INDLUPLACE

DWELLING ON RESIDENTIAL

UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 MARCH 2021

INDLUPLACE PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2013/226082/06)
JSE share code: ILU ISIN: ZAE000201125
(Approved as a REIT by the JSE)
("**Indluplace**" or "**the company**" or "**the Group**")

Collections of 95,2%

LTV of 38,4%

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

NATURE OF BUSINESS

Indluplace is a proud South African property investor, owning a portfolio primarily focused on the affordable end of the rental residential market. The company was listed on the Main Board of the JSE in June 2015 and currently owns a portfolio of 9 582 residential units and 18 834m^2 of associated retail space. The portfolio is valued at approximately R3,8 billion, with properties situated mainly in Gauteng. At 31 March 2021 outsourced property managers were utilised but the company has announced that it will be internalising its property management during 2021.

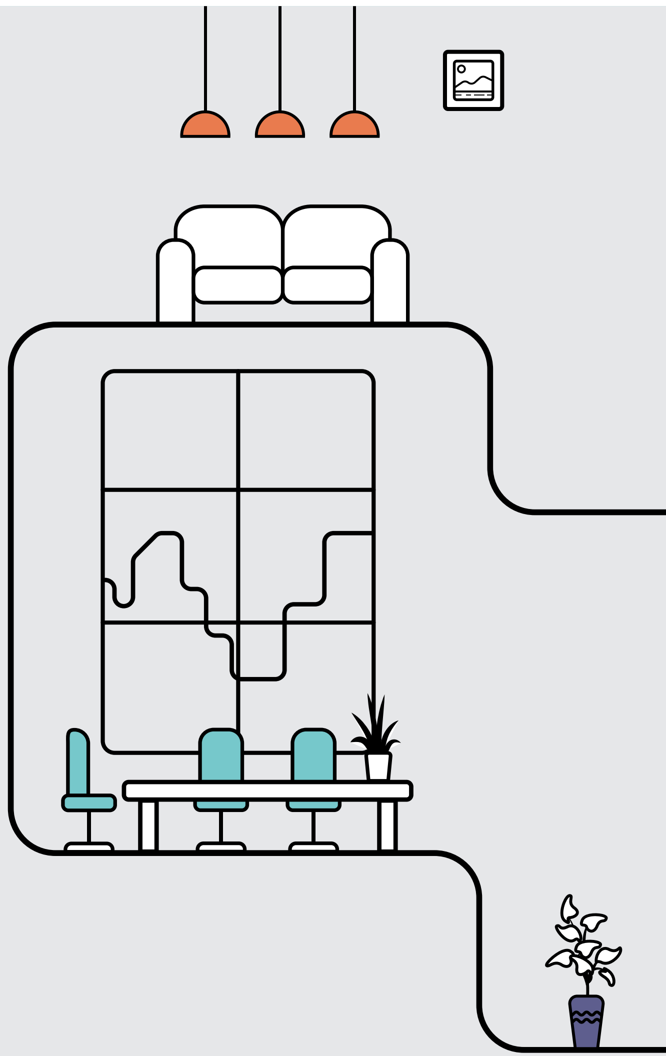
SUMMARISED

DISTRIBUTABLE INCOME ANALYSIS

FOR THE PERIOD ENDED 31 MARCH 2021 (Non IFRS information)

R	31 MARCH 2021	31 MARCH 2020	30 SEPTEMBER 2020
Contractual rental income	241 993 891	275 342 138	527 333 172
Net property expenses	(105 313 256)	(94 869 201)	(211 775 617)
Net property income	**136 680 635**	**180 472 937**	**315 557 555**
DISTRIBUTABLE INCOME			
Amount available for distribution	**58 931 715**	**109 841 111**	**170 549 659**
DISTRIBUTED FOR THE SIX MONTHS ENDED:			
6 months ended - 31 March	**-**	**-**	**-**
6 months ended - 30 September	**-**	**-**	**140 567 201**
Total distributions	**-**	**-**	**140 567 201**
DIVIDEND FOR THE HALF YEAR ENDING 31 MARCH AND YEAR ENDED 30 SEPTEMBER			**CENTS**
6 months ended - 31 March	**-#**	**-***	**-***
6 months ended - 30 September	**-**	**-**	**44,01572**
Dividends per share	**-**	**-**	**44,01572**
Property expense ratio - Net (%)	43,5	34,4	40,2
Property expense ratio - Gross (%)	58,7	49,9	55,8
Net asset value per share (cents)	782,88	849,08	803,19
SHARES USED IN CALCULATION OF THE DIVIDENDS FOR THE 6 AND 12 MONTHS ENDED:			
31 March	319 356 799	319 356 799	319 356 799
30 September			319 356 799

