



Private Placement

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Sirius Real Estate Limited
28 July 2017

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28 July 2017

Sirius Real Estate Limited

("Sirius Real Estate", "Sirius" or the "Company")

€25 million Private Placement to fund acquisition of German property portfolio

Sirius Real Estate, a leading operator of branded business parks providing conventional space and flexible workspace in Germany, is pleased to announce the private placement ("Private Placement"), subject to completion, of 39,888,185 new ordinary shares ("Private Placement Shares") to institutional investors to raise approximately €25 million¹ (before expenses) to acquire a property portfolio ("the Acquisition Portfolio").

The Acquisition Portfolio

- The Company has identified a portfolio of acquisition opportunities consisting of four assets, to be purchased for approximately €40.2 million (inclusive of acquisition costs) representing an EPRA net initial yield of 5.4% (or 7.6% when excluding one completely vacant asset valued at €8.9 million). The portfolio provides an attractive mix of stable rental income, currently €2.7 million per annum, combined with opportunity through developing and letting up the vacant space of 16,100 sqm (28% of the total lettable area).
- All four assets are well located and provide opportunities for Sirius to apply its local market expertise and asset management capabilities to increase income and capital values. Additionally, it provides an excellent opportunity to enter the Hamburg market which the Company has been seeking to do for some time.
- The purchase of the Acquisition Portfolio will be met in part by the net funds raised from the Private Placement with the balance to be funded by bank debt.

- As detailed in the Company's recent announcements, Sirius has funds from its recycling programme to acquire further assets but these would need to be used as substitution assets within the banking facilities of the assets that have been recently sold. The assets within the Acquisition Portfolio due to their lower income and vacancy levels, which we view as opportunities, would not necessarily be accepted by these banks as substitute assets. Therefore, the new equity will provide Sirius with the flexibility to manage the process of substitution and also invest in new opportunities with greater potential returns.

Details of the Private Placement

The Placing Price will be 56 pence per share, a premium to the last reported adjusted NAV² per share of 6.6% and a discount of 1.3% to yesterday's closing mid-market price of 56.75 pence per share.

Peel Hunt, Berenberg and PSG Capital acted as joint bookrunners in respect of the Private Placement.

Application will be made for the Private Placement Shares to be admitted to trading on the main market of London Stock Exchange Plc ("LSE"), to be admitted to listing on the premium segment of the Official List of the UK Listing Authority and to be listed on the main board of the Johannesburg Stock Exchange ("JSE") ("Admission").

The Private Placement is conditional on, inter alia, Admission. It is expected that Admission of the Private Placement Shares, which will rank pari passu to existing ordinary shares in the Company in all respects, will occur on or around 04 August 2017; at 8 a.m. (BST) on the LSE and at 9 a.m. (SAST) on the JSE.

The Private Placement Shares represent approximately 4.5% of Sirius Real Estate's issued ordinary share capital prior to the Private Placement. Following the issue of the Private Placement Shares, the total number of voting rights in the Company will be 918,161,886, the number of shares in treasury will be 574,892 and the total number of shares in issue (including those in treasury) will be 918,736,778.

Directors' and PDMRs participation

Certain Directors and PDMRs of the Company have agreed to subscribe for a total of 105,714 Private Placement Shares as detailed below:

Name	Position	Private Placement Shares	Ordinary Shares held immediately after Admission	Percentage of Enlarged Share Capital
Neil Sachdev	Chairman	35,714	58,851	0.006%
Andrew Coombs	CEO	50,000	4,628,258	0.5%
Rudiger Swoboda	Sales Director	20,000	463,059	0.05%

Andrew Coombs, Chief Executive, commented:

"I am very pleased we have completed this fund raising and thereby created a pool of capital that we can use to acquire some very interesting property assets that we believe can be transformed by converting under-utilised spaces, increasing occupancy and rental income over the longer term and ultimately lifting the capital values of each site.

It is equally pleasing to see some of the institutions who have invested in Sirius following our move to the main markets in London and Johannesburg also participate in this fund raising.

Our market in Germany is strong and so is the outlook, with growing demand for our conventional space offerings from companies of all sizes as well as raised demand for our flexible workspace solutions from Germany's substantial SME sector. This all translates into increased demand for rental space which bodes well for our existing portfolio as well as these new assets we are looking to acquire."

