

GROWTHPOINT
PROPERTIES



GROUP CONDENSED UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022



GROUP SALIENT FEATURES

DPS

64.3cps

4.6% increase from HY22

TOTAL PROPERTY ASSETS

R174.1bn

2.0% increase from R170.8bn* at FY22

OFFSHORE ASSETS

43.7%

Increase from 43.5% at FY22

ASSETS UNDER MANAGEMENT
(GROWTHPOINT INVESTMENT
PARTNERS)

R16.7bn

Increase from R15.6bn at FY22

OFFSHORE EBIT

31.0%

Increase from 28.4% at FY22

SA REIT NAV

2 110cps

2.2% decrease from FY22

DIPS

77.9cps

1.3% increase from HY22

GROUP SA REIT LTV

38.8%

Increase from 37.9% at FY22

INTEREST COVER RATIO

2.9 times

Decrease from 3.1 times at FY22

* Lango was previously not included in the total property assets.



FITCH/MOODY'S RATINGS

Global scale: **BB+/Ba2**
 National scale: **AAA/Aa1.za**

SUSTAINABILITY RATINGS AND INDICES

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

Investment proposition

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

Participant of:



FTSE4Good



COMMENTARY

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

Introduction

Growthpoint is the largest South African primary JSE-listed REIT with a quality portfolio of 541 (FY22: 555) properties across three major business units, South Africa (SA), Growthpoint Investment Partners (GIP), our funds management business, and our offshore investments.

The South African business is diversified across the retail, office, industrial and trading and development (T&D) sectors, as well as a mixed-use portfolio at the V&A Waterfront (V&A) in Cape Town. The T&D sector develops commercial property for our own balance sheet as well as for third parties.

GIP, our alternative real estate co-investment business, comprises Growthpoint Healthcare Property Holdings (RF) Limited (GHPH), Growthpoint Student Accommodation Holdings (RF) Limited (GSAH) and Lango Real Estate Limited (Lango). GIP has assets under management of R16.7bn (FY22: R15.6bn).

The offshore portfolio consists of:

- ASX-listed Australian business, Growthpoint Properties Australia Limited (GOZ), diversified across the industrial and office sectors, as well as a newly acquired funds management business, Fortius. Refer to note 1 for a detailed analysis of the Fortius acquisition
- LSE and JSE-listed Capital & Regional Plc (C&R), which owns needs-based community shopping centres in the United Kingdom
- LSE AIM-listed Globalworth Real Estate Investments Limited (GWI) which owns office and industrial properties in Poland and Romania.

The following table provides an overview of our investments into these businesses as well as the properties held by each at 31 December 2022 (HY23) and 30 June 2022 (FY22).

	Percentage held (%)		Number of properties		Carrying value of Growthpoint's investment (Rbn)		Value of properties (Rbn)	
	HY23	FY22	HY23	FY22	HY23	FY22	HY23	FY22
South Africa (SA)								
Retail	100	100	42	42			25.2	24.6
Office	100	100	154	158			26.2	26.0
Industrial	100	100	175	187			12.2	12.1
Trading and development (T&D)	100	100	5	5			0.4	0.4
V&A Waterfront (V&A)	50	50	1	1	5.9	5.8	9.2	9.0
Total SA			377	393	5.9	5.8	73.2	72.1
Growthpoint Investment Partners (GIP)*								
Lango*	18.4	16.3	11	11	1.3	0.9	10.4	10.0
Healthcare (GHPH)*	39.1	55.9	8	7	1.2	0.8	3.6	3.4
Student accommodation (GSAH)*	14.3	16.6	10	9	0.2	0.2	2.7	2.2
Total GIP			29	27	2.7	1.9	16.7	15.6
Globalworth (GWI)^	29.4	29.4	71	71	8.9	8.8	16.5	15.8
Australia (GOZ)#	62.7	62.2	59	58	9.6	9.6	60.5	58.8
Capital & Regional (C&R)®	61.5	60.8	5	6	3.9	3.8	7.2	8.5
Total offshore			135	135	22.4	22.2	84.2	83.1
Total portfolio			541	555			174.1	170.8

* The value of the properties is disclosed at 100% as these are properties under the management of Growthpoint.

^ The fair value of the GWI listed investment is R4.9bn (FY22: R6.0bn).

The fair value of the GOZ listed investment is R16.6bn (FY22: R18.4bn).

® The fair value of the C&R listed investment is R1.3bn (FY22: R1.1bn).

Growthpoint is included in the FTSE/JSE Top 40 Index (J200) with a market capitalisation of R49.9bn at HY23 (FY22: R42.4bn). On average, 208.8m shares (FY22: 219.8m) with a value of R2.8bn (FY22: R3.1bn) were traded per month during the period. This makes Growthpoint a liquid and tradable way to own commercial property in SA and on the African continent. Growthpoint's property portfolio comprises South African

assets (inclusive of the V&A) (56.3%) and international (43.7%) assets. The majority of the portfolio is in economic nodes within major metropolitan areas.

For HY23, the SA REIT net asset value per share (SA REIT NAV) of the Group decreased by 2.2% to 2 110 (FY22: 2 158) cents per share.

Strategy

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

- The streamlining and optimisation of the SA portfolio:
 - 19 properties sold for R756.3m, with a profit on book value of R7.6m
 - two properties of R113.0m held for sale at HY23
 - 132 properties sold for R10.5bn since FY17
- Growing revenue streams from GIP:
 - R1.1bn increase in assets under management (AUM) from R15.6bn at FY22 to R16.7bn at HY23
 - 123.7% increase in management fees to R48.1m in HY23
 - R30bn AUM target by FY27
- International expansion:
 - GBP2.0m (R40.4m) October 2022 dividends received, re-invested in C&R
 - USD30.0m (R513.8m) incremental investment in Lango
 - 43.7% of property assets by book value are located offshore
 - 31.0% of EBIT is earned offshore
 - 10.0% increase in stable hard currency dividend income of R763m HY23 vs. R693m HY22.

We remain focused on liquidity and balance sheet strength to enable us to pursue our strategic initiatives:

- 38.8% Group LTV
- R10.3bn unutilised, committed facilities for SA
- R1.6bn cash on our SA balance sheet.

The Board is satisfied with the progress made in managing liquidity and the capital structure in HY23 through various initiatives, including R756.3m of asset sales in SA (HY22: R1.0bn), R500m sale of convertible loan in GHPH, and R465.9m (before income tax) (HY22: R524.6m) cash retained as a result of the company's conservative dividend payout ratio of 82.5% (FY22: 82.5%).

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

Group SA REIT FFO increased by R61.0m (2.3%) from R2 635m for HY22 to R2 696m for HY23. On a per-share basis it increased 2.1% from 77.4c to 79.0c. Group distributable income increased by R39.0m (1.5%) from R2 623m to R2 662m. DIPS increased by 1.3% from 76.9c to 77.9c.

Basis of preparation

The condensed unaudited consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in preparing these financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements.

The condensed consolidated financial statements are unaudited.

The directors of Growthpoint Properties Limited take full responsibility for the preparation of this report.

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

GOZ

The investment in GOZ was accounted for in terms of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The statement of financial position includes 100% of the assets and liabilities of GOZ, converted at the closing exchange rate at HY23 of R11.60:AUD1 (FY22: R11.24:AUD1).

A deferred tax liability of R4.9bn (FY22: R5.1bn) is included in the statement of financial position. This relates to capital gains tax payable at a rate of 30% in Australia if Growthpoint were to sell its investment in GOZ.

The statement of profit or loss and other comprehensive income includes 100% of the revenue and expenses of GOZ, which were translated at an average exchange rate of R11.61:AUD1 for HY23 (HY22: R11.00:AUD1). The resulting foreign currency translation difference is recognised in other comprehensive income. A non-controlling interest was raised for the 37.3% (FY22: 37.8%) not owned by Growthpoint.

Included in the HY23 distributable income is a R512.3m (AUD10.7c per share) distribution accrued from GOZ, excluding a foreign exchange profit of R21.3m on AUD income hedges, compared to R520.0m (AUD10.4c per share), excluding a foreign exchange profit of R7.0m on AUD income hedges, for HY22.

Included in normal tax in the statement of profit or loss and other comprehensive income is R74.7m (HY22: R57.8m) which relates to 14.0% (HY22: 10.0%) withholding tax paid on the distributions from GOZ.

C&R

The investment in C&R was accounted for in terms of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The statement of financial position includes 100% of the assets and liabilities of C&R, converted at the closing exchange rate at HY23 of R20.59:GBP1 (FY22: R19.83:GBP1).

The statement of profit or loss and other comprehensive income includes 100% of the revenue and expenses of C&R, which were translated at an average exchange rate of R20.35:GBP1 for HY23 (HY22: R20.49:GBP1). The resulting foreign currency translation difference is recognised in other comprehensive income. A non-controlling interest was raised for the 38.5% (FY22: 39.2%) not owned by Growthpoint.

C&R offered a scrip dividend alternative following the dividend declared for FY22. We opted for the scrip dividend alternative which resulted in an additional investment by Growthpoint of R40.4m (GBP2.0m) and increased our shareholding from 60.8% to 61.5%.

Included in the HY23 distributable income is a R50.4m (GBP2.75p per share) dividend declared by C&R, compared to Rnil for HY22.

Included in normal tax in the statement of profit or loss and other comprehensive income is R8.5m (HY22: Rnil) which relates to 15% (FY22: 15%) withholding tax paid on the dividends from C&R.

V&A, GWI and other equity-accounted investments

The investments in the V&A, GWI, Ferguson Place (RF) Limited and Lango, were accounted for in terms of IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates*. The equity-accounting method was used in terms of which the Group's share of the profit or loss and other comprehensive income of these investments were accounted for.

The V&A has fully recovered from the pandemic and is now trading at 2% above December 2019 levels, resulting in 23.0% higher net property income for HY23.

Included in the HY23 distributable income is R334.7m from the V&A (HY22: R267.5m) and R166.6m from GWI (HY22: R149.8m).

Revenue and cost-to-income

Revenue increased by 7.4% for HY23 compared to HY22. SA revenue increased by 1.5% due to disposals of T&D assets, a full six months inclusion of GSAH compared to the one month in HY22 and an increase in rental income from lease escalations partially offset by vacancies in the retail sector, leases renewed at reduced rent and disposals in all three sectors. GOZ revenue increased by 34.0% predominantly due to FY22 acquisitions and one-off early surrender fees received for 5 Murray Rose Avenue, Sydney Olympic Park and 100 Skyring Terrace, Newstead, which have skewed the expected full-year revenue to the first half. C&R revenue decreased by 16.4% compared to HY22 mainly due to the disposal of The Mall, Blackburn and the deconsolidation of Luton in May 2022.

The SA REIT cost-to-income ratio for the Group increased to 41.7% for HY23 from 41.2% for HY22 mainly due to lower growth in revenue for SA compared to an increase in operating expenses. For SA the ratio increased to 46.1% from 44.2% for HY22 and GOZ increased to 25.9% from 24.0% for HY22. For C&R the ratio decreased to 57.6% from 59.3% for HY22.

Fair value adjustments

The revaluation of properties in SA, GOZ and C&R resulted in an overall decrease of R1.6bn (1.2%) (FY22: increase of R2.0bn or 1.5%) to R137.7bn (FY22: R135.6bn) for investment property (including investment properties classified as held for sale). The revaluation of properties resulted in an increase in values in SA of R1.2bn (1.7%) (FY22: decrease of R1.2bn or 1.7%), a decrease of R2.4bn (3.7%) (FY22: increase of R3.4bn or 6.1%) for GOZ and a decrease of R420.2m (5.5%) (FY22: decrease of R175.1m or 2.0%) for C&R.

Property assets held for trading and development are reflected at the lower of cost or net realisable value. For HY23, no impairment loss was recognised on property assets held for trading and development (FY22: Rnil).