^ - per IFRS 2, 22 440 285 shares have been excluded from the number of shares in issue
* - A dividend of 31,17487 cents per share was available but not declared pre the payout ratio (23,38 cents post the pay out ratio)
# - A dividend of 18,4533 cents per share was available but not declared pre the payout ratio (13,84 post the pay out ratio)

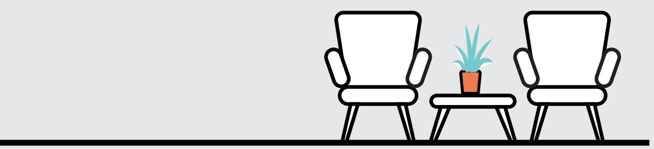


COMMENTARY

THE IMPACT OF COVID-19 ON OUR RESULTS

The impact of the COVID-19 related lockdown on the economy has been severe. The performance of the portfolio to 31 March 2021, when compared to the pre-COVID-19 six months to 31 March 2020, shows distributable income being lower. While our diverse portfolio provided some protection, last year's events have had a marked impact on our tenants, their ability to pay and the competition to attract good quality tenants.

No meaningful comparison can be made between the results for the six months ended 31 March 2021 and those for the corresponding period in 2020. At the time of implementation of the lockdown in March 2020, our tenants and our business were in a much sounder position. During the current six month period our tenants continued to struggle in a deteriorating environment.



CONTRACTUAL RENTAL INCOME

Contractual rental income has decreased from R275,3 million at 31 March 2020 to R241,8 million at 31 March 2021. With the delayed start to the academic year, our student portfolio comprising 492 units, accounts for R9,9 million of the variance. Our vacancies over the current period have increased to an average of 11,3% from the 6,5% in the same period in the prior year and accounts for the balance of the variance.

PROPERTY PORTFOLIO

		FOR THE SIX MONTHS ENDED 31 MARCH 2021	FOR THE SIX MONTHS ENDED 31 MARCH 2020	FOR THE YEAR ENDED 30 SEPTEMBER 2020
Residential (including student units)	Buildings	145	147	147
	Units	9 582	9 668	9 668
	Vacancy (%)	11,4	5,5	11,3
Retail	GLA – m^2	18 834	18 834	18 870
	Vacancy (%)	14,3	5,4	12,3

Residential unit spread	%
JHB suburbs	43
JHB Inner city	36
Pretoria/Midrand	10
Witbank	5
Durban	<1
Bloemfontein	1
Vanderbijl Park	5
Total	**100**

Residential unit category	%
Rooms	7
Bachelors	16
One bed	20
Two bed	47
Three bed	9
Other	1
Total	**100**

The vacancy of 11,4% at 31 March 2021 was more than double that for the same period in the prior year as our tenants struggle with the economic after effects of COVID-19. While our portfolio has performed well in the competitive environment, until such time as the economy recovers, we expect vacancies and escalations to remain comparable with the current period.

OPERATING COSTS

Property operating costs have increased from R153,9 million at 31 March 2020 to R157,5 million at 31 March 2021, the main reason being the increased provisioning for doubtful debts, legal fees and repairs and maintenance as a result of the increased churn in the portfolio.

The net expense ratio and SA REIT cost to income ratios have increased to 43,5% and 58,7% from 34,4% and 49,9% respectively, as a result of both the increased expenses and lower contractual rental income.

ADMINISTRATION COSTS

Administration costs increased from R13,1 million at 31 March 2020 to R15,2 million at 31 March 2021, mainly as a result of the increased staff complement at head office. With a move away from a hybrid approach to property management to internalised property management, we expect various administration costs to form part of property expenses going forwards.

FINANCE INCOME

R	31 MARCH 2021	31 MARCH 2020	30 SEPTEMBER 2020
Interest on Share Purchase and Option Scheme	-	-	10 464 746
Interest received	804 446	3 543 999	5 682 472
Total	**804 446**	**3 543 999**	**14 147 218**

Finance income decreased from R3,5 million to R0,8 million for the six months ended 31 March 2021 due to lower billings and collections combined with decreased interest rates over the period. The interest on the loans related to the Indluplace Share Purchase and Option Scheme will only be recognised once the dividends are declared.

FINANCE CHARGES

R	31 MARCH 2021	31 MARCH 2020	30 SEPTEMBER 2020
Interest paid on secured financial liabilities and swaps	63 258 531	69 948 217	130 691 983
Interest charge on cash balances and municipal accounts	48 754	-	359 294
Total	**63 307 285**	**69 948 217**	**131 051 277**

Finance charges decreased as a result of the lower interest rate environment compared to the prior year. The decrease on a net basis, relates to the lower net income in the current year and the decreased cash holdings.

