

# 2023

## INTERIM RESULTS

REDEFINE PROPERTIES LIMITED



**Purpose led. People powered.**

**Condensed unaudited** group results  
for the six months ended 28 February 2023

 **Re**define  
PROPERTIES

We're not landlords. We're people.



# Commentary

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## Highlights

DISTRIBUTABLE  
INCOME  
INCREASED TO

**R1.6  
BILLION**

*(HY22: R1.5 BILLION)*

ACTIVE LOCAL  
PORTFOLIO  
OCCUPANCY  
STABLE AT

**92.5%**

*(FY22: 93.3%)*

SA REIT  
LOAN-TO-  
VALUE OF

**40.9%**

*(FY22: 40.2%)*

SA REIT NET  
ASSET VALUE PER  
SHARE INCREASED TO

**750.76  
CENTS**

*(FY22: 720.08 cents)*

ASSET  
DISPOSALS OF

**R1.4  
BILLION**

*(FY22: R9.4 BILLION)*

COMMITTED UNDRAWN  
FACILITIES AND  
CASH ON HAND

**R6.0  
BILLION**

*(FY22: R6.2 BILLION)*

# Commentary

## Profile

Redefine is a Real Estate Investment Trust (REIT) with a sectoral and geographically diversified property asset platform valued at R94.1 billion (FY22: R88.9 billion). Redefine's portfolio is predominately anchored in South Africa through directly held and managed retail, office and industrial properties, which is complemented by a strong presence in retail and logistics property assets in Poland.

Redefine's purpose is to create and manage spaces in a way that transforms lives, which requires more than a business-as-usual approach: it requires an integrated approach to making strategic choices that will sustain value creation for all stakeholders by putting people and purpose at the heart of what we do and focusing on what matters most by executing our strategic priorities.

Redefine is listed on the Johannesburg Stock Exchange (JSE) with a market capitalisation of R26.9 billion (FY22: R29.0 billion). By volume, Redefine's shares are among the most actively traded in the SA REIT sector, making it a highly liquid, single-entry point for investors to gain exposure to the South African and Polish real estate markets.

Redefine's local property asset platform is valued at R59.4 billion as at 28 February 2023 (FY22: R58.9 billion). The offshore real estate investments are valued at R34.7 billion (FY22: R30.0 billion) representing 36.9% (FY22: 33.7%) of the group's total property asset platform, which provides geographic diversification through retail and logistics property assets in Poland. The increase in the property asset platform during the period is primarily due to the depreciation of the Rand and acquisition of two local properties which marginally offset the ongoing disposal of non-core assets.

## Financial results

Group distributable income grew by 7.2% (HY22: 5.9%) to R1.6 billion (HY22: R1.5 billion) for the period with the growth driven mainly by the consolidation of EPP N.V. (EPP) which contributed R0.3 billion.

Redefine's local net operating income remained largely flat compared to HY22, principally due to the disposal of non-core properties. On a like-for-like basis, the net operating income for the active property portfolio grew by 3.0% compared to HY22. This was achieved on the back of marginal revenue growth of 1.6% and robust cost control, which reduced by 4.4% compared to HY22 and resulted in an improved operating margin of 82.4% compared to 81.3% in HY22.

The retail portfolio showed improved trading densities and good letting activity underpinned by a general improvement in operating metrics. However, loadshedding and related costs are expected to impact on retail performance in the short term. Redefine's high quality office portfolio continues to benefit from the demand for Premium Grade, well-located properties; however, rental levels continue to remain under pressure given the very competitive landscape and oversupply in the market. Our industrial portfolio continues to provide a defensive element to our asset platform, with an improvement in most of the operating metrics.

## Commentary continued

In March 2022, Redefine undertook a corporate reorganisation of EPP that resulted in a 95.5% shareholding, which aligns with Redefine's strategy to have direct exposure to the Polish retail sector.

The group continues to develop logistics properties in Poland through its investment in joint venture European Logistics Investment B.V. (ELI), which continued to achieve a healthy capital uplift from completed developments during the period.

Total group revenue (excluding straight-line rental income) increased by 26.0% (HY22: -2.1%). The increase in revenue from the previous period was due to the consolidation of EPP and the acquisition of two local properties as well as new developments coming online, reduced by negative rental reversions and disposal activities.

The operating cost and expected credit losses on trade receivables to contractual rental income ratio increased by 0.4% to 39.4% (HY22: 39.0%). Net of electricity costs and utility recoveries, operating costs decreased by 3.2% to 14.5% (HY22: 17.7%) of contractual rental income.

Net group interest costs, including finance costs and income received from cross currency and interest rate swaps, increased by 31.5% during the period, mainly driven by the consolidation of EPP. The higher weighted average cost of South African debt in HY23, was largely offset by the net interest savings generated by the property disposal activity.

### South African property portfolio

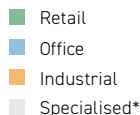
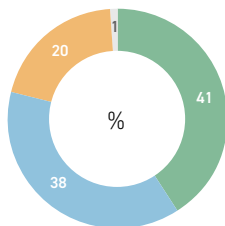
The active portfolio vacancy rate increased during the period to 7.5% (FY22: 6.7%). Leases covering 270 392m<sup>2</sup> (FY22: 267 557m<sup>2</sup>) were renewed during the period at an average negative rental reversion of 7.5% (HY22: 12.3%), while the tenant retention rate by gross monthly rental (GMR) is a healthy 96.6% (HY22: 95.2%). A further 160 076m<sup>2</sup> (HY22: 218 164m<sup>2</sup>) was let to new tenants across the portfolio. Net arrears amounted to R71.0 million (FY22: R52.8 million), representing 9.5% (FY22: 7.5%) of gross monthly rentals. Collections averaged 99.0% (FY22: 102.0%) of billings for the period.

Vacancy per sector	28 February 2023 before strategic vacancies	Vacant properties held-for-sale	28 February 2023*	31 August 2022*
Retail	4.4%	–	<b>4.4%</b>	4.4%
Office	14.5%	0.2%	<b>14.3%</b>	14.4%
Industrial	4.9%	–	<b>4.9%</b>	3.1%
	7.6%	0.1%	<b>7.5%</b>	6.7%

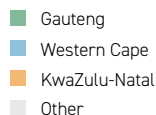
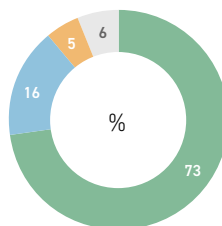
\* Including lease agreements signed prior to period end with occupation after period end

## Commentary continued

**Local portfolio sectoral spread by value**



**Geographical spread by value**



\* Specialised includes a hospital, hotel and residential accommodation

### Lease expiry profile by GMR (R'000)



**Acquisitions:** Setso Property Fund Proprietary Limited settled a portion of its loan payable by transferring its 33.3% undivided share in Hertford Office Park to Redefine for a purchase consideration of R395.0 million. Redefine acquired a 24.0% undivided share in GM Hatfield for a purchase price of R8.6 million and an additional 49.9% undivided share in BGM Massmart for a purchase consideration of R285.6 million, such that it now owns 100% of the property.

**New developments:** A new motor dealership at Blue Route Mall was completed during the period at a cost of R12.7 million with an expected yield of 6.4%. New developments are in progress at S&J Industrial Park (S&J) (90.0% share) with an estimated cost of R150.8 million, Hill On Empire (50.0% share) with an estimated cost of R172.0 million, and Hertford Office Park (33.3% share) with an expected cost of R32.5 million.

## Commentary continued

**Refurbishments:** During the period, two refurbishments were completed with a combined cost of R22.8 million, and a further three refurbishments are in progress at an estimated cost of R133.0 million. Four new projects with a combined cost of R234.9 million will commence during FY24.

**Infrastructure:** An infrastructure project at S&J was completed during the period with a cost of R47.9 million. Three additional infrastructure projects with an estimated cost of R111.8 million (of which R74.9 million has been spent to date) are in progress at S&J.

**Disposals:** During the period, Redefine disposed of seven properties for an aggregate consideration of R313.0 million, with GLA of 53 370m<sup>2</sup>, and one portion of vacant land for a total consideration of R60.0 million. Agreements, subject to the usual conditions precedent, have been concluded to dispose of a further four properties and two portions of vacant land for an aggregate consideration of R203.8 million at an average yield of 10.7%.

**Sustainability:** Redefine's current installed solar capacity is 31.9MWp (FY22: 29.9MWp). Additional projects to the value of R142.5 million (12.9MWp) are underway, which will increase our total installed solar capacity to 44.8MWp.

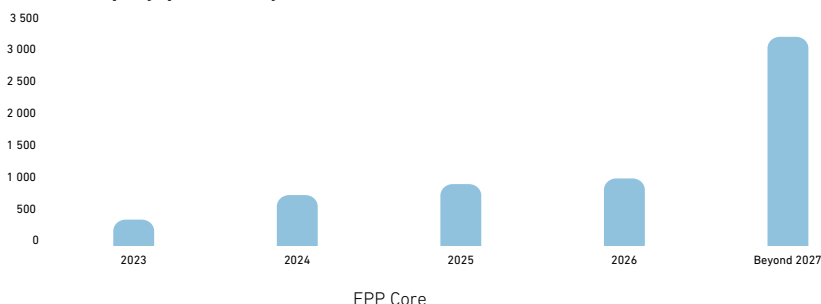
## International property portfolio

Redefine continues to execute its strategy to unlock value through active asset management and development opportunities in Poland to mitigate risk and benefit from yield compression arising from completed development activities.

### EPP Core

The EPP Core vacancy rate is 2.9% (FY22: 3.5%). The average negative rental reversion for the period was 6.7% while the tenant retention rate by GMR is a healthy 97.2%. Collections averaged 99.2% (FY22: 99.3%) of billings for the period.

### Lease expiry profile by GMR (EUR'000)



## Commentary continued

### Polish self-storage investment

During the period, Redefine and Griffin Capital Partners sp. z o.o. (Griffin) established a new Polish company called Self Storage Investments sp. z o.o. (Self Storage Investments) to invest in self-storage facilities in Poland. Redefine and Griffin hold 93% and 7% of the shares, respectively, and have agreed to collectively invest R950.0 million (€50.0 million) of equity over the next five years primarily into new self storage developments.

During the period, the acquisition of Stokado sp. z o.o. (Stokado), the second largest operator of self-storage facilities in Poland was approved. Stokado currently operates 16 locations in 13 cities in the south-western region of the country, with a total net lettable area of 20 600m<sup>2</sup>, comprising 1 668 storage units and 1 550 containers.

During the first phase of the acquisition, which will continue until 31 December 2024, Self Storage Investments will gain ownership of 51% of Stokado's share capital by way of capital contributions totalling R111.5 million (Zł27.6 million). Thereafter, Self Storage Investments will provide additional equity to reach a 75% shareholding, estimated at R210.9 million (Zł51.9 million).

The acquisition agreement for Stokado was signed during February 2023. Subject to the conditions precedent being met, the transaction is expected to conclude by the end of May 2023. Following the completion of the transaction, all development activities will take place in Stokado.

This deal leverages the strengths of all parties and opens the door for expansion, diversity and growth in line with Redefine's focus on strategically allocating capital into areas with capital upside at low risk, while optimising the use of vacant land and under utilised retail spaces within the ELI and EPP portfolios respectively.

### Investments in joint ventures

All investments in joint ventures meet the definition of a joint venture as defined by IFRS 11: *Joint Arrangements*. The shareholders have contractually agreed to the sharing of control of the joint venture that requires unanimous consent by both parties for decisions regarding its relevant activities.

Investments in joint ventures increased from R11.5 billion to R14.3 billion during the current period primarily due to foreign currency translation gains of R1.8 billion, equity-accounted earnings of R0.4 billion, and additional capital investments in ELI of R0.3 billion. No impairment indicators were present for the investments in joint ventures at 28 February 2023.

For further information on the movements in investments in joint ventures refer to page 26.

**ELI:** Redefine and Madison International Holdings VII LLC (Madison) are joint venture partners in ELI – holding 46.9% and 46.5% of the shares, respectively, with the remaining 6.6% held by Griffin. In July 2022, Griffin elected to exercise their put option to sell 2% of their ELI shareholding to Redefine Europe B.V. (Redefine Europe) for a total consideration of R183.7 million (€9.4 million). During the period, 0.4% was transferred to Redefine Europe, with the remaining 1.6% transferred on 15 March 2023.



## Commentary continued

The carrying value of the 46.9% equity-accounted investment in ELI is R4.2 billion (FY22: R3.3 billion). The investment in ELI increased by R0.9 billion due to equity-accounted profits amounting to R0.1 billion, primarily driven by fair value gains on investment properties and financial instruments, capital deployed of R0.3 billion, and foreign currency translation gains totalling R0.5 billion. No impairment indicators were present for ELI at 28 February 2023.

