

The Reid EP13 Limited
(incorporated and registered in the Republic of South Africa)
(Registration Number: 2021/620093/06)
("Company" or "The Reid EP13 Limited")

PROSPECTUS

A general public offer for up to **18 985 750**
Ordinary Shares

| | |
|----------------------------|------------------|
| Opening Date of the Offer: | 22 November 2021 |
| Closing Date of the Offer: | 14 January 2022 |

| | |
|---|---|
| Property managed by: | Platform Administrator: |
|  EasyProperties |  EasyProperties |

Date of issue: 19 November 2021

An English copy of this Prospectus was registered with the Companies and Intellectual property Commission as required by the Companies Act, No. 71 of 2008 on **19 November 2021**. It is important to note that the registration of this prospectus by the Companies and Intellectual Property Commission does not indicate any support or qualify the potential investment as a good investment opportunity. Registration merely indicates the compliance of this prospectus to the minimum requirements set out in the Companies Act, No. 71 of 2008 and the Companies Act Regulations as amended.



Corporate Legal Advisor, Auditors and Company Secretary

| Corporate Legal Advisors in respect of this Prospectus | Auditors |
|--|--|
|  Law . Tax |  |
| Company Secretary | |
|  | |


AM

1. CORPORATE INFORMATION AND ADVISORS

Directors of the Company

See paragraph 2.3 of Section 1 below.

Company Secretary of the Company

CTSE Registry Services Proprietary Limited

Building B, 5th Floor

The Woodstock Exchange Building

66-68 Albert Road

Woodstock

7925

Email: Cosec@ctseregistry.co.za

Telephone: 011 100 8352

Website: www.ctexchange.co.za

Registered Office of the Company

Floor 16, 25 Owl Street, Braamfontein Werf,
Johannesburg, 2092

Company Bankers

Mercantile Bank, a division of Capitec Bank Limited

Commercial Suite

142 West Street

Sandown

2196

Telephone: 011 302 0342

Corporate Legal Advisors in respect of this Prospectus

CMS RM Partners Inc

Registration No. 2018/243548/21

5th Floor

85 Grayston Drive

Johannesburg

2196

Accountants and Auditors

Lighthouse Chartered Accountants

IRBA: 383503

SAICA: 30695995

Second Floor, Building 1 Parc Nicol

3001 William Nicol Drive

Bryanston

2021

Property Manager

EasyProperties Proprietary Limited

Registration No. 2019/184453/07

Floor 16, 25 Owl Street, Braamfontein Werf,
Johannesburg, 2092

Handwritten signature and initials, possibly 'Aug' and 'x'.

2. IMPORTANT LEGAL NOTES

2.1. Definitions and Interpretation

Certain capitalised terms which are used in this Prospectus have been defined on pages 15 to 19 of this Prospectus under the heading "*Definitions and Interpretations*".

2.2. Offer to the South African Public Only

This Prospectus does not constitute an offer in any jurisdiction other than South Africa. The Offer is, therefore, not capable of acceptance nor do they constitute an offer or invitation to subscribe for shares in the Company by any person in any jurisdiction other than South Africa.

2.3. Forward-Looking Statements

2.3.1. Various statements in this Prospectus are forward-looking and involve risks and uncertainties. These generally include, but are not limited to, terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate" and "believe".

2.3.2. These include statements which relate to, amongst others, the future financial position, prospects, growth in markets, projected costs, estimates of capital expenditures and plans and objectives of management for the future operation of the Company.

2.3.3. The actual performance could differ materially from these forward-looking statements as there are many factors, including the risk factors referred to in **Annexure A** of this Prospectus, which could cause the actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Prospectus.

2.3.4. Investors are cautioned to not place undue reliance on these forward-looking statements.

2.4. Consents

The bankers, corporate law attorneys, auditors and the company secretary whose names have been included in this Prospectus, have consented in writing to act in the capacities stated and to their names being included in this Prospectus and have not withdrawn their consent prior to the publication of this Prospectus. The written consents form part of the documents which are available for inspection as listed in paragraph 3 of Section 4.

2.5. Company's Director Responsibility Statement

The Directors whose names have been included in this Prospectus and set out in the "*Corporate Information and Advisors*" section of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained herein 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 that this Prospectus contains all the information required by law.

2.6. **Compliance with the Companies Act**

This Prospectus complies with the requirements concerning prospectuses as set out in the Companies Act and the Companies Act Regulations.

2.7. **Copies of this Prospectus**

2.7.1. Copies of this Prospectus may be obtained during normal business hours from 08h00 until 16h30 at the Company's registered address as set out in the "*Corporate Information and Advisors*" section of this Prospectus.

2.7.2. Kindly note that physical copies of this Prospectus may not be available at all times at the abovementioned location.

2.7.3. You can also download copies of this Prospectus from www.easyproperties.co.za.

2.8. **Application process for the Offer**

2.8.1. Stage 1:

2.8.1.1. *New Clients*

2.8.1.2. If a prospective Investor has an EasyEquities Account but does not have an existing Account on the EasyProperties Platform ("**New Client**"), this stage requires a New Client to activate their Account by logging into the EasyEquities Platform, clicking on the banner to activate their Account and accepting the EasyProperties Terms and Conditions. If a prospective Investor does not have an EasyEquities Account, the New Client is required to register on the EasyEquities Platform at www.easyequities.co.za by clicking on the "Register" button and completing the Online Registration Form.

2.8.1.3. *Existing Clients*

If a prospective Investor has an existing Account on the EasyProperties Platform ("**Existing Client**"), this stage requires an Existing Client to log into their Account at www.easyproperties.co.za and either click on the "Browse Properties" button if their Account is funded or click on the "Fund your Account" button if their Account is not funded. If their Account is not funded,

the Existing Client must proceed to Stage 2 below. If their Account is funded, the Existing Client must proceed to Stage 3 below.

2.8.2. Stage 2:

2.8.2.1. *New Clients*

Once the New Client has activated their Account, a New Client is required to log onto the EasyProperties Platform at www.easyproperties.co.za and deposit funds into their Account by clicking on the "Fund your Account" button. Under the "Fund your Account" tab, a New Client has the ability to fund their Account via an electronic funds transfer ("EFT") or an inter-account transfer if the New Client has an EasyEquities Account with available funds which they would like to use to fund their Account. Successful payments made via EFT or an inter-account transfer will be credited to the New Client's Account as Free Money.

2.8.2.2. *Existing Clients*

For an Existing Client who does not have funds in their Account, the Existing Client is required to deposit funds into their Account by clicking on the "Fund your Account" button. Under the "Fund your Account" tab, an Existing Client has the ability to fund their Account via an EFT or an inter-account transfer if the Existing Client has an EasyEquities Account with available funds which they would like to use to fund their Account. Successful payments made via EFT or an inter-account transfer will be credited to the Existing Clients Account as Free Money.

2.8.2.3. *New Clients and Existing Clients*

Please note that:

2.8.2.3.1. any Application made by a prospective Investor and any Ordinary Shares issued by the Company to an Investor pursuant to this Prospectus is subject to the terms of this Prospectus, the EasyProperties Terms and Conditions and the MOI;

2.8.2.3.2. all prospective Investors will be required to agree to the EasyProperties Terms and Conditions which includes a nominee agreement in terms of which they appoint and nominate First World Trader Nominees as the nominee company which will be the registered holder of any



Ordinary Shares issued to an Investor in terms of this Prospectus. Investors will be the beneficial holders of any Ordinary Shares issued to them;

2.8.2.3.3. all prospective Investors are responsible for the payment of any transaction fees and bank charges which may arise from the use of their selected payment method on the EasyProperties Platform; and

2.8.2.3.4. where a prospective Investor has elected to pay money into their Account by means of an:

2.8.2.3.4.1. EFT, the prospective Investor will not be able to withdraw those funds for a period of at least 14 (fourteen) calendar days following the date of receipt of the payment; or

2.8.2.3.4.2. Inter-account transfer, the prospective Investor will not be able to withdraw those funds for a period of at least 40 (forty) calendar days following the date of receipt of the payment.

2.8.3. Stage 3:

2.8.3.1. *New Clients and Existing Clients*

2.8.3.1.1. Once a New Client or an Existing Client, has successfully funded his/her Account and there is Free Money in his/her Account, to make an investment, the prospective Investor must click on the "*Browse Properties*" button. On the "*Browse Properties*" page, the prospective Investor must click on the "*View Property*" button associated with the Identified Property in order to view the Offer in relation to the Identified Property.

2.8.3.1.2. Once on the Identified Property's page, the prospective Investor will be presented with –

2.8.3.1.2.1. a summary of the material information regarding (i) the Offer and (ii) the Identified Property;

- 2.8.3.1.2.2. this Prospectus; and
- 2.8.3.1.2.3. any other important documents associated with the Offer.
- 2.8.3.1.3. In order to accept the Offer in respect of a number of Ordinary Shares, the prospective Investor must complete his/her Application by –
 - 2.8.3.1.3.1. first, clicking on the "*Invest Now*" button and inserting the Rand amount corresponding to the number of Ordinary Shares for which they would like to subscribe in the "*Amount to Invest*" block;
 - 2.8.3.1.3.2. thereafter, click signing that he/she acknowledges and agrees that he/she is in possession of this Prospectus and is aware of its contents in compliance with section 108 of the Companies Act; and
 - 2.8.3.1.3.3. finally, clicking on the "*Apply for Offer*" button in order to submit the Application.
- 2.8.3.1.4. A prospective Investor will not be able to click the "*Apply for Offer*" button to submit their Application if they have not click-signed the acknowledgement and agreement referred to in paragraph 2.8.3.1.3.2 above.
- 2.8.3.1.5. Once a prospective Investor has clicked "*Apply for Offer*" he/she will receive a notification confirming that his/her Application has been successfully submitted.
- 2.8.3.1.6. Thereafter, and within 2 (two) Business Days of the Closing Date, a prospective Investor will receive a notification stipulating that –
 - 2.8.3.1.6.1. their Application has been successful in relation to the full number of Ordinary Shares applied for in his/her Application; or

Handwritten signatures and initials at the bottom right of the page, including a large stylized signature, the initials 'AVH', and a small mark resembling '82'.

2.8.3.1.6.2. their Application has been successful but due to an over-subscription –

2.8.3.1.6.2.1. the number of Ordinary Shares which will be issued to the Investor has been reduced on a *pro rata* basis; and

2.8.3.1.6.2.2. that any additional subscription proceeds (above the number of Ordinary Shares being issued to the Investor) which have been debited from the prospective Investors Account, will be refunded to the Investor's Account within 2 (two) Business Days of the Closing Date; or

2.8.3.1.6.3. their Application has been rejected.

2.8.3.1.7. A prospective Investor will be permitted to cancel their Application within 48 (forty-eight) hours of applying for the offer, as contemplated in paragraph 2.8.3.1.5 provided the date of submission is 10 (ten) days prior to the Closing Date. However, a prospective Investor will not be entitled to cancel or withdraw their Application after this date regardless of whether the Company reduces the number of Ordinary Shares which will be issued to the Investor as contemplated in paragraph 2.8.3.1.6.2.

2.8.3.2. Please note, the Company has the sole discretion to –

2.8.3.2.1. accept or reject any activation of an Account as part of Stage 1; and/or

2.8.3.2.2. any Application made by an Investor in terms of this Prospectus; and/or

2.8.3.2.3. reduce on a *pro rata* basis the number of Ordinary Shares that will be issued to an Investor in an event there is an over-subscription of this Offer (as contemplated in paragraph 2.8.3.1.6.2).

Handwritten signatures and initials, including a large stylized signature and the initials 'AM' and 'JZ'.

2.8.4. Stage 4:

2.8.4.1. *New Clients and Existing Clients*

2.8.4.1.1. If a prospective Investors' Application has been accepted in terms of Stage 3, the Investor's Account will be credited with—

2.8.4.1.1.1. that number of Ordinary Shares which the Investor applied for when submitting their Application; or

2.8.4.1.1.2. a reduced number of Ordinary Shares which the Company issued to an Investor as a result of the Offer being over-subscribed (as stipulated in paragraph 2.8.3.1.6.2 above).

2.8.4.1.2. It should be noted that successful Investors will not be issued with a share certificate, as First World Trader Nominees will be the registered holder of all the Ordinary Shares in the Company.

2.8.4.1.3. Should an Investor wish to receive an extract of the Company's security register reflecting their beneficial ownership of the Ordinary Shares they will be required to submit their request to helpme@easyproperties.co.za and the Company will provide them with the relevant extract of the securities register within 10 (ten) Business Days of



receiving the request. The securities register of the Company will disclose holders of beneficial interests.

2.8.4.1.4. If your Application was rejected, the Company will refund the Total Subscription Price to your Account within 2 (two) Business Days.

2.8.4.1.5. A demonstration of the Application process appears at **Annexure J**.

2.9. **Public Property Syndication Scheme**

2.9.1. The Offer made in terms of this Prospectus constitutes a Public Property Syndication Scheme as contemplated in the Consumer Protection Act and the CPA Regulations ("**Scheme**").

2.9.2. Set out in **Annexure G** is a summary of the Company's compliance with the requirements of regulation 15 of the CPA Regulations. Any undefined terms used in **Annexure G** shall have the meaning given to those terms in the Consumer Protection Act and the CPA Regulations.

2.9.3. In terms of the Scheme, the Company is the "promoter" as defined in the CPA Regulations.

Handwritten signatures and initials in the bottom right corner of the page. There are three distinct signatures: a large, stylized one, a smaller one, and another one with the letters 'ANA' written below it.

TABLE OF CONTENTS

| Paragraph number and description | Page |
|--|------|
| 1. CORPORATE INFORMATION AND ADVISORS | 3 |
| 2. IMPORTANT LEGAL NOTES | 4 |
| 3. DEFINITIONS AND INTERPRETATION..... | 14 |
| SECTION 1: INFORMATION ABOUT THE COMPANY WHOSE SECURITIES ARE BEING OFFERED | 19 |
| 1. NAME, ADDRESS AND INCORPORATION [REGULATION 57] | 19 |
| 2. DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES [REGULATION 58] | 19 |
| 3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY [REGULATION 59] | 24 |
| 4. SHARE CAPITAL OF THE COMPANY [REGULATION 60] | 35 |
| 5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES [REGULATION 61] | 37 |
| 6. COMMISSION PAID OR PAYABLE IN RESPECT OF UNDERWRITING [REGULATION 62] | 37 |
| 7. MATERIAL CONTRACTS [REGULATION 63] | 37 |
| 8. INTEREST OF DIRECTORS AND PROMOTERS [REGULATION 64] | 37 |
| 9. LOANS [REGULATION 65] | 37 |
| 10. SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH [REGULATION 66] | 38 |
| 11. PROPERTY ACQUIRED OR TO BE ACQUIRED [REGULATION 67] | 38 |
| 12. AMOUNTS PAID OR PAYABLE TO PROMOTERS [REGULATION 68] | 39 |
| 13. PRELIMINARY EXPENSES AND ISSUE EXPENSES [REGULATION 69] | 39 |
| SECTION 2: INFORMATION ABOUT THE OFFERED SECURITIES | 40 |
| 1. PURPOSE OF THE OFFER [REGULATION 70] | 40 |
| 2. TIME AND DATE OF THE OPENING AND CLOSING OF THE OFFER [REGULATION 71] | 40 |
| 3. PARTICULARS OF THE OFFER [REGULATION 72] | 41 |
| 4. MINIMUM SUBSCRIPTION [REGULATION 73] | 41 |
| 5. RESERVATION OF RIGHTS | 42 |
| SECTION 3: STATEMENTS AND REPORTS RELATING TO THE OFFER | 43 |
| 1. STATEMENT AS TO ADEQUACY OF CAPITAL [REGULATION 74] | 43 |
| 2. REPORT BY DIRECTORS AS TO MATERIAL CHANGES [REGULATION 75] | 43 |
| 3. STATEMENT AS TO LISTING ON A STOCK EXCHANGE [REGULATION 76] | 43 |
| 4. REPORT BY AUDITOR WHERE BUSINESS UNDERTAKING TO BE PROVIDED [REGULATION 77] | 43 |

| | |
|---|--------|
| 5. REPORT BY AUDITOR WHERE THE COMPANY WILL ACQUIRE A SUBSIDIARY [REGULATION 78] | 43 |
| 6. REPORT BY THE AUDITOR OF THE COMPANY [REGULATION 79] | 43 |
| SECTION 4: ADDITIONAL MATERIAL INFORMATION [REGULATION 56] | 44 |
| 1. FINANCIAL ADVICE | 44 |
| 2. CONFIDENTIALITY | 44 |
| 3. DOCUMENTS AVAILABLE FOR INSPECTION [REGULATION 53(A)(B)(D)(E)] | 44 |
| SECTION 5: INAPPLICABLE OR IMMATERIAL MATTERS | 45 |
| Annexure A Risk Factors..... | 46 |
| Annexure B King Code Non-Compliance..... | 47 |
| Annexure C Relevant extract of the MOI relating to director appointments | 52 |
| Annexure D Provisions of the MOI relating to the Company's dividend policy and voting rights | 53 |
| Annexure E Salient Terms of the Management Agreement between the Company and the Property Manager 55 | |
| Annexure F Fee Table | 59 |
| Annexure G Public Property Syndication Scheme | 62 |
| Annexure H Pro Forma Income Statement | 72 |
| Annexure I Valuation Synopsis | 73 |
| Annexure J Application Process | 75 |

Handwritten signature and initials, possibly 'JNB', with a large 'X' mark to the right.

