AFS

Annual financial statements

for the year ended 31 August 2023

Opting for the **upside**

REDEFINE PROPERTIES

We're not landlords. We're people.

AFS

WELCOME TO OUR GROUP ANNUAL FINANCIAL STATEMENTS
for the year ended 31 August 2023

Our **AFS** provide a comprehensive overview of Redefine's financial position and enables our stakeholders to understand our financial performance as we create the **Redefine of tomorrow.**

About Redefine

Redefine Properties Limited (Redefine, the group or the company) is a South African Real Estate Investment Trust (REIT). Our primary goal is to grow and improve cash flow to deliver quality earnings, underpinning growth and sustained value creation for all stakeholders.

We are **listed on the JSE**

We actively manage a **diversified property asset platform** with a value of **R96.8 billion** comprising South African and Polish property assets

Placing **people at the heart of what we do** is what sets us apart, as it is not just about what we do but how we do it

Our reporting suite

IR

Integrated report (IR)

Our **IR** is our primary report to stakeholders. It shows the relationship between the interdependent elements of our value-creation story.

AFS

Group annual financial statements (AFS)

Our **AFS** provide a comprehensive overview of Redefine's financial position and enable our stakeholders to understand our financial performance.

ESG

Environmental, social and governance (ESG) report

Our **ESG** report is a detailed account of our environmental and social goals and impact and the governance structures that support our sustainability. It includes our remuneration report as well as our social, ethics and transformation committee report.

CRR

Climate risk report (CRR)

Our **CRR** provides an overview of our long-term approach to climate-related risk and opportunity management, in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

AGM

Notice of annual general meeting (AGM)

The notice of **AGM** provides supporting information for shareholders to participate in the AGM.

Form of proxy

Navigating our reports

We use icons throughout our reporting suite to show connectivity between sections and Redefine's

INTEGRATED THINKING

Redefine is committed to reporting openly and honestly to our broad range of stakeholders. Our reporting suite is available on our website www.redefine.co.za

Our reporting suite applies and complies with the following frameworks

- International Integrated Reporting Framework (Integrated Reporting Framework)
- The Companies Act, No 71 of 2008, as amended (Companies Act)
- JSE Limited (JSE) Listings Requirements
- King IV Report on Corporate Governance™ for South Africa 2016 (King IV™)*
- International Financial Reporting Standards (IFRS)

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Our theme

OPTING for the UPSIDE

We live in extraordinary times. At Redefine, we know that what got us *here* won't get us *there*. Rather, it is how we embrace and respond to the megatrends reshaping our world that will ensure we remain relevant – both now and into the future.

Building a future-ready business begins with the belief that the decisions we make today create a better tomorrow. This hope drives us. It guides our decisions and defines our actions. We know the world continues to evolve at an unprecedented pace and believe that it can be better for all.

Our theme this year is **Opting for the upside**. Our reporting suite is designed to showcase how, through the relentless execution of our strategy, we are actively opting for the upside. We are moving beyond just future proofing our business to creating a future-ready business that actively seeks out and embraces real opportunities in our context, creating a legacy that will ensure we continue to serve our stakeholders for years to come.

INDEX

Feedback

Your feedback is important to us. We welcome your input to enhance the quality of our reporting.

Please visit www.redefine.co.za or email investorenquiries@redefine.co.za

These financial statements have been audited by PricewaterhouseCoopers Inc. in compliance with section 30 of the Companies Act 2008, as amended, and the preparation of these annual financial statements was supervised by NG Nyawo CA(SA), Chief financial officer Redefine Properties Limited. These financial statements are published on 6 November 2023.

1 Introduction

Our integrated approach to business and value creation

Black River Office Park, Western Cape, South Africa

OUR INTEGRATED APPROACH TO BUSINESS AND VALUE CREATION

To achieve our purpose, we believe we must have a robust business model and a responsive and progressive strategy. This requires more than a business-as-usual approach; it necessitates an integrated approach to value creation.

INTEGRATED THINKING is central to how we make strategic choices. It drives our value creation and informs our integrated reporting.

OUR APPROACH TO BUSINESS IS DRIVEN FROM A PLACE OF PURPOSE

Our purpose is to create and manage spaces in a way that transforms lives

Our mission in this decade to deliver the smartest and most sustainable spaces the world has ever known

Our vision is to be the leading South African REIT

ESG is at the heart of our value creation

ESG extends to every aspect of what we do, as it ensures our long-term business resilience and creates sustainable stakeholder ecosystems.

Our embedded ESG approach informs our strategic decisions and operations – ensuring our choices align with our values and strategic priorities to enable long-term value creation while ensuring transparency and accountability for our actions.

Our **BEST VALUES** are what connects us and guides our behaviour

WHAT WE DO Property is our commodity and people are our business.

Building a quality, diversified property portfolio in both South Africa and Poland.

We actively manage a diversified portfolio in both South Africa and Poland. Our South African portfolio comprises mainly retail, office and industrial properties, complemented by retail and logistics property investments in Poland.

We allocate capital where we believe the best market opportunities lie and reduce risk by diversifying our portfolio both sectorally and geographically.

HOW WE DO IT We're not landlords. We're people.

Our relationship-centric approach enables us to create and sustain meaningful value for our stakeholders.

CREATING VALUE

Value for us means meeting our stakeholder goals

WE ASSESS OUR CONTEXT

Operating context

Geopolitical events, socioeconomic challenges arising where we operate, and emerging and existing megatrends determine the environment that informs our value-creation process.

Stakeholder relationships

Our comprehensive engagement strategies enable us to prioritise what each key stakeholder values most and what value Redefine strives to receive from each relationship in return.

Risks and opportunities

Our business model is the primary lens through which we analyse our operating environment, stakeholder relationships and resource dependency. From this universe, we derive our top-of-mind risks and opportunities that are continuously updated.

WE CONSIDER OUR MATERIAL MATTERS

We consider a double materiality regarding when matters that we impact or which could influence our ability to create value in the short, medium and long term. These matters inform our strategy to mitigate the risks and maximise the opportunities that present themselves. Collectively, these are grouped into five themes.

GSG ERB BMA HGR MBG

WE INTEGRATE OUR STRATEGY INTO OUR BUSINESS MODEL

Business strategy

Investing in a long-term asset class, we make strategic choices with lasting outcomes. Driven by our mission pathways, we embed integrated thinking into our business strategy, channelled by our strategic priorities to enable sustained value creation. These are the critical levers that affect our ability to create value in the short, medium and long term.

MISSION PATHWAYS

- Embedding diversity, equity and inclusion
- Mobilise digital transformation
- Nurturing and optimising our ecosystems
- Being a catalyst for good
- Being curious innovators

STRATEGIC PRIORITIES

- GR Grow reputation
- IS Invest strategically
- OC Optimise capital
- OE Operate efficiently
- ET Engage talent

Business model

We actively manage our activities and measure their impacts to ensure we enhance the positive and minimise the adverse outcomes of our business model, thereby sustaining value for all our stakeholders.

Our **PRIMARY GOAL** is to grow and improve cash flow in order to create sustained value for all our stakeholders

Providers of financial capital	Investors	To be a source of sustained growth in total returns
	Funders	To be a reliable source of returns on debt funding
Customers	Tenants	To provide differentiated and relevant space
	Shoppers	To provide a safe and enjoyable shopping experience that is integrated into the community
	Employees	To grow and inspire people who create and manage spaces for positive impact
	Property brokers	To be our property brokers' preferred business partner
	Suppliers	To be a responsible and compliant business partner, creating business opportunities and developing meaningful relationships
	Communities	To be a responsible community participant by positively impacting people's lives through sustainable and tangible impacts in our communities

We aim to deliver broader societal and environmental value through our commitment to the United Nations Sustainable Development Goals (UN SDGs)

OUR PRIMARY UN SDGs

OUR SECONDARY UN SDGs

Throughout this report, we have highlighted the relevant UN SDGs to which the content contributes by using an icon alongside.

These areas are underpinned by the six capitals that we use or affect

- FC Financial capital
- MC Manufactured capital
- HC Human capital
- SRC Social and relationship capital
- IC Intellectual capital
- NC Natural capital

2 Group and company annual financial statements

Blue Route Mall, Western Cape, South Africa

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are responsible for the preparation and fair presentation of the group and company annual financial statements of Redefine Properties Limited and its subsidiaries. These financial statements comprise the statements of financial position as at 31 August 2023 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the accounting policies and the notes to the financial statements, in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act. In addition, the directors are responsible for preparing the directors' report.

The directors are responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; for maintaining adequate accounting records and an effective system of risk management; and for the preparation of the supplementary information included in these financial statements. The directors are also responsible for the controls over, and the security of, the website and, where applicable, for establishing and controlling the process to electronically distribute annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.

The directors have assessed the ability of the group and company to continue as a going concern and have no reason to believe that the group and company will not be a going concern in the year ahead.

The independent external auditor is responsible for reporting on whether the group and company annual financial statements are fairly presented, in all material respects, in accordance with the applicable financial reporting framework.

Approval of group and company annual financial statements

The group and company annual financial statements of Redefine Properties Limited, as identified in the first paragraph, were approved by the board of directors on 3 November 2023 and are signed by:

AJ König
Authorised director

3 November 2023

NG Nyawo
Authorised director

3 November 2023

CEO AND CFO RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that:

(a) the group and company annual financial statements, set out on **pages 14 to 90**, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the the group and company annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the group and company annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and

(f) we are not aware of any fraud involving directors.

AJ König
Chief executive officer

3 November 2023

NG Nyawo
Chief financial officer

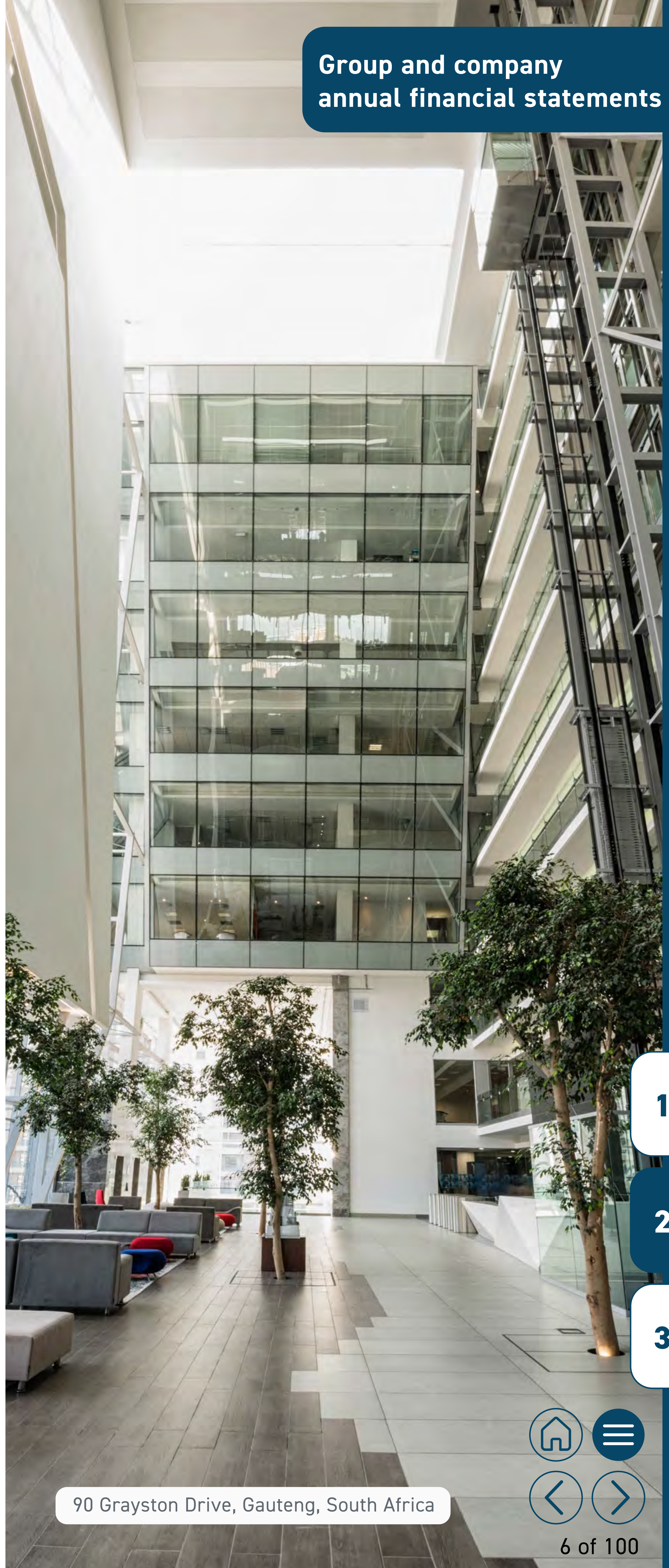
3 November 2023

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I declare that to the best of my knowledge, for the year ended 31 August 2023, Redefine Properties Limited has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that such returns are true, correct and up to date.

A Matwa
Company secretary

3 November 2023



90 Grayston Drive, Gauteng, South Africa

AUDIT COMMITTEE REPORT

The audit committee (AC) plays a vital role in ensuring the integrity of the company's financial controls and integrated reporting and identifying and managing financial risk. This is critical to help Redefine navigate uncertainty while ensuring we remain focused on identifying and executing strategic opportunities. The AC also plays a critical role in ensuring that we provide all stakeholders with timeous and relevant information to enable accurate assessments of the company's performance and prospects.

Composition and meeting procedures

The committee comprised independent non-executive directors.

Cora Fernandez attended committee meetings as part of the board induction process during the year under review. Post year end, the board appointed Cora Fernandez as a member effective from 30 October 2023.

All appointed directors satisfied the requirements of section 94(4) of the Companies Act and King IV™ recommendations. As a collective, and considering the size and circumstances of the group, the committee was adequately skilled, and all members possessed the appropriate financial and related qualifications, skills, financial expertise and experience required to discharge their responsibilities.

The committee met on four occasions, with meetings scheduled in line with the group's financial reporting cycle. The committee held one additional *ad hoc* meeting to review and recommend the integrated report to the board. The committee also met with the internal and external auditors in camera, and no areas of concern were noted.

The committee fulfilled its responsibilities as per its terms of reference and annual work plan.

PRIMARY FOCUS

FC IC OC OE

COMPOSITION OF THE [AC] DURING FY23

MEMBER	APPOINTMENT DATE	ATTENDANCE
Diane Radley (Chairperson)	1 September 2021	5/5
Simon Fifield	12 September 2022	4/4
Lesego Sennelo	1 November 2018	4/5

STANDING INVITEES

- Chief financial officer (CFO)
- Head of corporate finance
- Head of operational finance
- Representatives from PricewaterhouseCoopers Inc (PwC)
- Representative from BDO South Africa (BDO) (internal audit)

COMPANY SECRETARY

Anda Matwa

REGULAR INVITEES

- Chief executive officer (CEO)
- Chief operating officer (COO)
- Head of risk and compliance

ATTENDANCE

100%

MATTERS APPROVED	STRATEGIC PRIORITY
Reviewed the quarterly financial report, including, *inter alia*, financial performance, FY23 forecasts, tax governance, status of IT14SDs and FY23 asset valuation assessment report	OE OC GR IS
Reviewed the quarterly capital management report, including, *inter alia*, compliance with financial conditions of loan covenants and credit rating threshold, treasury functions, and the capital and funding plan	OC
Reviewed the suitability report prepared by PwC in accordance with the JSE Listings Requirements	GR
Confirmed that the audit partner is a JSE-accredited auditor	GR
Considered the status of the AFS (Redefine's subsidiaries)	GR
Reviewed new and existing IFRS statements and guidelines (implementation and disclosure) and related-party transaction disclosure	OE
Reviewed the quarterly internal audit plan progress report	OE
Considered the risk management report from the risk, compliance and technology committee (RCT) in respect of changes to the ranking of emerging risks	OE
Reviewed the external audit report for the year ended 31 August 2023 (including the extent of non-audit services, confirmation of auditor independence and management representation letter)	GR
Considered the JSE proactive monitoring of financial statements report	GR
Considered feedback from the financial year end from external auditors, internal audit and the risk and compliance function (without management)	GR
Considered the committee evaluation feedback	ET
Reviewed assessment done on the internal control environment	OE GR
Reviewed the embedment and effectiveness of the combined assurance approach	OE GR
Monitored reportable irregularities quarterly	OE
Monitored non-audit service spend against the policy requirement	GR OE
Received feedback from the IC on local and global property valuation	OE

MATTERS APPROVED	STRATEGIC PRIORITY
Quarterly CFO report to monitor the outlook for the DIPS* credit metric, NAV** per share, the delivery of strategic priorities through balance sheet flexibility, and digital transformation, rising inflation, interest rate impacts and the ability to hedge in the medium to long term	OE OC GR IS
Reviewed and recommended the interim and final results to the board	OE
Reviewed and recommended the solvency and liquidity statement and going concern assessment to the board (interim and final results)	OC
Recommended the FY23 annual financial statements to the board for approval	GR
Reviewed and proposed the interim and final dividend to the board	OE
Reviewed and recommended the FY24 budget (limited to assumptions made and robustness of process followed)	OE
Considered the report and feedback provided and resolved to recommend to the board the reappointment of PwC as the external auditors and Jorge Goncalves as the individual registered auditor who will undertake the audit for FY23	GR
Approved the FY23 internal audit plan and written assessment of the company's internal control environment	OE
Reviewed and approved the external auditors' scope of work for FY23	OE
Approved FY23 external audit fees	OE
Approved the quarterly combined assurance implementation report	GR
Considered and approved the effectiveness and expertise of the finance function and the CFO in accordance with the JSE Listings Requirements	ET
Reviewed and recommended REIT compliance disclosure	GR
Reviewed and approved internal audit charter	OE GR
Reviewed and approved the responsible tax policy	OE GR
Reviewed and approved the liquidity and risk management policy	OE GR
Reviewed and approved the accounting treatment for power purchase agreements	OE GR
Reviewed and approved the accounting treatment of the Talis Property Investments Proprietary Limited (Talis) transaction (joint venture for government-tenanted portfolio)	OE GR

* Distributable income per share

** Net asset value

AUDIT COMMITTEE REPORT continued

Evaluated financial reporting and accounting

The AC reviewed the integrity of the interim results and annual financial statements for the year ended 31 August 2023, including public announcements of the group's financial results, and recommended it to the board for approval. The committee took reasonable steps to ensure that the financial statements were prepared in accordance with IFRS and in compliance with the provisions of the Companies Act and the JSE Listings Requirements. The detailed material matters considered or approved by the AC are outlined in the table on page 7.

External audit-related matters

In November 2023, and in accordance with paragraphs 3.84(g)(iii) and 22.15(h) of the JSE Listings Requirements, the committee assessed the suitability of PwC for appointment as the company's independent, external auditors for the 2023 financial year, with Jorge Goncalves as the designated individual auditor.

External audit independence, objectivity, and effectiveness during FY23

EVALUATION FOCUS

The committee formally assessed the effectiveness of the 2023 external audit process and quality of the audit. The assessment covered all aspects of the audit service provided by PwC and was treated as an ongoing review throughout the audit cycle. The evaluation focused on:

- Robustness of the audit process
- Audit quality, including quality controls and indicators
- Appropriateness of the audit partner and the dedicated team, including their skills, knowledge and character
- Independence and objectivity
- Formal reporting

INPUTS

THE COMMITTEE

- Monitored audit performance, independence, and objectivity throughout the year
- Approved, in consultation with management, the below audit fee and engagement terms for FY23:

	Audit and other assurance services (R'000)	Non-audit services (R'000)	Total (R'000)	Non-audit fee as a percentage of audit and other assurance services (%)
2023	23 795	4 178	29 973	17.6
2022	17 530	2 635	20 165	15.0

- Reviewed and approved the above non-audit service fees in line with the non-audit service policy and ensured that same were within the limit and in line with the maximum threshold of up 25% of audit fees of the group auditors being PwC (SA) and EY (EPP N.V. (EPP)).
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision thereof
- Reviewed the external audit plan and related scope of work
- Reviewed the quality of reporting to the committee, the level of challenge, and professional skepticism and understanding demonstrated by PwC of the business of the group
- Reviewed the quality of the audit team, technical skills and experience, and the allocation of resources during the audit
- Held regular meetings with the audit engagement partner and audit manager
- Considered the effectiveness of the company's policies and procedures in maintaining auditor independence
- Confirmed that no reportable irregularities were identified and reported by PwC in terms of the Auditing Profession Act, No 26 of 2005

INPUTS

PWC

- Provided the [AC] with confirmation that they operate in accordance with the ethical standards required of audit firms (section 290 of the International Ethics Standards Board for Accountants, Code of Ethics for Professional Accountants and the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors)
- Evidenced that the firm was accredited by the JSE, and that John Bennett does not appear on the disqualified list of individual partners
- Confirmed the policies and procedures they have in place to maintain their independence
- Confirmed that there were no relationships with the company arising from:
  - Personal financial interests
  - Family and personal relationships
  - Employment relationships
  - Business relationships
- Provided confirmation that the non-audit services performed and billed during the period ended 31 August 2023 did not impair their independence or objectivity

REGULATORS

The Independent Regulatory Board for Auditors issued reviews of audits carried out by PwC. PwC shared these findings with the committee and confirmed how they were addressing the areas highlighted for improvement

KEY OUTPUTS

- The quality of the audit partner and the team was confirmed, with no material issues raised in the feedback received
- PwC demonstrated a good understanding of the group and had identified and focused on the areas of greatest risk
- PwC's reporting to the committee was clear, transparent and thorough and included explanations of the rationale behind conclusions as appropriate
- The audit had been well planned and delivered, and management was comfortable that key findings had been raised appropriately
- There had been active engagement on misstatements and appropriate judgements on materiality
- It was confirmed that there had been an appropriate level of challenge and that PwC had functioned in accordance with its mandate for the 2023 financial year

The [AC], having considered all relevant matters, concluded that it is satisfied that auditor independence, objectivity, and effectiveness were maintained during the financial year.

AUDIT COMMITTEE REPORT continued

Risk management

The risk committee considered the risk hedging report to ensure that our governance processes are adequately responsive to the top 15 risks as per the risk register. The committee is satisfied that the refreshed funding and liquidity policy adequately manages the medium- to long-term hedging risk.

Internal audit, EWRM and combined assurance

Internal audit matters

The AC and the risk committee reviewed and approved the internal audit charter and internal audit plan for the financial year ended 31 August 2023, ensuring that material risk areas were included, and that coverage of significant business processes was acceptable. It oversaw and monitored the internal audit function:

- Objectively assured the effectiveness of risk management, governance, and internal control frameworks
- Analysed and assessed business processes and associated controls
- Reported significant audit findings and recommendations to management and the committee

On the recommendation of the AC, Redefine appointed and outsourced its internal audit function to BDO. There was a smooth transition during the year, and Redefine has already started to realise some key benefits as a result of the strategic partnership with BDO:

- Improved system maturity environment
- The team is highly specialised, and has up-to-date skills and expertise in the REIT sector
- The team has global reach, and their service is enhanced by the latest local and international trends that may impact Redefine
- Improved management information and reporting

The AC satisfied itself that the internal audit function was independent and had the necessary resources, standing and authority to discharge its duties.

Furthermore, the committee confirmed that in executing the FY23 plan there had been no impairments to the objectivity, independence and scope of the internal audit function, which remained effective in carrying out its duties.

Internal financial controls

The AC reviewed the reports of both the internal and external auditors in respect of audits conducted on the internal control environment, took note of matters arising from these audits, considered the appropriateness of the responses received from management, and monitored the progress of the recommended remedial actions. Notably, the committee:

- Reviewed quarterly funding reports prepared by management and monitored compliance with financial covenants and hedging policies (in relation to interest rates and foreign exchange rates)
- Fulfilled an oversight function of tax governance. In this regard, the committee received regular feedback on both the tax compliance and tax risk matters of the group and is satisfied that no material non-compliance has occurred
- Considered and, where appropriate, made recommendations on internal financial controls

During the year, there was no breakdown in the functioning of internal control systems that had a material impact on the annual financial statements. The committee is satisfied that the annual financial statements fairly present the financial position, financial performance, and cash flows in accordance with IFRS and that these statements are supported by reasonable and prudent judgements that were applied consistently.

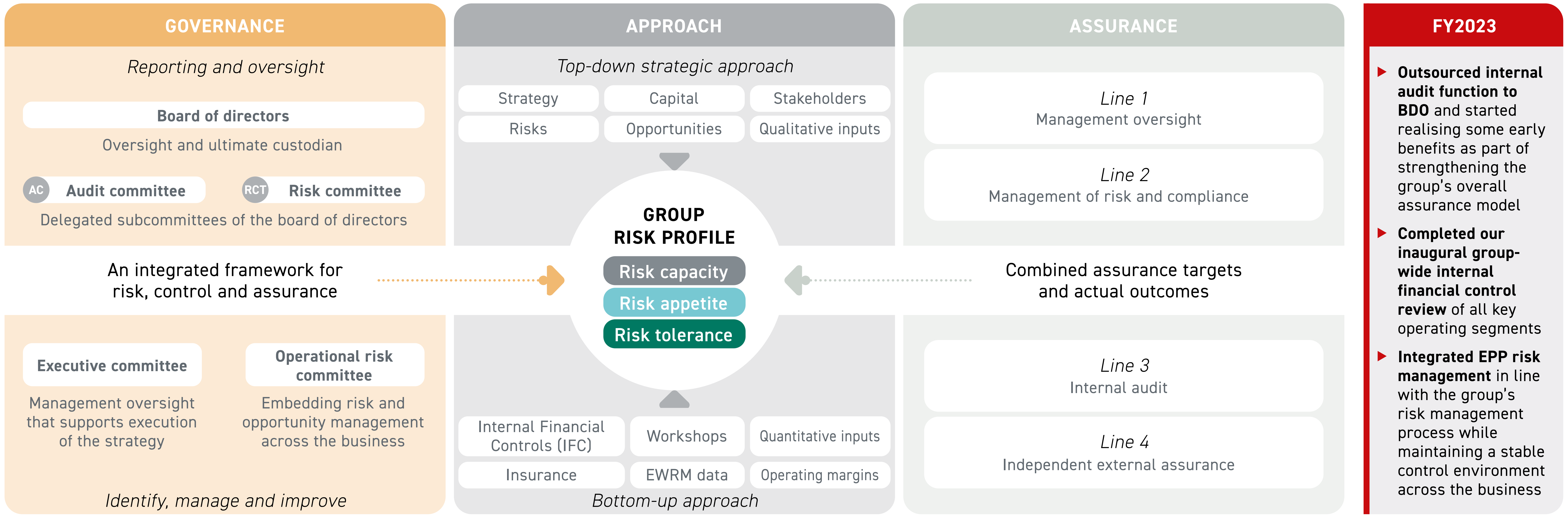
Combined assurance

The combined assurance framework and plan enables an efficient, holistic approach to risk management and assurance activities across the organisation that, when taken as a whole, provides a level of assurance that further supports the integrity of the information used for reporting and decision-making. During the year, this framework has been reassessed and further enhanced to follow a risk-based approach that is reflective of the size and diversification of our business in South Africa and Poland.

This coordinated approach (as outlined below) ensures that the roles and responsibilities for identifying, managing and reporting risks are clearly defined and that there is appropriate oversight of our strategic risks. The combined assurance framework brings together the relevant role players to review and update significant risks and associated responses in assessing potential assurance or gaps in oversight per risk. Each of the four lines of defence has a distinct role to play in deriving assurance for each risk, and the process for reporting has been formalised through the risk and compliance management committee. Progress against the combined assurance plan, as well as any gaps in assurance, are reported to the AC. There is continued focus on the embedment of combined assurance within the business, as part of delivering a "fit-for-purpose environment" and it is noted by the committee as an area that will remain a focus for FY24.

Assurance

We use the four-lines-of-assurance approach to optimise our risk and assurance efforts. Assurance includes executive and senior management monitoring and oversight, internal audit, and external assurance providers.



DIRECTORS' REPORT

To the shareholders of Redefine Properties Limited

We have pleasure in presenting the group and company annual financial statements of Redefine Properties Limited and its subsidiaries for the year ended 31 August 2023.

Corporate overview

Redefine is a listed Real Estate Investment Trust (REIT). It derives rental income from investments in retail, office, industrial and specialised properties and distributions from other property-related investments.

Nature of the business

The group is engaged in property investment and operates in South Africa and Poland.

Financial results

The profit for the current financial year is R1.5 billion (2022: R8.7 billion) and R1.0 billion (2022: R5.7 billion) for the group and company, respectively.

International financial reporting standards

The financial statements are prepared in terms of IFRS and the requirements of the Companies Act of South Africa.

Stated capital

The company's authorised and issued stated capital, respectively, comprise 10 000 000 000 (2022: 10 000 000 000) and 7 052 419 865 (2022: 7 052 419 865) ordinary shares of no par value.

At 31 August 2023, there were 7 052 419 865 (2022: 7 052 419 865) shares in issue – all of which qualify for the dividend declared on 3 November 2023.

Dividend distributions

On 4 November 2022, the board of directors declared a final dividend of 19.28 cents for the six months ended 31 August 2022, which was paid on 28 November 2022.

On 8 May 2023, the board of directors declared an interim dividend of 20.32 cents for the six months ended 28 February 2023, which was paid on 29 May 2023.

Subsequent to year end, on 3 November 2023, the board of directors declared a final dividend of 23.48 cents per share for the year ended 31 August 2023.

These dividends have been declared from distributable earnings and meet the requirements of a REIT qualifying distribution for purposes of section 25BB of the Income Tax Act, No 58 of 1962, as amended (Income Tax Act).

The group's use of distribution per share as a relevant measure for trading statement purposes remains unchanged from prior periods.

Directorate

The directors of the group at the date of this report were:

Independent non-executive directors

- SM Pityana (Chairperson)
- ASP Dambuza
- D Radley
- LJ Sennelo
- NB Langa-Royds
- SP Fifield (appointed to the board effective 12 September 2022)
- CH Fernandez (appointed to the board effective 4 November 2022)

Executive directors

- AJ König (Chief executive officer)
- LC Kok (Chief operating officer)
- NG Nyawo (Chief financial officer)

Directors' emoluments and interests

Refer to **notes 59, 60 and 61** to the financial statements for disclosure regarding directors' emoluments and interests.

Service contracts

Executive directors retire from their positions and from the board (as executive directors) at the age of 65. Although the normal retirement age is 65 years for executive directors, the group's retirement policy makes provision to extend the working relationship beyond the normal retirement age. Executive directors are subject to three calendar months' written notice under their existing employment contracts.

Shareholders' analysis

Refer to **page 99** in the supplementary information to the group and company annual financial statements for disclosure regarding shareholders' analysis.

Events after reporting period

Refer to **note 63** to the financial statements for disclosure regarding events after the reporting period.

Going concern

Refer to **note 64** to the financial statements for disclosure regarding going concern.

Solvency and liquidity test

The directors have performed the required solvency and liquidity tests required by the Companies Act of South Africa and concluded that Redefine meets the solvency and liquidity requirements.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Redefine Properties Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Redefine Properties Limited (the Company) and its subsidiaries (together the Group) as at 31 August 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Redefine Properties Limited's consolidated and separate financial statements set out on pages 14 to 90 comprise:

- the consolidated and separate statements of financial position as at 31 August 2023;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

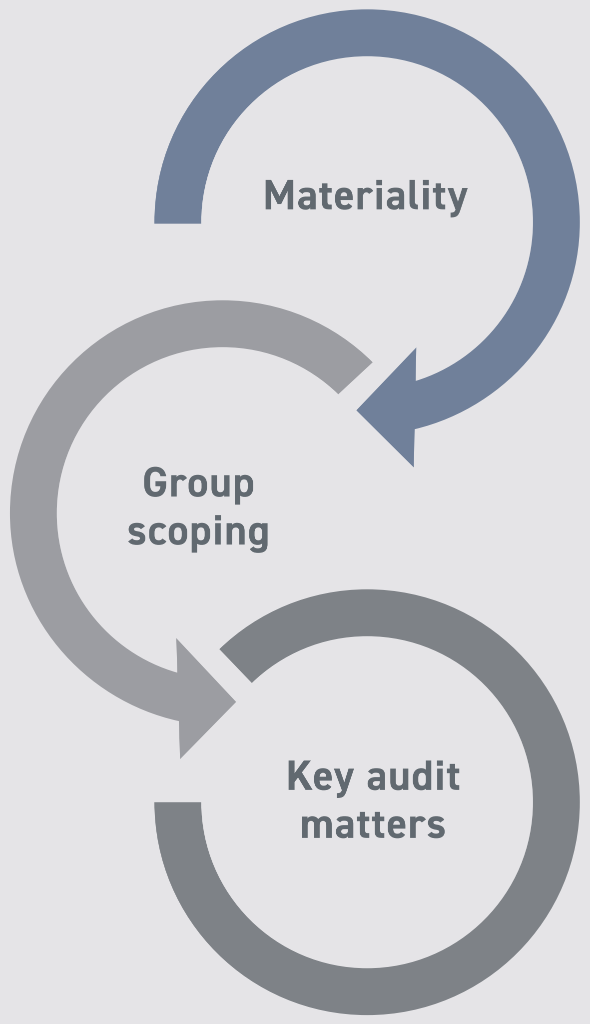
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

OVERVIEW



Overall group materiality

- Overall group materiality: R528.8 million, which represents 1% of the consolidated net asset value.

Group audit scope

The Group consists of 45 components of which full scope audits were performed at seven components, an audit of certain account balances was performed in respect of two components and review procedures were performed over an additional three components. Analytical procedures were performed over the remaining components as they were deemed to be financially insignificant.

Key audit matters

- Valuation of investment properties (applicable to both the group and company annual financial statements).

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R528.8 million
How we determined it	1% of the consolidated net asset value.
Rationale for the materiality benchmark applied	We chose consolidated net asset value as the benchmark because, in our view, it is the key benchmark against which the performance of the Group is most commonly measured by users of the financial statements. Although the entity is profit-orientated, its strategic focus is to deliver long-term shareholder returns through the acquisition and development of investment property. As a Real Estate Investment Trust (REIT), the users are likely to be more concerned with the net assets underlying the group, rather than its profitability. In addition, the loan to value ratio (value of loans compared to the value of assets) is a key metric for the Group and is of particular focus for investors given the current South African interest rate environment. We chose 1% based on our professional judgement and after consideration of the range of quantitative materiality thresholds that we would typically apply when using net assets to compute materiality.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of 35 companies and trusts, which have or have previously invested in office, retail and industrial properties in South Africa and Poland, as well as the Employment Equity Trust which is currently non-operational. The group also holds eight investments in joint ventures which are equity accounted into the consolidated financial statements (each considered to be a 'component' for purposes of our group audit scope).

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INDEPENDENT AUDITOR'S REPORT continued

Full scope audits were performed on the Company and six subsidiaries, namely, Redefine Retail Proprietary Limited, Redefine Empowerment Trust, The Pivotal Fund Proprietary Limited, Ptn 113 Weltevreden Proprietary Limited, Redefine Commercial Proprietary Limited and the EPP N.V. Group due to their financial significance, based on their contribution to total consolidated net assets of the Group, and/or risk characteristics of these entities.

For two components we performed audits of certain account balances due to the financial significance of these accounts to the consolidated financial statements as a whole.

We performed an independent review over three of the subsidiaries within the Group and analytical review procedures over the remaining components to assess whether any risks exist that would require additional audit procedures to be performed.

Detailed audit instructions were issued to EPP N.V. which is the only in-scope component not audited by the group engagement team. Throughout the audit we held various calls and discussions with the component team. We assessed the competence, knowledge and experience of the component auditors, evaluated the procedures performed on the significant audit areas to assess the adequacy thereof in pursuit of our audit opinion on the consolidated financial statements.

The above mentioned procedures, together with additional procedures performed at a Group level, which included testing of consolidation journals and intercompany eliminations, gave us sufficient appropriate audit evidence regarding the consolidated financial information of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
VALUATION OF INVESTMENT PROPERTY	
This key audit matter is applicable to both the consolidated and separate financial statements. Refer to the following accounting policies and notes to the consolidated and separate financial statements: ▶ **Note 1.7** Investment properties, ▶ **Note 1.8** Properties under development, ▶ **Note 1.29** Fair value measurement, ▶ **Note 1.30** Key estimates and assumptions, ▶ **Note 3** Investment properties, ▶ **Note 5** Properties under development, ▶ **Note 30** Fair value disclosures, and ▶ **Note 36** Changes in fair value. The Group and Company's investment properties comprises of properties in the office, retail, industrial, specialised and international (group) sectors, as well as investment properties under development, with a total carrying amount, (excluding the right-of-use assets and straight line rental income accrual), of R76.9 billion and R31.3 billion and a related fair value gain of R33.1 million and R89.8 million for the group and company respectively for the year ended 31 August 2023. The investment properties are stated at their respective fair values based on external valuations performed by independent valuers. It is the policy of the Group and Company to obtain external valuations for all investment properties at the end of each financial reporting period. At year end the fair values of the investment properties were determined by independent valuers using the discounted cash flow method of valuation. Judgement is applied in determining the unobservable inputs applied. **Note 30** sets out these unobservable inputs. Investment properties under development are measured at fair value at year end. Where the fair value cannot be reasonably determined the property is stated at cost and is not depreciated. Undeveloped (vacant) land is valued in terms of the internationally accepted and preferred method of comparison. This involves the use of recent comparable transactions as the basis for the valuation. Bulk rates are determined for land that has been zoned. We considered the valuation of investment properties to be a matter of most significance to our current year audit due to the following: ▶ Inherent subjectivity of the key assumptions that underpin the valuations of investment properties; and ▶ The magnitude of the balance of the investment properties recorded in the consolidated and separate statements of financial position, as well as the changes in fair value relating to the property portfolio recorded in the consolidated and separate statements of profit or loss and other comprehensive income.	Our audit addressed this key audit matter as follows: We obtained an understanding of the approaches followed by management and the independent valuers for the valuation of the Group and Company's local and offshore investment properties through discussions with both management and the independent valuers. This included familiarising ourselves with the process around preparing the budgets that drive the cash flows used in the valuations and the manner in which these were shared with the external valuers. With regards to the local property portfolio, we tested controls in relation to the setting and approval of budgets used in the valuations and obtained confirmation of board approval of the valuations obtained. We evaluated the competence, capabilities and objectivity of the external valuers through inspection of their qualifications as well as through discussion with management and noted no aspects requiring further consideration. In respect of the local property portfolio, we obtained an understanding of, and tested the relevant controls relating to the valuation of investment properties, which included controls in relation to the entering and amending of leases in support of contractual rental income which forms the basis for the cash flows used in the valuation models. In respect of the offshore portfolio of properties we performed substantive testing over the loading of new lease agreements onto the rent roll (which forms the basis for the cash flows used in the valuation models). We performed the following procedures on a sample of the investment properties (determined by applying a predetermined risk criteria), in order to assess the acceptability of the valuation approach as well as the reasonableness of the inputs into the valuation: ▶ We inspected the valuation reports and assessed whether the valuation approach for each of these properties was in accordance with International Financial Reporting Standards (IFRS) and suitable for use in determining the fair value for the purpose of the consolidated and separate financial statements. ▶ We assessed the reasonableness of the cash flows of each of these properties used by the valuers in the discounted cash flow models. This involved: ▪ Agreeing the current year cash flows used in the model to the actual results for the year ending 31 August 2023; and ▪ Assessing the assumptions used in the preparation of the forecasted cash flows against market information and other supporting information. ▶ Making use of our internal valuation experts where necessary, we evaluated the significant assumptions, including discount rates and exit capitalisation rates, against appropriate market information in order to assess whether they were within a reasonable range for the respective market, sector and asset class. ▶ Based on the outcome of the evaluation of the significant assumptions (as noted above) we assessed the reasonability of the fair value of the sample of investment properties. Our audit procedures found management's valuation to be reasonable. In respect of vacant land within the local property portfolio, we recalculated, on a sample basis, the value of the land based on comparable market data and comparable listed sales prices. Our audit procedures on the above did not identify any material differences.

INDEPENDENT AUDITOR'S REPORT continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Redefine Properties Limited Annual Financial Statements for the year ended 31 August 2023", which includes the Directors' report, the Audit committee report and the Certificate by company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Redefine Properties Limited Integrated Report 2023", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Redefine Properties Limited for 5 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: J Bennett
Registered Auditor
Johannesburg, South Africa

3 November 2023

STATEMENTS OF FINANCIAL POSITION

as at 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
ASSETS					
Non-current assets		**96 968 602**	87 104 191	**81 624 258**	81 700 077
Investment properties		79 263 367	73 884 866	32 469 344	31 209 183
– Fair value of investment properties	3	76 837 897	70 905 610	31 286 968	29 686 143
– Straight-line rental income accrual	4	1 783 491	1 810 217	1 071 112	1 070 349
– Properties under development	5	28 386	711 628	24 098	355 814
– Right-of-use assets	6	613 593	457 411	87 166	96 877
Listed securities	7	19 446	69 679	19 446	69 679
Investment in associate and joint ventures	9	15 288 598	11 458 899	9 608	–
Derivative assets	23	412 868	350 432	222 903	316 392
Loans receivable	10	1 051 349	536 394	–	–
Other financial assets	11	644 727	569 677	–	–
Property, plant and equipment	12	190 680	159 059	86 293	85 542
Other monetary assets	14	72 371	51 754	–	–
Deferred taxation	26	25 196	23 431	–	–
Investment in subsidiaries	13.1	–	–	25 900 307	25 688 399
Loans to subsidiaries	13.2	–	–	22 916 357	24 330 882
Current assets		**2 433 555**	3 904 163	**1 076 064**	2 353 850
Properties held-for-trading		–	136 700	–	136 700
Trade and other receivables	15	1 007 353	907 038	614 147	447 553
Loans receivable	10	205 852	664 949	–	110 621
Derivative assets	23	215 431	259 063	213 670	228 475
Other financial assets	11	–	26 362	–	–
Taxation receivable	28.2	24 421	3 851	–	–
Other monetary assets	14	219 616	140 851	–	–
Cash and cash equivalents	16	760 882	1 765 349	248 247	1 430 501
Non-current assets held-for-sale	17	**46 038**	1 397 447	**–**	259 848
Total assets		**99 448 195**	92 405 801	**82 700 322**	84 313 775
EQUITY AND LIABILITIES					
Equity		**52 882 428**	49 301 229	**49 535 104**	51 201 284
Shareholders' interest		51 938 922	48 653 262	49 535 104	51 201 284
– Stated capital	18	50 117 109	50 117 109	50 107 262	50 107 262
– Accumulated (losses)/gains		(3 407 830)	(2 176 101)	(1 314 769)	366 513
– Other reserves		5 229 643	712 254	742 611	727 509
Non-controlling interests	20	943 506	647 967	–	–
Non-current liabilities		**37 503 982**	35 417 181	**25 511 575**	28 164 262
Interest-bearing borrowings	22	34 269 168	33 031 065	24 811 441	27 654 371
Derivative liabilities	23	281 731	119 605	274 142	119 605
Other financial liabilities	24	345 410	153 541	12 776	11 348
Deferred taxation	26	2 022 064	1 679 933	337 763	300 187
Lease liability	6	585 609	433 037	75 453	78 751
Current liabilities		**9 061 785**	7 304 311	**7 653 643**	4 948 229
Trade and other payables	27	2 093 298	2 251 767	1 087 189	1 180 512
Interest-bearing borrowings	22	5 691 977	4 260 312	5 444 380	1 298 070
Loans from subsidiaries	13.2	–	–	2 170	1 973 167
Interest accrual on interest-bearing borrowings		267 542	111 154	182 819	91 403
Derivative liabilities	23	864 316	248 006	864 318	247 153
Other financial liabilities	24	22 537	253 208	22 537	20 321
Insurance contract liability	25	38 517	119 477	38 517	119 477
Lease liability	6	73 365	53 729	11 713	18 126
Taxation payable	28.1	10 233	6 658	–	–
Non-current liabilities held-for-sale	17	**–**	383 080	**–**	–
Total liabilities		**46 565 767**	43 104 572	**33 165 218**	33 112 491
Total equity and liabilities		**99 448 195**	92 405 801	**82 700 322**	84 313 775

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Continuing operations					
Revenue					
Property portfolio revenue		9 908 219	8 238 807	4 364 630	4 268 487
– Contractual rental income	31	9 935 249	8 553 423	4 363 868	4 325 072
– Straight-line rental (expense)/income accrual	4	(27 030)	(314 616)	762	(56 585)
Investment income	32	713	4 892	2 186 471	3 925 716
Total revenue		**9 908 932**	8 243 699	**6 551 101**	8 194 203
Costs					
Operating costs	33.1	(4 003 301)	(3 368 346)	(1 827 763)	(1 765 272)
Expected credit losses – trade receivables		42 310	108 032	15 520	44 896
Administration costs	33.2	(554 673)	(461 414)	(299 283)	(300 827)
Net operating profit		**5 393 268**	4 521 971	**4 439 575**	6 173 000
Other income	35	39 468	51 391	28 653	48 898
Gain on disposal of assets		18 686	38 176	19	–
Remeasurement gain	9	–	825 910	–	–
Gain on bargain purchase	51	–	1 857 212	–	–
Changes in fair values of investment properties	36.1	33 110	903 480	89 816	667 764
Changes in fair values of financial and other instruments	36.2	(1 010 566)	1 217 199	(1 017 835)	1 547 172
Changes in fair value of the insurance contract liability	25	80 959	75 071	80 959	75 071
Changes in expected credit losses – loans receivable	45	(135 925)	128 230	(5 958)	(5 118)
Changes in expected credit losses – loans to subsidiaries	13	–	–	380 249	(220 712)
Impairments	37	(16 105)	(105 683)	(438 655)	(878 360)
Equity-accounted profit (net of taxation)	9	523 404	2 026 288	–	–
Profit before finance costs and taxation		**4 926 299**	11 539 245	**3 556 823**	7 407 715
Net interest costs		(2 401 703)	(1 790 225)	(2 041 435)	(1 656 035)
– Interest income	38	753 094	578 870	702 959	526 219
– Interest expense	39	(3 154 797)	(2 369 095)	(2 744 394)	(2 182 254)
Foreign exchange losses	40	(934 132)	(1 006 319)	(522 995)	(85 674)
Profit before taxation		**1 590 464**	8 742 701	**992 393**	5 666 006
Taxation	41	(129 707)	(8 015)	(6 496)	28 015
Profit for the year from continuing operations		**1 460 757**	8 734 686	**985 897**	5 694 021
Discontinued operations					
Loss from discontinued operations (net of taxation)	53	–	(33 839)	–	–
Profit for the year		**1 460 757**	8 700 847	**985 897**	5 694 021
Attributable to:					
– Redefine Properties Limited shareholders		1 446 628	8 690 869	–	–
– Non-controlling interests		14 129	9 978	–	–
Other comprehensive income		4 694 599	211 469	6 584	3 353
Items that are or may be reclassified subsequently to profit or loss					
Revaluation of property, plant and equipment		10 865	6 361	6 584	3 353
Exchange differences on translation of foreign operations:					
– Subsidiaries		1 677 474	731 935	–	–
– Joint ventures		2 905 952	(830 426)	–	–
Reclassification of foreign currency differences on disposal of investments		100 308	303 599	–	–
Total comprehensive income for the year		**6 155 356**	8 912 316	**992 481**	5 697 374
Attributable to:					
– Redefine Properties Limited shareholders		5 959 780	8 889 659	–	–
– Non-controlling interests		195 576	22 657	–	–
Earnings per share (cents)	42				
– Basic		21.42	141.47	–	–
– Diluted		21.37	141.12	–	–

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STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 August 2023

	GROUP							
Figures in R'000	Stated capital	Accumulated losses	Foreign currency translation reserve	Share-based payment reserve	Share of associates' reserves	Shareholders' interest	Non-controlling interests (NCI)	Total equity
Balance as at 31 August 2021	44 593 547	(5 902 843)	501 316	20 517	5 646	39 218 183	139 673	39 357 856
Total comprehensive income for the year	–	8 697 230	192 429	–	–	8 889 659	22 657	8 912 316
Profit for the year	–	8 690 869	–	–	–	8 690 869	9 978	8 700 847
Other comprehensive income for the year	–	6 361	192 429	–	–	198 790	12 679	211 469
Transactions with owners (contributions and distributions)	5 523 562	(4 888 777)	–	(2 008)	(5 646)	627 131	(118 570)	508 561
Recognition of share-based payments	–	(22 825)	–	(2 008)	–	(24 833)	–	(24 833)
Dividends	–	(4 865 952)	–	–	–	(4 865 952)	(118 570)	(4 984 522)
Issue of ordinary shares	5 523 562	–	–	–	–	5 523 562	–	5 523 562
Disposal of investment in associate	–	–	–	–	(2 783)	(2 783)	–	(2 783)
Share of post-acquisition change in net assets of associate	–	–	–	–	(2 863)	(2 863)	–	(2 863)
Transactions with owners (changes in ownership interests)	–	(81 711)	–	–	–	(81 711)	604 207	522 496
Acquisition of subsidiary with NCI	–	–	–	–	–	–	1 825 169	1 825 169
Change in ownership with subsidiary with NCI	–	(81 711)	–	–	–	(81 711)	(1 220 962)	(1 302 673)
Balance as at 31 August 2022	**50 117 109**	**(2 176 101)**	**693 745**	**18 509**	**–**	**48 653 262**	**647 967**	**49 301 229**
Total comprehensive income for the year	–	1 457 493	4 502 287	–	–	5 959 780	195 576	6 155 356
Profit for the year	–	1 446 628	–	–	–	1 446 628	14 129	1 460 757
Other comprehensive income for the year	–	10 865	4 502 287	–	–	4 513 152	181 447	4 694 599
Transactions with owners (contributions and distributions)	–	(2 673 763)	–	15 102	–	(2 658 661)	(5 038)	(2 663 699)
Recognition of share-based payments	–	(133)	–	15 102	–	14 969	–	14 969
Dividends	–	(2 673 630)	–	–	–	(2 673 630)	(5 038)	(2 678 668)
Transactions with owners (changes in ownership interests)	–	(15 459)	–	–	–	(15 459)	105 001	89 542
Acquisition of subsidiary with NCI	–	–	–	–	–	–	104 304	104 304
Change in ownership with subsidiary with NCI	–	(15 459)	–	–	–	(15 459)	697	(14 762)
Balance as at 31 August 2023	**50 117 109**	**(3 407 830)**	**5 196 032**	**33 611**	**–**	**51 938 922**	**943 506**	**52 882 428**
Notes	18			19	9		20	

	2023	2022
Dividend per share (cents)	43.80	42.97
Interim	20.32	23.69
Final*	23.48	19.28

* *The final dividend is declared post the financial year end and is therefore a non-adjusting subsequent event (refer to* ***note 63:*** *Events after the reporting period)*

Ruda Śląska Phase I, Ruda Śląska, Poland

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STATEMENTS OF CHANGES IN EQUITY continued

for the year ended 31 August 2023

	COMPANY			
Figures in R'000	Stated capital	Accumulated losses	Share-based payment reserve	Total equity
Balance as at 31 August 2021	44 607 971	(464 498)	729 517	44 872 990
Total comprehensive loss for the year	–	5 697 374	–	5 697 374
Profit for the year	–	5 694 021	–	5 694 021
Other comprehensive income for the year	–	3 353	–	3 353
Transactions with owners (contributions and distributions)	5 499 291	(4 866 363)	(2 008)	630 920
Issue of ordinary shares	5 523 562	–	–	5 523 562
Repurchase of ordinary shares	(24 271)	–	–	(24 271)
Dividends	–	(4 869 486)	–	(4 869 486)
Recognition of share-based payments	–	3 123	(2 008)	1 115
Balance as at 31 August 2022	**50 107 262**	**366 513**	**727 509**	**51 201 284**
Total comprehensive income for the year	–	992 481	–	992 481
Profit for the year	–	985 897	–	985 897
Other comprehensive income for the year	–	6 584	–	6 584
Transactions with owners (contributions and distributions)	–	(2 673 763)	15 102	(2 658 661)
Dividends	–	(2 673 630)	–	(2 673 630)
Recognition of share-based payments	–	(133)	15 102	14 969
Balance as at 31 August 2023	**50 107 262**	**(1 314 769)**	**742 611**	**49 535 104**
Notes	18		19	

	2023	2022
Dividend per share (cents)	43.80	42.97
Interim	20.32	23.69
Final*	23.48	19.28

* *The final dividend is declared post the financial year end and is therefore a non-adjusting subsequent event (refer to* ***note 63:*** *Events after the reporting period)*

STATEMENTS OF CASH FLOWS

for the year ended 31 August 2023

		GROUP		COMPANY	
Figures in R'000	Notes	2023	Restated 2022*	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	43	4 909 992	4 746 526	2 213 864	4 306 875
Interest received		718 266	467 621	616 445	437 399
Interest paid		(3 107 192)	(2 472 830)	(2 715 071)	(2 128 261)
Taxation paid	44	(71 656)	(272 194)	33 508	(115 011)
Dividends received from associate and joint ventures	9	136 859	158 264	–	–
Net cash inflow from operating activities		**2 586 269**	**2 627 387**	**148 746**	**2 501 002**
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition and development of investment properties	47	(1 688 211)	(1 234 100)	(1 336 518)	(744 414)
Acquisition of property, plant and equipment		(6 106)	(10 278)	(5 993)	(10 278)
Additional capital contribution in subsidiaries	13	–	–	(650 562)	(1 301 951)
Investment in associates and joint venture	49	(841 620)	(1 453 648)	(9 608)	–
Acquisition of subsidiary (net cash acquired)*	51	(13 046)	1 002 526	–	–
Proceeds from the sale of development rights		–	28 859	–	–
Proceeds on disposal of investment properties and properties classified as held-for-sale	48	1 409 996	4 813 840	507 370	2 381 817
Proceeds from the disposal of joint venture		–	35 779	–	–
Cash inflow arising from the EPP reorganisation	50	–	3 871 974	–	–
Cash outflow arising from the EPP reorganisation	50	–	(588 006)	–	–
Proceeds on the disposal of subsidiary	52	–	170 602	–	–
Proceeds on disposal of property, plant and equipment		1 907	1 616	1 907	1 272
Proceeds from other financial assets		70 118	116 081	–	–
Return on equity from joint venture		328 245	1 741 156	–	–
Repayment of financial liabilities		(310 279)	(816 207)	(7 003)	(94 793)
Loans receivable repaid	45	212 443	931 702	115 337	442 526
Loans receivable advanced	45	(553 871)	(238 493)	–	(995)
Loans to subsidiaries – advanced by company		–	–	(5 296 763)	(3 523 247)
Loans to subsidiaries – repaid by subsidiaries		–	–	7 584 464	5 465 371
Net cash (outflow)/inflow from investing activities		**(1 390 424)**	**8 373 403**	**902 631**	**2 615 308**
CASH FLOWS FROM FINANCING ACTIVITIES					
Shares issued		–	1 245 780	–	1 245 780
Dividends paid		(2 673 630)	(4 865 952)	(2 673 630)	(4 869 486)
Dividends paid to non-controlling interests	20	(5 038)	(118 570)	–	–
Repayment of lease payments	6	(64 939)	(54 628)	(18 114)	(22 672)
Interest-bearing borrowings raised	46	4 154 000	8 298 657	4 154 000	7 629 818
Interest-bearing borrowings repaid	46	(3 581 792)	(15 018 446)	(3 303 216)	(9 484 366)
Interest-bearing borrowings classified as held-for-sale repaid	17	–	(75 244)	–	–
Loans from subsidiaries – repaid by company		–	–	(1 080 434)	(283 743)
Loans from subsidiaries – advanced by subsidiaries		–	–	690 836	953 847
Net cash outflow from financing activities		**(2 171 399)**	**(10 588 403)**	**(2 230 558)**	**(4 830 822)**
Net (decrease)/increase in cash and cash equivalents		(975 554)	412 387	(1 179 182)	285 488
Cash and cash equivalents at the beginning of the year		1 765 349	1 356 385	1 430 501	1 120 854
Reclassification of subsidiary to held-for-sale		–	(7 945)	–	–
Effect of foreign currency exchange fluctuations		(28 913)	4 522	(3 073)	24 159
Cash and cash equivalents at end of year	16	**760 882**	**1 765 349**	**248 247**	**1 430 501**

* *Refer to* ***note 62:*** *Restatement of cash flow statement for details of the restatement*

1
2
3

ACCOUNTING POLICIES

for the year ended 31 August 2023

1. Significant accounting policies

The group and company financial statements have been prepared in accordance with and comply with IFRS, its interpretations issued by the IASB, International Financial Reporting Interpretations Committee (IFRIC), the JSE Listings Requirements, the requirements of the Companies Act, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The group financial statements include the financial statements of Redefine Properties Limited (Redefine or the company) and its subsidiary companies (together referred to as the group) and the share of profit or loss and other comprehensive income and share of net assets of the equity-accounted investees.

