dipula
INCOME FUND

SUSTAINABLE PROPERTY RETURNS

2024

REVIEWED CONDENSED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 AUGUST 2024

dipula
INCOME FUND

Dipula's people drive its vision to be a prominent, diversified, South Africa focused REIT that delivers sustainable value for its stakeholders.

SALIENT FEATURES

Performance

Revenue increased **7%** to **R1.5 billion** (2023: R1.4 billion)

Net property income increased **2%** to **R920 million** (2023: R901 million)

335 leases renewed across the portfolio worth **R1.2 billion** (2023: R705 million)*

157 new leases concluded across the portfolio worth **R214 million** (2023: R288 million)*

Portfolio tenant retention rate of **87%** (2023: 84%)*

Average interest rate **9.5%** (2023: 9.2%)

Balance sheet

Portfolio value increased **4%** to **R10.2 billion** (2023: R9.8 billion)

NAV increased **5%** to **R6.4 billion** (2023: R6.1 billion)

Debt increased **5%** to **R3.7 billion** (2023: R3.6 billion)

Gearing stable at **35.7%** (2023: 35.7%)

Property disposals of **R37 million** (2023: R190 million)

GCR credit rating: BBB+ (ZA) long-term, A2 (ZA) short-term Stable Outlook

* *Excluding residential.*

COMMENTARY

About Dipula

Dipula is an internally managed, South Africa focused REIT that owns a portfolio of retail, office, industrial and residential rental assets throughout South Africa, with the majority of its assets located in Gauteng.

Dipula owns a defensive portfolio with a bias towards convenience, rural and township retail centres. We continuously reposition our portfolio in line with changing market dynamics.

Dipula applies diligent asset management and prudent balance sheet management in delivering consistent and sustainable financial returns.

The group is continuously reducing its risks by improving the portfolio through employing a range of value-add strategies.

Positioning statement

Retail

We invest in retail properties that enhance community well-being by providing well-located trading spaces and convenient access for shoppers.

Our portfolio includes defensive retail centres in urban, township and rural areas across South Africa that are tailored to meet local needs and offer essential goods and services.

Office

Our office spaces provide flexible, modern work environments tailored to meet diverse business needs. Strategically located in key urban areas across South Africa, they are chosen for their accessibility and appeal to a wide range of commercial tenants.

Industrial

Our mid-sized industrial and logistics facilities are strategically located in key urban areas across South Africa and play a vital role in distribution and manufacturing operations.

Residential

Our residential properties provide affordable, high-value housing in economically vibrant locations.

Financial results

Trading conditions and consumer sentiment in South Africa are showing improvement following the national elections in July 2024. The establishment of the Government of National Unity has been positively received, and the participating political parties are demonstrating a commitment to fulfilling their promises of enhanced services for citizens.

Additionally, the long-anticipated reduction in global interest rates is becoming a reality, with cuts already implemented in South Africa and several of its trading partners. Both global and local inflation appear to be easing, and the Rand is performing strongly against other major currencies.

We anticipate that these favourable macroeconomic indicators will translate into positive developments in the property market in the short to medium term. Dipula is pleased to report a solid set of results for the 2024 financial year, despite challenging trading conditions marked by rising property costs and high interest rates.

Revenue for the year ended 31 August 2024 rose by 7% to R1.5 billion (2023: R1.4 billion), despite negative reversions in the government-tenanted office portfolio and revenue losses from property disposals in the previous year. However, the group's performance was adversely affected by a 15% increase in property related expenses, which totalled R553 million (2023: R483 million). This surge was primarily driven by above inflation municipal tariff hikes, an increase in maintenance related spending, higher tenant installation costs on the back of improved leasing activity and rising labour costs in third party service contracts. Additionally, municipal costs were higher than the prior year due to non-recurring credits and a substantial reduction in vacancies late in the 2023 financial year, which led to higher utility consumption in previously vacant properties.

The resultant net property income reached R920 million (2023: R901 million), reflecting an increase of 2%. Net finance costs rose by 3% to R323 million (2023: R314 million), driven by an increase in the group's debt and higher base rates on the expiry of debt facilities and interest rate hedges. Higher municipal expenses, increased net finance costs, and prior year disposals contributed to a 4% decline in distributable earnings, which totalled R496 million (2023: R514 million). This translates to distributable earnings per share of 54.40 cents (2023: 56.96 cents).

Cost-to-income ratio

Dipula's cost-to-income ratio increased to 42.3% (2023: 39.5%), primarily attributed to lower municipal cost recoveries and higher property related expenses. In contrast, the administrative cost-to-income ratio improved to 3.3%, down from 4.4%, due to the absence of once-off costs incurred in 2023.

	31 August 2024 %	31 August 2023 %
Cost-to-income ratio	**42.3**	39.5
Administrative cost-to-income ratio	**3.3**	4.4

Net asset value

Positive property revaluations contributed to a 5% increase in the group's net asset value ("NAV"), rising to R6.4 billion (2023: R6.1 billion). This translates to a NAV per share of R6.98, compared to R6.64 in 2023.

Reconciliation of NAV

	31 August 2024 R'000	31 August 2023 R'000	Variance %
Investment and held-for-sale properties	**10 189 029**	9 772 651	4.3
Interest-bearing liabilities	**(3 741 392)**	(3 552 593)	5.3
Derivative asset (interest rate hedges)	**9 016**	47 813	(81.1)
IFRS 16: *Lease liabilities*	**(120 302)**	(118 132)	1.8
Other	**17 995**	(99 124)	(118.2)
Net asset value	**6 354 346**	6 050 615	5.0
NAV per share (Rand)	**6.98**	6.64	5.2
Total number of shares in issue (excluding treasury shares)	**910 368 816**	911 918 399	(0.2)

Property portfolio

Property valuations

Dipula's like-for-like property portfolio valuation increased by 4.8%, primarily driven by a strong 8.3% growth in the retail portfolio, supported by positive rental growth. The portfolio consisted of 165 properties with a gross lettable area ("GLA") of 879 010m^2 (2023: 885 612m^2).