3. DEFINITIONS AND INTERPRETATION

In this Prospectus unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons –

| | |
|-------------------------------|---|
| "A Shares" | ordinary no par value A shares in the capital of the Company having the rights and limitations as set out in the MOI; |
| "Account" | an EasyProperties account (with corresponding account number) opened in terms of the EasyProperties Terms and Conditions for investing on the EasyProperties Platform under which all investments and cash transactions are recorded and reconciled and which Account will reflect the number of Ordinary Shares issued to an Investor upon an Investor's Application being successful; |
| "Advisors" | collectively, the Attorneys, the Auditors and the Company Secretary and for the avoidance of doubt, the Company has no other advisors; |
| "Application" | the electronic application form referred to in paragraph 2.8.3.1.3 in the <i>"Important Legal Notes"</i> section of this Prospectus, in respect of the Offer which Investors are required to complete and submit through the EasyProperties Platform if they wish to subscribe for any of the Ordinary Shares in relation to the Offer; |
| "Attorneys" | in respect of the preparation of this Prospectus, CMS RM Partners Inc, Registration Number 2018/243548/21, a personal liability company incorporated and registered in accordance with the laws of South Africa, full details of which are contained in the <i>"Corporate Information and Advisors"</i> section of this Prospectus; |
| "Auditors" | Lighthouse Chartered Accountants, trading as a sole proprietor, full details of which are contained in the <i>"Corporate Information and Advisors"</i> section of this Prospectus; |
| "Board" or "Directors" | the directors of the Company from time to time being, as at the Last Practicable Date, the persons identified in paragraph 2.3 of Section 1; |

| | |
|---|--|
| "Business Day" | any day other than a Saturday, Sunday or proclaimed public holiday in South Africa; |
| "CIPC" | the Companies and Intellectual Property Commission established in terms of section 185 of the Companies Act, or its successor body; |
| "Closing Date" | the closing time for the Offer, which is expected to be 17h00 on 14 January 2022; |
| "Company" or "The Reid EP13 Limited" | The Reid EP13 Limited, Registration Number 2021/620093/06, a public company registered and incorporated in accordance with the laws of South Africa; |
| "Companies Act" | the Companies Act, No. 71 of 2008 as amended from time to time and the Companies Act Regulations; |
| "Companies Act Regulations" | the Regulations promulgated in terms of the Companies Act from time to time, as amended from time to time; |
| "CPA Regulations" | the Consumer Protection Act Regulations promulgated in terms of the Consumer Protection Act from time to time, as amended from time to time; |
| "Consumer Protection Act" | the Consumer Protection Act, No. 68 of 2008, as amended from time to time; |
| "EasyEquities" | First World Trader Proprietary Limited trading as EasyEquities, Registration Number 1999/021265/07, a private company registered and incorporated in accordance with the laws of South Africa; |
| "EasyEquities Account" | an investment account (with corresponding account number) on the EasyEquities Platform opened with EasyEquities in compliance with the EasyEquities terms and conditions; |
| "EasyEquities Platform" | the EasyEquities electronic investment platform, accessed via www.easyequities.co.za or by any other electronic means or devices; |
| "EasyProperties" | EasyProperties Proprietary Limited, Registration Number 2019/184453/07, a private company registered and incorporated in accordance with the laws of South Africa; |

"EasyProperties Platform"

an electronic investment platform, accessed via the Website or by any other electronic means or devices, which allows Investors to acquire shares in companies that own immovable property, giving Investors direct line of sight to their underlying investment and which platform (along with the MOI and EasyProperties Terms and Conditions) governs how Investors hold Ordinary Shares in the Company;

"EasyProperties Terms and Conditions"

the client agreement, including any annexures thereto, which sets out the terms and conditions between the Investor and EasyProperties, which Investors are required to accept prior to opening an Account and receiving services from EasyProperties, which include, *inter alia*, the terms relating to the subscription for the Ordinary Shares which comprise the Offer as contemplated in this Prospectus, as amended or updated from time to time by EasyProperties in their sole discretion;

"Fee Table"

the fee table attached hereto as **Annexure F**, which table sets out all the fees which will be incurred by –

- i. the Company in –
 - a. the acquisition of the Units; and
 - b. the management of the Units; and
- ii. an Investor for the utilisation of the EasyProperties Platform to make an application to subscribe for Ordinary Shares pursuant to this Offer;

"First World Trader Nominees"

First World Trader Nominees (RF) Proprietary Limited, Registration Number 2013/091397/07, a private company registered and incorporated in accordance with the laws of South Africa and approved by the Financial Sector Conduct Authority and Strate Proprietary Limited as a nominee company;

"Free Money"

the amount of money reflecting in a prospective Investor's Account which can be used to apply for the Offer;

"Identified Property"

the immovable property, named "The Reid", which is a residential development situated at 28 Beacon Avenue, Linbro Park, Sandton, 2090;

| | |
|-----------------------------------|---|
| "Investors" | an individual, who has registered an Account and whose Application to subscribe for Ordinary Shares pursuant to the Offer is successful; |
| "Investment Committee" | a committee constituted by the Company, which committee identifies and recommends an immovable property to be acquired by the Company and comprises, as at the Last Practicable Date, those individuals set out in paragraph 3.4.1.1.2 of Section 1 of this Prospectus; |
| "King Code" | King IV Code on corporate governance in South Africa; |
| "Last Practicable Date" | 15 November 2021, being the last practicable date prior to the finalisation of this Prospectus; |
| "Management Agreement" | the management agreement to be entered into between the Property Manager and the Company on or about 24 (twenty four) months after the date of transfer of ownership of the Units to the Company in terms of which the Property Manager provides various property and rental management services to the Company for a fee, as set out in paragraph 2.9.4 of Section 1 of this Prospectus; |
| "Minimum Threshold" | shall bear the meaning given to such term in paragraph 4.1 of Section 2 of this Prospectus; |
| "MOI" | the memorandum of incorporation of the Company; |
| "Offer" | the offer to subscribe for Ordinary Shares in the Company, being made to the Public, which offer is facilitated through the Website and the EasyProperties Platform, in respect of and pursuant to this Prospectus; |
| "Online Registration Form" | the online registration form on the EasyEquities Platform that a prospective Investor is required to complete for the purposes of applying to become a client of EasyEquities and EasyProperties; |
| "Ordinary Shares" | ordinary no par value shares in the stated capital of the Company, each of which shall have the rights, privileges and conditions as set out in the MOI; |

Handwritten signature and initials in the bottom right corner of the page.

| | |
|---|---|
| "Property Manager" | EasyProperties will, in terms of the Management Agreement, manage the primary business of the Company being the renting out and maintenance of the Units; |
| "Property Seller" | Balwin Properties Limited, Registration Number 2003/028851/06, a public company registered and incorporated in accordance with the laws of South Africa; |
| "Prospectus" | this document, including all annexures, schedules and enclosures; |
| "Public" | members of the public to whom the Offer is made; |
| "Public Property Syndication Scheme" | has the meaning given to that term in the CPA Regulations; |
| "Purchase Price" | means R26 997 500.00 (twenty six million nine hundred and ninety seven thousand and five hundred Rand), being the total purchase price required to acquire the Units but excluding any and all other expenses incurred by the Company in acquiring the Units; |
| "Rand" or R" | the lawful currency of South Africa; |
| "Shares" | A Shares and the Ordinary Shares, as the case may be; |
| "South Africa" | Republic of South Africa; |
| "Subscription Price" | R1.00 (one Rand) per Ordinary Share; |
| "Units" | the 25 (twenty-five) sectional title units in the Identified Property which will be acquired by the Company using the subscription proceeds from this Offer and reference to a "Unit" shall be to any one of them as the context may require; |
| "VAT" | value-added tax levied in terms of the Vat Act; |
| "Vat Act" | Value-Added Tax Act No. 89 of 1991, as amended from time to time; |
| "Website" | www.easyproperties.co.za |



SECTION 1: INFORMATION ABOUT THE COMPANY WHOSE SECURITIES ARE BEING OFFERED

1. NAME, ADDRESS AND INCORPORATION [REGULATION 57]

- 1.1. The Reid EP13 Limited, Registration Number 2021/620093/06, is a public company registered and incorporated in South Africa on 17 May 2021 [REGULATION 57(1)(a) and (c)].
- 1.2. The Company's registered office and primary place of business is set out in the "*Corporate Information and Advisors*" section of this Prospectus [REGULATION 57(1)(b) and REGULATION 57(3)(a)].
- 1.3. The purpose of the Offer is to raise capital to enable the Company to acquire the Units that can enable the Company to provide Investors with the projected returns set out in this Prospectus. The purpose of this Prospectus is to provide information to Investors in relation to the Offer.

2. DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES [REGULATION 58]

- 2.1. The Company's Board recognises that, at the core of the corporate governance system, it is ultimately accountable and responsible for the performance and affairs of the Company.
- 2.2. The Company's Board is committed to leadership, sustainability and good corporate citizenship and therefore as far as possible, the Company adheres to the principles of good corporate governance as contained in the King Code. Any instances of non-compliance with the King Code are set out in **Annexure B**.
- 2.3. The Board currently comprises **2 (two)** executive directors and **3 (three)** non-executive directors. The full names, occupations, qualifications and business addresses of the directors, all of whom are South Africa citizens, are set out below [REGULATION 58(2)(a)] –

| | |
|-------------------------|--|
| Name | Charles Henry Savage |
| Occupation | Chief Executive Officer, Purple Group Limited |
| Business Address | 16th floor, 25 Owl St, Braamfontein Werf, Johannesburg, 2092 |
| Position | Executive director |

| | |
|-----------------------|---|
| Qualifications | 1996 - Bcom Accounting and Information Systems, University of Cape Town |
|-----------------------|---|

| | |
|-------------------------|--|
| Name | Gary Stewart van Dyk |
| Occupation | Chief Financial and Operations Officer, Purple Group Limited |
| Business Address | 16th floor, 25 Owl St, Braamfontein Werf, Johannesburg, 2092 |
| Position | Executive director |
| Qualifications | 1999 – BcompT Accounting Honours, University of Johannesburg 2002 - CA (SA) |

| | |
|-------------------------|--|
| Name | Rupert Nicholas Finnemore |
| Occupation | Chief Executive Officer, EasyProperties Proprietary Limited |
| Business Address | 16th floor, 25 Owl St, Braamfontein Werf, Johannesburg, 2092 |
| Position | Non-executive director |
| Qualifications | <ul style="list-style-type: none"> • 2018 - SAiD Business School, University of Oxford - Fintech And Proptech Innovation Certificate • 2014 - Graduate School of Business, University of Cape Town - Programme for Management Development • 2004 - Unisa Business School - Post Grad Advanced Diploma in Business Management • 2003 - Unisa Business School - Post Grad Certificate in General Management • 1999 - Johannesburg College of Education - HDE Senior Primary - English |

Handwritten signatures and initials, including a large stylized signature and the letters 'AN'.

| | |
|-------------------------|---|
| Name | Andrew Lee Hartogh |
| Occupation | Chief Executive Officer, Habitat Hospitality Proprietary Limited |
| Business Address | 78 Corlett Drive, Birnam, Johannesburg |
| Position | Non-Executive Director |
| Qualifications | 2009 - B.Bus.Sci Finance, University of Cape Town 2012 - CA (SA) |

| | |
|-------------------------|---|
| Name | Jamie Boaz Levin |
| Occupation | Chief Executive Officer, Narrative Properties Proprietary Limited |
| Business Address | 78 Corlett Drive, Birnam, Johannesburg |
| Position | Non-Executive Director |
| Qualifications | 2006 - BSC Mathematics and Economics, University of Witwatersrand |

- 2.4. The board of directors of EasyProperties currently comprises of Andrew Lee Hartogh (executive director), Jamie Boaz Levin (executive director), Gary Stewart van Dyk (executive director) and Charles Henry Savage (executive director). The full names, occupations, qualifications and business addresses of Andrew Lee Hartogh, Jamie Boaz Levin, Gary Stewart van Dyk and Charles Henry Savage appear in paragraph 2.3 above.

2.5. **Company Advisors [REGULATION 58(2)(b)]**

- 2.5.1. The names and business address of the Company's Advisors are as set out in the "Corporate Information and Advisory" section of this Prospectus [REGULATION 58(2)(b)(i) and (ii)].

2.5.2. CTSE Registry Services Proprietary Limited ("CTSE Registry Services") has been appointed as the company secretary and is responsible for the company secretarial work. As a juristic entity qualified in the provision of company secretarial services CTSE Registry Services has the requisite knowledge and skill to effectively and efficiently provide such services to the Company. [REGULATION 58(2)(b)(iii)].

2.6. **Terms of office and manner of appointment of the Directors [REGULATION 58(3)(a)]**

The Non-Executive Directors of the Company are required to resign after a period of 1 (one) year from the date of their appointment to the Board, but may be re-elected in accordance with the provisions of the MOI. The relevant provisions of the MOI relating to Directors' appointments and the applicable term imposed on the Non-Executive Directors are set out in **Annexure C**.

2.7. **Directors' Remuneration [REGULATION 58(3)(b)]**

The Non-Executive Directors and Executive Directors do not receive any remuneration in their capacity as such.

2.8. **Borrowing powers of the Company exercisable by Directors [REGULATION 58(3)(c)]**

2.8.1. The borrowing powers of the Directors are not limited in any way in the MOI.

2.8.2. As at the Last Practicable Date the Company has not borrowed any amounts.

2.9. **Management of the Company [REGULATION 58(3)(d)]**

2.9.1. The Identified Property shall be managed by EasyProperties Proprietary Limited, Registration Number 2019/184453/07, a private company registered and incorporated in South Africa, [REGULATION 58(3)(d)(i)].

2.9.2. The Property Manager's principal place of business is as set out in the "*Corporate Information and Advisory*" section of this Prospectus.

2.9.3. The Property Manager has an experienced management team with the requisite property management experience and will provide various management services to the Company, including, *inter alia*, tenanted, rental collection, rental management, servicing and maintenance of the Units and general property management services.

2.9.4. The Company shall enter into a Management Agreement with the Property Manager on or about 24 (twenty four) months after the date of transfer of ownership of the Units to the Company which Management Agreement clearly sets out the obligations of the Property Manager. Prior to the effective date of the Management Agreement, the Company will enter into a lease agreement with the Property Seller for each Unit for a total monthly net rental amount of R170 240.00 (one hundred and seventy thousand

two hundred and forty Rand). The salient terms of the Management Agreement are attached hereto as **Annexure E** and the Property Manager charges a fee to the Company, which fees are set out in paragraph 2.9.5 of this Section 1 [REGULATION 58(3)(d)(ii) and (iii)].

