



"Spear's successful navigation through the last 12 months was not some abstract idea but had become a lived experience by our entire team. The collective focus, proximity and successful execution of our 'operating strategy has been the foundation upon which we have delivered the FY2022 results. With immense pride and humility, we celebrate the 16.26% growth in distribution per share for FY2022 based upon an 88% payout ratio".

– Quintin Rossi

Despite tough trading conditions, Spear has delivered robust performance during FY2022. Irrespective of circumstances, our focus for the reporting period has remained on our core competencies – which is to extract the best outcomes out of our Western Cape-focused portfolio by being close to our people, assets, and tenants.

Growth under pressure has been a recurring theme for FY2022 and the Spear team has successfully stewarded the businesses financially and operationally. The trend back towards a pre-Covid-19 rental collection profile (±98% rental collected versus billed) has resulted in Spear's payout ratio being increased to 88% for FY2022 generating a total distribution per share ("DPS") of 68.25 cents. Looking back on another volatile year I am extremely proud of how the team has executed on the strategic objectives we set coming out of an even more volatile FY2021.

"Focus and determination has driven the team to deliver the financial and operational outputs reflected in the FY2022 results. One of the hallmarks of Spear since inception was our ability to unlock value through active and hands-on asset management of the core portfolio. The unimaginable and unpredictable confrontation that the world endured due to Covid-19 and its residual effects sowed loss and devastation but has also resulted in strengthening the core competencies within our business operations."

Spear remains an authentic dividend-paying income fund, focused on a strong balance sheet and delivering on our mission statement, which is **to be the leading Western Cape-focused REIT growing our distribution per share annually ahead of inflation and within the top quartile of our peer group**. Building a business with sustainable cash flows has always been at the centre of our 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 immersive asset management approach have consistently empowered the business to deliver an outcome

Over the last two years South Africa has continued to operate under the Disaster Management Act, providing for a fluid operating environment depending on the infection wave and implemented restriction. The onset of the third and fourth wave presented challenges to an already struggling economy, something exacerbated when the Omicron variant hit and South Africa was shunned by many global health authorities. Now, as government ends the National State of Disaster, the world edges closer to an endemic scenario where Covid-19 is treated as a flu-like infection, albeit with certain restrictions around masks and capacity still in force. For the property sector, this accelerates the normalisation of our operating environment and a return to business as usual.

FY2022 marked the fifth year of Spear's listing as a specialist REIT on the JSE. Spear's asset value at year-end was R4.48 billion. Asset value growth since listing in 2016 has increased by 221% with every addition to the portfolio contributing in a sustainable way to portfolio accretion, diversification, and asset quality improvement while maintaining a fully Western Cape focus. At year-end the Spear portfolio consisted of 31 high-quality assets with a gross lettable area ("GLA") of 457 950m².

Spear's distributable income per share ("DIPS") for FY2022 was 78.00 cents per share ("cps"). The total DPS for FY2022 is 68.25 cps – an increase of 16.26% on the prior financial year. Spear continues to emerge from a Covid-19 trading environment – notably, we have seen an earnings restoration through converting the variable income lease at 15 on Orange to a fixed income triple net lease and disposing

of the DoubleTree by Hilton Hotel, Cape Town. The focused efforts of our asset and property management teams during the year have delivered favourably for the business, as set out below in the strategy execution segment of this report.

"The Western Cape will be the investment grounds upon which Spear will continue its strategic growth and investment activity by investing our time into continuously building a REIT with strong and growing cash flows, our talents through sourcing investment opportunities and unlocking value for Spear and all its shareholders, and our resources as we follow a disciplined approach to the deployment of our capital into yield-enhancing acquisitions."

STRATEGY EXECUTION

The main objective for FY2022 was to remain consistent in our business operations and ensure that our rental enterprise was in the best shape possible. I believe that what we celebrate gets repeated, and we must celebrate the numerous strategic objectives achieved this year, especially the following points:



Spear has successfully navigated and commenced the exit of the Covid-19 operating environment



Income statement consistency has been achieved throughout the year with robust rental collections up ±98%



Spear maintained a ±94% portfolio occupancy rate and 94% tenant retention rate throughout FY2022 with 150 000m² renewed or relet in the year



Management mitigated deep negative rental reversions with a 10.38% positive rental reversion for FY2022



Debtors book management resulted in limited creep on receivables as older debt was settled with current rental obligations



