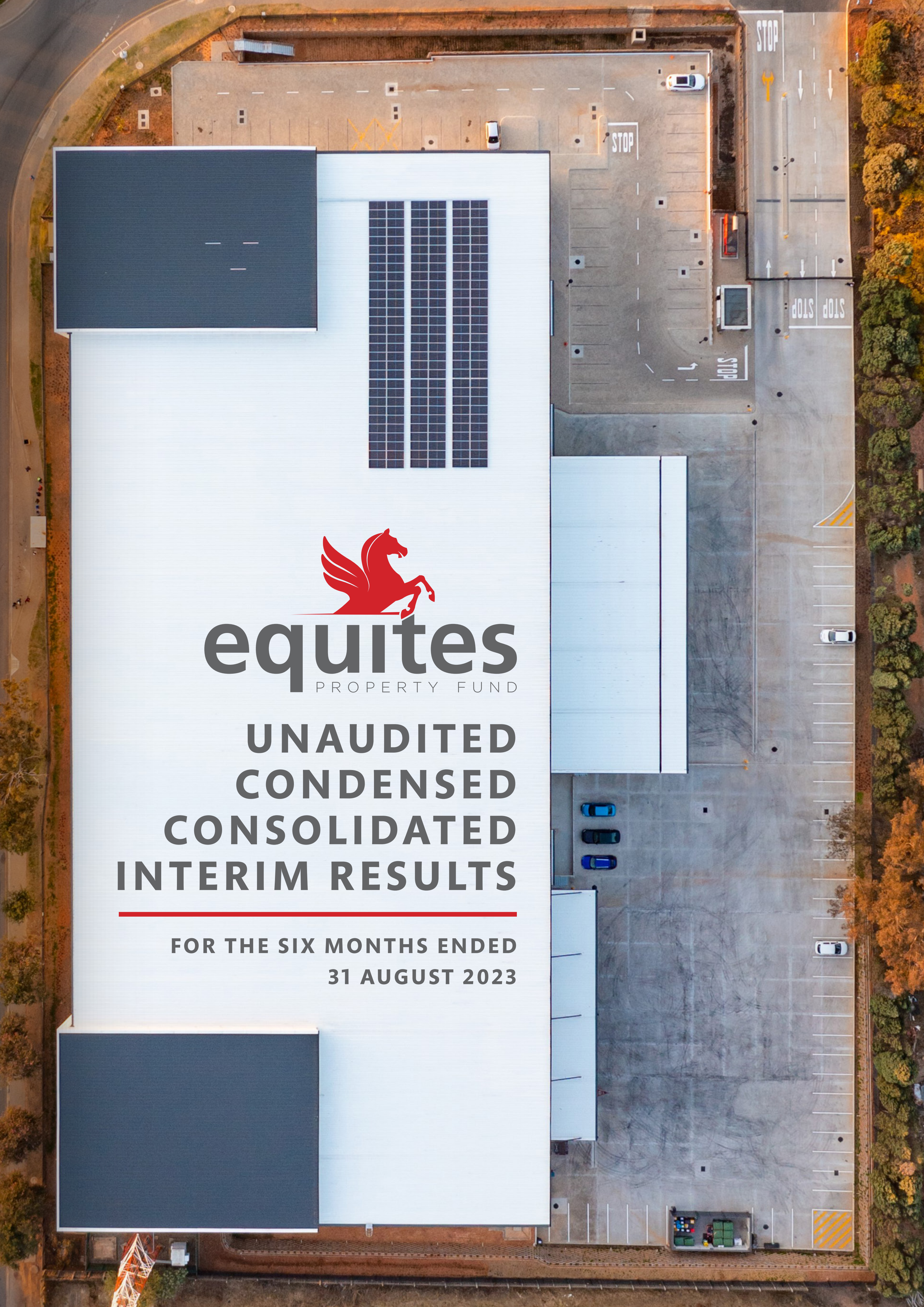


equites
PROPERTY FUND

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

FOR THE SIX MONTHS ENDED
31 AUGUST 2023

equites
PROPERTY FUND

EQUITES IS THE ONLY SPECIALIST LOGISTICS REIT LISTED ON THE JSE WITH A FOOTPRINT IN SA AND THE UK.

FRONT COVER & IFC: EQUITES PARK MEADOWVIEW, GAUTENG, SOUTH AFRICA

HIGHLIGHTS

DPS 65.37 CENTS
ON TRACK FOR FULL YEAR GUIDANCE OF 130 – 140 CPS

100%
DISTRIBUTION PAY-OUT RATIO

LTV 42.3%
ADJUSTED LTV OF 38.1% INCLUDING POST-PERIOD END TRANSACTIONS

R2.15BN
CASH AND UNUTILISED COMMITTED FACILITIES

↑0.5%
NAV PER SHARE R16.73

↑1.7%
SA PORTFOLIO VALUATIONS

↑2.1%
UK PORTFOLIO VALUATIONS IN GBP TERMS

0.1%
PORTFOLIO VACANCY

CCIRS
INSTRUMENTS TERMINATED

R1.9BN
DISPOSALS COMPLETED AND TRANSFERRED

COMMENTARY

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

1 EXECUTIVE SUMMARY

The six months to 31 August 2023 represent the first set of results since Equites communicated its revised strategic focus areas to the market in May 2023. Despite the challenges posed by a capital-constrained and higher interest rate environment, management remains confident in its ability to drive sustainable value creation for shareholders over time, driven by an impeccable property portfolio and structural tailwinds in the sector.

A key strategic focus area for the Group remains portfolio optimisation. This will be achieved through selling non-core assets with sub-optimal sustainability credentials, and reinvesting the proceeds into modern state-of-the-art distribution centres that are tenanted by blue-chip tenants on long-term leases. Furthermore, decreasing its exposure to land holdings, efficient balance sheet management, and disposal of the UK development pipeline remain top priorities for management in the short term.

Operationally, both the SA and UK property portfolios are performing in line with expectations. This is driven by strong LfL NPI growth, record-low vacancy rates, and an uptick in property valuations. On a portfolio level, 97.3% of rental income is derived from A-grade tenants and the portfolio WALE is 13.7 years.

The Group's adjusted LTV ratio remained broadly unchanged at 38.1%, with the bulk of the disposals being effective in the second half of the financial year. Management is targeting an LTV ratio of 35% by 29 February 2024. This will be achieved through a property disposal programme totalling R6.3 billion, of which R2.4 billion is still to be concluded.

Equites has achieved a tightening in credit spreads within debt capital markets. The longer-dated debt of the Group is either fixed or well hedged, resulting in the cost of debt increasing appreciably less than the increases in central bank rates over the last two years.

The Group is on track to meet its full year DPS guidance of between 130 and 140 cents per share.

2 KEY STRATEGIC FOCUS AREAS

The decisive actions taken by management have resulted in the following key outcomes over the period:

2.1 DISPOSAL PROGRAMME

The Group is undergoing a R6.3 billion property disposal programme for FY24, to recycle capital, optimise the property portfolio and lower the Group's LTV ratio, whilst investing in pre-let development agreements for blue-chip tenants in SA. On a programme level, Equites forecasts the disposal value to be broadly in line with book value.

This is further discussed in **section 5.4** (relating to the LTV flightpath) and **section 9.2** (relating to the adjusted LTV ratio).

2.2 TERMINATION OF CCIRS AND INCREASED EXPOSURE TO UNDERLYING ZAR DEPRECIATION

As communicated to investors in May 2023, the Group undertook to close all CCIRS. These instruments were settled on maturity and the net interest income received of R94 million has not been included in distributable income.

The termination of the utilisation of CCIRS has positive benefits for shareholders. The reduction in synthetic GBP debt will increase the net GBP asset exposure of shareholders, thereby allowing investors to participate in Rand weakness through improved growth in NAV per share over time.

2.3 REDUCTION IN LAND HOLDINGS

The Group has made considerable progress with right-sizing its land holdings, by unlocking key land parcels through developments in SA and undertaking forward-funded transactions in the UK.

Following key landmark transactions, land holdings have decreased from 8% of the portfolio value at Feb 23 to 5% at Aug 23. This was driven largely by the contracted sale of land at Newport Pagnell, UK and the TFG development in Witfontein. Other notable ongoing developments are for Shoprite, Cargo Compass SA, SPAR Encore and Normet Group.

2.4 SHARE BUYBACKS

Over the last twelve months, the Equites share price has traded at levels that result in share buybacks being an attractive capital allocation strategy. The Group commenced a share buyback programme in September 2022, and has to date repurchased 10 254 581 shares in the open market for a total value of R143 million (Aug 23: R69 million). Although the returns are attractive, careful consideration is being applied to gearing levels, as share buybacks result in a marginally higher LTV ratio.

2.5 RENEWABLE ENERGY GENERATION

The Group continued with the expansion of its solar PV roll-out to meet the demand for greener sources of energy and to mitigate against the impacts of loadshedding. Ongoing electricity disruptions have resulted in a pressing need for embedded generation to augment constrained supply. This enhanced awareness of climate change mitigation and emissions reductions, is further driving demand for renewable energy from tenants.

This detail, combined with the financial impact, is further discussed in **section 10.1**.

2.6 POTENTIAL DISPOSAL OF THE ENGL DEVELOPMENT PLATFORM

The Group continues to engage with interested parties regarding the ENGL development platform in the UK, of which Equites owns 60%. The platform consists of ten sites of which two have outline planning. A potential disposal of the platform will convert non-income producing assets into income-producing assets, unlock capital internally and reduce the overall Group's LTV ratio. The Group expects to conclude a transaction in the second half of FY24.

3 OVERVIEW OF UK LOGISTICS MARKET

Take-up in the UK logistics property market has normalised to pre-Covid levels, with the vacancy rate closing at 6.25%, which is in line with pre-Covid averages. A higher cost of capital has, however, put immense pressure on speculative developments, thereby hindering the outlook of new supply of stock coming online in the short to medium term. Although take-up for the first six months of the calendar year moderated significantly, Savills suggests that there has been a surge in occupier requirements during the period, potentially resulting in an improved take-up in the second half of the year.

Prime distribution yields in the UK are widely reported at between 5.0% and 5.25%. Given the under-rented nature of Equites' UK portfolio, the reversionary yield on the UK portfolio is estimated to be 6.0%, which bodes well for property values in the future. The impact of rental uplifts on property valuations was evident from the recently concluded rent-review at the GXO-tenanted property in Coventry. The rental uplift of 39% corresponded with an increase in the property's value by 14.3%, in pound terms. This result was in line with guidance provided to the market that the portfolio is under-rented by between 30% and 40%.

A notable transaction concluded post-period end was the disposal of the Tesco tenanted property in Hinckley at a 16.2% premium to book value, releasing R710 million in equity for the Group. This building was sold at a yield of 8.3% (assuming the lease would have been renewed at similar terms), due to the age of the building, as it was developed in 1988.

4 OVERVIEW OF SA LOGISTICS MARKET

The Group estimates that the national vacancy rate for A-grade warehousing space will remain below 1.0%. This is driven by continuous demand for quality warehousing space in key logistics nodes, supporting supply chain optimisation of retailers and third-party logistics operators.

The low vacancy rate, coupled with construction cost inflation, has resulted in market rentals increasing from R65pm^2 in 2020, to at least R80pm^2 in 2023, demonstrating at least 23% growth in market rentals over the period.

A key driver of construction cost inflation is the increase in steel prices, as it contributes 45% of the overall construction cost of a warehouse (excluding land). With the price of steel increasing by more than 30% over the last three years, the all-in cost of a warehouse has increased by between 10% and 20% (including land, construction cost, interest, and professional fees). Due to a lack of quality warehousing space, landlords can pass on the higher cost of construction to tenants in the form of higher starting rentals on new developments.

Although construction cost inflation appears to have stabilised, the Group expects market rentals to continue to grow over the medium term, as landlords generally remain price-makers, especially within the top-end of the market.

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

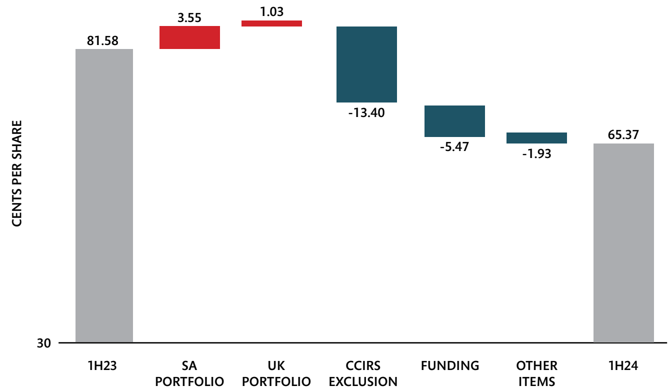
5 FINANCIAL PERFORMANCE

5.1 DISTRIBUTION PER SHARE

DPS amounts to 65.37 cents for the six months ended 31 August 2023. The key drivers were:

- LfL net rental growth in the SA portfolio of 5.4%, contributed 3.6 cents to DPS (4.4%);
- Rent review concluded in the UK portfolio, increased distributable earnings by R8 million and DPS by 1 cent (1.3%);
- Exclusion of CCIRS income from distributable earnings detracted 13 cents from DPS (-16.4%); and
- Higher interest rates detracted 5.5 cents from DPS (-6.7%).

DPS BRIDGE

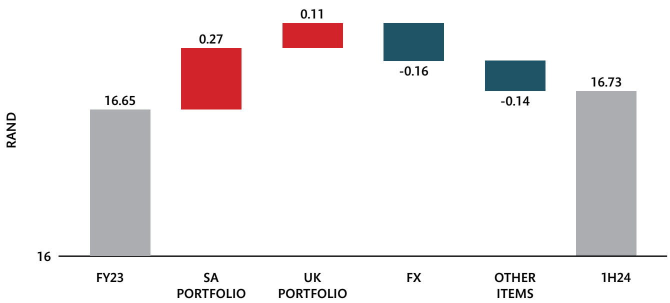


5.2 NET ASSET VALUE PER SHARE

NAV per share has grown by 13 cents to R16.73 (0.5%). The key drivers were:

- SA portfolio increased by 1.7% on a LfL basis, which added 27 cents to NAV per share;
- UK portfolio increased by 2.1%, which increased NAV per share by 11 cents per share; and
- FX and other items detracted 30 cents per share (-1.8%), which was predominantly due to the maturity of CCIRSs and the impact of higher fundings costs.