2.9.5. *Management Fees* [REGULATION 58(3)(d)(iii)]

2.9.5.1. With effect from the effective date of the Management Agreement on Units, the Property Manager will charge a monthly property management fee of 6.0% (six percent) excluding VAT of the total rental collected from tenants per month in terms of the relevant lease agreement ("**Tenant Property Management Fee**"). The Tenant Management Fee is charged monthly and payable in arrears.

2.9.5.2. With effect from the effect date of the Management Agreement, on Units where the Property Manager has procured a tenant for the Property, the Property Manager will charge a once-off procurement fee of 6.0% excluding VAT of the total rental payable by the new tenant for the full term of the relevant lease agreement ("**Procurement Fee**").

2.10. **Administration of the Company**

2.10.1. The Company will be administered by EasyProperties and EasyProperties will make the EasyProperties Platform available to the Company, through which the Offer will be made.

2.10.2. Investors acknowledge that if they subscribe for Ordinary Shares in the Company, they will be bound by the EasyProperties Terms and Conditions in respect of their Ordinary Shares.

2.10.3. Subject to the discretion of the Board, Investors may be given the opportunity to dispose of their Ordinary Shares in accordance with an auction process as determined by the board of Directors of the Company from time to time as more fully detailed in the EasyProperties Terms and Conditions, if applicable.

2.10.4. The EasyProperties Platform will charge Investors the following fees -

2.10.4.1. an upfront 1% (one percent) transaction fee (excluding VAT) of the Rand amount a prospective Investor applies to subscribe for Ordinary Shares in the Company at the time a prospective Investor submits his/her Application to subscribe for the Ordinary Shares in the Company ("**IPO Fee**"). This IPO Fee will be charged on each and every occasion an Investor submits an

Application and will be refunded into an Investor's Account if the Investor's Application is rejected or the Offer fails; and

- 2.10.4.2. an annual platform fee of 0.6% (zero point six percent) (excluding VAT) on the total Rand amount an Investor has invested through the EasyProperties Platform. This platform fee is aggregated across all investments made by an Investor through the EasyProperties Platform ("**Platform Fee**").
- 2.10.5. The IPO Fee and the Platform Fee may be amended from time to time in accordance with the EasyProperties Terms and Conditions.
- 2.10.6. The Platform Fee is charged monthly in arrears and is deducted from any Free Money in an Investor's Account. If an Investor does not have any Free Money, the Platform Fee will be deducted from any distributions paid into an Investor's Account.
- 2.10.7. A full list of the fees which may be incurred by Investors are set out in the Fee Table attached hereto as **Annexure F**.

3. **HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY [REGULATION 59]**

3.1. **Nature of the Business [REGULATION 59(2)(b)]**

- 3.1.1. The Company is a public unlisted company registered in accordance with the laws of South Africa.
- 3.1.2. The Company is not a financial services provider and therefore does not fall within the ambit of the Financial Advisory and Intermediary Services Act, No. 37 of 2002 or the Collective Investment Schemes Control Act No. 45 of 2002.

3.2. **General history of the Company [REGULATION 59(3)(a)]**

- 3.2.1. The Company was incorporated as a public company on 17 May 2021 and has only been carrying on business for a period of approximately 6 (six) months [REGULATION 59(3)(i) and (ii)].
- 3.2.2. The Company seeks to acquire the Units from the Property Seller (if the Offer is successful) to provide Investors with the opportunity to receive returns derived from rental income and a capital gain on the disposal of the Units. The Company has not, as at the Last Practicable Date acquired any immovable property.

3.3. **Material Changes [REGULATION 59(3)(b)]**

There have been no material changes in the business of the Company since its inception.

3.4. Prospects [REGULATION 59(3)(c)(i)]

3.4.1. The Company's investment strategy

In this paragraph prospective Investors are provided with a detailed analysis of the Company's investment strategy providing Investors with insight into the returns they can expect if they subscribe for Ordinary Shares in the Company.

3.4.1.1. Investment Process

3.4.1.1.1. The Investment Committee identifies various immovable properties which it believes have the potential to provide prospective Investors with adequate returns.

3.4.1.1.2. As at the Last Practicable Date, the Investment Committee comprises the following members. The full names, occupations and qualifications of each member is set out below –

| | |
|-----------------------|--|
| Name | Gary Stewart van Dyk |
| Occupation | Chief Financial and Operations Officer, Purple Group Limited |
| Position | 16th floor, 25 Owl St, Braamfontein Werf, Johannesburg, 2092 |
| Qualifications | Executive Director |
| | 1999 – BCompt Accounting Honours, University of Johannesburg 2002 - CA (SA) |

| | |
|-------------------|--|
| Name | Andrew Lee Hartogh |
| Occupation | Chief Executive Officer, Habitat Hospitality Proprietary Limited |

| | |
|-----------------------|--|
| Position | 78 Corlett Drive, Birnam, Johannesburg |
| Qualifications | Non-Executive Director |
| | 2012 - CA (SA) |

| | |
|-----------------------|--|
| Name | Rupert Nicholas Finnemore |
| Occupation | Chief Executive Officer, EasyProperties Proprietary Limited |
| Position | 16th floor, 25 Owl St, Braamfontein Werf, Johannesburg, 2092 |
| Qualifications | Non-Executive Director |
| | <ul style="list-style-type: none"> • 2018 - SAiD Business School, University of Oxford - Fintech And Proptech Innovation Certificate • 2014 - Graduate School of Business, University of Cape Town - Programme for Management Development • 2004 - Unisa Business School - Post Grad Advanced Diploma in Business Management • 2003 - Unisa Business School - Post Grad Certificate in General Management • 1999 - Johannesburg College of Education - HDE Senior Primary - English |

3.4.1.1.3.

Once the Investment Committee has identified a specific property, it will conduct a comprehensive due diligence investigation into the proposed property. This due diligence investigation includes, *inter alia*, an analysis using the general investment criteria set out in the table below.

| General Investment Criteria | |
|---|--|
| Description of investment criteria used | Considerations by the Investment Committee when evaluating the investment criteria |
| Value for money | <ul style="list-style-type: none"> the price per square meter of the proposed property relative to similar properties in its competitor set; the absolute price of a Unit in the proposed property; the quality of the proposed property compared with what is available on the market; the purchase price of the proposed property compared to the cost of building it from scratch (namely, what is the replacement cost); and the availability of any discount to the purchase price of the proposed property. |
| Access to amenities | <ul style="list-style-type: none"> the amenities and facilities available at the proposed property; the amenities and facilities which available in walking distance of the proposed property. For example, schools, shops, jobs, places of worship etcetera; and the amenities offered by similar properties within the proposed property's competitor set. |
| Location | <ul style="list-style-type: none"> the general neighbourhood; the desirability to live in the neighbourhood where the proposed property is situated as compared to the neighbourhood where other similar properties are situated; the crime rates and security available in the area in which the proposed property is situated; whether the area in which the proposed property is situated is improving or regressing, namely will the location become more or less desirable over time; is the location of the proposed property anchored with any major landmarks which should ensure desirability of the proposed property over time. For example, major shopping nodes, business districts and other amenities. |

| | |
|-------------------------------|---|
| Quality | <ul style="list-style-type: none"> • an inspection of the proposed property during construction will be conducted (if applicable); • the condition of the building will be assessed; • whether there are any visible issues or structural faults; • the quality of the finishes; and • the quality and finishes selected in the proposed property compared to other similar properties within the competitor set. |
| Capital growth | <ul style="list-style-type: none"> • the quantum of comparable stock available in the market or anticipated to become available in in the market; • the quantum of land in close proximity to the proposed property where a comparable product could be brought to market; and • the ease or difficulty for someone else to bring a comparable property to market. |
| Rentability and rental demand | <ul style="list-style-type: none"> • what the anticipated rentals are and whether these are below or above average rentals for competing units in the area; • niche target market versus a broad category of renters; • whether the proposed property is in a favourable location, the price point to acquire the proposed property and at the expected rental amount that can be charged; • the expectation regarding a growth in demand from tenants over time; and • the defensiveness of the proposed property from general economic pressure, the Investment Committee believe that. hotels and specialist retail will likely fare worse than residential rentals during difficult times. |

3.4.1.1.4.

In considering the items set out in the above table, the Investment Committee will assign a score to the proposed property between 0 (zero) and 7 (seven) (0 (zero) being the lowest score and 7 (seven) being the highest score) per

investment criteria and thereafter, give the proposed property a final overall score.

3.4.1.2. *The Identified Property*

3.4.1.2.1. For the purposes of this Prospectus, and following the completion of the due diligence investigation set out above, the Investment Committee has identified and recommended **The Reid** as the Identified Property in which the Company should acquire Units.

3.4.1.2.2. The Identified Property is situated at 28 Beacon Avenue, Linbro Park, Sandton, Johannesburg and is a residential development. The Identified Property comprises of 1 294 (one thousand two hundred and ninety four) sectional title units.

3.4.1.2.3. The Investment Committee identified the Identified Property as a qualifying investment property as following the investment analysis in terms of the investment criteria set out above, it achieved the scores set out in the scoring table below.

| Scoring Table | |
|--------------------------------|----------------|
| Investment criteria | Score out of 7 |
| Value for money | 7 |
| Access to amenities | 6 |
| Location | 5 |
| Quality | 5 |
| Capital growth | 6 |
| Rentability and rental Demand | 7 |
| Total score (out of 42) | 36 |
| Percentage total score | 85.7% |

3.4.1.3. *Investment Summary*

3.4.1.3.1. The Company will use the subscription proceeds from this Offer to discharge a portion of the Purchase Price required to acquire the Units. The balance of the Purchase Price will

be paid by obtaining debt funding from a financial institution in South Africa.

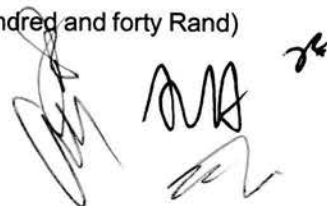
3.4.1.3.2. The subscription proceeds raised from this Offer will account for:

3.4.1.3.2.1. approximately 70.0% (seventy percent) of the Purchase Price and the Company will enter into the relevant debt agreements for the balance of the Purchase Price following the Closing Date. The Investment Committee is of the view that this gearing will benefit Investors by enhancing returns as the Company's loan to asset value will be approximately 30.0% (thirty percent); and

3.4.1.3.2.2. 100.0% (one hundred percent) of the water and electricity connection fees as contemplated in paragraph 11.2.1 of this Section 1.

3.4.1.3.3. This Offer is in no respect conditional upon the Company attaining the debt funding and will proceed if the Minimum Threshold is achieved.

3.4.1.3.4. It is the intention that the Company rent out the Units acquired to tenants on the open market. The rental income has been guaranteed by the Property Seller for the first 24 (twenty four) months at a total net rate of R170 240.00 (one hundred and seventy thousand two hundred and forty Rand) per month in terms of a lease agreement which shall be entered into between the Company and the Property Seller. The anticipated rental income that can be charged to tenants from month 24 (twenty four) onwards is approximately R6 770.00 (six thousand seven hundred and seventy Rand) per month for the first storey 1 (one) bedroom Units, R8 410.00 (eight thousand four hundred and ten Rand) per month for 1 (one) bedroom luxury Units, R7 290.00 (seven thousand two hundred and ninety Rand) per month for second storey 1 (one) bedroom Units, R11 140.00 (eleven thousand one hundred and forty Rand)



per month for 2 (two) bedroom Units and R13 100.00 (thirteen thousand and one hundred Rand) per month for the 3 (three) bedroom Units.

- 3.4.1.3.5. Tenants will be charged separately for water and electricity based on individual consumption. The Company will be responsible for the following monthly charges in respect of the Units, namely levies, rates and taxes and all other associated costs of ownership.
- 3.4.1.3.6. Based on the forecast operating results of the Identified Property which were prepared by the Board and approved by the Investment Committee, which forecast is reflected in paragraph 3.4.1.3.8, the Board anticipates that free cash-flow will be available to be declared as a dividend distribution to Investors commencing on 20 August 2022 . The Board will endeavour to declare dividends on a quarterly basis thereafter.
- 3.4.1.3.7. On average, each month, 15.0% (fifteen percent) of the rental income received from the Units will be withheld and not declared as dividends. This amount will be used to cover the expenses of the Company during any periods of vacancy or other unforeseen circumstances. This withheld amount will, however, still accrue to Investors and if it is not used by the Company will be paid out to Investors either when they sell their Ordinary Shares or the Units have been disposed of.
- 3.4.1.3.8. An illustrative example of the Identified Property's cash flows and an Investor's internal rate of return calculation assuming a notional investment amount of R10 000.00 (ten



thousand Rand) over a 5 (five) year period is set out in the table below.

The Company's Cash Flows and Investor Illustrative Returns

| SPV CASH FLOWS | Yr 0 | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 |
|---|----------|-------|-------|-------|-------|----------|
| Investment | (10 000) | - | - | - | - | - |
| Rental Income | - | 1 305 | 1 305 | 1 354 | 1 415 | 1 479 |
| Property Management Fee | - | - | - | (81) | (85) | (89) |
| Property levies | - | (134) | (134) | (147) | (153) | (160) |
| Property rates | - | (95) | (95) | (104) | (108) | (113) |
| Repairs and maintenance | - | - | - | (47) | (50) | (52) |
| Accounting and audit fees | - | (26) | (13) | (14) | (14) | (15) |
| Interest on gearing | - | (292) | (285) | (277) | (269) | (260) |
| Taxation | - | (103) | (108) | (82) | (97) | (112) |
| | (10 000) | 655 | 670 | 602 | 639 | 678 |
| Maintenance reserve withheld | - | (98) | (100) | (90) | (96) | (102) |
| Dividends paid to shareholders annually | - | (456) | (461) | (396) | (420) | (577) |
| Maintenance reserve released | - | - | - | - | - | 487 |
| | - | - | - | - | - | - |
| Gross proceeds on disposal at year 5 | - | - | - | - | - | 18 638 |
| Capital gains tax | - | - | - | - | - | (1 428) |
| Repayment of gearing | - | (100) | (108) | (115) | (124) | (3 640) |
| | - | (100) | (108) | (115) | (124) | 13 570 |
| Dividends paid to shareholders at year 5 | - | - | - | - | - | (14 057) |
| SPV Cash Balance | - | 98 | 199 | 289 | 385 | 0 |
| INVESTOR IRR CALCULATION | Yr 0 | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 |
| Investment into EasyProperties | (10 000) | - | - | - | - | - |
| EasyProperties brokerage fee | (100) | - | - | - | - | (190) |
| EasyProperties platform fee | - | (60) | (60) | (60) | (60) | (60) |
| Dividends received from property income | - | 456 | 461 | 396 | 420 | 577 |
| Dividends received from property disposal | - | - | - | - | - | 14 057 |
| Investor net cash flows | (10 100) | 396 | 401 | 336 | 360 | 14 383 |
| Investor IRR (net of all fees) | 10,0% | | | | | |

| IRR MATRIX | ANNUAL CAPITAL GROWTH | | | | |
|--------------|-----------------------|------|-------|-------|-------|
| | 0,0% | 2,5% | 5,0% | 7,5% | 10,0% |
| Investor IRR | 5,2% | 7,6% | 10,0% | 12,5% | 15,0% |

Notes:

1. A notional investment amount of R10 000.00 (ten thousand Rand) has been assumed.
2. The Illustrative Returns shown assume that the Investor acquires the Ordinary Shares in terms of this Offer and does not dispose of the Ordinary Shares before year 5 (five).
3. The Investor IRR (net of all fees) of 10.0% (ten point zero percent) assumes:
 - a. capital growth of the Units is 5.0% (five percent) per annum;
 - b. gross rental income of R6 200.00 (six thousand two hundred Rand) per Unit per month for unfurnished first storey 1 (one) bedroom, 1 (one) bathroom Units. 2 (two) Units acquired;
 - c. gross rental income of R7 700.00 (seven thousand seven hundred Rand) per Unit per month for unfurnished 1 (one) bedroom, 1 (one) bathroom luxury Units. 5 (fives) Units acquired;
 - d. average gross rental income of R6 673.00 (six thousand six hundred and seventy three Rand) per Unit per month for unfurnished second storey 1 (one) bedroom, 1 (one) bathroom Units. 11 (eleven) Units acquired;
 - e. gross rental income of R10 200.00 (ten thousand two hundred Rand) per Unit per month for unfurnished 2 (two) bedroom, 2 (two) bathroom Units. 1 (one) Unit acquired;

- f. gross rental income of R12 000.00 (twelve thousand Rand) per Unit per month for unfurnished 3 (three) bedroom, 2 (two) bathroom Units. 6 (six) Units acquired; and
 - g. rental income from Units escalates annually at CPI (4.5% (four point five percent) after year 1 (one)).
4. See **Annexure H** for detailed assumptions.
 5. **Investors must please note that although independent valuations have been conducted and the independent valuation reports are available on the EasyProperties Platform, the Company has used conservative assumptions in its IRR calculations, the Company's forecasted cash flows as well as the pro forma income statement as set out in Annexure H.**

3.4.1.4. Fees

- 3.4.1.4.1. The management fees payable to the Property Manager are as set out in paragraph 2.9.5 of Section 1 of this Prospectus.
- 3.4.1.4.2. Please consider the Fee Table for a complete breakdown of all fees applicable to the Offer.

