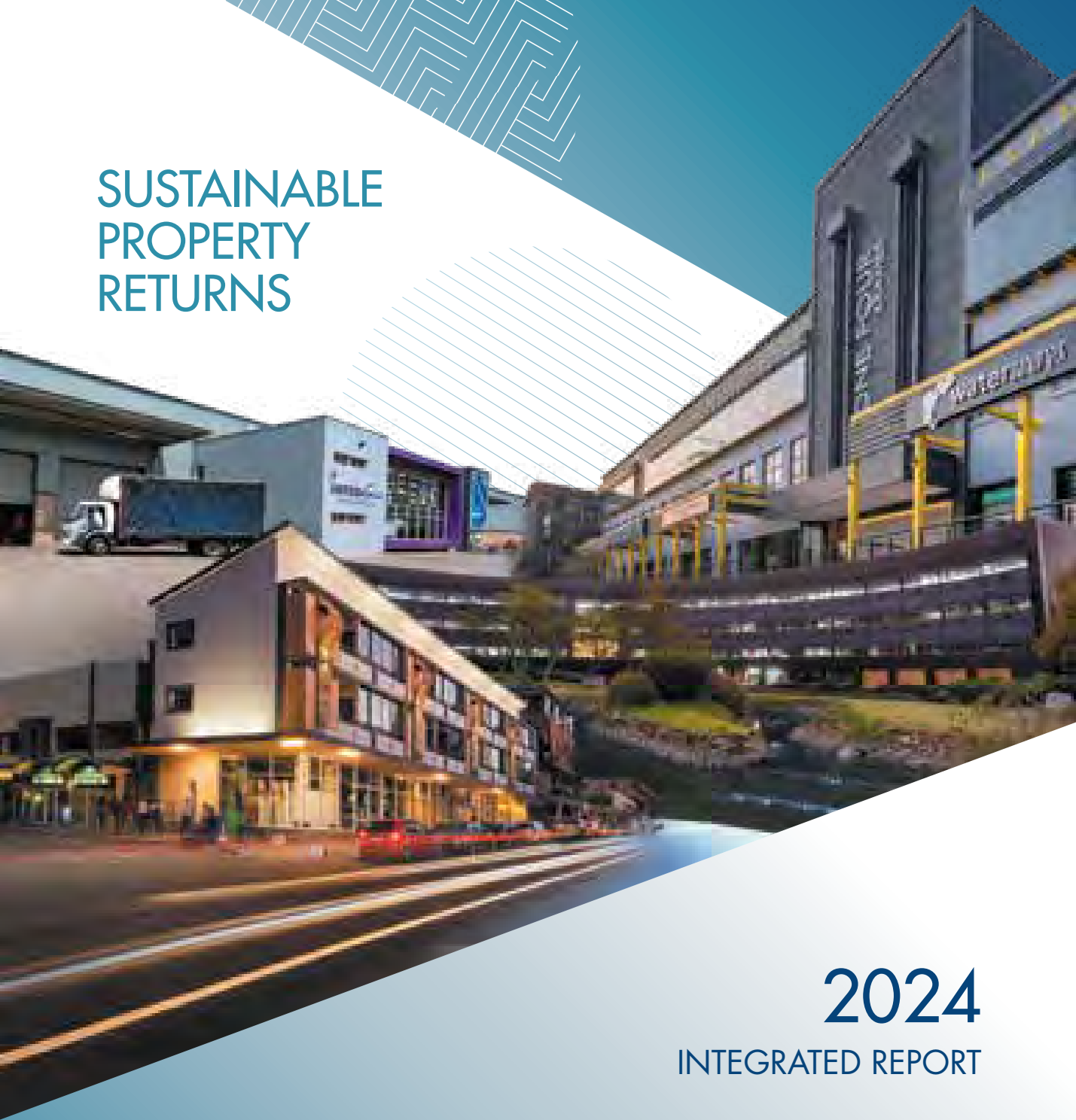




dipula
INCOME FUND

SUSTAINABLE PROPERTY RETURNS



2024
INTEGRATED REPORT



WELCOME TO OUR 2024 INTEGRATED REPORT

VISION-
LED

IMPACT-
DRIVEN

VALUE
DELIVERED

Our reporting suite for 2024

Our reporting suite offers a comprehensive platform to highlight and share our key achievements for the financial year ended 31 August 2024. It is an essential tool that communicates our progress, performance and strategic direction to stakeholders. In addition to the main report, we provide supplementary materials through various online publications, targeted stakeholder communications and a wealth of additional information that's accessible on our website at www.dipula.co.za. These resources are designed to provide deeper insights into our operations, financial health and long-term goals and ensure full transparency and engagement with all our stakeholders.

Integrated Report

IR

Our Integrated Report caters to financial capital providers by offering a detailed explanation of how Dipula creates, preserves or potentially erodes value over time. It includes our Annual Financial Statements ("AFS") which provide insights into our financial health, and a comprehensive performance review that covers key milestones, risks and opportunities. This report provides a transparent and holistic view of our business model, strategy and long-term value generation which highlights our journey towards sustainable growth.

Sustainability Report

SR

Our Sustainability Report is a comprehensive overview of our social and environmental performance. It details how our activities contribute to economic growth, job creation and community well-being and also highlights our efforts in employee welfare, community engagement and diversity. Environmentally, it covers our sustainable practices and resource management. This report underscores our commitment to responsible business practices and offers transparent communication on sustainability.

Notice of AGM

AGM

Our Notice to Shareholders includes details on upcoming meetings, such as the annual general meeting ("AGM") with information on the date, time, location, agenda and key resolutions. It also provides proxy materials for shareholders who cannot attend in person, allowing them to vote by appointing a proxy. This notice promotes transparency, informed participation and good governance by keeping shareholders engaged in key corporate decisions.

Welcome to the 2024 Integrated Report of Dipula Income Fund Limited (Dipula, the Group, the Fund or the Company). This report provides a transparent overview of our performance, governance and economic activities and highlights how they contribute to sustainable returns. It serves as a key communication with our stakeholders and reaffirms our commitment to responsible management and long-term value creation.

Dipula is committed to making a positive impact by focusing our business activities on creating meaningful value for shareholders, stakeholders and communities.

Our vision of delivering sustainable returns is the cornerstone of our business activities and shapes the direction of our growth and strategy. This vision is anchored in a commitment to acquire high-quality assets that align with our long-term objectives, while simultaneously pursuing value-adding redevelopment opportunities to enhance the value of our portfolio. We also strategically dispose of non-core assets to strengthen our portfolio by focusing on properties that generate maximum value for our stakeholders. Operational efficiency is another critical pillar of our approach and ensures that we manage resources effectively, reduce costs and maintain a lean operation that supports profitability.

The strength of our progress towards becoming a leading South Africa focused Real Estate Investment Trust ("REIT") is made possible by a dedicated team of professionals who bring expertise, commitment and innovation to everything they do. Our agile management structure enables us to respond quickly to market opportunities and challenges, while our tenant-centric approach ensures that we build secure, lasting relationships with our tenants which enhance their experience and satisfaction.

Together, these elements drive our ability to consistently deliver sustainable value to our stakeholders and position us for long-term success in the evolving real estate market.

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01 INTRODUCTION



TOWER MALL



4 About this report

7 Navigating our report

ABOUT THIS REPORT

Objective, boundary and scope

This IR offers a transparent overview of our value creation, preservation and erosion from 1 September 2023 to 31 August 2024 and includes material events up to the Board approval date of 4 December 2024.

The report aims to equip financial capital providers and stakeholders with essential information to evaluate our performance and sustainability. It addresses material matters, strategy, business model, risks, performance and environmental, social and governance (“ESG”) initiatives, which underscore our commitment to ethical leadership and strategic thinking. Our integrated reporting scope includes the risks, opportunities and outcomes arising from:

Our material matters	22 to 29	Our corporate governance	100 to 113
Our business strategy	42 to 45	Our remuneration review	114 to 125
Our business model	46 to 47	Our financial reporting boundary	126 to 233
Our stakeholder engagement	48 to 58		

Basis of preparation and reporting frameworks

In preparing this report, we have adhered to the guiding principles and content elements outlined by the International Integrated Reporting Council’s <IR> framework. This ensures that our reporting is comprehensive and aligns with international standards. We have also incorporated several key guidelines to enhance the accuracy and relevance of our report:

IFRS® Accounting Standards	We have prepared our financial information in compliance with IFRS accounting standards to ensure consistency, comparability and reliability in our financial reporting.
Johannesburg Stock Exchange (“JSE”) Limited Listings Requirements	Our report meets the JSE’s disclosure requirements and provides the relevant information to our stakeholders which aligns with market regulations.
King IV™ Report on Corporate Governance for South Africa 2016	We have followed the principles of King IV™, which promotes sound governance practices and ethical leadership in corporate management.
South African Companies Act, 71 of 2008	Our report adheres to the provisions of the Companies Act which ensure legal compliance and transparency in our corporate reporting.
JSE Sustainability and Climate Change Disclosure Guidance	While our reporting is informed by the principles outlined in the JSE Sustainability Disclosure Guidance, we continue to enhance our alignment with these voluntary guidelines to improve our non-financial reporting practices.

The financial information presented in this report has been extracted from our AFS for the year ended 31 August 2024, which has been prepared in accordance with IFRS accounting standards. This ensures that our financial data is accurate, consistent and reflects our overall performance.

Materiality

This report identifies key financial and non-financial issues impacting Dipula’s ability to create long-term value and addresses how our actions affect investors, employees, tenants and society in general.

Our materiality determination process, detailed on pages 22 to 29, uses double materiality to assess external impacts on our organisation and our effects on stakeholders and the

environment. By integrating risk assessment, strategic goals, stakeholder feedback, market conditions and performance metrics, we prioritise essential issues for long-term sustainability and align our approach with internal and external expectations. This thorough analysis supports our mission to deliver sustained value to all stakeholders.

Time frames

We use the following general classifications when making time-frame references in this report (excluding AFS):

Short term	The next 24 months
Medium term	24 months to seven years
Long term	Anything beyond seven years

Combined assurance

We use a combined assurance model to ensure the integrity of our information and the reliability of our internal processes to support effective decision-making and credible reporting. This model integrates various assurance activities to verify the robustness and trustworthiness of our information.

The Audit and Risk Committee (“ARC”) is pivotal in this framework because it evaluates Dipula’s internal controls and oversees our combined assurance plan. The committee reports to the Board quarterly and to shareholders annually as part of our AFS, detailing the effectiveness of our controls and any significant findings. This helps manage risks, supports informed decisions and reinforces our reporting credibility.

Business process	Annual Financial Statements	Property valuations
Nature of assurance	Unqualified audit	Valuation reports
Status	Assured	Assured
Assurance provider	Forvis Mazars	Various independent valuers on page 165

INTRODUCTION

ABOUT THIS REPORT (continued)

Forward-looking statements

This report contains forward-looking statements based on Dipula's expectations as of 31 August 2024. While these statements intend to offer insights into future prospects, they are subject to risks and uncertainties that could cause actual results to differ significantly. Dipula cannot guarantee the realisation of these projections and is not required to update them unless mandated by law. Readers should exercise caution and not rely overly on these forward-looking statements.

Responsibility statement and review

Dipula's Board takes full responsibility for the integrity and accuracy of this report. After a thorough review, the Board confirms that the report addresses all key issues and provides a balanced view of Dipula's strategy, performance and future outlook. The Board is confident that our control environment supports reliable internal decision-making. All relevant information has been disclosed with no legal constraints and the report was officially approved on 4 December 2024 to ensure it aligned with high standards of transparency and accuracy.



ZJ Matlala
Chairperson



IS Petersen
Chief Executive Officer



S Moodley
Financial Director



Brian Azizollahoff
Independent non-executive director



Z Adams
Independent non-executive director



N Khoele
Independent non-executive director



K Teeroovengadum
Independent non-executive director

Feedback and corporate information

Your input is valuable to us.

We welcome your feedback on this report to help us improve future editions. For more information about Dipula, visit www.dipula.co.za. If you have any questions or need further details, please contact:

Chief Executive Officer

Izak Petersen
izak@dipula.co.za

Financial Director

Sudesh Moodley
sudesh@dipula.co.za



Registered office



The registered office of the Company is on the 12th Floor Firestation, Rosebank, 16 Baker Street, Rosebank, Johannesburg, 2196, South Africa.

Dipula's IR is available in hard copy on request and is also available on our website.

www.dipula.co.za 

NAVIGATING OUR REPORT

Navigation icons		
The capitals	<ul style="list-style-type: none">  Financial capital  Manufactured capital  Intellectual capital 	<ul style="list-style-type: none">  Human capital  Social and relationship capital  Natural capital
Our strategic objectives	<ul style="list-style-type: none">  Deliver sustainable income and capital returns  Improve the liquidity and tradability of our share  Optimise our portfolio  Operate sustainably 	<ul style="list-style-type: none">  Employee and Board well-being, retention, development and succession  Respond to challenging economic environment  Tactical capital allocation
Material themes	<ul style="list-style-type: none">  Challenging macro-economic environment  Essential infrastructure deterioration and poor service delivery  Uncertain socio-political environment  Business sustainability and resilience 	<ul style="list-style-type: none">  Competitive operating environment  Attract and retain key management skills  ESG stewardship

 <p>Page reference</p>	 <p>Website reference</p>	 <p>Clickable link</p>
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For clarification of all abbreviations used in this report, refer to the definitions and abbreviations on page [239](#).

02 ABOUT DIPULA





WHO WE ARE

Dipula is a leading South African REIT with a diverse portfolio of quality, strategically located assets that are relevant to tenant needs.



WOODMEAD SUPER VALUE MALL

We are committed to adapting our portfolio to meet tenant needs and market changes. Our portfolio consists of convenience, rural and township retail, office, industrial and affordable residential rental properties in urban areas. Our internal management guarantees consistent oversight and exceptional service and supports our goal of delivering a robust performance and value.

OUR MISSION

To provide relevant space to our tenant partners, make an impact and think beyond the obvious.

OUR VISION

To be a prominent, diversified, South Africa focused REIT that delivers sustainable returns.

OUR PURPOSE

To deliver sustainable returns for our stakeholders.

OUR VALUES

Sustainability

Teamwork

Integrity

Excellence

We shape a better world for our stakeholders.

We take ownership of our collective success.

We do the right thing.

We strive for greatness in all we do.

HOW WE CREATE VALUE

Dipula is a South Africa focused, predominantly retail REIT.

Our diversification strategy enhances value and mitigates risk, allowing us to deliver a consistent performance through market cycles. Our portfolio is well-positioned for sustainable organic growth.

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.



South Africa focused

OFFICE



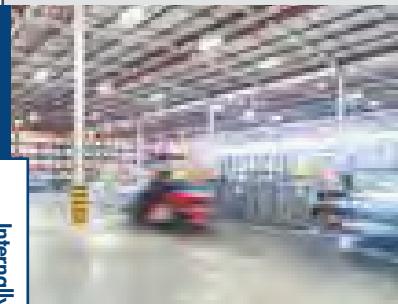
Our office spaces provide flexible, modern work environments tailored to meet diverse business needs. Strategically located in key urban areas across South Africa, they are chosen for their accessibility and appeal to a wide range of commercial tenants.



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.



Internally managed

RESIDENTIAL



Our residential properties provide affordable housing in economically vibrant locations.



WHO WE ARE (continued)

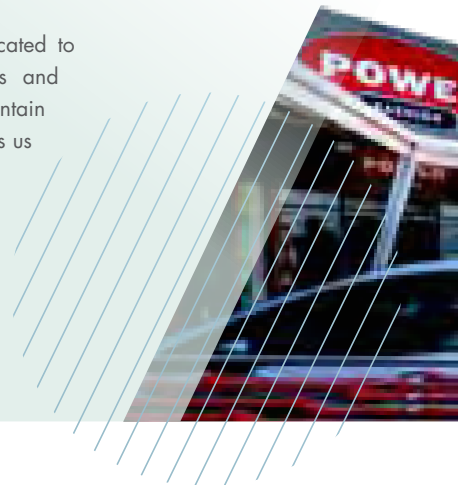


Our value proposition

We are an internally managed, innovative and diversified REIT dedicated to creating sustainable value. Our approach combines resourcefulness and consistency to offer well-suited spaces and exceptional service. We maintain high standards through our internal management structure which enables us to effectively control property operations and align with strategic goals.

Our entrepreneurial mindset drives us to adapt to market changes and seize new opportunities to ensure we meet diverse tenant needs.

By treating each tenant as a partner and fostering secure stakeholder relationships, we aim to deliver high-quality spaces and sustainable value that benefit tenants and the broader community.



Our tools

Competent and skilled team	Our experienced employees bring extensive industry expertise and drive success through informed decisions and collaboration. Continuous development ensures outstanding results.
Good capital allocation	We efficiently allocate resources to high-growth opportunities and enhance profitability while minimising risk and maximising stakeholder value.
Research and analysis	Data-driven insights and market analysis guide our decisions and help us identify opportunities and manage risks effectively.
Focused investment strategy	We focus on opportunities aligned with long-term goals and capitalise on growth to deliver sustainable returns.
Good balance sheet management	Prudent financial practices ensure liquidity, debt control and flexibility, positioning us to seize opportunities while maintaining stability.
Mutual value creation partner	We build long-term partnerships that foster innovation, create mutual success and shared value.
Meeting the needs of the communities in which we operate	We align business practices with local needs and contribute to social, economic and environmental development for sustainable progress.

WHAT DIFFERENTIATES US

We differentiate ourselves by delivering sustainable shareholder returns while providing exceptional tailored experiences for tenants and shoppers through a balance of financial performance and customer satisfaction.

- ▶ SA-focused > **Our strategy** 42
- ▶ We are entrepreneurial > **Our manufactured capital** 46
- ▶ We own a defensive, retail-biased portfolio > **Our financial capital** 46
- ▶ We have a long track record of performance and prudent, skilful capital allocation > **Our human capital** 46
- ▶ Internally managed > **Our human capital** 46





CAPITAL ALLOCATION AND PORTFOLIO CONSTRUCTION

Our assets do not exist in isolation but are there to serve the needs of society and more specifically, the requirements of our tenants in the context of South Africa's continuously changing operating environment. To ensure long-term profitability, we focus on managing our portfolio effectively by:

Allocating sufficient resources to building maintenance

We allocate adequate resources to ensure our properties are well-maintained to preserve asset value and ensure tenant satisfaction.

Attracting capital at competitive rates

We secure capital at favourable rates which allows us to invest in opportunities that enhance our portfolio and deliver returns in excess of cost of capital.

Buying or developing the right assets

We invest in, or develop, assets that align with market demands and our long-term strategy to ensure our portfolio remains relevant and future-proof.

Continuously rebalancing our portfolio to get optimal results

We continuously review and adjust our asset holdings for an optimal portfolio mix to adapt to shifts in market conditions and tenant needs.

Putting the right risk management processes in place

We have robust risk management processes to mitigate potential threats, safeguard our investments and take advantage of opportunities in the marketplace.

Ongoing proactive improvement of our assets

We proactively enhance our assets through renovations and upgrades to ensure they remain competitive and attractive to tenants and other relevant stakeholders.

Provision of excellent tenant service

We foster secure relationships and tenant retention by delivering an excellent service to tenants as a priority.

Running efficient operations

We strive to run efficient operations, reducing costs and improving profitability while maintaining high standards of service and asset management.

OUR DIVERSIFIED PORTFOLIO

Our diversified portfolio offers shareholders direct access to investments that deliver long-term income and capital growth.

R10.2 billion including non-controlling interest ("NCI")
(2023: R9.8 billion)

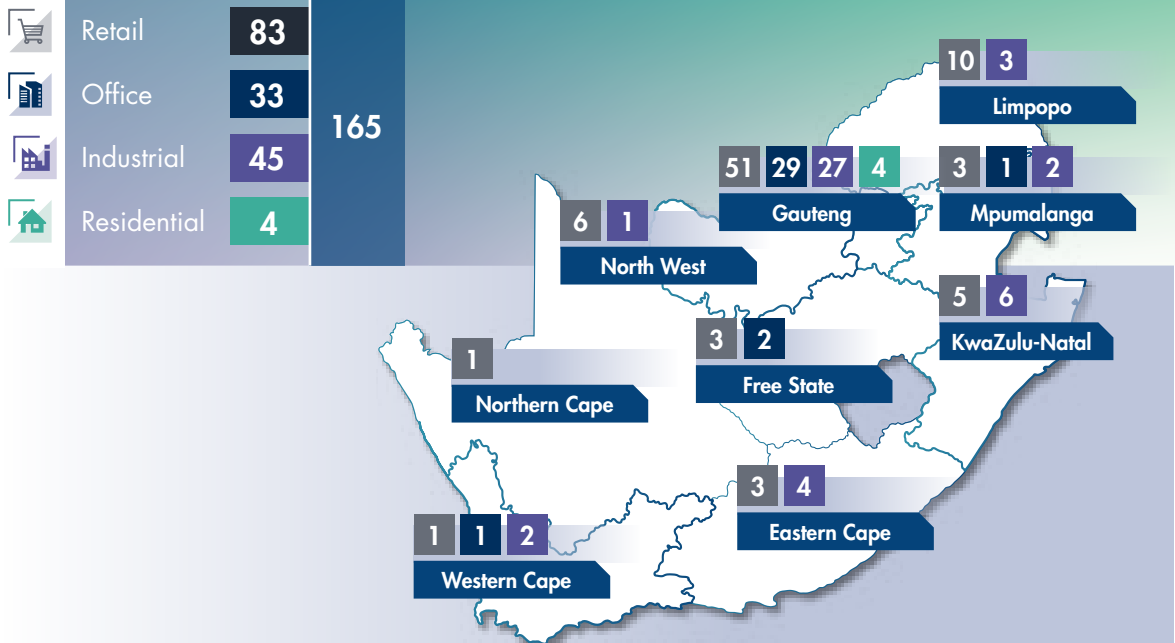
165 properties
(2023: 170 properties)

Across South Africa's **nine provinces** – Gauteng bias

Gross lettable area ("GLA") **879 010m²**
(2023: 885 612m²)

Average property size **5 327m²** valued at R60 million per property
(2023: 5 209m² valued at R55 billion)

Provincial split by sector



OUR YEAR IN REVIEW

↑ Increased ↓ Decreased - No change

Significant events during the year

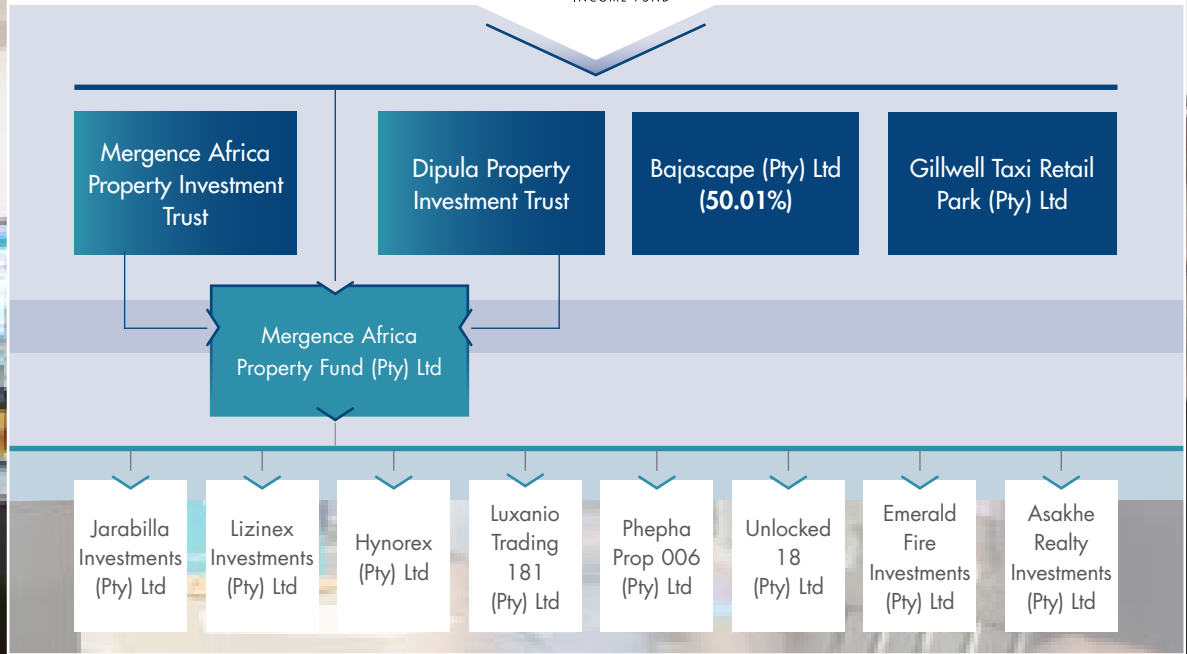
- ↑ Portfolio valuation increased by **4.8%**
- ↑ Net asset value increased by **5.0%**
- Loan-to-value of **35.7%**
- ESG Framework enhanced

Salient features of 2024 performance

F C	Financial capital						
↑	NAV R6.4 billion (2023: R6.1 billion)	-	Gearing 35.7% (2023: 35.7%)	↑	Debt R3.7 billion (2023: R3.6 billion)	↓	Interest rate hedge level 71% (2023: 65%)
↑	Average interest rate 9.5% (2023: 9.2%)	-	Credit rating by GCR Ratings: BBB+ (ZA) long-term, A2 (ZA) short-term outlook: stable				
M C	Manufactured capital						
↑	Portfolio worth R10.2 billion including NCI and held-for-sale (2023: R9.8 billion)			↓	165 properties (2023: 170 properties)		
-	Across South Africa's nine provinces - Gauteng bias	↓	GLA 879 010m² (2023: 885 612m ²)	↑	Average property size of 5 327m² and average property value of R60 million (2023: 5 209m ² valued at R55 million)		
I C	Intellectual capital						
↑	157 new leases concluded across the portfolio (2023: 188 new leases)	↑	335 lease renewals concluded across the portfolio (2023: 302 lease renewals)	↑	ESG Framework completed		
H C	Human capital						
↑	134 years of combined property experience among the Executive Committee ("Exco") (2023: 129 years)	↑	93% people retention				
↑	Utilisation of small, medium and micro enterprises contractors	-	Stable workforce of 85 employees (2023: 85 employees)				
S C	Social and relationship capital						
↑	Ongoing corporate social investment initiatives	↑	Utilisation of SMME contractors				
N C	Natural capital						
↑	Avoided CO ₂ emissions 2 063 tCO₂e (2023: 2 182 tCO ₂ e)	-	Solar installation at four properties (2023: four properties)	↑	Pilot projects undertaken for refuse recycling	↑	Increased water consumption by 8.9% in 2024

Group structure

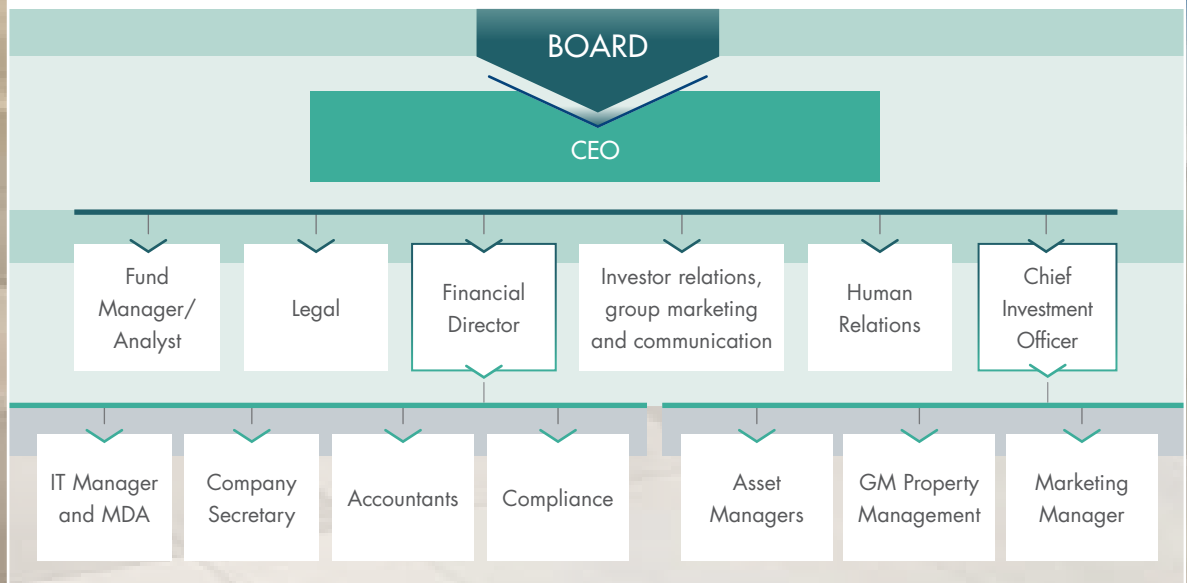
dipula
INCOME FUND



Group organogram

Management team

Our internalised management team has proven expertise in our chosen markets. This, combined with diligent portfolio management, has been the cornerstone of our consistent performance. Dipula's management team is entrepreneurial, with the CEO being a founding member, which has resulted in continuity and loyalty.