Management's earmarked asset disposal strategy was successfully executed with the disposal of the DoubleTree by Hilton Hotel, Cape Town and No 6 Talana Road, Bellville South



Spear successfully exited variable rental income exposure ahead of forecast, aligning with management's strategy of only owning fixed-income-producing assets



Implementing and executing Spear's solar PV strategy has added to portfolio income growth as roof lease income commenced and consumption charge overheads reduced



Spear's strategic gearing ratio achieved for FY2022 of 39.05%, aligning with its LTV roadmap



Continuous strengthening and improvement in group interest cover ratios to 2.19 times



R254 million in new equity raised prior to the end of FY2022, positioning Spear for growth

FINANCIAL PERFORMANCE

Group revenue (excluding smoothing) increased by 11.19% from FY2021. The increase in contractual income was realised through fewer tenant support measures provided, and the restorative nature of the fixed-income lease concluded over 15 on Orange and the accounting in full for new acquisitions concluded in Q2 FY2021. The consistently improving group cash flows from operating activities achieved the established target; as a result, the board reviewed and increased Spear's payout ratio to 88% for FY2022 (HY2022: 85%, Q3-Q4 FY2022: 90%).

The FY2022 results have successfully achieved what management had set out to the market and, because of the strong core portfolio performance, shareholders benefit from an increased payout ratio – further increasing the DPS growth percentage.

Spear's Board declared both an interim and final DPS for FY2022 totalling 68.25 cps. The issued shares net of treasury shares increased 13.95% during the financial year, ending the financial year with 234 431 877 in issue. Management and the board remain heavily invested in Spear, with 25.89% of shares in issue held by management and the board.

Spear's tangible net asset value ("TNAV") per share decreased by 1.74% to R11.30 (FY2021: R11.50) per share for FY2022. The decrease in the TNAV is attributable to fair value adjustments and the private placement of shares concluded in February 2022.

PORTFOLIO PERFORMANCE

Portfolio overview

	Industrial	Commercial	Retail	Hospitality	Development	Total
Number of properties	10	14	6	1	–	31
Value of properties (R'000)	1 270 335	2 215 435	663 100	279 000	49 795	4 477 665
Property revenue excluding smoothing (R'000)	182 576	257 853	85 634	28 519	–	554 582
Gross lettable area ("GLA") (m ²)	259 385	132 951	48 951	16 663	–	457 950
Vacancy on total GLA (%)	1.87	3.77	0.50	0.11	–	6.24
Weighted average lease expiry (months)	24	28	27	77	N/A	27
Weighted average in-force escalation (%)	6.53	6.23	6.21	7.00	N/A	6.31

TOP FIVE PROPERTIES BY VALUE

Property	Value including lease asset R'000	Sector	Gross lettable area m ²	Vacancy m ²	% of total value	Valuation R/m ²
Mega Park, Bellville	479 000	Industrial	86 195	4 599	10.82	5 557
2 Long Street, Cape Town	439 000	Commercial	25 224	3 439	9.91	17 404
Sable Square Shopping Centre, Milnerton	438 600	Retail	31 111	1 165	9.91	14 098
Liberty Life Building, Century City	436 000	Commercial	18 244	1 630	9.85	23 898
Northgate Park, Brooklyn	332 000	Commercial	16 981	1 181	7.50	19 551

Valuations

For FY2022 the average value per property increased by 2.68% to R143 million (FY2021: R139 million). Portfolio valuations have remained consistent with prior years as the general fair value of the portfolio remains conservative, offering a well-diversified Western Cape real estate portfolio at attractive valuations. The Spear portfolio on a per square metre basis is valued at R9 669/m². Compared to numerous industry peers the Spear portfolio valuations are either on benchmark or slightly below benchmark based on similar portfolio compositions. This latter point further underpins the value proposition within the portfolio with capitalisation and discount rates used reflective of market and trading conditions. Total fair value adjustments for the reporting period were negative R2.05 million. The FY2022 valuations reflect an average exit capitalisation rate of 9.30%. 42% of the portfolio was valued by a JSE-accredited, independent valuer with the balance valued by management. Spear's auditors conduct further peer reviews on portfolio valuations as an additional check and balance to the valuation process of the investment portfolio. Based upon the five-year discounted cash flow ("DCF") method approach, management and the independent valuer reached a consensus that all FY2022 asset valuations were in line with market conditions and reflective of current market-related capitalisation rates.