3.4.1.5. Investment Time Frame and Exit

- 3.4.1.5.1. The Company's investment in the Units is a long-term investment. The Company views its investment in the Units as a 5 (five) to 7 (seven) year investment. The Company will seek to dispose of the Units approximately 5 (five) years after their acquisition. The Company's decision to dispose of the Units will be dependent on the prevailing market conditions at the time, and on the basis that it is beneficial to Investors. The disposal of the Units will, as required in terms of the Companies Act, be subject to the requisite shareholder approval being obtained.
- 3.4.1.5.2. On the disposal of the Units, the Company will declare a dividend of the net proceeds to Investors.
- 3.4.1.5.3. Notwithstanding the above, Investors may be given the opportunity to dispose of their Ordinary Shares in the Company through the EasyProperties Platform and in accordance with the EasyProperties Terms and Conditions prior to the disposal of the Units. **However, Investors must take note that there is a substantial risk, in that the Investor or potential Investor may not be able to sell his or her Ordinary Shares should he/she wish to**

do so in the future. It is not the function of the Company to find a buyer should the Investor or potential Investor wish to sell his/her Ordinary Shares and that it is the Investor's or potential Investor's responsibility to find his or her own buyer. To the extent that the Ordinary Shares are not already in uncertificated form, prior to Investors being able to dispose of their Ordinary Shares in accordance the EasyProperties Terms and Conditions, the Company will seek to dematerialise its securities, as contemplated in section 49(5) of the Companies Act and the MOI and a Central Securities Depository will administer and maintain the Uncertificated Securities Register.

- 3.4.1.5.4. The Company will have a call option ("**Call Option**") to repurchase all of the Ordinary Shares held by an Investor (and its successors in title). The Call Option may be exercised by written notice to the Investor, at any time after the Company has disposed of the Units as contemplated in paragraph 3.4.1.5.1. The Call Option may be exercised at a nominal price ("**Call Option Price**") to be determined by the Board, taking into account the dividends already declared to the Investor. The determination of the Board in relation to the Call Option Price shall be final and binding on the Company and the Investor. The Investor must immediately deliver to the Company, any documents requested by the Company for purposes of implementing the repurchase of Ordinary Shares contemplated in this paragraph 3.4.1.5.4 (including a signed instrument of transfer). By subscribing for Ordinary Shares in the Company, the Investor (and its successors in title) hereby appoints the Company in *rem suam* as its attorney and agent in the Investors' name, place and stead to do all such things and to sign and execute all documents, as required for the repurchase of the Investors Ordinary Shares.

Handwritten signatures and initials in black ink, located at the bottom right of the page. There are several distinct marks, including what appears to be a large stylized 'S' or 'J' and other cursive signatures.

3.4.2. Directors' opinion regarding prospects [REGULATION 59(3)(c)(i)]

Based on the above, the directors are of the opinion that the acquisition of the Units is reasonably likely to provide Investors with the returns indicated in this Prospectus.

3.5. State of Affairs of the Company [REGULATION 59(3)(d)(i)]

Since its incorporation, the Company has issued 10 000 (ten thousand) A Shares for an aggregate subscription price of R1.00 (one Rand) to EasyProperties. Save for the aforementioned subscription, the Company has not acquired any assets and does not have any liabilities.

3.6. Principal immovable property owned and/or leased [REGULATION 59(3)(e)]

As at the Last Practicable Date the Company does not own any immovable property and has not entered into any lease agreements. The Company is permitted to run its operations from the offices of EasyProperties (being, the Company's Registered Office) and is not required to make any rental payments to EasyProperties in this regard.

3.7. Capital Commitments and contingent liabilities [REGULATION 59(3)(f)]

The Company does not have any capital commitments, lease payments and/or contingent liabilities with respect to the purchase, construction or installation of buildings, plant or machinery.

3.8. Turnover, profit and loss and dividend policy [REGULATION 59(3)(g)]

As the Company was incorporated on 17 May 2021 and has not conducted any business since its incorporation, as such, the Company does not have any turnover, profits or losses.

4. SHARE CAPITAL OF THE COMPANY [REGULATION 60]

4.1. The authorised and issued share capital of the Company before and after the Offer is as follows [REGULATION 60(a)(i)] –

| Share Capital as at the Last Practicable Date: | | |
|--|--------------------------|----------------------|
| Class of Share: | Authorised Share Capital | Issued Share Capital |
| Ordinary Shares | 100 000 000 | N/A |
| A Shares | 10 000 | 10 000 |

| Intended share capital structure following the implementation of the Offer: | | |
|---|--------------------------|----------------------|
| Class of Share: | Authorised Share Capital | Issued Share Capital |
| Ordinary Shares | 100 000 000 | 18 985 750 |

| | | |
|----------|--------|--------|
| A Shares | 10 000 | 10 000 |
|----------|--------|--------|

- 4.2. None of the Shares have any conversion or redemption rights attaching to them [REGULATION 60(a)(ii)].
- 4.3. The dividend policy attaching to the Shares as well as the voting rights are as set out in the MOI, the relevant clauses of the MOI have been extracted and are attached hereto as **Annexure D** [REGULATION 60(a)(ii)]. For ease of reference, the voting rights attaching to the Shares are also set out below:
- 4.3.1. each Ordinary Share shall entitle the holder thereof to (i) vote on every matter to be decided by the Shareholders at any Shareholder Meeting, save in respect of the appointment of Directors, and in this regard the Ordinary Shareholders shall be entitled to 1 (one) vote for each Ordinary Share, (ii) vote on any proposal to amend the preferences, rights, limitations and other terms associated with the Ordinary Shares, (iii) participate proportionally in any Distribution made by the Company, and (iv) receive the net assets of the Company upon its liquidation; and
- 4.3.2. each A Share (i) shall entitle the holder thereof to vote on any matter to be decided by the Shareholders at any Shareholders' Meeting and in this regard the A Shares in aggregate shall carry that number of votes which would entitle the Class A Shareholders to exercise, in aggregate, 25% (twenty five percent) of the total votes exercisable at a Shareholders Meeting on the basis that each A Share shall carry that number of votes equal to 25% (twenty five percent) of the total votes exercisable at the Shareholders Meeting divided by the number of A Shares in issue, (ii) shall entitle the holder thereof to nominate Directors for appointment and to vote in relation to the appointment of Directors, as set out in clauses 33.3 and 33.4 of the MOI, and (iii) shall not entitle the holder thereof to participate in any Distributions made by the Company or to receive the net assets of the Company upon its liquidation.
- 4.4. As at the Last Practicable Date, no Directors hold any Shares in the Company [REGULATION 60(a)(iii)].
- 4.5. Other than the issue of the A Shares, no changes have been made to the share capital of the Company since the date of incorporation [REGULATION 60(b)].
- 4.6. No Shares have been offered to the public since its incorporation [REGULATION 60(c)(i) - (iii)].
- 4.7. The securities register of the Company will disclose holders of beneficial interests.

5. **OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES [REGULATION 61]**

As at the date of this Prospectus, no options or preferential rights of any kind to subscribe for any shares in the Company have been granted to any person.

6. **COMMISSION PAID OR PAYABLE IN RESPECT OF UNDERWRITING [REGULATION 62]**

No commissions are payable in respect of the Offer to any person for subscribing or agreeing to subscribe, or procuring or agreeing to procure, subscription for and/or underwriting of any securities of the Company [REGULATION 62(2)(a)].

7. **MATERIAL CONTRACTS [REGULATION 63]**

7.1. **Directors and managerial remuneration, royalties and technical fees payable**

7.1.1. Other than as set out in this Prospectus, Directors do not receive remuneration for their position as such.

7.1.2. The Company has not entered into any agreements relating to the payment of any royalties and, save as regards to the appointment of **CTSE Registry Services** as the company secretary, has not entered into any agreements, written or oral, relating to secretarial and/or technical fees.

7.2. **Material Agreements**

There have been no material documents entered into by the Company.

8. **INTEREST OF DIRECTORS AND PROMOTERS [REGULATION 64]**

No consideration, has been paid, or agreed to be paid to any Director or related party of a Director, another company in which a Director has a beneficial interest or of which such Director is also a director; or any partnership, syndicate or other association of which the Director is a member, to induce the Director to become a Director, to qualify as a director or for services rendered by the director or by a company, partnership, syndicate or other association, in connection with the promotion or formation of the Company [REGULATION 64(2)(a)(i) – (iii)].

9. **LOANS [REGULATION 65]**

As at the Last Practicable Date and at the issue date of this Prospectus, the Company has no material loans outstanding. The Company, however, wishes to record that it intends to enter into the relevant debt agreements in terms of which certain funding will be advanced to the Company to facilitate its acquisition of the Units following the Closing Date, if the Offer is successful.

10. **SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH [REGULATION 66]**

No securities have been issued, or have been agreed to be issued within the three years immediately before the date of issue of this Prospectus and the Last Practicable Date, by the Company to any person other than for cash.

11. **PROPERTY ACQUIRED OR TO BE ACQUIRED [REGULATION 67]**

11.1. **Identified Property**

As set out in paragraph 3.4.1.3.2.1 of this Section 1, the subscription proceeds raised pursuant to this Offer will be used to discharge a portion of the Purchase Price for the acquisition of the Units. As at the Last Practicable Date each Unit had a purchase price as set out in the table below.

| Unit number | Size (square meters) | Purchase price per Unit (including VAT) (Rand) |
|-------------|----------------------|--|
| 489 | 39 | 749 900.00 |
| 490 | 39 | 749 900.00 |
| 1 256 | 60 | 979 900.00 |
| 481 | 60 | 949 900.00 |
| 482 | 60 | 949 900.00 |
| 1 279 | 60 | 979 900.00 |
| 1 280 | 60 | 979 900.00 |
| 1 223 | 50 | 879 900.00 |
| 1 224 | 50 | 879 900.00 |
| 1 233 | 50 | 879 900.00 |
| 1 234 | 50 | 879 900.00 |
| 1 243 | 50 | 879 900.00 |
| 1 244 | 50 | 879 900.00 |
| 1 253 | 50 | 879 900.00 |
| 467 | 46 | 839 900.00 |
| 468 | 46 | 839 900.00 |
| 479 | 46 | 839 900.00 |
| 1 075 | 50 | 839 900.00 |

| | | |
|------------------|--------------|----------------------|
| 759 | 107 | 1 359 900.00 |
| 1 044 | 108 | 1 629 900.00 |
| 1 221 | 108 | 1 629 900.00 |
| 1 231 | 108 | 1 629 900.00 |
| 1 242 | 108 | 1 629 900.00 |
| 1 251 | 108 | 1 629 900.00 |
| 1 252 | 108 | 1 629 900.00 |
| Total: 25 | 1 673 | 26 997 500.00 |

11.2. The following additional fees will be incurred during the acquisition of the Units -

11.2.1. Connection of water and electricity services for each Unit at a total cost of R76 087.00 (seventy six thousand and eighty seven Rand) excluding VAT;

11.2.2. An independent third party valuation of the Units will be conducted and borne by the Property Seller; and

11.2.3. Conveyancing and bond registration fees will be borne by the Property Seller.

11.3. EasyProperties will act as an agent, facilitating the sale of the Units to the Company and will earn commission on the sale equal to 3% (three percent) of the total purchase price, which commission will be paid to EasyProperties by the Property Seller.

12. AMOUNTS PAID OR PAYABLE TO PROMOTERS [REGULATION 68]

As at the Last Practicable Date, no amount has been paid or is proposed to be paid and no benefit has been or will be given by the Company, to any promoter, or to any partnership, syndicate or other association of which the promoter is or was a member, in relation to the issue of the Ordinary Shares.

13. PRELIMINARY EXPENSES AND ISSUE EXPENSES [REGULATION 69]

13.1. The expenses in connection with this Offer, including costs of the professional advisors, all of which are exclusive of any applicable VAT and disbursements, are estimated to be R17 000.00 (seventeen thousand Rand).

13.2. These expenses (exclusive of VAT and disbursements, if applicable) are estimated and comprise as follows -

| Description | Service Provider | Estimated Fees: |
|---|------------------|-----------------|
| Company Legal Fees: Review and finalisation of Draft Prospectus | CMS RM Partners | R5 000.00 |

| | | |
|--|------------------------------------|-------------------------|
| Company Legal Fees: Submission of Prospectus to CIPC | CTSE Registry Services | R5 000.00 |
| Registration of Prospectus | CIPC | R7 000.00 |
| Auditor Fees | N/A | R0.00 |
| Independent Valuation Costs | Realty Arena CC | Paid by Property Seller |
| Conveyancing and bond registration | To be appointed by Property Seller | Paid by Property Seller |
| Total: | | R17 000.00 |

In the last 3 (three) years the Company has not incurred any expenses.

SECTION 2: INFORMATION ABOUT THE OFFERED SECURITIES

1. PURPOSE OF THE OFFER [REGULATION 70]

The purpose of the Offer is [REGULATION 70(a)] –

- 1.1. to raise capital from shareholders in order to discharge:
 - 1.1.1. a portion of the Purchase Price for the acquisition of the Units;
 - 1.1.2. 100% (one hundred percent) of the water and electricity connection fees as contemplated in paragraph 11.2.1 of Section 1;
- 1.2. to enable the Company to attain the relevant debt funding to settle the balance of the Purchase Price outstanding for the acquisition of the Units;
- 1.3. to enable the Company to generate rental returns from the acquisition of the Units; and
- 1.4. to enable the Company to generate a capital gain from the acquisition and eventual disposal of the Units.

2. TIME AND DATE OF THE OPENING AND CLOSING OF THE OFFER [REGULATION 71]

| Details: | Time Periods |
|-----------------------------|-------------------------|
| Opening date of the Offer: | 22 November 2021 |
| Closing Date of the Offer:* | 14 January 2022 |

*The Directors reserve the right to amend or extend the Closing Date, by means of publishing a supplementary prospectus, at their discretion. The Offer will close on the Closing Date or otherwise at the Director's discretion.

3. PARTICULARS OF THE OFFER [REGULATION 72]

- 3.1. The Public are invited to subscribe for up to 18 985 750 (eighteen million nine hundred and eighty five thousand seven hundred and fifty hundred Rand) Ordinary Shares at the Subscription Price of R1.00 (one Rand) per Ordinary Share.

The Ordinary Shares have the economic and voting rights as set out in the MOI, the salient terms of which are attached hereto as **Annexure D**.

- 3.2. Application may be made to subscribe for the Ordinary Shares by following the process set out in paragraph 2.8 of the "Important Legal Notes" section of this Prospectus.
- 3.3. The Company has not issued any Ordinary Shares since its incorporation, but has issued the A Shares to EasyProperties [REGULATION 72(2)(a) – (c)]. EasyProperties is not entitled to any economic benefits of the Company, but is entitled to vote on any matter to be decided by the shareholders of the Company and will, in accordance with the MOI, be entitled to exercise in aggregate 25% (twenty five percent) of all the voting rights at a meeting of the shareholders of the Company. The ability to exercise 25% (twenty five percent) of all the voting rights at a meeting of the shareholders ensures that the requirement in section 64(1) of the Companies Act can be achieved, however, the requirements set out in section 64(3) of the Companies Act will still need to be complied with for a meeting to be quorate.
- 3.4. As at the date of this Prospectus, the Company has not issued any securities for a premium [REGULATION 72(3)].

