REDEFINE PROPERTIES LIMITED

Summary of audited group RESULTS

for the year ended 31 August 2021

and

cautionary announcement

REDEFINE PROPERTIES

We're not landlords. We're people.

Highlights

Loan-to-value reduced to
41.6% (FY20: 47.9%)

Net asset value per share increased to
733.24 cents (FY20: 714.85 cents)

Realised asset disposals of
R5.0 billion

Active portfolio occupancy improved to
92.9% (FY20: 92.7%)

Dividend per share for the year
60.12 cents (FY20: 0.00 cents)

Undrawn facilities and cash on hand of
R5.8 billion (FY20: R2.8 billion)

2 Pybus Road, Sandton

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Commentary

Profile

Redefine is a South African-based Real Estate Investment Trust (REIT), with a sectoral and geographically diversified property asset platform valued at R72.9 billion (FY20: R81.0 billion). Redefine's portfolio is predominately anchored in local directly held retail, office and industrial properties, which is complemented by retail and logistics property assets in Poland.

Redefine's purpose is to create and manage spaces in a way that changes lives, which requires more than a business as usual approach: it requires an integrated approach to making strategic choices that will sustain value creation for all stakeholders through focussing on what matters most.

Redefine is listed on the Johannesburg Stock Exchange (JSE) with a market capitalisation of R27.7 billion (FY20: R14.9 billion). By volume, Redefine's shares are among the most actively traded in the SA REIT sector, making it a highly liquid, single-entry point for investors to gain exposure to domestic and Polish real estate markets.

Redefine's local property assets are valued at R60.3 billion (FY20: R65.4 billion). The international real estate investments are valued at R12.6 billion (FY20: R15.6 billion) representing 17.3% (FY20: 19.3%) of the Group's total property assets, providing geographic diversification to Poland. The decrease in the property assets in the current year is due to disposal activity, negative fair value adjustments and Rand appreciation.

Group loan-to-value (LTV) ratio improvement plan

Redefine's top strategic priority during the financial year was to continue to reduce the Group's LTV through the execution of a focused LTV improvement plan. Milestones achieved during the 31 August 2021 financial year, resulting from the execution of the LTV improvement plan include:

→ disposed of local properties to realise R1.4 billion;
→ exited local student accommodation to realise cash of R0.8 billion;
→ reduced speculative capital expenditure;
→ halted local property acquisitions; and
→ disposed of the Australian Journal Student Accommodation Fund (Journal) properties. Proceeds of R2.8 billion from the sale of Leicester Street were received during December 2020.

During the financial year the LTV reduced by 6.3% to 41.6%. The operational cash flows retained, improvement initiatives and the appreciation of the Rand yielded a LTV reduction of 3.5%, 4.4% and 1.1% respectively, while the negative revaluation of assets driven predominantly by the impact of COVID-19 on the office sector, the tax leakage arising from not paying a dividend in respect of the 2020 financial year and essential capital expenditure increased the LTV by 3.0%. Initiatives are in progress to absorb the adverse impact of distributing 18 months of distributable income (due to the declaration of a full year dividend in respect of FY2021) and bring the LTV to below 40% by August 2022. These initiatives include further optimisation of the property asset base through the disposal of non-core local property assets of R4.1 billion (of which R1.1 billion is currently unconditional), the settlement of the Swanston Street proceeds of R0.9 billion during February 2022 as well as the proceeds from European Logistics Investments B.V (ELI) property disposals of R1.2 billion.

ELI is in the process of disposing six of its initially acquired assets, as well as two Built to Suit developments for total estimated proceeds of €144.8 million (RDF: €67.1 million (R1.2 billion)). Capital realised through disposals and refinancing will be utilised to fund future Polish logistics development activity.

The LTV improvement plan has accelerated Redefine's transformation of its asset platform to become one that is simplified, focused and significant in its respective sectors and geographies.

Financial results

Distributable income per share for the year ended 31 August 2021 amounted to 52.96 (FY20: 51.50) cents, an increase of 2.8% on the previous year. Taxable income includes unrealised foreign exchange gains of R350.4 million due to the appreciation of the Rand and is non-recurring.

The Board has declared a dividend of 60.12 (FY20: 0.00) cents per share, which will reduce the taxable income of the company by the amount of the dividend.

Total revenue (excluding straight-line rental income) decreased by 5.0% (FY20: 0.1%). The decrease in revenue for the year is largely attributable to the deconsolidation of ELI (which is now equity-accounted) during the second half of 2020, the sale of Leicester Street and non-core local properties during the year.

In addition, Redefine's local property portfolio performance was impacted by the various lockdown levels, with restrictions imposed by the government to curb the spread of the virus during the second and third waves. Given the recent reduction in the number of active cases and increase in the vaccine roll-out numbers, our retail portfolio recovery continues but is sensitive to lockdown regulations, with foot count at malls steadily increasing, but not yet to pre-COVID-19 levels. To support the sustainability of our tenants, we provided rental concessions of R125.7 million (FY20: R355.3 million), made up of gross rental discounts of R98.9 million (FY20: R268.3 million) and deferrals offered of R26.8 million (FY20: R87.0 million). During the current year, we recovered R65.0 million (FY20: R37.0 million) of the deferred rent, on a net basis the rental relief amounts to R60.7 million (FY20: R318.3 million). The decrease in revenue, due to property disposals and rental reversions, accounts for the bulk of the decrease in distributable income.

Internationally, EPP N.V. (EPP)'s operational metrics have been encouraging for the first half of 2021, despite COVID-19-related retail limitations. As advised by EPP in its results for the six months ended 30 June 2021, due to the ongoing pandemic, EPP continues to prioritise liquidity by resolving not to declare a dividend. The decision on the 2021 dividend will be made when the full year results are approved and will take into consideration the progress made on asset disposals, refinancing of upcoming debt maturities, the stability of the retail environment and the improvements achieved in the capital structure. Polish logistic assets held by ELI continued to enjoy high demand resulting in like-for-like dividend growth of 36.3%.

During July 2021, KwaZulu-Natal and Gauteng provinces experienced civil unrest and disorder which resulted in sporadic incidents of looting and damage to property. Ushukela Industrial Park and Chris Hani Crossing suffered combined damages of R148.7 million. The other buildings that were impacted suffered minor damage and were fully operational shortly after the incident. Redefine has submitted insurance claims for the damage as well as the loss of rental income as a result. The insurers are in the process of assessing and finalising the claims.

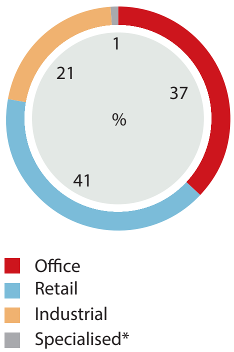
The operating cost (including expected credit losses-trade receivables) margin decrease by 1.1% to 37.8% (FY20: 38.9%) of contractual rental income (excluding straight-line rental income accrual). Net of electricity costs and utility recoveries, operating costs were 17.8% (FY20:20.7%) of contractual rental income (excluding straight-line rental income accrual).

South African property portfolio

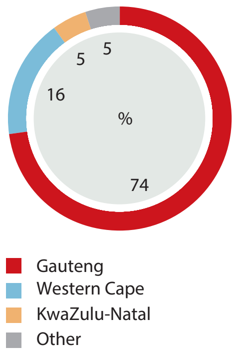
The active portfolio vacancy rate decreased during the year to 7.1% (FY20: 7.3%). Leases covering 411 481m² (FY20: 509 390m²) were renewed during the financial year at an average rental reversion of 12.7% (FY20: 4.6%) while the tenant retention rate by GLA is a healthy 89.4% (FY20: 92.1%). A further 427 641 m² (FY20: 324 310m²) was let across the portfolio. Net arrears amounted to R108.6 million (FY20: R160.8 million), representing 14.8% (FY20: 23.0%) of contractual rental income for the year. Collections averaged 98.4% (FY20: 84.0%) of billings for the year.

Vacancy per sector	31 August 2021 before strategic vacancies	Strategic vacancies Vacant properties under redevelopment	31 August 2021	31 August 2020
Office	14.8%	1.9%	**12.9%**	13.8%
Retail	5.4%	0.2%	**5.2%**	5.6%
Industrial	4.9%	0.3%	**4.6%**	4.1%
Specialised*	–	–	**–**	6.5%
Total	7.9%	0.8%	**7.1%**	7.3%

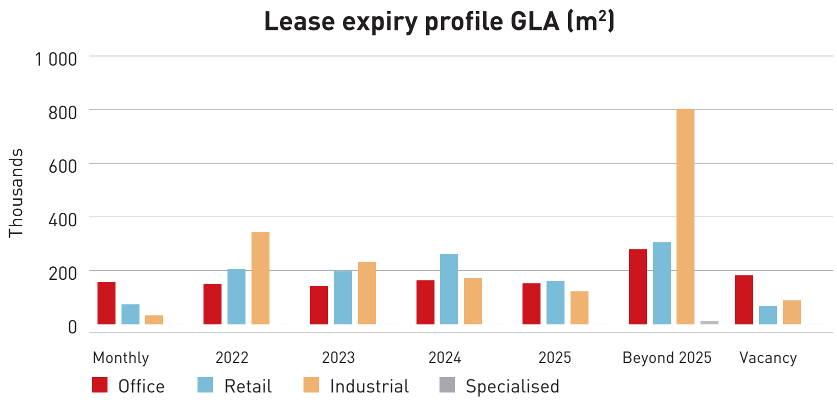
Sectoral spread by value



Geographic spread by value



*Specialised includes a hospital, a hotel and residential accommodation



Redefine continues to implement its strategy of improving the quality of its domestic property portfolio. Management's primary focus during the year was on protecting existing well-located properties, developing for demand and the disposal of non-core assets as part of its LTV improvement plan.

Acquisitions: No local properties were acquired during the year.

