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## **DISPOSAL OF PORTFOLIO OF OFFICE ASSETS AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

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### **1. INTRODUCTION AND RATIONALE**

- 1.1. Shareholders are referred to the previous cautionary announcements published by Rebosis, the most recent of which was released on SENS on 28 September 2021. Rebosis is pleased to announce that it, together with its wholly-owned subsidiary Ascension Properties Limited ("**Ascension**") (collectively the "**Rebosis Group**"), has concluded agreements (the "**Transaction Agreements**") with Ulricraft Proprietary Limited (the "**Purchaser**"), in terms of which the Purchaser shall acquire from the Rebosis Group the portfolio of rental enterprises described more fully in paragraph 4 below (the "**Sale Portfolio**") as a going concern and for an aggregate cash consideration of R6,319,099,000 (the "**Purchase Consideration**") (the "**Transaction**").
- 1.2. The Sale Portfolio comprises, *inter alia*, government and state-tenanted office assets which will be sold to the Purchaser as going concerns in terms of the Transaction. The Purchaser is an entity established for the purposes of participating in the Transaction and is a wholly owned subsidiary of Vunani Capital Partners Limited ("**VCP**"), a company listed on Equity Express Securities Exchange.
- 1.3. It must be noted that while VCP is currently the owner of all of the issued share capital of the Purchaser, upon fulfilment of all conditions precedent as set out in paragraph 3 below, it is expected that VCP will only own between 6% and 9% of the Purchaser, with the balance being owned by the equity funders as set out in paragraph 3.2 (ii) below.
- 1.4. The Transaction is consistent with the Company's strategy to deleverage and optimise its balance sheet by reducing its LTV, and, in addition, to realise the value of the office segment of its portfolio, to restructure the business as a retail focused fund and to position the Company to resume dividend payments to shareholders.

### **2. TERMS OF THE TRANSACTION**

- 2.1. In terms of the Transaction, the Rebosis Group will sell the Sale Portfolio to the Purchaser as an indivisible transaction. The Transaction will involve the sale by (i) Rebosis, of those immovable properties, and the rental enterprises conducted thereon, contemplated in paragraph 4.1 (the "**Rebosis Sale Portfolio**"); and (ii) Ascension, of those immovable properties, and the rental enterprises conducted thereon, contemplated in paragraph 4.2 (the "**Ascension Sale Portfolio**"), which sales are inter-conditional.
- 2.2. The Transaction is structured as the sale by the Rebosis Group of the Sale Portfolio as a going concern.
- 2.3. The Purchase Consideration payable by the Purchaser for the Sale Portfolio, being an aggregate consideration of R6,319,099,000, comprises a consideration of R3,943,681,000 for the Rebosis Sale Portfolio and R2,375,418,000 for the Ascension Sale Portfolio, and shall be payable by the Purchaser in cash.
- 2.4. While the Transaction shall constitute an indivisible sale of the Sale Portfolio, for practical reasons it may not be possible for registration of the transfer of each asset forming part of the Sale Portfolio (each a "**Sale Enterprise**") to be effected simultaneously. The sale of each Sale Enterprise shall take legal and commercial effect against registration of transfer of such Sale Enterprise in the applicable Deeds Registries Office ("**Transfer**").

- 2.5. Each Sale Enterprise has attributed to it an individual purchase consideration which will be payable by the Purchaser in cash against registration of Transfer of such Sale Enterprise. To the extent that Transfer of any Sale Enterprise has not been effected on or before 1 February 2022 (the "**Anticipated Transfer Date**"), the individual purchase consideration payable in respect of such Sale Enterprise shall be escalated at a rate of 6% per annum, calculated and expressed as an effective daily rate with reference to the number of days elapsed between the Anticipated Transfer Date and the actual date of Transfer of the Sale Enterprise. Further details will be included in the shareholder circular being prepared in this regard (the "**Circular**").
- 2.6. Three of the Sale Enterprises (being those known as NBC Building, 373 Pretorius Building and 174 Visagie Street Building, more fully described in paragraph 4) (the "**Redevelopment Assets**") are in the process of being converted from office space into purpose-built student accommodation.
- 2.7. Rebosis Group has provided warranties to and in favour of the Purchaser in respect of the Sale Portfolio which are typical for a transaction of this nature.