The financial commentary section of the integrated report will provide further granular detail of portfolio valuations.

Sectoral performance

Spear's Western Cape only approach has proven to be a sound investment strategy as the portfolio delivered on management's operational strategy for FY2022. Spear's ownership of high-quality assets in sought-after locations coupled with strong lease covenants and tenures have underscored the sectoral performance for FY2022.

Industrial

The industrial portfolio has continued its strong performance in FY2022 with consistent demand for Spear's industrial rental properties across the asset type size. Material blue-chip mid-size and large-scale industrial user uptake was recorded in the form of new lets and lease renewals during the year. Spear's highly defensive and diversified industrial portfolio comprises of multi-let industrial, modern logistics, mini, mid- and large-scale industrial units with highly efficient designs, large yard areas, solar PV installations, superior locations and ample power supply to each asset. More than 90 000m² (35% of total industrial GLA) of industrial leasing activity took place during FY2022 at a 95.3% retention rate. Spear's industrial portfolio makes up 55% (259 385m²) of portfolio GLA with an occupancy rate at the end of the period of 97%. Demand for Spear's well-located industrial rental opportunities has been consistent over the year, with rental collections at 97% of revenue billed, since most industrial tenants have traded throughout the year with the need for rental credits or deferrals.

Commercial

All of Spear's commercial assets are in well established, attractive, and secure office nodes within Cape Town. As we make our way out of the pandemic and into an endemic, the conclusion once again is that businesses and people need an operational home. Spear has seen a notable increase in demand for its office properties since October 2021 and converted numerous leasing enquiries to new tenants prior to the end of FY2022. The office portfolio vacancy rate contracted by 115 bps from HY2022 to FY2022, having an overall positive effect on total portfolio vacancies for the period. Moving into FY2023, the momentum created during the last quarter of FY2022 will be continued as leasing strategy execution takes place. Office lease renewals continue to be concluded, albeit under tougher operating conditions. Rent and tenant preservation remains a top priority for management. During the period, 27 329m² of commercial space was renewed or relet with an 87% retention rate. Hybrid work models are still being refined but the trend points to a four-day office work week, boding well for future demand within the office sector. Vacancy overhang within the Western Cape has been significantly less than the rest of South Africa and the positive effects of semigration will further drive the vacancy contraction within the Western Cape ahead of the rest of South Africa.

Retail

Spear's retail assets have been resilient during FY2022. The defensive nature of the convenience retail portfolio is evident in the occupancy and tenant retention rates for the period. Spear's convenience retail portfolio consists of two open air convenience centres anchored by national grocers and numerous national line shop tenants. Notably, 41% of the convenience retail portfolio is occupied by national tenants, further underpinning the long-dated, sustainable, and consistent nature of the growing cash flows being generated from the convenience retail assets. The impact of the third and fourth wave

were less than anticipated with limited tenant assistance provided for the period. Our approach to tenant assistance were pragmatic insofar as it ensured business continuity. Spear's retail assets are in high-growth nodes servicing the Century City and the Northern Suburbs market. Spear's retail assets have maintained a robust rental collection profile with 98% of rental billed being collected. No significant tenant failure occurred during the year in review. During the period, 15 563m² of retail space was renewed or relet, translating into a 97% retention rate.

Hospitality

Management announced in prior reporting periods it was exiting its hospitality investments given the variable income exposure to the core portfolio. During the year, we advised that there was no anticipation of receiving hospitality income for the first HY2022 given the residual impact of the second wave along with the third Covid-19 infection wave in South Africa. During the first half of the year, the lease agreement was terminated with Marriott for 15 on Orange Hotel followed by the conclusion of a triple net fixed-income lease with the Capital Hotels & Apartment Group. In line with our strategy of exiting our hospitality assets, Spear entered into a fixed call option with the Capital Group to acquire 15 on Orange within the 24-month period of the lease commencement date for a fixed price of R265 million. Management remains confident that the Capital Group will acquire 15 on Orange in due course as hospitality trading conditions continue to improve across South Africa and in particular the Western Cape.

The Capital Group has reported positive operations since the lease began in mid-August 2021 with accommodation, F&B and conference business showing strong improvements within the Cape Town market.

The earnings restoration for FY2022 because of the fixed-income lease concluded over 15 on Orange was R10.41 million.