New developments: The construction of three industrial properties was completed during the year. Two properties situated in Brackengate (Western Cape) were developed for Massmart and Roche. The properties have a combined GLA of 30 677m² and were developed at a cost of R226.8 million with an average initial income yield of 9.4%. SparePro at S&J Industrial Park (Gauteng) was completed with a GLA of 20 651m² at a cost of R122.4 million and at an initial income yield of 9.2%. The construction of Kwena Square (a convenience retail centre in Gauteng) is in progress with an estimated cost of R175.6 million, GLA of 10 008m² and an average initial yield of 9.8%. Total spend to date is R27.1 million.

Refurbishments: During the year Redefine completed refurbishments of 12 properties at a cost of R136.4 million. Currently there are four refurbishments in progress at an estimated cost of R117.4 million.

Infrastructure: Projects with an estimated final project cost of R397.0 million (of which R345.6 million has been spent to date) are in progress at S&J Industrial Park and Brackengate. The infrastructure project at Atlantic Hills was completed during the year with a total cost of R162.7 million.

Held-for-trading: Six Park Central units were sold for proceeds of R13.9 million.

Disposals: Redefine disposed of 16 properties for an aggregate consideration of R2.4 billion, with a combined GLA of 141 356m² at an average yield of 9.8%, and three portions of vacant land for a total consideration of R40.7 million. Agreements, subject to the usual conditions precedent, have been concluded to dispose of nine properties and three portions of land for an aggregate consideration of R841.3 million at an average yield of 11.9%.

Renewable energy: Redefine's current installed solar capacity is 25.7MWp. The sale of Langeberg Mall reduced our total solar installed capacity by 1.39 MWp. Additional projects at 14 properties have been approved and are underway with a cost of R154.8 million adding an additional 14.1MWp which will increase our total installed solar capacity to 39.8 MWp. It is anticipated that these projects will yield a first year return of 19.3%.

International property portfolio

Redefine continues to execute its strategy of geographic diversification through expanding its exposure to the Polish logistics sector to reduce risk and benefit from yield compression arising from development activities in a buoyant market.

Investments in associates and joint ventures

		31 August 2021		31 August 2020	
Stock exchange		Carrying Value R'000	Shares held %	Carrying value R'000	Shares held %
ELI	Not listed	**2 345 777**	**46.5**	1 261 227	46.5
EPP	LuxSE and JSE	**6 489 101**	**45.4**	7 347 471	45.4
		8 834 878		8 608 698	

Europe-ELI: meets the definition of a joint venture, with Redefine and Madison International Holdings VII LLC (Madison) being the joint venture partners in the Polish logistics assets. Redefine and Madison have contractually agreed to the sharing of control of ELI that requires unanimous consent by both parties on decisions about its relevant activities. At inception of the joint venture, Madison committed to a total equity commitment of €150.0 million (R2.7 billion) over five years. After the settlement of the purchase price and allowing for earn-out fees for developments under construction, Madison's equity commitment was estimated at €66.3 million (R1.2 billion). Redefine agreed to match Madison's equity commitment. As at 31 August 2021, the equity commitment was adjusted to €75.4 million (R1.3 billion) as a result of an adjustment to the estimated earn-out fees to be paid by Madison for the developments under construction. Redefine's remaining equity commitment amounts to €17.6 million (R304.7 million), with earn-out fees of €6.3 million (R108.3 million) still to be received as developments are completed.

At 31 August 2021, the carrying value of our 46.5% equity accounted investment in ELI is R2.3 billion (FY20: R1.3 billion). The investment in ELI increased by R1.0 billion, mainly due to the capital deployment of R606.0 million and equity accounted profit of R757.0 million, set off by foreign currency translation losses incurred of R199.3 million as a result of the appreciation of the Rand and dividends received during the year, totalling R79.2 million (FY20: R95.1 million). The year-on-year decrease in dividends received from ELI is due to the reduction in shareholding, however the like-for-like dividend growth was 36.3%. No impairment indicators were present for ELI at 31 August 2021.

At 31 August 2021, the income producing platform has a GLA of 689 259 m² (FY20: 527 874 m²) with a vacancy of 3.9% (FY20:9.4%). During the year, developments with a total GLA of 174 205 m² were completed at a cost of €101.7 million (R1.8 billion) resulting in a capital uplift of €46.1 million (R828.1 million). Radom BTS with a GLA of 12 820 m², developed during the year, was disposed for €12.4 million, realising proceeds of €5.6 million (RDF: €2.6 million). Developments under construction at a total estimated cost of €163.9 million (R2.8 billion) will add a further 247 482 m² to the platform.

Europe-EPP: Redefine has an effective shareholding of 45.4% in EPP. To guard against the perception that Redefine may be able to exercise inadvertent control through voting at general meetings, during 2019, Redefine agreed to limit its voting rights agreed to limit its voting rights exercisable at general meetings by entering a Voting Limitation Deed (the VLD).

In terms of the VLD, the voting rights exercised by Redefine at general meetings of EPP will, while the VLD remains operative, not exceed 40% of the aggregate votes exercised either in favour or against the relevant resolution by all EPP shareholders (including Redefine). Any excess votes attributable to Redefine's shares in EPP will be reflected as abstentions in relation to the relevant resolution.

At 31 August 2021, the carrying value of our 45.4% equity accounted investment in EPP is R6.5 billion (FY20: R7.3 billion). The investment in EPP decreased by R0.8 billion due to the equity accounted losses of R482.0 million and foreign currency translation losses incurred of R1.3 billion as a result of the appreciation of the Rand and was set off by the partial reversal of the impairment raised in the previous financial year of R922.5 million. The equity accounted loss of EPP was largely driven by the decline in the property valuations during FY20. The HY21 results indicated that the property values have stabilised. Furthermore, the improvement in the EPP share price, the low Polish unemployment rate as well as the favourable progress of the vaccination programme in Poland were noted as indicators that the impairment loss recognised in the prior year had reversed. The carrying value of EPP was subject to impairment testing in accordance with IAS 36: Impairment of assets. The reversal of impairment is calculated by comparing the carrying amount to the recoverable amount.

Africa-Lango Real Estate Limited (Lango): Redefine currently holds a 3.5% share in Lango. The carrying value of the held investment is R164.8 million. Redefine's intention is to exit this investment as part of the LTV improvement plan.

Australia-Journal: Proceeds from the Leicester Street disposal were received during December 2020. The disposal of Swanston Street is unconditional and settlement is expected to occur in February 2022.

Exchange rates: The Rand strengthened during the year, which had an unfavourable impact on Redefine's proportionate share of the underlying foreign currency denominated property investments. This decrease was neutralised by the natural hedge created by the foreign currency denominated debt held against these assets, as it decreased similarly.

Foreign currency	31 August 2021	31 August 2020
AUD	**10.7054**	12.1902
EUR	**17.2698**	19.7328
GBP	**20.1462**	22.1230
USD	**14.6030**	16.5792

Changes in fair value

In line with the Group's accounting policy, the property portfolio was independently valued by external valuers at 31 August 2021, resulting in a decrease in property valuations of R2.2 billion (FY20: R6.3 billion), this was adjusted by the increase in straight-line rental accrual of R531.7 million (FY20: decrease of R365.1 million) leading to a decrease in fair value of investment properties of R1.6 billion (FY20: R6.7 billion). The increase in the straight-line rental accruals is mainly due to the restructuring of the Macsteel lease agreement and property disposals which took place during the year.

The decrease in the property valuations was driven by the significant negative economic impact of the COVID-19 pandemic on rental reversions, lower market rental growth assumptions and a weak macro-economic environment.

In terms of IAS 40: Investment property and IFRS 13: Fair value measurement, Redefine's investment properties are measured at fair value through profit or loss, using valuation inputs which are categorised as level 3 in the fair value hierarchy. There were no transfers between levels 1, 2 and 3 during the year.

The fair value of the investment in listed securities remain flat from the prior financial year. The loss on foreign unlisted investments amounted to R31.8 million (FY20: R44.7 million gain), driven by the appreciation of the Rand.

The Group's derivatives, which protect against adverse movements in interest and foreign exchange rates, were valued using the swap curve and forward pricing methods respectively, resulting in a decrease of R2.5 billion (FY20: R2.4 billion increase) in the Group's liabilities.

Other financial liabilities increased by R537.0 million, primarily due to the recognition of the exit fee payable on the Leicester Street disposal, this fee will be paid when the proceeds from the Swanston Street sale are received.

Interest-bearing borrowings

Redefine's interest-bearing borrowings (net of cash and cash equivalents and including the mark-to-mark of cross-currency swaps) represented 41.6% (FY20: 47.9%) of the value of its property asset platform at 31 August 2021. The Group's property asset platform comprises property, listed and unlisted shares, loans receivable, other financial assets and interests in associate and joint ventures. The average cost of Rand- denominated funding is 8.1% (FY20: 8.1%), and interest rates are hedged on 85.2% (FY20: 84.8%) of local borrowings for an average period of 2.7 years (FY20: 2.8 years).

Including foreign currency debt and derivatives, the average cost of debt is 6.2% (FY20: 6.0%). Interest rates are hedged on 82.8% (FY20: 81.4%) of total borrowings for an average period of 2.5 years (FY20: 2.8 years). The interest cover ratio (ICR) (which includes equity-accounted dividends and listed security income) is 2.6x (FY20: 2.6x).

Redefine had unutilised committed bank facilities of R4.5 billion (FY20: R2.6 billion) and cash on hand of R1.3 billion (FY20: R232.1 million) at 31 August 2021, which provides assurance that the Group will be able to meet its short-term commitments.

Moody's credit rating

As a direct consequence of South Africa's sovereign rating downgrade, Moody's downgraded Redefine's global long-term rating from a Ba1 to a Ba2 on 24 November 2020.

