

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

CATEGORY 2 ACQUISITION ANNOUNCEMENT – 1 SPORTICA CRESCENT, TYGERVALLEY

1. INTRODUCTION

Shareholders are advised that on 21 May 2026 ("**Signature Date**"), Spear entered into a sale of rental enterprise agreement ("**Agreement**") with Ingenuity Property Investments Proprietary Limited ("**Seller**"), in terms of which Spear will acquire a portfolio of three office buildings and all other improvements situated on Erf 32140, Bellville, 1 Sportica Crescent ("**Property**"), and the rental enterprise conducted by the Seller on the Property ("**Rental Enterprise**"), as a going concern ("**Acquisition**"), for a purchase consideration of R960 000 000 ("**Purchase Consideration**").

The Seller is beneficially owned by third parties, none of whom are related parties of the Company. The Seller did not consent to the disclosure of the names of its beneficial owners in this announcement.

2. RATIONALE FOR THE ACQUISITION

The Acquisition represents a strategically compelling opportunity for Spear to expand its Northern Suburbs commercial office portfolio through the acquisition of three premium-grade assets occupied by high-quality blue-chip tenants. The Acquisition has not been factored into Spear's FY 2027 guidance range, as provided to the market on Monday, 18 May 2026, but will be immediately earnings-enhancing from implementation and will further strengthen the defensive characteristics of Spear's income profile through exposure to a scarce and highly sought-after office precinct. The Acquisition reinforces Spear's established position within the Tygervalley market, where Spear has demonstrated longstanding investment and operational capability, while advancing its Western Cape-focused investment strategy through the acquisition of a high-quality commercial assets supported by strong underlying real estate fundamentals.

The portfolio is situated within the established Tygervalley office node in the Northern Suburbs of Cape Town, widely regarded as one of the four key office nodes in the greater Cape Town metropolitan. The node is characterised by consistently low vacancy levels, constrained new supply and sustained occupier demand for premium-grade office accommodation. Tygervalley continues to benefit from the ongoing "flight to quality" trend, with occupiers increasingly prioritising institutional-grade buildings that offer energy resilience, accessibility, parking availability and modern workplace environments capable of supporting large-scale corporate operations.

According to the SAPOA Office Vacancy Survey for Q1 2026, the Northern Suburbs office market comprises approximately 547,187 m² of office space, of which approximately 73% comprises P- and AAA-grade office accommodation. Vacancy rates within these grades of office accommodation remain notably low, with P-grade vacancies at 0% and AAA-grade vacancies at 1.2%, underscoring the strength of occupier demand and supporting positive long-term rental growth fundamentals.

Tygervalley has consistently attracted leading occupiers across the financial services, insurance, technology, consulting and professional services sectors. Demand for high-quality office accommodation continues to exceed available supply, contributing to resilient rental performance, low tenant churn and durable long-term income characteristics. Management believes these structural advantages remain firmly supportive of sustained occupancy and income growth prospects.

Strategically positioned with direct access to the N1 and R300 transport corridors, and located in close proximity to both Cape Town International Airport and the proposed Cape Winelands Airport, Tygervalley

offers excellent accessibility and operational convenience supported by well-established and densified residential nodes. The precinct's established retail, lifestyle and public transport infrastructure further enhances its attractiveness to both occupiers and employees.

The three buildings located on the Property provide modern office environments, curated tenant amenities and operational infrastructure designed to support long-term occupier requirements without disruption or capacity constraints. The three buildings comprise approximately 28,500 m² of gross lettable area across institutional-quality P and AAA grade office buildings, let to the blue-chip tenant Santam, Glacier Financial Holdings and the broader Sanlam Group, providing a strong underlying covenant profile and stable income stream.

The Acquisition is aligned with Spear's strategy of acquiring high-quality, well-located commercial assets within the Western Cape that deliver sustainable and defensive income growth. Management views the transaction as a strategically attractive addition to the Spear portfolio, enhancing earnings quality, strengthening defensive income streams and deepening exposure to a high-performing commercial node with compelling long-term growth prospects.

3. PURCHASE CONSIDERATION

The Purchase Consideration is an amount of R960 000 000 and is inclusive of value-added tax at a rate of 0%. The Purchase Consideration shall be secured by Spear furnishing a bank guarantee to the conveyancer and settled by Spear on the date of registration of transfer of ownership of the Property into its name ("**Transfer Date**").