KEY MILESTONES

Capitals impacted



Strategic objectives

- S1 Deliver sustainable income and capital returns
- S2 Improve the liquidity and tradability of our share
- S3 Optimise our portfolio
- S4 Operate sustainably
- S5 Employee and Board well-being, retention, development and succession
- S6 Respond to challenging economic environment
- S7 Tactical capital allocation



2018

- S3 S7**
R788 million equity and R546 million debt raised for Setso transaction
- S1 S5**
Consolidation of company's operations in one location
- S1**
Disposal of non-core properties for R290 million
- S3**
Acquisition of portfolio-enhancing assets amounting to R1.7 billion
- S1 S5**
Internalisation of asset management

2020

- S1 S3 S4**
Covid-19-related rental relief of R50 million provided to tenants
- S3**
Residential portfolio grows to 226 units valued at R122 million

2022

- S2 S4**
A share buy-back and change of capital structure into a single share
- S4**
Credit rating upgrade to BBB+ (ZA) long-term A2 (ZA) short-term, outlook stable
- S1**
Reinstatement of properties damaged in July 2021 riots

2019

- S3**
Group portfolio value reaches R8.9 billion mark
- S3**
Launch of Urban Villages brand
- S1 S3 S4 S5**
Property management internalisation complete

2021

- S3**
Total portfolio maintained at R9 billion
- S3**
Residential portfolio increases to 712 units valued at R381 million
- S3**
Acquisitions of R294 million
- S1 S3**
Disposals of R102 million

2023

- S4 S5 S6**
ESG Framework completed
- S1 S3**
Disposals of R190 million
- S3**
NAV grows to R6.1 billion
- S1 S3**
Portfolio valuation grows to R9.8 billion

2024

- S1**
Implemented debt syndication
- S3**
Commencement of phase 1 solar PV roll-out
- S3**
Portfolio value of R10 billion
- S1**
Credit rating upgrade to BBB+ (ZA) long-term A2 (ZA) short-term, outlook stable

03 OUR BUSINESS CONTEXT





- 22 Material matters
- 30 Our operating environment
- 36 Joint leadership report

MATERIAL MATTERS

Dipula evaluates material matters based on their potential to impact the Group’s ability to create and preserve value over the short, medium and long term. By analysing key internal and external factors, Dipula prioritises these matters to ensure decision-making aligns with long-term value creation and sustainability.

Dipula’s materiality determination process

Dipula embraced double materiality by evaluating matters from two perspectives: inward-focused financial materiality, assessing their impact on enterprise value and financial sustainability; and outward-focused impact materiality, considering their effects on society, communities and the environment. This approach ensures a balance between financial objectives and commitments to social and environmental sustainability.

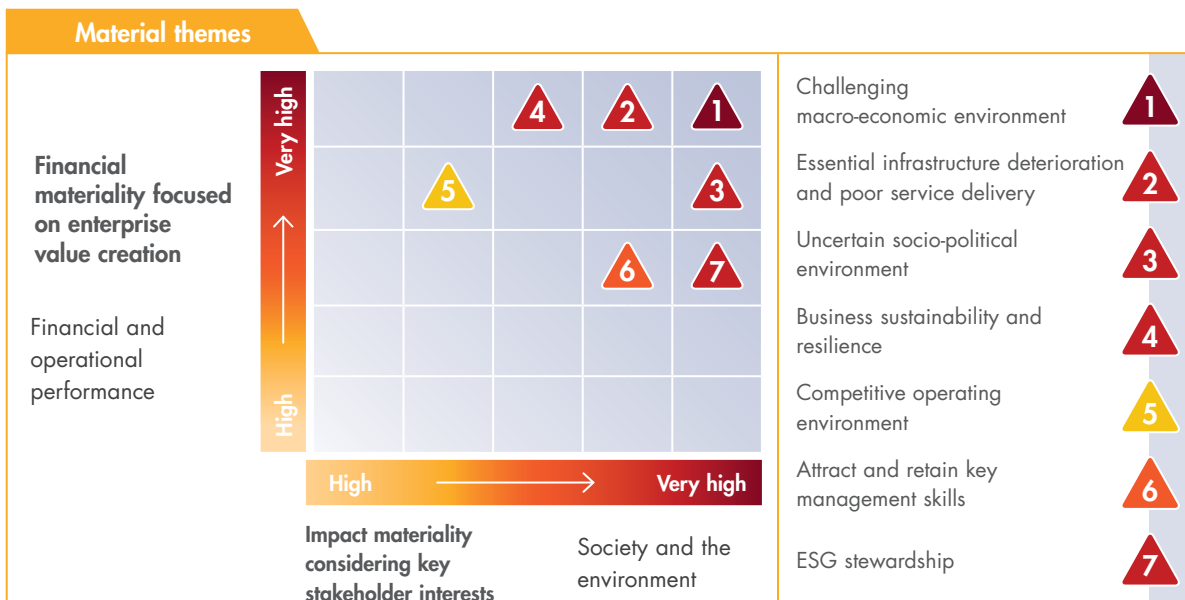
The determination process followed a phased approach, which included the following:



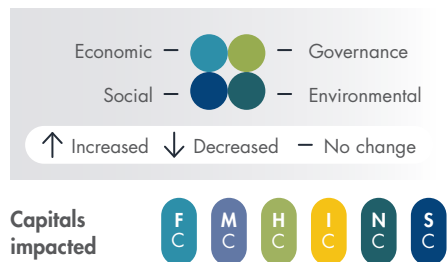
Review
Management conducted a thorough review of both external and internal environments, assessing the socio-economic impacts on Dipula’s operations, analysing stakeholder concerns, and identifying emerging property trends. Internally, they examined risk reports, strategy documents and Board materials to ensure alignment with the Group’s strategic priorities and long-term goals. This comprehensive approach ensured that material matters were evaluated in a way that supports Dipula’s sustainability and strategic direction.

Prioritised
The identified matters underwent a detailed prioritisation process, considering their dual impact on Dipula’s enterprise value and on broader societal, community and environmental contexts. This involved evaluating how each matter could affect financial performance, risk management, and sustainability, as well as their impact on external stakeholders and the environment. By balancing financial and non-financial factors, the process ensured that Dipula focused on issues critical to its strategic objectives while meeting its sustainability and social responsibility commitments.

Integrated
We grouped Dipula’s 67 material matters into seven key themes, creating a cohesive framework that highlights the most critical areas affecting our operations and strategy. These themes guide our strategic decisions and align our efforts with the organisation’s broader goals, driving long-term value and sustainability. Additionally, they will structure the disclosures in our IR, providing stakeholders with clear and relevant information on how we address our most important issues. This approach enhances transparency and helps stakeholders understand our strategic rationale and commitment to sustainability.



Keys



Strategic objectives



Challenging macro-economic environment	YoY change —		Strategic objectives 1 3 4 6 7	Capitals impacted
---	--------------	--	---	------------------------------

Context

South Africa's GDP growth is projected at 1.2%* in 2025, reflecting a challenging economic environment. High inflation and interest rates have reduced consumer confidence, affecting spending and economic activity. Supply chain disruptions and rising capital costs have increased operational expenditure. Slow economic recovery, political and policy uncertainties add to the strain. High unemployment further complicates affordability, living costs and infrastructure demands.

Material matters

- | | |
|--|--|
| <ul style="list-style-type: none"> 1 Depressed macro-economic environment 2 Low economic growth 3 Dampened business and consumer confidence | <ul style="list-style-type: none"> 4 High inflationary environment 5 Increased cost of capital due to the high-interest rate environment 6 High energy prices |
|--|--|

Key focus areas

- | | |
|---|---|
| <ul style="list-style-type: none"> ▶ Maintain conservative gearing ▶ Maintain balance sheet strength ▶ Strengthen shareholder and debt provider relationships ▶ Disposal of non-core assets ▶ Invest in defensive assets | <ul style="list-style-type: none"> ▶ Focus on income diversification and generation ▶ Improve operational efficiencies ▶ Treasury management to optimise capital costs |
|---|---|

Stakeholders

with an interest in this matter

- Shareholders

- Debt providers

- Tenants

- Our people

- Industry organisations

- Shoppers

- Society

- Suppliers and service providers

- Government, municipalities and regulators

Associated risks

- ▶ Low economic growth risk

Time frames Short to medium

Outlook for this material matter

We remain confident in Dipula's portfolio resilience. Our strategic approach and asset management practices effectively address supply chain issues and rising costs while adapting to market conditions. With a diversified portfolio and a focus on sustainability and efficiency, we manage risks and continue to deliver value. Despite economic uncertainties, we believe Dipula is well-positioned for long-term stability and growth.

* Source: SARB

MATERIAL MATTERS (continued)

 Essential infrastructure deterioration and poor municipal service delivery	YoY change ↑		Strategic objectives 3 4	Capitals impacted 
---	--------------	---	-----------------------------	--

Context

Deteriorating infrastructure, unreliable electricity and poor municipal services are disrupting business operations and slowing economic activity. Rising utility costs are negatively impacting the trading environment. These issues reduce property valuations, increase tenant costs and cause delays in property transfers, leading to higher occupancy costs and stifling economic growth.

Material matters	Stakeholders
with an interest in this matter	with an interest in this matter
<ul style="list-style-type: none"> 7 Municipal services risk 8 Increasing property rates and taxes 9 Increased cost of occupancy 10 High compliance burden and inefficient statutory bodies 11 Regulatory burden in the operating environment 12 Poverty resulting in increased crime 	<ul style="list-style-type: none"> Shareholders Debt providers Tenants Our people Shoppers Society Suppliers and service providers Government, municipalities and regulators
Key focus areas	Time frames Short to medium
<ul style="list-style-type: none"> ▶ Proactive asset management ▶ Strengthen internal utilities department ▶ Improve operational efficiencies ▶ Invest in defensive assets ▶ Address tenant, employee and community requirements ▶ Ensure an appropriate tenant mix 	<ul style="list-style-type: none"> ▶ Eskom and municipal services risk ▶ Insurance risk ▶ Political and socio-economic risk ▶ High compliance burden risk
Associated risks	Outlook for this material matter
<ul style="list-style-type: none"> ▶ Eskom and municipal services risk ▶ Insurance risk 	Looking ahead, our focus on sustainability will help us limit the impact of service delivery risks effectively and enable us to continue delivering value in this challenging environment.



DOBSON POINT SHOPPING CENTRE



Uncertain socio-political environment

YoY change —



Strategic objectives



Capitals impacted



Context

South Africa’s political and socio-economic climate is reducing investment and creating negative sentiment among consumers and businesses. The country faces high poverty, unemployment and social unrest, which is worsened by crime and corruption. The 2024 election results and debates over economic policies have added complexity. High unemployment coupled with unstable power supply, deteriorating infrastructure and corruption, is putting significant pressure on SA’s GDP growth.

Material matters

- 13 Shifting and uncertain socio-political landscape
- 14 South Africa’s greylisting by the Financial Action Task Force
- 15 High unemployment
- 16 Low disposable incomes

- 17 Social inequalities
- 18 Social instability and unrest
- 19 Opportunistic crime
- 20 Insurance risk

Stakeholders

with an interest in this matter

- Shareholders
- Debt providers
- Tenants
- Our people
- Shoppers
- Society
- Government, municipalities and regulators

Key focus areas

- ▶ Proactive asset management
- ▶ Integrate ESG considerations into strategy and investment decision-making
- ▶ Invest in defensive assets
- ▶ Address tenant, employee and community requirements

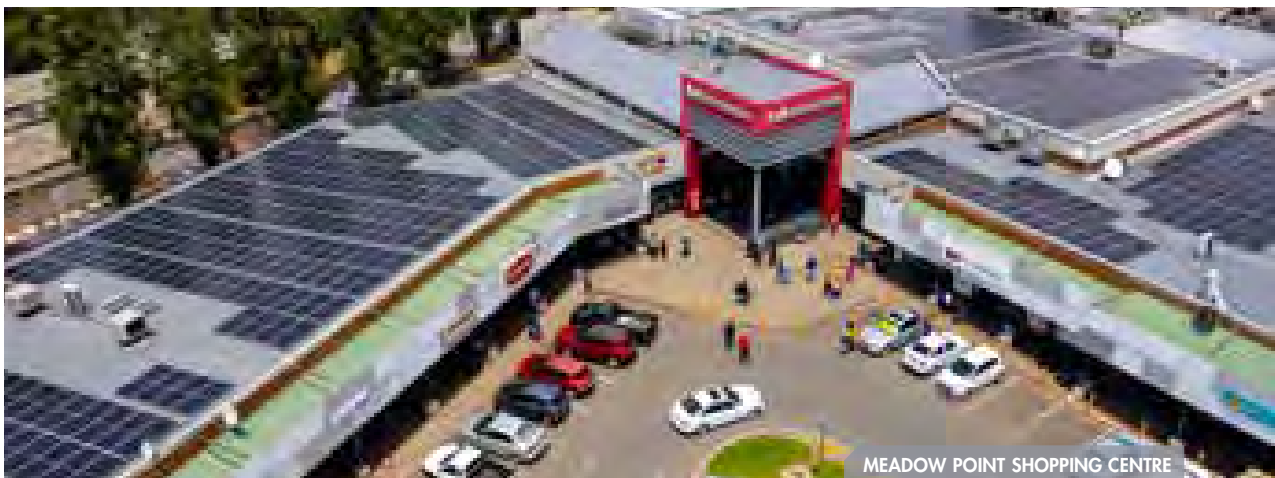
Associated risks

- ▶ Political and socio-economic risk
- ▶ Insurance risk
- ▶ High compliance burden risk

Time frames Short to medium

Outlook for this material matter

We expect interest rates to decline and anticipate an improvement in GDP growth. Despite economic fluctuations, we remain confident in the resilience and defensive strength of Dipula’s portfolio across diverse market cycles.



MEADOW POINT SHOPPING CENTRE

MATERIAL MATTERS (continued)

 Business sustainability and resilience	YoY change —		Strategic objectives 	Capitals impacted 
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Context

Current operating challenges are impacting consumer confidence and tenant demand, with economic pressures increasing competition for quality tenants. The competitive landscape, along with an increased focus on sustainable business practices, adds complexity to the operating environment.

Material matters		Stakeholders
21	Uncertain operating environment	<p style="background-color: #1a3d54; color: white; padding: 2px 5px; margin: 0;">with an interest in this matter</p> <hr style="border: 0; border-top: 1px solid #ccc; margin: 5px 0;"/> <p style="text-align: center; margin: 0;">Shareholders</p> <hr style="border: 0; border-top: 1px solid #ccc; margin: 5px 0;"/> <p style="text-align: center; margin: 0;">Debt providers</p> <hr style="border: 0; border-top: 1px solid #ccc; margin: 5px 0;"/> <p style="text-align: center; margin: 0;">Tenants</p> <hr style="border: 0; border-top: 1px solid #ccc; margin: 5px 0;"/> <p style="text-align: center; margin: 0;">Our people</p> <hr style="border: 0; border-top: 1px solid #ccc; margin: 5px 0;"/> <p style="text-align: center; margin: 0;">Industry organisations</p> <hr style="border: 0; border-top: 1px solid #ccc; margin: 5px 0;"/> <p style="text-align: center; margin: 0;">Suppliers and service providers</p> <hr style="border: 0; border-top: 1px solid #ccc; margin: 5px 0;"/> <p style="text-align: center; margin: 0;">Government, municipalities and regulators</p>
22	Business continuity and efficiency	
23	Dampened business and consumer confidence	
24	Incorrect property mix	
25	Reduction in property valuations	
26	Maintaining a high dividend payout ratio	
27	Negative rental reversions	
28	Consolidation in the retail sector leading to fewer tenants	
29	IT governance, cybersecurity and data privacy	

Key focus areas	
<ul style="list-style-type: none"> ▶ Ensure business continuity in the face of operational challenges ▶ Promote business model adaptability ▶ Continuously assess our portfolio mix ▶ Monitor key financial metrics like cost-to-income ratio, loan-to-value, interest coverage ratio and net asset value ▶ Strengthen our balance sheet ▶ Keep bad debts low 	<ul style="list-style-type: none"> ▶ Manage the interest rate risk ▶ Implement prudent hedging ▶ Maintain conservative gearing ▶ Maintain and enhance the value of the portfolio ▶ Focus on strong property and asset management ▶ Promote tenant occupancy and long-term sustainability ▶ Effective risk and opportunity management ▶ Balance shareholder expectations

Associated risks	<ul style="list-style-type: none"> <li style="width: 50%;">▶ Eskom and municipal services risk <li style="width: 50%;">▶ Low economic growth risk <li style="width: 50%;">▶ Insurance risk <li style="width: 50%;">▶ Political and socio-economic risk 	Time frames Short, medium and long
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Outlook for this material matter	<p>Our strategic priorities include:</p> <ul style="list-style-type: none"> ▶ Improving operational efficiencies ▶ Harnessing innovative infrastructure to enhance our competitive advantage ▶ Ensuring the robustness of our balance sheet ▶ Proactively seeking out fresh growth opportunities ▶ Disposal of non-core assets
---	---



Competitive operating environment

YoY change —



Strategic objectives

1 3 7

Capitals impacted



Context

The property market faces challenges from infrastructure issues, workplace flexibility and potential technological disruptions. Landlords are offering incentives to attract and retain quality tenants amid rising competition.

Material matters

- | | | | |
|----|---|----|--------------------------------|
| 30 | Highly competitive property market | 36 | Changing tenant preferences |
| 31 | Increased competition for quality tenants | 37 | Changing utilisation of space |
| 32 | Pressure on tenant demand | 38 | Maintain high occupancy levels |
| 33 | Portfolio mix and portfolio strength | 39 | Funding refurbishments |
| 34 | Right tenant mix | 40 | Low demand for office space |
| 35 | Maintain high tenant retention rate | | |

Stakeholders

with an interest in this matter

Shareholders

Debt providers

Tenants

Shoppers

Key focus areas

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> ▶ Retain tenants ▶ Focus on tenant retention strategy ▶ Right-size portfolio ▶ Optimise tenant mix ▶ Create safe, people-centric spaces | <ul style="list-style-type: none"> ▶ Active stakeholder and tenant engagements ▶ Avoid tenant concentration risk ▶ Effective cost management ▶ Repurpose space | <ul style="list-style-type: none"> ▶ Reinvest in the core portfolio through refurbishments and maintenance ▶ Seek ways to diversify revenue streams |
|---|--|---|

Associated risks

- | | |
|--|---|
| <ul style="list-style-type: none"> ▶ Office space utilisation risk ▶ Technology risk | <ul style="list-style-type: none"> ▶ Eskom and municipal services risk |
|--|---|

Time frames Short, medium and long

Outlook for this material matter

We are committed to maintaining our market position and reputation through tenant diversification, a defensive portfolio and a strong focus on property fundamentals. We aim to improve cost efficiencies and consistently deliver value to tenants, shareholders, and communities. Looking ahead, while hybrid working arrangements will continue, we are seeing a trend of increased time spent in office spaces, which will impact future space needs positively.



GILLWELL MALL

MATERIAL MATTERS (continued)

 6 Attract and retain scarce skills	YoY change —	 Strategic objectives	Capitals impacted 
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Context

Attracting and retaining scarce skills is crucial to our strategy for creating long-term value as our employees are integral to our success. We are dedicated to their professional development and well-being, and we work to nurture a company culture that aligns with our strategic objectives. However, the significant brain drain in South Africa, driven by socio-political instability, has created a skills shortage. This issue is compounded by global skill deficits.

Material matters		Stakeholders
41	Demand for critical skills	with an interest in this matter <hr/> Shareholders <hr/> Debt providers <hr/> Our people <hr/> Government, municipalities and regulators
42	Staff retention	
43	Loss of key skills	
44	Increased labour costs	
45	Transformation through diversity and inclusion	
46	Succession planning	
47	Labour standards	
48	Freedom of association and collective bargaining	
49	Employee well-being	
50	Company culture	
51	B-BBEE performance and scorecard	
52	Health and safety	

Key focus areas

- ▶ Attract and retain good talent
- ▶ Succession and leadership planning
- ▶ Nurture employee growth and well-being
- ▶ Create a diverse, inclusive, transformed and equitable workplace
- ▶ Drive transformation and empower our communities
- ▶ Ensure leadership continuity

Associated risks	▶ Key staff retention risk ▶ Human capital risk	Time frames Short, medium and long
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Outlook for this material matter

In response to increased competition for skilled professionals, we remain committed to developing our people, integrating diversity and inclusion into our human capital strategies. We are continuously re-evaluating our LTI scheme to better retain top talent and are exploring ways to evolve our talent management and employee engagement practices. Our goal is to continuously attract, retain and engage the talent essential for driving our success.



SAPS VIP



ESG stewardship

YoY
change



Strategic objectives

4

Capitals impacted



Context

As we enhance our sustainability strategy, we are focused on meeting the demand for transparent ESG reporting and tackling climate-related challenges. Dipula remains committed to positively impacting our stakeholders and the environment by setting clear CSI, environmental and governance targets and adopting measures to meet these targets. Additionally, we are progressively incorporating ESG factors into our investment decisions to boost financial performance and manage both direct and indirect environmental and social impacts.

Material matters

53	Good corporate citizenship	61	Water security
54	Business ethics and ethical conduct	62	Waste management
55	Climate change	63	Biodiversity
56	Reduce consumption	64	Supply chain and materials
57	Energy supply	65	Corporate social responsibility
58	Energy efficiency	66	Community development investment
59	Solar energy investments	67	Decent work and economic growth
60	Carbon footprint and emissions		

Stakeholders

with an interest in this matter

Shareholders
Debt providers
Tenants
Our people
Industry organisations
Society
Suppliers and service providers
Government, municipalities and regulators

Key focus areas

- ▶ Integrate ESG considerations into strategy and investment decision-making
- ▶ Implement ESG framework throughout operations
- ▶ Alternative power and water sources
- ▶ Water storage solutions
- ▶ Monitor climate events and risks
- ▶ Contribute to sustainable socio-economic outcomes through CSI initiatives
- ▶ Retrofit and install energy-efficient equipment, solar and water systems in existing properties and new developments and upgrades

Associated risks

- ▶ Extreme weather occurrences risk
- ▶ Eskom and municipal services risk

Time frames Short, medium and long

Outlook for this material matter

By enhancing our ESG knowledge, we can effectively engage with tenants seeking sustainable practices, secure green energy funding and integrate renewable technologies into our properties. This approach supports tenants' sustainability goals, increases asset value and contributes to broader environmental objectives, reinforcing our commitment to sustainability.

OUR OPERATING ENVIRONMENT

Global and SA markets review: Interest rate cuts, central bank policies and geopolitics

Amid shifting global economic currents and a turbulent financial and geopolitical landscape, expectations for interest rate cuts (and the pace thereof) have dominated the discourse among market participants as they navigate the uncertainties of global financial markets. Most commentators were optimistic about rate cuts at the start of this year, with initial expectations being that the first US rate cut would be as soon as March 2024.

However, the US Fed's Open Market Committee ("FOMC") only started this rate-cutting cycle at its meeting on 18 September, when FOMC members agreed to reduce the policy rate by 50 basis points. The cut was larger than expected, and off the 20-plus year high it has been at since mid-2023. Financial

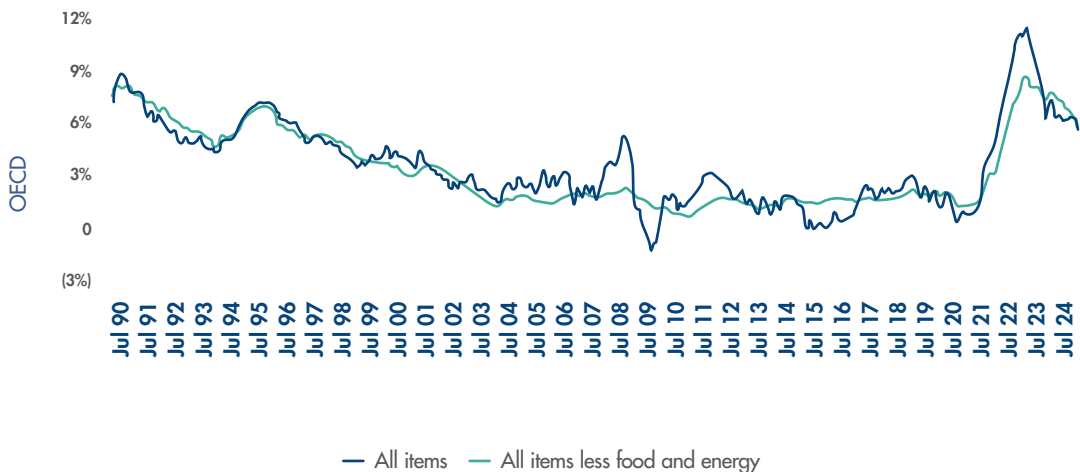
markets are now pricing in further US rate cuts by 4.00% to 4.25% by the end of 2024.

Inflation, as measured by the CPI, for OECD¹ countries (Figure 1) fell to 5.4% year-on-year ("YoY") in July, its lowest level since July 2021, and down from 5.6% YoY in June 2024. While the policy rate for Organisation for Economic Co-operation and Development ("OECD") countries remains well above pre-Covid levels, the global downward trend in inflation rates has paved the way for the ECB, the BoE, the Fed, and the SA Reserve Bank ("SARB") to cut interest rates over the last few months. The current rate-cutting cycle seems well underway, and more central banks globally are also expected to lower their countries' interest rates. Lower interest rates bode well for riskier assets such as property and equities.



