

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" or the "Group")

VOLUNTARY UPDATE: SARB APPROVAL ON GREA US\$100 MILLION RECAPITALISATION

1. INTRODUCTION

On 28 June 2024, Grit's development subsidiary, Gateway Real Estate Africa ("GREA") issued a call notice to its shareholders, including Grit and the Public Investment Corporation of South Africa SOC Limited ("PIC"), as part of a US\$100 million capital raise.

In terms of the call notice, the Government Employees Pension Fund ("GEPF") represented by the PIC, the largest sovereign wealth fund in Africa, is contracted to inject US\$48.5 million cash equity (the PIC Capital Investment).

The payment was due within seven days of the call notice but was delayed due to an additional requirement by the South African Reserve Bank ("the SARB") before cash can be transferred from South Africa.

The board of directors of Grit ("the Board") consider that all substantive conditions relating to the capital raise have been fulfilled and were confirmed in writing by the PIC, except for the approval of the transaction by the SARB.

The conditions that were fulfilled include:

- Under the terms of the GREA shareholder agreement the PIC has a contractual obligation to participate once a call notice issue is issued and the PIC (as the investment manager acting on behalf of the GEPF) confirmed in writing that they will participate in the rights issue, which was confirmed in September 2023.
- The capital raise has been approved by the Board of GREA in October 2023.
- The South African Government Employee Pension Fund ("GEPF") provided shareholder approval on the 29th of April 2024.

2. SOUTH AFRICAN RESERVE BANK DIRECTIVE

South Africa was greylisted by the global financial crime watchdog Financial Action Task Force ("FATF") in February 2023 for not complying with international standards around the prevention of money laundering, terrorist financing and proliferation financing.

As a result, the country's National Treasury, through the SARB implemented a universal directive prohibiting state-owned entities from investing in low-tax jurisdictions or using these jurisdictions as a conduit for offshore investments ("the Blanket Directive").

3. APPROVAL OF PIC CAPITAL INVESTMENT BY THE SARB

On 30 October 2024, the SARB issued a letter confirming that the Minister of Finance had approved the request by the PIC, on behalf of the GEPF, to participate in the equity investment subject to the condition that GREA will redomicile to Kenya ("the GREA redomiciliation").

This condition is retrospective, providing for the investment to flow upon GREA's updated draw request which has been submitted, and that the GREA redomiciliation is completed within 12 months from the Finance Minister's approval. The GREA redomiciliation is currently underway and is expected to be finalised early in the 2025 calendar year.

4. CURING OF MATERIAL UNCERTAINTY

Shareholders are referred to Grit's annual financial statements published on RNS and the website of the Stock Exchange of Mauritius Ltd on Thursday, 31 October 2024 (the "Financial Results") . The statements highlighted a delay in the regulatory approval of the PIC Capital Investment, which, as of the date of the Financial Results, raised material uncertainty regarding the Group and Company's ability to continue as a going concern.

The Board is pleased to inform shareholders that, following approval from the SARB, the PIC Capital Investment is now contractually under the control of the Directors, curing the previously identified material uncertainty around the Group's going concern assessment.

Bronwyn Knight, Chief Executive Officer of Grit commented:

"As founding shareholder of GREA, the PIC (on behalf of the GEFP) remains fully committed to GREA and its recapitalisation commitments.

"The SARB approval of the PIC Capital Investment now places the transaction contractually under the control of the Directors, and that the updated draw request has been submitted."

Greg Pearson, Chief Executive Officer of GREA said:

"This capital investment underscores PIC and GEFP's commitment to partner with GREA as a real estate growth platform for Africa, which will be further solidified by the impending appointment of a GEFP representative to GREA's board of directors."

By Order of the Board

01 November 2024

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))).