



SPEAR
REIT LIMITED

THE WESTERN CAPE REIT

CREDIBLE PREDICTABLE CONSISTENT

UNAUDITED CONSOLIDATED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 AUGUST 2024





VIRGIN PADEL, THE ISLAND,
PAARDEN EILAND

SALIENT DETAILS

41.61_{cps}
HY2025
DIPS

39.53_{cps}
HY2025
DPS

23.93%
LTV

95.08%
Occupancy

95.00%
HY2025
Payout ratio

2.05%
HY2025
DIPS growth

3.14%
HY2025
DPS growth

3.01times
ICR

R11.74
TNAV

98.05%
HY2025
Collection

NATURE OF BUSINESS

Spear REIT Limited ("Spear" or "the group" or "the company") listed as a Real Estate Investment Trust ("REIT") on the main board of the Johannesburg Stock Exchange ("JSE") and is the only regionally-focused REIT listed on the JSE which invests in high-quality income-generating assets in the Western Cape. Spear obtains its diversification through asset type rather than geographical investment.

The company conducts its business directly and through a number of subsidiaries, collectively referred to as the "group".

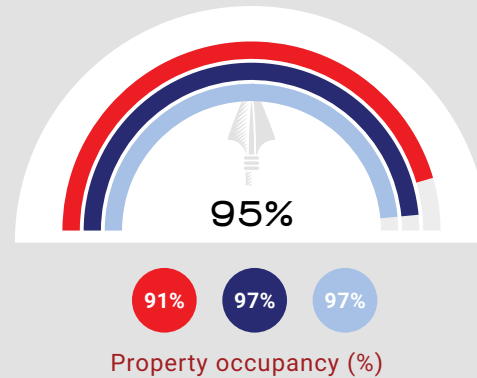
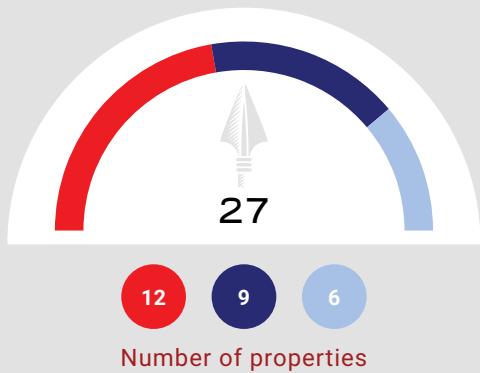
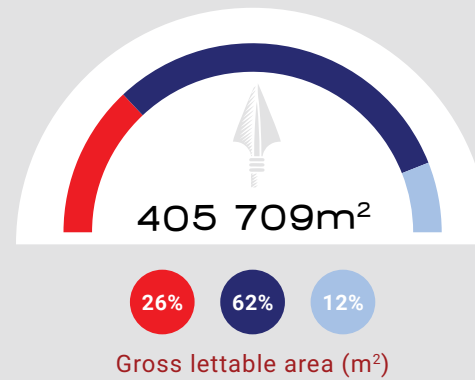
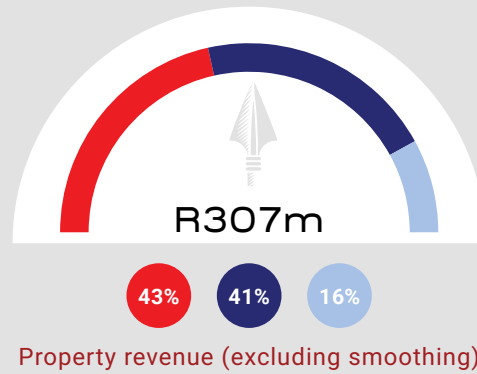
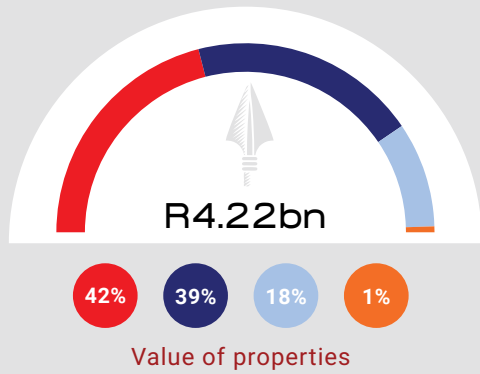
The group's property and asset management functions are internally and directly managed by the Spear executive management team.

ABBREVIATIONS

bps	basis points
CSP	Conditional Share Plan
DIPS	distributable income per share
DPS	distribution per share
FFO	funds from operations
GLA	gross lettable area
ICR	interest cover ratio
IFRS SOCI	IFRS Statement of Comprehensive Income
LTV	loan-to-value
NAV	net asset value
TNAV	tangible net asset value
WALE	weighted average lease expiry
YTD	year-to-date

Spear REIT at a GLANCE

Sectoral split by Value, Revenue & GLA



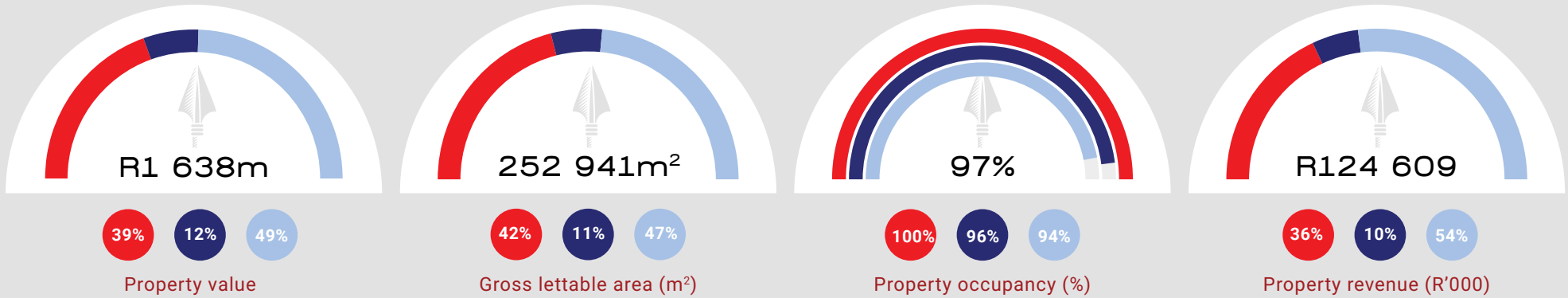
● Commercial
 ● Industrial
 ● Retail
 ● Development Land



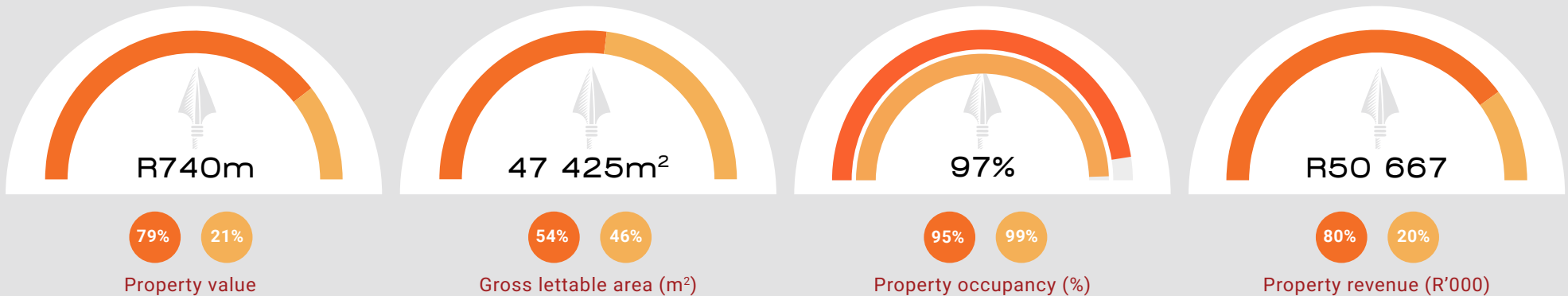
NORTHGATE PARK,
BROOKLYN

Spear Segmental ANALYSIS

Industrial



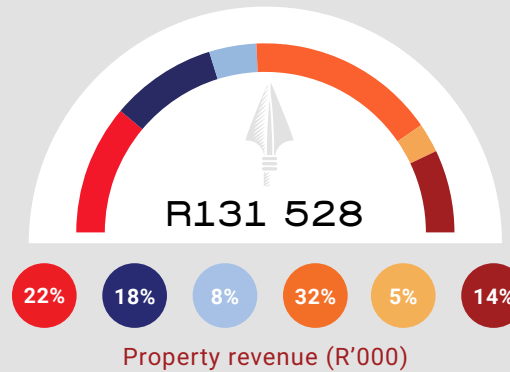
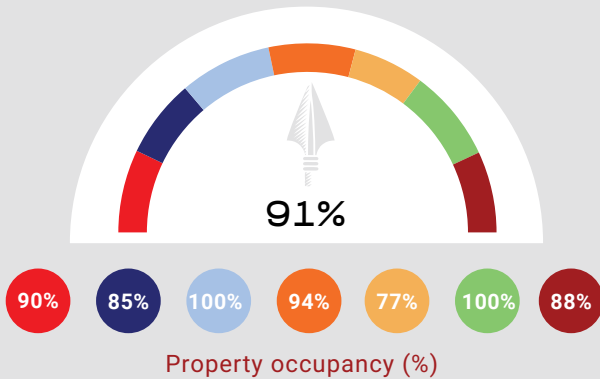
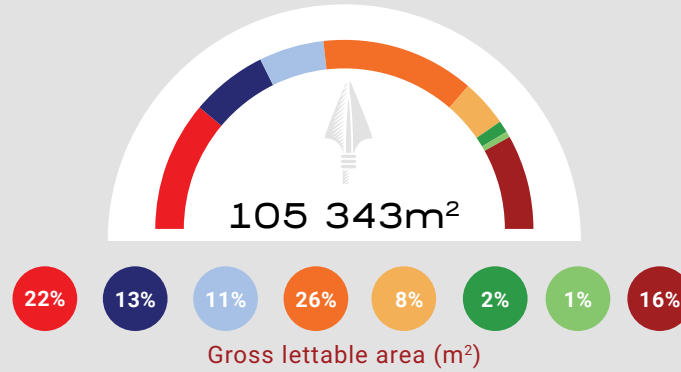
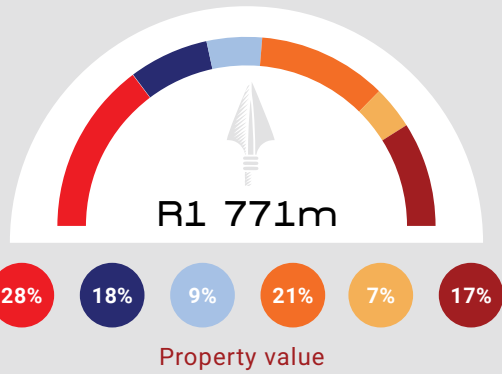
Retail



● Logistics
 ● Urban Logistics
 ● Manufacturing
 ● Convenience Retail
 ● Destination Retail

SPEAR SEGMENTAL ANALYSIS CONTINUED

Commercial



- CBD
- Tygervalley
- Parow
- Century City
- Woodstock
- Paarden Eiland
- Epping
- Brooklyn