Inflation, as measured by the CPI, for OECD¹ countries (Figure 1) fell to **5.4% YoY in July**, its lowest level since July 2021, and down from **5.6% YoY in June 2024.**"

Figure 1: Headline and core inflation in OECD countries, July 1990 to July 2024 (YoY % change)

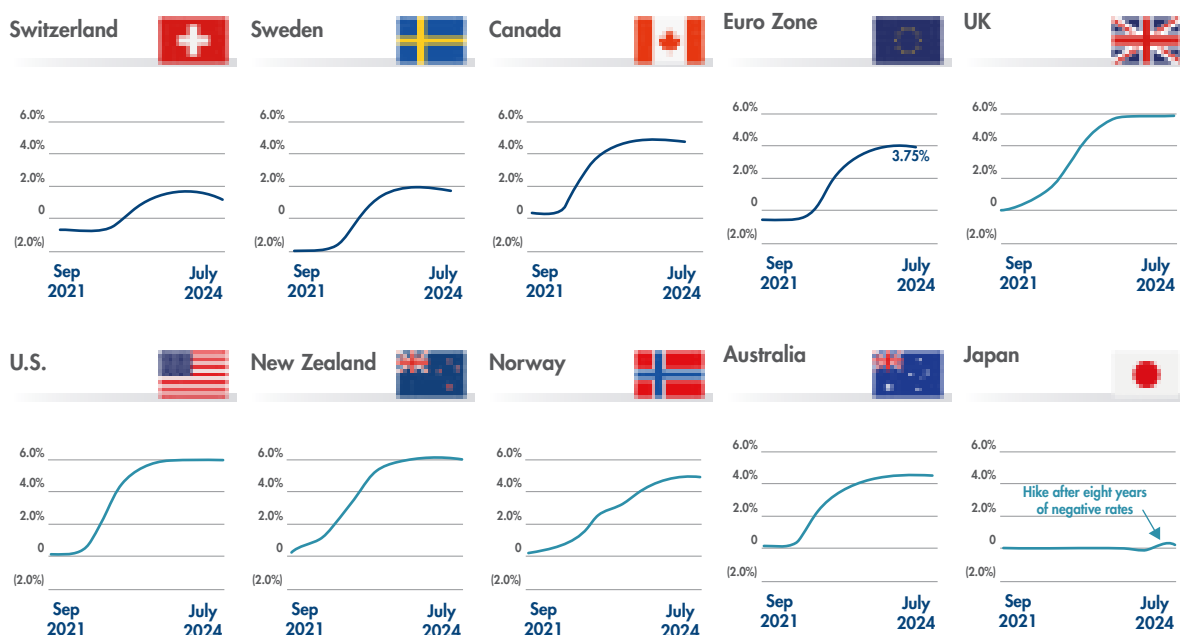


Source: ASB, OECD

1. The OECD's 38 member countries are Austria, Australia, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the UK and the US.

Looking ahead to the US Presidential Election on 5 November, US President Joe Biden announced on 21 July that he would no longer be running for president in the upcoming US elections. He has endorsed US Deputy President Kamala Harris as the Democratic presidential nominee. Harris is up against former US president and Republican Party candidate Donald Trump. It seems to be a tight race between the two candidates, and it is still somewhat unclear how markets will react to either of them winning in November. However, we expect to see some market volatility until the election dust settles.

Figure 2: Change in policy rates by central banks of the top-10 traded currencies



Source: LSEG DataStream, Reuters

South Africa’s political shift and economic outlook: Post-election optimism, inflation trends and sectoral challenges

Following this year’s National and Provincial Elections (“NPEs”), SA seems to be experiencing a renewed sense of investor confidence, not seen since the fleeting optimism of “Ramaphoria” in December 2017 when Cyril Ramaphosa was appointed as ANC president and the country’s president in February 2018. The 2024 NPEs were declared free and fair, with the ruling ANC recording a historic loss, resulting in the party forming a Government of National Unity (“GNU”) with opposition parties to govern. The peaceful transition of power and political stability following the NPEs is a significant development for SA’s political and economic future, especially in terms of FDI, lower interest rates, and overall GDP growth. Since the announcement of the election results on 2 June to the end of September, the

Rand has appreciated by approximately 8% against the US dollar.

Despite the brief respite of Ramaphoria in 2017/2018, disappointment with President Cyril Ramaphosa’s administration, ongoing issues at SA’s SOEs, crippling loadshedding, widespread corruption and general economic malaise has resulted in SA’s investment climate stagnating over the past decade-and-a-half. The RMB/BER Business Confidence Index (“BCI”) plunged from 44 to a bleak 30 index points in 1Q24, reflecting policy uncertainty, sluggish growth, and a perceived lack of political will to create a business-friendly operating environment. It also meant that seven out of 10 survey respondents were unsatisfied with the current business conditions in SA. While the BCI improved slightly to 35 in 2Q24, business confidence remains far too low to spark a meaningful resurgence in investment activity.

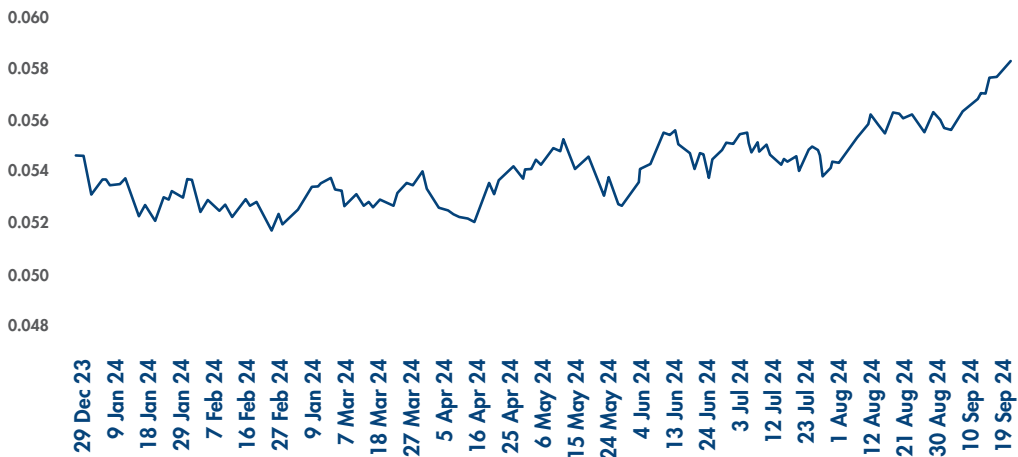
OUR OPERATING ENVIRONMENT (continued)

In 2023, the country experienced a sudden spike in investment, mainly driven by energy-related machinery purchases spurred by tax incentives for solar installations and the urgent need to counter the debilitating effects of loadshedding. This reactive investment was aimed at business survival rather than expansion. While there is optimism about the new GNU and its potential for faster reform implementation, significant challenges remain.

Looking at the current SA inflationary environment, August headline inflation, released in September, printed at 4.4% YoY – down from July’s 4.6% print and the lowest inflation rate in three years. Core inflation (which excludes volatile price

categories such as food, fuel, and electricity) eased to 4.1% in August 2024, the lowest since May 2022, down from 4.3% in July 2024. Both prints were below the 4.5% midpoint of the SARB’s 3% to 6% target band. On the back of a stronger Rand, the SARB expects inflation to remain sustainably below the targeted midpoint over the medium term. Following the release of the inflation numbers, the SARB’s Monetary Policy Committee (“MPC”) made a significant move by lowering rates by 25 basis points to 8% p.a. at its September meeting. This was the SA central bank’s first cut in this rate-cutting cycle, marking a crucial development in shaping SA’s current economic landscape.

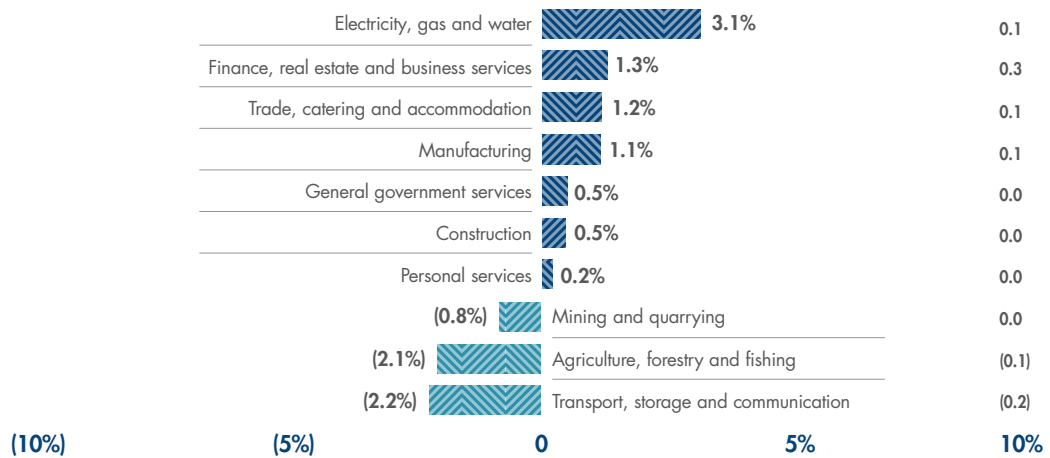
Figure 3: Rand vs US dollar performance from January to September 2024



Source: TradingView, ASB

In terms of GDP growth, SA’s economy contracted by 0.1% quarter-on-quarter (“QoQ”) in 1Q24 (upwardly revised to 0.0% QoQ) following a 0.3% QoQ rise in 4Q23. In 2Q24, GDP improved, increasing by 0.4% QoQ but still printing below the SARB’s GDP growth estimate of 0.6% QoQ. The supply side of the economy (Figure 4) was mainly driven by finance, real estate, and business services, which contributed 0.3% to the second-quarter GDP. On the demand side, household consumption, government consumption, and a build-up in inventories contributed to growth. Improving consumer confidence saw household consumption expenditure (“HCE”), which accounts for approximately 67% of GDP, strengthen 1.4% QoQ (the most significant positive contributor to overall growth on the expenditure side) as consumers increased spending across most product categories. Over the medium term, the SARB expects faster GDP growth, supported by a more stable electricity supply and improving logistics, among other factors.

Figure 4: Contribution to 2Q24 GDP growth by industry, QoQ % change



Source: Stats SA

The country has enjoyed an uninterrupted power supply since 26 March 2024, marking 188 days (to 30 September 2024) without loadshedding. Eskom has attributed the improved power supply to its Generation Operational Recovery Plan, which has continued to enhance operational efficiencies and grid capacity at the power utility – Eskom is burning less diesel but is generating more electricity than it did in the same period last year. Its energy availability factor (“EAF”) has improved from 57% at the beginning of 2024 to 66.44% as at 11 July 2024. Eskom’s expenditure on open-cycle gas turbines (“OCGTs”) between 1 April and 11 July 2024 was down 70% YoY. Unfortunately, while significant improvements have been noted on the energy supply side, the country’s freight rail sector remains a stumbling block to economic growth.

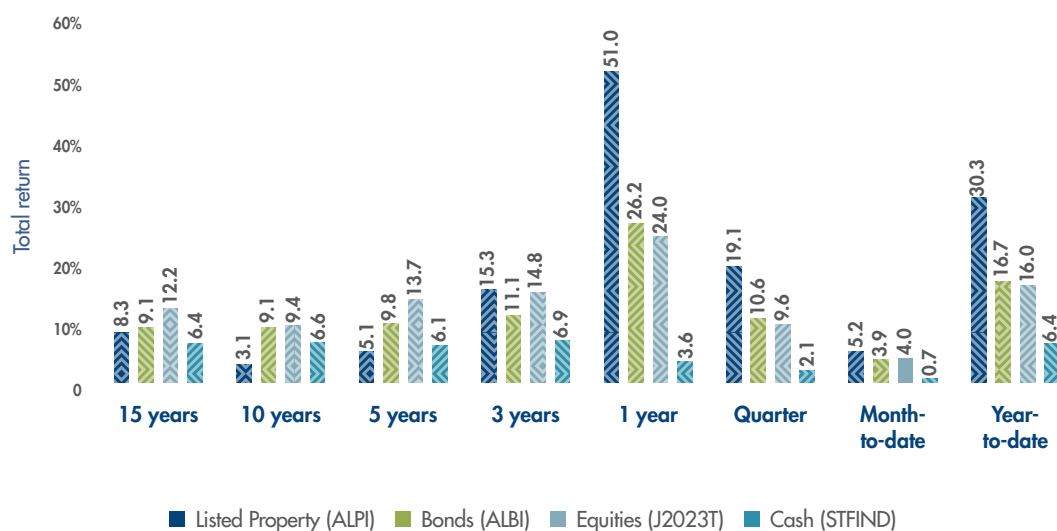
SA’s rail, port and pipeline company, Transnet, has experienced a marginal improvement in its operating efficiency, mainly attributable to the implementation of a recovery plan. The utility has made significant improvements in clearing the backlog at its key ports and has increased freight volumes by 13% YoY. Still, although freight volumes have risen, they remain 23% below what is commercially viable. The rail freight utility reported 11.6% YoY revenue growth to R16.7 billion for the financial year ended 31 March 2024. Net finance costs increased by 14.8% YoY to R13.8 billion. It is evident that

Transnet is growing its debt faster than its revenues; this is unsustainable. Transnet’s current gearing at 46.2% is just 3.8% shy of its debt covenants, an extremely worrisome position to be in. A dysfunctional freight sector poses a threat to the mining sector’s profitability (and even sustainability) and the overall growth of the SA economy.

The SA-listed property sector: Asset class performance, sector overview and outlook

The SA-listed property sector has been a stand-out performer over the past 12 months (ending September 2024), with the JSE’s All Property Index (“ALPI”) delivering a total return of 51.0%. The performance of the SA-listed property sector is even more impressive when compared to that of other asset classes over the same period – SA-listed property has materially outperformed bonds (+26.2%), equities (+24%), and cash (+8.6%). The rally in the SA-listed property sector started in 4Q23, ignited by the prospects of interest rate cuts in 2024. The rally was sustained as loadshedding was suspended (for most of 2024 to date), and, more recently, the GNU was formed following the NPEs, a move viewed as favourable by market participants. Consequently, sentiment towards the SA-listed property sector has improved, augmented by the fact that numerous listed property companies have reported better-than-expected results over the recent past.

Figure 5: Domestic asset class returns as at 30 September 2024



Source: Reuters, ASB

Sectoral overview: Industrial, retail and office

The industrial property sector outperformed its three major counterparts (retail, office and residential; see Figure 6 below) in 1H24, achieving a total return of 7.4% and recording the lowest vacancy rate at approximately 3%. The industrial sector continues to benefit from heightened occupier demand and a more favourable gross cost-to-income ratio of approximately 33% compared to the industry average of approximately 43%. Notably, unlike many super-regional malls and office towers, most industrial properties boast ample rooftop space for solar PV system installations, leading to further cost savings.

However, the supply of industrial/logistics space is often more responsive to changes in demand as it is typically quicker to bring new supply of industrial/logistics properties online in SA than other property types (due to the availability of land and construction times). Therefore, one needs to assess these dynamics closely to understand the longer-term trajectory of market rentals within this sector.

The retail sector experienced some improvement in 2Q24. This improvement was driven by reduced loadshedding and increased footfall as consumer pressure started to ease. According to South African Property Owners Association (“SAPOA”) survey report, foot traffic, measured by visitors per square metre in shopping malls, has increased by 8.3% YoY in 2Q24 – an uptrend persistent since

December 2021. However, spending per head decreased by 2.1% YoY in the same period, signalling that consumers may still be under pressure from a higher inflationary environment. As at June 2024, gross rental to sales was 6.8% – the lowest level since 2012. The improved sales margin suggests that property owners may start increasing rentals more comfortably in the medium term. Over the near term, the sector is expected to continue its upward trajectory as consumer pressures ease due to lower inflation and retirement system withdrawals (due to the implementation of the two-pot retirement system reforms) are integrated into the economy.

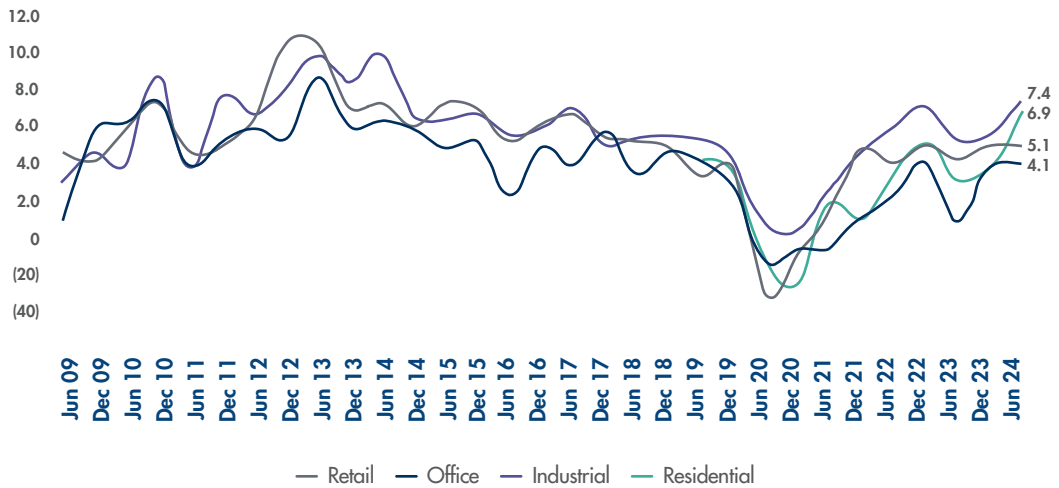
Furthermore, the latest (3Q24) SAPOA office vacancy survey reported a vacancy rate of 13.6%, a decrease of 60 basis points from 2Q24 and the lowest level since 2Q22. The overall decline in office vacancies is largely attributed to prime-grade offices, which have seen vacancies drop by 200 basis points YoY to 7.5%, reflecting a continued “flight to quality” trend. While some vacancy improvement can be linked to office conversions into residential spaces, the sector has also witnessed robust demand from business process outsourcing (“BPO”) call centres in the first half of the year. Key markets such as Cape Town and Umhlanga (Durban) are virtually fully occupied for larger space users. This trend is anticipated to extend to the City of Johannesburg, which currently has the highest vacancy rate at 16.3%, positioning it as a viable alternative for BPO operations outside of Cape Town and Umhlanga.

“

The industrial property sector outperformed its three major counterparts (retail, office and residential; see Figure 6 below) in 1H24, achieving a total return of **7.4%** and recording the lowest vacancy rate at approximately **3%**.



Figure 6: Total returns by property sub-sector



Source: MSCI

Written on 15 October 2024 by:

- ▶ Anchor Stockbrokers
- ▶ Francois du Toit (Research analyst)
- ▶ Trinity Ngobeni (Graduate analyst)
- ▶ Tshupo Makgabutlane (Graduate analyst)

JOINT LEADERSHIP REPORT

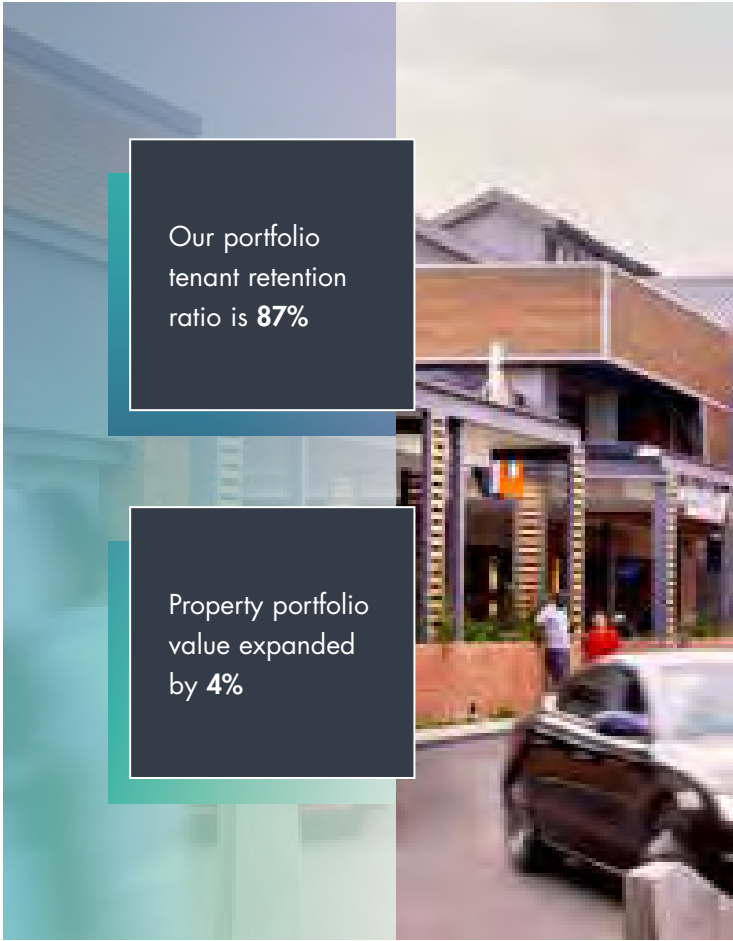


ZJ Matlala
Chairperson



IS Petersen
Chief Executive Officer

South Africa's improving macro-economic fundamentals and strengthened Rand signal a promising outlook for the property market.



Our portfolio tenant retention ratio is **87%**

Property portfolio value expanded by **4%**

Operating environment

Trading conditions and consumer sentiment in South Africa have shown notable improvement following the national elections in July 2024. The establishment of the GNU has been well-received, with participating political parties demonstrating a genuine commitment to enhancing public services as promised.

Additionally, the long-anticipated reduction in global interest rates is now underway, with cuts of 25 to 50 basis points implemented both in South Africa and among its key trading partners. Globally and locally, inflation appears to be easing, and the Rand is performing strongly against the USD and other major currencies.

These favourable macro-economic indicators are expected to support positive developments in the property market over the short to medium term.



CHILL LANE

Financial performance

Dipula delivered a commendable performance despite challenging trading conditions. We applaud the team for driving top-line growth while taking decisive measures to mitigate inflationary cost pressures, including the impact of rising tariffs and escalating labour costs.

For the year ended 31 August 2024, revenue rose by 7% to R1.5 billion, mainly attributable to good performance in our retail portfolio. We allocated capital to asset improvement initiatives, with the majority of capital projects focused on our defensive retail portfolio. This strategy resulted in 3% income growth and more than 8% capital growth in the retail portfolio compared to the prior year. While our office and industrial portfolios experienced negative rental reversions, we expect a positive performance in 2025. Our residential portfolio faced challenges due to steep municipal tariffs and some vacancies at Palm Springs. However, management successfully revised

the basis for refuse charges in this portfolio and anticipates it will stabilise in the upcoming financial year.

The Group's performance was adversely affected by a significant increase in property-related expenses. 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 cost increases year-on-year were due to non-recurring credits from the prior year, while a substantial reduction in vacancies late in the 2023 financial year led to higher utility consumption at properties which were previously vacant. The continued rise in already high tariffs remains a concern as it stifles sector growth – particularly since property owners receive little to no service from municipalities in return for the fees paid, leaving them to shoulder the added financial burden of covering the shortfall.

Our portfolio escalation stands at 6.8%, outperforming the current CPI of approximately 4%. To drive further growth, we aim to reduce vacancies from 7.5% to 5%, while closely managing cost increases to maintain a competitive net property margin. With a weighted average gross rental of R112 per square metre, we see significant upside potential in the renewal of expiring leases. Combined with an improved trading environment, this is expected to contribute to strong growth in the short to medium term.

Capital allocation

Our portfolio primarily consists of defensive retail assets, complemented by investments in industrial, office and residential properties. We aim to expand our presence in community and convenience retail centres, targeting both urban and rural areas, including townships across South Africa. Additionally, we are increasing our investments in mid-sized industrial and logistics properties to capitalise on growth in these sectors.

For the past decade, we have strategically reduced our exposure to office properties, which now represents only 15% of our GLA. This continued under-weighting reflects our intentional decision to focus on more resilient asset classes in a changing market.

Our strategic focus is to strengthen our balance sheet by divesting non-core assets and using the proceeds to reduce debt, undertake property refurbishments and invest in sustainability initiatives such as solar PV, energy efficiency, recycling and water management. This approach enhances our financial stability while reinforcing our commitment to sustainable growth and value creation.

JOINT LEADERSHIP REPORT (continued)

Operational performance

Property valuations

Property valuations are influenced by factors such as achieved rental income, rental growth projections, assumed rental escalations, exit cap rates and discount rates. To ensure the most accurate valuation of the portfolio, it is valued annually by five independent, JSE-approved valuers, with each valuing the various assets on a rotational basis. While discount rates remained relatively stable year-on-year, the primary driver of valuation changes was rental performance and positive rental growth assumptions.

The 4% overall increase in portfolio value was largely driven by a strong performance in the retail and residential sectors, which grew by 8% and 2%, respectively. In contrast, office and industrial property valuations experienced declines of 2% and 0.8%, respectively, due to negative rental reversions.

With government bond yields firming and occupancy rates improving across all property sectors, there is a strong likelihood that valuations will improve further in the near term.

Leasing (excluding residential)

Dipula finalised new leases totalling 40 441m² of GLA, compared to 50 344m² in 2023. These new leases represent a value of R214 million over their respective terms, with a weighted average escalation of 6.9%, down from 7.1% in 2023 and a weighted average lease expiry of three years (2023: 2.4 years).

In addition, the Group secured lease renewals covering 202 381m² of GLA (up from 129 088m² in 2023), generating a gross lease income of R1.2 billion over the lease terms (2023: R705 million). The weighted average lease expiry for these renewals was 3.2 years (2023: 2.8 years).

The Group achieved a negative renewal rate of 9.7% due to significant negative reversions in our government-tenanted assets. Our tenant retention ratio, excluding residential properties, was a robust 87%, reflecting the secure and trusted relationships we maintain with our tenants. At year-end, the aggregate portfolio vacancy rate was 7.5% (2023: 6.0%). We expect this vacancy to trend lower in the coming year as trading conditions improve.

Residential

At year-end, Dipula's residential portfolio consisted of 716 units, consistent with 2023, and had a total value of R417 million. Our residential vacancy rate increased to 12% from 7% in 2023, primarily due to vacancies at Palm Springs. Management is making a focused effort to significantly decrease the vacancy at Palm Springs.

Sustainability

Our commitment extends to strengthening relationships with our stakeholders and leveraging engagement opportunities to achieve a balance between profitability, social responsibility and environmental impact. We are focused on improving the well-being of individuals in the communities around our centres through job creation and community support initiatives that offer immediate and long-term benefits.

We have placed great emphasis on addressing climate change by prioritising operational efficiencies that not only reduce costs and drive revenue growth but also lower our carbon emissions. Our approach involves managing climate-related risks and reinforcing the sustainability of our operations. We are also committed to a just transition, supporting collaborative efforts between government and business to drive progress in energy, water management, job creation and anti-corruption.

The Social, Ethics and Sustainability Committee dedicated substantial time and resources to advancing Dipula's Sustainability Framework and strategy over the past year. This effort involved refining the scope, coverage and oversight mechanisms required for effective implementation across the fund. Dipula has been proactive in driving our sustainability initiatives, which included setting clear ESG objectives and enhancing our tracking of resource consumption.

For more detailed information on our ESG initiatives and progress, please refer to our separate Sustainability Report and on pages 13 to 14, which provide an in-depth look at our goals and achievements in this critical area.

Governance

Our Board and Exco work closely to foster a partnership built on trust and open dialogue. This collaboration is key for constructive debate and strategy refinement. By focusing on relevance and long-term sustainability, we ensure well-informed and forward-thinking decisions that address opportunities and risks, supporting the organisation's ongoing growth and success.

Read our Governance overview on pages 100 to 113.

Our commitment to corporate governance and leadership is integral to our value-creation process. We have embedded robust governance practices into our values and operations, emphasising agility, innovation and adherence to core leadership principles. Our internal controls are designed to ensure good governance, risk management and compliance.



PALM COURT



We have placed great emphasis on addressing climate change by prioritising operational efficiencies that not only reduce costs and drive revenue growth but also lower our carbon emissions.

Our Board and Exco work closely to foster a stable, trust-based relationship that supports strategic decision-making focused on long-term sustainability. While the Board oversees prudent capital allocation, the Exco diligently executes our strategy and reports progress quarterly. We have full confidence in the Exco's energy, dedication and high-performance culture.

Our Board, with its blend of ethics, expertise and experience, upholds transparency and responsible corporate citizenship.

Outlook

While the prolonged downturn in South African real estate is not fully behind us, improving fundamentals are emerging. Recent research highlights stronger leasing performance across office, retail, industrial and residential properties. With inflation on the decline and a more stable electricity grid, we expect rental growth alongside a slowdown in costs. These positive trends are likely to boost consumer and business confidence, paving the way for increased economic investment and strengthening property fundamentals, despite ongoing challenges posed by struggling municipalities.

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. 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.

In line with our strategy, we are 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 and focused management.

Appreciation

We greatly appreciate our shareholders and funders for their unwavering support and confidence in Dipula. We also thank our fellow Board members for their dedicated guidance and contributions, especially in challenging times. Our gratitude extends to our tenants for their essential loyalty and partnership, and to every Dipula employee whose hard work and dedication are fundamental to our success.

