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For Immediate Release

17 July 2018

GRIT ANNOUNCES INTENTION TO SEEK LISTING ON LONDON STOCK EXCHANGE

Grit Real Estate Income Group Limited ("Grit" or "the Company" or together with its subsidiaries "the Group"), a leading pan-African income real estate company focused on real estate investment assets in pre-selected African countries (excluding South Africa), today announces its intention to seek a listing on the Official List of the United Kingdom Listing Authority and admission to trading on the main market for listed securities of the London Stock Exchange ("Admission"), in conjunction with an offer for subscription in the UK and a private placement of its Ordinary Shares in the UK, South Africa and Mauritius (together the "Issue").

Details of the Issue

- The Company will issue up to 250 million new Ordinary Shares pursuant to the Issue.
- The indicative price for the offer has been set at US\$1.43 per Ordinary Share which is equivalent to the EPRA Net Asset Value¹ per Ordinary Share of US\$1.43 as at 31 March 2018.
- The Company's 214 million existing Ordinary Shares currently trade on the main board of the Johannesburg Stock Exchange ("JSE") and the Official Market of the Stock Exchange of Mauritius Ltd ("SEM"). Application will be made to the UK Listing Authority for the Company's existing and to be issued Ordinary Shares to be admitted to the Official List with a standard listing. Application will also be made for the existing and to be issued Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.
- Applications will also be made for the Ordinary Shares to be issued pursuant to the Issue to be admitted to the main board for listed securities of the JSE and to the Official Market of the SEM.

¹ Net Asset Value calculated in accordance with the Best Practice Recommendations published by the European Public Real Estate Association in January 2014.

- The Issue is expected to raise net proceeds of at least US\$120 million. The net proceeds of the Issue will be used to acquire assets in Ghana and Mozambique, in addition to other existing and new territories, as well as reduce the Group's overall level of gearing.
- Initial Admission of the Company's Ordinary Shares to the London Stock Exchange is expected in July 2018.
- AXYS Corporate Advisory is acting as lead transaction adviser and Perigeum Capital is acting as the Mauritian transaction adviser. finnCap Limited is acting as UK financial adviser and joint UK placing agent. Baden Hill, a trading name of Northland Capital Partners Limited and Exotix Partners LLP are acting as joint UK placing agents. PSG Capital is acting as sponsor and placing agent in South Africa.

Commenting on today's announcement, Bronwyn Corbett, Chief Executive Officer, said;

"Our planned listing on the London Stock Exchange will create a compelling opportunity for UK and other equity investors to gain exposure to the African real estate sector, which offers some of the best returns in the global property market. We have a proven track record of generating income from our selective and diversified range of assets, built through our close and detailed understanding of the region's property investment environment. The listing will support our aim to grow our portfolio further and become the leading real estate owner on the African continent outside South Africa."

Key Grit Highlights

- **A track record of returns and strong dividend yields**
 - Grit is targeting a US Dollar total return of approximately 12.00% per annum²
 - Eight dividend distributions since its launch in 2014
 - Weighted average cost of debt of 5.7% as at 30 June 2018
 - The target dividend in relation to the six months ended 30 June 2018 is approximately US\$5.9 cents per Share²
 - Rental income predominantly generated in US\$ and Euros
 - Bulk of income paid out to shareholders as semi-annual dividends
- **Strong focus on selected African countries with strong fundamentals and strength of counterparty**
 - Economic growth in sub-Saharan Africa averages more than 5% per annum since 2000, driving rapid urbanisation and a growing middle class
 - Increased demand for modern properties from domestic and international businesses
- **A selective portfolio of quality assets, diversified across sectors, jurisdictions and tenants**
 - Currently present in seven African markets (Botswana, Kenya, Mauritius, Morocco, Mozambique, Ghana and Zambia)
 - Other markets targeted or under consideration include Senegal and the Seychelles

² This is a target only and is not guaranteed. It is based on a number of bases and assumptions which may or may not materialise.

- Grit has a self-imposed soft concentration limit of 25% of gross assets per operational jurisdiction. Diversified by sector with retail, office, hospitality, light industrial and corporate accommodation assets
- **Experienced management with in-depth practical experience of the Company's existing and targeted jurisdictions**
 - Management with over 65 years combined African real estate experience
 - Key executives significantly invested in the Company
 - Robust processes in place and strong competency to manage the portfolio of properties
- **A customer base of international tenants with long-term leases**
 - Existing portfolio has a Weighted Average Lease Term of 7.0 years as at 30 June 2018
 - Core tenants include international blue-chip companies such as Vodacom (part of Vodafone Group), Barclays, KPMG, BP and the British Council, and leading South African retailers with pan-African operations such as Shoprite and Game
 - Current low vacancy rate of 2.8% as at 30 June 2018
- **Significant pipeline of attractive developments and assets identified**
 - Selective expansion into new jurisdictions will generate additional revenue flows from completed, high-quality assets and further diversification
 - Existing network of developers, property owners and tenants position the Company advantageously for emerging opportunities

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NOTE TO EDITORS

About Grit

Grit is a leading pan-African real estate company focused on real estate investment assets in pre-selected African countries (excluding South Africa), with these assets underpinned by predominantly US\$ and Euro denominated long-term leases with high quality tenants delivering strong and sustainable income.