As announced on SENS on 15 November 2021, Spear disposed of its shares in the UES Hotel (Pty) Ltd, which held the DoubleTree by Hilton Hotel along with two floors of commercial office units and the associated parking bays and exclusive-use areas. The disposal would result in Spear closing the chapter of variable income within the portfolio and would further result in a 172-bps reduction in Spear's overall loan to value ("LTV") ratios. Group finance costs would reduce by R6.9 million for the 12 months following the implementation of the disposal and a notable increase in Spear's fixed debt ratio from 55.16% to 58.56%. The latter was fully aligned with management's LTV reduction roadmap set out to the market. The disposal would end the capital support measures required to keep the hotel operations up to standard and maintain it in a sellable condition.

The hospitality sector has started to show signs of recovery as core markets recover together with meetings, incentives, conferences and exhibitions ("MICE") recovering faster than initially anticipated. International travel flight schedules have started to normalise providing inflows from the foreign tourism market and placing less reliance on the local market for revenue generation.

In line with our forecast in May 2022, the business will return to around 75% of norm by the second quarter of FY2022 as globally tourism markets restart and the Covid-19 restrictions are rolled back by governments. Irrespective of whether Spear is still directly exposed to hospitality, we as South Africans and citizens of the world celebrate this recovery. Long may it continue.

RECEIVABLES

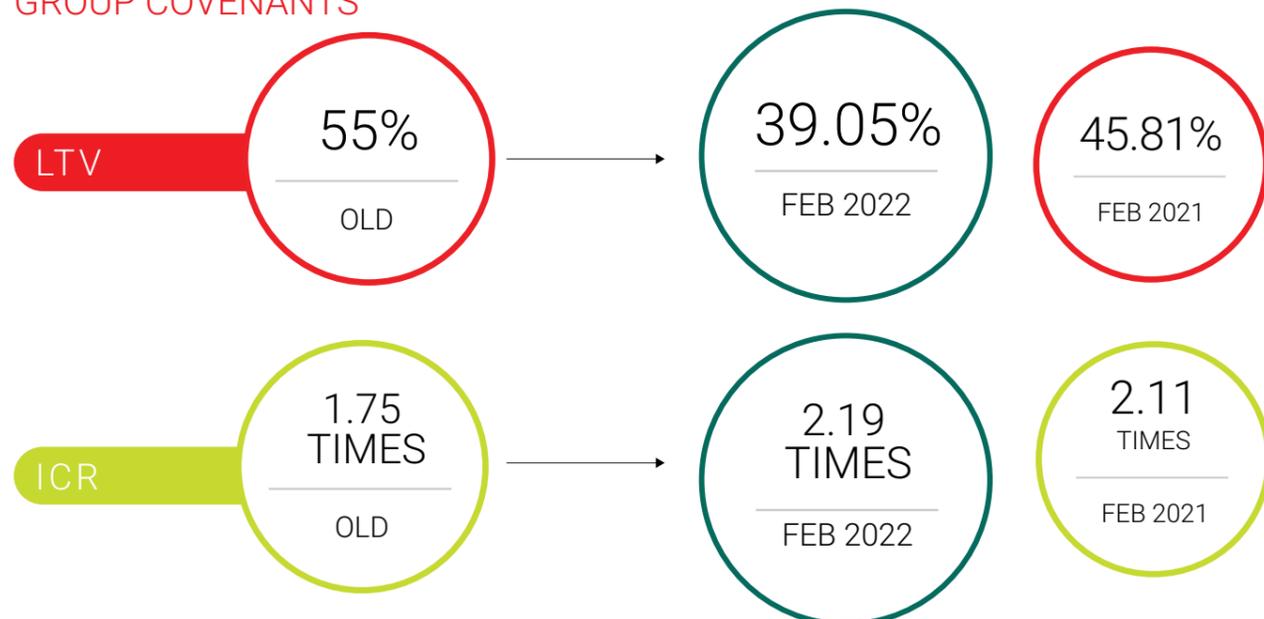
Debtors' management and inflows have been in line with management's forecast and in some instances ahead of forecast as Covid-19-related legacy debtors settled outstanding payments. The rate of reduction in tenant arrears has corresponded with improved economic conditions as tenants trade out and through the pandemic environment. At year-end receivables represented 3.71% of total turnover (excluding smoothing). The debtors team has actively managed the receivables process to best mitigate the recovery risk to the business. Tenant arrears at year-end amounted to R17.75 million ex VAT, but notably post year-end has reduced to R13.01 million at the time of writing this report. The latter trend is set to continue as tenants trade into a post pandemic operating environment. At year-end the total provision for bad debt was R5,06 million translating into 28.28% of total tenant arrears. Adequate provisions continue to be made for any debtor outstanding over 120 days.