ZJ Matlala
Chairperson

IS Petersen
Chief Executive Officer

4 December 2024

04 HOW WE CREATE VALUE





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DELIVERING VALUE THROUGH STRATEGY

Dipula’s value creation strategy centres on optimising our property portfolio, enhancing operational efficiency and prioritising sustainability.

Our strategy for enduring profitability involves a comprehensive approach that evaluates all factors impacting our ability to generate value across short, medium and long terms. We rigorously assess risks and opportunities, analysing market trends, economic conditions and competitive dynamics. By continuously refining our business model to align with strategic goals and adapt to changing conditions, we aim to ensure long-term profitability and sustained success.

OUR STRATEGIC VALUE DRIVERS

We have identified five strategic value drivers that enable an integrated decision-making approach to creating sustained value for our stakeholders. These strategic value drivers are the critical levers that affect our ability to create value in the short, medium and long term.

Continuous portfolio optimisation

Continuously refining our property holdings through strategic revamps, divestitures and proactive management to maximise returns.

Reduce the cost of capital

Deliver consistent short- and long-term returns, apply good corporate governance and provide transparent reporting to debt and equity capital providers.

SA economic rebound

Decreasing interest rates and improved economic prospects will enhance profitability and improve asset valuations.

Well-timed and appropriately priced acquisitions

Portfolio-enhancing acquisitions will result in sustained income and capital growth and an improvement in our balance sheet.

Strong human and intellectual capital

Retaining, attracting and developing our people while embracing new technologies and business models to stay competitive and responsive to market changes.

Focusing on these drivers helps us to sustain value creation and navigate a complex operating environment effectively.

OUR STRATEGIC OBJECTIVES

Our strategic objectives provide a solid framework for setting goals and targets, monitoring progress and evaluating our performance by comparing metrics with industry benchmarks and peer organisations.

S1

Deliver sustainable income and capital returns



S2

Improve the liquidity and tradability of our share



S3

Optimise our portfolio



S4

Operate sustainably



S5

Employee and Board well-being, retention, development and succession



S6

Respond to challenging economic environment



S7

Tactical capital allocation



HOW WE CREATE VALUE

Remaining disciplined



SA-focused

- ▶ Economically active locations
- ▶ Geographically diversified
- ▶ Sectorally diversified with a strong retail bias

Diversification

- ▶ Predominantly defensive retail (convenience, rural and township)
- ▶ Increase exposure to warehousing and logistics
- ▶ Reduce office exposure
- ▶ Selective affordable residential

Buying well



Portfolio optimisation

- ▶ Acquisitions, developments, redevelopments, and capital recycling
- ▶ Non-core disposals
- ▶ Reduce number of properties without compromising balance sheet strength

Rebalancing



Tenant-centric

- ▶ Credit quality
- ▶ Enhance tenant experience
- ▶ Manage concentration risk

Managing brilliantly



Human capital

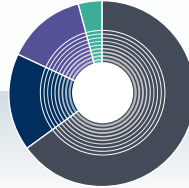
- ▶ Talent attraction, retention and development
- ▶ Employee wellness
- ▶ Resourcefulness

Sustainability

- ▶ Social, economic and environmental
- ▶ Efficient consumption of resources
- ▶ B-BBEE
- ▶ Compliance
- ▶ CSI

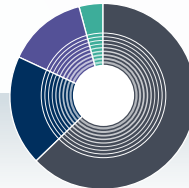
OUR STRATEGIC CAPITAL ALLOCATION

FY2024 by income











65%	17%	14%	4%
Retail	Office	Industrial	Residential
63%	19%	14%	4%

FY2023 by income











- ▶ **Allocate capital strategically** by focusing on core areas while managing risk.
- ▶ **Enhance operational excellence** by building capacity to achieve superior operational performance.
- ▶ **Select tenant mix strategically** by choosing tenants to align with our objectives and maximise value.
- ▶ **Adjust portfolio exposure** by increasing investment in retail and industrial sectors while reducing office space.
- ▶ **Invest in resilient retail** by focusing on retail segments that are defensive and resilient through various economic cycles.
- ▶ **Prioritise relevant industrial assets** by investing in industrial properties that meet market needs.
- ▶ **Invest in affordable residential properties** to reduce office exposure through conversions, while strategically disposing of the portfolio over time.

OUR STRATEGY SCORECARD FOR 2024

Strategic priorities	Target 2024	Unpacking our progress in 2024	Capitals and strategic objectives impacted
<p>▶ Gearing</p>	<p>Target LTV of between 35% and 40% and ICR of between 2.2 and 2.6 times</p>	<p>Achieved LTV of 35.7% and ICR of 2.7 times</p>	
<p>▶ Dispose of non-core assets to optimise portfolio</p>	<p>Non-core disposals of between R100 million and R300 million</p>	<p>Not achieved Non-core disposals of R37 million</p>	
<p>▶ Growth in property valuations</p>	<p>Growth in portfolio valuations of between 0% and 3.5%</p>	<p>Achieved Growth of 4.8% year-on-year</p>	
<p>▶ Reduce portfolio vacancy</p>	<p>Keep portfolio vacancy below 10%</p>	<p>Achieved Portfolio vacancy of 7.5%</p>	
<p>▶ Strategic revamps</p>	<p>Strategic revamps up to R370 million over 18 months</p>	<p>Work in progress R169 million invested in strategic revamps</p>	
<p>▶ Roll out solar PV projects</p>	<p>Solar projects of R50 million to R100 million</p>	<p>Work in progress Commenced R50 million solar PV project</p>	
<p>▶ Implement ESG strategy</p>	<p>Design ESG Framework and set targets</p>	<p>Work in progress Baseline methodology being finalised</p>	
<p>▶ Continuous process automation</p>	<p>Continue to roll out Power Bi and Docuware modules</p>	<p>Achieved Ongoing automation of our management systems</p>	

OUR STRATEGIC PRIORITIES FOR FY2025

Strategic priority	Target	Capitals and strategic objectives impacted
▶ Gearing	LTV of 40% and ICR of 2.6 times	
▶ Non-core disposals	Non-core disposals of R150 million	
▶ Distributable income	Distributable income per share of 56 cents	
▶ Portfolio revaluation	Growth in portfolio valuations of 4%	
▶ Vacancy	Keep portfolio vacancy at/or below 7.5%	
▶ Solar projects	Roll out solar projects of R50 million	
▶ Acquisitions	Acquisitions of R100 million	
▶ Continuous process automation	Continue to roll out Power Bi and Docuware modules	

OUR BUSINESS MODEL

Our business model is essential for driving our operations, resource management and stakeholder engagement to create long-term value. We face unprecedented economic challenges which require adaptive strategies. Rapid technological advancements reshape space demands and offer challenges and opportunities. Societal issues, including low economic growth and poor

	Capitals	Inputs	Objectives	Business activities
F C	<p>Financial</p> <p>We carefully manage our financial capital by balancing equity, debt, asset recycling and dividend reinvestment programmes.</p>	<ul style="list-style-type: none"> ▶ Debt capital of R3.7 billion (2023: R3.6 billion) from various funders ▶ Equity capital of R6.4 billion (2023: R6.1 billion) from shareholders 	<ul style="list-style-type: none"> ▶ Growth in dividends per share ▶ Growth in NAV per share ▶ Share price growth 	<ul style="list-style-type: none"> ▶ New debt and equity capital raises ▶ Capital recycling through disposals ▶ Retained earnings ▶ Management of shareholder and debt provider relationships
M C	<p>Manufactured</p> <p>Our diversified portfolio, encompassing retail, office, industrial and residential assets, is the core of our business. We drive its growth and excellence through strategic renovations, thoughtful acquisitions, non-core disposals and efficient management.</p>	<ul style="list-style-type: none"> ▶ National footprint across all nine provinces of SA with a property portfolio of R10.2 billion (2023: R9.8 billion) 	<ul style="list-style-type: none"> ▶ Growth in assets ▶ Optimal portfolio ▶ Portfolio defensiveness 	<ul style="list-style-type: none"> ▶ Acquisitions, developments and redevelopments ▶ Property and asset management
H C	<p>Human</p> <p>Attracting and retaining top talent is crucial for our long-term success. We expect our team to demonstrate exceptional dedication and diligence, guided by our motto: "Lead. Cooperate. Win." This reflects our commitment to leadership, teamwork and collective achievement.</p>	<ul style="list-style-type: none"> ▶ Experienced and competent Board ▶ Fair remuneration ▶ Good working environment ▶ Stable executive management team ▶ Training and development ▶ Employee wellness programmes 	<ul style="list-style-type: none"> ▶ Alignment of senior management and shareholders ▶ Motivated employees ▶ Tenant satisfaction ▶ Well-managed properties 	<ul style="list-style-type: none"> ▶ Employee training and development ▶ Team building ▶ Strategy sessions
I C	<p>Intellectual</p> <p>Our intellectual capital comprises our proprietary asset management models, IT systems, specialised skills, established brands and our reputation as a respected, value-driven management team.</p>	<ul style="list-style-type: none"> ▶ Extensive network ▶ Proprietary asset management models and systems ▶ Recognised brand ▶ Specialist skills ▶ Well-respected joint venture partner 	<ul style="list-style-type: none"> ▶ Digitisation and automation ▶ Acquisition opportunities and pipeline ▶ Attracting new tenants ▶ Tenant satisfaction ▶ Attracting talent 	<ul style="list-style-type: none"> ▶ Research and development of systems ▶ Marketing and business development ▶ Attracting new tenancies and retaining existing tenants ▶ Creative asset enhancements
N C	<p>Natural</p> <p>Minimising the negative impact of our business operations on the environment is crucial for our long-term sustainability and the well-being of society.</p>	<ul style="list-style-type: none"> ▶ Alternative energy sources ▶ Efficient consumption of electricity ▶ Waste recycling ▶ Resource conservation initiatives ▶ Responsible water usage and storage 	<ul style="list-style-type: none"> ▶ Reduce carbon footprint ▶ Reduce consumption of natural resources ▶ Less dependence on power from Eskom grid 	<ul style="list-style-type: none"> ▶ Installation of solar PV systems ▶ Energy efficiency programmes ▶ Waterwise consumption and savings programmes
S C	<p>Social and relationship</p> <p>Our social licence to operate is granted by our stakeholders and rooted in our reputation and trust. Key relationships with shareholders, funders, tenants, employees, industry Group's and local communities are crucial and shape our decisions and actions.</p>	<ul style="list-style-type: none"> ▶ Community relationships ▶ Local regeneration ▶ New offerings in previously underserved areas ▶ Participation in industry organisations ▶ Stakeholder engagement 	<ul style="list-style-type: none"> ▶ Add value to the communities we operate in ▶ Help make our tenants more sustainable ▶ Solid relationships with banking and other business partners ▶ Understand what our stakeholders expect from us 	<ul style="list-style-type: none"> ▶ Continuous community liaison and broader stakeholder relationship-building

service delivery, impact our operations and require a careful strategy. Environmental concerns, which are worsened by urbanisation and government inefficiencies, are integral to our sustainability efforts. Despite these challenges, we are committed to creating value and adapting to thrive in an evolving landscape.

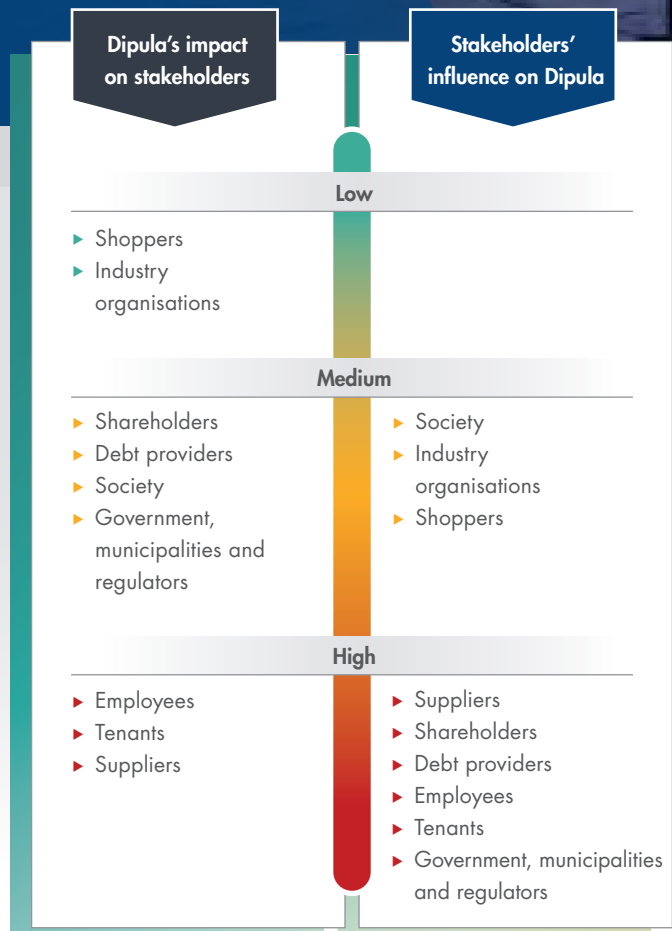
Output	Outcomes	Trade-offs
<ul style="list-style-type: none"> ▶ Accumulated reserves ▶ Gearing level ▶ New equity proceeds ▶ Refinancing proceeds ▶ Sale of assets proceeds 	<ul style="list-style-type: none"> ▶ NAV of R6.98 (2023: R6.64) per share ▶ Share price of R4.50 (2023: R4.08) per share ▶ Credit rating of BBB+ (SA) long-term and A2 (SA) short-term: Outlook stable ▶ Distributable earnings of R496 million (2023: R514 million) ▶ LTV of 35.7% (2023: 35.7%) ▶ Dividend per share 48.95 cents (2023: 51.26 cents) ▶ Debt refinancing of R3.8 billion (2023: R1.1 billion) ▶ Sold assets of R37 million (2023: R190 million) 	<p>Our current share valuation is below its true worth, limiting our ability to acquire assets using new equity.</p> <p>We are committed to avoiding dilutive capital raises that would negatively impact existing shareholders.</p> <p>In light of the high interest rate environment, we will keep our gearing at conservative levels. While retained earnings are leading to reduced short-term dividends, they are expected to enhance our NAV and future distributions as they are reinvested to optimise our portfolio.</p>
<ul style="list-style-type: none"> ▶ Improvement and growth in portfolio 	<ul style="list-style-type: none"> ▶ Acquisitions of R0 million (2023: R6.5 million) ▶ Vacancy of 7.5% (2023: 6.0%) ▶ New leases worth R214 million (2023: R288 million) concluded ▶ Portfolio valuation growth of 4.8% (2023: 3%) ▶ Renewals worth R1.2 billion (2023: R705 million) concluded ▶ Strategic revamps of R133 million (2023: R147 million) 	<p>We strategically dispose of non-core assets to minimise impact on NAV, reallocating the proceeds to enhance our portfolio for sustainable, long-term returns. Although this may result in short-term income reductions, it will significantly improve portfolio quality and sustainability in the future.</p>
<ul style="list-style-type: none"> ▶ Employee incentives ▶ Employee retention ▶ Ongoing digitisation and automation of work environment ▶ Transformed workforce 	<ul style="list-style-type: none"> ▶ 71% (2023: 71%) of the Board is previously disadvantaged individuals (PDIs) with the executive team 100% (2023: 100%) PDIs ▶ Commission-based incentives ▶ Multiskilled and multicultural team ▶ Stable workforce of 85 (2023: 85) employees ▶ STI and LTI schemes ▶ Workforce consists of 85% (2023: 85%) PDIs 	<p>Digitisation may result in a lower staff complement but is likely to result in more efficient operations and increased accuracy and stability.</p>
<ul style="list-style-type: none"> ▶ Higher occupancy ▶ Improved assets and operations ▶ Enhanced systems and processes ▶ Internal asset and property management 	<ul style="list-style-type: none"> ▶ New space let 40 441m² (2023: 50 344m²) ▶ Achieved above-inflation rental escalations of 6.9% (2023: 7%) on new leases ▶ Portfolio retention rate of 87% (2023: 84%) ▶ Redevelopments of R169 million (2023: R173 million) ▶ Implementation of Power BI and Docuware 	<p>Investing in training and new IT systems may lead to short-term cash outflows but will drive long-term efficiencies.</p>
<ul style="list-style-type: none"> ▶ Consumption (water and electricity) efficiency ▶ Minimising pollution through waste management 	<ul style="list-style-type: none"> ▶ Clean-up initiatives undertaken around our centres and pilot recycling initiatives ▶ Installation of water storage tanks ▶ Solar plants of 1 613kWp (2023: 1 613kWp) installed 	<p>While the introduction of sustainable initiatives requires upfront investment, it delivers long-term savings for Dipula and its tenants and helps reduce our negative impact on the environment.</p>
<ul style="list-style-type: none"> ▶ Good local community relationships ▶ Good relationship with suppliers, peers and competitors ▶ Healthy tenant relationships 	<ul style="list-style-type: none"> ▶ CSI spend on informal traders ▶ Direct and indirect employment created ▶ Level 4 (2023: Level 6) B-BBEE ▶ No known areas of non-compliance with laws and regulations ▶ Participation in SAPOA, SAIBPP and the SA REIT Association ▶ Procurement from emerging contractors 	<p>We offer enterprise development loans at competitive rates and invest in CSI initiatives to enhance and develop the communities where we operate.</p> <p>Volunteering consumes corporate time but contributes to the sustainability of the sector in the long term.</p>

STAKEHOLDER ENGAGEMENT



Forging meaningful connections with our stakeholders is integral to our commitment to sustainability and value creation. We are dedicated to fostering transparent, consistent and timely communication with all our stakeholders. The feedback and insights we receive from these diverse group’s are essential for guiding our strategic direction, addressing material issues, identifying risks and opportunities and making informed decisions on capital allocation.

Our Exco is charged with identifying key stakeholders and developing a solid engagement strategy. This strategy is rigorously reviewed and approved by our Board to ensure it aligns with our organisational goals. It involves a detailed understanding of who our significant stakeholders are, what issues matter most to them and how their concerns are addressed. By deep engagements with our stakeholders, we enhance our strategic decision-making, strengthen our relationships and reinforce our commitment to creating long-term value.



Capitals impacted



Quality of relationship



Shareholders	Quality of relationship	Strategic objectives 	Capitals impacted
---------------------	-------------------------	--------------------------	-----------------------

Method of management Profile: 3 594 (2023: 3 631)

- SENS announcements

- Integrated Reports

- Annual general meetings

- One-on-one meetings

- Presentations

- Roadshows

- Dipula website

- Surveys

- Media

Our reason for interacting

- ▶ Attract new and retain existing investment in Dipula
- ▶ Raise capital for growth
- ▶ Keep shareholders informed about our business

Their key needs and interests

- ▶ Management stability and competence
- ▶ Risk and mitigation strategies
- ▶ Share price performance
- ▶ Sustainable growth in NAV and distributable earnings
- ▶ ESG

Issues raised in 2024

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> ▶ Vacancy risk ▶ Interest rate risk ▶ Share price movements ▶ Index inclusion ▶ Growth prospects | <ul style="list-style-type: none"> ▶ Liquidity and tradability of Dipula shares ▶ Dividend payout ratio ▶ Property valuations ▶ SA socio-economic environment | <ul style="list-style-type: none"> ▶ Key management retention ▶ Civil unrest impacting our business ▶ Renewal of government leases ▶ Rental reversion risk ▶ ESG reporting |
|--|---|---|

Our response and actions

- | | |
|--|--|
| ▶ Matters raised integrated into executive management KPIs | ▶ Regular transparent and concise feedback given on all matters raised |
|--|--|


Value creation

Distributable earnings of **R496 million**
(2023: R514 million)

Focus areas

- | | |
|---|---|
| <ul style="list-style-type: none"> ▶ Seek index inclusion ▶ Increase shareholder spread ▶ Conservative balance sheet management ▶ Intensify leasing interventions | <ul style="list-style-type: none"> ▶ Continuous portfolio improvements ▶ Maintain conservative LTV ▶ Continue to roll out sustainability initiatives |
|---|---|

STAKEHOLDER ENGAGEMENT (continued)

<p>Debt providers</p>	<p>Quality of relationship</p>		<p>Strategic objectives</p> <p>1 3 4 6 7</p>	<p>Capitals impacted</p> 
<p>Method of management</p>		<p>South African banks</p>		
<p>Integrated Reports</p> <hr/> <p>One-on-one meetings</p> <hr/> <p>SENS announcements</p> <hr/> <p>Dipula website</p> <hr/> <p>Media</p>	<p>Our reason for interacting</p>			
<p>▶ Access to funding on competitive terms and affordable rates</p>				<p>Their key needs and interests</p>
<p>▶ Good client</p> <p>▶ Adequate security</p> <p>▶ Loan covenant compliance</p> <p>▶ Solvency</p>				
<p>Issues raised in 2024</p>				
<p>▶ New business</p> <p>▶ Property fundamentals as a result of tough trading conditions</p>				
<p>Our response and actions</p>				
<p>▶ Matters raised integrated into executive management KPIs</p>		<p>▶ Regular transparent and concise feedback given on all matters raised</p>		
<p>Value creation</p>	<p>Gearing 35.7% (2023: 35.7%)</p> <p>GCR credit rating of: BBB+ (ZA) long-term, A2 (ZA) short-term: Outlook stable</p>		<p>Debt R3.7 billion (2023: R3.6 billion)</p>	
<p>Focus areas</p>	<p>▶ Maintain conservative gearing</p> <p>▶ Implement debt restructure</p>		<p>▶ Seek growth opportunities</p>	



GILLWELL MALL

Tenants	Quality of relationship		Strategic objectives	Capitals impacted
				

Method of management Commercial: 776 (2023: 872) Residential: 629 (2023: 667)

- One-on-one meetings

- Tenant site visits

- Tenant surveys

- Written communication

- Anonymous complaints line

- Brokers

- Dipula website

- Social media

Our reason for interacting

- ▶ Attract and retain quality tenancies

Their key needs and interests

- ▶ Attentive property management
- ▶ Space that meets their business requirements
- ▶ Rental and occupancy costs
- ▶ Safety

Issues raised in 2024

- ▶ Continued rapid increases in administered costs
- ▶ Low disposable income
- ▶ Political risks
- ▶ Loadshedding
- ▶ High crime rate

Our response and actions



- ▶ Objections to unreasonable increases in municipal rates and taxes
- ▶ Portfolio improvements
- ▶ Alternative energy sources
- ▶ Regular tenant meetings collectively and individually to address immediate concerns
- ▶ Back-up power

Value creation	335 renewals equivalent to 202 381m² (2023: 302 renewals equivalent to 129 088m ²)	157 new leases equivalent to 40 441m² (2023: 188 new leases equivalent to 50 344m ²)
	Rental collections 99% (2023: 99%)	

- | | | |
|--------------------|---|---|
| Focus areas | <ul style="list-style-type: none"> ▶ Engage proactively with tenants ▶ Improve tenant retention ▶ Manage costs | <ul style="list-style-type: none"> ▶ Optimise tenant mix ▶ Provide excellent tenant service |
|--------------------|---|---|



STAKEHOLDER ENGAGEMENT (continued)

<p>Shoppers</p>	<p>Quality of relationship</p> 	<p>Strategic objectives</p> <p>3 6</p>	<p>Capitals impacted</p> 
<p>Method of management 83 (2023: 86) retail properties across South Africa</p>			
<p>Shopping centre websites</p> <hr/> <p>Anonymous complaints line</p> <hr/> <p>Mainstream media</p> <hr/> <p>Surveys</p> <hr/> <p>Social media</p>	<p>Our reason for interacting</p> <ul style="list-style-type: none"> ▶ Gaining an understanding of shopper needs and requirements to invest in relevant properties and provide the correct tenant mix <p>Their key needs and interests</p> <ul style="list-style-type: none"> ▶ Safe, convenient, relevant shopping centres ▶ Good customer service 		
<p>Issues raised in 2024</p> <ul style="list-style-type: none"> ▶ Security ▶ Tenant sustainability ▶ Health and safety 			
<p>Our response and actions</p> <ul style="list-style-type: none"> ▶ Focused property and asset management that's responsive, adaptable and agile ▶ Asset upgrades and improvements 			
<p>Value creation A total of R169 million (2023: R173 million) was invested in refurbishments and capital expenditure</p>			
<p>Focus areas</p> <ul style="list-style-type: none"> ▶ Enhance shopper experiences ▶ Follow property trends ▶ Increase shopper dwell time ▶ Monitor changing consumer preferences ▶ Retain high-quality tenants 			



DOBSON POINT SHOPPING CENTRE



Marketing

Our marketing team works closely with our tenants to enhance their store promotions by leveraging our centre websites and various social media channels. We also plan to offer training to SMME tenants in our centres to support their long-term sustainability.

Fostering secure tenant relationships and understanding shopper behaviour and preferences are central to our marketing strategy. This allows us to refine our product offerings and maintain shopper loyalty.

Our marketing efforts are aligned with significant cultural and religious events such as Easter and Christmas, and include hosting community-focused sporting, cultural and developmental events at our centres.

We make it a priority to engage local communities in our events and marketing initiatives. In many locations, our shopping centres are vital for employment, offer dignified shopping options, serve as social hubs and provide essential community services.

To diversify revenue streams, we explore opportunities for non-GLA income through promotions and activations, including leasing exhibition spaces and outdoor advertising in our centres. This generates additional revenue and enhances the overall shopping experience.



Our shopping centre marketing strategy revolves around several key objectives:

Direct shopper engagement

We engage directly with shoppers to gain insights into their needs and preferences which allows us to improve their shopping experiences.

Community integration

We work to embed our shopping centres in local communities, positioning them as valuable assets that serve as shopping destinations and community hubs.

Increasing shopper traffic

We focus on attracting more visitors to our shopping centres by employing strategies to enhance their appeal and convenience.

Building shopping centre brands

We aim to establish our shopping centres as well-recognised brands in their communities, fostering a strong sense of identity and trust.

