

GROUP SUMMARISED
AUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2022



GROWTH-POINT
PROPERTIES



GROUP SALIENT FEATURES

TOTAL PROPERTY ASSETS

R160.8bn

5.2% increase from R152.8bn at FY21

SA REIT NAV

2 158cps

6.7% increase from FY21

INTEREST COVER RATIO

3.1 times

Increase from 2.9 times at FY21

SUSTAINABILITY RATINGS AND INDICES

FTSE/JSE Responsible Investment Index, FTSE4Good Emerging Index,
CDP, GRESB, MSCI ESG, Sustainalytics

DIPS

155.6cps

5.1% increase from FY21

GROUP SA REIT LTV

37.9%

Decrease from 40.0% at FY21

ASSETS UNDER MANAGEMENT (GROWTHPOINT INVESTMENT PARTNERS)

R15.6bn

Increase from R11.7bn at FY21

INVESTMENT PROPOSITION

- Diversified across international geographies and sectors
- Earnings underpinned by high-quality physical property assets
- Dynamic and proven management track record
- Best practice corporate governance
- Transparent reporting
- Level 1 B-BBEE contributor
- Attractive ESG investment
- Investment grade SA domestic debt rating

DPS

128.4cps

8.4% increase from FY21

OFFSHORE ASSETS

43.5%

Increase from 39.9% at FY21

OFFSHORE EBIT

28.4%

Decrease from 29.1% at FY21

FITCH /MOODY'S RATINGS

Global scale: **BB+/Ba2**

National scale: **AAA.za/Aa1.za**

PARTICIPANT OF:



COMMENTARY

Growthpoint is an international property company that provides space to thrive with innovative and sustainable property solutions.

Introduction

Growthpoint is the largest South African primary JSE-listed REIT with a quality portfolio of 408 (FY21: 432) directly owned properties in South Africa (SA) valued at R68.8bn (FY21: R68.8bn). Growthpoint has a 55.9% (FY21: 62.2%) shareholding in Growthpoint Healthcare Property Holdings (RF) Limited (GHPH), which owns six hospitals (FY21: five) and one medical chambers (FY21: one) valued at R3.4bn (FY21: R2.8bn). In December 2021, Growthpoint acquired a 16.8% shareholding in the newly launched Growthpoint Student Accommodation Holdings (RF) Limited (GSAH). It diluted to 16.6% at FY22 due to new shares issued. GSAH owns seven student accommodation properties with 4 979 beds and two properties under construction valued at R2.2bn.

Growthpoint has a 62.2% (FY21: 62.2%) interest in ASX-listed Growthpoint Properties Australia Limited (GOZ), which owns 58 (FY21: 55) properties in Australia valued at R58.8bn (FY21: R49.5bn) and a 60.8% (FY21: 52.1%) interest in LSE and JSE-listed Capital & Regional Plc (C&R), which owns six (FY21: seven) needs-based community shopping centres in the United Kingdom valued at R8.5bn (FY21: R10.5bn).

GOZ owns a 15.0% (FY21: 15.0%) stake in ASX-listed Dexis Industria REIT (DXI), valued at R1.5bn (FY21: R1.1bn).

We have four (FY21: three) equity-accounted investments valued at R14.6bn (FY21: R15.0bn). Our 29.4% (FY21: 29.3%) stake in London Stock Exchange AIM-listed Globalworth Real Estate Investments Limited (GWI) valued at R8.8bn (FY21: R8.6bn) and 50.0% (FY21: 50.0%) stake of the V&A Waterfront (V&A) valued at R5.8bn (FY21: R6.3bn) are the largest of these investments.

Growthpoint has four (FY21: five) unlisted investments valued at R921.2m (FY21: R808.1m). The largest is a 16.3% (FY21: 16.1%) stake in Lango Real Estate Limited (Lango) valued at R858.2m (FY21: R758.2m).

We have a trading and development division which develops commercial property internally and for third parties and has five properties (FY21: six) valued at R453.2m (FY21: R548.0m).

GHPH, GSAH and Lango are part of Growthpoint Investment Partners, its alternative real estate co-investment business. Growthpoint Investment Partners has assets under management of R15.6bn (FY21: R11.7bn). Growthpoint reached its initial goal of R15.0bn a year ahead of time during HY22.

Growthpoint is included in the FTSE/JSE Top 40 Index (J200) with a market capitalisation of R42.4bn at 30 June 2022 (FY22) (FY21: R51.1bn). On average, 219.8m shares (FY21: 244.8m) with a value of R3.1bn (FY21: R3.2bn) were traded per month

during the year. This makes Growthpoint a liquid and tradable way to own commercial property in SA. Growthpoint's property portfolio comprises South African assets (inclusive of the V&A) (56.5%) and international (43.5%) assets. It is well diversified in the three major commercial property sectors: retail, office and industrial. Most of the portfolio is in economic nodes within major metropolitan areas.

For FY22, the SA REIT net asset value (SA REIT NAV) of the Group increased by 6.7% to 2 158 (FY21: 2 023) cents per share.

Strategy

In line with Growthpoint's vision "to be a leading international property company providing space to thrive", the company's strategy incorporates:

- The streamlining and optimisation of the SA portfolio
- Growing new income streams
- International expansion.

While our strategic pillars remain intact, our priority is still to maintain a strong balance sheet and liquidity position.

The Board is satisfied with the progress made in further bolstering the balance sheet in FY22 through various initiatives, including R2.1bn of asset sales in SA (FY21: R559.0m) and R935.0m (before income tax) (FY21: R1.0bn) cash retained as a result of the Company's conservative dividend pay out ratio of 82.5% (FY21: 80.0%).

SA REIT funds from operations (FFO) and distributable income per share (DIPS)

Group SA REIT FFO increased by R645m (13.9%) from R4 653m for FY21 to R5 298m for FY22. On a per share basis it increased 13.7% from 136.8c to 155.5c. Group distributable income increased by R255m (5.0%) from R5 052m to R5 307m. DIPS increased by 5.1% from 148.1c to 155.6c.

Basis of preparation

The 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 Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in preparing these financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements, except for the amendment to IFRS 3 *Business Combinations – Definition of a Business* which became effective for the first time for the financial year starting 1 July 2021.

The summarised consolidated financial statements are extracted from the audited information but are not themselves audited. The annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The auditor's report does not report on all the information contained in these summarised consolidated financial statements. Shareholders are therefore advised that, 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 for inspection at the company's registered office or on the company's website.

The directors of Growthpoint Properties Limited take full responsibility for the preparation of this report and confirm that the selected financial information has been correctly extracted from the underlying consolidated financial statements.

Mr G Völkel (CA(SA)), Growthpoint's Group Financial Director, was responsible for supervising the preparation of these summarised consolidated financial statements.

GOZ

The investment in GOZ was accounted for in terms of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The statement of financial position includes 100% of the assets and liabilities of GOZ, converted at the closing exchange rate at FY22 of R11.24:AUD1 (FY21: R10.70:AUD1).

A deferred tax liability of R5.1bn (FY21: R4.2bn) is included in the statement of financial position. This relates to capital gains tax payable at a rate of 30% in Australia if Growthpoint were to sell its investment in GOZ.

The statement of profit or loss and other comprehensive income includes 100% of the revenue and expenses of GOZ, which were translated at an average exchange rate of R11.04:AUD1 for FY22 (FY21: R11.49:AUD1). The resulting foreign currency translation difference is recognised in other comprehensive income. A non-controlling interest was raised for the 37.8% (FY21: 37.8%) not owned by Growthpoint.

Included in the FY22 distributable income is a R1.1bn (AUD20.8c per share) distribution accrued from GOZ, compared to R987.0m (AUD20.0c per share) for FY21.

Included in normal tax in the statement of profit or loss and other comprehensive income is R113.9m (FY21: R110.3m) which relates to 9.9% (FY21: 10.2%) withholding tax paid on the distributions from GOZ.

C&R

The investment in C&R was accounted for in terms of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The statement of financial position includes 100% of the assets and liabilities

of C&R, converted at the closing exchange rate at FY22 of R19.83:GBP1 (FY21: R19.75:GBP1).

The statement of profit or loss and other comprehensive income includes 100% of the revenue and expenses of C&R, which were translated at an average exchange rate of R20.24:GBP1 for FY22 (FY21: R20.71:GBP1). The resulting foreign currency translation difference is recognised in other comprehensive income. A non-controlling interest was raised for the 39.2% (FY21: 47.9%) not owned by Growthpoint. Included in the FY22 distributable income is a R49.8m (GBP2.5p per share) dividend declared by C&R, compared to Rnil declared for FY21.

C&R undertook a GBP30.0m equity raise during the year which was fully underwritten by Growthpoint. This transaction resulted in an additional investment by Growthpoint of R480.0m (GBP23.7m) and increased its shareholding from 52.1% to 60.8%.

C&R has been working closely with the lender for the Luton property to explore the disposal of most or all of the investment or asset. This process is ongoing and expected to reach a conclusion by the end of September 2022. As part of the agreement to run a consensual sale process, changes to the constitution of the Luton entities were made including the appointment of an independent director with specific rights regarding the sale process. These changes took effect in May 2022 and the effective loss of control that they triggered has resulted in the Group deconsolidating its interest in Luton from that date. This increased C&R's net asset value by GBP6.8m being the net liabilities at the point of deconsolidation.

