities under those ethical requirements.

3. **RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF BURSTONE GROUP LIMITED AND THE BOARD OF MANAGERS OF HEXAGON HOLDCO S.À R.L. FOR THE HISTORICAL FINANCIAL INFORMATION**

The Board of Directors of Burstone Group Limited are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that Burstone complies with the requirements of the JSE Limited Listing Requirements.

The Board of Managers are responsible for the and fair presentation of the Historical Financial Information in accordance with IFRS Accounting Standards, and for such internal control as the Board of Managers determines is necessary to enable the preparation of the Historical Financial Information that are free from material misstatement, whether due to fraud or error.

In preparing the Historical Financial Information, the Board of Managers of are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intend to liquidate the Group or to cease operations, or have no realistic alternative, but to do so.

4. **RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE HISTORICAL FINANCIAL INFORMATION**

The objectives of our audit are to obtain reasonable assurance about whether the Historical Financial Information as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the IRE will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Historical Financial Information.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the IRE, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of Burstone Group Limited and the Board of Managers of Hexagon Holdco S.à r.l.;
- conclude on the appropriateness of the Board of Directors of Burstone Group Limited and the Board of Managers of Hexagon Holdco S.à r.l.'s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the Historical Financial Information, including the disclosures, and whether the Historical Financial Information represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Historical Financial Information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Luxembourg, 20 September 2024
Represented by:
Kenneth Kai Siong Iek

MATERIAL BORROWINGS

Post the implementation of the Proposed Transaction, the material borrowings profile of the Group is anticipated to be as set out below. The Group concluded a material debt refinance in August 2024 and the borrowings reflected in the table below are post both the refinance and best estimate of what will be drawn post the conclusion of the Proposed Transaction. The table below sets out details of the type of facility, lender, loan facility amount, drawn amount, interest rate, maturity date, terms and conditions of repayment or renewal and details of security provided for the material loans.

No.	Type of facility/ Lender	Origination	Facility amount	Expected drawn amount	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Loan type	Details of security provide
Loans – unsecured – Corporate bonds/DMTN programme									
1.	DMTN BTN1U	Funding for existing investments	450 000 000	450 000 000	3 month JIBAR + 1.6	2028/09/27	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
2.	DMTN BTNC2	Funding for existing investments	137 000 000	81 588 947	3 month JIBAR + 0.6	2025/01/29	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
3.	DMTN IPF 31	Funding for existing investments	400 000 000	400 000 000	3 month JIBAR + 1.83	2026/03/25	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
4.	DMTN IPF 37	Funding for existing investments	230 000 000	230 000 000	3 month JIBAR + 1.50%	2026/02/23	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
5.	DMTN IPF 38	Funding for existing investments	480 000 000	480 000 000	3 month JIBAR +1.70%	2028/02/23	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
6.	DMTN IPF 39	Funding for existing investments	200 000 000	200 000 000	3 month JIBAR +1.75%	2029/02/23	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
7.	DMTN IPF 32	Funding for existing investments	250 000 000	250 000 000	3 month JIBAR +1.82%	2026/07/01	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable

No.	Type of facility/ Lender	Origination	Facility amount	Expected drawn amount	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Loan type	Details of security provide
8.	DMTN IPF 34	Funding for existing investments	240 000 000	240 000 000	3 month JIBAR +1.75%	2026/12/15	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
9.	DMTN IPF 35	Funding for existing investments	335 000 000	335 000 000	3 month JIBAR +1.65%	2028/02/23	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
10.	DMTN IPF 36	Funding for existing investments	100 000 000	100 000 000	3 month JIBAR + 1.75%	2029/02/23	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
11.	DMTN IPFG02	Funding for existing investments	550 000 000	550 000 000	3 month JIBAR + 1.4%	2026/02/23	Interest serviced quarterly. Repayment on final repayment date.	Unsecured DMTN	Not applicable
Loans – unsecured – ZAR term bank debt									
12.	Standard Bank – SBSA Headroom facility	Funding for existing investments	100 000 000	–	3 month JIBAR+ 1.8%	2025/10/31	Interest serviced quarterly. Repayment on final repayment date.	Revolving credit facility	Not applicable
13.	Standard Bank – SBSA unsecured	Funding for existing investments	200 000 000	–	3 month JIBAR+ 1.4%	2027/11/30	Interest serviced quarterly. Repayment on final repayment date.	Revolving credit facility	Not applicable
Loans – secured – ZAR term bank debt									

