

## 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

(“**Exemplar**” or “**the company**”)



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## ACQUISITION OF PROTEA GARDENS MALL

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### 1. INTRODUCTION

Shareholders are advised that Exemplar has, subject to certain conditions precedent, concluded an agreement (“**agreement**”) with Protea South Properties Proprietary Limited (the “**vendor**”) for acquisition of the property known as Protea Gardens Mall and the rental enterprise in respect thereof (the “**property**”) (the “**acquisition**”).

Neither Exemplar nor any of its material shareholders have any interest in the vendor.

### 2. RATIONALE

The acquisition is in line with Exemplar’s strategy to acquire high quality assets consistent with the metrics of the existing Exemplar property portfolio to which assets it is able to add value through the application of its in-house asset and property management expertise.

### 3. TERMS OF THE ACQUISITION

- 3.1. The effective date of the acquisition is the first day of the calendar month after which the conditions to the agreement are fulfilled or waived (“**effective date**”).
- 3.2. Possession and occupation of the property will be given to Exemplar on the effective date. Exemplar will be entitled to all income from the property from the effective date.
- 3.3. The purchase consideration payable for the property is R460 243 460, which is the anticipated net income payable in respect of the property during 1 March 2019 to 29 February 2020 divided by 8.70%.
- 3.4. The purchase consideration is payable in cash by Exemplar to the vendor on the date of registration of transfer of the property in the name of Exemplar (“**transfer date**”).
- 3.5. The purchase consideration will be funded through existing cash resources and new debt facilities.
- 3.6. The agreement is subject to Exemplar conducting a due diligence investigation (“**due diligence investigation**”) in respect of the property. Exemplar may commence and continue with the due diligence investigation from the date of signature of the agreement and for a period of 30 days thereafter (or such longer period as may be agreed between Exemplar and the vendor) (“**due diligence period**”).
- 3.7. The agreement is subject to the suspensive condition that, within seven days after the expiry of the due diligence period, Exemplar gives the vendor written notice that it is satisfied with the outcome of the due diligence investigation.
- 3.8. An announcement will be released on SENS on conclusion of the due diligence investigation.

The agreement contains undertakings, warranties and indemnities which are normal for an acquisition of this nature.

#### 4. PROPERTY SPECIFIC INFORMATION

	<b>Property name</b>	<b>Geographical location</b>	<b>Sector</b>	<b>GLA (m<sup>2</sup>)</b>	<b>Weighted average rental per m<sup>2</sup> (R/m<sup>2</sup>)</b>	<b>Purchase price (R)</b>	<b>Value attributed to the property as at 1 August 2019 (R)</b>
1	Protea Gardens Mall	Protea Gardens, Soweto	Retail	23 366	R145,79	R460 243 460	R460 243 460

The purchase price of the property is considered to be its 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.

The aggregate net operating income attributable to the property amounted to R38 383 369 for the 12 months ended 28 February 2019. The source of the information is unaudited, unpublished management accounts of the vendor. For purposes of this announcement, the directors of Exemplar are satisfied with the quality of those management accounts.

#### 5. CATEGORISATION OF THE ACQUISITION

The acquisition is classified as a category 2 transaction in terms of the JSE Listings Requirements. Accordingly, it is not subject to the approval by shareholders.

30 July 2019

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