As at 28 February 2023, the income producing platform had a GLA of 838 385m<sup>2</sup> (FY22: 724 196m<sup>2</sup>) and vacancy of 5.9% (FY22: 6.5%). Developments with a total GLA of 114 158m<sup>2</sup> were completed during the period at a cost of R1.7 billion (€85.7 million), resulting in a capital uplift of R272.2 million (€13.9 million).

Developments under construction at a total estimated cost of R2.6 billion (€134.4 million) will add a further 153 935m<sup>2</sup> to the platform.

**Metro claim:** On 2 September 2022, EPP received notification from the International Court of Arbitration of a formal request for arbitration (RfA) filed by Metro Properties sp. z o.o. (Metro) against 11 Polish companies owned by M1 Group S.A.R.L (M1 JV). The claim made under the RfA was a demand to reduce the amount of rental payable by Metro under the respective lease agreements. The calculation of the claim by Metro was for a total loss of R457.0 million (€23.4 million) arising from the COVID-19 pandemic and the Russia-Ukraine war.

The Arbitration Tribunal has been fully constituted and the Terms of Reference and Procedural Timetable for the proceedings have been established.

Metro persists with its allegation that the *rebus sic stantibus* principle was included in the sale and leaseback transaction whilst EPP and M1 JV are strenuously denying and defending their position that *rebus sic stantibus*, based on the nature of the entire commercial transaction, read with the provisions of the Master Lease Agreement, does not apply.

The Tribunal will first need to pronounce on whether *rebus sic stantibus* did in fact apply after hearing witness testimony, cross-examination and considering the necessary briefs before the arbitration begins.

**Africa – Lango Real Estate Limited:** Redefine currently holds a 3.5% share in Lango Real Estate Limited (Lango). The carrying value of the investment increased to R199.0 million (FY22: R182.5 million) due to the depreciation of the Rand. Redefine's intention is to exit this investment as it is a non-core asset.

**Australia – Journal Student Accommodation Fund:** Redefine exited the Australian student accommodation sector in the prior year and intends to fully wind down its dormant business presence by end of this financial year.

**Exchange rates:** During the period under review, the Rand depreciated against Australian Dollar (AUD), Euro (EUR) and United States Dollar (USD) while the Polish Złoty (Zł) slightly appreciated against the EUR. The depreciation of the Rand against the EUR translated into an increase in the proportionate share of the net assets of the foreign currency denominated joint

## Commentary continued

ventures and directly held investment properties. This increase was partially neutralised by the natural hedge created by the foreign currency denominated debt held against the assets, as it increased similarly.

Foreign currency	28 February 2023	31 August 2022
AUD/ZAR	12.4049	11.6596
EUR/ZAR	19.5331	16.9606
USD/ZAR	18.4504	16.8944
EUR/PLN	4.7170	4.7265

### Changes in fair value

In line with the group's accounting policy, the property portfolio was independently valued by external valuers at 28 February 2023, resulting in a slight decrease in fair value of South African investment properties of R66.8 million (HY22: increase of R171.4 million) and decrease in Polish investment properties of R63.9 million.

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

The fair value of the investment in listed securities decreased by R30.8 million (HY22: R27.5 million increase).

The group's derivatives, which protect against adverse movements in interest and foreign exchange rates, were valued using the swap curve and forward pricing methods, respectively, resulting in a decrease of R501.9 million (HY22: R607.0 million) in the group's liabilities.

The fair value of other financial liabilities decreased by R7.9 million, mainly due to the partial settlement of the Griffin carry fee paid by ELI. This was offset by the increase in the Journal Group exit fee provision on the Swanston Street student accommodation (Swanston) and Leicester Street student accommodation disposals.

Other financial assets increased by R28.3 million (HY22: R40.1 million) due to the undrawn rental guarantee expected to be refunded arising from the Swanston disposal and the fair value increase of the investment in Lango due to the depreciation of the Rand.

### Interest-bearing borrowings

Redefine's interest-bearing borrowings (net of cash and cash equivalents, including the mark-to-market of derivatives and non-current liabilities held-for-sale) represented 40.9% (FY22: 40.2%) of the value of its property asset platform at R94.1 billion at 28 February 2023. The FY22 final dividend payment, acquisitions, capital expenditure and fair value changes increased the loan-to-value (LTV) by 1.5%, 0.4%, 0.8% and 0.3%, respectively, while disposal

## Commentary continued

activities, foreign exchange movements and operational cash flows reduced the LTV by 0.6%, 0.3% and 1.4%, respectively. The net effect resulted in the LTV increasing by 0.7% to 40.9% (FY22: 40.2%), which is within our medium-term target range of 38% to 41%.

The average cost of Rand denominated funding is 9.2% (FY22: 8.7%) with interest rates hedged on 87.4% (FY22: 84.2%) of local borrowings for an average period of 1.5 years (FY22: 1.8 years). Including foreign currency debt and derivatives, the average cost of debt is 6.5% (FY22: 6.0%). Interest rates are hedged on 81.2% (FY22: 82.9%) of total borrowings for an average period of 1.7 years (FY22: 1.5 years). The interest cover ratio (ICR) (which includes equity-accounted cash dividends and listed security income) is 2.5x (FY22: 2.8x).

Redefine had unutilised committed bank facilities of R4.7 billion (FY22: R4.5 billion) and cash on hand of R1.3 billion (FY22: R1.7 billion) at 28 February 2023, which provide assurance that the group will be able to meet its short-term commitments.

### Moody's credit rating

Moody's affirmed Redefine's credit rating on 23 April 2023.

Global scale:	Ba2
National scale:	Aa2.za
Outlook:	Stable

### Basis of preparation

These condensed consolidated unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act, No 71 of 2008 of South Africa and the JSE Listings Requirements and should be read in conjunction with the group's last annual consolidated financial statements as at and for the year ended 31 August 2022. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position and performance since the last set of annual financial statements. The accounting policies applied in preparing these financial statements are in terms of IFRS and are consistent with those applied in the previous financial statements, except for the Amendment to IFRS 3: *Business Combination*, Amendments to IAS 16: *Property, Plant and Equipment* on proceeds before intended use, and Amendments to IAS 37: *Provisions, Contingent Liabilities and Contingent Assets* on onerous contracts – cost of fulfilling a contract and annual improvements cycle 2018 to 2020, which adoption had no effect on the condensed consolidated unaudited interim financial statements.

These condensed consolidated unaudited interim financial statements were authorised for issue by the board of directors on 5 May 2023 and published on 8 May 2023.

## Commentary continued

### Significant judgement, estimates and assumptions

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

- Valuation of investment properties and properties under development
- Impairment of investments in joint ventures
- Business combination versus asset acquisition
- Expected credit losses
- Valuation of the insurance contract liability
- Significant influence and control assessment

### Going concern

The directors have assessed the group's ability to continue as a going concern. The assessment includes solvency and liquidity tests which included, *inter alia*, a forecast of debt covenants such as the LTV and ICR. As at 28 February 2023, the group had a positive net asset value.

Despite the current liabilities exceeding current assets, the group has a stable liquidity position with unutilised committed access facilities and cash on hand of R6.0 billion (FY22: R6.2 billion). The liquidity test considers expected cash flows in the next 12 months, including operational cash flows, anticipated proceeds from unconditional disposals, funding, and development activities for the next 12 months.

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

### Access to liquidity

Property counters are still trading at significant discounts to their net asset value, which makes raising equity in this environment very costly and deeply dilutive. Redefine continuously reviews its funding and maturity profile and monitors the debt capital markets to ensure that it is well positioned for any refinancing opportunities.

The proceeds received from the sale of two Polish Power Park properties and other non-core local property assets have bolstered liquidity during the financial period.

### Financial covenants

Financial covenant (LTV and ICR) reporting is required by lenders within 90 days of each reporting period. There have been no debt covenant breaches to date, with the strictest LTV and ICR covenants indicating ample headroom of 8.0% and 0.5x, respectively. For the reporting period ending 31 August 2024, it is anticipated that the corporate LTV covenant will be comfortably below 50% and the ICR above 2x at the strictest covenant levels. All debt covenant projections are proactively monitored.



## Commentary continued

### Russia and Ukraine war

The ongoing conflict between Russia and Ukraine has affected the whole world and specifically the Eastern European region to varying extents. Poland is part of the Eastern European region and is a member of the North Atlantic Treaty Organization (NATO).

Over the last year, since the conflict started, the Polish economy has been weakened by the conflict through disrupted supply chains, increased financial market volatility, and a decrease in consumer and business confidence causing elevated inflation, particularly impacting energy and food prices. According to a recent World Bank publication, Poland's economic growth in 2023 is expected to slow more than initially thought, as the ongoing war in Ukraine has dimmed the prospects for a post-pandemic recovery in Europe.

Given Redefine's exposure to Poland through its 46.9% investment in ELI logistics and 95.5% investment in EPP, we will continue to monitor the impact of the events on the logistics and retail sectors in Poland, both from a short-term and longer-term perspective.

### Going concern conclusion

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

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

### Capital commitments

Capital commitments amount to R988.0 million (FY22: R1.7 billion). Future commitments will be funded by undrawn committed banking facilities, cash on hand, and proceeds from capital recycling activities.

### Change in directorate

Changes in the directorate for the period were:

- Simon Fifield – appointed on 12 September 2022
- Cora Fernandez – appointed on 4 November 2022
- Marius Barkhuysen – retired on 23 February 2023

The board thanks Marius for his invaluable contribution over many years to Redefine and wishes him well in his future endeavours.

### Declaration of a cash dividend

The board has declared a dividend of 20.32193 cents per share for the six-month period ended 28 February 2023.

## Commentary continued

In accordance with Redefine's status as a REIT, 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 distribution on the shares will be deemed to be a dividend for South African tax purposes in terms of section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT. This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provided the following forms to their 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. declaration that the dividend is exempt from dividends tax; and
- b. written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Assuming dividend withholding tax will be withheld at a rate of 20% (unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between South Africa and the country of residence of the shareholder), the net dividend amount due to non-resident shareholders is 16.25754 cents per share.

A reduced dividend withholding rate in terms of the applicable DTA may only be relied upon 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:

- c. declaration that the distribution is subject to a reduced rate as a result of the application of a DTA; and
- d. a written undertaking to inform their 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 for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable.

## Commentary continued

The dividend is payable to Redefine's shareholders in accordance with the timetable set out below:

Last date to trade cum dividend:	Tuesday, 23 May 2023
Shares trade ex-dividend:	Wednesday, 24 May 2023
Record date:	Friday, 26 May 2023
Payment date:	Monday, 29 May 2023

Shareholders may not dematerialise or rematerialise their shares between Wednesday, 24 May 2023 and Friday, 26 May 2023, both days inclusive. Payment of the dividend will be made to shareholders on Monday, 29 May 2023. In respect of dematerialised shareholders, the dividend will be transferred to the CSDP accounts/broker accounts on Monday, 29 May 2023. Certificated shareholders' dividend payments will be deposited on or about Monday, 29 May 2023.

Shares in issue at the date of declaration dividend: 7 052 419 865

Redefine's income tax reference number: 917/852/484/0

## Events after the reporting period

### Dividends declared

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

### ELI put option

In terms of the Griffin put option, a further 1.6% in ELI transferred to Redefine Europe on 15 March 2023. This transfer resulted in a non-adjusting event that is not recognised in the financial statements.

### Sale of government tenanted office properties

During April 2023, Redefine entered into an agreement with Talis Property Investments (Proprietary) Limited (Talis) to dispose of the majority of its government-tenanted properties. Talis will incorporate a newco and hold 51% of the shares for an upfront equity contribution of R10.0 million. Redefine will subscribe for 49% of the shares in the newco for an equity consideration of R9.6 million.

The newco will acquire the properties for a purchase consideration of R1.1 billion, the purchase consideration will be financed through a vendor loan from Redefine. In addition to the purchase consideration, Redefine will advance further funds to an amount of R175.0 million to the newco to fund capital expenditure projects.

Redefine will continue to provide property management services to the newco at a market-related rate. Talis will provide asset management services for a 1% fee of the gross asset value per annum. The loan will bear interest at a variable interest rate equal to the net operating income of the properties after the settlement of property and asset management fees.

If the portfolio is disposed of in the future, Talis will be entitled to any capital profit realised once the Redefine vendor loan has been settled.

## Commentary continued

To date, Talis has secured long-term leases for 10 of the 11 properties.

The transaction is subject to the usual conditions precedent (including Competition Commission approval) and is a non-adjusting event that is not recognised in the financial statements.

### Prospects

Rising costs, lack and cost of energy, low economic growth, illiquid financial markets, and higher interest rates will continue to shape our operating context. This environment brutally exposes capital and income mismatches, which will necessitate us rethinking how we cost effectively source and responsibly allocate capital, while efficiently operating in an environment of higher operating costs and a competitive rental market.