STAKEHOLDER ENGAGEMENT (continued)

<p>Society</p>	<p>Quality of relationship</p> 	<p>Strategic objectives</p> <p>4</p>	<p>Capitals impacted</p> 
<p>Method of management</p>		<p>Primarily communities located close to our 165 (2023: 170) properties across South Africa (2023: 3 631)</p>	
<p>Shopping centre websites</p> <hr/> <p>Community liaison officers</p> <hr/> <p>Social media</p> <hr/> <p>Meetings</p> <hr/> <p>Mainstream media</p>	<p>Our reason for interacting</p> <ul style="list-style-type: none"> ▶ Good relationship with society at large ▶ Smooth operation of building projects ▶ To ensure well-directed CSI <p>Their key needs and interests</p> <ul style="list-style-type: none"> ▶ Safety at centres ▶ Job opportunities ▶ Contribution to CSI ▶ Skills development 		
<p>Issues raised in 2024</p> <ul style="list-style-type: none"> ▶ Community involvement in building projects ▶ Employment of locals ▶ Safe shopping environment ▶ Crime 			
<p>Our response and actions</p> <ul style="list-style-type: none"> ▶ Reinforcement of security at properties ▶ Various CSI initiatives ▶ Insisting on minimum percentage of locals employed on projects 			
<p>Value creation</p>	<p>Various jobs created</p>		<p>Local contractors utilised</p>
<p>Focus areas</p>	<ul style="list-style-type: none"> ▶ Contribute positively to our communities ▶ Support inclusive value creation 		

Our people

Quality of relationship



Strategic objectives



Capitals impacted



Method of management

Profile 85 (2023: 85) employees across South Africa

Staff meetings

HR department

Managers' meetings

One-on-one sessions

Team-building sessions

Conferences

Functions

Our reason for interacting

- ▶ Attract and retain the best talent
- ▶ Build a motivated team that has job satisfaction
- ▶ Building a multicultural, multiskilled, resourceful team
- ▶ Create an environment for a good work-life balance

Their key needs and interests

- ▶ Fair remuneration
- ▶ Good working environment
- ▶ Job security
- ▶ Career growth

Issues raised in 2024

- ▶ Personal growth opportunities

Our response and actions

- ▶ Ongoing training and development programmes
- ▶ STI and LTI schemes in place
- ▶ Implementation and monitoring of personal growth plans

Value creation

Salaries of **R64 million** (2023: R72 million)

Four interns in 2024 (2023: three interns)

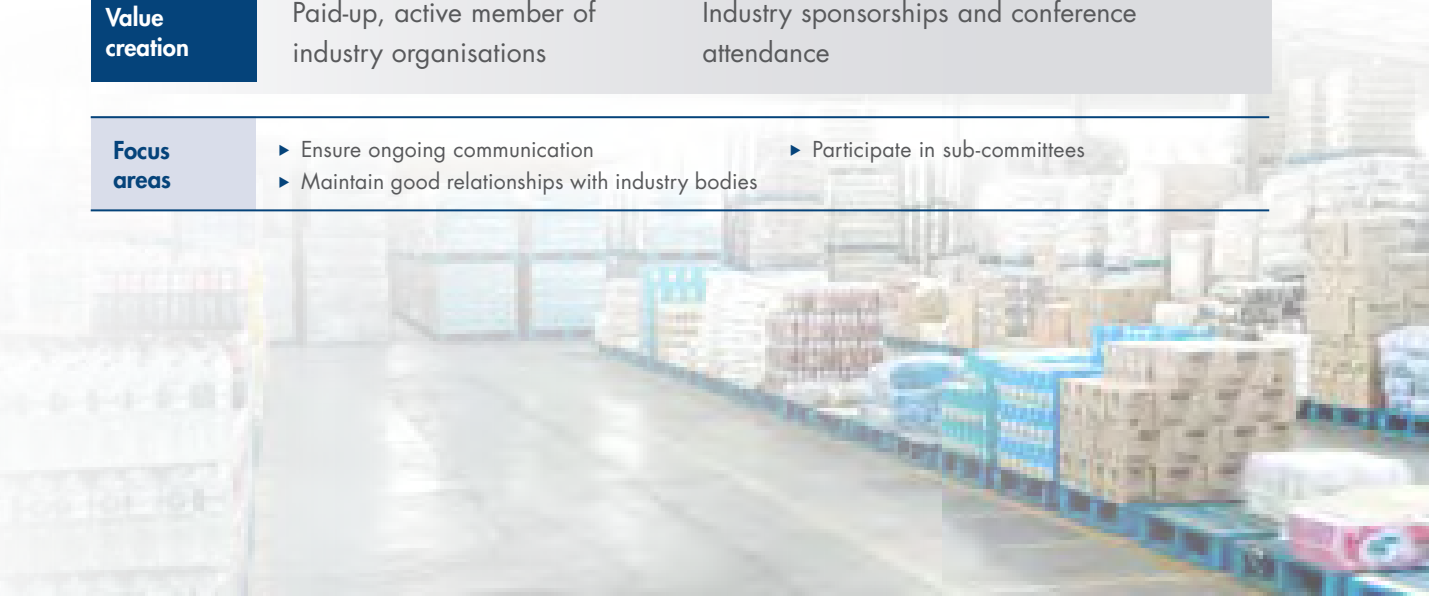
Ongoing talent management and succession planning

Focus areas

- ▶ Employee training and skills development
- ▶ Offer competitive remuneration
- ▶ Prioritise employee well-being
- ▶ Undertake regular employee engagement

STAKEHOLDER ENGAGEMENT (continued)

<p>Industry organisations</p>	<p>Quality of relationship</p> 	<p>Strategic objectives</p> <p>4</p>	<p>Capitals impacted</p> 
<p>Method of management</p> <p>Property Charter Council, SA REIT, South African Council of Shopping Centres ("SACSC"), SAIBPP and SAPOA</p>			
<p>Committee membership</p> <hr/> <p>Meetings</p> <hr/> <p>Conferences</p> <hr/> <p>Direct written and verbal communication</p>	<p>Our reason for interacting</p> <ul style="list-style-type: none"> ▶ Collective bargaining ▶ To remain informed about industry trends <p>Their key needs and interests</p> <ul style="list-style-type: none"> ▶ B-BBEE ▶ Industry developments ▶ Market trends ▶ Members and membership fees 		
<p>Issues raised in 2024</p> <ul style="list-style-type: none"> ▶ Crime ▶ Problems with municipalities and government organisations ▶ Transformation ▶ Sponsorships ▶ Changes in legislation 			
<p>Our response and actions</p> <ul style="list-style-type: none"> ▶ Membership of various industry organisations ▶ Sponsorships ▶ Participation in industry organisational structures and committees 			
<p>Value creation</p>	<p>Paid-up, active member of industry organisations</p>		<p>Industry sponsorships and conference attendance</p>
<p>Focus areas</p>	<ul style="list-style-type: none"> ▶ Ensure ongoing communication ▶ Maintain good relationships with industry bodies ▶ Participate in sub-committees 		



Suppliers and service providers

Quality of relationship



Strategic objectives



Capitals impacted



Method of management

Numerous long-term and ad-hoc suppliers and service providers

Electronic, telephonic and written communications

Training and development of SMMEs

Meetings

Tenders

Mainstream media

Our reason for interacting

- ▶ Good relationships with our suppliers ensure that we receive good service on good terms

Their key needs and interests

- ▶ Repeat business with Dipula
- ▶ Understanding Dipula's needs and requirements

Issues raised in 2024

- ▶ No material issues raised

Our response and actions

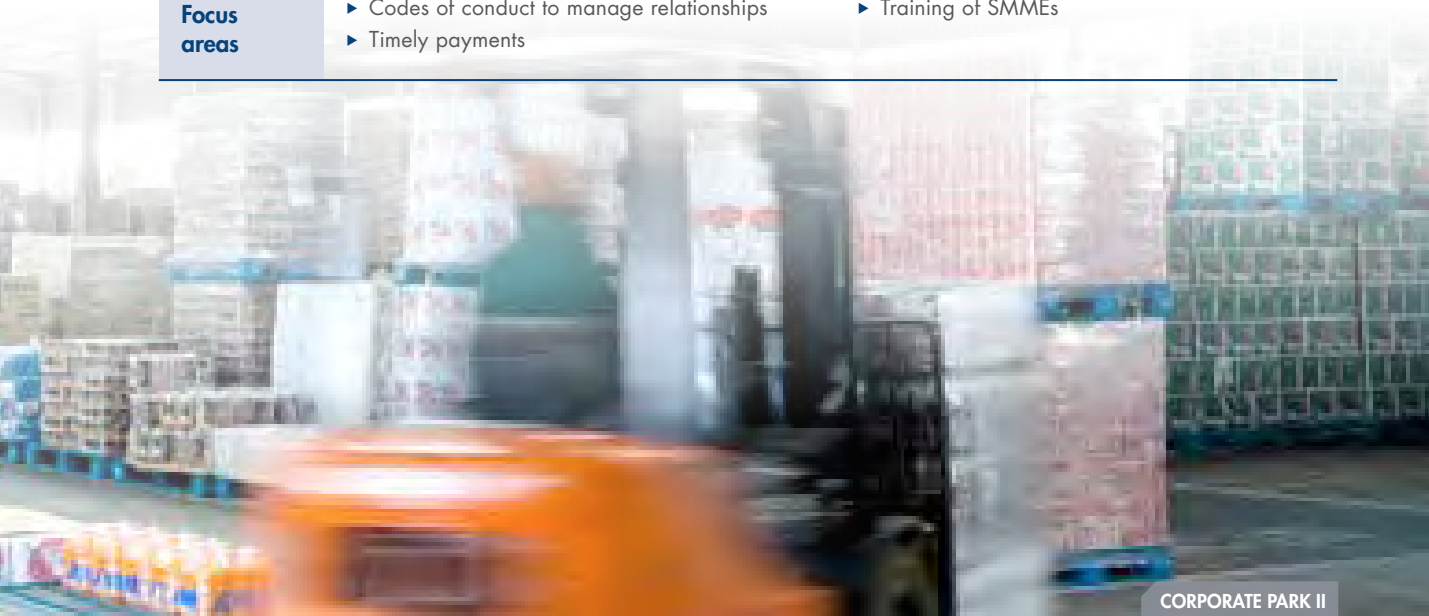
- ▶ Well-defined and transparent procurement policy and framework

Value creation

R347 million paid to suppliers and service providers (2023: R308 million)



Focus areas

- ▶ Codes of conduct to manage relationships
- ▶ Training of SMMEs
- ▶ Timely payments



CORPORATE PARK II

STAKEHOLDER ENGAGEMENT (continued)

<p>Government, municipalities and regulators</p>	<p>Quality of relationship</p> 	<p>Strategic objectives</p> <p>1 4</p>	<p>Capitals impacted</p> 
<p>Method of management</p>		<p>FSCA, JSE, local municipalities, SARS and national government</p>	
<p>Conferences</p> <hr/> <p>Meetings</p> <hr/> <p>Mainstream media</p> <hr/> <p>Electronic, telephonic and written communications</p>	<p>Our reason for interacting</p> <ul style="list-style-type: none"> ▶ Effective risk management ▶ To ensure compliance with all laws and regulations <p>Their key needs and interests</p> <ul style="list-style-type: none"> ▶ Creating jobs and business opportunities ▶ Compliance with statutes and regulations ▶ Payment of taxes ▶ Payment of rates 		
<p>Issues raised in 2024</p>			
<ul style="list-style-type: none"> ▶ Selected by JSE for proactive monitoring on the FY2023 IR 			
<p>Our response and actions</p>			
<ul style="list-style-type: none"> ▶ Open, transparent and regular communications directly and through our advisors 			
<p>Value creation</p>	<p>Utilities payments for 2024: R383 million (2023: R321 million) Tax payments for 2024: R0 million (2023: R0 million)</p>		
<p>Focus areas</p>	<ul style="list-style-type: none"> ▶ Maintain compliance with laws and regulations ▶ Engage positively to create a better South Africa 		

RISKS AND OPPORTUNITIES

Risk management

Risk responsibility

The Board has assigned the ARC with the task of overseeing and evaluating risk management processes to ensure that risks are identified and mitigated effectively. This committee provides strategic oversight and develops comprehensive risk policies. In parallel, executive management handles daily risk management, including executing mitigation strategies, maintaining loss prevention and upholding internal controls. Together, the committee and management ensure that risk management is strategic and operational, safeguards the Group’s assets and enhances overall resilience.

Key features of Dipula’s risk management approach

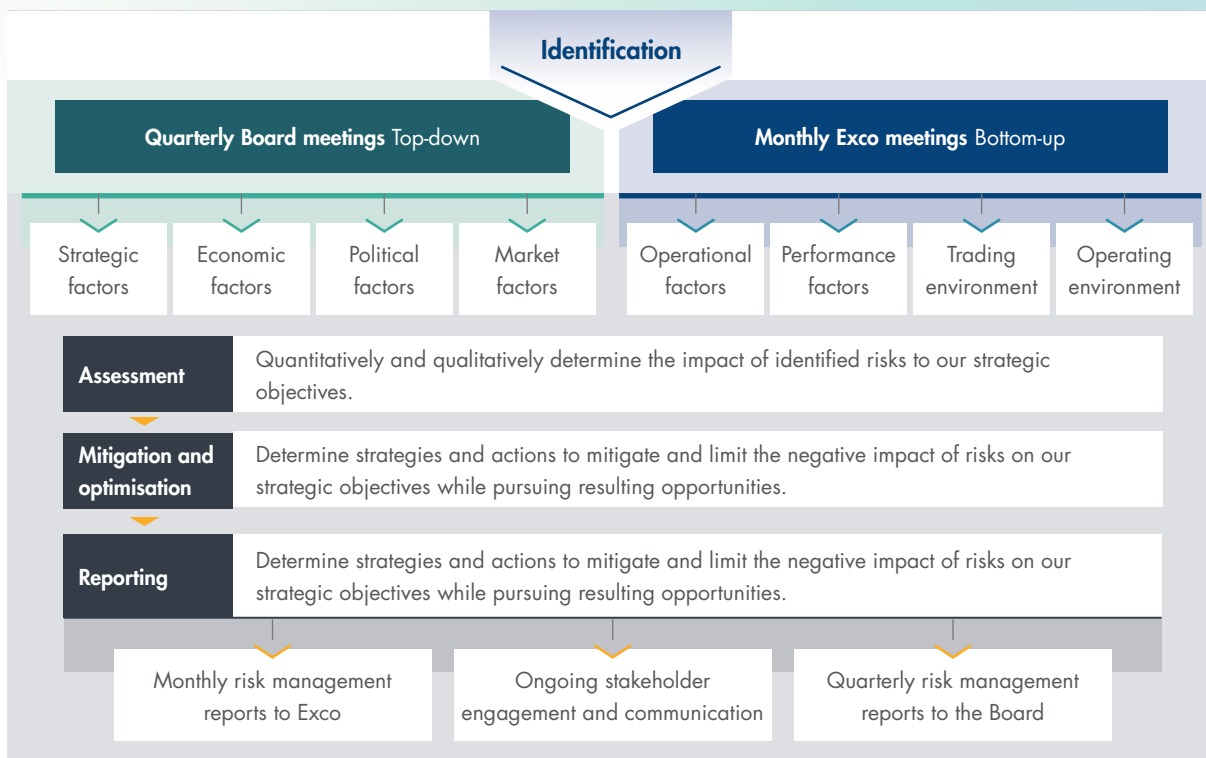
Our risk management approach is characterised by several key features that are designed to ensure comprehensive and

effective risk oversight. We have established a formal risk management policy that provides a structured framework for identifying and managing risks. This is supported by ongoing risk identification and evaluation processes, which enable us to proactively address potential threats and stay ahead of emerging risks.

Our approach is guided by clear business objectives and principles and ensures that our risk management strategies are aligned with our overarching goals. We implement robust risk mitigation processes to control and reduce material risks to acceptable levels and engage in continuous monitoring to assess internal and external factors that could impact our risk profile. We also emphasise ethical leadership to set a high standard for integrity and ethical behaviour throughout the organisation to foster a compliant and responsible environment.

Risk management process

Risk management is crucial to achieving the Group’s strategic objectives. We employ a comprehensive four-step approach that incorporates top-down and bottom-up perspectives. Our Board meets quarterly to review and address strategic risks to ensure alignment with our overarching goals. Meanwhile, our operational teams continuously provide insights into risks identified at the operational level, which are discussed at our monthly Exco meetings. This dual approach ensures that strategic and operational risks are effectively managed and integrated into our overall risk management framework.



In applying this process, we identified the material risks listed in the table below. These represent key risks impacting the Company. It is important to note that other risks have also been identified but are not deemed material in the current context.

RISKS AND OPPORTUNITIES (continued)

Material risks

Impact on strategic objectives

Movement 2023/2024



Risk increased



Risk decreased



Unchanged year-on-year



New key risk

Risk	Description	Impact
<p>Eskom and municipal services risk</p>	<p>Deteriorating municipal capacity and poor service delivery are affecting property valuations and operational performance. Declines in infrastructure quality, such as waste management, water supply and electricity, create challenges for businesses and property owners. Rising costs, including higher municipal rates, strain financial performance, leading to lower property values and reduced investor interest. This highlights the need for better municipal management and infrastructure improvements to support economic stability and growth.</p>	<ul style="list-style-type: none"> ▶ Disruption to the supply of municipal services ▶ Increased tenant arrears and defaults ▶ Business disruption ▶ Increased cost of doing business
<p>Political and socio-economic risk</p>	<p>South Africa’s current political and socio-economic climate is resulting in reduced investment and waning confidence among consumers and businesses. Political instability, policy uncertainty, high unemployment, poverty and social unrest have created a volatile environment that undermines investor confidence and stifles economic growth. This uncertainty is deterring investments, elevating risks for businesses, and diminishing consumer purchasing power, leading to decreased economic activity and overall pessimism.</p>	<ul style="list-style-type: none"> ▶ Heightened volatility of our share price ▶ Low business and consumer confidence leading to fewer potential tenants and investors ▶ Crime and social unrest ▶ Poverty resulting in tenant sustainability risks ▶ Increased tenant default
<p>Low economic growth risk</p>	<p>The South African economy is in a prolonged decline due to structural issues, external pressures and ineffective policies. High unemployment, poverty and social unrest impact consumer spending and investor confidence. Poor infrastructure, unreliable energy and global uncertainties exacerbate the situation. Despite policy efforts, recovery remains elusive with reduced economic activity and lower investment.</p>	<ul style="list-style-type: none"> ▶ Pressure on rentals ▶ Tenant defaults ▶ Fewer letting opportunities ▶ Low to negative dividend growth

Capitals impacted



Risk ranking



Low



Medium



High

Impact



Minor



Moderate



Major

Likelihood



Remote



Possible



Probable

Mitigation measures	Opportunity	Risk position	Risk ranking and movement	Capitals and strategic objectives	Impact and likelihood
<ul style="list-style-type: none"> ▶ Install back-up electricity systems ▶ Alternative power sources ▶ Alternative water sources ▶ Water storage ▶ Strong internal utilities department ▶ Initiatives to reduce consumption ▶ Engaging private service providers 	<ul style="list-style-type: none"> ▶ Opportunity to retrofit and install new energy-efficient equipment, solar and water systems in existing properties and new developments/upgrades 	1			
<ul style="list-style-type: none"> ▶ Invest in a defensive portfolio that is relevant to the South African consumer and capable of withstanding unfavourable political and economic cycles ▶ Have the appropriate tenant mix ▶ Proactive management ▶ Community involvement ▶ Participation in industry bodies to help shape policy 	<ul style="list-style-type: none"> ▶ Use our insights into these socio-political conditions and previously disadvantaged communities to invest in our target markets 	2			
<ul style="list-style-type: none"> ▶ Stringent tenant credit vetting ▶ Longer leases with good-quality tenants ▶ Shorter leases with lower-grade tenants ▶ Assist viable tenants through difficult periods ▶ Swift action, including legal, against prospective defaulters 	<ul style="list-style-type: none"> ▶ The low economic growth environment compels us to manage our business more efficiently and employ advanced asset management strategies 	3			

RISKS AND OPPORTUNITIES (continued)

Risk	Description	Impact
	<p>Office space utilisation risk</p> <p>The rise of remote and flexible work arrangements is reducing demand for traditional office spaces, leading to the potential underuse of existing facilities. This shift poses risks such as lower occupancy rates and rental income.</p>	<ul style="list-style-type: none"> ▶ Higher office vacancy ▶ Persisting office vacancies
	<p>Cybersecurity, data security and key documentation risk</p> <p>Increased online platform use has heightened cyber fraud risks, exposing Dipula to threats like phishing and ransomware. This poses a danger to critical documents and data, which are vital for business management and financial reporting. Loss or destruction of these documents and data can lead to legal issues, financial losses and reputational harm.</p>	<ul style="list-style-type: none"> ▶ Business disruption ▶ Loss of key data ▶ Financial losses ▶ Reputational risk ▶ Lawsuits
	<p>Key employee retention risk</p> <p>Current market conditions, including global skills shortages and negative sentiment in South Africa, may reduce Dipula’s ability to retain key employees.</p> <p>The heightened competition for top talent and a challenging local economic climate increases the risk of losing valuable team members.</p>	<ul style="list-style-type: none"> ▶ A lack of key employee retention ▶ Lack of alignment between management and shareholders ▶ Reduced performance due to the lack of appropriate skills
	<p>High compliance burden risk</p> <p>The extensive compliance requirements imposed by South African laws and regulations pose a significant barrier to new business ventures and impede additional capital investment in the country’s economy.</p>	<ul style="list-style-type: none"> ▶ Sustained high unemployment ▶ A smaller pool of tenants ▶ Static to negative disposable income growth ▶ High cost of doing business ▶ Capital flight out of South Africa

Mitigation measures	Opportunity	Risk position	Risk ranking and movement	Capitals and strategic objectives	Impact and likelihood
<ul style="list-style-type: none"> ▶ Avoid large, single-tenanted office buildings ▶ Carefully manage our office-sector exposure 	<ul style="list-style-type: none"> ▶ Adapt our offices to cater for co-working requirements ▶ Cater for smaller space pockets in multi-tenanted offices ▶ To stay competitive, we must adapt by providing versatile and modern office solutions 	4			
<ul style="list-style-type: none"> ▶ Implement robust cybersecurity measures, including secure data storage, regular back-ups, advanced security protocols and staff training in best practices ▶ Build a culture of cybersecurity awareness ▶ Ongoing employee training ▶ Have proactive IT personnel who monitor and adapt systems and controls ▶ Implement onsite and offsite physical and cloud data and document storage 	<ul style="list-style-type: none"> ▶ Using technology makes our business more efficient 	5			
<ul style="list-style-type: none"> ▶ Continuously improve our talent retention strategies, potentially revising the LTI scheme and enhancing other aspects of our employee value proposition ("EVP") ▶ LTI scheme to constantly be reviewed to address the risk 	<ul style="list-style-type: none"> ▶ To lock in key employees for longer to ensure continuity and stability 	6			
<ul style="list-style-type: none"> ▶ Employ competent compliance employees ▶ Participate in industry bargaining group's 	<ul style="list-style-type: none"> ▶ Find the competitive edge through a competent team 	7			

RISKS AND OPPORTUNITIES (continued)

Risk	Description	Impact	
Physical destruction of assets	Acts of nature, social unrest and insufficient preventative maintenance could lead to the physical destruction of assets.	<ul style="list-style-type: none"> ▶ Cancellation of leases ▶ Destruction of revenue base 	
Insurance risk	The high crime rate in South Africa is diminishing insurers’ willingness to cover risks associated with the region.	<ul style="list-style-type: none"> ▶ Higher premiums ▶ Unavailability of insurance 	
Occupational health and safety at our buildings	Failure to adhere to occupational health and safety standards at our buildings may result in serious accidents and incidents.	<ul style="list-style-type: none"> ▶ Injuries to staff, tenants and the public ▶ Lawsuits ▶ Fines and prosecutions 	
Technology risk	Rapid technological advancements may disrupt traditional property markets, altering space usage and reducing demand.	<ul style="list-style-type: none"> ▶ Property obsolescence ▶ Lower demand for space 	
Extreme weather occurrences	Extreme weather events and natural disasters in South Africa (and globally) are causing significant damage to physical assets and disrupting livelihoods.	<ul style="list-style-type: none"> ▶ Destruction of property assets ▶ Business interruption ▶ Loss of life ▶ Poverty and hardship 	

Mitigation measures	Opportunity	Risk position	Risk ranking and movement	Capitals and strategic objectives	Impact and likelihood
<ul style="list-style-type: none"> ▶ Avoid property concentration risk ▶ Have appropriate insurance ▶ Sufficient maintenance plans and procedures ▶ Secure properties appropriately ▶ Proactive maintenance and enhancements to assets 	<ul style="list-style-type: none"> ▶ Better community relationships to turn assets into useful community facilities ▶ Construct our portfolio to achieve good diversification 	8			
<ul style="list-style-type: none"> ▶ Improve relationships with brokers and underwriters ▶ Secure properties to limit crime incidents 	<ul style="list-style-type: none"> ▶ Explore self-insurance individually or collectively as an industry 	9			
<ul style="list-style-type: none"> ▶ Appropriate staffing ▶ Well-defined manuals, policies and procedures to set and communicate standards ▶ Ongoing staff training 	<ul style="list-style-type: none"> ▶ Training of emerging contractors in safety standards to make their businesses more sustainable 	10			
<ul style="list-style-type: none"> ▶ Adapt portfolio in accordance with changing trends ▶ Offer flexible tenancies 	<ul style="list-style-type: none"> ▶ Retrofit smart technologies that lead to efficiencies ▶ Change offering to be more flexible and relevant ▶ Diversify into newer properties and other defensive sectors 	11			
<ul style="list-style-type: none"> ▶ Secure adequate insurance coverage to mitigate risks of extreme weather and natural disasters ▶ Develop and acquire assets designed to minimise damage, such as placing them significantly above the 100-year flood line ▶ Keep track of weather warnings and developments to prepare and respond effectively ▶ Identify and divest from assets vulnerable to extreme weather due to their location and design 	<ul style="list-style-type: none"> ▶ Upgrading Dipula gardens with indigenous plants that require less water to reduce overall consumption ▶ Leveraging high rainfall averages to implement rainwater harvesting systems, maximising water-use efficiency 	12			

05 **OUR
PERFORMANCE**





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FINANCIAL DIRECTOR'S REPORT

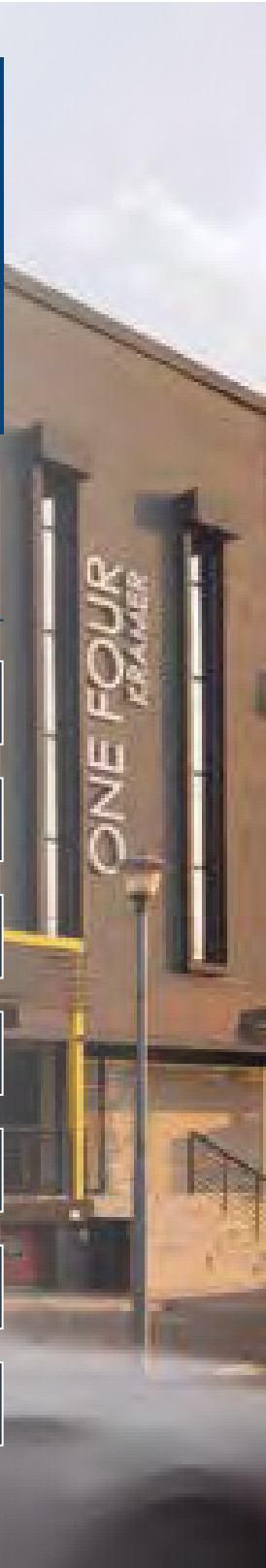


Sudesh Moodley
Financial Director

The increase in our valuations was primarily driven by our retail portfolio which saw an 8% improvement due to the robust performance of our retail centres.

Financial highlights

↑	Revenue increased by 7% to R1.5 billion	(2023: R1.4 billion)
↑	Net property income increased 2% to R920 million	(2023: R901 million)
↑	Portfolio value increased 4% to R10.2 billion	(2023: R9.8 billion)
↑	NAV increased by 5% to R6.4 billion	(2023: R6.1 billion)
↑	Debt increased by 5% to R3.7 billion	(2023: R3.6 billion)
–	Gearing stable at 35.7%	(2023: 35.7%)
–	Average debtors' collections stable at 99%	(2023: 99%)



Introduction

We are pleased to report notable increases in revenue, net property income and property valuations. These positive outcomes reflect our resilience and adaptability in navigating a difficult operating environment. Our ability to achieve growth in these key areas underscores the effectiveness of our strategies and the strength of our portfolio. This performance highlights our commitment to delivering value and sustaining success even in the face of adversity.

Financial results

Revenue for the year ended 31 August 2024 rose by 7% to R1.5 billion (2023: R1.4 billion), despite facing negative reversions in its government-tenanted office portfolio and revenue losses from property disposals in the previous year. However, the Group's performance was adversely affected by a significant 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,

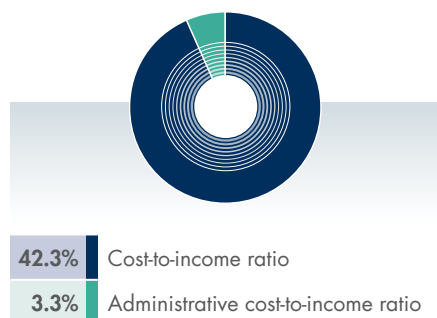
municipal costs were higher than the prior year due to non-recurring credits and a substantial reduction in vacancies late in the 2023 financial year which led to higher utility consumption in previously vacant properties.

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. 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).

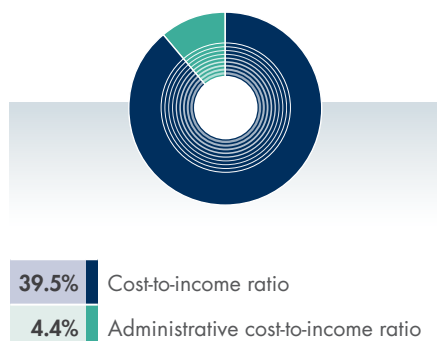
Cost-to-income ratio

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.