CAPITAL ALLOCATION

Spear's capital allocation philosophy is focused on capturing long-term growth and attractive long-term returns. Having a sound and disciplined approach to capital allocation is core to our pursuit of generating sustainable and growing cash flows, subject to sound property fundamentals and where Spear's strict investment criteria have been met. Management has a proven track record of prudently recycling capital through disposing of earmarked and non-core assets within the portfolio. Both disposals and acquisitions are executed with a view to generating maximum shareholder value.

Capital is critical to a high-quality and sustainable real estate portfolio. Management's capital allocation strategy will be centred around acquiring and identifying assets that fall within the various sub-sectors selected as core to the underlying portfolio. During FY2022, R40 million of committed capital expenditure was spent on the redevelopment of No.1 Beacon Way, Parow Industrial for United Container Terminals (subsidiary of Grindrod Logistics) on the back of a long-term lease to function as a container terminal and the extension of the Nampak Liquids facility in Epping 2, Cape Town from 12 500m² to 14 500m² in conjunction with a long-term lease renewal.

GROUP COVENANTS



Identified capital deployment avenues:

- Share buybacks from retained income and cash reserves at pricing levels where the distribution yield is more accretive than an acquisition prospect
- Acquisition, or re/development opportunities in line with management's stated asset type investment profile
- Major portfolio capital expenditure projects.

As part of management's active balance sheet management approach, we continuously evaluate the portfolio for assets that may be ripe for disposal or redevelopment. Maximising shareholder value and aligning the balance sheet with our strategic objective further informs our capital allocation and recycling approach. Disposal proceeds will be redeployed into yield-enhancing assets in line with the asset allocation strategy.

BALANCE SHEET MANAGEMENT

We approach the balance sheet proactively after monitoring Spear's financial position across the business and ensuring that sufficient headroom capacity exists to operate with a low-risk categorisation and an optimal management of liquidity.

Guidance provided by management at the end of FY2021 was an 18 to 24-month timeline ("LTV reduction roadmap") within which Spear's strategic LTV position would be achieved. The roadmap aimed to bring Spear's LTV within a range of 38% – 43%. Following the successful disposal of the DoubleTree by Hilton Hotel, Cape Town and a private placement of shares to the value of R254 million at R8.40 per share in February 2022, management has ahead of forecast executed on this strategy and aligned its LTV with its communicated LTV reduction roadmap from 46% in HY2022 to 39.05% for FY2022.

Management will maintain its focused approach to the balance sheet in conjunction with front-footed cash flow management and liquidity preservation. The latter is executed through our active and hands-on asset management approach of rental and tenant preservation.

Spear's hedging policy range is set at 65% – 75% of debt hedged at any given time for a period of up to 36 months. Spear's debt maturity profile is defensive with 67.03% of group debt currently hedged for a period of 31 months (this being within a satisfactory range for management and the board). The South African Reserve Bank ("SARB") has commenced an interest rate hiking cycle, which means we are settling variable debt at zero breakage costs to limit interest cost creep.

Spear's all-in cost of debt at the end of FY2022 was 7.32%. Spear's debt portfolio is an actively managed portfolio that strategically contributes towards the execution of Spear's operating strategy. Spear's all-in rate of its fixed debt portfolio is 8.34%. Spear's average debt maturity profile is 28 months with no refinance risk to any of Spear's facilities at the end of the period.

During FY2022 a total of R770 million of gross debt was refinanced of which R480 million was fixed and a total of R280 million of gross debt was settled. Debt refinancing rates were improved by a weighted average of 73 bps and the weighted term of 36 months.

FINANCIAL REVIEW

In line with best practice real estate sector guidelines, we have provided a simplified reconciliation of income available for distribution to make the financial statements more understandable to the cash-based basis of reporting operating results. This is particularly relevant in the context of paying distributions to our shareholders. The simplified statements do not comply with International Financial Reporting Standards ("IFRS"). Please refer to the five-year summary on page 6.