To continuously adapt our value-creation endeavours to evolving stakeholder needs, we shoot for the moon by placing purpose and people at the heart of what we do. We achieve this by focusing on developing skills to know what to do when we don't know what to do (to be effective and decisive leaders), fostering inclusivity (to cultivate a fertile environment for diversity of thought to stimulate innovation), and creating maximum and sustainable impact (to ensure that we focus on what matters most to our stakeholders).

When all is said and done, the prosperity of commercial property is underpinned by solid confidence, predictable interest rate expectations, economic growth, and constructive physical and human capital investment. In an environment of uncertainty, we cannot rely on external factors to change our fortunes. Rather, we need to remain focused on the variables under our control to provide the foundation for Redefine to deliver on its purpose and play its part to create a more inclusive, equitable and sustainable world.

Although we operate in a highly uncertain environment, we are expecting full-year 2023 distributable income per share of between 48.0 cents per share and 52.0 cents per share. We anticipate applying a dividend payout ratio of between 80% and 90%, dependent on operational capital expenditure requirements, liquidity events, and tax considerations.

This forecast is predicated on the assumption that current trading conditions will prevail. Forecast rental income is based on contractual terms and anticipated market-related renewals. The forecast has not been reviewed or reported on by the group's independent external auditors. Redefine's use of dividend per share as a relevant measure of financial performance remains unchanged.

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

8 May 2023

**Redefine Properties Limited**



# Results

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# Statement of profit or loss and other comprehensive income

for the six months ended 28 February 2023

Figures in R'000	Unaudited 28 February 2023	Unaudited 28 February 2022	Audited 31 August 2022
<b>Revenue</b>			
Property portfolio revenue	4 816 983	3 528 092	8 238 807
– Contractual rental income	4 891 098	3 879 626	8 553 423
– Straight-line rental expense accrual	(74 115)	(351 534)	(314 616)
Investment income	713	3 675	4 892
<b>Total revenue</b>	<b>4 817 696</b>	<b>3 531 767</b>	<b>8 243 699</b>
Operating costs	(1 964 787)	(1 541 372)	(3 368 346)
Expected credit losses – trade receivables	37 239	28 092	108 032
Administration costs	(275 794)	(136 722)	(461 414)
<b>Net operating profit</b>	<b>2 614 354</b>	<b>1 881 765</b>	<b>4 521 971</b>
Other income	36 059	11 537	51 391
(Loss)/gain on disposal of assets	(1 031)	(68)	38 176
Remeasurement gain	–	–	825 910
Gain on bargain purchase	–	–	1 857 212
Changes in fair values of investment properties	(130 761)	171 427	903 480
Changes in fair values of financial instruments and other	(530 150)	375 374	1 217 199
Changes in fair value of the insurance contract liability	38 345	39 834	75 071
Changes in expected credit losses – loans receivable	(125 932)	51 467	128 230
Impairments	–	(105 683)	(105 683)
Equity-accounted profit (net of taxation)	483 528	661 977	2 026 288
<b>Profit before finance costs and taxation</b>	<b>2 384 412</b>	<b>3 087 630</b>	<b>11 539 245</b>
Net interest costs	(1 118 717)	(850 952)	(1 790 225)
– Interest income	382 478	295 651	578 870
– Interest expense	(1 501 195)	(1 146 603)	(2 369 095)
Foreign exchange losses	(309 261)	(32 007)	(1 006 319)
<b>Profit before taxation</b>	<b>956 434</b>	<b>2 204 671</b>	<b>8 742 701</b>
Taxation	(128 865)	29 469	(8 015)
<b>Profit from continuing operations for the period/year</b>	<b>827 569</b>	<b>2 234 140</b>	<b>8 734 686</b>
<b>Discontinued operations</b>			
Profit/(loss) from discontinued operations (net of taxation)	–	14 290	(33 839)
<b>Profit for the period/year</b>	<b>827 569</b>	<b>2 248 430</b>	<b>8 700 847</b>
<b>Attributable to:</b>			
– Redefine Properties Limited shareholders	798 522	2 132 458	8 690 869
– Non-controlling interests	29 047	115 972	9 978
<b>Other comprehensive income/loss</b>	<b>2 829 593</b>	<b>(196 702)</b>	<b>211 469</b>
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Revaluation of property, plant and equipment	8 371	–	6 361
Exchange differences on translation of foreign operations:			
– Subsidiaries	1 005 035	26 330	731 935
– Associate and joint ventures	1 816 187	(223 032)	(830 426)
Reclassification of foreign currency differences on disposal of investments	–	–	303 599
<b>Total comprehensive income for the period/year</b>	<b>3 657 162</b>	<b>2 051 728</b>	<b>8 912 316</b>
<b>Attributable to:</b>			
– Redefine Properties Limited shareholders	3 527 620	1 932 960	8 889 659
– Non-controlling interests	129 542	118 768	22 657
<b>Earnings per share (cents)</b>			
– Basic	11.83	38.32	141.47
– Diluted	11.80	38.19	141.12

# Statement of financial position

as at 28 February 2023

	Unaudited 28 February 2023	Unaudited 28 February 2022	Audited 31 August 2022
<b>Figures in R'000</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>94 166 317</b>	67 114 482	87 104 191
<b>Investment properties</b>	<b>77 371 044</b>	57 545 329	73 884 866
– Fair value of investment properties	<b>74 986 899</b>	54 826 894	70 905 610
– Straight-line rental income accrual	<b>1 736 554</b>	1 773 266	1 810 217
– Properties under development	<b>143 370</b>	835 214	711 628
– Right-of-use assets	<b>504 221</b>	109 955	457 411
Listed securities	<b>38 890</b>	97 226	69 679
Investments in associate and joint ventures	<b>14 344 985</b>	8 533 249	11 458 899
Derivative assets	<b>542 325</b>	152 975	350 432
Loans receivable	<b>965 521</b>	498 584	536 394
Other financial assets	<b>662 826</b>	171 692	569 677
Property, plant and equipment	<b>162 898</b>	115 427	159 059
Other monetary assets	<b>62 073</b>	–	51 754
Deferred taxation	<b>15 755</b>	–	23 431
<b>Current assets</b>	<b>3 036 822</b>	2 990 858	3 904 163
Properties held-for-trading	<b>–</b>	150 600	136 700
Trade and other receivables	<b>938 009</b>	686 544	907 038
Loans receivable	<b>344 808</b>	635 516	664 949
Derivative assets	<b>233 553</b>	135 280	259 063
Other financial assets	<b>5 954</b>	127 174	26 362
Taxation receivable	<b>8 807</b>	–	3 851
Other monetary assets	<b>168 933</b>	–	140 851
Cash and cash equivalents	<b>1 336 758</b>	1 255 744	1 765 349
<b>Non-current assets held-for-sale</b>	<b>203 799</b>	3 144 180	1 397 447
<b>Total assets</b>	<b>97 406 938</b>	73 249 520	92 405 801
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>51 660 385</b>	39 274 244	49 301 229
Shareholders' interest	<b>50 882 876</b>	39 123 852	48 653 262
– Stated capital	<b>50 117 109</b>	45 842 368	50 117 109
– Accumulated losses	<b>(2 670 749)</b>	(7 033 383)	(2 176 101)
– Other reserves	<b>3 436 516</b>	314 867	712 254
Non-controlling interests	<b>777 509</b>	150 392	647 967
<b>Non-current liabilities</b>	<b>37 375 170</b>	28 908 455	35 417 181
Interest-bearing borrowings	<b>34 202 391</b>	27 332 655	33 031 065
Derivative liabilities	<b>515 285</b>	856 413	119 605
Other financial liabilities	<b>228 134</b>	5 978	153 541
Deferred taxation	<b>1 926 575</b>	624 636	1 679 933
Lease liability	<b>502 785</b>	88 773	433 037
<b>Current liabilities</b>	<b>8 371 383</b>	4 119 980	7 304 311
Trade and other payables	<b>1 971 754</b>	1 680 730	2 251 767
Interest-bearing borrowings	<b>5 377 779</b>	1 760 046	4 260 312
Interest accrual on interest-bearing borrowings	<b>220 140</b>	102 613	111 154
Derivative liabilities	<b>472 289</b>	239 300	248 006
Other financial liabilities	<b>202 396</b>	159 254	253 208
Insurance contract liability	<b>81 132</b>	154 713	119 477
Lease liability	<b>42 589</b>	21 182	53 729
Taxation payable	<b>3 304</b>	2 142	6 658
<b>Non-current liabilities held-for-sale</b>	<b>–</b>	946 841	383 080
<b>Total liabilities</b>	<b>45 746 553</b>	33 975 276	43 104 572
<b>Total equity and liabilities</b>	<b>97 406 938</b>	73 249 520	92 405 801

# Statement of changes in equity

for the six months ended 28 February 2023

Figures in R'000	Stated capital	Accumulated losses	Foreign currency translation reserve	Share-based payment reserve	Share of associates' reserves	Shareholders' interest	Non-controlling interests (NCI)	Total equity
<b>Balance as at 31 August 2021</b>	44 593 547	(5 902 843)	501 316	20 517	5 646	39 218 183	139 673	39 357 856
<i>Total comprehensive income for the period</i>	-	2 132 458	(199 498)	-	-	1 932 960	118 768	2 051 728
Profit for the period	-	2 132 458	-	-	-	2 132 458	115 972	2 248 430
Other comprehensive loss for the period	-	-	(199 498)	-	-	(199 498)	2 796	(196 702)
<i>Transactions with owners (contributions and distributions)</i>	1 248 821	(3 262 998)	-	(10 251)	(2 863)	(2 027 291)	(108 049)	(2 135 340)
Issue of ordinary shares	1 248 821	-	-	-	-	1 248 821	-	1 248 821
Dividends	-	(3 266 054)	-	-	-	(3 266 054)	(108 049)	(3 374 103)
Recognition of share-based payments	-	3 056	-	(10 251)	-	(7 195)	-	(7 195)
Share of post-acquisition change in net assets of associate	-	-	-	-	(2 863)	(2 863)	-	(2 863)
<b>Balance as at 28 February 2022</b>	45 842 368	(7 033 383)	301 818	10 266	2 783	39 123 852	150 392	39 274 244
<i>Total comprehensive income for the period</i>	-	6 564 772	391 927	-	-	6 956 699	(96 111)	6 860 588
Profit for the period	-	6 558 411	-	-	-	6 558 411	(105 994)	6 452 417
Other comprehensive income for the period	-	6 361	391 927	-	-	398 288	9 883	408 171
<i>Transactions with owners (contributions and distributions)</i>	4 274 741	(1 625 779)	-	8 243	(2 783)	2 654 422	(10 521)	2 643 901
Issue of ordinary shares	4 274 741	-	-	-	-	4 274 741	-	4 274 741
Dividends	-	(1 599 898)	-	-	-	(1 599 898)	(10 521)	(1 610 419)
Recognition of share-based payments	-	(25 881)	-	8 243	-	(17 638)	-	(17 638)
Disposal of investment in associate	-	-	-	-	(2 783)	(2 783)	-	(2 783)
<i>Transactions with owners (changes in ownership interests)</i>	-	(81 711)	-	-	-	(81 711)	604 207	522 496
Acquisition of subsidiary with NCI	-	-	-	-	-	-	1 825 169	1 825 169
Disposal of subsidiary with NCI	-	(81 711)	-	-	-	(81 711)	(1 220 962)	(1 302 673)
<b>Balance as at 31 August 2022</b>	50 117 109	(2 176 101)	693 745	18 509	-	48 653 262	647 967	49 301 229
<i>Total comprehensive income for the period</i>	-	<b>806 893</b>	<b>2 720 727</b>	-	-	<b>3 527 620</b>	<b>129 542</b>	<b>3 657 162</b>
Profit for the period	-	<b>798 522</b>	-	-	-	<b>798 522</b>	<b>29 047</b>	<b>827 569</b>
Other comprehensive income for the period	-	<b>8 371</b>	<b>2 720 727</b>	-	-	<b>2 729 098</b>	<b>100 495</b>	<b>2 829 593</b>
<i>Transactions with owners (contributions and distributions)</i>	-	<b>(1 301 541)</b>	-	<b>3 535</b>	-	<b>(1 298 006)</b>	-	<b>(1 298 006)</b>
Dividends	-	<b>(1 301 408)</b>	-	-	-	<b>(1 301 408)</b>	-	<b>(1 301 408)</b>
Recognition of share-based payments	-	<b>(133)</b>	-	<b>3 535</b>	-	<b>3 402</b>	-	<b>3 402</b>
<b>Balance as at 28 February 2023</b>	<b>50 117 109</b>	<b>(2 670 749)</b>	<b>3 414 472</b>	<b>22 044</b>	-	<b>50 882 876</b>	<b>777 509</b>	<b>51 660 385</b>
	<b>Unaudited 28 February 2023</b>	<b>Unaudited 28 February 2022</b>	<b>Audited 31 August 2022</b>					
<b>Dividend per share (cents)</b>	<b>20.32</b>	23.69	42.97					
Interim	<b>20.32</b>	23.69	23.69					
Final	-	-	19.28					



