

GRIT REAL ESTATE INCOME GROUP LIMITED

(Registered by continuation in the Republic of Mauritius)

(Registration number: C128881 C1/GBL)

LSE share code: GR1T

SEM share code: DEL.N0000

JSE share code: GTR

ISIN: MU0473N00036

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



ACQUISITION OF AN ADDITIONAL 25% SHAREHOLDING IN MUKUBA MALL, IN KITWE, ZAMBIA

The board of directors of Grit Real Estate Income Group Limited (the "**Board**"), a leading pan-African real estate company focused on investing in and actively managing a diversified portfolio of assets underpinned by predominantly US\$ and Euro denominated long-term leases with high quality multi-national tenants, is pleased to announce that the Group, through its wholly owned subsidiary Zambian Property Holdings ("**ZPH**"), has entered into a subscription of shares agreement (the "**Agreement**") with Paxton Investments Limited ("**Paxton**"), whereby ZPH will acquire 8,191,050 new shares in Paxton for total consideration of US\$8,191,050 (the "**Transaction**").

Following completion of the Transaction, ZPH will own approximately 99.9 per cent. of the issued share capital of Paxton, which in turn owns a 25 per cent. interest in Mukuba Mall Limited ("**MML**"), the underlying 100 per cent. holding entity of Mukuba Mall in Kitwe, Zambia. Following completion of the Transaction, Grit's total interest in MML will be 75 per cent. (currently 50 per cent.).

Bronwyn Corbett, Chief Executive Officer of Grit Real Estate Income Group Limited, commented:

"This acquisition of a further 25 per cent. shareholding in Mukuba Mall allows the Company to expand its total exposure to 75 per cent. in this well performing, fully let, dominant retail offering that is well positioned in Kitwe and is expected to deliver further value to shareholders through NAV and distribution accretion.

Since the Company acquired its initial 50 per cent. shareholding in Mukuba Mall in 2015, we have seen positive valuation uplift, rental growth and low vacancy. We are confident that Mukuba Mall remains extremely well placed to continue its growth trajectory despite wider retail industry challenges. This transaction further strengthens the Company's exposure to convenience retail, which has proven to be the most resistant subsector in retail."

The Property

Mukuba Mall is a retail property located in Kitwe, Zambia, the country's second largest city in terms of both the size of the population and by land and one of the most developed commercial and industrial areas in the country. The Mall is well situated in the Copperbelt and is not only the dominant retail offering in Kitwe but also attracts customers from the nearby Democratic Republic of the Congo ("**DRC**") border.

Property name and address:	Mukuba Mall, corner of Freedom Way and Chiwala Avenue
Geographic location:	Kitwe, Zambia
Sector:	Retail
Gross lettable area (m²):	28,236
Weighted average gross rental/m²/pm:	US\$16.93
Weighted average annual lease escalation:	3.8%
Vacancy rate by gross lettable area (m²):	0%
Acquisition Yield:	8.20%
December 2018 Valuation Cap Rate:	7.75%

Warranties

The seller has provided the Company with warranties and indemnities standard for a transaction of this nature.

Effective Date

The Transaction is subject to the fulfilment of various conditions precedent, including satisfactory due diligence and approval by the relevant competition authority.

Categorisation

The Transaction is uncategorised in terms of the SEM Listing Rules, the JSE Listings Requirements and the LSE Listing Rules. Information contained in this announcement has been voluntarily disclosed by Grit.

The Transaction constitutes an undertaking in the ordinary course of business of Grit.

By Order of the Board

5 March 2019

FOR FURTHER INFORMATION, PLEASE CONTACT:

Grit Real Estate Income Group Limited

Bronwyn Corbett, Chief Executive Officer
Darren Veenhuis, Head of Investor Relations
Morne Reinders, Investor Relations

+230 269 7090
+44 779 512 3402
+27 82 480 4541

Maitland/AMO – Communications Adviser

James Benjamin
Vikki Kosmalska
Jason Ochere

+44 20 7379 5151
Grit-maitland@maitland.co.uk

finnCap Ltd – UK Financial Adviser

William Marle / Scott Mathieson / Matthew Radley (Corporate Finance)
Mark Whitfeld (Sales)
Monica Tepes (Research)

+44 20 7220 5000
+44 20 3772 4697
+44 20 3772 4698

Perigeum Capital Ltd – SEM Authorised Representative and Sponsor

Shamin A. Sookia
Kesaven Moothoosamy

+230 402 0894
+230 402 0898

PSG Capital – JSE Sponsor and Corporate Adviser

David Tosi

+27 21 887 9602

The Company's LEI is: 21380084LCGHJRS8CN05

NOTES:

Grit Real Estate Income Group Limited is a leading pan-African real estate company focused on investing in 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 is targeting an annual dividend yield in US\$ of 8.0%+p.a and a net total shareholder return inclusive of NAV growth of 12.0%+ p.a.*

The Company currently holds primary listings on both the Main Market of the London Stock Exchange (LSE: GR1T) and on the Main Board of the Johannesburg Stock Exchange (JSE: GTR), with a secondary listing on the Official Market of the Stock Exchange of Mauritius Ltd (SEM: DEL.N0000).

Further information on the Company is available at <http://grit.group/>

*These are targets only and not a profit forecast and there can be no assurance that they will be met.

Directors:

Peter Todd+ (Chairman), Bronwyn Corbett (Chief Executive Officer)*, Leon van de Moortele (Chief Financial Officer)*, Ian Macleod+, Matshepo More, Nomzamo Radebe, Catherine McIlraith+, David Love+, Sir Samuel Esson Jonah+ and Bright Laaka (Permanent Alternate Director to Nomzamo Radebe).

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

Company secretary: Intercontinental Fund Services Limited

Registered address: c/o Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebène 72201, Mauritius

Transfer secretary (South Africa): Computershare Investor Services Proprietary Limited

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

JSE sponsor: PSG Capital Proprietary Limited

Sponsoring broker: Axys Stockbroking Limited

SEM authorised representative and sponsor: Perigeum Capital Ltd

This notice is issued pursuant to the JSE Listings Requirements, the LSE Listing Rules, SEM Listing Rule 11.3 and Rule 5(1) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. Board of the Company accepts full responsibility for the accuracy of the information contained in this communiqué.