Condensed Consolidated
Statement of

FINANCIAL POSITION

Spear REIT Limited and its subsidiaries for
the six months ended 31 August 2024



VIKING BUSINESS PARK, EPPING

	Group		
	Unaudited Six months ended August 2024 R'000	Unaudited Six months ended August 2023 R'000	Audited Year ended February 2024 R'000
ASSETS			
Investment property (including straight-line accrual)	4 043 563	4 062 493	4 180 066
Property, plant and equipment	355	780	500
Deferred taxation	433	783	433
Non-current assets	4 044 351	4 064 056	4 180 999
Investment properties held for sale	171 800	400 000	443 000
Financial assets	15 000	–	–
Loans to related parties	215	215	215
Trade and other receivables	25 480	18 067	23 337
Cash and cash equivalents	16 816	25 045	25 051
Other financial asset	1 583	2 233	820
Current assets	230 894	445 560	492 423
TOTAL ASSETS	4 275 245	4 509 616	4 673 422
EQUITY AND LIABILITIES			
Shareholders' interest			
Share capital	2 453 183	2 080 903	2 388 960
Share-based payment reserve	11 974	8 535	12 754
Accumulated income	673 056	505 035	661 331
Total attributable to owners	3 138 213	2 594 473	3 063 045
Non-controlling interest	13 112	13 112	13 112
TOTAL EQUITY	3 151 325	2 607 585	3 076 157
Liabilities			
Financial liabilities	755 427	1 170 389	1 247 616
Non-current liabilities	755 427	1 170 389	1 247 616
Financial liabilities	274 437	622 278	240 442
Lease liability	11 954	14 219	12 669
Trade and other payables	82 003	95 048	96 439
Taxation payable	99	97	99
Current liabilities	368 493	731 642	349 649
TOTAL LIABILITIES	1 123 920	1 902 031	1 597 265
TOTAL EQUITY AND LIABILITIES	4 275 245	4 509 616	4 673 422
Number of ordinary shares in issue	289 684 779	244 846 390	282 400 242
Treasury shares	(22 377 857)	(21 673 576)	(22 314 509)
Net ordinary shares in issue	267 306 922	223 172 814	260 085 733
Gearing ratio	(%) 23.93	39.58	31.60
Net asset value per share*	(Rands) 11.74	11.63	11.78
Tangible net asset value per share	(Rands) 11.74	11.62	11.78

* This calculation is IFRS compliant and disclosed. Please refer to Appendix 1 for SA REIT calculations and metrics.

Condensed Consolidated
Statement of

COMPREHENSIVE INCOME

Spear REIT Limited and its subsidiaries for
the six months ended 31 August 2024



OGGIE FLOORING, THE ISLAND,
PAARDEN EILAND

	Group		
	Unaudited Six months ended August 2024 R'000	Unaudited Six months ended August 2023 R'000	Audited Year ended February 2024 R'000
Property revenue			
– Contractual rental income	219 354	215 259	440 424
– Tenant recoveries	86 326	72 842	164 206
– Straight-line rental income accrual	3 247	5 598	11 263
Property revenue	308 928	293 700	615 893
Other income	1 239	510	3 511
Total revenue	310 167	294 210	619 404
Property operating and management expenses	(115 258)	(101 428)	(215 016)
Net property-related income	194 909	192 782	404 387
Administrative expenses	(17 536)	(16 343)	(35 901)
Net property operating profit	177 372	176 439	368 486
Fair value adjustment – Investment properties	16 268	24 340	176 893
Depreciation and amortisation	(7 868)	(7 562)	(15 373)
Listing cost	(18)	–	(351)
Share-based payment expense	(9 600)	(4 235)	(8 454)
Profit from operations	176 154	188 982	521 200
Net interest	(57 754)	(72 288)	(156 538)
– Finance costs	(58 600)	(73 690)	(159 177)
– Finance income	846	1 402	2 640
Profit before taxation	118 400	116 694	364 663
Taxation	(1 287)	(700)	(1 923)
Profit for the period	117 114	115 994	362 740
Other comprehensive income	–	–	362 740
Total comprehensive income for the period	117 114	115 994	–
Attributable to:			
Equity owners of the parent	117 114	115 994	362 740
Non-controlling interest	–	–	–
Total comprehensive income for the period	117 114	115 994	362 740
Basic earnings per share	(cents) 44.97	50.72	161.57
Diluted earnings per share	(cents) 44.01	49.88	158.29
Distribution per share*	(cents) 39.53	38.33	78.86
Interest cover ratio	(times) 3.01	2.36	2.28

* Refer to Appendix 1.

Condensed Consolidated
Statement of

CHANGES IN EQUITY

Spear REIT Limited and its subsidiaries for
the six months ended 31 August 2024



BLACKHEATH PARK,
BLACKHEATH

	Group					
	Share capital R'000	Accumulated profit R'000	Equity reserve R'000	Total attributable to parent R'000	Non-controlling interest R'000	Total equity R'000
Balance as at 28 February 2023	2 102 146	475 506	16 757	2 594 409	13 112	2 607 521
<i>Changes in equity:</i>						
Profit for the period	-	115 994	-	115 994	-	115 994
Distributions to shareholders	-	(86 466)	-	(86 466)	-	(86 466)
Acquisition of treasury shares	(33 265)	-	-	(33 265)	-	(33 265)
Disposal of treasury shares	4 639	-	-	4 639	-	4 639
Share-based payment expense	-	-	4 234	4 234	-	4 234
Vesting Conditional Share Plan	7 383	-	(12 456)	(5 073)	-	(5 073)
Balance as at 31 August 2023	2 080 903	505 034	8 535	2 594 472	13 112	2 607 584
<i>Changes in equity:</i>						
Profit for the period	-	241 746	-	241 746	-	241 746
Issue of shares	313 169	-	-	313 169	-	313 169
Acquisition of treasury shares	(9 286)	-	-	(9 286)	-	(9 286)
Disposal of treasury shares	4 174	-	-	4 174	-	4 174
Distributions to shareholders	-	(85 450)	-	(85 450)	-	(85 450)
Share-based payment expense	-	-	4 219	4 219	-	4 219
Balance as at 29 February 2024	2 388 960	661 330	12 754	3 063 044	13 112	3 076 156
<i>Changes in equity:</i>						
Profit for the period	-	117 114	-	117 114	-	117 114
Proceeds/(cost) to issue shares	65 459	-	-	65 459	-	65 459
Acquisition of treasury shares	(3 056)	-	-	(3 056)	-	(3 056)
Disposal of treasury shares	1 820	-	-	1 820	-	1 820
Distributions to shareholders	-	(105 387)	-	(105 387)	-	(105 387)
Share-based payment expense	-	-	9 600	9 600	-	9 600
Vesting Conditional Share Plan	-	-	(10 380)	(10 380)	-	(10 380)
Balance as at 31 August 2024	2 453 183	673 056	11 974	3 138 213	13 112	3 151 325

Condensed Consolidated
Statement of

CASH FLOWS

Spear REIT Limited and its subsidiaries for
the six months ended 31 August 2024



VIRGIN PADEL, THE ISLAND,
PAARDEN EILAND

	Group		
	Unaudited Six months ended August 2024 R'000	Unaudited Six months ended August 2023 R'000	Audited Year ended February 2024 R'000
Cash generated from operations			
Profit before tax	118 400	116 694	364 663
<i>Adjustments for:</i>			
Straight-line rental income accrual	(3 247)	(5 598)	(11 263)
Depreciation	7 868	7 562	15 373
Fair value adjustments	(16 268)	(24 340)	(176 893)
Finance income	(846)	(1 403)	(2 640)
Finance costs	58 600	73 690	159 177
Share-based payment expense	9 600	4 235	8 454
<i>Changes in working capital</i>			
Trade and other receivables	(2 143)	229	(5 040)
Trade and other payables	(14 017)	11 525	14 060
Cash generated from operating activities	157 947	182 594	365 891
Finance costs	(58 180)	(73 690)	(158 033)
Finance income	427	195	1 495
Distribution paid	(105 388)	(86 465)	(171 916)
Taxation paid	(1 287)	(790)	(1 674)
Taxation received	-	132	144
Net cash generated from operating activities	(6 482)	21 976	35 909
Cash flows from investing activities			
Acquisition of investment property	150	(217 733)	(218 751)
Cost incurred on developments	(7 509)	57 627	(13 973)
Cost capitalised to investment property	(14 813)	(86 437)	(43 687)
Proceeds on sale of investment property	426 752	22 668	37 676
Acquisition of property, plant and equipment	(85)	(44)	(69)
Net cash used in investing activities	404 495	(223 919)	(238 803)
Cash flow from financing activities			
Proceeds/(costs) to issue shares	59 431	-	313 169
Proceeds from financial liabilities	-	246 672	1 012 870
Repayment of financial liabilities	(458 614)	(3 676)	(1 076 834)
Repayment of solar lease liability	(715)	(512)	(2 062)
Loan (advanced to)/received from related party	-	(145)	(145)
Purchase of treasury shares	(3 819)	(33 652)	(41 525)
Proceeds from sale of treasury shares	1 820	4 639	8 813
Cost of Conditional Share Plan shares issued	(4 351)	(5 865)	(5 864)
Net cash generated from financing activities	(406 248)	207 461	208 423
Total cash movement for the period	(8 235)	5 518	5 527
Cash at the beginning of the period	25 051	19 523	19 523
Cash at the end of period	16 816	25 041	25 050

OPERATING SEGMENT INFORMATION

Spear REIT Limited and its subsidiaries for
the six months ended 31 August 2024

	Industrial R'000	Commercial R'000	Retail R'000	Non- property R'000	Development R'000	Total R'000
Segment revenue	124 609	131 528	50 667	116	–	306 919
Straight-lining of leases	4 776	(2 197)	669	–	–	3 247
Net property operating profit	81 962	80 479	31 602	(16 618)	(53)	177 372
Fair value adjustments	8 039	6 935	1 294	–	–	16 268
Profit from operations	88 352	82 228	32 094	(26 467)	(53)	176 154
Finance income	267	192	296	–	91	846
Finance costs	(21 000)	(30 771)	(1 167)	(5 587)	(75)	(58 600)
Investment property	1 605 266	1 569 734	716 921	3 133	–	3 895 054
Investment property held for sale	–	171 800	–	–	–	171 800
Investment property under development and land	–	–	–	–	63 930	63 930
Straight-lining of lease asset	32 734	29 266	22 579	–	–	84 579
Total assets	2 049 249	1 904 968	838 949	(581 394)	63 473	4 275 245
Total liabilities	2 049 249	(716 370)	(30 005)	163 305	(14 570)	(1 123 920)



NORTHGATE PARK,
BROOKLYN

APPENDIX 1

SA REIT BEST PRACTICE RECOMMENDATIONS CALCULATION DISCLOSURE



1 WATERHOUSE PLACE,
CENTURY CITY

SA REIT funds from operations (SA REIT FFO) per share

	August 2024	February 2024
Profit or loss per IFRS Statement of Comprehensive Income (SOC) attributable to the parent	117 114	362 740
Adjusted for:		
Accounting/specific adjustments:	(19 516)	(187 806)
– Fair value adjustments to investment property	(16 268)	(176 893)
– Deferred tax movement recognised in profit or loss	–	349
– Straight-lining operating lease adjustment	(3 247)	(11 263)
Other adjustments:		
Antecedent earnings adjustment*	2 740	15 844
<i>* Antecedent earnings adjustment related to a share for cash placement concluded in August 2024 of R60 million.</i>		
SA REIT FFO	100 338	190 778
Company-specific adjustments	10 886	10 028
IFRS 2 Expense – CSP awards with future vesting and issue date	9 600	8 454
Provisional tax paid on retained income for period	1 287	1 573
Total distributable company FFO	111 224	200 805
Interim DIPS	(cents) 41.61	40.77
	(%) 2.05	
	(R'000) 111 224	90 991
Number of shares outstanding at end of interim period (net of treasury)	267 306 922	223 172 814
Interim period payout ratio	(%) 95.00	94.00
Interim distributable company FFO	(R'000) 105 663	85 532
Interim company DPS	(cents) 39.53	38.33
HY2025 DPS growth	(%) 3.14	
Taxable retained earnings	(R'000) 5 561	9 852
Taxation payable	(R'000) (1 287)	(1 573)
Net retained income	(R'000) 4 274	8 279