4. MINIMUM SUBSCRIPTION [REGULATION 73]

- 4.1. The minimum subscription amount for the Offer is 18 985 750 (eighteen million nine hundred and eighty five thousand seven hundred and fifty hundred Rand) ("**Minimum Threshold**") [REGULATION 73(1)]. If the Minimum Threshold is raised the Offer will be successful and the Company will acquire the Units as contemplated in this Prospectus.
- 4.2. If the Minimum Threshold is not raised by the Closing Date the Offer will become null and void, all moneys received will be returned to an Investor's Account within 2 (two) Business Days from the Closing Date and no Ordinary Shares will be issued pursuant to the Offer.
- 4.3. If the Offer fails, an announcement to this effect will be made on the EasyProperties Platform within 2 (two) Business Days from the Closing Date.
- 4.4. **Property to be acquired with the subscription proceeds [Regulation 73(4)(a) and 73(4)(f)]**
- 4.4.1. The Company intends discharging a portion of the Purchase Price required to acquire the Units with the subscription proceeds raised pursuant to this Offer. The balance of

the Purchase Price will be discharged by the Company obtaining debt funding from a financial institution in South Africa following the Closing Date.

- 4.4.2. The purchase price for each Unit is as set out in paragraphs 11.1 in Section 1 of this Prospectus.

5. **RESERVATION OF RIGHTS**

The Directors reserve the right to accept or refuse any Application/s, either in whole or in part, as they may, in their absolute and sole discretion, determine.

Handwritten signatures and initials at the bottom right of the page. There are three distinct signatures: one on the left, one in the middle, and one on the right. The signature on the right includes the letters 'OR' above it.

SECTION 3: STATEMENTS AND REPORTS RELATING TO THE OFFER**1. STATEMENT AS TO ADEQUACY OF CAPITAL [REGULATION 74]**

- 1.1. Due to the fact that the subscription proceeds raised pursuant to this Offer will be used to discharge a portion of the Purchase Price required to acquire the Units and pay for the costs of the independent valuations of the Units in the Identified Property, the Directors of the Company are not of the opinion that the issued share capital of the Company, both before and after the implementation of the Offer, will be adequate for the purpose of the business of the Company for a period of 12 (twelve) months from the date of issue of this Prospectus.
- 1.2. The inadequacy contemplated in paragraph 1.1 above will be limited to the shortfall required to settle the balance of the Purchase Price (and any fees required to be paid by the Company pursuant to the acquisition of the Units). The Company will, however, ensure this inadequacy is rectified by obtaining debt funding from a financial institution in South Africa following the Closing Date. [REGULATION 74(2)(b)].

2. REPORT BY DIRECTORS AS TO MATERIAL CHANGES [REGULATION 75]

The Directors of the Company report that, other than in the ordinary course of business and in terms of this Prospectus, there has been no material change to the assets or liabilities of the Company since its date of incorporation until the issue date of this Prospectus.

3. STATEMENT AS TO LISTING ON A STOCK EXCHANGE [REGULATION 76]

No application has been made to any stock exchange for the listing of the Company's Shares.

4. REPORT BY AUDITOR WHERE BUSINESS UNDERTAKING TO BE PROVIDED [REGULATION 77]

The Company does not intend acquiring any business undertaking.

5. REPORT BY AUDITOR WHERE THE COMPANY WILL ACQUIRE A SUBSIDIARY [REGULATION 78]

The Company does not intend acquiring any subsidiaries.

6. REPORT BY THE AUDITOR OF THE COMPANY [REGULATION 79]

Regulation 79 of the Companies Regulations requires the Auditor to prepare a report on the profits and losses, dividends and assets and liabilities of the Company. As the Company is newly incorporated it does not have any profits, losses, dividends or assets and therefore, there is no report to attach to this prospectus. The Company has not compiled any management accounts as it has not conducted any business to date.



SECTION 4: ADDITIONAL MATERIAL INFORMATION [REGULATION 56]**1. FINANCIAL ADVICE**

- 1.1. This Prospectus constitutes information about the Company. Nothing contained in it should be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature in respect of the Offer presented in this Prospectus. Nothing in this Prospectus should be construed as constituting the canvassing for, or marketing or advertising of financial services by the Company.
- 1.2. Investors should be cognisant that the value of, and potential income generated from, an acquisition of any class of Share in the Company may appreciate as well as depreciate. Investors may not realise the initial capital commitment. If in doubt, Investors should seek advice from their financial advisor, attorney, accountant, banker or other professional adviser.

2. CONFIDENTIALITY

The Company will not disclose or use any confidential information obtained from Investors, except to the extent permitted by the Investor/s concerned or required by law.

3. DOCUMENTS AVAILABLE FOR INSPECTION [REGULATION 53(A)(B)(D)(E)]

Copies of the following documents are available for inspection at the registered offices of the Company at any time during business hours on weekdays until and including the date that is 10 (ten) business days after the Closing Date –

- 3.1. the MOI; and
- 3.2. the written consents of the Advisors named in this Prospectus to act in those capacities.




SECTION 5: INAPPLICABLE OR IMMATERIAL MATTERS

The following paragraphs of the Companies Regulations dealing with the requirements for a prospectus are not applicable to this Prospectus –


Regulation 55; Regulation 57(2) and 3(a); Regulation 59(4); Regulation 61, Regulation 62, Regulation 64(2)(b), Regulation 65, Regulation 66, Regulation 68, Regulation 75, Regulation 76, Regulation 77, Regulation 78, Regulation 79 and Regulation 80.

Signed by all the directors of the Company:



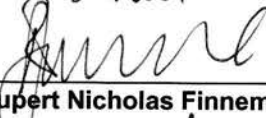
Charles Henry Savage

Date: 28.11.2021



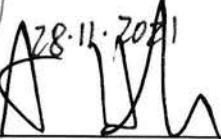
Gary Stewart van Dyk

Date: 28.11.2021



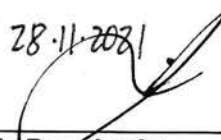
Rupert Nicholas Finnemore

Date: 28.11.2021



Andrew Lee Hartogh

Date: 28.11.2021



Jamie Boaz Levin

Date: 28.11.2021

Annexure A Risk Factors

| Risk Category | Explanation of Risk on Performance | Risk | Mitigating Factor |
|-----------------------|---|--------|---|
| Market risk | The general decline of property prices and rentals | Medium | The Investment Committee will endeavor to purchase property at discounts to prevailing market prices. This will provide a margin of safety and mitigate the risk of a general decline in property prices and rentals. |
| Economic conditions | The state of the South African economy and fiscal conditions can fluctuate for a variety of reasons and will change over time in line with economic and business cycles | Medium | Despite a decline generally in the property market in South Africa, the rental property market has continued to show resilience. Due to a subdued economic environment over the past few years, the rate of supply of new properties has decelerated considerably which should assist in propping up property prices in future. |
| Illiquid shares | The Ordinary Shares issued to the prospective Investors are illiquid | High | Property is a medium to long term investment. Accordingly, investors are encouraged not to invest in the Ordinary Shares if liquidity is required in the short term. |
| Internal control risk | The Company does not have an internal audit function | Medium | The audit and risk committee have deemed it not necessary to implement an internal audit risk function due to the size and nature of the Company. The Company is audited by external auditors on an annual basis who will report on internal risk controls. |
| Credit risk | Credit risk is attributed mainly to cash deposits, cash equivalents and trade debtors | Low | The Company only deposits cash with the major banks who have a high-quality credit standing. |
| Operational risks | Investment decisions such as the selection of the Identified Property are not properly evaluated and considered. Management of the Identified Property post acquisition is not conducted with care and adequate diligence | Low | The Investment Committee is tasked to ensure that properties are properly evaluated and considered prior to being selected. The Investment Committee is required to have an independent non-executive director as a member. |
| Capital risk | The Company's ability to continue as a going concern to provide returns to Investors and benefits for other stakeholders. | Low | The Company will only own the Identified Property with very low gearing. However, should the risk materialise, the Company may issue new shares or sell the immovable property acquired to increase cash and cash equivalents. Further, the Company will mandate a professional property management company to ensure the properties are rented out and vacancies are kept to a minimum. |

Annexure B King Code Non-Compliance

| LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP | | Compliant | Remarks |
|---|--|------------------|----------------|
| Principle 1: The governing body should lead ethically and effectively | | | |
| | Recommended Practice | | |
| 3. | The arrangements by which the members of the governing body are being held to account for ethical and effective leadership should be disclosed. These arrangements would include, but are not limited to, codes of conduct and performance evaluations of the governing body and its members. | NO | N2 |
| Organisational ethics | | Compliant | Remarks |
| Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture. | | | |
| 5. | The governing body should approve codes of conduct and ethics policies that articulate and give effect to its direction on organisational ethics. | NO | N2 |
| 6. | The governing body should ensure that codes of conduct and ethics policies: | NO | N2 |
| | a. encompass the organisation's interaction with both internal and external stakeholders and the broader society; and | | |
| | b. address the key ethical risks of the organisation. | NO | N2 |
| 7. | The governing body should ensure that the codes of conduct and ethics policies provide for arrangements that familiarise employees and other stakeholders with the organisation's ethical standards. These arrangements should include - | N/A | N3 |
| | a. publishing the organisation's codes of conduct and policies on the organisation's website, or on other platforms or through other media as is appropriate; | N/A | N3 |
| | b. the incorporation by reference, or otherwise, of the relevant codes of conduct and policies in supplier and employee contracts, and | N/A | N3 |
| | c. including the codes of conduct and ethics policies in employee induction and training programmes. | N/A | N3 |
| 9. | The governing body should exercise ongoing oversight of the management of ethics and, in particular, oversee that it results in the following: | N/A | N3 |
| | a. Application of the organisation's ethical standards to the processes for the recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers. | | |
| | b. Having sanctions and remedies in place for when the organisation's ethical standards are breached. | N/A | N3 |
| | c. The use of protected disclosure or whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately. | N/A | N3 |
| 10. | The monitoring of adherence to the organisation's ethical standards by employees and other stakeholders through, among others, periodic independent assessments. | N/A | N3 |
| | The following should be disclosed in relation to organisational ethics: | NO | N2 |
| | a. An overview of the arrangements for governing and managing ethics. | | |
| | b. Key areas of focus during the reporting period. | NO | N2 |
| | c. Measures taken to monitor organisational ethics and how the outcomes were addressed. | NO | N2 |
| | d. Planned areas of future focus. | NO | N2 |
| Responsible corporate citizenship | | Compliant | Remarks |
| Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporation citizen | | | |
| 14. | The governing body should oversee and monitor, on an ongoing basis, how the consequences of the organisation's activities and outputs affect its status as a responsible corporate citizen. This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas: | N/A | N3 |
| | b Economy (including economic transformation prevention, detection and response to fraud and corruption, and responsible and transparent tax policy). | N/A | N3 |
| | d Environment (including responsibilities in respect of pollution and waste disposal, and protection of biodiversity). | N/A | N3 |
| Strategy and performance | | Compliant | Remarks |
| Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. | | | |
| 1. | The governing body should assume responsibility for organisational performance by steering and setting the direction for the realisation of the organisation's core purpose and values through its strategy. | YES | |
| 2. | The governing body should delegate to management the formulation and development of the organisation's short, medium and long-term strategy. | NO | N4 |
| 3. | The organisation's short, medium and long-term strategy as formulated and developed by management should be approved by the governing body. When considering the proposed strategy for approval, the governing body should challenge it constructively with reference to, among others, the following: | NO | N4 |
| | a. The timelines and parameters which determine the meaning of short, medium and long term respectively. | NO | N4 |

| | | | |
|----|---|----|----|
| | b. The risks, opportunities and other significant matters connected to the triple context in which the organisation operates. | NO | N4 |
| | c. The extent to which the proposed strategy depends on the resources and relationships connected to the various forms of capital. | NO | N4 |
| | d. The legitimate and reasonable needs, interests and expectations of material stakeholders. | NO | N4 |
| | e. The increase, decrease or transformation of the various forms of capitals that may result from the execution of the proposed strategy. | NO | N4 |
| | f. The interconnectivity and inter-dependence of all of the above. | NO | N4 |
| 4. | The governing body should ensure that it approves the policies and operational plans developed by management to give effect to the approved strategy. These should include the key performance measures and targets for assessing the achievement of strategic objectives and positive outcomes over the short, medium and long term. | NO | N4 |
| 5. | The governing body should delegate to management the responsibility to implement and execute the approved policies and operational plans. | NO | N4 |
| 6. | The governing body should exercise ongoing oversight of the implementation of strategy and operational plans by management against agreed performance measures and targets. | NO | N4 |
| 7. | The governing body should oversee that the organisation continually assesses, and responsibly responds to the negative consequences of its activities and outputs on the triple context in which it operates, and the capitals which it uses and affects. | NO | N4 |
| 8. | As part of its oversight of performance, the governing body should be alert to the general viability of the organisation with regard to its reliance and effects on the capitals, its solvency and liquidity, and its status as a going concern. | NO | N4 |

| Reporting | | Compliant | Remarks |
|---|--|-----------|---------|
| Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informal assessments of the organisation's performance, and its short, medium and long-term prospects. | | | |
| 15. | The governing body should oversee that the following information is published on the organisation's website, or on other platforms or through other media as is appropriate for access by stakeholders: a. Corporate governance disclosures required in terms of this Code (refer to Part 3: King IV Application and Disclosure for more detail). b. Integrated reports. c. Annual financial statements and other external reports. | NO | N5 |
| | | NO | N5 |
| | | NO | N5 |

| Primary role and responsibilities of the governing body | | Compliant | Remarks |
|---|--|-----------|---------|
| Principle 6: The Governing Body should serve as the focal point and custodian of corporate governance in the organisation. | | | |
| 1. | The governing body should exercise its leadership role by: Corporate governance disclosures required in terms of this Code (refer to Part 3: King IV Application and Disclosure for more detail). a. a steering the organisation and setting its strategic direction; b. approving policy and planning that give effect to the direction provided; c. overseeing and monitoring of implementation and execution by management; and d. ensuring accountability for organisational performance by means of, among others, reporting and disclosure. | NO | N4 & N5 |
| | | NO | N4 & N5 |
| | | NO | N4 & N5 |
| | | NO | N4 & N5 |
| 2. | The governing body should ensure that its role, responsibilities, membership requirements and procedural conduct are documented in a charter which it regularly reviews to guide its effective functioning. | NO | N4 & N5 |
| 3. | The governing body should approve the protocol to be followed in the event that it or any of its members or committees need to obtain independent, external professional advice at the cost of the organisation on matters within the scope of their duties. | NO | N4 & N5 |
| 4. | The governing body should approve the protocol to be followed by its non-executive members for requisitioning documentation from, and setting up meetings with, management. | NO | N4 & N5 |

| | | | |
|---|---|-----|----|
| Refer to paragraph 50 for the recommended disclosures in relation to the committee responsible for risk. | | | |
| Committee responsible for remuneration | | | |
| 65. | The governing body should consider allocating oversight of remuneration to a dedicated committee, or adding it to the responsibilities of another committee as is appropriate for the organisation. | N/A | N7 |
| 66. | All members of the committee for remuneration should be non-executive members of the governing body, with the majority being independent non-executive members of the governing body. | N/A | N7 |
| 67. | The committee for remuneration should be chaired by an independent non-executive member. | N/A | N7 |
| Refer to paragraph 50 for the recommended disclosures in relation to the committee responsible for remuneration | | | |
| Social and ethics committee | | | N6 |
| 68. | For some companies, the establishment of a social and ethics committee is a statutory requirement. The governing body of any organisation not so obliged should consider allocating oversight of, and reporting on, organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships to a dedicated committee, or adding it to the responsibilities of another committee as is appropriate for the organisation. | N/A | |
| 69. | The responsibilities of the social and ethics committee should include its statutory duties (if applicable) and any other responsibilities delegated to it by the governing body. | N/A | |