# Statement of cash flows

for the six months ended 28 February 2023

	Unaudited 28 February 2023	Unaudited 28 February 2022	Audited 31 August 2022
<b>Figures in R'000</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	<b>2 340 187</b>	2 139 036	4 746 526
Interest received	<b>313 338</b>	250 288	467 621
Interest paid	<b>(1 416 620)</b>	(1 214 213)	(2 472 830)
Taxation paid	<b>(42 946)</b>	(234 286)	(272 194)
Dividends received from associate and joint ventures	<b>18 943</b>	21 161	158 264
<b>Net cash inflow from operating activities</b>	<b>1 212 902</b>	961 986	2 627 387
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition and development of investment properties	<b>(936 452)</b>	(493 093)	(1 234 100)
Acquisition of property, plant and equipment	<b>(3 974)</b>	(6 998)	(10 278)
Acquisition of investment in joint ventures	<b>(336 235)</b>	(305 236)	(1 453 648)
Disposal of a controlling interest in a subsidiary (net of cash disposed)	-	-	170 602
Proceeds from the disposal of joint venture	-	-	35 779
Proceeds from the sale of development rights	-	-	28 859
Proceeds from the disposal of investment properties in a joint venture	-	967 864	-
Return of equity from joint venture	<b>46 163</b>	53 922	1 741 156
Proceeds on disposal of investment properties and properties classified as held-for-sale	<b>372 962</b>	2 965 473	4 813 840
Proceeds on the disposal of property, plant and equipment	<b>1 900</b>	533	1 616
Proceeds arising from the EPP reorganisation	<b>223 640</b>	-	3 871 974
Payments arising from the EPP organisation	-	-	(588 006)
Proceeds from other financial assets	<b>32 280</b>	15 422	116 081
Other financial liabilities repaid	<b>(33 976)</b>	(798 663)	(816 207)
Loans receivables repaid	<b>59 581</b>	716 672	931 702
Loans receivables advanced	<b>(525 658)</b>	(176 766)	(238 493)
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(1 099 769)</b>	2 939 130	7 370 877
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Shares issued	-	1 248 821	1 245 780
Dividends paid	<b>(1 301 408)</b>	(3 266 054)	(4 865 952)
Dividends paid to non-controlling interests	-	(108 049)	(118 570)
Principal elements of lease payments	<b>(15 041)</b>	(16 154)	(54 628)
Interest-bearing borrowings raised	<b>3 139 696</b>	-	8 298 657
Interest-bearing borrowings repaid	<b>(2 395 990)</b>	(1 680 398)	(15 018 446)
Interest-bearing borrowings classified as held-for-sale repaid	-	-	(75 244)
<b>Net cash outflow from financing activities</b>	<b>(572 743)</b>	(3 821 834)	(10 588 403)
Net (decrease)/increase in cash and cash equivalents	<b>(459 610)</b>	79 282	(590 139)
Cash and cash equivalents at beginning of period/year	<b>1 765 349</b>	1 356 385	1 356 385
Acquisition of subsidiary (net cash acquired)*	-	(166 299)	1 002 526
Reclassification of subsidiary to held-for-sale	-	(7 945)	(7 945)
Effect of foreign currency exchange fluctuations	<b>31 019</b>	(5 679)	4 522
<b>Cash and cash equivalents at end of period/year</b>	<b>1 336 758</b>	1 255 744	1 765 349

\* Acquisition of subsidiary (net cash acquired) will be represented in the FY23 financial statements as cash flows from investing activities. This restatement has no impact on the HY23 results

# Earnings and headline earnings

for the six months ended 28 February 2023

	Unaudited 28 February 2023	Unaudited 28 February 2022	Audited 31 August 2022
<b>Figures in R'000</b>			
<b>EARNINGS AND HEADLINE EARNINGS</b>			
Reconciliation of basic earnings to headline earnings			
Profit for the period/year attributable to Redefine shareholders	<b>798 522</b>	2 132 458	8 690 869
Change in fair value of properties (net of NCI)	<b>127 849</b>	(171 419)	(899 836)
– Change in fair value of properties	<b>130 761</b>	(171 427)	(903 480)
– Non-controlling interest	<b>(2 912)</b>	8	3 644
Foreign currency translation reserve (net of NCI)	<b>(8 505)</b>	–	316 212
– Foreign currency translation reserve	<b>(8 910)</b>	–	303 599
– Non-controlling interest	<b>405</b>	–	12 613
Gain on disposal of assets	–	68	(38 176)
Remeasurement gain	–	–	(825 910)
Loss/(gain) on bargain purchase	–	–	(1 857 212)
Adjustment of measurements, included in equity-accounted earnings (net of tax)	<b>(67 611)</b>	(425 095)	(276 086)
– Adjustment of measurements, included in equity-accounted earnings	<b>(54 036)</b>	(496 745)	(262 011)
– Tax adjustment	<b>(13 575)</b>	71 650	(14 075)
Revaluation of property, plant and equipment	–	105 683	105 683
IAS 36 (reversals)/impairments	–	–	(33 873)
Insurance proceeds received	<b>(20 042)</b>	(13 208)	(33 765)
<b>Headline earnings attributable to Redefine shareholders</b>	<b>830 213</b>	1 628 487	5 147 906
– Continuing operations	<b>830 213</b>	1 614 197	5 181 745
– Discontinued operations	–	14 290	(33 839)
Diluted earnings attributable to Redefine shareholders	<b>798 522</b>	2 131 221	8 692 706
Profit for the period attributable to Redefine shareholders	<b>798 522</b>	2 132 458	8 690 869
Potential dilutive effect of share incentive schemes	–	(1 237)	1 837
Diluted headline earnings attributable to Redefine shareholders	<b>830 213</b>	1 627 250	5 149 743
Headline earnings attributable to Redefine shareholders	<b>830 213</b>	1 628 487	5 147 906
Potential dilutive effect of share incentive schemes	–	(1 237)	1 837
Actual number of shares in issue ('000)	<b>6 752 419</b>	5 719 715	6 752 419
Weighted average number of shares in issue ('000)*	<b>6 752 419</b>	5 564 277	6 143 131
Diluted weighted average number of shares in issue ('000)*	<b>6 769 814</b>	5 580 942	6 159 796
Weighted average number of shares in issue ('000)*	<b>6 752 419</b>	5 564 277	6 143 131
Potential dilutive effect of share incentive schemes ('000)	<b>17 395</b>	16 665	16 665
<b>Earnings per share (cents)</b>			
Basic earnings per share	<b>11.83</b>	38.32	141.47
– Continuing operations	<b>11.83</b>	38.06	142.02
– Discontinued operations	–	0.26	(0.55)
Diluted earnings per share	<b>11.80</b>	38.19	141.12
– Continuing operations	<b>11.80</b>	37.93	141.67
– Discontinued operations	–	0.26	(0.55)
Headline earnings per share	<b>12.30</b>	29.27	83.80
– Continuing operations	<b>12.30</b>	29.01	84.35
– Discontinued operations	–	0.26	(0.55)
Diluted headline earnings per share	<b>12.26</b>	26.16	83.60
– Continuing operations	<b>12.26</b>	28.9	84.15
– Discontinued operations	–	0.26	(0.55)

\* Net of 300 000 000 (HY22: 360 553 015 and FY22: 300 000 000) treasury shares

# Segmental report

for the six months ended 28 February 2023

Figures in R'000	28 February 2023										
	Local SA portfolio						International portfolio				Group
	Retail	Office	Industrial	Specialised	Head office	Total local	EPP	Redefine Europe	Other	Total international	Total
<b>STATEMENT OF FINANCIAL POSITION</b>											
Investment properties (including straight-line rental income accrual)	24 239 730	22 088 649	11 608 844	518 300	-	58 455 523	18 267 930	-	-	18 267 930	76 723 453
Right-of-use assets	88 406	17 065	181	-	-	105 652	398 569	-	-	398 569	504 221
Properties under development	-	-	143 370	-	-	143 370	-	-	-	-	143 370
Listed securities	-	-	-	-	38 890	38 890	-	-	-	-	38 890
Investment in associate and joint ventures	-	-	-	-	-	-	9 111 995	5 232 990	-	14 344 985	14 344 985
Loans receivable	-	-	-	-	355 518	355 518	35 640	919 171	-	954 811	1 310 329
Non-current assets held-for-sale	-	76 622	127 177	-	-	203 799	-	-	-	-	203 799
Property, plant and equipment	-	61 625	-	44 300	26 706	132 631	30 267	-	-	30 267	162 898
Cash and cash equivalents	-	-	-	-	915 029	915 029	330 201	51 812	39 716	421 729	1 336 758
Other assets	-	-	-	-	976 766	976 766	1 230 596	367	430 506	1 661 469	2 638 235
<b>Total assets</b>	<b>24 328 136</b>	<b>22 243 961</b>	<b>11 879 572</b>	<b>562 600</b>	<b>2 312 909</b>	<b>61 327 178</b>	<b>29 405 198</b>	<b>6 204 340</b>	<b>470 222</b>	<b>36 079 760</b>	<b>97 406 938</b>
Interest-bearing borrowings	-	-	-	-	27 399 024	27 399 024	11 647 652	351 140	182 354	12 181 146	39 580 170
Other liabilities	88 406	17 065	181	-	2 459 427	2 565 079	2 210 689	328 784	1 061 831	3 601 304	6 166 383
<b>Total liabilities</b>	<b>88 406</b>	<b>17 065</b>	<b>181</b>	<b>-</b>	<b>29 858 451</b>	<b>29 964 103</b>	<b>13 858 341</b>	<b>679 924</b>	<b>1 244 185</b>	<b>15 782 450</b>	<b>45 746 553</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>											
Contractual rental income	1 710 829	1 490 284	668 782	35 279	-	3 905 174	985 913	-	11	985 924	4 891 098
Straight-line rental income/(expense) accrual	8 590	(65 737)	(18 959)	699	-	(75 407)	1 292	-	-	1 292	(74 115)
Investment income	-	-	-	-	-	-	-	-	713	713	713
<b>Total revenue</b>	<b>1 719 419</b>	<b>1 424 547</b>	<b>649 823</b>	<b>35 978</b>	<b>-</b>	<b>3 829 767</b>	<b>987 205</b>	<b>-</b>	<b>724</b>	<b>987 929</b>	<b>4 817 696</b>
Operating costs	(784 764)	(544 138)	(222 615)	(13 015)	-	(1 564 532)	(399 002)	(31)	(1 222)	(400 255)	(1 964 787)
Expected credit losses – trade receivables	17 553	11 874	6 936	373	-	36 736	503	-	-	503	37 239
Administration costs	-	-	-	-	(141 463)	(141 463)	(104 250)	(22 194)	(7 887)	(134 331)	(275 794)
<b>Net operating profit/(loss)</b>	<b>952 208</b>	<b>892 283</b>	<b>434 144</b>	<b>23 336</b>	<b>(141 463)</b>	<b>2 160 508</b>	<b>484 456</b>	<b>(22 225)</b>	<b>(8 385)</b>	<b>453 846</b>	<b>2 614 354</b>
Other income	-	-	28 227	-	350	28 577	-	7 482	-	7 482	36 059
Profit/(loss) on disposal of assets	-	-	-	-	16	16	-	(1 047)	-	(1 047)	(1 031)
Changes in fair values of investment properties	138 822	(353 544)	140 970	6 990	-	(66 762)	(63 999)	-	-	(63 999)	(130 761)
Changes in fair values of financial instruments and other	-	-	-	-	(2 787)	(2 787)	193 074	14 584	(735 021)	(527 363)	(530 150)
Changes in fair value of the insurance contract liability	-	-	-	-	38 345	38 345	-	-	-	-	38 345
Impairments (including expected credit losses on loans receivable)	-	-	-	-	(120 697)	(120 697)	-	(5 235)	-	(5 235)	(125 932)
Equity-accounted profit (net of taxation)	-	-	-	-	-	-	332 276	151 252	-	483 528	483 528
<b>Profit/(loss) before finance costs and taxation</b>	<b>1 091 030</b>	<b>538 739</b>	<b>603 341</b>	<b>30 326</b>	<b>(226 236)</b>	<b>2 037 200</b>	<b>945 807</b>	<b>144 811</b>	<b>(743 406)</b>	<b>347 212</b>	<b>2 384 412</b>
Interest income	-	-	-	-	335 131	335 131	5 532	2 021	39 794	47 347	382 478
Interest expense	(4 115)	(1 173)	(167)	-	(1 192 768)	(1 198 223)	(280 949)	(16 330)	(5 693)	(302 972)	(1 501 195)
Foreign exchange losses	-	-	-	-	-	-	(5 758)	(94)	(303 409)	(309 261)	(309 261)
<b>Profit/(loss) before taxation</b>	<b>1 086 915</b>	<b>537 566</b>	<b>603 174</b>	<b>30 326</b>	<b>(1 083 873)</b>	<b>1 174 108</b>	<b>664 632</b>	<b>130 408</b>	<b>(1 012 714)</b>	<b>(217 674)</b>	<b>956 434</b>
Taxation	-	-	-	-	(35 044)	(35 044)	(110 964)	200	16 943	(93 821)	(128 865)
<b>Profit for the period</b>	<b>1 086 915</b>	<b>537 566</b>	<b>603 174</b>	<b>30 326</b>	<b>(1 118 917)</b>	<b>1 139 064</b>	<b>553 668</b>	<b>130 607</b>	<b>(995 771)</b>	<b>(311 495)</b>	<b>827 569</b>
Non-controlling interests	-	-	-	-	-	-	(29 231)	64	120	(29 047)	(29 047)
<b>Profit/(loss) for the period attributable to Redefine Properties Limited shareholders</b>	<b>1 086 915</b>	<b>537 566</b>	<b>603 174</b>	<b>30 326</b>	<b>(1 118 917)</b>	<b>1 139 064</b>	<b>524 437</b>	<b>130 672</b>	<b>(995 651)</b>	<b>(340 542)</b>	<b>798 522</b>