V&A, GWI and other equity-accounted investments

The investments in the V&A, GWI, Ferguson Place (RF) Limited and Lango Real Estate Management Limited were accounted for in terms of IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates*. The equity-accounting method was used in terms of which the Group's share of the profit or loss and other comprehensive income of these investments were accounted for. Included in the FY22 distributable income is R566.7m from the V&A (FY21: R364.9m) and R317.9m from GWI (FY21: R370.3m).

Revenue and cost-to-income

Revenue decreased by 0.6% for FY22 compared to FY21 as a result of property sales, partly offset by decreased vacancies and decreased rental discounts provided to tenants. SA revenue decreased by 0.4%, and GOZ revenue increased by 0.7% compared to FY21. C&R revenue decreased by 5.8% compared to FY21. The SA REIT cost-to-income ratio for the Group increased to 41.4% for FY22 from 38.8% for FY21. For SA the ratio increased to 44.5% from 41.8% for FY21 and GOZ increased to 25.0% from 23.5% for FY21. For C&R the ratio increased to 59.1% from 55.6% for FY21.

Fair value adjustments

The revaluation of properties in SA, GOZ and C&R resulted in an overall increase of R2.0bn (1.5%) (FY21: decrease of R4.4bn or 3.3%) to R135.6bn (FY21: R128.2bn) for investment property (including investment properties classified as held for sale).

The revaluation of properties resulted in a decrease in values in SA of R1.2bn (1.7%) (FY21: decrease of R5.4bn or 7.4%), an increase of R3.4bn (6.1%) (FY21: increase of R3.9bn or 8.7%) for GOZ and a decrease of R175.1m (2.0%) (FY21: decrease of R2.9bn or 21.7%) for C&R.

The SA valuations were negatively impacted by vacancies in the office sector, partly offset by decreased vacancies in the retail and industrial portfolios. Property assets held for trading and development are reflected at the lower of cost or net realisable value. For FY22, no impairment loss was recognised on property assets held for trading and development (FY21: R30.0m or 5.2%).

Interest-bearing borrowings and derivatives were fair valued using the SA or foreign-denominated swap curves at FY22, decreasing the overall liability by R4.2bn (FY21: decrease of R615.1m). These fair value adjustments and other non-distributable items, such as capital items, non-cash charges, deferred taxation and the net effect of the non-controlling interests' portion of the non-distributable items were transferred to the non-distributable reserve.

Finance costs

Finance costs, including finance costs and income received on interest rate swaps, decreased by 4.1% to R3.2bn (FY21: R3.3bn). The interest cover ratio increased to 3.1 times for FY22 (FY21: 2.9 times). The weighted average interest rate for SA borrowings was 8.1% (FY21: 7.8%) (6.1% including foreign-denominated loans and cross-currency interest rate swaps (CCIRS) (FY21: 6.0%)). The weighted average debt maturity for SA borrowings decreased to 2.9 years (FY21: 3.1 years). Finance costs for GOZ decreased by 3.4% from R564.4m in FY21 to R546.0m in FY22 due to a lower weighted average cost of debt. Finance costs for C&R decreased by 10.5% from R352.5m in FY21 to R315.0m in FY22 due to the repayment and deconsolidation of loans.

Finance income

Finance and other investment income increased to R167.0m (FY21: R138.5m). This is mainly due to an increase in dividends received on investments, offset by the decreased interest received from banks.

Acquisitions and commitments

Through GSAH, Growthpoint acquired seven purpose-built student accommodation properties for R2.1bn in December 2021. It also acquired four telecommunications assets in SA for R5.2m (included in Industrial) during the year.

The development and capital expenditure for SA of R1.2bn (FY21: R1.0bn) was for various projects in the year, including the development at Samrand, Midrand and NTT Johannesburg 1 Data Centre which were the largest. Growthpoint has commitments outstanding for SA developments totalling R654.0m at FY22 (FY21: R310.8m) of which Apex Studios, Braamfontein, Johannesburg and Peak Studios, Observatory, Cape Town, two student accommodation developments, are the largest.

GOZ acquired three office properties for R3.0bn (AUD274.2m) during the year and incurred development and capital expenditure totalling R484.0m (AUD43.2m), its biggest projects being the refurbishment of 75 Dorcas Street, South Melbourne (VIC), for R234.4m (AUD21.0m) and 120-132 Atlantic Drive, Keysborough (VIC), for R37.6m (AUD3.4m). GOZ has commitments outstanding totalling R2.2bn (AUD195.8m) at FY22 (FY21: R1.0bn (AUD97.1m)).

These commitments relate to the acquisition of 165 – 169 Thomas Street, Dandenong, Victoria (VIC) for R1.7bn (AUD165.0m) (net sale price), net of a deposit paid of R185.5m (AUD16.5m), and tenant installation costs at 1 Charles Street, Parramatta (NSW) for R531.6m (AUD47.3m).

C&R incurred capital expenditure of R190.0m (GBP9.8m) in FY22 (FY21: R83.1m (GBP4.0m)) and has outstanding commitments of R236.8m (GBP12.0m) at FY22 (FY21: R53.5m (GBP2.7m)) relating to various capital projects at the retail centres.

Growthpoint Investment Partners

Part of Growthpoint's strategy is to build a co-investment, co-management business with diversified alternative real estate assets. To this end we have achieved our initial goal by establishing three separately identifiable investments with total assets under management of R15.6bn (FY21: R11.7bn).

- **Lango Real Estate Limited (Lango). Growthpoint's stake is 16.3%**

Lango, a joint venture with Ninety One Limited, invests in prime commercial real estate assets in key gateway cities across the African continent. It owns eight quality office and retail assets and three plots of land valued at USD613.0m (FY21: USD600.9m) and has a NAV of USD323.7m at FY22 (FY21: USD330.2m). Growthpoint invested a further R11.3m (USD0.7m) into Lango and received a R22.3m (USD1.4m) dividend during the year (FY21: R6.6m (USD0.5m)).

- **Lango Real Estate Management Limited (Lango Manco). Growthpoint's stake is 37.5%**

Growthpoint received management fees of R11.5m (USD0.7m) (FY21: R14.0m (USD1.0m)) from the Lango Manco during the year.

- Growthpoint Healthcare Property Holdings (RF) Limited (GHPH). Growthpoint's stake is 55.9%**
 GHPH invests exclusively in healthcare property assets in SA with a mandate to acquire and develop acute, day and specialist hospitals, as well as laboratories and biotechnology manufacturing and warehousing facilities. During the year, the International Finance Corporation invested equity of USD20.0m into GHPH and provided USD60.0m of debt which is intended to convert into equity over a four-year period. GHPH has to date attracted approximately R1.3bn in investments from third-party investors. There is a significant pipeline of both acquisitions and greenfield developments. At FY22, Growthpoint's interest in GHPH consists of R358.4m equity (FY21: R358.4m) and a convertible loan of R848.3m (FY21: R887.0m). Growthpoint received a R142.5m (FY21: R130.2m) dividend from GHPH during the year.
- **Growthpoint Healthcare Property Management Company (Pty) Limited (GHPH Manco). Growthpoint's stake is 100%**
 Growthpoint received management fees of R41.2m (FY21: R32.2m) from GHPH Manco during the year.
- Growthpoint Student Accommodation Holdings (RF) Limited (GSAH). Growthpoint's stake is 16.6%**
 GSAH was launched during the year and invests in purpose-built student accommodation. It attracted R1.2bn in investments from third-party investors. In addition, Growthpoint invested R240.0m into the fund. There is a significant pipeline of both acquisitions and greenfield developments. Growthpoint received a R16.7m (FY21: Rnil) dividend from GSAH during the year.
- **Growthpoint Student Residential Accommodation Management Partnership (GSAH Manco). Growthpoint's stake is 100%**
 Growthpoint received asset management fees of R14.5m (FY21: Rnil) from GSAH Manco during the year.

Trading and development

Adhering to the previously communicated limits, the value of projects pre-identified as opportunities for trading and development for third parties in SA will not exceed 3.0% of the value of the SA portfolio and assets developed for our own balance sheet will not exceed 5.0%. In the current environment, we have scaled back all non-essential capital and development spending and will only proceed with opportunities which are client-driven or substantially pre-let.

Disposals and held-for-sale assets

Growthpoint disposed of 37 properties in the year (FY21: eight) for R2.1bn (FY21: R559.0m), including 14th Avenue Hyper in Roodepoort for R320.0m and the Helderberg Centre in Somerset West, Cape Town, for R200.0m and two trading and development properties for R339.4m. GOZ did not dispose of any properties during the year. C&R disposed of an office building at Maidstone for R153.2m (GBP7.1m). At FY22, five SA properties (FY21: eight) valued at R72.5m (FY21: R181.2m) were held for sale. One C&R property (FY21: nil), the Mall in Blackburn valued at R793.0m (GBP40.0m) was held for sale at FY22. No Australian properties were classified as held for sale.

Arrears

Total SA arrears at FY22 were R195.3m (FY21: R308.2m) with a loss allowance of R114.1m (FY21: R174.5m). Total net SA bad debt write-offs, recoveries and provisions were R24.4m (FY21: R29.9m).

Total GOZ arrears at FY22 were R17.5m (FY21: R5.7m) with a loss allowance of R2.6m (FY21: R1.1m). Total C&R arrears at FY22 were R196.8m (FY21: R471.9m) with a loss allowance of R81.8m (FY21: R164.0m).