NAV BRIDGE

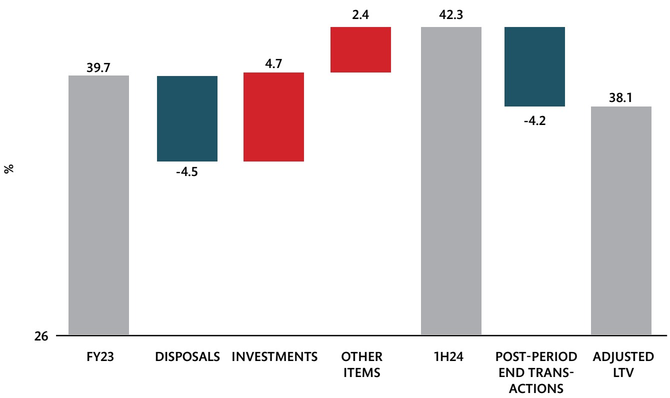


5.3 LOAN-TO-VALUE RATIO

The LTV ratio increased to 42.3%, with several post-period transactions concluded reducing the LTV ratio to 38.1%. The key variables that impacted the LTV ratio were:

- Property disposals in SA and the UK of R1.9 billion, decreased the LTV ratio by 4.5%;
- Capital allocated to new investment opportunities of R2.1 billion increased the LTV ratio by 4.7%, which included the sale & leaseback of Canelands with Shoprite for R576 million;
- Other items increased the LTV ratio by 2.4%, which included the maturity of CCIRSs; and
- Transactions concluded but effective post-period end decreases the LTV ratio by 4.2%, on an adjusted basis. These include the proceeds from the disposal of the Tesco property and from further concluded transactions in the SA and the UK.

LTV BRIDGE

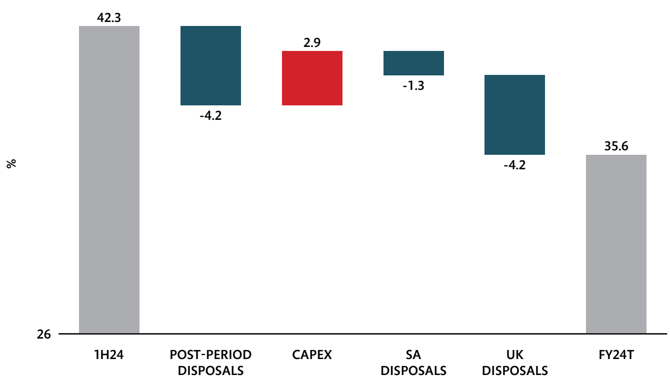


5.4 LTV FLIGHTPATH

The Group is targeting an LTV of approximately 35% by 29 February 2024. The flightpath to a lower LTV is detailed below, which excludes the potential sale of ENGL and any portfolio revaluation assumptions:

- Transactions concluded in SA of R538 million and the UK of R1.43 billion (£59.75 million) will result in proceeds of R2.0 billion (-4.2%);
- Development spend is forecast to be R1.3 billion during 2H24 (2.9%); and
- Additional planned disposals of R0.6 billion in SA and R1.8 billion in the UK (-5.5%).

TARGET LTV BRIDGE



6 EQUITES DEVELOPMENT PIPELINE

6.1 RECENTLY COMPLETED DEVELOPMENTS

The state-of-the-art TFG Witfontein development, with a capital value of R591 million, reached practical completion on 31 August 2023. The facility was designed to enable rapid response to both TFG stores and their e-commerce customers, with centralisation and scale supporting their supply chain optimisation strategy. The Group has started the process to EDGE-certify the property.

Equites has further completed two speculative developments with a total GLA of 26 000m^2, which were both let within the vacancy provision periods, capitalising on immediate occupier demand in the market. Speculative developments have been a sound strategy to secure and form key strategic relationships with new tenants, with Emirates Logistics and Ricoh being key examples.

6.2 EQUITES PIPELINE

The Group's investment opportunities are focused on pre-let development agreements in SA.

RLF, a subsidiary of Equites, is progressing well with the development of two world-class logistics campuses, located in Canelands, KZN and Wells Estate, EC, which will be let to Shoprite on 20-year leases. Equites is also progressing the construction of a campus for Shoprite in Witfontein, Gauteng (100% owned by Equites). The total estimated development cost is R1.2 billion, including land, and is expected to have a GLA of 94 233m^2 on completion.

The Jet Park precinct continues to be a resounding success. The Group is constructing a second facility for Cargo Compass SA with a capital value of R142 million and a development for Normet Group with a capital value of R82 million. The Group concluded a development agreement with SPAR Encore (a subsidiary of The SPAR Group Limited) for a 17 066m^2 facility with a capital value of R189 million.

The total pipeline of development and acquisition opportunities in SA amounts to R3.4 billion across 258,000m^2 of prime logistics space. The R1.6 billion of capital expenditure outstanding at the reporting date will be disbursed over the next 18 month period. The pipeline will be funded from cash on hand, undrawn debt facilities, debt raised against completed developments, and equity that will be released from property disposals. The full extent of the pipeline has been factored into the projected LTV ratio.

Given the process currently underway with respect to the ENGL platform, the Group does not anticipate incurring any substantial further development expenditure in the UK.

6 EQUITES DEVELOPMENT PIPELINE CONTINUED

6.2 EQUITES PIPELINE CONTINUED

R'MILLION	DEVELOPMENT COST INCL. LAND	TOTAL COSTS TO DATE	CASHFLOWS OUTSTANDING	GLA (M²)	ESTIMATED COMPLETION DATE	ESTIMATED YIELD ON COST
Equites Park – Jet Park 6 – Normet	82	65	17	5 675	Oct-23	8% – 9%
Equites Park – Jet Park 4 - CC SA [#2]	142	111	31	10 550	Nov-23	8% – 9%
Equites Park – Jet Park 2 - SPAR Encore	189	114	75	17 066	Feb-24	8% – 9%
Equites Park – Terminal Park 2 – Shoprite	1 245	662	583	94 233	Apr-24	7.75%
RLF Shoprite - Canelands Campus	425	339	86	41 208	Oct-23	7.75%
RLF Shoprite - Centurion extension	212	174	38	9 012	Nov-23	7.50%
RLF Shoprite - Wells Estate	1 062	260	802	79 950	Sep-24	7.80%
TOTAL PIPELINE	**3 357**	**1 725**	**1 632**	**257 694**		

Note: R1.6 billion of cashflows outstanding, of which R1.3 billion will be disbursed in the current financial year

7 PROPERTY VALUATIONS

All of the income-producing properties were externally valued at period end. The Group's investment property portfolio (including assets held-for-sale) is R28.2 billion, up from R26.9 billion at 28 February 2023.

The average discount rate applied in the SA valuations assumes the credit risk associated with tenants remains insignificant, the property fundamentals remain strong and highlights the quality and strategic positioning of Equites' developments. Continuing to support property valuations in SA is the evidence of market rental growth that Equites is experiencing in both lease renewal negotiations with existing tenants and lease agreements for new builds with new tenants. The increase in property valuations in SA amounted to 1.7% on a LfL basis, over the financial period.

In the UK, valuation yields have stabilised. It is reported that prime logistics yields now average between 5.0% and 5.25%, where they are expected to remain and/or improve in the near term. The resultant stabilisation in UK yields have resulted in a LfL increase in UK valuations of 2.1%. Transactional evidence in the UK has, however, been more positive than the valuations achieved as is evident from the Tesco disposal which was concluded at a 16.2% premium to the last independent valuation.

The information presented below is a summary of the significant inputs and resultant values assigned for Equites' income-producing portfolio, excluding properties held-for sale.

REGION	TYPE OF PROPERTY	% OF INCOME-PRODUCING PORTFOLIO	AVERAGE VALUE (R/M²)	DISCOUNT RATE (%)	NET INITIAL YIELD (%)
SA	Modern distribution centre	47.0%	11 459	12.5%	7.8%
	Logistics campus	17.8%	12 553	12.8%	8.9%
	Cross-docking/Ultra-low coverage	6.6%	11 273	13.0%	9.5%
	Other	0.9%	15 650	13.3%	9.2%
TOTAL			**11 777**	**12.6%**	**8.2%**
UK	Modern distribution centre	5.2%	41 004	n.a[1]	4.7%
	Cross-docking/Ultra-low coverage	22.5%	62 559	n.a[1]	4.5%
TOTAL			**58 521**	**n.a[1]**	**4.5%**

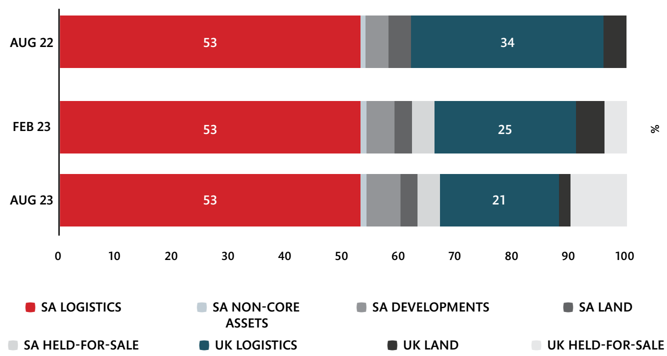
[1] As 100% of the UK income producing portfolio was externally valued using an income capitalisation method, a discount rate does not apply.

8 OPERATIONAL UPDATE

Equites has 63 income-producing properties (55 in SA and 8 in the UK), a reduction from year end as a result of the disposal programme, with 97.3% of revenue derived from A-grade tenants. Of leases which have expired during the period, only one tenant in the Western Cape, whose lease expired on 31 August 2023, did not renew due to the relocation of their operations to their head office in Gauteng.

With the acquisition of the Canelands campus in KZN and the completion of three developments, two in Gauteng and one in the Western Cape, total GLA grew from 1.37 million m^2 at year end to 1.45 million m^2. Gauteng continues to be a key node for Equites with 60.1% (Feb 23: 59.5%) of total GLA located in this region.

PORTFOLIO VALUATION



8.1 LEASE LONGEVITY

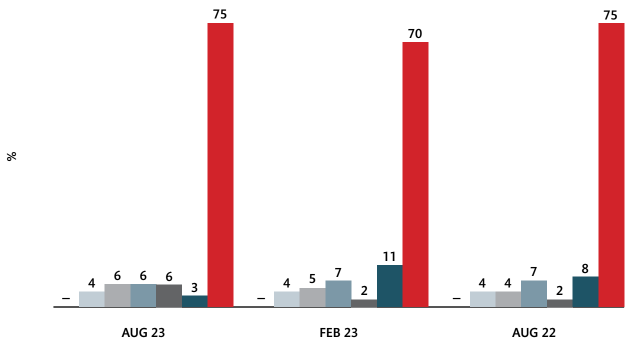
WEIGHTED AVERAGE LEASE EXPIRY BY REVENUE (YEARS)	31 AUGUST 2023	28 FEBRUARY 2023	31 AUGUST 2022
SA – Logistics	13.3	13.2	13.4
SA – Industrial	2.8	11.1	1.8
SA – Total	13.2	13.1	13.3
UK – Logistics	15.6	15.8	15.6
GROUP WEIGHTED AVERAGE LEASE EXPIRY	**13.7**	**13.8**	**13.9**

Equites' WALE of 13.7 years, combined with the quality of its tenants, represents a high degree of income certainty over a sustained period. This further reduces continuous reletting commissions and decreases the risk of vacancies in the medium term.

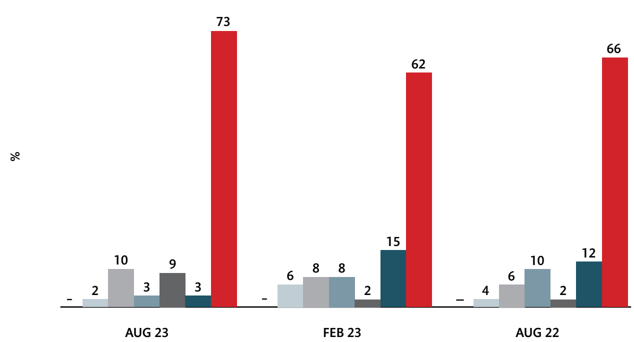
WEIGHTED AVERAGE ESCALATION BY GLA (%)	31 AUGUST 2023	28 FEBRUARY 2023	31 AUGUST 2022
SA – Logistics	6.0	6.5	6.5
SA – Industrial	6.6	7.3	7.3
	6.0	**6.5**	**6.5**

Equites' average escalation rate has declined marginally as a result of the new Shoprite leases being concluded at lower escalation rates (5% per annum). From a total return perspective, Equites is compensated for the reduction in escalation rates through longer lease terms with no rent reviews.

LEASE EXPIRY PROFILE BY RENTABLE AREA



LEASE EXPIRY PROFILE BY REVENUE



VACANT/MONTHLY WITHIN 1 YEAR WITHIN 2 YEARS WITHIN 3 YEARS WITHIN 4 YEARS WITHIN 5 YEARS BEYOND 5 YEARS

8 OPERATIONAL UPDATE CONTINUED

8.2 VACANCY

The vacancy rate has remained unchanged at 0.1%. The SA portfolio is fully let at period end, with all speculative developments completed during the year having been let to A-grade tenants. The only remaining vacancy in the portfolio relates to a single ancillary unit of 1 401m^2 located in the UK which has subsequently been let in September 2023 on a 5-year lease.

9 TREASURY RISK MANAGEMENT

FINANCIAL MARKET UPDATE

With the US Fed, Bank of England and South African Reserve Bank all pausing their interest rate hiking cycles it would appear that the tightening of monetary policy has possibly reached its peak, although hawkish comments emanating from the committees of these central banks do still leave risk to the upside. Nevertheless, the expectation is that these and other major central banks will maintain rates at elevated levels for a while longer in order to ensure inflation stabilises to target levels.

Whilst inflation has moderated in both SA and the UK, both these regions remain beset by further issues. On a global level, the sustained Russian invasion of Ukraine continues to have repercussions, as does increasing geopolitical rivalry amongst major nations, whilst US exceptionalism keeps the GBP and ZAR under pressure.