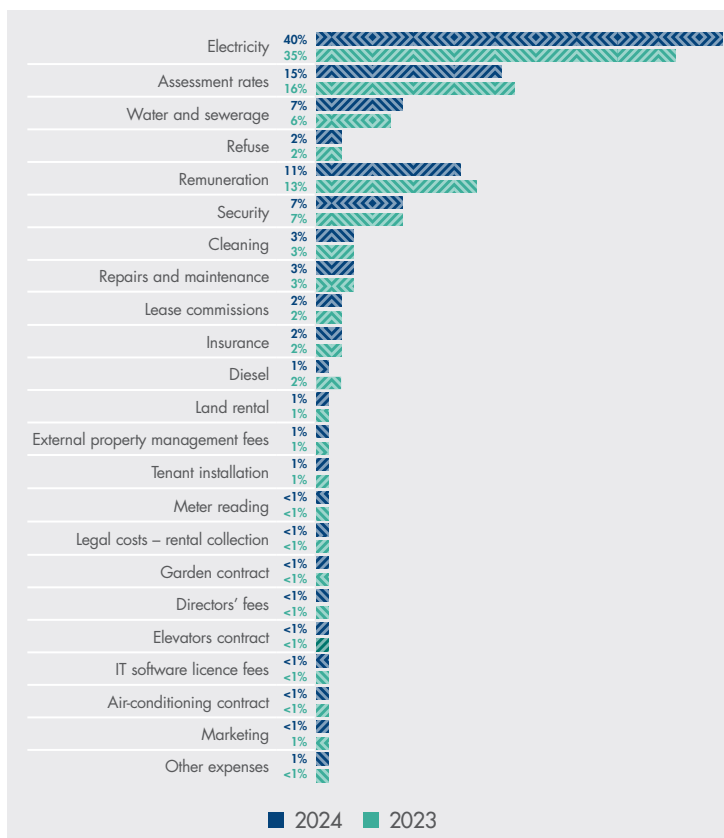
FY2024



FY2023



Analysis of operating expenses



FINANCIAL DIRECTOR'S REPORT (continued)

	2024 R'000	2023 R'000	Variance R'000	%	Note
Administered costs					
Electricity	243 078	191 855	51 223	27	1
Assessment rates	87 637	84 698	2 939	3	
Water and sewerage	42 443	35 018	7 425	21	2
Refuse	9 975	9 221	754	8	2
	383 133	320 792	62 341	19	
Non-administered costs					
Remuneration	64 112	71 589	(7 477)	(10)	3
Security	40 547	39 305	1 242	3	
Cleaning	17 412	15 320	2 092	14	4
Repairs and maintenance	17 822	15 284	2 538	17	5
Lease commissions	12 192	11 736	456	4	
Insurance	10 927	12 781	(1 854)	(15)	6
Land rental	7 975	7 559	416	6	
External property management fees	5 787	5 427	360	7	
Tenant installation	7 035	5 997	1 038	17	7
Meter reading	3 556	3 228	328	10	
Legal costs – rental collection	5 018	4 150	868	21	8
Diesel	4 363	9 655	(5 292)	(55)	9
Garden contract	2 986	2 503	483	19	10
Directors' fees	3 206	3 187	19	1	
Elevators contract	1 821	2 018	(197)	(10)	
IT software licence fees	2 475	2 293	182	8	
Air-conditioning contract	1 833	1 318	515	39	11
Marketing	931	1 371	(440)	(32)	12
Other expenses	8 148	8 233	(125)	(1.5)	
	218 146	222 954	(4 848)	(2)	
Total	601 280	543 746	57 493	11	

- In addition to Eskom tariff increases, the rise in electricity costs is due to additional consumption incurred in 2024 on previously vacant space and non-recurring credits received in the prior year which resulted in a lower expense in 2023.
- Water, sewage and refuse increased mainly due to successful objections in 2023 against incorrect municipal billings.
- Remuneration decreased by 10% year-on-year as a result of non-recurring remuneration paid in 2023.
- The 14% increase in cleaning costs is due to a combination of higher-than-inflation salary increases for cleaners across the industry and an increase in cleaning consumables during the year.
- The 17% year-on-year increase in repairs and maintenance was due to the proactive approach by the operational team in carrying out preventative maintenance.
- Insurance costs decreased by 15% due to SASRIA's limiting top-up coupons as previously allowed in 2023.
- The increase in tenant installations is due to the high letting activity in the current year.
- The increase in legal costs is related to additional rental collection efforts to limit tenant defaults.
- Diesel costs decreased by 55% year-on-year due to a reduction in loadshedding.
- The increase in gardening costs is due to a combination of higher-than-inflation salary increases for staff and efforts to improve the quality of our gardens within the Group.
- Air-conditioning costs increased by 39% due to higher occupancy levels achieved in the Group, as a result of improved letting in the current year.
- The decrease in marketing costs is due to the temporary suspension of marketing activities at retail centres that were being refurbished during the year.

Utility recoveries

	2024 %	2023 %	Variance %
Electricity ¹	114	117	(3)
Water and sewerage ¹	82	87	(6)
Refuse ¹	86	93	(8)
Diesel	89	81	10

1. Recoveries in electricity, water and sewerage have declined from 2023 due to municipal credits received in 2023.

Group 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

	2024 R'000	2023 R'000	Variance %	Note
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 assets (interest rate hedges)	9 016	47 813	(81.1)	1
IFRS 16: Lease liabilities	(120 302)	(118 132)	1.8	
Other	17 995	(99 124)	(118.2)	
NAV	6 354 346	6 050 615	5.0	
NAV per share (Rand)	6.98	6.64	5.1	
Total number of shares in issue (excluding treasury shares)	910 368 816	911 918 399	(0.2)	

1. The derivative asset relates to the mark-to-market value of Dipula's hedges during the year and moves in line with market interest rate expectations.

Property portfolio

Property valuations

Dipula's property portfolio value grew by 4% to R10.2 billion (2023: R9.8 billion). The portfolio consisted of 165 properties with a GLA of 879 010m² (2023: 885 612m²).

The increase in valuations was mainly driven by our retail portfolio which improved by 8.3% due to a sound performance in our retail centres. Industrial valuations were marginally down by 0.8%. Office valuations were 2% down due to the renewal of a substantial part of the government office portfolio. Rentals achieved were below the expiry rentals contributing to the write-down. Residential valuations had increased by 2%, due to improved rentals achieved.

OUR PERFORMANCE

FINANCIAL DIRECTOR'S REPORT (continued)

Salient valuation features
Year ended 31 August 2024

Sector	Portfolio by value (%)	Average exit cap rates (%)	Average discount rates (%)	Like-for-like year-on-year change (%)
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

Sector	Portfolio by value (%)	Average exit cap rates (%)	Average discount rates (%)	Like-for-like year-on-year change (%)
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

Acquisitions

There were no property acquisitions for the 2024 financial 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.

Disposal

The Group disposed of properties for an aggregate consideration of 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.



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 four 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	37.1	–	–
	3 756 215	100	2 650 000	100

Covenants

Our group covenant requirements with various debt providers is an LTV ratio of 50% and an ICR of two times. Our covenant levels were comfortably within the above limits at year-end, as follows:

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

Credit rating

In July 2024, GCR Ratings maintained our national scale long-term and short-term issuer ratings of BBB+ (ZA) and A2 (ZA), respectively, with a stable outlook. The issuer ratings reflected the Company's continued resilient performance, allowing it to maintain solid credit protection metrics, while financial flexibility and liquidity continued to show improvement through the collapsing of the dual share structure in 2022.



NEW BRIGHTON

FINANCIAL DIRECTOR'S REPORT (continued)

Cash management

Cash flow (based on management accounts and not IFRS accounting standards)

	31 August 2024 R'000	31 August 2023 R'000	Variance R'000	Variance %	Notes
Cash flows from operating activities	(6 469)	11 646	(18 115)	(156)	
Cash generated from operations	829 891	846 906	(17 015)	(2)	
Net finance cost	(352 700)	(298 875)	(53 825)	18	1
Dividend paid	(483 660)	(536 385)	52 725	(10)	
Cash flows from investing activities	(114 517)	(6 023)	(108 494)	1 801	
Acquisitions and capex	(150 384)	(161 446)	11 062	(7)	2
Disposals	35 625	153 580	(117 955)	(77)	
Repayments of loans advanced	242	1 843	(1 601)	(87)	
Cash flows from financing activities	172 064	(8 313)	180 377	(2 170)	
Share issue expenses paid	–	(392)	392	100	
Shares acquired in terms of share-based payment	(14 299)	(16 103)	1 804	(11)	3
Acquisition of treasury Shares	(6 262)	–	(6 262)	100	4
Settlement appraisal rights shares	–	(34 000)	34 000	100	5
Dividend reinvestment plan proceeds	–	64 254	(64 254)	100	6
Repayment of subsidiary stated capital	–	(13 993)	13 993	100	
Acquisition of additional interest in subsidiary	–	(25 313)	25 313	100	
NCl loan repayment	–	6 562	(6 562)	100	
Repayment of lease liabilities	(8 891)	(8 564)	(327)	4	
Debt funding raised/(repaid)	201 516	19 236	182 280	948	7
Net increase in cash and cash equivalents	51 078	(2 691)	53 769	(1 998)	
Cash at the beginning of the year	61 551	64 242	(2 691)	(4)	
Cash at the end of the year	112 629	61 551	51 078	83	

1. Net finance cost increased by 18% due to the expiry of interest rate swaps at lower rates than current variable rates.

2. Acquisitions and capex increased by 19% due to portfolio enhancing and defensive redevelopments.

3. The outflow of R14 million relates to Dipula shares acquired to settle vesting shares to staff for Dipula's LTI scheme.

4. 1.55 million of Dipula shares were acquired in the current year.

5. The R34 million outflow in 2023 related to the settlement of the appraisal rights exercised following the implementation of the A and B share restructure.

6. The R64 million inflow in 2023 related to the dividend reinvestment plan (DRIP) undertaken in May 2023 which resulted in the issuing of 18 253 926 new Dipula shares.

7. The net inflow of R182 million relates to new debt raised to fund strategic redevelopments.

Rental collections and arrears

Through the dedicated efforts of our property management team, we maintained an average rental collection rate of 99% across our portfolio for the year ending 31 August 2024 (2023: 99%).

Capital commitments

At 31 August 2024, we had capital commitments of R57 million (2023: R48 million) relating to refurbishments and redevelopments.

Dividend

Distributable earnings were down 3.5% year-on-year at R496 million (2023: R514 million). Distributable earnings per share amounted to 27.31 cents per share for the interim reporting period while the final distributable earnings per share was 27.09 cents. The full-year distributable earnings per share was 54.40 cents (2023: 56.96).

Dipula's Board resolved to retain a payout ratio of 90% for the year ended 31 August 2024.

Dividends per share amounted to 24.58 cents per share for the interim reporting period while the final dividend per share was 24.38 cents. The resulting full-year dividend per share amounted to 48.96 cents (2023: 51.27 cents).

Appreciation

A special thanks to the Dipula team whose hard work and dedication have been instrumental in achieving these results.



Sudesh Moodley
Financial Director

4 December 2024



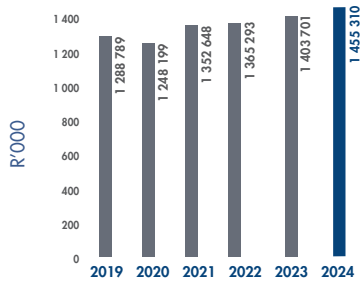
BLACKHEATH PAVILION

FIVE-YEAR FINANCIAL REVIEW

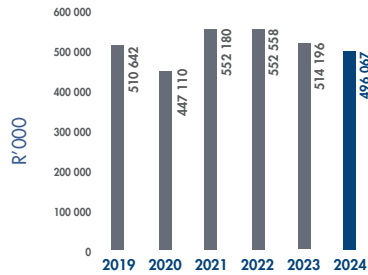
	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
1. Distribution statement					
Revenue	1 455 311	1 403 701	1 365 293	1 352 648	1 248 199
Property-related expenses	(576 045)	(502 344)	(480 300)	(455 660)	(440 922)
Net property income	879 266	901 357	884 993	896 988	807 277
Administration and corporate costs	(43 117)	(55 354)	(40 017)	(38 528)	(40 893)
Net operating profit	836 149	846 003	844 976	858 460	766 384
Net finance cost	(311 990)	(303 251)	(264 602)	(272 413)	(292 489)
Taxation	–	–	–	218	–
Non-controlling interests	(28 134)	(28 556)	(27 816)	(34 085)	(26 785)
Distributable earnings	496 025	514 196	552 558	552 180	447 110
2. Summarised statement of financial position					
Non-current assets	10 159 063	9 786 862	9 661 061	9 127 262	9 357 414
Current assets	369 828	282 337	275 052	298 287	213 560
Non-current assets held-for-sale	50 350	39 081	37 445	101 242	13 488
Total assets	10 579 241	10 108 280	9 973 558	9 526 791	9 584 462
Non-current liabilities	3 856 662	2 246 004	2 469 043	2 503 933	2 907 517
Current liabilities	191 442	1 612 692	1 426 233	1 361 829	1 131 424
Total liabilities	4 048 104	3 858 696	3 895 276	3 865 762	4 038 941
Non-controlling interest	176 791	198 969	151 694	210 224	250 499
Shareholders' interest	6 354 346	6 050 615	5 926 588	5 450 805	5 295 022
3. Distributable earnings per share					
A share (cents)	–	–	61.97	118.95	114.49
Growth in distributable earnings*	–	–	(47.9%)	3.9%	3.8%
B share (cents)	54.40	56.96	73.19	89.70	54.46
Growth in distributable earnings*	(4.5%)	(22.2%)	(18.4%)	64.7%	(34.2%)
Combined (cents)	54.40	56.96	135.16	208.65	168.95
Growth in distributable earnings*	(4.5%)	(57.9%)	(35.2%)	23.5%	(12.4%)
4. Statistics					
Market price at year-end (cents)					
A share*	–	–	–	870	559
B share*	450	408	395	410	124
NAV per share (cents)	697	664	663	1 030	1 000
Premium/(discount) to NAV	(35.4%)	(38.6%)	(40.4%)	(37.9%)	(65.9%)
LTV	35.7%	35.7%	35.9%	36.5%	38.9%

* The distributable earnings per share and share prices in 2024 and 2023 are not comparable to prior years as the Company repurchased all the A shares in consideration for 2.4 B shares on 6 June 2022.

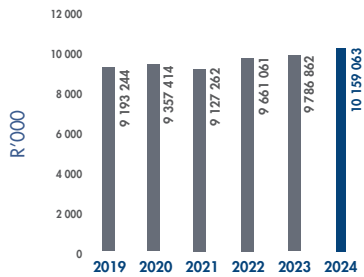
Revenue



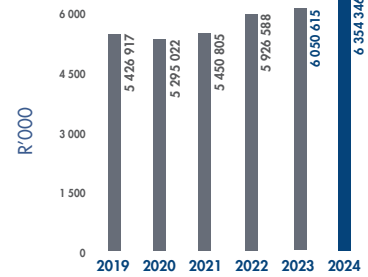
Distributable income



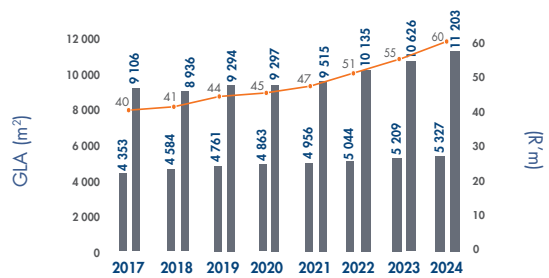
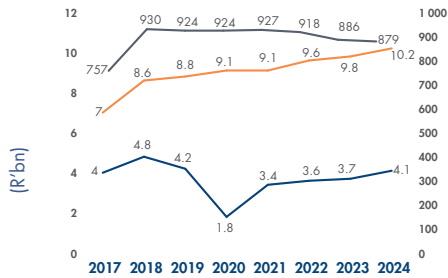
Non-current assets



Shareholders' interest



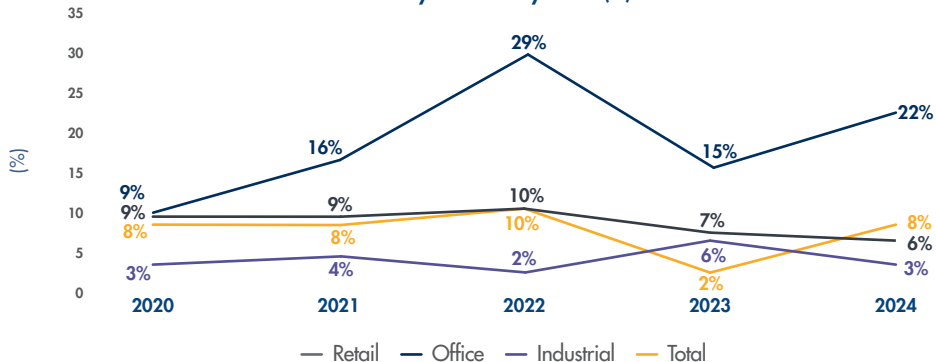
Eight-year growth trend



— Market capitalisation (R'bn) — Portfolio value (R'bn)
— GLA (000m²)

— Average prop size m² — Average value per m²
— Average prop value (R'm)

Five-year vacancy trend (%)



PORTFOLIO OVERVIEW



Key indicators (excluding residential, NCI and land)

At 31 August 2024

	Retail	Office	Industrial	Total
Number of properties	83	33	45	161
Portfolio valuation (R'bn)	6.5	1.6	1.3	9.4
GLA (m ²)	419 324	127 748	302 343	849 415
Average value per m ² (R/m ²)	14 096	12 636	4 227	11 122
Vacancy (%)	6.4	22.0	2.8	7.5
Weighted average monthly gross rental per m ² by GLA (R/m ²)	158.69	140.68	43.40	111.77
Weighted average monthly gross rental per m ² by income (R/m ²)	173.65	168.04	56.16	155.04
Weighted average escalation by GLA (%)	6.4	6.4	7.4	6.8
Weighted average escalation by income (%)	6.5	6.6	6.9	6.5

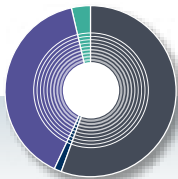
Average annualised property yield was approximately 9% on the year-end property portfolio valuation.

Sectoral and geographic profile

The portfolio is predominantly focused on retail and contributes 65% of rental income (2023: 63%). These properties are spread across all nine provinces of South Africa with Gauteng being the primary region, generating 60% of rental income (2023: 61%).

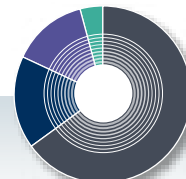
The sectoral and geographical breakdown of our portfolio is set out below:

Sectoral split
by GLA (%)

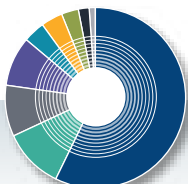


48%	Retail	65%
15%	Office	17%
34%	Industrial	14%
3%	Residential	4%

Sectoral split
by gross income (%)

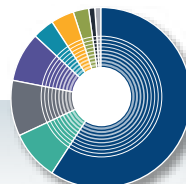


Geographic split
by GLA (%)



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 (%)



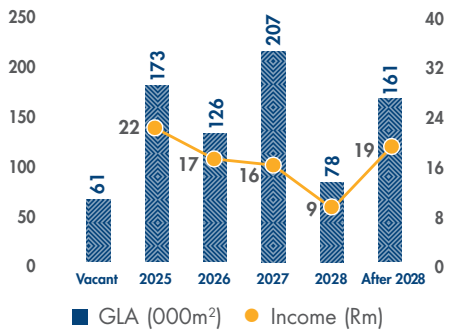


FIN FORUM

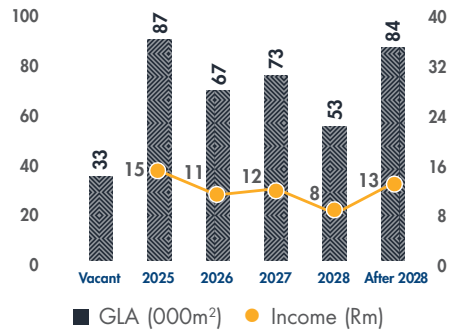
Lease expiry profile (excluding residential)



Portfolio



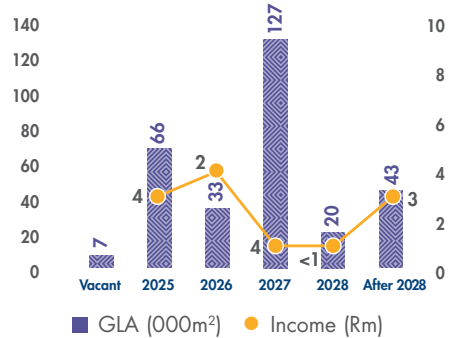
Retail



Office



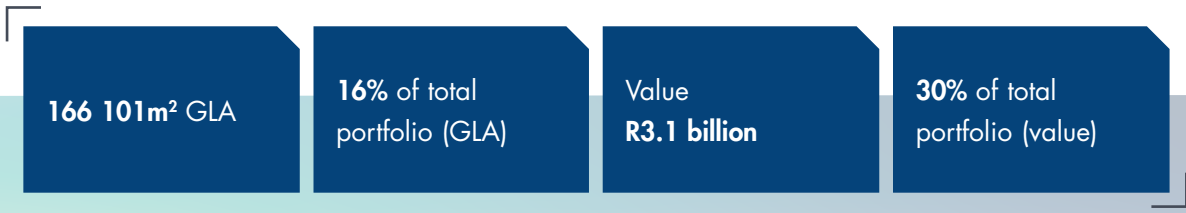
Industrial



OUR PERFORMANCE

PORTFOLIO OVERVIEW (continued)

TOP 10 PROPERTIES



Region	GLA (m ²)	Value (R'm)	Value per m ² (R/m ²)
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GILLWELL MALL

	Eastern Cape
	21 378m ²
	R383 million
	R17 906/m ²

SAPS VIP

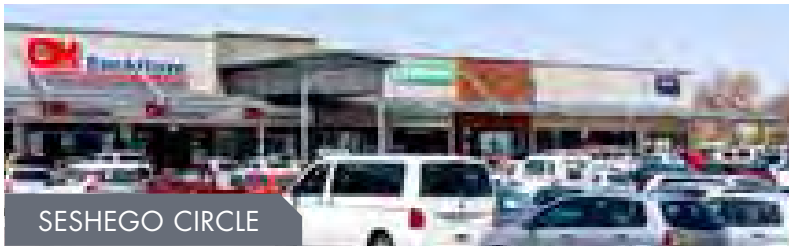
	Gauteng
	21 478m ²
	R353 million
	R16 426/m ²

GEZINA GALLERIES

	Gauteng
	16 956m ²
	R348 million
	R20 506/m ²

CHILLI LANE

	Gauteng
	13 597m ²
	R345 million
	R25 351/m ²



SESHEGO CIRCLE



Limpopo
15 619m²
R341 million
R21 813/m²



UMZIMKHULU MALL



KwaZulu-Natal
15 759m²
R326 million
R20 667/m²



NQUTHU PLAZA



KwaZulu-Natal
14 906m²
R321 million
R20 515/m²



BOCHUM PLAZA



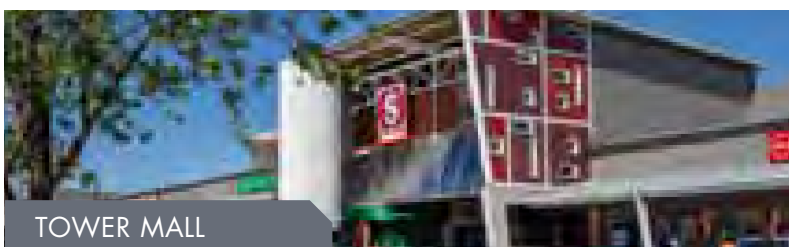
Limpopo
12 073m²
R263 million
R21 785/m²



PALM SPRINGS



Gauteng
18 796m²
R249 million
R13 242/m²



TOWER MALL



North West
15 539m²
R213 million
R13 682/m²



PORTFOLIO OVERVIEW (continued)

Tenant quality (excluding residential)

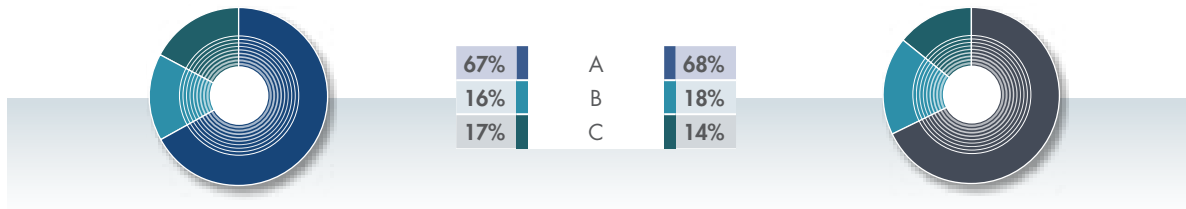
Most tenants in our portfolio are classified as A-grade and provide a solid foundation for the high quality of our properties and the consistent reliability of rental income. We consequently consider the risk of rental defaults to be low.