# Segmental report continued

for the six months ended 28 February 2023

28 February 2022

Figures in R'000	Local SA portfolio						International portfolio				Group
	Retail	Office	Industrial	Specialised	Head office	Total local	EPP	Redefine Europe	Other	Total international	Total
<b>STATEMENT OF FINANCIAL POSITION</b>											
Investment properties (including straight-line rental income accrual)	23 340 590	21 559 603	11 334 867	365 100	–	56 600 160	–	–	–	–	56 600 160
Right-of-use assets	89 675	20 280	–	–	–	109 955	–	–	–	–	109 955
Properties under development	98 000	–	737 214	–	–	835 214	–	–	–	–	835 214
Listed securities	–	–	–	–	97 226	97 226	–	–	–	–	97 226
Investment in associate and joint ventures	–	–	–	–	–	–	6 479 548	2 053 701	–	8 533 249	8 533 249
Loans receivable	–	–	–	–	656 450	656 450	–	477 650	–	477 650	1 134 100
Non-current assets held-for-sale	810 286	–	165 934	–	–	976 220	–	2 167 960	–	2 167 960	3 144 180
Property, plant and equipment	–	–	–	150 600	–	150 600	–	–	–	–	150 600
Properties held-for-trading	–	51 585	–	29 000	34 826	115 411	–	16	–	16	115 427
Cash and cash equivalents	–	–	–	–	1 157 443	1 157 443	–	36 349	61 952	98 301	1 255 744
Other assets	–	–	–	–	682 940	682 940	–	590 725	–	590 725	1 273 665
<b>Total assets</b>	<b>24 338 551</b>	<b>21 631 468</b>	<b>12 238 015</b>	<b>544 700</b>	<b>2 628 885</b>	<b>61 381 619</b>	<b>6 479 548</b>	<b>5 326 401</b>	<b>61 952</b>	<b>11 867 901</b>	<b>73 249 520</b>
Interest-bearing borrowings	–	–	–	–	26 713 536	26 713 536	–	2 379 165	–	2 379 165	29 092 701
Other liabilities	–	–	–	–	3 091 795	3 091 795	–	1 790 022	758	1 790 780	4 882 575
<b>Total liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>29 805 331</b>	<b>29 805 331</b>	<b>–</b>	<b>4 169 187</b>	<b>758</b>	<b>4 169 945</b>	<b>33 975 276</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>											
Contractual rental income	1 675 541	1 432 327	739 024	32 238	–	3 879 130	–	–	496	496	3 879 626
Straight-line rental income accrual	(215 899)	(227 007)	89 531	1 841	–	(351 534)	–	–	–	–	(351 534)
Investment income	–	–	–	–	–	–	–	–	3 675	3 675	3 675
<b>Total revenue</b>	<b>1 459 642</b>	<b>1 205 320</b>	<b>828 555</b>	<b>34 079</b>	<b>–</b>	<b>3 527 596</b>	<b>–</b>	<b>–</b>	<b>4 171</b>	<b>4 171</b>	<b>3 531 767</b>
Operating costs	(794 194)	(486 375)	(234 448)	(11 197)	–	(1 526 214)	–	–	(15 158)	(15 158)	(1 541 372)
Expected credit losses – trade receivables	44 185	(3 780)	(14 961)	2 648	–	28 092	–	–	–	–	28 092
Administration costs	–	–	–	–	(124 994)	(124 994)	–	(11 726)	(2)	(11 728)	(136 722)
<b>Net operating profit</b>	<b>709 633</b>	<b>715 165</b>	<b>579 146</b>	<b>25 530</b>	<b>(124 994)</b>	<b>1 904 480</b>	<b>–</b>	<b>(11 726)</b>	<b>(10 989)</b>	<b>(22 715)</b>	<b>1 881 765</b>
Other income	–	–	7 204	1 783	1 133	10 120	–	1 417	–	1 417	11 537
Gains/(losses) on disposal of assets	–	–	–	–	(68)	(68)	–	–	–	–	(68)
Changes in fair values of investment properties	48 292	17 163	138 644	(21 665)	(11 082)	171 352	–	–	75	75	171 427
Changes in fair values of financial instruments and other	–	–	–	–	543 210	543 210	–	(7 670)	(160 166)	(167 836)	375 374
Changes in fair value of the insurance contract liability	–	–	–	–	39 834	39 834	–	–	–	–	39 834
Impairments (including expected credit losses on loans receivable)	–	–	–	–	37 750	37 750	–	(91 966)	–	(91 966)	(54 216)
Equity-accounted profits (net of taxation)	–	–	–	–	–	–	216 458	445 519	–	661 977	661 977
<b>Profit before finance costs and taxation</b>	<b>757 925</b>	<b>732 328</b>	<b>724 994</b>	<b>5 648</b>	<b>485 783</b>	<b>2 706 678</b>	<b>216 458</b>	<b>335 574</b>	<b>(171 080)</b>	<b>380 952</b>	<b>3 087 630</b>
Interest income	–	–	–	–	252 501	252 501	–	42 498	652	43 150	295 651
Interest expense	(53)	(119)	(182)	–	(1 055 827)	(1 056 181)	–	(74 337)	(16 085)	(90 422)	(1 146 603)
Foreign exchange loss	–	–	–	–	–	–	–	(27 932)	(4 075)	(32 007)	(32 007)
<b>Profit/(loss) before taxation</b>	<b>757 872</b>	<b>732 209</b>	<b>724 812</b>	<b>5 648</b>	<b>(317 543)</b>	<b>1 902 998</b>	<b>216 458</b>	<b>275 803</b>	<b>(190 588)</b>	<b>301 673</b>	<b>2 204 671</b>
Taxation	–	–	–	–	(13 277)	(13 277)	–	2 418	40 328	42 746	29 469
<b>Profit before finance costs and taxation</b>	<b>757 872</b>	<b>732 209</b>	<b>724 812</b>	<b>5 648</b>	<b>(330 820)</b>	<b>1 889 721</b>	<b>216 458</b>	<b>278 221</b>	<b>(150 260)</b>	<b>344 419</b>	<b>2 234 140</b>
Profit from discontinued operations (net of taxation)	–	–	–	–	–	–	–	14 290	–	14 290	14 290
<b>Profit for the period</b>	<b>757 872</b>	<b>732 209</b>	<b>724 812</b>	<b>5 648</b>	<b>(330 820)</b>	<b>1 889 721</b>	<b>216 458</b>	<b>292 511</b>	<b>(150 260)</b>	<b>358 709</b>	<b>2 248 430</b>
Non-controlling interests	–	–	–	–	–	–	–	(115 972)	–	(115 972)	(115 972)
<b>Profit/(loss) for the period attributable to Redefine Properties Limited shareholders</b>	<b>757 872</b>	<b>732 209</b>	<b>724 812</b>	<b>5 648</b>	<b>(330 820)</b>	<b>1 889 721</b>	<b>216 458</b>	<b>176 539</b>	<b>(150 260)</b>	<b>242 737</b>	<b>2 132 458</b>

# Segmental report continued

for the year ended 31 August 2023

31 August 2022

	Local SA portfolio						International portfolio				Group
Figures in R'000	Retail	Office	Industrial	Specialised	Head office	Total local	EPP	Redefine Europe	Other	Total international	Total
<b>STATEMENT OF FINANCIAL POSITION</b>											
Investment properties (including straight-line rental income accrual)	23 945 555	21 838 978	10 676 628	368 500	-	56 829 661	15 886 166	-	-	15 886 166	72 715 827
Right-of-use assets	92 756	18 721	207	-	-	111 684	345 727	-	-	345 727	457 411
Properties under development	-	-	711 628	-	-	711 628	-	-	-	-	711 628
Listed securities	-	-	-	-	69 679	69 679	-	-	-	-	69 679
Investment in associate and joint ventures	-	-	-	-	-	-	7 323 964	4 134 935	-	11 458 899	11 458 899
Loans receivable	-	-	-	-	591 145	591 145	79 279	530 919	-	610 198	1 201 343
Property, plant and equipment	-	55 531	-	42 750	30 023	128 304	30 742	13	-	30 755	159 059
Properties held-for-trading	-	-	-	136 700	-	136 700	-	-	-	-	136 700
Non-current assets held-for-sale	75 500	79 020	237 213	-	-	391 733	1 005 714	-	-	1 005 714	1 397 447
Cash and cash equivalents	-	-	-	-	1 476 126	1 476 126	225 762	57 431	6 030	289 223	1 765 349
Other assets	-	-	-	-	929 483	929 483	788 918	43 706	570 352	1 402 976	2 332 459
<b>Total assets</b>	<b>24 113 811</b>	<b>21 992 250</b>	<b>11 625 676</b>	<b>547 950</b>	<b>3 096 456</b>	<b>61 376 143</b>	<b>25 686 272</b>	<b>4 767 004</b>	<b>576 382</b>	<b>31 029 658</b>	<b>92 405 801</b>
Interest-bearing borrowings	-	-	-	-	26 539 387	26 539 387	10 278 151	304 895	168 944	10 751 990	37 291 377
Other liabilities	-	-	-	-	2 760 991	2 760 991	2 283 590	360 234	408 380	3 052 204	5 813 195
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29 300 378</b>	<b>29 300 378</b>	<b>12 561 741</b>	<b>665 129</b>	<b>577 324</b>	<b>13 804 194</b>	<b>43 104 572</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>											
Contractual rental income	3 312 063	2 873 185	1 492 224	65 749	-	7 743 221	809 799	-	403	810 202	8 553 423
Straight-line rental income accrual	(175 012)	(233 850)	88 277	3 680	-	(316 905)	2 289	-	-	2 289	(314 616)
Investment income	-	-	-	-	-	-	-	-	4 892	4 892	4 892
<b>Total revenue</b>	<b>3 137 051</b>	<b>2 639 335</b>	<b>1 580 501</b>	<b>69 429</b>	<b>-</b>	<b>7 426 316</b>	<b>812 088</b>	<b>-</b>	<b>5 295</b>	<b>817 383</b>	<b>8 243 699</b>
Operating costs	(1 562 074)	(1 006 760)	(478 588)	(9 034)	-	(3 056 456)	(306 192)	(31)	(5 667)	(311 890)	(3 368 346)
Changes in expected credit losses on trade receivables	85 957	8 018	5 756	2 527	-	102 258	5 774	-	-	5 774	108 032
Administration costs	-	-	-	-	(295 927)	(295 927)	(107 168)	(49 973)	(8 346)	(165 487)	(461 414)
<b>Net operating profit/(loss)</b>	<b>1 660 934</b>	<b>1 640 593</b>	<b>1 107 669</b>	<b>62 922</b>	<b>(295 927)</b>	<b>4 176 191</b>	<b>404 502</b>	<b>(50 004)</b>	<b>(8 718)</b>	<b>345 780</b>	<b>4 521 971</b>
Other income	-	-	33 043	1 783	14 054	48 880	-	2 493	18	2 511	51 391
(Loss)/gain on disposal of assets	-	-	-	-	-	-	-	38 176	-	38 176	38 176
Remeasurement gain	-	-	-	-	-	-	-	-	825 910	825 910	825 910
Gain on bargain purchase	-	-	-	-	-	-	-	-	1 857 212	1 857 212	1 857 212
Changes in fair values of investment properties	273 347	177 967	413 959	(25 319)	(16 481)	823 473	79 932	-	75	80 007	903 480
Changes in fair values of financial and other instruments	-	-	-	-	1 067 565	1 067 565	87 630	(241 359)	303 363	149 634	1 217 199
Changes in fair value of the insurance contract liability	-	-	-	-	75 071	75 071	-	-	-	-	75 071
Changes in expected credit losses – loans receivable	-	-	-	-	102 847	102 847	-	25 383	-	25 383	128 230
Impairments	-	-	-	-	-	-	-	(105 683)	-	(105 683)	(105 683)
Equity-accounted loss (net of taxation)	-	-	-	-	-	-	539 015	1 487 273	-	2 026 288	2 026 288
<b>Profit before finance costs and taxation</b>	<b>1 934 281</b>	<b>1 818 560</b>	<b>1 554 671</b>	<b>39 386</b>	<b>947 129</b>	<b>6 294 027</b>	<b>1 111 079</b>	<b>1 156 279</b>	<b>2 977 860</b>	<b>5 245 218</b>	<b>11 539 245</b>
Interest income	-	-	-	-	509 439	509 439	64	(12 967)	82 334	69 431	578 870
Interest expense	(19)	(39)	(122)	39	(2 008 740)	(2 008 881)	(303 310)	(26 447)	(30 457)	(360 214)	(2 369 095)
Foreign exchange loss	-	-	-	-	-	-	(336 270)	3 981	(674 030)	(1 006 319)	(1 006 319)
<b>Profit before taxation</b>	<b>1 934 262</b>	<b>1 818 521</b>	<b>1 554 549</b>	<b>39 425</b>	<b>(552 172)</b>	<b>4 794 585</b>	<b>471 563</b>	<b>1 120 846</b>	<b>2 355 707</b>	<b>3 948 116</b>	<b>8 742 701</b>
Taxation	-	-	-	-	(36 415)	(36 415)	(6 798)	(5 162)	40 360	28 400	(8 015)
<b>Profit for the year from continuing operations</b>	<b>1 934 262</b>	<b>1 818 521</b>	<b>1 554 549</b>	<b>39 425</b>	<b>(588 587)</b>	<b>4 758 170</b>	<b>464 765</b>	<b>1 115 684</b>	<b>2 396 067</b>	<b>3 976 516</b>	<b>8 734 686</b>
Loss from discontinued operations (net of taxation)	-	-	-	-	-	-	-	(33 839)	-	(33 839)	(33 839)
<b>Profit for the year</b>	<b>1 934 262</b>	<b>1 818 521</b>	<b>1 554 549</b>	<b>39 425</b>	<b>(588 587)</b>	<b>4 758 170</b>	<b>464 765</b>	<b>1 081 845</b>	<b>2 396 067</b>	<b>3 942 677</b>	<b>8 700 847</b>
Non-controlling interests	-	-	-	-	-	-	(30 095)	(996)	21 113	(9 978)	(9 978)
<b>Profit/(loss) for the year attributable to Redefine Properties Limited shareholders</b>	<b>1 934 262</b>	<b>1 818 521</b>	<b>1 554 549</b>	<b>39 425</b>	<b>(588 587)</b>	<b>4 758 170</b>	<b>434 670</b>	<b>1 080 849</b>	<b>2 417 180</b>	<b>3 932 699</b>	<b>8 690 869</b>

