

9 July 2019

## **Secure Property Development & Investment PLC ('SPDI' or 'the Company')**

### **Sale of Greek Asset**

Secure Property Development & Investment PLC, the AIM quoted South Eastern European focused property company, is pleased to announce that it has entered into a conditional agreement ('the Agreement') for the sale of its Victini Logistics property in Greece ('Victini' or 'the Property') to Brook Lane Capital (the 'Buyer') (the 'Sale'). The Transaction, which will generate a total of approximately €2.6m in cash for SPDI (approximately 25% of the Company's current market valuation) is in line with the Board's strategy to realise value from its South Eastern European property portfolio.

#### **Highlights:**

- Sale of Victini logistic property at a deemed €12.50 million valuation, including €10.3m of debt, to Brook Lane Capital, providing SPDI with a net consideration payment of c. €2 million
- Additionally, SPDI to receive €600,000 from the Property's previous owner, to be paid in the next 18 months
- Combination of the Transaction's net result to SPDI together with the €29.25 million proposed sale valuation of SPDI's non-Greek portfolio brings total value of assets to more than €31m— approximately two and a half times current market valuation

**Lambros Anagnostopoulos, Chief Executive Officer of SPDI, said;** *"Since its purchase in March 2015, the Greek logistics property has proved to be a valuable investment for the Company. The Property has been generating revenue for four years following its acquisition, and I am delighted to say it will top up this revenue by more than €2m through this sale. The Victini acquisition in 2015 and sale four years later, generating substantial net cash, is demonstrative of SPDI's strategy of creating value for its shareholders through the streamlining and optimisation of its asset portfolio.*

*"We have been saying for some time a huge disconnect has opened up between how the market and how the industry value our assets. Today's transaction and the Arcona deal serve to show that the industry values these properties at a level that is approximately two and a half times higher than the market. With this in mind, we are keen to finalise this value-enhancing Agreement with Brook Lane Capital in the near term and will update shareholders as soon as practicable."*

### **Further information**

In March 2015, the Company completed the acquisition of Victini, an income producing logistics park that includes warehouse space as well as an alternative energy production facility (the 'Complex') from a Greek company listed on the Athens Stock Exchange.

The Complex comprises logistics and office spaces situated on a 44,268m<sup>2</sup> land plot in the West Attica Industrial Hub of Athens (Aspropyrgos) of Greece, with a gross leasable area of 17,756m<sup>2</sup>. The roof of the warehouse buildings houses a photovoltaic park of 1,000KWp. The Property is 100% leased and generated in 2018 an annual net operating income ('NOI') (excluding revenue generated from an agreement with the previous owner, which SPDI retains the right to following completion of the Transaction) of €1.05m and profit pre-tax of €0.18m. The Property was valued at 31 December 2018 at a gross asset value of €15.2m, including the rental agreement with the previous owner which SPDI retains the right to and is therefore not part of the Transaction.

The sale of Victini is further to information provided in the Company's Audited Final Results in which it disclosed that SPDI was entertaining strong interest to sell the Greek logistics property and was engaged in discussions with various possible buyers. Brook Lane Capital is an investment management organisation focused on value opportunities in various Real Estate markets, in particular Greece and Cyprus. The Transaction values the Property at €12.50m, including debt of approximately €10.3m (the "Loan") which is to be assumed by Brook Lane Capital, while at the same time SPDI retains c. €600k of asset's receivables.

The Transaction is subject to satisfaction of a number of conditions precedent, including a waiver being granted by the bank providing the Loan on the change of control of the Property that would occur as part of the Transaction.

SPDI and Brook Lane Capital expect to close the transaction in Q3 2019.

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

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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.