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

¹The Company has entered into hedging arrangements for the placing funds to be converted into EUR

² Reported adjusted NAV as at 31 March 2017 of 58.82c applied to the current GBP:EUR FX rate of 1.1192.

-Ends-

For further information:

Sirius Real Estate	+49 (0)30 285010110
Andrew Coombs, CEO	
Alistair Marks, CFO	
Peel Hunt - Joint UK Bookrunner	+44 (0)20 7418 8900
Capel Irwin	
Edward Fox	
Berenberg - Joint UK Bookrunner	+44 (0)20 3207 7800
Chris Bowman	
Toby Flaux	
PSG Capital - Sole SA Bookrunner	+27 (0)21 887 9602
David Tosi	
Willie Honeyball	
Novella	+44 (0)20 3151 7008
Tim Robertson	
Toby Andrews	

About Sirius Real Estate

Sirius is a property company listed on the main market and premium segment of the London Stock Exchange and the main board of the Johannesburg Stock Exchange. It is a leading operator of branded business parks providing conventional space and flexible workspace in Germany. The Company's core strategy is the acquisition of business parks at attractive yields, the integration of these business parks into its network of sites under the Company's own name as well as offering a range of branded products within those sites, and the reconfiguration and upgrade of existing and vacant space to appeal to the local market, through intensive asset management and investment. The Company's strategy aims to deliver attractive returns for shareholders by increasing rental income and improving cost recoveries and capital values, as well as by enhancing those returns through financing its assets on favourable terms. Once sites are mature and net income and values have been optimised, the Company may take the opportunity to refinance the sites to release capital for investment in new sites or consider the disposal of sites in order to recycle equity into assets which present greater opportunity for the asset management skills of the Company's team.

Important Notice

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This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the current intentions, beliefs or expectations of the directors ("Directors") of the Company concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the Company's markets. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this announcement are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect.

These forward-looking statements speak only as at the date of this document. Save as required by applicable law or regulation, or by the Listing Rules, Prospectus Rules, the Disclosure and Transparency Rules, the LSE's Admission and Disclosure Standards and the JSE Listing Requirements, none of the Company, its agents, employees or advisers undertakes any obligation to update or revise any forward-looking or other statements, whether as a result of any change in the Directors' expectations or to reflect events, conditions or circumstances after the date of this announcement or otherwise and none of the Company, Peel Hunt, Berenberg or PSG Capital or their respective directors, officers, employees, agents, affiliates and advisers, or any other party undertakes or is under any duty to update this document or to correct any inaccuracies in any such information which may become apparent or to provide you with additional information.

No statement in this announcement is intended to be a profit forecast, and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

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The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The contents of this announcement are not to be construed as legal, financial or tax advice. If necessary, each recipient of this announcement should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice. Each placee should consult with its own advisers as to legal, tax, business and related aspects of an acquisition of Private Placement Shares.

Members of the public are not eligible to take part in the Private Placement. This announcement is directed only at: (a) persons in the United Kingdom who are 'Qualified Investors' falling within the meaning of article 2(1)(e) of the Prospectus Directive (which means Directive 2003/71/EC and includes any relevant implementing directive measure in the UK) who (i) have professional experience in matters relating to investments falling within article 19(5) ("Investment professionals") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); or (ii) fall within article 49(2) (a) to (d) ("High net worth companies, unincorporated associations, etc") of the Order; or (b) persons to whom it may otherwise be lawfully communicated. Insofar as this announcement relates to the South African Private Placement, it is directed only at persons in South Africa who (i) fall within the categories of persons set out in section 96(1)(a) of the South African Companies Act or (ii) acquire Private Placement Shares or Ordinary Shares in the Secondary Placing for a minimum acquisition cost of R1 000 000 for single addressee acting as principal, as envisaged in section 96(1)(b) of the South African Companies Act, 2008 (such persons being referred to as "South-African Eligible Investors"). All such persons in contemplated in (a) or (b) and the South-African Eligible Investors are together being referred to as "Relevant Persons". This announcement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this announcement or the Private Placement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

By participating in the bookbuilding process and the Private Placement, placees and prospective placees will be deemed to have read and understood this announcement in its entirety.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in or forms part of this announcement.

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