INVESTMENT PROPERTY

The strategy of ensuring that the portfolio is well maintained and able to attract quality tenants is underway.

This entails a capital expenditure programme which covers a range of areas including internet connectivity, supplementing the council water supply at certain buildings and the refurbishment of various building.

The disposal of non-core properties, being mostly smaller assets in specific areas, is on-going. A total of 35 properties have been sold to date for R114,5 million. A further nine properties are currently under offer for an aggregate disposal amount of approximately R41 million. Sales for 2021 (including recent offers) are being concluded at a discount of about 2% below current book value. During the current six months, one property was transferred. Discussions are also underway for the disposal of the student-specific properties.

Fair value sensitivity

A vacancy movement of 1% would have a R13,6 million fair value movement. A capitalisation rate movement of 0,25% would have a R90 million fair value movement.

SHARE PURCHASE AND OPTION SCHEME

The loans issued in terms of the discontinued Share Purchase and Option Scheme are held at fair value in accordance with IFRS 9 - "Financial Instruments" and have been adjusted to fair value which approximates the share price at the end of the reporting period.

TRADE AND OTHER RECEIVABLES

Trade and other receivables decreased from R104,3 million at 30 September 2020 to R97,6 million at 31 March 2021. The other receivables include R56,2 million of cash held by the company's property managers in their trust accounts. The balance is made up of municipal deposits, municipal receivables and prepayments. The Group applies the IFRS 9 simplified approach to measure expected losses, using a lifetime expected credit loss provision for trade receivables. The movement in the expected credit loss decreased in line with trade and other receivables, from R10,2 million to R7,6 million.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased from R55,9 million at 30 September 2020 to R8,5 million at 31 March 2021, as result of the full 2020 year dividend being paid in December 2020.

SECURED FINANCIAL LIABILITIES AND DERIVATIVE INSTRUMENTS

Secured financial liabilities increased from R1,44 billion at 30 September 2020 to R1,48 billion at 31 March 2021, as result of the payment of the full 2020 year dividend in December 2020. Cash in excess of R105 million has been placed in the access facilities at 31 March 2021. The weighted average cost of debt is 8,5% with a weighted average debt maturity of 2,4 years. The R200 million Standard Bank facility was renewed with ABSA post the September 2020 year end and there are no loans maturing in the next twelve months, with the first loans maturing in October 2022.

SECURED FINANCIAL LIABILITIES

BANK		MATURITY	DRAWN	BASE	MARGIN
ABSA	RCF	16 November 2023	28 302 252	Prime	- 0,9%
Investec	RCF	16 November 2023	14 151 126	Prime	- 1,0%
ABSA	3 year	16 November 2023	317 906 832	Jibar	+ 2,4%
Investec	3 year	16 November 2023	169 550 310	Jibar	+ 2,3%
ABSA	3 year	16 November 2024	85 714 286	Jibar	+ 255%
Investec	3 year	16 November 2024	85 714 286	Jibar	+ 2,4%
ABSA	3 year	16 November 2025	85 714 286	Jibar	+ 27%
Investec	3 year	16 November 2025	85 714 286	Jibar	+ 2,5%
ABSA	5 year	4 October 2022	302 142 857	Jibar	+ 2,20%
Investec	5 year	4 October 2022	302 142 857	Jibar	+ 2,20%
Total facilities			**1 477 053 378**		

HEDGING/SWAPS	MATURITY	NOTIONAL	FIXED RATE
ABSA	7 October 2024	275 025 021	7,07%
Investec	7 October 2024	275 025 021	7,07%
ABSA	7 October 2024	28 484 987	7,13%
Investec	7 October 2024	28 484 987	7,13%
ABSA	7 October 2024	144 979 382	7,68%
Investec	7 October 2024	144 979 382	7,68%
ABSA	7 January 2025	50 000 000	6,55%
Investec	7 January 2025	50 000 000	6,55%
Total hedging/swaps		**996 978 780**	

TRADE AND OTHER PAYABLES

Trade and other payables increased from R107 million at 30 September 2020 to R112,1 million at 31 March 2021. Included in the aforesaid amount are trade payables and accruals of R7,9 million, prepayment of tenant rentals of R18,9 million and deposits from tenants amounting to R53 million.

PROSPECTS

Indluplace has made good progress with implementing its 2021 strategy. The internalisation of the group's property management function will be completed by the end of the financial year. The company expects to finalise the disposal of the majority of the properties on its disposal list and is making good progress with implementing its capital expenditure programme.