Tenant grading



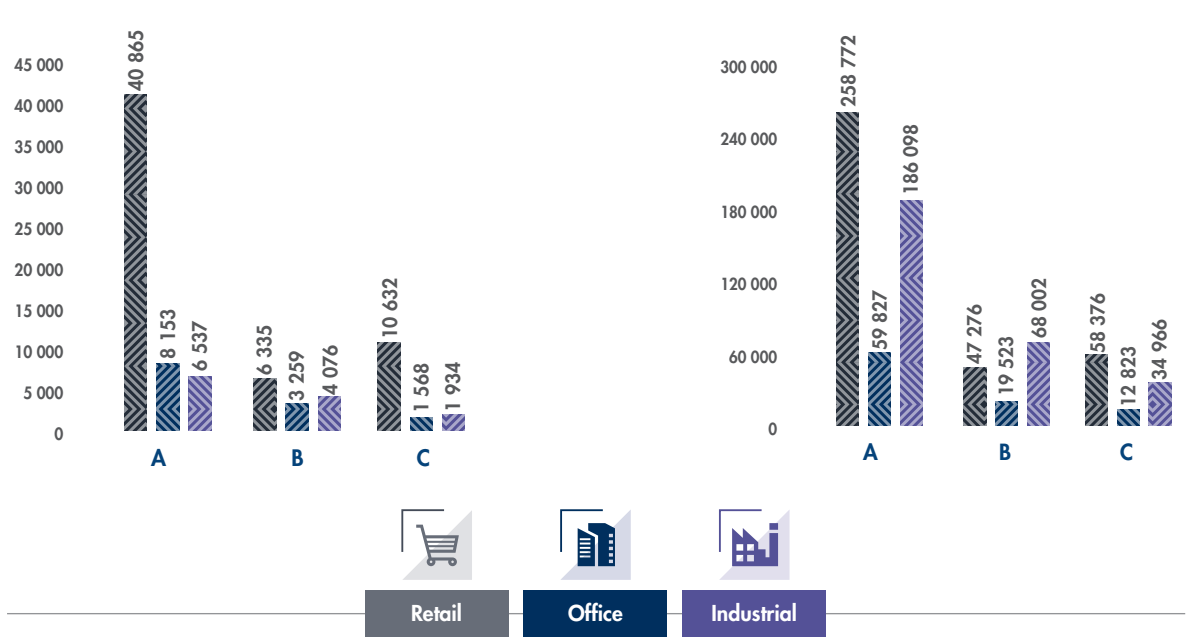
Tenant grading by gross income (%)

Tenant grading by GLA (%)



Tenant grading by monthly income (R'000)

Tenant grading by GLA (m²)



TOP 10 TENANTS BY INCOME

Exposure		Tenants
SHOPRITE	12%	Shoprite Group
	9%	DPW & Government
PEPKOR	4%	Pepkor Group
Pick n Pay	3%	Pick n Pay Group
RECLAM	3%	Reclamation Holdings
DSV	2%	DSV
Cashbuild	2%	Cashbuild
SPAR	2%	Spar Group
BOXER	2%	Boxer Stores
(absa)	1%	ABSA Bank

Total by
income
is **40%**

TOP 10 TENANTS BY GLA

Exposure		Tenants
SHOPRITE	9%	Shoprite Group
	9%	DPW & Government
DSV	4%	DSV
PEPKOR	3%	Pepkor Group
Pick n Pay	3%	Pick n Pay Group
SPAR	2%	Spar Group
Cashbuild	2%	Cashbuild
PlusNet	2%	Plusnet/Geotex
TFG	1%	The Foschini Group
Bidvest	<1%	Bidvest

Total by
GLA is
34%



PORTFOLIO OVERVIEW (continued)

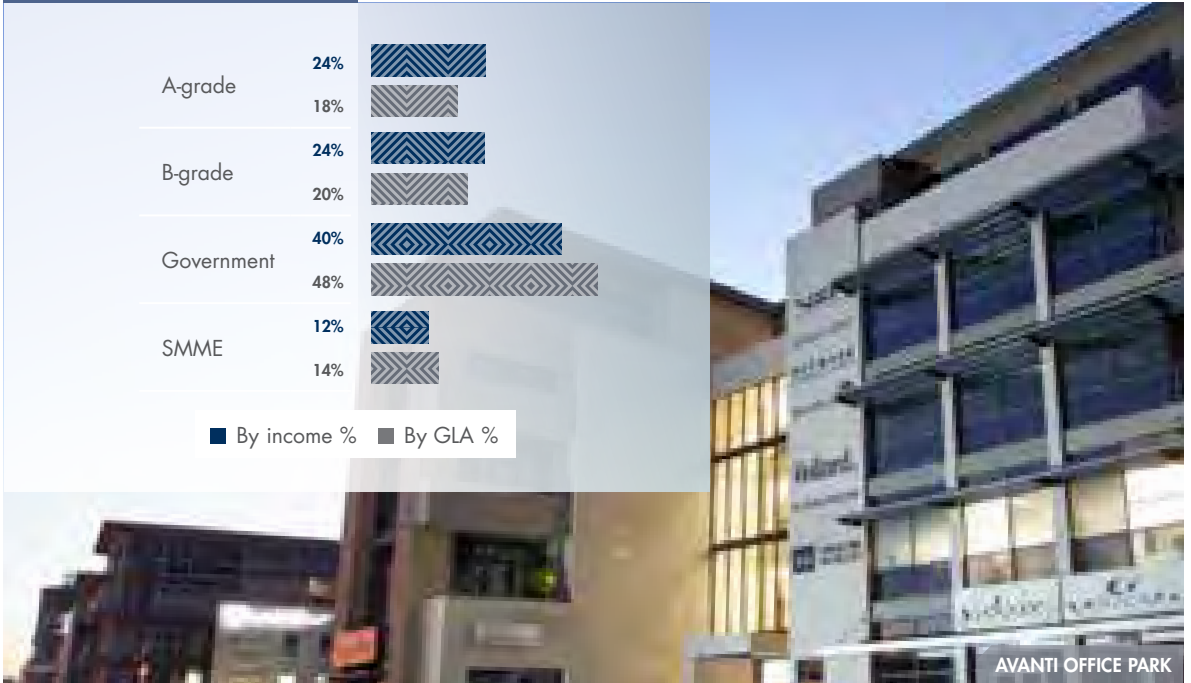
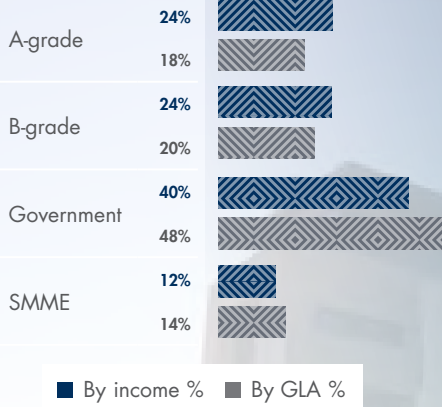
RETAIL 



■ By income % ■ By GLA %

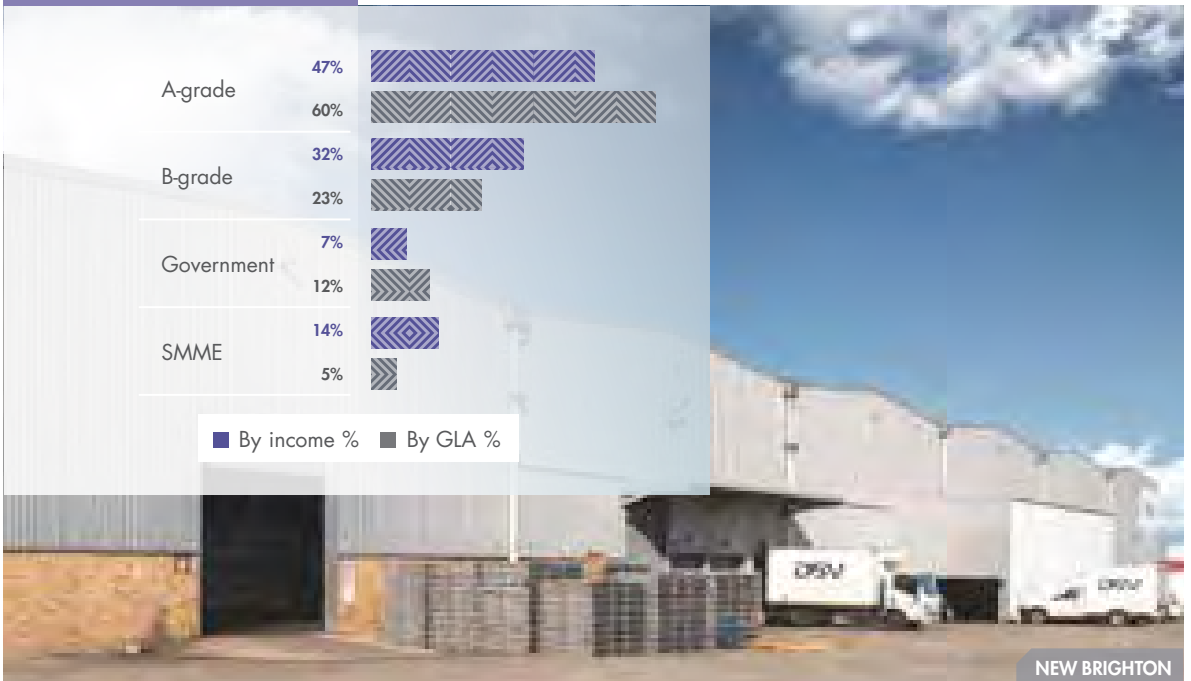
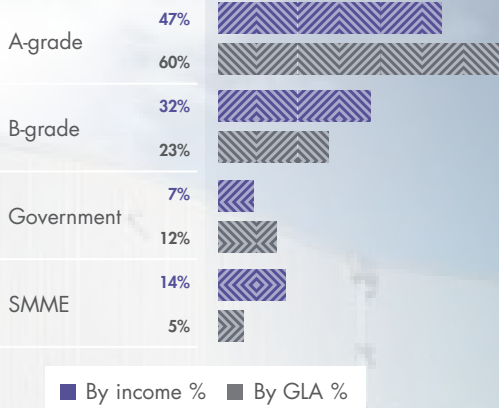
SESHEGO CIRCLE

OFFICE



AVANTI OFFICE PARK

INDUSTRIAL



NEW BRIGHTON

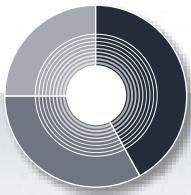
PORTFOLIO OVERVIEW (continued)

Building profile

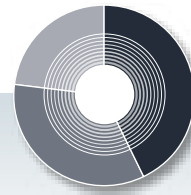
RETAIL PORTFOLIO BY LOCATION 

By income %

By GLA %



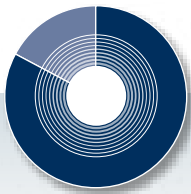
42%	Urban retail	43%
33%	Rural retail	34%
25%	Urban township retail	23%
100%	Total	100%



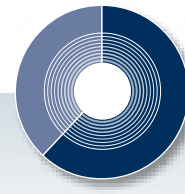
OFFICE PORTFOLIO GRADING 

By income (%)

By GLA (%)



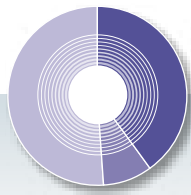
83%	A-grade	62%
17%	B-grade	38%
100%	Total	100%



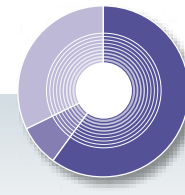
INDUSTRIAL PORTFOLIO BY TYPE 

By income (%)

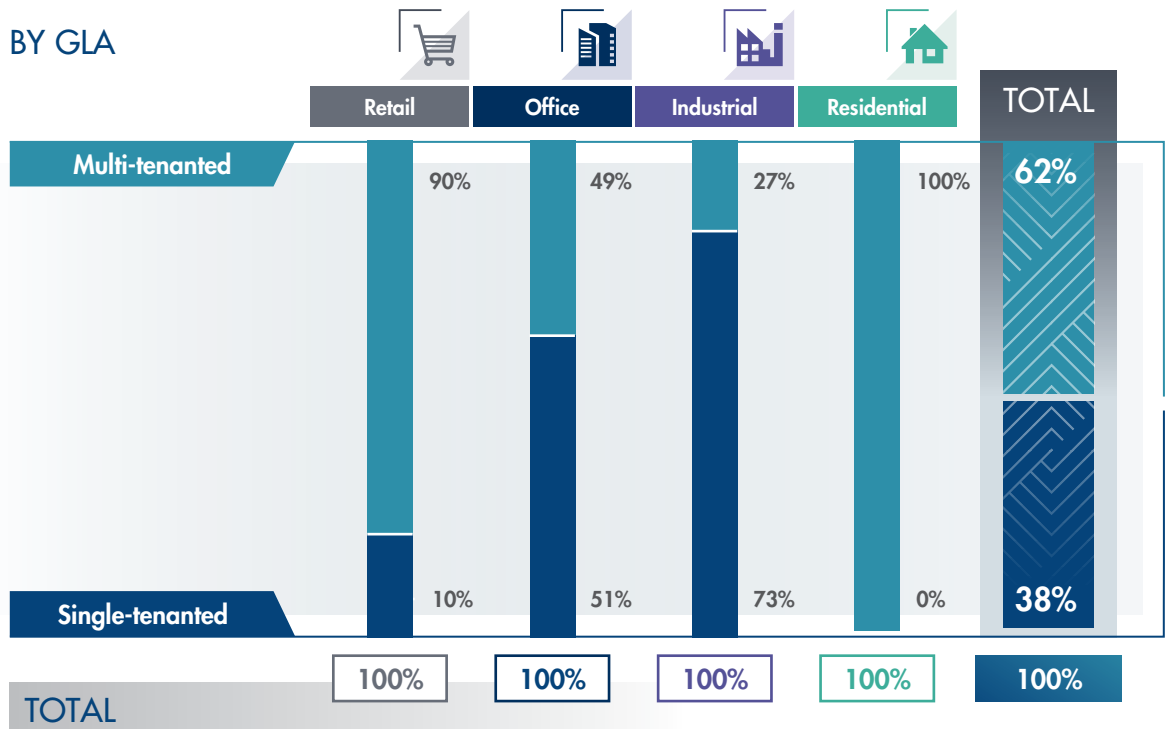
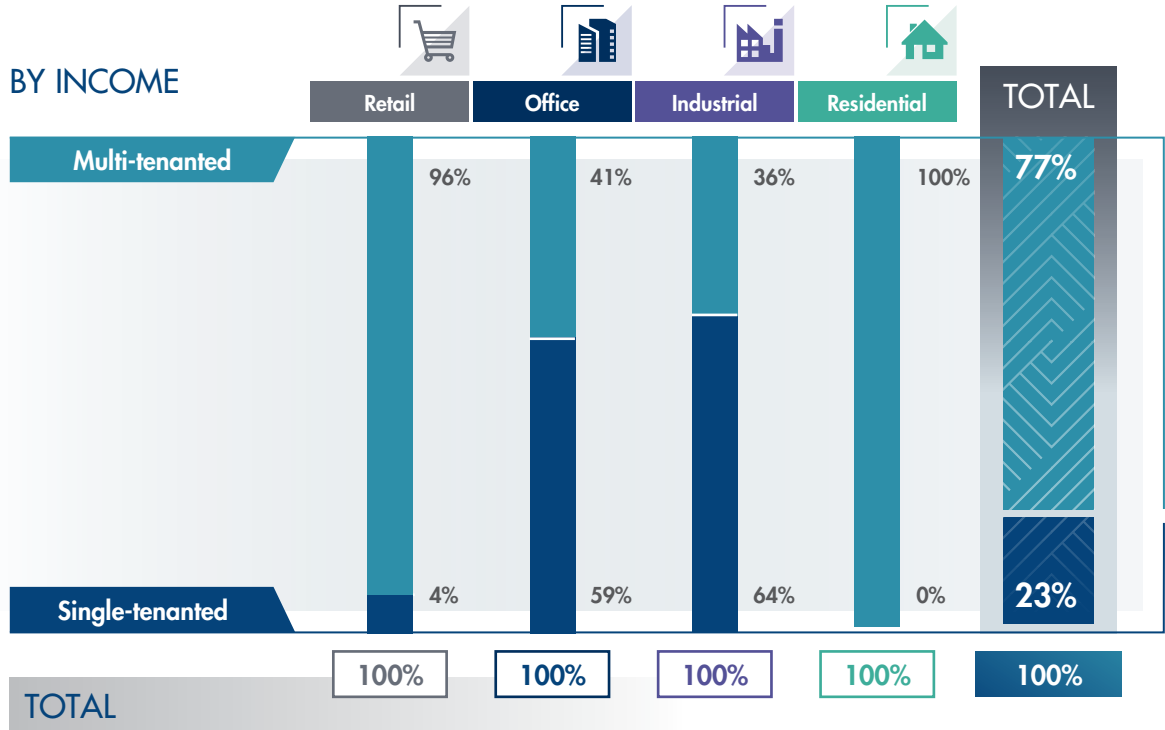
By GLA (%)



40%	Light industrial	60%
9%	Mini units	8%
51%	Warehousing and logistics	32%
100%	Total	100%



Sector space exposure



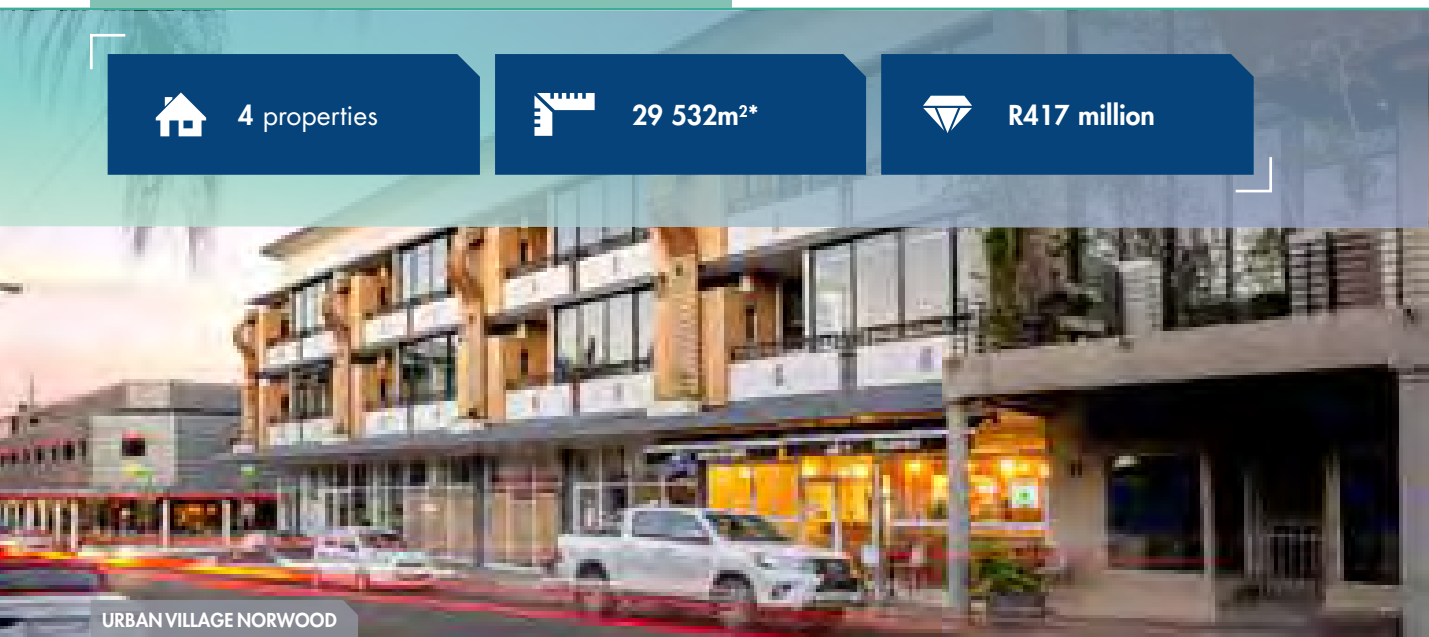
RESIDENTIAL UNIT PROFILE



4 properties

29 532m²*

R417 million



URBAN VILLAGE NORWOOD

	Urban Village Norwood			Palm Springs		
Unit type	Average rental (R)	Average rental (R/m ²)	Average unit size (m ²)	Average rental (R)	Average rental (R/m ²)	Average unit size (m ²)
Studio	5 250	200.38	26.2			
1 bed	6 600	173.68	38.0	4 825	155.13	31.1
2 bed	9 253	118.66	78.0	5 775	122.73	47.1
Average (2024)	8 148	115.86	70.3	5 215	119.85	43.5
Average (2023)	7 906	112.41	70.3	5 415	124.45	43.5
% change	3%	3%	-	(4%)	(4%)	-

	Urban Village Midrand			Urban Village Bruma		
Unit type	Average rental (R)	Average rental (R/m ²)	Average unit size (m ²)	Average rental (R)	Average rental (R/m ²)	Average unit size (m ²)
Studio	4 292	187.35	22.9	4 856	190.85	25.4
1 bed	4 930	166.13	29.7	5 609	168.25	33.3
2 bed	5 764	114.67	50.3	7 295	145.47	50.1
Total (2024)	4 818	161.92	29.8	6 078	160.01	38.0
Total (2023)	4 441	149.27	29.8	5 707	150.25	38.0
% change	8%	8%	-	6%	6%	-

* Excludes retail

Number of units

Unit type	Urban Village Norwood	Urban Village Midrand	Urban Village Bruma	Palm Springs	Total residential
Studio	1	44	9	–	54
1 bed	1	80	83	96	260
2 bed	10	15	41	336	402
Total	12	139	133	432	716

GLA (m²)

Unit type	Urban Village Norwood	Urban Village Midrand	Urban Village Bruma	Palm Springs	Total residential*
Studio	26	1 008	229	–	1 263
1 bed	38	2 374	2 767	2 986	8 165
2 bed	780	754	2 056	15 810	19 400
Total	844	4 136	5 052	18 796	28 828

* Excludes retail

Residential vacancy profile

Vacant units

Unit type	Urban Village Norwood	Urban Village Midrand	Urban Village Bruma	Palm Springs	Total residential*
Studio	–	–	1	–	1
1 bed	–	1	3	8	12
2 bed	1	–	4	69	74
Total (2024)	1	1	8	77	87

* Excludes retail

Vacant units (%)

Unit type	Urban Village Norwood	Urban Village Midrand	Urban Village Bruma	Palm Springs	Total residential*
Studio	–	–	11	–	2
1 bed	–	1	4	8	18
2 bed	8	–	10	21	39
Total (2024)	8	1	6	18	12
Average annual vacancy	12	2	6	12	9

* Excludes retail

06 SUSTAINABILITY





93 Environmental stewardship

94 Our people

96 Our communities

TOWER MALL

SUSTAINABILITY

We recognise that our actions today shape the future for people and the planet. Prioritising profit at the expense of societal well-being and environmental conservation is ultimately unsustainable.

WHY WE INTEGRATE SUSTAINABILITY PRACTICES

By integrating ESG objectives into every aspect of our operations, we foster a forward-thinking approach that provides transparency about our environmental, social and governance impacts. This ensures that our efforts contribute to a more responsible business environment.

This strategy fosters stakeholder trust, reduces our environmental footprint, supports community prosperity and encourages meaningful social engagement across our value chain. It informs all interactions with tenants, customers and society at large, and aligns our business with the needs of the present to fulfil our overarching mission.

OUR APPROACH TO SUSTAINABILITY

Our sustainability strategy is built on a systematic process that identifies and addresses key risks and opportunities relevant to our business which ensures that our efforts align with stakeholder priorities. We follow the United Nations Sustainable Development Goals (“SDGs”) as a framework, focusing on socio-economic development and the transition to a low-carbon economy by reducing emissions and decarbonising energy systems.

We invest in sustainable assets to build a resilient, future-ready portfolio, supporting green technology and reducing environmental impacts by minimising waste, emissions and improving energy efficiency. Alongside this, we foster social value by promoting inclusive communities and economic growth.

Our governance practices emphasise integrity, transparency and accountability, ensuring ethical decision-making and stakeholder trust. By integrating sustainability into all aspects of our operations, we drive long-term value creation and contribute to a more sustainable, equitable future for all.

Our sustainability objectives

Minimise environmental impact and address climate change

Ensure meaningful stakeholder engagement

Prioritise reducing, reusing and recycling

Focus on responsible energy, water and material use

Adopt clean energy and water-saving solutions

Download our Sustainability Report



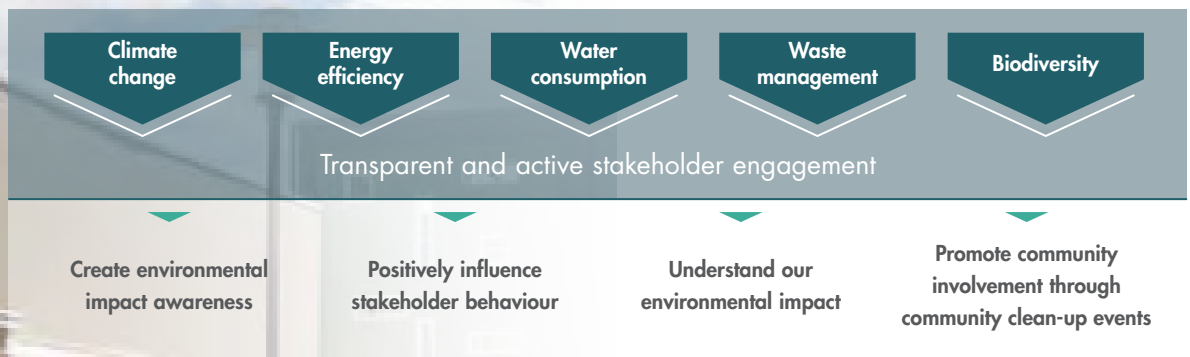
ENVIRONMENTAL STEWARDSHIP

We are committed to tackling climate change through responsible environmental stewardship.



NCC

We manage electricity, water and waste to lessen our climate impact and support a low-carbon transition. By working with tenants, employees and service providers, we aim to reduce our environmental footprint, focusing on energy efficiency, water conservation and waste management while promoting awareness and responsible practices among all stakeholders.



BUILDING CLIMATE RESILIENCE

We recognise climate change as a key risk and are committed to enhancing our climate resilience. We assess the risks and opportunities of climate change and develop plans to mitigate impacts and protect our assets.

Our robust risk management framework covers the entire life cycle of our properties, ensuring asset protection, longevity and environmental sustainability. We also focus on the accurate measurement and reporting of our environmental impacts, taking targeted actions to improve and maintain transparency in our performance.

Read our separate Sustainability Report for our metrics and targets regarding the following:

SR

Our carbon footprint

25

Our energy plan

32

Water consumption

37

Waste management

38

Biodiversity protection

39



Download our Sustainability Report

OUR PEOPLE



H
C

Our employees' dedication and expertise are key to our success and is bolstered by our investment in top talent. Their efforts in asset management, redevelopment and tenant relations help us to achieve strategic goals and maintain high standards of governance and sustainability. They are crucial to realising our vision as a leading, diversified South Africa focused REIT.

EMPOWERING OUR PEOPLE

We foster a high-performance culture through ethical conduct, teamwork and an environment that inspires lasting value for our stakeholders.

Our achievements showcase the dedication and expertise of our workforce, whom we consider our most valuable asset and a key driver of success. We focus on strategic talent management, support diversity and inclusion (SDG 5) and offer competitive remuneration to build a committed team.

5

GENDER
EQUALITY



We also emphasise training and mentorship to support employee growth (SDG 8). Our success hinges on attracting and retaining skilled talent and we ensure our practices align with the experience and capabilities needed to effectively execute our strategy. We uphold ethical conduct and teamwork as crucial elements of our high-performance culture.

8

DECENT WORK AND
ECONOMIC GROWTH



OUR VALUES-DRIVEN, ETHICAL CULTURE

Our corporate culture is grounded in a steadfast commitment to ethical conduct and teamwork which is essential to achieve our goals and ensure long-term success.

We also promote transparency with an open-door policy that encourages employees to report unethical behaviour which fosters a supportive and accountable environment. This reinforces our dedication to integrity and strengthens our ethical standards across the organisation.

We enforce a zero-tolerance policy for unethical behaviour and integrate ethical principles throughout our business operations. Our disciplinary code helps us manage and resolve ethical concerns through thorough investigations and corrective actions.

DIVERSITY AND INCLUSION

We believe that true transformation requires actively nurturing diverse talents and ensuring equal opportunities for all employees.

Our commitment to diversity and inclusion is central to our efforts to positively impact South Africa and contribute to societal sustainability. Our employment practices embrace individuals from all racial and gender groups and is aligned to the Employment Equity Act.

We focus on promoting diversity at all organisational levels, including leadership, and emphasise employment equity, skills development and preferential procurement. This aims to create a workplace rich in diverse perspectives, which ultimately supports our success and broader societal impact.

Read our separate
Sustainability Report for the following:

SR



Gender and race employee profile >> 43

Employee turnover >> 43

Succession planning >> 44

Employee health, safety and wellness >> 45



Download our Sustainability Report

OUR COMMUNITIES

Our commitment to social change is centred on fostering sustainable relationships with the communities surrounding our properties.



We understand that the well-being of these communities is crucial to our business success and sustainability. We actively support and invest in local areas through direct service, financial contributions and initiatives that promote inclusive economic growth. This enhances the community's quality of life and also strengthens our business foundation.

Our focus on long-term community engagement and sustainable development ensures that our operations align with the broader social and economic goals of the communities we serve, creating lasting value and reinforcing our role as a responsible corporate citizen.



OUR CSI INITIATIVES

Our CSI strategy operates on a demand-driven model, ensuring that we address the specific needs communicated by the communities we serve. By responding with tailored CSI solutions, we strengthen our relationships with these communities and deliver measurable socio-economic benefits over the long term.



Our approach focuses on implementing sustainable solutions across several key areas. We provide interventions that are specifically designed to meet community needs and foster more inclusive, collaborative and socially responsible value creation for the economy, environment and local communities.

Our strategy includes generating socio-economic value for the areas surrounding our shopping centres, supporting enterprise development and micro-businesses and promoting environmental awareness and sustainable practices. We also prioritise minimising our environmental impact and supporting sports, recreation and overall community well-being.

In selecting CSI activities, we ensure that they align with Dipula's business priorities, reinforcing our commitment to community needs and our strategic objectives. Through these initiatives, we aim to create lasting positive impacts and enhance our role as a responsible corporate citizen.

Respecting human rights

Our code of ethics establishes a guiding framework that reflects our commitment to human rights and the integration of sustainability in our daily operations. This commitment involves complying with relevant legislation and honouring the cultural values of local communities, prioritising their welfare, safety and environmental preservation.