The Company was incorporated in 2012 and currently has a dual primary listing on the Official Market of the Stock Exchange of Mauritius Ltd and the main board of the Johannesburg Stock Exchange. Since listing on the Johannesburg Stock Exchange in 2014, Grit's assets have increased from two properties to 20 properties and the Company is the first dual listed pan-African real estate group of its kind.

Grit's current portfolio comprises 20 income producing properties in six countries (plus one vacant land plot held for development and a 6.25% equity investment in a listed Botswana property group) with, as at 30 June 2018:

- an aggregate valuation of approximately US\$588.5 million and an estimated property net initial yield of 8.1%;
- 308,105m² of gross lettable space;
- a vacancy rate of 2.8%, largely due to the impact of strategic vacancies resulting from a major refurbishment project at Anfa Place Shopping Center in Morocco. Vacancies across the remaining assets remain negligible; and
- a weighted average lease expiry of 7.0 years.

Within the next five years, Grit is aiming to become the leading real estate owner on the African continent outside of South Africa, focusing on income-producing assets with strong counterparties to seek to ensure consistent growth of Shareholder value.

Grit's investment strategy is built around the following core principles:

- to grow the portfolio based on quality hard currency long-term leases and strong counterparties;
- to focus on countries with existing/pending REIT structures; and
- to develop and maintain strategic partnerships in existing jurisdictions that will secure pipeline and strengthen in-country resources.

Grit seeks opportunities in high-yielding properties in sound African jurisdictions that are anchored by high quality tenants. Grit considers key criteria such as the ability to conduct business in hard currency, repatriation of funds, political risk, currency risk, secure land tenure and debt raising ability in the first instance before proceeding further with any investment opportunity.

Important notice

The content of this announcement, which has been prepared by and is the sole responsibility of the Company, has been approved by finnCap Limited ("**finnCap**") solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**").

This announcement is an advertisement and does not constitute a prospectus and investors must only subscribe for or purchase any shares referred to in this announcement on the basis of information contained in the Prospectus to be published by the Company in due course and not in reliance on this announcement.

When made generally available, copies of the Prospectus may, subject to any applicable law, be obtained from the registered office of the Company. This announcement does not constitute and may not be construed as, an offer to sell or an invitation to purchase, investments of any description, a recommendation regarding the Issue or the provision of investment advice by any party. No information set out in this announcement or referred to in other written or oral form is intended to form the basis of any contract of sale, investment decision or any decision to purchase shares in the Company.

This announcement does not constitute a prospectus for the purposes of the South African Companies Act and will not be filed with the South African Companies and Intellectual Property Commission in terms of the South African Companies Act. This announcement has not been prepared in terms of the JSE Listings Requirements.

This announcement also does not constitute a prospectus for the purposes of the Mauritian Securities Act 2005 and will not be filed with the Mauritian Financial Services Commission in terms of the Mauritian Securities Act 2005. This announcement has not been prepared in terms of the SEM Listing Rules. The information contained in this announcement is given at the date of its publication (unless otherwise marked) and is subject to updating, revision and amendment when the Prospectus is published.

Each of finnCap, Baden Hill, a trading name of Northland Capital Partners Limited, ("**Baden Hill**") and Exotix Partners LLP ("**Exotix**"), is authorised and regulated by the Financial Conduct Authority, is acting only for the Company in connection with the matters described in this announcement and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of finnCap, Baden Hill or Exotix or advice to any other person in relation to the matters contained herein.

PSG Capital, which is authorised and regulated in South Africa by the JSE, is acting exclusively for the Company and for no-one else in connection with the in connection with the matters described in this announcement and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of PSG Capital or advice to any other person in relation to the matters contained herein.

Perigeum Capital Ltd ("**Perigeum Capital**"), which is regulated in Mauritius by the Mauritian Financial Services Commission, is acting exclusively for the Company and for no-one else in connection with the matters described in this announcement and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of Perigeum Capital or advice to any other person in relation to the matters contained herein.

The shares of the Company will be offered only outside of the United States, pursuant to the provisions of Regulation S of the US Securities Act of 1933, as amended (the "**US Securities Act**"). These shares will not be registered under the US Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. Moreover, the shares of the Company have not been, nor will they be, registered under the applicable securities laws of Australia, Canada or Japan. Further, the Company will not be registered under the US Investment Company Act of 1940, as amended. Subject to certain exceptions, the shares of the Company may not be offered or sold in the United States, Australia, Canada or

Japan or to, or for the account or benefit of, any national, resident or citizen of the United States, Australia, Canada or Japan. The Issue, and the distribution of this announcement, in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

The value of investments may go down as well as up and all of the value of an investor's investment in the Company will be at risk. Past performance is not a guide to future performance.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, strategy, plans, proposed acquisitions and objectives, are forward-looking statements.

Forward-looking statements are subject to risks and uncertainties and, accordingly, the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the Prospectus. These forward-looking statements speak only as at the date of this announcement and cannot be relied upon as a guide to future performance. The Company, finnCap, Baden Hill, Exotix, PSG Capital and Perigeum Capital expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the FSMA, the Prospectus Rules of the Financial Conduct Authority or other applicable laws, regulations or rules.

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