Vacancy levels

	GLA		Vacancy rate	
	FY22 m ²	FY2021 m ²	FY22 %	FY2021 %
Retail	1 283 698	1 356 981	5.5	6.2
Office	1 672 345	1 708 285	20.7	19.9
Industrial	2 093 262	2 262 728	5.7	9.4
Healthcare	107 562	89 637	0.1	–
Trading and development	37 512	55 403	–	–
SA total	5 194 379	5 473 034	10.3	11.6
V&A	232 041	232 531	1.6	3.0
GOZ	1 061 454	1 033 028	1.6	2.3
C&R	239 690	350 980	7.4	18.2
Total	6 727 564	7 089 573	8.5	10.3

COMMENTARY *continued*

Vacancies decreased in the SA retail and industrial sectors but increased in the office sector. Vacancies at the V&A, GOZ and C&R also decreased. Tenant retention remains a priority and we are addressing it through various initiatives including UNdeposit, SmartMove, SmartStay, SmartFlex, SmartRefer, #Bringusaname and Growthpoint's resource-efficient, sustainable Thrive portfolio.

Borrowings and net working capital

The SA REIT loan-to-value ratio for the Group (SA REIT LTV) was 37.9% for FY22 (FY21: 40.0%). The South African SA REIT LTV decreased to 32.0% (FY21: 35.1%), the GOZ SA REIT LTV increased to 30.6% (FY21: 27.6%) and the C&R SA REIT LTV decreased to 45.3% (FY21: 65.5%).

Growthpoint has consistently applied its policy for measuring the fair value of interest-bearing borrowings and derivatives. The Group has unsecured interest-bearing borrowings of R21.4bn at FY22 (FY21: R21.6bn). All other interest-bearing borrowings across the Group are secured. Growthpoint has unused committed bank facilities of R10.3bn (FY21: R6.5bn) in SA and separately R79.0m (GBP4.0m) (FY21: nil) in C&R and R4.0bn (AUD353.5m) (FY21: R4.1bn or AUD387.5m) in GOZ.

Growthpoint also has cash of R1.5bn (FY21: R709.8m) in SA, R553.1m (AUD49.2m) (FY21: R358.1m or AUD33.5m) in GOZ and R791.0m (GBP39.9m) (FY21: R1.6bn or GBP78.7m) in C&R at FY22. The bank facilities and cash balances assure Growthpoint's ability to meet its short-term commitments.

Change in directorate

Melt Hamman was appointed as an Independent Non-executive Director on 14 September 2021. Melt is Chairman of the Audit Committee and serves as a member of the Property and Investment Committee.

Eileen Wilton was appointed as an Independent Non-executive Director on 9 February 2022. Eileen is Chairman of the HR and Remuneration Committee and serves as a member of the Risk Management Committee.

Clifford Raphiri was appointed as an Independent Non-executive Director on 1 March 2022 and serves as a member of the Audit and the Social, Ethics and Transformation Committees.

Andile Sangqu was appointed as the Lead Independent Director on 1 July 2022.

Francois Marais and John Hayward retired at the AGM on 16 November 2021. Rhidwaan Gasant assumed the Chairmanship of the Board on the retirement of Francois Marais.

Francois Marais was the previous Chairman of the Board and served as Director of Growthpoint for 18 years. Francois has been instrumental in the rapid growth of Growthpoint since joining the Board.

John Hayward served on various committees over the past 20 years. His knowledge, insight and measured approach to matters were much appreciated during his tenure.

We thank Francois and John for their leadership and dedicated service to Growthpoint.

Going concern

The directors have assessed the Group's ability to continue as a going concern. At FY22, the Group had a substantial positive net asset value and a robust liquidity position with access to R10.3bn (FY21: R6.5bn) in SA and separately R4.0bn (AUD353.5m) (FY21: R4.1bn or AUD387.5m) in GOZ and R79.0m (GBP4.0m) (FY21: nil) in C&R of committed undrawn credit facilities. The following uncertainties were considered as part of the going-concern assessment:

Access to liquidity

Stressed market conditions may impact debt funders' risk appetite and limit access to liquidity. The company continuously reviews its funding and maturity profile and monitors the debt capital markets to ensure that it is well positioned for any refinancing opportunities, including the USD-denominated Eurobond maturing in May 2023.

Breach of covenants

The current Group SA REIT LTV of 37.9% (FY21: 40.0%) is well below the maximum loan-to-value covenants the Group is exposed to, of 55.0%. Loan-to-value and interest cover ratio covenants may come under pressure due to decreasing property valuations and rental income because of the expected economic downturn related to the increase in interest rates and inflation.

Maturity of USD-denominated Eurobond

The USD425.0m Eurobond and USD425.0/EUR326.0m cross-currency interest rate swaps linked to the bond are maturing in May 2023. In preparation for the maturity, the Group has secured EUR200.0m in standby facilities and EUR60.0m revolving credit facility should the Group decide not to refinance the bond before the maturity date. These standby and revolving credit facilities are included in the total facilities available as disclosed.

Conclusion

After due consideration, the directors have concluded that the Group has adequate resources and debt facilities to continue operating for the foreseeable future and that it is appropriate to adopt the going-concern basis in preparing the financial statements.

Events after the reporting period Declaration of dividend after reporting period

In line with IAS10 *Events after the Reporting Period*, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements.

C&R

New facilities

On 7 July 2022, C&R drew down a new GBP4.0m facility with BC Invest, a subsidiary of the C&R's strategic residential partner, Far East Consortium. The new debt provided for an initial period of three years at a rate of SONIA+5.95%. It is secured on the Marlowes Centre on a non-recourse basis.

Disposals

On 11 July 2022, C&R completed the GBP21.7m sale of land to Long Harbour for residential development at its 17&Central community shopping centre in Walthamstow.

In May 2022, C&R exchanged contracts for the sale of The Mall, Blackburn to the retail arm of the Adhan Group of Companies for GBP40.0m, representing a premium to the December 2021 valuation of GBP38.2m. The sale was completed on 9 August 2022 delivering net cash proceeds of GBP39.0m.

GOZ

Acquisitions

On 27 July 2022, the acquisition of 165 – 169 Thomas Street, Dandenong, Victoria (VIC) was settled for AUD165.0m (net sale price excluding acquisition costs).

Acquisition of funds management business

On 3 August 2022, GOZ entered into a share sale agreement to acquire 100% of the shares in Fortius Funds Management (Pty) Limited. Under the terms of the agreement, Fortius shareholders will be entitled to receive from GOZ an initial purchase price of AUD45.0m (with a net asset adjustment) upon completion plus up to an additional AUD10.0m component based on agreed milestones being met over the period to June 2024. Completion is anticipated to take place in the first quarter of FY23, subject to conditions precedent being satisfied. The remaining disclosures required under accounting standards concerning this business combination will be included in the interim financial report for the period ending 31 December 2022.

Prospects

While we expect FY23 to be another challenging year, we have a resilient business with the great strengths of skilled people, diversification and astute financial management that benefits from a track record of delivering value to our stakeholders through the cycle. This gives us cause for optimism about our prospects.

Our performance in South Africa in FY23 will be linked to the country's economic health. Our business approach will reflect our priorities of protecting balance sheet strength and furthering our ESG targets. We shall continue to optimise our South African portfolio, specifically focusing on capital rotation, tenant retention, strategic repositioning, green building, solar energy and cost management.

The SA retail sector is largely back to pre-Covid levels, and although consumers remain under financial pressure, we anticipate modest growth from it. The industrial sector, which has enjoyed the most balanced supply and demand dynamics, is expected to perform well and continues to outperform other sectors. The office sector remains oversupplied, but until the South African economy enters a growth phase, conditions will remain challenging for businesses and consequently the office sector. In-force and renewal escalations are under pressure in all sectors.

The V&A rebounded strongly with the recovery in tourism, and we anticipate continued improvement from this investment.

The growth of assets under the capital light funds management strategy will continue to receive our attention locally and internationally. In South Africa and continental Africa, this focus will be executed by Growthpoint Investment Partners, which has good growth potential.

International expansion continues to be a strategic priority with a focus on portfolio optimisation in the short term.

GOZ has been relatively unaffected by the pandemic and has a robust balance sheet and liquidity position and strong tenancies. It is a strong performer and has continued to invest further in high-quality assets and a funds management platform, Fortius Fund Management. While there may be negative impacts from the prevailing global challenges, given the guidance from GOZ for a decrease in FFO for FY23, this will be cushioned to some extent by our foreign income hedging strategies.

C&R has recapitalised, refocused and restructured. After declaring no dividend for 18 months, C&R reinstated the payment of a modest dividend and we expect to see an improved contribution next year.

Having utilised most of the cash on the balance sheet to repay its bond, GWI has reduced the negative cash drag on its income statement.

We are committed to retaining our REIT status and intend to continue to pay dividends twice a year, of at least 75% of distributable income.

Our diversified portfolio, strong balance sheet and stable hard currency dividend income streams position us defensively for FY23. However, given the high level of uncertainty in the local and global macro-economic environment, coupled with rising interest rates and inflation, we expect muted DIPS growth for FY23.

Final dividend

Notice is hereby given of the declaration of the final dividend number 73 of 66.9 cents per share for the period ended 30 June 2022.

Other information

- Issued shares at 30 June 2022: 3 430 787 066 ordinary shares of no par value
- Income tax reference number of Growthpoint: 9375/077/71/7.

Shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No 58 of 1962 (Income Tax Act). The dividends on the shares will be taxable dividends for South African tax purposes in terms of section 25BB of the Income Tax Act.