Key valuation year-on-year inputs

Year ended 31 August 2024

	Portfolio by value (%)	Average exit cap rates (%)	Average discount rates (%)	Like-for-like year-on-year change (%)
Sector				
Retail	65	9.8	13.5	8.3
Office	16	10.2	14.2	(2.0)
Industrial	15	10.7	14.3	(0.8)
Residential	4	9.4	14.1	2.0
Total portfolio	100	9.9	13.7	4.8

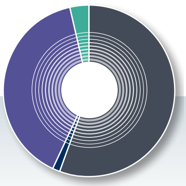
Year ended 31 August 2023

	Portfolio by value (%)	Average exit cap rates (%)	Average discount rates (%)	Like-for-like year-on-year change (%)
Sector				
Retail	64	9.9	13.7	2.9
Office	17	10.3	14.2	(2.5)
Industrial	15	10.8	14.2	9.7
Residential	4	9.0	13.1	5.6
Total portfolio	100	10.1	13.8	2.9

Sectoral and geographic profile

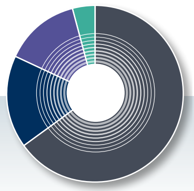
The portfolio is currently weighted towards retail, which accounts for 65% of gross income (2023: 63%). The properties are located across all nine provinces of South Africa, with the majority in Gauteng, which accounts for 60% of gross income (2023: 61%). The sectoral and geographic breakdown of Dipula's portfolio is set out below:

Sectoral split by GLA (%)

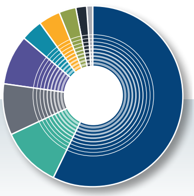


Sectoral split by GLA (%)		Sectoral split by gross income (%)
48%	Retail	65%
15%	Office	17%
34%	Industrial	14%
3%	Residential	4%

Sectoral split by gross income (%)

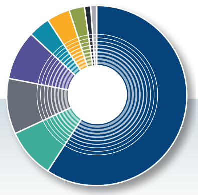


Geographic split by GLA (%)



Geographic split by GLA (%)		Geographic split by gross income (%)
58%	Gauteng	60%
11%	Eastern Cape	9%
9%	Limpopo	10%
9%	KwaZulu-Natal	9%
4%	North West	4%
4%	Western Cape	4%
3%	Mpumalanga	3%
2%	Free State	1%
<1%	Northern Cape	<1%

Geographic split by gross income (%)



Leasing

New leases (excluding residential)

During the year, Dipula concluded new leases with a total GLA of 40 441m^2 (2023: 50 344m^2), with a value of R214 million (2023: R288 million) over the aggregate lease term, at a weighted average escalation of 6.9% (2023: 7.1%) and a weighted average lease expiry ("WALE") of 3.0 years (2023: 2.4 years).

Renewals (excluding residential)

The group concluded renewals with a total GLA of 202 381m^2 (2023: 129 088m^2). This amounts to gross lease income of R1.2 billion over the aggregate lease term (2023: R705 million) with a WALE of 3.2 years (2023: 2.8 years). The group recorded a reversion rate for the year of -9.7% (2023: 1.1%). The principal driver of the negative reversion was the renewal of government tenanted offices at lower rentals.

Tenant retention (excluding residential)

Dipula's tenant retention ratio continued its upward trend, increasing to 87% from 84% in the previous year. Notably, there was significant improvement in the retention of both retail and office tenants during the financial year. Provided below is a breakdown of the sectoral retention rates:

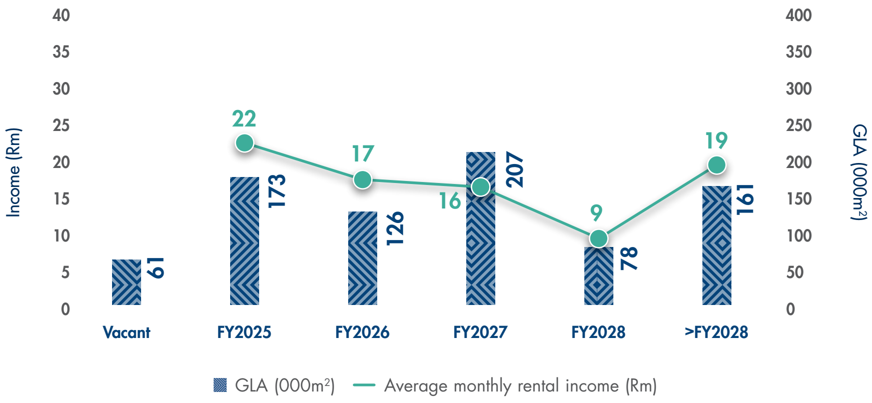
	31 August 2024 %	31 August 2023 %
Sector		
Retail	**83**	77
Office	**94**	87
Industrial	**87**	91
Portfolio	**87**	84

Vacancy (excluding residential)

The portfolio vacancy rate at the end of the financial year stood at 7.5%, up from 6.0% in the previous year. This increase was primarily driven by higher vacancies in the office and industrial sectors, as illustrated in the vacancy breakdown below:

	31 August 2024 %	31 August 2023 %
Sector		
Retail	**6.4**	7.4
Office	**22.0**	15.0
Industrial	**2.8**	1.7
Portfolio	**7.5**	6.0

Lease expiry profile
(excluding residential)



Acquisitions

There were no acquisitions during the year.

Refurbishments and redevelopments

A total of R169 million (2023: R173 million) was invested in refurbishments and capital expenditure during the year. Further capital expenditure of R200 million is planned over the next 12 to 18 months.

Disposals

The group disposed of properties for R37 million (2023: R190 million). These disposals were mainly in respect of vacant properties. The proceeds from these sales are being utilised for debt repayment, value enhancing revamps and the roll-out of renewable energy and back-up power.

Residential portfolio

Dipula's residential portfolio at year-end consisted of 716 units valued at R412 million (2023: R409 million). This amounted to 3% of GLA (2023: 3%) and 4% of rental income (2023: 4%).