The company financial statements refer to Redefine Properties Limited.

1.1. Basis of preparation

The group and company financial statements have been prepared on the historical cost basis unless otherwise indicated. The accounting policies apply to both group and company unless otherwise indicated. The presentation currency in the financial statements is South African rand (rand). All amounts have been rounded to the nearest thousand unless otherwise indicated.

1.2. Basis of consolidation

Consolidated financial statements are prepared by the parent company, Redefine Properties Limited, using uniform accounting policies for like transactions and other events in similar circumstances. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities in the group are eliminated on consolidation.

1.2.1. SUBSIDIARIES

Subsidiaries are entities over which the group exercises control. The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the subsidiaries. Consolidation of subsidiaries commences from the date the investor obtains control and ceases on the date on which the investor loses control.

An investor controls an investee when it is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the group obtains control of a business, the business combination is accounted for using the acquisition method at the acquisition date (the date on which control is transferred to the group). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable assets acquired.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, the other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity instruments that the group incurs in a business combination, are expensed as incurred. Costs associated with the issue of debt or equity securities are recorded directly in equity.

Changes in the group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

1.2.2. NON-CONTROLLING INTERESTS

The non-controlling interest (NCI) relates to the portion of equity ownership in a subsidiary not attributable to the parent company. NCIs are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

When the proportion of the equity held by NCIs changes, the group adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The group recognises, directly in equity, any difference between the amount by which the NCIs are adjusted and the fair value of the consideration paid or received and attribute it to the owners of the parent company.

1.2.3. ASSOCIATES AND JOINT VENTURES

Associates and joint ventures are accounted for using the equity method.

An associate is an entity over which the group exercises significant influence but does not control or jointly control the financial and operating policies of the investee.

A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for liabilities. Joint control is a contractually agreed sharing of control of an arrangement that requires unanimous consent by the contractual parties on decisions about the relevant activities.

In applying the equity method, the investment in the associate or joint venture is measured at cost, which includes transaction costs, with the group's share of post-acquisition earnings recognised in profit or loss and other comprehensive income in accordance with the group's accounting policies, and is separately presented in the statement of profit or loss and other comprehensive income. The group's share of the investee's reserves is recognised in the statement of changes in equity per the relevant reserve category.

Unrealised profits on transactions with equity-accounted investees are eliminated to the extent of the investor's interest in the investee. Balances such as receivables or payables and deposits or loans to or from equity-accounted investees are not eliminated.

Redefine should make the accounting policy choice whether to eliminate interest income or expense arising on balances with equity-accounted investees. The accounting policy selected affects only the presentation of comprehensive income, because it affects the split between finance costs and equity-accounted earnings.

At initial recognition, the principles for business combinations are applied and any resulting notional goodwill arising on the acquisition is included in the carrying amount of the investment. Any gain on bargain purchase is included as income in the group's share of the associate or joint venture's profit or loss in the period in which the investment is acquired. Similarly, associates or joint ventures are equity accounted from acquisition date and cease to be equity accounted when significant influence or joint control ceases.

Dividend income from associates or joint ventures reduces the carrying value of the investment. If the associates or joint ventures are loss-making, the carrying value is reduced until it is carried at Rnil. When additional investments are made while maintaining significant influence or joint control, the cost of the additional investment is added to the carrying value of the investee. Notional goodwill that arises from this additional acquisition is added to the carrying value of the investee.

When the ownership interest in an investee is reduced without affecting the classification as an associate or joint venture, the group reclassifies to profit or loss the proportionate gain or loss previously recognised in other comprehensive income relating to the reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets and liabilities.

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.2.4. JOINT OPERATIONS

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have rights to their assets and obligations for their liabilities relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement that exists when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity transacts with its joint operation, profits and losses resulting from the transactions with the joint operation are recognised in the group's financial statements only to the extent of interests in the joint operation entity that are not related to the group.

When a group entity undertakes its activities under joint operations, the group, as a joint operator, recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly

The group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses.

1.3. Investment in subsidiaries (company)

Investment in subsidiaries is measured at cost less any accumulated impairment losses. The cost of the equity instruments acquired by the company in the underlying statutory entities is included in the carrying amount of the investment in subsidiaries. Directly attributable costs related to the acquisition are expensed as incurred.

1.4. Loans to and from subsidiaries (company)

Loans to subsidiaries are measured at cost less any accumulated impairment. Loans from subsidiaries are measured at cost. The loans to and from subsidiaries are recognised at the fair value of the consideration receivable or payable and are subsequently measured at amortised cost using the effective interest method. Loans to subsidiaries are tested for impairment using the expected credit loss (ECL) model per IFRS 9: *Financial Instruments*.

Loans to subsidiaries are classified as non-current as they do not have redemption dates relating to the maturity of the loans, and management's intention is not to have these settled within the next 12 months. Loans from subsidiaries are classified as current due to inability to defer payments, and they are payable on demand.

1.5. Investments in associates (company)

Investments in associates on the company financial statements are measured at cost less any accumulated impairment losses. The cost is determined as the consideration transferred to obtain the equity interest or, if the investment was previously accounted for as an investment in terms of IFRS 9: *Financial Instruments*, at the fair value of the investment on the date of transfer to an equity-accounted investment. Directly attributable transaction costs are included in the carrying amount.

1.6. Foreign currency translation

1.6.1 REPORTING FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the respective functional currencies of the group companies at the exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated into the functional currency at the exchange rate prevailing at the date that fair value was determined. Non-monetary items that are measured based on historical cost are translated to the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

1.6.2 TRANSLATION TO THE PRESENTATION CURRENCY

The assets and liabilities of foreign operations (including investments in foreign associates and foreign joint ventures), including goodwill and fair value adjustments arising on acquisition, are translated to the group's presentation currency, South African rand, using the respective foreign exchange rates prevailing at the reporting date.

Income and expenses of foreign operations are translated at the average exchange rates for the period. Exchange differences arising are recognised directly in other comprehensive income and accumulated in equity in the foreign currency translation reserve. On disposal or a decrease in the group's effective interest in the foreign investment, all or a proportionate share of the exchange differences accumulated in equity are reclassified to profit or loss. If the group disposes of part of its interest in a subsidiary but retains control, the relevant proportion of the cumulative amounts is reattributed to NCIs.

1.7. Investment properties

Investment properties, both freehold and leasehold, are held to earn rental income and/or for capital appreciation. The group applies the fair value model. At initial recognition, investment properties are measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Freehold properties comprise land and buildings, which the group has ownership of the land and the building. The buildings are leased to tenants under an operating lease. Leasehold properties comprise buildings developed on leased land for which rental payments are made to the lessor. Leasehold properties that are leased to tenants under operating leases are accounted for as investment properties and measured using the fair value model. Properties held under an operating lease are initially measured at cost.

Gains and losses arising from changes in the fair value are included in profit or loss in the period in which they arise. Changes in fair value are excluded from the calculation of distributable income.

Investment properties are measured at fair value at each reporting date. Tenant installations and lease commissions are initially recognised at cost. After initial recognition, the cost is amortised on a straight-line basis over the term of the lease.

A gain or loss arising on the disposal of investment property is recognised in profit or loss upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

A gain or loss is measured as the difference between the net disposal proceeds and the carrying amount.

Subsequent additions that will result in future economic benefits and whose cost can be measured reliably are capitalised.

1.8. Properties under development

Properties under development comprise the cost of the land and development and are measured at fair value. If the fair value cannot be reasonably determined, it is stated at cost and is not depreciated. Investment property that requires development is transferred from investment properties to properties under development when development commences. On completion of the development, these properties become part of investment property.

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.9. Borrowing costs

Borrowing costs that are directly attributable to the development or acquisition of qualifying assets are capitalised to the cost of that asset.

The capitalisation commences when expenditures are incurred for the asset, borrowing costs are incurred, and the group undertakes activities that are necessary to prepare the asset for its intended use or sale.

Borrowing cost is capitalised until such time as it is substantially ready for its intended use. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes less any investment income on the temporary investment of those borrowings or, with regard to that part of the development cost financed out of general funds, to the weighted average borrowing cost. All other borrowing costs are recognised in profit or loss in the period in which they are incurred; interest expense is recognised using the effective interest method.

1.10. Property, plant and equipment

1.10.1. OWNER-OCCUPIED PROPERTIES AND HOTEL

Owner-occupied properties and hotel are initially recognised at cost. After initial recognition, these properties are measured at fair value less accumulated depreciation using the revaluation model under IAS 16: *Property, Plant and Equipment*. The assets are depreciated on a straight-line basis to the residual value. Gains arising from changes in the fair values are recognised in other comprehensive income as a revaluation surplus in the period in which they arise. Any increase is, however, recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset in the period in which it arises. Any loss is recognised in other comprehensive income against the revaluation surplus of the same asset, to the extent that a balance exists in the revaluation reserve in respect of the asset.

1.10.2. ANCILLARY ASSETS

Other ancillary non-current tangible assets are included in property, plant and equipment. These assets are measured using the cost model. Initially, ancillary assets are recognised at the purchase consideration including directly attributable costs. These assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The assets are depreciated on a straight-line basis to the residual value.

These items are listed below together with their useful lives:

- Owner-occupied properties and hotel: 50 years
- Leasehold improvements: 10 years
- Computer equipment: five years
- Furniture and fittings: three years
- Office equipment: three years
- Motor vehicles: five years
- Right-of-use (ROU) assets: Shorter of lease term and five years

The depreciation method, useful lives, and residual values are reviewed at each reporting date. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ROU assets are computed in terms of accounting **policy 1.10:** Leases, are included in **note 12:** Property, plant and equipment, and are depreciated over the shorter of the lease term and useful life.

1.11. Properties held-for-trading

Properties held-for-trading comprise properties acquired, as well as properties developed with the intention of disposing for a profit in the ordinary course of business, and are recorded at the lower of cost and net realisable value.

Costs include all costs of purchase, transaction costs, costs of conversion and other costs incurred in bringing the properties to their present condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of selling.

Properties will cease to be held for trading when the intention changes from holding the properties with the intention of disposing of them for a profit in the ordinary course of business and there is evidence of the change in use.

1.12. Non-current assets held-for-sale and discontinued operations

A non-current asset or a disposal group comprising assets and liabilities is classified as held-for-sale if it is expected that its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale, and the sale is highly probable to occur within one year. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset or disposal group.

Where the group is committed to a sale plan involving the loss of control of an asset or a subsidiary, it classifies all the assets and liabilities of that subsidiary as held-for-sale when the criteria set out above and detailed in IFRS 5: *Non-current Assets Held-for-Sale and Discontinued Operations* are met, regardless of whether the group will retain an NCI in its former subsidiary after the sale.

Non-current assets and disposal groups held-for-sale are measured at the lower of their carrying amount and fair value less costs of disposal, with any impairment losses recognised in profit or loss. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets on a *pro rata* basis. However, certain items – such as financial assets within the scope of IFRS 9: *Financial Instruments*, deferred tax assets and investment property, which is measured in accordance with the fair value model – continue to be measured in accordance with the group's accounting policies.

Assets classified as held-for-sale are not depreciated or amortised, and any equity-accounted investee or a portion thereof is no longer equity accounted.

Non-current assets held-for-sale are presented separately from other assets and liabilities on the statement of financial position. Prior periods are not reclassified.

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which

- Represents a separate major line of business or geographic area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations
- Is a subsidiary acquired exclusively with a view to resell

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.13. Financial instruments

1.13.1. FINANCIAL ASSETS

Investment in debt instruments

i. **Classification**

The group classifies its financial assets in the following measurement categories:

- Those to be measured at amortised cost
- Those to be measured subsequently at fair value through profit or loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are recorded in profit or loss. The group reclassifies debt investments when, and only when, its business model for managing those assets changes. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

ii. **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the group commits to purchase the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

iii. **Measurement**

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value.

The subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal, and interest is measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains/(losses).

FVTPL: Assets that do not meet the criteria for amortised cost are measured at FVTPL. Movement in fair value of a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and is presented in the statement of profit or loss in the period in which it arises.

iv. **Impairment**

The group assesses on a forward-looking basis the ECLs associated with its debt instruments carried at amortised cost.

The methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, Redefine compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

The group's financial assets are subject to the ECL model.

For trade receivables, the group applies the simplified approach permitted by IFRS 9: *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of trade receivables and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the tenants to settle the receivable. Such forward-looking information would include

- Changes in economic, regulatory, technological and environmental factors (such as industry outlook, gross domestic product (GDP), employment and politics)
- External market indicators

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Debt investment and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.

INVESTMENT IN EQUITY INSTRUMENTS

At initial recognition, the group recognises equity instruments at fair value. After initial recognition, changes in fair value are recognised in profit and loss. Dividends from such investments continue to be recognised in profit or loss as investment income when the group's right to receive payments is established.

LOANS RECEIVABLE AND TRADE AND OTHER RECEIVABLES

The group holds loans receivable and trade and other receivables with the objective to collect the contractual cash flows. Loans receivable and trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method less ECL.

OTHER FINANCIAL ASSETS

Other financial assets consist of unlisted shares and deferred payment receivable.

The deferred payment receivable is initially recognised at fair value and subsequently measured at amortised cost. The unlisted shares are initially recognised at fair value and subsequently measured and carried at FVTPL.

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3

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.13. Financial instruments continued

The ECL associated with loans and other receivables carried at amortised cost are assessed on a forward-looking basis using the general model per IFRS 9: *Financial Instruments*. The group has leveraged existing parameters used to determine capital demands under the Basel guidance and internal risk management practices to calculate ECL. The group uses three categories (performing, underperforming and non-performing), which reflect the credit risk and how the loss provision is determined for each of those categories. An internal credit risk rating system is also used.

LONG-TERM LOANS GRANTED TO JOINT VENTURES

The long-term loans granted to joint ventures (presented under investments in associates and joint ventures) are classified as financial assets at amortised cost as a result of business model assessment and the fact that the solely payments of principal and interest (SPPI) test is met. The loans are initially recognised at transaction price (the consideration given plus transaction costs directly attributable to granting the loan).

OTHER MONETARY ASSETS

This category includes items such as:

- **Tenant deposits:** Money in restricted bank accounts that secures the refund of security deposits paid in by tenants. Restriction is imposed by the lender financing the property. The length of restriction depends on the length of the contract with tenants
- **Money in bank debt service accounts:** Money in restricted bank accounts that secures the payments under some of the bank loan agreements. Restriction is imposed by the lender financing the property. The cash cannot be used for other purposes than settlement of the next payment of interest/capital
- **Money in bank accounts designated for capital expenditures:** Money in bank accounts that secures the payments of capital expenditure commitments. Restriction is imposed by the lender financing the property. The cash cannot be used for other purposes than settlement of capex or determined in terms of the bank agreements
- **Value-added tax (VAT) and other monies in restricted bank accounts:** VAT payment accounts (VAT tax reimbursement accounts) and other immaterial items. In terms of VAT reimbursement accounts, restrictions are imposed by the tax authorities of the group's foreign subsidiaries. This relates to cash paid by suppliers related to the VAT element of the invoice settlement. Money in these bank accounts is restricted to VAT payments

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand; deposits held on call with financial institutions; and other short-term, highly liquid investments with original maturities of three months or shorter that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in values.

1.13.2. FINANCIAL LIABILITIES

The group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost unless the group opted to, or is required to, measure a liability at FVTPL. If a hybrid contract contains a host that is not a financial asset, the embedded derivative shall be separated from the host and accounted for as a derivative under IFRS 9: *Financial Instruments*. If, however, the group is unable to measure the embedded derivative separately, either at acquisition or at the end of a subsequent financial reporting period, it shall designate the entire hybrid contract as at FVTPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method (see accounting **policy 1.9:** Borrowing costs). However, interest-bearing borrowings comprising exchangeable bonds remain measured at fair value with subsequent changes in fair value recognised in profit or loss.

Trade and other payables

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is within less than one year, discounting is omitted.

Derivatives

The group does not apply hedge accounting in accordance with IFRS 9: *Financial Instruments*. Derivative financial assets and liabilities are classified as financial assets or liabilities at FVTPL. Derivative financial assets and liabilities comprise mainly interest rate swaps, cross-currency swaps, and forward foreign exchange contracts for hedging purposes (economic hedge). Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value. Directly attributable transaction costs are recognised immediately in profit or loss. Gains or losses on derivatives are recognised in profit or loss in the changes in fair values of financial and other instruments line item.

1.14. Goodwill

Goodwill arising on the acquisition of a business is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the group's cash generating units (CGUs) that is expected to benefit from the synergies of the combination. In the real estate industry, goodwill may arise from business combinations where the purpose of obtaining control is to acquire certain properties. To this end, goodwill is allocated to the CGUs in which the acquired properties are allocated.

The CGU to which goodwill has been allocated is tested for impairment annually or where there is any indication that an asset may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of the allocated goodwill and then to the carrying amount of the other assets included in the CGU. An impairment loss in respect of goodwill is not reversed.

The group's policy relating to goodwill on acquisition of associates is described in accounting **policy 1.2.4:** Associates and joint ventures.

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.15. Impairment of non-financial assets

The carrying value of non-financial assets (other than goodwill; intangible assets with an indefinite useful life; property, plant and equipment; and deferred tax assets) is reviewed for impairment at each reporting date to determine whether there is any indication of an impairment loss. If such indication exists, the asset's recoverable amount is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the CGU to which the asset belongs. The recoverable amount is determined as the higher of fair value less costs of disposal or value in use. An impairment loss is recognised if the carrying amount of the asset or CGU exceeds its estimated recoverable amount.

In assessing the value in use, the estimated cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses and the reversal of impairment losses are recognised in profit or loss.

In the case of a CGU, an impairment is first allocated to goodwill and then to the other assets in the CGU on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is only reversed if there is an indication that the impairment loss no longer exists and the recoverable amount increases as a result of a change in estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised in prior years.

1.16. Stated capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction from equity.

1.17. Treasury shares

Where a subsidiary company holds shares in the holding company, the consideration paid to acquire these shares is deducted from stated capital as treasury shares. When these shares are sold or reissued, any consideration received is included in stated capital.

1.18. Dividends paid

Dividends and other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity on the date of declaration.

1.19. Revenue recognition

Revenue includes contractual rental income, non-gross lettable income, tenant installations, parking income, operating cost recovery and other income.

As per IFRS 16: *Leases*, contractual rental income from operating leases is recognised on a straight-line basis over the lease term. When the group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

As per IFRS 15: *Revenue from Contracts with Customers*, non-gross lettable income, tenant installations, parking income, operating cost recovery, and other income are recognised in the accounting period in which control of the services is passed to the customer, which is when the service is rendered over time. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Some property management contracts may include multiple elements of service that are provided to tenants. The group assesses whether individual elements of service in the contract are separate performance obligations. Where the contracts include multiple performance obligations and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the relative standalone selling prices. Where these selling prices are not directly observable, they are estimated based on expected cost plus margin. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services. This consideration may include discounts, trade allowances, rebates, and amounts collected on behalf of third parties. For arrangements that include deferred payment terms that exceed 12 months, the group adjusts the transaction price for the financing component, with the impact recognised as interest income using the effective interest rate method over the period of the financing.

A receivable is recognised when services are provided and control passes to the customer, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

When the group acts as an agent, the commission rather than gross income is recorded as revenue.

The group pays lease commissions in order to secure certain contracts. These lease commissions are assessed to be an incremental cost of obtaining a contract. For lease commissions paid in relation to revenue contracts, which are for a period greater than one year, the lease commission is capitalised as an other non-current asset and amortised over the period of the revenue contract to which it relates.

Investment income is recognised when the group and company's right to the income is established.

1.20. Operating expenses

Property operating expenses comprise utility charges, assessment rates, net credit losses, cleaning, insurance, security, repairs and maintenance related to the relevant properties.

1.21. Net operating profit

Net operating profit is before losses or gains on disposal of assets, losses or gains on disposal of interest in associates and joint ventures, changes in fair values, amortisation of intangible asset, ECL on loan receivables, ECL on loans to subsidiaries, impairments, reversal of impairments, and equity accounted profit/(loss) (net of taxation).

1.22. Interest expense and income

Interest expense is recognised using the effective interest method and expensed in the statement of profit or loss and other comprehensive income. Interest income is recognised using the effective interest rate method on the statement of profit or loss and other comprehensive income during the period it is earned.

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.23. Employee benefits

1.23.1. SHORT-TERM BENEFITS

Short-term employee benefits are benefits that will be settled within 12 months. The cost of the short-term employee benefits is recognised during the period in which the employees render the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount that the group has a present legal or constructive obligation to pay as a result of the employees' services provided up to the reporting date.

1.23.2. DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions to a separate entity. The group will have no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.23.3. OTHER LONG-TERM EMPLOYEE BENEFITS

In terms of the long-term staff incentive scheme, a conditional right to a cash award is awarded to employees subject to performance and vesting conditions. The scheme is accounted for in terms of IAS 19: *Employee Benefits*, as the group's net obligation in respect of other long-term employee benefits is the amount of future benefits that employees have earned in return for their services to date. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise. No actuarial valuations have been performed.

1.23.4. SHARE-BASED PAYMENTS

i. Short-term and long-term restricted incentive scheme

In terms of the restricted share scheme, a conditional right to shares is awarded to employees subject to performance and service conditions. The scheme is accounted for as an equity-settled share-based payment. The fair value of services received in return for the restricted shares has been determined as follows: the number of shares expected to vest multiplied by the share price at the date of award less discounted future anticipated distributions.

The grant-date fair value of the scheme is recognised as an expense, with a corresponding increase in equity, over the vesting period. The amount recognised as an expense is adjusted for changes in management's estimate of the number of shares expected to vest, such that the amount ultimately recognised is based on the number of awards that vest.

ii. Matching share scheme

In terms of the matching share scheme, participants are invited annually to utilise a predetermined percentage of their after-tax bonus to acquire Redefine Properties Limited shares. Participants holding shares at the third anniversary of the date of award will be awarded Redefine Properties Limited shares free of consideration based on a multiple of the original shares and linked to the group and individual's performance. The scheme is accounted for as an equity-settled share-based payment. The fair value of services received in return for the matching shares has been determined as follows: the number of shares expected to vest multiplied by the share price at the date of award less discounted future anticipated distributions.

The grant-date fair value of the scheme is recognised as an expense, with a corresponding increase in equity, over the vesting period. The amount recognised as an expense is adjusted for changes in management's estimate of the number of shares expected to vest, such that the amount ultimately recognised is based on the number of awards that vest.

iii. Nil-cost options

In terms of the staff incentive scheme, a conditional right to shares or a cash equivalent, at the employee's option, is awarded to employees subject to performance conditions. The scheme is accounted for as a compound financial instrument.

Liability portion

The fair value of the amount payable in terms of the cash alternative of the nil-cost options is recognised as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the value of the cash alternative of the nil-cost options. Any changes in the liability are recognised in profit or loss.

Equity portion

The equity portion is calculated as the services received in return for the number of nil-cost options expected to vest multiplied by the share price at the date of award less discounted future anticipated distributions less the above liability portion. The grant-date fair value of the equity portion of the nil-cost option is recognised as an expense, with a corresponding increase in equity, over the vesting period. The amount recognised as an expense is adjusted for changes in management's estimate of the number of shares expected to vest, such that the amount ultimately recognised is based on the number of awards that vest.

iv. Conditional awards

In terms of the staff incentive scheme, a conditional right to a cash equivalent is awarded to employees subject to performance conditions. The fair value of the amount payable in respect of conditional awards is recognised as an expense, with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. The liability is based on the fair value of the underlying Redefine shares at each reporting date and is measured until settlement date. Any changes in the liability are recognised in profit or loss.

v. Redefine Empowerment Trust (company)

The loan granted by the company to the Redefine Empowerment Trust has recourse to the shares of Redefine Properties Limited and no other assets. The issue of the shares on the loan account has been treated as an option grant that vested on the date when the loan was granted.

The grant-date fair value of the options is recognised as an expense, with a corresponding increase in equity. The expense is recognised in full on the grant date, which is also the vesting date.

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.24. Taxation and deferred taxation

Income tax expense comprises current and deferred taxation. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on taxable income after deducting the qualifying distribution for the year of assessment, using tax rates that have been enacted or substantially enacted by the reporting date, and includes adjustments for tax payable in respect of previous years.

In entities that have REIT status, dividends declared are treated as a qualifying distribution in terms of section 25BB of the Income Tax Act.

Withholding tax relating to foreign distributions received is recognised as part of the current tax expense. The distribution received is presented gross of withholding tax in the financial statements.

Deferred income tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises

- From the initial recognition of goodwill in a business combination
- From the initial recognition of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit nor taxable income, or
- From differences related to investments in subsidiaries, joint ventures and associates to the extent that it is probable that they will not reverse in the foreseeable future and the group is able to control the reversal

Deferred tax is not recognised on the fair value of investment properties and of listed securities. These items will be realised through sale and, in accordance with the income tax requirements relating to REIT status, capital gains tax is not applicable. Deferred tax is not recognised for temporary differences that will form part of future qualifying distributions. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income tax levied by the same authority on the same taxable entity or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

1.25. Insurance contract liability

Insurance contracts are those contracts that transfer significant insurance risk. Redefine defines a significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that adversely affects the policyholder.

Loss adjustment expenses are charged to income as incurred, based on the estimated liability for compensation owed to the contract holder.

A liability for contractual benefits that is expected to be incurred in the future is recorded when the premiums/shortfalls are recognised. The premium/shortfall recognised is with regards to the lender put option/underwrite agreement (refer to **note 25:** Insurance contract liability).

The liability is determined at the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

The liabilities are recalculated at each end of the reporting period using the assumptions established at inception of the contract with the movement charged to profit or loss.

1.26. Operating segments

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. The group identifies and presents operating segments based on information provided internally to the executive committee (Exco), the group's chief operating decision-making (CODM) forum. An operating segment's operating results are reviewed regularly by the group's Exco to make decisions about resources to be allocated to the segment and assess its performance for which distinct financial information is available. The group comprises the following segments in the local portfolio: office, retail, industrial, specialised and head office. The international portfolio comprises EPP, which is primarily retail, Redefine Europe B.V. (Redefine Europe), which is primarily industrial, and other (Lango Real Estate and head office funding related to international investments).

Operating profit or loss is the key measure that the CODM focuses on. Refer to **note 2:** Segmental report for the group's segmental disclosure.

Consistent with the CODM's objective of unlocking value through active asset management and development opportunities in Poland, Redefine acquired a controlling stake in EPP in FY22. Refer to **note 52:** Acquisition of a controlling interest in subsidiaries. The acquisition led to an increase in the value of the international portfolio, the management of the financial and operating activities of EPP, and a change in the manner in which the CODM makes decisions. As a result, the international segment, which was previously presented as an aggregate amount, has been disaggregated into EPP, Redefine Europe, and other (Journal Student Accommodation Fund, Lango Real Estate and head office funding related to international investments).

The international portfolio was previously presented as an aggregate amount. This disaggregation did not result in a change in the overall international segment profit or loss or net asset position.

1.27. Leases

1.27.1. GROUP/COMPANY AS A LESSEE

At initial recognition

The ROU asset is measured at its cost, which include

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date (less any lease incentives received)
- Any initial direct costs incurred by the group

The lease liability is measured at the present value of future lease payments at commencement date, which are expected to be paid over the lease term.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments) less any lease incentives
- Variable lease payments that depend on an index or rate, initially measured at the applicable index or rate at the lease commencement date

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.27. Leases continued

1.27.1. GROUP/COMPANY AS A LESSEE continued

- The exercise price of a purchase option, if the group is reasonably certain to exercise that option, or the penalty payable on the exercise of a termination option unless the group is reasonably certain not to exercise the option
- Any amounts expected to be payable under residual value guarantees

The group's variable lease payments are not dependent on an index or a rate. As such, these lease payments are not included in the measurement of the lease liability.

The group recognises the lease payments associated with short-term leases and leases for which the underlying asset is of low value as an expense on the accrual basis of accounting.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property leases across the group. These are used to maximise operational flexibility in terms of managing the investment properties used in the group's leasing activities.

The majority of extension and termination options held are exercisable only by the group and not by the respective lessors.

The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the group uses the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

Subsequent measurement

The group measures the ROU assets that meet the definition of investment property using the fair value model applied to its investment property accounting policy (refer to **note 3:** Investment property). ROU assets linked to owner-occupied buildings are measured by applying the revaluation model relevant to that specific class of property, plant and equipment as described in accounting **policy 1.10** and tested for impairment as described in accounting **policy 1.15**.

The lease liability is measured as follows:

- Increasing the carrying amount to reflect interest on the lease liability
- Reducing the carrying amount to reflect the lease payments made
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments

Where the group is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the ROU asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1.27.2. GROUP/COMPANY AS A LESSOR

Properties leased to third parties under operating leases are included in investment property in the statement of financial position.

The group provides certain incentives for the lessee to enter into lease agreements. Initial periods of the lease term may be agreed to be rent free or at a reduced rent. All incentives are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of the payments, and amortised on a straight-line basis over the lease term. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Straight-lining adjustments do not affect distributable income.

1.28. Earnings and headline earnings

Earnings per share is calculated on the weighted average number of shares in issue, net of treasury shares, in respect of the year and is based on profit attributable to shareholders. Headline earnings per share is calculated in terms of the requirements set out in Circular 1/2023 issued by SAICA. DIPS is calculated for each six-month period of the distribution, using the number of shares in issue at the interim reporting date and at the financial year end reporting date.

1.29. Fair value measurement

Assets and liabilities that are recognised and subsequently measured at fair value are categorised into a hierarchy based on the inputs to the valuation techniques used to measure fair value.

This reflects the significance of the inputs used in measuring fair value. The categorisation is based on the lowest level input that is significant in the fair value measurement in its entirety.

The three levels of the hierarchy are as follows:

LEVEL 1

Assets and liabilities measured at fair value are categorised as level 1 if the inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities, which the entity can access at measurement date.

LEVEL 2

Assets and liabilities measured at fair value are categorised as level 2 if inputs are used that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), other than quoted prices used referred to under the level above.

LEVEL 3

Assets and liabilities measured at fair value are categorised as level 3 if inputs for the asset or liability are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement in its entirety) at the end of each reporting period.

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.30. Key estimates and assumptions

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Judgement also needs to be exercised in applying the group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1.30.1. JOINT ARRANGEMENTS

On 31 August 2023, Talis Property Fund Proprietary Limited (Talis Fund) and Redefine became joint venture partners in Talis Property Investments Proprietary Limited (Talis).

In terms of the arrangement, Talis Fund subscribed for 51% of the shares for R10.0 million, and Redefine subscribed for 49% of the shares for R9.6 million.

In assessing the accounting treatment for Redefine's 49% shareholding in Talis, management considered the voting rights that Redefine has in Talis. Based on the assessment, it was established that there is a link between Redefine's power and the ability to affect the returns in Talis. However, Redefine is only able to demonstrate collective control together with Talis Fund as unanimous consent is required by both parties for decisions on the activities that significantly affect Talis's returns.

Based on the above assessment, Redefine's 49% ordinary share investment in Talis is accounted for as a joint venture and is consolidated using the equity method. See accounting **policy 1.2.4** and **note 9:** Investment in associate and joint ventures.

1.30.2. DERECOGNITION OF INVESTMENT PROPERTY

During the 2023 financial year, Redefine entered into an agreement with Talis (its jointly controlled entity) to dispose of its government-tenanted properties. Redefine Retail Proprietary Limited (Redefine Retail) granted Talis a vendor loan amounting to R1.1 billion (loan value linked to the fair value of the properties), which Talis used to acquire the properties from Redefine for a purchase consideration of R1.1 billion. Interest is charged at an annual nominal rate of 10%, compounded monthly on the portfolio and capital expenditure loan balances. The interest will be paid monthly by Talis. The principal amount can be settled at the earliest of five years or when Talis has the funds to settle a property loan balance. There is an option to extend the portfolio loan for an additional two years.

Management applied the derecognition principles in IAS 40: *Investment Property* using the control assessment as set out in IFRS 15: *Revenue from Contracts with Customers* paragraph 38 as required by IAS 40.67 and the control analysis as per the Conceptual Framework for Financial Reporting.

Control factors considered in terms of IFRS 15 paragraphs 31 to 34:

- Assessing whether Redefine has a present right to payment for the properties sold. The fact that Redefine and Talis entered into a loan agreement in which capital is only due after a period of five years, and with the option to extend by another two years, indicates that Redefine does not have the present right to payment for the full portfolio. Furthermore, the loan is interest bearing, therefore Redefine is compensated for the period that Talis uses the properties but has not yet paid for the
- Assessing whether Talis has legal title to the properties. As at 31 August 2023, Talis does not have legal title of the properties, however, the transfer of title will be effected in FY24. This criteria has not been met as at 31 August 2023
- Assessing whether Redefine has transferred physical possession of the properties. Although Talis will have physical possession of the property, Redefine will continue to have unlimited access to the property over the term of the loan
- Assessing whether Talis has the significant risks and rewards of ownership of the properties. Risk considerations: A major risk associated with rental property would be vacant property, as this will create negative cash flow. If Talis cannot lease out any of the properties, there will be no cash flow to repay the loan. In the event that Talis defaults on the loan, Redefine's recourse includes but is not limited to taking back the property. As such, Redefine maintains the risks related to the properties

  Rewards considerations: The significant reward related to rental property is obtaining rental income and capital appreciation. The rental income obtained by Talis will be used to settle the loan from Redefine, as well as pay for property management to Redefine. Talis may not dispose of the portfolio without prior written consent from Redefine, which differs from a securitised lending arrangement with a financial institution. If consent is granted by Redefine to Talis to dispose of the properties, the proceeds must be applied firstly to pay off any default interest, any outstanding interest or any other charges, fees, expenses or disbursements arising from the agreement. Thereafter, the capital amount outstanding on the loan to Redefine is repaid and only excess proceeds (if any) are retained by Talis. As such, Talis does not obtain the full rewards of owning the properties throughout the period that the loan is outstanding
- Assessing whether Talis has accepted the asset. Talis has accepted the properties from Redefine; however, their ability to keep the properties is based on their capability to repay the loan in full in the future. If Talis is unable to repay the loan or chooses not to, Redefine could have no other option but to take the properties back in terms of the loan agreement

Based on the above analysis, the indicators included in IFRS 15.38 which could evidence the transfer of control are not met for the sale of the government-tenanted properties from Redefine to Talis. For the avoidance of doubt, further analyses were performed using the Conceptual Framework for Financial Reporting.

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.30. Key estimates and assumptions continued

1.30.2. DERECOGNITION OF INVESTMENT PROPERTY continued

Control factors as per the Conceptual Framework for Financial Reporting

Paragraph 4.20 of the framework: An entity controls an economic resource if it has the present ability to direct the use of the economic resource and obtain the economic benefits that may flow from it. Control includes the present ability to prevent other parties from directing the use of the economic resource and from obtaining the economic benefits that may flow from it. It follows that, if one party controls an economic resource, no other party controls that resource.

- Talis is not able to sell the properties without prior consent from Redefine. Additionally, they are able to rent out the properties only to government entities. As such, Talis does not control the properties as yet but only has the ability to rent out the properties for a specified period. As Redefine has the ability to prevent Talis from selling a property (due to prior consent required for sale), Redefine still has control over the properties

Paragraph 4.21 of the framework: An entity has the present ability to direct the use of an economic resource if it has the right to deploy that economic resource in its activities or to allow another party to deploy the economic resource in that other party's activities.

- Talis cannot determine how the properties may be utilised as this has been predetermined that they will be rented out to government entities

Paragraph 4.22 of the framework: Control of an economic resource usually arises from an ability to enforce legal rights. However, control can also arise if an entity has other means of ensuring that it, and no other party, has the present ability to direct the use of the economic resource and obtain the benefits that may flow from it. For example, an entity could control a right to use know-how that is not in the public domain if the entity has access to the know-how and the present ability to keep the know-how secret, even if that know-how is not protected by a registered patent.

- Redefine has the ability to prevent Talis from selling a property, thus restricting Talis from obtaining the entire economic benefit that the properties contain. Therefore, Talis cannot enforce the legal rights of "owning" the property, and these still remain with Redefine

Paragraph 4.23 of the framework: For an entity to control an economic resource, the future economic benefits from that resource must flow to the entity either directly or indirectly rather than to another party. This aspect of control does not imply that the entity can ensure that the resource will produce economic benefits in all circumstances. Instead, it means that if the resource produces economic benefits, the entity is the party that will obtain them either directly or indirectly.

- Talis is able to rent out these properties to government entities and will receive rental from these properties. However, a portion of this rental received must be paid to Redefine in the form of interest payments on the loan. Talis is only able to enjoy the economic benefits from the properties once the loan is repaid. This results in Redefine having the ability to receive the economic benefits from the properties rather than Talis, up until the point that the loan is fully repaid

Paragraph 4.24 of the framework: Having exposure to significant variations in the amount of the economic benefits produced by an economic resource may indicate that the entity controls the resource. However, it is only one factor to consider in the overall assessment of whether control exists.

- Talis has exposure to the amount of rental that is received on the properties, and this exposure results in them having a risk in terms of, if rental is not received, they would not have funds to pay interest on the loan to Redefine. However, this could result in a trigger event for Redefine to take back the properties (call option). This brings into question whether Talis is exposed to any risk at all, in relation to the properties, as the triggering of the call option could result in Redefine taking the properties back, with no adverse economic consequences for Talis (e.g. they don't have to pay Redefine any additional amount for this to occur)

Based on the control criteria set out in IFRS 15.38 and the Conceptual Framework for Financial Reporting paragraph 4.19 to 4.24, the risks and rewards of the properties have not transferred from Redefine to Talis, as control of these properties has not passed from Redefine to Talis as at 31 August 2023. Therefore, the properties will not be derecognised and will continue to be accounted for as investment property in accordance with IAS 40. The substance of the transaction is that ROU of the properties has been granted to Talis in terms of IFRS 16: *Leases*.

1.30.3. IMPAIRMENT OF INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures are tested for impairment if any impairment indicators are present. Indicators of impairment include:

- Diminishing dividend yields
- NAV of the company is higher than the market capitalisation
- The carrying amount of the associate or joint venture is higher than the carrying amount of the investees' assets
- A dividend received exceeds the total comprehensive income of the investee

Management will perform an impairment calculation by comparing the carrying amount of the investment to its recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal, represented by the closing share price, if applicable, and the value in use determined by discounting future cash flows.

Refer to **note 9:** Investment in associate and joint ventures for the indicators considered as well as the impairment tests performed, where applicable.

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ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.30. Key estimates and assumptions continued

1.30.4. IMPAIRMENT OF INTERESTS IN SUBSIDIARIES (COMPANY)

Shares at cost

The shares held in interests in subsidiaries are tested for impairment if any indicators are present. Indicators of impairment include:

- Diminishing dividend yields
- Net assets of the subsidiary are lower than its carrying value
- A dividend received exceeds the total comprehensive income of the subsidiary
- Economic performance of the subsidiary will be worse than expected

Management performs an impairment calculation by comparing the carrying amount of the investment to its recoverable amount. The recoverable amount is deemed to be the fair value less cost of disposal, which approximates the value in use. The fair value is determined using the adjusted NAV method.

Loans advanced to subsidiaries

Intercompany loans receivable are tested for impairment using the general model per IFRS 9: *Financial Instruments*, as discussed above in accounting **policy 1.13:** Financial instruments.

1.30.5. BUSINESS COMBINATION VERSUS ASSET ACQUISITION

The directors have assessed the properties acquired and concluded that these acquisitions are property acquisitions in terms of IAS 40: *Investment Property* and are therefore accounted for in terms of that standard. In the opinion of the directors, these properties do not constitute a business as defined in terms of IFRS 3: *Business Combinations*, as there were no adequate processes identified within these properties to warrant classification as businesses.

Per IFRS 3, a business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Per IFRS 3, a business comprises inputs, and substantive processes applied to those inputs, that have the ability to create outputs. Property acquisitions are assessed to determine whether a process was acquired with the property, which would indicate that the acquisition is a business combination. The optional concentration test was not applied.

IFRS 3 defines input as “an economic resource that creates, or has the ability to create, outputs when one or more processes are applied to it.”

The property acquisition may include the building and/or land and tenants. These are considered to be the inputs. Tenants are considered to be an input as processes, such as billing and rental income collection, must be applied to create output.

IFRS 3 defines a process as “any system, standard, protocol, convention, or rule that, when applied to an input, creates or has the ability to create outputs.”

Redefine's employees apply processes to the inputs to generate rental income. The processes include (but are not limited to) the letting of space, maintenance of buildings, billing of rent, and collection of rent. These property management and asset management processes are typically provided by Redefine's employees. The property acquired would be included in one of Redefine's operating segments, and strategic management processes and resource allocation would be managed at a portfolio level.

Properties are rarely acquired together with the inputs in a single property acquisition. As a result, these property acquisitions would not constitute a business as defined.

The acquisition of a portfolio of properties on a large scale may include the associated business processes. In practice, the statutory entity that owns the property portfolio would typically be acquired together with the business. This would then be accounted for in terms of IFRS 3 and not as a property acquisition in terms of IAS 40.

1.30.6. DEFERRED TAX

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.30.7. INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

The portfolio is valued at each reporting date. By obtaining external valuations of the portfolio from accredited valuators, management is of the opinion that the risk relating to estimation uncertainty has been mitigated as far as possible. Refer to accounting **policy 1.7** and **note 3:** Investment properties, accounting **policy 1.8** and **note 5:** Properties under development, and **note 30:** Fair value disclosures for further information.

1.31. New standards, interpretations and amendments adopted by the group

During the current financial year, the below amendments to standards were adopted by the group:

- Amendment to IFRS 3: *Business Combination*
- Amendments to IAS 16: *Property, Plant and Equipment* on proceeds before intended use
- Amendments to IAS 37: *Provisions, Contingent Liabilities and Contingent Assets* on onerous contracts – cost of fulfilling a contract
- Annual improvements cycle 2018 to 2020

The amendments had no material impact to the group during the current financial year.