Against this backdrop, the prudent financial management of the Group remains even more necessary than before. The commitment to asset disposals and other elements of the strategic initiatives previously outlined to shareholders ensure that the Group remains resilient in these current challenging economic conditions.

HIGHLIGHTS OF THE PAST SIX MONTHS

With a high concentration of developments for FY24 being those for Shoprite within RLF, it was necessary to raise a significant amount of funding within this entity. Two banks delivered innovative funding solutions, and R1.7 billion of debt funding has been raised, of which R452 million was drawn at 31 August 2023.

On 7 July 2023, GCR Ratings affirmed the national scale long- and short-term issuer ratings of Equites Property Fund at AA-$_{(ZA)}$ and A1+$_{(ZA)}$ respectively and revised the outlook from Positive to Stable. In the analysis of Equites, GCR highlighted several key factors that illustrate the strength of the credit profile of the business: a "*growing logistics property portfolio with moderate diversity to UK*", "*high quality assets focused on ESG credentials*", "*long-dated leases to quality tenants with embedded rent uplift underpin secure and growing rentals*", and "*good access to diverse sources of funding, with a large pool of unencumbered assets*".

On 5 September 2023, Equites held a listed debt auction for 3-year and 5-year notes at which R750 million was raised – R300 million for the 3-year note and R450 million for the 5-year note. The auction was 3.3 times over-subscribed with bids of R2.45 billion received from a wide variety of investors. The 3-year and 5-year notes cleared at 129 bps and 139 bps over 3-month JIBAR respectively.

APPROACH TO FINANCIAL RISK MANAGEMENT

The Group has formulated a robust treasury policy that is reviewed regularly by the Risk & Capital Committee. The aim of the policy is to maximise stakeholder value through the appropriate reduction of financial risk, with six guiding principles defining the framework in which financial decisions are made. These six principles, together with commentary and metrics evidencing adherence to each of these principles, are:

	PRINCIPLE
1	Minimise the current cost of capital using an optimal mix of debt and equity
2	Maintain a robust balance sheet which offers flexibility for future growth opportunities
3	Diversify the sources of finance employed to fund operations
4	Phase the maturity of outstanding financial liabilities
5	Ensure that strong liquidity is maintained
6	Appropriately manage significant financial risks

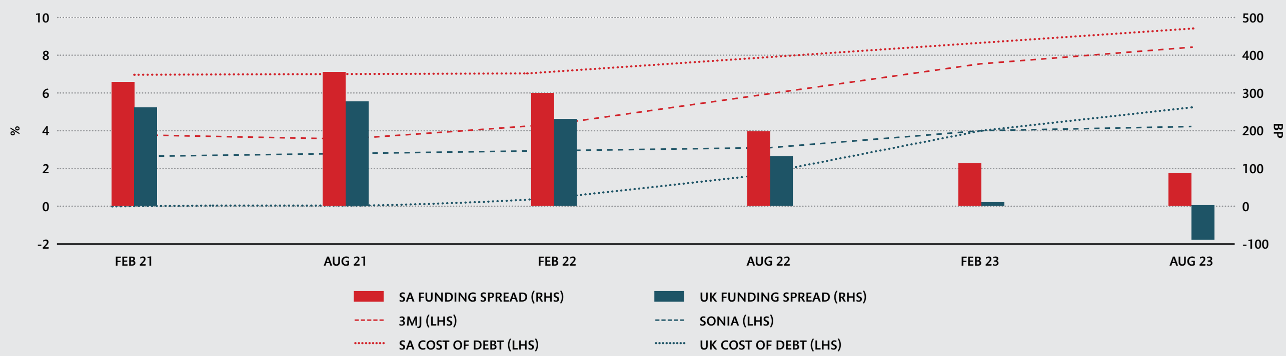
9.1 MINIMISING THE COST OF CAPITAL

An interest rate hiking cycle which commenced in November 2021 has seen 475 bps of central bank increases in SA and 515 bps in the UK. The longer-dated debt of the Group is either fixed or well hedged, and as a result the cost of debt has increased appreciably less than the increases in central bank rates. As a result, and in conjunction with being able to raise debt at lower funding spreads, the weighted average cost of debt in SA is only 86 bps above 3-month JIBAR, and in the UK the cost of debt is 87 bps below the prevailing SONIA rate at 31 August 2023.

The low clearing spreads achieved in the September 2023 debt auction will notably reduce the funding cost for Equites going forward. The 3-year note cleared at 129 bps over 3-month JIBAR, which is 17 bps below the level at which funding was raised for the 3-year note in the November 2022 listed debt auction. Similarly, the clearing spread of 139 bps over 3-month JIBAR for the 5-year note is 20 bp below that of the 5-year note in the November 2022 debt auction. Significantly, the average spread of 135 bps for the two notes is considerably below the 3mJ+205bp cost of the 3-year R600 million debt which matured and which the new notes replace.

	31 AUGUST 2023	28 FEBRUARY 2023	31 AUGUST 2022
3-month JIBAR (SA)	8.36%	7.45%	5.77%
SONIA (UK)	5.19%	3.93%	1.69%
All-in ZAR effective fixed cost of debt	9.22%	8.58%	7.78%
All-in GBP effective fixed cost of debt	4.31%	4.15%	3.01%
ZAR funding spread	86 bp	113 bp	201 bp
GBP funding spread	-87 bp	13 bp	132 bp

COST OF DEBT AND FUNDING SPREADS



9 TREASURY RISK MANAGEMENT CONTINUED

9.2 MAINTAINING A ROBUST BALANCE SHEET

At 28 February 2023 the Group LTV ratio had risen to 39.7%, and, as part of the strategic update communicated to investors, an asset disposal programme had already been initiated towards the end of FY23 to reduce the LTV ratio. In the first half of FY24 the Group had disposed of R1.9 billion of SA and UK assets at an 8% discount to book value, roughly the equivalent of development spend during this period, resulting in the LTV ratio increasing to 42.3%.

The second half of FY24, during which most of the asset disposal transactions will conclude, may result in up to R4.4 billion of sale proceeds. With a lower development spend for this period than the first half of the year, the LTV is forecast to reduce to our target LTV of 35% by 29 February 2024.

R'000	31 AUGUST 2023	28 FEBRUARY 2023	31 AUGUST 2022
Gross debt	12 521 481	11 354 590	9 303 601
Accrued interest	(123 390)	(94 855)	(59 776)
Cash & cash equivalents	(78 261)	(257 692)	(170 977)
NET DEBT (EXCLUDING DERIVATIVES)	**12 319 830**	**11 002 043**	**9 072 848**
Total assets	29 909 880	28 545 256	28 220 986
Less assets related to net debt	(797 664)	(865 955)	(1 176 796)
FAIR VALUE OF PROPERTY ASSETS	**29 112 216**	**27 679 301**	**27 044 190**
LTV RATIO	**42.3%**	**39.7%**	**33.5%**

The combined impact of property disposals contracted but expected to complete post-period end, reduced LTV by 4.2% to 38.1%

ADJUSTED LTV RATIO	R'000
Net debt at 31 August 2023	12 319 830
Adjusted for	
Sale proceeds from disposal of Tesco	(710 189)
Sale proceeds from disposal of Newport Pagnell	(716 157)
Sale proceeds from disposal of four SA properties	(538 000)
ADJUSTED NET DEBT	**10 355 484**
Property assets at 31 August 2023	29 112 216
Adjusted for	
Disposal of Tesco	(710 189)
Disposal of Newport Pagnell	(716 157)
Disposal of four SA properties	(538 000)
ADJUSTED VALUE OF PROPERTY ASSETS	**27 147 870**
ADJUSTED LTV RATIO	**38.1%**

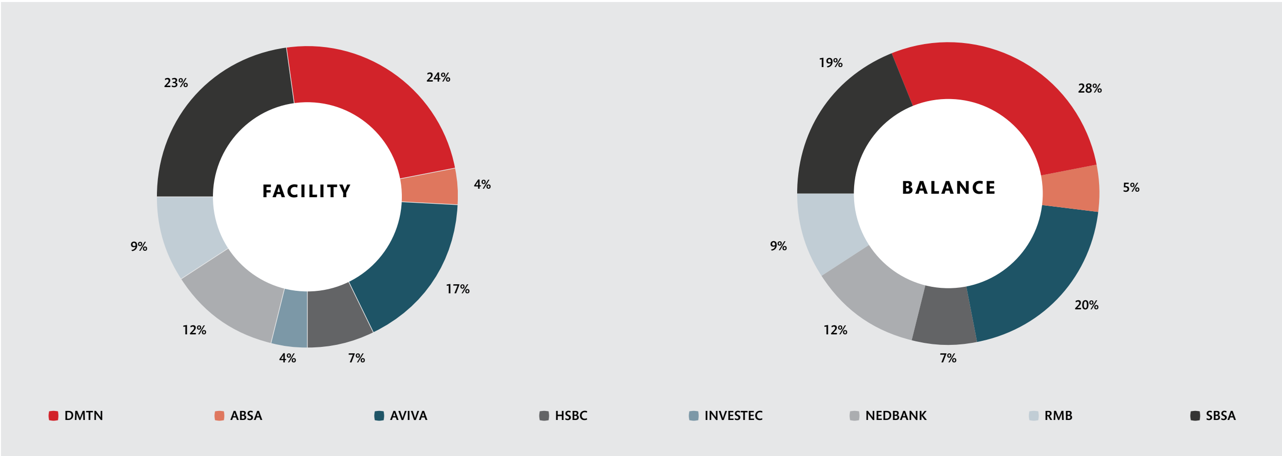
Debt ratios reflect a diverse funding mix of secured and unsecured borrowings. Unsecured debt as a proportion of total debt remained consistent at 43.2%, and the ratio of unsecured borrowings to unencumbered assets of 37.0% provides reassurance to debt capital market investors participating in unsecured debt. Asset encumbrance reflected a shift towards unsecured borrowing with an unencumbered asset ratio of 50.0%, and the ratio of secured borrowings to encumbered assets being 48.5%.

DEBT RATIOS	31 AUGUST 2023	28 FEBRUARY 2023	31 AUGUST 2022
Unencumbered asset ratio	50.0%	45.9%	47.2%
Unsecured debt ratio	43.2%	43.7%	45.3%
Ratio of secured borrowings to encumbered assets	48.5%	42.4%	36.1%
Ratio of unsecured borrowings to unencumbered assets	37.0%	38.8%	33.3%

9.3 DIVERSIFYING SOURCES OF FUNDING

The Group continues to receive strong support from lending institutions, and particularly the debt capital markets in SA. Of the R7.5 billion of ZAR-denominated funding drawn by the Group at 31 August 2023, R4.0 billion was raised through the JSE-listed DMTN Programme and alternate debt capital market sources. Since listing the DMTN Programme in 2019, there have been 26 different institutional investors and four banks as holders of Equites listed debt. All of these investors bar one are currently holders of debt issued by Equites.

The listed debt auction of September 2023 included bids from 16 different financial institutions across the 3-year and 5-year notes.

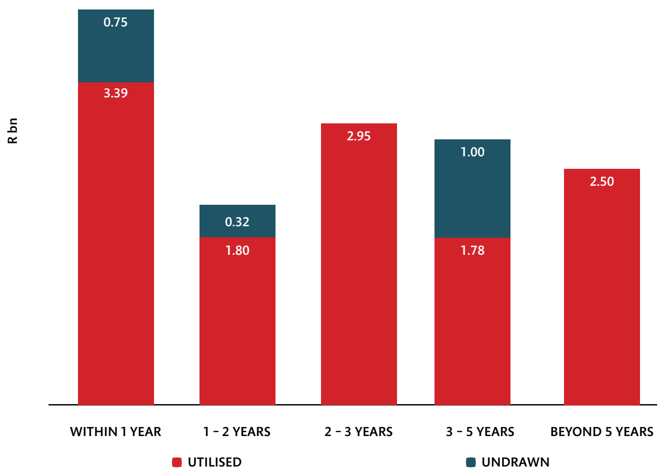


9.4 PHASING THE MATURITY OF FINANCIAL LIABILITIES

The Group balances the term structure of loans and borrowings to reduce refinancing risk with the minimisation of the cost of debt. The Group has R14.5 billion of debt facilities, of which R2.1 billion was undrawn at period end. The weighted average debt maturity profile has remained stable at 3.3 years at 31 August 2023 through a combination of new and refinanced facilities.

The asset disposal process has allowed Equites to repay bank facilities closer to maturity, whilst entering into longer dated facilities for RLF's developments and refinance maturing listed debt with new issuances of 3-year and 5-year notes. The maturity profile below has been adjusted for the 3-year R600 million DMTN note that matured on 11 September 2023, and was replaced with aforementioned 3-year and 5-year notes.

The debt facilities that mature within the next twelve months comprise £67.5 million (R1.6 billion) funding from SA banks that will be repaid upon disposal of various UK assets within the next 2-4 months, bank loans that will be repaid using disposal proceeds from SA assets, and JSE-listed notes that will be refinanced on maturity as communicated with listed debt investors.



9 TREASURY RISK MANAGEMENT CONTINUED

9.5 MAINTAINING STRONG LIQUIDITY

The Group has a policy-driven contingent liquidity buffer of R300 million which requires that this amount is held in cash or undrawn facilities at any point in time and is incorporated into four-year funding forecast projections.

Given this requirement, the Group has entered into several new facilities to fund the development pipeline in RLF with R1.25 billion undrawn at period end. In addition, the Group has a further R819 million in undrawn available funding facilities and R78 million in cash. In total the Group has R2.15 billion in cash and available facilities.

Whilst local equity capital markets remain volatile, Equites continues to be able to draw on the debt capital markets and has received strong support to date, as evidenced by the outcome of the recent debt auction.

9.6 APPROPRIATELY MANAGING FINANCIAL RISKS

9.6.1 INTEREST RATE RISK

The Group uses a combination of natural hedges and derivative financial instruments to hedge exposure to interest rate risk. At 31 August 2023, the Group had hedged 84% of debt maturing within one year, after adjusting for post-period end DMTN note maturity.

Debt within RLF is not hedged. In order to mitigate against this interest rate risk, Equites hedges its 50.1% share.

