

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" or "the Company")



SPEAR
REIT LIMITED

PRIVATE PLACEMENT

Spear is pleased to announce that it has successfully completed a private placement and has received commitments to subscribe for R313,5 million of new equity.

In terms of the private placement, a total of 37 553 852 new shares will be issued to public shareholders, at an issue price of R8.35 per share ("**Issue Price**"), partially pursuant to a vendor consideration placement and partially in terms of its general authority to issue shares for cash. The Issue Price reflects a premium of 0,36% to the volume weighted average traded price of Spear shares over the 30 trading days immediately prior to 6 February 2014.

It is anticipated that the listing and issue of the new Spear shares will commence at 09:00 a.m. on Friday, 16 February 2024.

The recent strong growth in Spear's share price presented the Company with a favourable opportunity to implement the private placement. The proceeds of the private placement will be utilised to settle certain variable rate debt obligations in a value accretive manner, thereby allowing the Company greater freedom to pursue and finalise opportunities aligned with its growth strategy. The proceeds from the vendor consideration placement component of the private placement will be applied to settle outstanding debt incurred by Spear in respect of specifically identified acquisitions, as contemplated and announced at the time of those acquisitions and in step with the approach followed by Spear in the past.

The increased headroom and capacity created by the reduction of the Company's debt levels pursuant to the private placement, will allow management to implement its strategy to grow Spear's Western Cape property portfolio and to pursue acquisition opportunities within the Cape Town Metropolitan area, of both individual assets and diversified property portfolios with a bias towards industrial and retail assets. All acquisitions will be aligned with management's accretion strategy, yielding returns above Spear's weighted average cost of capital and underpinned by a high percentage of national tenants.

Spear's group loan to value following the private placement will be within a range of 33% to 34%. This loan to value range excludes the disposal and anticipated transfer of the Liberty Life building in Century City, which will further reduce Spear's group loan to value metrics.

Spear's business strategy of being a fully internally managed REIT focussing on a singular region, allows for focused asset management opportunities to be unlocked across its current portfolio assets and its acquisition and development pipeline. Spear's hands-on and active asset management approach continues to yield favourably across the operating business, on a gross lettable area and a non-gross lettable area basis, which includes a clear and implementable renewable energy and water continuity strategy. Spear's asset management strategy is scalable and implementable across future acquisitions and developments undertaken by the Company. Management is optimistic that its targeted growth strategy through acquisitions and developments, will enable Spear to grow its portfolio within the Western Cape by more than R1 billion in value and with a further 100 000 m² or more of gross lettable area in the near future,

adding assets that are similar in nature and key performance metrics to the existing Spear portfolio across industrial, retail, mixed use and multi-let office assets, within prime nodes.

Cape Town
7 February 2024

Corporate advisor and sponsor
PSG Capital



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