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.32. New standards and interpretations not yet effective

INTERNATIONAL FINANCIAL REPORTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT EFFECTIVE			
NUMBER	**EFFECTIVE DATE**	**EXECUTIVE SUMMARY**	**IMPACT ON FINANCIAL STATEMENTS**
Amendment to IAS 1: *Presentation of Financial Statements* on classification of liabilities as current or non-current	Annual periods beginning on or after 1 January 2023 (Published January 2020)	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment, some of which clarify how a company assesses whether it has a right to defer settlement for at least 12 months when the liability is subject to covenants. The amendments become effective on 1 January 2023. The amendments change the classification of certain liabilities as current or non-current, and companies may need to provide new disclosures for liabilities subject to covenants.	Not expected to materially impact the group
Narrow scope amendments to IAS 1: *Presentation of Financial Statements*, IFRS Practice Statement 2, and IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*	Annual periods beginning on or after 1 January 2023 – earlier application is permitted (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements distinguish changes in accounting policies from changes in accounting estimates.	Not expected to materially impact the group
Amendments to IAS 7: *Statement of Cash Flows* and IFRS 7: *Financial Instruments: Disclosures* on supplier finance arrangements	Annual periods beginning on or after 1 January 2024 (Published November 2021)	The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.	Not expected to materially impact the group
Amendments to IAS 12: *Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	Annual periods beginning on or after 1 January 2023 – earlier application is permitted (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.	Not expected to materially impact the group
Amendments to IAS 12: *Income Taxes: Deferred Tax* relating to the temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	Annual periods beginning on or after 1 January 2024 (Published May 2023)	IAS 12: *Income Taxes* was amended by the IASB on 23 May 2023 with the publication of the Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules. The amendments provide companies with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Cooperation and Development's (OECD's) international tax reform. The amendments were published to respond to stakeholders' concerns about the potential implications of the imminent implementation of the OECD pillar two model rules on the accounting for income taxes.	The group is in the process of assessing the impact; however, it is not expected that it will materially impact the group
IFRS 16: *Leases Amendments*	Annual periods beginning on or after 1 January 2024 (Published September 2022)	The IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	Not expected to materially impact the group

ACCOUNTING POLICIES continued

for the year ended 31 August 2023

1. Significant accounting policies continued

1.32. New standards and interpretations not yet effective continued

INTERNATIONAL FINANCIAL REPORTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT EFFECTIVE

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY	IMPACT ON FINANCIAL STATEMENTS
IFRS 17: *Insurance Contracts*	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9: *Financial Instruments* and IFRS 15: *Revenue from Contracts with Customers* at or before the date of initial application of IFRS 17 (Published May 2017)	The IASB issued IFRS 17: *Insurance Contracts*, and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local generally accepted accounting principles (GAAP), IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money, and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contracts, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. Consequently, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.	Not expected to materially impact the group
IFRS 17: *Insurance Contracts* amendments	Annual periods beginning on or after 1 January 2023 (Published June 2020)	In response to some of the concerns and challenges raised, the IASB developed targeted amendments and several proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard, and ease transition. The amendments are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.	Not expected to materially impact the group

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

2. Segmental report

	GROUP										
	2023										
	Local SA portfolio						International				
Figures in R'000	Retail	Office	Industrial	Specialised	Head office	Total local	EPP	Redefine Europe	Other	Total international	Group total
STATEMENT OF FINANCIAL POSITION											
Investment properties (including straight-line rental income accrual)	24 641 924	22 125 496	12 020 057	516 400	–	59 303 877	19 208 559	–	108 952	19 317 511	78 621 388
Right-of-use assets	83 612	15 345	–	–	–	98 957	439 666	–	74 970	514 636	613 593
Properties under development	–	–	24 098	–	–	24 098	–	–	4 288	4 288	28 386
Listed securities	–	–	–	–	19 446	19 446	–	–	–	–	19 446
Investment in joint ventures	–	–	–	–	9 609	9 609	9 558 216	5 720 773	–	15 278 989	15 288 598
Loans receivable	–	–	–	–	217 527	217 527	37 612	1 002 062	–	1 039 674	1 257 201
Property, plant and equipment	–	61 687	–	46 600	24 665	132 952	46 451	–	11 277	57 728	190 680
Non-current assets held-for-sale	–	–	45 164	–	–	45 164	–	–	874	874	46 038
Cash and cash equivalents	–	–	–	–	298 314	298 314	385 718	69 470	7 380	462 568	760 882
Other assets	–	–	–	–	1 096 265	1 096 265	1 148 472	–	377 246	1 525 718	2 621 983
Total assets	**24 725 536**	**22 202 528**	**12 089 319**	**563 000**	**1 665 826**	**61 246 209**	**30 824 694**	**6 792 305**	**584 987**	**38 201 986**	**99 448 195**
Interest-bearing borrowings	–	–	–	–	27 366 974	27 366 974	12 023 205	367 299	203 667	12 594 171	39 961 145
Other liabilities	83 612	15 345	–	–	2 576 707	2 675 664	2 360 141	281 555	1 287 262	3 928 958	6 604 622
Total liabilities	**83 612**	**15 345**	**–**	**–**	**29 943 681**	**30 042 638**	**14 383 346**	**648 854**	**1 490 929**	**16 523 129**	**46 565 767**
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME											
Contractual rental income	3 425 207	3 050 272	1 366 848	73 782	–	7 916 109	2 015 362	–	3 778	2 019 140	9 935 249
Straight-line rental (expense)/income accrual	13 744	(77 666)	38 121	1 398	–	(24 403)	(2 627)	–	–	(2 627)	(27 030)
Investment income	–	–	–	–	–	–	–	–	713	713	713
Total revenue	**3 438 951**	**2 972 606**	**1 404 969**	**75 180**	**–**	**7 891 706**	**2 012 735**	**–**	**4 491**	**2 017 226**	**9 908 932**
Operating costs	(1 591 029)	(1 147 163)	(446 866)	(26 689)	–	(3 211 747)	(790 338)	(31)	(1 185)	(791 554)	(4 003 301)
Changes in expected credit losses on trade receivables	18 423	36 559	(10 632)	373	–	44 723	(2 413)	–	–	(2 413)	42 310
Administration costs	–	–	–	–	(299 053)	(299 053)	(209 337)	(29 168)	(17 115)	(255 620)	(554 673)
Net operating profit	**1 866 345**	**1 862 002**	**947 471**	**48 864**	**(299 053)**	**4 425 629**	**1 010 647**	**(29 199)**	**(13 809)**	**967 639**	**5 393 268**
Other income	–	(32)	28 225	–	433	28 626	–	10 819	23	10 842	39 468
Gain/(loss) on disposal of assets	–	–	–	–	16	16	20 306	(1 636)	–	18 670	18 686
Changes in fair values of investment properties	303 552	(619 684)	366 900	5 536	–	56 304	(22 996)	–	(198)	(23 194)	33 110
Changes in fair values of financial and other instruments	–	–	–	–	(63 622)	(63 622)	93 154	(85 932)	(954 166)	(946 944)	(1 010 566)
Changes in fair value of the insurance contract liability	–	–	–	–	80 959	80 959	–	–	–	–	80 959
Changes in expected credit losses – loans receivable	–	–	–	–	(129 725)	(129 725)	–	(6 200)	–	(6 200)	(135 925)
Impairments	–	–	–	–	–	–	–	–	(16 105)	(16 105)	(16 105)
Equity-accounted loss (net of taxation)	–	–	–	–	–	–	179 725	343 679	–	523 404	523 404
Profit before finance costs and taxation	**2 169 897**	**1 242 286**	**1 342 596**	**54 400**	**(410 992)**	**4 398 187**	**1 280 836**	**231 531**	**(984 255)**	**528 112**	**4 926 299**
Interest income	–	–	–	–	645 929	645 929	15 261	5 093	86 811	107 165	753 094
Interest expense	(7 993)	(2 235)	(297)	–	(2 459 684)	(2 470 209)	(630 211)	(40 569)	(13 808)	(684 588)	(3 154 797)
Foreign exchange gains	–	–	–	–	–	–	(502 087)	333	(432 378)	(934 132)	(934 132)
Profit before taxation	**2 161 904**	**1 240 051**	**1 342 299**	**54 400**	**(2 224 747)**	**2 573 907**	**163 799**	**196 388**	**(1 343 630)**	**(983 443)**	**1 590 464**
Taxation	–	–	–	–	(81 563)	(81 563)	(79 572)	348	31 080	(48 144)	(129 707)
Profit for the year from continuing operations	**2 161 904**	**1 240 051**	**1 342 299**	**54 400**	**(2 306 310)**	**2 492 344**	**84 227**	**196 736**	**(1 312 550)**	**(1 031 587)**	**1 460 757**
Profit for the year	**2 161 904**	**1 240 051**	**1 342 299**	**54 400**	**(2 306 310)**	**2 492 344**	**84 227**	**196 736**	**(1 312 550)**	**(1 031 587)**	**1 460 757**
Non-controlling interests	–	–	–	–	–	–	(13 935)	74	(268)	(14 129)	(14 129)
Profit for the year attributable to Redefine Properties Limited shareholders	**2 161 904**	**1 240 051**	**1 342 299**	**54 400**	**(2 306 310)**	**2 492 344**	**70 292**	**196 810**	**(1 312 818)**	**(1 045 716)**	**1 446 628**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

2. Segmental report continued

Figures in R'000	GROUP 2022										
	Local SA portfolio						International				
	Retail	Office	Industrial	Specialised	Head office	Total local	EPP	Redefine Europe	Other	Total international	Group total
STATEMENT OF FINANCIAL POSITION											
Investment properties (including straight-line rental income accrual)	23 945 555	21 838 978	10 676 628	368 500	–	56 829 661	15 886 166	–	–	15 886 166	72 715 827
Right-of-use assets	92 756	18 721	207	–	–	111 684	345 727	–	–	345 727	457 411
Properties under development	–	–	711 628	–	–	711 628	–	–	–	–	711 628
Listed securities	–	–	–	–	69 679	69 679	–	–	–	–	69 679
Investment in joint ventures	–	–	–	–	–	–	7 323 964	4 134 935	–	11 458 899	11 458 899
Loans receivable	–	–	–	–	591 145	591 145	79 279	530 919	–	610 198	1 201 343
Property, plant and equipment	–	55 531	–	42 750	30 023	128 304	30 742	13	–	30 755	159 059
Properties held-for-trading	–	–	–	136 700	–	136 700	–	–	–	–	136 700
Non-current assets held-for-sale	75 500	79 020	237 213	–	–	391 733	1 005 714	–	–	1 005 714	1 397 447
Cash and cash equivalents	–	–	–	–	1 476 126	1 476 126	225 762	57 431	6 030	289 223	1 765 349
Other assets	–	–	–	–	929 483	929 483	788 918	43 706	570 352	1 402 976	2 332 459
Total assets	**24 113 811**	**21 992 250**	**11 625 676**	**547 950**	**3 096 456**	**61 376 143**	**25 686 272**	**4 767 004**	**576 382**	**31 029 658**	**92 405 801**
Interest-bearing borrowings	–	–	–	–	26 539 387	26 539 387	10 278 151	304 895	168 944	10 751 990	37 291 377
Other liabilities	–	–	–	–	2 760 991	2 760 991	2 283 590	360 234	408 380	3 052 204	5 813 195
Total liabilities	**–**	**–**	**–**	**–**	**29 300 378**	**29 300 378**	**12 561 741**	**665 129**	**577 324**	**13 804 194**	**43 104 572**
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME											
Contractual rental income	3 312 063	2 873 185	1 492 224	65 749	–	7 743 221	809 799	–	403	810 202	8 553 423
Straight-line rental (expense)/income accrual	(175 012)	(233 850)	88 277	3 680	–	(316 905)	2 289	–	–	2 289	(314 616)
Investment income	–	–	–	–	–	–	–	–	4 892	4 892	4 892
Total revenue	**3 137 051**	**2 639 335**	**1 580 501**	**69 429**	**–**	**7 426 316**	**812 088**	**–**	**5 295**	**817 383**	**8 243 699**
Operating costs	(1 562 074)	(1 006 760)	(478 588)	(9 034)	–	(3 056 456)	(306 192)	(31)	(5 667)	(311 890)	(3 368 346)
Changes in expected credit losses on trade receivables	85 957	8 018	5 756	2 527	–	102 258	5 774	–	–	5 774	108 032
Administration costs	–	–	–	–	(295 927)	(295 927)	(107 168)	(49 973)	(8 346)	(165 487)	(461 414)
Net operating profit	**1 660 934**	**1 640 593**	**1 107 669**	**62 922**	**(295 927)**	**4 176 191**	**404 502**	**(50 004)**	**(8 718)**	**345 780**	**4 521 971**
Other income	–	–	33 043	1 783	14 054	48 880	–	2 493	18	2 511	51 391
Gain on disposal of assets	–	–	–	–	–	–	–	38 176	–	38 176	38 176
Remeasurement gain	–	–	–	–	–	–	–	–	825 910	825 910	825 910
Gain on bargain purchase	–	–	–	–	–	–	–	–	1 857 212	1 857 212	1 857 212
Changes in fair values of investment properties	273 347	177 967	413 959	(25 319)	(16 481)	823 473	79 932	–	75	80 007	903 480
Changes in fair values of financial and other instruments	–	–	–	–	1 067 565	1 067 565	87 630	(241 359)	303 363	149 634	1 217 199
Changes in fair value of the insurance contract liability	–	–	–	–	75 071	75 071	–	–	–	–	75 071
Changes in expected credit losses – loans receivable	–	–	–	–	102 847	102 847	–	25 383	–	25 383	128 230
Impairments	–	–	–	–	–	–	–	(105 683)	–	(105 683)	(105 683)
Equity-accounted loss (net of taxation)	–	–	–	–	–	–	539 015	1 487 273	–	2 026 288	2 026 288
Profit before finance costs and taxation	**1 934 281**	**1 818 560**	**1 554 671**	**39 386**	**947 129**	**6 294 027**	**1 111 079**	**1 156 279**	**2 977 860**	**5 245 218**	**11 539 245**
Interest income	–	–	–	–	509 439	509 439	64	(12 967)	82 334	69 431	578 870
Interest expense	(19)	(39)	(122)	39	(2 008 740)	(2 008 881)	(303 310)	(26 447)	(30 457)	(360 214)	(2 369 095)
Foreign exchange gains	–	–	–	–	–	–	(336 270)	3 981	(674 030)	(1 006 319)	(1 006 319)
Profit before taxation	**1 934 262**	**1 818 521**	**1 554 549**	**39 425**	**(552 172)**	**4 794 585**	**471 563**	**1 120 846**	**2 355 707**	**3 948 116**	**8 742 701**
Taxation	–	–	–	–	(36 415)	(36 415)	(6 798)	(5 162)	40 360	28 400	(8 015)
Profit for the year from continuing operations	**1 934 262**	**1 818 521**	**1 554 549**	**39 425**	**(588 587)**	**4 758 170**	**464 765**	**1 115 684**	**2 396 067**	**3 976 516**	**8 734 686**
Loss from discontinued operations (net of taxation)	–	–	–	–	–	–	–	(33 839)	–	(33 839)	(33 839)
Profit for the year	**1 934 262**	**1 818 521**	**1 554 549**	**39 425**	**(588 587)**	**4 758 170**	**464 765**	**1 081 845**	**2 396 067**	**3 942 677**	**8 700 847**
Non-controlling interests	–	–	–	–	–	–	(30 095)	(996)	21 113	(9 978)	(9 978)
Profit for the year attributable to Redefine Properties Limited shareholders	**1 934 262**	**1 818 521**	**1 554 549**	**39 425**	**(588 587)**	**4 758 170**	**434 670**	**1 080 849**	**2 417 180**	**3 932 699**	**8 690 869**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
3. Investment properties					
Carrying amount					
Balance at beginning of year		71 363 021	55 135 756	29 783 020	30 169 595
Additions at cost:		1 713 593	949 932	1 131 269	419 385
– Arising from acquisitions	47	769 061	186 451	680 896	27 408
– Arising from subsequent expenditure	47	931 366	761 060	445 474	391 461
– Capitalised borrowing costs*		13 166	2 421	4 899	516
Acquired through an acquisition of subsidiary	51	105 015	18 055 207	–	–
Disposals at fair value	48	(259 611)	(2 002 984)	(246 342)	(1 624 884)
Change in fair value		(4 634)	754 332	76 388	768 301
Tenant installations and lease commissions:		111 524	74 306	64 999	35 291
– Costs capitalised	47	249 718	176 754	134 044	93 786
– Amortisation		(134 295)	(97 035)	(66 248)	(58 734)
– Scrapped		(3 899)	(5 413)	(2 797)	239
Transfer from properties under development	5	885 887	364 460	435 392	210 900
Transfer (to)/from non-current assets held-for-sale	17	(36 664)	(2 484 111)	8 500	(194 150)
Transfer to property, plant and equipment	12	(19)	(51 190)	(19)	(51 190)
Transfer from held for trading		131 400	–	131 400	–
Right-of-use assets		58 771	15 686	(9 711)	(6 815)
Foreign exchange		3 356 177	237 010	–	–
Straight-line rental income adjustment	4	27 030	314 617	(762)	56 587
Balance at end of year^		**77 451 490**	71 363 021	**31 374 134**	29 783 020
Reconciliation to valuations					
Fair value of investment properties		76 837 897	70 905 610	31 286 968	29 686 143
Fair value of right-of-use assets	6	613 593	457 411	87 166	96 877
Fair value of investment properties and right-of-use-assets		77 451 490	71 363 021	31 374 134	29 783 020
Straight-line rental income accrual	4	1 783 491	1 810 217	1 071 112	1 070 350
Valuation at 31 August		**79 234 981**	73 173 238	**32 445 246**	30 853 370

* *Borrowing costs were capitalised using the weighted average cost of debt of 9.1% (2022: 8.3%). Borrowing costs included in investment property relate to properties that are either undergoing partial development or partial redevelopment*

^ *The balance includes ROU assets presented separately on the statement of financial position*

The group's first mortgage bonds have been registered over South African investment property (which includes investment property reclassified as held-for-sale) with a fair value of R44.7 billion (2022: R43.9 billion) as security for secured interest-bearing borrowings of R21.4 billion (2022: R22.9 billion) as well as international investment property with a fair value of R19.3 billion (2022: R16.9 billion) as security for secured interest-bearing borrowings of R9.8 billion (2022: R8.3 billion).

The company's first mortgage bonds have been registered over South African investment property (which includes investment property reclassified as held-for-sale) with a fair value of R22.3 billion (2022: R21.8 billion) as security for secured interest-bearing borrowings of R21.4 billion (2022: R22.9 billion).

Refer to **note 30:** Fair value disclosures for the valuation techniques applied and unobservable inputs used and **note 2:** Segmental report for a breakdown by segment of investment property, contractual rental income and property expenses.

As at 31 August 2023, Redefine owns the title to all investment properties, and the risk relating to their right is managed through lease agreements with the tenants on a lease-by-lease basis.

Refer to accounting **policy 1.30.2:** Investment properties and properties under development for the accounting treatment relating to sale of the government-tenanted portfolio to Talis.

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
4. Straight-line rental income accrual					
Balance at beginning of year		1 810 217	2 124 800	1 070 350	1 126 935
Net movement during the year	3	(27 030)	(314 616)	762	(56 585)
Foreign currency translation		304	33	–	–
Balance at end of year	3	**1 783 491**	1 810 217	**1 071 112**	1 070 350
5. Properties under development					
Balance at beginning of year		711 628	926 012	355 814	416 252
Arising from acquisition of subsidiary	51	3 999	–	–	–
Development costs	47	151 514	267 423	76 104	211 552
Capitalised borrowing costs*		16 762	98 884	8 239	49 994
Change in fair value		47 588	(106 178)	28 014	(91 216)
Disposals	48	(17 363)	(96 911)	(8 681)	(13 297)
Transfer to non-current assets held-for-sale	17	–	(13 142)	–	(6 571)
Transfer to investment properties	3	(885 887)	(364 460)	(435 392)	(210 900)
Foreign currency translation		145	–	–	–
Balance at end of year		**28 386**	711 628	**24 098**	355 814

* *Borrowing costs were capitalised using the weighted average cost of debt of 9.1% (2022: 8.3%)*

Refer to **note 30:** Fair value disclosures for the valuation techniques applied and unobservable inputs used.

1
2
3

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

6. ROU and lease liability

Lease liabilities are measured at the present value of the remaining lease payments discounted using the incremental borrowing rate, which ranges for all leases between 3.3% to 10.1% (2022: 3.3% to 10.1%).

The statement of financial position shows the following amounts relating to leases:

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Right-of-use assets classified as investment property					
Balance at beginning of year		457 411	112 816	96 877	103 692
Recognition of a new lease		–	15 342	–	6 694
Acquired through acquisition of a subsidiary	51	72 631	328 909	–	–
Fair value adjustments		(13 698)	(16 569)	(9 549)	(13 509)
Changes to existing agreements		(162)	(1 177)	(162)	–
Foreign exchange gain		97 411	18 090	–	–
Fair value at 31 August	3	**613 593**	457 411	**87 166**	96 877
Right-of-use assets classified as property, plant and equipment					
Balance at beginning of year		30 742	–	–	–
Recognition of a new lease		19 270	17 580	–	–
Acquired through acquisition of a subsidiary	51	1 386	17 342	–	–
Depreciation		(12 381)	(5 144)	–	–
Foreign exchange gain		8 820	964	–	–
Fair value at 31 August	12	**47 837**	30 742	**–**	–
Total right-of-use asset		**661 430**	488 153	**87 166**	96 877
Lease liability					
Balance at beginning of year		486 766	112 816	96 877	103 692
Recognition of a new lease		19 270	32 922	–	6 694
Additions on acquisitions of subsidiary	51	75 542	356 054	–	–
Changes in existing agreements		–	(1 177)	–	–
Interest expense		37 321	21 090	8 565	9 163
Lease payments		(64 939)	(54 628)	(18 114)	(22 672)
Derecognition on expiry of a lease		(162)	–	(162)	–
Foreign exchange gain		105 176	19 689	–	–
Balance at end of year		**658 974**	486 766	**87 166**	96 877
The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:					
Fair value loss on right-of-use assets		13 698	16 378	9 549	13 509
Interest expense		37 321	21 090	8 565	9 124
Expense relating to low-value leases		1 488	1 600	1 488	1 600
The total group and company cash outflow for leases in 2023 was R67.1 million (2022: R54.7 million) and R35.5 million (2022: R22.7 million), respectively.					
Some of the property leases in which the group and company are the lessee contain variable lease payment terms that are linked to rent collected from the leased properties. The lease payments are based on rental income collected for these properties and are as follows:					
Variable payments		**8 229**	5 117	**8 229**	5 117

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
The maturity analysis of the lease liability is as follows:				
Maturity analysis – contractual undiscounted cash flows				
Gross lease liabilities – minimum lease payments:				
– Less than 12 months	73 365	53 729	11 713	18 126
– Between one and two years	87 113	57 067	19 218	19 354
– Between two and three years	70 773	48 882	14 970	19 297
– Between three and four years	64 746	42 365	15 637	14 984
– Between four and five years	58 539	42 089	10 381	15 637
– Over five years	2 185 157	1 772 171	179 060	181 874
Total undiscounted cash flows	2 539 693	2 016 303	250 979	269 272
Less the impact of discounting	(1 880 719)	(1 529 537)	(163 813)	(172 395)
Total lease liability	**658 974**	486 766	**87 166**	96 877

The group leases various offices, parking lots and land. Rental contracts are typically made for fixed periods but may have extension options as described below. During the current year, the group had the following leases, held as a lessee:

- Land and buildings held under operating leases classified as investment property
- A building the group occupies for administrative purposes – owner-occupied (property, plant and equipment). Refer to **note 12:** Property, plant and equipment

Lease terms are negotiated on an individual basis. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Extension options are included in a number of leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension options held are exercisable by the group.

The potential future undiscounted cash outflows for extension and termination options amount to R78.8 million as at 31 August 2023 (2022: R71.7 million).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
7. Listed securities					
Delta Property Fund Limited		19 446	69 679	19 446	69 679
Balance at end of year		**19 446**	**69 679**	**19 446**	**69 679**
Movement for the year					
Balance at beginning of year		69 679	69 679	69 679	69 679
Change in fair value	36.2	(50 233)	–	(50 233)	–
Balance at end of year*		**19 446**	**69 679**	**19 446**	**69 679**

Details of listed securities	Stock exchange	% held	GROUP Number of shares held 2023	GROUP Number of shares held 2022	COMPANY Number of shares held 2023	COMPANY Number of shares held 2022
Delta Property Fund Limited	JSE (REIT)	22.7	**162 043 079**	162 043 079	**162 043 079**	162 043 079

* *Share price as at 31 August 2023: 12 cents (2022: 43 cents)*

Delta Property Fund Limited

During the 2018 year, Redefine sold its 22.7% interest in Delta Property Fund Limited (Delta) to a BEE consortium. The BEE consortium funded this transaction with a vendor loan from Redefine at an interest rate of prime plus 2.0% for an initial period of five years, with an extension option of three years. The shares are ceded to Redefine as security for the loan provided.

Redefine assessed that it retained substantially all risks and rewards of the ownership of the shares. Redefine does not have significant influence nor continued involvement in the Delta shares held as security for its vendor loan. As a result, this investment is classified as listed securities and measured at FVTPL. In June 2022, the loan was extended to 30 September 2022 and subsequently extended to 30 November 2023.

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
8. Goodwill					
Arising from the acquisition of subsidiary	51	15 509	142 828	–	–
Impairment raised during the year	37	(16 105)	(105 683)	–	–
Disposed during the year		–	(37 145)	–	–
Foreign exchange gain		596	–	–	–
Balance at end of year		**–**	–	**–**	–

The goodwill arose on the acquisition of Stokado sp. z o.o. (Stokado) in July 2023, refer to **note 51:** Acquisition of a controlling interest in subsidiaries.

Figures in R'000	Principal place of business	Effective interest (%)	GROUP 2023	GROUP 2022
9. Investment in associate and joint ventures				
Joint ventures				
European Logistics Investment B.V. (ELI)	Poland	48.5/(2022: 46.5)	4 672 501	3 266 459
C4T Proprietary Limited (C4T)	South Africa	49.0/(2022: 50.0)	–	–
Mall of the South Proprietary Limited (MOTS PropCo)	South Africa	20.0/(2022: 20.0)	–	–
Rosehill Investments sp. z o.o. (Rosehill) (Galeria Młociny)*	Poland	70.0/(2022: 70.0)	2 868 556	2 217 891
Henderson Park Private Equity Fund (Henderson)*	Poland	30.0/(2022: 30.0)	520 359	442 457
M1 JV*	Poland	50.0/(2022: 50.0)	4 269 427	3 075 700
EPP Community Properties JV*	Poland	50.6/(2022: 53.1)	2 948 147	2 456 392
Talis Property Investments Proprietary Limited (Talis)	South Africa	49.0/(2022: 0.0)	9 608	–
Carrying amount			**15 288 598**	11 458 899

* *Acquired during the 2022 financial year following the acquisition of a controlling interest in EPP*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

9. Investment in associate and joint ventures continued

Movement for the year

	GROUP						
	2023						
Figures in R'000	European Logistics Investments B.V.	Galeria Młociny Shopping Centre	Henderson Park Private Equity Fund	M1 JV	EPP Community Properties JV	Talis Property Investments	Total
Functional currency	EUR	PLN	PLN	PLN	PLN	ZAR	
Effective interest	48.5%	70.0%	30.0%	50.0%	50.6%	49.0%	
Balance at beginning of year	3 266 459	2 217 891	442 457	3 075 700	2 456 392	–	11 458 899
Additional investment in joint venture	499 548	–	–	127 876	–	9 608	637 032
Loan granted	–	–	–	204 588	–	–	204 588
Return on equity	(46 163)	–	–	–	(282 082)	–	(328 245)
Equity-accounted profit or loss of associate and joint ventures (net of taxation)	295 717	67 787	(15 334)	103 821	71 413	–	523 404
Share of distributable profit	295 717	51 349	(15 334)	73 262	71 413	–	476 407
Interest income from loans granted to joint ventures	–	16 438	–	30 559	–	–	46 997
Other comprehensive income of associate and joint ventures	–	93 094	23 492	139 522	200 335	–	456 443
Items that are or may be reclassified to profit or loss	–	93 094	23 492	139 522	200 335	–	456 443
Dividends and interest from associate and joint ventures	(68 699)	–	(20 043)	(48 117)	–	–	(136 859)
Dividend income	(68 699)	–	(20 043)	(48 117)	–	–	(136 859)
Foreign exchange on loans	–	23 828	–	–	–	–	23 828
Currency translation adjustment of foreign investments	725 639	465 956	89 787	666 037	502 089	–	2 449 508
Recognised in other comprehensive income	725 639	465 956	89 787	666 037	502 089	–	2 449 508
Balance at end of year	**4 672 501**	**2 868 556**	**520 359**	**4 269 427**	**2 948 147**	**9 608**	**15 288 598**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

9. Investment in associate and joint ventures continued

Movement for the year continued

Figures in R'000	Notes	GROUP 2022 EPP N.V.*	European Logistics Investments B.V.	Galeria Młociny Shopping Centre	Henderson Park Private Equity Fund	M1 HoldCo JV	Towarowa 22**	EPP Community Properties JV	Total
Functional currency		EUR	EUR	PLN	PLN	PLN	PLN	PLN	
Effective interest		45.4%	46.5%	70.0%	30.0%	50.0%	53.8%	53.1%	
Balance at beginning of year		6 489 101	2 345 777	–	–	–	–	–	8 834 878
Acquired through an acquisition of subsidiary	51	–	–	1 229 239	458 000	–	1 113 741	–	2 800 980
Additional investment in joint venture		–	560 425	893 223	–	832 410	–	–	2 286 058
Corporate reorganisation		–	–	–	–	2 055 636	–	3 037 693	5 093 329
Disposal of joint venture		–	–	–	(39 364)	–	(1 100 991)	–	(1 140 355)
Return on equity		–	(1 017 593)	–	–	–	–	(723 563)	(1 741 156)
Capitalised transaction costs on share issue of equity-accounted investee		–	–	–	–	38 772	–	35 106	73 878
Deemed disposal of subsidiary becoming a joint venture	51	(6 621 229)	–	–	–	–	–	–	(6 621 229)
Equity-accounted profit or loss of associate and joint ventures (net of taxation)		294 530	1 466 651	43 665	26 627	69 097	(17 647)	143 365	2 026 288
Share of distributable profit		294 530	1 466 651	37 166	26 627	49 009	(17 647)	142 888	1 999 224
Equity accounted portion on class C shares		–	–	–	–	20 622	–	–	20 622
Earnings dilution due to change in shareholding		–	–	–	–	–	–	477	477
Distribution waterfall adjustment		–	–	–	–	(9 964)	–	–	(9 964)
Interest income from loans granted to joint ventures		–	–	6 499	–	9 430	–	–	15 929
Other comprehensive (loss)/income of associate and joint ventures		(680 453)	–	2 876	(7 592)	33 152	3 955	14 042	(634 020)
Items that are or may be reclassified to profit or loss		(680 453)	–	2 876	(7 592)	33 152	3 955	14 042	(634 020)
Dividends and interest from associate and joint ventures		–	(74 396)	–	–	–	–	(83 868)	(158 264)
Dividend income		–	(74 396)	–	–	–	–	(83 868)	(158 264)
Share of other reserves of associate		(5 646)	–	–	–	–	–	–	(5 646)
Foreign exchange on loans		–	–	14 650	–	–	–	–	14 650
Remeasurement gain		825 910	–	–	–	–	–	–	825 910
Other interest on loan accrued		–	–	1 858	–	–	–	–	1 858
Other		–	–	–	(1 854)	–	–	–	(1 854)
Currency translation adjustment of foreign investments		(302 213)	(14 405)	32 380	6 640	46 633	942	33 617	(196 406)
Recognised in other comprehensive (loss)/profit		(302 213)	(14 405)	32 380	6 640	46 633	942	33 617	(196 406)
Balance at end of year		**–**	**3 266 459**	**2 217 891**	**442 457**	**3 075 700**	**–**	**2 456 392**	**11 458 899**

** During the 2022 financial year, Redefine acquired an additional interest in EPP, resulting in Redefine holding a 95.5% controlling shareholding in EPP, and Redefine accounting for the investment in EPP as a subsidiary from the additional acquisition date. Refer to **note 51:** Acquisition of a controlling interest in subsidiary*

*** Towarowa 22 was disposed following acquiring control of EPP*

1
2
3

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

9. Investment in associate and joint ventures continued

Figures in R'000	Principal place of business	Effective interest (%)	COMPANY 2023	2022
Associate				
EPP N.V.	Poland	95.5*/(2022: 95.5)*	–	–
Joint ventures				
C4T Proprietary Limited (C4T)	South Africa	49.0/(2022: 50.0)	–	–
Mall of the South Proprietary Limited (MOTS PropCo)	South Africa	20.0/(2022: 20.0)	–	–
Talis Property Investments Proprietary Limited (Talis)	South Africa	49.0/(2022: 0.0)	9 608	–
Carrying amount			**9 608**	–
Movement for the year				
Balance at beginning of year			–	7 347 471
Disposal of interest in associate			–	(7 347 471)
Interest acquired			9 608	–
Balance at end of year			**9 608**	–

* *Redefine acquired an additional interest in EPP, resulting in Redefine holding a 95.5% controlling shareholding in EPP, and Redefine accounting for the investment in EPP as a subsidiary from the additional acquisition date. Refer to* ***note 51:*** *Acquisition of a controlling interest in subsidiary*

Redefine's offshore property exposure comprises of investment in foreign subsidiaries and joint ventures. Refer to **note 2:** Segmental report for details on the foreign operations relating to the group. There are no restrictions on the ability of the foreign entities to transfer funds to its shareholders in the form of cash and dividends or interest.

Talis

With effect from August 2023, Redefine entered into a joint agreement with Talis Fund over the rights to the net assets of Talis, a South African property company incorporated by Talis Fund.

In terms of the arrangement, Talis Fund subscribed for 51% of the shares for R10.0 million, and Redefine subscribed for 49% of the shares for R9.6 million.

Talis has a 31 August financial year end. The financial results up to 31 August 2023 have been accounted for using the equity method.

European Logistics Investment B.V.

European Logistics Investment B.V. (ELI) is an unlisted entity with a quality portfolio of industrial properties located in Poland. At the end of February 2020, Redefine Europe entered into a share purchase agreement to sell 46.5% of its equity interest in ELI to Madison International Holdings VII LLC (Madison) and 1% of its investment to each of the existing shareholders, Linfield Enterprises Limited and Mr Nebil Senman – collectively known as Griffin Capital Partners sp. z o.o. (Griffin). Redefine Europe's shareholding was effectively decreased from 95% to 46.5%.

Redefine Europe and Madison have contractually agreed to share control of ELI on decisions about the relevant activities through voting mechanisms and unanimous consent. Either Redefine Europe or Madison can prevent the other party from making unilateral decisions on relevant activities without its consent. In addition, Redefine Europe and Madison have joint control of, and rights to, the net assets of the arrangement (the ELI Group). Therefore, Redefine Europe and Madison meet the definition of joint control and ELI meets the definition of a joint venture from date of partial disposal.

The following options were entered into as part of the share purchase agreement:

Redefine Europe entered into two put options with Griffin:

- Griffin has the option to put its 2.0% shareholding in ELI to Redefine Europe in July and August 2022 or in July and August 2023
- Griffin has the option to put its 1.5% shareholding in ELI to Redefine Europe within six months after 28 February 2025

In July 2022, Griffin elected to put 2% of its ELI shareholding to Redefine Europe. Redefine Europe purchased 0.402% of the shareholding on 14 December 2022 and 1.598% on 14 March 2023, at the fair market value of the ELI securities or the value of R181.1 million (€9.4 million).

Funding call option: Upon the occurrence of a breach of Redefine Europe capital call funding obligations, the non-breaching party will have a right to require the breaching party to sell all its securities to the non-breaching party and, when exercised, the breaching party will have an obligation to sell all its securities to the non-breaching party.

Veto call option: The ELI business plan sets out minimum investment requirements for projects presented for approval. In the event that either Redefine Europe:

- Rejects four consecutive projects that meet the minimum investment requirements
- Rejects any five projects (consecutive or not) that meet the minimum investment requirements during any rolling period of 12 months,

the other party will have the right to require the rejecting party to sell all its securities to the non-breaching party, and, when exercised, the rejecting party will have an obligation to sell all its securities to the other party. If Redefine Europe concurrently rejects the same project, such project shall be disregarded.

In the event of the exercise of the funding call option or the veto call option, the purchase price for the transferred securities shall be 95% of the fair market value of the transferred securities.

Change in control (CoC) call option: Upon the occurrence of a change of control of Redefine Europe, Madison or Griffin, Redefine Europe and/or Madison shall have a right to require the shareholder upon which the change of control took place (the CoC shareholder) to sell all of the securities held by the CoC shareholder to the other shareholder, and, when exercised, the CoC shareholder will have an obligation to sell all its securities to the other shareholder.

In the event of the exercise of the CoC call option, the purchase price for the transferred securities shall be 95% of the fair market value of the transferred securities, provided, however, that in the event that the change of control over Griffin is a consequence of the death of one the partners, the CoC call option price shall be equal to 100% of the fair market value.

Redefine Europe and Madison have equal and opposite rights and obligations. Redefine has assessed the probability of the occurrence of the trigger events above as highly remote and hence valued the options at Rnil.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

9. Investment in associate and joint ventures continued

Of the R499.5 million additional investment in joint venture paid during the year, R181.1 million relates to a put option that was exercised with the balance relating to capital investment with no change in the shareholding.

ELI has a 31 August financial year end. The financial results up to 31 August 2023 have been accounted for using the equity method.

No impairment test was performed for ELI as no impairment indicators were present at year end.

C4T Proprietary Limited

C4T Proprietary Limited (C4T) is a private company registered in South Africa. The company is involved in an income-generating recycling initiative powered by vending machines and operates in South Africa. In March 2023, Redefine sold its 1% shareholding at R1.00 to Mary-Ann Busisiwe Ndai Mandishona (Founder and Director of C4T).

C4T has a 31 August financial year end. The financial results up to 31 August 2023 have been accounted for using the equity method. The cumulative unrecognised share of losses amounts to R1.1 million at 31 August 2023.

Mall of the South Proprietary Limited

During October 2020, FirstRand Bank (FRB) (through Rand Merchant Bank (RMB)), RMB Investment and Advisory (RMBIA) and Redefine entered into a transaction that provided for Mall of the South (MOTS) to be acquired by newly established entity Mall of the South Proprietary Limited (MOTS PropCo).

RMBIA holds an 80% equity interest in MOTS PropCo and Redefine holds the remaining 20% equity interest.

The purpose of MOTS PropCo is the acquisition, management and disposal of properties (including but not limited to MOTS and any other retail property). According to the shareholders agreement, the decisions pertaining to the relevant activities are decided by the unanimous consent of both RMBIA and Redefine. RMBIA or Redefine can prevent the other party from making unilateral decisions on relevant activities without its consent.

In addition, RMBIA and Redefine have joint control of and rights to the net assets of the arrangement (MOTS PropCo).

MOTS PropCo and Redefine entered into a property management agreement in terms of which RMBIA and Redefine jointly mandate Redefine to provide property management services to MOTS PropCo. The terms and conditions of this agreement are subject to the unanimous consent of RMBIA and Redefine. Redefine receives a market-related fee for these property management services. Redefine (or any other appointed property manager) may be removed at any time, without cause, provided RMBIA and Redefine unanimously agree.

The asset management function will be performed by both shareholders, whereby decision-making in this regard would also be required to be unanimous.

Therefore, RMBIA and Redefine meet the definition of joint control, and MOTS PropCo meets the definition of a joint venture from the date of establishment.

FRB (through RMB) advanced a term and revolving facility to a maximum amount of R1.825 billion to MOTS PropCo for the outright acquisition of MOTS from Zenprop Property Holdings Proprietary Limited (Zenprop):

- An initial purchase price of R1.76 billion
- An escalation adjustment at the prevailing prime rate to the initial purchase price from 1 November 2022 until the date of payment of the initial purchase price
- An *agterskot* payment to a maximum amount of R25.5 million

As security for the facility advanced to MOTS PropCo, RMB registered a first covering mortgage bond over MOTS and benefits from a cession in security of the leases, rental income, sales and insurance proceeds related to MOTS.

Redefine issued a put option (shares), whereby RMBIA will have the right to sell its shares in MOTS PropCo to Redefine and put option (claims) to FRB, whereby FRB will have the right to sell its rights and obligations under the facility to Redefine:

- In addition, during the tenor of the facility, RMBIA (through RMB as advisor to RMBIA) and Redefine, acting jointly, will market the shares and claims in MOTS PropCo (or, if applicable, MOTS in any form) to potential third-party acquirors
- To the extent that the shares and claims in MOTS PropCo (or, if applicable, MOTS in any form) are disposed of to a third party for an amount that is less than the aggregate of the put option (claims) exercise price, put option (shares) exercise price, and the Redefine sale price (aggregate sale price), Redefine will be liable to pay RMB the shortfall
- It is expected that RMBIA will exercise their option by December 2023, thereby requiring Redefine to buy RMBIA's 80% shareholding during FY24. Redefine will buy RMBIA's 80% (800 shares) shareholding in the company, such that Redefine will hold 100% of the shares in MOTS. The value of the shares has been determined to be at R1. MOTS will continue to be operated by Redefine as a going concern from the date of the acquisition of the shares

Refer to **note 25:** Insurance contract liability and **note 23:** Derivative assets/(liabilities) for further details on the above arrangements.

MOTS PropCo has a 30 June financial year end. The audited financial results up to 30 June 2023 have been accounted for using the equity method.

Galeria Młociny Shopping Centre

On 31 May 2017, EPP concluded an acquisition agreement to effectively acquire 70% of Galeria Młociny Shopping Centre (Galeria Młociny). The investment was effected via EPP's acquisition of 70% of the equity in Rosehill Investments sp. z o.o. (Rosehill) for an aggregate consideration of R425.2 million (€29.0 million), including R200.9 million (€13.7 million) of repayment of loans granted to Rosehill. Rosehill indirectly owns the land on which Galeria Młociny was developed. Echo Investment S.A. was appointed as the developer and leasing manager of Galeria Młociny and acquired the remaining 30% of the equity in Rosehill for an aggregate consideration of R181.8 million (€12.4 million), of which R84.0 million (€5.8 million) was repayment of loans granted to Rosehill. Each of the joint venture partners has two board members (50% voting rights) in the special purpose vehicle that owns the property, and the shareholders have contractually agreed to share control of the joint venture that requires unanimous consent by EPP and the other joint venture partner on decisions about its relevant activities. This meets the definition of a joint venture as defined by IFRS 11: *Joint Arrangements*. Galeria Młociny successfully opened on 23 May 2019.

No impairment test was performed for Galeria Młociny, as no impairment indicators were present at year end.

Henderson Park Private Equity Fund

On 24 June 2019, EPP concluded a sale agreement to dispose of a 70% share in three of its office assets with gross lettable area totaling 86 000m² to joint venture partner Henderson Park Private Equity Fund (Henderson), a pan-European private equity real estate platform. EPP retains the asset management and property management responsibilities of these assets. As a result of the sale agreement, EPP lost control over the subsidiaries and recognised the retained 30% in the former subsidiaries at its fair value at the date when the control was lost.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

9. Investment in associate and joint ventures continued

Although all day-to-day activities are performed by EPP, all key strategic, financial and operational decisions require the unanimous consent of both parties. This meets the definition of a joint venture as defined by IFRS 11: *Joint Arrangements*.

No impairment test was performed for Henderson, as no impairment indicators were present at year end.

M1 JV

EPP incorporated M1 JV to house the M1 portfolio of assets comprising nine shopping centers and two retail parks. To date, all of the properties have been disposed to M1 JV. During FY22, EPP disposed of eight properties and Redefine Europe disposed of its investment in Bruin (housing the M1 Marki property) to M1 JV (refer to **note 52:** Disposal of a controlling interest in subsidiaries). Pacific Investment Management Company LLC (PIMCO) acquired 50% of the total shares and shareholder loans in M1 JV for a cash consideration of R1.5 billion (€87.2 million). The onerous contract raised by EPP of R459.9 million (€27.8 million) was realised. In October 2022, two retail parks were disposed by EPP to M1 JV, (refer to **note 50:** Proceeds arising from the reorganisation of EPP). Post the M1 JV transaction, EPP and Redefine Europe own in aggregate 50% of M1 JV (class A and class C shares, respectively) and PIMCO holds the remaining 50% of M1 JV (class B shares).

The shareholders have contractually agreed to the sharing of control of the joint venture that requires unanimous consent by EPP and PIMCO on decisions about its relevant activities. This meets the definition of a joint venture as defined by IFRS 11: *Joint Arrangements*. Effectively, EPP lost control of the M1 JV.

As a general distribution policy, M1 JV shall distribute all net free cash flow to its shareholders in the following order of priority: first to PIMCO until PIMCO achieves a return of 8% per annum on its funds; second to Redefine Europe until Redefine Europe achieves a return of 5% per annum on its funds; third to EPP until EPP achieves a return of 8% per annum on its funds invested; and thereafter EPP and PIMCO will share in distributions *pro rata* to their shareholdings.

The R332.5 million additional investment in joint venture paid during the year relates to capital investment with no change in the shareholding.

In terms of IAS 28: *Investment in Associates and Joint Ventures* an impairment test was performed on M1 JV, as one impairment indicator was present, being that the NAV of the relevant underlying investment was below the carrying value of the investment. The carrying value of the investment is expected to be recovered through distributable profits of the investment. The current expectations of the Group's share of the distributable profits have been calculated using the variable returns under the waterfall as per the general distribution policy as detailed in the paragraphs above. The recoverable amount was based on the value in use of the investment and was calculated using a five-year discounted cash flow (DCF) model discounted at 9.1%. The outcome of the DCF confirmed that no impairment was necessary. The discount rate would need to increase by 1.4% to 10.5% for an impairment loss to be recognised. A 50bps increase in the discount rate would decrease the outcome of the DCF valuation by R66.2 million.

The recoverable amount was based on the value in use of the investment and was calculated using a five-year DCF model discounted at 9.1%.

The outcome of the DCF confirmed that no impairment was necessary. The discount rate would need to increase by 1.50% to 10.6% for an impairment loss to be recognised.

EPP Community Properties JV

Effective 14 March 2022, EPP disposed of 15 properties amounting to R11.6 billion (€695.3 million) with related debt R6.0 billion (€358 million) to EPP Community JV. IGroup was introduced as a third-party equity investment partner into EPP Community Properties JV. Effectively EPP lost control of the EPP Community Properties JV. IGroup acquired its 46.1% shareholding in EPP Community Properties JV for a cash consideration of R830.8 million (€50.5 million) and by swapping its 74 993 917 (8.26%) EPP shares of R1.3 billion (€77.4 million) into EPP Community Properties JV shares. The onerous contract raised by EPP of R449.9 million (€27.4 million) was realised. EPP retained 53.9% shareholding in EPP Community Properties JV. On 19 July 2022, EPP Community Properties JV issued 4 063 545 shares with a nominal value of €1.00 each, that were fully taken up by IGroup. As a result, EPP shares diluted to 53.1%.

During March 2022, EPP Community Properties JV obtained additional debt funding amounting to R1.4 billion (€82.8 million) of which R1.4 billion (€80.0 million) was returned to its shareholders. The interest and capital in respect of the facility will be repaid in quarterly instalments. The facility will be partially repaid using the proceeds of the subscription for additional shares by IGroup in terms of the pre-agreed automatic undertaking to reinvest the distributions that it receives from EPP Community Properties JV.

EPP and IGroup have contractually agreed to the sharing of control of the joint venture that requires unanimous consent by both parties on decisions about its relevant activities. This meets the definition of a joint venture as defined by IFRS 11: *Joint Arrangements*.

During the period ended 31 August 2023, EPP Community Properties JV purchased 13 033 742 shares for the consideration of €703 612 (€1.1282 per share) from EPP, resulting in the dilution of EPP's shareholding from 53.1% to 50.6%.

In terms of IAS 28: *Investment in Associates and Joint Ventures* an impairment test was performed on EPP Community Properties JV, as one impairment indicator was present, being that the NAV of the relevant underlying investment was below the carrying value of the investment. The carrying value of the investment is expected to be recovered through distributable profits of the investment. The recoverable amount was based on the value in use of the investment and was calculated using a five-year discounted cash-flow (DCF) model discounted at 9.5%. The outcome of the DCF confirmed that no impairment was necessary. The discount rate would need to increase by 1.6% to 11.1% for an impairment loss to be recognised. A 50bps increase in the discount rate would decrease the outcome of the DCF valuation by R60.5 million.

Towarowa 22

During June 2022, EPP finalised the sale of its 70.0% share in a Polish company that holds the perpetual usufruct rights for land plots of approximately 65 000m², located at 22 Towarowa Street, Warsaw, to AFI Europe N.V. (AFI) for an estimated total cash consideration of R2.1 billion (€126.8 million). In terms of the agreement, AFI would pay R1.2 billion (€72.9 million) upon the conclusion of the agreement. The proceeds were utilised by EPP to settle a top-up of the purchase price owed to the original owners of the plots of R305.3 million (€18.0 million) and other transactional costs of R190.5 million (€11.2 million). Net disposal proceeds of R671.4 million (€40.9 million) and R47.9 million (€2.8 million) were received during June 2022 and September 2022, respectively, and were utilised to settle debt.

It is estimated that R469.6 million (€22.9 million) that is unconditional will flow by 2025 and a further R469.6 million (€22.9 million) conditional upon obtaining zoning permits for seven buildings will flow by 2028. Refer to **note 11:** other financial assets.