OUTLOOK

The Western Cape real estate sector has proved to be more resilient than most other provinces in South Africa in the face of prolonged economic pressures in South Africa and globally. Provincial and metropolitan infrastructure has made it possible for the entire province to be considered an investment opportunity as opposed to pockets of value. Spear's growth pipeline is healthy, exciting and most importantly meets our strict investment criteria set for inclusion in the core real estate portfolio.

We remain obsessively focused on strengthening our operating platform in the year ahead. The in-house consensus is that the post-pandemic road ahead offers attractive growth opportunities for business and we will keep focusing on owning the right assets in the right nodes with a firm bias towards industrial warehousing, logistics and convenience retail assets within the Western Cape. Spear will maintain and strengthen where needed our best of breed management team to continue the critical support functions provided to the core portfolio.

We expect that semigration trends to the Western Cape will gain further momentum, which will directly and indirectly benefit Spear as mid to high LSM categories with balance sheets and disposable income use and service retail, commercial and industrial tenants across the Western Cape. Improved economic activity across the Western Cape is evident in the data provided by Wesgro, ACSA and the retail sector, all reinforcing management's optimism.

Service delivery remains of a high standard within the Western Cape, making the entire province an investment opportunity for Spear. Given the geography of the Cape Town metro, the scarcity of zoned and developable land will result in new residential, retail, and industrial nodes as more South Africans choose this province as their new economic and residential home.

Spear's active and hands-on property management positions us well to respond to the needs of our tenants, the market, and future tenants. With the reported letting momentum in the final six months of FY2022, management is confident that further vacancy contraction within the commercial office portfolio will be evident in FY2023 and beyond.

The core portfolio remains defensive in nature, underpinned by strong lease covenants and high-quality tenants. Given the diversified nature of the portfolio and the regional focus, we are in a good position to keep delivering on our market guidance and forecasts.

Macroeconomic concerns remain top of mind, together with the increasing divide between rich and poor in South Africa. Job creation must be a priority for the public and private sectors as this will be a key driver of improved economic activity and growth for South Africa. As a corporate citizen of South Africa, Spear is committed to doing its part in supporting entrepreneurship, supplier development and increased access to opportunities that would see real empowerment take place across the country.

Our outlook is as follows:

- Management will seek out growth opportunities within the Western Cape to continuously improve the core portfolio through acquiring and developing real estate assets
- Management will maintain its strategy of prudently recycling capital into longer-dated investment opportunities within the Western Cape
- Management will remain materially invested in Spear and maintaining shareholder alignment
- Management will make continuous operational enhancements to further improve day-to-day operational execution and success
- Management aims to, within a period of six years, grow portfolio assets to R15 billion within the Western Cape.

GUIDANCE

Spear will maintain its Western Cape only focus and consciously seek growth opportunities by acquiring high-quality assets and developing brown and greenfield opportunities aligned with our sectoral focus and growth strategy. Maintaining excellent proximity to our assets has given Spear an ongoing competitive advantage as asset management and property management turnaround times are speedy and efficient.

The Western Cape economy has been hamstrung by the residual effects of the Covid-19 pandemic; however, we are starting to see green shoots emerge as the travel, tourism, hospitality and services sector shows a notable recovery, together with general economic activity starting to improve and a return-to-office momentum picking up notably in the final six months of FY2022.

Navigating FY2023 will be a challenge, but as has been proven in years gone by Spear's management is up to the challenge.

The Western Cape government has placed job creation, infrastructure investment, management, and maintenance top of the agenda in its pursuit of keeping the Western Cape the investment case for South Africa. The latter bodes well for Spear as provincial growth opportunities will be unlocked. On a grassroots level Spear will maintain its consistent and obsessive focus on its assets, tenants and overall business operations throughout FY2023 and beyond.

To the best of management's ability, the FY2023 DIPS forecast has been formulated which is to be read in conjunction with the range of assumptions set out in further detail below. Management's guidance for FY2023 is a DIPS growth of 5% – 7% on FY2022.

The guidance is based upon the following assumptions:

- The National State of Disaster is not unnecessarily prolonged
- No further Covid-19-related lockdowns
- Vacancies are reduced in line with forecasts
- Lease renewals are concluded per the company's forecast
- No major tenant failures occur during the year
- Tenants successfully absorb rising costs associated with utility charges and municipal rates
- Load shedding does not become a permanent feature in the operating environment.

Any changes in the above assumptions may affect our forecast and have not been reviewed by the group's auditors.