The environment remains unpredictable and the slow recovery we anticipated during 2021 has not yet materialised. While collections remain high, vacancies are stable and tenant turnover continued. The expected improvement has not materialised. Indluplace will continue to focus on ensuring that its properties and service to tenants results in it being able to attract good quality tenants.

DIVIDEND FOR THE SIX MONTHS ENDED 31 MARCH 2021

The rapidly changing environment, lack of predictability and difficulty in estimating the overall impact of the pandemic and subsequent lockdown on the future performance requires Indluplace to retain as much capital as possible to protect its balance sheet and assist with liquidity. Accordingly, notwithstanding there being 18,45 cents per share available for the payment of a dividend, based on a 100% pay-out ratio, compared to 31,17 cents per share for the period ended 31 March 2020, the Board has elected to defer the decision on the payment of an interim dividend for the 6 months ended 31 March 2021 until the end of the Company's financial year.

LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which Indluplace is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on the group's financial position.

BASIS OF PREPARATION

The unaudited interim group financial statements for the six months ended 31 March 2021 have not been reviewed or reported on by the company's independent auditors, BDO South Africa Incorporated. The financial statements have been prepared in accordance with the requirements of IAS 34: Interim Financial Statements, the SAICA Financial Reporting Guides as issued by the Financial Practices Committee and the Financial Reporting pronouncement as issued by the Financial Reporting Standard Council, the JSE Listings Requirements and the requirements of the South African Companies Act, 2008. The accounting policies are in accordance with International Financial Reporting Standards and are consistent with those of the audited results for the year ended 30 September 2020. These results have been prepared under the supervision of Terry Kaplan CA (SA), Indluplace's Financial Director.

SUBSEQUENT EVENTS

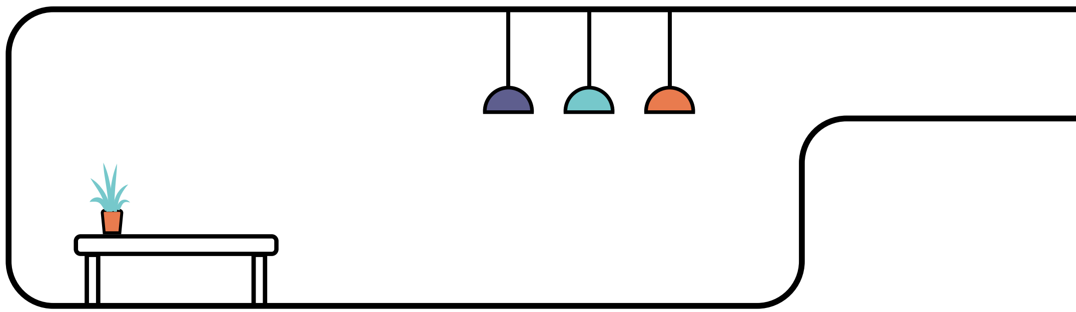
On 22 April 2021, the transfer of Eltruda Court was completed and the sale of the property was finalised.

As indicated to the market at the pre-close update on 29 March 2021, the company's internalisation of the property management of the first tranche of its properties took place on 1 May 2021.

The directors are not aware of any other material event which has occurred after the reporting date and up until the date of this report.

GOING CONCERN

The interim financial statements have been prepared on the basis of a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.



