

RESILIENT REIT LIMITED

Incorporated in the Republic of South Africa

Registration number: 2002/016851/06

JSE share code: RES

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Bond company code: BIRPIF

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(Approved as a REIT by the JSE)

("Resilient" or "the Company")



ACQUISITION OF A RETAIL SHOPPING CENTRE IN SPAIN

1. Introduction

Shareholders and noteholders are advised that on 21 December 2023 (the "**Signature Date**"), the Company's affiliate, Bacanati Investments S.L.U., ("**Propco**" or the "**Purchaser**"), entered into a binding sale and purchase agreement (with an attached agreed notarial deed of sale) (the "**Agreement**") with DWS Grundbesitz GmbH Sucursal en España (the "**Seller**"), owned by a Frankfurt-based asset management company, Grundbesitz Europa, to acquire a retail shopping centre, Salera Centro Comercial (the "**Property**" or "**Salera**"), which will be the sole asset of Propco, for a total gross purchase consideration of EUR171 million ("**Purchase Consideration**") (the "**Acquisition**").

The Purchase Consideration represents an annualised net initial yield of 7,7% (inclusive of transaction costs) based on the forecast 2024 net operating income.

The Acquisition is structured such that Propco will acquire the Property. Prior to the Signature Date, Resilient acquired 50% of the issued shares of Propco's holding company ("**Holdco**"). Lighthouse Properties p.l.c. holds the remaining 50% of Holdco's issued shares. Propco will not initially utilise bank funding for the Acquisition, although it intends to introduce senior bank debt of approximately 45% of the acquisition price in due course.

2. Salera

Salera, in the city of Castellón de la Plana, opened in 2006 and is the dominant regional shopping centre in the province of Castellon (c. 600 000 inhabitants). The shopping centre provides a comprehensive retail offering of 68 752m², including a 13 693m² Alcampo Hypermarket. The Alcampo Hypermarket is under separate ownership and does not form part of the Acquisition.

Salera is fully let to 147 major international and national tenants including Primark, H&M, JD Sports, FNAC, Primor, C&A and eight Inditex brands (Zara, Massimo Dutti, Lefties, Bershka, Pull&Bear, Oysho, Zara Home and Stradivarius). The entertainment offering includes a 14-screen cinema, an arcade, bowling, as well as a food court. The shopping centre's current annual footfall is 9 million, which is 8,7% above 2019 levels.

The shopping centre is well located with easy access to the A-7 motorway (the main motorway between Valencia and Barcelona) and has no direct competition within 100 km.

3. Rationale

The Acquisition is in line with Resilient's strategy to invest in dominant retail centres in regions with strong economic fundamentals.

4. Terms of the Acquisition

The Company's 50% portion of the Purchase Consideration is EUR 85,5 million (exclusive of transaction costs).

The full (100%) Purchase Consideration will be paid by Propco to the Seller, in cash, with an advance payment of 10% being paid on the Signature Date. The balance of the Purchase Consideration will be paid on the closing date of the Acquisition, which will occur when the transfer deed is signed and the Property transfers to Propco (the "**Closing Date**").

The effective date of the Acquisition will be the Closing Date, which date is anticipated as being no later than 29 February 2024.

5. Conditions precedent, warranties and other terms

The Acquisition is not subject to any conditions precedent.

The Agreement contains warranties, undertakings and indemnities in favour of the Purchaser, which are standard for a transaction of this nature and which will be covered by relevant warranty and indemnity insurance with a reputable insurer.

6. Property information

Details regarding the Property are set out below:

Property name and address	Geographical location	Sector	Gross lettable area (m ²)	Weighted average net rental (EUR/m ²)	Purchase Consideration for the Property (EUR)
Salera Centro Comercial Avenida Enrique Gimeno Number 82, Castellón de la Plana	Castellón, Spain	Retail	53 291	20,88	171 000 000

The Purchase Consideration is considered to be the Property's fair market value, as determined by the directors of the Company. The directors of the Company are not independent and not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No. 47 of 2000 or the Royal Institute of Chartered Surveyors.

7. Forecast financial information

Set out below are the forecast revenue, net property income, net profit after taxation and distributable profit relating to the Property (the "**Forecast**") for the month ending December 2023 and the 12 months ending December 2024 (the "**Forecast Period**").

The Forecast has been prepared on the assumption that the Acquisition will be implemented on the Signature Date and on the basis that the Forecast includes forecast results for the duration of the Forecast Period.

The Forecast, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors of the Company. The Forecast has not been reviewed or reported on by independent reporting accountants.

The Forecast, representing Resilient's effective 50% share of the Acquisition, presented in the table below has been prepared in accordance with the Company's accounting policies, which are in compliance with International Financial Reporting Standards.

	Forecast for the month ending December 2023 (EUR)	Forecast for the 12-month period ending December 2024 (EUR)
Revenue	224 035	7 576 421
Net property income	198 308	6 706 442
Net profit after taxation	198 308	6 706 442
Distributable profit	198 308	6 706 442

The Forecast incorporates the following material assumptions:

- Salera is acquired effective from the Signature Date, i.e. 21 December 2023.
- The Forecast is based on information derived from the budgets and rental contracts provided by the Seller.

3. Contracted revenue is based on existing lease agreements including stipulated increases, as well as expected indexation, all of which are valid and enforceable.
4. 97% of rental income is contracted. The remaining 3% of rental income represents renewals, which have been forecast at similar rentals to their current levels.
5. Property operating expenditure has been forecast by the property manager (CBRE Spain) based on the 2024 approved budget.
6. The forecast net profit after taxation is similar to net property income as this transaction represents a property acquisition and does not include applicable corporate taxes.

8. **Categorisation of the Acquisition**

The Acquisition is classified as a category 2 transaction in terms of the JSE Listings Requirements and accordingly no shareholder approval is required.

21 December 2023

Sponsor

JAVACAPITAL

Debt Sponsor