Management will maintain its quarterly update initiatives and will remain accessible to the market as Spear trades through FY2023.

The information and opinions contained above are expressed in good faith and based upon reliable information provided to management at the time of making the above statements. No representation, warranty, undertaking or guarantee of whatsoever nature is made or given regarding accuracy and/or completeness of such information and/or the correctness of such opinions.

ENVIRONMENT, SOCIAL AND GOVERNANCE

People, planet, profit

ESG is a key focus area for Spear. A sound ESG strategy that is executed intentionally will be a compelling performance measurement tool of Spear's business on a holistic basis. Furthermore, the focused ESG strategy will be a key factor for making sound investment decisions that are strategically aligned with management's ESG plans.

Management's mandate is to create sustainable financial, operational, and social value that leaves a meaningful and positive impact on our people, our assets, and our planet. The conviction that Spear can make a difference in the world we impact and influence acts as a key enabler of our ESG strategy and receives widespread adoption and support from all stakeholders within the business's operating universe.

Spear's ESG strategy neatly pulls together the social, financial, environmental, and governmental threads that make up the overall group tapestry in this evolving ecosystem.

Energy: Continuous progress has been made across the portfolio to embed solar PV solutions where feasible and commissionable. All commissioned systems have performed in line with performance expectations and in certain instances outperformed expected penetration rates. Management's primary strategy has been to install solar PV solutions across as much of the core portfolio as possible with a minimum target of having 50% of assets installed with solar PV. The below infographic depicts the positive progress made and the forecasted coverage to be achieved towards the end of FY2023.

Water: Significant investment has been made into water continuity, water augmentation and grey water solutions within the core portfolio. 50% of Spear's office portfolio has been developed or retrofitted with reverse osmosis water solutions, grey water solutions and bulk water storage systems. The strategy is to place less reliance on municipal water supplies where possible and leverage off site infrastructure and reduce one aspect of the utility charge mix applicable to Spear's real estate assets.

Management is placing less reliance on fossil fuel-generated electricity supply and the supply of municipal water services across the core portfolio. Management continuously seeks out sustainable solutions that will give credence to its strategy of less reliance on non-renewable energy supply and reducing portfolio reliance on municipal supplied water services.

Social: As a responsible corporate citizen we are acutely aware of the disproportionate share of underprivileged individuals in South Africa. Spear obtains all its benefits from the Western Cape and has been consistently giving back to worthy causes to stem the creep of poverty, malnutrition, poor access to health care and the legacy of South Africa's painful past among many South Africans. To this end Spear has initiated bursary programmes together with several CSI programmes across the Western Cape ranging from substance abuse rehabilitation centres, feeding schemes, tutorship programmes and a home for abandoned babies. Spear will remain a socially aware company as the investments made into our communities aim to raise up the leaders and flag bearers of a better and more equal South Africa into the future.

GOVERNANCE

Spear is committed to the highest standards of corporate governance. The board plays an active role in ensuring governance functions are executed, tested and refined where applicable to ensure Spear remains aligned with the guiding principle of a strong corporate governance culture.

ACKNOWLEDGEMENTS

Spear is a business that has been built by people for people. Our approach to real estate is centred around the Western Cape, our tenants, shareholders, investors, suppliers, and funders as we leverage these key features to create lasting value. The FY2022 results are a testament to the wholesale buy-in achieved from all Spear stakeholders. The ongoing support and endorsement will continue to propel Spear further into its destiny.

I thank my exco and management team for continuously going the extra mile in fortifying our people, business relationships and the core rental enterprise through the extraordinary trading environment of the last 12 – 24 months.

Remaining close to our assets and tenants is key to our operating strategy and I thank all our various building managers and operations managers for diligently executing their tasks in a timeous manner exemplifying a culture of excellence true to the core values of Spear.

Gratitude and appreciation are the emotions I am feeling towards my fellow board members for their support, input, engagement, and endorsement during the year as key strategic and weighty decisions had to be made to further strengthen Spear's operating platform through the pandemic operating environment and beyond.

In closing, I wish to thank our shareholders for the ongoing support and for entrusting Spear with your capital. We recognise the responsibility as stewards of your investment capital and assure you that we will do our utmost to deliver a mission statement-aligned return to you, our shareholders.



Quintin Michael Rossi
Chief Executive Officer

20 May 2022

SUMMARY OF SOLAR PV