CONDENSED CONSOLIDATED STATEMENT OF

COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2021

R	UNAUDITED FOR THE SIX MONTHS ENDED 31 MARCH 2021	UNAUDITED FOR THE SIX MONTHS ENDED 31 MARCH 2020	AUDITED FOR THE YEAR ENDED 30 SEPTEMBER 2020
PROPERTY PORTFOLIO REVENUE			
Contractual rental income	241 993 891	275 342 138	527 333 172
Recoveries	52 223 920	59 072 878	118 544 581
Straight line rental income accrual	-	-	(2 866 418)
Total revenue	**294 217 811**	**334 415 016**	**643 011 335**
Operating costs	(157 537 176)	(153 942 079)	(330 320 198)
Administration costs	(15 246 081)	(13 054 029)	(30 103 836)
Net operating profit	**121 434 554**	**167 418 908**	**282 587 301**
Changes in fair values - Indluplace Share Purchase and Option Scheme	8 796 757	(42 557 251)	(37 326 780)
Changes in fair values - investment property & derivatives	36 335 180	(54 628 449)	(457 879 865)
Profit from operations	**166 566 491**	**70 233 208**	**(212 619 344)**
Net finance charges	(62 502 839)	(66 404 218)	(114 904 060)
Finance charges	(63 307 285)	(69 948 217)	(131 051 277)
Interest received	804 446	3 543 999	16 147 217
Profit before taxation	**104 063 652**	**3 828 990**	**(327 523 404)**
Taxation	(14 299 071)	-	19 088 748
Total comprehensive income for the period	**89 764 581**	**3 828 990**	**(308 434 656)**
RECONCILIATION OF EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS			
Profit for the period attributable to equity holders	89 764 581	3 828 990	(308 434 656)
Change in fair value of properties	-	35 228 292	360 381 908
Headline profit attributable to equity holders	**89 764 581**	**39 057 282**	**51 947 252**
Number of shares in issue at period end	319 356 701	319 356 701	319 356 701
Number of shares in issue used for the calculation of distribution per share	319 356 701	319 356 701	319 356 701
Weighted average number of shares in issue used for the calculation of earnings and headline earnings per share	319 356 701	319 587 628	319 716 078
Weighted average number of shares in issue used for the calculation of diluted earnings and diluted headline earnings per share	322 162 321	319 587 628	320 885 689
Basic earnings/(loss) per share (cents)	28,11	1,20	(96,47)
Diluted earnings/(loss) per share (cents)	27,86	1,20	(96,12)
Headline earnings per share (cents)	28,11	12,22	16,25
Diluted headline earnings per share (cents)	27,86	12,22	16,19
Dividends per share (cents)	-	-	44,02

CONDENSED CONSOLIDATED STATEMENT OF

FINANCIAL POSITION

FOR THE PERIOD ENDED 31 MARCH 2021

R	UNAUDITED FOR THE SIX MONTHS ENDED 31 MARCH 2021	UNAUDITED FOR THE SIX MONTHS ENDED 31 MARCH 2020	AUDITED FOR THE YEAR ENDED 30 SEPTEMBER 2020
ASSETS			
Non-current assets	**3 866 986 069**	**4 162 633 339**	**3 853 033 397**
Investment property	3 777 727 483	4 095 756 588	3 764 722 708
Fair value of property portfolio for accounting purposes	3 774 742 839	4 089 905 526	3 761 738 064
Straight line rental income accrual	2 984 644	5 851 062	2 984 644
Property, plant and equipment	3 041 672	69 085	43 839
Loans to participants of Indluplace Share Purchase and Option Scheme	62 904 114	66 807 666	56 058 496
Deferred tax assets	23 312 800	-	32 208 354
Current assets	**162 937 849**	**165 853 331**	**226 657 651**
Trade and other receivables	97 552 999	103 154 814	104 292 479
Property loan receivable	38 991 628	39 501 514	50 439 905
Cash and cash equivalents	8 462 271	23 197 003	55 945 626
Loans to participant of Indluplace Share Purchase and Option Scheme	17 930 951	-	15 979 641
Non-current assets held for sale	**41 527 000**	**41 299 500**	**43 202 500**
Total assets	**4 071 450 918**	**4 369 786 170**	**4 122 893 548**
EQUITY AND LIABILITIES			
Shareholders' interest	**2 405 200 505**	**2 766 212 486**	**2 454 750 973**
Stated capital	3 043 299 444	3 043 299 444	3 043 299 444
Share based payment reserve	22 047 752	19 993 467	20 795 600
Reserves	(660 146 691)	(297 080 425)	(609 344 071)
Other non-current liabilities	**1 548 683 553**	**1 366 561 427**	**1 397 965 055**
Secured financial liabilities	1 477 001 000	1 336 641 496	1 289 947 320
Derivative instruments	71 682 553	29 919 931	108 017 735
Current liabilities	**117 566 860**	**237 012 257**	**270 177 520**
Trade and other payables	112 163 344	77 012 257	107 057 915
Secured financial liabilities	-	160 000 000	150 000 000
Taxation payable	5 403 516	-	13 119 605
Total equity and liabilities	**4 071 450 918**	**4 369 786 170**	**4 122 893 548**