At 31 August 2024, the residential vacancy amounted to 12% (2023: 7%). The average vacancy for the 2024 financial year was 9%.

Balance sheet

Funding

Dipula restructured its entire debt facilities, effective from 1 March 2024, through a syndication programme totalling R3.8 billion. This restructuring led to a weighted average debt margin of 1.76% above the three-month Jibar and extended the weighted average debt expiry period from 1.9 years in 2023 to approximately 4.0 years. During the year, R14 million (2023: R81 million) of debt was repaid.

As of 31 August 2024, Dipula's all-in weighted average cost of debt was 9.53%, up from 9.24% in 2023. The total debt stood at R3.7 billion (2023: R3.6 billion), with a weighted average debt expiry period of 4.1 years (2023: 1.9 years) and an aggregate hedge expiry period of 2.0 years (2023: 2.1 years). All debt is Rand denominated, and 71% (2023: 65%) of the group's interest rate exposure is hedged. The group's gearing remained stable at 35.7% with undrawn facilities of R80 million at year-end (2023: R178 million).

The debt maturity and hedging profile is detailed below:

	Maturing R'000	Maturing %	Hedge R'000	Hedge %
2025	–	–	950 000	35.8
2026	–	–	800 000	30.2
2027	1 159 425	30.9	900 000	34.0
2028	1 200 570	32.0	–	–
2029	1 396 220	37.2	–	–
	3 756 215	100	2 650 000	100

Covenants

Dipula maintained prudent debt levels throughout the year, ensuring compliance with its debt covenant requirements from various debt providers. The most stringent covenants at the group level include a loan-to-value ("LTV") ratio of 50% and an interest cover ratio ("ICR") of 2 times.

Dipula's covenant levels at year-end were as follows:

	31 August 2024	31 August 2023
LTV	**35.7%**	35.7%
ICR	**2.7 times**	2.8 times

Credit rating

Solid balance sheet metrics ensured that Dipula's credit rating remained in line with the prior year at BBB+(ZA) and A2(ZA), respectively, with a stable outlook.

Capital commitments

At 31 August 2024, the group had capital commitments of R57 million (2023: R48 million), in respect of refurbishments and redevelopments.

Board changes

There were no board changes during the year.

Sustainability

The group's sustainability strategy is grounded in a systematic process that identifies and addresses key risks and opportunities relevant to its business which ensures that its efforts align with stakeholder priorities. Dipula follows the United Nations Sustainable Development Goals ("SDGs") as a guiding framework, focusing on socio-economic development and the transition to a low carbon economy by reducing emissions and decarbonising energy systems.

Dipula invests in sustainable assets to create a resilient, future-ready portfolio that supports green technology and minimises environmental impacts by reducing waste and emissions while enhancing energy efficiency. In addition, the group promotes social value by fostering inclusive communities and driving economic growth.

Dipula's governance practices prioritise integrity, transparency, and accountability, fostering ethical decision making and building stakeholder trust. By embedding sustainability into all facets of the group's operations, Dipula drives long-term value creation and contributes to a more sustainable and equitable future for everyone.

This year, priority areas included launching a solar roll-out programme to be undertaken in the short to medium term, beginning with phase one, which has a capacity of approximately 5.3kWp. Capital was also allocated to various energy efficiency initiatives, waste management, community based corporate social investment, and water saving and storage projects. Additionally, Dipula emphasised talent management through staff training, wellness programmes, and internship opportunities.

Prospects

While the long negative cycle for South African real estate is not yet over, there are signs of improving fundamentals. Recent research reports show stronger leasing performance across office, retail, industrial, and residential properties. With inflation declining and a more stable electricity grid, we anticipate rental growth and a slowdown in cost increases. These developments are expected to boost consumer and business confidence, potentially leading to increased investment in the economy and strengthening property fundamentals, despite the ongoing challenges property owners face due to failing municipalities.

The latest SAPOA office vacancy survey (3Q24) reported a vacancy rate of 13.6%, with some nodes reflecting low single-digit vacancies. Limited development activity is expected to further support higher occupancy rates and healthy rental growth. In the affordable residential sector, occupancy levels are anticipated to remain high, with rental growth expected to at least keep pace with inflation. The board anticipates that Dipula's retail and industrial portfolios will continue to perform robustly, while the office portfolio gradually recovers in line with recent sector improvements.

In line with its strategy, Dipula is prioritising capital allocation into energy sustainability projects, portfolio improving and income enhancing redevelopments and the improvement of tenant quality. Improved performance will result from wise capital allocation decisions, the stated positive economic tailwinds and attentive, focused management. The board anticipates distributable earnings growth of at least 5% for the year ahead. The forecasted growth in distributable income is based on the assumption that macroeconomic conditions remain stable, there are no significant corporate failures, and tenants can absorb the rising costs of utilities and assessment rates. The forecasted rental income is derived from contractual escalations and market-related renewal assumptions. The forecast is the responsibility of the directors and has not been reviewed or audited by the group's auditors.

Payout ratio

The Dipula board has resolved to retain a payout ratio of 90% for the 2024 financial year.

Dividend declaration

Dipula has declared 90% of its distributable earnings as dividends. The board has approved, and notice is hereby given of a final gross dividend (dividend number 25) for the period 1 March 2024 to 31 August 2024 of 24.37996 cents per share.

The dividend is payable to Dipula shareholders in accordance with the timetable set out below:

Last day to trade *cum* dividend	Tuesday, 3 December 2024
Shares trade *ex*-dividend	Wednesday, 4 December 2024
Record date	Friday, 6 December 2024
Payment date	Monday, 9 December 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 December 2024 and Friday, 6 December 2024, both days inclusive. The dividend will be transferred to dematerialised shareholders' CSDP accounts/broker accounts on Monday, 9 December 2024.

An announcement relating to the tax treatment will be released separately on SENS.

