

SPEAR REIT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2015/407237/06)

Share Code: SEA

ISIN: ZAE000228995

LEI: 378900F76170CCB33C50

Approved as a REIT by the JSE

("Spear")



SPEAR
REIT LIMITED

UPDATE ON IMPLEMENTATION OF DISPOSAL OF LIBERTY LIFE BUILDING – COMPETITION AUTHORITIES UNCONDITIONAL APPROVAL

Shareholders are referred to the announcement released by Spear on SENS on 13 February 2023 ("**Announcement**"), in which Spear advised shareholders of the conclusion of a sale of rental enterprise agreement ("**Agreement**") with Capitec Bank Limited ("**Purchaser**") for the disposal of the property known as Erf 6281 Montague Gardens, held by Spear under Deed of Transfer T14523/2020, with all improvements thereon ("**Property**"), and the rental enterprise conducted by Spear on the Property, as a going concern ("**Disposal**"), for a disposal consideration of R400,000,000 ("**Disposal Consideration**").

As detailed in the Announcement, the Agreement was subject to the the approval of the Disposal by the applicable competition authorities in terms of the Competition Act, No. 89 of 1998 ("**Competition Authorities**") ("**Condition Precedent**").

Shareholders are advised that on 20 June 2023, the Competition Authorities unconditionally approved the Disposal and that the Condition Precedent has now been fulfilled. Accordingly, the Agreement has become unconditional and the Disposal will be effective on the date of registration of transfer of the Property into the name of the Purchaser, which is anticipated to be during the month of October 2023.

As advised in the Announcement, the Disposal Consideration will be utilised to settle the debt attributable to the Property, to the value of R375 million and Spear will retain approximately R24 million in cash, to be utilised for selected capital allocation initiatives. The aforementioned application of the Disposal Consideration will reduce Spear's loan to value ratio ("**LTV**") by approximately 5% and following the implementation of the Disposal, the Spear group LTV is anticipated to be between 35% and 36%. Shareholders are referred to the Spear results presentation for the year ended 28 February 2023 (available on Spear's website at www.spearprop.co.za), which provided guidance on the anticipated movements in Spear's LTV ratio during the current financial year.

Cape Town
21 June 2023

Sponsor
PSG Capital



Legal Adviser
CDH