| 70. | The social and ethics committee should, subject to legal provisions, have executive and non-executive members, with a majority being non-executive members of the governing body. | N/A | |
|--|---|-----------|---------|
| Refer to paragraph 50 for the recommended disclosures in relation to the social and ethics committee. | | | |
| Remuneration governance | | Compliant | Remarks |
| Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. | | | |
| Remuneration policy | | | |
| 26. | The governing body should assume responsibility for the governance of remuneration by setting the direction for how remuneration should be approached and addressed on an organisation-wide basis. | N/A | N7 |
| 27. | The governing body should approve policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration. | N/A | N7 |
| 28. | The remuneration policy should be designed to achieve the following objectives: | N/A | N7 |
| | a. To attract, motivate, reward and retain human capital. | N/A | N7 |
| | b. To promote the achievement of strategic objectives within the organisation's risk appetite. | N/A | N7 |
| | c. To promote positive outcomes. | N/A | N7 |
| 29. | d. To promote an ethical culture and responsible corporate citizenship. | N/A | N7 |
| | The remuneration policy should address organisation-wide remuneration and include provision for the following specifically | N/A | N7 |
| | a. Arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation. | N/A | N7 |
| | b. The use of performance measures that support positive outcomes across the economic, social and environmental context in which the organisation operates; and/or all the capitals that the organisation uses or affects. | N/A | N7 |
| 30. | c. If the organisation is a company, the voting by shareholders on the remuneration policy and implementation report, and for the implementation of related responding measures as outlined under Voting on Remuneration below. | N/A | N7 |
| | All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including: | N/A | N7 |
| | a. base salary, including financial and non-financial benefits, | N/A | N7 |
| | b. variable remuneration, including short and long-term incentives and deferrals; | N/A | N7 |
| 31. | c. payments on termination of employment or office; d sign-on, retention and restraint payments, | N/A | N7 |
| | d. the provisions, if any, for pre-vesting forfeiture (<i>malus</i>) and post-vesting forfeiture (<i>claw-back</i>) of remuneration; | N/A | N7 |
| | e. any commissions and allowances; and | N/A | N7 |
| | f. the fees of non-executive members of the governing body. | N/A | N7 |
| 31. | The governing body should oversee that the implementation and execution of the remuneration policy achieves the objectives of the policy. | N/A | N7 |
| Remuneration report | | | |
| 32. | The governing body should ensure that remuneration is disclosed by means of a remuneration report in three parts: | N/A | N7 |
| | a. A background statement. | N/A | N7 |
| | b. An overview of the main provisions of the remuneration policy. | N/A | N7 |
| | c. An implementation report which contains details of all remuneration awarded to individual members of the governing body and executive management during the reporting period. | N/A | N7 |
| Background statement | | | |
| 33. | The background statement should briefly provide context for remuneration considerations and decisions, with reference to: | N/A | N7 |
| | a. internal and external factors that influenced remuneration, | N/A | N7 |
| | b. the most recent results of voting on the remuneration policy and the implementation report and the measures taken in response thereto, | N/A | N7 |
| | c. key areas of focus and key decisions taken by the remuneration committee during the reporting period, including any substantial changes to the remuneration policy; | N/A | N7 |
| | d. whether remuneration consultants have been used, and whether the remuneration committee is satisfied that they were independent and objective; | N/A | N7 |
| | e. the views of the remuneration committee on whether the remuneration policy achieved its stated objectives; and | N/A | N7 |
| | f. future areas of focus. | N/A | N7 |
| Overview of remuneration policy | | | |
| 34. | The overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: | N/A | N7 |
| | a. The remuneration elements and design principles informing the remuneration arrangements for executive management and, at a high level, for other employees. | N/A | N7 |
| | b. Details of any obligations in executive employment contracts which could give rise to payments on termination of employment or office. | N/A | N7 |
| | c. A description of the framework and performance measures used to assess the achievement of strategic objectives and positive outcomes, including the relative | N/A | N7 |

Handwritten signature and initials, possibly 'JH' and 'AUB', with a date '28'.

| | | | |
|--|--|-----|----|
| | weighting of each performance measure and the period of time over which it is measured. | | |
| | d. An illustration of the potential consequences on the total remuneration for executive management, on a single, total figure basis, of applying the remuneration policy under minimum, on-target and maximum performance outcomes. | N/A | N7 |
| | e. An explanation of how the policy addresses fair and responsible remuneration for executive management in the context of overall employee remuneration. | N/A | N7 |
| | f. The use and justification of remuneration benchmarks. | N/A | N7 |
| | g. The basis for the setting of fees for non-executive directors. | N/A | N7 |
| | h. A reference to an electronic link to the full remuneration policy for public access. | N/A | N7 |
| Implementation report | | | |
| 35. | The implementation report, which includes the remuneration disclosure in terms of the Companies Act, should reflect the following: | | |
| | a. The remuneration of each member of executive management, which should include in separate tables: | N/A | N7 |
| | i. a single, total figure of remuneration, received and receivable for the reporting period, and all the remuneration elements that it comprises, each disclosed at fair value, | N/A | N7 |
| | ii. the details of all awards made under variable remuneration incentive schemes in the current and prior years that have not yet vested, including the number of awards, the values at date of grant, their award, vesting and expiry dates (where applicable); and the fair value at the end of the reporting period; and | N/A | N7 |
| | iii. the cash value of all awards made under variable remuneration incentive schemes that were settled during the reporting period. | N/A | N7 |
| | b. An account of the performance measures used and the relative weighting of each, as a result of which awards under variable remuneration incentive schemes have been made, including: the targets set for the performance measures and the corresponding value of the award opportunity; and for each performance measure, how the organisation and executive managers, individually, performed against the set targets. | N/A | N7 |
| | c. Separate disclosure of, and reasons for, any payments made on termination of employment or office | N/A | N7 |
| | d. A statement regarding compliance with, and any deviations from, the remuneration policy. | N/A | N7 |
| Voting on remuneration (only applicable to companies) | | | |
| 36. | In terms of the Companies Act, fees for non-executive directors for their services as directors must be submitted for approval by special resolution by shareholders within the two years preceding payment. | N/A | N7 |
| 37. | The remuneration policy and the implementation report should be tabled every year for separate non-binding advisory votes by shareholders at the AGM. | N/A | N7 |
| 38. | The remuneration policy should record the measures that the board commits to take in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised. Such measures should provide for taking steps in good faith and with best reasonable effort towards the following at a minimum: | N/A | N7 |
| | a. An engagement process to ascertain the reasons for the dissenting votes. | N/A | N7 |
| | b. Appropriately addressing legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes. | N/A | N7 |
| 39. | In the event that either the remuneration policy or the implementation report, or both were voted against by 25% or more of the voting rights exercised, the following should be disclosed in the background statement of the remuneration report succeeding the voting: | N/A | N7 |
| | a. with whom the company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes; and | N/A | N7 |
| | b. the nature of steps taken to address legitimate and reasonable objections and concerns. | N/A | N7 |

Remarks & Comments

N1 – Each member of the Board has been specifically chosen based on their knowledge and skill set and has the required competence to unilaterally honour and contribute to the wellbeing of the entity.

All members have agreed to act with due care, taking up all their respective responsibilities as and when required.

N2 – All relevant documents such as the code of conduct and ethics policies and are in the process of being finalized and will be presented to the Board for approval at the first meeting of the Board.

N3 – Given the nature of the entity, there are currently no employees other than the Directors. Therefore, this section will not be applicable at this current point in time.

N4 – The Board is in the process of finalising the organisation's short, medium and long-term strategy, policies, procedures & protocols.

N5 – Management will create and finalise a website once the company requirements and prospectus has been approved. They acknowledge all requirements in terms of the King Code, Part 3 and will strive to become compliant in due course.

As this will be the first year of trading, Annual Financial Statements and Integrated Reports have yet to be completed. Management has undertaken to comply with all Companies Act regulations as and when they become due.

N6 – An Audit Committee and an Investment Committee will be appointed by the board at the first meeting of the Board.

N7 –There will be no need for a committee responsible for remuneration at this stage as there are no employees or other management (refer N3). Furthermore, none of the Directors members receive remuneration at this stage. If this becomes applicable the Board will revisit these sections at that time.

Handwritten signatures and initials at the bottom right of the page. There are three distinct signatures: one on the left, one in the center, and one on the right. The central signature is the most prominent and appears to be a stylized 'M' or 'W'. The other two are smaller and less distinct.

**Annexure C Relevant extract of the MOI relating to
director appointments**

Note: Please note this extract is not a sum-total of all the provisions in the MOI relating to Directors.

33 NOMINATION, ELECTION AND REMOVAL

33.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement, whether in terms of the Companies Act or this MOI, to appoint an audit committee or a social and ethics committee, the Board shall comprise of not less than 5 (five) Directors, as follows –

2 (two) executive directors; and

3 (three) non-executive directors ("**Non-Executive Directors**").

33.2 No Non-Executive Director shall be appointed for an indefinite period and the Non-Executive Directors shall retire in accordance with the following provisions –

a Non-Executive Director shall retire after the expiry of 1 (one) calendar year from the date of his/her appointment;

the length of time a Director has been in office shall be computed from his last election, appointment or date upon which he was deemed re-elected;

the retiring Non-Executive Director shall be available for re-election if that person is nominated in terms of clause 33.3; and

a retiring Non-Executive Director shall continue to act as a Director throughout the meeting at which he/she retires and his/her retirement shall become effective only at the end of such meeting.

33.3 Only the holder/s of A Shares shall be entitled to nominate Directors to the Board on written notice to the Company and the other Shareholders.

33.4 All of the Directors will be elected either at the Annual General Meeting and/or at any other time, by an Ordinary Resolution of the Class A Shareholder/s from among the nominees nominated by the Class A Shareholder/s (if any) in terms of clause 33.2.

Handwritten signatures and initials in black ink, located at the bottom right of the page. There are several distinct marks, including what appears to be a large signature and some initials.

**Annexure D Provisions of the MOI relating to the
Company's dividend policy and voting
rights**

8.2 Each Ordinary Share shall entitle the holder thereof to –

vote on every matter to be decided by the Shareholders at any Shareholder Meeting, save in respect of the appointment of Directors, and in this regard the Ordinary Shareholders shall be entitled to 1 (one) vote for each Ordinary Share;

vote on any proposal to amend the preferences, rights, limitations and other terms associated with the Ordinary Shares;

participate proportionally in any Distribution made by the Company and

receive the net assets of the Company upon its liquidation.

8.3 Each A Share –

shall entitle the holder thereof to vote on any matter to be decided by the Shareholders at any Shareholders' Meeting and in this regard the A Shares in aggregate shall carry that number of votes which would entitle the Class A Shareholders to exercise, in aggregate, 25% (twenty five percent) of the total votes exercisable at a Shareholders Meeting on the basis that each A Share shall carry that number of votes equal to 25% (twenty five percent) of the total votes exercisable at the Shareholders Meeting divided by the number of A Shares in issue;

shall entitle the holder thereof to nominate Directors for appointment and to vote in relation to the appointment of Directors, as set out in clauses 33.3 and 33.4; and

shall not entitle the holder thereof –

to participate in any Distributions made by the Company; or

to receive the net assets of the Company upon its liquidation.

49 DISTRIBUTIONS

49.1 The Company will make Distributions on a Quarterly basis and from time to time in accordance with the provisions of section 46, namely that any such Distribution –

is pursuant to legal obligations of the Company, or a court order; or

the Board, by resolution, has authorised the Distribution; and

its reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution; and

the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution.

- 49.2 No notice of change of address or instructions as to payment given after the determination of a Distribution by the Company in terms of clause 49.1 shall become effective until after the Distribution has been made, unless the Board so determines at the time the Distribution is approved.
- 49.3 All unclaimed Distributions as contemplated in this clause 49.3 may be invested or otherwise be made use of by the Directors for the benefit of the Company until claimed, provided that any Distribution remaining unclaimed for a period of not less than 3 (three) years from the date on which it became payable may be forfeited by resolution of the Directors for the benefit of the Company.

Handwritten signatures and initials at the bottom right of the page. There are three distinct signatures: one on the left, one in the middle, and one on the right. The initials 'AA' are written below the middle signature.

**Annexure E Salient Terms of the Management
Agreement between the Company and the
Property Manager**

5 MANDATE TO FIND A TENANT

- 5.1 The Company hereby gives EasyProperties a mandate to find a Tenant/s willing and able to rent the Property on the following material terms:
- 5.1.1 the monthly rental for the Property will be at least the Rental Amount set out in **Annexure A** and shall be payable in advance on a monthly basis;
- 5.1.2 the Tenant must on conclusion of the Lease Agreement (defined in clause 5.2 below) pay a deposit of at least one month's Rental Amount; and
- 5.1.3 the Tenant must pay all service charges in respect of the Property other than rates and taxes, and levies on the Property.
- 5.2 Subject to clause 5.1 above, the Company hereby authorises EasyProperties to enter into their standard lease agreement with a suitable Tenant on the Company's behalf ("**Lease Agreement**"). EasyProperties will provide the Company with each executed Lease Agreement. The Company is authorised to review EasyProperties' standard Lease Agreement annually and request reasonable changes thereto.
- 5.3 EasyProperties undertakes to:
- 5.3.1 advertise the letting of the Property and generally do its best to find a suitable Tenant on the terms and conditions contemplated in clause 5.1 above.
- 5.3.2 obtain references from and screen all prospective Tenants financially and otherwise to ensure that they are able to fulfil all obligations in terms of the Lease Agreement; and
- 5.3.3 ensure any conduct rules, if applicable, forms part of the Lease Agreement.

6 AUTHORITY TO ADMINISTER THE LEASE AGREEMENT

- 6.1 The Company hereby authorises and instructs EasyProperties to act as the Company's agent in carrying out the functions and duties set out in this clause 6 on the Company's behalf.
- 6.2 **Financial administration**
- 6.2.1 EasyProperties is authorised and instructed to
- 6.2.1.1 collect all Rental Amounts as they become due;
- 6.2.1.2 collect from the Tenant the deposit payable in terms of the Lease Agreement and retain such deposit in a trust account such as described by the Estate Agency Affairs Act,



1976 ("**Estate Agency Affairs Act**"), and on termination of the Lease Agreement administer and repay such deposit in the manner stated in the Lease Agreement and permitted by the Rental Housing Act, 1999 ("**Rental Housing Act**"); and

- 6.2.1.3 pay the Company all rental amounts collected in terms of the Lease Agreement, after deduction of the maintenance and repair costs (if required) and the management fees contemplated in clause 7, into the Company's designated bank account on or before the 5th of every month.

6.3 Reporting

- 6.3.1 In respect of the aggregate portions of the Property, each dealt with on a separate basis, if applicable, EasyProperties is responsible for compiling on a monthly basis separately for each portion of a Property which is let to a Tenant or more frequently, if reasonably required by the Company:

- 6.3.1.1 such financial reports which enable the Company to fulfil its reporting obligations to its board of directors; and

- 6.3.1.2 the rental roll and costing schedule which accurately reflects the tenancies and rentals and current costing levels.

- 6.3.2 On or before the fifth day of every month EasyProperties shall furnish the Company with detailed accounts ("**Monthly Management Accounts**") setting out –

- 6.3.2.1 the amount of all income received from the Tenant/s for the previous month;

- 6.3.2.2 the amount of all income owed by the Tenant/s at the end of the previous month;

- 6.3.2.3 the amount of all costs which were payable by the Company in respect of the Property; and

- 6.3.2.4 all amounts which are payable by Company to EasyProperties in terms of clause **Error! Reference source not found.** of this Agreement.

- 6.3.3 Save as expressly otherwise provided in this Agreement, the Monthly Management Accounts will be prepared in accordance with the International Financial Reporting Standards.