Loans granted to joint ventures

As of 31 August 2023, the group has loans receivable granted to joint venture projects in the following amounts:

- Galeria Młociny: R874.5 million (€42.8 million)
- M1 JV: R796.85 million (€39 million)

The loans were granted to Galeria Młociny and M1 JV on arms-length conditions (average interest of 3.7%) with maturities of 2025 and 2029, respectively. The loans form part of the group's net investment in the joint ventures as settlement is unlikely to occur in the foreseeable future.

The loans are measured as financial assets at amortised cost. Taking into consideration the current NAV and liquidity situation of the borrower, the group does not see any premise for loan impairment. The borrower is considered to have the capacity to meet their obligation resulting from loans, therefore the credit risk of the loans is assessed very low and the ECL amount is immaterial.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

9. Investment in associate and joint ventures continued

Summarised financial information for each of the associates and joint ventures is presented below. This reflects financial information prepared by the respective entities in accordance with IFRS. The results of associates and joint ventures that are foreign operations are translated from the respective functional currency to South African rand.

	GROUP								
	2023								
Figures in R'000	Mall of the South Proprietary Limited	C4T Proprietary Limited*	European Logistics Investments B.V.	Galeria Młociny Shopping Centre	Henderson Park Private Equity Fund	M1 JV	EPP Community Properties JV	Talis Property Investments	Total
Functional currency	ZAR	ZAR	EUR	PLN	PLN	PLN	PLN	ZAR	
Effective interest	20.0%	49.0%	48.5%	70.0%	30.0%	50.0%	50.6%	49.0%	
SUMMARISED STATEMENTS OF FINANCIAL POSITION									
Investment property	1 783 100	–	18 243 447	7 882 666	4 728 941	14 835 675	13 434 857	505 676	61 414 362
Property, plant and equipment	–	1 529	37	–	–	–	–	–	1 566
Other non-current assets	–	–	2 143 037	166 460	150 334	221 039	371 904	–	3 052 774
Non-current assets	1 783 100	1 529	20 386 521	8 049 126	4 879 275	15 056 714	13 806 761	505 676	64 468 702
Current assets	24 052	18	908 165	265 487	330 588	358 484	461 021	19 688	2 367 503
Other	–	–	187 971	–	–	–	–	–	187 971
Total assets	**1 807 152**	**1 547**	**21 482 657**	**8 314 613**	**5 209 863**	**15 415 198**	**14 267 782**	**525 364**	**67 024 176**
Interest-bearing borrowings	–	–	7 398 971	3 262 949	–	7 380 678	6 370 876	–	24 413 474
Loans from shareholders	–	7 777	2 139 683	1 264 151	–	1 524 732	–	–	4 936 343
Other non-current liabilities	22 251	–	1 650 670	739 661	216 885	675 997	990 532	376 292	4 672 288
Non-current liabilities	22 251	7 777	11 189 324	5 266 761	216 885	9 581 407	7 361 408	376 292	34 022 105
Current liabilities	1 848 843	16	839 985	199 638	3 258 448	142 161	1 162 503	129 454	7 581 048
Total liabilities	**1 871 094**	**7 793**	**12 029 309**	**5 466 399**	**3 475 333**	**9 723 568**	**8 523 911**	**505 746**	**41 603 153**
Net assets	**(63 942)**	**(6 246)**	**9 453 348**	**2 848 214**	**1 734 530**	**5 691 630**	**5 743 871**	**19 618**	**25 421 023**
SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME									
Revenue	266 496	–	998 860	494 974	460 510	1 049 058	1 621 729	10	4 891 637
Operating costs	(103 799)	(1 285)	(453 831)	(199 706)	(158 009)	(122 069)	(662 154)	–	(1 700 853)
Fair value adjustments	27 954	–	431 368	(1 844)	(205 058)	(14 253)	28 681	–	266 848
Equity-accounted income	–	–	21 075	–	–	–	–	–	21 075
Interest expense	(128 390)	–	(359 795)	(175 298)	(63 023)	(370 026)	(376 563)	–	(1 473 095)
Profit/(loss) for the year	54 341	(1 282)	609 726	73 356	(51 114)	96 883	123 312	10	905 231
Other comprehensive income	–	–	–	132 992	78 307	279 043	396 077	–	886 419
Total comprehensive income/(loss)	54 341	(1 282)	609 726	206 348	27 193	375 926	519 389	10	1 791 651
Additional specific disclosure for joint ventures									
Interest income	–	–	78 362	–	–	–	–	–	78 362
Taxation (per the statement of profit or loss and other comprehensive income)	(9 444)	–	(46 714)	(8 775)	(11 758)	117 847	53 931	–	95 087
Cash and cash equivalents	9 899	13	908 165	11 881	148 982	63 145	181 273	19 688	1 343 046
Other non-current financial liabilities	22 251	7 777	–	–	90 542	32 656	179 787	–	333 013
Current financial liabilities (excluding trade and other payables)	1 829 166	–	103 425	–	6 861	2 251	19 860	129 454	2 091 017

* *The investment is in a loss-making position; the equity accounted earnings are limited to Rnil*

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NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

9. Investment in associate and joint ventures continued

Figures in R'000	GROUP 2022 Mall of the South Proprietary Limited	C4T Proprietary Limited*	EPP N.V.**	European Logistics Investments B.V.	Galeria Młociny Shopping Centre	Henderson Park Private Equity Fund	M1 JV	Towarowa 22***	EPP Community Properties JV	Total
Functional currency	ZAR	ZAR	EUR	EUR	PLN	PLN	PLN	PLN	PLN	
Effective interest	20.0%	50.0%	45.4%	46.5%	70.0%	30.0%	50.0%	53.8%	53.1%	
SUMMARISED STATEMENTS OF FINANCIAL POSITION										
Investment property	1 725 700	–	–	8 944 038	6 553 576	4 143 805	11 392 237	–	11 160 301	43 919 657
Property, plant, and equipment	–	958	–	81	–	–	–	–	–	1 039
Other non-current assets	–	–	–	2 272 723	–	–	95 143	–	104 955	2 472 821
Non-current assets	1 725 700	958	–	11 216 842	6 553 576	4 143 805	11 487 380	–	11 265 256	46 393 517
Current assets	23 419	1 039	–	772 089	209 402	215 383	277 222	–	484 842	1 983 396
Other	–	–	–	3 333 109	–	–	–	–	–	3 333 109
Total assets	**1 749 119**	**1 997**	**–**	**15 322 040**	**6 762 978**	**4 359 188**	**11 764 602**	**–**	**11 750 098**	**51 710 022**
Interest-bearing borrowings	1 804 250	–	–	3 481 911	2 818 860	2 581 733	2 628 945	–	3 968 804	17 284 503
Loans from shareholders	–	5 942	–	1 165 692	1 019 340	–	905 872	–	–	3 096 846
Other non-current liabilities	12 807	–	–	992 604	586 265	184 739	419 665	–	778 889	2 974 969
Non-current liabilities	1 817 057	5 942	–	5 640 207	4 424 465	2 766 472	3 954 482	–	4 747 693	23 356 318
Current liabilities	50 345	39	–	2 659 122	190 746	117 859	3 511 848	–	2 440 914	8 970 873
Total liabilities	**1 867 402**	**5 981**	**–**	**8 299 329**	**4 615 211**	**2 884 331**	**7 466 330**	**–**	**7 188 607**	**32 327 191**
Net assets	**(118 283)**	**(3 984)**	**–**	**7 022 711**	**2 147 767**	**1 474 857**	**4 298 272**	**–**	**4 561 491**	**19 382 831**
SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME										
Revenue	248 258	–	2 265 253	618 479	208 234	215 833	374 966	3 561	553 032	4 487 616
Operating costs	(98 754)	(3 984)	(6 009)	(267 731)	(77 693)	(68 539)	(59 537)	(10 749)	(279 780)	(872 776)
Fair value adjustments	89 685	–	(1 338 067)	2 820 724	35 292	(35 496)	(49 337)	(7 520)	130 254	1 645 535
Equity-accounted losses	–	–	181 577	65 719	–	–	–	–	–	247 296
Interest expense	(125 487)	–	(637 082)	(186 621)	(101 324)	(26 639)	(99 418)	(11 548)	(104 271)	(1 292 390)
Profit/(loss) for the year	106 246	(3 984)	648 178	3 154 089	53 094	88 756	98 017	(32 821)	269 245	4 380 820
Other comprehensive (loss)/income	–	–	(1 497 485)	–	4 109	(25 305)	66 304	7 365	26 530	(1 418 482)
Equity-accounted income	–	–	181 577	65 719	–	–	–	–	–	247 296
Equity-accounted other comprehensive income	–	–	(680 453)	–	2 876	(7 592)	33 152	3 955	14 042	(634 020)
Total comprehensive (loss)/income	106 246	(3 984)	(849 306)	3 154 089	57 203	63 451	164 321	(25 456)	295 775	2 962 339
Additional specific disclosure for joint ventures										
Interest income	–	–	–	38 460	–	–	–	–	–	38 460
Taxation (per the statement of profit or loss and other comprehensive income)	(7 062)	–	–	(602 121)	31 065	21 735	40 433	(1 223)	68 331	(448 842)
Cash and cash equivalents	10 679	39	–	610 072	173 604	183 429	269 936	–	380 319	1 628 078
Other non-current financial liabilities	1 817 057	5 942	–	–	–	67 863	15 062	–	147 644	2 053 568
Current financial liabilities (excluding trade and other payables)	38 118	–	–	55 423	–	–	1 592	–	–	95 133

** The investment is in a loss-making position; the equity accounted earnings are limited to Rnil*

*** Equity-accounted results for the period 1 September 2021 to date of acquiring control as a subsidiary on 8 March 2022 (refer to **note 51:** Acquisition of a controlling interest)*

**** Towarowa 22 disposed of following acquiring control of EPP*

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NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
10. Loans receivable					
Gross vendor loans		1 428 492	1 281 154	–	82 498
Gross share purchase scheme	57.3	–	77 301	–	77 301
Gross loan receivable		1 428 492	1 358 455	–	159 799
Expected credit loss	57.3	(171 291)	(157 113)	–	(49 178)
Balance at end of year		**1 257 201**	**1 201 342**	**–**	**110 621**
Non-current		1 051 349	536 394	–	–
Vendor loans		1 051 349	536 394	–	–
Current		205 852	664 948	–	110 621
Vendor loans		205 852	360 430	–	76 103
Share purchase scheme		–	34 518	–	34 518
Balance at end of year		**1 257 201**	**1 201 342**	**–**	**110 621**

Figures in R'000	Capital repayment date	Interest rate (%)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Redefine share purchase scheme						
The loan was granted to directors and employees in terms of the share purchase scheme to purchase Redefine Properties Limited shares. The loan is secured by 6 803 337 Redefine Properties Limited shares and was settled in May 2023.	Earlier of: – 14 May 2023; or – Three years after termination of employment	3m JIBAR +2.00	–	77 301	–	77 301
Setso Holdco Proprietary Limited (Setso)						
The loan is secured by a pledge of the shareholder equity of wholly owned subsidiary, Setso. The loan was partially settled during the current financial year. Redefine has entered into an agreement with Setso for the exchange of Setso's undivided share in Hertford Office Park as partial settlement of this loan receivable.	31 October 2023	13.00	336 888	453 436	–	–
Cradlestone Mall Proprietary Limited						
The loan was secured by a pledge agreement from the shareholders of Cradlestone Mall Proprietary Limited. The loan was settled in June 2023.	1 June 2023	Prime -0.5	–	88 646	–	–
Turnover Trading 191 Proprietary Limited						
The loan is secured by a second covering sectional title mortgage bond, suretyship from the sureties and a cession of the borrowers co-ownership voting rights. The facility repayment date was extended from 1 May 2023 to 1 May 2024.	1 May 2024	10.00	40 255	40 902	–	–
Enyuka Ermelo						
The loan was unsecured and was settled in May 2023.	29 May 2023	10.00	–	46 904	–	46 904
Enyuka Alberton						
The loan was unsecured and was settled in May 2023.	29 May 2023	10.00	–	35 594	–	35 594
European Logistics Investment B.V.						
The loan is unsecured.	31 December 2027	8.00	1 051 349	536 394	–	–
Right of first offer (ROFO)						
Advances to ROFO investment property projects, which represent 25% of the aggregate amount of equity invested in the project. The group will realise 25% of the proceeds on sale of the investment properties net of debt and cost and 25% of all distributions made.	n/a	2.00	–	30 675	–	–
Towarowa 22						
Loan to project Towarowa 22 (for VAT)	n/a	0.00	–	48 603	–	–
Gross loan receivable			**1 428 492**	**1 358 455**	**–**	**159 799**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
11. Other financial assets				
At amortised cost				
Non-current	469 556	387 179	–	–
AFI Europe N.V.*	469 556	387 179	–	–
Fair value through profit or loss	175 171	208 860	–	–
Non-current	175 171	182 498	–	–
Lango Real Estate Limited	175 171	182 498	–	–
Current	–	26 362	–	–
Rental guarantee	–	26 362	–	–
Balance at end of year	**644 727**	596 039	–	–

* *In the previous financial year an amortised cost financial instrument which was measured at amortised cost (being the deferred consideration owed by AFI Europe N.V.) amounting to R387 179 was presented at FVTPL. This has been restated. As a result, the other financial assets disclosed at FVTPL have been restated from R596 039 to R208 860 and those disclosed at amortised cost from Rnil to R387 179. This restatement had no impact on the statement of comprehensive income*

AFI Europe N.V

On the disposal of Towarowa 22, the group recognised a long-term receivable from AFI Europe N.V. (the buyer) that relates to deferred payment of part of the transaction price (maturity mid 2025).

Lango Real Estate Limited

Redefine disposed of its investment in SB Wings Development Proprietary Limited, a Mauritian-based subsidiary, during FY20. The purchase consideration received was an exchange of 2 187 578 shares in an unlisted company, Lango Real Estate Limited, valued at R175.2 million (US$10.5 million).

Rental guarantee

In January 2020, Stykow, a Polish investment property, that was held by Central Logistics Investments sp. z o.o. (CLI) was disposed of. As part of the agreement, a rental guarantee was entered into with the buyer to guarantee a certain level of rental income to be generated from the disposed property.

A rental guarantee liability was recognised; however, 5.0% of the rental guarantee was recognised as an asset as it was recoverable from Griffin. The guarantee was settled during the 2023 financial year.

As part of the Australian student accommodation disposals by Journal Student Accommodation Fund relating to the Leicester Street student accommodation and Swanston Street student accommodation, which were disposed of during prior financial years, a rental guarantee agreement was entered into with the buyer to guarantee a certain level of rental income to be generated from the disposed property. A portion of the proceeds were withheld by a third party and realised to Journal Student Accommodation Fund based on the generated income of the building. The guarantee was settled during FY23.

Kenilworth Centre, Western Cape, South Africa

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

12. Property, plant and equipment

		GROUP								
Figures in R'000	Notes	Leasehold improvements	Computer equipment	Furniture and fittings	Owner occupied	Hotel	ROU assets – owner-occupied properties	Office equipment	Motor vehicles	Total
2023										
Cost		39 883	15 711	1 427	53 197	42 108	64 787	425	599	218 138
Accumulated depreciation		(14 674)	(7 499)	(842)	(1 261)	(2 799)	(16 950)	(239)	(235)	(44 499)
Revaluation adjustment		–	–	–	9 751	7 290	–	–	–	17 041
Balance at end of year		**25 209**	**8 212**	**585**	**61 687**	**46 599**	**47 837**	**186**	**364**	**190 680**
Reconciliation of movements										
Balance at beginning of year		21 569	6 679	1 608	55 531	42 750	30 742	180	–	159 059
Additions at cost		355	5 672	28	–	–	19 270	52	–	25 377
Arising from acquisition of subsidiary	51	8 313	772	121	–	–	1 386	–	390	10 982
Transfer from investment property	3	–	–	–	19	–	–	–	–	19
Disposals at carrying amount		–	(1 907)	–	–	–	–	–	–	(1 907)
Revaluation adjustment		–	–	–	6 582	4 283	–	–	–	10 865
Depreciation		(5 369)	(3 035)	(1 178)	(445)	(433)	(12 381)	(46)	(91)	(22 978)
Foreign exchange gain		341	31	5	–	–	8 820	–	65	9 263
Balance at end of year		**25 209**	**8 212**	**585**	**61 687**	**46 599**	**47 837**	**186**	**364**	**190 680**
2022										
Cost		29 449	16 534	6 088	52 994	42 108	35 311	444	–	182 928
Accumulated depreciation		(7 880)	(9 855)	(4 480)	(816)	(2 366)	(4 569)	(264)	–	(30 230)
Revaluation adjustment		–	–	–	3 353	3 008	–	–	–	6 361
Balance at end of year		**21 569**	**6 679**	**1 608**	**55 531**	**42 750**	**30 742**	**180**	**–**	**159 059**
Reconciliation of movements										
Balance at beginning of year		21 198	12 176	2 765	–	28 600	–	239	857	65 835
Additions at cost		6 120	1 590	763	1 804	–	17 580	–	–	27 857
Arising from acquisition of subsidiary	51	–	–	–	–	–	17 342	–	–	17 342
Transfer from investment property	3	–	–	–	51 190	–	–	–	–	51 190
Disposals at carrying amount		–	(1 272)	–	–	–	–	–	(344)	(1 616)
Revaluation adjustment		–	–	–	3 353	14 696	–	–	–	18 049
Depreciation		(5 749)	(5 815)	(1 920)	(816)	(546)	(4 569)	(59)	(513)	(19 987)
Foreign exchange gain		–	–	–	–	–	389	–	–	389
Balance at end of year		**21 569**	**6 679**	**1 608**	**55 531**	**42 750**	**30 742**	**180**	**–**	**159 059**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

12. Property, plant and equipment continued

		COMPANY						
Figures in R'000	Notes	Leasehold improvements	Computer equipment	Furniture and fittings	Owner occupied	Office equipment	Motor vehicles	Total
2023								
Cost		29 800	13 895	1 139	53 197	426	–	98 457
Accumulated depreciation		(13 210)	(6 527)	(678)	(1 261)	(239)	–	(21 915)
Revaluation adjustment		–	–	–	9 751	–	–	9 751
Balance at end of year		**16 590**	**7 368**	**461**	**61 687**	**187**	**–**	**86 293**
Reconciliation of movements								
Balance at beginning of year		21 569	6 666	1 596	55 531	180	–	85 542
Additions at cost		351	5 614	28	–	–	–	5 993
Transfer from investment property	3	–	–	–	19	–	–	19
Disposals at carrying amount		–	(1 907)	–	–	–	–	(1 907)
Revaluation adjustment		–	–	–	6 582	–	–	6 582
Depreciation		(5 331)	(3 005)	(1 164)	(445)	7	–	(9 938)
Balance at end of year		**16 590**	**7 368**	**461**	**61 687**	**187**	**–**	**86 293**
2022								
Cost		29 449	16 506	5 950	52 994	444	–	105 343
Accumulated depreciation		(7 880)	(9 840)	(4 354)	(816)	(264)	–	(23 154)
Revaluation adjustment		–	–	–	3 353	–	–	3 353
Balance at end of year		**21 569**	**6 666**	**1 596**	**55 531**	**180**	**–**	**85 542**
Reconciliation of movements								–
Balance at beginning of year		21 198	12 158	2 724	–	239	857	37 176
Additions at cost		6 120	1 590	763	1 804	–	–	10 277
Transfer from investment property	3	–	–	–	51 190	–	–	51 190
Disposals at carrying amount		–	(1 272)	–	–	–	–	(1 272)
Revaluation adjustment		–	–	–	3 353	–	–	3 353
Depreciation		(5 749)	(5 810)	(1 891)	(816)	(59)	(857)	(15 182)
Balance at end of year		**21 569**	**6 666**	**1 596**	**55 531**	**180**	**–**	**85 542**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	COMPANY 2023	COMPANY 2022
13. Investment in subsidiaries			
13.1 Investment in subsidiaries			
Shares at cost less impairment		25 900 307	25 688 399
Movement in shares at cost			
Balance at beginning of year		25 688 399	13 639 556
Acquisitions of shares		650 562	12 927 204
EPP N.V.		–	11 625 253
Self Storage Investments sp. z o.o.		46 108	–
Redefine Europe B.V.		604 454	1 301 951
Impairment of subsidiaries	37	(438 655)	(878 361)
Journal Student Accommodation Fund		–	(878 361)
Redefine Commercial Proprietary Limited		(159 802)	–
Micawber 891 RF Proprietary Limited		(32)	–
Annuity Properties Proprietary Limited		(278 821)	–
Balance at end of year		**25 900 307**	25 688 399
Impairment of shares			
Shares at cost less impairment			
Gross carrying amount		33 937 043	34 216 612
Accumulated impairment opening balance		(7 598 081)	(7 649 852)
Impairment of shares	37	(438 655)	(878 361)
Net shares at cost		**25 900 307**	25 688 399

The shares held in subsidiaries are tested annually for impairment. Impairment indicators were present, i.e. the NAV of the relevant underlying subsidiary was below the carrying value of the investment and the carrying value of the investment is not expected to be recovered through distributable profits of the relevant subsidiary.

Accordingly, an impairment test was performed and an impairment was recognised for Redefine Commercial Proprietary Limited, Micawber 891 RF Proprietary Limited, and Annuity Properties Proprietary Limited as the carrying amount exceeded the recoverable amount for investment. The impairment recognised in the current year was limited to the subsidiary's NAV of R1 565 million for Redefine Commercial Proprietary Limited and R942 million for Annuity Properties Proprietary Limited, while Micawber 891 RF Proprietary Limited was fully impaired.

The investment in Journal Student Accommodation Fund was fully impaired during FY22, following the group's exit of the Australian student accommodation investment through the disposal of Swanston Street (refer to **note 17:** Non-current assets and liabilities classified as held-for-sale).

Figures in R'000	Notes	COMPANY 2023	COMPANY 2022
Sensitivity analysis			
For entities with impairment indicators, the Group has conducted an analysis of the sensitivity of the impairment test to changes in the NAV of investment as follows:			
An increase of 10% in the NAV of the investment in the subsidiary would result in an improvement of NAV when compared to the carrying value of the investment and the impairment would be as follows:			
Journal Student Accommodation Fund*		–	–
Redefine Commercial Proprietary Limited		808 746	–
Micawber 891 RF Proprietary Limited*		–	
Annuity Properties Proprietary Limited		271 805	–
A decrease of 10% in the NAV of the investment in the subsidiary would result in a reduction of the NAV when compared to the carrying value of the investment and the impairment would be as follows:			
Journal Student Accommodation Fund*		–	–
Redefine Commercial Proprietary Limited		1 121 679	–
Micawber 891 RF Proprietary Limited*		–	–
Annuity Properties Proprietary Limited		460 116	–

* *Journal Student Accommodation Fund and Micawber 891 RF Proprietary Limited are fully impaired*

13.2 Loans to/(from) subsidiaries

Loans to local subsidiaries are interest free. These loans are unsecured with no fixed repayment dates. Loans to international subsidiaries carry an interest charge. Refer to **note 38:** Interest income for the interest income earned from subsidiaries and refer to **note 59:** Related-party transactions for intercompany transactions.

Figures in R'000	Notes	COMPANY 2023	COMPANY 2022
Loans from subsidiaries		(2 170)	(1 973 167)
Loans to subsidiaries			
Gross intercompany loans receivable	57.3	23 648 777	26 029 760
Expected credit loss	57.3	(732 420)	(1 698 878)
Expected credit loss – opening balance		(1 698 878)	(1 478 166)
Expected credit loss movement		380 249	(220 712)
Written off during the year		586 209	–
Net intercompany loan receivable		**22 916 357**	24 330 882

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
14. Other monetary assets					
Tenant deposits		89 737	66 280	–	–
Debt service		136 059	80 305	–	–
Capital expenditure		23 041	14 228	–	–
Retained rent		40 210	30 449	–	–
VAT accounts		1 957	472	–	–
Other		983	871	–	–
Balance at end of year		**291 987**	**192 605**	**–**	**–**
Current assets		219 616	140 851	–	–
Non-current assets		72 371	51 754	–	–
Balance at end of year		**291 987**	**192 605**	**–**	**–**

A significant portion of the above monetary assets is with Santander Bank (Fitch credit rating A-) and PKO Bank Polski (Moody's credit rating A2).

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
15. Trade and other receivables					
Trade receivables (incl. municipal recoveries)	57.3	686 141	653 827	397 256	352 803
Less: Expected credit loss	57.3	(209 554)	(243 652)	(153 164)	(165 299)
Net trade receivables	57.3	476 587	410 175	244 092	187 504
Deposits		108 320	97 758	61 788	58 046
Prepayments		199 546	199 710	136 415	142 322
Rates clearances		27 039	19 291	28 143	17 137
Interest receivable		–	8 069	–	8 069
Current taxation receivable		8 363	4 586	–	–
Other receivables		187 498	167 449	143 709	34 475
Trade and other receivables		1 007 353	907 038	614 147	447 553

Refer to **note 57.3:** Financial risk management for credit risk management.

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
16. Cash and cash equivalents				
Unrestricted cash balances	760 882	1 765 349	248 247	1 430 501

A significant portion of bank balances are with The Standard Bank of South Africa Limited (Moody's credit rating Ba1) and Santander Bank (Fitch credit rating A-).

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
17. Non-current assets and liabilities held-for-sale					
Non-current assets held-for-sale					
South African investment property		45 164	391 733	–	259 848
Acquired through acquisition of subsidiaries	51	844	1 005 714	–	–
Translation differences		30	–	–	–
Balance at end of year		**46 038**	**1 397 447**	**–**	**259 848**
Non-current liabilities held-for-sale					
Acquired through acquisition of subsidiaries (EPP)		–	(383 080)	–	–
Balance at end of year		**–**	**(383 080)**	**–**	**–**
Balance at beginning of year		1 014 367	2 749 073	259 848	795 046
Additions		–	29 003	–	20 585
Assets acquired through acquisition of subsidiaries	51	844	22 378 468	–	–
Liabilities acquired through acquisition of subsidiaries	51	–	(11 999 412)	–	–
Disposal of South African investment properties		(378 927)	(738 639)	(252 347)	(738 639)
Disposal of Australian student accommodation		–	(1 986 507)	–	–
Disposal of M1 Marki non-current assets held-for-sale	48 & 53	–	(2 142 838)	–	–
Disposal of M1 Marki non-current assets and liabilities held-for-sale	48 & 53	–	969 223	–	–
Disposal of EPP non-current assets held-for-sale		(690 457)	(21 410 028)	–	–
Disposal of EPP non-current liabilities held-for-sale	50	–	11 556 666	–	–
Interest bearing borrowings repaid		–	75 244	–	–
Transfer from/(to) investment property	3	36 664	2 484 111	(8 500)	194 150
Transfer from interest bearing borrowings	46	–	(883 189)	–	–
Transfer of other assets and liabilities of subsidiaries held-for-sale		–	(58 426)	–	–
Transfer from properties under development	5	–	13 142	–	6 571
Tenant installations capitalised		–	164	–	164
Tenant installations amortised		(246)	(172)	(22)	(172)
Change in fair values		(17 878)	11 715	1 021	(17 857)
Discontinued operations		–	(33 839)	–	–
Translation differences		81 671	608	–	–
Balance at end of year		**46 038**	**1 014 367**	**–**	**259 848**

The investment properties reclassified as held-for-sale are properties that the board of directors decided will be recovered through sale rather than through continuing use.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
18. Stated capital					
Authorised					
10 000 000 000 (2022: 10 000 000 000) ordinary shares of no par value					
Issued					
7 052 419 865 (2022: 7 052 419 865) ordinary		50 117 115	50 117 115	50 107 262	50 107 262
Less: 300 000 000 (2022: 300 000 000) treasury shares		(6)	(6)	–	–
Balance at end of year		**50 117 109**	**50 117 109**	**50 107 262**	**50 107 262**
Reconciliation of issued stated capital					
In issue at beginning of year		50 117 109	44 593 547	50 107 262	44 607 971
Issued during the year		–	5 523 562	–	5 523 562
Share repurchase		–	–	–	(24 271)
Balance at end of year		**50 117 109**	**50 117 109**	**50 107 262**	**50 107 262**
Reconciliation of number of ordinary shares ('000)					
Number of shares at end of year		6 752 419	6 752 419	6 758 296	6 758 296
Total treasury shares		300 000	300 000	300 000	300 000
Held by:					
The Redefine Empowerment Trust		300 000	300 000	300 000	300 000
Number of shares at end of year per the share register		**7 052 419**	**7 052 419**	**7 058 296**	**7 058 296**
Reconciliation of issued number of shares used in calculating distribution per share ('000)					
In issue at beginning of year		6 752 419	5 432 630	6 758 296	5 438 507
Issued during the year		–	1 319 789	–	1 319 789
Balance at end of year		**6 752 419**	**6 752 419**	**6 758 296**	**6 758 296**

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
19. Share-based payment reserve					
Restricted share scheme	21	833	5 534	833	5 534
Long-term incentive plan	21	32 679	12 642	32 679	12 642
Matching share scheme	21	99	333	99	333
The Redefine Empowerment Trust	21	–	–	709 000	709 000
Balance at end of year		**33 611**	**18 509**	**742 611**	**727 509**

Galeria Veneda, Łomża, Poland

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

		GROUP		
Figures in R'000	Principal place of business	NCI effective interest /voting rights (%)	2023	2022
20. Non-controlling interests				
Journal Student Accommodation Fund	Australia	10.0 (2022: 10.0)	–	2 027
EPP N.V.	Poland	4.6 (2022: 4.6)	835 118	643 915
Mfuko sp. z o.o. 0000796191	Poland	5.0 (2022: 5.0)	175	2 025
Self Storage Investments sp. z o.o.	Poland	7.0 (2022: 0.0)	2 379	–
Stokado sp. z o.o.	Poland	49.0 (2022: 0.0)	105 834	–
Balance at end of year			**943 506**	**647 967**

Journal Student Accommodation Fund

With effect from 1 September 2016, Redefine acquired a 90.0% equity interest in Journal Student Accommodation Fund, which Redefine controls due to the number of voting rights held.

EPP

On 8 March 2022, as part of the EPP reorganisation, Redefine acquired an additional interest in EPP in exchange for Redefine shares at a fair swap ratio of 2.7 Redefine shares per EPP share. This increased Redefine's interest from 44.5% to 87.5%.

During March 2022, EPP was reorganised and on 20 April 2022, Redefine acquired a further 832 418 EPP shares at a fair swap ratio of 2.7 Redefine shares per EPP share, increasing the Redefine shareholding in EPP to 95.4%. This was a transaction with NCI.

Refer to **note 51:** Acquisition of a controlling interest in subsidiaries for further information regarding the EPP additional share acquisition.

Mfuko sp. z o.o. 0000796191

On 31 January 2020, ELI entered into a sale purchase agreement to sell 100% of its investment in CLI to Tritax Eurobox PLC (Tritax). As part of this sale purchase agreement it was agreed that the shareholders of ELI would retain the development rights for a possible extension of the Strykow building owned by CLI. Therefore a Polish company, Mfuko sp. z o.o. 0000796191 was incorporated to hold these development rights. These development rights were exercised during January 2022, and the development was completed in August 2022.

Self Storage Investments sp. z o.o.

With effect from 9 November 2022, Redefine and Griffin established a new Polish company called Self Storage Investments sp. z o.o. (Self Storage Investments) to invest in self-storage facilities in Poland. Redefine and Griffin hold 93% and 7% of the shares, respectively. Redefine controls Self Storage Investments due to the number of voting rights held.

Stokado

With effect from 27 July 2023, Self Storage Investments acquired a 51.0% equity interest in Stokado. Self Storage Investments controls Stokado due to the number of voting rights held.

Refer to **note 51:** Acquisition of a controlling interest in subsidiaries for further information regarding the Stokado acquisition.

The NCI balance is reconciled as follows:

	GROUP					
	2023					
Figures in R'000	Journal Student Accommodation Fund	EPP N.V.	Mfuko sp. z o.o. 0000796191	Self Storage Investments sp. z o.o.	Stokado sp. z o.o.	Total
Opening balance	2 027	643 915	2 025	–	–	647 967
Interest at acquisition NAV	–	–	–	2 773	101 531	104 304
Share of profit/(loss) for the year	785	13 935	(74)	(1 100)	583	14 129
Share of other comprehensive income/(loss) for the year	173	177 266	276	10	3 721	181 447
Share of dividends for the year	(2 986)	–	(2 053)	–	–	(5 038)
Other movement	1	–	1	694	(1)	696
Balance at end of year	**–**	**835 118**	**175**	**2 379**	**105 834**	**943 506**

	2022					
Figures in R'000	Journal Student Accommodation Fund	EPP N.V.	Mfuko sp. z o.o. 0000796191	Self Storage Investments sp. z o.o.	Stokado sp. z o.o.	Total
Opening balance	138 662	–	1 011	–	–	139 673
Interest at acquisition NAV	–	1 825 169	–	–	–	1 825 169
Disposal NAV arising from reorganisation	–	(1 220 962)	–	–	–	(1 220 962)
Share of loss for the year	(21 113)	30 095	996	–	–	9 978
Share of other comprehensive income for the year	3 048	9 613	18	–	–	12 679
Share of dividends for the year	(118 570)	–	–	–	–	(118 570)
Balance at end of year	**2 027**	**643 915**	**2 025**	**–**	**–**	**647 967**

Summarised financial information for each subsidiary that has an NCI is presented below, which reflects the financial information prepared by the respective entities in accordance with IFRS.

Refer to **note 59:** Related-party transactions.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

20. Non-controlling interests continued

Figures in R'000	2023 Journal Student Accommodation Fund	EPP N.V.	Mfuko sp. z o.o. 0000796191	Self Storage Investments sp. z o.o.	Stokado sp. z o.o.	Total
Functional currency	AUD	EUR	EUR	PLN	PLN	
NCI effective interest/voting rights	10.0%	4.6%	5.0%	7.0%	49.0%	
SUMMARISED STATEMENTS OF FINANCIAL POSITION						
Non-current assets	–	30 047 592	140	–	200 361	30 248 093
Investment property	–	19 648 225	–	–	188 209	19 836 434
Investment in joint ventures	–	9 558 216	–	–	874	9 559 090
Property, plant and equipment	–	46 451	–	–	11 278	57 729
Other non-current assets	–	794 700	140	–	–	794 840
Current assets	–	777 102	4 940	29 357	114 729	926 128
Total assets	**–**	**30 824 694**	**5 080**	**29 357**	**315 090**	**31 174 221**
Non-current liabilities	–	11 659 051	–	–	78 705	11 737 756
Interest-bearing borrowings	–	9 442 368	–	–	15 360	9 457 728
Loans from shareholders	–	424 004	–	–	–	424 004
Other non-current liabilities	–	1 792 679	–	–	63 345	1 856 024
Current liabilities	–	812 174	621	5 305	19 077	837 176
Total liabilities	**–**	**12 471 225**	**621**	**5 305**	**97 782**	**12 574 932**
Net assets	**–**	**18 353 469**	**4 459**	**24 052**	**217 308**	**18 599 287**
Net assets attributable to non-controlling interests	**–**	**835 083**	**223**	**1 684**	**106 481**	**943 470**
SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
Revenue	924	2 012 735	–	–	2 747	2 016 406
Operating costs	(828)	(792 751)	(24)	–	(341)	(793 944)
Administration costs	(585)	(209 337)	(499)	(15 432)	(36)	(225 889)
Fair value adjustments	7 374	70 157	–	–	(190)	77 341
Interest income	957	37 262	–	–	–	38 219
Interest expense	–	(430 178)	(2)	(13)	(1 016)	(431 208)
Other	8	(381 627)	(955)	(265)	25	(382 814)
Profit/(loss) for the year	**7 850**	**306 261**	**(1 480)**	**(15 710)**	**1 189**	**298 110**
Other comprehensive profit	1 733	3 895 823	5 526	145	7 593	3 910 820
Total comprehensive gain/(loss)	**9 583**	**4 202 084**	**4 046**	**(15 565)**	**8 782**	**4 208 930**
Total comprehensive gain/(loss) attributable to non-controlling interests	**958**	**191 202**	**202**	**(1 090)**	**4 303**	**195 576**
Dividends	**(29 857)**	**–**	**(41 055)**	**–**	**–**	**(70 912)**

Figures in R'000	2022 Journal Student Accommodation Fund	EPP N.V.	Mfuko sp. z o.o. 0000796191	Total
Functional currency	AUD	EUR	EUR	
NCI effective interest/voting rights	10.0%	4.5%	5.0%	
SUMMARISED STATEMENTS OF FINANCIAL POSITION				
Non-current assets	–	24 083 003	544	24 083 547
Investment property	–	16 231 893	–	16 231 893
Investment in joint ventures	–	7 323 964	–	7 323 964
Property, plant and equipment	–	30 742	–	30 742
Other non-current assets	–	496 404	544	496 948
Non current assets held-for-sale	–	1 005 714	–	1 005 714
Current assets	31 687	597 555	65 708	694 950
Total assets	**31 687**	**25 686 272**	**66 252**	**25 784 211**
Non-current liabilities	–	7 665 956	21 380	7 687 336
Interest-bearing borrowings	–	5 376 694	–	5 376 694
Loans from shareholders	–	912 364	287	912 651
Other non-current liabilities	–	1 376 898	21 093	1 397 991
Non current assets and liabilities held-for-sale	–	383 080	–	383 080
Current liabilities	11 415	3 485 853	4 363	3 501 631
Total liabilities	**11 415**	**11 534 889**	**25 743**	**11 572 047**
Net assets	**20 272**	**14 151 383**	**40 509**	**14 212 164**
Net assets attributable to non-controlling interests	**2 027**	**643 915**	**2 025**	**647 967**
SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Revenue	403	812 088	(31)	812 460
Operating costs	(18 493)	(295 849)	(317)	(314 659)
Administration costs	–	(107 168)	–	(107 168)
Fair value adjustments	(193 847)	167 562	–	(26 285)
Interest income	812	5 031	–	5 843
Interest expense	–	(190 436)	(25)	(190 461)
Other	–	270 168	20 290	290 458
Profit/(loss) for the year	**(211 125)**	**661 396**	**19 917**	**470 188**
Other comprehensive profit	30 479	211 268	355	242 102
Total comprehensive (loss)/gain	**(180 646)**	**872 664**	**20 272**	**712 290**
Net total comprehensive loss attributable to non-controlling interests	**(18 065)**	**39 708**	**1 014**	**22 657**
Dividends	**1 185 703**	**–**	**–**	**1 185 703**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

21. Share-based payments

21.1. Restricted scheme

21.1.1. LONG-TERM INCENTIVE

The restricted share scheme (RSS), which awards employees a conditional right to receive shares in Redefine against the achievement of specific performance conditions, free of any cost, is operated by the group. As the participants will receive shares in settlement of their awards, a share-based payment expense has been recognised.

In terms of the RSS, a conditional right to a share is awarded to employees subject to the satisfaction of performance conditions over the performance period as well as the service condition over the vesting period.

The RSS award is fully linked to performance, with 100% of the award subject to performance conditions.

The executive directors, prescribed officers (below) and other employees participate in the RSS. These participants will not be entitled to any voting rights or distributions of Redefine prior to the vesting of the restricted shares.

The fair value of services received in return for the conditional share awards has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distributions

	2023	2022
Shares expected to vest*	392 688	1 570 312
Vesting period	3 years	3 years
Average discounted price per share#	3.75	4.87
IFRS 2: *Share-based Payments* expense recognised in administration expenses (R'000)	(2 150)	(1 818)
Weighted average share price at date of vesting	3.98	4.38

* *This was determined by taking into account the performance of the group to date and forecasts to the end of the performance period against the performance targets set at the time of the award*

\# *The future anticipated distributions were adjusted for annual growth of 7% and discounted by a distribution yield of 7.7%*

These awards will vest over the next three years.

The number of shares allotted in terms of the award scheme are:

	2022	Granted	Forfeited	Vested	2023	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	333 975	–	(216 460)	(117 515)	–	(1 110)	–
LC Kok	288 750	–	(186 109)	(102 641)	–	(954)	–
NG Nyawo	785 376	–	–	(392 688)	392 688	447	–
MJ Ruttell^	162 211	–	(104 110)	(58 101)	–	(533)	–
Total for the year	**1 570 312**	**–**	**(506 679)**	**(670 945)**	**392 688**	**(2 150)**	**–**

	2021	Granted	Forfeited	Vested	2022	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	768 056	–	(287 481)	(146 600)	333 975	(1 282)	–
LC Kok	637 934	–	(229 318)	(119 866)	288 750	(977)	–
NG Nyawo	1 178 063	–	–	(392 687)	785 376	1 095	–
MJ Ruttell^	383 680	–	(144 497)	(76 972)	162 211	(654)	–
Total for the year	**2 967 733**	**–**	**(661 296)**	**(736 125)**	**1 570 312**	**(1 818)**	**–**

^ *MJ Ruttell (retired 31 January 2023) formed part of the executive committee and met the definition of a "prescribed officer" in terms of the Companies Act*

In terms of the Redefine retirement policy, a director or prescribed officer is no longer eligible to participate in the share schemes three years prior to the retirement age of 65.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

21. Share-based payments continued

21.2. Long-term incentive plan

The long-term incentive plan (LTIP), which awards employees with a conditional right to receive shares in Redefine against the achievement of specific performance conditions, free of any cost, is operated by the group. As the participants will receive shares in settlement of their awards, a share-based payment expense has been recognised. In terms of the LTIP, a conditional right to a share is awarded to employees subject to the satisfaction of performance conditions over the performance period, as well as the service condition over the vesting period. Of the awards, 100% are subject to performance conditions. Participants will not be entitled to any voting rights or distributions of Redefine prior to the vesting of the shares. Full-time employees at Paterson grading level F-upper to D-upper (executive and senior management) are eligible to participate. The fair value of services received in return for the conditional share awards has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distributions

The executive directors and prescribed officer below participate in the LTIP scheme. These participants will not be entitled to any voting rights or distributions of Redefine prior to the vesting of shares.

	2023	2022
Shares expected to vest*	6 184 824	4 204 396
Vesting period	3 years	3 years
Average discounted price per share#	2.95	3.05
IFRS 2: *Share-based Payments* expense recognised in administration expenses (R'000)	6 655	4 419

* *This was determined by taking into account the performance of the group to date and forecasts to the end of the performance period against the performance targets set at the time of the award*

\# *The future anticipated distributions were discounted by a distribution yield of between 11.10% and 11.84%*

These awards will vest over the next three years.

The number of shares allotted in terms of the award scheme are:

	2022	Granted	Forfeited	Vested	2023	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	1 690 240	1 023 893	–	–	2 714 133	2 668	2 840
LC Kok	1 162 265	704 063	–	–	1 866 328	1 834	1 953
NG Nyawo	999 125	605 238	–	–	1 604 363	1 577	1 679
MJ Ruttell^	352 766	–	(352 766)	–	–	577	–
Total for the year	**4 204 396**	**2 333 194**	**(352 766)**	**–**	**6 184 824**	**6 656**	**6 472**

	2021	Granted	Forfeited	Vested	2022	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	820 464	869 776	–	–	1 690 240	1 737	3 305
LC Kok	564 178	598 087	–	–	1 162 265	1 194	2 273
NG Nyawo	484 988	514 137	–	–	999 125	1 026	1 954
MJ Ruttell^	352 766	–	–	–	352 766	462	–
Total for the year	**2 222 396**	**1 982 000**	**–**	**–**	**4 204 396**	**4 419**	**7 532**

^ *MJ Ruttell (retired 31 January 2023) formed part of the executive committee and met the definition of a "prescribed officer" in terms of the Companies Act*

21.3. RSS awards under the short-term incentive (STI)

The STI share scheme, which awards employees with a right to receive shares in Redefine on condition that they remain in the employ of Redefine Properties, free of any cost, is operated by the group. As the participants will receive shares in settlement of their awards, a share-based payment expense has been recognised.

The deferral mechanism is applied, in which 50% of the STI payment is deferred and converted into a conditional right to shares that vest over three years at the end of each year following the award. As performance is measured on the way in, the deferral is only subject to employment conditions during the vesting period. The deferred STI share award has been made to the group's executives.

The participant will not be entitled to any voting rights or distributions of Redefine prior to the vesting of the STI shares.

The fair value of services received in return for the conditional share awards has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distributions

The RSS STI has been phased out and has been replaced by the LTIP (deferred bonus award).

	2023	2022
Shares expected to vest	–	–
Vesting period	1-3 years	1-3 years
Average discounted price per share	–	7.86
IFRS 2: *Share-based Payments* expense recognised in administration expenses (R'000)	–	219
Weighted average share price at date of vesting	3.98	4.38

The number of shares allotted in terms of the award scheme are:

	2022	Granted	Forfeited	Vested	2023	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	–	–	–	–	–	–	–
LC Kok	–	–	–	–	–	–	–
MJ Ruttell^	–	–	–	–	–	–	–
Total for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**

	2021	Granted	Forfeited	Vested	2022	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	144 693	–	–	(144 693)	–	95	–
LC Kok	116 394	–	–	(116 394)	–	76	–
MJ Ruttell^	73 824	–	–	(73 824)	–	48	–
Total for the year	**334 911**	**–**	**–**	**(334 911)**	**–**	**219**	**–**

^ *MJ Ruttell (retired 31 January 2023) formed part of the executive committee and met the definition of a "prescribed officer" in terms of the Companies Act*

In terms of the Redefine retirement policy, a director or prescribed officer is no longer eligible to participate in the share schemes three years prior to the retirement age of 65.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

21. Share-based payments continued

21.4. LTIP (deferred bonus award)

The deferred bonus award under the LTIP, which awards employees with a conditional right to receive shares in Redefine against the achievement of specific performance conditions, free of any cost, is operated by the group. As the participants will receive shares in settlement of their awards, a share-based payment expense has been recognised. In terms of the deferred bonus award, the quantum of conditional shares is determined as a percentage of the STI based on performance in the previous financial year. The conditional right to shares vests over three years at the end of each year following the award. As performance is measured on the way in, the deferral is only subject to employment conditions during the vesting period. Participants will not be entitled to any voting rights or distributions of Redefine prior to the vesting of the shares. The fair value of services received in return for the conditional share awards has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distributions

The executive directors and prescribed officer below participate in the LTIP scheme. These participants will not be entitled to any voting rights or distributions of Redefine prior to the vesting of shares.

	2023	2022
Shares expected to vest*	2 472 483	1 113 933
Vesting period	1-3 years	1-3 years
Average discounted price per share#	–	3.45
IFRS 2: *Share-based Payments* expense recognised in administration expenses (R'000)	4 702	1 836
Weighted average share price at date of vesting	3.98	–

* *This was determined by taking into account the performance of the group to date and forecasts to the end of the performance period, against the performance targets set at the time of the award*

\# *The future anticipated distributions were discounted by a distribution yield between 10.88% and 11.84%*

These awards will vest over the next three years.

The number of shares allotted in terms of the award scheme are:

	2022	Granted	Forfeited	Vested	2023	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	457 478	706 901	–	(169 436)	994 943	1 752	2 093
LC Kok	317 593	499 362	–	(124 546)	692 409	1 213	1 414
NG Nyawo	155 309	408 498	–	(60 905)	502 902	815	1 216
MJ Ruttell	183 553	–	(107 073)	(76 480)	–	493	–
Other employees	–	282 229	–	–	282 229	429	900
Total for the year	**1 113 933**	**1 896 990**	**(107 073)**	**(431 367)**	**2 472 483**	**4 702**	**5 623**

	2021	Granted	Forfeited	Vested	2022	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	–	457 478	–	–	457 478	754	1 738
LC Kok	–	317 593	–	–	317 593	523	1 207
NG Nyawo	–	155 309	–	–	155 309	256	590
MJ Ruttell^	–	183 553	–	–	183 553	302	698
Other employees	–	–	–	–	–	–	–
Total for the year	**–**	**1 113 933**	**–**	**–**	**1 113 933**	**1 836**	**4 233**

^ *MJ Ruttell (retired 31 January 2023) formed part of the executive committee and met the definition of a "prescribed officer" in terms of the Companies Act*

21.5. Matching scheme

In terms of the matching share scheme, participants are invited annually to utilise a predetermined percentage of their after-tax bonus to acquire Redefine shares.

Participants holding these shares at the third anniversary of the date of the grant date will be awarded additional Redefine shares, free of consideration, based on a multiple of the original shares linked to the group and individual's performance. Performance conditions are based on growth in recurring distribution per share in relation to peer companies, meeting the approved budgeted distribution per share, and individual performance.

As the participants will receive shares in settlement of their awards, a share-based payment reserve has been recognised. Vesting of the matching shares will occur in three years from the date of award. The participant will not be entitled to any voting rights or distributions of Redefine prior to the vesting of the matching shares.

The fair value of services received in return for the matching share awards has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distributions

	2023	2022
Shares expected to vest	59 028	110 202
Vesting period	3 years	3 years
Average discounted price per share#	2.93	6.85
IFRS 2: *Share-based Payments* expense recognised in administration expenses (R'000)	(146)	(3 723)
Weighted average share price at date of vesting	3.98	4.38

\# *The future anticipated distributions were adjusted for annual growth of 4.0% and discounted by a distribution yield of 13.7%*

These awards will vest over the next year.