	31 AUGUST 2023	28 FEBRUARY 2023	31 AUGUST 2022
MATURING WITHIN 1 YEAR			
Short-term debt	985 758	957 632	719 898
Long-term debt maturing within 1 year	2 403 595	2 564 843	–
DEBT MATURING WITHIN 1 YEAR	**3 389 353**	**3 522 475**	**719 898**
HEDGE COVER MATURING WITHIN 1 YEAR	**2 810 000**	**850 000**	**300 000**
MATURING AFTER 1 YEAR			
Floating rate debt	6 542 329	5 421 079	7 066 885
Fixed rate debt	2 506 550	2 316 180	1 516 818
Debt not required to be hedged	(225 699)	–	–
DEBT MATURING AFTER 1 YEAR	**8 823 180**	**7 737 259**	**8 583 703**
Hedges maturing after 1 year	4 874 214	5 998 771	6 204 996
Fixed rate debt	2 506 550	2 316 180	1 516 818
HEDGE COVER MATURING AFTER 1 YEAR	**7 380 764**	**8 314 951**	**7 721 814**
HEDGE COVER RATIO	**83.7%**	**107.5%**	**90.0%**

9.6.2 FOREIGN EXCHANGE RATE RISK

The treasury policy of the Group dictates the parameters within which foreign exchange risk is managed, with the over-arching precept to reduce exchange rate volatility for investors.

HEDGING NET INVESTMENT IN FOREIGN OPERATION

The Group considers the sourcing of GBP debt currently the most effective manner in which to hedge the investment into foreign-denominated operations. Equites has utilised CCIRS to hedge its investment in the UK as well as to hedge the interest rate differential between the two jurisdictions.

The Group made progress with replacing CCIRS with GBP-denominated debt over time, resulting in the reduction of the CCIRS utilisation rate from 51% in 2018 to 22% in 2023. The Group has closed all CCIRS positions at 31 August 2023. As a result, shareholders will benefit from improved growth in NAV per share through long-term Rand weakness.

HEDGING DISTRIBUTABLE EARNINGS AND CASH FLOW RISK

Where possible, the Group continues to utilise natural hedges to minimise exposure to fluctuations in foreign exchange rates on distributable earnings. This includes the reinvestment of all surplus net operating rental cashflows into developments. Whilst development spend will dramatically reduce going forward, there will continue to be expenditure recoverable through turnkey developments. The Group assesses the likely impact on the funds to be received from foreign operations of reasonably possible changes in the GBP/ZAR exchange rate and hedges exposure within these levels.

The Group has hedged net income to be received over the next 24 months in line with the Group's documented hedging policy.

SIX-MONTH PERIOD ENDED	EFFECTIVE HEDGING LEVEL	BLENDED PARTICIPATION FLOOR	BLENDED PARTICIPATION CAP
29 February 2024	80.0%	R21.46/GBP	R22.98/GBP
31 August 2024	70.0%	R22.01/GBP	R22.25/GBP
28 February 2025	53.7%	R22.57/GBP	R23.50/GBP
31 August 2025	29.3%	R23.73/GBP	R26.32/GBP

The Group hedging policy with respect to distributable earnings and cash flow risk is deliberately constructed to provide short-term stability in the growth in distributable earnings and to gain from the hard currency appreciation over the medium- and long-term.

10 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG is a crucial aspect of the Group's strategic positioning and continues to be at the core of operations. As the Group is a leading specialist logistics REIT, Equites prioritises the implementation of sustainability measures across its entire portfolio.

CLIMATE MITIGATION STRATEGIES	Reduce the carbon footprint by increasing energy efficiency in buildings and through the deployment of renewable energy sources.
IMPROVING RESOURCE EFFICIENCY	Reduce the consumption of resources such as water, materials, and energy by implementing efficient building designs, and by promoting circular economy practices.
SUPPORTING SOCIAL SUSTAINABILITY	Promote social sustainability in operations by fostering a diverse and inclusive workplace, engaging with all stakeholders, supporting community initiatives, and expanding the Enterprise Supplier Development programs.
ENHANCING BIODIVERSITY	Protect and enhance biodiversity in properties by implementing green infrastructure, using sustainable landscaping practices, and supporting local biodiversity initiatives.
GOOD GOVERNANCE	Promote good governance by seeking independent assurance for emissions and social investment initiatives, thereby ensuring transparency and accountability, and upholding ambitious standards of sustainability and social responsibility.

The implementation of these measures not only benefits the tenants but also strengthens the Group's commitment to attaining its sustainability objectives, which are aligned with the UN SDGs.

10.1 RENEWABLE ENERGY GENERATION

The Equites strategy on solar PV is designed to provide occupiers with a comprehensive, maintenance-free solution on a PPA structure. Through this arrangement, clean energy will be provided at a discounted tariff and installed to seamlessly integrate with a battery energy storage system, to further decrease reliance on diesel generators.

At 31 August 2023, total installed solar capacity grew to 18.2 MW from 8.5 MW at 31 August 2022, while the number of buildings with solar PV increased to 21 from 15, for the comparable period. Renewable energy as a percentage of total grid energy consumed maintained an upward trajectory, increasing to 15.7% from 9.0%. This continues to exceed the SLB linked KPI target of a 15% annual improvement from the baseline established in 2021, with 38.2% of the SA portfolio, now equipped with solar.

Within the next 18-36 months, Equites intends to commission an additional 8 MW of energy from a combination of 14 grid-tied and hybrid solar with battery storage systems, at a forecast capex of R136 million. Total installed solar capacity will increase to 26.2 MW once this has been completed, which equates to the energy required to power 17 160 SA homes annually. The resultant emissions avoided is 52 426tCO_2e, this is equivalent to 24 289 tonnes of coal burned. The expected internal rate of return on the PPA contracts average 19% with an average net initial yield of 20.4%, based on the lifespan of the agreement.

10 ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

10.1 RENEWABLE ENERGY GENERATION CONTINUED

Additionally, the Groups extensive roof space in key nodes are well positioned to benefit from the transformation of the SA energy landscape and pivot toward cheaper greener energy. Equites, through its participation in the City of Cape Town's energy wheeling project, has earmarked investment of between R8 million to R16 million to expand energy generation infrastructure and increase the quantum of solar energy supplied from its generation site in Parow, Western Cape in the initial phase.

The Group will continue to expand its wheeling offering by engaging in partnerships with key industry stakeholders. This provides a significant opportunity for Equites to meet its SBTi emissions targets towards a 1.5C goal while contributing to energy security in SA.

10.2 GREEN BUILDINGS

The Group has achieved its target of certifying R500 million of existing buildings by 31 August 2023. These sites have achieved EDGE Advanced certification and Equites is on track to continue with the retrofitting of its existing buildings to Green Building standards.

11 PROSPECTS

In line with previous guidance, the Board expects that the Group will achieve a full year DPS of between 130 and 140 cents per share.

This guidance assumes no major corporate failures will occur, the GBP/ZAR exchange rate remains materially unchanged, and rising utility costs and municipal rates will be recovered from tenants.

This forecast has not been audited or reviewed by the external auditors of Equites.

12 SUBSEQUENT EVENTS

HINCKLEY DISPOSAL

On 21 September 2023, the Group, through its subsidiary Equites UK SPV 1 Limited, concluded the disposal of its Hinckley property to Relif UK I B.V., a Realterm Europe Logistics Income Fund company, for a total consideration of £29.75 million (R710 million). The asset is recognised as held-for-sale on the statement of financial position.

The directors are not aware of any other events that have occurred since the end of this reporting period which have a material impact on the results.

13 BASIS OF PREPARATION

The condensed consolidated interim results for the six months ended 31 August 2023 are prepared in accordance with International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting standards and are consistent with those applied in the previous annual financial statements.

Laila Razack CA(SA), in her capacity as Chief Financial Officer, was responsible for the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements have not been reviewed or audited by the Group's external auditors.

14 DECLARATION OF AN INTERIM CASH DIVIDEND

Notice is hereby given of the declaration of the interim dividend number 20 of 65.36876 cents per share.

The Board has declared an interim gross dividend of 65.36876 cents per share on 9 October 2023 which is a decrease of 19.9% over the prior year interim distribution of 81.58 cents per share. The DPS is in line with previous guidance of achieving 130 to 140 cents per share for the year.

DIVIDENDS DECLARED (CENTS PER SHARE)	% CHANGE	31 AUGUST 2023	31 AUGUST 2022
Interim dividend	(19.9%)	65.36876	81.58013

SALIENT DATES AND TIMES	2023
Equites results including declaration of an interim dividend published on SENS	Tuesday, 10 October
Last day to trade in order to receive the cash dividend	Tuesday, 24 October
Shares trade ex-dividend	Wednesday, 25 October
Record date to receive the cash dividend	Friday, 27 October
Payment of cash dividends to certificated shareholders by electronic funds transfer	Monday, 30 October
Dematerialised shareholders' CSDP or broker accounts credited with the cash dividend payment	Monday, 30 October

NOTES:

Shares may not be dematerialised or rematerialised between Wednesday, 25 October 2023 and Friday, 27 October 2023, both days inclusive.

15 TAX IMPLICATIONS

Equites listed on the JSE as a REIT in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended (the "Income Tax Act") and section 13 of the JSE Listings Requirements.

The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income.

The cash dividend of 65.36876 cents per share meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act (a "qualifying distribution") with the result that:

- qualifying distributions received by resident Equites shareholders must be included in the gross income of such shareholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the Equites shareholder. These qualifying distributions are however exempt from dividends withholding tax, provided that the South African resident shareholders provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:
  - a declaration that the dividend is exempt from dividends tax; and
  - a 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.
- qualifying distributions received by non-resident Equites shareholders will not be taxable as income and instead will be treated as ordinary dividends, but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. Any qualifying distributions are subject to dividends withholding tax at 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. Assuming dividends withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 52.29501 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:
  - a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
  - 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 dividend if such documents have not already been submitted, if applicable.

OTHER INFORMATION

- The issued ordinary share capital of Equites at the date of declaration is 781 753 221 ordinary shares of no par value each.
- Income Tax Reference Number of Equites: 9275393180.

By order of the Board

Equites Property Fund Limited
9 October 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equites Property Fund Limited and its subsidiaries at 31 August 2023

R'000	NOTES	UNAUDITED 31 AUGUST 2023	UNAUDITED 31 AUGUST 2022	AUDITED 28 FEBRUARY 2023
ASSETS				
NON-CURRENT ASSETS				
Investment property (excluding straight-lining)	4	23 073 513	25 589 521	23 657 994
Straight-lining lease income accrual		961 710	691 394	802 644
Land options	4	162 058	–	100 552
Deferred tax asset		47 256	122 139	3 290
Other financial assets		100 114	188 112	151 450
Trade receivables		1 794	1 100	2 188
Loan receivable		54 441	56 579	55 154
Property, plant and equipment		28 814	17 606	27 059
		24 429 700	**26 666 451**	**24 800 331**
CURRENT ASSETS				
Trading properties and developments	5	856 690	623 530	748 448
Trade and other receivables		394 269	647 203	271 351
Other financial assets		165 736	109 847	125 217
Loan receivable		3 050	2 978	2 903
Current tax receivable		8 860	–	1 681
Cash and cash equivalents		78 261	170 977	257 692
		1 506 866	**1 554 535**	**1 407 292**
Investment property held-for-sale	4	3 973 314	–	2 337 633
TOTAL ASSETS		**29 909 880**	**28 220 986**	**28 545 256**
EQUITY AND LIABILITIES				
EQUITY AND RESERVES				
Stated capital		12 269 556	12 212 300	12 136 465
Accumulated (loss)/profit		(245 159)	2 329 680	(49 514)
Foreign currency translation reserve		1 030 502	50 078	778 296
Share-based payment reserve		23 229	21 850	22 316
TOTAL ATTRIBUTABLE TO OWNERS		**13 078 128**	**14 613 908**	**12 887 563**
Non-controlling interest	7	3 478 920	3 304 937	3 384 200
TOTAL EQUITY AND RESERVES		**16 557 048**	**17 918 845**	**16 271 763**
LIABILITIES				
NON-CURRENT LIABILITIES				
Loans and borrowings	6	8 408 737	8 583 601	7 590 856
Financial guarantee		10 000	10 000	10 000
Other financial liabilities		30 782	52 539	46 766
Trade and other payables		64 374	73 549	65 306
Deferred tax liability		190 979	259 128	129 706
Other liabilities		–	9 699	–
		8 704 872	**8 988 516**	**7 842 634**
CURRENT LIABILITIES				
Loans and borrowings	6	4 112 743	720 000	3 618 456
Trade and other payables		499 955	477 156	472 625
Other financial liabilities		35 262	38 131	141 731
Current tax liability		–	78 338	–
		4 647 960	**1 313 625**	**4 232 812**
Non-current liabilities held-for-sale		–	–	198 047
TOTAL LIABILITIES		**13 352 832**	**10 302 141**	**12 273 493**
TOTAL EQUITY AND LIABILITIES		**29 909 880**	**28 220 986**	**28 545 256**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

R'000	NOTES	UNAUDITED 6 MONTHS 31 AUGUST 2023	UNAUDITED 6 MONTHS 31 AUGUST 2022	AUDITED 12 MONTHS 28 FEBRUARY 2023
Property revenue and tenant recoveries		1 046 214	901 205	1 887 058
Straight-lining of leases adjustment		185 820	146 170	273 761
Revenue from trading properties and developments		–	84 811	1 051 931
GROSS PROPERTY REVENUE		**1 232 034**	**1 132 186**	**3 212 750**
Cost of sales from trading properties and developments		(18 857)	–	(908 111)
Property operating and management expenses		(199 326)	(162 638)	(303 893)
Other net (losses)/gains	8	(310 821)	166 734	(292 448)
Administrative expenses		(54 236)	(40 123)	(236 051)
Fair value adjustments – investment property	4	105 119	167 580	(1 607 261)
OPERATING PROFIT /(LOSS) BEFORE FINANCING ACTIVITIES		**753 913**	**1 263 739**	**(135 014)**
Finance cost	9	(257 586)	99 259	(52 128)
Finance income		64 325	15 939	56 454
NET PROFIT/(LOSS) BEFORE TAX		**560 652**	**1 378 937**	**(130 688)**
Tax income		56 273	49 666	25 911
PROFIT /(LOSS) FOR THE PERIOD		**616 925**	**1 428 603**	**(104 777)**
OTHER COMPREHENSIVE INCOME				
Items that may subsequently be reclassified to profit or loss:				
Translation of foreign operations		328 493	(322 510)	422 920
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**945 418**	**1 106 093**	**318 143**
PROFIT ATTRIBUTABLE TO:				
Owners of the parent		426 753	1 105 746	(638 793)
Non-controlling interest		190 172	322 857	534 016
		616 925	**1 428 603**	**(104 777)**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent		747 790	785 200	(231 121)
Non-controlling interest		197 628	320 893	549 264
		945 418	**1 106 093**	**318 143**
Basic earnings per share (cents)	1	54.6	143.0	(82.4)
Diluted earnings per share (cents)	1	54.2	142.1	(81.6)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