- 6.3.4 The Company shall be entitled to dispute the contents and/or correctness of the Monthly Management Accounts by written notice to EasyProperties within 10 (ten) Business Days after receipt thereof. Each dispute notice shall state the reasons for the dispute and specify the adjustments, if any, required to correct the deficiencies alleged and shall provide appropriate supporting evidence for each such adjustment. As soon as reasonably practicable after delivery of the dispute notice, the Parties shall meet together to discuss the objections and shall use reasonable endeavours to reach agreement upon the adjustments required. If the Parties do not reach agreement within 5 (five) Business Days of receipt of the dispute notice, the matters in dispute may be referred by either of the Parties to the expert for

summary determination. The expert shall act as an expert and not as an arbitrator and the expert's determination, including the expert's determination as to which Party or Parties should pay his costs, and in what proportions, shall be final and binding on the Parties. The expert shall investigate the dispute or matter in such manner as the expert in the expert's sole discretion considers appropriate. The expert shall call on the Parties to make written representations in regard to the dispute and the Party/Parties making such representations shall furnish a copy thereof to the other Party/Parties.

- 6.3.5 The relevant Monthly Management Accounts shall not be deemed to be finalised until all disputes in respect thereof have been resolved.

6.4 Inspections

- 6.4.1 EasyProperties is authorised and instructed to:

6.4.1.1 inspect the Property with the Tenant/s before a Tenant moves in and list all the defects in and damage to the Property existing at that time;

6.4.1.2 inspect the interior and exterior of the Property on an interim basis being annually, during the currency of the Lease Agreement, and after each inspection, report to the Company on:

6.4.1.2.1 the general state of the Property;

6.4.1.2.2 if the Tenant is in breach of any provision of the Lease Agreement, and, if so, the nature of the breach;

6.4.1.2.3 whether any repair work or maintenance is required to be carried out in terms of the Lease Agreement; and

6.4.1.2.4 any other information which may be relevant to the Company.

- 6.4.2 EasyProperties will conduct an inspection of the Property upon expiry or termination of the Lease Agreement and report to the Company as set out in clause 6.4.1.2 above.

6.5 Tenant notices and Lease Agreement compliance

- 6.5.1 EasyProperties is authorised and instructed to:

6.5.1.1 serve on the Tenant/s such notices pertaining to the Lease Agreement as the Company may instruct;

6.5.1.2 serve notice on the Tenant/s to remedy any breach of the Lease Agreement;

6.5.1.3 follow up on the aforementioned notices and report to the Company accordingly;

6.5.1.4 receive any notices on behalf of the Company sent by the Tenant/s in terms of the

Lease Agreement and notify the Company thereof;

- 6.5.1.5 assist the Company's attorneys, should it become necessary, to take legal action against the Tenant arising from the Lease Agreement; and
- 6.5.1.6 lodge a complaint with the Rental Housing Tribunal established in terms of the Rental Housing Act (or similar tribunal) against the Tenant/s if required, and must forthwith inform the Company if the Tenant/s has lodged a complaint with the aforementioned tribunal against the Company and assist the Company as required.

6.6 Maintenance and repairs

- 6.6.1 EasyProperties is authorised and instructed to attend to all defects in and damage to the Property of which EasyProperties is aware if the Company is liable for such repairs under the Lease Agreement or the Tenant has failed to attend to such repairs despite being obliged to do so in terms of the Lease Agreement, and such Agreement entitles the Company to make such repairs without further notice to the Tenant.
- 6.6.2 EasyProperties must inform the Company and obtain consent prior to effecting the repairs if the repairs being carried out exceed R10 000 (ten thousand Rand).

7 REMUNERATION

- 7.1 As consideration for the Services rendered in terms of this Agreement, the Company will pay EasyProperties the Fees as set out in this clause 7.
- 7.2 As consideration for managing the Property, the Company will pay EasyProperties a Tenant Management Fee of 6% (excluding VAT).
- 7.3 Where EasyProperties has procured a Tenant for the Property in accordance with clause **Error! Reference source not found.** above, the Company will pay EasyProperties a Procurement Fee of 6% (excluding VAT), which Procurement Fee is in addition to the Tenant Management Fee set out in clause 7.2 above.



Annexure F Fee Table

| FEE TABLE | | |
|---|--|---|
| Fees incurred by the Company in the acquisition of the Units | | |
| Description | Estimated Fees | Notes |
| Legal fees for the acquisition of the Units (excluding VAT) | N/A | See paragraph 11 of section 1 of this Prospectus. |
| Fees incurred by the Company in the management of the Units | | |
| Tenant Management Fee (excluding VAT) | 6% (six percent) of the total rental payable by the tenant for the remaining term of the relevant lease agreement. | See paragraph 2.9.5.1 of Section 1 of this Prospectus. |
| Procurement Fee (excluding VAT) | 6% (six percent) of the total rental payable by the new tenant for the full term of the relevant lease agreement. | See paragraph Error! Reference s ource not found. of Section 1 of this Prospectus. |
| Fees incurred by Investor for the utilisation of the EasyProperties Platform to make an application to subscribe for Ordinary Shares pursuant to the Offer | | |

Handwritten signatures and initials, including a large 'M' and 'Z' and a small 'n'.

| | | |
|--|--|--|
| IPO Fee (excluding VAT) | 1% of the rand value of the subscription amount | See paragraph 2.10.4.1 of section 1 of this Prospectus. The IPO Fee will be charged on each and every occasion an Investor submits an Application and will be refunded into an Investor's Account if the Investors Application is rejected or the Offer fails. |
| Platform Fee (excluding VAT) | 0.6% of the total rand amount invested by an Investor on the EasyProperties Platform | See paragraph 2.10.4.2 of section 1 of this Prospectus. This platform fee is aggregated across all investments made by an Investor through the EasyProperties Platform. The Platform Fee is charged monthly in arrears and is deducted from any Free Money in an Investors Account. If an Investor does not have any Free Money, the Platform Fee will be deducted from any distributions paid into an Investor's Account. |
| Estimated preliminary expenses and issue expenses incurred by the Company | | |
| Company registration fees with the CIPC | R2 725.00 | N/A |
| Company Legal Fees: Review and finalisation of Draft Prospectus (exclusive of VAT and disbursements) | R5 000.00 | See paragraph 13.2 of section 1 of this Prospectus. |

| | | |
|---|-----------|---|
| Company Legal Fees: Submission of Prospectus to CIPC (exclusive of VAT and disbursements) | R5 000.00 | See paragraph 13.2 of section 1 of this Prospectus. |
| Registration of Prospectus with the CIPC | R7 000.00 | See paragraph 13.2 of section 1 of this Prospectus. |
| Independent Valuation Costs (exclusive of VAT) | R0.00 | See paragraph 13.2 of section 1 of this Prospectus. |
| Conveyancing and Bond Registration Fees (exclusive of VAT) | R0.00 | See paragraph 13.2 of section 1 of this Prospectus. |

Handwritten signatures and initials, including a large stylized signature and several smaller initials, located in the bottom right corner of the page.

Annexure G Public Property Syndication Scheme

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|------------|--|--|
| 15(2) | No person may directly or indirectly promote or facilitate a fraudulent public property syndication scheme. | The Scheme is not fraudulent and complies or will comply fully with regulation 15 of the CPA Regulations where applicable. |
| 15(3) | A promoter may not (a) withhold the prescribed information, in part or otherwise, from an investor or potential investor in a public property syndication scheme; or (b) include any term, condition or provision in the disclosure document that excludes, limits or purports to exclude or limit the legal liability of the syndication promoter towards the investor in respect of any malicious, intentional, fraudulent, reckless or a grossly negligent act of the syndication promoter, his or her employee, representative, contractor or subcontractor or any other person used by the syndication promoter or recommended by him or her to the investor or prospective investor. | The Company undertakes not to violate this prohibition and there are no clauses in the Prospectus and in the EasyProperties Terms and Conditions that exclude, limits or purports to exclude or limit the legal liability of the syndication promoter (i.e. the Company) towards the Investor in respect of any malicious, intentional, fraudulent, reckless or a grossly negligent act of the Company, his or her employee, representative, contractor or subcontractor or any other person used by the Company or recommended by him or her to the Investor or prospective Investor. |
| 15(4) | A promoter must make available the prescribed information to an investor or potential investor who invests in or intends to invest in public property syndication schemes, and the prescribed information must be made available to investors or potential investors in a disclosure document, the details of which are set out in subregulation (5)(b). | The prescribed information currently available to the Company is contained in the Prospectus. Any additional information that can't be provided in the Prospectus due to the Units still being in the process of being acquired will be provided to Investors via email and/or in a downloadable format on the EasyProperties Platform. |
| 15(5)(a) | A statement, presentation or description must not convey false or misleading information about public property syndication | To the Board's knowledge, there is no statement, presentation or description in this Prospectus that convey false or misleading information about public property syndication schemes and/or the |

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|------------|--|---|
| | schemes or omit material information during the public offer of shares. | Scheme, and there has been no omission of material information from this Prospectus. |
| 15(5)(b) | An investor and or potential investor must be informed in writing that -(i) public property syndication is a long-term investment, usually not less than five years;(ii) there is a substantial risk, in that the investor or potential investor may not be able to sell his or her shares should he wish to do so in the future; and (iii) it is not the function of the promoter to find a buyer should the investor or potential investor wish to sell his shares and that it is the investor's or potential investor's responsibility to find his or her own buyer. | See paragraph 3.4.1.5.1 and 3.4.1.5.3 of Section 1 of this Prospectus. |
| 15(6)(a) | Investors must be informed in writing that all funds received from them prior to transfer or finalisation must be deposited into the trust account of a registered estate agent, a firm of an attorney or attorneys or a certified chartered accountant, provided that such trust account is protected by legislation. Individual investors are to be given written confirmation thereof, and it must be clearly stated who controls the withdrawal of funds from that account. Such an account must be designated "XYZ Attorneys/auditors/estate agents Trust Account - the XYZ syndication". In the event of investors paying by cheque, promoters must ensure that the name of the payee is printed in bold on the Application forms. | <p>When a prospective Investor has clicked "Apply for Offer" for a particular Rand value of Ordinary Shares pursuant to the Offer, the funds deposited for the Application will be removed from the Investor's Account as "reserved funds" and held in a separate trust account in the name of the FWT Nominees.</p> <p>Once the Offer has closed, been successful and the third party funding has been obtained, the total amounts of the funds received from the Investors, including the interest thereon, will be transferred to the appointed conveyancing attorneys to be held in trust and the Company will provide Investors of the confirmation of the transfer and to which attorneys with the required name via email and on the EasyProperties Platform.</p> <p>No cheque payments are accepted. The intention for the debt funding is set out in this Prospectus (see paragraph 3.4.1.3 of Section 1 of the Prospectus).</p> |

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|------------|--|---|
| 15(6)(b) | Funds must only be withdrawn from the trust account in the event of registration of transfer of the property into the syndication vehicle; or underwriting by a disclosed underwriter with details of the underwriter; or repayment to an investor in the event of the syndication not proceeding. | The Company will only make withdrawals from the trust account held with the conveyancing attorneys in the event of the registration of the transfer of the Units to the Company. If the Offer fails, as set out in this Prospectus, Investors will have their Total Subscription Price returned from the trust account with FWT Nominees (not the conveyancer as this would only be moved to their account if the Offer succeeded) to their Account. |
| 15(6)(c) | It must be disclosed whether the property has been bought conditionally or by option, and in either or both cases full details of any condition and or option on which the property was purchased must be disclosed together with the effective date of commencement of the syndication. | As set out in this Prospectus, the Units will only be bought if the Offer is successful (see 3.4.1.3.2 of Section 1 of the Prospectus). The purchase of the Units is not conditional on the raising of the third party debt funding. The effective date of the Scheme shall be the date of successful transfer of the Units to the Company. |
| 15(6)(d) | Any direct or indirect interest, which a promoter and or any of his or her family member or any other person who is actively involved in the promotion of that syndication has in the property to be purchased, must be disclosed. | As indicated in paragraph 11.4 of Section 1 of this Prospectus, EasyProperties will earn a commission on the sale equal to 3% (exclusive of VAT) of the total acquisition price. EasyProperties also earns the fees set out in paragraph 2.10.4 of Section 1 of the Prospectus and the Fee Table in Annexure F . All fees applicable on the EasyProperties Platform will be disclosed to Investors in the cost profile displayed on the EasyProperties Platform. |
| 15(6)(e) | It must be disclosed how any capital shortfall will be dealt with. | If the Company does not raise funds equal to the Minimum Threshold, the Offer will fail and the Units will not be purchased. |
| 15(6)(f) | The method of raising the necessary capital to fund the acquisition of the property and the syndication and how any disbursements will be dealt with prior to transfer, must be disclosed. | See 3.4.1.3 of Section 1 of the Prospectus. |
| 15(6)(g) | Provision must be made for interest earned to be paid on investors' funds deposited as provided for in paragraph (a) prior to the effective date of the transfer of the property | <p>When a prospective Investor has clicked "Apply for Offer" for a particular Rand value of Ordinary Shares pursuant to the Offer, the funds deposited for the Application will be removed from the Investor's Account as "reserved funds" and held in a separate trust account in the name of the FWT Nominees.</p> <p>Once the Offer has closed, been successful and the third party funding has been obtained, the total amounts of the funds received</p> |

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|------------|--|---|
| | | <p>from the Investors, including the interest thereon, will be transferred to the appointed conveyancing attorneys to be held in trust and the Company will provide Investors of the confirmation of the transfer and to which attorneys with the required name via email and on the EasyProperties Platform.</p> |
| 15(7)(a) | <p>Full details of the promoter of the syndication scheme, such as name, registered company or close corporation numbers, directors, addresses, telephone and fax numbers and e-mail address must be given.</p> | <p>The full details of the Company, in its capacity as the "promoter of the Scheme" has been included in this Prospectus. EasyProperties as the administrator of the Company will be involved in the promotion of the Scheme and its details have been set out again for ease of reference below:</p> <p>EasyProperties Proprietary Limited</p> <p>Registration no. 2019/184453/07</p> <p>Directors:</p> <p>Jamie Boaz Levin</p> <p>Andrew Lee Hartogh</p> <p>Gary Stewart van Dyk</p> <p>Charles Henry Savage</p> <p>Tel: 087 940 6000</p> <p>Email: helpme@easyproperties.co.za</p> <p>Fax no. N/A</p> |
| 15(7)(b) | <p>Full disclosure must be made as to whether the promoter is acting as a principal in the scheme or as an agent for someone else. If the promoter is acting as an agent, he or she or it must provide full details of the principal.</p> | <p>The Company is the "promoter" of the Scheme as contemplated in the CPA Regulations however, EasyProperties as the administrator of the Company will be involved in the promotion of the Scheme and therefore shall act as agent on behalf of the Company in such instances. Full details of the Company have been provided in this Prospectus.</p> |
| 15(7)(c) | <p>The disclosure document, which is to be dated and signed by the promoter, must contain a statement of proper due diligence (commercially and legally) with regard to the property and its tenants prior to the unconditional purchase thereof and he or she or it must state that this was done and that he or she is</p> | <p>The Company has conducted proper due diligence (commercially and legally) with regard to the Units prior to the unconditional purchase thereof and the Company is satisfied with the results thereof. See paragraph 3.4.1.3 of Section 1 of the Prospectus.</p> |

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|------------|--|---|
| | satisfied with the results thereof. | |
| 15(8)(a) | Full details of the syndication vehicle must be disclosed, including the names and addresses, telephone and fax numbers and the e-mail addresses of the property manager, the company secretary, the board of directors, the auditor, the attorney and the valuer. | <p>All of the information required in terms of regulation 15(8)(a) of the CPA Regulations is contained in the Prospectus.</p> <p>The details of the valuer are set out below:</p> <p>Realty Arena CC (Registration Number 2010/139247/23)</p> <p>940 Sampler Street, Strubensvalley, 1735</p> <p>P.O Box 1019, Ruimsig 1732</p> <p>Tel: 011 475 8881</p> <p>Cell : 082 389 9777</p> <p>Email: dean@realtyarena.co.za</p> <p>Website: www.realtyarena.co.za</p> <p>Valuer 1: Dean Garzancich – Appraiser to the High Court in terms of Act 66 of 1965</p> <p>Valuer 2: John Cloete – professional valuer (Registration Number 5327)</p> |
| 15(8)(b) | In addition, full disclosure must be made of the fee structure of the management company or manager(s) and any appointments or contracts relating to the syndication. | See Fee Table in Annexure F . |
| 15(9)(a) | Full disclosure must be made of the type of company structure to be used for the syndication scheme and reference must be made to the legislation governing the company structure chosen. Reference must be made to the company registration number, or advising that the company is still to be formed, the memorandum of incorporation, the articles of association, the shareholder's agreement, and where applicable, the partnership agreement, a deed of trust and the founding statement. The disclosure must state | See Prospectus for the information required in terms of regulation 15(9)(a) of the CPA Regulations. The MOI is available for inspection as set out in paragraph 3.1 of Section 4 of the Prospectus. No shareholders agreement has been entered into. |

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|------------|---|--|
| | whether a shareholders' agreement exists or not, and if such an agreement exists then it must be attached as an annexure to the disclosure document. | |
| 15(9)(b) | Full details must be given of the financial year end, the shares to be issued, the shares to be issued in future, control over unissued shares, shareholders' loans and debentures, a pro-forma balance sheet on acquisition (or in the case of new developments, on completion), the income distribution plan, minimum and maximum shareholders or participation quota, any special voting rights, existing and planned gearing, borrowing powers and how they are to be exercised, external borrowing facilities available to investors to finance the acquisition of shares in the investment company and the amount provided in the syndication structure for working capital and reserves. | The Company's financial year end is the last day of February. See Sections 1 to 4 of the Prospectus for the information required in terms of regulation 15(9)(a) of the CPA Regulations. |
| 15(10)(a) | Details must be given of (i) the title deed and its number; (ii) material servitudes or encumbrances if further development is considered with regard to the property; (iii) zoning and the relevant town planning regulations insofar as further development is intended with regard to the property; (iv) additional development potential; (v) the buildings erected or dates of original erection with dates of improvements (including lifts, air conditioning and roof structure) thereto, if available; (vi) the physical | Some of this information will be made available on the EasyProperties Platform. To the extent that the EasyProperties Platform does not fully disclose the item of information contemplated in this regulation of the CPA Regulations, such information will be made available to the Investors as soon as it is available to the Company. See Annexure I for a synopsis of the valuation of the valuator retained by the Company. A copy of the valuation report will be made available on the EasyProperties Platform, the Company has used more conservative assumptions in its IRR calculations, the Company's forecasted cash flows as well as the pro forma income statement as set out in Annexure H. |

Handwritten signatures and initials, including a large signature and the letters 'JH' and '2'.

