

Grit Real Estate Income Group (GR1T)

GREA COMPLETES US 100 MILLION RECAPITALISATION

28-Nov-2024 / 09:00 GMT/BST

GRIT REAL ESTATE INCOME GROUP LIMITED

(Registered in Guernsey)

(Registration number: 68739)

LSE share code: GR1T

SEM share codes (dual currency trading): DEL.N0000 (USD) / DEL.C0000 (MUR)

ISIN: GG00BMDHST63

LEI: 21380084LCGHJRS8CN05

("Grit" or the "Company" or the "Group")

GREA COMPLETES US 100 MILLION RECAPITALISATION;

GEPF CONFIRMS GREA AS GROWTH PLATFORM FOR AFRICA WITH APPOINTMENT TO GREA BOARD;

1. INTRODUCTION

The Board of Directors (the "Board") of Grit Real Estate Income Group Limited, a leading pan-African income real estate company, focused on investing in, developing and actively managing a diversified portfolio of assets underpinned by predominantly US and Euro-denominated long-term leases with high-quality multi-national tenants, today confirms the conclusion of the US 100 million recapitalisation of the Group's development subsidiary Gateway Real Estate Africa ("GREA") with receipt of the Public Investment Corporation of South Africa's ("PIC") proportionate US 48.5 million capital investment ("the PIC Capital Investment") on behalf of the Government Employees Pension Fund ("GEPF").

The GEPF has furthermore recognised GREA's consistent performance in delivering value to its shareholders, viewing it as a strategic vehicle for its real estate investments across the rest of Africa, with a continued commitment to this partnership.

Consequently, the Board is pleased to announce that Mr Zethu Msindo was appointed as a representative of the GEPF to the board of GREA with effect from 12 November 2024.

2. RATIONALE AND USE OF PROCEEDS

This cash equity injection will be utilised to reduce GREA's more expensive debt, and over the medium term, will be deployed into risk-mitigated and accretive development projects that are expected to meaningfully contribute to ESG impact, accelerated NAV growth, and fee income generation to the Group, as is contemplated under the Grit 2.0 strategy.

This includes development projects earmarked in specialised real estate sub-structure portfolios including diplomatic housing on behalf of the United States Bureau of Overseas Building Operations ("US OBO"), healthcare and business process outsourcing ("BPO") centres at development yields in excess of 10%.

3. EFFECTIVE DATE

The effective draw-down date of the recapitalisation was on 27 November 2024.

4. ONGOING SUPPORT FROM PIC and GEPF

The PIC's and GEPF's ongoing support provides transformative contributions to Grit's strategic objectives, which include:

- i. Advancing Grit's simplified 2.0 Structure
- ii. Aggregating sector-focused portfolios in light industrial, data centres, logistics and warehousing, diplomatic and corporate accommodation, healthcare, and commercial office parks focused on hard-currency leases and predominantly global or multinational tenants that provide significant employment opportunities on the continent
- iii. Reduced cost of funding
- iv. Disposal of non-core assets
- v. Pioneering impact and sustainable real estate investments across Africa

GREA holds a track record of having delivered award-winning developments across its focus areas, including Rosslyn Grove Diplomatic Residences in Nairobi, tenanted under a long lease by the US OBO, despite pandemic-related supply chain disruptions.

In addition, GREA successfully delivered the Precinct office park, the first 5-star green-star rated commercial development in the Indian Ocean Island region, and the first Eco Districts certified commercial node in Africa.

More recently, GREA handed over Eneo at Tatu Central, the largest BPO in Kenya, to its anchor tenant, CCI Global. This development was successfully delivered ahead of schedule in 18 months as opposed to the original 26-month timeline, and 8% under the estimated budget.

5. GEPF REPRESENTATION ON GREA'S BOARD

Mr Msindo serves as an employee-nominated trustee on the board of the GEPF and the Chairperson of the Advisory Board, in addition to being a member of the Investment Committee, Valuations Subcommittee and the Benefit and Administration Committee.

He holds a Masters' Degree in Management of Finance and Investments, an MBA and a BSc in Chemistry and Chemical Sciences in addition to RE 1 and 5 regulatory certificates.

Mr Msindo has more than two decades' experience in financial services including in employee benefits, group insurance, and institutional investment

solutions. He has held positions at Momentum, Old Mutual and Prescient Investment Management, among other financial services firms.

6. CONCLUSION

The US 100 million, which included the US 48.5 million cash injection and ongoing support from the PIC, further advances Grit's 2.0 Strategy to organise the Group's real estate assets into logical sector sub-structures across Africa which are then held as investments or sold to other investors.

Bronwyn Knight, CEO of Grit, commented:

"GREA's consistent performance since inception in 2018 has been recognised by the PIC as a vehicle for its rest of Africa real estate investments. Their ongoing commitment through the US 48.5 million cash equity injection will accelerate our Grit 2.0 strategy considerably, expediting the formation of sector-specific sub-structures that are higher-yielding, more resilient, and with greater social impact delivered at development yields in excess of 10%."

Greg Pearson, CEO of GREA, commented:

"Being identified by the GEPF as a strategic platform for the implementation of GEPF's property investment objectives across the rest of Africa is a tremendous honour and privilege. We are thrilled to welcome Mr. Msindo to the board of directors of GREA and look forward to collaborating with him closely as we continue to deliver on GREAs substantial pipeline."

By Order of the Board

28 November 2024

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

Grit Real Estate Income Group Limited is the leading pan-African impact real estate company focused on investing in, developing and actively managing a diversified portfolio of assets in carefully selected African countries (excluding South Africa). These high-quality assets are underpinned by predominantly US and Euro denominated long-term leases with a wide range of blue-chip multi-national tenant covenants across a diverse range of robust property sectors.

The Company is committed to delivering strong and sustainable income for shareholders, with the potential for income and capital growth. The Company holds its primary listing on the Main Market of the London Stock Exchange (LSE: GR1T and a dual currency trading secondary listing on the Stock Exchange of Mauritius (SEM: DEL.N0000 (USD) / DEL.C0000 (MUR))

Further information on the Company is available at www.grit.group

Directors: Peter Todd (Chairman), Bronwyn Knight (Chief Executive Officer) *, Gareth Schnehage (Chief Financial Officer) *, David Love+, Catherine McIlraith+, Jonathan Crichton+, Cross Kgosiidle, Lynette Finlay + and Nigel Nunoo+.

(* Executive Director) (+ independent Non-Executive Director)

Company secretary: Intercontinental Fund Services Limited

Registered office address: PO Box 186, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 4HP

Registrar and transfer agent (Mauritius): Intercontinental Secretarial Services Limited

SEM authorised representative and sponsor: Perigeum Capital Ltd

UK Transfer secretary: Link Assets Services Limited

Mauritian Sponsoring Broker: Capital Markets Brokers Ltd

This notice is issued pursuant to the FCA Listing Rules, SEM Listing Rule 15.24 and the Mauritian Securities Act 2005. The Board of the Company accepts full responsibility for the accuracy of the information contained in this communiqué.

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