On behalf of the board

Zanele Matlala
Chairman

Izak Petersen
Chief Executive Officer

13 November 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed year ended 31 August 2024 R'000	Audited year ended 31 August 2023 R'000
ASSETS		
Non-current assets	**10 159 063**	9 786 862
Investment property	**10 138 679**	9 733 570
Fair value of property portfolio	**9 791 564**	9 420 470
Right-of-use asset	**90 618**	88 756
Straight-line rental income accrual	**256 497**	224 344
Property, plant and equipment	**2 370**	2 501
Deferred tax	**6 058**	6 058
Derivative financial instruments – swaps	**6 526**	39 023
Loans receivable	**5 430**	5 710
Current assets	**369 828**	282 337
Trade and other receivables	**244 894**	206 835
Loans receivable	**451**	412
Derivative financial instruments – swaps	**11 854**	13 539
Cash and cash equivalents	**112 629**	61 551
Non-current assets held-for-sale		
Investment property held-for-sale	**50 350**	39 081
Total assets	**10 579 241**	10 108 280
EQUITY AND LIABILITIES		
Shareholders' interest	**6 354 346**	6 050 615
Stated capital	**4 245 306**	4 251 568
Fair value reserve	**1 927 603**	1 663 819
Share-based payment reserve	**8 520**	8 096
Retained income	**172 917**	127 132
Non-controlling interests	**176 791**	198 969
Non-current liabilities	**3 856 662**	2 246 004
Interest-bearing liabilities	**3 738 252**	2 134 183
Lease liability	**109 045**	107 072
Derivative financial instruments – swaps	**9 365**	4 749
Current liabilities	**191 442**	1 612 692
Interest-bearing liabilities	**3 140**	1 418 410
Lease liability	**11 257**	11 061
Trade and other payables	**177 045**	183 221
Total equity and liabilities	**10 579 241**	10 108 280

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 31 August 2024 R'000	Audited 31 August 2023 R'000
Revenue	**1 487 463**	1 395 041
Contractual rental income	**1 110 320**	1 111 308
Municipal and property recoveries	**344 991**	292 393
Straight-line rental income accrual	**32 152**	(8 660)
Property-related expenses	**(552 647)**	(482 662)
Expected credit loss on trade receivables	**(14 507)**	(11 118)
Net property income	**920 309**	901 261
Administration and corporate costs	**(48 633)**	(61 083)
Fair value adjustments	**231 632**	152 649
Investment properties and properties held-for-sale	**302 581**	148 718
Straight-line rental income accrual	**(32 152)**	8 660
Interest rate swaps	**(38 797)**	(4 729)
Net profit before finance cost	**1 103 308**	992 827
Net finance cost	**(323 050)**	(314 114)
Finance income	**19 355**	15 549
Finance cost	**(342 405)**	(329 663)
Profit before taxation	**780 258**	678 713
Taxation	**–**	(261)
Profit for the year after taxation	**780 258**	678 452
Other comprehensive income	**–**	–
Total comprehensive income for the year	**780 258**	678 452
Total profit and comprehensive income for the year attributable to:		
Shareholders of the company	**774 302**	588 031
Non-controlling interests	**5 956**	90 421
	780 258	678 452
Earnings per share (cents)	**84.95**	65.41
Diluted earnings per share (cents)	**83.52**	64.41

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Fair value reserve R'000	Share-based payment reserve R'000	Retained income/ (loss) R'000	Non-controlling interests R'000	Total equity R'000
Balance at 31 August 2022 (audited)	4 197 351	1 519 831	12 518	196 888	151 694	6 078 282
Total profit and comprehensive income for the year	–	–	–	588 031	90 421	678 452
Appraisal rights settlement	(9 645)	–	–	–	–	(9 645)
Dividends declared	–	–	–	(507 847)	(28 537)	(536 385)
Share issue expenses	(392)	–	–	–	–	(392)
Repayment of subsidiary stated share capital	–	–	–	–	(13 993)	(13 993)
Reclassification of NCI loan	–	–	–	–	(616)	(616)
Share-based payments vested	–	–	(16 103)	–	–	(16 103)
Recognition of share-based payments expense	–	–	11 680	(5 951)	–	5 729
Dividend re-investment plan share issue	64 254	–	–	–	–	64 254
Transfer from fair value reserve – investment properties	–	148 718	–	(148 718)	–	–
Transfer from fair value reserve – interest rate swaps	–	(4 729)	–	4 729	–	–
Balance at 31 August 2023 (audited)	**4 251 568**	**1 663 819**	**8 096**	**127 132**	**198 969**	**6 249 584**
Total profit and comprehensive income for the year	**–**	**–**	**–**	**774 302**	**5 956**	**780 258**
Acquisition of treasury shares	**(6 262)**	**–**	**–**	**–**	**–**	**(6 262)**
Dividends declared	**–**	**–**	**–**	**(455 526)**	**(28 134)**	**(483 660)**
Share-based payments vested	**–**	**–**	**(14 299)**	**–**	**–**	**(14 299)**
Recognition of share-based payments expense	**–**	**–**	**14 723**	**(9 207)**	**–**	**5 516**
Transfer from fair value reserve – investment properties	**–**	**302 581**	**–**	**(302 581)**	**–**	**–**
Transfer from fair value reserve – interest rate swaps	**–**	**(38 797)**	**–**	**38 797**	**–**	**–**
Balance at 31 August 2024 (reviewed)	**4 245 306**	**1 927 603**	**8 520**	**172 917**	**176 791**	**6 531 137**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Reviewed 31 August 2024 R'000	Audited 31 August 2023 R'000
Cash flows from operating activities		
Cash generated from operations	**829 891**	846 906
Finance income	**12 868**	15 549
Finance cost	**(365 568)**	(314 424)
Dividends paid	**(483 660)**	(536 385)
Net cash (utilised in)/generated from operating activities	**(6 469)**	11 646
Cash flows from investing activities		
Capital expenditure on investment property	**(149 401)**	(160 614)
Acquisition of property, plant and equipment	**(983)**	(832)
Proceeds on disposal of investment properties	**35 625**	153 580
Net movement in loans receivable	**242**	1 843
Net cash utilised in investing activities	**(114 517)**	(6 023)
Cash flows from financing activities		
Repayment of lease liabilities	**(8 891)**	(8 564)
Share issue expenses paid	**–**	(392)
Acquisition of additional interest in subsidiary	**–**	(25 313)
Settlement appraisal rights shares	**–**	(34 000)
Acquisition of treasury shares	**(6 262)**	–
Shares acquired in terms of share-based payment	**(14 299)**	(16 103)
Dividend re-investment plan share exercise price proceeds	**–**	64 254
Repayment of subsidiary stated capital	**–**	(13 993)
NCI loan repayment	**–**	6 562
Net movement in interest-bearing liabilities	**201 516**	19 236
Interest-bearing liabilities raised	**215 716**	99 846
Permanent repayment of borrowings	**(14 200)**	(80 610)
Net cash generated from/(utilised in) in financing activities	**172 064**	(8 313)
Net increase/(decrease) in cash and cash equivalents	**51 078**	(2 691)
Cash and cash equivalents at the beginning of the year	**61 551**	64 242
Cash and cash equivalents at the end of the year	**112 629**	61 551