Interest-bearing borrowings and derivatives were fair valued using the SA or foreign-denominated swap curves at HY23, increasing the overall liability by R269.9m (HY22: decrease of R947.4m). These fair value adjustments and other non-distributable items, such as capital items, non-cash charges, deferred taxation and the net effect of the non-controlling interests' portion of the non-distributable items were transferred to the non-distributable reserve.

Finance costs

Finance costs, including finance costs and income received on interest rate swaps, increased by 10.9% to R1 819m (HY22: R1 640m). This is mainly due to an increase in finance costs in SA from R1 154m in HY22 to R1 261m in HY23 (9.3%) due to a higher weighted average cost of debt in HY23, an increase in finance costs in GOZ from R272.4m in HY22 to R450.6m in HY23 (65.2%), driven by higher weighted average cost of debt in HY23 of 4.2% (HY22: 2.9%) and higher drawn debt to acquire GSO Dandenong and Fortius, and the share buyback programme. This is offset by a decrease in finance costs in C&R from R213.3m in HY22 to R106.6m in HY23 (49.8%), mainly due to the restructuring and reduction of debt.

The Group interest cover ratio remains strong at 2.9 times for HY23 (FY22: 3.1 times) and is well above debt covenants. The weighted average interest rate for SA borrowings was 8.9% (FY22: 8.1%) (6.4% including foreign-denominated loans and cross-currency interest rate swaps (CCIRS) (FY22: 6.1%)). The weighted average debt maturity for SA borrowings decreased to 2.7 years (FY22: 2.9 years), due to the USD425m-denominated Eurobond maturing in May 2023.

Finance income

Finance and other investment income increased to R116.0m (HY22: R97.4m). This is mainly due to an increase in dividends received on investments, and increased interest received from banks due to the liquidity position.

Acquisitions and commitments

Growthpoint acquired an industrial property, Maldapak, Hammarsdale, KwaZulu-Natal, for R135.7m, an industrial plot of land for R68.6m, a plot of land for the development of a purpose-built student accommodation property for GSAH, Twickenham Road, Auckland Park, Johannesburg, for R33.0m, and five telecommunications assets in SA for R7.4m.

The development and capital expenditure for SA of R897.2m (HY22: R480.5m) was for various projects in the period, including the development of two purpose-built student accommodation properties, Peak Studios, Observatory, Cape Town (R167.2m) and Apex Studios, Braamfontein, Johannesburg (R166.5m), developments at Paarl Mall, Paarl (R88.0m) and capital expenditure at Woodlands Office Park, Woodmead, Johannesburg (R60.8m) and The Place, Sandton, Johannesburg (R34.1m). The remainder was for various smaller projects across the different sectors. Growthpoint has commitments outstanding for SA developments totalling R541.1m at HY23 (FY22: R654.0m) of which the T&D projects (R135.8m), Twickenham Road, Auckland Park, Johannesburg (R192.8m) and Monteer, Isando, Johannesburg (R172.0m) are the largest.

GOZ acquired one office property for R2.0bn (AUD176.0m) during the period and incurred development and capital expenditure totalling R149.9m (AUD13.4m), its largest project being the refurbishment of 75 Dorcas Street, South Melbourne, for R66.4m (AUD5.9m). GOZ has commitments outstanding totalling R517.4m (AUD44.6m) at HY23 (FY22: R2.2bn (AUD195.8m)) for tenant installation costs at 1 Charles Street, Parramatta.

C&R incurred capital expenditure of R92.0m (GBP4.6m) in HY23 (HY22: R95.0m (GBP4.9m)) and has outstanding commitments of R306.8m (GBP14.9m) at HY23 (HY22: R81.6m (GBP3.8m)) relating to various capital projects at the retail centres.

Growthpoint Investment Partners (GIP)

Part of Growthpoint's strategy is to build a co-investment, co-management business with diversified alternative real estate assets. To this end, we have achieved our initial goal by establishing three separately identifiable investments with total assets under management of R16.7bn (FY22: R15.6bn).

- **Lango. Growthpoint owns 18.4% (FY22: 16.3%)**

Lango, a joint venture with Ninety One Limited, invests in prime commercial real estate assets in key gateway cities across the African continent. It owns eight quality office and retail assets and three plots of land valued at USD612.3m (FY22: USD613.0m) and has an INREV NAV of USD306.2m at HY23 (FY22: USD323.7m). Growthpoint invested a further R513.8m (USD30.0m) into Lango and received a R3.2m (USD0.2m) dividend during the period (HY22: R16.6m (USD1.0m)).

- **Lango Real Estate Management Limited (Lango Manco). Growthpoint owns 37.5% (FY22: 37.5%)**

Growthpoint received management fees of R8.6m (USD0.5m) (HY22: Rnil) from Lango Manco during the period.

- **GHPH. Growthpoint owns 39.1% (FY22: 55.9%)**

GHPH invests exclusively in healthcare property assets in SA with a mandate to acquire and develop acute, day and specialist hospitals, as well as laboratories and biotechnology manufacturing and warehousing facilities. During the period, the Namibian Government Institutions Pension Fund (GIPF) invested R500.0m into GHPH, the proceeds of which were used to settle a portion of Growthpoint's convertible loan in GHPH, resulting in a profit on the sale of shares of R26.3m for Growthpoint. GHPH has to date attracted R2.1bn in capital from third-party investors. In addition, Growthpoint's interest in GHPH consists of R384.7m equity (FY22: R358.4m) and a convertible loan of R392.3m (FY22: R848.3m). Growthpoint received a R66.6m (HY22: R67.3m) dividend from GHPH during the period.

- **Growthpoint Healthcare Property Management Company (Pty) Limited (GHPH Manco). Growthpoint owns 100% (FY22: 100%)**

Growthpoint received management fees of R22.1m (HY22: R19.4m) from GHPH Manco during the period.

- **GSAH. Growthpoint owns 14.3% (FY22: 16.6%)**

GSAH has to date attracted R1.5bn in capital from third-party investors. In addition, Growthpoint invested R240.0m into the fund. During the period, the GIPF invested R250.0m into GSAH, the proceeds of which are earmarked for developments. Growthpoint received a R9.2m (HY22: R11.3m) dividend from GSAH during the period. There is a significant pipeline of acquisitions and greenfield developments.

- **Growthpoint Student Residential Accommodation Management Partnership (GSAH Manco). Growthpoint owns 100% (FY22: 100%)**

Growthpoint received asset management fees of R17.4m (HY22: R2.1m) from GSAH Manco during the period.

Trading and development

Adhering to the previously communicated limits, the value of projects pre-identified as opportunities for trading and development for third parties in SA will not exceed 3.0% of the value of the SA portfolio and assets developed for our own balance sheet will not exceed 5.0%.

Disposals and held for sale assets

Growthpoint SA disposed of 19 properties in the period (HY22: 19) for R756.3m (HY21: R1.0bn), including Paul Smit Anderbolt, Boksburg, Johannesburg for R50.0m, Eagle Freight, Meadowdale, Germiston, Johannesburg for R49.5m, Transfield, Alrode, Alberton, Johannesburg for R42.5m and one T&D property. GOZ did not dispose of any properties during the period. C&R completed the sale of land for residential development at its 17&Central community shopping centre in Walthamstow to Long Harbour for R439.0m (GBP21.7m). The first phase of the development is now underway which will see the creation of 495 build-to-rent apartments in two residential towers, thereby providing a new captive audience of shoppers for the centre. C&R also disposed of The Mall, Blackburn for R809.0m (GBP40.0m).

At HY23, two SA properties (FY22: five) valued at R113.0m (FY22: R72.5m) were held for sale. One Australian property (FY22: nil), 333 Ann Street, Brisbane, Queensland valued at R1.5bn (AUD130.4m) was classified as held for sale. No C&R properties were classified as held for sale (FY22: one at R793.0m (GBP40.0m)).

Arrears

Total SA arrears improved over the current period and at HY23 were R179.5m (FY22: R195.3m) with a loss allowance of R105.8m (FY22: R114.1m). Total net SA bad debt write-offs, recoveries and provisions were R12.0m (FY22: R24.4m).

Total GOZ arrears at HY23 were R14.0m (FY22: R17.5m) with a loss allowance of R2.1m (FY22: R2.6m). Total C&R arrears at HY23 were R197.4m (FY22: R196.8m) with a loss allowance of R64.7m (FY22: R81.8m).

Vacancy levels

	GLA		Vacancy	
	HY23 m ²	FY22 m ²	HY23 %	FY22 %
South Africa (SA)				
Retail	1 286 736	1 283 698	6.0	5.5
Office	1 654 927	1 672 345	20.4	20.7
Industrial	1 996 701	2 093 262	4.3	5.7
Trading and development	9 172	37 512	–	–
V&A	229 773	232 041	0.7	1.6
Total SA	5 177 309	5 318 858	9.7	10.1
GIP*				
GHPH	118 790	107 562	0.1	0.1
Lango#	154 639	155 077	17.8	19.7
Total GIP	273 429	262 639	10.1	11.7
Offshore				
GOZ	1 066 578	1 061 454	3.3	1.6
C&R	185 806	239 690	7.7	7.4
GWJ#	1 383 176	1 340 832	14.4	11.9
Total offshore	2 635 560	2 641 976	9.4	7.3
Total portfolio	8 086 298	8 223 473	9.6	9.3

* GSAH is valued per bed and not on GLA. GSAH had 6 443 beds with an average 6.0% vacancy for HY23 (FY22: 4 979 beds with 2.1% average vacancy).

Not previously included. The FY22 has therefore been re-presented to include Lango and GWJ as well.

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

Borrowings and net working capital

The SA REIT loan-to-value ratio for the Group (SA REIT LTV) was 38.8% for HY23 (FY22: 37.9%). The South African SA REIT LTV decreased to 31.7% (FY22: 32.0%), the GOZ SA REIT LTV increased to 35.3% (FY22: 30.6%) and the C&R SA REIT LTV decreased to 36.3% (FY22: 45.3%).

Growthpoint has consistently applied its policy for measuring the fair value of interest-bearing borrowings and derivatives. The Group has unsecured interest-bearing borrowings of R22.2bn at HY23 (FY22: R21.4bn). All other interest-bearing borrowings across the Group are secured. Growthpoint has unused committed bank facilities of R10.3bn (FY22: R10.3bn) in SA and separately R2.8bn (AUD242.5m) (FY22: R4.0bn or AUD353.5m) in GOZ. There were no unused committed bank facilities at C&R for HY23 (FY22: R79.0m (GBP4.0m)).

Growthpoint also has cash of R1.6bn (FY22: R1.5bn) in SA, R597.9m (AUD51.5m) (FY22: R553.1m or AUD49.2m) in GOZ and R1.1bn (GBP55.5m) (FY22: R791.0m or GBP39.9m) in C&R at HY23. The bank facilities and cash balances assure Growthpoint's ability to meet its short-term commitments.

Changes in directorate

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

Mpume Nkabinde and Patrick Mngconkola retired at the AGM on 29 November 2022 after serving 13 and 10 years on the Board, respectively.

We thank Mpume and Patrick for their contributions and dedicated service to Growthpoint.

Going concern

The directors have assessed the Group's ability to continue as a going concern. At HY23, the Group had a substantial positive net asset value and a robust liquidity position with access to R10.3bn (FY22: R10.3bn) in SA and separately R2.8bn (AUD242.5m) (FY22: R4.0bn or AUD353.5m) in GOZ. The following uncertainties were considered as part of the going-concern assessment:

Access to liquidity

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

Funding covenants

The current Group SA REIT LTV of 38.8% (FY22: 37.9%) is well below the maximum loan-to-value covenants the Group is exposed to, of 55.0%. Decreasing property valuations and rental income due to the expected economic downturn related to the increase in interest rates and inflation will have a negative impact on loan-to-value and interest cover ratios.

Maturity of USD-denominated Eurobond

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

Conclusion

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

Events after the reporting period

Declaration of dividend after reporting period

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

GPHH Manco

On 1 February 2023, Growthpoint sold 15% of the GPHH Manco to an external party for R41.6m.