STATEMENT OF

CHANGES IN EQUITY

FOR THE 6 MONTHS ENDED 31 MARCH 2021

R	STATED CAPITAL	RETAINED EARNINGS	SHARE BASED PAYMENT RESERVE	TOTAL
GROUP				
Balance at 30 September 2019	**3 051 853 350**	**(169 916 706)**	**19 993 467**	**2 901 930 111**
Share buy-backs	(8 553 906)	-	-	(8 553 906)
Total comprehensive income for the 6 months	-	3 828 990	-	3 828 990
Dividends	-	(130 992 709)	-	(130 992 709)
Balance at 31 March 2020	**3 043 299 444**	**(297 080 425)**	**19 993 467**	**2 766 212 487**
Total comprehensive income for the 6 months	-	(312 263 646)	-	(312 263 646)
Share based payments	-	-	802 133	802 133
Balance at 30 September 2020	**3 043 299 444**	**(609 344 071)**	**20 795 600**	**2 454 747 973**
Total comprehensive income for the 6 months	-	89 764 581	-	89 764 581
Share based payments	-	-	1 252 152	1 252 152
Dividends	-	(140 567 201)	-	(140 567 201)
Balance at 31 March 2021	**3 043 299 444**	**(660 146 691)**	**22 047 752**	**2 405 200 505**

CONSOLIDATED STATEMENT OF

CASH FLOWS

FOR THE 6 MONTHS ENDED 31 MARCH 2021

R	31 MARCH 2021	31 MARCH 2020	30 SEPTEMBER 2020
Net cash generated from operating activities	**(67 148 957)**	**(3 971 536)**	**84 357 735**
Cash generated from operations	149 040 689	193 425 392	330 254 505
Dividends paid	(140 567 201)	(130 992 710)	(130 992 710)
Taxation paid	(13 119 606)	-	-
Finance charges paid	(63 307 285)	(70 635 904)	(131 051 277)
Finance income received	804 446	4 231 686	16 147 217
Net cash utilised in investing activities	**(14 330 631)**	**3 014 541**	**3 811 232**
Acquisition of investment property	(20 329 275)	(13 956 248)	(33 620 001)
Acquisition of property, plant and equipment	(3 001 356)	(21 711)	(21 711)
Proceeds from sale of properties	9 000 000	16 992 500	37 452 944
Net cash generated from financing activities	**33 996 233**	**7 673 168**	**(48 704 171)**
Net proceeds from share issue	-	(314 159)	-
Proceeeds from secured financial liabilities	33 996 233	16 541 257	-
Share buy back	-	(8 553 930)	(8 553 930)
Repayment of secured financial liabilities	-	-	(40 150 241)
Net movement in cash and cash equivalents	**(47 483 355)**	**6 716 173**	**39 464 796**
Cash and cash equivalents at the beginning of the period	55 945 626	16 480 830	16 480 830
Cash and cash equivalents at the end of the period	**8 462 271**	**23 197 003**	**55 945 626**

CONSOLIDATED CONDENSED

SEGMENTAL ANALYSIS

Indluplace has four reportable segments based on the geographic split of the portfolio which are the entity's strategic business segments. For each strategic business segment, the entity's executive directors being the chief operating decision makers, review internal management reports on a monthly basis. All segments are located in South Africa. There are no single major tenants. The following summary describes the operations for each of the entity's reportable segments.

R	GAUTENG	FREE STATE	MPUMALANGA	KWAZULU NATAL	TOTAL
PERIOD ENDED MARCH 2021					
PROPERTY PORTFOLIO REVENUE					
Rental income and recoveries	276 746 478	1 796 920	14 808 243	866 170	294 217 811
Straight line rental income accrual	-	-	-	-	-
Total revenue	**276 746 478**	**1 796 920**	**14 808 243**	**866 170**	**294 217 811**
Operating costs	(150 779 888)	(591 114)	(5 467 042)	(699 132)	(157 537 176)
Net property income	**125 966 591**	**1 205 806**	**9 341 201**	**167 037**	**136 680 635**
Administration costs					(15 246 081)
Net operating income					**121 434 554**
Changes in fair values					45 131 937
Profit from operations					**166 566 491**
Net finance charges					**(62 502 839)**
Finance charges					(63 307 285)
Finance income					804 446
Profit before taxation					**104 063 652**
Taxation					(14 299 071)
Total comprehensive income for the period					**89 764 581**
Reportable segment assets	3 649 960 549	26 342 254	225 961 303	14 543 376	3 916 807 482
Corporate segment assets	-	-	-	-	1 554 179 113
Reportable segment liabilities	(108 289 552)	(1 387 957)	(2 210 921)	(182 870)	(112 071 300)
Corporate segment liabilities	-	-	-	-	(1 554 087 069)
					2 405 200 505