APPENDIX 1 - SA REIT BEST PRACTICE RECOMMENDATIONS CALCULATION DISCLOSURE CONTINUED

Dividend declared and dividend per share

	Growth	Cents per share	R'000
Total distributions for the period – 2025			
Interim distribution declared on 24 October 2024 (Distribution number 16)	3.14%	39.53	105 663
Final distribution declared TBC (Distribution number 17)		0.00	–
Total distributions for the period ending 28 February 2025		39.53	105 663

		Cents per share	R'000
Total distributions for the period – 2024			
Interim distribution declared on 24 October 2023 (Distribution number 14)		38.33	85 532
Final distribution declared on 22 May 2024 (Distribution number 15)		40.53	105 421
Total distributions for the period ended 29 February 2024		78.86	190 953

SA REIT net asset value (SA REIT NAV)

		August 2024	February 2024
Reported NAV attributable to the parent	R'000	3 138 213	3 063 045
Adjustments:			
Dividend declared and 100% cash settled		–	(105 421)
Current year dividend accrual		(105 663)	–
Deferred tax		(433)	(433)
SA REIT NAV	A	3 032 117	2 957 191
Shares outstanding			
Number of shares in issue at period end (net of treasury shares)		267 306 922	260 085 733
Dilutive number of shares in issue	B	267 306 922	260 085 733
SA REIT NAV per share (Rands)	A/B	11.34	11.37



2 LONG STREET,
CAPE TOWN

APPENDIX 1 - SA REIT BEST PRACTICE RECOMMENDATIONS CALCULATION DISCLOSURE CONTINUED

SA REIT cost-to-income ratio

		August 2024	February 2024
Expenses			
Operating expenses per IFRS SOCI (includes municipal expenses)		115 258	215 016
Administrative expenses per IFRS SOCI		17 536	35 901
<i>Other expenses, if directly related to property operations, with clear explanations of these items</i>			
Depreciation		7 868	15 373
Exclude:			
Depreciation expense in relation to property, plant and equipment of an administrative nature		(230)	(610)
Operating costs	A	140 432	265 682
Rental income			
Contractual rental income per IFRS SOCI (excluding straight-lining)		220 593	443 935
Utility and operating recoveries per IFRS SOCI		86 326	164 206
Gross rental income	B	306 919	608 141
SA REIT cost-to-income ratio (%)	A/B	45.76	43.69

SA REIT administrative cost-to-income ratio

		August 2024	February 2024
Expenses			
Administrative expenses as per IFRS SOCI		17 536	35 901
<i>Other identified administrative expenses, with clear explanations of these items</i>			
Depreciation on property, plant and equipment		230	610
Administrative costs	A	17 767	36 511
Rental income			
Contractual rental income per IFRS SOCI (excluding straight-lining)		220 593	443 935
Utility and operating recoveries per IFRS SOCI		86 326	164 206
Gross rental income	B	306 919	608 141
SA REIT administrative cost-to-income ratio (%)	A/B	5.79	6.00



RADNOR ROAD,
BELLVILLE

APPENDIX 1 - SA REIT BEST PRACTICE RECOMMENDATIONS CALCULATION DISCLOSURE CONTINUED

SA REIT GLA vacancy rate

		August 2024 m ²	February 2024 m ²
GLA of vacant space	A	19 978	29 351
GLA of total property portfolio	B	405 709	426 542
SA REIT GLA vacancy rate (%)	A/B	4.92	6.88

Cost of debt

		August 2024 %	February 2024 %
<i>Variable interest-rate borrowings</i>			
Prime – Floating reference rate plus weighted average margin		0.00	0.00
3-month JIBAR – Floating reference rate plus weighted average margin		10.12	10.16
<i>Fixed interest-rate borrowings</i>			
Weighted average fixed rate		9.08	8.55
Pre-adjusted weighted average cost of debt:		9.43	9.48
<i>Adjustments:</i>			
Impact of interest rate derivatives		0.00	0.00
Amortised transaction costs imputed into the effective interest rate		0.00	0.00
All-in weighted average cost of debt		9.43	9.48

SA REIT loan-to-value (SA REIT LTV)

		August 2024 R'000	February 2024 R'000
Gross debt		1 029 864	1 488 058
Less:			
Cash and cash equivalents		(16 816)	(25 051)
Net debt	A	1 013 048	1 463 007
Total assets – per Statement of Financial Position		4 275 245	4 673 422
Less:			
Cash and cash equivalents		(16 816)	(25 051)
Deferred taxation		(433)	(433)
Trade and other receivables		(25 480)	(23 337)
Carrying amount of property-related assets	B	4 232 516	4 624 601
SA REIT LTV (%)	A/B	23.93	31.64



100 FAIRWAY CLOSE,
PAROW

Selected Explanatory

NOTES TO THE RESULTS

1. Earnings per share

This note provides the obligatory information in terms of IAS 33 Earnings Per Share and SAICA Circular 1/2023 for the group and should be read in conjunction with SA Best Practice Recommendations disclosure, where earnings are reconciled to company funds from operations ("CFFO"). CFFO determines the distribution declared to shareholders which is a meaningful metric for a stakeholder in a REIT.



1.1 Basic earnings per share

		Group		
		Unaudited Six months ended August 2024 R'000	Unaudited Six months ended August 2023 R'000	Audited Year ended February 2024 R'000
Shares in issue				
Number of shares in issue at end of period net of treasury shares	(Number of shares)	267 306 922	223 172 814	260 085 733
Weighted average shares in issue net of treasury	(Number of shares)	260 410 864	228 683 251	224 512 727
Add: Weighted potential dilutory impact of CSP	(Number of shares)	5 666 066	3 880 435	4 644 183
Diluted weighted average number of shares in issues	(Number of shares)	266 076 930	232 563 686	229 156 910
Basic earnings per share				
Earnings (profit attributable to owners of the parent)	(R'000)	117 114	115 994	362 740
Basic earnings per share	(cents)	44.97	50.72	161.57
Diluted earnings per share	(cents)	44.01	49.88	158.29
1.2 Headline earnings per share				
Reconciliation between basic earnings and headline earnings:				
Earnings (profit attributable to owners of the parent)	(R'000)	117 114	115 994	362 740
Adjusted for:				
Fair value adjustments – Investment properties: Gross		(16 268)	(24 340)	(176 893)
Tax		-	-	-
Headline earnings	(R'000)	100 845	91 654	185 847
Headline earnings per share:				
Headline earnings per share	(cents)	38.73	40.08	82.78
Diluted headline earnings per share	(cents)	37.90	39.41	81.10

SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Introduction

Spear REIT Limited (SEA: SJ) is the only regionally-specialised Real Estate Investment Trust ("REIT") listed on the JSE. Spear invests only within the borders of the greater Western Cape with a distinct focus on the Cape Town region. Spear obtains its diversification through investing into high-quality assets that generate strong and sustainable cash flows within the high-quality industrial, convenience retail, commercial and mixed-use sectors. Spear's mission statement is to be the leading Western Cape-focused REIT and to consistently grow its distribution per share annually, and to deliver operational performance that places it within the top quartile of the SA REIT sector. Management has an acute understanding of the Western Cape real estate environment and takes great pride in maintaining excellent proximity to its assets. As a true regional specialist Spear prides itself on its hands-on asset management and active property management approach.

Staying true to its mission Spear has maintained its authenticity as a consistent dividend-paying income fund, focused on operating with a strong balance sheet and delivering on its income statement objectives despite tough trading conditions. Generating sustainable cash flows from Spear's high-quality real estate assets has always been at the centre of Spear's strategic objectives, no matter the market conditions. The strong property fundamentals of the Western Cape, Spear's high-quality assets in sought-after locations, strong tenant covenants and active asset management approach have consistently empowered the business to deliver outcomes of values creation and profitability.

During the first half of FY2025 Spear's management team has remained acutely focused on successfully navigating the challenging trading environment and building on the rising tide of tenant activity year to date to actively drive down portfolio vacancies, in particular within Spear's commercial portfolio. HY2025 has not been without its challenges but in the same vein has emerged as a period of renewed optimism and hope for all South Africans. A free, fair and peaceful national election was held on 29 May 2024 and what emerged was by all accounts the will of the people. The latter outcome resulted in the formation of the Government of National Unity in South Africa. The Western Cape had governance continuity coming out of the elections under the leadership of Premier Alan Winde, which we welcome and we

look forward to continuing our co-operative relationship with the Provincial Government and the Local Authority in Cape Town as we jointly drive the growth objectives of the Western Cape.

Despite the challenging trading environment and high interest rate environment, management is optimistic that operating conditions will not remain deeply challenging forever as very encouraging prospects of economic growth and contracting government bond yields start to emerge across the macro-economic landscape of South Africa. South Africa recently marked over 200 days without loadshedding at the time of writing this report, which has further bolstered the sense of renewed optimism within economic investment circles springing into action tenant commitments that were on the fence less than a year ago. Spear has benefited and will continue to benefit from its Western Cape-only focus as real estate fundamentals in the region grow from strength to strength.

The Spear portfolio is well placed to deliver on its strategic focus with the key drivers to such delivery being strong return-to-office and letting momentum, semigration, localisation and commencement of an interest rate tapering cycle in South Africa, all of which will have cascading benefits to landlords and tenants alike as overhead cost pressures start to show signs of relief.

Despite the challenging trading environment, positive leasing momentum has been a hallmark of HY2025 as material inroads were made in the overall vacancy rate of the portfolio and, in particular, the vacancy rate of the office portfolio. During HY2025 in excess of 9 000m² of commercial office vacancies were let reinforcing the letting demand that has returned to the office market within the Western Cape as Spear's commercial office occupancy rates increased by 616 bps. A general theme across the Western Cape real estate market has been a genuine sense of continued optimism while still retaining a strong dose of reality as large-scale capital investments continue to be rolled out by the public and private sector in the Western Cape creating much-needed employment and social upliftment.

Despite the negative impact of cost creep in HY2025 brought on by the interest rate environment, increased repairs and maintenance requirements due to record-breaking rain falls and severe weather conditions from June 2024 to end-August 2024, the absorption of the City of Cape Town winter electricity tariff regime and the

absorption of material increases in asset insurance and SASRIA costs in this reporting period, top-line revenue growth has shown positive signs of strengthening as portfolio vacancy rates contract, in-force escalations remain strong and positive rental reversions are achieved on a portfolio level for HY2025.

Robust rental collections, growing letting activity, tenant retention, and robust financial, debtors and vacancy management remain the key building blocks for the entire Spear team in FY2025 and beyond. As a result of aggressive marketing and letting initiatives the core portfolio has seen occupancy levels improve to 95% in HY2025 in addition to Spear's balance sheet remaining strong and well positioned for growth with an HY2025 LTV of 23% prior to the implementation of the Emira transaction and the 100 Fairways Close disposal.

Financial results

Group revenue excluding smoothing increased by 6.34% from the prior corresponding period on the back of strong leasing reducing vacancies from the prior corresponding period and strong in-force escalations.

Net property operating profit increased by 1.92% from the prior corresponding period. Robust expense management in a very difficult trading environment and improved cost recoveries resulted in net property operating profit increasing.

HY2025 property operating and management expenses increased by 13.64% and administrative expenses increased by 7.30% compared to HY2024.

Property operating profit was under pressure during HY2025 due to the severe impact of the Cape storms resulting in an out of the ordinary winter season as repairs and maintenance interventions together with the City of Cape Town winter tariff structure reducing property operating profits for the reporting period. Encouragingly the winter tariff shortfall will be recouped over the summer months which will be reflected in the final six months of FY2025.

SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Financial results (continued)

The like-for-like contractual income growth was 9.54% and the like-for-like net property operating profit was 9.48% compared to HY2024. This is as a result of decreased vacancies and strong in-force escalations and reversions compared to the prior corresponding period.

	Six months ended 31 August 2024	Six months ended 31 August 2023	Variance %
DIPS	41.61	40.77	2.05
DPS	39.53	38.33	3.14
Average payout ratio (%)	95.00	94.00	

The board of directors is pleased to announce a final DPS of 39.52881 cents for the six months ended 31 August 2024.

