

Exemplar REITail Limited

(Incorporated in the Republic of South Africa)

(Registration number 2018/022591/06)

Approved as a REIT by the JSE

JSE share code: EXP ISIN: ZAE000257549

LEI: 3789000558287E37F130

(“Exemplar” or “the Company”)



ACQUISITION OF EERSTE RIVIER MALL

1. INTRODUCTION AND RATIONALE

Shareholders are advised that Exemplar has concluded an agreement (the “**Agreement**”) to acquire Erf 2001, Eerste Rivier Township, City of Cape Town, Division of Stellenbosch, Province of the Western Cape and the remaining extent of Erf 1824, Eerste Rivier Township, City of Cape Town, Division of Stellenbosch, Province of the Western Cape (together, the “**Property**”) as well as the assets and liabilities attached to the Property (collectively, the “**Enterprise**”) from Erf 1824 Eerste Rivier Proprietary Limited (the “**Seller**”) (the “**Acquisition**”). The Seller is wholly owned by Klein Welmoed Trust, whose beneficiaries are Acorn Trust and The Kiplingcotes Trust. The beneficiaries of Acorn Trust and The Kiplingcotes Trust are all individuals, none of whom are a related party to Exemplar. The Acquisition is subject to the fulfilment of the conditions precedent detailed in paragraph 2 below.

The shopping centre known as Eerste Rivier Mall is constructed on the Property. Further information on the Property is included in paragraph 3 below.

The Acquisition marks Exemplar’s first steps into the Western Cape. With its sound governance and infrastructure development plans, the Western Cape makes a compelling investment case, and the Acquisition is in line with the Company’s strategy to expand its presence in the province.

2. TERMS OF THE ACQUISITION

2.1. Purchase consideration

The consideration payable for the Property is R282 000 000 (the “**Purchase Price**”), which shall be paid to the Seller in cash on the date of registration of transfer of the Property in the name of the Company (the “**Transfer Date**”).

If the Transfer Date occurs after 15 October 2024, the Purchase Price shall be adjusted upwards by 0.5% of the Purchase Price per month with effect from 1 September 2024.

2.2. Effective date

The effective date of the Acquisition (the “**Effective Date**”) is the first day of the month following:

- the date of fulfilment of the last of the conditions precedent detailed in paragraph 2.3 below (the “**Unconditional Date**”); and
- the delivery by Exemplar to the Seller of an irrevocable bank guarantee equal to the Purchase Price, which must be delivered by no later than 5 business days following the Unconditional Date.

2.3. Conditions precedent

The Acquisition is subject to the fulfilment of the following conditions precedent:

On or before 30 June 2024:

- The board of directors of the Seller has passed a resolution approving the entry of the Seller into the Agreement;
- The shareholders of the Seller have passed a special resolution approving the disposal of the Enterprise in terms of section 112(2) of the Companies Act, No 71 of 2008;
- The board of directors of Exemplar has passed a resolution approving the entry of the Company into the Agreement; and
- Exemplar gives the Seller written notice that it is satisfied with the outcome of its due diligence investigation into the affairs of the Enterprise.

On or before 31 August 2024:

- The receipt of the unconditional approval of the Competition Authorities, or if the approval is conditional, such conditions being acceptable to Exemplar and the Seller;
- Each tenant to the existing leases of the Enterprise consents to the assignment by the Seller of all its rights and obligations in and to those leases to Exemplar;
- Each tenant to the tenant lease securities (being all deposits, guarantees, suretyships and other documents providing any security for the tenants' obligations under the existing leases of the Enterprise) consents to the assignment by the Seller of all its rights and obligations in and to the tenant lease securities to Exemplar;
- Each tenant to the existing leases of the Enterprise waives any pre-emptive right which it may have against the Seller under an existing lease to purchase the Property, and consents in writing to the Acquisition; and
- The existing bond holder over the Property gives its written consent to the Acquisition.

The conditions precedent may not be waived, but the date for fulfilment thereof may be extended by way of agreement between Exemplar and the Seller.

2.4. Other material terms

The Agreement contains undertakings and warranties which are normal for a transaction of this nature.

Exemplar shall prepare an adjustment account in respect of the Enterprise as at the Effective Date and deliver the adjustment account to the Seller no later than 45 days after the Transfer Date.

The adjustment account shall reflect the following as credits to the Seller:

- all rentals and other income payable under the existing leases prior to the Effective Date and collected after the effective date by Exemplar; and
- all deposits paid by the Seller and held with any service provider of the Enterprise.

The adjustment account shall reflect the following as debits to the Seller:

- all amounts of municipal fees, surcharges on fees, Property rates, municipal taxes and other municipal charges for any period before the Effective Date not paid as at that date and subsequently paid by Exemplar;
- all rentals and other income paid to the Seller for the periods on or after the Effective Date; and
- any other expenses incurred for periods prior to the Effective Date and subsequently paid by Exemplar.

Payment of any amounts due to either Exemplar or the Seller in terms of the adjustment account shall not constitute part of the Purchase Price and shall be effected separately from the payment of the Purchase Price.

3. PROPERTY SPECIFIC INFORMATION

Property name	Geographical location	Sector	GLA (m ²)	Weighted average basic rental per m ² (R/m ²)	Purchase Price for the Property (R)	Value attributed to the Property as at 1 September 2024 (R)
Eerste Rivier Mall	Stellenbosch, Western Cape	Retail	16 599	R163.35	R282 000 000	R282 000 000

The Purchase Price 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 are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No.47 of 2000.

4. FINANCIAL INFORMATION

Set out below are the forecast revenue, operational net income, net profit after tax and earnings available for distribution relating to the Enterprise (the "Forecast") for the 6 months ending 28 February 2025 and the 12 months ending 28 February 2026 (the "Forecast Period").

The Forecast has been prepared on the assumption that the Effective Date is 1 September 2024 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 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.

Rand	Forecast for the 6 months ending 28 February 2025	Forecast for the 12 months ending 28 February 2026
Rental and recovery income	22 732 517	48 204 341
Contracted	18 045 209	32 203 530
Uncontracted	4 687 308	16 000 811
Net property income	13 181 773	27 600 763
Net after tax profit	13 181 773	27 600 763
Total comprehensive (loss)/profit for the period	(316 988)	1 071 613
Profit available for distribution (cps)	(0.10)	0.32

The forecast incorporates the following material assumptions in respect of revenue and expenses:

- The forecast is based on information derived from the management accounts, budgets, and rental contracts provided by the Seller's property manager.

2. Contracted revenue is based on existing lease agreements including stipulated increases, all of which are valid and enforceable.
3. Where leases expire during the forecast period, it is assumed that the lease is renewed on the same terms and conditions as the existing lease.
4. Net property income excludes the effects of straight lining rental income.
5. Total comprehensive (loss) / profit for the period includes the effects of finance costs.
6. Property operating expenditure has been forecast by the property manager on a line-by-line basis based on a review of historical expenditure.
7. No fair value adjustment is recognised.
8. There will be no unforeseen economic factors that will affect the lessees' abilities to meet their commitments in terms of existing lease agreements.

5. CATEGORISATION

The Acquisition is a category 2 transaction for Exemplar in terms of the JSE Listings Requirements and accordingly does not require the approval of Exemplar shareholders.

10 June 2024

Sponsor

The logo for Java Capital, featuring the word "JAVA" in a large, bold, blue font, followed by "CAPITAL" in a smaller, grey font. A blue swoosh underline is positioned beneath the "A" in "JAVA".