

## GRIT REAL ESTATE INCOME GROUP LIMITED

(Registered in Guernsey)

(Registration number: 68739)

LSE share code: GR1T

SEM share code: DEL.N0000

ISIN: GG00BMDHST63

LEI: 21380084LCGHJRS8CN05

("Grit" or the "Company" and, together with its subsidiaries, the "Group")



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### PARTIAL SALE OF INTEREST IN LETLOLE LA RONA LIMITED, BOTSWANA

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The board of Directors (the "**Board**") of Grit Real Estate Income Group Limited, a leading and award-winning pan-African impact 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 announces the disposal of a further 2.29% interest in **Letlole la Rona** ("**LLR**"), an associate owning predominantly industrial assets in Botswana (the "**Disposal**"), resulting in Grit's interest in LLR reducing to 11.25%.

Grit yesterday executed a sale of 6,421,000 shares on the Botswana Stock Exchange (the "**BSE**") at a price of 3.51 Botswanan Pula ("**BWP**") per share in cash, representing a 12.7% premium to the last published LLR NAV as at 31 December 2022. Sale proceeds amount to BWP 22.5 million (US\$ 1.7 million).

The Disposal is in addition to:

- i) a sale executed in December 2022 when the Group disposed of a 6.79% equity interest (19,000,000 shares) at BWP 3.48 per share in cash, a 15% premium to last reported NAV at that date. Sale proceeds amounted to BWP 66.1 million (US\$ 5.2 million); and
- ii) a sale executed in February 2023 when the Group disposed of 4.77% equity interest (13,347,068 shares) at BWP 3.51 per share in cash, amounting to a sale proceeds of BWP 46.8 million (US\$ 3.5 million), representing a 12.7% premium to the last published LLR NAV as at 31 December 2022.

The Disposal, when aggregated with the above trades, results in Grit's interest in LLR reducing from 25.1% as at 30 June 2022 to 11.25% today.

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

"The disposal by Grit of a 13.85% interest in Letlole La Rona is in line with, and materially contributes towards, the Company's stated strategies of asset recycling 20% of the value of its portfolio by 31 December 2023 and the ongoing reduction in Grit LTV. Since the original investment in 2019, and supported by Grit's direct real estate and governance involvement alongside fellow large investors, LLR has delivered substantial value to all shareholders. While Grit remains highly committed to investment in Botswana and the broader region, this recycled capital will now be redeployed in support of Grit's ongoing transition towards Africa impact focussed assets, which are expected to deliver near and longer term value creation and growth opportunities in net asset value and income, for the benefit of all our stakeholders, including the people of Africa."

#### **Further detail on the LLR investment, Grit's investment strategy and the impact to Grit on the sale**

Grit invested in LLR in 2019 when the BSE listed variable loan stock company owned 20 properties worth BWP 774 million (c. US\$ 73 million), and a Net asset value of BWP 744 million (c. US\$ 70.8 million). Grit partnered with the Botswana Development Corporation ("**BDC**") on their ambition to build improved Board composition controls and for sharing of intellectual property to strengthen LLR's real estate operating processes and procedures. LLR is now one of the best performing stocks on the BSE, trading at 12.7% premium to NAV as well as having exposure to exciting expansion opportunities embedded in a "Go to Africa" strategy, with Grit alongside as a trusted partner.

As of 31 December 2022, LLR holds direct investments in 24 properties and has a property portfolio valued at BWP 1.2 billion with a Net asset value of BWP 872 million (c. US\$ 68.3 million), which has represented significant growth since 2019.

In 2023, as part of Grit's renewed focus on controlling its real estate assets, prioritising exposure to US Dollar revenues and pursuing a revised growth strategy articulated under the Grit 2.0, the Board has chosen to redeploy its equity currently invested in LLR into further resilient African impact development assets.

The gross property assets which are the subject of the transaction are US\$11.6 million, being 13.85% of the LLR's properties valued at a book value of US\$ 83.5 million on 31 December 2022. The profit attributable to the 13.85% interest in the financial year to 30 June 2022 was US\$ 1.3 million, which included a fair value movement on investment property of US\$0.3 million in that year. Funds received from the transaction are expected to be applied towards Grit debt reduction, replenishment of liquidity reserves over the short term, and redeployment into acquisitions and future Group projects over the medium term.

The Group continues to target 20% asset recycling, equating to a value of up to US\$160.0 million. This transaction is therefore expected to be a meaningful contributor to the Group's asset recycling target being attained by 31 December 2023.

By Order of the Board

8 March 2023

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

**Grit Real Estate Income Group Limited**

Bronwyn Knight, Chief Executive Officer	+230 269 7090
Darren Veenhuis, Investor Relations	+44 779 512 3402

**finnCap Ltd – UK Financial Adviser**

William Marle/Teddy Whiley (Corporate Finance)	+44 20 7220 5000
Mark Whitfeld/Pauline Tribe (Sales)	+44 20 3772 4697
Monica Tepes (Research)	+44 20 3772 4698

**Perigeum Capital Ltd – SEM Authorised Representative and Sponsor**

Shamin A. Sookia	+230 402 0894
Kesaven Moothoosamy	+230 402 0898

**Capital Markets Brokers Ltd – Mauritian Sponsoring Broker**

Elodie Lan Hun Kuen	+230 402 0280
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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 secondary listing on the Stock Exchange of Mauritius (SEM: DEL.N0000).

Further information on the Company is available at [www.grit.group](http://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+ and Cross Kgosidiile.

(\* 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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