Tax implications for South African resident shareholders

Dividends received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax in terms of the exclusion to the general dividend exemption contained in section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are, however, exempt from dividend withholding tax (dividend tax) in the hands of South African resident shareholders provided that the South African resident shareholders have provided to the Central Securities Depository Participant (CSDP) or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares, a DTD(EX) (dividend tax: declaration and undertaking to be made by the beneficial owner of a share) form to prove their status as South African residents. If resident shareholders have not submitted the above mentioned documentation to confirm their status as South African residents, they are advised to contact their CSDP or broker, as the case may be, to arrange for the documents to be submitted before the dividend payment.

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption section 10(1)(k) of the Income Tax Act. Any dividend received by a non-resident from a REIT is subject to dividend tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between SA and the country of residence of the non-resident shareholder. Assuming dividend tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders is 53.52c per share. A reduced dividend withholding tax rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

- A declaration that the dividend is subject to a reduced rate as a result of the application of the DTA; and
- A written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner of the South African Revenue Service. If applicable, non-resident shareholders are advised to contact the CSDP, broker or the company to arrange for the above mentioned documents to be submitted before dividend payment, if such documents have not already been submitted.

Salient dates and times

	2022
Last day to trade (LDT) cum dividend	Tuesday, 25 October
Shares to trade ex dividend	Wednesday, 26 October
Record date	Friday, 28 October
Payment date	Monday, 31 October

Notes:

1. Shares may not be dematerialised or rematerialised between the commencement of trade on Wednesday, 26 October 2022 and the close of trade on Friday, 28 October 2022, both days inclusive.
2. The above dates and times are subject to change. Any changes will be released on SENS.

By order of the Board

Growthpoint Properties Limited

13 September 2022

Directors

R Gasant (Chairman), FM Berkeley, NO Chauke* (Human Resource Director), EK de Klerk* (Chief Executive Officer South Africa), M Hamman, KP Lebina, SP Mngconkola, NBP Nkabinde, CD Raphiri, AH Sangqu (Lead Independent Director), LN Sasse* (Group Chief Executive Officer), JA van Wyk#, G Völkel* (Group Financial Director), EA Wilton

*Executive #British

Growthpoint Properties Limited

(Incorporated in the Republic of South Africa)

(Registration number 1987/004988/06)

A Real Estate Investment Trust, listed on the JSE

Share code: GRT ISIN: ZAE000179420

Registered office

The Place, 1 Sandton Drive
Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

Company Secretary

WJH de Koker

Transfer Secretary

JSE Investor Services (Pty) Limited
13th Floor, 19 Ameshoff Street
Braamfontein, Johannesburg, 2000
PO Box 4844, Braamfontein, 2000

Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive, Sandown
Sandton, 2196
PO Box 785700, Sandown, Sandton, 2146

REIT RATIOS

For the year ended 30 June 2022

The second edition of the SA REIT Association's best practice recommendations was issued in November 2019, outlining the need to provide consistent presentation and disclosure of relevant ratios in the SA REIT sector. This ensures information and definitions are clearly presented, enhancing comparability and consistency across the sector.

	2022 Rm	2021 Rm
SA REIT funds from operations (SA REIT FFO)		
Profit/(loss) attributable to the owners of the company	7 937	(497)
Adjusted for accounting/specific adjustments:		
Adjustments to:	(2 637)	5 824
Fair value on investment property	(1 857)	4 745
Fair value on debt and equity instruments held at fair value through profit or loss	(1 109)	584
Depreciation and amortisation of intangible assets	103	108
Impairment of goodwill or the recognition of a bargain purchase gain	–	30
(Gains)/losses on the modification of financial instruments	(728)	295
Deferred tax movement recognised in profit or loss	1 030	400
Straight-lining operating lease adjustment	(164)	(322)
Transaction costs expensed in accounting for a business combination	76	28
Adjustments to dividends from equity interests held	12	(44)
Adjustments arising from investing activities:	(58)	(98)
(Gains)/losses on disposal of equipment	(12)	24
Development fees and profit earned	(46)	(122)
Foreign exchange and hedging items:	(2 806)	(2 014)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(2 787)	(1 681)
Foreign exchange gains or losses relating to capital items – realised and unrealised	(19)	(333)
Other adjustments:	2 862	1 438
Adjustments made for equity-accounted entities	479	1 206
Non-controlling interests in respect of the above adjustments	(810)	(748)
Non-controlling interests in respect of the above adjustments – plus not distributable	3 193	963
Antecedent earnings adjustment	–	17
SA REIT FFO (Rm)	5 298	4 653
Number of shares outstanding at end of period (net of treasury shares)	3 407 663 028	3 402 889 319
SA REIT FFO per share (cents)	155.5	136.8
Interim SA REIT FFO per share (cents)	77.4	65.9
Final SA REIT FFO per share (cents)	78.1	70.9
	Rm	Rm
Company-specific adjustments to SA REIT FFO	9	399
(Decrease)/increase in staff incentive scheme cost	(23)	28
Trading profit and development fees earned	90	122
Profit on the sale of OneCart (Pty) Limited	46	–
Amortisation of tenant incentive add back (GOZ FFO)	364	288
Distributable income from GOZ retained (including NCI portion)	(446)	(157)
Distributable income from C&R retained (including NCI portion)	(150)	(139)
Over distribution/(distributable income from GHPH retained) (including NCI portion)	2	(8)
Distributable income from GSAH retained (including NCI portion)	(48)	–
Pre-acquisition profit GSAH	3	–
Tax on distributable income retained	171	265
Distributable income (Rm)	5 307	5 052
Distributable income per share (DIPS) (cents)	155.6	148.1
Interim DIPS (cents)	76.9	73.1
Final DIPS (cents)	78.7	75.0

REIT RATIOS *continued*

For the year ended 30 June 2022

SA REIT net asset value (SA REIT NAV) (Group)	2022 Rm	2021 Rm
Reported NAV attributable to the parent	71 212	66 410
Adjustments:	2 597	2 700
Dividend to be declared	(2 280)	(2 042)
Fair value of certain derivative financial instruments	(25)	1 068
Goodwill and intangible assets	(496)	(597)
Net deferred tax	5 398	4 271
SA REIT NAV	73 809	69 110

Shares outstanding	Number of shares	Number of shares
Number of shares in issue at period end (net of treasury shares)	3 407 663 028	3 402 889 319
Diluted effect of share options granted to employees	13 216 959	12 699 001
Dilutive number of shares in issue	3 420 879 987	3 415 588 320
SA REIT NAV per share (R)	21.58	20.23

SA REIT cost-to-income ratio	2022 Rm	2021 Rm
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	5 197	4 946
Administrative expenses per IFRS income statement <i>Excluding: Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets</i>	832	613
Operating costs	6 029	5 559
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	12 884	12 804
Utility and operating recoveries per IFRS income statement	1 681	1 510
Gross rental income	14 565	14 314
SA REIT cost-to-income ratio	41.4%	38.8%
SA REIT administrative cost-to-income ratio	Rm	Rm
Expenses		
Administrative expenses as per IFRS income statement	832	613
Administrative costs	832	613
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	12 884	12 804
Utility and operating recoveries per IFRS income statement	1 681	1 510
Gross rental income	14 565	14 314
SA REIT administrative cost-to-income ratio	5.7%	4.3%
SA REIT GLA vacancy rate	GLA m²	GLA m ²
Gross lettable area of vacant space	573 804	731 045
Gross lettable area of total property portfolio	6 727 564	7 089 573
SA REIT GLA vacancy rate	8.5%	10.3%

REIT RATIOS *continued*

For the year ended 30 June 2022

Cost of debt	ZAR %	AUD %	EUR %	USD %
2022				
Variable interest-rate borrowings				
Floating reference rate plus weighted average margin	6.3	–	–	3.3
Fixed interest-rate borrowings				
Weighted average fixed rate	9.9	–	–	5.9
Pre-adjusted weighted average cost of debt	6.4	–	–	5.5
Adjustments:				
Impact of interest rate derivatives	1.4	–	0.7	–
Impact of cross-currency interest rate swaps	0.3	3.5	3.1	(0.5)
Amortised transaction costs imputed in the effective interest rate	–	–	–	0.2
All-in weighted average cost of debt	8.1	3.5	3.8	5.2

Cost of debt	ZAR %	AUD %	EUR %	USD %
2021				
Variable interest-rate borrowings				
Floating reference rate plus weighted average margin	5.4	–	–	–
Fixed interest-rate borrowings				
Weighted average fixed rate	9.9	–	–	5.9
Pre-adjusted weighted average cost of debt	5.5	–	–	5.9
Adjustments:				
Impact of interest rate derivatives	2.0	–	1.4	–
Impact of cross-currency interest rate swaps	0.3	3.6	2.4	(0.9)
Amortised transaction costs imputed in the effective interest rate	–	–	–	0.2
All-in weighted average cost of debt	7.8	3.6	3.8	5.2

SA REIT loan-to-value (Group)	2022 Rm	2021 Rm
Gross debt	63 802	60 793
<i>Less:</i>		
Cash and cash equivalents	(2 841)	(2 622)
<i>(Less)/add:</i>		
Derivative financial instruments	(1 675)	1 181
Net debt	59 286	59 352
Total assets per statement of financial position	164 729	154 455
<i>Less:</i>		
Cash and cash equivalents	(2 841)	(2 622)
Derivative financial assets	(2 492)	(814)
Goodwill and intangible assets	(496)	(597)
Trade and other receivables	(2 321)	(2 087)
Carrying amount of property-related assets	156 579	148 335
SA REIT loan-to-value (SA REIT LTV)	37.9%	40.0%
Net initial yield	Rm	Rm
Investment property	135 578	128 242
<i>Less:</i>		
Properties under development	(820)	(697)
Grossed up property value	134 758	127 545
Property income		
Contractual cash rentals	11 630	10 808
<i>Less:</i>		
Notional rental for rent-free periods, discounted rentals, stepped rentals and lease incentives	(1 391)	(1 562)
<i>Less:</i>		
Non-recoverable property expenses	(172)	(262)
Annualised net rental	10 067	8 984
Net initial yield	7.5%	7.0%