No.	Type of facility/ Lender	Origination	Facility amount	Expected drawn amount	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Loan type	Details of security provide
14.	RMB - Facility A	Funding for existing investments	150 000 000	-	3 month JIBAR+ 1.25%	2027/08/26	Interest serviced quarterly. Repayment on final repayment date.	Revolving credit facility	Mortgage bonds over certain South African properties
15.	Nedbank - Facility A	Funding for existing investments	250 000 000	-	3 month JIBAR+ 1.25%	2027/08/26	Interest serviced quarterly. Repayment on final repayment date.	Revolving credit facility	Mortgage bonds over certain South African properties
16.	Standard Bank - Facility A	Funding for existing investments	300 000 000	-	3 month JIBAR+ 1.20%	2027/08/26	Interest serviced quarterly. Repayment on final repayment date.	Revolving credit facility	Mortgage bonds over certain South African properties
17.	Nedbank - Facility B	Funding for existing investments	18 000 000	18 000 000	3 month JIBAR+ 1.45%	2028/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
18.	RMB - Facility B	Funding for existing investments	45 000 000	45 000 000	3 month JIBAR+ 1.45%	2028/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
19.	Sanlam - Facility B	Funding for existing investments	27 000 000	27 000 000	3 month JIBAR+ 1.45%	2028/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties

No.	Type of facility/ Lender	Origination	Facility amount	Expected drawn amount	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Loan type	Details of security provide
20.	Standard Bank - Facility B	Funding for existing investments	210 000 000	210 000 000	3 month JIBAR+ 1.45%	2028/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
21.	Sanlam - Facility C	Funding for existing investments	28 000 000	28 000 000	3 month JIBAR +1.49%	2029/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
22.	Standard Bank - Facility C	Funding for existing investments	280 000 000	280 000 000	3 month JIBAR +1.49%	2029/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
23.	Nedbank - Facility C	Funding for existing investments	210 000 000	210 000 000	3 month JIBAR +1.49%	2029/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
24.	Nedbank - Facility D	Funding for existing investments	388 000 000	-	3 month JIBAR +1.39%	2029/08/25	Interest serviced quarterly. Repayment on final repayment date.	Revolving credit facility	Mortgage bonds over certain South African properties
25.	Standard Bank - Facility D	Funding for existing investments	244 000 000	-	3 month JIBAR +1.40%	2029/08/25	Interest serviced quarterly. Repayment on final repayment date.	Revolving credit facility	Mortgage bonds over certain South African properties

No.	Type of facility/ Lender	Origination	Facility amount	Expected drawn amount	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Loan type	Details of security provide
26	Nedbank – Facility E	Funding for existing investments	294 500 000	294 500 000	3 month JIBAR +1.58%	2030/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
27	RMB – Facility E	Funding for existing investments	300 500 000	300 500 000	3 month JIBAR +1.59%	2030/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
28	Sanlam – Facility E	Funding for existing investments	43 000 000	43 000 000	3 month JIBAR +1.59%	2030/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
29	Standard Bank – Facility E	Funding for existing investments	62 000 000	62 000 000	3 month JIBAR +1.65%	2030/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
Loans – secured – EUR term bank debt									
30	RMB – Facility F	Funding for existing investments	400 000 000	400 000 000	3 month euribor +1.95%	2027/08/26	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
31	Standard Bank – Facility F	Funding for existing investments	400 000 000	400 000 000	3 month euribor +1.85%	2027/08/26	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties

No.	Type of facility/ Lender	Origination	Facility amount	Expected drawn amount	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Loan type	Details of security provide
32.	Standard Bank – Facility G	Funding for existing investments	400 000 000	400 000 000	3 month euribor +1.95%	2028/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties
33.	RMB – Facility G	Funding for existing investments	400 000 000	400 000 000	3 month euribor +2.00%	2028/08/25	Interest serviced quarterly. Repayment on final repayment date.	Term debt	Mortgage bonds over certain South African properties

Notes:

1. None of the material borrowings set out above have any conversion or redemption rights attaching to them.

BURSTONE GROUP LIMITED
(Previously Investec Property Fund Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2008/011366/06)
ISIN: ZAE000180915
Share code: BTN Bond code: BTNI
("**Burstone**" or the "**Group**")

NOTICE OF GENERAL MEETING

The definitions commencing on page 4 of the Circular to which this Notice of General Meeting is attached shall bear the same meanings when used in this Notice of General Meeting.