4. CONDITION PRECEDENT

The Acquisition is subject to the condition precedent ("**Condition Precedent**") that, by not later than 31 August 2026 ("**Fulfilment Date**"), the Acquisition is approved by the applicable competition authorities in terms of the Competition Act, No. 89 of 1998, either unconditionally, or in the event of a conditional approval, on terms acceptable to the relevant parties.

The Fulfilment Date may be extended by a further 20 business days, by either party delivering written notice of such extended period on or before the Fulfilment Date, or by such additional period/s as the parties may agree in writing.

5. EFFECTIVE DATE OF THE ACQUISITION

The effective date of the Acquisition will be the Transfer Date, which date shall be as soon as reasonably possible after the date on which the Condition Precedent is fulfilled, and which is anticipated to be on or about 1 November 2026.

6. WARRANTIES IN TERMS OF THE AGREEMENT

The Agreement contains representations, warranties and indemnities by the Seller, in favour of Spear, which are standard for a transaction of this nature. Subject thereto, the Rental Enterprise and Property are sold "*voetstoots*".

7. THE PROPERTY

Details of the Property are as follows:

Property name and address	1 Sportica Crescent, Tygervalley, Western Cape
Geographical location	Tygervalley, Cape Town
Sector	Commercial
Gross Lettable Area (m ²)	28,488
Weighted Average Gross Rental / m ²	R272.53

Further details regarding the Property, as at the expected Transfer Date, are set out below:

Initial Purchase Yield Attributable to Shareholders	9.67%
Weighted Average Escalation	6.50%
Weighted Average Lease Duration (years)	2.40
Vacancy % by Gross Lettable Area	0%

Notes:

- a) In addition to the Purchase Consideration, Spear's transaction costs associated with the Acquisition are estimated at R1 500 000.00.
- b) No Agents' commission is payable in respect of the Acquisition.
- c) The Purchase Consideration payable in respect of the Rental Enterprise (which includes the Property) is considered to be its fair market value, as determined by the directors of Spear. The directors of Spear are not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No. 47 of 2000.

8. FORECAST FINANCIAL INFORMATION OF THE ACQUISITION

The forecast financial information relating to the Acquisition for the four-month period ending 28 February 2027 and the 12-month period ending 28 February 2028 are set out below. The forecast financial information has not been reviewed or reported on by a reporting accountant in terms of the JSE Listings Requirements and is the responsibility of Spear's directors.

	Forecast for the four -month period commencing 1 November 2026 and ending 28 February 2027 (R)	Forecast for the 12-month period ending 28 February 2028 (R)
Rental income	39,638,768	132,881,614
Straight-line rental accrual	2,053,545	3,239,882
Gross income	41,692,312	136,121,496
Property expenses	(9,975,360)	(31,370,473)
Net property income	31,716,952	104,751,023
Administrative expenses	(634,220)	(2,126,106)
Operating profit	31,082,732	102,624,917
Finance cost	(12,734,912)	(38,218,148)
Profit before taxation	18,347,820	64,406,769
Taxation	-	-
Profit after taxation	18,347,820	64,406,769
Adjusted For:		
Straight-line rental accrual	(2,053,545)	(3,239,882)
Distributable profit	16,294,275	61,166,887
Contracted rental income %	71.96%	71.96%
Near Contracted rental income %	28.04%	0%
Uncontracted rental income %	0%	28.04%

Notes:

- a) Rental Income includes gross rentals and other recoveries but excludes any adjustment applicable to the straight-line rental income accrual of leases.
- b) Property expenses include all utility and council charges applicable to the Property.
- c) The forecast information for the four-month period ended 28 February 2027 has been calculated from the anticipated Transfer Date, being on or about 1 November 2026.
- d) The Acquisition will be debt funded on a 50% loan to value (LTV) ratio and the remaining portion of the Purchase Consideration will be funded from available cash resources.

9. CLASSIFICATION OF THE ACQUISITION

The Acquisition constitutes a category 2 transaction in terms of the JSE Listings Requirements as the value exceeds 10% but is less than 30% of the Company's market capitalisation as at the Signature Date.

10. WITHDRAWAL OF CAUTIONARY

Shareholders are referred to the Company's cautionary announcement released on SENS on 19 May 2026.

Shareholders are hereby advised that as the particulars of the Acquisition have now been announced, caution is no longer required to be exercised by shareholders when dealing in the Company's securities.

Cape Town
21 May 2026

Sponsor and Transaction Advisor
PSG Capital



PSG CAPITAL

Financial Advisor to the Seller
Investec Bank Limited



Legal Advisor to Spear
Cliffe Dekker Hofmeyr



Legal Advisor to the Seller
Bernadt Vukic Potash & Getz

