

## REDEFINE PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1999/018591/06)

JSE share code: RDF ISIN: ZAE000190252

LEI: 37890061EC026A7DA532

Debt company code: BIRDF

(Approved as a REIT by the JSE)

("Redefine" or "the Company")



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## DISPOSAL OF RDI REIT SHARES AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

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### 1. INTRODUCTION AND RATIONALE FOR THE DISPOSAL

Shareholders are advised that Redefine and its wholly owned subsidiaries Madison Property Fund Managers Limited, Madison Property Fund Managers Holdings Limited, Redefine Retail Proprietary Limited and Redefine Global Proprietary Limited (collectively the "**Redefine Group**") have today concluded an agreement (the "**Share Sale Agreement**") to dispose of up to 111 883 113 shares in RDI REIT P.L.C. ("**RDI**") being its entire shareholding in RDI, representing 29.42% of the RDI shares in issue (the "**RDI Shares**"), for an aggregate sale consideration of £106 288 957.35 (representing £0.95 per share) to controlled affiliates of Starwood Capital Group (the "**Purchasers**"), (the "**Disposal**").

Shareholders are further advised that Redefine has today announced a tender offer made to the holders (the "**Bondholders**") of its outstanding €150,000,000 1.50 per cent Secured Exchangeable Bonds due September 2021 (the "**Bonds**") exchangeable into the ordinary shares of RDI, of which €117.2 million are presently outstanding, pursuant to which Bondholders may elect to tender to have all or any of their Bonds redeemed by Redefine (the "**Tender Offer**"). The Company intends to accept Bonds tendered pursuant to the Tender Offer if it receives valid tender instructions relating to an aggregate principal amount of Bonds which, when added to the aggregate of the principal amount of Bonds previously exchanged, redeemed, purchased and cancelled by the Company is equal to 85% of the principal amount of the Bonds originally issued (the "**Offer Condition**"), subject to Redefine's right to waive the Offer Condition.

If 15 per cent or fewer of the aggregate principal amount of the Bonds originally issued remain outstanding after the implementation of the Tender Offer, the Company has the right to redeem all of the remaining Bonds outstanding at their principal amount, together with accrued interest to the date of redemption (the "**Clean Up Call**").

Details of the Tender Offer are set out in an announcement released today on the Frankfurt Stock Exchange.

The Disposal and redemption of Bonds pursuant to the Tender Offer forms part of Redefine's Loan-to-Value improvement plan, which includes the disposal of non-core assets across Redefine's property asset platform in order to right size its asset footprint to its constrained capital base and to further advance Redefine's stated intention to strengthen its balance sheet and bolster liquidity.

By exiting the UK real estate market, Redefine will also simplify its investment proposition and improve its risk profile by eliminating a risk universe over which it has no direct management influence.

Following the Disposal, which is denominated in pound sterling and redemption of Bonds pursuant to the Tender Offer which is denominated in euro, Redefine will restructure its pound sterling debt portfolio to regularise the currency misalignment caused by these transactions.

## 2. TERMS OF THE DISPOSAL

The Share Sale Agreement is conditional on the fulfilment (or waiver) of the Offer Condition.

Subject to the fulfilment (or waiver) of the Offer Condition, the Redefine Group will transfer 52 132 196 unencumbered RDI Shares (not held as security for the Bond) plus all RDI Shares released as security for the Bonds redeemed pursuant to the Tender Offer (collectively the “**Released Shares**”) to the Purchasers for a consideration of £0.95 per RDI Share. The aforesaid RDI Shares will be transferred to the Purchasers (and the sale consideration discharged) on the third business day following the deadline for acceptances of the Tender Offer, being 6 July 2020 (the “**1<sup>st</sup> Completion**”). Prior to the issue of this announcement, Redefine has received irrevocable commitments from Bondholders holding 60.3% of the aggregate principal amount of the Bonds originally issued and 77.1% of the aggregate principal amount of the Bonds outstanding to accept the Tender Offer.

The transfer of the balance of the 111 883 113 RDI Shares (the “**Remaining RDI Shares**”) is conditional upon acceptances of the Tender Offer being at a level that entitles Redefine to exercise the Clean-Up Call (the “**Clean-Up Condition**”). The Remaining RDI Shares will be transferred two business days after the completion of the process to redeem the remaining Bonds pursuant to the exercise by Redefine of the Clean-up Call (which is anticipated to be on or about 10 September 2020).

Accordingly, if the Offer Condition is met (or waived) but the Clean-Up Condition is not satisfied the Purchasers will acquire from the Redefine Group at least 95 078 906 RDI shares (constituting at least 25% of RDI shares in issue). If both the Offer Condition is met (or waived) and the Clean-Up Condition is satisfied, the Purchasers will acquire all of the RDI Shares.

Settlement will take place on a delivery-versus-payment basis and free of any set-off, costs, deduction or any other form of withholding.

The Share Sale Agreement contains undertakings and warranties that are customary for a transaction of this nature.

## 3. FINANCIAL INFORMATION

As at 29 February 2020, the value of the Redefine Group’s total investment in RDI was GBP135 469 550 or R2 728 451 562 (at an exchange rate of GBP 1.00 : ZAR20.14, being the spot rate on 29 February 2020) and its equity accounted loss from associate amounted to GBP5 354 165 or R101 219 061 (at an exchange rate of GBP 1.00 : ZAR18.91, being the average rate for the period 1 September 2019 to 29 February 2020), as extracted from Redefine’s condensed unaudited group results for the six months ended 28 February 2020 prepared in terms of International Financial Reporting Standards. The proceeds on disposal of the RDI shares is GBP106 288 956 or R2 263 742 184 (at an exchange rate of GBP 1.00 : ZAR21.298, being the spot rate on 26 June 2020). The proceeds of the disposal will be used to settle the Bonds and to further reduce Redefine’s other debt facilities. The Disposal of the

RDI Shares and the settlement of the Bonds (assuming all Bonds are redeemed) will reduce Redefine's loan to value ratio by approximately 1.2%.

#### **4. CATEGORISATION OF THE DISPOSAL AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

Shareholders are referred to the cautionary announcement published on 8 June 2020 as well as the announcement released on SENS on 26 June 2020 and are advised that the Disposal concludes the disposals referred to in the cautionary announcement. Accordingly shareholders are no longer required to exercise caution when dealing in Redefine's securities.

The Disposal is classified as a category 2 transaction in terms of the JSE Listings Requirements and is not subject to approval by shareholders.

29 June 2020

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Corporate Advisor and Sponsor

The logo for JavaCapital, featuring the word "JAVACAPITAL" in a sans-serif font. A blue horizontal line is drawn through the letters "A" and "V", extending from the left edge of the "J" to the right edge of the "A".