

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" and, together with its subsidiaries, the "Group")

ACQUISITION OF CONTROLLING INTERESTS IN GATEWAY REAL ESTATE AFRICA LIMITED ("GREA") AND AFRICAN PROPERTY DEVELOPMENT MANAGERS LIMITED ("APDM")

The board of Directors (the "**Board**") of Grit Real Estate Income Group Limited are pleased to announce the conclusion of the final phase in the acquisition of controlling interests in GREA and APDM from Gateway Africa Real Estate Limited ("**Gateway Partners**") and Prudential Impact Investments Private Equity LLC ("**Prudential**"). Grit now owns a direct interest of 51.48% in GREA and a 78.95% shareholding in APDM. The respective remaining balances are held by the Public Investment Corporation of South Africa (PIC).

GREA successfully completed several developments during the three-phase acquisition timeframe which has materially derisked the transaction for Grit shareholders. Notable project deliveries include:

- Adumah Place, Ghana (winner of "API Best Commercial Office development 2022"),
- ADC data centre, Nigeria,
- Rosslyn Grove US embassy accommodation, Kenya (winner of the "API best high end development award in 2022"),
- The Precinct Office park, Mauritius (the first 5 star green rated office park in the Indian Ocean region),
- Curepipe Artemis Hospital, Mauritius.

The financial results of GREA and APDM are to be consolidated with Grit's and are expected to have a positive impact on both the value of reported investment properties, Group LTV and future growth rates and income distributions to the Group.

Bronwyn Knight, CEO of Grit Real Estate Income Group Limited, commented:

"Concluding the acquisition of controlling interests in GREA and APDM are significant milestones towards our Grit 2.0 vision of setting global benchmarks in Africa. The acquisitions support Grit's ongoing transition towards a more resilient, accretive and African impact focussed asset base. These are expected to deliver value creation and growth opportunities in net asset value and income to the benefit of all our stakeholders, including the people of Africa.

Grit additionally gains access to GREA's substantial pipeline of accretive development opportunities while the controlling interest in APDM provides Grit with an opportunity to earn substantial development and asset management fees from internal, joint venture partners and third-party clients."

Further detail on Phase 3 of the acquisition of controlling interests in GREA and APDM:

Phase 3 of the acquisition, whereby Grit acquired Gateway Partners' remaining 13.61% interest in GREA and 1% interest in APDM for a combined cash payment of USD33.9 million, became unconditional and share transfer was lodged, following receipt of the Mauritius Prime Minister's Office consent which was the final condition precedent.

Additionally, Grit has acquired a 2.85% interest in GREA from Prudential for USD5.5 million.

Immediately after these acquisitions, and prior to the vesting of the APDM incentive, Grit owns 51.48% of GREA and a 78.95% shareholding in APDM.

Across the three phases, Grit has paid an aggregate of USD77.6 million for the total increased 31.50% shareholding in GREA, settled through a combination of cash and share issuance (covered under the prospectus and circular issued in Q4 2021).

Details of Phase 3 of the transaction

1. **Acquisition of the additional 16.47% interest in GREA:**

- The Gross Assets the subject of the transaction are USD174.1 million.
- The profits attributable to the transaction are USD2.9 million.

2. **Acquisition of additional 1% interest in ADPM:**

- Gross Assets the subject of the transaction are US\$0.01 million.

3. **Impact on Grit**

Grit now has the ability to direct additional activities in GREA that are expected to create value, including:

- Balance sheet optimisation and disposal of non-core assets specifically reducing exposures to the retail segment. Such asset recycling would be expected to free up for redeployment into new project opportunities within GREA.
- When combined with Grit's balance sheet, GREA's current low leverage would be expected to result in a reduction of consolidated Grit Group LTV by approximately 2.90 percentage points.
- Whilst GREA is expected to remain relatively lowly geared, its construction debt facilities are amortising and are relatively expensive compared to Grit's debt facilities. There is potential to utilise Grit's credit standing to provide GREA with cheaper debt funding and, crucially, the ability to recycle operational cashflow into new projects rather than debt repayments, thereby securing enhanced levels of growth.

4. **GREA key individuals**

- Gregory Pearson, Chief Executive Officer
- Krishnen Kistnen, Chief Financial Officer
- Andre Janari, Chief Investment Officer
- Craig Glutz, Head of Developments
- Shevira Bissessor, Chief Operating Officer

The management team and staff have become employees of the Group and are now participants of the Grit long-term incentive plan.

By Order of the Board

26 July 2023

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)*, Leon van de Moortele (Chief Financial Officer)*, David Love+, Sir Samuel Esson Jonah+, Catherine McIlraith+, Jonathan Crichton+, Cross Kgosidiile and Lynette Finlay+.

(* 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.