The number of matching shares awarded in terms of the matching share award scheme are:

	2022	Granted	Forfeited	Vested	2023	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	–	–	–	–	–	–	–
LC Kok	110 202	–	(32 983)	(18 191)	59 028	(146)	–
Total for the year	**110 202**	**–**	**(32 983)**	**(18 191)**	**59 028**	**(146)**	**–**

	2021	Granted	Forfeited	Vested	2022	IFRS 2 charge R'000	Fair value of shares granted R'000
AJ König	474 762	–	(314 408)	(160 354)	–	(2 180)	–
LC Kok	427 062	59 028	(246 839)	(129 049)	110 202	(1 543)	224
Total for the year	**901 824**	**59 028**	**(561 247)**	**(289 403)**	**110 202**	**(3 723)**	**224**

In terms of the Redefine retirement policy, a director or prescribed officer is no longer eligible to participate in the share schemes three years prior to the retirement age of 65.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

21. Share-based payments continued

21.6. Nil-cost options

Under the staff incentive scheme operated by the group, certain employees are awarded nil-cost options. These awards grant employees a conditional right to receive a number of shares or the cash equivalent at the employee's option against the achievement of specific performance conditions over the performance period, free of any cost. Performance conditions are based on growth in recurring distribution per share in relation to peer companies, meeting the approved budgeted distribution per share, and individual performance. As the participants will receive shares or a cash alternative in settlement of their awards, a share-based payment expense has been recognised.

The participant will not be entitled to any voting rights or distributions of Redefine prior to the vesting of the nil-cost option.

The fair value of services received in return for the nil-cost option award has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distributions

	2023	2022
Total nil-cost options	–	2 571 746
Vesting period	3-8 years	3-8 years
Shares expected to vest*	–	4 141 813
Average discounted price per share#	–	3.08
IFRS 2: *Share-based Payments* expense (R'000) recognised in:	(287)	552
Operating costs (R'000)	(354)	459
Administration expenses (R'000)	67	93

* *This was determined by taking into account the performance of the group to date and forecasts to the end of the performance period, against the targets set at the time of the award*

\# *The future anticipated distributions were adjusted for annual growth of 0% and discounted by a distribution yield of 19.49%*

These awards will vest over the next three to eight years.

The number of share allotted in terms of the award scheme are:

	2023	2022
Opening balance	2 571 746	6 711 688
Granted	–	–
Forfeited	(1 737 592)	(2 986 192)
Vested	(834 154)	(1 153 750)
Outstanding nil-cost options granted to employees	**–**	**2 571 746**

21.7. LTIP (performance awards)

The performance awards under the LTIP, which awards employees with a conditional right to receive shares in Redefine against the achievement of specific performance conditions, free of any cost, is operated by the group. As the participants will receive shares in settlement of their awards, a share-based payment expense has been recognised. In terms of the LTIP, a conditional right to a share is awarded to employees subject to the satisfaction of performance conditions over the performance period and the service condition over the vesting period. Of the awards, 100% are subject to performance conditions. Participants will not be entitled to any voting rights or distributions of Redefine prior to the vesting of the shares. Full-time employees at Paterson grading level F-upper to D-upper (executive and senior management) are eligible to participate. The fair value of services received in return for the conditional share awards has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distributions

The number of shares allotted in terms of the award scheme are:

	2023	2022
Total LTIP (performance option)	9 710 754	5 524 343
Vesting period	3 years	3 years
Shares expected to vest*	9 710 754	5 524 343
Average discounted price per share#	3.34	3.16
IFRS 2: *Share-based Payments* expense (R'000) recognised in:	10 345	6 145
Operating costs (R'000)	4 943	3 174
Administration expenses (R'000)	5 402	2 971

* *This was determined by taking into account the performance of the group to date and forecasts to the end of the performance period against the targets set at the time of the award*

\# *The future anticipated distributions were adjusted for annual growth of 0% and discounted by a distribution yield of 11.84%*

These awards will vest over the next three to eight years.

The number of shares allotted in terms of the award scheme are

	2023	2022
Opening balance	5 524 343	–
Granted	4 186 411	5 524 343
Forfeited	–	–
Vested	–	–
Outstanding LTIP performance granted to employees	**9 710 754**	**5 524 343**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

21. Share-based payments continued

21.8. Conditional awards

These awards afford recipient employees a conditional right to receive cash settlement of the market value of the number of shares awarded against the achievement of specific performance conditions. Performance conditions are based on growth in recurring distribution per share in relation to peer companies, meeting the approved budgeted distribution per share, and individual performance. As it is anticipated that the participants will receive a cash settlement of their awards, a share-based payment expense has been recognised.

In terms of the staff incentive share scheme, a conditional right to the cash settlement is awarded to employees subject to the satisfaction of performance conditions over the vesting period.

The participant will not be entitled to any voting rights or distributions.

The fair value of services received in return for the conditional awards has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distributions

The number of shares allotted in terms of the award scheme are:

	2023	2022
Total conditional shares	–	1 768 557
Vesting period	3 years	3 years
Shares expected to vest*	–	1 414 739
Average discounted price per share#	–	3.55
IFRS 2: *Share-based Payments* expense (R'000) recognised in:	(2 663)	69
Operating costs (R'000)	(2 222)	124
Administration expenses (R'000)	(441)	(55)

* *Taking into account the performance of the group to date and forecasts to the end of the performance period against the targets set at the time of the award*

The future anticipated distributions were adjusted for annual growth of 0% and discounted by a distribution yield of 19.49%

These awards will vest over the next three years.

	2023	2022
Opening balance	1 768 557	4 739 608
Granted	–	–
Forfeited	(1 265 381)	(2 152 947)
Vested	(503 176)	(818 104)
Outstanding conditional awards granted to employees	**–**	**1 768 557**

21.9. The Redefine Empowerment Trust

In 2015, The Redefine Empowerment Trust (Empowerment Trust) was established in terms of which the Empowerment Trust subscribed for 300 000 000 Redefine shares at an issue price of R10.18 per share. The subscription price was financed by a loan granted by Redefine to the Empowerment Trust, amounting to R3 054 million, secured by the 300 000 000 Redefine shares (original loan).

The original loan bears interest at the lower of (i) 16% per annum or (ii) the amount of the Redefine dividend received by the Empowerment Trust in respect of the shares; and is repayable in annual tranches by no later than 31 August 2024, subject to the shares trading at, or in excess of, the minimum pre-agreed target price. As the original loan only has recourse to the shares and no other assets, the issue of the shares on the loan account was treated as an option grant that vested on the date when the loan was granted.

On 23 February 2023, shareholders approved the restructure the Empowerment Trust. The salient terms of the restructure are as follows:

i. Redefine will make a capital contribution to the Empowerment Trust, the quantum of which will be such that the original loan will be reduced to an amount equal to 95% of the value of the Redefine shares immediately preceding the first business day following the date that all the suspensive conditions are fulfilled;

ii. The capital contribution will be set off against the obligation of the Empowerment Trust to make an equal payment to Redefine in respect of the Original Loan; and

iii. Interest will accrue on the rebased loan at the lower of:
   - the South African prime rate plus 25 basis points; and
   - 90% of the after-tax dividend received on the shares;

iv. The rebased loan will be repaid in annual tranches over nine years, with the first repayment date beginning when the share price has appreciated by 4% above the share price at the date of the capital contribution date measured on an annual basis as at 31 August.

All suspensive conditions were fulfilled on 3 October 2023.

	COMPANY	
	2023	2022
Number of encumbered shares held by the Empowerment Trust	300 000 000	300 000 000

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
22. Interest-bearing borrowings				
Held at amortised cost				
Loans	20 538 554	18 874 307	10 781 966	10 535 371
Secured	19 531 255	17 929 412	9 774 667	9 590 476
Unsecured	1 007 299	944 895	1 007 299	944 895
Bonds	19 509 000	18 417 070	19 509 000	18 417 070
Secured	11 646 000	13 296 000	11 646 000	13 296 000
Unsecured	7 863 000	5 121 070	7 863 000	5 121 070
Capitalised fees	(86 409)	–	(35 145)	–
Balance at end of year	**39 961 145**	37 291 377	**30 255 821**	28 952 441
Non-current				
Loans	17 927 937	15 912 065	8 418 405	10 535 371
Bonds	16 416 000	17 119 000	16 416 000	17 119 000
Capitalised fees	(74 229)	–	(22 964)	–
Balance at end of year	**34 269 168**	33 031 065	**24 811 441**	27 654 371
Current				
Bank loans	2 611 157	2 962 242	2 363 561	–
Bonds	3 093 000	1 298 070	3 093 000	1 298 070
Capitalised fees	(12 180)	–	(12 181)	–
Balance at end of year	**5 691 977**	4 260 312	**5 444 380**	1 298 070

The average cost of rand-denominated funding is 9.4% (2022: 8.7%), and interest rates are hedged on 86.7% (2022: 84.2%) of local rand-denominated borrowings for an average period of 1.3 years (2022: 1.8 years). Including foreign currency debt and derivatives, the average cost of debt is 7.1% (2022: 6.0%). Interest rates are hedged on 77.1% (2022: 82.8%) of total borrowings for an average period of 1.8 years (2022: 1.5 years).

Group interest-bearing borrowings have been secured by mortgage loans over investment property to the value of R64.0 billion (2022: R60.8 billion).

Company interest-bearing borrowings have been secured by mortgage loans over investment property to the value of R22.3 billion (2022: R21.8 billion).

Total group and company undrawn facilities at year end amounted to R4.7 billion (2022: R4.5 billion).

Refer to **note 57:** Financial risk management and **note 58:** Capital management.

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank (SARB) has indicated their intention to move away from Johannesburg Interbank Average Rate (JIBAR) and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the group.

22.1. Variable and fixed rate loans – South African rand

Bank loans	Facility end date	Interest rate (%)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Absa			2 000 000	2 000 000	2 000 000	2 000 000
	30 April 2024	3m JIBAR +1.58	500 000	500 000	500 000	500 000
	1 July 2024	3m JIBAR +1.80	500 000	500 000	500 000	500 000
	30 September 2024	3m JIBAR +1.60	500 000	500 000	500 000	500 000
	1 July 2025	3m JIBAR +1.95	500 000	500 000	500 000	500 000
LibFin			1 220 498	1 220 498	1 220 498	1 220 498
	30 August 2027	3m JIBAR +2.10	335 249	335 249	335 249	335 249
	30 August 2028	3m JIBAR +2.20	335 249	335 249	335 249	335 249
	13 June 2029	3m JIBAR +2.30	550 000	550 000	550 000	550 000
Standard Bank			4 670 904	4 901 818	4 670 904	4 901 818
	31 August 2025	Prime -1.57	–	230 914	–	230 914
	31 August 2025	3m JIBAR +2.14	640 000	640 000	640 000	640 000
	11 August 2026	3m JIBAR +2.25	392 000	392 000	392 000	392 000
	31 August 2026	3m JIBAR +1.79	1 119 452	1 119 452	1 119 452	1 119 452
	31 August 2027	3m JIBAR +1.95	1 119 452	1 119 452	1 119 452	1 119 452
	31 August 2028	3m JIBAR +2.14	700 000	700 000	700 000	700 000
	31 August 2029	3m JIBAR +2.23	700 000	700 000	700 000	700 000
Total local currency loans			**7 891 402**	8 122 316	**7 891 402**	8 122 316

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

22. Interest-bearing borrowings continued

22.2. Variable rate loans – foreign currency

Bank loans	Facility end date	Interest rate (%)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
EUR loans			**12 441 768**	10 583 047	**2 703 423**	2 244 111
Santander Bank Polska S.A.*	26 July 2023	3m EURIBOR +2.20	–	419 145	–	–
Credit Agricole Bank Polska S.A.	26 July 2023	3m EURIBOR +2.20	–	419 144	–	–
PKO Bank*	22 August 2023	3m EURIBOR +1.76	–	2 022 247	–	–
Standard Chartered Bank	18 September 2024	3m EURIBOR +2.30	1 363 561	1 131 891	1 363 561	1 131 891
Standard Bank Isle of Man	31 August 2025	3m EURIBOR +2.78	367 299	304 895	367 299	304 895
HYPO NOE LANDESBANK*	9 March 2026	3m EURIBOR +2.90	–	110 880	–	–
mBANK	9 March 2026	3m EURIBOR +2.90	–	44 352	–	–
AION SA/NV	9 March 2026	3m EURIBOR +2.90	–	44 352	–	–
Standard Bank Isle of Man	31 August 2026	3m EURIBOR +2.63	972 563	807 325	972 563	807 325
Helaba	7 March 2027	3m EURIBOR +2.75	396 381	335 820	–	–
Erste Group Bank AG	7 March 2027	3m EURIBOR +2.75	396 381	335 820	–	–
Helaba	9 September 2027	3m EURIBOR +2.51	735 290	622 819	–	–
Helaba	9 September 2027	3m EURIBOR +2.51	624 497	528 974	–	–
Erste Group Bank AG	9 September 2027	3m EURIBOR +2.51	911 759	773 627	–	–
Erste Group Bank AG	9 September 2027	3m EURIBOR +2.51	774 376	657 057	–	–
Santander Bank Polska S.A.	9 September 2027	3m EURIBOR +2.51	1 294 110	1 094 834	–	–
Santander Bank Polska S.A.	9 September 2027	3m EURIBOR +2.51	1 099 114	929 865	–	–
mBANK	30 June 2027	3m EURIBOR +2.90	199 723	–	–	–
Santander Bank Polska S.A.	30 June 2028	3m EURIBOR +2.20	461 763	–	–	–
Credit Agricole Bank Polska S.A.	30 June 2028	3m EURIBOR +2.20	461 763	–	–	–
PKO Bank	31 July 2028	3m EURIBOR +2.46	2 383 188	–	–	–
PLN loans			**18 243**	–	–	–
mBANK*	25 April 2028	1m WIBOR +2.10	3 539	–	–	–
mBANK*	25 April 2028	1m WIBOR +2.00	2 629	–	–	–
mBANK*	31 March 2029	1m WIBOR +2.10	3 835	–	–	–
mBANK*	28 December 2029	1m WIBOR +1.80	8 240	–	–	–
USD loans						
Standard Bank Isle of Man			187 141	168 944	187 141	168 944
	31 August 2025	SOFR +2.70	187 141	168 944	187 141	168 944
Total variable rate loans – foreign currency			**12 647 152**	10 751 991	**2 890 564**	2 413 055

* *Recognised following the acquisition of EPP, disclosed in **note 51:** Acquisition of a controlling interest in subsidiaries*

22.3. Variable rate bonds – South Africa

Bonds		Capital repayment date	Interest rate (%)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Listed bonds				7 863 000	4 621 070	7 863 000	4 621 070
Five-year	RDFB12	27 November 2022		–	310 070	–	310 070
Nominal value			3m JIBAR +1.65	–	310 000	–	310 000
Issued at premium				–	896	–	896
Amortised premium				–	(826)	–	(826)
Five-year	RDFB22	31August 2022	3m JIBAR +1.67	–	60 000	–	60 000
Five-year	RDFB14	12 March 2023	3m JIBAR +1.60	–	428 000	–	428 000
Five-year	RDFB15	5 December 2023	3m JIBAR +1.60	646 000	646 000	646 000	646 000
Five-year	RDFB17	11 February 2024	3m JIBAR +1.55	374 000	465 000	374 000	465 000
Five-year	RDFB20	22 March 2024	3m JIBAR +1.55	208 000	231 000	208 000	231 000
Five-year	RDFB24	22 August 2024	3m JIBAR +1.65	630 000	630 000	630 000	630 000
Five-year	RDFB26	28 November 2024	3m JIBAR +1.65	299 000	299 000	299 000	299 000
Three-year	RDFB27	24 July 2024	3m JIBAR +2.00	1 000 000	1 000 000	1 000 000	1 000 000
Seven-year	RDFB18	11 February 2026	3m JIBAR +1.75	382 000	382 000	382 000	382 000
Seven-year	RDFB21	22 March 2026	3m JIBAR +1.80	170 000	170 000	170 000	170 000
Three-year	RDFG01	21 September 2025	3m JIBAR +1.55	144 000	–	144 000	–
Three-year	RDFG05	9 December 2025	3m JIBAR +1.64	850 000	–	850 000	–
Three-year	RDFG07	24 August 2026	3m JIBAR +1.44	247 000	–	247 000	–
Four-year	RDFG06	9 December 2026	3m JIBAR +1.72	800 000	–	800 000	–
Five-year	RDFG02	21 September 2027	3m JIBAR +1.68	514 000	–	514 000	–
Five-year	RDFG08	24 August 2028	3m JIBAR +1.60	332 000	–	332 000	–
Seven-year	RDFG03	21 September 2029	3m JIBAR +2.00	342 000	–	342 000	–
Seven-year	RDFG09	24 August 2030	3m JIBAR +1.70	425 000	–	425 000	–
Ten-year	RDFG04	21 September 2032	3m JIBAR +2.30	500 000	–	500 000	–
Unlisted bonds				11 646 000	13 796 000	11 646 000	13 796 000
Five-year	RDF08U	1 August 2023	3m JIBAR +1.60	–	500 000	–	500 000
Three-year	RDF31U	31 August 2024	3m JIBAR +1.95	235 000	235 000	235 000	235 000
Six-year	RDF17U	8 November 2024	3m JIBAR +1.60	–	140 000	–	140 000
Seven-year	RDF10U	21 August 2025	3m JIBAR +1.55	–	1 010 000	–	1 010 000
Three-year	RDF34U	24 August 2025	3m JIBAR +1.63	255 000	255 000	255 000	255 000
Three-year	RDF38U	30 August 2025	3m JIBAR +1.75	250 000	250 000	250 000	250 000
Six-year	RDF19U	30 August 2025	3m JIBAR +1.85	380 000	380 000	380 000	380 000
Four-year	RDF32U	31 August 2025	3m JIBAR +2.10	937 000	937 000	937 000	937 000
Seven-year	RDF18U	13 April 2026	3m JIBAR +1.70	–	500 000	–	500 000
Four-year	RDF39U	30 August 2025	3m JIBAR +1.85	300 000	300 000	300 000	300 000
Eight-year	RDF16U	30 August 2026	3m JIBAR +2.05	500 000	500 000	500 000	500 000
Five-year	RDF33U	31 August 2026	3m JIBAR +2.25	1 500 000	1 500 000	1 500 000	1 500 000
Five-year	RDF35U	24 August 2027	3m JIBAR +1.93	2 557 000	2 557 000	2 557 000	2 557 000
Five-year	RDF40U	30 August 2027	3m JIBAR +1.95	810 000	810 000	810 000	810 000
Six-year	RDF41U	30 August 2028	3m JIBAR +2.10	700 000	700 000	700 000	700 000
Seven-year	RDF36U	24 August 2029	3m JIBAR +2.23	1 597 000	1 597 000	1 597 000	1 597 000
Seven-year	RDF42U	30 August 2029	3m JIBAR +2.20	1 000 000	1 000 000	1 000 000	1 000 000
Eight-year	RDF37U	24 August 2030	3m JIBAR +2.38	625 000	625 000	625 000	625 000
Total bonds				**19 509 000**	18 417 070	**19 509 000**	18 417 070

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
23. Derivative assets/(liabilities)				
Non-current assets	412 868	350 432	222 903	316 392
Current assets	215 431	259 063	213 670	228 475
Non-current liabilities	(281 731)	(119 605)	(274 142)	(119 605)
Current liabilities	(864 316)	(248 006)	(864 318)	(247 153)
Balance at end of year	**(517 748)**	**241 884**	**(701 887)**	**178 109**
Forward exchange contracts	133 145	330 787	133 145	330 787
Cross-currency interest rate swaps	(1 054 480)	(310 362)	(1 054 480)	(310 362)
Interest rate swaps	429 670	221 459	245 531	157 684
Put option (shares)	(26 083)	–	(26 083)	–
Balance at end of year	**(517 748)**	**241 884**	**(701 887)**	**178 109**

A significant portion of the foreign currency exposure on income has been economically hedged. Refer to **note 57:** Financial risk management for further detail.

Redefine has entered into a number of cross-currency interest rate swaps, which are used to transform long-term rand-denominated borrowings into synthetic foreign currency borrowings. This is achieved by swapping interest during the derivative contract and exchanging the currency principal amounts at maturity. This is used to fund Redefine's foreign investments with an interest rate relative to the investment's local funding environment.

Redefine issued a put option (shares) to RMBIA, whereby RMBIA has the right to sell its shares in MOTS PropCo to Redefine for an amount that equals the put option (shares) exercise price. Refer to **note 25:** Insurance contract liability.

Maturity	Nominal value	Rate (%)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Cross-currency interest rate swaps						
Rand Merchant Bank			863	(50 693)	863	(50 693)
28 June 2023	ZAR797 461	3m JIBAR +1.70	–	(50 693)	–	(50 693)
14 July 2025	ZAR1 022 599	3m JIBAR +1.31	863	–	863	–
Absa			(903 459)	(265 230)	(903 459)	(265 230)
20 December 2022	ZAR839 840	3m JIBAR +1.85	–	(143 188)	–	(143 188)
22 January 2024	EUR64 922	1.81				
	ZAR1 014 735	3m JIBAR +1.65	(286 019)	(68 388)	(286 019)	(68 388)
31 May 2024	EUR65 000	1.35				
	ZAR1 035 450	3m JIBAR +1.60	(262 009)	(43 837)	(262 009)	(43 837)
2 April 2024	EUR35 000	1.75				
	ZAR577 500	3m JIBAR +1.60	(119 579)	(5 173)	(119 579)	(5 173)
13 September 2024	EUR32 000	1.40				
	ZAR518 080	3m JIBAR +1.60	(106 065)	(4 531)	(106 065)	(4 531)
13 September 2024	EUR800	1.40				
	ZAR12 952	3m JIBAR +1.60	(2 652)	(113)	(2 652)	(113)
9 December 2024	EUR58 000	6m EURIBOR +1.63	–	–	–	–
	ZAR1 053 860	3m JIBAR +1.80	(127 135)	–	(127 135)	–
Investec			(151 884)	5 561	(151 884)	5 561
10 October 2023	EUR45 000	1.89				
10 October 2023	ZAR765 113	3m JIBAR +1.70	(151 884)	5 561	(151 884)	5 561
Total cross-currency interest rate swaps			**(1 054 480)**	(310 362)	**(1 054 480)**	(310 362)

Maturity	Nominal value	Rate (%)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Interest rate swap agreements						
Absa			101 235	79 647	101 235	79 647
2 August 2023	ZAR250 000	7.00	–	(234)	–	(234)
8 September 2023	ZAR300 000	5.85	1 988	2 968	1 988	2 968
30 January 2024	ZAR250 000	7.65	945	(1 343)	945	(1 343)
4 April 2024	ZAR700 000	7.48	4 725	(3 363)	4 725	(3 363)
14 June 2024	ZAR650 000	7.30	6 591	(1 135)	6 591	(1 135)
2 August 2024	ZAR250 000	7.15	2 734	1 535	2 734	1 535
9 September 2024	ZAR250 000	5.90	7 165	7 248	7 165	7 248
9 September 2024	ZAR250 000	5.90	7 165	7 248	7 165	7 248
23 September 2024	ZAR350 000	5.92	9 881	10 368	9 881	10 368
23 September 2024	ZAR350 000	5.92	9 881	10 368	9 881	10 368
26 September 2024	ZAR700 000	6.29	16 571	15 541	16 571	15 541
16 January 2025	ZAR500 000	6.95	8 595	6 260	8 595	6 260
30 January 2025	ZAR250 000	6.85	4 539	4 279	4 539	4 279
29 August 2025	ZAR250 000	7.96	(74)	–	(74)	–
29 August 2025	ZAR500 000	8.02	(575)	–	(575)	–
5 September 2025	ZAR700 000	6.57	21 104	19 907	21 104	19 907
Nedbank			39 673	31 421	39 673	31 421
8 February 2024	ZAR500 000	7.53	2 061	(1 577)	2 061	(1 577)
13 February 2024	ZAR250 000	7.60	925	(923)	925	(923)
29 July 2025	ZAR500 000	6.77	11 272	12 415	11 272	12 415
29 July 2025	ZAR500 000	6.82	10 856	11 807	10 856	11 807
1 September 2025	ZAR500 000	6.87	11 937	9 699	11 937	9 699
1 December 2025	ZAR500 000	7.85	2 399	–	2 399	–
1 December 2025	ZAR500 000	7.80	2 226	–	2 226	–
20 July 2026	ZAR250 000	8.20	(2 003)	–	(2 003)	–
Rand Merchant Bank			19 576	13 973	19 576	13 973
6 August 2023	ZAR500 000	6.99	–	(315)	–	(315)
21 August 2023	ZAR250 000	6.83	–	436	–	436
27 August 2023	ZAR250 000	6.80	–	610	–	610
21 August 2024	ZAR250 000	6.98	2 999	2 504	2 999	2 504
27 August 2024	ZAR250 000	6.93	3 078	2 845	3 078	2 845
29 August 2024	ZAR500 000	8.53	(183)	–	(183)	–
8 February 2025	ZAR500 000	6.90	8 494	7 893	8 494	7 893
19 July 2025	ZAR250 000	8.34	(1 510)	–	(1 510)	–
15 March 2027	ZAR400 000	7.49	6 698	–	6 698	–
Investec			11 842	(14 732)	11 842	(14 732)
19 February 2026	ZAR500 000	6.86	11 842	(14 732)	11 842	(14 732)
Standard Bank			24 688	15 200	24 688	15 200
15 March 2023	ZAR400 000	6.09	–	(394)	–	(394)
15 March 2024	ZAR400 000	6.21	6 356	5 786	6 356	5 786
15 March 2024	ZAR350 000	7.42	2 457	(1 957)	2 457	(1 957)
15 March 2024	ZAR350 000	6.66	4 407	2 452	4 407	2 452
1 September 2025	ZAR500 000	6.88	11 829	9 313	11 829	9 313
29 August 2025	ZAR250 000	8.03	(361)	–	(361)	–

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

23. Derivative assets/(liabilities) continued

Maturity	Nominal value	Rate (%)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Interest rate swap agreements continued						
Standard Chartered			48 519	32 175	48 517	32 175
30 May 2023	ZAR250 000	7.15	–	(709)	–	(709)
2 August 2023	ZAR250 000	7.00	–	(258)	–	(258)
30 August 2023	ZAR250 000	6.75	–	748	–	748
13 February 2024	ZAR250 000	7.60	924	(905)	924	(905)
22 February 2024	ZAR500 000	7.60	1 828	(1 612)	1 828	(1 612)
30 May 2024	ZAR250 000	7.29	1 824	889	1 824	889
2 August 2024	ZAR250 000	7.15	2 684	1 567	2 684	1 567
30 August 2024	ZAR250 000	6.89	3 155	3 157	3 155	3 157
20 December 2024	ZAR500 000	7.00	8 366	4 546	8 366	4 546
16 January 2025	ZAR500 000	7.00	8 087	5 545	8 087	5 545
28 January 2025	ZAR500 000	6.80	9 246	8 919	9 246	8 919
1 September 2025	ZAR500 000	6.82	12 405	10 288	12 403	10 288
Santander Bank Polska S.A.*			57 964	3 022	–	–
5 December 2022	EUR18 795	0.42	–	(187)	–	–
5 December 2022	EUR28 649	0.56	–	(585)	–	–
5 December 2022	EUR20 156	0.00	–	360	–	–
5 December 2022	EUR20 754	0.00	–	439	–	–
5 December 2022	EUR35 100	0.47	–	(485)	–	–
26 July 2023	EUR10 380	0.32	–	1 903	–	–
26 July 2023	EUR8 604	0.32	–	1 577	–	–
9 September 2027	EUR50 608	2.27	31 343	–	–	–
9 September 2027	EUR42 983	2.27	26 621	–	–	–
Helaba (Landesbank Hessen-Thüringen Girozentrale)*			62 539	17 474	–	–
5 December 2022	EUR14 209	0.00	–	221	–	–
5 December 2022	EUR14 209	0.56	–	(369)	–	–
5 December 2022	EUR9 328	0.42	–	(85)	–	–
5 December 2022	EUR16 409	0.47	–	(318)	–	–
5 December 2022	EUR16 022	0.00	–	248	–	–
5 March 2027	EUR19 400	0.83	29 708	17 777	–	–
9 September 2027	EUR28 790	2.27	17 753	–	–	–
9 September 2027	EUR24 452	2.27	15 078	–	–	–
Erste Group Bank AG*			69 435	16 173	–	–
4 December 2022	EUR14 324	0.56	–	(360)	–	–
5 December 2022	EUR14 324	0.00	–	334	–	–
5 December 2022	EUR9 397	0.42	–	(138)	–	–
5 December 2022	EUR17 550	0.47	–	(325)	–	–
5 December 2022	EUR17 137	0.00	–	399	–	–
5 March 2027	EUR19 400	0.93	28 574	16 263	–	–
9 September 2027	EUR35 761	2.27	22 089	–	–	–
9 September 2027	EUR30 372	2.27	18 772	–	–	–
PKO BP*			1 761	23 800	–	–
21 August 2023	EUR83 008	0.33	–	16 570	–	–
21 August 2023	EUR36 218	0.33	–	7 230	–	–
31 July 2028	EUR26 244	3.00	528	–	–	–
31 July 2028	EUR20 120	3.00	405	–	–	–
31 July 2028	EUR20 120	3.00	405	–	–	–
31 July 2028	EUR20 995	3.00	423	–	–	–

Maturity	Nominal value	Rate (%)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Interest rate swap agreements continued						
Credit Agricole Bank Polska S.A.*			(7 591)	3 306	–	–
26 July 2023	EUR10 450	0.35	–	1 808	–	–
26 July 2023	EUR8 662	0.35	–	1 498	–	–
30 June 2028	EUR16 950	2.66	(3 810)	–	–	–
30 June 2028	EUR16 950	2.66	(3 781)	–	–	–
mBANK^			29	–	–	–
9 September 2027	EUR4 888	3.08	29	–	–	–
Total interest rate swaps			**429 670**	221 459	**245 531**	157 684
Put option (shares)			**(26 083)**	–	**(26 083)**	–

* *Recognised following the acquisition of EPP, disclosed in* ***note 51:*** *Acquisition of a controlling interest in subsidiaries*

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
24. Other financial liabilities					
Staff incentive schemes		69 157	56 701	28 681	25 036
Nil-cost options		–	4 050	–	4 050
Conditional awards		–	4 663	–	4 663
Cash awards	24.1	69 157	47 988	28 681	16 323
Loan from non-controlling shareholder		–	845	–	–
Rental and earnings guarantee		6 632	20 846	6 632	6 632
Loan from Henderson		12 969	–	–	–
ELI carry payment		279 189	320 194	–	–
Journal Student Accommodation exit fee		–	8 162	–	–
Balance at end of year		**367 947**	406 748	**35 313**	31 668
Non-current					
Staff incentive schemes		53 252	11 348	12 776	11 348
Loan from Henderson		12 969	–	–	–
ELI carry payment		279 189	142 192	–	–
Balance at end of year		**345 410**	153 541	**12 776**	11 348
Current					
Staff incentive schemes		15 905	45 353	15 905	13 688
Rental and earnings guarantee		6 632	20 846	6 632	6 632
Loan from non-controlling shareholder		–	845	–	–
Journal Student Accommodation exit fee		–	8 162	–	–
ELI carry payment		–	178 002	–	–
Balance at end of year		**22 537**	253 208	**22 537**	20 320

24.1. Cash awards

In terms of the staff incentive scheme, a conditional right to a cash award is awarded to certain employees subject to performance and vesting conditions. These cash awards give employees a right to receive a cash bonus against the achievement of specific performance conditions. As it is anticipated that the participants will receive a cash settlement of their awards, an IAS 19: *Employee Benefits* expense has been recognised.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

24. Other financial liabilities continued

24.1. Cash awards continued

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Opening balance	47 988	7 842	16 323	7 842
Current service costs	21 169	40 146	12 358	8 481
Balance at end of year	**69 157**	47 988	**28 681**	16 323

24.2. Loan from non-controlling shareholders

Loan from non-controlling shareholder is a loan provided by Citiplan to the Journal Student Accommodation Fund, the loan bears no interest. The loan was settled in June 2023.

24.3. Rental and earnings guarantee

The rental guarantee was issued on the sale of the investment property, Strykow. Redefine accounts for 100% of the guarantee liability. Of the liability, 5% is recovered from Griffin when realised. The rental guarantee was settled during the financial year 2023.

24.4. ELI carry payment

Redefine Europe and Griffin entered into a co-investment agreement on 13 July 2018 to invest in ELI and explore a logistics platform opportunity in Poland. The original investors also entered into a carry agreement, which dictates that a carry payment is payable as consideration for the intermediation services provided by Griffin to enable Redefine Europe to acquire the shares in ELI.

During the 2020 financial year, Redefine Europe agreed to sell 48.5% of its shares in ELI to Madison and Griffin and entered into a new shareholders agreement. Simultaneously, Redefine Europe and Griffin also entered into a new carry agreement, with the terms of the agreement remaining unchanged.

The carry payment is equal to a percentage of the net cash returns received from ELI by Redefine Europe. The amount payable is dependent on the calculated internal rate of return (IRR) exceeding certain hurdle rates, based on the actual cash invested and received from ELI by Redefine Europe. The carry payment was payable on the earlier of i) 13 July 2022 or 13 July 2023 (at the election of Griffin) or ii) Redefine Europe's exit from its investment in ELI.

Griffin elected to receive payment in accordance with the carry agreement and on 12 July 2022, Redefine Europe and Griffin entered into an amendment to the carry agreement. The annex stipulated that 57% of the carry payment, calculated as at 30 June 2022 in accordance with the original carry agreement, would be payable by 30 November 2022.

The remaining carry payment will be payable in February 2025. The carry payment will be recalculated in accordance with the agreement and the payment made on 30 November 2022 will be deducted to determine the remaining payment.

At 31 August 2023, a financial liability was recognised for the full carry payment.

24.5. Journal Student Accommodation Fund exit fee

Citiplan is entitled to an exit fee on the disposal of the Australian student accommodation property assets, Leicester Street and Swanston Street student accommodation. The exit fee was paid during the current financial year, following the disposal of Swanston Street in January 2022. The outstanding exit fee as at 31 August 2022 relates to the portion of the rental guarantee to be earned on the Swanston Street disposal, which was earned for 12 months following the transfer in January 2022. The Journal Student Accommodation Fund exit fee was settled during the financial year 2023.

25. Insurance contract liability

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Opening balance	119 476	194 547	119 476	194 547
Changes in the insurance contract liability	(80 959)	(75 071)	(80 959)	(75 071)
Underwrite arrangement shortfall	(80 959)	(75 071)	(80 959)	(75 071)
Balance at end of year	**38 517**	119 476	**38 517**	119 476

25.1. Underwrite agreement

Redefine, RMBIA, FRB and MOTS PropCo entered into a placement and underwrite agreement:

During the tenor of the facilities, RMBIA (through RMB as advisor to RMBIA) and Redefine (the agents), acting jointly, will market the shares and claims in MOTS PropCo (or, if applicable, MOTS in any form) to potential third-party acquirers.

To the extent that the shares and claims in MOTS PropCo (or, if applicable, MOTS in any form) are disposed of to a third party for an amount that is less than the aggregate of the put option (claims) exercise price, put option (shares) exercise price, and the Redefine sale price (aggregate sale price) described below, Redefine will be liable to pay the sellers the shortfall. The shortfall is defined as an amount equal to the aggregate sale price less the net disposal proceeds less any applicable taxes and costs incurred or to be incurred (net disposal proceeds), received in disposing of such shares and claims (or, if applicable, MOTS in any form).

The Redefine sale price shall be the greater of:

- Redefine's attributable portion (20%) of the difference between all day-one loan facilities and amounts contributed by Redefine, which are used to reduce the facility outstanding, and
- The facility outstanding upon the put option exercise date (claims), excluding hedge break costs or gains or R1.00

Redefine (the insurer) accepts insurance risk from RMBIA/FRB (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (namely the sale of MOTS PropCo or MOTS at less than the aggregate sales price) adversely affects the policyholder. RMBIA and FRB could suffer a loss if MOTS PropCo or MOTS is sold at less than either the outstanding facility or at less than the NAV of MOTS. The underwrite agreement is considered an insurance contract in the scope of IFRS 4: *Insurance Contracts*.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

25. Insurance contract liability continued

The insurance liability contract is estimated as the difference between the aggregate sales price and the net disposal proceeds (shortfall). The net disposal proceeds were determined with reference to the fair value of MOTS.

MOTS was valued by obtaining an external valuation from an accredited valuator (Knight Frank – A Arbee NDip (Property Valuation), professional valuer).

The valuation was performed using the five-year discounted cash flow method. The valuation model generates a net present value for the property by discounting forecasted future cash flows and a residual value at the end of the cash flow projection period by the discount rate.

The residual value is calculated by capitalising the net income forecasted for the 12-month period immediately following the final year of cash flow at the exit cap rate. The discount rate applied is determined by adding a growth rate, based on forecasted market-related rental increases, to the determined capitalisation rate. The capitalisation rate is dependent on a number of factors, such as location, the condition of the property, current market conditions, the lease covenants, and the risk inherent in the property. The independent valuer applied current market-related assumptions to the risks in the rental streams of the property. At the reporting period, the key assumptions used by the group in determining the fair value of the property was as follows:

- Expected market rental growth: 1.5% to 4.0% (2022: 1.5% to 4.0%)
- Expected expense growth: 7.0% (2022: 6.0%)
- Discount rate: 12.0% (2022: 12.0%)
- Exit capitalisation rate: 8.25% (2022: 8.5%)

25.2. Put option (claims)

Redefine issued a put option (claims) to FRB, whereby FRB has the right to sell its rights and obligations under the facility to Redefine for the put option (claims) exercise price at the put option (claims) exercise date.

The put option (claims) exercise price is equal to the MOTS PropCo facility outstanding to FRB at the put option (claims) exercise date.

FRB may exercise the put option (claims) upon the occurrence of a trigger event (claims) at any point during the put option tenor.

The put option (claims) is triggered by events that include the facility value exceeding a specified amount, a breach of covenants, or Redefine's insolvency and therefore would compensate FRB in the event the property is not sold to a third party by Redefine, assuming MOTS PropCo's liability to repay the facility outstanding.

Where the underwrite agreement is triggered upon the sale of MOTS/MOTS PropCo to a third party, Redefine has the obligation to compensate FRB for the difference between the selling price realised and the outstanding facility. In both instances, where either the underwrite agreement or the put option (claims) is exercised, the agreements ensure that the facility with FRB is settled. Therefore the likelihood of the put option (claims) being exercised, taking into account the probability of an event of default as well as the amount payable by Redefine when FRB exercises this option, will be incorporated into the value of the insurance liability.

25.3. Put option (shares)

Redefine issued a put option (shares) to RMBIA, whereby RMBIA has the right to sell its shares in MOTS PropCo to Redefine for an amount that equals the put option (shares) exercise price.

25.3.1 THE PUT OPTION (SHARES) EXERCISE PRICE IS THE GREATER OF

RMBIA's attributable portion (80%) of the difference between all day-one loan facilities and amounts contributed by Redefine that are used to reduce the facility outstanding and the facility outstanding upon the put option exercise date (claims), excluding hedge break costs or gains or R1.00.

RMBIA may exercise the put option (shares) upon the occurrence of a trigger event (shares) at any point during the put option tenor.

The put option (shares) exercise price represents RMBIA's attributable portion of the NAV of MOTS PropCo, excluding any growth in the fair value of MOTS in excess of the day-one facilities. The value of the put option (shares) fluctuates in response to the value of the MOTS PropCo shares, which is ultimately driven by the value of MOTS and the outstanding facility. Therefore, the put option (shares) meets the definition of a derivative (refer to **note 23:** Derivative assets/(liabilities)).

The put option lapses as soon as MOTS is sold under the placement and underwrite agreement. Under the Redefine underwrite commitment, Redefine will be liable for any shortfall in terms of the placement and underwrite agreement and will therefore not be liable for any amounts under the put options.

25.3.2 INTENTION TO EXERCISE THE PUT OPTION

It is expected that RMBIA will exercise their option by December 2023, thereby requiring Redefine to buy RMBIA's 80% shareholding during the 2024 financial year.

Redefine will buy RMBIA's 80% (800 shares) shareholding in the company, such that Redefine will hold 100% of the shares in MOTS. The value of the shares has been determined to be at R1.00.

MOTS will continue to be operated by Redefine as a going concern from the date of the acquisition of the shares.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
26. Deferred taxation					
Deferred taxation asset		25 196	23 431	–	–
Deferred taxation liability		2 022 064	1 679 933	337 763	300 187
Balance at end of year		**1 996 868**	**1 656 502**	**337 763**	**300 187**
Capital allowances		728 944	646 879	337 763	300 187
Tax amortisation of investment properties		833 329	968 616	–	–
Fair value gain on investment properties		18 123	16 037	–	–
Foreign exchange translation reserve (FCTR)		290 706	14 999	–	–
Foreign exchange gain		9 971	9 971	–	–
Assessed loss recognised		11 100	–	–	–
Bank loans valuations		97 315	–	–	–
Other		7 380	–	–	–
Balance at end of year		**1 996 868**	**1 656 502**	**337 763**	**300 187**
Movement for the year					
Balance at beginning of year		1 656 502	616 008	300 187	287 873
Arising from acquisition of subsidiary	51	–	1 026 285	–	–
Adjustment of prior year deferred taxation		–	(22 043)	–	–
Capital allowances		82 064	65 063	37 576	23 432
Income tax rate change		–	(23 974)	–	(11 118)
Tax amortisation of investment properties		(135 287)	(45 843)	–	–
Fair value gain on investment properties		2 087	16 036	–	–
Foreign exchange gain		–	14 999	–	–
Foreign exchange translation reserve (FCTR)		275 707	9 971	–	–
Assessed loss recognised		11 100	–	–	–
Bank loans valuations		97 315	–	–	–
Other		7 380	–	–	–
Balance at end of year		**1 996 868**	**1 656 502**	**337 763**	**300 187**

A deferred taxation asset is recognised for assessed losses to the extent that it is probable that taxable profit will be available against which the assessed losses can be utilised.

26.1 Local

In South Africa, capital gains taxation is not applicable on the sale of investment property and shares in a REIT or property company, in terms of Section 25BB of the Income Tax Act applicable to REITs. Consequently, no deferred tax was raised on the fair value adjustments recognised in respect of investment property.

Allowances relating to immovable property can no longer be claimed and if a REIT sells immovable property, the allowances claimed in previous years will be recouped. A deferred taxation liability was raised in this respect.

Section 25BB of the Income Tax Act allows for the deduction of the qualifying distributions paid to the shareholders, but the deduction is limited to the taxable income. To the extent that no taxation will be payable in future as a result of the qualifying distribution, no deferred taxation was raised on items such as the straight-line lease income accrual.

The company tax rate was reduced to 27% for companies with years of assessment ending on or after 31 March 2023. The 27% company tax rate is thus applicable to Redefine from the year ending August 2023. Redefine applied the 27% company tax rate from the year ended 31 August 2023 in determining the deferred tax amount.

International

Deferred tax liability relates to the difference between the book value, which is fair value, and tax value of investment properties held by EPP and Self Storage investments. This is on the basis that should the fair value of the investment properties be higher than the tax value on the date of sale, this will result in tax payable raised at the 19% corporate income tax applicable in Poland.