GOZ disposals

On 17 January 2023, settlement occurred on the sale of 333 Ann Street, Brisbane, Queensland, a GOZ property held for sale, for AUD130.4m.

Prospects

We expect FY23 to be another challenging year. We do however, have a resilient business with the great strengths of skilled people, diversification and astute financial management and a track record of delivering value to our stakeholders through volatile and tough markets.

Our performance in SA for the rest of FY23 will be linked to the country's economic health where loadshedding is having a severe impact. Our business approach will reflect our priorities of managing liquidity, the capital structure, and our ESG initiatives. We shall continue to optimise our South African portfolio, specifically focusing on capital rotation, tenant retention, strategic repositioning, green building, solar energy and cost management.

The SA retail sector trading has improved to pre-Covid levels. Trading densities are also improving. However, consumers are experiencing increased financial pressure due to higher

inflation and interest rates. The industrial sector has the most balanced supply and demand dynamics and is expected to perform better. Tenants in this sector, particularly those in manufacturing are, however, under enormous pressure with the ongoing electricity supply issues. The office sector remains oversupplied, and until the South African economy enters a growth phase, conditions will remain challenging for businesses and consequently the office sector. Renewal growth remains under pressure across all three sectors while in-force and renewal escalations appear to have stabilised.

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

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

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

GOZ has a robust balance sheet and liquidity position and strong tenancies. It is a strong performer and has continued to invest further in high-quality assets and a funds management platform, Fortius. They are, however, not immune to the negative impacts from the prevailing global challenges, hence the guidance from GOZ for a decrease in FFO for FY23. This will be cushioned to some extent by our foreign income hedging strategies.

C&R has recapitalised, refocused and restructured and reinstated the payment of a modest dividend and we expect to see an improved contribution next year.

The current challenging global macro-economic conditions are expected to continue over the near to mid-term, resulting in an uncertain outlook for GWI, however, the primary focus is maintaining a solid and resilient operating performance and a prudent financial position with moderate leverage and high levels of liquidity. GWI has a high-quality portfolio with multinational tenancies.

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

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

Interim dividend

Notice is hereby given of the declaration of the interim dividend number 74 of 64.3 cents per share for the period ended 31 December 2022.

Other information

- Issued shares at 31 December 2022: 3 430 787 066 ordinary shares of no par value
- Income tax reference number of Growthpoint: 9375/077/71/7.

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

Tax implications for South African resident shareholders

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

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption section 10(1)(k) of the Income Tax Act. Any dividend received by a non-resident from a REIT is subject to dividend tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between SA and the country of residence of the non-resident shareholder. Assuming dividend tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders is 51.44c per share. A reduced dividend withholding tax rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares,

or the company, in respect of certificated shares:

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

Salient dates and times

2023

Last day to trade (LDT) cum dividend	Tuesday, 11 April
Shares to trade ex dividend	Wednesday, 12 April
Record date	Friday, 14 April
Payment date	Monday, 17 April

Notes

1. Shares may not be dematerialised or rematerialised between the commencement of trade on Wednesday, 12 April 2023 and the close of trade on Friday, 14 April 2023, both days inclusive.
2. The above dates and times are subject to change. Any changes will be released on SENS.

By order of the Board

Growthpoint Properties Limited

14 March 2023

Directors

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

*Executive #British

Growthpoint Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 1987/004988/06)
A Real Estate Investment Trust, listed on the JSE
Share code: GRT ISIN: ZAE000179420

Registered office

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

Company Secretary

WJH de Koker

Transfer Secretary

JSE Investor Services (Pty) Limited
(Registration number 2000/007239/07)
13th Floor, 19 Ameshoff Street
Braamfontein, Johannesburg, 2000
PO Box 4844, Braamfontein, 2000

Sponsor

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

REIT RATIOS

for the six months ended 31 December 2022

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

	Six months 31 December 2022 Rm	Six months 31 December 2021 Rm	12 months 30 June 2022 Rm
SA REIT Funds from Operations (SA REIT FFO)			
Profit attributable to the owners of the company	1 866	3 650	7 937
Adjusted for:			
Accounting/specific adjustments	1 422	(2 755)	(2 637)
Fair value adjustments to:			
Investment property	1 562	(2 745)	(1 857)
Debt and equity instruments held at fair value through profit or loss	(118)	(1 178)	(1 109)
Depreciation and amortisation of intangible assets	41	50	103
Asset impairments (excluding goodwill) and reversals of impairment	-	9	-
Losses on the modification of financial instruments	-	(43)	(728)
Deferred tax movement recognised in profit or loss	(277)	1 087	1 030
Straight-lining operating lease adjustment	162	45	(164)
Transaction costs expensed in accounting for a business combination	(14)	39	76
Adjustments to dividends from equity interests held	10	(19)	12
Adjustments arising from investing activities:	(115)	(62)	(58)
Gains on disposal of capital items	-	(19)	(12)
Development fees and profit earned	(115)	(43)	(46)
Foreign exchange and hedging items:	15	(298)	(2 806)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(51)	(380)	(2 787)
Foreign exchange gains/(losses) relating to capital items – realised and unrealised	66	82	(19)
Other adjustments:	(492)	2 100	2 862
Adjustments made for equity-accounted entities	316	420	479
Dividends declared to non-controlling interests	(501)	(409)	(810)
Non-controlling interests in respect of the above adjustments – plus not distributable	(367)	2 089	3 193
Antecedent earnings adjustment (GPHH and GSAH)	20	-	-
SA REIT FFO (Rm)	2 696	2 635	5 298
Number of shares outstanding at end of period (net of treasury shares)	3 411 622 222	3 406 439 781	3 407 663 028
SA REIT FFO per share (cents)	79.0	77.4	155.5
Interim SA REIT FFO per share (cents)	79.0	77.4	77.4
Final SA REIT FFO per share (cents)			78.1
	Rm	Rm	Rm
Company-specific adjustments to SA REIT FFO	(34)	(12)	9
Decrease/(increase) in staff incentive scheme cost	5	(13)	(23)
Trading profits and development fees earned	64	47	90
Profit on disposal of OneCart (Pty) Limited	-	-	46
Profit on disposal of convertible shares in GPHH	26	-	-
Pre-acquisition profits of GSAH	-	9	3
Amortisation of tenant incentive add back (GOZ FFO)	232	170	364
Distributable income from GOZ retained (including NCI's portion)	(431)	(269)	(446)
Distributable income from C&R retained (including NCI's portion)	(4)	(67)	(150)
Adjustments to dividends from GPHH	(22)	(8)	(48)
Adjustments to dividends from GSAH	(11)	-	2
Taxation paid on distributable income retained	107	119	171
Distributable income (Rm)	2 662	2 623	5 307
Distributable income per share (DIPS) (cents)	77.9	76.9	155.6
First half-year (cents)	77.9	76.9	76.9
Second half-year (cents)			78.7

REIT RATIOS continued

for the six months ended 31 December 2022

	Six months 31 December 2022 Rm	Six months 31 December 2021 Rm	12 months 30 June 2022 Rm
SA REIT net asset value (SA REIT NAV) (Group)			
Reported NAV attributable to the parent	71 748	69 801	71 212
Adjustments:	654	3 652	2 597
Dividend to be declared	(2 194)	(2 095)	(2 280)
Fair value of certain derivative financial instruments	(1 253)	849	(25)
Goodwill and intangible assets	(1 058)	(548)	(496)
Deferred tax	5 159	5 446	5 398
SA REIT NAV	72 402	73 453	73 809
Shares outstanding			
	Number of shares	Number of shares	Number of shares
Number of shares in issue at period end (net of treasury shares)	3 411 622 222	3 406 439 781	3 407 663 028
Diluted number of share options granted to employees	20 147 746	12 497 449	13 216 959
Dilutive effect of share options granted to employees	3 431 769 968	3 418 937 230	3 420 879 987
SA REIT NAV per share (R)	21.10	21.48	21.58
SA REIT cost-to-income ratio			
	Rm	Rm	Rm
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)	2 850	2 609	5 197
Administrative expenses per IFRS income statement <i>Excluding: Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets</i>	452	397	832
Operating costs	3 302	3 006	6 029
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	7 010	6 421	12 884
Utility and operating recoveries per IFRS income statement	901	872	1 681
Gross rental income	7 911	7 293	14 565
SA REIT cost-to-income ratio	41.7%	41.2%	41.4%
SA REIT administrative cost-to-income ratio			
	Rm	Rm	Rm
Expenses			
Administrative expenses as per IFRS income statement	452	397	832
Administrative costs	452	397	832
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	7 010	6 421	12 884
Utility and operating recoveries per IFRS income statement	901	872	1 681
Gross rental income	7 911	7 293	14 565
SA REIT administrative cost-to-income ratio	5.7%	5.4%	5.7%
SA REIT GLA vacancy rate			
	GLA m ²	GLA m ²	GLA m ²
Gross lettable area of vacant space	776 736	758 864	763 751
Gross lettable area of total property portfolio	8 086 298	8 428 982	8 223 473
SA REIT GLA vacancy rate	9.6%	9.0%	9.3%

	ZAR %	AUD %	EUR %	USD %
Cost of debt				
31 December 2022				
Variable interest-rate borrowings				
Floating reference rate plus weighted average margin	8.5	–	–	6.1
Fixed interest-rate borrowings				
Weighted average fixed rate	9.9	–	–	5.9
Pre-adjusted weighted average cost of debt	8.5	–	–	5.9
Adjustments:				
Impact of interest-rate derivatives	0.2	–	(0.4)	–
Impact of cross-currency interest-rate swaps	0.2	3.5	3.5	(0.6)
Amortised transaction costs imputed in the effective interest rate	–	–	–	0.2
All-in weighted average cost of debt	8.9	3.5	3.1	5.5

	ZAR %	AUD %	EUR %	USD %
Cost of debt				
31 December 2021				
Variable interest-rate borrowings				
Floating reference rate plus weighted average margin	5.5	–	–	2.0
Fixed interest-rate borrowings				
Weighted average fixed rate	9.9	–	–	5.9
Pre-adjusted weighted average cost of debt	5.6	–	–	5.4
Adjustments:				
Impact of interest-rate derivatives	1.7	–	1.0	–
Impact of cross-currency interest-rate swaps	0.3	3.5	2.9	(0.4)
Amortised transaction costs imputed in the effective interest rate	–	–	–	0.2
All-in weighted average cost of debt	7.6	3.5	3.9	5.2

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

REIT RATIOS continued

for the six months ended 31 December 2022

	31 December 2022 Rm	31 December 2021 Rm	30 June 2022 Rm
SA REIT loan-to-value (Group)			
Gross debt	66 940	64 861	63 802
Less:			
Cash and cash equivalents	(3 354)	(2 485)	(2 841)
(Less)/add:			
Derivative financial instruments	(1 765)	849	(1 675)
Net debt	61 821	63 225	59 286
Total assets per statement of financial position	168 167	168 177	164 729
Less:			
Cash and cash equivalents	(3 354)	(2 485)	(2 841)
Derivative financial assets	(2 563)	(1 177)	(2 492)
Goodwill and intangible assets	(1 058)	(548)	(496)
Trade and other receivables	(1 733)	(2 710)	(2 321)
Carrying amount of property-related assets	159 459	161 257	156 579
SA REIT loan-to-value (SA REIT LTV)	38.8%	39.2%	37.9%