### 3. CONDITIONS PRECEDENT

In addition to the inter-conditionality of the sale of the Rebosis Sale Portfolio with the Ascension Sale Portfolio, the Transaction is subject to the fulfilment or (where applicable) waiver of the conditions precedent that:

- 3.1. the Purchaser confirms in writing to the Rebosis Group that it is satisfied with the outcome of the due diligence investigation being undertaken by the Purchaser in respect of the Sale Portfolio;
- 3.2. the Purchaser has satisfied the Rebosis Group, by 15 February 2022 (or by the expiry of an extended funding period, if applicable), that it has obtained sufficient funding in order to discharge its payment obligations in terms of the Sale. This condition shall be deemed to have been fulfilled upon (i) in respect of debt funding, the issuing by a bank or other financial institution concerned of a letter, in form reasonably acceptable to the Rebosis Group, confirming that a mortgage loan or similar debt facility has been granted to the Purchaser and/or (ii) in respect of equity funding, written commitment letters from each such equity funder in terms of which such equity funder has irrevocably committed to make the applicable equity funding available to the Purchaser on terms that will enable the Purchaser to utilise such funding to timeously discharge its payment obligations under this Agreement;
- 3.3. the Purchaser has provided the Rebosis Group with one or more guarantees, in a form and issued by a bank/s or other financial institution acceptable to the Rebosis Group, for payment of the full Purchase Consideration in accordance with the Transaction Agreements;
- 3.4. counterparties to any loan or other financial indebtedness of Rebosis or Ascension (as applicable) have provided such consents or approvals, in writing, as may be required under the relevant funding agreements in order for the Transaction to be effected without triggering any event of default or other potential adverse consequence under such funding agreements;
- 3.5. the Rebosis Group has obtained the consent of the mortgagees in respect of any mortgage bonds registered over any of the immovable properties forming part of the Sale Portfolio, in relation to the implementation of the Transaction and to the cancellation of the mortgage bonds upon Transfer;
- 3.6. the shareholders of Rebosis have passed such ordinary and/or special resolutions as may be required in terms of the JSE Listings Requirements in respect of a category 1 transaction and the Companies Act, No 71 of 2008, if any, in order to implement the Transaction and the provisions of the Transaction Agreements; and
- 3.7. the Transaction is approved by the Competition Authorities in terms of the Competition Act, No 89 of 1998, either unconditionally or, in the event of a conditional approval, on terms acceptable to the parties.

### 4. PROPERTY SPECIFIC AND FINANCIAL INFORMATION

Property specific details of the Sale Portfolio shopping centres, including property name and address, location, rentable area, weighted average rental per square metre and valuation are set out below. The information below has been extracted from the interim financial results of the Company for the six months ended 28 February 2021,

which were prepared in terms of International Financial Reporting Standards. The financial information in this announcement is the responsibility of the directors of Rebosis and has not been reported on or reviewed by a reporting accountant.

#### 4.1. Rebosis Sale Portfolio:

Property name	Physical address	Rentable area (m <sup>2</sup> )	Weighted average rental per square metre (R/m <sup>2</sup> )	Net operating income	Valuation (R) *
<b>OFFICE SECTOR</b>					
11 Diagonal Street	11 Diagonal Street, Gauteng	37 160	134.90	39 215 533	637 659 000
Liberty Building	278 Madiba Street, Gauteng	33 885	141.79	36 911 562	446 100 000
Victoria Mxenge	Hartley Street, Weavind Park, Gauteng	24 720	119.91	30 425 420	607 690 000
124 Main Street	124 Main street, Gauteng	20 818	116.20	19 421 455	350 710 000
Bank of Lisbon	400 Paul Kruger Street, Gauteng	14 599	91.90	11 904 633	185 130 000
18 Rissik Street	18 Rissik Street, Gauteng	11 204	95.00	8 554 110	179 500 000
Arbour Square	82-98 Juta Street, Braamfontein, Gauteng	9 206	72.60	4 162 112	98 200 000
Revenue Building	205 Pietermaritz Street, Kwa-Zulu Natal	7 314	91.60	4 010 101	79 520 000
189 Schoeman Street	189 Schoeman Street, Gauteng	19 332	143.40	19 889 344	224 100 000
28 Harrison Street	28 Harrison Street, Gauteng	20 984	113.30	12 822 755	283 900 000
64 Eloff Street	64 Eloff Street, Gauteng	4 938	152.90	5 282 263	54 500 000
99 Market Street	99 Market Street, Gauteng	11 659	62.30	2 083 425	111 300 000
Jabu Ndlovu	270 Jabu Ndlovu Street, Kwa-Zulu Natal	11 455	122.30	7 958 107	132 750 000
SASSA ** Campus	2460 Dr Makgobo Avenue, North West	11 665	2 558.20	1 335 403	147 000 000
<b>INDUSTRIAL SECTOR</b>					
Antalis	John Street, Selby, Gauteng	18 954	47.00	4 801 683	96 900 000
<b>Total</b>		<b>257 893</b>		<b>208 777 904</b>	<b>3 634 959 000</b>