R	GAUTENG	FREE STATE	MPUMALANGA	KWAZULU NATAL	TOTAL
PERIOD ENDED MARCH 2020					
PROPERTY PORTFOLIO REVENUE					
Rental income and recoveries	317 659 831	1 775 581	12 605 460	2 374 144	334 415 016
Straight line rental income accrual	-	-	-	-	-
Total revenue	**317 659 831**	**1 775 581**	**12 605 460**	**2 374 144**	**334 415 016**
Operating costs	(147 460 127)	(636 678)	(4 482 409)	(1 362 865)	(153 942 079)
Net property income	**170 199 704**	**1 138 903**	**8 123 051**	**1 011 279**	**180 472 937**
Administration costs					(13 054 029)
Net operating income					**167 418 908**
Changes in fair values					(97 185 700)
Profit from operations					**70 233 208**
Net finance charges					**(66 404 218)**
Finance charges					(69 948 217)
Finance income					3 543 999
Profit before taxation					**3 828 990**
Taxation					-
Total comprehensive loss for the period					**3 828 990**
Reportable segment assets	3 889 725 775	30 491 020	281 996 614	37 997 493	4 240 210 902
Corporate segment assets	-	-	-	-	129 575 269
Reportable segment liabilities	(73 400 342)	(1 387 957)	(2 041 089)	(182 870)	(77 012 258)
Corporate segment liabilities	-	-	-	-	(1 526 561 427)
					2 766 212 486

R	GAUTENG	FREE STATE	MPUMALANGA	KWAZULU NATAL	TOTAL
YEAR ENDED SEPTEMBER 2020					
PROPERTY PORTFOLIO REVENUE					
Contractual rental income and recoveries	609 247 109	3 556 615	29 901 852	3 172 177	645 877 753
Straight line rental income accrual	(2 866 418)	-	-	-	(2 866 418)
Total revenue	**606 380 691**	**3 556 615**	**29 901 852**	**3 172 177**	**643 011 335**
Operating costs	(315 105 542)	(1 139 165)	(11 920 393)	(2 155 097)	(330 320 197)
Net property income	**291 275 149**	**2 417 450**	**17 981 459**	**1 017 080**	**312 691 138**
Administration costs					(30 103 836)
Net operating income					**282 587 301**
Changes in fair values					(495 206 645)
Loss from operations					**(212 619 344)**
Net finance charges					**(114 904 060)**
Finance charges					(131 051 277)
Finance income					16 147 217
Loss before taxation					**(327 523 404)**
Taxation					19 088 748
Total comprehensive loss for the year					**(308 434 656)**
Reportable segment assets	3 697 687 729	24 201 232	224 129 332	14 387 388	3 960 405 681
Corporate segment assets	-	-	-	-	162 487 868
Reportable segment liabilities	(246 219 480)	(634 089)	(5 881 886)	(4 322 461)	(257 057 916)
Corporate segment liabilities	-	-	-	-	(1 411 084 660)
					2 454 750 973

R	UNAUDITED FOR THE SIX MONTHS ENDED 31 MARCH 2021	UNAUDITED FOR THE SIX MONTHS ENDED 31 MARCH 2020	AUDITED FOR THE YEAR ENDED 30 SEPTEMBER 2020
RECONCILIATION OF COMPREHENSIVE INCOME TO DISTRIBUTABLE EARNINGS (NON-IFRS DISCLOSURE)			
Headline profit attributable to equity holders	89 764 581	3 828 990	(308 434 656)
Change in fair value of derivative instruments	(36 335 180)	19 400 154	97 497 958
Change in fair value of properties	-	35 228 292	360 381 908
Change in fair value of shareholder loans	(8 796 757)	42 557 251	37 326 780
Straight line rental income accrual	-	-	2 866 418
Deferred tax	8 895 554	-	(32 208 354)
Current tax	5 403 517	-	13 119 605
Interest Income on the Indluplace Share Purchase and Option Scheme Loans	-	6 581 313*	-
Amount avaliable for distribution	**58 931 715**	**107 596 000 #**	**170 549 659**
RECONCILIATION OF AMOUNT AVALIABLE FOR DISTRIBUTION FOR THE SIX/THREE MONTHS			
Amounts available for distribution to shareholders	58 931 715	107 596 000 #	170 549 659
6 month ended - 31 March	58 931 715	107 596 000 #	170 549 659
6 month ended - 30 September			
Amount available for distribution for the six months ended :	**58 931 715**	**107 596 000 #**	**170 549 659**
Available dividend per share (at 100% payout ratio)	18,45	33,72	53,40

* - previously reported at 100% payout ratio of 8 125 078
# - previously reported at 100% payout ratio of 109 139 768

REIT

BPR RATIOS

(Non IFRS disclosure)