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 31 December 2022

	Note	Unaudited six months 31 December 2022 Rm	Reviewed six months 31 December 2021 Rm	Audited 12 months 30 June 2022 Rm
Revenue, excluding straight-line lease income adjustment		7 010	6 421	12 884
Straight-line lease income adjustment		(162)	(45)	164
Total revenue		6 848	6 376	13 048
Property-related expenses		(1 964)	(1 743)	(3 603)
Expected credit losses on trade receivables		15	6	87
Net property income		4 899	4 639	9 532
Other administrative and operating overheads		(452)	(397)	(832)
Operating profit		4 447	4 242	8 700
Equity-accounted investment profit – net of tax		187	20	409
Non-distributable loss		(316)	(420)	(479)
Dividends and interest received		503	440	888
Fair value adjustments, capital items and other charges		(1 286)	4 213	6 262
Finance and other investment income		116	97	167
Finance expense		(2 014)	(1 573)	(3 115)
Profit before taxation		1 450	6 999	12 423
Taxation		89	(1 260)	(1 293)
Profit for the period		1 539	5 739	11 130
Other comprehensive income – net of tax				
Items that may subsequently be reclassified to profit or loss				
Translation of foreign operations		1 401	3 132	1 724
Total comprehensive income for the period		2 940	8 871	12 854
Profit attributable to:		1 539	5 739	11 130
Owners of the company		1 866	3 650	7 937
Non-controlling interests		(327)	2 089	3 193
Total comprehensive income attributable to:		2 940	8 871	12 854
Owners of the company		2 737	5 551	8 997
Non-controlling interests		203	3 320	3 857
		Cents	Cents	Cents
Basic earnings per share	2.1	54.73	107.23	233.04
Diluted earnings per share	2.1	54.41	106.84	232.14

STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Unaudited 31 December 2022 Rm	Reviewed 31 December 2021 Rm	Audited 30 June 2022 Rm
Assets			
Cash and cash equivalents	3 354	2 232	2 841
Trade and other receivables	1 733	2 231	2 321
Taxation receivable	135	48	153
Assets classified as held for sale	1 625	3 193	866
Property held for trading and development	324	424	453
Derivative assets	2 563	1 177	2 492
Listed investments	1 654	1 992	1 489
Fair value of property assets	136 039	137 056	134 712
Fair value of investment property	129 599	130 310	128 126
Straight-line lease income adjustment	3 440	3 496	3 565
Tenant incentives	1 400	1 555	1 470
Right-of-use assets	1 600	1 695	1 551
Long-term loans granted	3 334	3 105	3 313
Equity-accounted investments	14 856	15 193	14 585
Unlisted investments	1 393	915	921
Equipment	77	48	49
Intangible assets	1 058	548	496
Deferred tax assets	22	15	38
Total assets	168 167	168 177	164 729
Liabilities and equity			
Liabilities			
Trade and other payables	3 496	3 462	3 541
Derivative liabilities	798	2 026	817
Taxation payable	81	86	67
Liabilities associated with assets classified as held for sale	–	3 566	39
Business combination variable consideration	50	–	–
Interest-bearing borrowings	65 782	62 996	62 857
Lease liability	1 907	1 977	1 826
Deferred tax liability	5 181	5 461	5 436
Total liabilities	77 295	79 574	74 583
Equity			
Shareholders' interest	71 748	69 801	71 212
Share capital	53 239	53 177	53 195
Retained income	4 985	4 199	4 712
Other reserves	13 524	12 425	13 305
Non-controlling interest	19 124	18 802	18 934
Total liabilities and equity	168 167	168 177	164 729

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2022

	Attributable to owners of the company							Total equity Rm
	Share capital net of treasury shares Rm	Non-distributable reserves (NDR) Foreign currency translation reserve (FCTR) Rm	Non-distributable reserve (NDR) Rm	Retained earnings (RE) Rm	Shareholders' interest Rm	Non-controlling interest (NCI) Rm		
Balance at 30 June 2021	53 117	4 127	5 427	3 739	66 410	14 192	80 602	
Total comprehensive income								
Profit after taxation	-	-	-	3 650	3 650	2 089	5 739	
Other comprehensive income	-	1 901	-	-	1 901	1 231	3 132	
Transactions with owners recognised directly in equity								
Contributions by and distributions to owners								
Transfer non-distributable items to NDR	-	-	1 146	(1 146)	-	-	-	
Share-based payment transactions	60	-	(19)	-	41	-	41	
Dividends declared	-	-	-	(2 044)	(2 044)	(398)	(2 442)	
Changes in ownership interest								
Acquisition of subsidiary with NCI – GSAH	-	-	-	-	-	1 190	1 190	
Shares issued to NCI – GOZ	-	-	-	-	-	11	11	
Shares issued to NCI – GHPH	-	-	6	-	6	284	290	
Rights issue and acquisitions – C&R	-	-	(163)	-	(163)	203	40	
Balance at 31 December 2021	53 177	6 028	6 397	4 199	69 801	18 802	88 603	
Total comprehensive income								
Profit after taxation	-	-	-	4 287	4 287	1 104	5 391	
Other comprehensive income	-	(841)	-	-	(841)	(567)	(1 408)	
Transactions with owners recognised directly in equity								
Contributions by and distributions to owners								
Transfer non-distributable items to NDR	-	-	1 655	(1 655)	-	-	-	
Share-based payment transactions	18	-	18	-	36	-	36	
Dividends declared	-	-	-	(2 119)	(2 119)	(412)	(2 531)	
Changes in ownership interest								
Shares issued to NCI – GOZ	-	-	-	-	-	1	1	
Shares issued to NCI – C&R	-	-	46	-	46	-	46	
Share buyback – GOZ	-	-	-	-	-	(12)	(12)	
Change of ownership – GHPH	-	-	2	-	2	(2)	-	
Change of ownership – GSAH	-	-	-	-	-	20	20	
Balance at 30 June 2022	53 195	5 187	8 118	4 712	71 212	18 934	90 146	
Total comprehensive income								
Profit after taxation	-	-	-	1 866	1 866	(327)	1 539	
Other comprehensive income	-	871	-	-	871	530	1 401	
Transactions with owners recognised directly in equity								
Contributions by and distributions to owners								
Transfer non-distributable items to NDR	-	-	(669)	669	-	-	-	
Share-based payment transactions	44	-	17	-	61	-	61	
Dividends declared	-	-	-	(2 282)	(2 282)	(501)	(2 783)	
Changes in ownership interest								
Share buyback – GOZ	-	-	-	-	-	(242)	(242)	
Shares issued to NCI – GHPH	-	-	-	13	13	487	500	
Shares issued to NCI – GSAH	-	-	-	7	7	243	250	
Balance at 31 December 2022	53 239	6 058	7 466	4 985	71 748	19 124	90 872	

Unaudited six months 31 December 2022 Cents	Reviewed six months 31 December 2021 Cents	Audited 12 months 30 June 2022 Cents
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Dividend per share

64.3

61.5

128.4

STATEMENT OF CASH FLOWS

for the six months ended 31 December 2022

	Unaudited six months 31 December 2022 Rm	Reviewed six months 31 December 2021 Rm	Audited 12 months 30 June 2022 Rm
Cash flows from operating activities			
Cash generated from operating activities	5 004	4 787	8 869
Interest paid	(1 623)	(1 622)	(3 181)
Interest received	307	32	47
Dividends received	168	238	441
Taxation paid	(151)	(318)	(529)
Investment in property held for trading and development	(72)	(160)	(188)
Disposal of property held for trading and development	333	340	339
Distribution to shareholders	(2 783)	(2 442)	(4 973)
Net cash generated from operating activities	1 183	855	825
Cash flows from investing activities			
Investments in:	(4 633)	(3 319)	(5 622)
Business combination (Fortius) – net of cash acquired	(586)	–	–
Equipment	(34)	(7)	(34)
Intangible assets	(3)	–	(2)
Investment property	(3 491)	(2 615)	(4 908)
Listed investment	–	(664)	(664)
Long-term loans	(5)	(22)	(3)
Unlisted investment	(514)	(11)	(11)
Proceeds from:	1 608	1 023	2 025
Disposal of investment property	726	836	1 773
Disposal of investment property held for sale	882	181	182
Disposal of unlisted investment	–	–	63
Repayment of long-term loans granted	–	6	7
Assets classified as held for sale	–	(240)	–
Net cash used by investing activities	(3 025)	(2 536)	(3 597)
Cash flows from financing activities			
Proceeds from:	5 294	6 191	8 841
Borrowings raised	4 544	5 867	8 453
Rights issued to NCI – C&R	–	40	–
Shares issued to NCI – C&R	–	–	86
Shares issued to NCI – GHPH	500	284	290
Shares issued to NCI – GOZ	–	–	12
Shares issued to NCI – GSAH	250	–	–
Repayments of borrowings	(2 745)	(4 970)	(5 807)
Repayments of lease liability	(6)	(41)	(34)
Share buyback – GOZ	(242)	–	(12)
Settlement of derivatives	–	(43)	(43)
Net cash generated from financing activities	2 301	1 137	2 945
Effect of exchange rate changes on cash and cash equivalents	54	154	46
Increase/(decrease) in cash and cash equivalents	513	(390)	219
Cash and cash equivalents at beginning of period	2 841	2 622	2 622
Cash and cash equivalents at end of reporting period	3 354	2 232	2 841

SEGMENTAL ANALYSIS

for the six months ended 31 December 2022

The Group determines and presents operating segments based on the information that is provided internally to the Executive Management Committee (Exco), the Group's operating decision-making forum. The Group comprises 11 segments, namely Retail, Office, Industrial, Trading and Development, V&A Waterfront, Healthcare (GPHH), Student Accommodation (GSAH), Lango, GWI, GOZ and C&R. All operating segments' operating results are reviewed regularly by Exco to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

In addition to the main reportable segments, the Group also includes a geographical analysis of investment property and net property income, excluding straight-line lease income adjustment for South Africa, excluding the V&A Waterfront, Australia and the United Kingdom. The Group also includes a geographical analysis of dividends and interest received from equity-accounted investments (V&A Waterfront and Central and Eastern Europe) and unlisted investments (Lango).

Although not a segment, the SA head office is disclosed as a separate column in the segmental analysis, representing the head office costs for SA that are not directly attributed to either the Retail, Office, Industrial or Trading and Development segments.

The presentation of the Group segmental report has been re-presented, including the previous periods, as the new format more appropriately presents three main focuses of the Group, i.e., the South African business, Growthpoint Investment Partners (GIP), our fund's management business, as well as our offshore portfolio. Due to the additional investment into Lango during the period, and the increased focus on GIP, Lango was added as an additional sector.

Segments	Geographical segment	Brief description of segment
South African 100%-owned properties		
1. Retail	South Africa	The Growthpoint retail portfolio consists of 42 (FY22: 42) properties in SA, comprising shopping centres with the balance being standalone single-tenanted properties. It includes regional, community, neighbourhood, retail warehouses and speciality centres.
2. Office	South Africa	The Growthpoint office portfolio consists of 154 (FY22: 158) properties in SA which include high-rise and low-rise offices, office parks, office warehouses, vacant land as well as mixed-use properties comprising both office and retail.
3. Industrial	South Africa	The Growthpoint industrial portfolio consists of 175 (FY22: 187) properties in SA which include warehousing, industrial parks, motor-related outlets, low and high-grade industrial, high-tech industrial, telecommunication assets, land zoned for developments, vacant land as well as mini, midi and maxi units.
4. Trading and Development	South Africa	The Growthpoint trading and development portfolio consists of five (FY22: five) properties.
5. V&A Waterfront	South Africa	The V&A Waterfront is a 123-hectare mixed-use property development situated in and around the historic Victoria and Alfred Basin, which formed Cape Town's original harbour. Its properties include retail, office, fishing and industrial, hotel and residential as well as undeveloped bulk.
Growthpoint Investment Partners (GIP)		
6. Lango	Rest of Africa	The Lango portfolio consists of eight (FY22: eight) commercial properties and three (FY22: three) plots of land across selected cities on the African continent.
7. GPHH	South Africa	The Growthpoint healthcare portfolio consists of seven (FY22: six) hospitals and one (FY22: one) medical chamber building.
8. GSAH	South Africa	The Growthpoint student accommodation portfolio consists of 10 (FY22: nine) purpose-built student accommodation properties situated in Johannesburg, Pretoria and Cape Town.
Offshore		
9. GWI	Central and Eastern Europe	The GWI portfolio consists of 71 (FY22: 71) standing properties in Poland and Romania, mostly modern A-grade office properties, industrial properties as well as a residential property complex.
10. GOZ	Australia	The GOZ portfolio consists of 59 (FY22: 58) properties which include both industrial and office properties, all situated in Australia.
11. C&R	United Kingdom	The C&R portfolio consists of five (FY22: six) properties that are community-based shopping centres, all situated in the United Kingdom.

