

Secure Property Development & Investment PLC/ Index: AIM / Epic: SPDI / Sector: Real Estate

**Secure Property Development & Investment PLC ('SPDI' or 'the Company')  
Enters Implementation Agreement for Sale of Assets to Arcona Property Fund N.V.**

**Highlights**

- **Sale of Non-Greek assets at a deemed €29.25 million valuation – 95% premium to SPDI's total current market capitalisation**
- **SPDI to receive c.2.1 million shares in and a further c. 0.5m warrants over Arcona Property Fund N.V. an Amsterdam-listed company focused on commercial property in Central Europe ([www.arconapropertyfund.com](http://www.arconapropertyfund.com))**
- **Provides SPDI shareholders with exposure to dividend-paying fund with a diversified portfolio of income producing properties in various Central East European countries, valued after closing at ca. €161 million -**
- **SPDI to retain prime logistics property in Athens 100% let to Kuehne & Nagel**
- **Sale is in line with objective to build a leading dividend paying property company focused on south Eastern European markets**

Secure Property Development & Investment PLC, the AIM-quoted South Eastern European focused property company, is pleased to announce it has entered into a conditional implementation agreement ('the Agreement') for the sale of its property portfolio, excluding its Greek logistics properties ('the Non-Greek Portfolio'), in an all-share transaction ('the Transaction') to Arcona Property Fund N.V. ('Arcona'). The Transaction values SPDI's Non-Greek Portfolio at €29.25 million (based on a net asset value of €13.98 per Arcona share), a 95% premium to the entire market capitalisation of the Company based on the last closing share price of its Ordinary Shares. Arcona is an Amsterdam-listed company that invests in commercial property in Central Europe. The transaction is subject to, among other things, asset and tax due diligence (including third party asset valuations) and regulatory approvals (including the approval of a prospectus required in connection with the issuance and admission to listing of the new Arcona shares) as well as successful negotiating and signature of transaction documents. If successful, SPDI and Arcona expect to close the transaction during Q1 2019.

Arcona's purchase of the portfolio is to be settled through the issuance of 2,102,804 new shares in Arcona (the "Consideration Shares") and the transfer of existing senior debt over the related properties totalling c.€30 million. The new shares will be listed both in Euronext Amsterdam and the Prague Stock Exchange and are expected to be distributed to existing shareholders of SPDI pro-rata to their shareholding in SPDI shares. As a result of the issuance of the Consideration Shares, the total number of Arcona shares in

issue will increase to 5,267,953. The Arcona share price has been between €7 and €7.2 over the last 30 days.

Additionally, an earn-out component has been proposed as part of the transaction and would result in warrants over a further circa 506,830 Arcona shares being issued to SPDI shareholders. These warrants would be exercisable at no cost if the Arcona share price reaches €8.60 within five years of completion of the Transaction.

The Transaction values SPDI's Non-Greek Portfolio at €29.25 million, a 95% premium to the entire market capitalisation of the Company based on the closing share price of £0.105 for the Company's ordinary shares on 17 December 2018. Details of the Non-Greek portfolio can be found in the Company's half-year report 2018 and in the Annual Report 2017.

As at 31 December 2017, the net asset value of the Non-Greek Portfolio was €35.8 million and, for the year ended 31 December 2017, the rental income of the portfolio assets in which SPDI owned more than 50% was €1.91 million.

Arcona is a company listed on the Euronext Amsterdam and the Prague Stock Exchange (*Burza cenných papírů Praha*) (ISIN-code NL0006311706) that invests in commercial property in Central Europe and is focused on high-yielding regional office and retail investments, and its diversified portfolio currently includes 14 assets in the Czech Republic and Slovakia and 12 in Poland with a total value of approximately €94.8 million. Arcona has informed the Company that following completion of the Transaction it intends to retain and enhance SPDI's income-producing commercial properties in Romania which comprise approximately 45% of SPDI's portfolio. These include the headquarters of Danone Romania and ANCOM, the Romanian Telecoms Authority. In parallel, SPDI's ongoing disposal programme for its residential and land assets in Romania, Bulgaria and Ukraine will be continued. SPDI will retain the Victini (ex GED) Logistics centre in Athens, Greece, 100% let to Kuehne & Nagel, the German transportation and logistics company, and which during the last financial year generated annualised net operating income of c. €1.45 million.

The local teams of SPDI will be integrated into Arcona Capital Fund Management B.V. (Arcona Property Fund's manager) and representatives of SPDI will be proposed for appointment to the Supervisory Board of Arcona for at least one third of its membership.

**Lambros Anagnostopoulos, Chief Executive Officer of SPDI, said:**

*“By combining our complimentary asset portfolios in this all-share transaction, we are creating a significant European Property company which will benefit the shareholders of both listed entities. For our shareholders, we gain exposure to a Property Fund listed in Amsterdam which as a result of the deal will increase in size from ~€94.8 million to ~€161 million and its Net Asset Value from €41.9 million to €78 million, and which is generating substantial cash and issuing dividends to its shareholders. With this in mind we will be working hard with the Arcona team to finalise the deal with a view to completing the transaction in Q1 2019. I look forward to providing further updates as soon as practical.”*

**Michael Beys, Chairman of the Board of SPDI, said:**

*“This is a transformational and value-generating event for SPDI’s shareholders. In previous releases we have spoken of the huge disconnect that has opened up between the underlying value of our assets and our market valuation. The value of the Transaction, which covers just our non-Greek assets, demonstrates just by how much our €14 million market valuation has lagged the value of our portfolio. Even more so when the €4.9 million NAV assigned to our Victini (ex GED) Logistics centre, in Athens Greece, which is 100% let to Kuehne & Nagel, is added. By joining forces with a well-managed cash generating property company present in Central Eastern Europe, we take a major step closer to achieving the critical size necessary for the company to flourish, and providing our shareholders the opportunity to be part of such a growth and success story.”*

For further information on Arcona, please visit [www.arconacapital.com](http://www.arconacapital.com).

**\*\* 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.