R	31 MARCH 2021	31 MARCH 2020	30 SEPTEMBER 2020
Profit or loss per IFRS Statement of Comprehensive Income (SOCI)	89 764 581	3 828 990	(308 434 656)
Adjusted for:			
Accounting/specific adjustments:	5 502 314	42 557 251	416 546 787
- Fair value adjustments to:	(8 796 757)	42 557 251	397 458 038
- Fair value loss on loans to participants of Indluplace Share Purchase and Option Scheme	(8 796 757)	42 557 251	37 326 780
- Investment property	-	-	360 131 258
- Non-distributable deferred tax movement recognised in profit or loss	8 895 554	-	32 208 354
- Non-distributable income tax movement recognised in profit or loss	5 403 517	-	(13 119 605)
Adjustments arising from investing activities:			
- Gains or losses on disposal of:			
- Investment property and property, plant and equipment	-	-	(16 997 476)
Foreign exchange and hedging items:			
- Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(36 335 180)	54 628 446	78 097 802
Company specific adjustments			
- interest income on Indluplace Share Purchase and Option Scheme	-	6 581 313	-
Funds from operations	58 931 715	107 596 000	169 212 457
Available dividend per share (cents)	**18,45325**	**33,69147**	**52,98539**
Reported NAV attributable to the shareholders	2 405 200 505	2 766 212 486	2 454 750 973
Fair value of certain derivative financial instruments attributable to shareholders	71 682 553	(54 628 449)	78 097 802
Deferred tax	23 312 800	-	32 208 354
SA REIT NAV:	**2 500 195 858**	**2 711 584 037**	**2 565 057 129**
Net asset value per share (cents)	782,88	849,08	803,19
Shares used in calculation of the dividends for the 6 and 12 months ended:			
31 March	319 356 799	319 356 799	319 356 799
30 September			319 356 799

^ - per IFRS 2, 22 440 285 shares have been excluded from the number of shares in issue

COST-TO-INCOME RATIO

R	31 MARCH 2021	31 MARCH 2020	30 SEPTEMBER 2020
EXPENSES			
Operating expenses per IFRS income statement (includes municipal expenses)	157 537 176	153 942 079	330 320 198
Administration expenses per IFRS income statement	15 246 081	13 054 029	30 103 836
Exclude:			
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	(79 084)	(30 174)	(63 873)
	172 704 173	**166 965 934**	**360 360 161**
RENTAL INCOME			
Contractual rental income per IFRS income statement (excluding straight-lining)	241 993 891	275 342 138	527 333 172
Utility and operating recoveries per IFRS income statement	52 223 920	59 072 878	118 544 581
	294 217 811	**334 415 016**	**645 877 753**
SA REIT cost-to-income ratio	**58,7%**	**49,9%**	**55,8%**
SA REIT administrative cost-to-income ratio	**5,18%**	**3,90%**	**4,66%**

COST OF DEBT			
Variable interest-rate borrowings			
Floating reference rate plus weighted average margin	6,1%	7,9%	6,2%
Pre-adjusted weighted average cost of debt - CU:	**6,1%**	**7,9%**	**6,2%**
Adjustments:			
Impact of interest rate derivatives	2,4%	1,1%	2,4%
All-in weighted average cost of debt - CU:	**8,5%**	**9,0%**	**8,6%**

LOAN-TO-VALUE

R	31 MARCH 2021	31 MARCH 2020	30 SEPTEMBER 2020
Gross debt	1 477 053 377	1 496 642 496	1 420 947 320
Less:			
Cash and cash equivalents	(8 462 271)	(23 197 003)	(55 945 626)
Cash and cash equivalents Property manager accounts	(26 527 738)	(8 884 743)	(19 003 098)
Add:			
Derivative financial instruments	71 682 553	29 919 931	108 017 735
Net debt	**1 513 745 922**	**1 494 480 681**	**1 454 016 331**
Total assets – per Statement of Financial Position	4 076 407 245	4 369 786 170	4 122 893 548
Less:			
Cash and cash equivalents	(34 990 009)	(23 197 003)	(55 945 626)
Deferred tax	(23 213 800)	-	(32 208 354)
Trade and other receivables	(71 025 261)	(94 270 071)	(85 289 381)
Trade and other receivables - Gross	(71 025 261)	(94 270 071)	(85 289 381)
Carrying amount of property-related assets	**3 947 178 175**	**4 252 319 096**	**3 949 450 187**
Loan-to-value (ito REIT BPR)	**38,4%**	**35,1%**	**36,8%**
Loan-to-value (previously reported)		34,7%	34,7%

By order of the Board

20 May 2021

Directors T Adler (Chairperson)*, C Abrams*^, C de Wit (CEO), T Kaplan (FD), G Harris (COO), S Noik*^, A Rehman*^, N Tetyana.*^

* Non–executive, ^ Independent. All directors are South African.

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