SEGMENTAL ANALYSIS continued

for the six months ended 31 December 2022

	Unaudited 31 December 2022						Total SA reported Rm
	South Africa						
	Retail 100% Rm	Office 100% Rm	Industrial 100% Rm	Trading and development 100% Rm	Head Office SA 100% Rm	V&A Waterfront 50% Rm	
Material profit or loss disclosures							
Revenue excluding straight-line lease adjustment	1 603	1 583	784	132	–	–	4 102
Asset management fee income	–	–	–	–	–	–	–
Property-related expenses (including expected credit losses)	(507)	(528)	(213)	(4)	–	–	(1 252)
Net property income	1 096	1 055	571	128	–	–	2 850
Other administrative and operating overheads	–	–	–	(20)	(191)	–	(211)
Asset management fee expense	–	–	–	–	–	–	–
Equity-accounted investment profit – non-distributable profit	–	1	–	–	–	128	129
Equity-accounted investment profit – dividends/interest received	–	–	–	–	–	335	335
Fair value adjustment on investment property	474	185	223	–	–	–	775
Fair value adjustments (other than investment property)	–	–	–	–	222	–	222
Capital items and non-cash charges	–	–	–	–	(64)	–	(64)
Finance and other investment income	–	–	–	–	90	–	90
Finance expense	–	–	–	–	(1 381)	–	(1 381)
Consolidated profit before taxation	1 570	1 241	794	108	(1 324)	463	2 745
Assets							
Cash and cash equivalents	–	–	–	–	1 223	–	1 223
Trade and other receivables	–	–	–	–	1 079	–	1 079
Taxation receivable	–	–	–	–	128	–	128
Investment property classified as held for sale	–	–	113	–	–	–	113
Investment property held for trading and development	–	–	–	324	–	–	324
Derivative assets	–	–	–	–	1 925	–	1 925
Listed investments	–	–	–	–	–	–	–
Fair value of property assets	25 212	26 225	12 116	–	–	–	63 553
Fair value of investment property	25 096	25 889	12 092	–	–	–	63 077
Tenant incentives	79	336	24	–	–	–	439
Right-of-use assets	37	–	–	–	–	–	37
Long-term loans granted	–	–	–	–	3 334	–	3 334
Equity-accounted investments	–	–	–	–	36	5 910	5 946
Unlisted investments	–	–	–	–	62	–	62
Equipment	–	–	–	–	2	–	2
Investment in subsidiaries	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	460	–	460
Deferred tax assets	–	–	–	–	–	–	–
Total assets	25 212	26 225	12 229	324	8 249	5 910	78 149
Total property assets	25 212	26 225	12 229	324	–	9 193	73 183
Liabilities							
Trade and other payables	–	–	–	–	1 800	–	1 800
Derivative liabilities	–	–	–	–	743	–	743
Tax payable	–	–	–	–	–	–	–
Business combination variable consideration	–	–	–	–	–	–	–
Intercompany liabilities	–	–	–	–	–	–	–
Interest-bearing borrowings	–	–	–	–	39 198	–	39 198
Lease liability	–	–	–	–	37	–	37
Deferred tax liability	–	–	–	–	5 013	–	5 013
Total liabilities	–	–	–	–	46 791	–	46 791
Other disclosures							
Transfers between segments	–	–	(144)	–	–	–	(144)
Acquisitions	–	–	212	–	–	–	212
Development and capital expenditure	172	179	123	19	–	–	493

Unaudited 31 December 2022

Growthpoint Investment Partners (GIP)									Offshore							Total Group as reported Rm	
Dividends received/ investment	Dividends received/ investment	Dividends received/ investment	GIP fund manager	Total GIP	GHPH segment	GSAH segment	Consolidation	Total GIP reported	Distribution received/ investment	Dividends received/ investment	Central and Eastern Europe segment	Total offshore	Australia segment	United Kingdom segment	Consolidation		Total offshore reported
39.1%	14.3%	18.4%	Rm	Rm	Rm	Rm	Rm	Rm	100%	100%	29.4%	Rm	Rm	Rm	Rm	Rm	
—	—	—	—	—	224	164	—	388	—	—	—	—	1965	523	—	2488	6978
—	—	—	48	48	—	—	(48)	—	—	—	—	—	32	—	—	32	32
—	—	—	—	—	(41)	(58)	—	(99)	—	—	—	—	(332)	(266)	—	(598)	(1949)
—	—	—	48	48	183	106	(48)	289	—	—	—	—	1665	257	—	1922	5061
—	—	—	(12)	(12)	(4)	(4)	—	(20)	—	—	—	—	(186)	(35)	—	(221)	(452)
—	—	—	—	—	(22)	(17)	39	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	(445)	(445)	—	—	—	(445)	(316)
—	—	—	—	—	—	—	9	9	—	—	159	159	—	—	—	159	503
—	—	—	—	—	57	156	—	213	—	—	—	—	(2340)	(372)	—	(2712)	(1724)
—	—	—	—	—	—	1	—	1	—	—	—	—	134	7	—	141	364
—	—	—	—	—	—	—	—	—	—	—	—	—	(5)	(19)	—	(24)	(88)
67	9	3	—	79	3	2	(76)	8	512	52	—	564	(488)	(58)	—	18	116
—	—	—	—	—	(51)	(24)	—	(75)	—	—	—	—	(451)	(107)	—	(558)	(2014)
67	9	3	36	115	166	220	(76)	425	512	52	(286)	278	(1671)	(327)	—	(1720)	1450
—	—	—	—	—	89	300	—	389	—	—	—	—	598	1144	—	1742	3354
—	—	—	—	—	66	29	—	95	—	—	—	—	287	272	—	559	1733
—	—	—	—	—	—	—	—	—	—	—	—	—	7	—	—	7	135
—	—	—	—	—	—	—	—	—	—	—	—	—	1512	—	—	1512	1625
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	324
—	—	—	—	—	—	7	—	7	—	—	—	—	599	32	—	631	2563
—	—	—	—	—	—	—	—	—	—	—	—	—	1654	—	—	1654	1654
—	—	—	—	—	3615	2655	—	6270	—	—	—	—	59012	7204	—	66216	136039
—	—	—	—	—	3587	2655	—	6242	—	—	—	—	57014	6706	—	63720	133039
—	—	—	—	—	28	—	—	28	—	—	—	—	879	54	—	933	1400
—	—	—	—	—	—	—	—	—	—	—	—	—	1119	444	—	1563	1600
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3334
—	—	—	10	10	—	—	—	10	—	—	8900	8900	—	—	—	8900	14856
—	—	1281	—	1281	—	—	—	1281	—	—	—	—	50	—	—	50	1393
—	—	—	—	—	—	2	—	2	—	—	—	—	36	37	—	73	77
750	240	—	—	990	—	—	(990)	—	9594	3870	—	13464	—	—	(13464)	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	598	—	—	598	1058
—	—	—	—	—	—	—	—	—	—	—	—	—	—	22	—	22	22
750	240	1281	10	2281	3770	2993	(990)	8054	9594	3870	8900	22364	64353	8711	(13464)	81964	168167
—	—	10432	—	10432	3615	2655	—	16702	—	—	16518	16518	60524	7204	—	84246	174131
—	—	—	—	—	43	218	—	261	—	—	—	—	841	594	—	1435	3496
—	—	—	—	—	—	—	—	—	—	—	—	—	55	—	—	55	798
—	—	—	—	—	—	—	—	—	—	—	—	—	60	21	—	81	81
—	—	—	—	—	—	—	—	—	—	—	—	—	50	—	—	50	50
—	—	—	—	—	553	—	(553)	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	926	—	926	—	—	—	—	22583	3075	—	25658	65782
—	—	—	—	—	—	1	—	1	—	—	—	—	1251	618	—	1869	1907
—	—	—	—	—	—	117	—	117	—	—	—	—	51	—	—	51	5181
—	—	—	—	—	596	1262	(553)	1305	—	—	—	—	24891	4308	—	29199	77295
—	—	—	—	—	144	—	—	144	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	33	—	33	—	—	—	—	2033	—	—	2033	2278
—	—	—	—	—	1	346	—	347	—	—	—	—	150	92	—	242	1082

SEGMENTAL ANALYSIS continued

for the six months ended 31 December 2022

	Reviewed 31 December 2021						Total SA reported Rm
	South Africa						
	Retail 100% Rm	Office 100% Rm	Industrial 100% Rm	Trading and develop- ment 100% Rm	Head Office SA 100% Rm	V&A Waterfront 50% Rm	
Material profit or loss disclosures							
Revenue excluding straight-line lease adjustment	1 591	1 552	792	73	–	–	4 008
Asset management fee income	–	–	–	–	–	–	–
Property-related expenses (including expected credit losses)	(472)	(473)	(190)	(1)	–	–	(1 136)
Net property income	1 119	1 079	602	72	–	–	2 872
Other administrative and operating overheads	–	–	–	–	(206)	–	(206)
Asset management fee expense	–	–	–	–	–	–	–
Equity-accounted investment profit – non-distributable loss	–	(2)	–	–	–	(466)	(468)
Equity-accounted investment profit – dividends/interest received	–	3	–	–	–	268	271
Fair value adjustment on investment property	117	(242)	(135)	7	–	–	(253)
Fair value adjustments (other than investment property)	–	–	–	–	495	–	495
Capital items and non-cash charges	–	–	–	–	(31)	–	(31)
Finance and other investment income	–	–	–	–	30	–	30
Finance expense	–	–	–	–	(1 034)	–	(1 034)
Consolidated profit before taxation	1 236	838	467	79	(746)	(198)	1 676
Assets							
Cash and cash equivalents	–	–	–	–	393	–	393
Trade and other receivables	–	–	–	–	1 466	–	1 466
Taxation receivable	–	–	–	–	48	–	48
Investment property classified as held for sale	–	11	20	–	–	–	31
Investment property held for trading and development	–	–	–	424	–	–	424
Derivative assets	–	–	–	–	894	–	894
Listed investments	–	–	–	–	–	–	–
Fair value of property assets	24 753	27 404	12 119	–	–	–	64 276
Fair value of investment property	24 644	27 076	12 098	–	–	–	63 818
Tenant incentives	74	328	21	–	–	–	423
Right-of-use assets	35	–	–	–	–	–	35
Long-term loans granted	–	–	–	–	3 105	–	3 105
Equity-accounted investments	–	–	–	–	31	5 872	5 903
Unlisted investments	–	–	–	–	62	–	62
Equipment	–	–	–	–	4	–	4
Investment in subsidiaries	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	548	–	548
Deferred tax assets	–	–	–	–	–	–	–
Total assets	24 753	27 415	12 139	424	6 551	5 872	77 154
Total property assets	24 753	27 415	12 139	424	–	9 001	73 732
Liabilities							
Trade and other payables	–	–	–	–	1 991	–	1 991
Derivative liabilities	–	–	–	–	2 025	–	2 025
Tax payable	–	–	–	–	–	–	–
Liabilities associated with assets classified as held for sale	–	–	–	–	–	–	–
Intercompany liabilities	–	–	–	–	–	–	–
Interest-bearing borrowings	–	–	–	–	38 232	–	38 232
Lease liability	–	–	–	–	37	–	37
Deferred tax liability	–	–	–	–	5 336	–	5 336
Total liabilities	–	–	–	–	47 621	–	47 621
Other disclosures							
Transfers between segments	–	–	(18)	18	–	–	–
Acquisitions	–	–	7	–	–	–	7
Development and capital expenditure	82	102	136	333	–	–	653