	Six months ended 31 August 2024	Year ended 28 February 2024	Variance (%)
NAV per share (Rands)	11.74	11.80	(0.51)
TNAV per share (Rands)	11.74	11.79	(0.42)
TNAV per share net of distribution (Rands)	11.34	11.39	(0.44)

Refer to the TNAV bridge for further commentary.

The financial results achieved during HY2025 are testament to the execution of Spear's hands-on and active asset management approach to the portfolio. Spear's diversified portfolio located in highly desirable locations underpins the cash flows generated across portfolio assets. The core Spear portfolio is 100% fixed income with only its solar PV roof rental income being variable and classified as non-GLA-based revenue.

Rental reversions on lease renewals and relets have shown notable improvements with portfolio reversions during the interim period being a positive 5.35%. During HY2025 when benchmarked with Spear's peers, portfolio reversions have beaten the benchmark as

rental reversions moved from marginally negative at FY2024 to positive in HY2025 as renewal and relet objectives are achieved.

Vacancy rates across the portfolio were at 4.92% at period end decreasing from 6.88% during FY2024. As undertaken to shareholders during the FY2024 final results presentation, management initiated aggressive letting strategies to reduce the overall portfolio vacancy rate and in particular the commercial office vacancy rate which yielded positive outcomes during HY2025.

Group gearing is 23.93% (FY2024: 31.60%). The decrease results from the disposal of the Liberty Life Building in Century City and the disposal of 142 Edward Street in Tygervalley.

Spear's balance sheet remains robust and well managed. No debt refinancing concerns exist within the business as an active management approach is taken to the debt portfolio to ensure well staggered refinancing terms and defensive expiry schedules across numerous funders. A detailed debt expiry schedule is provided within this report.

Collections and receivables

- Collections have been satisfactory and in line with management's expectations for the HY2025 period.
- Tenant receivables relating to HY2025 amounted to R5.9 million excluding VAT and as measured at 14 October 2024. At 31 August 2024, all debtors amounted to R22.50 million excluding VAT for all tenant arrears, which include tenants on payment arrangement and legal tenants.

HY2025 (excluding VAT)	Total R'000
Billed (including utilities)	307 059
Collected	301 073
Collected vs billings (%)	98.05

Billing reflects revenue after all credits and deferrals including recoveries.

At period end the total provision for bad debt was R2.34 million, being 10.42% of total tenant arrears.

Management actively reviews tenant arrears and at the end of the reporting period a total of R1.31 million of bad debt was written off and the provision utilised. The provision is reviewed on a monthly basis and adjusted to accommodate tenants that have

debtors outstanding of 120 days and more with very low prospect of recoverability. Significant success was achieved in HY2025 with reference to receivables from legal tenant debtors and we remain confident that the current legal tenant debtors will be recovered resulting in positive outcomes for the Group.

Property portfolio

Spear's current property portfolio consists of 27 high-quality assets, with an average value per asset of R153.8 million per property, being a (2.47%) decrease from FY2024: R157.6 million per property. Total GLA at period end was 405 709m² valued at R4.22 billion.

The portfolio's income stream is underpinned by contractual escalations of 7.47%, a weighted average lease expiry ("WALE") of 26 months (FY2024: 26 months) together with a high percentage of A-grade tenants (listed and large nationals) comprising 36% of portfolio GLA. One of the hallmarks of Spear's portfolio has been the maintenance of a high occupancy rate with vacancies well below the national averages recorded by IPD and SAPOA with an overall vacancy of 4.92% at period end (FY2024: 6.88% portfolio vacancies).

SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Top 10 properties by value

Property	Value including lease asset R'000	Sector	GLA m ²	Vacancy m ²	% of total value	Valuation R/m ²
1. Mega Park, Bellville	551 000	Industrial	86 195	1 318	13.07	6 392
2. Sable Square Shopping Centre, Milnerton	478 000	Retail	31 111	1 457	11.34	15 364
3. 2 Long Street, Cape Town	467 000	Commercial	25 268	2 345	11.08	18 482
4. Northgate Park, Brooklyn	309 000	Commercial	16 981	2 021	7.33	18 197
5. 1 Waterhouse Place, Century City	251 000	Commercial	11 963	1 078	5.95	20 982
6. Blackheath Park, Blackheath	246 000	Industrial	39 804	5 796	5.84	6 180
7. The Island, Paarden Eiland	200 000	Industrial	21 542	615	4.74	9 284
8. 100 Fairway Close, Parow	160 000	Commercial	11 633	–	3.80	13 754
9. Radnor Road, Bellville	144 000	Industrial	12 879	–	3.42	11 181
10. 7 Hewitt Avenue, Epping	138 000	Industrial	18 450	–	3.27	7 480
Top 10 Total	2 944 000		275 825	14 630	69.84	10 673
Group Total excluding land	4 151 433		405 709	19 978	100.00	10 233

Sectoral split

	Industrial	Commercial	Retail	Development land	Total
Number of properties	9	12	6	–	27
Value of properties	(R'000) 1 638 000	1 770 800	739 500	63 930	4 212 230
Value	(%) 39	42	18	1	100
Property revenue excluding smoothing	(R'000) 124 609	131 528	50 667	–	306 804
Revenue	(%) 41	43	16	–	100
GLA	(m ²) 252 941	105 343	47 425	–	405 709
GLA	(%) 62	26	12	–	100
Vacant area	(m ²) 8 487	9 977	1 514	–	19 978
Vacancy per sector	(%) 3.36	9.47	3.19	–	–
Vacancy on total GLA	(%) 2.09	2.46	0.37	–	4.92
Yield	(%) 9.15	7.27	8.08	N/A	8.16
Weighted average in-force escalation	(%) 7.60	7.39	7.48	N/A	7.47
WALE	(months) 23	28	25	N/A	26

SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Fair value disclosures

All assets and liabilities measured or disclosed at fair value are classified using a three-tiered fair value hierarchy that reflects the significance of the inputs used in determining the measurement as follows:

Level 1 Measurements in whole or in part are done by reference to unadjusted, quoted prices in an active market for identical assets and liabilities. Quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 Measurements are done by reference to inputs other than quoted prices that are included in level 1. These inputs are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. from derived prices).

Level 3 Measurements are done by reference to inputs that are not based on observable market data.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. Valuation models are used to value investment properties (measurement and disclosure) and financial liabilities that have fixed interest rates (disclosure only).

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty and valuation techniques employed may not fully reflect all factors relevant to the positions the company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors.

Valuation technique

The fair value of investment properties is determined by utilising the discounted cash flow methodology in terms of which estimated gross income is projected for a five- or 10-year period, based on contractual arrangements and an estimated market rent upon the expiry of the leases for the period of the cash flow. Forecast expenses are deducted from the estimated gross annual income projections to arrive at the net annual income stream for the period of the cash flow.

This net annual income stream is discounted and aggregated to determine an estimated net present value of the cash flow. To the sum of the discounted net annual value of the cash flow is added an amount that represents an estimate of the value of the property upon reversion at the end of the cash flow period. This latter amount is calculated as the value of the estimated net income in the forward period of 12 months immediately following the final year of the cash flow, capitalised at an appropriate exit capitalisation rate.

The key inputs to the valuation of investment property are the discount rate and exit capitalisation rate, representative of the perceived risk in the investment. Capitalisation rates (and more specifically exit capitalisation rates which are utilised at the end of the discounted cash flow period) to determine the fair value of investment property into perpetuity were examined and risk-adjusted where necessary, to account for factors that influence the sustainability of cash flows pertaining to each property such as location, condition of improvements, market conditions and the strength of the underlying lease covenants, inter alia. The discount rate is the annual return that a prudent rational investor requires in order to invest in the property in a competitive market as opposed to alternative asset classes. It is widely expected that a yield premium above an appropriate risk-free rate is required to induce investors to invest into property due to the additional perceived risk in this asset class as opposed to an alternative investment with no default risk. Similarly, discount rates were examined and risk-adjusted where necessary.

As at 31 August 2024, the following significant assumptions and unobservable inputs used by the group in determining fair value were in the following ranges:

		Industrial	Commercial	Retail	HY2025
Average discount rate	(%)	13.50	14.16	13.71	13.79
Average capitalisation rate	(%)	8.50	9.16	8.71	8.79
Average exit capitalisation rate	(%)	9.00	9.66	9.21	9.29
Average rental growth rate	(%)	5.00	5.00	5.00	5.00
Average expense growth rate	(%)	6.00	6.00	6.00	6.00
Structural vacancy range	(%)	0.50	0.50	0.50	0.50
Void period range	(months)	2 – 4	2 – 4	2 – 4	2 – 4

As at 29 February 2024, the following significant assumptions and unobservable inputs used by the group in determining fair value were in the following ranges:

		Industrial	Commercial	Retail	FY2024
Average discount rate	(%)	13.50	14.07	13.71	13.76
Average capitalisation rate	(%)	8.50	9.07	8.71	8.76
Average exit capitalisation rate	(%)	8.78	9.16	8.71	8.88
Average rental growth rate	(%)	5.00	5.00	5.00	5.00
Average expense growth rate	(%)	6.00	6.00	6.00	6.00
Structural vacancy range	(%)	0.5 – 2.0	0.5 – 2.0	0.5 – 2.0	0.5 – 2.0
Void period range	(months)	2 – 4	2 – 4	2 – 4	2 – 4

Resulting in the following key metrics pertaining to the portfolio:

		Industrial	Commercial	Retail	HY2025
Average value per property (excluding land/bulk value)	(R'000)	182 000	147 567	123 250	153 641
Average value per square metre	(Rands)	6 476	16 810	15 593	10 225

SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Fair value disclosures (continued)

The fair market valuations are tested for reasonableness by comparing the resultant Rand per m² against comparative sales of similar properties in similar locations. It was found that the resultant rates per property and per asset class were reasonable and fair.

Further assumptions are used in the valuation of investment property. Inter-relationships between unobservable inputs and fair value measurements are as follows:

The estimated fair value would increase/(decrease) if: the discount rate was lower/(higher); the reversionary capitalisation rate was lower/(higher); expected market rental growth was higher/(lower); expected expense growth was lower/(higher); vacant periods were shorter/(longer); rent-free periods were shorter/(longer); the occupancy rate was higher/(lower); the estimate of market rentals was higher/(lower).

The material assumptions applied in property valuations have not changed materially from the prior year-end.

The table below illustrates the sensitivity of the fair value to changes in the most significant inputs:

	Six months ended 31 August 2024 R'000	Year ended February 2024 R'000
Sensitivity analysis of most significant inputs		
Increase in fair value if capitalisation rates are decreased by 0.5%	237 868	244 457
Decrease in fair value if capitalisation rates are increased by 0.5%	(218 222)	(218 399)
Increase in fair value if discount rates are decreased by 0.5%	147 511	154 410
Decrease in fair value if discount rates are increased by 0.5%	(143 244)	(143 594)

Sectoral performance

Industrial GLA: 252 941m² Occupancy: 96.64%

Spear's industrial portfolio remains a key performer within the core portfolio as well located assets remain in high tenant demand. Favourable asset locations within the Cape Metropole have resulted in improved rental growth, improved weighted average lease expiries and robust in-force escalation growth in HY2025. Spear's defensive industrial portfolio comprises of logistics, warehousing, urban logistics, manufacturing and multi-let industrial parks in sought-after locations. Spear's industrial portfolio makes up 62.3% of total portfolio GLA offering a defensive underpin to the regionally-focused diversified portfolio. Spear's industrial assets offer dynamic yard areas, 24-hour security services, efficient operating areas and solar PV solutions. The planned addition of the George-based 30 000m² GTX Park development to the underlying industrial portfolio will complement the current portfolio composition and quality.