Global long term:	Ba2
Global short-term:	NP
National long-term corporate family rating:	Aa2.za
National short-term:	P-1.za
Outlook:	Negative

Basis of preparation

These summarised consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa and the JSE Listings Requirements. The accounting policies applied in preparing these financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous financial statements, except for the changes in accounting policy relating to the new standards and interpretations, which became effective to the group for the financial year beginning 1 September 2020 (Refer to page 38). These summarised consolidated financial statements are extracted from the annual financial statements audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon but are not themselves audited. The auditor's report does not necessarily report on all the information contained in these summarised consolidated financial statements. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report, together with the accompanying audited consolidated financial statements, both of which are available on the Redefine website and available for inspection at Redefine's registered office.

Significant judgement, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, may differ from actual results. Judgement also needs to be exercised in applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Valuation of investment properties and properties under development;
- Reversal of impairment of investments in associate and joint ventures;
- Business combination versus asset acquisition;
- Rental concessions;
- Expected credit losses;
- Valuation of the Insurance contract liability;
- Facilities and covenants; and
- Significant influence and control assessment.

Going concern

The directors have assessed the group's ability to continue as a going concern. The assessment includes solvency and liquidity tests which included *inter alia* a forecast of debt covenants such as the loan-to-value and interest cover ratios. The liquidity test considers expected cash flows in the next 12 months, including the anticipated proceeds from unconditional disposals, cashflow-related to funding and development activities for the next 12 months. As at 31 August 2021, the group had a positive net asset value and a stable liquidity position, with unutilised committed access facilities and cash on hand of R5.8 billion (FY20: R2.8 billion).

COVID-19 pandemic and unrest in South Africa

The COVID-19 pandemic continued to impact the global economy. Measures such as the prolonged and severe restrictions of movement imposed by governments to reduce the spread of the virus and the consequential impact on demand for products and services and impact on people's behaviour have negatively impacted economic performance and prospects globally.

Developed countries with higher vaccination rates are experiencing favourable outcomes when compared to developing countries with lower vaccination rates. The low levels of vaccination rates may cause future waves and the resurgence of the COVID-19 pandemic, which may lead governments to consider re-imposing restrictions previously enforced.

Locally, a fourth wave of infections may similarly result in the reintroduction of government-imposed restrictions, which could lead to further adverse economic consequences.

In addition to the COVID-19 pandemic, South Africa experienced mass-scale social unrest during July 2021, impacting five of our buildings.

The COVID-19 pandemic and unrest in South Africa impacted the group in the 2021 financial year as follows:

1. further decrease in the valuations of the local investment properties mainly due to the low levels of business confidence and the challenged economic environment which adversely impacted the Group's LTV ratio;
2. stable valuations of the investment in foreign associates and joint ventures driven by the roll-out of the vaccination program in Poland and the focus on logistics properties;
3. dividends were withheld by EPP to bolster their own liquidity needs which adversely impacted the Group's earnings and liquidity;
4. limited further rental relief measures were granted to tenants to support the sustainability of their businesses which adversely impacted the Group's earnings and liquidity; and
5. the provision for credit losses has reduced from high levels experienced in 2020 in response to the heightened risk of tenants failing to meet their rental obligations and has stabilised during the year.

The following uncertainties were considered as part of the going concern assessment:

Access to liquidity

Liquidity is less constrained when compared to 2020, however, the cost of liquidity has increased since the start of the COVID-19 pandemic. There has been some recovery in the market, but property counters are still trading at high discounts to their NAVs which makes raising equity in this environment very costly and deeply dilutive. The retention of the FY20 dividend as well as the proceeds received from the sale of Leicester Street and other non-core local property assets have created healthy liquidity during the year. The settlement of the Swanston Street property is expected to take place in February 2022, with other non-core local property disposals and the sale of the six logistics assets in Poland are expected to further buffer the liquidity position.

Debt covenants

Financial covenant (LTV and ICR) reporting is required by lenders within 90 days of each reporting period. To create additional headroom to absorb adverse LTV covenant triggers and to avoid a potential technical breach of our corporate LTV covenant as at 31 August 2020, the group negotiated a temporary relaxation of the corporate LTV covenant from 50% to 55% for the period ending 31 August 2020 and 28 February 2021. For the reporting period ending 31 August 2021, the LTV limit returned to 50%. The minimum ICR covenant is 2x. There have been no debt covenant breaches to date, with the strictest LTV and ICR covenants indicating a headroom of 3.4% and 0.4x respectively. For the reporting periods ending 28 February 2022 and 31 August 2022, it is anticipated that the corporate LTV covenant will be below 50% and the ICR above 2x. All debt covenant projections are proactively monitored. At 31 August 2021, there was no breach of the covenant levels and the LTV level reducing to 41.6%.

Profitability

Investment income

EPP may continue to defer the payment of dividends for a period to preserve liquidity due to the continued uncertainty related to the COVID-19 pandemic, their high levels of gearing as well as upcoming debt refinances.

Rental concessions

Limited additional rental concessions may be provided to tenants as the impact of the pandemic persists, locally and beyond. Tenants' businesses may further be adversely impacted should the government reintroduce restrictions to mitigate against the risk of rising infections on the back of potential future waves.

Provision for credit losses

The provision for expected credit losses and write-off of unrecoverable amounts may increase as the adverse impact of the pandemic on tenants' businesses persists.

Change to business environment

The acceleration of the adoption of technologies due to the COVID-19 pandemic, as well as potential changes in the demand for rentable space, particularly within the office sector, may impact the Group adversely.

Going concern conclusion

The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient liquidity to meet its foreseeable cash requirements. Considering the outcomes of the solvency and liquidity projections, the group will be solvent and liquid and the directors are confident in the ability of the group to continue as a going concern and have no reason to believe that the group will not be a going concern in the year ahead.

The directors have therefore concluded that the group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Capital commitments

Capital commitments outstanding amount to R992.1 million (FY20: R1.0 billion). Future commitments will be funded by undrawn committed banking facilities, cash on hand and proceeds from capital recycling activities.

Company secretary

Anda Matwa has been appointed as company secretary from 1 December 2021 and we look forward to her contribution.

The Board wishes to thank Thembekile Dube for stepping into the acting company secretary role since 1 April 2021.

The declaration of a dividend for the year ended 31 August 2021

The board of directors of Redefine has declared a cash dividend of 60.11921 cents per share for the year ended 31 August 2021. A detailed announcement relating to the dividend, including salient dates and the tax treatment applicable to the dividend, will be published on or about Friday, 12 November 2021.

Eligible shareholders will be entitled, in respect of all or part of their shareholding to re-invest the cash dividend in return for Redefine shares ("share re-investment alternative"). A circular in this regard is in the process of being prepared and will be distributed to shareholders on or about Friday, 12 November 2021.

A detailed announcement relating to the share re-investment alternative, including salient dates and the tax treatment applicable to the share re-investment alternative, will be published on or about Friday, 12 November 2021.

Events after the reporting date

Dividend declared after the reporting date

In line with IAS 10: Events after the Reporting Period, the declaration of the dividend occurred after the reporting period, resulting in a non-adjusting event which is not recognised in the financial statements.

Potential EPP corporate reorganisation and cautionary announcement

Redefine has submitted a non-binding proposal to the EPP board which, if approved by both the EPP board and, to the extent necessary, by EPP and Redefine shareholders, will constitute EPP as an unlisted subsidiary of Redefine. In terms of the proposal, and conditional on EPP shareholders approving of a delisting of EPP shares on both the JSE and LuxSE, Redefine will make an offer to EPP shareholders that will afford EPP shareholders an ability to swap their EPP shares for Redefine shares at an independently verified fair swap ratio. The proposed transaction would be conditional on, *inter alia*, EPP implementing certain restructuring transactions (including the disposal of non-prime property portfolios to joint venture companies to be owned by EPP and third party investors) that will significantly bolster EPP's balance sheet, generate much needed liquidity and materially reduce EPP's LTV. This will ensure that should EPP be constituted as a subsidiary of Redefine, there will be no material impact on Redefine's LTV. Redefine is confident that, should the proposed transaction be approved and implemented, EPP will return to a dividend paying position in the short-term, which will materially contribute to improved Redefine's distributable income and distributions to Redefine shareholders. As a controlled entity of Redefine, the market will be provided with a single point of entry into EPP via Redefine, with existing Redefine shareholders benefiting from the diversification of income streams obtained from EPP's prime Polish retail portfolio held directly and non-prime assets held indirectly via the joint venture arrangements. The proposal is under consideration by an Independent Committee constituted by the EPP Board and further update announcements will be made by both Redefine and EPP in due course. Pending such further announcements shareholders are advised to exercise caution in dealing in Redefine shares.

In line with IAS10: Events after the Reporting Period, the Potential Transaction is a non-adjusting event which is not recognised in the financial statements.


Brackengate 2, Brackenfell

Prospects

The outlook depends not only on the outcome of the battle between the virus and vaccines, but also on the effective deployment of economic policies to limit damage and the restoration of confidence. This means that subdued property fundamentals and low growth are here to stay for the medium term. We simply cannot allow this to distract us from executing our strategic priorities. We remain focused on what matters most and continue to put our purpose and people at the heart of what we do to position Redefine for the eventual upward cycle.

Along with COVID-19, the events of July has provided us with a unique opportunity to reset every aspect of what we do to play our part in rebuilding South Africa by – contributing to the sustainable development goals and embedding environmental, social and governance by adopting sustainable business practices, creating smart and sustainable spaces through an adaptable, collaborative and agile shift in focus, reshaping our funding sources within the confines of scarce and costly capital, harnessing new data and machine technologies to benefit from the acceleration of digital to blend human and technology capabilities and fostering innovation, creativity and engagement through diversity to satisfy employees need for inclusion, belonging, ongoing learning, personal growth and purpose.

Due to the evolving and highly uncertain environment, we are not in a position to provide guidance on distributable income per share for the 2022 financial year.