RECONCILIATION BETWEEN PROFIT, EARNINGS AND HEADLINE EARNINGS

	Reviewed 31 August 2024 R'000	Restated# audited 31 August 2023 R'000
Total profit and comprehensive income for the year (earnings)	**774 302**	588 031
Adjustments:	**(324 759)**	(86 592)
Fair value – investment and held-for-sale properties	**(302 581)**	(148 718)
Non-controlling interest fair value of investment properties revaluation	**(22 178)**	61 865
Taxation	**–**	261
Fair value – straight-line rental income#	**–**	–
Headline earnings#	**449 543**	501 439
Total number of shares in issue*	**910 368 816**	911 918 399
Total weighted average number shares in issue*	**911 508 514**	898 941 655
Total diluted weighted average number shares in issue	**927 126 684**	912 911 994
Headline earnings per share (cents)#	**49.32**	55.78
Diluted headline earnings per share (cents)#	**48.49**	54.93

* *Net of treasury shares.*

\# *Prior year figures restated – The fair value straight-line rental income accrual has been removed as an adjustment in the headline earnings calculation in compliance with the recommendations of SAICA Circular 1/2023.*

Basic and headline earnings per share are based on the weighted average number of shares in issue.

CONDENSED CONSOLIDATED SEGMENTAL INFORMATION

The group has five reportable segments and corporate based on the sectorial nature – these are the group's strategic business segments. For each strategic business segment, the group's executive directors review internal management reports on a monthly basis.

	Retail R'000	Offices R'000	Industrial R'000	Residential R'000	Land R'000	Corporate R'000	Total R'000
2024							
Extracts from the statement of comprehensive income							
Contractual rental income (excluding straight-line)	705 195	182 138	179 157	43 830	–	–	1 110 320
Municipal and property recoveries	275 415	39 610	23 449	6 517	–	–	344 991
Property-related expenses	(393 056)	(95 699)	(52 008)	(26 358)	(33)	–	(567 154)
Net property income	587 555	126 049	150 598	23 989	(33)	–	888 157
Extracts from the statement of financial position							
Investment property at fair value	6 659 817	1 630 212	1 410 850	417 200	20 600	–	10 138 679
Investment property held-for-sale	1 350	4 000	45 000	–	–	–	50 350
	6 661 167	1 634 212	1 455 850	417 200	20 600	–	10 189 029
2023							
Extracts from the statement of comprehensive income							
Contractual rental income (excluding straight-line)	679 968	197 621	184 259	49 460	–	–	1 111 308
Municipal and property recoveries	234 790	32 703	19 134	5 766	–	–	292 393
Property-related expenses*	(344 156)	(82 858)	(42 701)	(24 040)	(24)	–	(493 779)
Net property income	570 602	147 466	160 692	31 186	(24)	–	909 922
Extracts from the statement of financial position							
Investment property at fair value	6 148 152	1 688 284	1 467 341	409 200	20 593	–	9 733 570
Investment property held-for-sale	19 181	19 900	–	–	–	–	39 081
	6 167 333	1 708 184	1 467 341	409 200	20 593	–	9 772 651

* *Property-related expenses have been restated in the prior year disclosure. Property-related expenses initially disclosed under the Corporate business segment have been reallocated to the property specific segments to allow disclosures to better reflect the costs associated with the relevant business segments.*

	R'000
Reconciliations of reportable segment revenue and profit	
2024	
Revenue	
Total revenue for reportable segments	**1 455 311**
Straight-line rental income accrual	**32 152**
Consolidated revenue	**1 487 463**
Profit	
Total profit for reportable segments	**888 157**
Straight-line rental income accrual	**32 152**
Administration and corporate costs	**(48 633)**
Net finance cost	**(323 050)**
Fair value adjustments	**231 632**
Profit before taxation	**780 258**
2023	
Revenue	
Total revenue for reportable segments	1 403 701
Straight-line rental income accrual	(8 660)
Consolidated revenue	1 395 041
Profit	
Total profit for reportable segments	909 922
Straight-line rental income accrual	(8 660)
Administration and corporate costs	(61 083)
Net finance cost	(314 114)
Fair value adjustments	152 649
Profit before taxation	678 714

CONDENSED CONSOLIDATED SEGMENTAL INFORMATION (continued)

	R'000
Reconciliations of reportable segment assets	
2024	
Assets	
Total assets for reportable segments	**10 189 029**
Property, plant and equipment	**2 370**
Deferred taxation	**6 058**
Loan receivable – non-current	**5 430**
Derivative financial instruments – non-current	**6 526**
Trade and other receivables	**244 894**
Loan receivable – current	**451**
Cash and cash equivalents	**112 629**
Derivative financial instruments – current	**11 854**
Total assets	**10 579 241**
2023	
Assets	
Total assets for reportable segments	9 772 651
Property, plant and equipment	2 501
Deferred taxation	6 058
Loan receivable – non-current	5 710
Derivative financial instruments – non-current	39 023
Trade and other receivables	206 835
Loan receivable – current	412
Cash and cash equivalents	61 551
Derivative financial instruments – current	13 539
Total assets	10 108 280

BASIS OF PREPARATION AND NOTES

These results were prepared by Mrs R Maree CA(SA) (Finance Executive) and Mr S Moodley CA(SA) (Financial Director).