R'000	NOTES	UNAUDITED 6 MONTHS 31 AUGUST 2023	UNAUDITED 6 MONTHS 31 AUGUST 2022	AUDITED 12 MONTHS 28 FEBRUARY 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations[1]	10	153 813	748 479	1 873 580
Finance cost paid	9	(279 186)	(111 607)	(310 968)
Finance income received		84 577	17 486	26 031
Tax paid		2 665	(1 276)	(102 709)
Dividends paid		(794 137)	(732 775)	(1 516 504)
NET CASH FLOWS UTILISED BY OPERATING ACTIVITIES		**(832 268)**	**(79 693)**	**(30 570)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of investment properties		(638 253)	–	(413 570)
Development of investment properties		(1 139 274)	(794 388)	(1 602 436)
Finance cost paid capitalised to investment properties		(182 320)	(144 228)	(285 611)
Proceeds from disposal of investment property and subsidiaries (net of disposal costs)		1 394 401	150 965	151 165
Purchases of current financial assets[2]		(1 060 838)	(430 000)	(874 981)
Proceeds on divestment of current financial assets[2]		1 060 838	430 000	874 981
Proceeds from loan receivable		750	250	1 750
Proceeds from disposal of property, plant and equipment		–	8	8
Purchase and development of property, plant and equipment		(6 438)	(4 091)	(11 378)
NET CASH FLOWS UTILISED BY INVESTING ACTIVITIES		**(571 134)**	**(791 484)**	**(2 160 072)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issue relating to dividend reinvestment programme (net of costs)		–	27 201	27 099
Repurchase of shares		(69 425)	–	(73 816)
Repayment of lease liability		(5 439)	(4 744)	(9 948)
Proceeds from borrowings		4 643 324	4 033 000	9 101 447
Repayment of borrowings		(3 372 066)	(3 583 000)	(7 211 996)
NET CASH FLOWS RAISED FROM FINANCING ACTIVITIES		**1 196 394**	**472 457**	**1 832 786**
Net decrease in cash and cash equivalents		(207 008)	(398 720)	(357 856)
Effect on exchange rate movements in cash and cash equivalents		27 577	(446)	45 405
Cash and cash equivalents at the beginning of the period		257 692	570 143	570 143
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**78 261**	**170 977**	**257 692**

1 The current period includes non-recurring cash outflows of R292 million related to the closing of cross-currency interest rate swaps and R167 million relating to the payment of the Segro litigation settlement.

2 This primarily consists of investments in and divestments of surplus cash held in money market funds.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

R'000	STATED CAPITAL	ACCUMULATED PROFIT	FOREIGN CURRENCY TRANSLATION RESERVE	SHARE-BASED PAYMENT RESERVE	TOTAL ATTRIBUTABLE TO PARENT	NON-CONTROLLING INTEREST	TOTAL
AUDITED BALANCE AT 28 FEBRUARY 2022	**12 170 853**	**1 880 847**	**370 624**	**29 390**	**14 451 714**	**3 059 872**	**17 511 586**
Profit for the period	–	1 105 746	–	–	1 105 746	322 857	**1 428 603**
Other comprehensive loss	–	–	(320 546)	–	(320 546)	(1 964)	**(322 510)**
Transactions with non-controlling interest	–	–	–	–	–	34	**34**
Shares issued in terms of the dividend reinvestment programme	28 154	–	–	–	28 154	–	**28 154**
Shares issued in terms of the conditional share plan	14 083	–	–	(14 246)	(163)	–	**(163)**
Treasury shares issued	163				163		**163**
Equity-settled share-based payment charge	–	–	–	6 706	6 706	–	**6 706**
Dividends distributed to shareholders	–	(656 913)	–	–	(656 913)	(75 862)	**(732 775)**
Share issue costs	(953)	–	–	–	(953)	–	**(953)**
UNAUDITED BALANCE AT 31 AUGUST 2022	**12 212 300**	**2 329 680**	**50 078**	**21 850**	**14 613 908**	**3 304 937**	**17 918 845**
(Loss)/profit for the period	–	(1 744 538)	–	–	(1 744 538)	211 159	**(1 533 380)**
Other comprehensive income	–	–	728 218	–	728 218	17 213	**745 430**
Transactions with non-controlling interest	–	–	–	–	–	64 589	**64 589**
Shares issued in terms of conditional share plan	(923)	–	–	1 086	163	–	**163**
Treasury shares issued in terms of conditional share plan	(163)	–	–	(163)	(326)	–	**(326)**
Shares forfeited in terms of conditional share plan	(831)	–	–	831	–	–	**–**
Shares repurchased and cancelled	(73 816)	–	–	–	(73 816)	–	**(73 816)**
Equity-settled share-based payment charge	–	–	–	(1 288)	(1 288)	–	**(1 288)**
Dividends distributed to shareholders	–	(634 655)	–	–	(634 655)	(213 697)	**(848 352)**
Share issue costs	(102)	–	–	–	(102)	–	**(102)**
AUDITED BALANCE AT 28 FEBRUARY 2023	**12 136 465**	**(49 514)**	**778 296**	**22 316**	**12 887 563**	**3 384 200**	**16 271 763**
Profit for the period	–	426 753	–	–	426 753	190 172	**616 925**
Other comprehensive income	–	–	321 036	–	321 036	7 457	**328 493**
Reclassification of FCTR on disposal of subsidiary companies	–	68 830	(68 830)	–	–	–	**–**
Shares repurchased and cancelled	(63 621)	–	–	–	(63 621)	–	**(63 621)**
Shares repurchased and issued in terms of conditional share plan	–	–	–	(5 616)	(5 616)	–	**(5 616)**
Treasury shares issued in terms of conditional share plan	831	–	–	(831)	–	–	**–**
Shares issued in terms of share based payment transaction	196 069	–	–	–	196 069	–	**196 069**
Equity-settled share-based payment charge	–	–	–	7 360	7 360	–	**7 360**
Dividends distributed to shareholders	–	(691 228)	–	–	(691 228)	(102 909)	**(794 137)**
Share issue costs	(188)	–	–	–	(188)	–	**(188)**
UNAUDITED BALANCE AT 31 AUGUST 2023	**12 269 556**	**(245 159)**	**1 030 502**	**23 229**	**13 078 128**	**3 478 920**	**16 557 048**

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

1 EARNINGS PER SHARE

This note provides the obligatory information in terms of *IAS 33 Earnings per share and SAICA Circular 1/2023* for the Group and should be read in conjunction with Appendix 1, where earnings are reconciled to distributable earnings. Distributable earnings determine the dividend declared to shareholders, which is a meaningful metric for a shareholder in a REIT.

	UNAUDITED 6 MONTHS 31 AUGUST 2023	UNAUDITED 6 MONTHS 31 AUGUST 2022	AUDITED 12 MONTHS 28 FEBRUARY 2023
1.1 BASIC EARNINGS PER SHARE			
R'000			
BASIC EARNINGS			
Earnings (profit/(loss) attributable to owners of the parent)	426 753	1 105 746	(638 793)
NUMBER OF SHARES			
Shares in issue	781 753 221	778 685 028	774 089 562
Weighted average number of shares in issue	780 582 946	773 352 235	775 345 406
Add: weighted potential dilutive impact of conditional shares	6 322 696	4 583 190	7 390 022
Diluted weighted average number of shares in issue	786 905 642	777 935 425	782 735 428
CENTS			
EARNINGS PER SHARE			
Basic earnings per share	54.6	143.0	(82.4)
Diluted earnings per share	54.2	142.1	(81.6)
1.2 HEADLINE EARNINGS PER SHARE			
R'000			
RECONCILIATION BETWEEN BASIC EARNINGS AND HEADLINE EARNINGS			
Earnings (profit/(loss) attributable to owners of the parent)	426 753	1 105 746	(638 793)
Adjusted for:			
Fair value adjustment to investment properties	(145 247)	(167 580)	1 607 261
Fair value adjustment to investment properties (NCI)	55 288	34 636	232 549
Fair value adjustment of non-current assets held-for-sale	40 128	–	–
(Profit)/loss on sale of non-current assets held-for-sale and property, plant and equipment	(20 757)	6 783	–
Loss on sale of subsidiary	–	–	8 225
HEADLINE EARNINGS	**356 165**	**979 585**	**1 209 242**
CENTS			
HEADLINE EARNINGS PER SHARE			
Basic headline earnings per share	45.6	126.7	156.0
Diluted headline earnings per share	45.3	125.9	154.5

2 SEGMENT INFORMATION

The unaudited segment information for the Group for the six months ended 31 August 2023 is set out below:

R'000	NOTES	OPERATING SEGMENTS SA INDUSTRIAL	UK INDUSTRIAL	UK DEVELOPER	OTHER	TOTAL
STATEMENT OF COMPREHENSIVE INCOME						
Property revenue and tenant recoveries		770 815	139 167	–	136 232	**1 046 214**
Straight-lining of leases adjustment		124 967	62 921	–	(2 068)	**185 820**
Property operating and management expenses		(158 939)	(17 813)	–	(22 574)	**(199 326)**
Fair value adjustments – investment property		62 614	82 633	–	(40 128)	**105 119**
Operating profit/(loss) before financing activities		451 379	260 852	(26 793)	68 475	**753 913**
Finance income		57 389	6 842	2	92	**64 325**
Finance cost	9	(152 323)	(82 182)	–	(23 081)	**(257 586)**
Current tax income		–	6	9 467	–	**9 473**
STATEMENT OF FINANCIAL POSITION						
Investment property	4	17 978 938	6 218 343	–	3 973 314	**28 170 595**
Trading property	5	20 999	–	835 691	–	**856 690**
Loans and borrowings	6	9 113 579	2 840 492	–	567 409	**12 521 480**
Total assets		18 670 082	6 358 914	883 529	3 997 355	**29 909 880**
Total liabilities		9 535 505	3 141 974	38 249	637 104	**13 352 832**

The unaudited segment information for the Group for the six months ended 31 August 2022 is set out below:

R'000	NOTES	OPERATING SEGMENTS SA INDUSTRIAL	UK INDUSTRIAL	UK DEVELOPER	OTHER	TOTAL
STATEMENT OF COMPREHENSIVE INCOME						
Property revenue and tenant recoveries		743 549	148 359	–	9 297	**901 205**
Straight-lining of leases adjustment		146 254	5 160	–	(5 244)	**146 170**
Revenue from trading properties and developments		–	–	84 811	–	**84 811**
Property operating and management expenses		(151 890)	(6 944)	–	(3 804)	**(162 638)**
Fair value adjustments – investment property		108 216	59 364	–	–	**167 580**
Operating profit/(loss) before financing activities		992 636	185 771	87 935	(2 603)	**1 263 739**
Finance income		15 047	881	–	11	**15 939**
Finance cost	9	59 661	43 976	(4 413)	35	**99 259**
Current tax expense		–	–	(79 613)	–	**(79 613)**
STATEMENT OF FINANCIAL POSITION						
Investment property	4	16 300 578	9 980 337	–	–	**26 280 915**
Trading property	5	22 730	–	600 800	–	**623 530**
Loans and borrowings	6	6 896 326	2 407 275	–	–	**9 303 601**
Total assets		17 088 766	10 146 915	985 305	–	**28 220 986**
Total liabilities		7 339 744	2 773 971	188 426	–	**10 302 141**

2 SEGMENT INFORMATION CONTINUED

The audited segment information for the Group for the year ended 28 February 2023 is set out below:

R'000	NOTES	SA INDUSTRIAL	UK INDUSTRIAL	UK DEVELOPER	OTHER	TOTAL
		OPERATING SEGMENTS				
STATEMENT OF COMPREHENSIVE INCOME						
Property revenue and tenant recoveries		1 403 060	294 566	–	189 432	**1 887 058**
Straight-lining of leases adjustment		399 418	(11 437)	–	(114 219)	**273 761**
Revenue from trading properties and developments		–	–	1 051 931	–	**1 051 931**
Property operating and management expenses		(241 848)	(12 728)	–	(49 317)	**(303 893)**
Fair value adjustments – investment property		241 874	(1 849 135)	–	–	**(1 607 261)**
Operating profit/(loss) before financing activities		1 356 912	(1 661 015)	44 475	124 614	**(135 014)**
Finance income		1 619 996	(1 563 749)	–	207	**56 454**
Finance cost	9	(57 433)	5 297	–	8	**(52 128)**
Current tax expense		–	–	(98 090)	–	**(98 090)**
STATEMENT OF FINANCIAL POSITION						
Investment property	4	16 488 214	8 072 975	–	2 337 634	**26 898 823**
Trading property	5	19 028	–	729 420	–	**748 448**
Loans and borrowings	6	8 029 984	3 179 328	–	145 277	**11 354 589**
Total assets		17 407 600	8 128 532	793 529	2 215 595	**28 545 256**
Total liabilities		8 468 648	3 472 797	60 845	271 203	**12 273 493**

3 FAIR VALUE MEASUREMENT

Assets and liabilities recognised and subsequently measured at fair value are categorised into a three-tiered hierarchy that reflects the significance of the inputs used in the valuation technique. The levels of the hierarchy are defined as follows:

Level 1: Unadjusted, quoted prices in an active market for identical assets and liabilities. Quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valuation techniques using inputs that are observalbe either directly, (i.e. prices other than quoted prices that are included in level 1) or indirectly (i.e. from derived prices). These inputs are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. from derived prices).

Level 3: Valuation techniques using inputs that are not based on observable market data (unobservable inputs).