Commercial: GLA: 105 343m² Occupancy: 90.53%

Spear's commercial office assets by design are all located in well-established nodes in Cape Town with strong linkages to all arterial routes and transportation hubs. The return-to-office momentum in the Cape Town office market has positively improved the occupancy rate of Spear's office portfolio with notable vacancy contractions evident across the commercial portfolio. The positive

effects of semigration continue to drive demand for quality office accommodation in addition to the growing demand for space from the BPO and technology sectors in Cape Town. The office portfolio has seen a 616-bps increase in occupancy rates during HY2025. Management will maintain its focused and aggressive letting campaigns across the office portfolio with a key focus of consistently driving up occupancy rates within the portfolio.

Retail: GLA: 47 425m² Occupancy: 96.81%

Spear's retail portfolio has generated consistent forecast-aligned performance during HY2025 as both the convenience and destination retail portfolio operate with high occupancy and collection rates. Despite rising interest rates and other inflationary pressures Spear's tenants have reported positive trading conditions as footfall levels remain strong and basket sizes remain in line with tenant expectations. Currently, 41% of Spear's retail tenant mix comprise national tenants with a clear focus on increasing this percentage as a credit risk mitigator in the longer term. Notably, none of Spear's retail assets are reliant on local or international tourism but rather on the strong residential and commercial nodes in which they are located. Spear's retail portfolio is located in high-growth nodes servicing a wide range of LSM groups which has given rise to numerous brand additions by national retailers to the portfolio mix. The positive print on the half-year rental reversion profile will contribute to management's topline revenue growth strategy within all of Spear's sub-sectoral assets.



SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Tenant grading

	GLA m ²	GLA %	Number of tenants	Number of tenants %
A – Large national, large listed and government tenants	145 029	35.75	95	21
B – Smaller international and national tenants	240 125	59.19	305	67
C – Other local tenants and sole proprietors	577	0.14	53	12
Vacant	19 978	4.92	–	–
	405 709	100.00	453	100

Letting activity

The table below reflects the letting activity of the interim period:

	Expiries and cancellations GLA	Gross rental at expiry R'000	Average gross expiry rental R/m ²	Renewals/ new lets GLA	Gross rental at renewals/ New lets R'000	Average gross new rental R/m ²	Average rental reversion %
Commercial	20 930	3 266	156	26 042	3 974	153	(2.19)
Industrial	32 584	2 230	68	29 377	2 009	68	(0.09)
Retail	7 584	714	94	7 745	780	101	6.98
Total	61 097	6 209	102	63 164	6 763	107	5.35

- 7 300m² of Commercial letting only effective July 2024

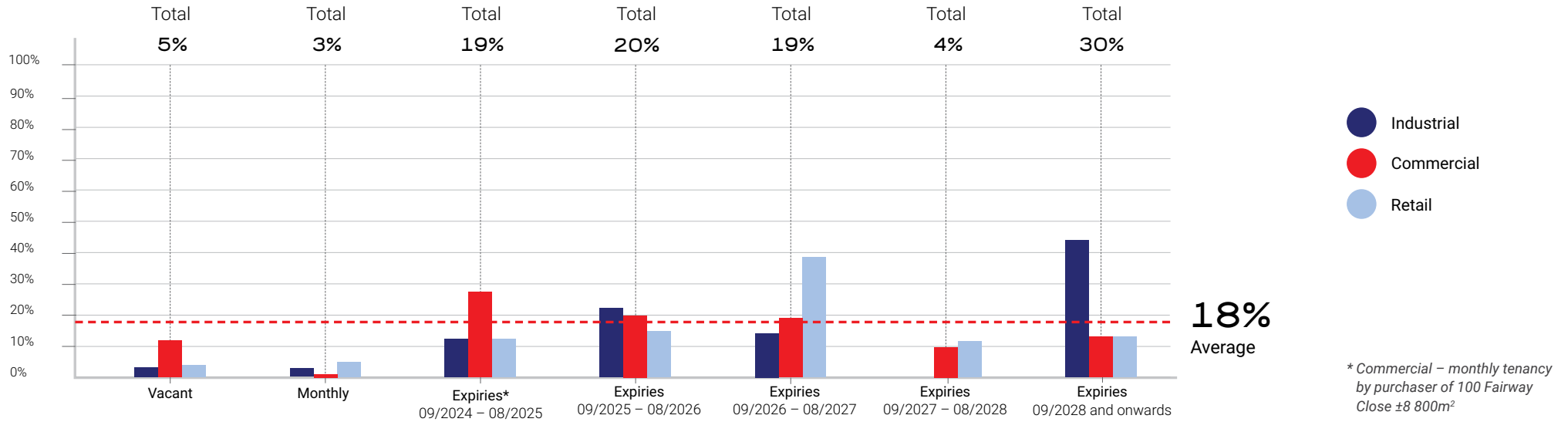


1 BEACON WAY, BELLVILLE

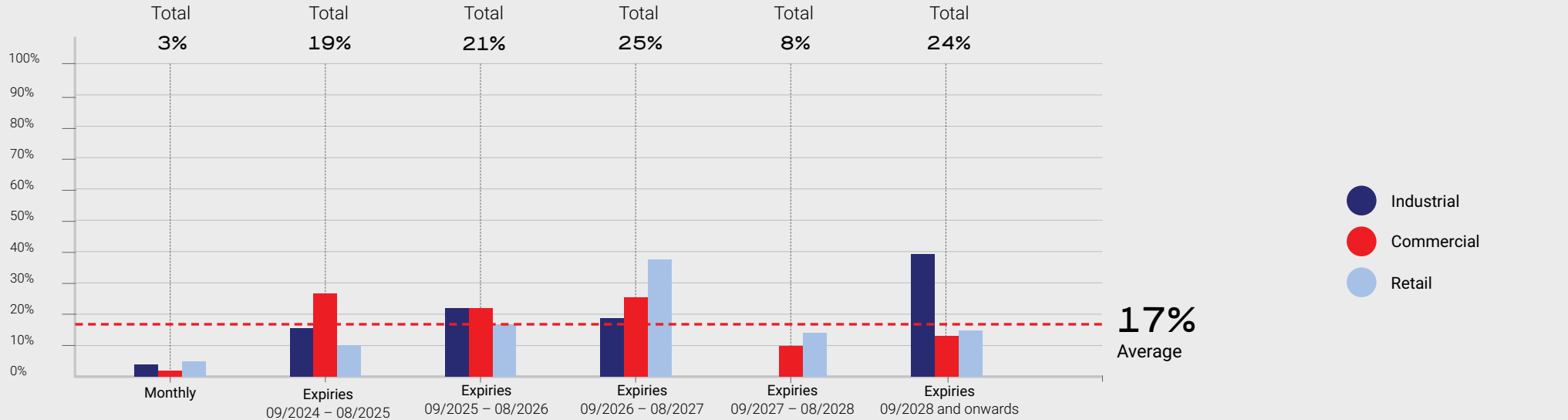
SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Lease expiry profile

Lease expiry profile based on GLA



Lease expiry profile based on revenue



SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Capital expenditure and redevelopment

GTx Industrial Park, George

Post the successful rezoning of Spear's land investment in George from agriculture to industrial use, phase 1 of the Airport Business Park development known as GTx Park commenced on 2 October 2023. Phase 1 of the development will only constitute the bulk infrastructure and certain platforming aspects of the development. Spear has no intention to take speculative development risk on the multi-site 30 000m² industrial development. GTx Park will offer modern industrial solutions to the logistics, warehousing, agri-logistics, last-mile and airport service-related users. Unit sizes will range from 350m² to 10 000m² offering roof heights from 10.5m to 15m along with generous yard areas.

- Total capital cost Phase 1 and 2: R400 million (including land costs)
- Anticipated stabilised yield: 9.25% – 9.5%
- Project time horizon: October 2024 – November 2027

Capital allocation and strategic focus

Capital allocation is a crucial aspect of management's approach to enhancing Spear's investments and portfolio composition. The primary goal for management is to foster long-term growth and achieve sustainable returns through a methodical capital allocation process. Management has consistently demonstrated a disciplined approach in strategically allocating, recycling, and redeploying capital into investment opportunities that align with Spear's strategy.

Management remains highly committed to executing its capital allocation strategy effectively. Spear's focus is to ensure that capital is managed with clear strategic intent, acknowledging the vital role that capital allocation plays in developing and expanding a high-quality real estate portfolio.

The capital allocation strategy is centred on identifying high-quality investment opportunities within selected sub-sectors to strengthen the core real estate portfolio. Additionally, the strategy includes:

- Acquisitions, or re/development opportunities with a primary focus on convenience retail, warehousing, logistics, multi-let industrial and mixed-use assets

- Major portfolio upkeep and capital expenditure
- Share buybacks from retained income and cash reserves at pricing levels where the distribution yield is more accretive than an acquisition prospect.

During HY2025, Spear entered into an agreement to acquire R1.146 billion in new assets from Emira with the transfer date set for December 2024. The Western Cape diversified portfolio of 93 500m² GLA valued at R1.146 billion is being acquired at a property portfolio yield of 9.46% pre implementation of the yield enhancer.

The acquisition of the new Western Cape portfolio provides Spear with a strategic opportunity to meaningfully increase its market share within the Western Cape, with a complementary high-quality diversified property portfolio comprising industrial, retail, mixed-use and commercial assets. In addition, it also offers an entry point into long-dated medical and life sciences-related facilities. The acquisition not only facilitates revenue and long-term growth prospects for Spear, but also creates operating efficiencies, enabling Spear (being a fully internally managed REIT) to increase operating profit margins and drive sustained profitability, by leveraging combined expertise and resources to reduce costs through economies of scale.

The acquisition enables Spear to materially scale its current property portfolio, in a real estate market that would otherwise be challenging to scale through piece-meal acquisitions or organic growth, given the current market conditions and the strong real estate fundamentals in the Western Cape. The acquisition will increase Spear's assets under ownership from 27 to 40 high-quality real estate assets and will enhance Spear's portfolio diversification and geographical spread of assets within the Western Cape, while maintaining its bias towards the Cape Town Metropole.

The portfolio was acquired at no premium to its market value and is accretive to Spear shareholders, from a distributable profit perspective, from the date of transfer. Spear's growth strategy is to remain exclusively invested in the Western Cape with aspirations to becoming a meaningful mid-cap-sized REIT, with assets under ownership of circa R15 billion and a market capitalisation of R8 billion over the next seven to 10 years. Spear's growth strategy will not be rushed and must always comply with its strict investment criteria.

Post the implementation of the acquisition and the recent disposals by Spear, Spear's assets under ownership will increase to circa R5.3 billion and the GLA of its portfolio will increase to circa 502 000m² within the Western Cape. The property type, size and quality of the new portfolio display strong similarities to the current Spear portfolio and given Spear's exclusive Western Cape focus, management's ability to replicate Spear's active asset management approach in respect of the target property portfolio is clear and executable. The proposed acquisition aligns firmly with Spear's three-pronged capital allocation strategy and its asset acquisition strategy.

Furthermore, Spear disposed of R443 million worth of assets during HY2025. The disposals were aligned with Spear's strategy to dispose of selected assets to bolster the balance sheet and create opportunity for Spear to take advantage of market opportunities that are aligned with Spear's investment strategy.

Balance sheet and risk management

Management has maintained its obsession with its hands-on, active, and prudent balance sheet management approach. Spear's balance sheet remains robust, positioned for growth and meeting all covenants.

Management maintains strong and unblemished relationships with its funding partners Nedbank CIB and Standard Bank Real Estate Finance. Spear's funders have been incredibly supportive and remain aligned with Spear's strategic and growth objectives within the Western Cape.

Spear's strictest covenants are a 50% LTV and 2 times ICR for the FY2025 financial period going forward. The group continued to operate well below its strictest covenants with a comfortable margin of safety that provides optionality to management as and when required.