The reviewed condensed consolidated financial results for the year ended 31 August 2024 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require condensed consolidated financial reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Statndards and SA Financial Reporting Requirements and to contain the information required by IAS 34: *Interim Financial Reporting*. The accounting policies and methods of computations applied are consistent with those applied in the previous year's consolidated annual financial statements.

Auditor's report

The condensed consolidated financial statements for the year ended 31 August 2024 have been reviewed by Forvis Mazars, and their unmodified review conclusion report is available for inspection at the company's registered office.

The auditor's review conclusion report does not necessarily report on all of the information contained in these condensed financial statements.

Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review conclusion report together with the accompanying financial information from the issuer's registered office. The directors take full responsibility for the preparation of these condensed consolidated financial statements.

Stated capital reconciliation

Authorised

Ordinary shares: 6 000 000 000 ordinary shares of no par value (2023: Ordinary shares: 6 000 000 000 ordinary shares of no par value).

Issued

Reconciliation of issued shares by number

	2024 (Reviewed) shares	2023 (Audited) shares
Opening balance at the beginning of the period*	**911 918 399**	893 664 473
Acquisition of treasury shares	**(1 549 583)**	–
Dividend re-investment plan#	**–**	18 253 926
	910 368 816	911 918 399

Reconciliation of issued shares by value

	2024 (Reviewed) R'000	2023 (Audited) R'000
Opening balance at the beginning of the period*	**4 251 568**	4 197 351
Acquisition of treasury shares	**(6 262)**	–
Dividend re-investment plan#	**–**	64 254
Share issue expenses	**–**	(392)
Appraisal right shares transferred to accrual	**–**	(9 645)
	4 245 306	4 251 568

* *Net of treasury shares.*

\# *Dividend re-investment plan. On 17 May 2023, Dipula declared a cash dividend of 25.84695 cents per share and shareholders were presented with the election to re-invest the cash dividend in return for new ordinary shares. By electing the re-investment option, shareholders were able to increase their shareholding in Dipula without incurring dealing costs. In turn, Dipula benefited from an increase in the amount of shareholders' funds available to support continued growth.*

Shareholders holding 250 861 411 Dipula shares or 28.07% of Dipula shares (prior to the election) qualifying to receive the cash dividend elected to receive the re-investment option, resulting in the issue of 18 253 926 new shares, retaining R64 253 820 in new equity for Dipula. Accordingly, the total number of shares in issue post the issue of the new shares pursuant to the re-investment option was 912 001 700.

The price per share applicable to Dipula shareholders electing the re-investment option and recorded in the register on Friday, 9 June 2023, was R3.52 per share. The re-investment price represented a 3.00% discount to the 30-day volume weighted average traded price (less the cash dividend) at the time.

Shareholders holding 642 886 363 Dipula shares received the cash dividend.

Measurement of fair value

The assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 2024 R'000	Level 2 2024 R'000	Level 3 2024 R'000	Total 2024 R'000	Level 1 2023 R'000	Level 2 2023 R'000	Level 3 2023 R'000	Total 2023 R'000
Assets								
Investment property	**–**	**–**	**10 138 679**	**10 138 679**	–	–	9 733 570	9 733 570
Derivative financial assets – swaps	**–**	**18 380**	**–**	**18 380**	–	52 562	–	52 562
Investment property held-for-sale	**–**	**–**	**50 350**	**50 350**	–	–	39 081	39 081
Total	**–**	**18 380**	**10 189 029**	**10 207 409**	–	52 562	9 772 651	9 825 213
Liabilities								
Derivative financial liabilities – swaps	**–**	**9 365**	**–**	**9 365**	–	4 749	–	4 749
Total	**–**	**9 365**	**–**	**9 365**	–	4 749	–	4 749

Hierarchy levels

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. The level 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 different levels have been defined as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

There were no changes in valuation techniques and there were no transfers between level 1, level 2 and level 3 during the period.

Investment property

On an annual basis, properties above R12 million (at the last valuation date) and one-third of properties below R12 million are valued by independent registered valuers.

The remaining two-thirds are valued internally by directors.

The properties are valued using either the discounted cash flow or capitalisation methods by the internal and external valuers. The valuations are done on an open market basis with consideration given to the future earnings potential and applying an appropriate capitalisation rate to a property. The capitalisation rates used range between 8% and 14% (2023: 8.0% and 13.5%). Investment properties held-for-sale were valued at the net sale price, which is considered to be the fair value.

Investment properties have been categorised as level 3.

Derivative financial instruments

Financial instruments are measured at fair value.

- The fair value of interest rate swaps are based on statement valuations from reputable financial institutions. Those valuations are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

Derivative financial instruments have been categorised as level 2.

Movement in level 3 instruments

	Investment property 2024 R'000	Investment property held-for-sale 2024 R'000	Investment property 2023 R'000	Investment property held-for-sale 2023 R'000
Balance at the beginning of the year	9 733 570	39 081	9 583 856	37 445
Acquisitions/additions	145 903	–	146 907	–
Change in fair value	309 235	(8 516)	161 616	(13 695)
Transferred from/(to) non-current assets held-for-sale	(56 310)	56 310	(169 731)	169 731
Disposals	–	(36 525)	–	(154 400)
Right-of-use asset	1 862	–	1 962	–
Net tenant installation/lease commission	4 419	–	8 960	–
Balance at the end of the year	10 138 679	50 350	9 733 570	39 081