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
27. Trade and other payables				
Trade payables	105 493	122 320	24 501	34 760
Accrued expenses	552 783	704 640	277 316	397 838
Deposits	413 939	356 316	183 159	158 062
Rental received in advance from tenants	229 269	230 146	123 459	125 803
Municipal expenses	498 609	455 002	314 858	285 501
Value added taxation	101 909	123 049	53 332	64 363
Sundry creditors	191 296	260 294	110 564	114 185
Balance at end of year	**2 093 298**	**2 251 767**	**1 087 189**	**1 180 512**
28. Taxation payable/receivable				
28.1 Taxation payable				
International income tax				
Income tax payable	10 233	6 658	–	–
Balance at end of year	**10 233**	**6 658**	**–**	**–**
28.2 Taxation receivable				
South African Revenue Services income tax				
Income tax receivable	104	–	–	–
International income tax				
Income tax receivable	24 317	3 851	–	–
Balance at end of year	**24 421**	**3 851**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

29. Financial instrument categories

Figures in R'000	GROUP At amortised cost	GROUP At fair value through profit or loss	GROUP Total
2023			
Financial assets			
Listed securities	–	19 446	19 446
Derivative assets	–	628 299	628 299
Loans receivable	1 257 201	–	1 257 201
Other financial assets	469 556	175 171	644 727
Trade and other receivables*	799 444	–	799 444
Other monetary assets	291 987	–	291 987
Cash and cash equivalents	760 882	–	760 882
Balance at end of year	**3 579 070**	**822 916**	**4 401 986**
Financial liabilities			
Interest-bearing borrowings	39 961 145	–	39 961 145
Interest accrual on interest-bearing borrowings	267 542	–	267 542
Derivative liabilities	–	1 146 047	1 146 047
Other financial liabilities**	82 126	285 821	367 947
Trade and other payables***	1 762 120	–	1 762 120
Balance at end of year	**42 072 933**	**1 431 868**	**43 504 801**
2022			
Financial assets			
Listed securities	–	69 679	69 679
Derivative assets	–	609 495	609 495
Loans receivable	1 122 065	79 278	1 201 343
Other financial assets****	387 179	208 860	596 039
Trade and other receivables*	702 742	–	702 742
Other monetary assets	192 605	–	192 605
Cash and cash equivalents	1 765 349	–	1 765 349
Balance at end of year	**4 169 940**	**967 312**	**5 137 252**
Financial liabilities			
Interest-bearing borrowings	37 291 377	–	37 291 377
Interest accrual on interest-bearing borrowings	111 154	–	111 154
Derivative liabilities	–	367 611	367 611
Other financial liabilities**	57 546	349 202	406 748
Trade and other payables***	1 898 572	–	1 898 572
Balance at end of year	**39 358 649**	**716 813**	**40 075 462**

* *Prepayments, VAT receivables and tax receivable are not financial assets and have therefore been excluded from trade and other receivables*

** *Included in other financial liabilities are rental and earning guarantee and ELI carry fee, all of which are carried at FVTPL. The staff incentives, loan from Henderson and loan from non-controlling shareholders are carried at amortised cost*

*** *Rental received in advance and VAT payables are not financial liabilities and have therefore been excluded from trade and other payables*

**** *In the previous financial year an amortised cost financial instrument which was measured at amortised cost (being the deferred consideration owed by AFI Europe N.V.) amounting to R387 179 was presented at FVTPL. This has been restated. As a result, the other financial assets disclosed at FVTPL have been restated from R596 039 to R208 860 and those disclosed at amortised cost from Rnil to R387 179. This restatement had no impact on the statement of comprehensive income. Refer to* ***note 11:*** *Other financial assets*

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

Figures in R'000	COMPANY At amortised cost	COMPANY At fair value through profit or loss	COMPANY Total
2023			
Financial assets			
Listed securities	–	19 446	19 446
Derivative assets	–	436 573	436 573
Loans to subsidiaries	22 916 357	–	22 916 357
Trade and other receivables*	477 732	–	477 732
Cash and cash equivalents	248 247	–	248 247
Balance at end of year	**23 642 336**	**456 019**	**24 098 355**
Financial liabilities			
Interest-bearing borrowings	30 255 821	–	30 255 821
Interest accrual on interest-bearing borrowings	182 819	–	182 819
Derivative liabilities	–	1 138 460	1 138 460
Other financial liabilities**	28 681	6 632	35 313
Loans from subsidiaries	2 170	–	2 170
Trade and other payables***	910 398	–	910 398
Balance at end of year	**31 379 889**	**1 145 092**	**32 524 981**
2022			
Financial assets			
Listed securities	–	69 679	69 679
Derivative assets	–	544 867	544 867
Loans receivable	110 621	–	110 621
Loans to subsidiaries	26 029 760	–	26 029 760
Trade and other receivables*	305 231	–	305 231
Cash and cash equivalents	1 430 501	–	1 430 501
Balance at end of year	**27 876 113**	**614 546**	**28 490 659**
Financial liabilities			
Interest-bearing borrowings	28 952 441	–	28 952 441
Interest accrual on interest-bearing borrowings	91 403	–	91 403
Derivative liabilities	–	366 758	366 758
Other financial liabilities**	25 036	6 632	31 668
Loans from subsidiaries	3 672 045	–	3 672 045
Trade and other payables***	990 346	–	990 346
Balance at end of year	**33 731 271**	**373 390**	**34 104 661**

* *Prepayments, VAT receivables and tax receivable are not financial assets and have therefore been excluded from trade and other receivables*

** *Included in other financial liabilities are staff incentives and loan from non-controlling shareholders, all of which are carried at amortised cost*

*** *Rental received in advance and VAT payables are not financial liabilities and have therefore been excluded from trade and other payables*

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

30. Fair value disclosures

IFRS 13: *Fair Value Measurement* requires that an entity discloses for each class of financial instruments and investment property measured at fair value the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety. The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

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

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

The following table analyses the group's assets and liabilities that are recognised and subsequently measured at fair value:

	GROUP			
Figures in R'000	Fair value	Level 1	Level 2	Level 3
2023				
Assets				
Investment properties*	79 263 367	–	–	79 263 367
Investment property held-for-sale	46 038	–	–	46 038
Listed securities	19 446	19 446	–	–
Derivative assets	628 299	–	628 299	–
Other financial assets	175 171	–	–	175 171
Balance at end of year	**80 132 321**	**19 446**	**628 299**	**79 484 576**
Liabilities				
Derivative liabilities	1 146 047	–	1 146 047	–
Other financial liabilities	285 821	–	–	285 821
Balance at end of year	**1 431 868**	**–**	**1 146 047**	**285 821**

* *Includes properties under development and ROU assets*

	GROUP				
Figures in R'000	Balance at beginning of year	Acquisitions	Disposals	Gains/(losses) in profit or loss for the year	Balance at end of year
2023					
Level 3 reconciliation					
Investment properties*	72 715 827	6 344 683	(296 294)	(142 828)	78 621 388
Properties under development	711 628	172 275	(903 250)	47 733	28 386
Right-of-use asset	457 411	170 042	(162)	(13 698)	613 593
Investment property held-for-sale	1 397 447	37 508	(1 370 793)	(18 124)	46 038
Other financial assets	208 860	–	(26 367)	(7 322)	175 171
Loans receivable	79 278	–	(79 278)	–	–
Other financial liabilities	(349 202)	–	141 939	(78 558)	(285 821)
Balance at end of year	**75 221 249**	**6 724 508**	**(2 534 205)**	**(212 797)**	**79 198 755**

Figures in R'000	Fair value	Level 1	Level 2	Level 3
2022				
Assets				
Investment properties*	73 884 866	–	–	73 884 866
Investment property held-for-sale	1 397 447	–	–	1 397 447
Listed securities	69 679	69 679	–	–
Derivative assets	609 495	–	609 495	–
Loans receivable	79 278	–	–	79 278
Other financial assets^	208 860	–	–	208 860
Balance at end of year	**76 249 625**	**69 679**	**609 495**	**75 570 451**
Liabilities				
Derivative liabilities	367 611	–	367 611	–
Other financial liabilities	349 202	–	–	349 202
Balance at end of year	**716 813**	**–**	**367 611**	**349 202**

Figures in R'000	Balance at beginning of year	Acquisitions	Disposals	Gains/(losses) in profit or loss for the year	Balance at end of year
2022					
Level 3 reconciliation					
Investment properties*	57 147 740	19 454 488	(4 538 285)	651 884	72 715 827
Properties under development	926 012	366 307	(474 513)	(106 178)	711 628
Right-of-use asset	112 816	362 341	(1 177)	(16 569)	457 411
Investment property held-for-sale	2 749 073	22 420 613	(23 783 946)	11 707	1 397 447
Other financial assets^	267 978	–	(76 797)	17 679	208 860
Loans receivable	–	79 278	–	–	79 278
Other financial liabilities	(100 167)	–	237 970	(487 005)	(349 202)
Balance at end of year	**61 103 452**	**42 683 027**	**(28 636 748)**	**71 518**	**75 221 249**

* *Includes straight-line rental income accrual*

^ *In the previous financial year an amortised cost financial instrument which was measured at amortised cost (being the deferred consideration owed by AFI Europe N.V.) amounting to R387 179 was presented at FVTPL. This has been restated. As a result, the other financial assets disclosed at FVTPL have been restated from R596 039 to R208 860 and those disclosed at amortised cost from Rnil to R387 179. This restatement had no impact on the statement of comprehensive income. Refer to* ***note 11:*** *Other financial assets*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

30. Fair value disclosures continued

	COMPANY			
Figures in R'000	Fair value	Level 1	Level 2	Level 3
2023				
Assets				
Investment properties*	32 469 344	–	–	32 469 344
Investment property held-for-sale	–	–	–	–
Listed securities	19 446	19 446	–	–
Derivative assets	436 573	–	436 573	–
Other financial assets	–	–	–	–
Balance at end of year	**32 925 363**	**19 446**	**436 573**	**32 469 344**
Liabilities				
Interest-bearing borrowings at fair value	–	–	–	–
Derivative liabilities	1 138 460	–	1 138 460	–
Other financial liabilities	6 632	–	–	6 632
Balance at end of year	**1 145 092**	**–**	**1 138 460**	**6 632**

Figures in R'000	Balance at beginning of year	Acquisitions	Disposals	Gains/(losses) in profit or loss for the year	Balance at end of year
2023					
Level 3 reconciliation					
Investment properties	30 756 492	1 850 298	(256 053)	7 343	32 358 080
Properties under development	355 814	84 343	(444 073)	28 014	24 098
Right-of-use asset	96 877	–	(162)	(9 549)	87 166
Investment property held-for-sale	259 848	–	(260 847)	999	–
Other financial liabilities	(6 632)	–	–	–	(6 632)
Balance at end of year	**31 462 399**	**1 934 641**	**(961 135)**	**26 807**	**32 462 712**

* *Includes straight-line rental income accrual*

	COMPANY			
Figures in R'000	Fair value	Level 1	Level 2	Level 3
2022				
Assets				
Investment properties*	31 209 183	–	–	31 209 183
Investment property held-for-sale	259 848	–	–	259 848
Listed securities	69 679	69 679	–	–
Derivative assets	544 867	–	544 867	–
Balance at end of year	**32 083 577**	**69 679**	**544 867**	**31 469 031**
Liabilities				
Derivative liabilities	366 758	–	366 758	–
Other financial liabilities	6 632	–	–	6 632
Balance at end of year	**373 390**	**–**	**366 758**	**6 632**

Figures in R'000	Balance at beginning of year	Acquisitions	Disposals	Gains/(losses) in profit or loss for the year	Balance at end of year
2022					
Level 3 reconciliation					
Investment properties	31 192 837	730 888	(1 877 039)	709 806	30 756 492
Properties under development	416 252	261 546	(230 768)	(91 216)	355 814
Right-of-use asset	103 692	6 694	–	(13 509)	96 877
Investment property held-for-sale	795 046	221 306	(738 639)	(17 865)	259 848
Other financial liabilities	(82 672)	93 833	–	(17 793)	(6 632)
Balance at end of year	32 425 155	1 314 267	(2 846 446)	569 423	31 462 399

* *Includes straight-line rental income accrual*

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NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

30. Fair value disclosures continued

30.1. Details of valuation techniques

30.1.1. INVESTMENT PROPERTY

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

VALUERS FOR INVESTMENT PROPERTIES LOCATED IN SOUTH AFRICA		
Real Insight	T Behrens	NDip Property Valuation, professional associated valuer
Broll	R Long	BSc Estate Management, MBA (UK), RICS, professional valuer
CBRE Excellerate	R Fourie	NDip Property Valuation, professional valuer, FRICS
Spectrum Valuation and Asset Solutions	P O'Connell	NDip, MRICS, professional valuer
Eris Property Group	C Everatt	BSc (Hons) Estate Management, MRICS, MIV(SA), professional valuer
Sterling Valuation Specialists	A Smith	BSc (Hons), MIV(SA), professional associated valuer
Jones Lang LaSalle*	J Askew	BA (Hons), MA Property Valuations & Property Law, FRICS, RICSP, MLV and REV
Knight Frank	A Arbee	NDip Property Valuation, professional valuer

VALUER FOR INVESTMENT PROPERTIES LOCATED IN POLAND		
Savills	Kamil Kowa, Karina Szafranska, Malgorzata Linska-Bator	MRICS, RICS

* *Jones Lang LaSalle only performed the valuation in FY23*

Unobservable inputs across sectors (% unless otherwise stated)	GROUP 2023	GROUP 2022
Office sector		
Discount rate	11.25-16.25	10.00-16.75
Exit capitalisation rate	8.00-12.50	8.00-12.50
Bulk rate	R1 500-R3 500p/m²	R1 500-R3 500p/m²
Expected market rental growth	1.00-5.25	1.00-5.00
Expected expense growth	6.00-7.00	5.50-7.00
Occupancy rate	87.21	81.91
Vacancy periods	0-10 months	0-24 months
Rent-free periods	0-6 months	0-6 months
Retail sector		
Discount rate	11.50-16.00	10.50-16.00
Exit capitalisation rate	7.00-13.00	7.00-13.00
Bulk rate	R900-R4 000p/m²	R1 200-R3 000p/m²
Expected market rental growth	1.00-5.50	1.00-5.00
Expected expense growth	6.50-7.00	5.50-7.00
Occupancy rate	93.44	93.18
Vacancy periods	0-12 months	0-24 months
Rent-free periods	0-3 months	0-4 months
Industrial sector		
Discount rate	12.00-16.00	10.50-15.50
Exit capitalisation rate	7.75-12.25	7.75-11.50
Bulk rate	R249-R900p/m²	R249-R1 600p/m²
Expected market rental growth	1.00-5.50	1.00-5.00
Expected expense growth	6.00-8.00	5.50-8.00
Occupancy rate	95.96	94.55
Vacancy periods	0-8 months	0-12 months
Rent-free periods	0-4 months	0-4 months
Specialised sector		
Discount rate	13.25-13.50	13.25-13.50
Exit capitalisation rate	9.00-9.75	9.00-9.75
Expected market rental growth	1.00-5.00	1.00-4.50
Expected expense growth	6.00-6.50	5.50-7.00
Occupancy rate	100.00	100.00
Vacancy periods	0-12 months	0-12 months
Rent-free periods	–	–
International sector*		
Discount rate	8.10-9.40	7.60-8.90
Exit capitalisation rate	6.05-7.40	6.00-7.80
Expected market rental growth	2.01-5.56	1.65-7.47
Expected expense growth	3.6-11.9	4.10-4.20
Occupancy rate	97.17	96.41
Vacancy periods	1-12 months	1-12 months

* *Relates to directly held retail properties in EPP; refer to the business combination disclosed in* ***note 51:*** *Acquisition of controlling interest in subsidiaries*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

30. Fair value disclosures continued

	COMPANY	
Unobservable inputs across sectors (% unless otherwise stated)	**2023**	**2022**
Office sector		
Discount rate	12.00-16.25	10.00-16.75
Exit capitalisation rate	8.00-12.50	8.00-12.50
Bulk rate	R1 500-R3 500p/m²	R1 500-R3 500p/m²
Expected market rental growth	1.00-5.00	1.00-5.00
Expected expense growth	6.00-7.00	5.50-7.00
Occupancy rate	84.56	81.00
Vacancy periods	0-10 months	0-24 months
Rent-free periods	0-6 months	0-6 months
Retail sector		
Discount rate	12.00-16.00	10.50-16.00
Exit capitalisation rate	7.50-13.00	7.50-13.00
Bulk rate	R0-R3 000p/m²	R0-R3 000p/m²
Expected market rental growth	1.00-5.50	1.00-5.00
Expected expense growth	6.50-7.00	5.50-7.00
Occupancy rate	90.47	89.16
Vacancy periods	0-12 months	0-12 months
Rent-free periods	0-3 months	0-4 months
Industrial sector		
Discount rate	12.00-16.00	10.50-15.50
Exit capitalisation rate	7.75-12.25	7.75-11.50
Bulk rate	R249-R900p/m²	R249-R1 600p/m²
Expected market rental growth	1.00-5.50	1.00-5.00
Expected expense growth	6.00-8.00	5.50-8.00
Occupancy rate	95.84	95.00
Vacancy periods	0-8 months	0-12 months
Rent-free periods	0-4 months	0-4 months
Specialised sector		
Discount rate	13.50	13.50
Exit capitalisation rate	9.00	9.00
Expected market rental growth	1.00-5.00	1.00-4.50
Expected expense growth	6.00-6.50	5.50-7.00
Occupancy rate	100.00	100.00
Vacancy periods	0-12 months	0-12 months
Rent-free periods	–	–

30.2. Measurement of fair value

30.2.1. VALUATION TECHNIQUES

Valuations were completed using the following methods of valuation:

30.2.2. INVESTMENT PROPERTY – DISCOUNTED CASH FLOW METHOD

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

30. Fair value disclosures continued

30.3. Details of valuation techniques and input used

30.3.1. SENSITIVITY OF FAIR VALUES TO CHANGES IN UNOBSERVABLE INPUTS

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

GROUP

	31 August 2023			Change in exit capitalisation rate				Change in discount rate			
				Decrease 50bps		Increase 50bps		Decrease 50bps		Increase 50bps	
Sector	Valuation R'000	Weighted average exit rate %	Weighted average discount rate %	R'000	%	R'000	%	R'000	%	R'000	%
Retail	24 613 449	8.09	12.38	1 070 308	4.35	(975 781)	(3.96)	442 923	1.80	(465 192)	(1.89)
Office	21 986 738	8.83	12.76	838 141	3.81	(752 946)	(3.42)	399 959	1.82	(390 703)	(1.78)
Industrial	11 147 096	9.01	13.33	380 665	3.41	(368 682)	(3.31)	185 794	1.67	(206 632)	(1.85)
Specialised	563 000	9.06	13.48	19 980	3.55	(17 950)	(3.19)	14 875	2.64	(4 766)	(0.85)
International^	19 208 123	6.72	8.79	1 225 316	5.98	(1 017 041)	(5.01)	402 377	2.07	(360 908)	(1.87)
Total*	**77 518 406**										

	31 August 2022			Change in exit capitalisation rate				Change in discount rate			
				Decrease 50bps		Increase 50bps		Decrease 50bps		Increase 50bps	
Sector	Valuation R'000	Weighted average exit rate %	Weighted average discount rate %	R'000	%	R'000	%	R'000	%	R'000	%
Retail	23 917 080	8.12	12.34	1 069 944	4.47	(941 785)	(3.94)	447 929	2.00	(435 008)	(1.82)
Office	21 691 539	8.83	12.44	846 594	3.90	(749 909)	(3.46)	400 870	1.07	(385 870)	(1.78)
Industrial	10 531 215	8.91	13.19	345 576	3.28	(363 030)	(3.45)	171 609	2.27	(213 715)	(2.03)
Specialised	547 950	9.06	13.36	19 619	3.58	(17 459)	(3.19)	9 734	(3.19)	(24 453)	(4.46)
International^	15 885 298	6.68	8.09	1 015 940	5.99	(868 383)	(5.17)	698 777	3.40	(318 859)	(2.00)
Total*	72 573 082										

COMPANY

	31 August 2023			Change in exit capitalisation rate				Change in discount rate			
				Decrease 50bps		Increase 50bps		Decrease 50bps		Increase 50bps	
Sector	Valuation R'000	Weighted average exit rate %	Weighted average discount rate %	R'000	%	R'000	%	R'000	%	R'000	%
Retail	8 367 649	8.54	12.78	319 680	3.82	(316 127)	(3.78)	137 833	1.65	(167 717)	(2.00)
Office	12 239 159	8.98	13.02	450 878	3.68	(407 890)	(3.33)	221 609	1.81	(217 014)	(1.77)
Industrial	10 704 651	9.03	13.34	363 669	3.40	(353 667)	(3.30)	177 676	1.66	(198 814)	(1.86)
Specialised	516 400	9.00	13.50	18 413	3.57	(16 448)	(3.19)	14 085	2.73	(3 905)	(0.76)
Total*	**31 827 859**										

	31 August 2022			Change in exit capitalisation rate				Change in discount rate			
				Decrease 50bps		Increase 50bps		Decrease 50bps		Increase 50bps	
Sector	Valuation R'000	Weighted average exit rate	Weighted average discount rate	R'000	%	R'000	%	R'000	%	R'000	%
Retail	8 308 400	8.95	13.24	344 775	4.15	(305 793)	(3.68)	154 442	1.86	(150 325)	(1.81)
Office	11 783 068	8.96	12.90	444 887	3.78	(391 881)	(3.33)	216 188	1.83	(205 390)	(1.74)
Industrial	10 168 700	8.95	13.24	333 433	3.28	(352 179)	(3.46)	165 799	1.63	(208 026)	(2.05)
Specialised	505 200	9.00	13.36	18 248	3.61	(16 209)	(3.21)	8 972	1.78	(23 696)	(4.69)
Total*	30 765 368										

* *Excludes ROU assets, held-for-sale assets and land and inclusive of buildings classified as property, plant and equipment*

^ *Relates to directly held retail properties in EPP, refer to the business combination disclosed in* ***note 51:*** *Acquisition of controlling interest in subsidiaries*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

30. Fair value disclosures continued

30.3.2. PROPERTIES UNDER DEVELOPMENT – COMPARABLE SALES METHOD

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

30.3.2. PROPERTIES CLASSIFIED AS HELD-FOR-SALE – CONTRACT SALES PRICE

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

30.4. Financial instruments

30.4.1. LISTED SECURITIES

Closing market price on the relevant exchange.

30.5. Derivative assets and liabilities

30.5.1. FOREIGN EXCHANGE OPTIONS

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

30.5.2. INTEREST RATE SWAPS

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

30.5.3. CROSS-CURRENCY INTEREST RATE SWAPS

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

30.6. Other financial assets and liabilities

30.6.1. UNLISTED SECURITIES

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

30.6.2. PROFIT PARTICIPATION LIABILITY

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

30.6.3. RENTAL GUARANTEE

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

Malta Office Park, Poznań, Poland

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
31. Contractual rental income					
Continuing operations					
Revenue from contracts with tenants		9 563 852	8 250 057	4 302 419	4 196 417
Contractual rental income		6 257 123	5 615 609	2 903 436	2 892 693
Non-GLA income		98 130	88 155	34 457	33 786
COVID-19 pandemic rental relief		4 024	6 643	953	1 456
Tenant installations		(98 035)	(85 085)	(49 254)	(42 470)
Tenant parking income		432 461	427 365	260 433	255 879
Operating costs recovery		2 870 149	2 197 370	1 152 394	1 055 073
Other revenue		371 397	303 366	61 449	128 655
Customer parking income		87 533	54 132	13 314	12 464
Other income		283 864	249 234	48 135	116 191
Total		**9 935 249**	**8 553 423**	**4 363 868**	**4 325 072**
Discontinued operations					
Revenue from contract with tenants		–	25 506	–	–
Contractual rental income		–	25 506	–	–
Total	53	**–**	**25 506**	**–**	**–**

Contractual income is fixed and recoveries variable in nature.

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
32. Investment income					
Investment income from subsidiaries*	59	–	–	2 186 471	3 925 716
Investment income from other financial assets		713	4 892	–	–
Total		**713**	**4 892**	**2 186 471**	**3 925 716**

* *Refer to* ***note 59:*** *Related-party transactions for the dividend amount received from each Redefine subsidiary and equity accounted investment*

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
33.1 Operating costs					
Continuing operations					
Utility charges		(1 636 986)	(1 314 733)	(747 520)	(677 562)
Assessment rates		(871 715)	(820 262)	(406 665)	(396 289)
Net bad debts written off		(108 396)	(144 118)	(66 958)	(80 143)
Cleaning		(95 622)	(90 228)	(40 621)	(36 479)
Insurance		(60 272)	(59 672)	(32 987)	(34 294)
Security		(191 893)	(179 933)	(106 156)	(97 599)
Repairs and maintenance		(160 757)	(161 486)	(64 321)	(77 121)
Letting commissions		(44 666)	(32 127)	(20 218)	(17 503)
Property management expenses		(237 220)	(235 480)	(237 220)	(235 480)
Other expenses		(595 775)	(330 307)	(105 096)	(112 802)
Total		**(4 003 301)**	**(3 368 346)**	**(1 827 763)**	**(1 765 272)**
Discontinued operations					
Utility charges		–	(2 436)	–	–
Other expenses		–	(38)	–	–
Total	53	**–**	**(2 474)**	**–**	**–**
33.2 Administration costs					
Payroll costs		(265 171)	(130 148)	(127 891)	(122 765)
Other administration costs		(289 502)	(331 266)	(171 392)	(178 062)
Total		**(554 673)**	**(461 414)**	**(299 283)**	**(300 827)**
34. Net operating profit					
Net operating income includes the following charges:					
Amortisation and depreciation		(22 977)	(19 987)	(4 363)	(14 839)
External auditor's remuneration		(29 955)	(20 301)	(17 267)	18 021
– Statutory and regulatory fees		(23 795)	(17 530)	(14 780)	(16 174)
– Non-audit fees: assurance		(1 982)	–	(1 170)	–
– Non-audit fees		(4 178)	(2 635)	(1 317)	(1 847)
Internal audit fees		(2 405)	(263)	(2 405)	(263)
Staff costs		(467 553)	(330 883)	(248 653)	(255 299)
Directors' emoluments	60	(48 536)	(45 653)	(48 536)	(45 653)
Defined contribution fund contributions		(23 783)	(23 751)	(23 783)	(23 751)
Share-based payment expenses		(32 384)	(51 284)	(14 117)	(18 896)
Gross property management fees		(24 190)	(23 148)	(7 835)	(5 214)
Valuation fees paid to third parties		(8 717)	**(8 645)**	(8 304)	**(8 314)**
35. Other income					
Trading (loss)/income		(4)	1 780	(4)	1 780
Fee income		2 216	3 164	9	1 795
Sundry income		9 028	13 401	420	12 277
Insurance net proceeds		28 228	33 046	28 228	33 046
Total		**39 468**	**51 391**	**28 653**	**48 898**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
36. Changes in fair value					
Continuing operations					
36.1 Changes in fair values of investment properties					
– Realised		13 759	160 485	21 432	46 748
– Unrealised		19 351	742 995	68 384	621 016
Total		**33 110**	**903 480**	**89 816**	**667 764**
36.2. Changes in fair values of financial and other instruments					
Listed securities		(50 233)	–	(50 233)	–
Derivatives		(874 453)	1 652 652	(967 607)	1 564 965
Change in fair value of disposed asset		–	33 873	–	–
Unlisted securities		(7 322)	17 679	5	–
Other financial instruments		(78 558)	(487 005)	–	(17 793)
Other		–	–	–	–
Total		**(1 010 566)**	**1 217 199**	**(1 017 835)**	**1 547 172**
Discontinued operations					
36.3. Changes in fair values of financial and other instruments					
Other financial instruments		–	5 365	–	–
Total	53	**–**	**5 365**	**–**	**–**
37. Impairments					
Investment in subsidiaries	13.1	–	–	(438 655)	(878 360)
Goodwill	8	(16 105)	(105 683)	–	–
Total		**(16 105)**	**(105 683)**	**(438 655)**	**(878 360)**
38. Interest income					
Bank interest income		92 358	61 928	90 743	60 829
Cross-currency interest rate swaps		507 090	344 582	507 090	344 582
Vendor loans		105 583	160 339	10 673	33 200
Loans to subsidiaries		–	–	85 824	81 516
Other		48 063	12 021	8 629	6 092
Total		**753 094**	**578 870**	**702 959**	**526 219**

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
39. Interest expense					
Continuing operations					
Interest-bearing borrowings		(3 007 477)	(1 689 133)	(2 604 125)	(1 558 450)
Fees		(79 701)	(51 103)	(32 655)	(45 137)
Cross-currency interest rate swaps		(141 262)	(108 322)	(141 262)	(108 322)
Interest rate swaps		89 228	(495 483)	43 645	(460 122)
Other		(15 585)	(25 054)	(9 997)	(10 223)
Total		**(3 154 797)**	**(2 369 095)**	**(2 744 394)**	**(2 182 254)**
Discontinued operations					
Other		–	(6 170)	–	–
Total	53	**–**	**(6 170)**	**–**	**–**
40. Foreign exchange gains/(losses)					
Unrealised losses		(738 717)	(823 414)	(277 320)	(30 050)
Unrealised gains		100 307	–	–	–
Realised losses		(475 788)	(227 006)	(429 968)	(116 079)
Realised gains		180 066	44 101	184 293	60 455
Total		**(934 132)**	**(1 006 319)**	**(522 995)**	**(85 674)**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

41. Taxation

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Normal	(73 780)	(44 407)	–	–
– Current				
Income tax	(73 780)	(44 407)	–	–
Current tax	(73 780)	(44 407)	–	–
Withholding	16 083	40 328	31 080	40 328
Deferred	(72 010)	(3 936)	(37 576)	(12 313)
– Current	(72 010)	(3 936)	(37 576)	(12 313)
Total income tax expense	**(129 707)**	(8 015)	**(6 496)**	28 015
Reconciliation between applicable taxation rate and effective taxation rate				
SA normal taxation rate applied to loss/(profit) before taxation (27% corporate tax rate)	(429 425)	(2 447 956)	(267 946)	(1 586 482)
Taxation effect of:				
Effect of income that is exempt from taxation:				
Fair value adjustment on investment properties	6 687	119 946	24 461	158 040
Fair value adjustment of financial instruments	(13 563)	326 381	(13 563)	433 208
Fair value adjustment on unlisted securities	(9 021)	4 950	(7 042)	–
Remeasurement gain	–	231 255	–	–
Gain on bargain purchase	–	520 019	–	–
Fair value adjustment on non-current assets held-for-sale	–	9 485	–	–
Accounting profit on sale of property	–	55 625	–	13 090
Dividend income	55	391	16 173	483 746
Effect of items not included in profit before taxation but which are subject to taxation:				
Capitalised interest	8 081	28 365	8 081	28 365
Equity-accounted earnings	141 319	567 361	–	–
Impairments	(41 048)	6 313	(17 378)	(309 173)
Changes in insurance liability	21 859	21 020	21 859	21 020
Temporary differences that will be included in future distributions	(239 812)	32 996	(250 766)	25 566
Other	(14 293)	(73 731)	5 426	(49 189)
Qualifying distribution	396 489	995 435	389 193	758 378
Current year assessed loss not recognised	(5 198)	(470 704)	–	–
Prior year under provision	–	587	–	–
Tax on discontinued operations	–	25	–	–
Foreign withholding taxes	16 083	40 328	31 080	40 327
Foreign tax (including effect of tax rates in foreign jurisdiction)	(21 847)	–	–	–
Unrealised exchange gain	53 927	(80)	53 926	–
Change in income tax rate	–	23 974	–	11 119
Taxation per the statement of profit or loss and other comprehensive income	**(129 707)**	(8 015)	**(6 496)**	28 015

Certain companies in the group have unutilised tax losses, which cumulatively amount to R98.3 million (2022: R437.2 million), for which deferred tax assets have not been recognised as recovery of these losses is remote.

42. Earnings and headline earnings

Figures in R'000	GROUP 2023 Gross	GROUP 2023 Non-controlling interest effect of the adjustment	GROUP 2023 Net	GROUP 2022 Gross	GROUP 2022 Non-controlling interest effect of the adjustment	GROUP 2022 Net
Reconciliation of basic earnings to headline earnings						
Profit for the year attributable to Redefine shareholders	1 446 628	–	1 446 628	8 690 869	–	8 690 869
Change in fair value of properties	(33 110)	(1 062)	(34 172)	(903 480)	3 644	(899 836)
Foreign currency translation reserve	100 308	9 493	109 801	303 599	12 613	316 212
(Loss)/gain on disposal of assets	(18 686)	–	(18 686)	(38 176)	–	(38 176)
Remeasurement gain	–	–	–	(825 910)	–	(825 910)
Gain on bargain purchase	–	–	–	(1 857 212)	–	(1 857 212)
Adjustment of measurements, included in equity-accounted earnings of associates and joint ventures (net of tax)	(80 650)	–	(80 650)	(276 086)	–	(276 086)
Adjustment of measurements, included in equity-accounted earnings of associates and joint ventures	(99 568)	–	(99 568)	(262 011)	–	(262 011)
Tax adjustment	18 918	–	18 918	(14 075)	–	(14 075)
IAS 36 impairments	16 105	–	16 105	105 683	–	105 683
Change in fair value of disposed asset	–	–	–	(33 873)	–	(33 873)
Insurance proceeds received	(20 042)	–	(20 042)	(33 765)	–	(33 765)
Headline earnings attributable to Redefine shareholders	**1 410 553**	**8 431**	**1 418 984**	**5 131 649**	**16 257**	**5 147 906**
– Continuing operations	1 410 553	8 431	1 418 984	5 165 488	16 257	5 181 745
– Discontinued operations	–	–	–	(33 839)	–	(33 839)

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NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

42. Earnings and headline earnings continued

Figures in R'000	GROUP 2023	GROUP 2022
Diluted earnings attributable to Redefine shareholders	**1 446 931**	**8 692 706**
Profit for the period attributable to Redefine shareholders	1 446 628	8 690 869
Potential dilutive effect of share incentive schemes	303	1 837
Diluted headline earnings attributable to Redefine shareholders	**1 419 287**	**5 149 743**
Headline earnings attributable to Redefine shareholders	1 418 984	5 147 906
Potential dilutive effect of share incentive schemes ('000)	303	1 837
Actual number of shares in issue ('000)^	6 752 419	6 752 419
Weighted average number of shares in issue ('000)^	6 752 419	6 143 131
Diluted weighted average number of shares in issue ('000)^	6 772 093	6 159 796
Weighted average number of shares in issue ('000)	6 752 419	6 143 131
Potential dilutive effect of share incentive schemes ('000)	19 674	16 665
Diluted earnings per share and diluted headline earnings per share are calculated considering the potential dilution that could occur if all staff incentive shares vested. The number of shares outstanding is adjusted to show the potential dilution if all share schemes were settled in Redefine Properties Limited shares.		
Basic earnings per share (cents)	21.42	141.47
– Continuing operations	21.42	142.02
– Discontinued operations	–	(0.55)
Diluted earnings per share (cents)	21.37	141.12
– Continuing operations	21.37	141.67
– Discontinued operations	–	(0.55)
Headline earnings per share (cents)	21.01	83.80
– Continuing operations	21.01	84.35
– Discontinued operations	–	(0.55)
Diluted headline earnings per share (cents)	20.96	83.60
– Continuing operations	20.96	84.15
– Discontinued operations	–	(0.55)

^ *Group net of 300 000 000 (2022: 300 000 000) treasury shares*

43. Cash generated from operations

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Profit before taxation		1 590 464	8 742 701	992 393	5 666 006
Adjusted for:					
Non-cash flow items		1 681 650	(5 488 598)	(516 387)	(3 039 562)
Interest income		(753 094)	(578 870)	(702 959)	(526 219)
Interest expense		3 154 797	2 369 095	2 744 394	2 182 254
Operating income before working capital changes		5 673 817	5 044 328	2 517 441	4 282 479
Working capital changes		(328 217)	(175 107)	132 031	118 232
Trade and other receivables		(166 598)	65 073	225 474	(16 322)
Trade and other payables		(161 619)	(240 180)	(93 443)	134 554
Settlement of derivative instrument		(435 608)	(93 836)	(435 608)	(93 836)
Items presented elsewhere on the cash flow:					
Proceeds from the sale of developments rights		–	(28 859)	–	–
Cash generated from operations		**4 909 992**	**4 746 526**	**2 213 864**	**4 306 875**
Non-cash flow items:					
Depreciation and amortisation	12	22 978	19 987	9 938	15 182
Changes in expected credit losses – loans receivable		135 925	(128 230)	5 958	5 118
Changes in expected credit losses – loans to subsidiaries	13.2	–	-	(380 249)	220 712
Impairments	37	16 105	105 683	438 655	878 360
Fair value adjustments		896 497	(2 195 750)	847 060	(2 290 007)
Investment income from subsidiaries		–	-	(2 044 000)	(2 069 467)
Straight-line lease accrual	4	27 030	314 616	(762)	56 585
Profit on disposal of assets		–	(9 317)	–	–
Remeasurement gain		–	(825 910)	–	–
Gain on bargain purchase		–	(1 857 212)	–	–
Profit on disposal of held-for-trading assets		4	(1 780)	4	(1 780)
Foreign exchange losses		934 132	1 006 319	522 995	85 674
Equity-accounted results of associates	9	(523 404)	(2 026 288)	–	–
Equity-settled share-based payments		34 189	6 664	14 969	1 394
Lease commissions and amortised tenant installations	3	138 194	102 620	69 045	58 667
Total non-cash flow items		**1 681 650**	**(5 488 598)**	**(516 387)**	**(3 039 562)**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
44. Taxation (paid)/received					
Taxation (payable)/receivable at beginning of year		(2 807)	(275 668)	–	(275 668)
Arising on acquisition of subsidiary		–	3 540	–	–
Charged to profit or loss		(57 697)	(4 080)	31 080	40 328
Prior year accrual reversal		–	–	–	119 275
Foreign exchange differences		3 036	1 207	2 428	1 054
Taxation payable/receivable at end of year		(14 188)	2 807	–	–
Total taxation (paid)/received		**(71 656)**	(272 194)	**33 508**	(115 011)
45. Reconciliation of loans receivable					
Balance at beginning of year		1 201 343	2 726 862	110 621	548 877
Arising from acquisition of subsidiaries	51	–	29 958	–	–
Exchanged for shares in subsidiary	51	–	(1 020 705)	–	–
Loan receivable advance on Towarowa 22 disposal	50	–	47 916	–	–
Loans receivable repaid cash		(212 443)	(931 702)	(115 336)	(442 526)
Non-cash property exchange settlement	47	(414 102)	(158 913)	–	–
Loans receivable advanced		553 871	238 493	–	995
Loans receivable advanced non-cash		–	1 089	–	1 089
Accrued interest		106 200	106 347	10 673	7 304
Expected credit losses		(135 925)	128 230	(5 958)	(5 118)
Foreign currency translation differences		158 257	33 768	–	–
Balance at end of year		**1 257 201**	1 201 343	**–**	110 621
46. Reconciliation of interest-bearing borrowings					
Balance at beginning of year		37 291 377	30 743 000	28 952 441	30 743 000
Arising from the acquisition of subsidiary	51	17 881	13 927 202	–	–
Extinguish on disposal of subsidiaries		–	(883 189)	–	–
Proceeds from interest-bearing borrowings raised		4 154 000	8 298 657	4 154 000	7 629 818
Prepayments		(49 381)	44 423	(10 304)	–
Interest accrual adjustment		12 068	(9 876)	12 068	–
Repayment of interest-bearing borrowings		(3 581 792)	(15 018 446)	(3 292 913)	(9 484 366)
Fair value movement		468 452	–	440 529	–
Foreign currency translation differences		1 648 540	189 606	–	63 989
Balance at end of year	22	**39 961 145**	37 291 377	**30 255 821**	28 952 441
47. Acquisition and development of investment properties					
Investment property additions	3	(1 700 427)	(947 511)	(1 126 370)	(418 869)
Tenant installations	3	(249 718)	(176 754)	(134 044)	(93 786)
Properties under development acquisitions	5	(151 514)	(267 423)	(76 104)	(211 552)
Properties held-for-trading		(654)	542	–	542
Additions to non-current assets held-for-sale		–	(29 167)	–	(20 749)
Golf Air non-cash property exchange		–	27 300	–	–
Non-cash property exchange settlement	45	414 102	158 913	–	–
Cash outflows from acquisition and development of investment properties		**(1 688 211)**	(1 234 100)	**(1 336 518)**	(744 414)

Figures in R'000	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
48. Proceeds on disposal of investment properties and non-current assets and liabilities held-for-sale					
Investment properties at fair value	3	259 611	2 002 984	246 342	1 624 884
Properties under development	5	17 363	96 911	8 681	13 297
Properties held-for-trading		–	16 099	–	4 997
Non-current assets and liabilities held-for-sale (excluding EPP)		342 212	3 898 761	252 347	738 639
Disposal of EPP non-current assets held-for-sale		790 810	–	–	–
Disposal of M1 Marki cash exchange for class C shares in M1 Group JV	52	–	(341 205)	–	–
Disposal of M1 Marki – non-cash exchange for class C shares in M1 Group JV	52	–	(832 410)	–	–
Golf Air non-cash property exchange		–	(27 300)	–	–
Cash inflows from disposal of investment properties and non-current assets and liabilities held-for-sale		**1 409 996**	4 813 840	**507 370**	2 381 817
49. Acquisition of investment joint ventures					
Cash outflows arising from acquisition of investment in joint ventures:					
Additional investment in joint venture	9	(832 012)	(2 286 058)	–	–
Investment in Talis	9	(9 608)	–	(9 608)	–
M1 Marki – non-cash exchange for class C shares in M1 JV	52	–	832 410	–	–
Cash ouflows arising from the investment in joint ventures		**(841 620)**	(1 453 648)	**(9 608)**	–
50. Proceeds arising from the reorganisation of EPP					
Corporate reorganisation	9	–	(5 093 329)	–	–
Disposal of EPP assets and liabilities classified as held-for-sale	17	–	9 853 362	–	–
IGroup share swap – non-cash		–	(1 292 729)	–	–
Onerous contract realised – non-cash*		–	(951 427)	–	–
Disposal of Towarowa 22	9	–	1 100 991	–	–
Other financial assets receivable on disposal of Towarowa 22 – non-cash	11	–	(387 179)	–	–
Foreign currency translation on Towarowa 22 Other financial asset		–	5 470	–	–
Loan receivable advanced for Towarowa 22 disposal	45	–	(47 916)	–	–
Capitalised transaction costs on share issue of equity-accounted investee	9	–	(73 878)	–	–
Acquisition of M1 Marki		–	170 603	–	–
Net cash flows arising from the reorganisation of EPP		**–**	3 283 968	**–**	–
Gross cash inflows arising from the reorganisation		–	3 871 974	–	–
Gross cash outflows arising from the reorganisation		–	(588 006)	–	–
Net cashflows arising from the reorganisation of EPP		**–**	3 283 968	**–**	–

* *Realised as a result of the disposal of properties to M1 JV and EPP Community JV. Refer to **note 9:** Investment in associate and joint ventures and **note 51:** Acquisition of controlling interest in subsidiaries*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

51. Acquisition of a controlling interest in subsidiaries

51.1. Polish self-storage investment

With effect from 9 November 2022, Redefine and Griffin established a new Polish company called Self Storage Investments to invest in self-storage facilities in Poland. Redefine and Griffin hold 93% and 7% of the shares, respectively, and have agreed to collectively invest R1.0 billion (€50.0 million) of equity over the next five years, primarily in new self-storage developments. Redefine controls Self Storage Investments due to the number of voting rights held.

On 27 July 2023, Self Storage Investments acquired 51% of the equity in Stokado, for an aggregate purchase price equal to R121.2 million (zł 27.6 million). Stokado is the second largest operator of self-storage facilities in Poland. Stokado currently operates 16 locations in 13 cities in the south-western region of the country, with a total net lettable area of 20 600m^2.

ASSETS ACQUIRED AND LIABILITIES RECOGNISED AT THE DATE OF ACQUISITION

The table below summarises the amounts of assets acquired and liabilities assumed at the date of acquisition translated at the closing spot price on 27 July 2023.

Figures in R'000	Notes	GROUP 27 July 2023*
Assets		
Fair value of investment properties	3	105 015
Properties under development	5	3 999
Right-of-use asset	6	72 631
Property, plant and equipment	12	10 982
Trade and other receivables		104 042
Cash and cash equivalents		7 369
Non-current asset held-for-sale	17	844
Liabilities		
Interest-bearing borrowings	46	(17 881)
Lease liability	6	(75 542)
Trade and other payables		(4 252)
Fair value of net assets acquired		**207 207**
Purchase consideration		
Cash consideration		20 415
Financial liability		100 770
Total purchase consideration		**121 185**
Goodwill or gain on bargain purchase		
Fair value of net assets acquired		(207 207)
Less: Purchase consideration		121 185
Less: 49% of shares held by non-controlling interest		101 531
Goodwill	8	**15 509**
Net cash on acquisition		
Cash consideration in purchase consideration		(20 415)
Less: Cash and cash equivalents acquired		7 369
Net cash on acquisition		**(13 046)**

* *The acquisition date used for accounting for the business combination in terms of IFRS 3 was 27 July 2023*

The Group recognises NCIs in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the NCI in Stokado, the group elected to recognise the NCI at its proportionate share of the acquired net identifiable assets.

KEY ESTIMATES AND ASSUMPTIONS

The investment properties were valued using a five-year discounted cash flow method.

Trade and other receivables are carried at amortised cost. Due to their short-term nature, amortised cost approximates the fair value. Trade and other receivables comprise gross contractual amounts due of R104.0 million, net doubtful debts of R0.9 million, which is the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

Interest-bearing borrowings and other liabilities are classified as other financial liabilities carried at amortised cost, which approximates fair value.

If the business had been acquired on 1 September 2022, management estimates that the consolidated revenue and net profit after taxation for the Redefine group would have been R9.94 billion and R1.51 billion, respectively, for the current financial year. In determining these amounts, management assumed that the fair value adjustments, determined at Stokado's July year end and applied for IFRS 3 at acquisition amounts, would have been the same if the acquisition had occurred on 1 September 2022. Stokado's revenue following the acquisition on 27 July 2023 to 31 August 2023 was R2.9 million and net profit was R1.3 million.

The group incurred acquisition-related costs of R5.1 million to August 2023. These costs are disclosed as part of administration costs in the statement of profit or loss and other comprehensive income.

51.2. Bruin sp. z o.o. (Bruin)(M1 Marki)

On 3 December 2021, Redefine acquired 100% of the equity in Bruin sp. z o.o. (Bruin) (housing the M1 Marki property) for an aggregate purchase price equal to R1.4 billion (€76.4 million).

The table on the next page summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition for the business combination in terms of IFRS 3, translated at the closing spot price on 3 December 2021.

51. Acquisition of a controlling interest in subsidiaries continued

Figures in R'000	Notes	GROUP 3 December 2021* 2022
Assets		
Investment property		2 210 941
Taxation receivable		592
Trade and other receivables		12 205
Cash and cash equivalents		7 945
Liabilities		
Interest-bearing borrowings		(883 189)
Deferred taxation		(103 841)
Taxation payable		(4 067)
Trade and other payables		(8 406)
Fair value of net assets acquired		**1 232 180**
Purchase consideration		
Vendor loan exchange	45	1 020 705
Prepayment made during March 2021^		180 059
Cash consideration		174 244
Total purchase consideration		**1 375 008**
Goodwill or gain on bargain purchase		
Fair value of net assets acquired		1 232 180
Less: Purchase consideration		1 375 008
Goodwill	8	**142 828**
Cash consideration in purchase consideration		174 244
Less: Cash and cash equivalents acquired		7 945
Net cash on acquisition		**166 299**

* *The acquisition date used for accounting for the business combination in terms of IFRS 3 was 3 December 2021*

^ *Prepayment during March 2021 for €10 million and vendor loan of €56.7 million exchange settlement*

Goodwill is attributable to the purchase consideration exceeding the NAV of the acquired business, primarily due to the consideration being determined by the value of the tangible net assets acquired (excluding deferred taxation).

In line with the group's accounting policy, goodwill arising on the acquisition of a business is carried at cost less accumulated impairment losses. During the current period, goodwill amounting to R142.8 million was recognised from the acquisition of Bruin. The investment in Bruin was reclassified to non-current assets held-for-sale as a subsidiary that was acquired exclusively with a view to resale. After the initial recognition, goodwill recognised from the acquisition of Bruin was impaired by R105.7 million. The impairment of the goodwill was as a result of the carrying value of the disposal group of R1.4 billion (€76.4 million) exceeding the sales price of the disposal group of R1.2 billion (€70.5 million) to M1 JV as part of the EPP reorganisation.

If the business had been acquired on 1 September 2021, management estimates that consolidated revenue and net profit after taxation for the Redefine group would have been R8.4 billion and R8.7 billion, respectively, for the current financial year. In determining these amounts, management assumed that the fair value adjustments, which arose on the date of acquisition, would have been the same if the acquisition had occurred on 1 September 2021. Bruin's revenue, following the acquisition on 3 December 2021 to the date of disposal 10 March 2022, was R25.5 million with a net loss of R33.8 million.

The group incurred acquisition-related costs of R3.3 million to 31 August 2022. This is disclosed as part of administration costs in the statement of profit or loss and other comprehensive income.

KEY ESTIMATES AND ASSUMPTIONS

The same valuation techniques were used as disclosed in **note 30:** Fair value disclosures.

The following unobservable inputs were used during the fair value determination:

Unobservable inputs across sectors (% unless otherwise stated)

Retail sector	2022
Discount rate	7.5%
Exit capitalisation rate	6.4%
Occupancy rate	100.0%
Vacancy periods	3 months
Rent-free periods	n/a

Trade and other receivables are carried at amortised cost. Due to their short-term nature, amortised cost approximates the fair value.

Cash and cash equivalents are carried at amortised cost, which approximates fair value.

Interest-bearing borrowings and trade and other payables are classified as other financial liabilities carried at amortised cost, which approximates fair value.

51.3. EPP

On 29 November 2021, Redefine made an offer (Redefine offer) to acquire all the remaining shares in EPP not already owned by Redefine (other than those EPP shares owned by IGroup) at a fair swap ratio of 2.7 Redefine shares per EPP share. The transaction was aimed at the delisting and reorganisation of EPP, with the objective of significantly reducing EPP's debt and restoring the financial position of EPP so that EPP would be in a position to declare dividends again.

Effective 8 March 2022, EPP was delisted, and the Redefine offer to acquire an additional interest in EPP increased Redefine's interest from 45.44% to 87.45% (prior to the EPP reorganisation and acquisition of additional EPP shares) and 95.45% (post the EPP reorganisation and acquisition of additional EPP shares).

The overall objective of the transaction was to achieve an effective merger of the businesses of Redefine and EPP. The transaction was an exchange of NAV rather than a cash exit for existing EPP shareholders. It afforded EPP shareholders an election to swap into Redefine shares or remain invested in an unlisted EPP with a restructured balance sheet and accelerated restoration of dividend payments. A key element of the transaction was that it avoided EPP issuing shares, which would have been at a deep discount to its NAV (as dictated by the listed equity market) and resulted in significant value destruction for shareholders.

Refer to the circular issued by EPP on 17 December 2021 for further details.

The fair swap ratio of 2.7 was determined with reference to discounted cash flows and corroborated by NAV and the price-to-book (P/B) ratios of Redefine and EPP. Investment properties are the most material component of NAV and are supported by independent third-party valuations. The basis of these valuations is generally a discounted cash flow basis.

The acquisition of a controlling stake in EPP is consistent with Redefine's strategy to either exit minority investments or gain strategic control of assets where Redefine already has a major stake.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

51. Acquisition of a controlling interest in subsidiaries continued

Figures in R'000	Notes	GROUP 8 March 2022^
Assets		
Fair value of investment properties		15 515 356
Right-of-use asset	6	328 909
Investment in joint ventures		2 800 980
Derivative assets		1 093
Loans receivable		29 958
Property, plant and equipment	6	17 342
Deferred tax asset		7 536
Trade and other receivables		209 487
Other monetary assets		186 894
Cash and cash equivalents		1 168 825
Taxation receivable		3 742
Non-current assets held-for-sale	17	22 378 468
Liabilities		
Interest-bearing borrowings		(13 044 013)
Deferred taxation liability		(1 033 821)
Provision for onerous contract		(1 021 075)
Lease liability	6	(356 054)
Trade and other payables		(591 071)
Interest accrual on interest-bearing borrowings		(5 031)
Derivative liabilities		(26 464)
Taxation payable		(202)
Non-current liabilities held-for-sale	17	(11 999 412)
Fair value of net assets acquired		14 571 447
Purchase consideration		
Fair value of investment in associate disposed*	9	6 621 229
Settlement in 1 030 459 642 Redefine shares at an issue price of R4.14**		4 267 837
Total purchase consideration		10 889 066
Goodwill or gain on bargain purchase		
Fair value of net assets acquired		14 571 447
Less: Purchase consideration		10 889 066
Less: 113 726 280 shares held by non-controlling interest		1 825 169
Gain on bargain purchase#		(1 857 212)
Cash consideration in purchase consideration		–
Less: Cash and cash equivalents acquired		1 168 825
Net cash on acquisition		1 168 825

^ *The acquisition date used for accounting for the business combination in terms of IFRS 3 was 8 March 2022*

* *Fair value of previously held interest was calculated based on EPP's assets acquired and liabilities assumed at acquisition date, which resulted in remeasurement gain of R825.9 million*

** *Although the transaction was an effective Redefine NAV for EPP NAV swap, it was settled using Redefine shares, as such, the consideration price was determined with reference to a level 1, most observable market input, being the Redefine listed share price. Settlement was at a fair swap ratio of 2.7 Redefine shares per EPP share*

The gain is as a result of the difference between the fair value of EPP net assets acquired and the purchase consideration (Redefine shares issued at the Redefine share price and the fair value of the previously held interest) and NCI. On accepting the Redefine offer, EPP shareholders swapped EPP shares for Redefine shares, which trade at a similar discount to NAV. EPP shareholders swapped EPP NAV of R16.20 as at acquisition date for Redefine NAV of R17.87 (Redefine NAV as at 28 February 2022 post-dividend of R6.62 at a swap ratio of 2.7) obtaining a 10.3% effective premium to EPP NAV

The group recognises NCI in an acquired entity either at fair value or at the NCI's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the NCI in EPP, the group elected to recognise the NCI at its proportionate share of the acquired net identifiable assets.

KEY ESTIMATES AND ASSUMPTIONS

The same valuation techniques were used as disclosed in **note 30:** Fair value disclosures. The investment properties were valued at 31 December 2021.

Unobservable inputs across sectors (% unless otherwise stated):

Retail sector	2022
Discount rate	7.20-10.50
Exit capitalisation rate	5.90-10.20
Occupancy rate	96.00
Vacancy rate	3-6 months
Rent-free periods	n/a
Office sector	
Discount rate	8.00-9.60
Exit capitalisation rate	7.20-8.20
Occupancy rate	95.80
Vacancy rate	3-6 months
Rent-free periods	5-6 months

Trade and other receivables are carried at amortised cost. Due to their short-term nature, amortised cost approximates the fair value. Trade and other receivables comprise gross contractual amounts due of R61.4 million and net doubtful debts of R21.6 million, which is the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

Interest-bearing borrowings and other liabilities are classified as other financial liabilities carried at amortised cost, which approximates fair value.

If the business had been acquired on 1 September 2021, management estimates that the consolidated revenue and net profit after taxation for the Redefine group would have been R10.8 billion and R7.8 billion, respectively, the current financial year. In determining these amounts, management assumed that the fair value adjustments, determined at EPP's December year end and applied for IFRS 3 at acquisition amounts, would have been the same if the acquisition had occurred on 1 September 2021. EPP's revenue following the acquisition on 8 March 2022 to 31 August 2022 was R812.1 million and net loss was R1.2 billion.

The group incurred acquisition-related costs of R10.7 million to 31 August 2022. These cost are disclosed as part of administration costs in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

52. Disposal of a controlling interest in subsidiaries

M1 Marki

On 10 March 2022, Redefine Europe disposed of its 100% interest in Bruin (which houses the M1 Marki property) to M1 JV for a total consideration of R1.2 billion (€70.5 million). Redefine Europe received R341.2 million (€20.5 million) in cash and class C shares in M1 JV to the value of R832.4 million (€50.0 million) (refer to **note 9:** Investment in associate and joint ventures). This transaction was also classified as a discontinued operation in terms of IFRS 5: *Non-Current Assets Held for Sale and Disposal Groups* (refer to **note 53:** Discontinued operations), as it was a subsidiary acquired with the view to resell.