As the property sector recalibrates to a post-pandemic world, we believe that our agility and adaptability will differentiate us.

The directors of Redefine take full responsibility for the preparation of this report and that the financial information provided has been correctly extracted from the underlying consolidated financial statements. Ntobeko Nyawo, CA(SA), Redefine's Chief Financial Officer, was responsible for supervising the preparation of these summarised consolidated financial statements.

5 November 2021

Redefine Properties Limited

Blue Route Mall, Cape Town

2

Results

Alice Lane, Sandton

Statement of profit or loss and other comprehensive income

for the year ended 31 August 2021

Figures in R'000	2021	2020*
Continuing operations		
Revenue		
Property portfolio revenue	7 156 530	8 387 113
– Contractual rental income	7 688 209	8 021 967
– Straight-line rental (expense)/income accrual	(531 679)	365 146
Investment income	796	69 136
Total revenue	7 157 326	8 456 249
Costs		
Operating costs	(2 981 478)	(2 817 758)
Expected credit losses – trade receivables	75 018	(273 195)
Administration costs	(326 995)	(401 625)
Net operating profit	3 923 871	4 963 671
Other income	9 606	40 125
(Loss)/gain on disposal of assets	(21 527)	121 938
Loss on disposal of interest in associate	–	(259 592)
Changes in fair values of investment properties	(1 619 273)	(6 678 409)
Changes in fair values of financial instruments and other	1 943 618	(2 715 846)
Changes in fair value of the insurance contract liability	(64 272)	(130 275)
Amortisation of intangible assets	-	(314 277)
Expected credit losses - loans receivable	(113 776)	(140 190)
Impairments	–	(7 702 102)
Reversal of impairment of investment in associate	922 526	–
Equity-accounted profit/(loss) (net of taxation)	275 040	(403 900)
Profit/(loss) before finance costs and taxation	5 255 813	(13 218 857)
Net interest costs	(1 722 702)	(1 980 210)
– Interest income	660 044	942 122
– Interest expense	(2 382 746)	(2 922 332)
Foreign exchange gains/(losses)	129 889	(1 042 006)
Profit/(loss) before taxation	3 663 000	(16 241 073)
Taxation	(849 130)	13 117
Profit/(loss) for the year from continuing operations	2 813 870	(16 227 956)
Discontinued operations		
Loss from discontinued operations (net of taxation)	(192 503)	(384 991)
Profit/(loss) for the year	2 621 367	(16 612 947)
Attributable to:		
– Redefine Properties Limited shareholders	2 731 310	(16 628 264)
– Non-controlling interests	(109 943)	15 317
Other comprehensive (loss)/income	(1 824 467)	1 625 013
Items that are or may be reclassified subsequently to profit or loss		
Other reserves	–	(40 178)
Exchange differences on translation of foreign operations:		
– *Subsidiaries*	(331 164)	453 171
– *Associate and joint ventures*	(1 496 580)	1 556 914
Reclassification of foreign currency differences on disposal of investment	3 277	(344 894)
Total comprehensive income/(loss) for the year	796 900	(14 987 934)
Attributable to:		
– Redefine Properties Limited shareholders	938 608	(15 043 288)
– Non-controlling interests	(141 708)	55 354
Earnings per share (cents)		
– Basic	50.28	(306.11)
– Diluted	50.25	(306.11)

* Comparative figures have been re-presented in line with the requirements of IFRS 5.

Statement of financial position

as at 31 August 2021

Figures in R'000	2021	2020
ASSETS		
Non-current assets	**69 972 528**	74 842 478
Investment properties	58 186 568	63 315 899
– Fair value of investment properties	55 022 940	58 914 331
– Straight-line rental income accrual	2 124 800	2 656 797
– Properties under development	926 012	1 628 442
– Right-of-use assets	112 816	116 329
Listed securities	69 679	69 679
Investments in associate and joint ventures	8 834 878	8 608 698
Derivative assets	187 313	23 288
Loans receivable	2 463 436	1 997 042
Other financial assets	164 819	620 341
Property, plant and equipment	65 835	207 531
Current assets	**2 913 608**	1 606 099
Properties held-for-trading	186 102	175 080
Trade and other receivables	900 527	686 764
Loans receivable	263 426	304 978
Derivative assets	104 009	2 520
Other financial assets	103 159	204 679
Cash and cash equivalents	1 356 385	232 078
Non-current assets held-for-sale	**2 749 073**	5 721 269
Total assets	**75 635 209**	82 169 846
EQUITY AND LIABILITIES		
Equity	**39 357 856**	38 831 234
Shareholders' interest	39 218 183	38 282 966
– Stated capital	44 593 547	44 593 547
– Accumulated losses	(5 902 843)	(8 644 993)
– Other reserves	527 479	2 334 412
Non-controlling interests	139 673	548 268
Non-current liabilities	**30 764 305**	39 031 386
Interest-bearing borrowings	28 458 297	34 790 630
Derivative liabilities	1 538 995	3 505 854
Other financial liabilities	62 207	80 946
Deferred taxation	616 008	552 299
Lease liability	88 798	101 657
Current liabilities	**5 513 048**	4 294 437
Trade and other payables	1 835 395	1 614 964
Interest-bearing borrowings	2 284 703	1 859 000
Interest accrual on interest-bearing borrowings	125 345	236 227
Derivative liabilities	175 429	355 252
Other financial liabilities	597 943	30 233
Insurance contract liability	194 547	130 275
Lease liability	24 018	43 494
Taxation payable	275 668	24 992
Non-current liabilities held-for-sale	**–**	12 789
Total liabilities	**36 277 353**	43 338 612
Total equity and liabilities	**75 635 209**	82 169 846

Statement of cash flows

for the year ended 31 August 2021

Figures in R'000	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	4 653 670	4 333 031
Interest received	484 340	822 902
Interest paid	(2 391 431)	(3 000 846)
Taxation paid	(532 318)	(29 178)
Dividends received from associate and joint ventures	79 191	543 408
Net cash inflow from operating activities	2 293 452	2 669 317
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition and development of investment properties	(916 427)	(2 838 774)
Acquisition of property, plant and equipment	(28 550)	(14 582)
Acquisition of other financial assets	(17 946)	(3 224)
Disposal of controlling interest in subsidiary (net of cash disposed)	(44 954)	248 360
Proceeds on deemed disposal of subsidiary	138 752	1 105 279
Investment in associate	(606 023)	(196 657)
Reclassification of subsidiary to held-for-sale	–	(12 645)
Proceeds on disposal of investment properties and properties classified as held-for-sale	4 971 310	905 475
Proceeds on disposal of property, plant and equipment	100	–
Proceeds from other financial assets	230 515	69 227
Financial liabilities repaid	(37 893)	–
Proceeds from financial liabilities raised	12 350	–
Proceeds on disposal of shares in associate	–	2 262 265
Loans receivable repaid	565 965	250 642
Loans receivable advanced	(428 639)	(327 632)
Net cash inflow from investing activities	3 838 560	1 447 734
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	–	(2 614 319)
Shares issued to non-controlling interests	–	889
Dividends paid to non-controlling interests	(134 796)	(20 556)
Loans repaid from non-controlling interests	–	829
Loans advanced to non-controlling interests	–	(257)
Principal elements of lease payments	(43 328)	(51 547)
Interest-bearing borrowings at fair value repaid	–	(2 812 775)
Interest-bearing borrowings raised	6 372 000	5 187 856
Interest-bearing borrowings repaid	(11 201 975)	(3 913 886)
Net cash outflow from financing activities	(5 008 099)	(4 223 766)
Net increase/(decrease) in cash and cash equivalents	1 123 913	(106 715)
Cash and cash equivalents at the beginning of the year	232 078	406 694
Effect of foreign currency exchange fluctuations	394	(67 900)
Cash and cash equivalents at end of year	1 356 385	232 078
Cash flows from discontinued operations		
Net increase in cash generated from discontinued operations	16 313	38 721

Statement of changes in equity

for the year ended 31 August 2021

Figures in R'000	Stated capital	Accumulated losses
Balance as at 31 August 2019	44 589 066	10 597 777
Total comprehensive loss for the year	–	(16 628 264)
Loss for the year	–	(16 628 264)
Other comprehensive income for the year	–	–
Transactions with owners (contributions and distributions)	4 481	(2 614 506)
Issue of ordinary shares	4 481	–
Dividends	–	(2 614 319)
Recognition of share-based payments	–	(187)
Share of post-acquisition change in net assets of associate	–	–
Transactions with owners (changes in ownership interests)	–	–
Change in ownership of subsidiary with NCI	–	–
Balance as at 31 August 2020	44 593 547	(8 644 993)
Total comprehensive income for the year	**–**	**2 731 310**
Profit for the year	**–**	**2 731 310**
Other comprehensive loss for the year	**–**	**–**
Transactions with owners (contributions and distributions)	**–**	**10 840**
Dividends	**–**	**–**
Recognition of share-based payments	**–**	**10 840**
Share of post-acquisition change in net assets of associate	**–**	**–**
Transactions with owners (changes in ownership interests)	**–**	**–**
Disposal of subsidiary with NCI	**–**	**–**
Balance as at 31 August 2021	**44 593 547**	**(5 902 843)**

Dividend per share (cents)	
Interim	
Final^	

^ The final dividend is declared post the financial year-end and is therefore a non-adjusting subsequent event.