Reviewed 31 December 2021

Growthpoint Investment Partners (GIP)										Offshore							Total Group as reported Rm
Dividends received/ investment GHPH 55.9% Rm	Dividends received/ investment GSAH 16.6% Rm	Dividends received/ investment Lango segment 16.3% Rm	GIP fund manager Rm	Total GIP Rm	GHPH segment Rm	GSAH segment Rm	Consolidation Rm	Total GIP reported Rm	Dividends received/ investment Australia 100% Rm	Dividends received/ investment United Kingdom 100% Rm	Central and Eastern Europe segment 29.3% Rm	Total offshore Rm	Australia segment Rm	United Kingdom segment Rm	Consolidation Rm	Total offshore reported Rm	
-	-	-	-	-	185	24	-	209	-	-	-	-	1 560	644	-	2 204	6 421
-	-	-	21	21	-	-	(21)	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	(26)	(5)	-	(31)	-	-	-	-	(262)	(308)	-	(570)	(1 737)
-	-	-	21	21	159	19	(21)	178	-	-	-	-	1 298	336	-	1 634	4 684
-	-	-	-	-	(5)	-	-	(5)	-	-	-	-	(112)	(74)	-	(186)	(397)
-	-	-	-	-	(19)	(2)	21	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	48	48	-	-	-	48	(420)
-	-	-	-	-	-	-	-	-	-	-	169	169	-	-	-	169	440
-	-	-	-	-	33	(62)	-	(29)	-	-	-	-	3 166	(139)	-	3 027	2 745
-	-	-	-	-	-	(8)	-	(8)	-	-	-	-	665	337	-	1 002	1 489
-	-	-	-	-	-	-	-	-	-	-	-	-	1	(36)	-	(35)	(66)
67	11	17	-	95	1	1	(78)	19	520	-	-	520	38	10	(520)	48	97
-	-	-	-	-	(50)	(3)	-	(53)	-	-	-	-	(273)	(213)	-	(486)	(1 573)
67	11	17	21	116	119	(55)	(78)	102	520	-	217	737	4 783	221	(520)	5 221	6 999
-	-	-	-	-	89	34	-	123	-	-	-	-	453	1 263	-	1 716	2 232
-	-	-	-	-	40	25	-	65	-	-	-	-	313	387	-	700	2 231
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48
-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 162	-	3 162	3 193
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	424
-	-	-	-	-	-	-	-	-	-	-	-	-	282	1	-	283	1 177
-	-	-	-	-	-	-	-	-	-	-	-	-	1 992	-	-	1 992	1 992
-	-	-	-	-	3 411	1 989	-	5 400	-	-	-	-	58 518	8 862	-	67 380	137 056
-	-	-	-	-	3 389	1 989	-	5 378	-	-	-	-	56 332	8 278	-	64 610	133 806
-	-	-	-	-	22	-	-	22	-	-	-	-	1 055	55	-	1 110	1 555
-	-	-	-	-	-	-	-	-	-	-	-	-	1 131	529	-	1 660	1 695
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 105
-	-	-	10	10	-	-	-	10	-	-	9 280	9 280	-	-	-	9 280	15 193
-	-	852	-	852	-	-	-	852	-	-	-	-	-	1	-	1	915
-	-	-	-	-	-	-	-	-	-	-	-	-	6	38	-	44	48
1 206	240	-	-	1 446	-	-	(1 446)	-	9 594	3 501	-	13 095	-	-	(13 095)	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	548
-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	15	15
1 206	240	852	10	2 308	3 540	2 048	(1 446)	6 450	9 594	3 501	9 280	22 375	61 564	13 729	(13 095)	84 573	168 177
-	-	9 979	-	9 979	3 411	1 989	-	15 379	-	-	15 045	15 045	58 518	12 024	-	85 587	174 698
-	-	-	-	-	30	36	-	66	-	-	-	-	839	566	-	1 405	3 462
-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	2 026
-	-	-	-	-	-	-	-	-	-	-	-	-	61	25	-	86	86
-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 566	-	3 566	3 566
-	-	-	-	-	886	-	(886)	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	402	550	-	952	-	-	-	-	18 787	5 025	-	23 812	62 996
-	-	-	-	-	-	-	-	-	-	-	-	-	1 231	709	-	1 940	1 977
-	-	-	-	-	-	96	-	96	-	-	-	-	29	-	-	29	5 461
-	-	-	-	-	1 318	682	(886)	1 114	-	-	-	-	20 948	9 891	-	30 839	79 574
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2 051	-	2 051	-	-	-	-	1 608	-	-	1 608	3 666
-	-	-	-	-	1	-	-	1	-	-	-	-	153	95	-	248	902

SEGMENTAL ANALYSIS continued

for the six months ended 31 December 2022

	Audited 30 June 2022						Total SA reported Rm
	South Africa						
	Retail 100% Rm	Office 100% Rm	Industrial 100% Rm	Trading and develop- ment 100% Rm	Head Office SA 100% Rm	V&A Waterfront 50% Rm	
Material profit or loss disclosures							
Revenue excluding straight-line lease adjustment	3 165	3 063	1 591	107	–	–	7 926
Asset management fee income	–	–	–	–	–	–	–
Property-related expenses (including expected credit losses)	(926)	(986)	(378)	(3)	–	–	(2 293)
Net property income	2 239	2 077	1 213	104	–	–	5 633
Other administrative and operating overheads	–	–	–	–	(414)	–	(414)
Asset management fee expense	–	–	–	–	–	–	–
Equity-accounted investment profit – non-distributable loss	–	(4)	–	–	–	(557)	(561)
Equity-accounted investment profit – dividends/interest received	–	4	–	–	–	567	571
Fair value adjustment on investment property	28	(1 470)	208	–	–	–	(1 234)
Fair value adjustments (other than investment property)	–	–	–	–	1 859	–	1 859
Capital items and non-cash charges	–	–	–	–	(98)	–	(98)
Finance and other investment income	–	–	–	–	58	–	58
Finance expense	–	–	–	–	(2 230)	–	(2 230)
Consolidated profit before taxation	2 267	607	1 421	104	(825)	10	3 584
Assets							
Cash and cash equivalents	–	–	–	–	1 334	–	1 334
Trade and other receivables	–	–	–	–	1 526	–	1 526
Taxation receivable	–	–	–	–	153	–	153
Investment property classified as held for sale	–	35	38	–	–	–	73
Investment property held for trading and development	–	–	–	453	–	–	453
Derivative assets	–	–	–	–	1 805	–	1 805
Listed investments	–	–	–	–	–	–	–
Fair value of property assets	24 573	25 964	12 054	–	–	–	62 591
Fair value of investment property	24 450	25 653	12 033	–	–	–	62 136
Tenant incentives	86	311	21	–	–	–	418
Right-of-use assets	37	–	–	–	–	–	37
Long-term loans granted	–	–	–	–	3 313	–	3 313
Equity-accounted investments	–	–	–	–	37	5 780	5 817
Unlisted investments	–	–	–	–	62	–	62
Equipment	–	–	–	–	4	–	4
Investment in subsidiaries	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	496	–	496
Deferred tax assets	–	–	–	–	–	–	–
Total assets	24 573	25 999	12 092	453	8 730	5 780	77 627
Total property assets	24 573	25 999	12 092	453	–	9 001	72 118
Liabilities							
Trade and other payables	–	–	–	–	2 085	–	2 085
Derivative liabilities	–	–	–	–	813	–	813
Tax payable	–	–	–	–	–	–	–
Liabilities associated with assets classified as held for sale	–	–	–	–	–	–	–
Intercompany liabilities	–	–	–	–	–	–	–
Interest-bearing borrowings	–	–	–	–	38 949	–	38 949
Lease liability	–	–	–	–	38	–	38
Deferred tax liability	–	–	–	–	5 319	–	5 319
Total liabilities	–	–	–	–	47 204	–	47 204
Other disclosures							
Transfers between segments	–	–	(17)	17	–	–	–
Acquisitions	–	–	6	–	–	–	6
Development and capital expenditure	232	303	220	188	–	–	943

Audited 30 June 2022

Growthpoint Investment Partners (GIP)										Offshore							Total Group as reported Rm
Dividends received/ investment GHPH 55.9% Rm	Dividends received/ investment GSAH 16.6% Rm	Dividends received/ investment Lango segment 16.3% Rm	GIP fund manager Rm	Total GIP Rm	GHPH segment Rm	GSAH segment Rm	Consolidation Rm	Total GIP reported Rm	Dividends received/ investment Australia 100% Rm	Dividends received/ investment United Kingdom 100% Rm	Central and Eastern Europe segment 29.3% Rm	Total offshore Rm	Australia segment Rm	United Kingdom segment Rm	Consolidation Rm	Total offshore reported Rm	
-	-	-	-	-	378	174	-	552	-	-	-	-	3 218	1 188	-	4 406	12 884
-	-	-	67	67	-	-	(67)	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	(56)	(48)	-	(104)	-	-	-	-	(558)	(561)	-	(1 119)	(3 516)
-	-	-	67	67	322	126	(67)	448	-	-	-	-	2 660	627	-	3 287	9 368
-	-	-	(15)	(15)	(8)	(6)	-	(29)	-	-	-	-	(248)	(141)	-	(389)	(832)
-	-	-	-	-	(41)	(15)	56	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	82	82	-	-	-	82	(479)
-	-	-	-	-	-	-	11	11	-	-	306	306	-	-	-	306	888
-	-	-	-	-	86	(31)	-	55	-	-	-	-	3 375	(175)	-	3 200	2 021
-	-	-	-	-	-	-	-	-	-	-	-	-	1 402	1 150	-	2 552	4 411
-	-	-	-	-	-	(13)	-	(13)	-	-	-	-	1	104	-	105	(6)
143	17	22	-	182	-	1	(160)	23	1 065	-	-	1 065	86	-	(1 065)	86	167
-	-	-	-	-	-	(24)	-	(24)	-	-	-	-	(546)	(315)	-	(861)	(3 115)
143	17	22	52	234	359	38	(160)	471	1 065	-	388	1 453	6 730	1 250	(1 065)	8 368	12 423
-	-	-	-	-	98	65	-	163	-	-	-	-	553	791	-	1 344	2 841
-	-	-	-	-	30	54	-	84	-	-	-	-	346	365	-	711	2 321
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	153
-	-	-	-	-	-	-	-	-	-	-	-	-	-	793	-	793	866
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	453
-	-	-	-	-	-	-	-	-	-	-	-	-	665	22	-	687	2 492
-	-	-	-	-	-	-	-	-	-	-	-	-	1 489	-	-	1 489	1 489
-	-	-	-	-	3 406	2 233	-	5 639	-	-	-	-	58 820	7 662	-	66 482	134 712
-	-	-	-	-	3 385	2 233	-	5 618	-	-	-	-	56 780	7 157	-	63 937	131 691
-	-	-	-	-	21	-	-	21	-	-	-	-	974	57	-	1 031	1 470
-	-	-	-	-	-	-	-	-	-	-	-	-	1 066	448	-	1 514	1 551
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 313
-	-	-	10	10	-	-	-	10	-	-	8 758	8 758	-	-	-	8 758	14 585
-	-	858	-	858	-	-	-	858	-	-	-	-	-	1	-	1	921
-	-	-	-	-	-	-	-	-	-	-	-	-	7	38	-	45	49
1 206	240	-	-	1 446	-	-	(1 446)	-	9 594	3 829	-	13 423	-	-	(13 423)	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	496
-	-	-	-	-	-	-	-	-	-	-	-	-	18	20	-	38	38
1 206	240	858	10	2 314	3 534	2 352	(1 446)	6 754	9 594	3 829	8 758	22 181	61 898	9 692	(13 423)	80 348	164 729
-	-	9 979	-	9 979	3 406	2 233	-	15 618	-	-	15 755	15 755	58 820	8 455	-	83 030	170 766
-	-	-	-	-	23	68	-	91	-	-	-	-	808	557	-	1 365	3 541
-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	4	817
-	-	-	-	-	-	-	-	-	-	-	-	-	61	6	-	67	67
-	-	-	-	-	-	-	-	-	-	-	-	-	-	39	-	39	39
-	-	-	-	-	1 295	66	(1 361)	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	666	-	666	-	-	-	-	19 344	3 898	-	23 242	62 857
-	-	-	-	-	-	1	-	1	-	-	-	-	1 176	611	-	1 787	1 826
-	-	-	-	-	-	117	-	117	-	-	-	-	-	-	-	-	5 436
-	-	-	-	-	1 318	918	(1 361)	875	-	-	-	-	21 393	5 111	-	26 504	74 583
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2 060	-	2 060	-	-	-	-	3 025	-	-	3 025	5 091
-	-	-	-	-	4	204	-	208	-	-	-	-	484	190	-	674	1 825

NOTES

for the six months ended 31 December 2022

1. Business combination

On 15 September 2022, through GOZ, the Group acquired 100% of the shares in Fortius Funds Management (Pty) Limited (Fortius). The acquisition involved a R530.2m (AUD45.0m) initial purchase price and a subsequent R95.4m (AUD8.1m) net assets adjustment, paid in cash and funded from GOZ's existing debt facilities.