The group LTV at period end was 23.93%. The latter is below management's target range of 38% – 43%.

The execution of asset disposals at book value and improved valuations as a result of growing net property income metrics contributed to the reduction in group LTV for the period. The robust balance sheet enhances optionality for future acquisitions, redevelopments and developments that will enhance the core portfolio.

SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Balance sheet and risk management (continued)

Spear's hedging policy remains in the range of 65% – 75% of debt hedged at any given time for periods of up to three years at a time. Post the implementation of the Emira Western Cape portfolio acquisition Spear's hedged profile will normalise back within its strategic band.

Spear's debt portfolio remains actively managed with an all-in cost of debt of 9.43% and a hedged ratio of 90.45% at period end and with the weighted average cost of fixed debt being 9.08%.

Spear's debt expiry profile provides no short- to medium-term refinancing risk with the weighted average expiry being 24 months.

Share capital movement

Date	Shares (million)	Rand per share	Reason
26/08/2024	6.59	9.10	Share for cash
23/09/2024	50.30	9.10	Vendor placement

Cost to income

SA REIT gross total cost to income is 45.76%, increasing from 43.69% from the prior financial year.

Administrative cost to income for the period was 5.79%, increasing from 6.00% from the prior financial year.

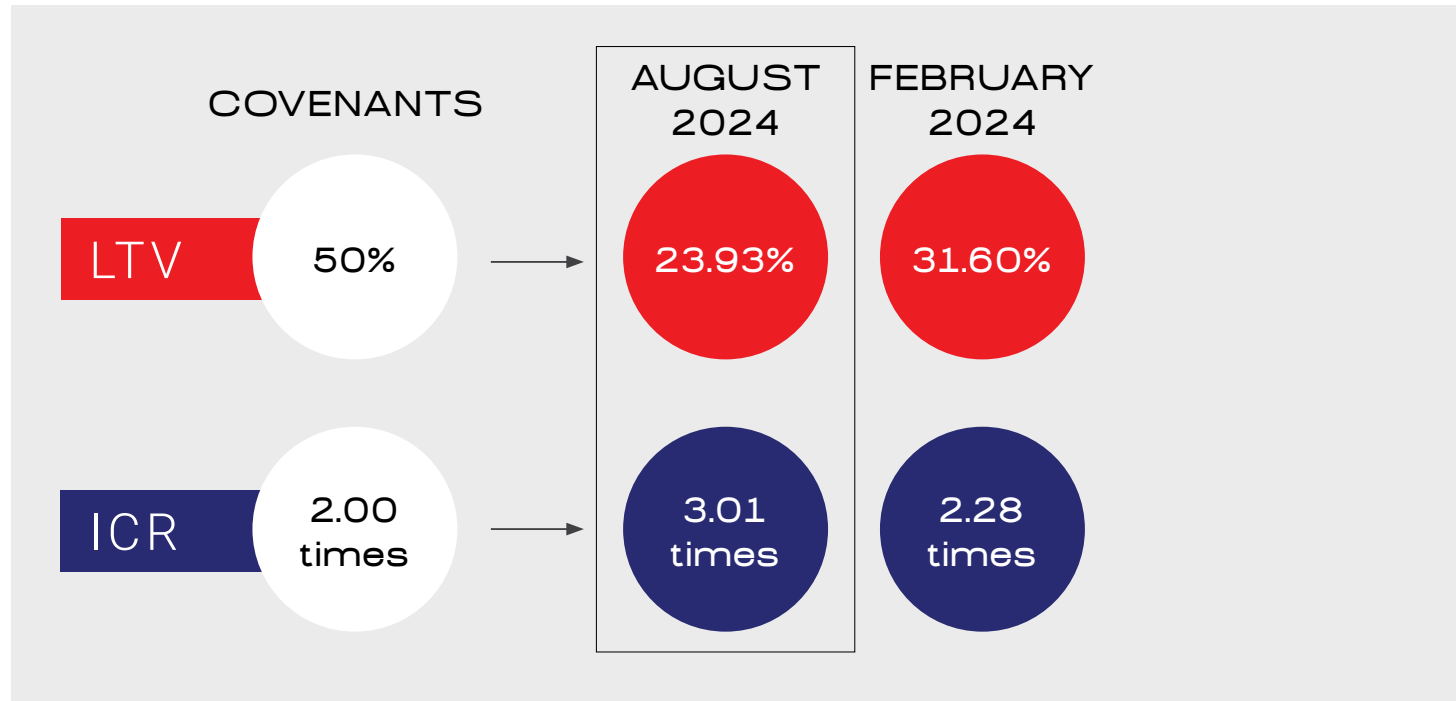
The group has done exceptionally well to mitigate continued cost creep given the inflationary pressures experienced together with the rising cost of utilities. Management believes the ratios can be improved and maintained respectively for FY2025 due to the improved letting activity and utility recovery improvement post the winter tariffs.

Borrowings and funding

The group has zero debt due for refinance during HY2025 but an amount of R26 million was settled in an accretive manner. The current liabilities relate to three facilities due for renewal in August 2025.

Group covenants

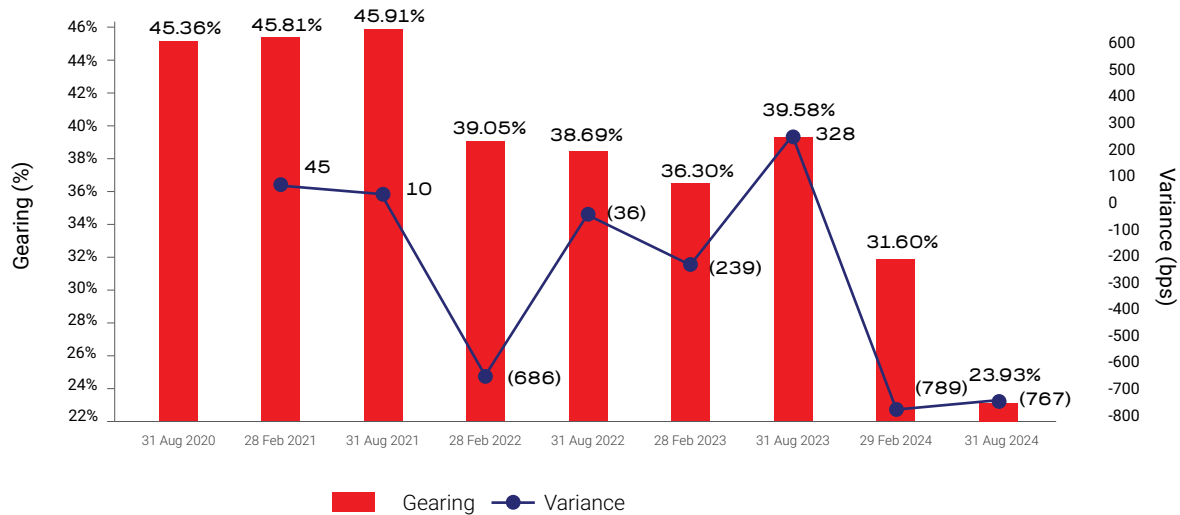
There has been no change in group covenant levels set by financial institutions in the interim period.



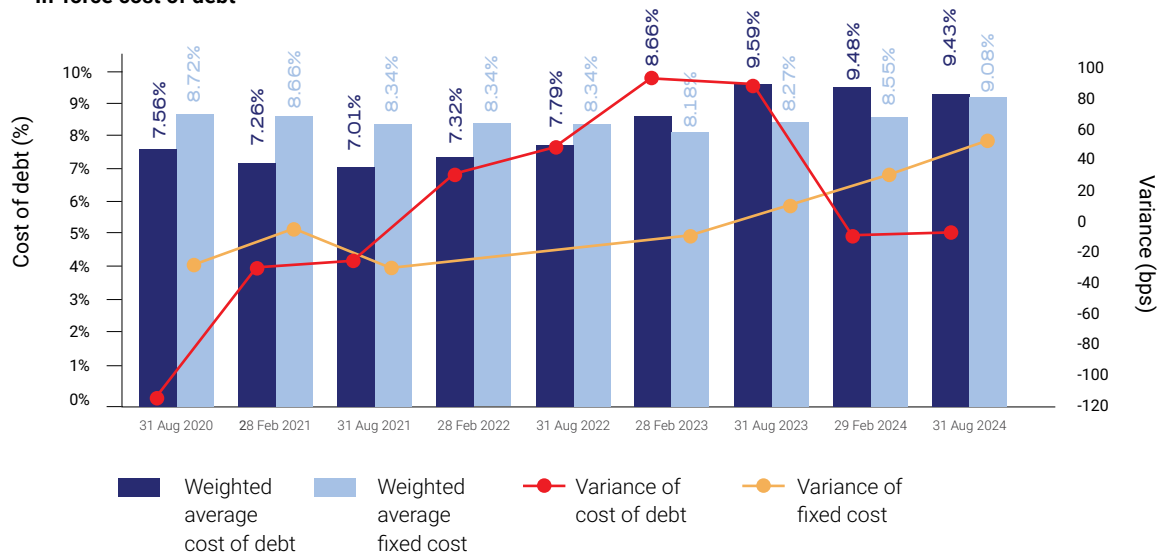
SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Group gearing

Gearing ratio



In-force cost of debt



**BRAVO BRANDS, BLACKHEATH
PARK, BLACKHEATH**

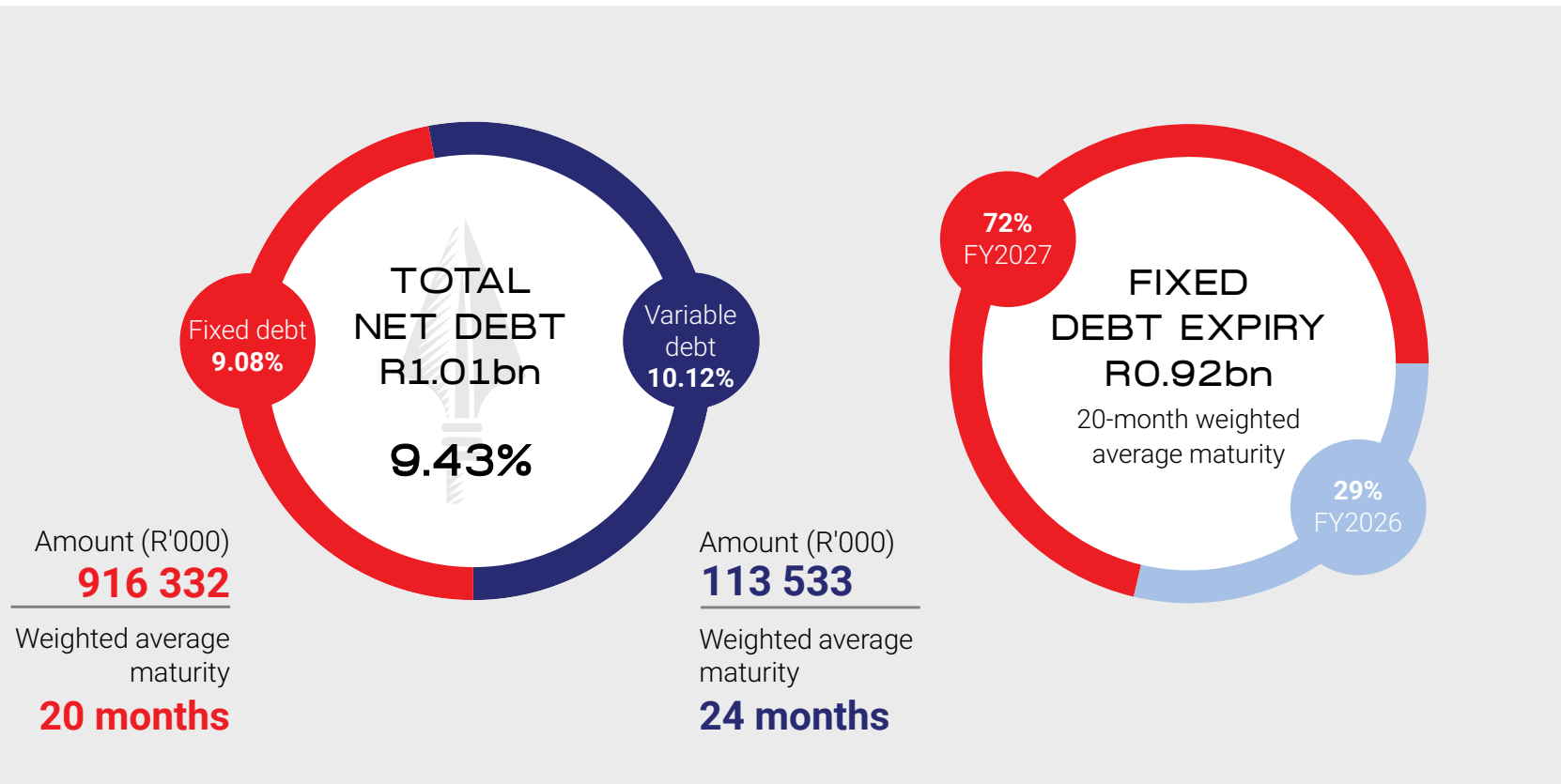
At period end variable JIBAR-linked loans were at an average margin of JIBAR plus 1.72% and the group had no variable prime-linked loans.