Significant unobservable inputs and ranges of estimates used

	Discount rate		Capitalisation rate		Vacancy rate	Gross rent	Rental growth
	Range %	Weighted average %	Range %	Weighted average %	Range %	Range R/m²	Range %
2024							
Total portfolio	12 – 15.5	13.90	8 – 14	9.50	2 – 9	21 – 325	3 – 5
Retail	12 – 15	12.90	8 – 12.5	9.10	4 – 8	35 – 325	3 – 6
Office	12.75 – 15	13.50	9 – 11.25	9.60	5 – 18	34 – 317	(2) – 2
Industrial	12.75 – 15.5	13.90	9.25 – 14.0	10.75	0 – 4	21 – 105	3 – 6
Residential	14 – 14.25	14.10	9.25 – 10	9.25	1 – 7	138 – 162	3 – 5

	Discount rate		Capitalisation rate		Vacancy rate	Gross rent	Rental growth
	Range %	Weighted average %	Range %	Weighted average %	Range %	Range R/m²	Range %
2023							
Total portfolio	12 – 16	13.90	8 – 13.5	10.20	1 – 9	30 – 460	2 – 5
Retail	12 – 16	13.70	8 – 13	9.90	2 – 8	45 – 650	2 – 6
Office	13 – 15	14.20	9 – 12	10.30	5 – 20	54 – 358	(5) – (2)
Industrial	13 – 15	14.20	9 – 14	10.80	0 – 4	32 – 138	3 – 6
Residential	13 – 15	13.10	9 – 9	9.00	0 – 7	103 – 256	3 – 6

	Impact on valuation							
	Discount rate (0.5%)	**Discount rate +0.5%**	**Capital-isation rate (0.5%)**	**Capital-isation rate +0.5%**	**Market rentals +5%**	**Market rentals (5%)**	**Vacancy rate +1.0%**	**Vacancy rate (1.0%)**
2024								
Total portfolio	**1.88**	**(1.75)**	**3.62**	**(3.20)**	**5.93**	**(4.20)**	**1.30**	**(1.00)**
Retail	**1.92**	**(1.87)**	**3.75**	**(3.37)**	**6.29**	**(3.93)**	**1.47**	**(0.98)**
Office	**1.92**	**(1.22)**	**3.59**	**(2.86)**	**5.11**	**(4.79)**	**1.10**	**(0.83)**
Industrial	**1.68**	**(1.78)**	**3.04**	**(2.78)**	**4.97**	**(4.06)**	**0.84**	**(1.02)**
Residential	**1.94**	**(1.70)**	**3.79**	**(3.26)**	**6.69**	**(6.57)**	**1.06**	**(1.92)**

	Impact on valuation							
	Discount rate (0.5%)	Discount rate +0.5%	Capital-isation rate (0.5%)	Capital-isation rate +0.5%	Market rentals +5%	Market rentals (5%)	Vacancy rate +1.0%	Vacancy rate (1.0%)
2023								
Total portfolio	1.69	(1.95)	3.37	(3.32)	4.87	(5.09)	(0.99)	0.95
Retail	1.63	(2.00)	3.40	(3.46)	4.99	(5.17)	(1.00)	0.96
Office	1.81	(1.80)	3.16	(2.93)	4.99	(4.75)	(0.99)	0.92
Industrial	1.75	(1.84)	3,28	(2.97)	4.31	(5.06)	(0.86)	0.79
Residential	2.06	(1.98)	3.83	(3.42)	4.66	(4.84)	(1.38)	1.47

DISTRIBUTION STATEMENT*

	31 August 2024 R'000	31 August 2023 R'000
Reconciliation of profit for the year to distributable earnings		
Profit attributable to shareholders of the company	**774 302**	588 031
Fair value – investment properties revaluation	**(302 581)**	(148 718)
Fair value – straight-line rental income	**32 152**	(8 660)
Fair value – interest rate swaps	**38 797**	4 729
NCI portion of fair value adjustment	**(22 178)**	61 865
IFRS 16: *Rental paid adjustments*	**(8 891)**	(8 564)
IFRS 16: *Finance cost adjustments*	**11 061**	10 863
Share-based payments expense	**5 516**	5 729
Taxation	**–**	261
Straight-line rental income accrual	**(32 152)**	8 660
Distributable earnings	**496 026**	514 196
Distribution statement		
Revenue	**1 455 311**	1 403 701
Contractual rental income	**1 110 320**	1 111 308
Municipal and property recoveries	**344 991**	292 393
Property-related expenses	**(576 045)**	(502 344)
Net property income	**879 266**	901 357
Administration and corporate costs	**(43 117)**	(55 354)
Net operating profit	**836 149**	846 003
Net finance cost	**(311 990)**	(303 251)
Non-controlling interests	**(28 134)**	(28 556)
Distributable earnings	**496 026**	514 196
Distribution payout ratio	**90%**	90%
Dividend declared	**446 424**	462 776
Distributable earnings per share (cents)	**54.39590**	56.96098
Interim	**27.30705**	28.71883
Final	**27.08885**	28.24215

* *The distribution statement has not been reviewed by Forvis Mazars.*

SUPPLEMENTAL INFORMATION
APPENDIX 1 SA REIT BEST PRACTICE RECOMMENDATION RATIOS

Forvis Mazars have issued a factual findings report on the SA REIT BPR.

