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
ISIN: MU0473N00036
LEI: 21380084LCGHJRS8CN05
("**Grit**" or the "**Company**" or the "**Group**")

RENT COLLECTION AND PORTFOLIO PERFORMANCE UPDATE, DIRECTORS APPOINTMENT AND CONTINGENT LIABILITY UPDATE

The board of directors (the "**Board**") of Grit Real Estate Income Group Limited is pleased to provide the following rent collection and business update.

The Group's high-quality property assets have a weighted average lease expiry ("**WALE**") of 5.14 years, a weighted average contracted lease escalation of 2.7% per annum and are underpinned by a wide range of blue-chip multi-national tenants across a variety of sectors. Grit's property portfolio comprises a total of 47 assets (including 20 properties held in Letlole La Rona in Botswana) with rentals predominantly collected monthly, of which 94.1% are collected in US$, Euro or pegged currencies.

HIGHLIGHTS

- For the period March to July 2020, the Group has collected 85.4% of the value of its attributable contracted rental revenue, which includes prepaid rent collected in the period.
- Short term concessions, and hence loss of revenue, have been agreed on 7.9% of Grit attributable contracted rental revenue over this period, primarily in the retail segment.
- Short term payment deferrals for the period of March to July 2020 have been agreed on 14.7% of Grit's attributable contracted rental revenue and are now due in the Company's next financial year and beyond, driven primarily by Mauritian government legislation in respect of the hospitality sector assets.
- David Love appointed as Senior Independent Director.

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

"The Group continues to focus on delivering the investment strategy and further strengthening and defending its current position. The JSE de-listing and primary listing and focus on the London Stock Exchange listing will provide the Company deeper and wider access to capital markets to execute on its attractive growth pipeline to deliver further value to our shareholders.

Grit's earnings and dividends are underpinned by the Company's secure, diversified and growing index-linked income streams as well as attractive capital appreciation from across our high-quality portfolio. Covid-19 caseload has been significantly lower in Africa than the rest of the world but the full impacts, including economic, remain uncertain. The Company is continuing to successfully focus on strong rent collections and tenant initiatives."

PORTFOLIO STABILISING AMIDST COVID-19 IMPACTS

- The corporate accommodation, industrial and office sector assets, which collectively represent approximately 48% of Grit's total net asset value as at 31 December 2019, continues to see only limited impact to date, with collection of over 100% of contracted revenue since March 2020.

Hospitality sector

- Hospitality assets constituted 18.8% of Grit's total net asset value as at 31 December 2019. The Company does not have direct hospitality exposure as a result of its fully servicing triple net lease rental contracts with international leisure operators and the lease contracts are underwritten by the holding companies of the respective operators.
- Rent collections in Mauritius were postponed by government legislation for six months until September 2020, at which time normal rentals resume and outstanding balances accumulated over the period to September become collectible over the subsequent 16 months.

- New Mauritius Hotels Group (Beachcomber) resumed rental payments on 1 August 2020. By mutual agreement, payment terms under the lease have been amended to payable three months in arrears.
- The Lux Island Resorts Group is expected to resume rental payments from 1 September 2020, and outstanding rental payments will be collected through the period to December 2021.
- The recent oil spill off the south east coast of Mauritius has no direct impact on the Group's hospitality assets, which are located on the north east of Mauritius.
- The rental deferral agreed with Club Med remains in place up to 31 December 2020 as previously communicated.
- The Board remains confident in the creditworthiness of the Group's hospitality partners and their respective holding companies given their strong competitive positioning and as a result of strong government support programmes in both Mauritius and France.

Retail sector

- Retail assets constituted 32.1% of Grit's total net asset value as at 31 December 2019.
    - The most significant impact has been in AnfaPlace shopping mall, which faced severe disruption as a result of its closure on 19 March 2020. Trading resumed on 25 June 2020 with promising footfall statistics since that date. The mall is the largest asset in the portfolio and makes up circa 10% of Grit attributable Group revenue as at 31 December 2019.
    - The three-month closure will result in lower revenues in the Company's current financial year as a result of rental concessions. To ensure the long-term success of the mall, Grit is providing a combination of further concessions and rent deferrals to tenants for the period through to 31 December 2020, as the mall returns to normalised levels of trade.
    - In February 2020, the Company announced that a small number of non-performing tenants had been evicted. Covid-19 lockdowns have resulted in delays in filling this space, and along with start date delays of new incoming tenants, reported vacancy statistics as at 30 June 2020 will rise from the reported figures at 31 December 2019.
    - The Board remains positive on the medium-term prospects for the mall but now expects the recovery trajectory, post its relaunch in September 2019, to be delayed through the Company's next financial year.
    - The Company announced on 12 February 2020 the conditional acquisition of a new OPCI / REIT vehicle in Morocco, and its intention both to introduce third party investors into its existing assets, including AnfaPlace, and to reduce exposures to Moroccan retail sector over the medium term.