R'000	LEVEL OF HIERARCHY	UNAUDITED 31 AUGUST 2023	UNAUDITED 31 AUGUST 2022	AUDITED 28 FEBRUARY 2023
ASSETS AND LIABILITIES MEASURED AT FAIR VALUE				
FINANCIAL ASSETS				
Derivative financial instruments	Level 2	265 850	297 959	276 667
FINANCIAL LIABILITIES				
Derivative financial instruments	Level 2	(66 044)	(90 670)	(188 497)
NON-FINANCIAL ASSETS				
Investment property[1] (note 4)	Level 3	24 035 223	26 250 116	24 460 638

[1] Excluding investment property held-for-sale and land options at cost.

There were no transfers between level 1, level 2 or level 3 during the period. Derivative financial instruments are measured with reference to observable market inputs (interest rates, yield curves, FX rates) based on mid-market levels.

DETAILS OF VALUATION TECHNIQUES

INVESTMENT PROPERTY

The Group has appointed a panel of external valuers to conduct the valuation for each property. The independent valuers applied, among other inputs, current market prices for properties with similar characteristics, leases and cash flow projections. All SA valuations are performed using a discounted cash flow method and UK valuations are performed using an income capitalisation method:

DISCOUNTED CASH FLOW METHOD

The fair value of each income-producing SA property is determined by calculating its net present value by discounting forecasted future net 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 using an appropriate exit capitalisation rate. The discount rate used to determine the fair value of each property is a function of the exit capitalisation rate and the long-term market rental growth rate. The exit capitalisation rate is dependent on a number of factors, including location, asset class, market conditions, lease covenants and the risks inherent in the property.

INCOME CAPITALISATION METHOD

The external valuations in the UK were performed by capitalising the current income stream by targeting a net initial yield as well as taking into account the nominal equivalent yield, as the properties are reversionary. This considers the length of secure income for the property, the covenant strength of the tenant, the quality of the building and associated reletting prospects. Additionally, comparable market evidence is evaluated in determining the fair value.

SIGNIFICANT UNOBSERVABLE INPUTS

- Exit capitalisation rates varied between 7.3% and 8.8% (Aug 22: 3.9% and 9.5%; Feb 23: 7.3% and 9.0%) for SA properties.
- Discount rates varied between 12.3% and 13.5% (Aug 22: 12.3% and 14.0%; Feb 23: 12.0% and 13.5%) for SA properties.
- Net initial yields for UK properties varied between 3.0% and 5.3% (Aug 22: 12.0% and 13.5%; Feb 23: 3.0% and 9.1%).
- Reversionary yields for the UK properties varied between 3.5% and 6.1% (Aug 22: 12.0% and 13.5%; Feb 23: 3.5% and 7.4%).
- Expected market rentals.

INTER-RELATIONSHIP BETWEEN UNOBSERVABLE INPUTS AND FAIR VALUE MEASUREMENT

The overall valuations are sensitive to the assumptions listed above. The impact of vacancy is deemed to be immaterial on the valuations as the majority of the Group's leases are long dated, with no view of material vacancies in the portfolio in the near future. Management deems that the range of possible alternative assumptions is greatest for the exit capitalisation rates.

DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

INTEREST RATE AND CROSS-CURRENCY INTEREST RATE SWAPS

The fair value is calculated as the present value of the estimated future cash flows. Estimates of 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.

3 FAIR VALUE MEASUREMENT CONTINUED

SENSITIVITY OF FAIR VALUES TO CHANGES IN UNOBSERVABLE INPUTS (LEVEL 3):

Valuation of investment properties is sensitive to changes in unobservable inputs used in determining fair value.

	31 AUGUST 2023							
R'000	DISCOUNT RATE		EXIT CAPITALISATION RATE		MARKET RENTALS		INCOME CAPITALISATION YIELDS	
Change in input	-0.1%	+0.1%	-0.1%	+0.1%	+5%	-5%	-0.5%	+0.5%
Increase/(decrease)								
SA industrial	165 681	(167 807)	175 579	(164 653)	364 088	(357 379)		
UK industrial							621 957	(498 950)

	31 AUGUST 2022							
R'000	DISCOUNT RATE		EXIT CAPITALISATION RATE		MARKET RENTALS		INCOME CAPITALISATION YIELDS	
Change in input	-0.1%	+0.1%	-0.1%	+0.1%	+5%	-5%	-0.5%	+0.5%
Increase/(decrease)								
SA Industrial	100 329	(92 037)	98 918	(89 274)	297 148	(275 184)		
UK industrial							846 634	(1 111 379)

	28 FEBRUARY 2023							
R'000	DISCOUNT RATE		EXIT CAPITALISATION RATE		MARKET RENTALS		INCOME CAPITALISATION YIELDS	
Change in input	-0.1%	+0.1%	-0.1%	+0.1%	+5%	-5%	-0.5%	+0.5%
Increase/(decrease)								
SA industrial	85 286	(96 853)	78 932	(97 903)	384 435	(366 393)		
UK industrial							813 967	(710 297)

R'000	UNAUDITED 31 AUGUST 2023	UNAUDITED 31 AUGUST 2022	AUDITED 28 FEBRUARY 2023
4 INVESTMENT PROPERTY			
Income-producing investment property	20 088 216	22 263 466	20 217 779
Investment property under development	1 725 483	984 788	1 320 513
Freehold land	1 237 701	2 310 468	2 091 944
Right-of-use asset	22 113	30 799	27 758
INVESTMENT PROPERTY (EXCLUDING STRAIGHT-LINING) (NOTE 4.1)	**23 073 513**	**25 589 521**	**23 657 994**
Straight-lining lease income accrual	961 710	691 394	802 644
Investment property held-for-sale (note 4.2)	3 973 314	–	2 337 633
FAIR VALUE OF INVESTMENT PROPERTY	**28 008 537**	**26 280 915**	**26 798 271**
Land options at cost (note 4.1)	162 058	–	100 552
INVESTMENT PROPERTY	**28 170 595**	**26 280 915**	**26 898 823**

4 INVESTMENT PROPERTY CONTINUED

4.1 RECONCILIATION OF INVESTMENT PROPERTY

	SA					UK				
R'000	LOGISTICS	INDUSTRIAL	PROPERTIES UNDER DEVELOP-MENT	LAND	RIGHT-OF-USE ASSET	LOGISTICS	PROPERTIES UNDER DEVELOP-MENT	LAND	LAND OPTIONS	TOTAL
AUDITED BALANCE AS AT 28 FEBRUARY 2022	**12 514 407**	**363 756**	**898 549**	**1 122 161**	**30 380**	**7 166 956**	**1 783 384**	**1 091 014**	**–**	**24 970 607**
Improvements and extensions	28 113	1 035	–	–	–	41	–	–	–	**29 189**
Construction and development costs	–	–	494 503	90 535	–	–	386 835	(23 742)	–	**948 131**
Transfers	452 965	–	(408 264)	(44 701)	–	2 170 219	(2 170 219)	(32 169)	–	**(32 169)**
Letting commission capitalised	1 302	–	–	–	–	–	–	–	–	**1 302**
Letting commission amortised	(1 372)	–	–	–	–	(410)	–	–	–	**(1 782)**
Lease incentives amortised	(124)	–	–	–	–	–	–	–	–	**(124)**
Remeasurements	–	–	–	–	3 579	–	–	–	–	**3 579**
Fair value adjustment	127 431	(16 055)	–	–	(3 160)	(112 531)	–	171 895	–	**167 580**
Foreign exchange movement	–	–	–	–	–	(432 267)	–	(64 525)	–	**(496 792)**
UNAUDITED BALANCE AS AT 31 AUGUST 2022	**13 122 722**	**348 736**	**984 788**	**1 167 995**	**30 799**	**8 792 008**	**–**	**1 142 473**	**–**	**25 589 521**
Acquisitions	326 256	–		75 635	–	–			11 679	**413 570**
Improvements and extensions	24 424	7 346	–	–	–	230 560	–	–	–	**262 330**
Construction and development costs	–	–	360 668	266 273	–	–	(179 679)	164 572	34 669	**646 503**
Transfers	(527 426)	–	(24 943)	(558 140)	–	(1 384 243)	179 679	(53 663)	53 663	**(2 315 073)**
Letting commission capitalised	7 171	–	–	–	–	–	–	–	–	**7 171**
Letting commission amortised	(2 380)	–	–	–	–	(481)	–	–	–	**(2 861)**
Lease incentives amortised	(122)	–	–	–	–	–	–	–	–	**(122)**
Remeasurements	–	–	–	–	587	–	–	–	–	**587**
Fair value adjustment	175 435	812	–	(38 962)	(3 628)	(1 775 026)	–	(133 472)	–	**(1 774 841)**
Disposals	(145)	–	–	–	–	–	–	–	–	**(145)**
Foreign exchange movement	–	–	–	–	–	872 132	–	59 233	541	**931 906**
AUDITED BALANCE AS AT 28 FEBRUARY 2023	**13 125 935**	**356 894**	**1 320 513**	**912 801**	**27 758**	**6 734 950**	**–**	**1 179 143**	**100 552**	**23 758 546**
Acquisitions	560 000	–	62 570	211 752	–	–	–	–	–	**834 322**
Improvements and extensions	44 397	10	–	–	–	–	–	–	–	**44 407**
Construction and development costs	399	–	1 163 729	64 630	–	–	–	145 360	19 099	**1 393 217**
Transfers	159 945	104 211	(821 847)	(221 704)	(5 557)	(1 634 301)	–	(1 158 651)	–	**(3 577 904)**
Letting commission capitalised	3 651	–	518	–	–	–	–	–	–	**4 169**
Letting commission amortised	(1 606)	–	–	–	–	(338)	–	–	–	**(1 944)**
Lease incentives amortised	(84)	–	–	–	–	–	–	–	–	**(84)**
Remeasurements	–	–	–	–	3 048	–	–	–	–	**3 048**
Fair value adjustment	70 641	(4 896)	–	5	(3 136)	82 633	–	–	–	**145 247**
Foreign exchange movement	–	–	–	–	–	485 775	–	104 365	42 407	**632 547**
UNAUDITED BALANCE AS AT 31 AUGUST 2023	**13 963 278**	**456 219**	**1 725 483**	**967 484**	**22 113**	**5 668 719**	**–**	**270 217**	**162 058**	**23 235 571**

4 INVESTMENT PROPERTY CONTINUED

4.2 INVESTMENT PROPERTY HELD-FOR-SALE

	SA			UK		
R'000	**LOGISTICS**	**INDUSTRIAL**	**OFFICES**	**LOGISTICS**	**LAND**	**TOTAL**
AUDITED BALANCE AS AT 28 FEBRUARY 2022	**161 692**	**25 534**	**18 898**	**–**	**–**	**206 124**
Improvements	7 395	–	19	–	–	**7 414**
Disposals	(169 087)	(25 534)	(18 917)	–	–	**(213 538)**
UNAUDITED BALANCE AS AT 31 AUGUST 2022	**–**	**–**	**–**	**–**	**–**	**–**
Transfers	1 133 071	–	–	1 204 563	–	**2 337 634**
Improvements	1 762	–	–	–	–	**1 762**
Letting commission amortised	(504)	–	–	–	–	**(504)**
Disposals	(1 259)	–	–	–	–	**(1 259)**
AUDITED BALANCE AS AT 28 FEBRUARY 2023	**1 133 070**	**–**	**–**	**1 204 563**	**–**	**2 337 633**
Improvements	1 173	–	–	–	–	**1 173**
Straight-lining of leases adjustment	(2 312)	–	–	246	–	**(2 066)**
Transfers	809 624	–	–	1 641 193	1 158 651	**3 609 468**
Letting commission amortised	(2 332)	–	–	–	–	**(2 332)**
Lease incentives amortised	(40)	–	–	–	–	**(40)**
Fair value adjustment	(40 128)	–	–	–	–	**(40 128)**
Disposals	(725 587)	–	–	(1 214 055)	–	**(1 939 642)**
Foreign exchange movement	–	–	–	9 248	–	**9 248**
UNAUDITED BALANCE AS AT 31 AUGUST 2023	**1 173 468**	**–**	**–**	**1 641 195**	**1 158 651**	**3 973 314**

5 TRADING PROPERTY

R'000	
AUDITED BALANCE AS AT 28 FEBRUARY 2022	**878 927**
Transfers from investment property (note 4.1)	32 169
Capital expenditure	(338 523)
Disposals	77 945
Impairment	(7 800)
Foreign exchange movement	(19 188)
UNAUDITED BALANCE AS AT 31 AUGUST 2022	**623 530**
Capital expenditure	1 047 565
Disposals	(956 439)
Impairment	(21 817)
Foreign exchange movement	55 609
AUDITED BALANCE AS AT 28 FEBRUARY 2023	**748 448**
Capital expenditure	99 080
Impairment	(18 857)
Foreign exchange movement	28 019
UNAUDITED BALANCE AS AT 31 AUGUST 2023	**856 690**

6 LOANS AND BORROWINGS

RECONCILIATION OF LOANS AND BORROWINGS

R'000	UNAUDITED 6 MONTHS 31 AUGUST 2023	UNAUDITED 6 MONTHS 31 AUGUST 2022	AUDITED 12 MONTHS 28 FEBRUARY 2023
Non-current borrowings	7 636 233	8 017 064	8 017 064
Non-current held-for-sale	145 277	–	–
Current borrowings	3 523 601	972 641	972 641
TOTAL BORROWINGS	**11 305 111**	**8 989 705**	**8 989 705**
Loan fees	(45 377)	(42 796)	(42 796)
Accrued interest	94 855	53 663	53 663
OPENING BALANCE	**11 354 589**	**9 000 572**	**9 000 572**
Proceeds from borrowings	4 643 324	4 033 000	9 101 447
Repayment of borrowings	(3 845 200)	(3 583 000)	(7 211 996)
Loan fees paid and amortised	5 237	12 661	(2 581)
Accrued interest	28 535	6 113	41 192
Foreign exchange movement	334 995	(165 745)	425 955
CLOSING BALANCE	**12 521 480**	**9 303 601**	**11 354 589**
Non-current borrowings	8 448 877	8 553 961	7 636 233
Non-current held-for-sale	–	–	145 277
Current borrowings	3 989 353	720 000	3 523 601
TOTAL BORROWINGS	**12 438 230**	**9 273 961**	**11 305 111**
Loan fees	(40 140)	(30 136)	(45 377)
Accrued interest	123 390	59 776	94 855
CLOSING BALANCE	**12 521 480**	**9 303 601**	**11 354 589**