Foreign currency translation reserve	Share-based payment reserve	Share of associates' reserves	Shareholders' interest	Non-controlling interests (NCI)	Total equity
668 864	57 179	47 424	55 960 310	609 166	56 569 476
1 625 154	–	(40 178)	(15 043 288)	55 353	(14 987 935)
–	–	–	(16 628 264)	15 317	(16 612 947)
1 625 154	–	(40 178)	1 584 976	40 036	1 625 012
–	(24 069)	38	(2 634 056)	(19 667)	(2 653 723)
–	–	–	4 481	889	5 370
–	–	–	(2 614 319)	(20 556)	(2 634 875)
–	(24 069)	–	(24 256)	–	(24 256)
–	–	38	38	–	38
–	–	–	–	(96 584)	(96 584)
–	–	–	–	(96 584)	(96 584)
2 294 018	33 110	7 284	38 282 966	548 268	38 831 234
(1 792 702)	**–**	**–**	**938 608**	**(141 708)**	**796 900**
–	**–**	**–**	**2 731 310**	**(109 943)**	**2 621 367**
(1 792 702)	**–**	**–**	**(1 792 702)**	**(31 765)**	**(1 824 467)**
–	**(12 593)**	**(1 638)**	**(3 391)**	**(134 796)**	**(138 187)**
–	**–**	**–**	**–**	**(134 796)**	**(134 796)**
–	**(12 593)**	**–**	**(1 753)**	**–**	**(1 753)**
–	**–**	**(1 638)**	**(1 638)**	**–**	**(1 638)**
–	**–**	**–**	**–**	**(132 091)**	**(132 091)**
–	**–**	**–**	**–**	**(132 091)**	**(132 091)**
501 316	**20 517**	**5 646**	**39 218 183**	**139 673**	**39 357 856**

2021	2020
60.12	–
–	–
60.12	-

Segmental report

Figures in R'000	Office	Retail
STATEMENT OF FINANCIAL POSITION		
Investment properties (including straight-line rental income accrual)	21 727 633	23 846 918
Right-of-use assets	19 559	81 314
Properties under development	–	44 000
Listed securities	–	–
Investments in associate and joint ventures	–	–
Loans receivable	–	–
Property, plant and equipment	–	–
Properties held-for-trading	–	–
Non-current assets held-for-sale	128 849	524 711
Other assets	–	–
Total assets	21 876 041	24 496 943
Interest-bearing borrowings	–	–
Other liabilities	–	–
Total liabilities	–	–
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Contractual rental income	2 877 031	3 286 170
Straight-line rental income/(expense) accrual	44 059	(42 176)
Investment income	–	–
Total revenue	2 921 090	3 243 994
Operating costs (including expected credit losses – trade receivables)	(892 403)	(1 509 273)
Administration costs	–	–
Net operating profit	2 028 687	1 734 721
Other income	–	58
(Loss)/gain on disposal of assets	–	–
Changes in fair values of investment properties	(1 692 319)	(441 967)
Changes in fair values of financial instruments and other	–	–
Changes in fair value of the insurance contract liability	–	–
Expected credit losses – loans receivable	–	–
Reversal of impairment of investments in associate	–	–
Equity-accounted profit (net of taxation)	–	–
Profit before finance costs and taxation	336 368	1 292 812
Interest income	–	–
Interest expense	(11)	(26)
Foreign exchange gains	–	–
Profit before taxation	336 357	1 292 786
Taxation	–	–
Profit for the year from continuing operations	336 357	1 292 786
Loss from discontinued operations (net of taxation)	–	–
Profit for the year	336 357	1 292 786
Non-controlling interests	–	–
Profit for the year attributable to Redefine Properties Limited shareholders	336 357	1 292 786

2021					
Industrial	Specialised	Head office	Local	International	Total
11 209 889	363 300	–	57 147 740	–	57 147 740
11 943	–	–	112 816	–	112 816
882 012	–	–	926 012	–	926 012
–	–	69 679	69 679	–	69 679
–	–	–	–	8 834 878	8 834 878
–	–	1 186 816	1 186 816	1 540 046	2 726 862
–	28 600	37 214	65 814	21	65 835
11 102	175 000	–	186 102	–	186 102
187 778	–	–	841 338	1 907 735	2 749 073
–	–	1 882 129	1 882 129	934 083	2 816 212
12 302 724	566 900	3 175 838	62 418 446	13 216 763	75 635 209
–	–	28 393 934	28 393 934	2 349 066	30 743 000
–	–	3 791 487	3 791 487	1 742 866	5 534 353
–	–	32 185 421	32 185 421	4 091 932	36 277 353
1 422 327	75 384	–	7 660 912	27 297	7 688 209
(511 904)	(21 658)	–	(531 679)	–	(531 679)
–	–	–	–	796	796
910 423	53 726	–	7 129 233	28 093	7 157 326
(451 889)	(31 397)	–	(2 884 962)	(21 498)	(2 906 460)
–	–	(291 231)	(291 231)	(35 764)	(326 995)
458 534	22 329	(291 231)	3 953 040	(29 169)	3 923 871
461	3 944	3 661	8 124	1 482	9 606
–	(39 918)	–	(39 918)	18 391	(21 527)
483 510	12 266	(22 190)	(1 660 700)	41 427	(1 619 273)
–	–	530 661	530 661	1 412 957	1 943 618
–	–	(64 272)	(64 272)	–	(64 272)
–	–	(116 206)	(116 206)	2 430	(113 776)
–	–	–	–	922 526	922 526
–	–	–	–	275 040	275 040
942 505	(1 379)	40 423	2 610 729	2 645 084	5 255 813
–	–	568 881	568 881	91 163	660 044
(90)	(1)	(2 100 488)	(2 100 616)	(282 130)	(2 382 746)
–	–	–	–	129 889	129 889
942 415	(1 380)	(1 491 184)	1 078 994	2 584 006	3 663 000
–	–	(585 487)	(585 487)	(263 643)	(849 130)
942 415	(1 380)	2 076 671	493 507	2 320 363	2 813 870
–	(192 503)	–	(192 503)	–	(192 503)
942 415	(193 883)	2 076 671	301 004	2 320 363	2 621 367
–	72 828	–	72 828	37 115	109 943
942 415	(121 055)	2 076 671	373 832	2 357 478	2 731 310

Segmental report (continued)

Figures in R'000	Office	Retail
STATEMENT OF FINANCIAL POSITION		
Investment properties (including straight-line rental income accrual)	22 993 553	25 268 415
Right-of-use assets	17 803	98 526
Properties under development	190 260	48 150
Listed securities	–	–
Investments in associate and joint ventures	–	–
Loans receivable	–	–
Property, plant and equipment	100 239	–
Properties held-for-trading	–	–
Non-current assets held-for-sale	7 150	376 000
Other assets	–	–
Total assets	**23 309 005**	**25 791 091**
Interest-bearing borrowings	–	–
Other liabilities	–	–
Total liabilities	**–**	**–**
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Contractual rental income	2 861 936	3 211 145
Straight-line rental income accrual	195 281	86 894
Investment income	–	–
Total revenue	**3 057 217**	**3 298 039**
Operating costs (including expected credit losses – trade receivables)	(958 578)	(1 546 010)
Administration costs	–	–
Net operating profit	2 098 639	1 752 029
Other income	–	–
Loss on disposal of asset	–	–
Changes in fair values of investment properties	(2 802 340)	(3 016 101)
Changes in fair values of financial instruments and other	–	–
Changes in fair values of the insurance contract liability	–	–
Amortisation of intangible assets	–	–
Impairments (including expected credit losses on loans receivable)	(1 913 811)	(2 883 661)
Equity-accounted loss (net of taxation)	–	–
Loss before finance costs and taxation	**(2 617 512)**	**(4 147 733)**
Interest income	–	–
Interest expense	(92)	(963)
Foreign exchange losses	–	–
Loss before taxation	**(2 617 604)**	**(4 148 696)**
Taxation	–	–
Loss for the year from continuing operations	**(2 617 604)**	**(4 148 696)**
Loss from discontinued operations (net of taxation)	–	–
Loss for the year	**(2 617 604)**	**(4 148 696)**
Non-controlling interests	–	–
Loss for the year attributable to Redefine Properties Limited shareholders	**(2 617 604)**	**(4 148 696)**

	2020				
Industrial	**Specialised**	**Head office**	**Local**	**International**	**Total**
10 875 164	2 433 996	–	61 571 128	–	61 571 128
–	–	–	116 329	–	116 329
1 390 032	–	–	1 628 442	–	1 628 442
–	–	69 679	69 679	–	69 679
–	–	–	–	8 608 698	8 608 698
–	–	1 316 126	1 316 126	985 894	2 302 020
–	26 660	80 600	207 499	32	207 531
4 260	170 820	–	175 080	–	175 080
158 255	–	–	541 405	5 179 864	5 721 269
–	–	812 295	812 295	957 375	1 769 670
12 427 711	**2 631 476**	**2 278 700**	**66 437 983**	**15 731 863**	**82 169 846**
–	–	31 845 455	31 845 455	4 804 175	36 649 630
–	–	2 567 820	2 567 820	4 121 162	6 688 982
–	**–**	**34 413 275**	**34 413 275**	**8 925 337**	**43 338 612**
1 498 196	64 353	–	7 635 630	386 336	8 021 966
108 023	(25 052)	–	365 146	–	365 146
–	–	19 757	19 757	49 379	69 136
1 606 219	**39 301**	**19 757**	**8 020 533**	**435 715**	**8 456 248**
(442 951)	(21 662)	–	(2 969 201)	(121 752)	(3 090 953)
–	–	(272 334)	(272 334)	(129 291)	(401 625)
1 163 268	17 639	(252 577)	4 778 998	184 672	4 963 670
16 113	10 427	11 100	37 640	2 485	40 126
–	–	–	–	(137 654)	(137 654)
(1 680 010)	(157 049)	(10 606)	(7 666 106)	987 697	(6 678 409)
–	–	(1 260 629)	(1 260 629)	(1 455 217)	(2 715 846)
–	–	(130 275)	(130 275)	–	(130 275)
–	–	(314 277)	(314 277)	–	(314 277)
(510 710)	–	(106 903)	(5 415 085)	(2 427 207)	(7 842 291)
–	–	–	–	(403 900)	(403 900)
(1 011 339)	**(128 983)**	**(2 064 167)**	**(9 969 733)**	**(3 249 124)**	**(13 218 857)**
–	–	889 539	889 539	52 583	942 122
(54)	–	(2 470 345)	(2 471 454)	(450 878)	(2 922 332)
–	–	–	–	(1 042 006)	(1 042 006)
(1 011 393)	**(128 983)**	**(3 644 973)**	**(11 551 648)**	**(4 689 425)**	**(16 241 073)**
–	–	30 122	30 122	(17 005)	13 117
(1 011 393)	**(128 983)**	**(3 614 851)**	**(11 521 526)**	**(4 706 430)**	**(16 227 956)**
–	(384 991)	–	(384 991)	–	(384 991)
(1 011 393)	**(513 974)**	**(3 614 851)**	**(11 906 517)**	**(4 706 430)**	**(16 612 947)**
–	105 165	–	105 165	(120 482)	(15 317)
(1 011 393)	**(408 809)**	**(3 614 851)**	**(11 801 352)**	**(4 826 912)**	**(16 628 264)**

