

**Exemplar REITail Limited**  
*(formerly McCormick REITail Fund 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  
("Exemplar" or "the company" or "the group")



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## **ABRIDGED PROSPECTUS – LISTING OF EXEMPLAR BY WAY OF INTRODUCTION ON THE MAIN BOARD OF THE JSE**

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This abridged prospectus is not an invitation to the public to subscribe for shares but is issued in compliance with the Listings Requirements and the Companies Act, for the purpose of providing information to the public regarding the business and affairs of the company at the time of the listing of all the issued shares in the company by way of introduction in the "Retail" REIT's sector on the Main Board of the JSE. This prospectus does not relate to an offer of shares and no capital is being raised. Consequently, there is no underwriting.

This announcement contains the salient information in respect of Exemplar, which is more fully described in the prospectus ("**the full prospectus**") which will be made available for inspection from today and a copy of which was registered with the CIPC on Friday, 25 May 2018 in terms of the Companies Act. For a full appreciation and understanding of Exemplar and the listing, the full prospectus should be read in its entirety.

Terms defined in the full prospectus bear the same meaning in this abridged prospectus.

### **1. Retail REIT listing on the Main Board of the JSE**

The JSE has granted Exemplar a listing of 305 871 896 shares in the "Retail" REIT's sector on the Main Board of the JSE under the abbreviated name: "Exemplar", JSE share code: "EXP" and ISIN: ZAE000257549, with effect from the commencement of trade on Tuesday, 12 June 2018. Exemplar was incorporated as a public company on 17 January 2018.

### **2. Background and nature of the business**

Exemplar is a focused retail fund specialising in owning, internally managing and growing a portfolio of shopping malls typically in under-serviced, peri-urban townships and rural areas of South Africa. Exemplar holds, either directly or indirectly, a portfolio of 20 income generating properties and has secured a further three shopping centre development properties scheduled to be completed between April 2019 and October 2019. The property portfolio is valued at R5.5 billion, with a GLA of 365 235m<sup>2</sup> as set out in **Annexure 7** of the full prospectus. The current property portfolio was acquired in a sequence of transactions prior to the company's listing from, amongst others, the John McCormick Family Trust ("**JMFT**"). All the properties were developed by McCormick Property Development Proprietary Limited ("**MPD**"), a privately-owned property developer with a 35-year history in the sector, during which time a total of 62 such developments have been completed. MPD is wholly-owned by the JMFT. The JMFT will be the controlling shareholder of Exemplar on listing.

### **3. Investment and growth strategy**

The company intends to grow its property portfolio through the acquisition of high quality assets consistent with the metrics of the existing portfolio. MPD has a strong pipeline of secured development opportunities and will continue to develop property consistent with the nature of the properties in Exemplar's portfolio. Should MPD decide to dispose of a particular property it develops in the future, it will offer such property to the company on a "right of first refusal" basis, in which event the merits of such proposed acquisition will be considered by the board. In the interest of transparency and to ensure arms-length transactions, John and Jason McCormick will recuse themselves from any meetings regarding related party acquisitions.

The three new shopping centre development properties, being Katale Square, Mabopane Plaza and Riba Cross

Mall, further details of which are set out in **Annexure 7** of the full prospectus, are in the process of being completed by MPD. They are housed in three separate companies. Exemplar has undertaken to acquire the three development companies subject to MPD completing the development properties housed therein to an agreed specification and furthermore subject to a two-year rental guarantee. The purchase price for each of the Katala Square, Mabopane Plaza and Riba Cross Mall developments has been agreed to by the parties and will be settled by way of a combination of cash and Exemplar shares on completion of each development, being 1 April 2019, 1 September 2019 and 1 October 2019, respectively.