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

7 NON-CONTROLLING INTEREST

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP	TOTAL
NCI %	40%	49%	49.9%	100%	
AUDITED BALANCE AT 28 FEBRUARY 2022	**58 074**	**707 212**	**2 252 936**	**41 648**	**3 059 870**
Transactions with non-controlling interest	34	–	–	–	**34**
Share of (loss)/profit for the period	153 676	63 437	156 459	(50 715)	**322 857**
Share of other comprehensive income for the period	(1 964)	–	–	–	**(1 964)**
Dividend declared	(5)	–	(75 857)	–	**(75 862)**
UNAUDITED BALANCE AT 31 AUGUST 2022	**209 815**	**770 649**	**2 333 539**	**(9 067)**	**3 304 935**
Transactions with non-controlling interest	64 589	–	–	–	**64 589**
Share of (loss)/profit for the period	(48 011)	56 884	148 253	54 033	**211 159**
Share of other comprehensive income for the period	17 213	–	–	–	**17 213**
Dividend declared	(129 170)	(8 116)	(76 411)	–	**(213 697)**
AUDITED BALANCE AT 28 FEBRUARY 2023	**114 436**	**819 417**	**2 405 381**	**44 966**	**3 384 200**
Share of (loss)/profit for the period	(21 783)	50 910	155 607	5 438	**190 172**
Share of other comprehensive income for the period	7 457	–	–	–	**7 457**
Dividend declared	–	(23 020)	(79 889)	–	**(102 909)**
UNAUDITED BALANCE AT 31 AUGUST 2023	**100 110**	**847 307**	**2 481 099**	**50 404**	**3 478 920**

7.1 SHARE OF PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTEREST INCLUDES:

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP	TOTAL
FOR THE SIX MONTHS ENDED 31 AUGUST 2023					
Fair value adjustment – investment property	–	(13 956)	(36 505)	(4 828)	**(55 289)**
Fair value adjustment – derivatives	–	586	–	–	**586**
Straight-lining of leases adjustment	–	(12 504)	(40 691)	204	**(52 991)**
Net loss from trading properties and developments	16 351	–	–	–	**16 351**
Expenses of a capital nature	–	–	441	–	**441**
UNAUDITED ADJUSTMENT TO DISTRIBUTABLE EARNINGS	**16 351**	**(25 874)**	**(76 755)**	**(4 624)**	**(90 902)**
DISTRIBUTABLE EARNINGS	**(5 432)**	**25 036**	**78 852**	**814**	**99 270**
FOR THE SIX MONTHS ENDED 31 AUGUST 2022					
Fair value adjustment – investment property	(114 055)	(17 919)	(44 414)	52 257	**(124 131)**
Fair value adjustment – derivatives	–	(707)	–	–	**(707)**
Straight-lining of leases adjustment	–	(15 205)	(37 311)	(524)	**(53 040)**
Net profit from trading properties and developments	(44 505)	–	–	–	**(44 505)**
UNAUDITED ADJUSTMENT TO DISTRIBUTABLE EARNINGS	**(158 560)**	**(33 831)**	**(81 725)**	**51 733**	**(222 383)**
DISTRIBUTABLE EARNINGS	**(4 884)**	**29 606**	**74 734**	**1 018**	**100 474**
FOR THE YEAR ENDED 28 FEBRUARY 2023					
Fair value adjustment – investment property	(116 805)	(34 806)	(79 544)	(1 394)	**(232 549)**
Fair value adjustment – derivatives	–	(8 924)	–	–	**(8 924)**
Straight-lining of leases adjustment	–	(28 894)	(71 222)	(505)	**(100 621)**
Net profit from trading properties and developments	(49 836)	–	–	–	**(49 836)**
Expenses of a capital nature[1]	60 733	–	37	–	**60 770**
AUDITED ADJUSTMENT TO DISTRIBUTABLE EARNINGS	**(105 908)**	**(72 624)**	**(150 729)**	**(1 899)**	**(331 160)**
DISTRIBUTABLE EARNINGS	**(243)**	**47 698**	**153 983**	**1 419**	**202 858**

1 Includes litigation settlement expense

7.2 UNAUDITED SUMMARISED STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2023

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP
	100%	100%	100%	100%
SUMMARISED STATEMENT OF FINANCIAL POSITION				
Non-current assets	2 199 816	2 257 293	5 384 890	181 342
Current assets	52 322	134 210	165 951	969
TOTAL ASSETS	**2 252 138**	**2 391 503**	**5 550 841**	**182 311**
Non-current liabilities	1 993 997	632 669	450 995	141 000
Current liabilities	55 711	30 478	127 703	1 710
TOTAL LIABILITIES	**2 049 708**	**663 147**	**578 698**	**142 710**
NET ASSET VALUE	**202 430**	**1 728 356**	**4 972 143**	**39 601**
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME				
Gross property revenue	–	122 373	372 416	13 848
Gross loss from trading properties and developments	(18 175)	–	–	–
Property operating and management expenses	–	(17 628)	(67 384)	(2 394)
Finance cost	–	(35 075)	(188)	(11 153)
Current tax expense	9 473	–	–	–
PROFIT/(LOSS) FOR THE PERIOD	**(54 457)**	**103 899**	**311 837**	**5 438**
SUMMARISED STATEMENT OF CASH FLOWS				
Cash flows from operating activities	(198 152)	240 121	9 640	316
Cash flows from investing activities	(118 448)	–	(495 806)	(102)
Cash flows from financing activities	312 175	–	450 000	(8 269)
Effect of exchange rate movements	969	–	–	–
NET CASH MOVEMENT	**(3 456)**	**240 121**	**(36 166)**	**(8 055)**

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

7 NON-CONTROLLING INTEREST CONTINUED

UNAUDITED SUMMARISED STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2022

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP
	100%	100%	100%	100%
SUMMARISED STATEMENT OF FINANCIAL POSITION				
Non-current assets	1 095 496	2 158 769	3 715 763	122 925
Current assets	1 457 439	75 806	968 543	1 169
TOTAL ASSETS	**2 552 935**	**2 234 575**	**4 684 306**	**124 094**
Non-current liabilities	–	648 621	–	143 019
Current liabilities	96 635	13 200	7 875	943
TOTAL LIABILITIES	**96 635**	**661 821**	**7 875**	**143 962**
NET ASSET VALUE	**2 456 300**	**1 572 754**	**4 676 431**	**(19 868)**
SUMMARISED STATEMENT OF PROFIT AND LOSS				
Gross property revenue	–	116 514	262 435	9 975
Gross profit from trading properties and developments	138 119	–	–	–
Property operating and management expenses	–	(9 161)	(62 377)	(1 530)
Current tax expense	(79 613)	–	–	–
PROFIT/(LOSS) FOR THE PERIOD	**384 187**	**129 464**	**313 546**	**(50 715)**
SUMMARISED STATEMENT OF CASH FLOWS				
Cash flows from operating activities	(32 946)	(3 973)	16 462	521
Cash flows from investing activities	(911)	–	4 909	(582)
Cash flows from financing activities	486 634	(2 812)	–	(6 250)
Effect of exchange rate movements	1 070	–	–	–
NET CASH MOVEMENT	**453 847**	**(6 785)**	**21 371**	**(6 311)**

AUDITED SUMMARISED STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP
	100%	100%	100%	100%
SUMMARISED STATEMENT OF FINANCIAL POSITION				
Non-current assets	1 282 102	2 213 127	4 041 454	176 653
Current assets	829 337	120 479	809 230	8 831
TOTAL ASSETS	**2 111 439**	**2 333 606**	**4 850 684**	**185 484**
Non-current liabilities	–	640 316	–	149 269
Current liabilities	1 730 653	21 010	30 279	2 052
TOTAL LIABILITIES	**1 730 653**	**661 326**	**30 279**	**151 321**
NET ASSET VALUE	**380 786**	**1 672 280**	**4 820 405**	**34 163**
SUMMARISED STATEMENT OF PROFIT AND LOSS				
Gross property revenue	–	234 668	515 694	19 798
Gross profit from trading properties and developments	229 573	–	–	–
Property operating and management expenses	–	(23 950)	(118 188)	(3 507)
Current tax expense	98 090	–	–	–
PROFIT FOR THE YEAR	**264 163**	**245 554**	**610 647**	**3 317**
SUMMARISED STATEMENT OF CASH FLOWS				
Cash flows from operating activities	(49 672)	(4 558)	6 179	2 067
Cash flows from investing activities	(339 067)	–	29 764	(679)
Cash flows from financing activities	357 952	(2 812)	–	–
Effect of exchange rate movements	24 095	–	–	–
NET CASH MOVEMENT	**(6 692)**	**(7 370)**	**35 943**	**1 388**

8 OTHER NET (LOSSES)/GAINS

R'000	UNAUDITED 6 MONTHS 31 AUGUST 2023	UNAUDITED 6 MONTHS 31 AUGUST 2022	AUDITED 12 MONTHS 28 FEBRUARY 2023
Income from foreign exchange derivative instruments	94 265	104 303	206 421
Fair value adjustment on foreign exchange derivative instruments	85 361	(41 354)	(267 843)
Fair value adjustment on financial guarantees	–	(10 000)	(10 000)
Insurance recoveries	(14)	419	429
Profit on sale of subsidiary companies	28 933	–	–
Loss on sale of investment property	(8 176)	(6 795)	(8 233)
Profit on sale of property, plant and equipment	–	12	8
Foreign exchange (loss)/gain	(526 889)	115 122	(217 987)
Sundry income	–	1 892	4 757
Sundry income – capital in nature (non-distributable)	15 699	3 135	–
TOTAL	**(310 821)**	**166 734**	**(292 448)**

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

R'000	UNAUDITED 6 MONTHS 31 AUGUST 2023	UNAUDITED 6 MONTHS 31 AUGUST 2022	AUDITED 12 MONTHS 28 FEBRUARY 2023
9 FINANCE COST			
Interest on borrowings	473 384	223 678	567 962
Interest on lease liabilities	1 270	1 371	2 715
Finance cost relating to interest rate derivatives	10 141	38 757	49 280
Fair value movement on interest rate derivatives	(11 772)	(203 269)	(226 202)
Interest on utility accounts and other	560	652	735
Loan fees	10 125	11 521	18 281
Borrowing costs capitalised to investment and trading property	(226 122)	(171 969)	(360 643)
FINANCE COST	**257 586**	**(99 259)**	**52 128**

The capitalisation rate applied during the 6-month period was 9.0% (Aug 22: 7.5%; Feb 23: 8.4%) in relation to general borrowings and 3.4% (Aug 22: 2.6%; Feb 23: 3.5%) in relation to specific borrowings.

RECONCILIATION OF FINANCE COST TO FINANCE COST PAID			
Interest accrued opening balance	95 922	53 663	53 663
Finance cost	257 586	(99 259)	52 128
Fair value movement on interest rate derivatives	11 772	203 269	226 202
Interest on lease liabilities	(1 270)	(1 371)	(2 715)
Loan fees amortised	(10 125)	(11 521)	(18 281)
Loan fees paid	4 888	(1 139)	20 862
Borrowing costs capitalised to trading property	43 803	27 741	75 031
Interest accrued closing balance	(123 390)	(59 776)	(95 922)
FINANCE COST PAID	**279 186**	**111 607**	**310 968**

10 CASH GENERATED FROM OPERATIONS			
Profit/(loss) before tax	560 652	1 378 937	(130 688)
Adjusted for:			
Finance costs	257 586	(99 259)	52 128
Finance income	(64 325)	(15 939)	(56 454)
Loss on disposals	(20 757)	6 783	8 225
Foreign exchange differences	526 889	(31 075)	217 987
Straight-lining of leases adjustment	(185 820)	(146 170)	(273 761)
Fair value adjustments - investment property	(105 119)	(167 580)	1 607 261
Fair value adjustments - derivative instruments	(85 361)	41 354	267 843
Fair value adjustment - financial guarantee	–	10 000	10 000
Impairment of trading property	18 857	–	29 617
Depreciation and amortisation	9 062	2 583	7 762
IFRS 2 share based payment charge	(2 906)	8 071	7 186
Loss allowance	1 205	(1 388)	(471)
Working capital movements:			
(Increase)/decrease in trading properties	(55 278)	296 120	244 484
Increase in trade and other receivables	(134 424)	(380 287)	(43 745)
Increase in derivative instruments	(409 256)	(53 300)	(114 602)
(Decrease)/increase in trade and other payables	(157 192)	(100 371)	40 810
CASH GENERATED FROM OPERATIONS	**153 813**	**748 479**	**1 873 580**

11 RELATED PARTIES

Related party relationships exist between the Company, its subsidiaries, directors, and key management of the Group. In the ordinary course of business, the Group entered into the following transactions with related parties:

R'000	UNAUDITED 6 MONTHS 31 AUGUST 2023	UNAUDITED 6 MONTHS 31 AUGUST 2022	AUDITED 12 MONTHS 28 FEBRUARY 2023
Dividend paid to related party shareholders	15 321	20 342	39 781
Insurance premiums paid to Commsure Financial Solutions (indirectly owned by Cindy Hess' spouse)[1]	–	4 629	4 329
Fees paid to BTKM Proprietary Limited (of which Nazeem Khan is a director)[2]	–	388	3 793
	15 321	**25 359**	**47 903**

1 Cindy Hess resigned as a director, effective 15 July 2022, and therefore Commsure Financial Solutions ceased to be a related party during the prior year. The amount disclosed for the prior year relates to charges prior to her resignation.

2 Nazeem Khan retired as a director, effective 17 August 2022, and therefore BTKM ceased to be a related party during the prior year. The amount disclosed for the prior year relates to charges prior to his retirement.

APPENDIX 1

Equites Property Fund Limited and its subsidiaries for the six months ended 31 August 2023

DISTRIBUTABLE EARNINGS

DISTRIBUTION POLICY

The Group has established strict guidelines regarding its distribution policy to ensure that the distributable earnings is a fair reflection of sustainable earnings; this comprises property related income net of property related expenditure, interest expense and administrative costs.

The principles encompassed in the calculation below are largely aligned with the best practice recommendations established by the SA REIT Association published in 2016 and the guidelines further developed in the revised best practice recommendations which were published in November 2019.