SELECTED EXPLANATORY NOTES
TO THE RESULTS CONTINUED



MEGA PARK,
BELLVILLE

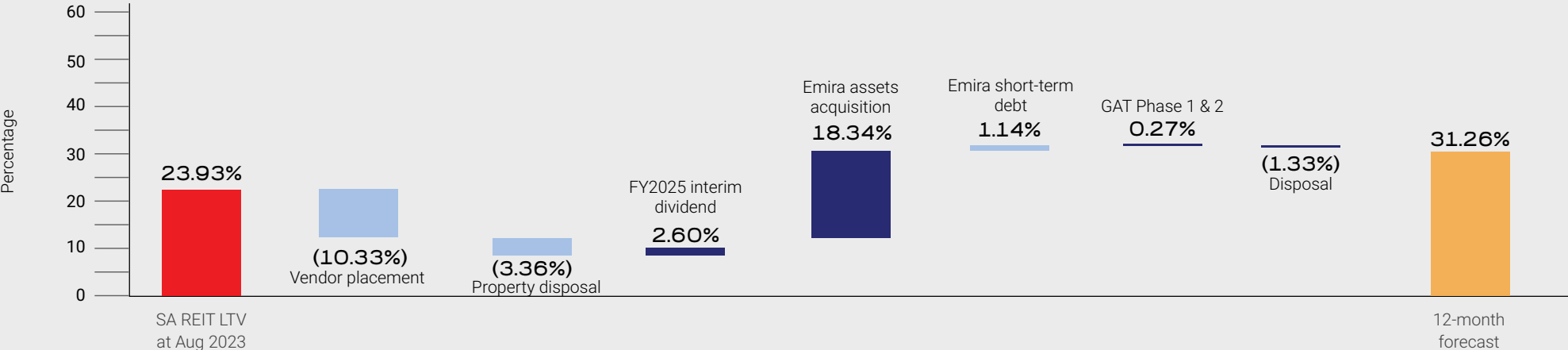
Group net debt profile



SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

LTV sensitivity

SA REIT LTV



Sustainability

Environmental, social and governance (“ESG”) imperatives are woven into how Spear makes investment decisions. By effectively including and implementing ESG in our business strategy, Spear positions itself as an even more attractive investment opportunity for investors.

Groupwide, a firm commitment has been established to achieve the following ESG outcomes:

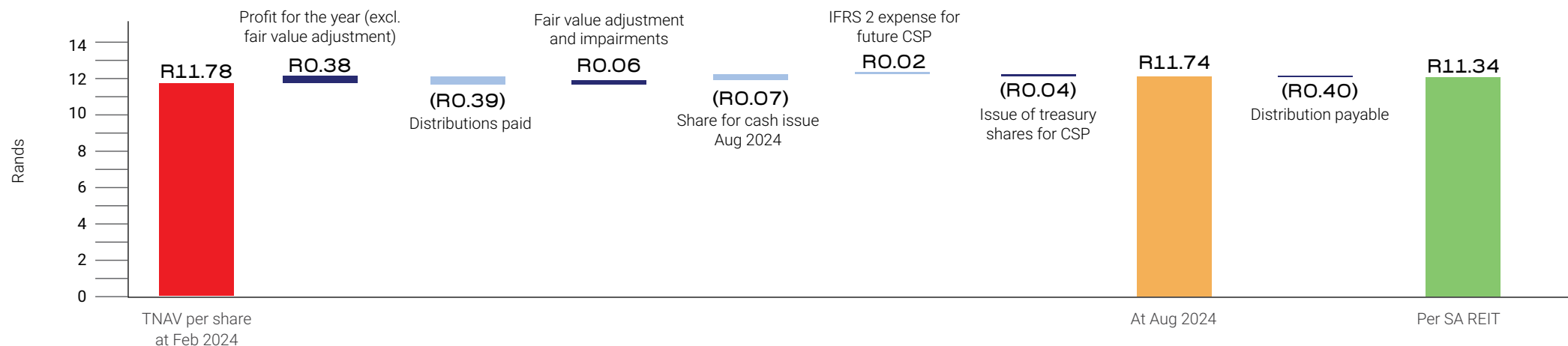
- Educational empowerment through leveraging our ESG strategy via Spear’s bursary programme
- Reduce Spear’s carbon footprint over time
- Investment into return-generating real estate and value-add solutions such as solar PV and water augmentation solutions
- Reduce operating costs where possible through Spear’s focused ESG strategy
- Deliver sustainable portfolio returns.



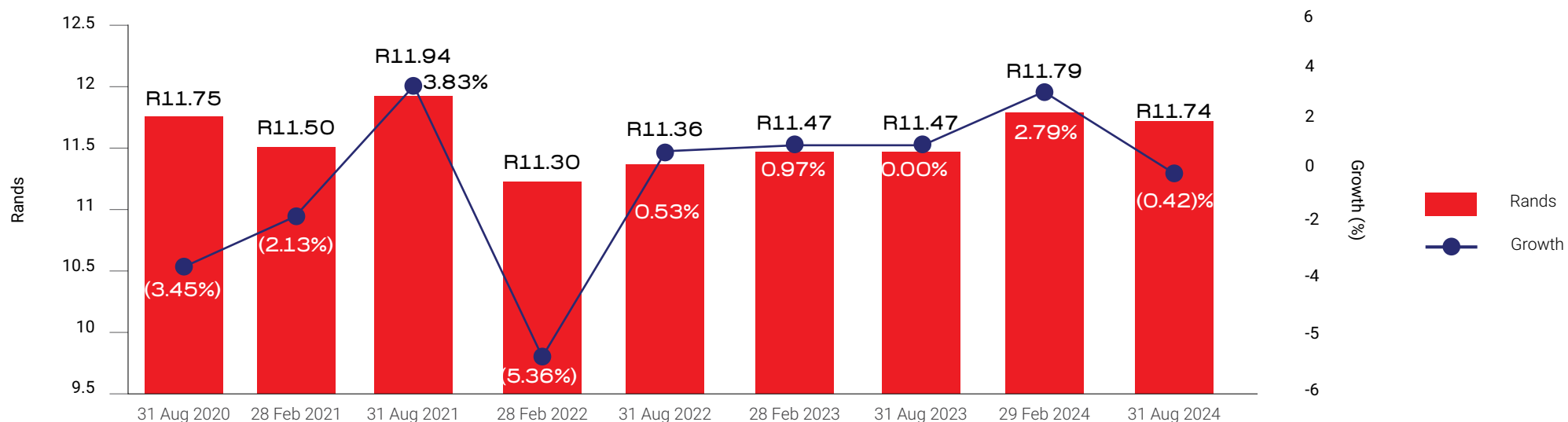
SABLE SQUARE SHOPPING CENTRE, MILNERTON

SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

TNAV bridge

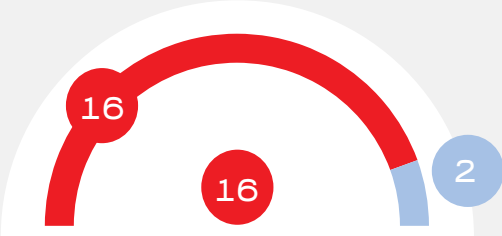


Tangible net asset value

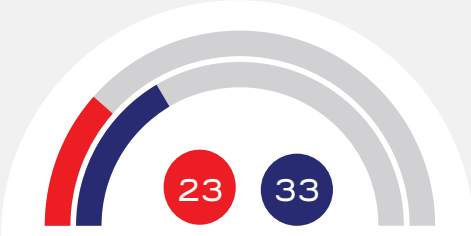


SELECTED EXPLANATORY NOTES
TO THE RESULTS CONTINUED

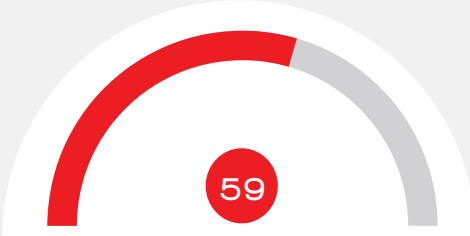
Summary of solar PV



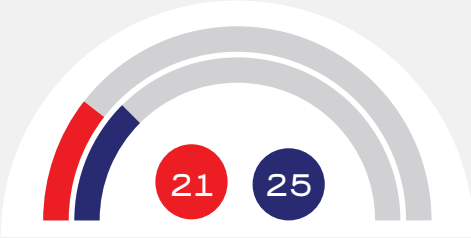
Number of properties with solar



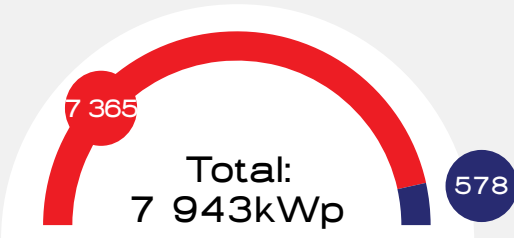
Average solar penetration rate (%)



% of portfolio assets with solar



Average total portfolio penetration rate (%)