The assets and liabilities disposed in disposal of controlling interest in Marki are presented below:

Figures in R'000	Notes	GROUP 2022
Assets		
Non-current assets held-for-sale		2 142 838
Liabilities		
Non-current liabilities held-for-sale		(969 223)
Carrying value of net assets disposed		1 173 615
Proceeds from PIMCO		170 602
Proceeds from EPP	50	170 603
Cash inflow on disposal		341 205
Investment in joint venture M1 HoldCo JV class C shares	49	832 410
Total net consideration		1 173 615
Profit/(loss) on disposal		–

53. Discontinued operations

M1 Marki

On 3 December 2021, Redefine acquired 100% of the shares in Bruin, with the intention to resell the investment to M1 JV as part of the EPP reorganisation for a cash consideration of R341.2 million (€20.5 million) and a shareholding in M1 JV to the value of R832.4 million (€50 million).

The disposal of the interest in Bruin meets the definition of a discontinued operation as defined in IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*, as Bruin was a subsidiary acquired exclusively with a view to resale.

The financial performance information is presented for the year ended 31 August 2022.

Figures in R'000		GROUP 2023	GROUP 2022
SUMMARISED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Revenue	31	–	25 506
Operating costs	33	–	(2 474)
Administrative costs		–	(1 941)
Changes in fair values of financial instruments and other	36.3	–	5 365
Interest expense	39	–	(6 170)
Other		–	(54 125)
Loss for the year from discontinued operation		–	(33 839)

54. Commitments

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Capital commitments				
Property acquisitions	–	258 343	–	–
Properties under development	1 102 153	1 138 308	179 617	405 788
Capital improvements on investment properties	529 657	343 538	263 910	192 515
Approved and committed	529 657	343 538	263 910	192 515
Total capital commitments	**1 631 810**	1 740 189	**443 527**	598 303
Lease liability commitments				
Commitments due in respect of leases entered into by the group and company on leasehold property.				
Due within one year	73 365	53 729	11 713	18 126
Due within two to five years	281 171	190 403	60 206	69 272
Due beyond five years	2 185 157	1 772 171	179 060	181 874
Total lease liability commitments	**2 539 693**	2 016 303	**250 979**	269 272
Operating expense commitments				
Contractual commitments are in respect of general maintenance of lifts, escalators and air-conditioning installations.				
Due within one year	393 741	349 261	205 451	179 140
Due within two to five years	1 585 351	1 300 568	823 592	663 391
Due beyond five years	1 817	650	979	575
Total operating liability commitments	**1 980 909**	1 650 479	**1 030 022**	843 106

55. Other commitments

At the date of the report, Redefine provides commitments to various utility suppliers amounting to R78.1 million (2022: R78.9 million).

Commitments were granted by the group for the payment of the obligations of EPP Property Management Group relating to the purchase of IT equipment. The committed amount is R33.1 thousand (€2.0 thousand), which matures on 31 March 2025.

56. Minimum lease payments receivable

The group and company lease retail, office, industrial and specialised properties under operating leases. On average, the leases run for a period of three to five years. Contractual amounts (comprising contractual rental income, excluding the straight-line lease adjustments, and operating expense recoveries) due in terms of signed operating lease agreements:

Include Talis lease

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Less than 12 months	6 756 150	5 340 768	3 107 051	2 973 806
Between one and two years	5 382 154	4 443 138	2 584 482	2 482 735
Between two and three years	4 348 616	3 523 663	2 148 161	1 898 306
Between three and four years	3 308 180	2 752 281	1 731 553	1 544 190
Between four and five years	2 546 621	2 032 765	1 497 532	1 218 689
Over five years	8 197 289	6 757 993	3 958 991	4 378 391
Total minimum lease payments receivable	**30 539 010**	24 850 608	**15 027 770**	14 496 117

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

57. Financial risk management

The group's financial risk management objective is to manage the capital and financial risk exposure so that the group continues as a going concern, minimises adverse effects of financial risks on returns, and remains flexible to explore emerging opportunities in the market.

The group has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Market risk
- Credit risk

While risk management is the ultimate responsibility of the board of directors, the board has delegated this responsibility to the risk committee, which is responsible for developing and monitoring the group's risk management policies.

The group's risk management policies are established to ensure

- Improved risk management and control
- The efficient allocation of capital to maximise returns
- The maintenance of acceptable levels of risk within the group as a whole
- Efficient liquidity management and control of funding

The audit and risk committee reviews management's compliance with the group's risk policies and procedures and assesses the adequacy of the risk management framework. The committee reports regularly to the board of directors.

57.1 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due in the normal course of business. The group ensures that it has adequate funds available and seeks to borrow for longer terms at commercially viable cost of debt levels.

Redefine employs robust forward-looking liquidity management principles through the use of cash flow forecasting and scenario planning. The sale of assets where all suspensive conditions have been met is factored in when reviewing cash flow requirements. Refer to note 17: Non-current assets held-for-sale. The maturity profile of financial liabilities is closely reviewed and the decision to settle or refinance is made well in advance. Cash reserves are also monitored on a daily basis, with excess cash being utilised to reduce outstanding revolving credit balances, thereby increasing available undrawn facilities. Total group undrawn facilities at year end amounted to R4.7 billion (2022: R4.5 billion).

A maturity analysis of financial liabilities is set out in the table below.

	GROUP			
Figures in R'000	Less than one year	One to five years	More than five years	Total
2023				
Financial liabilities				
Interest-bearing borrowings	8 813 741	34 471 389	8 884 094	52 169 224
Interest accrual on interest-bearing borrowings	267 542	–	–	267 542
Derivative liabilities	864 466	281 581	–	1 146 047
Other financial liabilities	22 537	345 410	–	367 947
Trade and other payables	1 762 120	–	–	1 762 120
Total financial liabilities	**11 730 406**	**35 098 380**	**8 884 094**	**55 712 880**
2022				
Financial liabilities				
Interest-bearing borrowings	6 050 263	28 965 716	11 702 452	46 718 431
Interest accrual on interest-bearing borrowings	111 154	–	–	111 154
Derivative liabilities	218 020	149 591	–	367 611
Other financial liabilities	253 208	153 540	–	406 748
Trade and other payables	1 898 572	–	–	1 898 572
Total financial liabilities	8 531 217	29 268 847	11 702 452	49 502 516

	COMPANY			
Figures in R'000	Less than one year	One to five years	More than five years	Total
2023				
Financial liabilities				
Interest-bearing borrowings	8 349 186	25 716 254	6 511 817	40 577 257
Interest accrual on interest-bearing borrowings	182 819	–	–	182 819
Derivative liabilities	864 466	273 992	–	1 138 458
Other financial liabilities	22 537	12 776	–	35 313
Trade and other payables	910 398	–	–	910 398
Loans from subsidiaries	2 170	–	–	2 170
Total financial liabilities	**10 331 576**	**26 003 022**	**6 511 817**	**42 846 415**
2022				
Financial liabilities				
Interest-bearing borrowings	3 351 093	27 055 114	7 091 672	37 497 879
Interest accrual on interest-bearing borrowings	91 403	–	–	91 403
Derivative liabilities	217 167	149 591	–	366 758
Other financial liabilities	20 320	11 348	–	31 668
Trade and other payables	990 346	–	–	990 346
Loans from subsidiaries	3 672 045	–	–	3 672 045
Total financial liabilities	8 342 374	27 216 053	7 091 672	42 650 099

Total group and company undrawn facilities at year end amounted to R4.7 billion (2022: R4.5 billion).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

57. Financial risk management continued

57.2 Market risk

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Interest rate risk				
The group and company are exposed to interest rate risk through variable rate cash balances, receivables, payables and interest-bearing borrowings. The group and company reduces their exposure to changes in interest rates by fixing interest rates in respect of their local borrowings. This is achieved by entering into swap agreements to receive variable and pay fixed interest rates. The following percentage of local borrowings has been fixed:	77.1%	84.2%	77.1%	84.2%
Refer to **note 23:** Derivative assets/(liabilities) for disclosure regarding the interest rate swaps.				
An increase of 1% in interest rates on the effective floating interest rate liabilities for the year would have increased the interest expense and therefore the profit and equity would decrease by:	(113 973)	(60 851)	(60 470)	(46 951)
3m JIBAR	(42 048)	(37 788)	(42 048)	(37 788)
Prime	–	(3 873)	–	(3 873)
3m EURIBOR	(69 408)	(18 253)	(15 905)	(4 353)
SOFR	(2 517)	(937)	(2 517)	(937)
Equity price risk				
The group and company are exposed to equity securities price risk in respect of listed and unlisted securities held. Any fluctuations in equity prices do not affect distributions paid to shareholders. Equity price risk is managed through monthly reviews of security prices. If equity security prices increased by 5%, the increase in profit and equity would have been:				
Listed and unlisted securities	9 731	12 609	972	3 484
Currency risk				
The group and company are exposed to currency risk through foreign interest-bearing borrowings, cross-currency interest rate swaps and foreign property assets. These interest-bearing borrowings are used to invest in foreign property assets, while the cross-currency swaps are used to hedge out the associated foreign currency risk and interest rate risk. The group and company manage their currency risk through natural hedges by investing offshore through foreign denominated loans and entering into derivatives that include cross-currency interest rate swaps and forward exchange contracts.				
Below are the closing and average exchanges rates applied during the financial year				
Closing rates				
AUD	12.14	11.66	12.14	11.66
EUR	20.43	16.96	20.43	16.96
PLN	4.58	3.64	4.58	3.64
USD	18.71	16.89	18.71	16.89
Average rates				
AUD	12.17	11.17	12.17	11.17
EUR	23.86	17.10	23.86	17.10
PLN	4.12	3.66	4.12	3.66
USD	18.75	15.56	18.75	15.56
Rates applied on EPP consolidation				
At acquisition exchange rate 8 March 2022	–	16.71	–	–
Average exchange rate for the period	23.86	16.72	–	–

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
It is estimated that a R1.00 increase in the relevant spot exchange rate would decrease the group and company expected profit before taxation by:				
Interest expense				
AUD	–	(1 995)	–	(1 995)
EUR	(32 240)	(18 363)	(13 598)	(8 433)
PLN	30	–	–	–
USD	(737)	(319)	(737)	(319)
Interest-bearing borrowings				
It is estimated that a R1.00 increase in the relevant spot exchange rate would increase interest-bearing borrowings, with a corresponding increase in the statement of profit or loss and other comprehensive income:				
EUR	(254 210)	(623 978)	(55 236)	(132 313)
PLN	83 607	–	–	–
USD	(3 502)	(10 000)	(3 502)	(10 000)

57.3 Credit risk management

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
The group and company's maximum exposure to credit risk by class of financial asset other than derivatives is as follows:				
Straight-line rental income accrual	1 783 491	1 810 217	1 071 112	1 070 349
Cash and cash equivalents	760 882	1 765 349	248 247	1 430 501
Other monetary assets	291 987	192 605	–	–
Gross trade receivables	686 141	653 827	397 256	352 803
Other receivables	322 857	292 567	233 640	117 727
Gross loans receivable carried at amortised cost	1 428 492	1 358 455	–	159 799
Gross loans to subsidiaries	–	–	23 648 777	26 029 760
Total	**5 273 850**	6 073 020	**25 599 032**	29 160 939

57.3.1. CASH AND CASH EQUIVALENTS AND OTHER MONETARY ASSETS

The entity credit risk exposure and concentration are closely monitored; the ECL is considered immaterial.

A significant portion of bank balances are with The Standard Bank of South Africa Limited (Moody's credit rating Ba1), Santander Bank (Fitch credit rating A-) and HSBC (Fitch credit rating A+). The fair value of cash and cash equivalents and other monetary assets as at 31 August 2023 and 31 August 2022 approximates the carrying value.

While cash and cash equivalents and other monetary assets are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial and taking into account the good rating of banks holding the deposit.

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3

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

57. Financial risk management continued

57.3 Credit risk management continued

Figures in R'000	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Gross trade receivables				
Analysis by credit quality of trade receivables is as follows:				
Trade receivables – gross	686 141	653 827	397 256	352 803
Less: Expected credit losses	(209 554)	(243 652)	(153 164)	(165 299)
Trade receivables – net of provision for impairment	**476 587**	**410 175**	**244 092**	**187 504**

57.3.2. TRADE RECEIVABLES – ECLS – SIMPLIFIED MODEL

2023

During the current period, non-performing trade receivables amounting to R108 million (2022: R144 million) were written off. For performing trade receivables, management segregated the performing trade receivables into retail, office, industrial, specialised and international to account for the difference in the credit risk of the sector. The expected loss rates were based on the payment profiles of tenants over a period of 36 months before year end, and the corresponding historical credit losses experienced within this period are reflective of the current circumstances and forward-looking macroeconomic factors for the current financial year. Management has provided for a 100% loss rate across the local sectors' tenants over 91 days. The impairment provision was determined as follows for trade receivables:

GROUP	Current	30-60 days	61-90 days	Over 91 days	Total (R'000)
Local					
Gross carrying amount	361 445	35 980	18 782	165 101	581 308
Weighted average loss rate (%)	4	6	6	100	–
Expected credit loss	15 668	2 032	1 300	165 101	184 101
Net carrying amount	**345 777**	**33 948**	**17 481**	**–**	**397 207**
International*					
Gross carrying amount	19 386	51 539	15 795	18 112	104 832
Weighted average loss rate (%)	3	16	19	76	–
Expected credit loss	582	8 055	2 978	13 837	25 452
Net carrying amount	**18 804**	**43 484**	**12 817**	**4 275**	**79 380**

* *The group has segregated the local and international credit risk assessment and the resulting provision due to the externalities affecting them*

COMPANY	Current	30-60 days	61-90 days	Over 91 days	Total (R'000)
Gross carrying amount	219 657	28 734	15 311	133 555	397 257
Weighted average loss rate (%)	7	9	11	100	–
Expected credit loss	15 356	2 582	1 671	133 555	153 164
Net carrying amount	**204 301**	**26 152**	**13 640**	**–**	**244 093**

2022

During the previous financial year, non-performing trade receivables amounting to R144 million (2021: R109 million) were written off. For performing trade receivables, management segregated the performing trade receivables into retail, office, industrial, specialised and international to account for the difference in the credit risk of the sector. The expected loss rates were based on the payment profiles of tenants over a period of 30 months before year end, and the corresponding historical credit losses experienced within this period are reflective of the current circumstances and forward-looking macroeconomic factors for the current financial year. Management has provided for a 100% loss rate across the local sectors' tenants over 91 days. The impairment provision was determined as follows for trade receivables:

GROUP	Current	30-60 days	61-90 days	Over 91 days	Total (R'000)
Local					
Gross carrying amount	341 887	32 472	19 420	190 055	583 834
Weighted average loss rate (%)	8	14	14	100	–
Expected credit loss	27 942	4 636	2 807	190 055	225 440
Net carrying amount	**313 945**	**27 836**	**16 613**	**–**	**358 394**
International*					
Gross carrying amount	41 143	4 811	2 973	21 066	69 993
Weighted average loss rate (%)	7	27	41	60	–
Expected credit loss	3 080	1 286	1 226	12 621	18 213
Net carrying amount	**38 063**	**3 525**	**1 747**	**8 445**	**51 780**

* *The group has segregated the local and international credit risk assessment and resulting provision due to the externalities affecting them*

COMPANY	Current	30-60 days	61-90 days	Over 91 days	Total (R'000)
Gross carrying amount	182 532	20 126	14 451	135 694	352 803
Weighted average loss rate (%)	14	10	10	100	–
Expected credit loss	26 272	1 915	1 418	135 694	165 299
Net carrying amount	**156 260**	**18 211**	**13 033**	**–**	**187 504**

The fair value of trade receivables as at 31 August 2023 and 31 August 2022 approximates the carrying value.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

57. Financial risk management continued

57.3 Credit risk management continued

57.3.3. OTHER RECEIVABLES ECL – GENERAL MODEL

Other receivables primarily comprise deposits held at Nedbank (Moody's credit rating Aa1) financial institutions.

While other receivables are also subject to the impairment requirements of IFRS 9: *Financial Instruments*, the identified impairment loss was immaterial.

57.3.4. LOANS RECEIVABLE CARRIED AT AMORTISED COST – GENERAL MODEL

Loans receivable comprise funding for vendor loans to purchase or develop property and the share incentive scheme for employees.

Prior to the granting of loans to customers, management performs creditworthy checks to establish eligibility.

Generally, for vendor loans, the property is pledged as collateral against the loan. Similarly for the share incentive scheme, the employees pledge the shares as collateral against the loan received.

The group assesses on a forward-looking basis the ECL associated with its loans receivable carried at amortised cost. The group uses three main parameters to measure ECL on loans receivable carried at amortised cost. These are the probability of default (PD), loss given default (LGD) and exposure at default (EAD) (i.e. PD X LDG X EAD = ECL)

The group uses three categories for loans, which reflect their credit risk and how the ECL is determined for each of those categories.

A summary of the assumptions underpinning the group's ECL model is as follows:

CATEGORY	DEFINITION OF CATEGORY	BASIS FOR RECOGNITION OF ECL PROVISION
Performing	Loans for which credit risk is in line with original expectations	12-month ECLs, where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1)
Underperforming	Loans for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal payments are 30 days past due	Lifetime expected losses (stage 2)
Non-performing (credit impaired)	Interest and/or principal repayments are 60 days past due and it becomes probable a customer will enter bankruptcy	Lifetime expected losses (stage 3)
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery	Asset is written off

Over the term of the loans, the group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL, the group considers available historic and forward-looking information:

		GROUP			
		Gross carrying amount (R'000)	Weighted probability of default (%)	Weighted loss given default (%)	Expected credit loss (R'000)
2023					
Vendor loans receivable		1 428 492	–	–	171 291
Stage 1	Performing	1 051 349	2.9	38.4	11 675
Stage 2	Underperforming	40 255	50.0	29.8	5 990
Stage 3	Non-performing	336 888	100.0	46.6	153 626
Share scheme loans receivable		–	–	–	–
Stage 1	Performing	–	–	–	–
	Total	**1 428 492**			**171 291**
2022					
Vendor loans receivable		1 201 876	–	–	114 330
Stage 1	Performing	618 892	3.9	49.1	11 870
Stage 2	Underperforming	494 338	50.0	15.6	38 661
Stage 3	Non-performing	88 646	100.0	72.0	63 799
Share scheme loans receivable		77 301	–	–	42 783
Stage 1	Performing	77 301	75.0	73.8	42 783
	Total	**1 279 177**			**157 113**

		COMPANY			
		Gross carrying amount (R'000)	Weighted probability of default (%)	Weighted loss given default (%)	Expected credit loss (R'000)
2023					
Vendor loans receivable		–	–	–	–
Stage 1	Performing	–	–	–	–
Stage 2	Underperforming	–	–	–	–
Stage 3	Non-performing	–	–	–	–
Share scheme loans receivable		–	–	–	–
Stage 1	Performing	–	–	–	–
	Total*	**–**			**–**
2022					
Vendor loans receivable		82 498	–	–	6 395
Stage 1	Performing	82 498	7.6	102.0	6 395
Stage 2	Underperforming	–	–	–	–
Stage 3	Non-performing	–	–	–	–
Share scheme loans receivable		77 301	–	–	42 783
Stage 2	Underperforming	77 301	75.0	73.8	42 783
	Total	**159 799**			**49 178**

* *Vendor loans were fully settled in the current period*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

57. Financial risk management continued

57.3 Credit risk management continued

57.3.5. LOAN TO SUBSIDIARIES ECLS – GENERAL MODEL

The company provides funding to its subsidiaries via intercompany loans. In calculating the ECL, the company considers historical loss rates for each category of borrower and adjusts forward-looking macroeconomic data. The company provides for credit losses as follows:

Category	Counterparty type	Location	Gross carrying amount 31 August 2023 (R'000)	Gross carrying amount restated* 31 August 2022 (R'000)
Performing**	Investment holding subsidiary	South Africa	9 932 603	11 844 569*
Underperforming***	Investment holding subsidiary	South Africa	12 288 884	13 272 827
Performing**	Investment holding subsidiary	Europe	1 427 289	912 364
		Total	**23 648 777**	**26 029 760***

* *In the 2022 period, the investment holding subsidiary in South Africa under the category performing was incorrectly disclosed as R13 543 447, this has been corrected and restated to R11 844 569. As a result, the total gross carrying amount previously disclosed as R27 728 638 has been corrected to R26 029 760*

** *As these subsidiaries have sufficient liquid assets to settle the amount owing to the company the ECL is deemed to be nil as the LGD percentage is nil. Subsidiaries' liquid assets are cash and cash equivalents and trade and other receivables*

*** *Subsidiaries with insufficient liquid assets to settle amounts owing to the company*

For intercompany loans receivable that were underperforming, the table below sets out how these ECLs were calculated:

2023

Counterparty name	Location	Gross carrying amount (R'000)	Probability of default (%)	Loss given default (%)	Expected credit loss (R'000)
Redefine Retail Proprietary Limited	South Africa	12 288 884	100.0	6.0	732 420
	Total	**12 288 884**			**732 420**

2022

Counterparty name	Location	Gross carrying amount (R'000)	Probability of default (%)	Loss given default (%)	Expected credit loss (R'000)
Redefine Retail Proprietary Limited	South Africa	12 207 068	100.0	9.0	1 102 065
Black River Park Investments Proprietary Limited	South Africa	480 540	100.0	2.4	11 604
Madison Property Fund Managers Holdings Proprietary Limited*	South Africa	322 536	100.0	100.0	322 536
Madison Property Fund Managers Proprietary Limited*	South Africa	190 224	100.0	100.0	190 224
Pivotal Global Proprietary Limited	South Africa	72 459	100.0	100.0	72 449
	Total	**13 272 827**			**1 698 878**

58. Capital management

In terms of the Memorandum of Incorporation, Redefine has limited borrowings to 100% of property assets. However, to protect Redefine's exposure, the board aims to limit borrowings to 40% of property assets over the long term.

Refer to **noted 18:** Stated capital for disclosure relating to shares issued during the year.

The group's property assets are made up of investment properties (excluding right-of-use assets), owner-occupied properties, held-for-trading, non-current assets held-for-sale, listed securities, loans receivable, other financial assets and investments in associate and joint ventures.

	GROUP		COMPANY	
Figures in R'000	2023	2022	2023	2022
Property assets	96 014 070	88 385 843	81 289 583	81 763 966
Interest-bearing borrowings (net of cash on hand)	39 200 263	35 526 028	30 007 574	27 521 940
Fair value of cash settled hedges	1 054 480	310 362	1 054 480	310 362
Insurance contract liability	38 517	119 477	38 517	119 477
Loan to value (%)	**42.0**	**40.7**	**38.3**	**34.2**

The board's policy is to maintain a strong capital base, comprising its shareholders' interest, so as to maintain investor, creditor and market confidence and to sustain future development of the business. It is the group's stated purpose to deliver long-term sustainable growth in dividends per share. The board of directors monitors the level of dividends to shareholders and ensures compliance with the Income Tax Act and JSE Listings Requirements. There were no changes in the group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

59. Related-party transactions

Related parties are defined as those entities with which the group transacted during the year and in which the following relationship(s) exist:

Subsidiaries	Principal place of business	EFFECTIVE INTEREST/ VOTING RIGHTS (%)^ 2023	2022
Alice Lane Trust	South Africa	100.0	100.0
Annuity Properties Proprietary Limited	South Africa	100.0	100.0
Any Name 621 Proprietary Limited	South Africa	100.0	100.0
Avanti Trust	South Africa	100.0	100.0
Ballywoods Trust	South Africa	100.0	100.0
Black River Park Investments Proprietary Limited	South Africa	100.0	100.0
Cape Gannet Properties 261 Proprietary Limited	South Africa	100.0	100.0
Centurion Lifestyle Trust	South Africa	100.0	100.0
Erf 2/49 Bryanston Proprietary Limited	South Africa	100.0	100.0
Farramere Retail Trust	South Africa	100.0	100.0
Fountainhead Properties Propriety Limited	South Africa	100.0	100.0
EPP Development 11 sp. z o.o	Poland	100.0	100.0
EPP Facility Management sp. z o.o.*	Poland	100.0	100.0
EPP Finance B.V.*	Netherlands	100.0	100.0
EPP Finance Poland sp. z o.o.*	Poland	100.0	100.0
EPP GP B.V.*	Netherlands	100.0	100.0
EPP Retail – Galeria Echo sp. z o.o.	Poland	100.0	100.0
EPP Retail – Galaxy sp. z o.o.*	Poland	100.0	100.0
EPP Retail – Pasaż Grunwaldzki sp. z o.o.*	Poland	100.0	100.0
EPP Retail – Outlet Park sp. z o.o.*	Poland	100.0	100.0
EPP Retail – Marcelin sp. z o.o. *	Poland	100.0	100.0
EPP Retail Powerpark Olsztyn sp. z o.o.*	Poland	100.0	100.0
EPP Retail Powerpark Opole sp. z o.o.*	Poland	100.0	100.0
EPP Property Management sp. z o.o.*	Poland	100.0	100.0
EPP N.V.*	Netherlands	95.5	95.5
EPP sp. z o.o.*	Poland	100.0	100.0
Galeria Sudecka sp. z o.o. w likwidacji*	Poland	100.0	100.0
Gateway Retail Trust	South Africa	100.0	100.0
Greenstone Motor City Trust	South Africa	100.0	100.0
Grupa EPP sp. z o.o.*	Poland	100.0	100.0
Hazeldean Retail Trust	South Africa	100.0	100.0
Hillcrest Precinct Trust	South Africa	100.0	100.0
Journal Holdings Proprietary Limited	Australia	90.0	90.0
Madison Property Fund Managers Holdings Proprietary Limited	South Africa	100.0	100.0
Madison Property Fund Managers Proprietary Limited	South Africa	100.0	100.0
Micawber 185 Proprietary Limited	South Africa	100.0	100.0
Mfuko sp. z o.o. 0000796191	Poland	95.0	95.0
Observatory Business Park Proprietary Limited	South Africa	100.0	100.0
Pivotal CCF Proprietary Limited	South Africa	100.0	100.0
Pivotal Global Proprietary Limited	South Africa	100.0	100.0
Pivotman Proprietary Limited	South Africa	100.0	100.0
Ptn 113 Weltevreden Proprietary Limited	South Africa	100.0	100.0
Redefine Commercial Proprietary Limited	South Africa	100.0	100.0
Redefine Europe B.V.	Netherlands	100.0	100.0
Redefine Global Proprietary Limited	South Africa	100.0	100.0

Subsidiaries	Principal place of business	EFFECTIVE INTEREST/ VOTING RIGHTS (%)^ 2023	2022
Redefine Retail Proprietary Limited	South Africa	100.0	100.0
Riverside Office Park Trust	South Africa	100.0	100.0
Self Storage Investments sp. z o.o.	Poland	93.0	–
Sunninghill Retail Trust	South Africa	100.0	100.0
Stokado sp. z o.o.	Poland	51.0	–
The Pivotal Fund Proprietary Limited	South Africa	100.0	100.0
The Redefine Empowerment Trust	South Africa	100.0	100.0
Valley View Office Trust	South Africa	100.0	100.0
Wonderboom Junction Retail Trust	South Africa	100.0	100.0
Joint ventures			
C4T Proprietary Limited (C4T)	South Africa	49.0	50.0
EPP Community Properties JV*	Poland	50.6	53.1
European Logistics Investment B.V.	Poland	48.5	46.5
Galeria Młociny*	Poland	70.0	70.0
Henderson*	Poland	30.0	30.0
Mall of the South Proprietary Limited (MOTS PropCo)	South Africa	20.0	20.0
M1 HoldCo JV*	Poland	50.0	50.0
Talis Property Investments Proprietary Limited	South Africa	49.0	–
Directors**			
AJ König			
ASP Dambuza			
CH Fernandez – appointed on 4 November 2022			
D Radley			
LC Kok			
LJ Sennelo			
M Barkhuysen – retired on 23 February 2023			
NB Langa-Royds			
NG Nyawo			
SM Pityana			
SP Fifield – appointed on 12 September 2022			
Prescribed officers**			
MJ Ruttell – retired on 31 January 2023			

^ *Effective interest/voting rights is shown at a Redefine Properties Limited level. Effective interest/voting rights remained the same as last year, except for disposed and acquired subsidiaries*

* *Arising from the controlling interest obtained in EPP during the 2022 financial year. Refer to* **note 51:** *Acquisition of controlling interest in subsidiaries*

** *The directors and prescribed officers represent key management personnel*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

59. Related-party transactions continued

	GROUP								
	2023				2022				
Figures in R'000	Equity-accounted investments	Gross receivable/ (payable)	Sales and services to/ (purchases and services from)	Income/ (expense)	Equity-accounted investments	Gross receivable/ (payable)	Sales and services to/ (purchases and services from)	Income/ (expense)	Dividend income
European Logistics Investment B.V.	4 672 501	1 051 349	–	–	3 266 459	536 394	–	–	(74 397)
Redefine Europe B.V.	–	–	2 207	–	–	–	2 579	–	–
Mall of the South Proprietary Limited	–	–	10 844	–	–	–	9 401	–	–
Galeria Młociny	2 868 556	–	–	–	2 217 891	714	–	–	–
Henderson	520 359	–	–	–	442 457	–	–	–	–
M1 HoldCo JV	4 269 427	–	–	–	3 075 700	453	–	–	–
EPP Community Properties JV	2 948 147	–	–	–	2 456 392	–	–	–	–
Talis Property Investments Proprietary Limited	9 608	–	–	–	–	–	–	–	–
AJ König	–	–	(14 490)	1 582	–	38 623	(13 687)	2 307	–
ASP Dambuza	–	–	(945)	–	–	–	(837)	–	–
B Mathews[1]	–	–	(37)	–	–	–	(1 029)	–	–
CH Fernandez[2]	–	–	(563)	–	–	–	–	–	–
D Naidoo[3]	–	–	–	–	–	–	(180)	–	–
D Radley	–	–	(1 171)	–	–	–	(1 060)	–	–
LC Kok	–	–	(10 738)	397	–	9 743	(10 575)	589	–
LJ Sennelo	–	–	(1 047)	–	–	–	(974)	–	–
M Barkhuysen[4]	–	–	(425)	–	–	–	(803)	–	–
MJ Ruttell[5]	–	–	(5 249)	–	–	–	(6 340)	–	–
NB Langa-Royds	–	–	(955)	–	–	–	(879)	–	–
NG Nyawo	–	–	(10 220)	–	–	–	(7 719)	–	–
SM Pityana	–	–	(1 762)	–	–	–	(1 644)	–	–
SP Fifield[6]	–	–	(971)	–	–	–	–	–	–
Total	**15 288 598**	**1 051 349**	**(35 522)**	**1 979**	**11 458 899**	**585 927**	**(33 747)**	**2 896**	**(74 397)**
Refer to note	9	10	60		9	10	60		

[1] *B Mathews earned R37 100 as a trustee for the Empowerment Trust, in addition to her fees earned as a non-executive director. She resigned from the board on 20 June 2022 and on 22 September 2022 as a trustee*

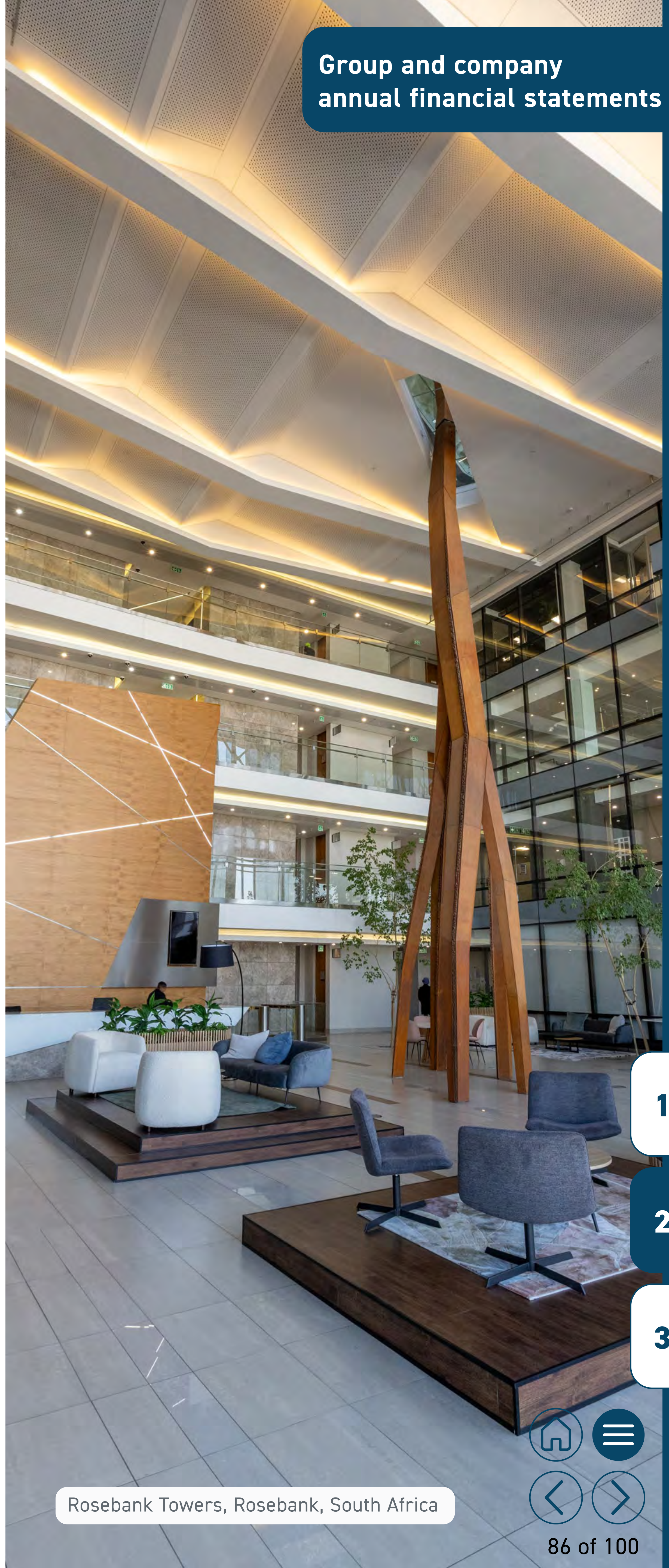
[2] *CH Fernandez was appointed on 4 November 2022*

[3] *D Naidoo resigned on 9 November 2021*

[4] *M Barkhuysen retired on 23 February 2023*

[5] *MJ Ruttell (retired 31 January 2023) formed part of the executive committee and met the definition of a "prescribed officer" in terms of the Companies Act*

[6] *SP Fifield was appointed on 12 September 2022*



Rosebank Towers, Rosebank, South Africa

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

59. Related-party transactions continued

	COMPANY																	
	2023									2022								
Figures in R'000	Investment at carrying value	Accumulated impairment on investments	Share purchase/ issue/ (disposed)	Gross receivable/ (payable)	Expected credit loss raised on loans receivable	Sales and services to/ (purchases and services from)	Income/ (expense)	Dividend income	Dividend – contributed tax capital	Investment at carrying value	Accumulated impairment on investments	Share purchase/ issue/ (disposed)	Gross receivable/ (payable)	Expected credit loss raised on loan receivable	Sales and services to/ (purchases and services from)	Income/ (expense)	Dividend income	Dividend – contributed tax capital
Annuity Properties Proprietary Limited	1 307 514	(278 822)	–	87 138	–	–	–	90 000	–	1 307 514	–	–	66 633	–	–	–	115 000	–
Any Name 621 Proprietary Limited	–	–	–	(287)	–	–	–	–	–	–	–	–	(287)	–	–	–	–	–
Black River Park Investments Proprietary Limited	–	–	–	(64)	–	–	–	–	–	–	–	–	480 540	(11 604)	–	–	–	–
Cape Gannet Proprietary Limited	–	–	–	–	–	–	–	–	–	–	–	–	5	–	–	–	–	–
Erf 2/49 Bryanston Proprietary Limited	–	–	–	–	–	–	–	–	–	–	–	–	(37 042)	–	–	–	–	–
EPP N.V.	11 625 252	–	–	424 004	–	–	22 001	–	–	11 625 252	–	–	912 364	–	–	4 967	–	–
Fountainhead Properties Proprietary Limited	1 676	(135)	–	(1 567)	–	–	–	–	–	1 676	(135)	–	(1 567)	–	–	–	–	–
Journal Student Accommodation Fund	–	–	–	–	–	–	–	26 871	–	878 360	(878 360)	–	–	–	–	–	1 067 133	–
Madison Property Fund Managers Holdings Proprietary Limited	–	–	–	(44)	–	–	–	–	–	–	–	–	322 536	(322 536)	–	–	–	–
Madison Property Fund Managers Proprietary Limited	80 399	(80 399)	–	(8)	–	–	–	–	–	80 399	(80 399)	–	190 224	(190 224)	–	–	–	–
Micawber 185 Proprietary Limited	43 500	(43 500)	–	–	–	–	–	–	–	43 500	(43 468)	–	(32)	–	–	–	–	–
Observatory Business Park Proprietary Limited	–	–	–	–	–	–	–	–	–	–	–	–	146 686	–	–	–	–	–
Pivotal CCF Proprietary Limited	–	–	–	–	–	–	–	–	–	–	–	–	(840 306)	–	–	–	–	–
Pivotal Global Proprietary Limited	–	–	–	–	–	–	–	–	–	–	–	–	72 459	(72 448)	–	–	–	–
Ptn 113 Weltevreden Proprietary Limited	–	–	–	(200)	–	–	–	–	–	–	–	–	(985 735)	–	–	–	–	–
Redefine Commercial Proprietary Limited	2 529 873	(159 800)	–	2 470 444	–	–	–	314 000	–	2 529 873	–	–	1 829 048	–	–	–	310 000	–
Redefine Europe B.V.	4 355 681	(163 249)	(604 454)	1 003 285	–	–	63 823	115 600	–	3 751 227	(163 249)	–	530 197	–	–	76 550	125 053	660 530
Redefine Global Proprietary Limited	7 310 841	(7 310 831)	–	–	–	–	–	–	–	7 310 841	(7 310 831)	1 301 902	–	–	–	–	–	–
Redefine Retail Proprietary Limited	1 429 001	–	–	12 288 884	(732 420)	–	–	790 000	–	1 429 001	–	–	12 207 068	(1 102 065)	–	–	740 000	–
The Pivotal Fund Proprietary Limited	5 207 198	–	–	7 375 021	–	–	–	850 000	–	5 207 198	–	–	9 272 000	–	–	–	908 000	–
Self Storage Investments sp. z o.o.	46 108	–	(46 108)	–	–	–	–	–	–		–	–	–	–	–	–	–	–
AJ König	–	–	–	–	–	(14 490)	1 582	–	–	–	–	–	38 623	–	(13 687)	2 307	–	–
ASP Dambuza	–	–	–	–	–	(945)	–	–	–	–	–	–	–	–	(837)	–	–	–
B Mathews[1]	–	–	–	–	–	(37)	–	–	–	–	–	–	–	–	(1 029)	–	–	–
CH Fernandez[2]	–	–	–	–	–	(563)	–	–	–	–	–	–	–	–	–	–	–	–
D Naidoo[3]	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(180)	–	–	–
D Radley	–	–	–	–	–	(1 171)	–	–	–	–	–	–	–	–	(1 060)	–	–	–
LC Kok	–	–	–	–	–	(10 738)	397	–	–	–	–	–	9 743	–	(10 575)	589	–	–
LJ Sennelo	–	–	–	–	–	(1 047)	–	–	–	–	–	–	–	–	(974)	–	–	–
M Barkhuysen[4]	–	–	–	–	–	(425)	–	–	–	–	–	–	–	–	(803)	–	–	–
MJ Ruttell[5]	–	–	–	–	–	(5 249)	–	–	–	–	–	–	–	–	(6 340)	–	–	–
NB Langa-Royds	–	–	–	–	–	(955)	–	–	–	–	–	–	–	–	(879)	–	–	–
NG Nyawo	–	–	–	–	–	(10 220)	–	–	–	–	–	–	–	–	(7 719)	–	–	–
SM Pityana	–	–	–	–	–	(1 762)	–	–	–	–	–	–	–	–	(1 644)	–	–	–
SP Fifield[6]	–	–	–	–	–	(971)	–	–	–	–	–	–	–	–	–	–	–	–
	33 937 043	**(8 036 736)**	**(650 562)**	**23 646 606**	**(732 420)**	**(48 573)**	**87 803**	**2 186 471**	**–**	**34 164 841**	**(8 476 442)**	**1 301 902**	**24 213 157**	**(1 698 877)**	**(45 727)**	**84 413**	**3 265 186**	**660 530**
Refer to note	13	13	13	13	57.3	60		32	32	13	13	13	13	57.3	60		32	32

[1] B Mathews earned R37 100 as a trustee for the Empowerment Trust, in addition to her fees earned as a non-executive director. She resigned from the board on 20 June 2022 and on 22 September 2022 as a trustee

[2] CH Fernandez was appointed on 4 November 2022

[3] D Naidoo resigned on 9 November 2021

[4] M Barkhuysen retired on 23 February 2023

[5] MJ Ruttell (retired 31 January 2023) formed part of the executive committee and met the definition of a "prescribed officer" in terms of the Companies Act

[6] SP Fifield was appointed on 12 September 2022

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

60. Directors' and prescribed officers' emoluments

60.1. Executive directors and prescribed officers

	Short-term			Long-term	Post-employment	
Figures in R'000	Salary and allowances	Bonuses and performance -related payments	Other benefits and payments	Share schemes	Retirement benefits	Total
2023						
AJ König	5 236	7 068	236	1 168	782	14 490
LC Kok	3 806	4 961	370	999	601	10 737
NG Nyawo	3 491	4 265	296	1 846	322	10 220
MJ Ruttell*	1 413	3 289	–	548	–	5 250
Total	**13 946**	**19 583**	**902**	**4 561**	**1 705**	**40 697**
2022						
AJ König	4 746	6 030	219	1 965	727	13 687
LC Kok	3 532	4 605	290	1 589	558	10 574
NG Nyawo	3 153	2 252	270	1 708	336	7 719
MJ Ruttell*	2 832	2 852	–	656	–	6 340
Total	14 263	15 739	779	5 918	1 621	38 320

* *MJ Ruttell (retired 31 January 2023) formed part of the executive committee and met the definition of a "prescribed officer" in terms of the Companies Act*

60.2. Service contracts

Executive directors retire from their positions and from the board (as executive directors) at the age of 65. Though normal retirement age is 65 years for executive directors, the group's retirement policy makes provision to extend the working relationship beyond the normal retirement age. The executive directors are subject to three calendar months' written notice under their existing employment contracts.

60.3. Non-executive directors

The fees paid to non-executive directors for the year ended 31 August 2023 were tabled for approval at the group's AGM held on 23 February 2023.

Figures in R'000	2023	2022
Basic annual fee for non-executive directors		
Independent non-executive chairperson	1 396	1 329
Lead independent director	–	623
Non-executive director	510	485
Audit committee chairperson	313	298
Audit committee member	172	162
Risk, compliance and technology committee chairperson	257	245
Risk, compliance and technology committee member	123	117
Remuneration and/or nomination committee chairperson	257	245
Remuneration and/or nomination committee member	123	117
Nomination committee chairperson	145	138
Nomination committee member	81	77
Social, ethics and transformation committee chairperson	237	226
Social, ethics and transformation committee member	119	113
Investment committee chairperson	237	226
Investment committee member	120	113
Non-executive directors' fees		
ASP Dambuza	945	837
B Mathews*	–	955
CH Fernandez*	563	–
D Naidoo*	–	180
D Radley	1 171	1 060
L Sennelo	1 047	974
M Barkhuysen*	425	803
NB Langa-Royds	955	879
SP Fifield*	971	–
SM Pityana	1 762	1 644
Total	**7 839**	7 332

* *CH Fernandez was appointed in November 2022, M Barkhuysen retired in February 2023, SP Fifield was appointed in September 2022, D Naidoo resigned in November 2021 and B Mathews resigned in July 2022*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

61. Directors' and prescribed officers' interest

The interests of the directors and prescribed officers in the shares of Redefine Properties Limited were as follows:

	Beneficial	Non-beneficial	
	Direct/ indirect	Associate	Total
2023			
AJ König	14 400 678	–	14 400 678
ASP Dambuza	–	–	–
CH Fernandez*	–	–	–
D Naidoo*	–	–	–
D Radley	480 700	–	480 700
LC Kok	5 160 322	–	5 160 322
LJ Sennelo	–	–	–
M Barkhuysen*	370 000	–	370 000
NB Langa-Royds	–	–	–
NG Nyawo	242 674	–	242 674
SP Fifield*	80 569	–	80 569
SM Pityana	–	–	–
MJ Ruttell*	4 455 521	–	4 455 521
Total	**25 190 464**	**–**	**25 190 464**
2022			
AJ König	17 452 869	–	17 452 869
ASP Dambuza	–	–	–
B Mathews*	–	–	–
D Naidoo*	–	–	–
D Radley	330 700	–	330 700
LC Kok	6 097 886	–	6 097 886
LJ Sennelo	–	–	–
M Barkhuysen	312 084	–	312 084
NB Langa-Royds	–	–	–
NG Nyawo	–	–	–
SM Pityana	–	–	–
MJ Ruttell*	4 386 196	–	4 386 196
Total	**28 579 735**	**–**	**28 579 735**

* *CH Fernandez was appointed in November 2022, M Barkhuysen retired in February 2023, SP Fifield was appointed in September 2022, D Naidoo resigned in November 2021, B Mathews resigned in July 2022, and MJ Ruttell (retired 31 January 2023) formed part of the executive committee and met the definition of a "prescribed officer" in terms of the Companies Act*

There has been no change in the directors' and prescribed officers' interest occurring between the financial year end and the date of the approval of these financial statements.

All shares held by executive directors under the share purchase scheme are pledged as security against the outstanding loans. No other shares held by executive or non-executive directors are encumbered.

62. Restatement of cash flow statement

In the 2022 period, "acquisition of subsidiary (net of cash acquired)" amounting to R1.0 billion was incorrectly presented as part of the cash movements instead of the investing activities. The error has been corrected by restating the line item impacted as follows:

Figures in R'000	GROUP
Restated – 31 August 2023	
Cash flows from investing activities	
Acquisition of subsidiary (net cash acquired)	1 002 526
Net cash (outflow)/inflow from investing activities	8 373 403
Net (decrease)/increase in cash and cash equivalents	
Net (decrease)/increase in cash and cash equivalents	412 387
Previously reported – 31 August 2022	
Cash flows from investing activities	
Net cash (outflow)/inflow from investing activities	7 370 877
Net (decrease)/increase in cash and cash equivalents	
Net (decrease)/increase in cash and cash equivalents	(590 139)
Acquisition of subsidiary (net cash acquired)	1 002 526

63. Events after the reporting period

63.1. Dividend declaration after the reporting date

In line with IAS 10: *Events after the Reporting Period*, on 3 November 2023, the board of directors declared a final dividend of 23.48 cents per share for the year ended 31 August 2023, resulting in a non-adjusting event that is not recognised in the financial statements.

63.2. Acquisition of 80% of the shares in MOTS

As detailed in the announcement on 5 October 2020 and in line with the put option (claims) and put option (shares) agreements entered into by Redefine and FRB and RMBIA, in October 2020, Redefine agreed to purchase RMBIA's 80% shareholding in Mall of the South Proprietary Limited (MOTS) for R1, such that Redefine will own 100% of the share capital of MOTS. The valuation of MOTS was R1.786 billion and the outstanding loan was R1.825 million at 31 August 2023. Redefine raised a new credit approved banking facility of R1.2 billion to settle the outstanding MOTS banking facility, which matures in December 2023. The balance of the facility will be settled by a shareholder loan from Redefine. Redefine will utilise liquidity on hand to advance the shareholder loan.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 August 2023

63. Events after the reporting period continued

63.3. Acquisition of 100% of Top Box

On 19 September 2023, Stokado concluded an agreement to acquire 100% of the share capital of TopBox Landbank Poland sp. z o.o., Box Development sp. z o.o., and TopBox 2 sp. z o.o. (together, TopBox) for a total amount of R186.4 million (€9.1 million).

TopBox is a small self-storage company in Warsaw that owns one existing, high-quality self-storage building with 4 451m² net lettable area together with the operating company and rights to develop another site in Warsaw. Following the acquisition of TopBox, the first phase of the Stokado funding was completed and the shareholding in Stokado increased to 60.2% as part of the second phase of funding.

In addition, five new self-storage developments have been approved with an estimated cost of R691.4 million (zł154.7 million). The capital contributions made by Self Storage Investments for the new developments will increase its shareholding in Stokado to approximately 85%.

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

64. Going concern

The directors have assessed the group and company's ability to continue as a going concern. The assessment includes solvency and liquidity tests which included, *inter alia*, a forecast of debt covenants such as the loan-to-value (LTV) ratio and interest cover ratio (ICR). As at 31 August 2023, the group had a positive NAV.

Despite current liabilities exceeding current assets, the group and the company has a stable liquidity position with unutilised committed access facilities and cash on hand of R5.5 billion (2022: R6.2 billion). The liquidity test considers expected cash flows in the next 12 months, including operational cash flows, anticipated proceeds from unconditional disposals, and funding and development activities for the next 12 months.

