



For Immediate Release

21 November 2019

BDC ACQUIRES A STRATEGY EQUITY STAKE IN GRIT REAL ESTATE INCOME GROUP LIMITED

Gaborone – Botswana Development Corporation (“BDC”) is pleased to announce its acquisition of a strategic 3% equity stake in Grit Real Estate Income Group Limited (“Grit”).

Grit is the largest listed Pan African property real estate group with a footprint reach across all corners of the continent including Morocco, Ghana, Kenya, Mauritius, Zambia, and Mozambique. The group has interests in a variety of major property sectors including Retail, Commercial, Hospitality and Corporation accommodation.

This acquisition has been settled with shares in Letlole La Rona Limited. This transaction will see Grit acquire 23.75 percent of the share capital of LLR from BDC. Following the Transaction, Grit’s stake in LLR shall increase from 6.25 percent to 30.0 percent. Concurrently, BDC’s shareholding will decline from 65.8 percent to 42.0 percent.

The Grit transaction offers the following in line with the mandate and strategy of the Corporation:

- **BDC will become a strategic shareholder** in Grit which is Africa’s largest Pan African listed property company.
- **The transaction will provide an increase in revenue** for the Corporation to create capital for further local investment, this is a key component of the investment rationale. The transaction poses to offer higher returns which will be ploughed back into the local economy without any additional capital outlay.
- **Leveraging of global networks for local development:** Grit’s extensive global networks offers Botswana further opportunities for trade linkages.
- **Growth and employment:** The new combined group will be a big player in the Botswana market, capable of doing even larger transactions, through which more jobs will be created in the sector.
- **Diversification of Geographic footprint:** This transaction will allow LLR and BDC to diversify its portfolio beyond Botswana. This is very much in line with the vision of integration of Botswana enterprises and by extension the country into the regional and global space.
- **Management expertise and youth development:** The local sector will realise skills transfer benefits from this transaction.
- **Opportunity to bring the LLR investment within investment policy** which is essentially premised on the Corporation’s philosophy not to control businesses but rather to hold significant minority equity interests alongside strong technical partners.

Upon initial listing of LLR in 2011, BDC had intended to take up only 84 million shares (30%) through a private placement and offer the rest of the units (196 million units or 70%) to the general public. However only 57 million units were taken up forcing BDC, as the underwriter of the initial public offering, to absorb the unsubscribed units. This transaction with Grit therefore is prime opportunity to allow BDC to reduce its shareholding in LLR to its initial intended holding as well as providing the Corporation with a new blue-chip international investment opportunity.

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NOTES TO THE EDITOR

ABOUT BDC

Botswana Development Corporation Limited, or 'BDC,' is the country's main agency for commercial and industrial development. Established in 1970, under the Companies Act, BDC is a company Limited by Shares and fully owned by the Government of Botswana. BDC is mandated to provide, facilitate and support financing of commercially viable enterprises that contribute towards building a sustainable and diversified Botswana economy; to stimulate the growth of the private sector; to invest in the region and internationally; whilst generating wealth for the Shareholder.

The Corporation invests in commercially viable projects across all sectors of the economy except large-scale diamond mining. These include Energy, Manufacturing, Industry, Property, Services, Tourism, Innovation and Technology as well as Agriculture locally.

Throughout, BDC intends to promote best practices in business, governance and environmental standards in the funds or companies they choose to invest in. BDC conducts its business on a commercial basis and exercises special care and regard to economic and commercial merits.