Total kWp of solar installed

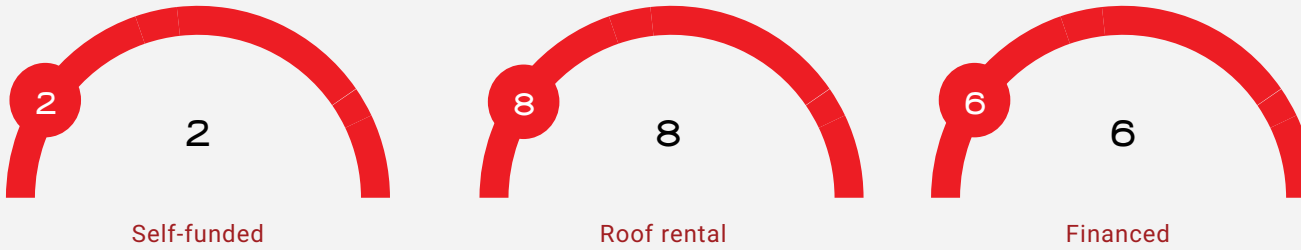
● Current
 ● Future
 ● Site expansions



MANHATTAN PLAZA,
BELLVILLE

SELECTED EXPLANATORY NOTES
TO THE RESULTS CONTINUED

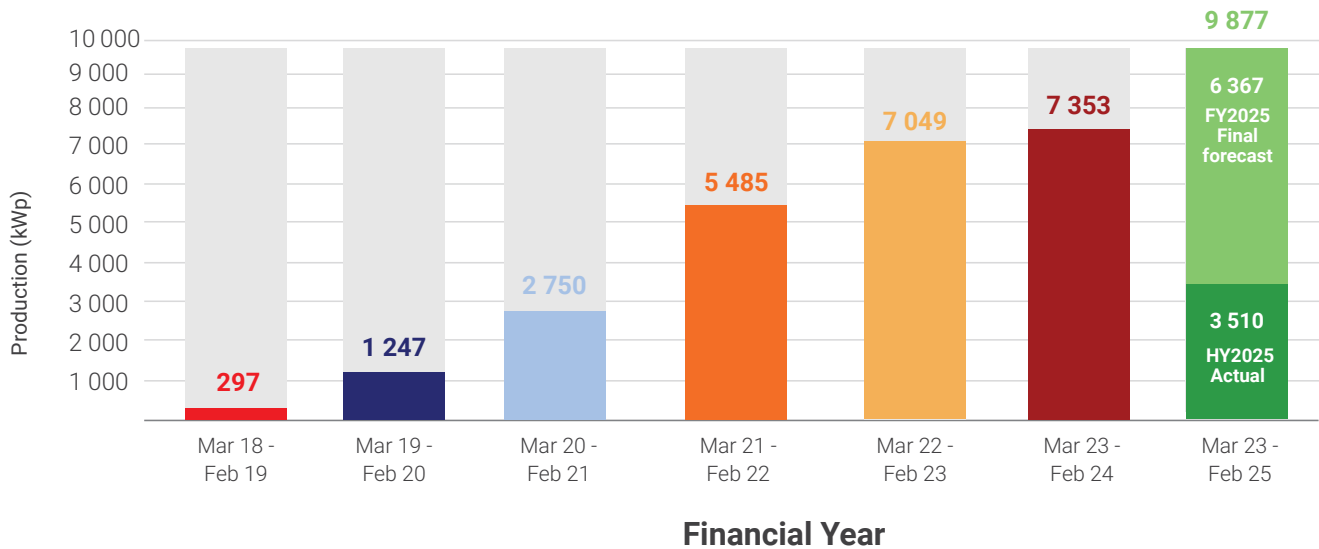
Summary of solar PV continued



Completed solar PV systems: 16

19 068
Total number of panels

109
Total number of inverters



SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Water

Water continuity and resources management continues across the real estate portfolio with water augmentation and purification systems installed across the commercial office portfolio in the form of reverse osmosis water purification systems for clean potable water and grey water systems for ablutions and landscaping services, reducing the overall reliance and usage of clean water. Bulk water storage facilities linked into operational boreholes and well points remain installed and active across the portfolio.

Outlook

- The formation of the Government of National Unity and absence of loadshedding have been good for business all round
- Amid extremely tough trading conditions, Spear's Western Cape-only portfolio remains well placed to benefit from a shift in real estate fundamentals geographically along with the continued tailwinds created by economic growth, positive effects of semigration and good governance
- Material cost creep remains a growth inhibitor as finance costs, insurance and SASRIA costs and out of the ordinary R&M costs due to severe winter weather absorb topline growth
- Consistent and growing net property income bodes well for consistent asset valuation growth within the core portfolio
- Municipal and provincial infrastructure investment continues to propel the Western Cape into the leading investment and economic hub in South Africa

- 180 days of zero loadshedding has become a general economic opportunity for South Africa
- Spear's ESG strategy remains focused on delivering a people, planet and profit-aligned outcome
- The first interest rate cut of 0.25% has been actioned by the South African Reserve Bank ("SARB") on 20 September 2024 which bodes well for overall business and consumer health
- Spear will remain focused on its growth strategy into high-quality Western Cape assets that offer long-term sustainable cash flows and growing yields as it stabilises its most recent R1.146 billion Western Cape portfolio acquisition
- Spear's investment bias will remain towards the industrial sub-sector (logistics, urban logistics and multi-let industrial) and retail sub-sector (convenience and destination retail) with potential data centre opportunities being explored
- Spear's ethos of operating with a high occupancy rate remains top priority as portfolio vacancy reduction initiatives bear fruit. The core Spear portfolio remains located in desirable nodes, remains defensive and is underpinned by strong lease covenants and high-quality tenants.

Prospects and guidance

Given Spear's strategy-aligned operational and financial performance for HY2025 and the available information management has at its disposal at the interim results reporting date, management's full-year DIPS guidance will be growth of between 2% – 4% compared to FY2024. The payout ratio is set to be maintained at 95% by the Board of Directors.

Spear's guidance for the remainder of FY2025 remains informed and influenced by the following:

- No loadshedding for the balance of FY2025
- Vacancies are reduced in line with management's forecast
- Lease renewals are concluded per management's forecast
- No major tenant failures occur during the period
- Tenants continue to successfully absorb rising costs associated with utility charges, municipal rates and other charges
- SARB repo rate reduction of between 0.25bps – 0.50bps for the balance of FY2025
- No civil unrest within Cape Town, the Western Cape or South Africa.

Any changes in the above assumptions may affect management's forecast for the year ending 28 February 2025.

The information and opinions contained above are recorded and expressed in good faith and are based upon reliable information provided to management.

No representation, warranty, undertaking or guarantee of whatsoever nature is made or given with regard to the accuracy and/or completeness of such information and/or the correctness of such opinions.

The forecast for the period ending 28 February 2025 is the sole responsibility of the directors and has not been reviewed or audited by Spear's independent external auditors.



1 WATERHOUSE PLACE,
CENTURY CITY

SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Subsequent events

The directors are not aware of any events, other than those listed below, that have occurred since the end of the financial period and which have a material impact on the results and disclosures in these financial results.

Vendor placement

Vendor placement of R457.75 million at R9.10 per share was concluded on 23 September 2024.

Asset acquisition

Refer to category 1 circular releases on SENS on 1 July 2024 relating to the acquisition of the portfolio of assets from Emira.

The group is awaiting transfer of the following property after year-end:

	Transfer date R'000	Acquisition value R'000	Debt funding R'000	Equity funding R'000	Yield %
Emira assets	Oct 2024	1 146 000	688 250	457 750	9.46
		1 146 000	688 250	457 750	9.46

Basis of preparation – unaudited

The unaudited consolidated interim results for the six months ended 31 August 2024 are prepared in accordance with the JSE Listings Requirements and the requirements for provisional reports and requirements of the Companies Act of South Africa. The JSE Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of the IFRS Accounting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting. Except for the adoption of revised and new standards that became effective during the year, all accounting policies applied in the preparation of these provisional summarised consolidated financial statements are in terms of IFRS Accounting Standards and are consistent with those applied in the previous consolidated financial statements. There was no material impact on the annual financial statements as a result of the adoption of these standards.

Christiaan Barnard CA (SA), in his capacity as Chief Financial Officer, was responsible for the preparation of the unaudited consolidated interim results for the six months ended 31 August 2024. These consolidated interim results have not been reviewed or reported on by the company's auditors.

Interim distribution for the six months ended 31 August 2024

Notice is hereby given of the declaration of interim distribution number 13 of 39,52881 cents per share for the six months ended 31 August 2024 from income reserves.

As Spear is a REIT, the distribution meets the definition of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). Qualifying distributions received by South African tax residents will form part of their gross income in terms of section 10(1)(k)(i)(aa) of the Income Tax Act. Consequently, these distributions are treated as income in the hands of the shareholders and are not subject to dividends withholding tax. The exemption from dividends withholding tax is not applicable to non-resident shareholders, but they may qualify for relief under a tax treaty.

South African tax residents

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax in terms of the exclusion to the general dividend exception, contained in section 10(1)(k)(i)(aa) of the Income Tax Act, because it is a dividend distributed by a REIT. These dividends are, however, exempt from dividend withholding tax ("Dividend Tax") in the hands of South African tax resident

shareholders, provided that the South African tax resident shareholders have provided to the Central Securities Depository Participant ("CSDP") or broker, as the case may be, in respect of uncertificated shares, or to the company, in respect of certificated shares:

- a declaration that the dividend is exempt from dividend tax; and
- a written undertaking to inform the CSDP, broker or the company, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service.

Shareholders are advised to contact their CSDP, broker or the company to arrange for the above-mentioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Non-residents shareholders

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that up to 31 December 2013, dividends received by non-residents from a REIT were not subject to dividend withholding tax. Since 1 January 2014, any dividend received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder concerned. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 31.62305 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following form to their CSDP or broker in respect of uncertificated shares, or the company, in respect of certificated shares:

- a declaration that the dividend is subject to a reduced rate as a result of the application of DTA; and

SELECTED EXPLANATORY NOTES TO THE RESULTS CONTINUED

Non-residents shareholders (continued)

- b) a written undertaking to inform their CSDP, broker or the company, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service.

Non-resident shareholders are advised to contact their CSDP, broker or the company to arrange for the above-mentioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

The number of ordinary shares in issue on declaration date is 339 986 976.

The company's tax reference number is 9068437236.

Holders of uncertificated shares have to ensure that they have verified their residence status with their CSDP or broker. Holders of certificated shares will be asked to complete a declaration to the company. The distribution is payable to shareholders in accordance with the timetable set out below:

Salient dates and times	2024
Declaration date	Thursday, 24 October
Last day to trade cum-dividend distribution	Tuesday, 12 November
Shares trade ex-dividend distribution	Wednesday, 13 November
Record date	Friday, 15 November
Payment date	Monday, 18 November

Notes:

Shares may not be dematerialised or rematerialised between Wednesday, 13 November 2024 and Friday, 15 November 2024, both days inclusive.

In respect of dematerialised shareholders, the distributions will be transferred to the CSDP/broker accounts on Monday, 18 November 2024. Certificated shareholders' distribution payments will be paid to certificated shareholders' bank accounts on Monday, 18 November 2024.

On behalf of the Board
Spear REIT Limited

Abubaker Varachhia
Non-executive
Chairman

Quintin Rossi
Chief Executive
Officer

Christiaan Barnard
Chief Financial
Officer

Cape Town
24 October 2024



SABLE SQUARE SHOPPING CENTRE,
MILNERTON

DIRECTORATE AND ADMINISTRATION

Spear REIT Limited

(Incorporated in the Republic of South Africa)
(Registration number: 2015/407237/06)
(JSE share code: SEA ISIN: ZAE000228995)
LEI: 378900F76170CCB33C50
(Approved as a REIT by the JSE)
("Spear" or "the Company")

Registered Office

16th Floor
2 Long street
Cape Town, 8001
(PO Box 50, Observatory, 7935)

Directors of Spear

Abubaker Varachhia* (Non-executive Chairman)
Michael Naftali Flax* (Non-executive Deputy Chairman)
Quintin Michael Rossi (Chief Executive Officer)
Christiaan Barnard (Chief Financial Officer)
Brian Leon Goldberg*#
Jalaloodien Ebrahim Allie*# (Lead Independent Director)
Bongani Raziya*#
Cormack Sean McCarthy*
Rozett Lucille Phillips (Dr.)*#

* Non-executive

Independent

Company Secretary

René Cheryl Stober

Contact Details

info@spearprop.co.za
www.spearprop.co.za

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Independent Reporting Accountants and Auditors

BDO South Africa Incorporated
6th Floor, 123 Hertzog Boulevard
Foreshore, Cape Town, 8001
(PO Box 2275, Cape Town, 8000)

Sponsor

PSG Capital Proprietary Limited
1st Floor, Ou Kollege Building
35 Kerk Street, Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and

The Place, 1st Floor,
1 Sandton Drive,
Sandhurst,
Sandton, 2196
Johannesburg

Legal Adviser

Cliffe Dekker Hofmeyr
11 Buitengracht Street, Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Bankers

Nedbank Limited
Investec Limited
Standard Bank Limited



SPEAR
REIT LIMITED

16th Floor, 2 Long Street, Cape Town, 8001

info@spearprop.co.za

www.spearprop.co.za