Earnings and headline earnings
for the year ended 31 August 2021

Figures in R'000	2021	2020
EARNINGS AND HEADLINE EARNINGS		
Reconciliation of basic earnings to headline earnings		
Profit/(loss) for the year attributable to Redefine shareholders	2 731 310	(16 628 264)
Change in fair value of properties	1 755 948	7 164 545
– Change in fair value of properties	1 843 389	7 158 035
– Non-controlling interest	(87 441)	6 510
Profit/(loss) on sale of subsidiaries	37 543	(139 855)
Loss on disposal of interest in associate	–	259 592
Profit on dilution of ownership interest in an associate	–	(1 778)
Loss on disposal of property, plant and equipment	1 120	–
Adjustment of remeasurements, included in equity-accounted earnings of associates (net of tax)	317 571	(1 376 053)
– Adjustment on remeasurements, included in equity-accounted earnings of associates	269 577	(1 319 903)
– Tax adjustment	47 994	(56 150)
Revaluation of property, plant and equipment	9 449	28 625
IAS 36 (reversals)/impairments ^	(922 526)	7 842 292
Insurance proceeds received	(4 127)	(8 729)
Headline earnings/(loss) attributable to Redefine shareholders	**3 926 288**	**(2 859 625)**
Continuing operations	3 905 146	(2 946 287)
– Continuing operations	3 909 289	(3 065 937)
– Non-controlling interest	(4 143)	119 651
Discontinued operations	21 142	86 662
– Continuing operations	104 440	199 803
– Non-controlling interest	(83 298)	(113 141)
Diluted earnings attributable to Redefine shareholders	**2 734 592**	**(16 624 131)**
Profit/(loss) for the year attributable to Redefine shareholders	2 731 310	(16 628 264)
Potential dilutive effect of share incentive schemes	3 282	4 133
Diluted headline earnings/(loss) attributable to Redefine shareholders	**3 929 570**	**(2 855 492)**
Profit/(loss) for the year attributable to Redefine shareholders	3 926 288	(2 859 625)
Headline earnings attributable to Redefine shareholders	3 282	4 133

Diluted earnings per share and diluted headline earnings per share are calculated considering the potential dilution that could occur if all staff incentive shares vested. The number of shares outstanding is adjusted to show the potential dilution if all share schemes were settled in Redefine Properties Limited shares.

^ The JSE proactive monitoring process identified that the impairment amount should exclude the expected credit loss on loans receivable. The August 2021 results exclude the expected credit loss on loans receivable, the impact in August 2020 is immaterial. The February 2021 interim results disclosed headline earnings per share and diluted headline earnings per share as 845 cents and 841 cents respectively and this will be corrected to present as 626 cents and 623 cents respectively in the February 2022 interim results.

Earnings and headline earnings (continued)

as at 31 August 2021

	2021	2020
Actual number of shares in issue ('000)^^	**5 432 630**	5 432 630
Weighted average number of shares in issue ('000)^^	**5 432 630**	5 432 191
Diluted weighted average number of shares in issue ('000)^^	**5 442 172**	5 442 415
Weighted average number of shares in issue ('000)	**5 432 630**	5 432 191
Potential dilutive effect of share incentive schemes (000)**	**9 542**	10 224
Basic earnings per share (cents)	**50.28**	(306.11)
– Continuing operations	**52.48**	(300.96)
– Discontinued operations	**(2.20)**	(5.15)
Diluted earnings per share (cents)	**50.25**	(306.11)**
– Continuing operations	**52.45**	(300.96)
– Discontinued operations	**(2.20)**	(5.15)
Headline earnings per share (cents)	**72.27**	(52.64)
– Continuing operations	**71.88**	(54.24)
– Discontinued operations	**0.39**	1.60
Diluted headline earnings per share (cents)	**72.21**	(52.64)**
– Continuing operations	**71.82**	(54.24)
– Discontinued operations	**0.39**	1.60
Net asset value (NAV) per share		
Number of shares in issue ('000) ^^	**5 432 630**	5 432 630
NAV per share (excluding deferred tax and NCI) (cents)	**733.24**	714.85

^^ Group net of 360 553 015 (2020: 360 553 015) treasury shares.

** Due to the net loss attributable to shareholders in 2020, the inclusion of the potential ordinary shares arising from staff incentive schemes had an anti-dilutive effect on the loss per share and were therefore not taken into account in the 2020 calculation of diluted earnings per share and diluted headlines per share.

Distributable income analysis

Figures in R'000	South Africa	International	Total
Contractual rental income (excluding straight-line rental accrual)	7 660 912	27 298	7 688 210
Investment income	–	796	796
Total revenue	7 660 912	28 094	7 689 006
Operating costs	(2 884 963)	(21 498)	(2 906 461)
Administration costs	(291 231)	(35 764)	(326 995)
Net operating profit	4 484 718	(29 168)	4 455 550
Other gains	8 124	1 482	9 606
Net distributable profit before finance costs and taxation	4 492 842	(27 686)	4 465 156
Net interest costs	(1 531 735)	(190 967)	(1 722 702)
– Interest income	568 881	91 163	660 044
– Interest expense	(2 100 616)	(282 130)	(2 382 746)
Distributable foreign exchange gain	–	20 621	20 621
Net distributable profit before taxation	2 961 107	(198 032)	2 763 075
Current taxation and withholding taxation	–	(466)	(466)
Net income from continued operations	2 961 107	(198 498)	2 762 609
Distributable income from discontinued operations	19 985	–	19 985
Net income before non-controlling interest share	2 981 092	(198 498)	2 782 594
Non-controlling interest share of distributable income	(5 053)	7 093	2 040
Net income before distributable adjustments	2 976 039	(191 405)	2 784 634
Below the line distributable income adjustments:			
– Leasehold interest and expense	(32 325)	–	(32 325)
– Depreciation (owner-occupied properties)	1 820	–	1 820
– Modification of financial instrument	1 398	55 662	57 060
– Dividend from equity – accounted investment	–	79 700	79 700
– Interest received – Chariot loan	–	(43 000)	(43 000)
– Capital transaction costs expensed	5 030	23 989	29 019
Distributable income	2 951 962	(75 054)	2 876 908
Unrealised foreign exchange gain	–	350 438	350 438
Other	–	38 708	38 708
Dividend declared	2 951 962	314 092	3 266 054

Financial instrument categories

Figures in R'000	At amortised cost	At fair value through profit or loss	Total
Year ended 31 August 2021			
Financial assets			
Listed securities	–	69 679	69 679
Derivative assets	–	291 322	291 322
Loans receivable	2 726 862	–	2 726 862
Other financial assets	–	267 978	267 978
Trade and other receivables	593 705	–	593 705
Cash and cash equivalents	1 356 385	–	1 356 385
	4 676 952	628 979	5 305 931
Financial liabilities			
Interest-bearing borrowings	30 743 000	–	30 743 000
Interest accrual on interest-bearing borrowings	125 345	–	125 345
Derivative liabilities	–	1 714 424	1 714 424
Other financial liabilities	559 983	100 167	660 150
Trade and other payables	1 565 060	–	1 565 060
	32 993 388	1 814 591	34 807 979
Year ended 31 August 2020			
Financial assets			
Listed securities	–	69 679	69 679
Derivative assets	–	25 808	25 808
Loans receivable	2 302 020	–	2 302 020
Other financial assets	–	825 020	825 020
Trade and other receivables	637 178	–	637 178
Cash and cash equivalents	232 078	–	232 078
	3 171 276	920 507	4 091 783
Financial liabilities			
Interest-bearing borrowings	36 649 630	–	36 649 630
Interest accrual on interest-bearing borrowings	236 227	–	236 227
Derivative liabilities	–	3 861 106	3 861 106
Other financial liabilities	14 537	96 642	111 179
Trade and other payables	1 347 090	–	1 347 090
	38 247 484	3 957 748	42 205 232

For all financial instruments carried at amortised cost, interest is market related and, therefore, the amortised cost reasonably approximates the fair value.

Fair value disclosures

The following table analyses the Group's assets and liabilities that are recognised and subsequently measured at fair value:

Year ended 31 August 2021	Fair value	Level 1	Level 2	Level 3
Assets				
Investment properties*	58 186 568	–	–	58 186 568
Investment property held-for-sale	2 749 073	–	–	2 749 073
Listed securities	69 679	69 679	–	–
Derivative assets	291 322	–	291 322	–
Other financial assets	267 978	–	–	267 978
	61 564 620	69 679	291 322	61 203 619
Liabilities				
Derivative liabilities	1 714 424	–	1 714 424	–
Other financial liabilities	100 167	–	–	100 167
	1 814 591	–	1 714 424	100 167

Level 3 reconciliation: Year ended 31 August 2021	Balance at beginning of year	Acquisitions/ (disposals)	Gains/(losses) in profit or loss for the year	Balance at end of year
Investment properties	61 571 128	(2 036 878)	(2 386 510)	57 147 740
Properties under development	1 628 442	(542 742)	(159 688)	926 012
Right-of-use asset	116 329	18 670	(22 183)	112 816
Investment property held-for-sale	5 708 480	(3 013 488)	54 081	2 749 073
Other financial assets	825 020	(568 257)	11 215	267 978
Other financial liabilities	(96 642)	–	(3 525)	(100 167)
	69 752 757	(6 142 695)	(2 506 610)	61 103 452

* Includes properties under development and right-of-use assets.