Notice is hereby given that a General Meeting of the members of Burstone will be held at 10:00 on Monday, 28 October 2024 at the Burstone's registered offices, 4 Sandown Valley Crescent, Sandown, Sandton, South Africa, 2196 to consider and, if deemed fit, pass, with or without modification, the resolutions set out below.

The record date on which Burstone Shareholders must be recorded in the Securities Register maintained by the Transfer Secretaries for the purposes of being entitled to attend and vote at the General Meeting is Friday, 18 October 2024. Accordingly, the last day to trade to be eligible to attend and vote at the General Meeting is Tuesday, 15 October 2024.

In terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or a proxy of a shareholder) has been reasonably verified. Accordingly, all Burstone Shareholders will be required to provide identification reasonably satisfactory to the chairman of the General Meeting in order to participate in and vote at the General Meeting.

ORDINARY RESOLUTION NUMBER 1: Approval of Proposed Transaction

"**RESOLVED THAT** the Company hereby approves the Proposed Transaction, on the terms and subject to the conditions set out in the Sale Agreement and the ancillary agreements, and in terms of paragraph 4 of the Circular to which this notice of General meeting is attached."

In terms of the Listings Requirements, this resolution must be adopted with the support of more than 50% of the voting rights exercised on this resolution.

ORDINARY RESOLUTION NUMBER 2: Directors' authority to take all such actions necessary to implement the Proposed Transaction

"**RESOLVED THAT** any director of Burstone, be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the Proposed Transaction."

In terms of section 65(7) of the Companies Act and the Company's MOI, this resolution will be adopted with the support of more than 50% of the voting rights exercised in this resolution.

VOTING

On a show of hands, every Burstone Shareholder who is present in person, by proxy or represented at the General Meeting shall have one vote (irrespective of the number of Burstone Shares held) and on a poll, every Burstone Shareholder shall have for each share held by him that proportion of the total votes in Burstone which the aggregate amount of the nominal value of that share held by him bears to the aggregate of the nominal value of all Burstone Shares issued by Burstone.

ELECTRONIC PARTICIPATION

Burstone Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of a teleconference call. If you wish to do so, you must contact Burstone's Company Secretary and identify yourself to the satisfaction of the Company Secretary to obtain the dialing code and pin number. Burstone Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf at the General Meeting. The costs borne by you or your proxy in relation to the teleconference call will be for your own account.

PROXIES

A Burstone Shareholder entitled to attend and vote at the General Meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a Burstone Shareholder.

Burstone Shareholders are referred to the attached form of proxy *(blue)* in this regard. Additional proxy forms are obtainable from Burstone's Company Secretary.

If you are a Certificated Shareholder or a Dematerialised Shareholder with own-name registration and unable to attend the General Meeting and wish to be represented thereat, you must complete and return the attached form of proxy *(blue)* in accordance with the instructions therein to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za, by no later than 10:00 on Thursday, 24 October 2024 for administrative purposes. If you have dematerialised your Burstone Shares with a CSDP or broker, other than with own-name registration, you must arrange with them to provide you with the necessary letter of representation to attend the General Meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or broker, in the manner and cut-off time stipulated therein.

If you do not lodge or post the form of proxy to reach the Transfer Secretaries by the relevant date and time, you will nevertheless be entitled to email to the form of proxy to the Chairperson of the General Meeting at proxy@computershare.co.za or, in the case of in person participation, hand the form of proxy to the Chairperson of the General Meeting, at any time prior to the commencement of voting on the Resolutions at the General Meeting.

By order of the Board

Andrew Wooler
Chief Executive Officer

BURSTONE GROUP LIMITED
(Previously Investec Property Fund Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2008/011366/06)
ISIN: ZAE000180915
Share code: BTN Bond code: BTNI
("**Burstone**" or the "**Group**")

FORM OF PROXY – GENERAL MEETING

For use by Certificated Shareholders or Dematerialised Shareholders with own-name registration at the General Meeting to be held at Burstone's registered offices, 4 Sandown Valley Crescent, Sandton, South Africa, 2196 on Monday, 28 October 2024, at 10:00.

If Burstone Shareholders have dematerialised their Burstone Shares with a broker or CSDP, other than with own-name registration, they must arrange with the broker or CSDP to provide them with the necessary letter of representation to attend the General Meeting or the Burstone Shareholder must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Burstone Shareholder and the broker or CSDP, in the manner and cut-off time stipulated therein.

Please read the notes on the reverse hereof carefully, which, amongst other things, set out the rights of Burstone Shareholders with regard to the appointment of proxies.