\* the valuations were performed as at 28 February 2021 by CBRE, who is independent from the company and registered as a professional valuer in terms of the Property Valuers Profession Act, 47 of 2000

\*\* the disclosure with regard to weighted average rental is based on a “per bed” basis and not on a square metre rate

#### 4.2. Ascension Sale Portfolio:

Property name	Physical address	Rentable area (m <sup>2</sup> )	Weighted average rental per square metre (R/m <sup>2</sup> )	Net operating income	Valuation *(R)
<b>OFFICE SECTOR</b>					
Game Building	64 Pritchard Street, Gauteng	21 438	160.10	16 298 788	279 200 000
VWL Building	202 Madiba Street, Gauteng	17 989	94.50	7 945 555	220 300 000
Prorom	30-35 Brown Street, Mpumalanga	6 431	116.26	3 295 369	56 470 000
Spectrum	52 Voortrekker Road, Belville, Western Cape	7 550	106.40	4 589 858	98 120 000
Sigma Building	9 Blackenberg Street, Belville, Western Cape	3 751	105.80	1 848 074	42 070 000
174 Visagie Street^	174 Visagie Street, Gauteng	13 537	-	-	164 870 000
238 Roan Crescent	238 Roan Crescent, Gauteng	9 035	84.20	5 228 697	86 100 000
373 Pretorius Street^	373 Pretorius Street, Gauteng	13 340	-	-	148 930 000
Kingfisher	10 Kingfisher Drive, Gauteng	1 405	50.80	712 948	15 700 000
Meyersdal	65 Phillip Engelbrecht Street, Gauteng	4 957	74.50	1 663 316	54 500 000
Mishumo House	77 De Korte Street, Gauteng	6 154	120.10	4 115 280	69 400 000
NBC^	76 Juta Street, Gauteng	10 000	-	-	89 900 000
Riverpark	Cnr Emtoweni & Cascade Close, Mpumalanga	4 216	143.60	3 046 913	53 900 000
Riverview	Cnr Emtoweni & Cascade Close, Mpumalanga	4 303	103.30	2 280 063	52 740 000
Schriener Chambers	94 Pritchard Street, Gauteng	18 815	83.50	10 639 916	233 600 000
Surrey House	35 Rissik Street, Gauteng	11 840	98.70	11 217 090	202 500 000
Swiss House	86 Main Street, Gauteng	8 008	137.20	7 952 900	121 400 000
<b>Total</b>		<b>162 769</b>		<b>75 599 243</b>	<b>1 989 700 000</b>

\* the valuations were performed as at 28 February 2021 by CBRE, who is independent from the company and registered as a professional valuer in terms of the Property Valuers Profession Act, 47 of 2000

^ these properties are in the process of being converted to student accommodation and as such, are vacant currently

## 5. CATEGORISATION OF TRANSACTION

The Transaction constitutes a category 1 transaction and therefore, in terms of the JSE Listings Requirements, Rebosis shareholder approval is required. A circular convening a general meeting and providing further information on the Transaction will be issued to Rebosis shareholders in due course.

## 6. WITHDRAWAL OF CAUTIONARY

Shareholders are referred to the cautionary announcements in this regard, the most recent of which was released on 28 September 2021. In light of the information contained in this announcement, the cautionary is withdrawn and Rebosis shareholders are advised that caution is no longer required to be exercised by shareholders when dealing in the Company's shares.

21 October 2021

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Transaction sponsor



Legal advisor



Competition Attorney