The fair value gains and losses are included in the changes in fair values of investment properties and changes in fair values of financial instruments

Year ended 31 August 2020	Fair value	Level 1	Level 2	Level 3
Assets				
Investment properties*	63 315 899	–	–	63 315 899
Investment property held-for-sale	5 708 480	–	–	5 708 480
Listed securities	69 679	69 679	–	–
Derivative assets	25 808	–	25 808	–
Other financial assets	825 020	–	–	825 020
	69 944 886	69 679	25 808	69 849 399
Liabilities				
Derivative liabilities	3 861 106	–	3 861 106	–
Other financial liabilities	96 642	–	–	96 642
	3 957 748	–	3 861 106	96 642

Level 3 reconciliation: Year ended 31 August 2020	Balance at beginning of year	Acquisitions/ (disposals)	Gains/(losses) in profit or loss for the year	Balance at end of year
Investment properties	75 086 504	(6 678 067)	(6 837 309)	61 571 128
Properties under development	3 553 678	(2 074 794)	149 558	1 628 442
Right-of-use asset	–	–	116 329	116 329
Investment property held-for-sale	645 461	5 329 087	(266 068)	5 708 480
Other financial assets	373 387	406 849	44 784	825 020
Loans receivable	112 032	(112 032)	–	–
Derivative liabilities	(7 854)	–	7 854	–
Other financial liabilities	(46 921)	(41 721)	(8 000)	(96 642)
	79 716 287	(3 170 678)	(6 792 852)	69 752 757

* Includes properties under development and right-of-use assets.

Fair value disclosures (continued)

Details of valuation techniques

Investment property

A panel of independent external valuers are appointed to conduct the group's year-end market valuations. The group provided the valuers with property and other information required in the valuation of the properties. Among other inputs, the independent valuers applied current market related assumptions to the risks in rental streams of properties. Once the valuations have been completed by the independent valuers, it was reviewed internally and presented at different forums within the group. The investment committee, a sub-committee of the Board of directors, provides final approval of the valuations. All the valuers are registered valuers in terms of section 19 of the Property Valuers Professional Act (Act No. 47 of 2000). The independent valuers are as follows:

Real Insight	T Behrens	NDip (Prop Val), Professional Associated Valuer
Broll	J Weiner	Dip Real Estate (P.V.). MIV(SA), Professional Valuer
CBRE Excellerate	C Geldenhuys	BTech, MRICS, MIV(SA), Professional Valuer
Spectrum Valuation and Asset Solutions	P O'Connell	NDip, MRICS, Professional Valuer
Eris Property Group	C Everatt	BSc (Hons) Estate management, MRICS, MIV (SA), Professional Valuer
Sterling Valuation Specialists	A Smith	BSc (Hons), MIV(SA), Professional Associated Valuer
Jones Lang LaSalle	J Askew	BA (Hons), MA Property Valuations & Property Law, FRICS, RICSP,MLV and REV
Jones Lang LaSalle	S Crous	Ndip Real Estate (P.V). Dipl in Financial Management. MRICS,RICS, SACPVP and SAIV.
Knight Frank	A Arbee	NDip (Prop Val), Professional Valuer

Unobservable inputs across sectors (% unless otherwise stated)	2021	2020
Office sector		
Discount rate	9.00 – 17.00	12.00 – 16.50
Exit capitalisation rate	8.00 – 13.00	8.00 – 12.50
Bulk rate	R1 500 – R3 000 p/m^2	R1 500 – R3 000 p/m^2
Expected market rental growth	1.00 – 5.00	3.00 – 5.00
Expected expense growth	5.50 – 7.00	6.00 – 8.00
Occupancy rate	86.87	85.74
Vacancy periods	0 – 12 months	0 – 12 months
Rent-free periods	0 – 9 months	0 – 9 months
Retail sector		
Discount rate	10.00 – 16.00	10.50 – 16.75
Exit capitalisation rate	7.00 – 13.00	7.25 – 13.50
Bulk rate	R1 200 – R2 500 p/m^2	R175 – R1 600 p/m^2
Expected market rental growth	2.00 – 5.00	3.00 – 5.50
Expected expense growth	6.00 – 7.00	6.00 – 8.00
Occupancy rate	94.61	92.44
Vacancy periods	0 – 12 months	0 – 12 months
Rent-free periods	0 – 9 months	0 – 9 months
Industrial sector		
Discount rate	11.00 – 15.50	12.50 – 15.50
Exit capitalisation rate	8.00 – 11.50	8.00 – 11.00
Bulk rate	R250 – R1 600 p/m^2	R450 – R1 800 p/m^2
Expected market rental growth	1.00 – 5.00	3.00 – 5.00
Expected expense growth	5.50 – 7.00	6.00 – 8.00
Occupancy rate	92.07	95.18
Vacancy periods	0 – 12 months	0 – 12 months
Rent-free periods	0 – 9 months	0 – 9 months
Specialised sector		
Discount rate	13.00 – 13.50	14.50 – 15.00
Exit capitalisation rate	9.00 – 9.75	9.50 – 10.50
Expected market rental growth	1.00 – 4.50	3.00 – 5.00
Expected expense growth	6.00	6.00 – 8.00
Occupancy rate	100.00	100.00
Vacancy periods	0 – 12 months	0 – 12 months
Rent-free periods	0 – 9 months	0 – 9 months

Measurement of fair value

Valuation techniques

Valuations were completed using the following methods of valuation:

Investment property – Discounted cash flow method

The valuation model generates a net present value for each property by discounting forecasted future cash flows and a residual value at the end of the cash flow projection period by the discount rate of each property. The residual value is calculated by capitalising the net income forecasted for the 12-month period immediately following the final year of the cash flow at the exit capitalisation rate. The discount rate applied by each valuator is determined by adding a growth rate per property, based on forecasted market related rental increases, to the determined capitalisation rate per property. The discount rate is then tested for reasonableness by benchmarking the rate against recent comparable sales and surveys prepared by the MSCI/South African Property Owners Association (SAPOA). The capitalisation rate is dependent on a number of factors, such as location, the condition of the property, current market conditions, the lease covenants and the risk inherent in the property and is also tested for reasonableness by benchmarking against comparable recent sales and surveys prepared by MSCI/SAPOA.

Details of valuation techniques and input used

Sensitivity of fair values to changes in unobservable inputs

Valuation of investment properties are sensitive to changes in inputs used in determining its fair value. The table below illustrates the sensitivity in fair value to changes in unobservable inputs, whilst holding the other inputs constant.

Black River Park, Western Cape

Fair value disclosures (continued)

Sector	31 August 2021 Valuation R'000	Weighted average exit rate %	Weighted average discount rate %
Office	21 727 632	8.78	12.44
Retail	23 846 918	8.15	12.34
Industrial	11 209 890	8.84	13.10
Total	56 784 440		

Properties under development – Comparable sales method

Properties under development comprise the cost of land and development, and are measured at fair value. Fair value is based on the costs incurred up to the date of the valuation. Undeveloped land is valued in terms of the internationally accepted and preferred method of comparison. This involves the use of recent comparable transactions as a basis for the valuation. Bulk rates are determined for the land that has been zoned.

The fair value measurement for investment properties of R57.3 billion (2020: R62.0 billion) and properties under development of R0.9 billion (2020: R1.6 billion) has been categorised as level 3 under the fair value hierarchy based on the inputs to the valuation technique.

Properties classified as held for sale – Contract sales price

The investment properties classified as held-for-sale are properties that the board of directors have decided will be recovered through sale rather than through continuing use. The fair value of these properties are determined based on the contract selling price with the willing buyer.

The fair value measurement for investment properties classified as held for sale of R2.7 billion (2020: R5.7 billion) has been categorised as level 3 under the fair value hierarchy based on the inputs to the valuation technique.

Financial instruments

Listed securities

Closing market price on the relevant exchange.

	Change in exit capitalisation rate				Change in discount rate			
	Decrease 50bps R'000	%	Increase 50bps R'000	%	Decrease 50bps R'000	%	Increase 50bps R'000	%
	670 084	3.08	(857 606)	(3.95)	254 148	1.17	(475 038)	(2.19)
	1 097 694	4.60	(881 020)	(3.69)	490 677	2.06	(359 142)	(1.51)
	460 673	4.11	(267 515)	(2.39)	277 917	2.48	(75 141)	(0.67)

Derivative assets and liabilities

Foreign exchange options

The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Interest rate swaps

The fair value is calculated as the present value of the estimated future cash flows. Estimates of the future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources, which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty. This is calculated based on credit spreads derived from current credit default swap or bond prices.

Cross-currency interest rate swaps

The fair value is calculated by discounting the future cash flows using the swap curve of the respective currencies at the dates when the cash flows will take place.

Other financial assets and liabilities

Unlisted securities

The adjusted net asset value method is used to determine the fair value, i.e. the fair value is measured based on the fair value of the investee's assets and liabilities.

Fair value disclosures (continued)

Profit participation liability

The adjusted net asset value method is used to determine the fair value of the liability, i.e. the fair value is measured based on 5% of the underlying Chariot investment.

There have been no significant changes in valuation techniques during the year. There have been no transfers between level 1, level 2 and level 3 during the year under review.