For the General Meeting I/We

(Name/s in block letters) of

Telephone number ( ) Cellphone number

e-mail address

(Address in block letters)

being a shareholder of Burstone and holding Burstone Shares, and entitled

to vote, do hereby appoint (refer to Note 1 at the end of this proxy form):

1. or failing him/her,

2. or failing him/her,

3. the chairman of the General Meeting as my/our proxy(ies),to vote on a poll on my/our behalf at the General Meeting of Burstone to be held at Burstone's offices, 4 Sandown Valley Crescent, Sandton, South Africa, 2196 on Monday, 28 October 2024 and at any postponement or adjournment thereof.

Please indicate with an "X" in the spaces below how you wish your proxy to vote in respect of the resolutions to be proposed, as contained in the notice of the abovementioned General Meeting.

*I/We desire my/our proxy to vote on the resolutions to be proposed, as follows:

	For	Against	Abstain
Ordinary resolution 1: Approval of Proposed Transaction			
Ordinary resolution 2: Directors' authority to take all such actions necessary to implement the Proposed Transaction			

Signed by me/us this day of 2024

Signature

Assisted by me (where applicable) (see Note 12 on reverse of proxy form)

Full name/s of signatory if signing in a representative capacity (see Note 11 on reverse of proxy form)

Telephone number/Cell phone number:

** If this form of proxy is returned without any indication of how the proxy should vote, the proxy will exercise his/her discretion both as to how he/she votes and as to whether or not he/she abstains from voting.*

NOTES

1. A Burstone Shareholder entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in his/her stead or abstain from voting. The proxy need not be a Burstone Shareholder. A Burstone Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different Burstone Shares held by the Burstone Shareholder.
2. A proxy may delegate the proxy's authority to act on behalf of the Burstone Shareholder to another person, subject to any restriction set out in the instrument appointing the proxy.
3. The completion and lodging of this form of proxy will not preclude the relevant Burstone Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Burstone Shareholder wish to do so. Accordingly, the appointment of a proxy in terms hereof is suspended at any time and to the extent that the Burstone Shareholder chooses to act directly and in person in the exercise of any rights as a Burstone Shareholder.
4. A proxy is entitled to exercise, or abstain from exercising, any voting right of the Burstone Shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
5. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment, unless revoked in the manner contemplated in Note 6 below.
6. A Burstone Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy, and (ii) delivering a copy of the revocation instrument to the proxy and to Burstone. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Burstone Shareholder as of the later of (i) the date stated in the revocation instrument, if any, or (ii) the date on which the revocation instrument was delivered to Burstone.
7. Please insert the number of Burstone Shares in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Burstone Shares exercisable by you, insert the number of Burstone Shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairman, if the chairman is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he/she deems fit, in respect of all the Burstone Shareholder's votes exercisable thereat. A Burstone Shareholder or its/his/her proxy is not obliged to use all the votes exercisable by the Burstone Shareholder or its/his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Burstone Shareholder or its/his/her proxy.
8. To be valid, this form of proxy must be completed and returned to Burstone's Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132), to be received by not later 10:00 on Thursday, 24 October 2024 for administrative purposes. If you do not lodge or post the form of proxy to reach the Transfer Secretaries by the relevant date and time, you will nevertheless be entitled to email to the form of proxy to the Chairperson of the General Meeting at proxy@computershare.co.za or, in the case of in person participation, hand the form of proxy to the Chairperson of the General Meeting, at any time prior to the commencement of voting on the Resolutions at the General Meeting.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
10. In the case of a joint holding, the first-named only is required to sign.
11. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless that authority has already been recorded by Burstone.
12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian as applicable, unless the relevant documents establishing capacity are produced or have been registered with the Transfer Secretaries.
13. If the instrument appointing a proxy or proxies has been delivered to Burstone, as long as that appointment remains in effect, any notice that is required by the Companies Act or Burstone's MOI to be delivered by Burstone to the Burstone Shareholder must be delivered by Burstone to (i) the Burstone Shareholder or (ii) the proxy or proxies, if the Burstone Shareholder has directed Burstone in writing to do so and paid any reasonable fee charged by Burstone for doing so.

SUMMARY OF THE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE ACT:

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.

2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.

3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise –

    3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;

    3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and

    3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.

5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the Company.

6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.

7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the Company for doing so.

8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy provide otherwise.

9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:

    9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;

    9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;

    9.3 the Company must not require that the proxy appointment be made irrevocable; and

    9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

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