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|---------------|--|--|
| | address, locality and site area, including a map of the area; and (vii) insurance cover, name of insurer, types of risks covered, amounts covered, policy due date and policy number. | |
| 15(10)(b)(i) | The cost of the property to the promoter or the syndication company including acquisition price, cost of renovations, conversion or enhancement including details of any new leases or lease renegotiations which enhance value, marketing and promotional cost fees and the promoter's entrepreneurial mark up, giving rise to the shareholding offer price in the company as at the offer date; | Some of this information will be made available on the EasyProperties Platform. To the extent that the EasyProperties Platform does not fully disclose the item of information contemplated in this regulation of the CPA Regulations, such information will be made available to the Investors as soon as it is available to the Company. See Annexure I for a synopsis of the valuation of the valuator retained by the Company. A copy of the valuation report will be made available on the EasyProperties Platform, the Company has used more conservative assumptions in its IRR calculations, the Company's forecasted cash flows as well as the pro forma income statement as set out in Annexure H. |
| 15(10)(b)(ii) | The valuation of the property as at a date, which must be not more than three calendar months before date of the offer, undertaken by a valuer, in accordance with subregulation (14). | See Annexure I for a synopsis of the valuation of the valuator retained by the Company. A copy of the valuation report will be made available on the EasyProperties Platform. Investors must note that although independent valuations have been conducted and the independent reports are available on the EasyProperties Platform, the Company has used conservative assumptions in its IRR calculations, the Company's forecasted cash flows as well as the pro forma income statement as set out in Annexure H. |
| 15(10)(c) | If the land is to be encumbered by a mortgage bond after the closing date of the offer, the promoter must disclose (i) the outstanding balance owing by the mortgagor in terms of the mortgage bond including the rate of interest, the loan repayment period and whether the bond is first ranking or otherwise; (ii) the maximum amount secured by the mortgage bond; (iii) the terms of the mortgage bond; (iv) the identity of the mortgagee; and (v) a statement to the | The Units will be encumbered by a mortgage bond covering the debt funding raised in connection with the acquisition of the Units (i.e. 30% (thirty percent) loan to asset value). The debt arrangements are in the process of being finalised and Investors will be notified of the binding terms of debt funding raised by the Company. |



Handwritten signatures and initials, including a large signature and the initials 'MA' and '22'.

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|------------|---|--|
| | effect that the taking up of such a loan will not be in contravention of: the memorandum or articles of association of the company, the association agreement of the close corporation, trust deed of the trust, partnership agreement of a partnership or the constitution of the public property syndication vehicle. | |
| 15(11)(a) | Any head lease agreement and subleases together with the quantum and location of any vacant space covered by such head lease and subleases, where "quantum" refers to the square meterage and the value involved; | The Company understands that the Units are being utilised by the developer as a rental asset. Once the Company takes transfer of the Units, each tenant will enter into a lease agreement with the Company as the lessor. This finalised lease agreement and all related information will be made available to the Investors as soon as these arrangements have been finalised. |
| 15(11)(b) | Any gross or net rental guarantees supplied by the vendor of the property | Not applicable. |
| 15(11)(c) | Actual leases concluded with full details of space let, duration of leases, rentals, escalation rates for the leases, tenant names and security for leases, expenses recovered from tenants, lease renewal options, rental review periods and vacant space. | The Company understands that the Units are being utilised by the developer as a rental asset. Once the Company takes transfer of the Units, each tenant will enter into a lease agreement with the Company as the lessor. This finalised lease agreement and all related information will be made available to the Investors as soon as these arrangements have been finalised. |
| 15(12)(a) | A detailed pro-forma income statement which must detail all projected expenses, contractual expenses and fees payable, gross rentals, recoveries, and projected net income for the syndicating company. | See Annexure H . |
| 15(12)(b) | A statement as to the long-term vacancy rate with full motivation thereof, but a nil rate is unacceptable. | See general assumptions in Annexure H . A long term vacancy rate of 5% has been assumed. In other words, it has been assumed that for the 60 month investment term each Unit will be vacant for 3 months. This is considered reasonable in light of the Unit's central location in Linbro Park and its defensive price point being well below that of comparable offerings in the area. |

Handwritten signatures and initials, including what appears to be 'CWA', 'RWA', and '72'.

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|----------------|--|---|
| 15(12)(c) | A statement as to the extent of provision for future maintenance, with full details where applicable. | See Annexure H . |
| 15(13)(a)(i) | Full details must be provided of the basis used to calculate projections with regard to net income growth, to be based upon rental income derived from leases and or market rental growth, less specified and disclosed, as well as reasonably expected expense projections. | See assumptions per Annexure H . |
| 15(13)(a)(ii) | The basis used to calculate projections on capital value, to be stated in Rand currency as estimates, provided they are accompanied by stated, specific assumptions showing how those values are determined, but specific projections as to capital growth are not permissible, taking into account the many variables influencing property values. | See assumptions per Annexure H . Due to uncertainty of capital projections, we disclosed a range of IRR outcomes based on a range of capital growth outcomes – see IRR matrix in paragraph 3.4.1.3.8 of Section 1 of the Prospectus. |
| 15(13)(a)(iii) | Whether the validity of the assumptions used in determining projections is based on fact or opinion. | All estimates are based on opinion and not fact. |
| 15(14) | The name of the valuer, and his or her qualifications and experience must be disclosed to the investors. In conducting the valuation, the valuer must consider the state of repair and condition of buildings and improvements and a recent municipal valuation of the property concerned, which municipal valuation must not be older than three months. A report from a valuer must incorporate the elements set out in regulation | See Annexure I for a synopsis of the valuation of the valuator retained by the Company. A copy of the valuation reports will be made available on the EasyProperties Platform when the reports are available to the Company. The valuator's details appear above. |

Handwritten signatures and initials, including a large signature and the letters 'AA' with a checkmark.

| Regulation | Legal Requirement | Compliance with Legal Requirement |
|------------|--|-----------------------------------|
| | 15(14)(a) to (f) of the CPA Regulations. | |

Handwritten signatures and initials in the bottom right corner of the page. There are three distinct marks: a large, stylized signature on the left, a smaller signature in the middle, and a set of initials on the right.

Annexure H Pro Forma Income Statement

Investors must please note that independent valuations have been conducted and the independent valuation reports are available on the EasyProperties Platform, the Company has used conservative assumptions in its IRR calculations, the Company's forecasted cash flows as well as the pro forma income statement as set out in Annexure H.

| ASSUMPTIONS - THE REID | |
|--------------------------------------|------------|
| Total investment into EasyProperties | 18 985 750 |
| EasyProperties brokerage fee | 1,0% |
| EasyProperties platform fee | 0,6% |
| EasyProperties gearing utilised | 30% |
| Cost of finance | 7,00% |
| Annual escalation achieved | 4,50% |
| Annual capital growth of properties | 5,00% |
| Vacancy % | 5,00% |
| Capital deployed | 26 997 500 |

| PRO FORMA INCOME STATEMENT | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 |
|--|------------------|------------------|------------------|------------------|------------------|
| Rental income ¹ | 2 478 000 | 2 478 000 | 2 570 736 | 2 686 419 | 2 807 308 |
| Property Management Fee ² | - | - | (154 244) | (161 185) | (166 438) |
| Property levies ³ | (255 132) | (255 132) | (278 611) | (291 148) | (304 250) |
| Property rates ⁴ | (179 993) | (179 993) | (196 557) | (205 402) | (214 545) |
| Repairs and maintenance ⁵ | - | - | (90 000) | (94 050) | (96 282) |
| Accounting, audit and administration fees ⁶ | (50 000) | (25 000) | (26 125) | (27 301) | (28 529) |
| Interest expense ⁷ | (554 785) | (541 006) | (526 232) | (510 390) | (493 403) |
| Profit before taxation | 1 438 090 | 1 476 868 | 1 298 966 | 1 396 943 | 1 499 760 |
| Taxation ⁸ | (194 784) | (205 642) | (155 830) | (183 263) | (212 052) |
| Net profit after taxation | 1 243 305 | 1 271 226 | 1 143 137 | 1 213 679 | 1 287 708 |

Notes

- ¹ Gross rental income in year 1 is expected to be:
 - R6 200 per unit (1 Bed 1 Bath First Storey) per month guaranteed for the first 24 months (2 units aquired)
 - R7 700 per unit (1 Bed 1 Bath Luxury) per month guaranteed for the first 24 months (5 units aquired)
 - R6 673 average per unit (1 Bed 1 Bath Second Storey) per month guaranteed for the first 24 months (11 units aquired)
 - R10 200 per unit (2 Bed 2 Bath Second Storey) per month guaranteed for the first 24 months (1 unit aquired)
 - R12 000 per unit (3 Bed 2 Bath First Storey) per month guaranteed for the first 24 months (6 units aquired)
- ² Property Management Fee of 5,0% of rental income collected is paid to the property manager
- ³ Property levies of R850 per unit (average) per month apply
- ⁴ Property rates calculated according to municipal tables
- ⁵ Repairs and maintenance provided for at R300 per unit per month
- ⁶ Estimated accounting, audit and administrative fees of R50 000 in year 1 and R25 000 per year thereafter
- ⁷ Interest at rate of 7% charged on gearing utilised
- ⁸ Taxation at 28% is paid on taxable income

General Assumptions

A long term vacancy rate of 5% has been assumed. In other words, it has been assumed that for the 60 month investment term each unit will be vacant for 3 months
 It is assumed that all expenses will escalate at CPI annually (4,5% at time of preparation of forecast)
 The validity of the assumptions used in determining projections is based on opinion and not fact

Annexure I Valuation Synopsis

| Unit number | Size (square meters) | Valuation per Unit (Rand) |
|-------------|----------------------|---------------------------|
| 489 | 39 | 779 900.00 |
| 490 | 39 | 779 900.00 |
| 1 256 | 60 | 999 900.00 |
| 481 | 60 | 999 900.00 |
| 482 | 60 | 999 900.00 |
| 1 279 | 60 | 999 900.00 |
| 1 280 | 60 | 999 900.00 |
| 1 223 | 50 | 899 900.00 |
| 1 224 | 50 | 899 900.00 |
| 1 233 | 50 | 899 900.00 |
| 1 234 | 50 | 899 900.00 |
| 1 243 | 50 | 899 900.00 |
| 1 244 | 50 | 899 900.00 |
| 1 253 | 50 | 899 900.00 |
| 467 | 46 | 899 900.00 |
| 468 | 46 | 899 900.00 |
| 479 | 46 | 899 900.00 |
| 1 075 | 50 | 899 900.00 |
| 759 | 107 | 1 633 200.00 |
| 1 044 | 108 | 1 699 900.00 |
| 1 221 | 108 | 1 699 900.00 |
| 1 231 | 108 | 1 699 900.00 |
| 1 242 | 108 | 1 699 900.00 |
| 1 251 | 108 | 1 699 900.00 |

| | | |
|------------------|--------------|----------------------|
| 1 252 | 108 | 1 699 900.00 |
| Total: 25 | 1 673 | 28 290 800.00 |

 
AVA

Annexure J Application Process

Please see below an example of the application process. Please note that names, dates and other property and/or offer specific information is for illustrative purposes only.

EXAMPLE ONLY

Complete Your Application



BlackBrick

Urban living apartments

Fredman Drive, Sandton, Gauteng

Funding Target: R 3,668,000

110.4% Funded

New listing dates to know

Offer opens: 10 June 2020

Offer closes: 19 June 2021

Estimated settlement date: 26 July 2020

Cancellation policy: 48 hours

You can participate in this new listing offer until this closing date. We will allow applications above the target to cater for cancellations and high demand. If the property is oversubscribed, you will be refunded for any remaining shares not allocated to you.

Your shares will be allocated once the offer has closed and subject to the funding target being reached. If the funding target is not reached, your money will be refunded to you.

You can cancel your application within 48 hours of submission up until 10 days before the offer closes.

EXAMPLE ONLY

How much would you like to invest?

| | |
|--------------------------------------|--|
| Amount to invest | R <input type="text" value="0.00"/> |
| | Amount includes transaction costs: <input checked="" type="checkbox"/> |
| YOUR AVAILABLE FUNDS R 137,218.88 | PROPERTY SHARE PRICE R 1 |
| | NO. OF SHARES 0 |
| Investment Value | R 0 |
| Investment Cost | R 0 X |
| AMOUNT DUE | R 0 |

Handwritten signatures and initials:
 CM
 ANA

EXAMPLE ONLY

Before submitting your application, please agree to the statement below.

Review the prospectus [here](#).

☐ I hereby confirm that:

1. I acknowledge and agree that I have had access to the prospectus.
2. I am aware of and understand the contents of the prospectus relating to this offer.
3. By clicking "apply for offer", I agree to be bound by the terms and conditions of the offer as contained in the prospectus.
4. I acknowledge and agree that all investment decisions are made solely by me and at my own risk, any information relating to this product does not constitute a recommendation or final advice from EasyProperties and EasyProperties will not be responsible for any losses which I suffer because of investments which I make into this product through the EasyProperties platform.

[Apply for Offer](#)

IMPORTANT NOTES

- The above dates are subject to change.
- EasyProperties will pool all funds together and make a single application in the name of First World Trader Nominees (Pty) Ltd on behalf of all EasyProperties users who have applied for this offer.
- The offer relates to a general public offer to subscribe for ordinary shares. EasyProperties users should take note that if the minimum subscription amount is not reached by the application of EasyProperties users collectively, EasyProperties will not be permitted to make the application and each investor will be refunded with their investment amount.
- EasyProperties users should take note of the closing date and time on EasyProperties Platform and should allow sufficient time for their funds to be cleared to their EasyProperties account.
- Kindly ensure that you read and understand (i) all the information regarding the offer and (ii) the risks involved with the investment as contained in the prospectus prior to taking up the offer. If you require financial advice as to whether this product is suitable for you, please contact your financial adviser.