Rental guarantee

The rental guarantee entered into with the buyer, guarantees a certain level of rental income in which the rental guarantee is determined. The fair value of the rental guarantee is calculated based on unobservable inputs, i.e. occupancy levels.

Madison earn-out

The Madison earn-out arising from the sale of ELI relates to the assets in the ELI portfolio that were still under construction on transfer date. The fair value is based on unobservable inputs of the asset under construction estimated as at the expected date of completion, i.e. NOI, debt outstanding, outstanding rent reductions, vacancies and working capital.

New standards and interpretations adopted by the group

During the current financial year, the below standards and interpretations were adopted by the group.

- → COVID-19-Related Rent Concessions – Amendment to IFRS 16: Leases
- → Definition of a business – Amendment to IFRS 3: Business combinations
- → Definition of material – Amendment to IAS 1: Presentation of financial statements and IAS 8: Accounting policies, changes in accounting estimates and errors
- → Interest rate benchmark reform (Phase 1) – Amendments to IFRS 9:Financial Instruments, IAS 39: Financial Instruments: Recognition and Measurement and IFRS 7: Financial Instruments: Disclosure

The above standards had no material impact during the current financial year.

Centurion Mall, Centurion

3

SA REIT Ratios

SA REIT Ratios

The best practice recommendation (BPR) is effective for the reporting periods commencing on or after 1 January 2020. Redefine early adopted the BPR during the August 2020 financial year.

Figures in R'000	2021	2020
SA REIT Funds from Operations (SA REIT FFO) per share		
Profit or loss per IFRS Statement of Comprehensive Income (SOCI) attributable to the parent	**2 731 310**	(16 628 264)
Adjusted for:		
Accounting/specific adjustments:	**2 006 693**	15 234 605
Fair value adjustments to:		
→ Investment properties	**1 629 408**	7 158 035
→ Debt and equity instruments held at fair value through profit or loss	**489 302**	317 954
Depreciation and amortisation of intangible assets	**43 788**	332 512
Impairment of goodwill or the recognition of a bargain purchase gain	**–**	5 308 182
Asset impairments (excluding goodwill) and reversals of impairment	**(808 750)**	2 534 110
Gains or losses on the modification of financial instruments	**57 060**	21 012
Deferred tax movement recognised in profit or loss	**64 206**	(70 308)
Straight-lining operating lease adjustment	**531 679**	(365 147)
Adjustments to dividends from equity interests held	**–**	(1 745)
Adjustments arising from investing activities:	**139 727**	822 338
Gains or losses on disposal of:		
o Debt and equity instruments	**105 465**	711 223
o Investment properties and property, plant and equipment	**(3 285)**	(26 539)
o Subsidiaries and equity-accounted entities held	**37 547**	137 654
Foreign exchange and hedging items:	**(2 674 928)**	2 810 119
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	**(2 443 055)**	2 438 796
Reclassified foreign currency translation reserve upon disposal of a foreign operation	**3 277**	(344 894)
Foreign exchange gains or losses relating to capital items – realised and unrealised	**(235 150)**	716 217

Figures in R'000	2021	2020
Other adjustments:	192 009	418 968
Tax impact of the above adjustments	417 371	24 992*
Adjustments made for equity-accounted entities	(195 340)	411 881
Non-controlling interests in respect of the above adjustments	(30 022)	(17 905)
SA REIT FFO:	2 394 811	2 657 766
Number of shares outstanding at end of period (net of treasury shares)	5 432 630	5 432 630
SA REIT FFO per share (cents)	44.08	48.92
Company-specific adjustments	482 097	140 235
Non-distributable adjustments for discontinued operation	134 607	–
Changes in insurance contract liability	64 272	130 275*
Interest received on the Chariot loan	(43 000)	(23 037)
Capital transaction costs expensed	29 019	51 651*
Property held for trading	4 405	26 539
Taxation paid FY20 distributable income retained	367 087	–
Depreciation (Excluding owner-occupied properties)	(41 968)	(18 234)
Leasehold interest and expenses	(32 325)	(26 959)
Distributable income	2 876 908	2 798 001
Unrealised foreign exchange gain	350 438	–
Other	38 708	–
Dividend declared	3 266 054	–
Distributable income per share (DIPS) cents	52.96	51.50
Dividend per share (cents)	60.12	–

* These amounts were reclassified between SA REIT FFO and Company specific adjustments.

SA REIT Ratios (continued)

Figures in R'000	2021	2020
SA REIT Net Asset Value (NAV)		
Reported NAV attributable to the parent	**39 218 183**	38 282 965
Adjustments:		
Dividend to be declared	**(3 266 054)**	–
Fair value of certain derivative financial instruments	**908 892**	1 522 147
Goodwill and intangible asset	**–**	–
Deferred tax	**616 008**	552 299
SA REIT NAV:	**37 477 029**	40 357 411
Shares outstanding		
Number of shares in issue at period-end (net of treasury shares)	**5 432 630**	5 432 630
Effect of dilutive instruments (options, convertibles and equity interests)	**9 542**	10 224
Dilutive number of shares in issue ('000)	**5 442 172**	5 442 854
SA REIT NAV per share: (Rand)	**6.89**	7.41
SA REIT cost-to-income ratio		
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	**2 906 460**	3 248 797
Administrative expenses per IFRS income statement	**326 995**	401 625
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	**(43 789)**	(18 234)
Operating costs	**3 189 666**	3 632 188
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	**5 725 714**	6 433 829
Utility and operating recoveries per IFRS income statement	**1 962 495**	1 915 949
Gross rental income	**7 688 209**	8 349 778
SA REIT cost-to-income ratio	**41.5%**	43.5%
SA REIT administrative cost-to-income ratio		
Expenses		
Administrative expenses as per IFRS income statement	**326 995**	401 625
Administrative costs	**326 995**	401 625
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	**5 725 714**	6 433 829
Utility and operating recoveries per IFRS income statement	**1 962 495**	1 915 949
Gross rental income	**7 688 209**	8 349 778
SA REIT administrative cost-to-income ratio	**4.3%**	4.8%
SA REIT GLA vacancy rate		
Gross lettable area of vacant space	**339 671**	335 626
Gross lettable area of total property portfolio	**4 315 456**	4 432 904
SA REIT GLA vacancy rate	**7.9%**	7.6%

Cost of debt	ZAR	AUD	EUR	USD	GBP
2021					
Variable interest-rate borrowings					
Floating reference rate plus weighted average margin	5.5%	2.5%	2.7%	2.6%	–
Fixed interest-rate borrowings					
Weighted average fixed rate	–	–	–	–	–
Pre-adjusted weighted average cost of debt	**5.5%**	**2.5%**	**2.7%**	**2.6%**	**–**
Adjustments:					
Impact of interest rate derivatives	2.0%	–	–	–	–
Impact of cross-currency interest rate swaps	0.6%	–	(0.9%)	–	–
Amortised transaction costs imputed into the effective interest rate	–	–	–	–	–
All-in weighted average cost of debt	**8.1%**	**2.5%**	**1.8%**	**2.6%**	**–**
2020					
Variable interest-rate borrowings					
Floating reference rate plus weighted average margin	5.4%	2.2%	2.7%	3.5%	2.9%
Fixed interest-rate borrowings					
Weighted average fixed rate	–	–	–	–	–
Pre-adjusted weighted average cost of debt	**5.4%**	**2.2%**	**2.7%**	**3.5%**	**2.9%**
Adjustments:					
Impact of interest rate derivatives	2.3%	1.1%	–	–	–
Impact of cross-currency interest rate swaps	0.5%	–	(1.0%)	–	–
Amortised transaction costs imputed into the effective interest rate	–	–	–	–	–
All-in weighted average cost of debt:	8.2%	3.3%	1.7%	3.5%	2.9%

SA Reit Ratios (continued)

Figures in R'000	2021	2020
SA REIT loan-to-value		
Gross debt	**30 743 000**	36 649 630
Less:		
Cash and cash equivalents	**(1 356 385)**	(232 078)
Add/Less:		
Derivative financial instruments (including insurance contract liability)	**1 617 649**	3 965 573
Net debt	**31 004 264**	40 383 125
Total assets – per Statement of Financial Position	**75 635 209**	82 169 846
Less:		
Cash and cash equivalents	**(1 356 385)**	(232 078)
Derivative financial assets	**(291 322)**	(25 808)
Goodwill and intangible assets	**–**	–
Trade and other receivables	**(900 527)**	(686 764)
Carrying amount of property-related assets	**73 086 975**	81 225 196
SA REIT loan-to-value ("SA REIT LTV")	**42.4%**	49.7%

Administration

Redefine Properties Limited
(Incorporated in the Republic of South Africa)
Registration number: 1999/018591/06
JSE share code: RDF ISIN: ZAE000190252
Debt company code: BIRDF
(Redefine or the Company or the Group)
(Approved as a REIT by the JSE)

Independent non-executive directors
SM Pityana (chairperson)
B Mathews (lead independent)
ASP Dambuza
D Naidoo
D Radley
LJ Sennelo
M Barkhuysen
NB Langa-Royds

Executive directors
AJ König (Chief executive officer)
LC Kok (Chief operating officer)
NG Nyawo (Chief financial officer)

Registered office and business address
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Transfer secretaries
Computershare Investor Services Proprietary Limited

Sponsor
Java Capital

Acting company secretary
T Dube

Independent auditors
PricewaterhouseCoopers Inc.

Date of publication
8 November 2021

COVID-19 disclaimer
Redefine Properties supports all COVID-19 health protocols, including the wearing of masks, sanitising of hands, and social distancing practices. Should, in any example of our marketing/advertising material, a person be depicted without a mask of touching another person's hands, this should be considered in light of the fact that the person is simply portraying a scenario which may not necessarily be during a state of lockdown, and that Redefine's support of, and adherence to, all COVID-19 health protocols at all times remains.

www.redefine.co.za

REDEFINE PROPERTIES

We're not landlords. We're people.