

10 October 2017

**Secure Property Development & Investment PLC ('SPDI' or 'the Company')**  
**Proposed acquisition of portfolio of logistics properties in Romania**

Secure Property Development and Investment PLC (AIM: SPDI), the South Eastern European focused property and investment company, announces the proposed acquisition of up to a 50% interest in a portfolio of fully let logistics properties in Romania (the "Olympians Portfolio"), which currently generates a Net Operating Income of approximately €4.5m per annum ('the Proposed Acquisition'). The Proposed Acquisition, which is subject to a number of conditions and banking consents, including the satisfactory completion of due diligence and funding, is in line with the Company's strategy to build a leading SE European property company with a diversified portfolio of prime income producing real estate.

**The Olympians Portfolio: Fully let Grade A industrial properties generating ~€4.5m income p.a.**

The Olympians Portfolio was co-developed and owned by GE Capital ('GEC') and is now owned by GEC's development partner Myrian Nes Ltd, a leading developer of Grade A logistics properties in Romania (the "Vendor Partner"). It comprises warehouses strategically located close to national highways, thus facilitating the transportation of goods throughout the country and the wider region. The Olympians Portfolio is located across three key logistics areas in Romania, being the capital Bucharest, the industrial city and automotive centre of Timisoara on the Romania/Hungary border, and Brasov, a major city close to the capital. The existing portfolio of ~100k sq m of warehousing and office facilities is fully let to largely multinational tenants and generates a Net Operating Income of €4.5m.

SPDI's existing logistics terminal in Bucharest (the Innovations Logistics Park) was developed by Myrian Nes and the Olympians Portfolio transaction, should it complete, is expected to further cement SPDI's longstanding relationship with the Vendor Partner. The Vendor Partner intends to develop additional warehouse space, which SPDI is expected to have first right of refusal to acquire.

The Proposed Acquisition complements SPDI's existing logistics properties in Greece and Romania which, as announced on 28 September 2017, generated net operating income of ~€1.8m in H1 2017. Subject to acquiring the full 50% interest, the Olympians Portfolio would increase the total lettable area of the Company's logistics Assets Under Management (AUM) to 135k sq m.

**Proposed Acquisition to be funded via debt and equity package**

The Gross Asset Value of the Olympians Portfolio is approximately €50m, and there is a senior loan liability of approximately €30m secured against the portfolio.

The consideration for the 50% interest is expected to be approximately €8-9m, which will be finalised once the Company completes its due diligence. The Company has already transferred, in aggregate, €3.6m to the Vendor Partner in the form of a 10% coupon loan, convertible into shares of the SPV that will be created to hold the Olympians Portfolio (“Vendor Loan”). €0.425m of this amount has been financed directly by and through entities connected with certain of the Directors in the form of an unsecured loan to the Company. SPDI has the right, until the end of February 2018, to convert this Vendor Loan into equity in the SPV that will hold the Olympians Portfolio – a process which is expected to take 2-3 months to complete if the right is exercised. The Vendor Loan is repayable in the event SPDI does not exercise its conversion right with payment to be made within 12 months from notification of such event to the Vendor Partner.

The Company intends to raise the majority of the consideration necessary to close the Proposed Acquisition through the issue of a financial instrument with a value of between €3.5-4m, 35% of which consists of a convertible loan and 65% of which is made up of a warrant (“the Instrument”). The balance of the funding is expected to be provided in the form of external debt, over which the Company is in discussions with providers.

The convertible loan element of the Instrument bears a 6.5% coupon, has a 7 year term and is convertible into ordinary shares of the Company at the option of the holder at 25p starting from 1 January 2018. The warrant element of the Instrument provides subscribers with warrants over ordinary shares in the Company, which are exercisable at 10p until 31 December 2017.

To date, the Company has received commitments in respect of the Instrument totalling €2.4m. €2.0m of this amount has already been received, with €1.7m being capital already transferred to the Vendor Partner, which the Company had borrowed and which will be rolled over into this Instrument. Certain of the Directors of the Company have committed, either directly or through connected entities, €0.485m to date towards the Proposed Acquisition. €0.425m of this has already been received and transferred to the Vendor Partner as disclosed above. These funds are unsecured and do not pay any interest. The Directors are considering participating in the Instrument, which would involve rolling their loans into the Instrument when this is finalised and would result in the full €0.485m capital commitment being converted into the Instrument.

Given the above financing already in place, and the Vendor Loan already paid, the Company would require approximately a further €4m in funding to close the Proposed Acquisition. Documentation in respect of the verbal commitments for the Instrument, and the rolling of the Director Loan, will be put in place in due course.

**SPDI CEO Lambros Anagnostopoulos commented,** *“The proposed acquisition of a fully let Grade A logistics portfolio underpins our strategy to increase SPDI’s income generating capacity in one of Europe’s fastest growing economies and in the strategically important South East corner of the EU. The commitments received to date from both existing and new investors for the Instrument*

*represent an endorsement of our strategy and management's ability to execute it. We continue to enjoy the support of investors who have backed us in the past to firstly generate above market returns on our investments; and secondly to build SPDI into a leading income producing property company in a region of the EU which has the highest growth potential.*

*"The recent disposals at or above book value of Terminal Brovary and the pre-sale agreement regarding the Kiyanovski plot of land, both in Kiev, together with the plan to acquire the Olympians Portfolio demonstrate our ability to sell assets at prices that match the value indicated in the Company's accounts and also to acquire quality income producing properties at attractive rates. This serves to highlight the anomaly that is the 50% plus discount at which our shares trade at compared to our Net Asset Value. Furthermore our NAV does not take into account the capital value appreciation we expect to see in the medium term as income yields in the region, which still hover at levels double those of western EU countries, converge to those in the rest of the EU as the underlying economies, including Romania, continue their fast pace of growth."*

#### **Director Commitments and Loans**

The capital commitments from certain directors to the Company referred to above, totalling €0.485m (the "Director Loan"), are constituted as follows:

Lambros Anagnostopoulos	€175k
Kalypso Nomikos	€260k
Ian Domaille	€50k

In addition but separate to the Proposed Acquisition, earlier this year, certain directors loaned €0.5m to the Company in relation to another possible acquisition (the "Second Director Loan"). The Second Director Loan is unsecured and pays interest at a rate of 8% per cent and is repayable in the event that the possible acquisition does not proceed. The loan amounts per director for the Second Director Loan are as follows:

Lambros Anagnostopoulos	€100k
Franz Horhager	€125k
Kalypso Nomikos	€150k
Ian Domaille	€125k

The directors referred to above are together considered to be related parties of the Company pursuant to the AIM Rules. The Director Loan and Second Director Loan, when aggregated, is deemed a related party transaction pursuant to the AIM Rules. Accordingly, the directors of the Company (other than those set out above), having consulted with the Company's Nominated Adviser, Strand Hanson Limited, consider that the terms of the Director Loan and Second Director Loan are fair and reasonable insofar as shareholders are concerned.

Further updates on the Proposed Acquisition will be provided as and when appropriate.

**\*\* ENDS \*\***

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information please visit [www.secure-property.eu](http://www.secure-property.eu) or contact:

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### **Notes to Editors**

Secure Property Development and Investment plc is an AIM listed property development and investment company focused on the South East European markets. The Company's strategy is focused on generating healthy investment returns principally derived from: the operation of income generating commercial properties and capital appreciation through investment in high yield real estate assets. The Company is focused primarily on commercial and industrial property in populous locations with blue chip tenants on long term rental contracts. The Company's senior management consists of a team of executives that possess extensive experience in managing real estate companies both in the private and the publicly listed sector, in various European countries.