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	2022 Rm	2021 Rm
Revenue, excluding straight-line lease income adjustment	12 884	12 804
Straight-line lease income adjustment	164	322
Total revenue	13 048	13 126
Property-related expenses	(3 603)	(3 513)
Expected credit losses on trade receivables	87	77
Net property income	9 532	9 690
Other administrative and operating overheads	(832)	(613)
Operating profit	8 700	9 077
Equity-accounted investment profit/(loss) – net of tax	409	(411)
Non-distributable income	(479)	(1 206)
Dividends/interest received from equity-accounted investments	888	795
Fair value adjustments, capital items and other charges	6 262	(4 381)
Finance and other investment income	167	138
Finance expense	(3 115)	(3 107)
Profit before taxation	12 423	1 316
Taxation	(1 293)	(850)
Profit for the year	11 130	466
Other comprehensive income – net of tax		
Items that may subsequently be reclassified to profit or loss		
Translation of foreign operations	1 724	(3 780)
Total comprehensive profit/(loss) for the year	12 854	(3 314)
Profit attributable to:	11 130	466
Owners of the company	7 937	(497)
Non-controlling interests	3 193	963
Total comprehensive profit/(loss) attributable to:	12 854	(3 314)
Owners of the company	8 997	(3 009)
Non-controlling interests	3 857	(305)
	Notes	Cents
Basic earnings/(loss) per share	1.1	233.04
Diluted earnings/(loss) per share	1.1	232.14

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	2022 Rm	2021 Rm
Assets		
Cash and cash equivalents	2 841	2 622
Trade and other receivables	2 321	2 087
Taxation receivable	153	9
Investment property classified as held for sale	866	181
Property held for trading and development	453	548
Derivative assets	2 492	814
Listed investments	1 489	1 122
Fair value of property assets	134 712	128 061
Fair value of investment property for accounting purposes	128 126	121 691
Straight-line lease income adjustment	3 565	3 359
Tenant incentives	1 470	1 402
Right-of-use assets	1 551	1 609
Long-term loans granted	3 313	2 534
Equity-accounted investments	14 585	15 003
Unlisted investments	921	808
Equipment	49	57
Intangible assets	496	597
Deferred tax	38	12
Total assets	164 729	154 455
Liabilities and equity		
Liabilities		
Trade and other payables	3 541	3 204
Derivative liabilities	817	1 995
Taxation payable	67	189
Liabilities associated with assets classified as held for sale	39	–
Interest-bearing borrowings	62 857	61 947
Lease liability	1 826	2 235
Deferred tax liability	5 436	4 283
Total liabilities	74 583	73 853
Equity		
Shareholders' interests	71 212	66 410
Share capital	53 195	53 117
Retained income	4 712	3 739
Other reserves	13 305	9 554
Non-controlling interest	18 934	14 192
Total liabilities and equity	164 729	154 455

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Attributable to owners of the company					
	Share capital Rm	Non-distributable reserve (NDR)				Other fair value adjustments and non-distributable items Rm
		Foreign currency translation reserve (FCTR) Rm	Amortisation of intangible assets Rm	Bargain purchase Rm	Fair value adjustment on investment property Rm	
Balance at 30 June 2020	48 218	6 639	552	892	17 278	(8 254)
Total comprehensive income						
(Loss)/profit after taxation	–	–	–	–	–	–
Other comprehensive income	–	(2 512)	–	–	–	–
Transactions with owners recognised directly in equity						
Contributions by and distributions to owners						
Shares issued	4 813	–	–	–	–	–
Transfer non-distributable items to NDR	–	–	(78)	–	(6 162)	600
Share-based payment transactions	86	–	–	–	–	–
Dividends declared	–	–	–	–	–	–
Changes in ownership interest						
Acquisition of subsidiary with NCI	–	–	–	–	–	–
Change of ownership – Healthcare	–	–	–	–	–	3
Rights issue and acquisitions – GOZ	–	–	–	–	–	–
Balance at 30 June 2021	53 117	4 127	474	892	11 116	(7 651)
Total comprehensive income						
Profit after taxation	–	–	–	–	–	–
Other comprehensive income	–	1 060	–	–	–	–
Transactions with owners recognised directly in equity						
Contributions by and distributions to owners						
Transfer non-distributable items to NDR	–	–	(74)	–	1 170	2 090
Share-based payment transactions	78	–	–	–	–	–
Dividends declared	–	–	–	–	–	–
Changes in ownership interest						
Shares issued to NCI – GOZ	–	–	–	–	–	–
Shares issued to NCI – C&R	–	–	–	–	–	(117)
Shares issued to NCI – GPH	–	–	–	–	–	6
Acquisition of subsidiary with NCI – GSAH	–	–	–	–	–	–
Share buyback – GOZ	–	–	–	–	–	–
Change of ownership – GPH	–	–	–	–	–	2
Change of ownership – GSAH	–	–	–	–	–	–
Balance at 30 June 2022	53 195	5 187	400	892	12 286	(5 670)

	2022 Cents	2021 Cents
Dividend per share	128.4	118.5

Attributable to owners of the company								
Non-distributable reserve (NDR)			Total other reserves Rm	Retained earnings (RE) Rm	Shareholders' interest Rm	Non-controlling interest (NCI) Rm	Total equity Rm	
Share-based payments reserve Rm	Reserves with NCI Rm	Fair value adjustment on listed investments Rm						
133	(12)	136	17 364	2 295	67 877	15 168	83 045	
–	–	–	–	(497)	(497)	963	466	
–	–	–	(2 512)	–	(2 512)	(1 268)	(3 780)	
–	–	–	–	–	4 813	–	4 813	
36	–	320	(5 284)	5 284	–	–	–	
(17)	–	–	(17)	–	69	–	69	
–	–	–	–	(3 343)	(3 343)	(748)	(4 091)	
–	–	–	–	–	–	95	95	
–	–	–	3	–	3	(12)	(9)	
–	–	–	–	–	–	(6)	(6)	
152	(12)	456	9 554	3 739	66 410	14 192	80 602	
–	–	–	–	7 937	7 937	3 193	11 130	
–	–	–	1 060	–	1 060	664	1 724	
(24)	–	(361)	2 801	(2 801)	–	–	–	
(1)	–	–	(1)	–	77	–	77	
–	–	–	–	(4 163)	(4 163)	(810)	(4 973)	
–	–	–	–	–	–	12	12	
–	–	–	(117)	–	(117)	203	86	
–	–	–	6	–	6	284	290	
–	–	–	–	–	–	1 190	1 190	
–	–	–	–	–	–	(12)	(12)	
–	–	–	2	–	2	(2)	–	
–	–	–	–	–	–	20	20	
127	(12)	95	13 305	4 712	71 212	18 934	90 146	

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	2022 Rm	2021 Rm
Cash flows from operating activities		
Cash received from tenants	13 341	12 057
Cash paid to suppliers and employees	(4 472)	(4 023)
Cash generated from operating activities	8 869	8 034
Interest paid	(3 181)	(3 327)
Interest received	47	61
Dividends received	441	507
Taxation paid	(529)	(369)
Capital costs incurred on acquisitions	–	(28)
Investment in property held for trading and development	(188)	(245)
Disposal of property held for trading and development	339	243
Distribution paid to shareholders	(4 973)	(4 091)
Net cash generated from operating activities	825	785
Cash flows from investing activities		
Investments in:	(5 622)	(1 331)
Investment property	(4 908)	(1 188)
Intangible assets	(2)	(5)
Equipment	(34)	(41)
Listed investment	(664)	(60)
Unlisted investment	(11)	(13)
Long-term loans granted	(3)	(15)
Change of ownership – GPHH	–	(9)
Proceeds from:	2 025	1 710
Disposal of investment property	1 773	1 623
Disposal of investment property held for sale	182	84
Disposal of unlisted investment	63	–
Repayment of long-term loans granted	7	3
Net cash (used by)/generated from investing activities	(3 597)	379
Cash flows from financing activities		
Proceeds from:	8 841	8 529
Shares issued	–	4 236
Distribution re-investment	–	577
Borrowings raised	8 453	3 722
Shares issued to NCI – GOZ	12	(6)
Shares issued to NCI – C&R	86	–
Shares issued to NCI – GPHH	290	–
Repayments of borrowings	(5 807)	(8 983)
Share buyback – GOZ	(12)	–
Settlement of derivatives	(43)	(295)
Repayment of lease liability	(34)	(37)
Net cash generated from/(used by) financing activities	2 945	(786)
Effect of exchange rate changes on cash and cash equivalents	46	(176)
Increase in cash and cash equivalents	219	202
Cash and cash equivalents at beginning of year	2 622	2 420
Cash and cash equivalents at end of year	2 841	2 622