SOLID BALANCE SHEET

- Grit is continuing to engage with all of its lenders, who have confirmed their continued support.
- As a precautionary measure, the Company continues to engage with its lenders on extension to LTV and interest cover covenants and interest holidays on loans attached to Covid-19 impacted properties, if required.
- The Group's lowest currently imposed LTV covenant stands at 53%. The Board expects downward pressures on its 30 June 2020 property valuations, predominantly in its retail and hospitality assets, but expects to maintain sufficient covenant headroom after adjusting for these impacts.

DRIVE IN TRADING REFINANCING

- By virtue of the Group's historic listing on the Johannesburg Stock Exchange, and in conjunction with its largest shareholder, the South African Government Employee Pension Fund ("**GEPF**") represented by the Public Investment Corporation ("**PIC**"), the Company facilitated its black economic empowerment and transformation partner, Drive in Trading ("**DIT**"), in the acquisition of 23.25 million Grit shares in June 2017.
- DIT secured a loan facility, with an initial break clause on 14 August 2020, from the Bank of America N.A ("**BoAML**") with the PIC providing a guarantee to BoAML in the form of a Contingent Repurchase Obligation ("**CRO**"). Separately, Grit indemnified the PIC for up to 50% of any potential losses suffered by PIC, capped at US$17.5 million.
- Although DIT is in advanced stages of refinancing its loan facility, PIC is expected to assume the position of lender to DIT following the expiry of the initial BoAML loan facility and exercise of the CRO by BoAML. Whilst reserving their rights, the PIC has advised Grit that it does not intend calling on the Grit guarantee at this time, giving DIT the opportunity to conclude its discussions with potential lenders.

These discussions are anticipated to conclude before the end of September 2020, but this timeline may be extended. Further updates will be provided in due course.

- The contingent liability is accounted for in Grit's accounts under "Other Financial liabilities" at a fair value of USD$1,052,441 (31 December 2019). The movement in mark to market valuation is expected to result in an additional charge for the 30 June 2020 financial year end.

CHANGES TO THE BOARD

After the passing of Ian Macleod in June 2020, the Board assessed the various vacancies and suitability of existing members. The following appointments have therefore been made:

- On 24 July 2020 Catherine McIlraith, an Independent Non-Executive Director ("**INED**"), was appointed to the Nomination Committee;
- On 4 August 2020 David Love was appointed as Senior Independent Director and was also appointed to the Investment Committee; and
- On 4 August 2020 Catherine McIlraith was appointed as the Chairman of the Remuneration Committee. Catherine McIlraith remains chair of the Audit Committee.

Following these appointments, the Board is satisfied with the composition of the various sub committees, however it is the intention of the Board to appoint an additional INED to the Board and will make a further announcement in due course.

JSE DE-LISTING AND LONDON STOCK EXCHANGE GBP QUOTE

- On 29 July 2020, the Company completed its de-listing from the Main Board of the JSE Limited (the "**JSE**") and is now primary listed on the LSE, with a secondary listing on the Stock Exchange of Mauritius Ltd ("**SEM**").
- On 3 August 2020, the Company's LSE stock quote was changed to Sterling, which is expected to provide broader access to investors in the United Kingdom and should result in improved liquidity over the medium term.
- The Group is intending to move to the premium listing segment on the LSE following the JSE de-listing and to facilitate the Group's eligibility for inclusion in the FTSE UK Index Series, the Group is further exploring the possibility of redomiciling its corporate seat to Guernsey.

By Order of the Board

18 August 2020

FOR FURTHER INFORMATION, PLEASE CONTACT:

Grit Real Estate Income Group Limited	
Bronwyn Corbett, Chief Executive Officer	+230 269 7090
Darren Veenhuis, Head of Investor Relations	+44 779 512 3402
Maitland/AMO – Communications Adviser	
James Benjamin	+44 20 7379 5151
Jason Ochere	Grit-maitland@maitland.co.uk
finnCap Ltd – UK Financial Adviser	
William Marle / Giles Rolls / Matthew Radley (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

NOTES:

Grit Real Estate Income Group Limited is the 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 net total shareholder return inclusive of NAV growth of 12.0%+ p.a.*

The Company holds its primary listing on the Main Market of the London Stock Exchange (LSE: GR1T), while its listing on the SEM is termed as a secondary listing (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. Any forward-looking statements and the assumptions underlying such statements are the responsibility of the Board of Directors and have not been reviewed or reported on by the Company's external auditors.

Directors:

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

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

UK Transfer secretary: Link Asset Services Limited

SEM authorised representative and sponsor: Perigeum Capital Ltd

This notice is issued pursuant to the LSE Listing Rules, Article 19 of MAR, SEM Listing Rule 11.3 and Rule 5(1) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board accepts full responsibility for the accuracy of the information contained in this communiqué.