As distributable earnings is a measure of core earnings, the company has adjusted for the following key items in the determination of this metric:

- certain non-cash and accounting adjustments;
- gains or losses on the disposal of assets and the associated tax treatment;
- certain foreign exchange and hedging items;
- net profit arising from land sale and turnkey developments;
- antecedent earnings adjustment.

The specific adjustments are detailed in the statement of distributable earnings presented below. All of these adjustments are derived from the face of the income statement presented and the notes accompanying these financial statements.

RECONCILIATION BETWEEN EARNINGS AND DISTRIBUTABLE EARNINGS

R'000	UNAUDITED 6 MONTHS 31 AUGUST 2023	UNAUDITED 6 MONTHS 31 AUGUST 2022	UNAUDITED 12 MONTHS 28 FEBRUARY 2023
PROFIT/(LOSS) FOR THE PERIOD (ATTRIBUTABLE TO OWNERS OF THE PARENT)	426 753	1 105 746	(638 793)
Adjusted for:			
Fair value adjustment to investment properties	(105 119)	(167 580)	1 607 261
Less: Fair value adjustment to investment properties (NCI)	55 288	124 130	232 549
(Profit)/loss on sale of non-current assets	(20 757)	6 783	8 225
HEADLINE EARNINGS	**356 165**	**1 069 079**	**1 209 242**
Adjusted for:			
Straight-lining of leases adjustment	(185 820)	(146 170)	(273 761)
Fair value adjustment to derivative financial assets and liabilities	(97 133)	(161 915)	41 641
Fair value adjustment to financial guarantess	–	10 000	10 000
Equity-settled share-based payment reserve	7 360	8 071	7 186
Capital items (non-distributable)[2]	519 870	(117 581)	388 535
Income from foreign currency derivatives	(94 265)	–	–
Deferred taxation	(46 800)	(129 279)	(124 001)
Net development (profit)/loss (non-distributable)	18 008	3 891	(38 837)
Non-controlling interest	35 613	98 251	98 611
Antecedent dividend[1]	(1 976)	903	(5 739)
DISTRIBUTABLE EARNINGS	**511 022**	**635 250**	**1 312 877**

[1] In the determination of distributable earnings, an adjustment is made where equity capital is raised or shares are repurchased during the financial year. During the reporting period, the Group issued shares in respect of land acquisitions and repurchased shares in the open market between March 2023 and August 2023. These movements in share capital gave rise to an antecedent adjustment included above.

[2] Includes foreign exchange losses of R527 million (Aug 22: (R115 million); Feb 23: R218 million) per note 8.

NUMBER OF SHARES	UNAUDITED 6 MONTHS 31 AUGUST 2023	UNAUDITED 6 MONTHS 31 AUGUST 2022	UNAUDITED 12 MONTHS 28 FEBRUARY 2023
THE FOLLOWING INPUTS IMPACTED THE ANTECEDENT EARNINGS ADJUSTMENT:			
Opening balance – shares in issue	774 089 562	776 573 375	776 573 375
Dividend reinvestment programme	–	1 421 922	1 421 922
Shares issued in terms of conditional share plan	–	689 731	689 731
Shares repurchased and cancelled	(5 194 135)	–	(4 595 466)
Share issue in respect of property acquisition	12 857 794	–	–
CLOSING BALANCE – SHARES IN ISSUE	**781 753 221**	**778 685 028**	**774 089 562**

DIVIDENDS DECLARED AND DISTRIBUTION PER SHARE

TOTAL DISTRIBUTION FOR THE YEAR – 2024	CENTS PER SHARE	R'000
INTERIM DIVIDEND DECLARED ON 9 OCTOBER 2023 (DIVIDEND NUMBER 20)	**65.37**	**511 022**

TOTAL DISTRIBUTION FOR THE YEAR – 2023	CENTS PER SHARE	R'000
Interim dividend declared on 4 October 2022 (Dividend number 18)	81.58	635 250
Final dividend declared on 8 May 2023 (Dividend number 19)	88.02	677 627
TOTAL DISTRIBUTION FOR THE YEAR ENDED 28 FEBRUARY 2023	**169.60**	**1 312 877**

APPENDIX 2

SA REIT BPR

R'000	UNAUDITED 31 AUGUST 2023	UNAUDITED 31 AUGUST 2022	UNAUDITED 28 FEBRUARY 2023
SA REIT FUNDS FROM OPERATIONS ("SA REIT FFO")			
PROFIT/(LOSS) FOR THE PERIOD (ATTRIBUTABLE TO OWNERS OF THE PARENT)	**426 753**	**1 105 746**	**(638 793)**
Adjusted for:			
Accounting/specific adjustments:	(333 077)	(432 353)	1 221 868
Fair value adjustments to:			
■ Investment property	(105 119)	(167 580)	1 607 261
■ Financial guarantee	–	10 000	10 000
Depreciation and amortisation	4 662	676	2 369
Deferred tax movement recognised in profit or loss	(46 800)	(129 279)	(124 001)
Straight-lining operating lease adjustment	(185 820)	(146 170)	(273 761)
Adjustments arising from investing activities:	(20 757)	6 799	8 225
(Gain)/loss on disposal of:			
■ Investment property and property, plant and equipment	8 176	6 799	8 225
■ Subsidiaries	(28 933)	–	–
Foreign exchange and hedging items:	429 756	(277 037)	259 628
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(97 133)	(161 915)	41 641
Foreign exchange losses/(gains) relating to capital items – realised and unrealised	526 889	(115 122)	217 987
Other adjustments:	88 925	223 287	325 421
Non-controlling interests in respect of the above adjustments	90 901	222 383	331 160
Antecedent earnings adjustment	(1 976)	904	(5 739)
SA REIT FFO	**591 600**	**626 442**	**1 176 349**
Number of shares outstanding at period-end	781 753 221	778 685 028	774 089 562
SA REIT FFO PER SHARE (CENTS)	**75.68**	**80.45**	**151.97**
Company-specific adjustments per share (cents)	(10.31)	1.13	17.63
Litigation settlement (non-distributable)	–	–	19.61
Equity settled share based payment charge	0.93	1.03	0.93
Net development loss/(profit)	2.30	0.50	(5.02)
Income from foreign currency derivatives	(12.06)	–	–
Capital items (non-distributable)	(1.48)	(0.40)	2.11
DISTRIBUTABLE EARNINGS PER SHARE (CENTS)	**65.37**	**81.58**	**169.60**
SA REIT NET ASSET VALUE ("SA REIT NAV")			
Reported NAV attributable to the parent	13 078 128	14 613 908	12 887 563
Adjustments:			
Dividend to be declared	(511 022)	(635 250)	(677 627)
Fair value of certain derivative financial instruments	199 805	179 210	197 261
Deferred tax	143 723	136 989	179 186
SA REIT NAV	**12 910 634**	**14 294 856**	**12 586 383**
SHARES OUTSTANDING			
Number of shares in issue at period end (net of treasury shares)	781 753 221	778 685 028	774 089 562
Effect of dilutive instruments	6 322 696	4 583 190	7 390 022
DILUTIVE NUMBER OF SHARES IN ISSUE	**788 075 917**	**783 268 218**	**781 479 584**
SA REIT NAV PER SHARE (RAND):	**16.38**	**18.25**	**16.11**

R'000	UNAUDITED 31 AUGUST 2023	UNAUDITED 31 AUGUST 2022	UNAUDITED 28 FEBRUARY 2023
SA REIT COST-TO-INCOME RATIO			
EXPENSES			
Operating expenses per IFRS income statement (includes municipal expenses)	199 326	162 638	303 893
Administrative expenses per IFRS income statement[1]	54 236	40 123	236 051
Exclude:			
Depreciation expense in relation to property, plant and equipment	(4 662)	(676)	(2 369)
OPERATING COSTS	**248 900**	**202 085**	**537 575**
RENTAL INCOME			
Contractual rental income per IFRS income statement (excluding straight-lining)	851 972	743 784	1 560 064
Utility and operating recoveries per IFRS income statement	193 282	157 422	326 994
GROSS RENTAL INCOME	**1 045 254**	**901 206**	**1 887 058**
SA REIT COST-TO-INCOME RATIO	**23.8%**	**22.4%**	**28.5%**
SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO			
EXPENSES			
Administrative expenses per IFRS income statement[1]	54 236	40 123	236 051
ADMINISTRATIVE COSTS	**54 236**	**40 123**	**236 051**

[1] Includes litigation settlement expense of R152 million in Feb 23.

Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	851 972	743 784	1 560 064
Utility and operating recoveries per IFRS income statement	193 282	157 422	326 994
GROSS RENTAL INCOME	**1 045 254**	**901 206**	**1 887 058**
SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO	**5.2%**	**4.5%**	**12.5%**
SA REIT GLA VACANCY RATE			
Gross lettable area of vacant space	1 401	1 401	1 401
Gross lettable area of total property portfolio	1 449 578	1 446 988	1 372 156
SA REIT GLA VACANCY RATE	**0.1%**	**0.1%**	**0.1%**

	UNAUDITED 31 AUGUST 2023		UNAUDITED 31 AUGUST 2022		UNAUDITED 28 FEBRUARY 2023	
COST OF DEBT	SA	UK	SA	UK	SA	UK
Variable interest-rate borrowings						
Floating reference rate plus weighted average margin	9.89%	7.09%	7.40%	3.64%	9.06%	5.85%
Fixed interest-rate borrowings						
Weighted average fixed rate	0.00%	3.92%	0.00%	2.65%	0.00%	3.92%
PRE-ADJUSTED WEIGHTED AVERAGE COST OF DEBT	**9.89%**	**5.52%**	**7.40%**	**3.14%**	**9.06%**	**4.92%**
ADJUSTMENTS:						
Impact of interest rate derivatives	(0.71%)	(1.39%)	0.33%	(0.25%)	(0.53%)	(0.95%)
Impact of cross-currency interest rate swaps	0.00%	0.00%	0.13%	(1.08%)	0.20%	(1.28%)
Amortised transaction costs imputed into the effective interest rate	0.04%	0.18%	0.05%	0.11%	0.05%	0.18%
ALL-IN WEIGHTED AVERAGE COST OF DEBT	**9.22%**	**4.31%**	**7.91%**	**1.92%**	**8.78%**	**2.87%**

All rates are nominal annual compounded quarterly (nacq)

APPENDIX 2 CONTINUED

R'000		UNAUDITED 31 AUGUST 2023	UNAUDITED 31 AUGUST 2022	UNAUDITED 28 FEBRUARY 2023
SA REIT LOAN-TO-VALUE ("SA REIT LTV")				
Gross debt		12 521 480	9 303 601	11 259 734
Less:				
Cash and cash equivalents (and including short-term deposits)		(78 261)	(170 977)	(257 692)
Less:				
Derivative financial instruments		(199 805)	(207 289)	(88 169)
NET DEBT	**A**	**12 243 414**	**8 925 335**	**10 913 873**
Total assets – per statement of financial position		29 909 880	28 220 986	28 545 256
Less:				
Cash and cash equivalents (and including short-term deposits)		(78 261)	(170 977)	(257 692)
Derivative financial assets		(265 850)	(297 959)	(276 667)
Trade and other receivables		(453 554)	(648 303)	(331 596)
CARRYING AMOUNT OF PROPERTY-RELATED ASSETS	**B**	**29 112 215**	**27 103 747**	**27 679 301**
SA REIT LTV	**A/B**	**42.1%**	**32.9%**	**39.4%**

GLOSSARY

3MJ	3-month JIBAR
BOARD	Equites Property Fund Limited's board of directors
BP(S)	Basis point(s)
BPR	Business practice recommendations
CA(SA)	Chartered Accountant of South Africa
CCIRS	Cross-currency interest rate swap
CC SA	Cargo Compass (South Africa) Proprietary Limited
COMPANIES ACT	Companies Act, No. 71 of 2008, as amended from time to time
COMPANY	Equites Property Fund Limited
COVID	Coronavirus disease
CPS	Cents per share
CSDP	Central securities depository participant
DMTN	Domestic medium term note
DPS	Dividend per share
DTA	Double taxation agreement
EC	Eastern Cape
EDGE	Excellence in Design for Greater Efficiencies
ENGL	Equites Newlands Group Limited
EQUITES	Equites Property Fund Limited
ESG	Environmental, social and governance
FCTR	Foreign currency translation reserve
FX	Foreign exchange
FY	Financial year
GBP	Pound sterling
GCR	Global credit rating
GLA	Gross lettable area
GROUP	Equites Property Fund Limited and its subsidiaries
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
KPI	Key performance indicator
KZN	KwaZulu-Natal
LFL	Like-for-like
LTV	Loan-to-value
MW	Mega watt
NAV	Net asset value
NCI	Non-controlling interest
NPI	Net property income
PPA	Power purchase agreement
PV	Photovoltaic
REIT	Real Estate Investment Trust
RLF	Retail Logistics Fund (RF) (Pty) Ltd
SA	South Africa
SAICA	The South African Institute of Chartered Accountants
SBTI	Science Based Targets initiative
SHOPRITE	Shoprite Checkers Proprietary Limited
SONIA	Sterling Overnight Index Average
SLB	Sustainability linked bond
TESCO	Tesco PLC
TFG	The Foschini Group
UK	United Kingdom
UN SDGS	United Nations Sustainable Development Goals
US FED	United States Federal Reserve
WALE	Weighted average lease expiry
ZAR	South African Rand

ADMINISTRATION

EQUITES PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2013/080877/06)
Share code: EQU ISIN: ZAE000188843
JSE alpha code: EQUI
(Approved as a REIT by the JSE)

DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS[1]

PL Campher (Chairman), MA Brey, E Cross, K Ntuli, AD Murray, N Mkhize, F Tonelli

1 R Benjamin-Swales retired 17 August 2023

NON-EXECUTIVE DIRECTOR

AJ Gouws

EXECUTIVE DIRECTORS

A Taverna-Turisan (CEO), GR Gous (COO), L Razack (CFO)

REGISTERED OFFICE

14th Floor
Portside Tower
4 Bree Street
Cape Town
8001

CONTACT DETAILS

info@equites.co.za

COMPANY SECRETARY[2]

2 D Beneke resigned 31 August 2023

TRANSFER SECRETARY

Computershare Investor Services Proprietary Limited

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