SEGMENTAL ANALYSIS

For the year ended 30 June 2022

Segments

The Group determines and presents operating segments based on the information that is provided internally to the Executive Management Committee (Exco), the Group's operating decision-making forum. The Group comprises 10 segments, namely Retail, Office, Industrial, Healthcare (GPH), Student Accommodation (GSAH), Trading and Development, GOZ, V&A Waterfront, GWI and C&R. GSAH is a new segment as it was launched during the period. In accordance with the new definition of a business contained in IFRS 3, the transaction was accounted for as an asset acquisition rather than a business combination as substantially all the fair value of the gross assets acquired was concentrated in the seven student accommodation properties. All operating segments' operating results are reviewed regularly by Exco to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

Segment	Brief description of segment
Retail	The Growthpoint retail portfolio consists of 42 properties in South Africa, comprising shopping centres with the balance being standalone single-tenanted properties. It includes regional, community, neighbourhood, retail warehouses and speciality centres.
Office	The Growthpoint office portfolio consists of 158 properties in South Africa which includes high rise and low rise offices, office parks, office warehouses, vacant land as well as mixed-use properties comprising both office and retail.
Industrial	The Growthpoint industrial portfolio consists of 187 properties in South Africa which includes warehousing, industrial parks, motor-related outlets, low and high-grade industrial, high-tech industrial, telecommunication assets, land zoned for developments, vacant land as well as mini, midi and maxi units.
GPH	The Growthpoint healthcare portfolio consists of six hospitals and one medical chambers building.
GSAH	The Growthpoint student accommodation portfolio consists of nine purpose-built student accommodation properties situated in Johannesburg, Pretoria and Cape Town.
Trading and development	The Growthpoint trading and development portfolio consists of five properties.
GOZ	The GOZ portfolio consists of 58 properties which includes both industrial and office properties, all situated in Australia.
V&A Waterfront	The V&A Waterfront is a 123 hectare mixed-use property development situated in and around the historic Victoria and Alfred Basin, which formed Cape Town's original harbour. Its properties include retail, office, fishing and industrial, hotel and residential as well as undeveloped bulk.
GWI	The GWI portfolio consists of 71 standing properties in Poland and Romania, mostly modern A-grade office properties, industrial properties as well as a residential property complex.
C&R	The C&R portfolio consists of six properties that are community-based shopping centres, all situated in the United Kingdom.

Geographic segments

In addition to the main reportable segments, the Group also includes a geographical analysis of net property income, excluding straight-line lease income adjustment and investment property.

The following geographic segments have been identified:

- South Africa
- Australia
- United Kingdom
- V&A Waterfront
- Central and Eastern Europe.

SEGMENTAL ANALYSIS *continued*

For the year ended 30 June 2022

	2022													Consolidation* Rm	Total Rm
	Retail Rm	Office Rm	Industrial Rm	GHPH Rm	GSAH Rm	Trading and develop- ment Rm	Total South Africa Rm	Australia 100% Rm	United Kingdom 100% Rm	Total as reported Rm	V&A Water- front 50% Rm	Central and Eastern Europe 29.4% Rm			
Profit or loss disclosures															
Revenue excluding straight-line lease adjustment	3 165	3 063	1 591	378	174	107	8 478	3 218	1 188	12 884	933	1 146	-	14 963	
Property-related expenses (including impairment losses)	(926)	(986)	(378)	(56)	(48)	(3)	(2 397)	(558)	(561)	(3 516)	(293)	(433)	-	(4 242)	
Net property income	2 239	2 077	1 213	322	126	104	6 081	2 660	627	9 368	640	713	-	10 721	
Other administrative and operating overheads							(443)	(248)	(141)	(832)	(93)	(127)	-	(1 052)	
Equity-accounted investment profit, net of tax							409	-	-	409	9	42	(403)	57	
Fair value adjustment on investment property	28	(1 470)	208	86	(31)	-	(1 179)	3 375	(175)	2 021	5	81	-	2 107	
Fair value adjustments (other than investment property)							1 859	1 402	1 150	4 411	(546)	2	-	3 867	
Capital items and other charges							(111)	1	104	(6)	(12)	-	-	(18)	
Finance and investment income							81	86	-	167	16	15	-	198	
Finance expense							(2 254)	(546)	(315)	(3 115)	(9)	(280)	-	(3 404)	
Consolidated profit/(loss) before taxation							4 443	6 730	1 250	12 423	10	446	(403)	12 476	
Assets															
Cash and cash equivalents							1 497	553	791	2 841	383	928	-	4 152	
Trade and other receivables							1 610	346	365	2 321	110	165	-	2 596	
Taxation receivable							153	-	-	153	-	-	-	153	
Investment property classified as held for sale	-	35	38	-	-	-	73	-	793	866	-	638	-	1 504	
Property held for trading and development	-	-	-	-	-	453	453	-	-	453	-	-	-	453	
Derivative assets							1 805	665	22	2 492	-	37	-	2 529	
Listed investments							-	1 489	-	1 489	-	-	-	1 489	
Fair value of property assets	24 573	25 964	12 054	3 406	2 233	-	68 230	58 820	7 662	134 712	9 001	15 117	-	158 830	
Fair value of investment property	24 450	25 653	12 033	3 385	2 233	-	67 754	56 780	7 157	131 691	8 979	15 117	-	155 787	
Tenant incentives	86	311	21	21	-	-	439	974	57	1 470	-	-	-	1 470	
Right-of-use assets	37	-	-	-	-	-	37	1 066	448	1 551	22	-	-	1 573	
Long-term loans granted							3 313	-	-	3 313	55	-	-	3 368	
Equity-accounted investments							14 585	-	-	14 585	2	332	(14 538)	381	
Unlisted investments							920	-	1	921	-	63	-	984	
Equipment							4	7	38	49	230	-	-	279	
Intangible assets							496	-	-	496	-	62	-	558	
Deferred tax							-	18	20	38	-	1	-	39	
Total assets							93 139	61 898	9 692	164 729	9 781	17 343	(14 538)	177 315	
Liabilities															
Trade and other payables							2 176	808	557	3 541	467	307	-	4 315	
Derivative liabilities							813	4	-	817	-	-	-	817	
Taxation payable							-	61	6	67	-	4	-	71	
Liabilities associated with assets classified as held for sale							-	-	39	39	-	70	-	109	
Interest-bearing borrowings							39 615	19 344	3 898	62 857	154	7 285	-	70 296	
Lease liability							39	1 176	611	1 826	58	97	-	1 981	
Deferred tax liability							5 436	-	-	5 436	-	823	-	6 259	
Total liabilities							48 079	21 393	5 111	74 583	679	8 586	-	83 848	
Other disclosures															
Transfers between segments	-	-	(17)	-	-	17	-	-	-	-	-	-	-	-	
Acquisitions	-	-	6	-	2 060	-	2 066	3 025	-	5 091	-	-	-	-	
Development and capital expenditure	232	303	220	4	204	188	1 151	484	190	1 825	-	-	-	-	

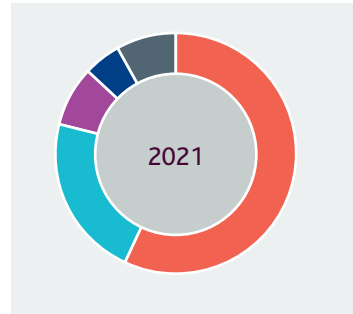
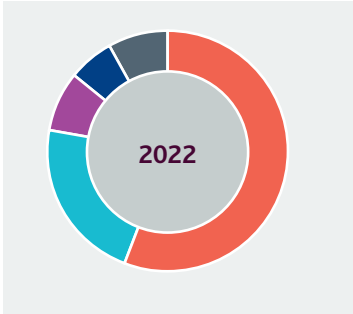
* Having included our proportionate share of the V&A and GWI profit and assets to the left, we exclude their inclusion in the reported numbers.

2021												
Retail Rm	Office Rm	Industrial Rm	GHPH Rm	Trading and development Rm	Total South Africa Rm	Australia 100% Rm	United Kingdom 100% Rm	Total as reported Rm	V&A Water-front 50% Rm	Central and Eastern Europe 29.4% Rm	Consolidation* Rm	Total Rm
3 116	3 193	1 550	289	193	8 341	3 229	1 234	12 804	728	1 175	-	14 707
(923)	(892)	(389)	(33)	(5)	(2 242)	(565)	(629)	(3 436)	(298)	(374)	-	(4 108)
2 193	2 301	1 161	256	188	6 099	2 664	605	9 368	430	801	-	10 599
					(361)	(195)	(57)	(613)	(78)	(109)	-	(800)
					(411)	-	-	(411)	-	3	402	(6)
(2 005)	(2 670)	(782)	(37)	54	(5 440)	3 944	(2 923)	(4 419)	(886)	(210)	-	(5 515)
					565	(124)	137	578	-	(10)	-	568
					(178)	(16)	(24)	(218)	(18)	(2)	-	(238)
					62	62	14	138	19	11	-	168
					(2 190)	(565)	(352)	(3 107)	(17)	(297)	-	(3 421)
					(1 854)	5 770	(2 600)	1 316	(550)	187	402	1 355
					709	358	1 555	2 622	257	2 285	-	5 164
					1 350	164	573	2 087	118	144	-	2 349
					9	-	-	9	-	-	-	9
-	94	87	-	-	181	-	-	181	-	-	-	181
-	-	-	-	548	548	-	-	548	-	-	-	548
					736	78	-	814	-	37	-	851
					-	1 122	-	1 122	-	-	-	1 122
24 915	27 548	12 286	2 802	516	68 067	49 462	10 532	128 061	8 801	15 174	-	152 036
24 811	27 241	12 264	2 778	516	67 610	47 492	9 948	125 050	8 764	15 174	-	148 988
64	307	22	24	-	417	902	83	1 402	-	-	-	1 402
40	-	-	-	-	40	1 068	501	1 609	37	-	-	1 646
					2 534	-	-	2 534	55	-	-	2 589
					15 003	-	-	15 003	-	165	(15 126)	42
					797	-	11	808	-	53	-	861
					1	6	50	57	243	-	-	300
					597	-	-	597	-	61	-	658
					-	5	7	12	-	1	-	13
					90 532	51 195	12 728	154 455	9 474	17 920	(15 126)	166 723
					1 858	686	660	3 204	358	333	-	3 895
					1 797	102	96	1 995	-	-	-	1 995
					-	115	74	189	-	1	-	190
					38 491	15 357	8 099	61 947	177	8 075	-	70 199
					39	1 144	1 052	2 235	54	144	-	2 433
					4 283	-	-	4 283	-	744	-	5 027
					46 468	17 404	9 981	73 853	589	9 297	-	83 739
-	-	(22)	-	22	-	-	-	-	-	-	-	-
-	22	23	194	70	309	-	-	309	-	-	-	-
180	512	144	2	175	1 013	126	80	1 219	-	-	-	-