# Distributable income analysis

for the six months ended 28 February 2023

Figures in R'000	South Africa	International	Total
Property portfolio revenue	3 905 174	985 924	4 891 098
Investment income	-	713	713
<b>Total revenue</b>	<b>3 905 174</b>	<b>986 637</b>	<b>4 891 811</b>
Operating costs (including expected credit losses on trade receivables)	(1 537 954)	(399 753)	(1 937 707)
Administration costs	(141 597)	(114 223)	(255 820)
<b>Net operating profit</b>	<b>2 225 623</b>	<b>472 661</b>	<b>2 698 284</b>
Other income	8 534	7 483	16 017
<b>Net distributable profit before finance costs and taxation</b>	<b>2 234 157</b>	<b>480 144</b>	<b>2 714 301</b>
Net interest costs	(856 466)	(264 506)	(1 120 972)
- Interest income	335 131	31 116	366 247
- Interest expense	(1 191 597)	(295 622)	(1 487 219)
Foreign exchange gain	-	28 419	28 419
<b>Net distributable profit before taxation</b>	<b>1 377 691</b>	<b>244 057</b>	<b>1 621 748</b>
Taxation	-	(45 958)	(45 958)
<b>Net distributable profit before non-controlling interest share</b>	<b>1 377 691</b>	<b>198 099</b>	<b>1 575 790</b>
Non-controlling interest share of distributable income	-	(11 411)	(11 411)
<b>Net distributable profit before distributable adjustments</b>	<b>1 377 691</b>	<b>186 688</b>	<b>1 564 379</b>
<i>Below the line distributable income adjustments:</i>			
- Equity-accounted investments	-	49 998	49 998
<b>Distributable income for the period</b>	<b>1 377 691</b>	<b>236 686</b>	<b>1 614 377</b>

# Revenue disclosure

for the six months ended 28 February 2023

Figures in R'000	Unaudited 28 February 2023	Unaudited 28 February 2022	Audited 31 August 2022
<b>Continuing operations</b>			
<b>Revenue from contract with tenants</b>	<b>4 721 125</b>	3 825 234	8 250 057
Contractual rental income	3 073 448	2 593 834	5 615 609
Non-gross lettable area (GLA) income	51 328	42 084	88 155
COVID-19 pandemic rental relief	1 945	6 034	6 643
Tenant installations	(45 347)	(37 079)	(85 085)
Tenant parking income	215 963	215 271	427 365
Operating costs recovery	1 423 788	1 005 090	2 197 370
<b>Other revenue</b>	<b>169 973</b>	54 392	303 366
Customer parking income	41 868	21 993	54 132
Other revenue	128 105	32 399	249 234
	<b>4 891 098</b>	3 879 626	8 553 423
<b>Discontinued operations</b>			
<b>Revenue from contract with tenants</b>	-	27 017	25 506
Contractual rental income	-	21 780	25 506
Operating costs recovery	-	5 237	-
	-	27 017	25 506



# Investment in associate and joint ventures disclosure

for the six months ended 28 February 2023

Figures in R'000	Principal place of business	Effective interest (%)	Unaudited 28 February 2023	Unaudited 28 February 2022	Audited 31 August 2022
<b>Associate</b>					
EPP N.V. (EPP)	Poland	45.4	-	6 479 549	-
<b>Joint ventures</b>					
European Logistics Investment B.V. (ELI)	Poland	46.9	<b>4 208 572</b>	2 053 700	3 266 459
C4T Proprietary Limited (C4T)	South Africa	50.0	-	-	-
Mall of the South Proprietary Limited (MOTS PropCo)	South Africa	20.0	-	-	-
Rosehill Investments sp. z o.o. (Galeria Mtociny)	Poland	70.0	<b>2 618 742</b>	-	2 217 891
Henderson Park Private Equity Fund (Henderson)	Poland	30.0	<b>464 360</b>	-	442 457
M1 Group Sarl (M1 JV)	Poland	50.0	<b>4 060 520</b>	-	3 075 700
EPP Community Properties JV B.V. (EPP Community JV)	Poland	53.1	<b>2 992 791</b>	-	2 456 392
Carrying amount			<b>14 344 985</b>	8 533 249	11 458 899

# Investment in associate and joint ventures disclosure continued

for the six months ended 28 February 2023

Figures in R'000	28 February 2023					
	ELI	Galeria Mlociny	Henderson	M1 JV	EPP Community JV	TOTAL
Functional currency	EUR	PLN	PLN	PLN	PLN	
Effective interest	46.9%	70.0%	30.0%	50.0%	53.1%	
Balance at beginning of period	3 266 459	2 217 891	442 457	3 075 700	2 456 392	11 458 899
Acquired through an acquisition of subsidiary	-	-	-	120 856	-	120 856
Additional investment in joint venture	336 235	-	-	-	-	336 235
Return of equity	(46 163)	-	-	-	-	(46 163)
Equity-accounted profit or loss of associate and joint ventures (net of taxation)	128 774	61 538	(21 732)	170 140	144 807	483 527
Share of distributable profit/(loss)	128 774	49 070	(21 732)	134 011	144 807	434 930
Interest income from loans granted to joint ventures	-	12 468	-	36 129	-	48 597
Other comprehensive income of associate and joint ventures	-	(2 523)	(1 288)	(3 293)	7 263	159
Items that are or may be reclassified to profit or loss	-	(2 523)	(1 288)	(3 293)	7 263	159
Dividends and interest from associate and joint ventures	-	-	(18 943)	-	-	(18 943)
Dividend income	-	-	(18 943)	-	-	(18 943)
Foreign exchange on loans	-	812	-	-	-	812
Additional loans granted to joint ventures	-	-	-	193 416	-	193 416
Currency translation adjustment of foreign investments	523 267	341 024	63 866	503 701	384 329	1 816 187
Recognised in other comprehensive loss	523 267	341 024	63 866	503 701	384 329	1 816 187
Balance at end of period	4 208 572	2 618 742	464 360	4 060 520	2 992 791	14 344 985

# Investment in associate and joint ventures disclosure continued

for the six months ended 28 February 2023

Figures in R'000	28 February 2022		
	EPP N.V.	ELI	TOTAL
Functional currency	EUR	EUR	
Effective interest	45.4%	46.5%	
Balance at beginning of period	6 489 101	2 345 777	8 834 878
Additional investment in joint venture	–	305 236	305 236
Return of equity	–	(500 641)	(500 641)
Equity-accounted profit or loss of associate and joint ventures (net of taxation)	216 458	445 518	661 976
Share of distributable profit	216 458	445 518	661 976
Other comprehensive income of associate and joint ventures	(155 742)	–	(155 742)
Items that are or may be reclassified to profit or loss	(155 742)	–	(155 742)
Dividends and interest from associate and joint ventures	–	(542 306)	(542 306)
Dividend income	–	(542 306)	(542 306)
Share of other reserves of associate	(2 863)	–	(2 863)
Currency translation adjustment of foreign investments	(67 405)	116	(67 289)
Recognised in other comprehensive loss	(67 405)	116	(67 289)
Balance at end of period	6 479 549	2 053 700	8 533 249

# Investment in associate and joint ventures disclosure continued

for the six months ended 28 February 2023

31 August 2022

Figures in R'000	EPP N.V.	ELI	Galeria Młociny	Henderson	M1 JV	Towarowa	EPP Community Properties JV	TOTAL
Functional currency	EUR	EUR	PLN	PLN	PLN	PLN	PLN	
Effective interest	45.4%	46.5%	70.0%	30.0%	50.0%	53.7%	53.1%	
Balance at beginning of year	6 489 101	2 345 777	-	-	-	-	-	8 834 878
Acquired through an acquisition of subsidiary	-	-	1 229 239	458 000	-	1 113 741	-	2 800 980
Additional investment in joint venture	-	560 425	893 223	-	832 410	-	-	2 286 058
Corporate reorganisation	-	-	-	-	2 055 636	-	3 037 693	5 093 329
Disposal of joint venture	-	-	-	(39 364)	-	(1 100 991)	-	(1 140 355)
Return of equity	-	(1 017 593)	-	-	-	-	(723 563)	(1 741 156)
Capitalised transaction costs on share issue of equity-accounted investee	-	-	-	-	38 772	-	35 106	73 878
Deemed disposal of subsidiary becoming a joint venture	(6 621 229)	-	-	-	-	-	-	(6 621 229)
Equity-accounted profit or loss of associate and joint ventures (net of taxation)	294 530	1 466 651	43 665	26 627	69 097	(17 647)	143 365	2 026 288
Share of distributable profit	294 530	1 466 651	37 166	26 627	49 009	(17 647)	142 888	1 999 224
Equity-accounted portion on class C shares	-	-	-	-	20 622	-	-	20 622
Earnings dilution due to change in shareholding	-	-	-	-	-	-	477	477
Distribution waterfall adjustment	-	-	-	-	(9 964)	-	-	(9 964)
Interest income from loans granted to joint ventures	-	-	6 499	-	9 430	-	-	15 929
Other comprehensive income of associate and joint ventures	(680 453)	-	2 876	(7 592)	33 152	3 955	14 042	(634 020)
Items that are or may be reclassified to profit or loss	(680 453)	-	2 876	(7 592)	33 152	3 955	14 042	(634 020)
Dividends and interest from associate and joint ventures	-	(74 396)	-	-	-	-	(83 868)	(158 264)
Dividend income	-	(74 396)	-	-	-	-	(83 868)	(158 264)
Share of other reserves of associate	(5 646)	-	-	-	-	-	-	(5 646)
Foreign exchange on loans	-	-	14 650	-	-	-	-	14 650
Remeasurement gain	825 910	-	-	-	-	-	-	825 910
Other interest on loan accrued	-	-	1 858	-	-	-	-	1 858
Other	-	-	-	(1 854)	-	-	-	(1 854)
Currency translation adjustment of foreign investments	(302 213)	(14 405)	32 380	6 640	46 633	942	33 617	(196 406)
Recognised in other comprehensive loss	(302 213)	(14 405)	32 380	6 640	46 633	942	33 617	(196 406)
<b>Balance at end of year</b>	-	3 266 459	2 217 891	442 457	3 075 700	-	2 456 392	11 458 899