	Unaudited year ended 31 August 2024 R'000	Unaudited year ended 31 August 2023 R'000
SA REIT Funds from operations (SA REIT FFO) per share		
Profit for the period attributable to the parent	**774 302**	588 031
Adjusted for:		
Accounting/specific adjustments:	**(301 468)**	(147 466)
Fair value adjustments to:		
Investment property	**(270 429)**	(157 378)
Depreciation of property, plant and equipment	**1 113**	991
Deferred tax movement recognised in profit or loss	**–**	261
Straight-lining operating lease adjustment	**(32 152)**	8 660
Foreign exchange and hedging items:	**38 797**	4 729
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	**38 797**	4 729
Other adjustments:	**(22 178)**	61 865
Non-controlling interests in respect of the above adjustments	**(22 178)**	61 865
SA REIT FFO	**489 453**	507 159
Number of shares outstanding at end of period (net of treasury shares)	**910 368 816**	911 918 399
SA REIT FFO average cents per share:	**53.76**	55.61
Company-specific adjustments	**6 573**	7 037
IFRS 16: *Rental paid*	**(8 891)**	(8 564)
IFRS 16: *Finance cost adjustment*	**11 061**	10 863
Share-based payments	**5 516**	5 729
Depreciation of property, plant and equipment	**(1 113)**	(991)
Distributable earnings (Rand value)	**496 026**	514 196
Distribution payout ratio	**90%**	90%
Dividend declared	**446 424**	462 776
Distributable earnings per share (cents)	**54.39590**	56.96098
Interim	**27.30705**	28.71883
Final	**27.08885**	28.24215
Dividend per share (cents)	**48.95631**	51.26488
Interim	**24.57635**	25.84695
Final	**24.37996**	25.41793

APPENDIX 1 SA REIT BEST PRACTICE RECOMMENDATION RATIOS (continued)

	Unaudited year ended 31 August 2024 R'000	Unaudited year ended 31 August 2023 R'000
SA REIT Net Asset Value (SA REIT NAV)		
Reported NAV attributable to the parent	**6 354 346**	6 050 615
Adjustments:		
Dividend to be declared	**(246 608)**	(257 545)
Fair value of certain derivative financial instruments	**(9 016)**	(47 813)
SA REIT NAV	**6 098 722**	5 745 257
Shares outstanding		
Number of shares in issue at period end (net of treasury shares)	**910 368 816**	911 918 399
Effect of dilutive instruments (options, convertibles and equity interests)	**16 757 868**	993 595
Dilutive number of shares in issue	**927 126 684**	912 911 994
SA REIT NAV per share	**6.58**	6.29

	Unaudited year ended 31 August 2024 R'000	Unaudited year ended 31 August 2023 R'000
SA REIT cost-to-income ratio		
Expenses		
Operating expenses per IFRS statement of comprehensive income (includes municipal expenses)	**552 647**	482 662
Administrative expenses per IFRS statement of comprehensive income	**48 633**	61 083
Other expenses – impairment loss and write-off of receivables	**14 507**	11 118
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature	**1 113**	991
Company-specific adjustments	**(1 113)**	(991)
Depreciation expense in relation to property, plant and equipment of an administrative nature	**(1 113)**	(991)
Operating costs	**615 787**	554 863
Rental income		
Contractual rental income per IFRS statement of comprehensive income (excluding straight-lining)	**1 110 320**	1 111 308
Utility and operating recoveries per IFRS statement of comprehensive income	**344 991**	292 393
Gross rental income	**1 455 311**	1 403 701
SA REIT cost-to-income ratio	**42.3%**	39.5%

APPENDIX 1 SA REIT BEST PRACTICE RECOMMENDATION RATIOS (continued)

	Unaudited year ended 31 August 2024 R'000	Unaudited year ended 31 August 2023 R'000
SA REIT administrative cost-to-income ratio		
Expenses		
Administrative expenses as per IFRS statement of comprehensive income	**48 633**	61 083
Administrative costs	**48 633**	61 083
Rental income		
Contractual rental income per IFRS statement of comprehensive income (excluding straight-lining)	**1 110 320**	1 111 308
Utility and operating recoveries per IFRS statement of comprehensive income	**344 991**	292 393
Gross rental income	**1 455 311**	1 403 701
SA REIT administrative cost-to-income ratio	**3.3%**	4.4%

	Unaudited year ended 31 August 2024 m^2	Unaudited year ended 31 August 2023 m^2
SA REIT vacancy		
Gross lettable area of vacant space	**64 728**	55 121
Gross lettable area of total property portfolio	**835 411**	850 697
SA REIT GLA vacancy rate	**7.7%**	6.5%

	Unaudited year ended 31 August 2024 %	Unaudited year ended 31 August 2023 %
SA REIT cost of debt		
Cost of debt		
Variable interest-rate borrowings		
Floating reference rate plus weighted average margin	**10.33**	9.56
Fixed interest-rate borrowings		
Weighted average fixed rate	**0.00**	0.00
Pre-adjusted weighted average cost of debt:	**10.33**	9.56
Adjustments:		
Impact of interest-rate derivatives	**(0.99)**	(0.47)
Amortised transaction costs imputed into the effective interest rate	**0.19**	0.15
All-in weighted average cost of debt	**9.53**	9.24

	Unaudited year ended 31 August 2024 R'000	Unaudited year ended 31 August 2023 R'000
SA REIT loan-to-value		
Gross debt	**3 741 392**	3 552 593
Less:		
Cash and cash equivalents	**(112 629)**	(61 551)
Add/less:		
Derivative financial instruments	**(9 016)**	(47 813)
Net debt	**3 619 748**	3 443 229
Total assets – per statement of financial position	**10 579 241**	10 108 280
Less:		
Cash and cash equivalents	**(112 629)**	(61 551)
Derivative financial instruments – asset	**(18 380)**	(52 562)
Trade and other receivables	**(244 894)**	(206 835)
Carrying amount of property-related assets	**10 203 338**	9 787 332
SA REIT loan-to-value ("SA REIT LTV")	**35.48%**	35.18%

CORPORATE INFORMATION

Feedback and corporate information

Your feedback on the contents and presentation of this report is welcome and will assist Dipula in improving the quality and relevance of future reports. The group invites all users of this report to visit www.dipula.co.za for more information on Dipula. For feedback or further requests for information can be directed to:

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FD	Sudesh Moodley	sudesh@dipula.co.za

Corporate information

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Registration number 2005/013963/06

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Wierda Valley
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Company Secretary
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(Registration number 2013/087325/07)
13th Floor Illovo Point
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Illovo
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Key JSE information

Registration number:	2005/013963/06
DIB ISIN:	ZAE000203394
JSE share codes:	DIB
Date listed:	17 August 2011
Market capitalisation:	R4.1 billion (2023: R3.7 billion)
Closing price:	(31 August 2024): R4.50