Fortius is one of Australia's leading privately-owned real estate funds management businesses with an established track record of investing in Australian real estate markets and generating strong returns for its investors. The establishment of a funds management business had been a key priority for GOZ and this acquisition added R22.0bn (AUD1.9bn) of funds under management (FUM) to GOZ's business.

As part of the purchase agreement, GOZ agreed to pay the selling shareholders any performance fees earned from existing funds during their current terms, net of any income tax. This earn-out component has been classified as variable consideration and forms part of the total purchase consideration. The acquisition date fair value of these fees was estimated at R48.3m (AUD4.1m).

As part of the purchase agreement, GOZ agreed to pay the selling shareholders an additional earn-out component of up to R116.0m (AUD10.0m), payable based on agreed milestones relating to FUM and funds management revenue growth targets being met over the period to 30 June 2024. This earn-out component has been classified as compensation for post-combination services and does not form part of the total purchase consideration.

Fortius contributed revenue of R32.5m (AUD2.8m) and net profit of R2.3m (AUD0.2m) to the Group for the period 15 September 2022 to 31 December 2022. If the acquisition had occurred on 1 July 2022, Fortius would have contributed revenue of R53.4m (AUD4.6m) and a net loss of R7.0m (AUD0.6m) to the Group for the period ended 31 December 2022.

GOZ incurred acquisition-related costs of R34.8m (AUD3.0m) relating to external legal fees and due diligence costs. R23.2m (AUD2.0m) of these costs have been incurred in the first half of the year and is included in "Other administrative and operating overheads" in the statement of profit or loss and other comprehensive income. The remaining R11.6m (AUD1.0m) was incurred in FY22.

Goodwill

The following table summarises the acquisition date provisional fair value of each component of purchase consideration as well as the provisional fair value of net assets acquired at the date of acquisition, the net of which represents the goodwill arising.

	Unaudited 15 September 2022 AUDm	Unaudited 15 September 2022 Rm
Identifiable assets acquired and liabilities assumed	(15.8)	(186.3)
Cash and cash equivalents*	(3.4)	(40.1)
Unlisted investments	(3.3)	(38.9)
Trade and other receivables	(2.9)	(34.2)
Intangible assets (management rights)	(10.3)	(121.4)
Right-of-use assets	(0.6)	(7.1)
Equipment	(0.1)	(1.2)
Current taxation receivable	(0.3)	(3.5)
Lease liability	0.8	9.4
Deferred tax liability	2.9	34.2
Trade and other payables	1.4	16.5
Total purchase consideration	57.5	677.4
Cash – Initial purchase price*	45.0	530.2
Cash – Net asset adjustment*	8.1	95.4
Variable consideration – performance fee earn-out	4.1	48.3
Other consideration payable	0.3	3.5
Goodwill	41.7	491.1

* The net cash acquired in the business combination of R585.5m (AUD49.7m) is the sum of the initial purchase price of R530.2m (AUD45.0m) and the net asset adjustment of R95.4m (AUD8.1m), less the cash and cash equivalents acquired of R40.1m (AUD3.4m).

A critical judgement was the classification of future variable components included in the purchase agreement as either variable purchase consideration or compensation for post-combination services. Components that are contingent upon ongoing employee service conditions being fulfilled have been classified as compensation for post-combination services and do not form part of the total purchase consideration. Components that are not contingent upon ongoing employee service conditions being fulfilled have been classified as variable consideration and are included as part of the total purchase consideration.

1. Business combination continued

The following critical judgements and estimates were made by the Group in assessing the fair value of the variable consideration:

Business combination variable consideration

Performance fee earn-out liabilities under the purchase agreement are classified as variable consideration in the Fortius business combination. It has been designated on initial recognition to be treated at fair value through profit or loss. Movements in fair value during the period have been recognised in the statement of profit or loss and other comprehensive income. Fair value is based on market values, being the estimated amount for which the instrument could be exchanged on the date of the transaction between market participants in an orderly transaction after proper marketing. The fair value of the business combination variable consideration is classified as level 3 in the fair value hierarchy based on the significant unobservable inputs into the valuation techniques used.

2. Basic and headline earnings per share

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

		Earnings attributable			Weighted average number of shares			Cents per share		
		Unaudited six months 31 December 2022 Rm	Reviewed six months 31 December 2021 Rm	Audited 12 months 30 June 2022 Rm	Unaudited six months 31 December 2022	Reviewed six months 31 December 2021	Audited 12 months 30 June 2022	Unaudited six months 31 December 2022	Reviewed six months 31 December 2021	Audited 12 months 30 June 2022
Total operations										
EPS	Basic	1 866	3 650	7 937	3 409 588 747	3 403 805 472	3 405 871 086	54.73	107.23	233.04
EPS	Diluted	1 866	3 650	7 937	3 429 736 493	3 416 302 921	3 419 088 046	54.41	106.84	232.14
HEPS	Basic	2 932	1 925	7 191	3 409 588 747	3 403 805 472	3 405 871 086	85.99	56.57	211.14
HEPS	Diluted	2 932	1 925	7 191	3 429 736 493	3 416 302 921	3 419 088 046	85.49	56.36	210.32

		Earnings attributable			Actual number of shares			Cents per share		
		Unaudited six months 31 December 2022 Rm	Reviewed six months 31 December 2021 Rm	Audited 12 months 30 June 2022 Rm	Unaudited six months 31 December 2022	Reviewed six months 31 December 2021	Audited 12 months 30 June 2022	Unaudited six months 31 December 2022	Reviewed six months 31 December 2021	Audited 12 months 30 June 2022
DIPS reconciliation		2 662	2 623	5 307	3 411 622 222	3 406 439 781	3 407 663 028	77.9	76.9	155.6

2.2 Reconciliation between basic earnings, diluted earnings and headline earnings

	SOCl [#]			Total gross and net		
	Unaudited six months 31 December 2022 Rm	Reviewed six months 31 December 2021 Rm	Audited 12 months 30 June 2022 Rm	Unaudited six months 31 December 2022 Rm	Reviewed six months 31 December 2021 Rm	Audited 12 months 30 June 2022 Rm
Profit for the period				1 866	3 650	7 937
Fair value adjustments on investment property				1 066	(1 725)	(746)
Net investment property valuation	(1 286)*	4 213*	6 262*	1 562	(2 745)	(1 857)
Fair value adjustments: equity-accounted investments	(316)*	(420)*	(479)*	500	(46)	(13)
NCl portion of fair value adjustments	(1 286)*	4 213*	6 262*	(996)	1 066	1 124
Headline basic and diluted earnings				2 932	1 925	7 191

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

* The fair value adjustment on investment property and NCl portions is included in the "Fair value adjustment, capital items and other charges" line item on the face of the statement of profit or loss and other comprehensive income, which total (R1 286m) for HY23 (HY22: (R4 213m); FY22: R6 262m). The fair value adjustments for equity-accounted investments are included in the "Non-distributable income" line item on the face of the statement of profit or loss and other comprehensive income, which totals (R316m) for HY23 (HY22: (R420m); FY22: (R479m)).

NOTES continued

for the six months ended 31 December 2022

2. Basic and headline earnings per share continued

2.3 Reconciliation of weighted average number of shares

	Weighted number of shares		
	Unaudited six months 31 December 2022	Reviewed six months 31 December 2021	Audited 12 months 30 June 2022
Weighted average number of shares	3 409 588 747	3 403 805 472	3 405 871 086
Number of shares as at 1 July	3 430 787 066	3 430 787 066	3 430 787 066
Effect of treasury shares held	(21 198 319)	(26 981 594)	(24 915 980)
Dilutive effect of share options granted to employees	20 147 746	12 497 449	13 216 960
Diluted average number of shares	3 429 736 493	3 416 302 921	3 419 088 046

3. Classification of financial assets and liabilities

	Designated as fair value through profit or loss Rm	Fair value through profit or loss Rm	Financial assets at amortised cost Rm	Outside scope of IFRS 9 Rm	Total Rm
Assets					
Unaudited					
31 December 2022					
Cash and cash equivalents	-	-	3 354	-	3 354
Trade and other receivables	-	-	1 397	336	1 733
Derivative assets	-	2 563	-	-	2 563
Listed investments	-	1 654	-	-	1 654
Long-term loans granted	3 334	-	-	-	3 334
Unlisted investments	-	1 393	-	-	1 393
Reviewed					
31 December 2021					
Cash and cash equivalents	-	-	2 232	-	2 232
Trade and other receivables	-	-	1 915	316	2 231
Assets classified as held for sale	-	-	732	2 461	3 193
Derivative assets	-	1 177	-	-	1 177
Listed investments	-	1 992	-	-	1 992
Long-term loans granted	3 105	-	-	-	3 105
Unlisted investments	-	915	-	-	915
Audited					
30 June 2022					
Cash and cash equivalents	-	-	2 841	-	2 841
Trade and other receivables	-	-	2 114	207	2 321
Derivative assets	-	2 492	-	-	2 492
Listed investments	-	1 489	-	-	1 489
Long-term loans granted	3 313	-	-	-	3 313
Unlisted investments	-	921	-	-	921

3. Classification of financial assets and liabilities continued

	Designated as fair value through profit or loss Rm	Fair value through profit or loss Rm	Financial liabilities at amortised cost Rm	Outside scope of IFRS 9 Rm	Total Rm
Liabilities					
Unaudited					
31 December 2022					
Trade payables	–	–	3 272	224	3 496
Derivative liabilities	–	798	–	–	798
Business combination variable consideration	50	–	–	–	50
Interest-bearing borrowings	65 782	–	–	–	65 782
Lease liability	–	–	1 907	–	1 907
Reviewed					
31 December 2021					
Trade payables	–	–	3 092	370	3 462
Derivative liabilities	–	2 026	–	–	2 026
Liabilities associated with assets classified as held for sale	2 546	–	1 020	–	3 566
Interest-bearing borrowings	62 996	–	–	–	62 996
Lease liability	–	–	1 977	–	1 977
Audited					
30 June 2022					
Trade payables	–	–	3 277	264	3 541
Derivative liabilities	–	817	–	–	817
Liabilities associated with assets classified as held for sale	–	–	39	–	39
Interest-bearing borrowings	62 857	–	–	–	62 857
Lease liability	–	–	1 826	–	1 826