## Financial instruments and investment property fair value disclosure

Figures in R'000	Unaudited 28 February 2023			Unaudited 28 February 2022			Audited 31 August 2022		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
<b>Financial assets</b>									
Listed securities	-	38 890	38 890	-	97 226	97 226	-	69 679	69 679
Derivative assets	-	775 878	775 878	-	288 255	288 255	-	609 495	609 495
Loans receivable	1 274 689	35 640	1 310 329	1 134 100	-	1 134 100	1 122 065	79 278	1 201 343
Other financial assets	-	668 780	668 780	-	298 866	298 866	-	596 039	596 039
Trade and other receivables	737 882	-	737 882	595 126	-	595 126	702 742	-	702 742
Other monetary assets	231 006	-	231 006	-	-	-	192 605	-	192 605
Cash and cash equivalents	1 336 758	-	1 336 758	1 255 744	-	1 255 744	1 765 349	-	1 765 349
	<b>3 580 335</b>	<b>1 519 188</b>	<b>5 099 523</b>	<b>2 984 970</b>	<b>684 347</b>	<b>3 669 317</b>	<b>3 782 761</b>	<b>1 354 491</b>	<b>5 137 252</b>
<b>Financial liabilities</b>									
Interest-bearing borrowings	39 580 170	-	39 580 170	29 092 701	-	29 092 701	37 291 377	-	37 291 377
Interest accrual on interest-bearing borrowings	220 140	-	220 140	102 613	-	102 613	111 154	-	111 154
Derivative liabilities	-	987 574	987 574	-	1 095 713	1 095 713	-	367 611	367 611
Other financial liabilities	87 134	343 396	430 530	144 249	20 983	165 232	57 546	349 202	406 748
Trade and other payables	1 668 567	-	1 668 567	1 402 750	-	1 402 750	1 898 572	-	1 898 572
	<b>41 556 011</b>	<b>1 330 970</b>	<b>42 886 981</b>	<b>30 742 313</b>	<b>1 116 696</b>	<b>31 859 009</b>	<b>39 358 649</b>	<b>716 813</b>	<b>40 075 462</b>

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

IFRS 13: *Fair Value Measurement* requires that an entity disclose for each class of financial instruments and investment property measured at fair value the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety.

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels

- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2** – inputs other than quoted prices included within 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)

There have been no transfers between level 1, level 2 and level 3 during the period under review.

# Financial instruments and investment property fair value disclosure continued

The table below analyses financial instruments and investment property carried at fair value.

## Fair value hierarchy for financial instruments and investment property

Figures in R'000	Unaudited 28 February 2023			
	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>				
Investment properties*	77 574 843	-	-	77 574 843
Listed securities	38 890	38 890	-	-
Derivative assets	775 878	-	775 878	-
Loans receivable	35 640	-	-	35 640
Other financial assets	668 780	-	-	668 780
	79 094 031	38 890	775 878	78 279 263
<b>Liabilities</b>				
Derivative liabilities	987 574	-	987 574	-
Other financial liabilities	343 396	-	-	343 396
	1 330 970	-	987 574	343 396

Figures in R'000	Unaudited 28 February 2022			
	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>				
Investment properties*	60 624 153	-	-	60 624 153
Listed securities	97 226	97 226	-	-
Derivative assets	288 255	-	288 255	-
Other financial assets	298 866	-	-	298 866
	61 308 500	97 226	288 255	60 923 019
<b>Liabilities</b>				
Derivative liabilities	1 095 713	-	1 095 713	-
Other financial liabilities	20 983	-	-	20 983
	1 116 696	-	1 095 713	20 983

Figures in R'000	Audited 31 August 2022			
	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>				
Investment properties#	73 884 866	-	-	73 884 866
Investment property held-for-sale	1 397 447	-	-	1 397 447
Listed securities	69 679	69 679	-	-
Loans receivable	609 495	-	609 495	-
Derivative assets	79 278	-	-	79 278
Other financial assets	596 039	-	-	596 039
	76 636 804	69 679	609 495	75 957 630
<b>Liabilities</b>				
Derivative liabilities	367 611	-	367 611	-
Other financial liabilities	349 202	-	-	349 202
	716 813	-	367 611	349 202

\* Including properties under development, right-of-use assets and non-current assets (properties) held-for-sale

# Including properties under development and right-of-use assets



# Financial instruments and investment property fair value disclosure continued

## Level 3 reconciliation

Figures in R'000	Unaudited 28 February 2023			
	Balance at beginning of period	Acquisitions/(disposals)	Gains/(losses) in profit or loss for the period	Balance at end of period
Investment properties	72 715 827	4 166 012	(158 386)	76 723 453
Properties under development	711 628	(560 118)	(8 140)	143 370
Right-of-use asset	457 411	55 100	(8 290)	504 221
Investment property held-for-sale	1 397 447	(1 194 081)	433	203 799
Other financial assets	596 039	(32 280)	105 021	668 780
Loans receivable	79 278	(43 927)	289	35 640
Other financial liabilities	(349 202)	13 641	(7 835)	(343 396)
	75 608 428	2 404 347	(76 908)	77 935 867

Figures in R'000	Unaudited 28 February 2022			
	Balance at beginning of period	Acquisitions/(disposals)	Gains/(losses) in profit or loss for the period	Balance at end of period
Investment properties	57 147 740	(394 487)	(153 093)	56 600 160
Properties under development	926 012	(58 461)	(32 337)	835 214
Right-of-use asset	112 816	8 210	(11 071)	109 955
Investment property held-for-sale	2 749 073	373 612	(43 861)	3 078 824
Other financial assets	267 978	(15 421)	46 309	298 866
Other financial liabilities	(100 167)	61 537	17 647	(20 983)
	61 103 452	(25 010)	(176 406)	60 902 036

Figures in R'000	Audited 31 August 2022			
	Balance at beginning of year	Acquisitions/(disposals)	Gains/(losses) in profit or loss for the year	Balance at end of year
Investment properties	57 147 740	14 916 203	651 884	72 715 827
Properties under development	926 012	(108 206)	(106 178)	711 628
Right-of-use asset	112 816	361 164	(16 569)	457 411
Investment property held-for-sale	2 749 073	(1 363 333)	11 707	1 397 447
Other financial assets	267 978	310 382	17 679	596 039
Loans receivable	-	79 278	-	79 278
Other financial liabilities	(100 167)	237 970	(487 005)	(349 202)
	61 103 452	14 433 458	71 518	75 608 428

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

# Financial instruments and investment property

## fair value disclosure continued

### Details of valuation techniques

The valuation techniques used in measuring fair values at 28 February 2023 for financial instruments and investment property measured at fair value in the statement of financial position, as well as the significant unobservable inputs used, are disclosed below. There have been no significant changes in valuation techniques and inputs since 31 August 2022.

### Investment property

A panel of independent external valuers were appointed to conduct the group's February 2023 property valuations. The group provided the valuers with property and other information required in the valuation of the properties. Among other inputs, the independent valuers applied current market-related assumptions to the risks in rental streams of properties. Once the valuations were completed by the independent valuers, it was reviewed internally and presented at different forums within the group. The investment committee, a subcommittee of the board of directors, provides final approval of the valuations. All the valuers are registered valuers in terms of section 19 of the Property Valuers Professional Act, No 47 of 2000. The independent valuers are as follows:

#### VALUERS FOR INVESTMENT PROPERTIES LOCATED IN SOUTH AFRICA

▪ Real Insight	T Behrens	NDip (Prop Val), professional valuer
▪ Broll	J Weiner	Dip Real Estate (P.V.), MIV(SA), professional valuer
▪ Eris Property Group	C Everatt	BSc (Hons) Estate Management, MRICS, MIV(SA), professional valuer
▪ Sterling Valuation Specialists	A Smith	BSc, MIV (SA), professional valuer
▪ Knight Frank	A Arbee	NDip (Prop Val), professional valuer
▪ CBRE Excellerate	C Geldenhuys	BTech, MRICS, MIV(SA), professional valuer
▪ Spectrum Valuation and Asset Solutions	P O'Connell	NDip, MRICS, professional valuer

#### VALUERS FOR INVESTMENT PROPERTIES LOCATED IN POLAND

▪ Savills	Kamil Kowa, Karina Szafrńska, Małgorzata Lińska-Bator	MRICS, RICS
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# Financial instruments and investment property fair value disclosure continued

Unobservable inputs (% unless otherwise stated)	Unaudited 28 February 2023	Unaudited 28 February 2022	Audited 31 August 2022
<b>Retail sector</b>			
Discount rate	11.50-16.00	10.00-16.00	10.50-16.00
Exit capitalisation rate	7.00-13.00	7.00-13.00	7.00-13.00
Bulk rate	R1 200-R3 000p/m <sup>2</sup>	R1 200-R3 000p/m <sup>2</sup>	R1 200-R3 000p/m <sup>2</sup>
Expected market rental growth	1.00-5.00	1.00-5.00	1.00-5.00
Expected expense growth	5.50-7.00	5.50-7.00	5.50-7.00
Occupancy rate	95.93	94.74	93.18
Vacancy periods	0-15 months	0-12 months	0-24 months
Rent-free periods	0-3 months	0-9 months	0-4 months
<b>Office sector</b>			
Discount rate	11.50-16.75	9.00-17.00	10.00-16.75
Exit capitalisation rate	8.00-12.50	8.00-13.00	8.00-12.50
Bulk rate	R1 500-R3 000p/m <sup>2</sup>	R1 500-R3 500p/m <sup>2</sup>	R1 500-R3 500p/m <sup>2</sup>
Expected market rental growth	1.00-5.00	1.00-5.00	1.00-5.00
Expected expense growth	5.5 -7.00	5.50-7.00	5.50-7.00
Occupancy rate	85.24	86.77	81.91
Vacancy periods	0-15 months	0-24 months	0-24 months
Rent-free periods	0-6 months	0-9 months	0-6 months
<b>Industrial sector</b>			
Discount rate	12.00-16.00	11.00-15.50	10.50-15.50
Exit capitalisation rate	7.75-11.50	8.00-11.50	7.75-11.50
Bulk rate	R249-R850p/m <sup>2</sup>	R250-R2 000p/m <sup>2</sup>	R249-R1 600p/m <sup>2</sup>
Expected market rental growth	1.00-5.00	1.50-5.00	1.00-5.00
Expected expense growth	5.50-8.00	5.50-8.00	5.50-8.00
Occupancy rate	93.85	93.59	94.55
Vacancy periods	0-12 months	0-12 months	0-12 months
Rent-free periods	0-4 months	0-9 months	0-4 months
<b>Specialised sector</b>			
Discount rate	13.25-13.50	13.00-13.50	13.25-13.50
Exit capitalisation rate	9.00-9.75	9.00-9.75	9.00-9.75
Expected market rental growth	1.00-5.00	1.00-4.00	1.00-4.50
Expected expense growth	5.50-6.00	6.00	5.50-7.00
Occupancy rate	100.00	100.00	100.00
Vacancy periods	0-12 months	0-12 months	0-12 months
Rent-free periods	-	0-9 months	-
<b>International sector</b>			
Discount rate	8.00-9.30	-	7.60-8.90
Exit capitalisation rate	6.00-7.55	-	6.00-7.80
Expected market rental growth	2.87-4.15	-	1.65-7.47
Expected expense growth	5.90-8.10	-	4.10-4.20
Occupancy rate	96.12	-	96.41
Vacancy periods	0-12 months	-	1-12 months

## Financial instruments and investment property fair value disclosure continued

### Measurement of fair value

#### Valuation techniques

Valuations were completed using the following methods of valuation:

#### Investment property – discounted cash flow method

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

#### Sensitivity of fair values to changes in unobservable inputs

The valuation of investment properties is sensitive to changes in inputs used in determining fair value. The table below illustrates the sensitivity in fair value to changes in the unobservable inputs shown below.

Sector	28 February 2023			Change in exit capitalisation rate				Change in discount rate			
	Valuation R'000	Weighted average exit rate %	Weighted average discount rate %	Decrease 50bps		Increase 50bps		Decrease 50bps		Increase 50bps	
				R'000	%	R'000	%	R'000	%	R'000	%
Retail	24 211 255	8.11	12.39	1 083 110	4.47	(965 612)	(3.99)	468 840	1.94	(462 019)	(1.91)
Office	21 948 026	8.75	12.65	809 665	3.69	(726 757)	(3.31)	391 438	1.78	(386 335)	(1.76)
Industrial	10 851 277	8.67	12.71	352 558	3.25	(346 803)	(3.20)	179 998	1.66	(205 533)	(1.89)
International	18 267 355	6.39	8.47	1 166 694	6.39	(995 567)	(5.45)	370 081	2.03	(360 404)	(1.97)
<b>Total</b>	<b>75 277 913*</b>										

\* Excludes right-of-use assets and land, inclusive of buildings classified as property, plant and equipment

#### Properties under development – comparable sales method

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

#### Properties classified as held-for-sale – contract sales price

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

# Financial instruments and investment property fair value disclosure continued

## Financial instruments

### Listed securities

The fair value is determined using the closing market price on the relevant exchange.