64.1. Access to liquidity

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

64.2. Financial covenants

Financial covenant (LTV ratio and ICR) reporting is required by lenders within 90 days of each reporting period. There have been no debt covenant breaches to date, with the strictest LTV ratio and ICR covenants indicating ample headroom of 7.8% and 0.4x, respectively. For the financial year ending 31 August 2024, it is anticipated that the corporate LTV ratio covenant will be below 50% and the ICR above 2x at the strictest covenant levels. All debt covenant projections are proactively monitored.

64.3. Geopolitical tensions

Since the conflict in Ukraine started, the Polish economy has slowed and is only expected to grow by 0.5% in 2023. The conflict disrupted supply chains, increased financial market volatility, and caused a decrease in consumer and business confidence. However, during the last quarter, inflation has begun to ease on the back of falling food prices and waning fuel inflation. Per the latest Oxford Economics report, Polish gross domestic product (GDP) is expected to expand by 2.1% in 2024.

Given Redefine's exposure to Poland through its 48.5% investment in ELI logistics and 95.5% investment in EPP, we will continue to monitor the impact of the events on the logistics and retail sector in Poland, both from a short-term and longer-term perspective.

Similarly, the conflict in the Middle East has the potential to increase the cost of oil, which will add inflationary pressures on energy costs both in South Africa and Poland, directly impacting on interest rates and the anticipated timing of interest rate cuts.

64.4. Going concern conclusion

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

Magnolia Close, Gauteng, South Africa

3 Supplementary information

SA REIT ratios

Property information

Shareholders' analysis

S&J Industrial Estate, Gauteng, South Africa

SA REIT RATIOS

for the year ended 31 August 2023

Figures in R'000	2023	2022
SA REIT FUNDS FROM OPERATIONS (SA REIT FFO) PER SHARE		
Profit or loss per IFRS statement of comprehensive income attributable to the parent	1 446 628	8 690 869
Adjusted for:		
Accounting/specific adjustments:	**383 244**	**(2 821 189)**
Fair value adjustments to:		
– Investment property	(33 110)	(903 480)
– Debt and equity instruments held at fair value through profit or loss	136 113	435 453
Depreciation and amortisation of intangible assets	22 978	19 987
Impairment of goodwill or the recognition of a bargain purchase gain	16 105	(2 577 439)
Asset impairments (excluding goodwill) and reversals of impairment	135 925	(128 230)
Gains or losses on the modification of financial instruments	1 092	(44)
Deferred tax movement recognised in profit or loss	72 010	3 936
Straight-lining operating lease adjustment	27 030	314 616
Transaction costs expensed in accounting for a business combination	5 101	14 012
Adjustments arising from investing activities:	**(18 682)**	**(39 955)**
Gains or losses on disposal of:		
– Investment property and property, plant and equipment	(18 682)	(39 955)
Foreign exchange and hedging items:	**1 987 568**	**(601 946)**
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	874 453	(1 652 652)
Reclassified foreign currency translation reserve upon disposal of a foreign operation	(100 308)	303 599
Foreign exchange gains or losses relating to capital items – realised and unrealised	1 213 423	747 107
Other adjustments:	**(169 712)**	**(1 566 277)**
Tax impact of the above adjustments	(31 080)	(40 328)
Adjustments made for equity-accounted entities	(130 137)	(1 851 867)
Non-controlling interests in respect of the above adjustments	(8 495)	2 813
Antecedent earnings adjustment	–	323 105
SA REIT FFO	**3 629 046**	**3 661 502**
Number of shares outstanding at end of year (net of treasury shares)	**6 752 419**	**6 752 419**
SA REIT FFO per share (cents)	53.74	54.23
Company-specific adjustments	**(149 293)**	(34 870)
Non-distributable adjustments for discontinued operation	–	47 079
Changes in insurance contract liability	(80 959)	(75 071)
Interest received Chariot loan	–	(17 087)
Capital transaction cost expenses	20 242	61 623
Property held-for-trading	(4)	1 780
Interest income adjustment – Towarowa 22	(34 828)	–
Depreciation (excluding owner-occupied properties)	(22 100)	(14 213)
Capital tax expense	(848)	9 716
Capital insurance income	(20 042)	(33 765)
Leasehold interest and expense	(10 754)	(14 932)
Distributable income	**3 479 753**	**3 626 632**
Distribution payout ratio	85%	80%
Dividend declared	**2 957 790**	**2 901 306**
Distributable income per share (DIPS) cents	51.53	53.71
Dividend per share cents	43.80	42.97
First half year	20.32	23.69
Second half year	23.48	19.28

Figures in R'000	2023	2022
SA REIT NET ASSET VALUE (NAV)		
Reported NAV attributable to the parent	51 938 922	48 653 262
Adjustments:		
Dividend to be declared	(1 585 570)	(1 301 408)
Fair value of certain derivative financial instruments	(421 292)	(218 557)
Fair value of certain derivative financial instruments – gross	(429 670)	(221 459)
Fair value of certain derivative financial instruments – NCI	8 378	2 902
Goodwill and intangible assets	–	–
Deferred tax	1 939 174	1 609 519
SA REIT NAV	**51 871 233**	**48 742 816**
Shares outstanding		
Number of shares in issue at period end (net of treasury shares)	6 752 419	6 752 419
Effect of dilutive instruments (options, convertibles and equity interests)	19 674	16 665
Dilutive number of shares in issue	**6 772 093**	**6 769 084**
SA REIT NAV per share	**7.66**	**7.20**
SA REIT COST-TO-INCOME RATIO		
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	3 960 991	3 260 314
Administrative expenses per IFRS income statement	554 673	461 414
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	(22 978)	(19 987)
Operating costs	**4 492 686**	**3 701 741**
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	7 065 100	6 356 053
Utility and operating recoveries per IFRS income statement	2 870 149	2 197 370
Gross rental income	**9 935 249**	**8 553 423**
SA REIT cost-to-income ratio	**45.2%**	**43.3%**
SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO		
Expenses		
Administrative expenses as per IFRS income statement	554 673	461 414
Administrative costs	**554 673**	**461 414**
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	7 065 100	6 356 053
Utility and operating recoveries per IFRS income statement	2 870 149	2 197 370
Gross rental income	**9 935 249**	**8 553 423**
SA REIT administrative cost-to-income ratio	**5.6%**	**5.4%**
SA REIT GLA VACANCY RATE		
Gross lettable area of vacant space	262 369	285 374
Gross lettable area of total property portfolio	3 957 500	4 205 823
SA REIT GLA vacancy rate	**6.6%**	**6.8%**

SA REIT RATIOS continued

for the year ended 31 August 2023

Cost of debt	ZAR	EUR	USD	PLN
2023				
Variable interest rate borrowings				
Floating reference rate plus weighted average margin	10.3%	6.3%	8.0%	8.0%
Fixed interest rate borrowings				
Weighted average fixed rate	–	–	–	–
Pre-adjusted weighted average cost of debt	**10.3%**	**6.3%**	**8.0%**	**8.0%**
Adjustments:				
Impact of interest rate derivatives	(0.8%)	(0.9%)	–	–
Impact of cross-currency interest rate swaps	(0.1%)	(0.9%)	–	–
Amortised transaction costs imputed into the effective interest rate	–	–	–	–
All-in weighted average cost of debt	**9.4%**	**4.5%**	**8.0%**	**8.0%**
2022				
Variable interest rate borrowings				
Floating reference rate plus weighted average margin	7.7%	2.6%	5.3%	–
Fixed interest rate borrowings				
Weighted average fixed rate	–	–	–	–
Pre-adjusted weighted average cost of debt	**7.7%**	**2.6%**	**5.3%**	**–**
Adjustments:				
Impact of interest rate derivatives	0.7%	0.4%	–	–
Impact of cross-currency interest rate swaps	0.3%	(0.4%)	–	–
Amortised transaction costs imputed into the effective interest rate	–	–	–	–
All-in weighted average cost of debt	**8.7%**	**2.6%**	**5.3%**	**–**

Figures in R'000	2023	2022
SA REIT LOAN-TO-VALUE		
Gross debt (including non-current liabilities held-for-sale)	39 961 145	37 674 457
Less:		
Cash and cash equivalents	(760 882)	(1 765 349)
Add/less:		
Derivative financial instruments (including insurance contract liability)	556 265	(122 407)
Net debt	**39 756 528**	**35 786 701**
Total assets – per statement of financial position	99 448 195	92 405 801
Less:		
Cash and cash equivalents	(760 882)	(1 765 349)
Derivative financial assets	(628 299)	(609 495)
Goodwill and intangible assets	–	–
Trade and other receivables (including other monteray assets)	(1 299 340)	(1 099 643)
Carrying amount of property-related assets	**96 759 674**	**88 931 314**
SA REIT loan-to-value	**41.1%**	**40.2%**

PROPERTY INFORMATION

for the year ended 31 August 2023

Sectoral summary

As at 31 august 2023

Figures in R'000	Office	Retail	Industrial	Specialised	International	Total
Investment properties	21 153 300	24 641 924	11 879 557	516 400	19 317 511	77 508 692
Properties under development	–	–	24 098	–	4 288	28 386
Property, plant and equipment	61 687	–	–	46 600	–	108 287
Non-current assets held-for-sale	–	–	45 164	–	874	46 038
Talis property portfolio	972 196	–	140 500	–	–	1 112 696
Total	**22 187 183**	**24 641 924**	**12 089 319**	**563 000**	**19 322 673**	**78 804 099**

Investment properties – office

Multi/ single tenanted	Property	Province	Valuation R'000	GLA (m²)	GMR (R)	GMR (R/m²)	Vacancy (m²)
Multi	Alice Lane	Gauteng	3 247 100	70 305	24 069 939	349.3	1 389
Multi	115 West Street	Gauteng	1 482 500	36 546	14 968 302	409.6	–
Multi	90 Rivonia Road	Gauteng	1 174 200	37 132	8 442 786	236.0	1 356
Multi	The Towers	Western Cape	987 800	57 548	6 850 550	128.3	4 155
Multi	Black River Office Park	Western Cape	943 400	49 820	6 021 708	160.6	12 321
Multi	Rosebank Link	Gauteng	842 600	20 187	6 590 883	331.2	284
Multi	155 West Street	Gauteng	414 613	25 575	4 076 152	159.4	–
Multi	90 Grayston Drive	Gauteng	476 200	18 381	3 435 282	248.8	4 571
Multi	Riverside Office Park	Gauteng	441 800	23 804	4 164 601	179.5	599
Multi	Ballyoaks Office Park	Gauteng	435 100	23 799	3 709 079	166.8	1 564
Single	Wembley 2	Western Cape	430 900	17 269	–	–	–
Multi	Hertford Office Park (33.33% share)	Gauteng	415 700	17 587	3 024 642	194.9	2 065
Multi	Hillcrest Office Park	Gauteng	392 500	21 175	2 868 739	164.6	3 749
Multi	Boulevard Office Park	Western Cape	382 600	16 175	2 633 394	164.8	196
Multi	Observatory Business Park	Western Cape	368 600	16 009	2 711 388	175.0	515
Multi	Rosebank Towers (42.5% share)	Gauteng	362 440	11 384	2 967 204	260.7	–
Multi	Commerce Square	Gauteng	359 600	15 500	2 968 994	198.5	544
Multi	Hill on Empire (50% share)	Gauteng	347 850	7 482	1 591 702	228.3	511
Multi	2 Pybus Road	Gauteng	344 500	11 729	2 854 643	243.4	–
Single	Nedbank Lakeview (66.6% share)	Gauteng	329 700	14 168	–	–	–
Multi	Convention Tower	Western Cape	326 400	16 956	2 092 799	130.8	960
Multi	Loftus (50% share)	Gauteng	325 300	13 839	2 649 537	198.7	504
Multi	Clearwater Office Park	Gauteng	268 100	17 018	2 070 142	134.4	1 613
Multi	Hampton Office Park	Gauteng	251 100	18 798	2 307 486	140.1	2 324
Multi	Silver Stream Business Park	Gauteng	250 500	15 237	2 711 117	177.9	–
Multi	Thornhill Office Park	Gauteng	247 000	19 886	2 336 220	128.5	1 699
Multi	Wembley 1	Western Cape	244 800	10 728	2 200 086	205.1	–
Multi	Stoneridge Office Park	Gauteng	229 400	16 367	2 247 533	140.3	349
Multi	Bree Street	Western Cape	226 800	8 841	2 597 333	293.8	–
Single	De Beers House	Gauteng	191 900	11 396	–	–	–
Multi	The Interchange	Gauteng	175 100	17 915	1 647 098	112.6	3 286
Single	CIB Insurance	Gauteng	171 500	7 513	–	–	–
Single	Knowledge Park II	Western Cape	166 700	6 971	–	–	–
Multi	Constantia Kloof 3	Gauteng	159 700	15 905	372 622	107.8	12 447
Multi	AMR Office Park	Gauteng	158 100	9 965	1 340 899	141.6	496
Multi	Boulevard Office Park A	Western Cape	153 600	6 794	1 259 441	185.4	–
Multi	Thabakgolo	Limpopo	153 200	13 176	1 976 411	153.6	312

PROPERTY INFORMATION continued

for the year ended 31 August 2023

Investment properties – office contiued

Multi/ single tenanted	Property	Province	Valuation R'000	GLA (m²)	GMR (R)	GMR (R/m²)	Vacancy (m²)
Multi	The Old Match Factory	Western Cape	151 800	11 320	1 201 832	106.2	–
No tenants	Magnolia Close	Gauteng	151 800	10 452	–	–	10 452
Multi	Boulevard Office Park B&C	Western Cape	146 800	6 222	1 115 441	179.3	–
No tenants	Galleria (90% share)	Gauteng	141 120	–	–	–	–
Multi	82 Maude	Gauteng	140 800	8 787	1 223 608	139.3	–
Multi	Bryanston Place	Gauteng	137 500	8 766	1 100 108	143.6	1 106
Single	Centurion Gate	Gauteng	128 000	9 507	–	–	–
Multi	Grayston Ridge Office Park	Gauteng	118 000	9 843	667 093	127.2	4 597
Multi	Sandhurst Office Park	Gauteng	113 700	7 701	1 088 488	185.2	1 824
Multi	Essex Gardens	KwaZulu-Natal	112 100	8 225	992 969	153.9	1 772
Single	Avon	Gauteng	111 800	6 281	–	–	–
Single	16 Fredman Drive (50% share)	Gauteng	109 100	11 100	–	–	4 679
Multi	The Atrium Building	Gauteng	99 900	13 555	1 284 458	94.8	–
Multi	Park ONE	Western Cape	97 600	6 512	633 997	97.4	–
Multi	29 Scott Street	Gauteng	90 100	7 917	–	–	7 053
Multi	Rosebank Corner	Gauteng	82 600	8 986	720 756	121.4	3 051
Multi	Wembley 3	Western Cape	81 400	4 601	730 700	158.8	–
Multi	150 Rivonia Road	Gauteng	76 500	5 519	315 663	136.1	3 199
Multi	Wingwood Place	Gauteng	74 900	5 875	498 577	174.2	3 013
Single	Stonewedge	Gauteng	74 400	6 158	–	–	–
Multi	Cedarwood House	Gauteng	69 500	5 968	760 402	144.1	690
Multi	Eagle Park	Western Cape	63 100	6 656	703 276	105.7	–
Multi	2 Fricker Road	Gauteng	59 800	4 133	688 071	180.0	310
Single	Hyde Park Manor	Gauteng	59 000	4 042	–	–	–
Multi	1006 On the Lake	Gauteng	57 300	6 716	693 936	104.7	91
Multi	Wedgefield	Gauteng	57 000	3 274	541 453	165.4	–
Multi	Silver Point Office Park	Gauteng	54 800	3 979	672 903	169.1	–
Multi	Heron Place	Western Cape	48 400	4 341	391 455	91.2	50
Multi	The Avenues	Gauteng	45 700	5 633	247 122	88.7	2 847
Multi	Knowledge Park III	Western Cape	45 200	3 128	365 664	138.4	486
Multi	Accord House	KwaZulu-Natal	40 100	3 245	440 654	157.2	441
Multi	66 Peter Place	Gauteng	40 000	3 890	503 551	152.5	588
Multi	18 The Boulevard	KwaZulu-Natal	37 900	4 984	642 059	155.0	842
Multi	Silver Stream Building 3 (50% share)	Gauteng	37 250	2 118	471 539	222.7	–
Multi	3 Sturdee Avenue	Gauteng	36 000	3 207	544 620	187.0	294
Single	Kernick House	Gauteng	32 908	3 105	–	–	–
No tenants	4 Keyes Avenue	Gauteng	32 000	–	–	–	–
Multi	5 Sturdee Avenue	Gauteng	31 600	3 071	461 210	185.7	587
Multi	Warich Close Office Park	Gauteng	30 600	3 320	361 112	137.3	689
Multi	Ethos Building	Gauteng	25 700	2 417	374 175	154.8	–
Multi	Hillside House	Gauteng	24 800	4 495	192 051	118.3	2 872
Multi	Oxford House	Gauteng	21 900	2 622	308 403	117.6	–
No tenants	Standard Bank Centurion	Gauteng	19 300	2 346	–	–	2 346
Multi	Sedgwick House	Gauteng	19 215	1 718	222 136	129.3	–
No tenants	Boulevard Annex-CPT	Western Cape	15 400	–	–	–	–
No tenants	Centurion Junction (25% share)	Gauteng	11 925	–	–	–	–
Single	GM Hatfield (24% share)	Gauteng	6 432	706	–	–	–
Single	Boulevard Office Park D	Western Cape	4 500	192	–	–	–
Multi	Schoeman Street (24% share)	Gauteng	3 721	459	6 983	111.5	396
Single	Peugeot Hatfield (24% share)	Gauteng	3 426	305	–	–	–
			21 153 300	**986 275**			**112 085**

Single-tenanted office properties weighted average rental rate of R180.22/m²

155 West Street partially included under property, plant and equipment

Investment properties – retail

Multi/ single tenanted	Property	Province	Valuation R'000	GLA (m²)	GMR (R)	GMR (R/m²)	Vacancy (m²)
Multi	Centurion Mall	Gauteng	3 568 700	112 883	27 993 287	263.2	6 521
Multi	Golden Walk	Gauteng	1 568 800	44 209	11 168 957	275.7	3 691
Multi	Kenilworth Centre	Western Cape	1 553 200	52 782	11 733 234	222.3	–
Multi	Blue Route Mall	Western Cape	1 551 000	57 334	12 291 163	214.4	–
Multi	East Rand Mall (50% share)	Gauteng	1 320 050	33 203	9 238 443	281.3	363
Multi	Stoneridge Centre	Gauteng	1 063 500	65 114	9 336 602	146.5	1 390
Multi	Goldfields Mall	Free State	1 055 000	37 167	8 526 303	229.4	–
Multi	Maponya Mall (51% share)	Gauteng	1 045 000	34 909	7 754 692	223.8	263
Multi	Centurion Lifestyle Centre	Gauteng	1 030 500	60 813	10 104 330	169.9	1 327
Multi	The Boulders Shopping Centre	Gauteng	935 300	45 131	7 845 766	206.9	7 217
Multi	Sammy Marks Square	Gauteng	903 700	35 195	6 468 143	204.2	3 521
Multi	Matlosana Mall	North West	863 900	62 918	8 100 183	132.9	1 949
Multi	Southcoast Mall	KwaZulu-Natal	770 100	34 077	6 207 629	182.4	40
Multi	Kyalami Corner JV_100% JV	Gauteng	750 200	25 807	4 988 141	202.7	1 193
Multi	Wonderboom Junction	Gauteng	720 400	41 309	7 291 612	177.0	125
Multi	Chris Hani Crossing (50% share)	Gauteng	611 950	20 375	4 331 543	212.7	10
Multi	Benmore Centre	Gauteng	536 200	21 194	5 196 996	258.5	1 089
Multi	Park Meadows	Gauteng	493 700	29 533	4 307 838	150.1	834
Multi	Horizon Shopping Centre	Gauteng	430 400	19 634	3 257 922	178.0	1 335
Multi	Cradlestone Mall (50% share)	Gauteng	402 250	39 790	5 530 100	146.8	2 128
Multi	Wilgespruit	Gauteng	276 900	12 800	2 527 539	197.5	–
Multi	Hillcrest Boulevard	Gauteng	266 200	8 379	1 876 059	226.5	95
Multi	Bryanston Shopping Centre	Gauteng	253 800	11 849	2 626 638	238.8	850
Multi	Oakfields Shopping Centre	Gauteng	226 900	11 330	1 916 074	170.0	56
Multi	The Mall @ Scottsville	KwaZulu-Natal	219 500	14 375	2 491 687	175.4	169
Multi	Kwena Square	Gauteng	199 500	10 003	1 906 958	211.3	980
Multi	Gateway Corner	Gauteng	188 800	11 607	1 782 817	153.6	–
Multi	291 Helen Joseph Street	Gauteng	159 100	15 842	1 452 255	145.6	5 866
Single	Festival Square	Gauteng	149 300	11 041	–	–	–
Multi	Cross Place	Gauteng	135 500	5 185	1 557 905	317.1	272
Multi	Botshabelo Shopping Centre	Free State	111 000	15 046	1 760 707	121.6	565
Single	Monument Commercial Centre	Gauteng	108 400	19 531	–	–	13 241
Multi	Greenstone Junction	Gauteng	87 700	5 925	823 283	147.4	338
Multi	Finpark	Gauteng	86 700	2 919	115 101	71.8	1 315
Single	Buco	Gauteng	80 000	27 000	–	–	–
Multi	320 West Street	KwaZulu-Natal	79 936	9 827	1 890 561	221.4	1 289
Multi	Bryanston Carvenience	Gauteng	77 500	3 836	792 523	206.6	–
Multi	Besterbrown	Mpumalanga	74 000	13 858	1 030 787	93.3	2 812
Multi	66 Smal Street	Gauteng	69 900	1 642	726 391	539.7	296
Multi	Riverside Junction	Mpumalanga	69 600	9 698	836 008	92.7	681
Single	Pro Shop Woodmead	Gauteng	62 200	2 283	–	–	–
Multi	Centurion Mall Offices	Gauteng	59 400	11 635	817 029	89.7	2 531
Multi	Posthouse Link	Gauteng	52 700	4 376	506 944	166.3	1 328
Multi	277 Helen Joseph Street	Gauteng	50 000	4 653	345 686	150.7	2 359
Multi	Acornhoek Shopping Centre	Mpumalanga	45 459	5 453	662 652	122.2	32
Multi	Nunnerleys	Gauteng	39 300	708	311 681	539.2	130
Multi	Post House	Gauteng	35 300	2 697	397 279	147.3	–
Multi	Nedbank Mall	Gauteng	34 300	1 359	701 034	515.8	–
Single	Unitrans Nissan Clearwater	Gauteng	28 900	3 657	–	–	–
Multi	CCMA House Rustenburg	North West	28 481	6 327	385 280	95.7	2 303
No tenants	Wonderboom Junction Phase 2	Gauteng	26 500	–	–	–	–
Multi	McCarthy Audi Centre West Rand	Gauteng	20 800	3 990	142 035	78.1	2 171
Multi	Kine Centre	Gauteng	20 500	2 746	831 547	319.5	143

PROPERTY INFORMATION continued

for the year ended 31 August 2023

Investment properties – retail continued

Multi/ single tenanted	Property	Province	Valuation R'000	GLA (m²)	GMR (R)	GMR (R/m²)	Vacancy (m²)
Multi	Leonita - Mallinick	Gauteng	12 500	990	232 600	285.0	174
Multi	Tamlea - Arundel	Gauteng	10 000	685	379 640	554.2	–
Multi	Schreiner Chambers	Gauteng	9 300	662	334 393	505.1	–
Multi	Small Street Mall	Gauteng	6 300	119	96 817	813.6	–
Multi	East End Shopping Centre	North West	3 923	9 916	196 496	20.3	260
No tenants	JD Dwarsloop (25% share)	Mpumalanga	1 975	1 147	–	–	1 147
			24 641 924	**1 158 472**			**74 398**

Single tenanted retail properties weighted average rental rate of R61.39/m²

Investment properties – industrial

Multi/ single tenanted	Property	Province	Valuation R'000	GLA (m²)	GMR (R)	GMR (R/m²)	Vacancy (m²)
Single	233 Barbara Road	Gauteng	902 300	102 631	–	–	–
Single	Hirt & Carter Cornubia	KwaZulu-Natal	706 200	47 718	–	–	–
No tenants	S&J Industrial (90% share)	Gauteng	692 910	–	–	–	–
Single	Macsteel Lilianton Boksburg	Gauteng	573 300	83 347	–	–	–
Single	BGM 5 - Mass Mart	Western Cape	566 200	52 601	–	–	–
Multi	Cato Ridge DC	KwaZulu-Natal	365 600	50 317	4 004 670	79.6	–
Single	Macsteel Coil Processing Wadeville	Gauteng	326 900	52 886	–	–	–
Single	Macsteel VRN Roodekop	Gauteng	298 600	57 645	–	–	–
Single	Macsteel Trading Germiston South	Gauteng	285 700	56 495	–	–	–
Multi	ERPM	Gauteng	245 800	40 375	1 972 253	48.8	–
Single	Macsteel Cape Town	Western Cape	240 500	38 340	–	–	–
No tenants	62 Umlambo Street Coega	Eastern Cape	233 800	38 515	–	–	38 515
Single	Waltloo DC	Gauteng	212 500	25 735	–	–	–
Multi	Graph Avenue	Western Cape	211 800	29 450	1 914 396	65.0	–
Single	S&J Industrial Isuzu (90% share)	Gauteng	208 080	20 107	–	–	–
Single	8 Jansen Road	Gauteng	203 900	22 822	–	–	–
Multi	Mifa Industrial Park	Gauteng	198 300	34 919	2 055 495	65.1	3 367
Single	S&J Industrial Sparepro (90% share)	Gauteng	197 910	18 659	–	–	–
Single	Macsteel Trading Durban	KwaZulu-Natal	187 400	21 540	–	–	–
Multi	Ushukela Industrial Park	KwaZulu-Natal	183 000	27 084	2 024 238	74.7	–
Single	29 Springbok Road	Gauteng	177 300	20 067	–	–	–
Multi	S&J Industrial Stampmill (90% share)	Gauteng	168 300	16 788	1 248 700	74.4	–
Single	City Deep 45 & 46	Gauteng	153 150	13 407	–	–	–
Single	17 Winnipeg Road	Gauteng	150 900	22 159	–	–	–
Single	14 Piet Rautenbach Street	Gauteng	132 300	15 668	–	–	–
Single	Macsteel Roofing Wadeville	Gauteng	132 000	23 729	–	–	–
Multi	Nasrec Road - Aeroton	Gauteng	128 600	15 575	1 210 187	77.7	–
Multi	Supreme Industrial Park	Gauteng	127 900	29 074	1 419 450	58.1	4 624
Multi	Golf Air Park II	Western Cape	126 400	12 807	1 033 427	80.7	–
Multi	CTX Business Park	Western Cape	125 900	18 484	1 409 431	81.5	1 194
Single	BGM 2 – Roche Pharmaceutical (50.1% share)	Western Cape	118 637	4 415	–	–	–
Multi	96 Cavaleros Drive SG (50% share)	Gauteng	118 100	24 911	1 598 874	75.4	3 704
Single	Schneider Midrand	Gauteng	116 600	11 924	–	–	–
Multi	239 Wadeville Road	Gauteng	115 100	22 755	1 043 213	46.5	329
Single	2 Lake Road	Gauteng	113 400	12 534	–	–	–
Single	Coricraft – Stormill	Gauteng	111 500	24 253	–	–	–
Multi	1 Springbok Road	Gauteng	107 100	15 708	952 381	60.6	–
Single	Macsteel Special Steels Dunswart	Gauteng	104 800	19 334	–	–	–
Multi	Midway Park	Gauteng	100 000	14 177	1 035 271	73.0	–
Single	Torre Industrial	Gauteng	97 800	9 381	–	–	–
Multi	190 Barbara Road	Gauteng	96 900	14 580	423 062	29.0	–
Single	Macsteel Trading Klerksdorp	North West	85 700	15 263	–	–	–
Multi	18 Halifax Road	KwaZulu-Natal	82 900	14 693	835 347	63.5	1 548
No tenants	Atlantic Hills (55% share)	Western Cape	81 675	–	–	–	–
Multi	106 16th Road	Gauteng	81 200	9 696	706 275	72.8	–
Single	BGM 1 – GEA (50.1% share)	Western Cape	76 102	4 178	–	–	–
Single	Regal	Gauteng	73 100	6 083	–	–	–
Single	BGM 7 – Brights (50.1% share)	Western Cape	72 244	4 008	–	–	–
Single	Macsteel Roofing Harvey	Gauteng	72 100	14 133	–	–	–
Single	SSAB	Gauteng	67 400	9 148	–	–	–
Multi	Creation	North West	64 500	28 722	933 789	32.5	–
Multi	Golf Air Park	Western Cape	61 500	14 800	682 410	51.0	1 407
Single	179 Broadwalk Street	Gauteng	60 300	10 804	–	–	–
Single	Macsteel VRN Pinetown	KwaZulu-Natal	59 000	7 517	–	–	–
Single	Greenstone Place Road	Gauteng	57 300	9 083	–	–	–
Single	BGM 8 - Planet Fitness (50.1% share)	Western Cape	56 713	1 741	–	–	–
Multi	Ferreiras North Riding	Gauteng	56 100	9 573	501 673	52.4	–
Single	1 New Road	Gauteng	54 600	11 606	–	–	–
Single	GNLD International	Gauteng	52 200	5 439	–	–	–
Single	Deutz Diesel	Gauteng	50 900	8 353	–	–	–
Multi	Trentyre Spartan	Gauteng	48 511	11 965	47 700	41.7	10 820
Single	2 Merlin Rose Drive	Gauteng	47 600	6 748	–	–	–
Single	11 Galaxy Avenue	Gauteng	46 900	6 217	–	–	–
Single	Elvey Security	Gauteng	46 700	4 127	–	–	–
Single	Macsteel Trading Nelspruit	Mpumalanga	46 600	5 262	–	–	–
Single	Macsteel Trading Bloemfontein	Free State	46 000	4 947	–	–	–
Single	Macsteel VRN Witbank	Mpumalanga	45 100	8 899	–	–	–
Single	ACS Stormill	Gauteng	43 800	5 965	–	–	–
Single	Jupiter Ext 1	Gauteng	43 100	11 382	–	–	–
Multi	77 & 78 Plane Road	Gauteng	41 000	8 686	527 531	60.7	–
Single	Macsteel Special Steels Meyerton	Gauteng	40 300	11 693	–	–	–
Single	Macsteel VRN Richards Bay	KwaZulu-Natal	37 700	4 117	–	–	–
No tenants	Erf 179205	Western Cape	35 200	–	–	–	–
Single	BGM 4 - Montagu Snacks (50.1% share)	Western Cape	33 417	2 111	–	–	–
Single	52 Mimetes Road	Gauteng	33 300	7 567	–	–	–
Multi	Serenade Road	Gauteng	28 320	9 003	331 542	36.8	–
No tenants	BGM 10 - Vacant Land (50.1% share)	Western Cape	27 355	–	–	–	–
Single	Macsteel VRN Rustenburg	North West	25 800	4 724	–	–	–
Single	4 Vanderbijl Street	Mpumalanga	25 300	6 516	–	–	5 093
No tenants	BGM 12 – Massmart ROFR (50.1% share)	Western Cape	23 798	–	–	–	–
Single	Macsteel Trading Welkom	Free State	23 700	5 550	–	–	–
Single	2 Hendrik van Eck Road	Northern Cape	23 600	6 813	–	–	2 260
Single	64 Mimetes Road	Gauteng	22 000	5 136	–	–	–
Single	Aristocrat Tech	Gauteng	22 000	2 158	–	–	–
Single	Macsteel Hudson Road	KwaZulu-Natal	21 900	2 346	–	–	–

PROPERTY INFORMATION continued

for the year ended 31 August 2023

Investment properties – industrial continued

Multi/single tenanted	Property	Province	Valuation R'000	GLA (m^2)	GMR (R)	GMR (R/m^2)	Vacancy (m^2)
Single	Aviz Labs	Gauteng	20 800	2 871	–	–	–
Single	5 Newton Street	Gauteng	16 158	3 039	–	–	–
No tenants	BGM 9 – Vacant Land (50.1% share)	Western Cape	12 024	–	–	–	–
Single	Macsteel VRN Klerksdorp	North West	11 900	2 370	–	–	–
Single	28 Stevenson Road	Eastern Cape	8 500	4 674	–	–	–
Single	Precision House	Gauteng	2 254	604	–	–	–
			11 879 557	**1 523 245**			**72 861**

Single-tenanted industrial properties weighted average rental rate of R 62.73/m²

Properties under development

Multi/single tenanted	Property	Province	Valuation R'000	GLA (m^2)	GMR (R)	GMR (R/m^2)	Vacancy (m^2)
No tenants	BGM13 – vacant land (50.1% share)	Western Cape	24 098	–	–	–	–
			24 098	**–**	**–**	**–**	**–**

Non-current assets held-for-sale

Multi/single tenanted	Property	Province	Valuation R'000	GLA (m^2)	GMR (R)	GMR (R/m^2)	Vacancy (m^2)
No tenants	Atlantic Hills (55% share)	Western Cape	45 164	–	–	–	–
			45 164	**–**	**–**	**–**	**–**

Investment properties – specialised

Multi/single tenanted	Property	Province	Valuation R'000	GLA (m^2)	GMR (R)	GMR (R/m^2)	Vacancy (m^2)
Single	Bedford Gardens Hospital	Gauteng	385 000	12 817	–	–	–
No tenants	Park Central	Gauteng	131 400	–	–	–	–
			516 400	**12 817**			**–**

Single-tenanted specialised properties weighted average rental rate of R308.16/m²
Loftus Office Park included under property, plant and equipment

Investment properties – Talis

Multi/single tenanted	Property	Province	Valuation R'000	GLA (m^2)	GMR (R)	GMR (R/m^2)	Vacancy (m^2)	Sector
Single	61 Jorrisen Street (Talis)	Gauteng	205 100	18 181	–	–	–	Office
Single	240 & 260 Justice Mahomed Street (Talis)	Gauteng	158 200	13 087	–	–	–	Office
Multi	12 Piet Rautenbach Street (Talis)	Gauteng	140 500	26 971	1 921 159	96.4	7 048	Industrial
Multi	300 Middel Street (Talis)	Gauteng	114 400	11 071	49 762	139.0	10 713	Office
Single	Wheat Board (Talis)	Gauteng	90 400	12 093	–	–		Office
Multi	Mineralia Building (Talis)	Gauteng	88 900	13 116	2 677 449	283.1	3 659	Office
Multi	Nedbank Centre Nelspruit (Talis)	Mpumalanga	75 040	15 065	1 264 387	126.5	5 070	Office
Multi	West End Shopping Centre (Talis)	North West	72 656	20 962	939 896	87.3	10 199	Office
Single	Emanzeni (Talis)	Gauteng	66 000	9 340	–	–		Office
Multi	Curator (Talis)	Gauteng	52 300	8 635	645 319	131.4	3 724	Office
Single	Delpen Building (Talis)	Gauteng	49 200	5 550	–	–		Office
			1 112 696	**154 071**	**7 497 971**	**66.0**	**40 413**	

Single-tenanted Talis properties weighted average rental rate of R155.1/m²

Investment properties – international (EPP)

Multi/single tenanted	Property	Province	Valuation R'000	GLA (m^2)	GMR (R)	GMR (R/m^2)	Vacancy (m^2)
Multi	Galeria Echo Kielce	Kielce	4 511 386	70 569	21 712 848	312.0	909
Multi	Galaxy	Szczecin	5 596 325	56 457	27 635 530	494.0	548
Multi	Pasaż Grunwaldzki	Wrocław	4 644 629	48 203	19 088 199	427.0	3 460
Multi	King Cross Marcelin	Poznań	1 914 478	45 164	11 584 774	273.0	2 675
Multi	Outlet Park	Szczecin	1 932 867	28 291	10 043 419	361.0	463
Multi	Power Park Olsztyn	Olsztyn	608 874	28 008	3 698 838	132.0	–
			19 208 559	**276 692**			**8 055**

PROPERTY INFORMATION continued

for the year ended 31 August 2023

Investment properties – international (Stokado)

Multi/ single tenanted	Property	Province	Valuation R'000	NLA^ m²	NLA^ vacancy m²
Multi	Wrocław, Opolska	Lower Silesia	25 478	4 691	558
Multi	Wrocław, Krzywoustego	Lower Silesia	23 074	2 330	410
Multi	Wrocław, Długosza	Lower Silesia	36 278	1 356	216
Multi	Poznań, Bukowska	Poznań	4 673	888	436
Multi	Bydgoszcz, Filmowa	Bydgoszcz-Torun	14 003	1 866	579
Multi	Zielona Góra, Chemiczna	Lower Silesia	2 991	936	304
Multi	Piekary Śląskie	Upper Silesia	2 339	504	378
Multi	Other	Silesia, Bydgoszcz-Torun	116	1 371	336
			108 952	**13 940**	**3 216**

Properties under development

Multi/ single tenanted	Property	Province	Valuation R'000	NLA^ m²
Multi	Wrocław, Krzywoustego	Lower Silesia	2 817	403
Multi	Wrocław, Irysowa	Lower Silesia	1 411	1 224
Multi	Mokronos, Parkowa	Greater Poland	16	576
Multi	Wrocław, Kwiatkowskiego	Lower Silesia	5	408
Multi	Gliwice, Sikorskiego	Upper Silesia	39	1 224
			4 288	**3 835**

^ *NLA refers to net lettable area*

Local property information

	Office %	Retail %	Industrial %	Specialised %	Total %
Local weighted average rental escalation	6.0	6.8	6.5	6.0	6.4
Local average annualised property yield	8.5	7.7	8.2	11.0	8.1

62 Umlambo Street, Coega, Eastern Cape, South Africa

PROPERTY INFORMATION continued

for the year ended 31 August 2023

Property portfolio

Geographical profile

Province	Number of properties	GLA (m²)	GLA (%)	GMR (R'000)	GMR (%)
Gauteng	170	2 580 648	65	344 253	61
Western Cape	38	543 134	14	73 281	13
KwaZulu-Natal	14	250 065	6	27 719	5
Other	22	306 961	8	26 624	5
International	6	276 692	7	93 764	17
	250	**3 957 500**	**100**	**565 641**	**100**

Stokado properties excluded as it relates to net lettable area

Tenant profile

Sector	Grade	GLA (m²)*	GLA (%)
Office		**1 084 073**	
	A Grade	779 822	72
	B Grade	130 710	12
	C Grade	173 541	16
Retail		**874 190**	
	A Grade	535 817	61
	B Grade	191 221	22
	C Grade	147 152	17
Industrial		**1 450 384**	
	A Grade	1 115 599	77
	B Grade	255 767	18
	C Grade	79 018	5
Specialised		**12 817**	
	A Grade	12 817	100
	B Grade	–	–
	C Grade	–	–
International retail		**273 667**	
	A Grade	198 010	73
	B Grade	60 846	22
	C Grade	14 811	5
		3 695 131	

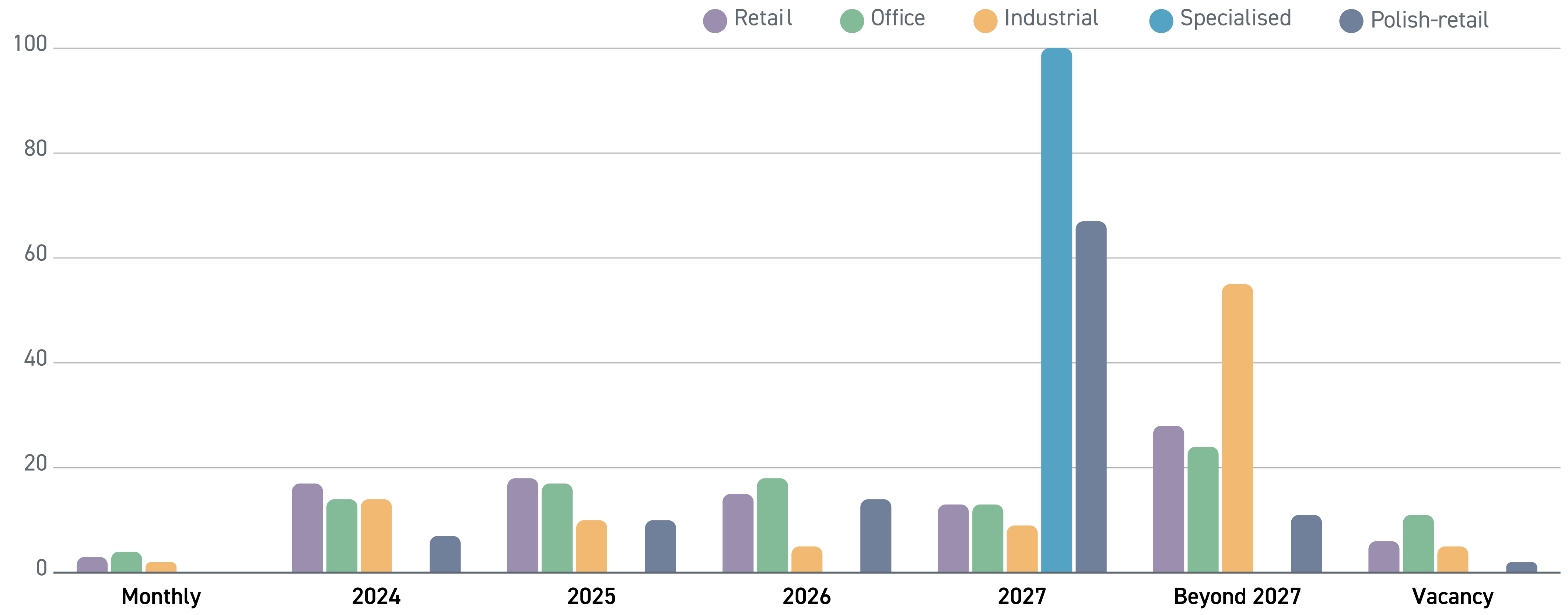
* *Occupied GLA only (total GLA less vacancy)*

Grade A: Major corporates, JSE-listed companies, national retailers, local and international government (including all departments, embassies, consulates and parastatals) and local subsidiaries of international businesses.

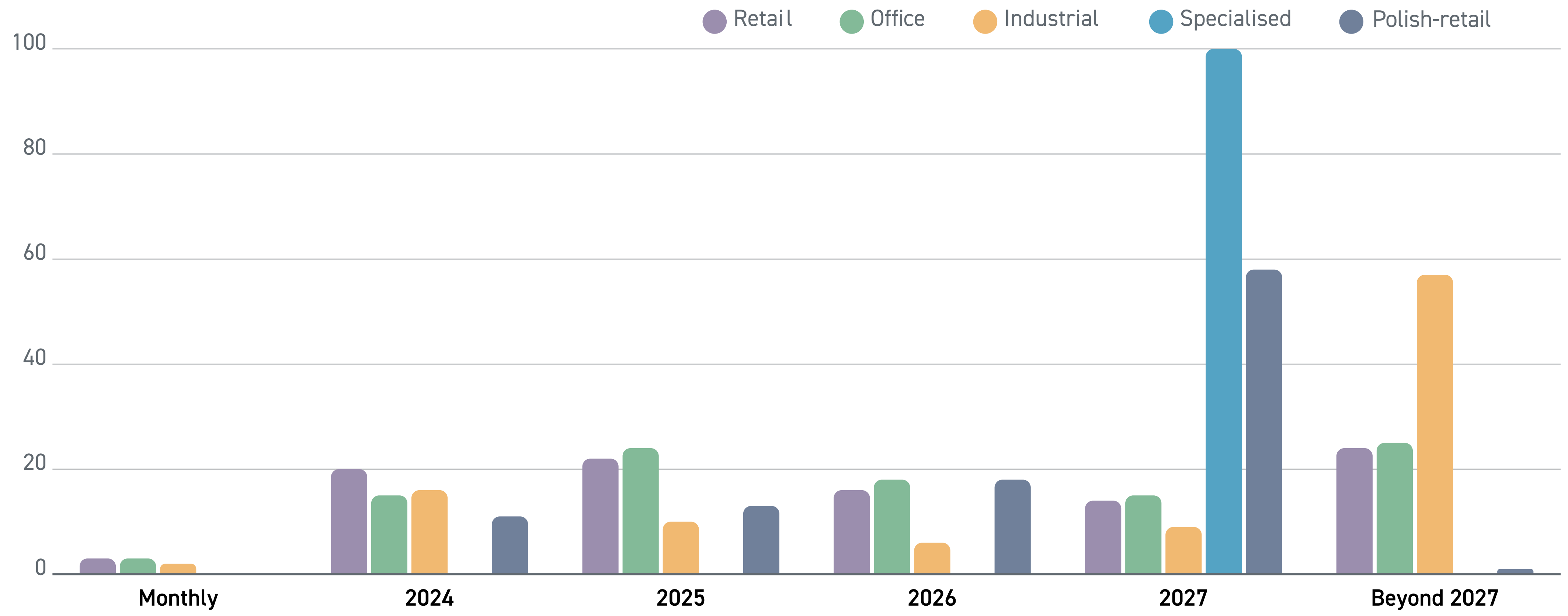
Grade B: Medium to large-sized corporates and franchisees (with no lease surety or where no substitution is in place).

Grade C: Comprises individuals and sole proprietorships as well as other legal entities that occupy less than 300m². 1 852 of the group's tenants have been classified as C grade.

LEASE EXPIRY PROFILE BY GLA (%)



LEASE EXPIRY PROFILE BY GMR (%)



SHAREHOLDERS' ANALYSIS

for the year ended 31 August 2023

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 to 1 000	14 558	46	2 529 533	0.04
1 001 to 10 000	8 242	26.09	36 877 810	0.52
10 00 to 100 000	6 756	21.38	212 180 241	3.01
100 001 to 1 000 000	1 508	4.77	453 806 230	6.43
Over 1 000 000	529	1.67	6 347 026 051	90.00
Total	**31 593**	**100.00**	**7 052 419 865**	**100.00**

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Assurance companies	15	0.05	143 707 284	2.04
Close corporations	189	0.60	15 435 569	0.22
Collective investment schemes	534	1.69	2 465 863 806	34.96
Company share incentive plan	1	0.00	124 143	0.00
Custodians	64	0.20	634 116 818	8.99
Empowerment	2	0.01	300 012 108	4.25
Foundations and charitable funds	187	0.59	60 815 431	0.86
Hedge funds	6	0.02	946 100	0.01
Insurance companies	149	0.47	104 645 710	1.48
Investment companies	51	0.16	28 841 387	0.41
Medical aid funds	36	0.11	72 925 105	1.03
Organs of state	6	0.02	1 214 303 676	17.22
Other companies	98	0.31	11 887 776	0.17
Private companies	656	2.08	133 405 785	1.89
Public companies	16	0.05	106 066 285	1.50
Retail shareholders	26 875	85.07	345 051 197	4.89
Retirement benefit funds	416	1.32	1 126 515 925	15.97
Scrip lending	18	0.06	44 870 699	0.64
Stockbrokers and nominees	37	0.12	51 767 053	0.73
Trusts	2 237	7.08	191 118 008	2.71
Total	**31 593**	**100.00**	**7 052 419 865**	**100.00**

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	11	0.03	1 403 240 995	19.90
Directors and Prescribed Officers	6	0.02	10 652 703	0.15
Empowerment	1	0.00	300 000 000	4.25
Company share incentive plan	1	0.00	124 143	0.00
Strategic holder (more than 10%)	3	0.01	1 092 464 149	15.49
Public shareholders	31 582	99.97	5 649 178 870	80.10
Total	31 593	100.00	7 052 419 865	100.00

Beneficial shareholders holding of 3% or more	Number of shares	% of issued capital
Government Employees Pension Fund	1 092 464 149	15.49
Ninety One	386 156 590	5.48
Eskom Pension and Provident Fund	340 136 010	4.82
Old Mutual	303 738 571	4.31
Redefine Empowerment Trust	300 000 000	4.25
Vanguard	283 953 020	4.03
	2 706 448 340	**38.38**

Fund managers holding of 3% or more	Number of shares	% of issued capital
Public Investment Corporation (SOC) Limited	1 095 832 826	15.54
Ninety One SA	647 301 322	9.18
Sesfikile Capital	463 396 381	6.57
Meago Asset Managers	462 740 272	6.56
The Vanguard Group, Inc.	311 828 711	4.42
Catalyst Fund Managers	302 479 122	4.29
Old Mutual Investment Group (South Africa)	287 142 831	4.07
Total	**3 570 721 465**	**50.63**

Shares in issue	2023	2022
Total number of shares in issue	7 052 419 865	7 052 419 865
Shares in issue (net of treasury shares)	6 752 419 865	6 752 419 865
Weighted average number of shares in issue (net of treasury shares)	6 752 419 000	6 143 130 603

Trading volumes	2023	2022
Volume traded during period	3 751 418 151	4 144 126 799
Ratio of volume traded to shares issued	53.19%	58.76%
Ratio of volume traded to weighted number of shares issued	55.56%	67.46%
Rand value traded during the year	R 13 994 669 748	R17 567 713 025
Market capitalisation at 31 August	R 25 247 663 117	R26 799 195 487
Number of shareholders	31 593	33 669
Opening price 1 September	R 3.80	R4.60
Closing price 31 August	R 3.58	R3.80
Closing high for year	R 4.36	R5.45
Closing low for year	R 3.05	R3.48

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Administration

REDEFINE PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1999/018591/06)
JSE share code: RDF ISIN: ZAE000190252
(Approved as a REIT by the JSE)

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PROPERTIES

We're not landlords. We're people.