

GRIT REAL ESTATE INCOME GROUP LIMITED

(Registered in Guernsey)

(Registration number: 68739)

LSE share code: GR1T

SEM share code: DEL.N0000

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



ENTERING INTO BINDING REFINANCING AGREEMENTS AND SYNDICATION FOR UP TO US\$306 MILLION

LARGEST SUSTAINABILITY LINKED REAL ESTATE DEBT REFINANCING AND SYNDICATION IN SUB-SAHARAN AFRICA (EXCLUDING SOUTH AFRICA)

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, is today pleased to announce the signing of binding agreements for the Group's sustainability-linked debt refinancing and syndication.

The sustainability-linked term loan and revolving credit facility is for up to US\$306 million, making it the largest real estate sector transaction to date in Sub-Saharan Africa (excluding South Africa). Standard Bank of South Africa acted as sole lead arranger and bookrunner for the multi-jurisdictional debt syndication covering Grit's assets and debt facilities in Mozambique, Zambia, Ghana and Senegal and a corporate level revolving credit facility.

The refinancing ensures Grit's debt structures have longer tenors and are more efficient, flexible and optimally priced. Seven existing debt exposures are being consolidated into the single sustainability-linked cross-collateralised facility, streamlining Grit's loan management process, and creating scalable solutions for the future. The facility is linked to Grit's carbon emission reduction and gender equality targets, creating financial incentives to transform assets and to deliver further enhanced positive impact investments.

As at 31 December 2021, the Group had a total of US\$409.2 million in outstanding debt, made up of US\$362.9 million reported and US\$46.2 million held within its associates. This facility replaces US\$279.1 million of existing debt and secures additional funding earmarked for the Club Med Senegal redevelopment project.

The refinancing has enjoyed strong support from Grit's existing senior lenders, including Standard Bank, ABSA Group and Nedbank Group, who have upsized their participation in the syndication and replaced the Bank of China's US\$76.4 million Zambian facility (as at 31 December 2021), which is now being fully repaid.

The binding transaction is subject to final regulatory approvals and is expected to be implemented by the end of October 2022. Further details include:

- US\$66 million of the total facility will be drawn and priced in Euros while the remaining balance dispersed in USD, achieving better matching of the Group's overall Euro asset exposures.
- The weighted average facility tenor is 4.3 years, and in conjunction with other executed Group debt refinancing, will result in an increase to Grit's weighted average debt expiry profile to over 3.73 years (from 1.25 years currently) at implementation date.
- The weighted average interest spread over base rates has increased from 525bps (on replaced debt) to 559bps on the new facility. The cross-collateralisation and link to sustainability targets meaningfully contributed to limiting Grit's increase in credit spreads despite material upward pricing pressure in the broader high yield debt market in 2022.
- The Group currently has interest rate swaps and collars over notional debt exposures of US\$100 million that expire after October 2023 and is implementing additional hedges over US\$100 million notional as part of this refinance, utilising basis swaps and interest rate collars.

Excluded from the syndication are debt maturities on the State Bank of Mauritius facilities totaling US\$57.0 million (which have already been extended to 31 March 2025), AnfaPlace Mall debt (which has also been extended to March 2025) and the Kenyan asset facilities, which are to be separately refinanced.

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

“Our debt refinance brings enhanced scale, diversification, tenor, and optimal funding costs to our broader debt portfolio. By refinancing almost all our existing debt exposures into a single sustainability-linked facility, we are streamlining our loan management process and bolstering our commitment to our ESG targets, including carbon emission reduction and gender equality.

The cross-collateralisation and link to sustainability targets in the new facility meaningfully contributed to limiting Grit’s increases in credit spreads despite material upward pricing movements in the broader high yield debt market in 2022.

Standard Bank of South Africa and our other debt financing partners have shown strong support for the Grit business model and potential and have assisted us in setting new benchmarks with today’s landmark sustainability-linked refinance transaction, the largest of its kind for the real estate sector in sub-Saharan Africa (excluding South Africa).

Grit’s family of strong partnerships across the African continent enable us to deliver smart real estate focused business solutions and sustainable value for our shareholders, whilst also delivering positive impact to the people of Africa.”

Niyi Adeleye, Standard Bank’s Head of Real Estate Finance for the Africa Region

“We are pleased to lead and structure Grit’s sustainability-linked syndicated debt facility, underlining our support and confidence of Grit’s compelling business and growth strategy and potential. This further diversifies Grit’s funding by providing access to attractively priced, efficient and flexible debt facilities, which also increases the average maturity of Grit’s debt, whilst creating scale in the financing of African real estate and balancing risk profiles.”

By Order of the Board

19 October 2022

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU no. 596/2014) (as amended) as it forms part of UK domestic law by virtue of the European union (withdrawal) act 2018 and other implementing measures. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

Grit Real Estate Income Group Limited is the leading pan-African woman led 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 <http://grit.group/>

Directors: Peter Todd+ (Chairman), Bronwyn Knight (Chief Executive Officer)*, Leon van de Moortele (Chief Financial Officer)*, David Love+, Sir Samuel Esson Jonah+, Nomzamo Radebe, Catherine McIlraith+, Jonathan Crichton+, Cross Kgosidiile and Bright Laaka (Permanent Alternate Director to Nomzamo Radebe).

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

Company secretary: Intercontinental Fund Services Limited

Registered 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

UK Transfer secretary: Link Asset Services Limited

SEM authorised representative and sponsor: Perigeum Capital Ltd

Mauritian sponsoring broker: Capital Markets Brokers Ltd

This notice is issued pursuant to the FCA Listing Rules and 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.