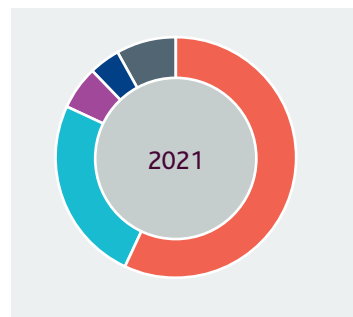
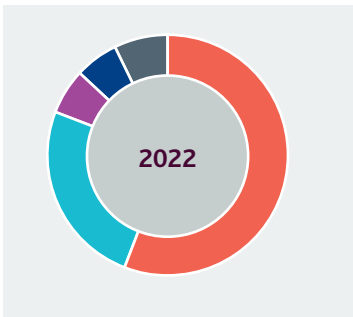
SEGMENTAL ANALYSIS *continued*

For the year ended 30 June 2022

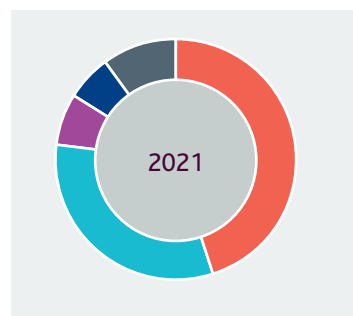
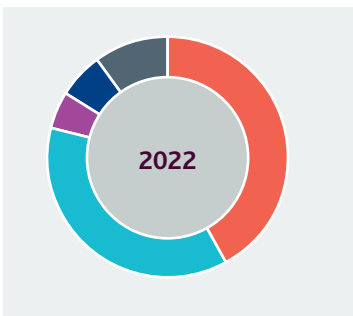
Revenue



Net property income



Fair value of property assets



NOTES

For the year ended 30 June 2022

1. Basic and headline earnings per share

1.1 Summary of earnings per share (EPS), headline earnings per share (HEPS) and distributable income per share (DIPS)

	Earnings attributable		Weighted average number of shares		Cents per share	
	2022 Rm	2021 Rm	2022	2021	2022	2021
Total operations						
EPS Basic	7 937	(497)	3 405 871 086	3 246 192 089	233.04	(15.31)
EPS Diluted	7 937	(497)	3 419 088 046	3 258 891 090	232.14	(15.25)
HEPS Basic	7 191	5 518	3 405 871 086	3 246 192 089	211.14	169.98
HEPS Diluted	7 191	5 518	3 419 088 046	3 258 891 090	210.32	169.32

	Earnings attributable		Actual number of shares		Cents per share (DIPS)	
	2022 Rm	2021 Rm	2022	2021	2022	2021
DIPS reconciliation	5 307	5 052	3 407 663 028	3 402 889 319	155.60	148.10

1.2 Reconciliation between basic earnings, diluted earnings and headline earnings

	SOCl [#]		Total gross and net	
	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Profit/(loss) for the year			7 937	(497)
Adjustments:				
Fair value adjustments on investment property			(746)	6 015
Net investment property revaluation	6 262*	(4 381)*	(1 857)	4 745
Fair value adjustments: equity-accounted investments	(479)*	(1 206)*	(13)	1 239
NCI portion of fair value adjustments	6 262*	(4 381)*	1 124	31
Headline basic and diluted earnings			7 191	5 518

* The fair value adjustment on investment property and NCI portions is included in the "Fair value adjustment, capital items and other charges" line item on the face of the statement of profit or loss and other comprehensive income, which total R6 262m (FY21: (R4 381m)). The fair value adjustments for equity-accounted investments are included in the "Non-distributable income" line item on the face of the statement of profit or loss and other comprehensive income, which totals (R479m) (FY21: (R1 206m)).

[#] Statement of profit or loss and other comprehensive income.

1.3 Reconciliation of weighted average number of shares

	Weighted number of shares	
	2022	2021
Weighted average number of shares	3 405 871 086	3 246 192 089
Number of shares as at 1 July	3 430 787 066	3 022 496 382
Shares issued during the year	–	254 975 929
Effect of treasury shares held	(24 915 980)	(31 280 222)
Diluted effect of share options granted to employees	13 216 960	12 699 001
Diluted average number of shares	3 419 088 046	3 258 891 090

NOTES *continued*

For the year ended 30 June 2022

2. Classification of financial assets and liabilities

2.1 Assets

	Designated at fair value through profit or loss* Rm	Fair value through profit or loss Rm	Financial assets at amortised cost Rm	Outside scope of IFRS 9 Rm	Total Rm
2022					
Cash and cash equivalents	–	–	2 841	–	2 841
Trade and other receivables	–	–	2 114	207	2 321
Derivative assets	–	2 492	–	–	2 492
Listed investments	–	1 489	–	–	1 489
Unlisted investments	–	921	–	–	921
Long-term loans granted	3 313	–	–	–	3 313
2021					
Cash and cash equivalents	–	–	2 622	–	2 622
Trade and other receivables	–	–	1 841	246	2 087
Derivative assets	–	814	–	–	814
Listed investments	–	1 122	–	–	1 122
Unlisted investments	–	808	–	–	808
Long-term loans granted	2 534	–	–	–	2 534

2.2 Liabilities

	Designated at fair value through profit or loss* Rm	Fair value through profit or loss Rm	Financial liabilities at amortised cost Rm	Outside scope of IFRS 9 Rm	Total Rm
2022					
Trade payables	–	–	3 277	264	3 541
Derivative liabilities	–	817	–	–	817
Liabilities associated with assets classified as held for sale	–	–	39	–	39
Interest-bearing borrowings	62 857	–	–	–	62 857
Lease liability	–	–	1 826	–	1 826
2021					
Trade payables	–	–	2 974	230	3 204
Derivative liabilities	–	1 995	–	–	1 995
Interest-bearing borrowings	61 947	–	–	–	61 947
Lease liability	–	–	2 235	–	2 235

* An additional column has been added to distinguish between financial assets and liabilities designated at fair value through profit or loss and those mandatory through profit or loss.

3. Fair value estimation

3.1 Fair value measurement of assets and liabilities

The below table includes only those assets and liabilities that are measured at fair value including non-recurring items measured at fair value:

	2022				2021			
	Fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Assets								
Recurring fair value measurement								
Fair value of property assets	134 712	–	–	134 712	128 061	–	–	128 061
Listed investments	1 489	1 489	–	–	1 122	1 122	–	–
Unlisted investments	921	–	–	921	808	–	–	808
Long-term loans granted	3 313	–	–	3 313	2 534	–	–	2 534
Derivative assets	2 492	–	2 492	–	814	–	814	–
Non-recurring fair value measurement								
Non-current assets held for sale	866	–	–	866	181	–	–	181
Total assets measured at fair value	143 793	1 489	2 492	139 812	133 520	1 122	814	131 584
Liabilities								
Recurring fair value measurement								
Interest-bearing borrowings	62 857	7 038	55 819	–	61 947	6 621	55 326	–
Derivative liabilities	817	–	817	–	1 995	–	1 995	–
Total liabilities measured at fair value	63 674	7 038	56 636	–	63 942	6 621	57 321	–

The carrying amount of assets and liabilities that are not measured at fair value reasonably approximate their fair value due to their short-term nature. These include trade and other receivables, cash and cash equivalents and trade and other payables.

NOTES *continued*

For the year ended 30 June 2022

3. Fair value estimation *continued*

3.2 Movement in level 3 instruments

	2022			2021		
	Property assets Rm	Unlisted invest- ments Rm	Long-term loans granted Rm	Property assets Rm	Unlisted investments Rm	Long-term loans granted Rm
Opening balance	128 242	808	2 534	139 113	922	2 338
Gain/(loss) from fair value adjustments and translation of foreign operations	4 650	77	587	(10 672)	(127)	(11)
Depreciation and amortisation	(387)	–	–	(96)	–	–
Accrued interest	–	–	238	–	–	185
Acquisitions	4 993	11	–	1 348	13	–
GSAH acquisitions	2 060	–	–	–	–	–
Reclassified from long-term loans granted to unlisted investments	–	42	(42)	–	–	–
Tenant incentives	–	–	–	357	–	–
Right-of-use assets	(26)	–	–	(539)	–	–
Disposals	(1 955)	(17)	–	(1 707)	–	–
Deconsolidation of C&R Luton	(1 981)	–	–	–	–	–
Transferred to investment property held for trading and development	(18)	–	–	(22)	–	–
Transferred from investment property held for trading and development	–	–	–	460	–	–
Advances	–	–	3	–	–	25
Settlements	–	–	(7)	–	–	(3)
Closing balance	135 578	921	3 313	128 242	808	2 534

3.3 Valuation process

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to the Group Financial Director.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There were no transfers between levels during the year.