#### 4. Directors

<b>Name and age</b>	<b>Frank Michael Berkeley (61)</b>
<b>Business address</b>	3 Avenue Lombardie, Constantia, Cape Town 7806
<b>Qualification</b>	B Comm. B Acc. CA(SA)
<b>Position</b>	Chairman, independent non-executive director
<b>Name and age</b>	<b>Jason McCormick (39)</b>
<b>Business address</b>	Cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, 0157
<b>Qualification</b>	BComm (Economics and Business Management), BComm (Hons) (Business Management)
<b>Position</b>	CEO
<b>Name and age</b>	<b>Duncan Alan Church (45)</b>
<b>Business address</b>	Cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, 0157
<b>Qualification</b>	BCompt (Hons), CA(SA)
<b>Position</b>	CFO
<b>Name and age</b>	<b>John McCormick (73)</b>
<b>Business address</b>	Cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, 0157
<b>Qualification</b>	BComm (Economics), MBA (Finance)
<b>Position</b>	Executive director
<b>Name and age</b>	<b>Gregory Victor Charles Azzopardi (57)</b>
<b>Business address</b>	1st Floor, 9 Old Main Road, Kloof, Kwa-Zulu Natal, 3610.
<b>Qualification</b>	BA & LLB (UKZN), BBA (Newport USA).
<b>Position</b>	Independent non-executive director
<b>Name and age</b>	<b>Peter Joel Katzenellenbogen (72)</b>
<b>Business address</b>	Transaction Capital House, 230 Jan Smuts Avenue, Dunkeld West, Johannesburg, 2196
<b>Qualification</b>	BComm (Acc) (Cum Laude), CA (SA)
<b>Position</b>	Independent non-executive director

<b>Name and age</b>	<b>Elias Phatudi Maponya (52)</b>
<b>Business address</b>	Maponya Investment Holdings, No 1 Gateside Avenue, Off Cedar Road, Dainfern
<b>Qualification</b>	BProc, LLB, H Dip Company Law
<b>Position</b>	Independent non-executive director

All of the directors are South African nationals.

## 5. Prospects

Based on the forecast statement of comprehensive income, further details of which are set out in **Annexure 14** of the full prospectus, the Exemplar board is confident that it will deliver a distribution per share of 61.37 cents per share for the nine months ending 28 February 2019 and 91.27 cents per share the year ending 29 February 2020.

The property and asset management function of the Exemplar group is internalised and the Exemplar group have vast experience in their chosen market. In addition, it is of the opinion that there are several redevelopment opportunities which could be the subject of future acquisitions. It is intended that MPD will offer to Exemplar its current and future development pipeline of retail projects currently in excess of 500 000 m<sup>2</sup> of GLA, all focused on the undersupplied rural and peri-urban township markets.

## 6. Summarised forecast information

Given the nature of its business, Exemplar uses distribution per share as its key performance measure as it is considered a more relevant performance measure than earnings or headline earnings per share.

Set out below are the summarised forecast statements of comprehensive income (“**summarised forecasts**”) for the nine months ending 28 February 2019 and the year ending 29 February 2020 (“**forecast periods**”).

The summarised forecasts comprise forecast figures for the duration of the forecast periods.

The summarised forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the directors of Exemplar.

The summarised forecasts have been prepared in compliance with IFRS and in accordance with Exemplar’s accounting policies.

	<b>Forecast for the nine months ending 28 February 2019</b>	<b>Forecast for the year ending 29 February 2020</b>
Distributable income (R’000)	196 226	299 835
Number of shares in issue	319 739 136	328 507 866
Weighted average number of shares in issue	311 897 484	324 473 501
Basic and diluted earnings per share (cents)	61.43	91.31
Headline earnings per share (cents)	73.54	100.64
Distributable income per share (cents)	61.37	91.27

The figures set out above are extracted from detailed forecasts for the nine months ending 28 February 2019 and the year ending 29 February 2020 and have been reported on by the independent reporting accountant, Grant Thornton Johannesburg. The detailed forecasts, the independent reporting accountants’ report on the detailed forecast and the assumptions on which the detailed forecasts are based, are set out in the full prospectus.

## 7. Salient dates and times

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	<b>2018</b>
Abridged prospectus released on SENS on	Wednesday, 30 May
Abridged prospectus published in the press on	Thursday, 31 May
Exemplar shares listed on the JSE from the commencement of trade (09:00) on	Tuesday, 12 June

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### Notes

- (1) All references to dates and times are to local dates and times in South Africa. These dates and times are subject to amendment. Any such amendment will be released on SENS and published in the press.

## 8. Availability of the full prospectus

Copies of the full prospectus may be obtained between 08:30 and 17:00 on business days from Wednesday, 30 May 2018 to Tuesday, 12 June 2018 at the following places and on the company's website: [www.ExemplarREIT.co.za](http://www.ExemplarREIT.co.za).

### **Exemplar REITail Limited**

Cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, 0157

### **Java Capital Trustees and Sponsors Proprietary Limited**

6A Sandown Valley Crescent, Sandown, Sandton, 2196

30 May 2018

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### Corporate advisor and sponsor

**JAVACAPITAL**

### Independent reporting accountants and auditors



### Attorneys