NOTES continued

for the six months ended 31 December 2022

4. Fair value estimation

4.1 Fair value measurement of assets and liabilities

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

	Unaudited 31 December 2022				Reviewed 31 December 2021				Audited 30 June 2022			
	Fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Assets												
Recurring fair value measurement												
Derivative assets	2 563	—	2 563	—	1 177	—	1 177	—	2 492	—	2 492	—
Listed investments	1 654	1 654	—	—	1 992	1 992	—	—	1 489	1 489	—	—
Fair value of investment property assets	136 039	—	—	136 039	137 056	—	—	137 056	134 712	—	—	134 712
Long-term loans granted	3 334	—	—	3 334	3 105	—	—	3 105	3 313	—	—	3 313
Unlisted investments	1 393	—	—	1 393	915	—	—	915	921	—	—	921
Non-recurring fair value measurement												
Assets classified as held for sale	1 625	—	—	1 625	2 461	—	—	2 461	866	—	—	866
Total assets measured at fair value	146 608	1 654	2 563	142 391	146 706	1 992	1 177	143 537	143 793	1 489	2 492	139 812
Liabilities												
Recurring fair value measurement												
Derivative liabilities	798	—	798	—	2 026	—	2 026	—	817	—	817	—
Liabilities associated with assets classified as held for sale	—	—	—	—	2 546	—	2 546	—	—	—	—	—
Business combination variable consideration	50	—	—	50	—	—	—	—	—	—	—	—
Interest-bearing borrowings	65 782	7 356	58 426	—	62 996	7 119	55 877	—	62 857	7 038	55 819	—
Total liabilities measured at fair value	66 630	7 356	59 224	50	67 568	7 119	60 449	—	63 674	7 038	56 636	—

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

4. Fair value estimation continued

4.2 Movement in level 3 instruments

	Unaudited six months 31 December 2022					Reviewed six months 31 December 2021				Audited 12 months 30 June 2022			
	Invest- ment property Rm	Long- term loans granted Rm	Unlisted invest- ments Rm	Assets classified as held for sale Rm	Busi- ness combi- nation vari- able conside- ration Rm	Invest- ment property Rm	Long- term loans granted Rm	Unlisted invest- ments Rm	Assets classified as held for sale Rm	Property assets Rm	Long- term loans granted Rm	Unlisted invest- ments Rm	Assets classified as held for sale Rm
Opening balance	134 712	3 313	921	866	—	128 061	2 534	808	181	128 061	2 534	808	181
Gain/(loss) from fair value adjustments and translation of foreign operations	478	(128)	(90)	15	1	7 795	447	107	—	4 652	587	77	(2)
Transfer from investment property to held for sale	(1 567)	—	—	1 567	—	(2 461)	—	—	2 461	(866)	—	—	866
Transfer from tenant incentives to held for sale	(58)	—	—	58	—	—	—	—	—	—	—	—	—
Depreciation and amortisation	(237)	—	—	—	—	(126)	—	—	—	(387)	—	—	—
Accrued interest	—	144	—	—	—	—	107	—	—	—	238	—	—
Acquisition through Fortius business combination	—	—	48	—	—	—	—	—	—	—	—	—	—
Business combination variable consideration – as part of Fortius acquisition	—	—	—	—	(51)	—	—	—	—	—	—	—	—
Acquisitions	3 341	—	514	1	—	4 408	—	—	—	4 990	—	11	3
CSAH acquisitions	—	—	—	—	—	—	—	—	—	2 060	—	—	—
Reclassified from long-term loans granted to unlisted investments	—	—	—	—	—	—	—	—	—	—	(42)	42	—
Tenant incentives	149	—	—	—	—	233	—	—	—	—	—	—	—
Adjustment to right-of-use assets	41	—	—	—	—	—	—	—	—	(26)	—	—	—
Disposals	(782)	—	—	(882)	—	(836)	—	—	(181)	(1 773)	—	(17)	(182)
Deconsolidation of C&R Luton	—	—	—	—	—	—	—	—	—	(1 981)	—	—	—
Transfer to investment property held for trading and development	(38)	—	—	—	—	(18)	—	—	—	(18)	—	—	—
Advancements	—	5	—	—	—	—	22	—	—	—	3	—	—
Settlements	—	—	—	—	—	—	(5)	—	—	—	(7)	—	—
Closing balance	136 039	3 334	1 393	1 625	(50)	137 056	3 105	915	2 461	134 712	3 313	921	866

NOTES continued

for the six months ended 31 December 2022

4. Fair value estimation continued

4.3 Valuation process

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

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

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

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

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

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

There were no changes in valuation techniques, nor were there any transfers between level 1, level 2 and level 3 during the period.

4.4 Valuation techniques and significant unobservable inputs

Level 2 instruments

Interest-bearing borrowings

Description	Valuation technique	Significant unobservable inputs
Interest-bearing borrowings	Valued by discounting future cash flows using the applicable swap curve plus a credit margin of between 1.0% and 2.2% for SA, 2.1% and 2.2% for GOZ, and 5% and 6.1% for C&R at the dates when the cash flow will take place (FY22: 1.0% to 2.0% across all sectors).	Not applicable

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

Derivative instruments

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

4. Fair value estimation continued

4.4 Valuation techniques and significant unobservable inputs continued

Level 3 instruments

Investment property

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

8.7% of the SA portfolio was externally valued at HY23. The balance of the South African portfolio was valued by Growthpoint's qualified internal valuers.

The majority of the SA properties were valued at HY23 using the discounted cash flow (DCF) of future income streams method by internal valuers and the following valuer who is registered in terms of section 19 of the Property Valuers Professional Act, No 7 of 2000:

Company	Valuer	Qualification of the valuer
Real Insights (Pty) Limited	TLJ Behrens	NDip (Real Estate in Prop Val), professional associate valuer

The Australian properties were valued at HY23 using the discounted cash flow of future income streams method by Acrementis Brisbane (Pty) Limited, CBRE Valuations (Pty) Limited, JLL Advisory Services (Pty) Limited, Knight Frank LLP, M3 Property Australia (Pty) Limited, Savills Valuation (Pty) Limited, Urbis Valuation (Pty) Limited, CIVAS (Pty) Limited and Black Box (Pty) Limited that are all members of the Australian Property Institute and certified practising valuers.

The United Kingdom properties were valued at HY23 by independent qualified professional valuers from CBRE Limited and Knight Frank LLP in accordance with RICS (Royal Institution of Chartered Surveyors) standards.

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

Significant unobservable inputs and range of estimates used						
Description	Valuation technique	Fair value Rm	Discount rate %	Exit capitalisation rate %	Capitalisation rate %	Rental growth rate %
Retail sector	Discounted cash flow model	24 736	12.70	7.98	8.26	4.35
12 269		12.25 – 12.75	7.50 – 8.75	7.50 – 8.75	3.99 – 5.00	
8 753		13.00 – 13.25	8.00 – 9.25	7.75 – 9.00	3.50 – 5.00	
3 714		13.50 – 14.00	8.50 – 10.00	8.00 – 9.75	3.49 – 5.00	
Office sector		24 993	12.73	8.48	8.90	3.69
8 151		11.00 – 12.75	8.50 – 9.75	8.00 – 9.25	2.50 – 4.50	
4 818		13.00 – 13.25	8.25 – 11.00	8.00 – 10.50	2.50 – 5.00	
6 203		13.50 – 13.75	8.50 – 10.00	8.25 – 9.75	2.99 – 5.00	
5 821		14.00 – 14.00	9.25 – 10.50	9.00 – 10.00	2.99 – 4.70	
Industrial sector		11 267	12.75	8.72	9.12	3.95
5 213		12.75 – 13.50	8.75 – 10.50	8.50 – 10.25	3.55 – 5.00	
4 527		13.75 – 14.25	9.25 – 11.25	9.00 – 10.75	4.75 – 5.00	
1 389		14.50 – 15.00	9.75 – 11.50	9.25 – 11.00	4.75 – 5.00	
138		15.25 – 16.00	10.75 – 13.00	10.25 – 12.00	3.50 – 4.70	
GHPH sector		3 443	12.09	7.82	8.01	4.02
2 682		13.50 – 14.50	8.50 – 9.50	8.50 – 9.50	5.00 – 5.00	
761		15.25 – 15.50	10.25 – 10.50	10.25 – 10.75	5.00 – 5.00	
GSAH sector		2 087	15.00 – 15.50	10.00 – 10.25	9.75 – 10.00	5.11
GOZ office sector		37 968	6.10	5.68	5.38	3.30
12 646		5.50 – 5.88	4.63 – 5.50	4.00 – 5.25	2.80 – 3.80	
19 307	6.00 – 6.38	5.25 – 6.63	5.00 – 6.38	2.80 – 3.80		
6 015	6.50 – 6.75	6.25 – 7.00	5.75 – 6.50	2.80 – 3.80		
GOZ industrial sector	19 925	5.97	5.63	4.95	3.35	
9 139	5.25 – 5.75	4.25 – 5.87	4.25 – 5.08	2.90 – 3.80		
1 088	5.75 – 5.75	9.97 – 10.11	6.90 – 7.24	2.90 – 3.80		
442	6.00 – 6.00	9.95 – 10.11	7.07 – 7.24	2.90 – 3.80		
5 782	6.00 – 6.25	4.88 – 10.11	4.25 – 7.24	2.90 – 3.80		
3 474	6.25 – 6.75	5.92 – 6.85	5.38 – 6.08	2.90 – 3.80		
Total		124 419				

NOTES continued

for the six months ended 31 December 2022

4. Fair value estimation continued

4.4 Valuation techniques and significant unobservable inputs continued

Investment property continued

Description	Valuation technique	Fair value Rm	Value/m ² range R
Retail sector	Market-comparable approach	360	5 604.09
		78	1 117.32 – 2 028.72
		282	6 807.85 – 14 572.67
Office sector		896	3 619.98
		478	1 536.54 – 4 071.28
		418	25 983.16 – 25 983.16
Industrial sector		938	1 744.15
		563	462.73 – 1 557.60
		96	2 709.93 – 4 509.59
		279	6 540.22 – 9 892.02
GPHH sector		144	12 807.84
GOZ held for sale		1 512	80 117.20
Total		3 850	

Description	Valuation technique	Fair value Rm	Significant unobservable inputs and range of estimates used	
			Income capitalisation rate %	Exit capitalisation rate %
	Income capitalisation approach	6 760	7.31	8.08
Capital & Regional retail sector		5 872	5.04 – 7.55	7.00 – 7.79
		672	11.28 – 11.28	11.49 – 11.49
		216	14.49 – 14.49	17.49 – 17.49
Total		6 760		

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

Unlisted investments

Description	Valuation technique	Significant unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Lango Real Estate Limited	Valued by calculating the Group's percentage of investment in the fund by the net asset value	Discount rate (%)	13.25% – 16.75% (14.16% average)	A change in the discount rate by 50 bps would increase/(decrease) the fair value by R168.4m/(R162.8m).
		Exit capitalisation rate (%)	8.75% – 12.0% (8.86% average)	A change in the exit capitalisation rate by 50 bps would increase/(decrease) the fair value by R155.3m/(R144.2m).

4. Fair value estimation continued

4.4 Valuation techniques and significant unobservable inputs continued

Long-term loans granted

Description	Valuation technique	Significant unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
V&A Waterfront	Valued by discounting future cash flows using the SA prime rate curve at the dates when the cash flows will take place	Counterparty credit risk impacting the discount rate	Discount rate at prime + 2.0%	A change in the discount rate by 50 bps would increase/ (decrease) the fair value by R62.1m/(R61.0m).
Acucap Unit Purchase scheme		Counterparty credit risk impacting the interest rate	6.55% – 8.36%	A change in the interest rate would not have an impact on the valuation as the loans were fair valued to the Growthpoint share price at HY23. The Growthpoint shares are held as security for the loans.

Business combination variable consideration

Description	Valuation technique	Significant unobservable inputs	Description	Impact on earn-out liability fair values	
				Increase in the input	Decrease in the input
Fortius business combination	Valued by discounting future cash flows using the appropriate discount factor at the dates when the cash flows will take place	Current property valuation	The fund's current property valuation, used as proxy for the sale price at expected exit date of the fund in the valuation cash flow, has a significant influence on the performance fee outcome.	Increase	Decrease
		Forecast fund distributions	The forecast cash flow from fund distributions through to the expected exit date of the fund, reflecting the net income of the fund, primarily net property income from the underlying property, offset by borrowing costs and any fund level expenses.	Increase	Decrease
		Discount rate	The rate of return used to discount cash flows, payable or receivable in the future, into present value. The rate is determined with regard to comparable acquisition fair value assessments. Includes additional risk premium to allow for volatility in property valuations and capitalisation rates over the remainder of each fund's expected term.	Decrease	Increase

GROWTH-POINT
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