3. Fair value estimation continued

3.4 Valuation techniques and significant unobservable inputs

Level 2 instruments

Interest-bearing borrowings

Description	Valuation technique and inputs used	Significant unobservable inputs
Interest-bearing borrowings	Valued by discounting future cash flows using the applicable swap curve plus an appropriate credit margin of between 1.0% and 2.0% at the dates when the cash flow will take place (FY21: 1.0% to 3.6%).	Not applicable

The estimated fair value would increase/(decrease) if the credit margin were lower/(higher).

Derivative instruments

Description	Valuation technique and inputs used	Significant unobservable inputs
Forward exchange contracts	Valued by discounting the forward rates applied at year end to the open hedged positions using the swap curve of the respective currencies.	Not applicable
Interest rate swaps	Valued by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place.	Not applicable
Cross-currency interest rate swaps	Valued by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place.	Not applicable

Level 3 instruments

In terms of the Group's policy, at least 75% of the fair value of investment properties should be determined by an external, independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

94.3% (FY21: 92.8%) of the South African portfolio based on fair value was externally valued at FY22. The balance of the South African portfolio was valued by Growthpoint's qualified internal valuers.

The majority of the South African properties were valued at FY22 using the discounted cash flow of future income streams method by the following valuers who are all registered valuers in terms of section 19 of the Property Valuers Professional Act, No 47 of 2000:

Valuer company	Valuer	Qualification of the valuer
Mills Fitchet KZN (Pty) Limited	T Bate	MSc, BSc Land Econ (UK), MRICS, MIV (SA), professional valuer
Eris Property Group (Pty) Limited	C Everatt	BSc (Hons) Estate Management, MRICS, MIV (SA), professional valuer
Real Insights (Pty) Limited	TLJ Behrens	NDip (Real Estate in Prop Val), professional associate valuer
Jones Lang LaSalle (Pty) Limited	R Williams	CA(SA), ACMA, CGMA, MRICS
Broll Valuation and Advisory Services (Pty) Limited	R Long	BSc, MBA, MRICS, professional valuer
Knight Frank (Gauteng) (Pty) Limited	A Arbee	NDip (Real Estate in Prop Val), professional valuer
Rode & Associates (Pty) Limited	M Tighy	BSc Pr Sci Nat, MBL, MRICS, MIV (SA), professional valuer
Spectrum Valuations & Asset Solutions (Pty) Limited	PL O'Connell	NDip (Prop Val), MRICS, professional valuer
Premium Valuation and Advisory Services (Pty) Limited	Y Vahed	NDip (Real Estate in Prop Val), MIV (SA), professional valuer
Sterling Valuation Specialists CC	AS Greybe-Smith	BSc (Hons), MIV (SA), professional associate valuer
Mills Fitchet Cape (Pty) Limited	S Wolffs	NDip (Prop Val), professional associate valuer

The Australian properties were valued at FY22 using the discounted cash flow of future income streams method by Acumentis, CBRE, Colliers, JLL, Knight Frank, m3property, Savills and Urbis that are all members of the Australian Property Institute and certified practising valuers.

The United Kingdom properties were valued at FY22 using the income capitalisation approach method by CBRE and Knight Frank that are both members of the Royal Institution of Chartered Surveyors (RICS).

NOTES *continued*

For the year ended 30 June 2022

3. Fair value estimation *continued*

3.4 Valuation techniques and significant unobservable inputs *continued*

Investment property

At the reporting date, the key assumptions and unobservable inputs used by the Group in determining fair value were in the following ranges for the Group's portfolio of properties:

Significant unobservable inputs and range of estimates used						
Description	Valuation technique	Fair value Rm	Discount rate %	Exit capitalisation rate %	Capitalisation rate %	Rental growth rate %
Retail	Discounted cash flow model	24 090	12.88	8.38	8.09	4.41
		9 287	12.25 – 12.50	7.50 – 8.25	7.50 – 8.25	3.99 – 5.00
		7 931	12.75 – 13.00	8.00 – 9.00	7.75 – 9.00	3.50 – 5.00
		5 637	13.25 – 13.50	8.25 – 9.75	8.00 – 9.50	3.49 – 5.00
		1 235	13.75 – 14.00	8.75 – 10.00	8.75 – 9.75	4.00 – 4.70
Office		24 489	13.16	9.20	8.76	3.79
		2 767	11.00 – 12.00	8.50 – 9.25	8.00 – 9.25	2.50 – 3.50
		5 646	12.25 – 12.75	8.50 – 9.75	8.00 – 9.25	2.50 – 5.00
		8 155	13.00 – 13.50	8.25 – 11.00	8.00 – 10.50	2.50 – 5.00
		7 921	13.75 – 14.50	9.00 – 10.50	8.50 – 10.00	2.99 – 5.00
Industrial		10 977	13.60	9.84	9.42	4.10
		869	11.50 – 12.75	9.00 – 10.00	8.75 – 10.00	3.55 – 4.00
		5 785	13.00 – 13.75	8.75 – 10.75	8.50 – 10.25	3.55 – 5.00
		4 085	14.00 – 14.75	9.50 – 11.25	9.00 – 10.75	3.49 – 5.00
		238	15.00 – 16.00	10.75 – 13.00	10.00 – 12.00	3.50 – 4.70
GHPH		3 385	14.38	9.38	9.42	5.00
		2 664	13.50 – 14.50	8.50 – 9.50	8.50 – 9.50	5.00 – 5.00
		721	15.25 – 15.50	10.25 – 10.50	10.25 – 10.75	5.00 – 5.00
GSAH		2 031	15.39	10.19	9.94	5.11
GOZ office		38 402	5.78	5.27	5.00	2.90
	13 873	5.50 – 5.75	4.13 – 6.27	3.75 – 6.02	2.20 – 3.70	
	16 874	5.88 – 6.13	5.00 – 6.13	4.75 – 5.88	2.20 – 3.70	
	7 655	6.25 – 6.50	5.50 – 6.50	5.37 – 6.75	2.20 – 3.70	
GOZ industrial	19 352	5.65	5.25	4.72	3.00	
	12 657	5.25 – 5.50	4.00 – 9.75	4.00 – 7.00	2.50 – 3.50	
	3 282	5.75 – 6.00	4.62 – 9.75	4.50 – 6.16	2.50 – 3.50	
	3 413	6.25 – 6.50	5.46 – 5.92	5.14 – 5.61	2.50 – 3.50	
Total		120 695				

Description	Valuation technique	Fair value Rm	Value/m ²
Retail	Market comparable approach	360	5 496.14
		153	1 047.49 – 6 807.85
		207	14 572.67 – 14 572.67
Office		1 199	4 633.30
		624	1 532.30 – 9 279.76
		160	11 438.87 – 15 656.39
		415	25 954.63 – 25 954.63
Industrial		1 094	1 766.46
		822	520.54 – 7 175.56
		272	6 540.22 – 12 807.84
GSAH	202	10 628.28	
Total		2 855	

3. Fair value estimation continued
3.4 Valuation techniques and significant unobservable inputs continued
Investment property continued

Description	Valuation technique	Fair value Rm	Significant unobservable inputs and range of estimates used	
			Income capitalisation rate %	Exit capitalisation rate %
C&R retail	Income capitalisation approach	8 007	7.29	8.12
		6 278	4.64 – 7.41	6.51 – 7.29
		1 511	9.98 – 11.23	11.35 – 12.86
		218	13.23 – 13.23	17.43 – 17.43
Total		8 007		

Further assumptions are used in the valuation of investment property. The estimated fair value would increase/(decrease) if the expected market rental growth was higher/(lower), expected expense growth was lower/(higher), the vacant periods were shorter/(longer), the occupancy rate was higher/(lower), the rent-free periods were shorter/(longer), the discount rate was lower/(higher) and/or the reversionary capitalisation rate was lower/(higher).

The property portfolio on pages 82 to 104 of the Group annual financial statements provides further detail on each of the Group's investment properties.

Long-term loans granted

Description	Valuation technique	Significant unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
V&A Waterfront	Valued by discounting future cash flows using the South African swap curve plus an appropriate credit margin at the dates when the cash flows will take place.	Counterparty credit risk impacting the discount rate	Discount rate at prime + 2%	A change in the discount rate by 50 bps would increase/(decrease) the fair value by R68.7m/(R70.1m).
Acucap Unit Purchase scheme	Valued by discounting future cash flows using the South African swap curve at the dates when the cash flows will take place, capped at the Growthpoint share price at FY22.	Counterparty credit risk impacting the interest rate	6.55% – 8.36%	A change in the interest rate would not have an impact on the valuation as the loans were fair valued to the Growthpoint share price at FY22. Growthpoint shares are held as security for the loans.

Unlisted investments

Description	Valuation technique	Significant unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Lango	Valued by calculating the company's percentage of investment in the Fund by the net asset value.	Discount rate (%)	13.25% – 16.75% (14.16% average)	A change in the discount rate by 50 bps would increase/(decrease) the fair value by R160.9m/(R155.5m).
		Exit capitalisation rate (%)	8.75% – 12.0% (8.86% average)	A change in the exit capitalisation rate by 50 bps would increase/(decrease) the fair value by R148.4m/(R137.8m).

GROWTH-POINT
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