### Foreign exchange options

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

### Interest rate swaps

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

### Cross-currency interest rate swaps

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

## Other financial assets and liabilities

### Unlisted securities

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

### Profit participation liability

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

### Rental guarantee

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



# SA REIT ratios



# SA REIT ratios

for the six months ended 28 February 2023

Figures in R'000	28 February 2023	28 February 2022	31 August 2022
<b>SA REIT FUNDS FROM OPERATIONS (SA REIT FFO) PER SHARE</b>			
<b>Profit or loss per IFRS statement of comprehensive income (SOCl) attributable to the parent</b>	<b>798 522</b>	2 132 458	8 690 869
Adjusted for:			
<b>Accounting/specific adjustments:</b>	<b>442 069</b>	491 027	(2 821 189)
Fair value adjustments to:			
– Investment property	<b>130 761</b>	(171 427)	(903 480)
– Debt and equity instruments held at fair value through profit or loss	<b>9 001</b>	233 539	435 453
Depreciation and amortisation	<b>7 891</b>	8 216	19 987
Impairment of goodwill or the recognition of a bargain purchase gain	<b>-</b>	105 683	(2 577 439)
Asset impairments (excluding goodwill) and reversals of impairment	<b>125 932</b>	(51 467)	(128 230)
Gains or losses on the modification of financial instruments	<b>1 090</b>	-	(44)
Deferred tax movement recognised in profit or loss	<b>93 279</b>	8 623	3 936
Straight-lining operating lease adjustment	<b>74 115</b>	351 534	314 616
Transaction costs expensed in accounting for a business combination	<b>-</b>	6 326	14 012
<b>Adjustments arising from investing activities:</b>	<b>1 033</b>	(1 715)	(39 955)
Gains or losses on disposal of:			
– Investment property and property, plant and equipment	<b>1 033</b>	(1 715)	(39 955)
<b>Foreign exchange and hedging items:</b>	<b>858 829</b>	(538 332)	(601 946)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	<b>521 149</b>	(608 913)	(1 652 652)
Reclassified foreign currency translation reserve upon disposal of a foreign operation	<b>(8 910)</b>	-	303 599
Foreign exchange gains or losses relating to capital items – realised and unrealised	<b>346 590</b>	70 581	747 107
<b>Other adjustments:</b>	<b>(432 836)</b>	(499 526)	(1 566 277)
Tax impact of the above adjustments	<b>(16 943)</b>	(38 092)	(40 328)
Adjustments made for equity-accounted entities	<b>(433 530)</b>	(619 172)	(1 851 867)
Non-controlling interests in respect of the above adjustments	<b>17 637</b>	116 817	2 813
Antecedent earnings adjustment	<b>-</b>	40 921	323 105
<b>SA REIT FFO</b>	<b>1 667 617</b>	1 583 912	3 661 502

# SA REIT ratios continued

for the six months ended 28 February 2023

Figures in R'000	28 February 2023	28 February 2022	31 August 2022
Number of shares outstanding at end of period/year (net of treasury shares)	6 752 419	5 719 715	6 752 419
<b>SA REIT FFO per share (cents)</b>	<b>24.70</b>	27.69	54.23
<b>Company-specific adjustments</b>	<b>(53 240)</b>	(78 121)	(34 870)
Non-distributable adjustments for discontinued operation	-	(2 332)	47 079
Changes in insurance contract liability	(38 345)	(39 834)	(75 071)
Interest received Chariot loan	-	(17 087)	(17 087)
Capital transaction cost expenses	19 974	11 162	61 623
Property held-for-trading	(2)	1 783	1 780
Interest income adjustment – Towarowa	(16 231)	-	-
Depreciation (excluding owner-occupied properties)	(7 023)	(7 534)	(14 213)
Capital tax expense	6 571	-	9 716
Capital insurance income	(20 042)	(13 208)	(33 765)
Leasehold interest and expense	1 858	(11 071)	(14 932)
<b>Distributable income</b>	<b>1 614 377</b>	1 505 791	3 626 632
Distribution payout ratio	<b>85%</b>	90%	80%
<b>Dividend declared</b>	<b>1 372 220</b>	1 355 212	2 901 306
<b>Distributable income per share (DIPS) cents</b>	<b>23.91</b>	26.33	53.71
<b>Dividend per share (cents)</b>	<b>20.32</b>	23.69	42.97
<b>Reconciliation of period end and declaration date distribution</b>			
Distributable income for period end	1 614 377	1 505 791	3 626 632
EPP antecedent adjustment	-	271 873	-
<b>Distributable income for the declaration date</b>	<b>1 614 377</b>	1 777 664	3 626 632
Number of shares outstanding at dividend declaration date (net of treasury shares)	6 752 420	6 752 420	6 752 420
<b>Distributable income per share (DIPS) (cents)</b>	<b>23.91</b>	26.33*	53.71*
<b>Dividend declared</b>	<b>20.32</b>	23.69	42.97

\* Including EPP antecedent adjustment

# SA REIT ratios continued

for the six months ended 28 February 2023

Figures in R'000	28 February 2023	28 February 2022	31 August 2022
<b>SA REIT NET ASSET VALUE (SA REIT NAV)</b>			
Reported NAV attributable to the parent	<b>50 882 876</b>	39 123 852	48 653 262
Adjustments:			
Dividend to be declared	<b>(1 372 220)</b>	(1 599 898)	(1 301 408)
Fair value of certain derivative financial instruments	<b>(535 545)</b>	388 895	(218 557)
Goodwill and intangible assets	-	-	-
Deferred tax	<b>1 854 922</b>	624 636	1 609 519
<b>SA REIT NAV</b>	<b>50 830 033</b>	38 537 485	48 742 816
<b>Shares outstanding</b>			
Number of shares in issue at period end (net of treasury shares)	<b>6 752 419</b>	5 719 715	6 752 419
Effect of dilutive instruments (options, convertibles and equity interests)	<b>17 395</b>	16 665	16 665
<b>Dilutive number of shares in issue</b>	<b>6 769 814</b>	5 736 380	6 769 084
<b>SA REIT NAV per share</b>	<b>7.51</b>	6.72	7.20
<b>SA REIT COST-TO-INCOME RATIO</b>			
<b>Expenses</b>			
Operating expenses per IFRS income statement (includes municipal expenses)	<b>1 927 548</b>	1 513 280	3 260 314
Administrative expenses per IFRS income statement	<b>275 794</b>	136 722	461 414
Exclude:			
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	<b>(7 891)</b>	(8 216)	(19 987)
<b>Operating costs</b>	<b>2 195 451</b>	1 641 786	3 701 741
<b>Rental income</b>			
Contractual rental income per IFRS income statement (excluding straight-lining)	<b>3 467 310</b>	2 874 536	6 356 053
Utility and operating recoveries per IFRS income statement	<b>1 423 788</b>	1 005 090	2 197 370
<b>Gross rental income</b>	<b>4 891 098</b>	3 879 626	8 553 423
<b>SA REIT cost-to-income ratio</b>	<b>44.9%</b>	42.3%	43.3%
<b>SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO</b>			
<b>Expenses</b>			
Administrative expenses as per IFRS income statement	<b>275 794</b>	136 722	461 414
<b>Administrative costs</b>	<b>275 794</b>	136 722	461 414
<b>Rental income</b>			
Contractual rental income per IFRS income statement (excluding straight-lining)	<b>3 467 310</b>	2 874 536	6 356 053
Utility and operating recoveries per IFRS income statement	<b>1 423 788</b>	1 005 090	2 197 370
<b>Gross rental income</b>	<b>4 891 098</b>	3 879 626	8 553 423
<b>SA REIT administrative cost-to-income ratio</b>	<b>5.6%</b>	3.5%	5.4%
<b>SA REIT GLA VACANCY RATE</b>			
Gross lettable area of vacant space	<b>303 737</b>	361 908	285 374
Gross lettable area of total property portfolio	<b>4 121 811</b>	4 185 685	4 205 823
<b>SA REIT GLA vacancy rate</b>	<b>7.4%</b>	8.7%	6.8%

# SA REIT ratios continued

for the six months ended 28 February 2023

Figures in R'000	28 February 2023	28 February 2022	31 August 2022
<b>SA REIT LOAN-TO-VALUE</b>			
Gross debt	<b>39 580 170</b>	29 092 701	37 674 457
Less:			
Cash and cash equivalents	<b>(1 336 758)</b>	(1 255 744)	(1 765 349)
Add/less:			
Derivative financial instruments (including insurance contract liability)	<b>297 492</b>	962 171	(122 407)
Non-current liabilities classified as held-for-sale	-	946 841	-
<b>Net debt</b>	<b>38 540 904</b>	29 745 969	35 786 701
Total assets – per statement of financial position	<b>97 406 938</b>	73 249 520	92 405 800
Less:			
Cash and cash equivalents	<b>(1 336 758)</b>	(1 255 744)	(1 765 349)
Derivative financial assets	<b>(775 878)</b>	(288 255)	(609 495)
Goodwill and intangible assets	-	-	-
Trade and other receivables	<b>(1 169 015)</b>	(686 544)	(1 099 643)
<b>Property-related assets</b>	<b>94 125 287</b>	71 018 977	88 931 313
<b>SA REIT loan-to-value (SA REIT LTV)</b>	<b>40.9%</b>	41.9%	40.2%

# SA REIT ratios continued

for the six months ended 28 February 2023

Cost of debt	ZAR (%)	AUD (%)	EUR (%)	USD (%)
<b>28 February 2023</b>				
<i>Variable interest rate borrowings</i>				
Floating reference rate plus weighted average margin	9.4	-	4.6	3.0
<i>Fixed interest rate borrowings</i>				
Weighted average fixed rate	-	-	-	-
<b>Pre-adjusted weighted average cost of debt</b>	<b>9.4</b>	<b>0.0</b>	<b>4.6</b>	<b>3.0</b>
<b>Adjustments:</b>				
Impact of interest rate derivatives	(0.3)	-	(0.5)	-
Impact of cross-currency interest rate swaps	0.1	-	(0.7)	-
Amortised transaction costs imputed into the effective interest rate	-	-	-	-
<b>All-in weighted average cost of debt</b>	<b>9.2</b>	<b>-</b>	<b>3.4</b>	<b>3.0</b>
<b>28 February 2022</b>				
<i>Variable interest rate borrowings</i>				
Floating reference rate plus weighted average margin	6.0	2.5	2.7	2.6
<i>Fixed interest rate borrowings</i>				
Weighted average fixed rate	-	-	-	-
<b>Pre-adjusted weighted average cost of debt</b>	<b>6.0</b>	<b>2.5</b>	<b>2.7</b>	<b>2.6</b>
<b>Adjustments:</b>				
Impact of interest rate derivatives	1.8	-	-	-
Impact of cross-currency interest rate swaps	0.6	-	(0.9)	-
Amortised transaction costs imputed into the effective interest rate	-	-	-	-
<b>All-in weighted average cost of debt</b>	<b>8.4</b>	<b>2.5</b>	<b>1.8</b>	<b>2.6</b>
<b>31 August 2022</b>				
<i>Variable interest rate borrowings</i>				
Floating reference rate plus weighted average margin	7.7	0.0	2.6	5.3
<i>Fixed interest rate borrowings</i>				
Weighted average fixed rate	-	-	-	-
<b>Pre-adjusted weighted average cost of debt</b>	<b>7.7</b>	<b>0.0</b>	<b>2.6</b>	<b>5.3</b>
<b>Adjustments:</b>				
Impact of interest rate derivatives	0.7	-	0.4	-
Impact of cross-currency interest rate swaps	0.3	-	(0.4)	-
Amortised transaction costs imputed into the effective interest rate	-	-	-	-
<b>All-in weighted average cost of debt</b>	<b>8.7</b>	<b>0.0</b>	<b>2.6</b>	<b>5.3</b>



# Administration



**Redefine Properties Limited**

(Incorporated in the Republic of South Africa)

Registration number: 1999/018591/06

JSE share code: RDF ISIN: ZAE000190252

Debt company code: BIRDF

(Redefine or the company or the group)

(Approved as a REIT by the JSE)

**Independent non-executive directors**

SM Pityana (Chairperson)

ASP Dambuza

C Fernandez (effective 4 November 2022)

D Radley

LJ Sennelo

M Barkhuysen (retired on 23 February 2023)

NB Langa-Royds

S Fifield (effective 12 September 2022)

**Executive directors**

AJ König (Chief executive officer)

LC Kok (Chief operating officer)

NG Nyawo (Chief financial officer)

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**Company secretary**

Anda Matwa

**Independent auditors**

PricewaterhouseCoopers Inc

**Investor relations**

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