In our supply chain, we encourage our suppliers to adhere to our policies on social responsibility, labour standards and human rights. We also emphasise the importance of reporting any human rights violations, ensuring transparency and accountability throughout our value chain. Through the above practices, we demonstrate our dedication to responsible business conduct and our goal of embedding sustainability in every aspect of our operations.



Read pages 48 to 59 of our separate Sustainability Report to learn more about our CSI initiatives.

SUPPORTING SUSTAINABLE TRANSFORMATION

Supporting sustainable transformation is at the core of our commitment to enduring sustainability and value creation. We prioritise transformation as a key driver of growth and change in the property sector, recognising its critical role in our long-term viability and in advancing meaningful social progress in South Africa's unique socio-economic landscape.

Our goal is to create lasting, comprehensive benefits for the broader South African society through a holistic approach that integrates transformation into every aspect of our operations. This is reflected in our daily activities and extends across our entire stakeholder value chain. We are dedicated to fostering diversity in our workforce, developing our supplier network and addressing historical disparities and inequalities. By focusing on social equity and cohesion, we advocate for inclusive economic development and implement effective talent management practices for our employees. We also invest in the growth of enterprises and suppliers and use preferential procurement to support sustainable transformation.

Through these measures, we are committed to advancing the property sector and the broader community, ensuring that our efforts contribute to substantial and sustainable progress.



Our B-BBEE performance in 2024

In 2024, Dipula achieved notable success in management control and shareholding, reflecting its commitment to transformation. Our executive management team consists entirely of previously disadvantaged individuals, which highlights our dedication to transformation at the highest levels.

Our Board comprises 71% PDIs and 29% female which further underscores our focus on a diverse and inclusive leadership. While Dipula's black shareholding is subject to variability due to its JSE listing, we have taken proactive steps to improve our B-BBEE rating, which currently stands at Level 4, down from a Level 6 rating in 2023.

We are dedicated to achieving our broader transformation goals by integrating our transformation strategy across all business operations. This includes focusing on preferential

procurement, enterprise and supplier development, employment equity and skills development to drive meaningful change.

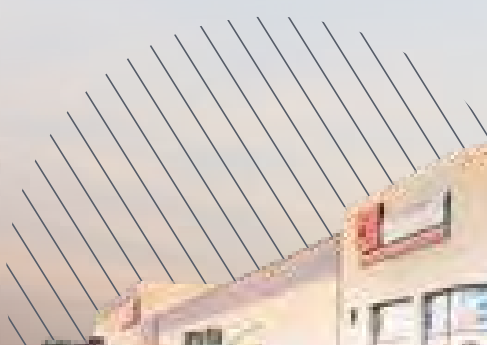
Our commitment to supporting PDIs is evident through our strategic asset disposals and vendor loans provided to PDI buyers. Moreover, we have placed great emphasis on B-BBEE contractor training to enhance compliance with the Occupational Health and Safety Act. This training, provided to various contractors during the financial year, included comprehensive coverage of audit reports, authorisations, checklists and inspections, incident management and reporting, policy and procedures, risk management, site-specific documents and statutory requirements. Each contractor also received a health and safety file and a Health and Safety Act book, prepared and funded by Dipula, which is aimed at improving safety awareness, reducing costs and protecting contractors from potential legal liabilities.

07 GOVERNANCE





GOVERNANCE OVERVIEW



Dipula's Board serves as the ultimate custodian of governance with a broad mandate that includes approving governance processes, policies and planning. It is responsible for establishing accountability throughout the Group, providing oversight, monitoring performance and offering strategic insights. The Board also plays a crucial role in defining and guiding Dipula's strategic direction.

Our governance practices are deeply rooted in the principles of King IV™, which emphasise the importance of strong, strategic and ethical leadership. The Board is committed to these principles, ensuring that governance practices not only consider stakeholder interests but also enhance the Group's ability to create value over the short, medium and long term. This commitment to good governance fosters shareholder confidence and generates value for our key stakeholders.

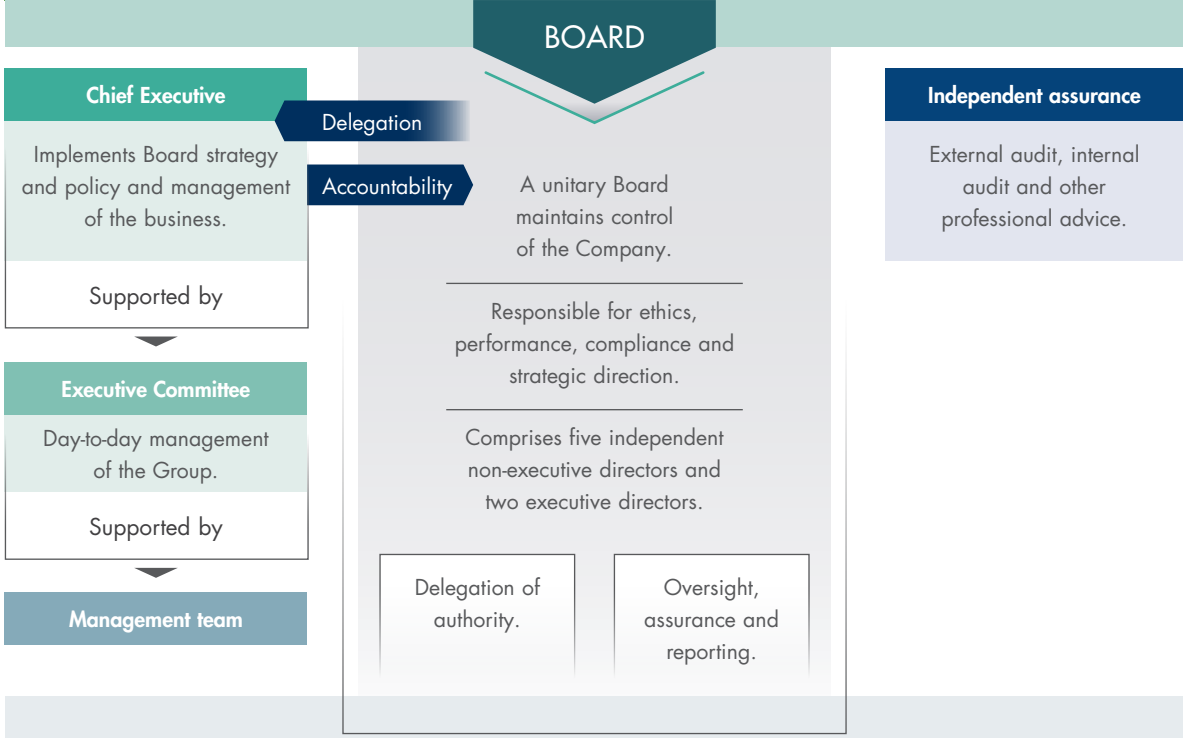
In alignment with King IV™ and tailored to the specific needs of the REIT sector, our governance framework is designed to oversee rigorous implementation and maintain high standards.

This supports Dipula's reputation as a responsible corporate citizen known for its ethical practices, effective performance and stringent controls. The framework ensures compliance with all relevant legislation, regulations and codes while safeguarding against value erosion.

Effective governance is fundamental to creating and preserving value for all stakeholders. Dipula's governance structures and processes are dedicated to allocating capital and resources to value-generating activities, assigning clear responsibility and accountability, balancing risks and opportunities, and building legitimacy through ethical leadership.

For further details on our application of King IV™, please visit our website at www.dipula.co.za.

GROUP GOVERNANCE FRAMEWORK



Board committees

AR	I	RN	SES
Audit and Risk Committee	Investment Committee	Remuneration and Nomination Committee	Social, Ethics and Sustainability Committee
Financial integrity, risk management and controls	Acquisitions, developments, revamps, disposals and revaluations	Fair and responsible remuneration. Identify and evaluate Board candidates	Ethical conduct, good corporate citizenship and anti-corruption
<ul style="list-style-type: none"> ▶ BH Azizollahoff* ▶ Z Adams** ▶ ND Khoele* 	<ul style="list-style-type: none"> ▶ BH Azizollahoff** ▶ IS Petersen[◊] ▶ K Teeroovengadam* ▶ ND Khoele* 	<ul style="list-style-type: none"> ▶ ZJ Matlala*# ▶ ND Khoele** ▶ Z Adams* 	<ul style="list-style-type: none"> ▶ IS Petersen[◊] ▶ K Teeroovengadam** ▶ Z Adams*

* Independent non-executive director.
[◊] Executive director.
[♦] Chairperson.
⁺ Chairperson in respect of remuneration matters.
[#] Chairperson in respect of nomination matters.

GOVERNANCE OVERVIEW (continued)

The Board holds ultimate responsibility to stakeholders for the Group’s performance and activities, ensuring sustainable success and comprehensive control over it. To meet these responsibilities, the Board has endorsed the Group’s governance framework, policies and strategic direction, delegating the execution of these elements to executive management. The implementation of these strategies is closely monitored by the Board through detailed quarterly reports presented to the Board and its various committees. Details regarding meeting attendance can be found on page 109.

The Board’s operations are governed by its charter which aligns with the Companies Act, the JSE Listings Requirements, King IV™ and other pertinent legislation and regulations. This charter outlines the composition of the Board, the frequency of meetings and the specific roles and responsibilities of individual directors and the Board as a whole. To ensure that the Board’s duties are thoroughly addressed, an annual work plan is maintained which guides the agendas of Board meetings.

The Board of directors

The Board comprises individuals with a wealth of skills and experience that are essential for driving our vision, achieving our mission and creating sustainable value for stakeholders. Our unitary Board structure is designed to ensure a balanced distribution of power to prevent any single director from disproportionately influencing Board decisions and processes.

The Board’s members come from diverse backgrounds and bring a broad spectrum of experience and professional insights. This diversity encompasses a wide range of skills, including financial acumen, audit expertise, internal control, risk management and property knowledge. Such a rich blend of qualifications and experience enhances the Board’s decision-making capabilities and strengthens its leadership, which is crucial for ensuring long-term sustainability.

Besides its strategic oversight role, the Board holds executive management accountable for implementing strategy and upholding ethical leadership standards. The performance of executive management is reviewed annually to ensure alignment with our strategic objectives and ethical commitments. This performance assessment is detailed in the remuneration implementation report which can be found on page 121. Through these practices, the Board ensures that governance is effective and aligned with our overarching goals of sustainable growth and stakeholder value creation.

Board composition

The Board comprises seven members, two of whom are executive directors and five who are independent non-executive directors.

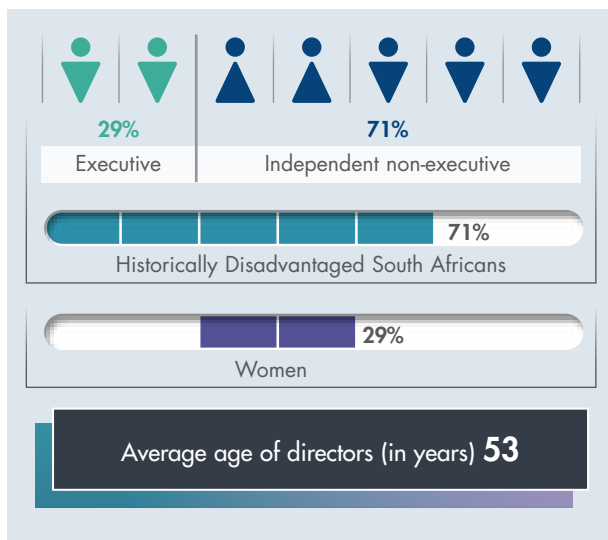
	Number	Percentage %
Number of Board members	7	
Board members who are executive	2	29%
Board members who are deemed independent	5	71%
Board members who are deemed Historically Disadvantaged South Africans (“HDSA”)	5	71%
Board members who are women	2	29%
Average age of directors (in years)	53	

To effectively manage its diverse responsibilities, the Board has established four specialised committees, each tasked with specific functions as detailed in their approved terms of reference. While these committees handle day-to-day responsibilities, the Board retains ultimate accountability for their actions. The committees include the Audit and Risk Committee, the Investment Committee, the Remuneration and Nomination Committee and the Social, Ethics and Sustainability Committee.

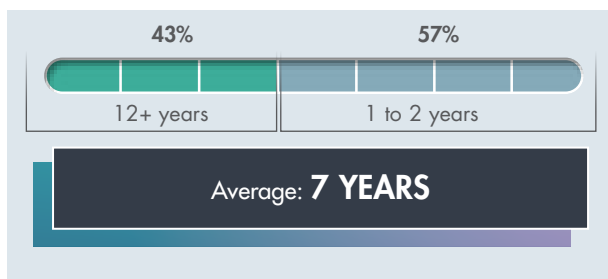
Throughout the year, the Board made several significant decisions, including:

- ▶ Approval of executive and non-executive remuneration for FY2024
- ▶ Approval of the final dividend for FY2023
- ▶ Approval of the interim dividend for FY2024
- ▶ Approval of the FY2025 strategic plan
- ▶ Approval of the FY2025 budget

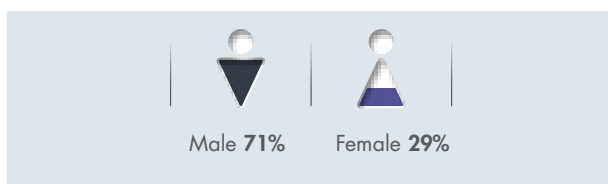
Board composition



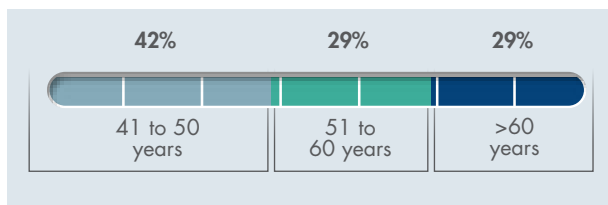
Board tenure



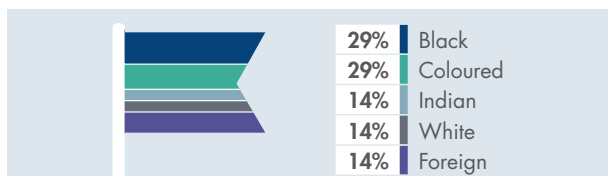
Gender diversity



Age diversity



Race diversity



Board diversity

The Board has implemented a formal diversity policy designed to foster a wide range of attributes in its ranks, extending beyond mere considerations of gender and race to include cultural, generational and experiential diversity. This comprehensive approach to diversity aims to enhance the Board’s effectiveness by integrating varied perspectives, skills and experiences.

Recognising that diversity in skills, experience, background, knowledge, thought, culture, race and gender enriches its ability to fulfil its responsibilities and drive value for the Group, the Board has made significant strides in this area. Currently, 71% of our Board members are black which exceeds the target established in our diversity policy. The Board has also surpassed its goal of achieving a minimum of 25% female representation.

These diversity targets are integral to our broader transformation goals and ensure that the Board remains well-equipped to address complex challenges and opportunities while maintaining an optimal balance of size and expertise. By continuously striving for a diverse and inclusive leadership team, we reinforce our commitment to effective governance and the overall success of the Group.

The Chairperson of the Board

The Chairperson of the Board, an independent non-executive director, plays a crucial role in guiding the Board’s activities and ensuring its effective operations. By maintaining a clear separation of duties from the CEO and other independent non-executive directors, the Chairperson helps uphold governance integrity and decision-making processes.

A delegation of authority framework supports this separation and outlines distinct responsibilities for the Chairperson and CEO, which promotes accountability and transparency. This structure enhances Board effectiveness and reinforces good governance practices to ensure that decision-making is conducted with integrity and aligns with best practices and regulatory standards.

GOVERNANCE

GOVERNANCE OVERVIEW (continued)

DIRECTORATE

Zanele Joyce Matlala (61)	Independent non-executive Chairperson
BCom, BCompt (Hons), CA(SA)	
Appointed: 20 May 2011	Length of service – 13 years

Matlala joined the Merafe Board in 2005 as an independent non-executive director. She was appointed Merafe's chief financial officer on 1 October 2010 and Chief Executive Officer on 1 June 2012. She is a non-executive director of Stefanutti Stocks Holdings Limited and RAC Limited.

Izak Petersen (51)	Chief Executive Officer
CA(SA)	
Appointed: 20 May 2011	Length of service – 13 years

Petersen is the Chief Executive Officer of Dipula Income Fund. He is a qualified chartered accountant and worked at Deloitte in Cape Town and the USA. Upon returning to SA, he joined the structured products team at PSG Investment Bank until he left to pursue his entrepreneurial passion. Petersen co-founded various financial services businesses and a property fund which through M&A activity, led to the listing of Dipula Income Fund. Petersen has extensive investment management experience in property and other asset classes which he gained over close to three decades. He has served on several company boards and industry organisations in an executive and non-executive capacity. The most notable industry organisations he served on include SA REIT's Association, SAPOA, the Association for the Advancement of Black Accountants of Southern Africa Western Cape and the Association of Black Securities and Investment Professionals Western Cape and national.

Sudesh Moodley (46)	Financial Director
CA(SA)	
Appointed: 1 March 2023	Length of service – 2 years

Moodley is the Financial Director (FD) of Dipula Income Fund and is a qualified chartered accountant. He previously held the position of Executive Head of Asset Management at Eris Property Group. He managed a R10 billion property portfolio after serving as chief financial officer of the Company from 2012 to 2017. He has 20 years of work experience, of which 18 have been in property. He has also held positions at various auditing firms including PwC, EY and BDO.

Brian Azizollahoff (63)	Independent non-executive director
BA (NY), MBA (Wits)	
Appointed: 20 May 2011	Length of service – 13 years

Azizollahoff has over 35 years of experience in the property industry. He was a director of Anglo American Properties and then managing director of ApexHi Properties Limited. He served as CEO of Redefine from 2003 until its merger with ApexHi and Madison Property Fund Managers Limited in 2009 and then resigned from Redefine to form Capstone Property Group. In 2016 he sold out of Capstone to form Propertiq. Subsequently, he established Unico Property Group which is his main focus. He has served on the Boards of various listed and unlisted companies, has been active in various facets of the property sector and currently serves on the Audit Committee of SAPOA.



RN



SES I



AR I



AR I RN

Nthime Khoele (52)

Independent non-executive director

B.Bus Sci (Hons), MBA, Dip. Corp Law

Appointed: **1 February 2023**

Length of service – **2 years**

Khoele is a co-founder and managing partner of Bopa Moruo Private Equity, a private equity investment management firm which manages around R1.5 billion of equity capital across its private equity funds. Prior to founding Bopa Moruo over 10 years ago, he was a director of Brait’s private equity business, which he first joined in 2000, after starting his career at RMB Asset Management. He also serves on the Board of various Bopa Moruo portfolio companies, including as Chair of Republica Group and a non-executive director of WACO International, Skynet Worldwide Couriers International (SA and UK) and One Digital Media. He also serves on the Boards of two non-profits, as Chair of the Independent Schools Association of Southern Africa NPC and as director of the St Mary’s School Foundation NPC.



AR RN SES

Zaida Adams (46)

Independent non-executive director

BCom (Hons), CA(SA)

Appointed: **1 February 2023**

Length of service – **2 years**

Adams is a qualified chartered accountant with 20 years’ financial and investment experience. She has held several executive roles in the property sector and was previously Financial Director of SA Corporate and more recently, CFO of Investec Property Fund. She also served on the Board of Liberty 2 Degrees as an independent non-executive director and was its ARC chairperson. She is currently the CFO of Africa Cricket Development (Pty) Ltd, better known as SA20.



I SES

Kevin Teeroovengadam (50)

Independent non-executive director

BSc (Economics) (Hons), MBA, MSc (Finance)

Appointed: **1 February 2023**

Length of service – **2 years**

Teeroovengadam has a BSc in Economics, MBA and MSc in Finance from Leicester University, UK. He worked for KPMG, Deloitte and EY in corporate finance and strategic consultancy before moving to Loita Capital Partners Group based in South Africa. He joined Actis in 2007, the leading emerging market private equity firm, as a director as part of their Africa real estate team where he led a number of transactions and exits. He was the co-founder and CEO of AttAfrica in 2013, which became the premier investor of shopping malls in Africa. He is a frequent writer and speaker at conferences globally and currently serves on numerous boards of companies in Mauritius and advises a number of companies in Africa. He is also the co-founder of Proptech Africa.

- AR** AUDIT AND RISK COMMITTEE
- I** INVESTMENT COMMITTEE
- RN** REMUNERATION AND NOMINATION COMMITTEE
- SES** SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE

GOVERNANCE OVERVIEW (continued)

Succession planning

Succession planning is a critical component of the Board's strategy to maintain its effectiveness and ensure long-term sustainability. The Board conducts an annual assessment of its size and skills composition to evaluate its effectiveness and identify any areas for improvement. This assessment is supported by the Remuneration and Nomination Committee, which plays a key role in reviewing and enhancing the Board's knowledge, skills, experience, diversity and independence of the Board and its individual committees.

Dipula's succession plan is intricately aligned with its transformation strategy and focuses on enhancing the service experience and retaining essential skills in the organisation. The process involves a comprehensive approach to identifying, mentoring and developing potential Board members. This ensures that the Board benefits from new expertise and perspectives while preserving valuable industry knowledge and maintaining operational continuity.

The Board is confident that its current composition meets the required standards for succession planning with directors possessing the necessary skills, knowledge and experience to effectively fulfil their roles. The Board's structure is considered appropriate in terms of its skills mix, qualifications, diversity

and independence, positioning it to address future challenges and opportunities while supporting the organisation's strategic objectives.

Appointments to the Board and rotation of directors

Appointments are made formally and transparently by the full Board on the recommendation of the Nomination Committee.

In accordance with the Company's Memorandum of Incorporation ("MOI"), one-third of the Company's directors are required to retire at each AGM and, if eligible, may offer themselves for re-election. In addition, any non-executive director who has held office for an aggregate period of nine years since his/her first election or appointment or has reached the age of 75 must retire at each AGM and may be nominated for re-election.

Zanele Matlala and Brian Azizollahoff will be retiring at the upcoming AGM as their tenure exceeds nine years. Having regard to the number of years for which they have served on the Board, the Board resolved to embark on a process of finding suitable replacements for them as soon as possible. The Board has accordingly agreed with them that, if they are re-elected at this AGM, they will step down from the Board as and when their replacements are appointed. In addition, two executive directors have been proposed for re-election.

Board skills

The competencies of the Board are represented as follows:

	Zanele Matlala	Brian Azizollahoff	Zaida Adams	Nthime Khoele	Kevin Teeroovengadum	Izak Petersen	Sudesh Moodley
Financial Capital							
Financial accounting, reporting, taxation	✓	✓	✓	✓	✓	✓	✓
Financial markets/funding	✓	✓	✓	✓	✓	✓	✓
Manufactured Capital							
Property development		✓			✓	✓	
Property management		✓		✓	✓	✓	✓
Human Capital							
Human resources			✓			✓	✓
Remuneration and rewards	✓		✓	✓	✓	✓	✓
Intellectual Capital							
Technology and cybersecurity			✓				✓
Investment and asset management		✓	✓	✓	✓	✓	✓
Natural Capital							
Environmental sustainability			✓		✓	✓	✓
Climate change					✓	✓	
Social and Relationship Capital							
Corporate, social and responsibility transformation	✓			✓		✓	
Stakeholder relationships	✓	✓	✓	✓	✓	✓	✓
Governance							
Risk and opportunity	✓	✓	✓	✓	✓	✓	✓
Corporate governance	✓	✓	✓	✓	✓	✓	✓
Ethics	✓	✓	✓	✓	✓	✓	✓

Board evaluation and effectiveness

Formal Board and committee evaluations are conducted every second year in the form of an electronic questionnaire and written responses from each member of the Board. Every alternate year, an opportunity for the consideration of, reflection on and discussion relating to the performance of the Chairperson, the Board and its committees is scheduled. The last formal Board and committee evaluation was conducted in 2023 with the next evaluation scheduled for the 2025 financial year.

The assessment focused on several key areas: the Board's ability to effectively oversee and guide the organisation, the functioning and adherence of each committee to its respective terms of reference, and the level of commitment and performance of individual directors. By systematically examining these areas, the evaluation aimed to ensure that all components of the Board are operating optimally and fulfilling their designated roles and responsibilities.

The results of this evaluation were highly positive, indicating that the Board and its committees are performing at a high level. The Board was found to be efficient in its operations and effective in its governance with committees discharging their duties effectively according to their terms of reference. Individual directors also demonstrated a solid commitment and performance which contribute to the overall success and effectiveness of the Board. This evaluation reaffirms the Board's robust governance practices and its capacity to lead the organisation effectively.

Director development

Director development is essential for maintaining an effective and informed Board at Dipula. Newly appointed directors undergo a thorough induction to quickly integrate them into their roles and familiarise them with the Company's operations, strategy and governance. All directors also participate in ongoing training to stay current with trends, regulatory changes and best practices to ensuring that they make informed, strategic decisions.

Our commitment to development extends to executives, senior management and all employees with a focus on upskilling to support a high-performance culture and effective leadership. This ensures that everyone is well-prepared to navigate the complexities of our business environment.

Effective and ethical leadership

Effective and ethical leadership is central to our Board's commitment to upholding high standards of integrity and compliance. The Board and the Exco work together to embed a strong ethical culture throughout the organisation. The Exco actively ensures that our ethical principles and business practices are applied consistently across all levels.

We select business partners and service providers who share our ethical values and directors and employees adhere to a code of conduct reviewed annually by the Social, Ethics and Sustainability Committee. This committee is crucial in overseeing corporate citizenship, managing ethical issues and ensuring compliance with anti-corruption and anti-fraud principles.

Our commitment to ethics is reflected in the performance metrics for the CEO and FD and links their incentives to the promotion of ethical culture and compliance.

Code of business conduct and ethics policy

The code of business conduct and ethics policy at Dipula is crucial for upholding our core values and guiding ethical behaviour. It ensures the fair treatment of all stakeholders and maintains a workplace free from discrimination, harassment or intimidation. The policy outlines procedures for managing conflicts of interest, requiring prompt disclosure of any real or perceived conflicts with annual declarations by Board members and employees.

Dipula has also implemented share-dealing and whistleblowing policies to support and enforce these ethical standards. These policies address misconduct and encourage reporting unethical behaviour without retaliation, creating a robust framework for ethical conduct and accountability.

Dealing in securities

Our share-dealing policy aligns with JSE Listings Requirements and ensures market integrity by prohibiting directors, the Company Secretary and prescribed officers from trading in Dipula shares during closed and cautionary periods.

Closed periods involve sensitive, non-public information, while cautionary periods relate to potential significant announcements. Affected parties must obtain prior clearance from a compliance officer before trading outside these restricted times to prevent misuse of information and to ensure fairness. This policy upholds transparency, protects stakeholder interests and reinforces our commitment to ethical trading practices.

Conflicts of interest

Board members are required to disclose any interests that conflict or could potentially conflict with those of Dipula. Any relevant matters are then managed appropriately. The Board understands that managing potential conflicts of interest arising through related-party transactions is key to Dipula's ongoing success.

GOVERNANCE OVERVIEW (continued)

To avoid conflicts of interest and ensure compliance with section 75 of the Companies Act, Board members must disclose, in writing, their interest in material contracts involving Dipula. Board members must also recuse themselves from deliberation or decision-making processes relating to any matter in which they may have a vested financial interest.

Whistle-blowing

The Group's whistle-blowing function, managed independently by Forvis Mazars, offers a confidential and secure way for employees, suppliers and tenants to report unethical or illegal activities anonymously. Reports are assessed and, if serious, are escalated to the Exco or the ARC Chairperson for investigation.

No reports of fraud or corruption were received during the year. This highlights the effectiveness of the system in maintaining ethical standards and reinforcing our commitment to transparency and accountability.

Company Secretary

The Company Secretary, Acorim, represented by Natasha Davies, plays a crucial role in supporting the Board and individual directors. The Board has unrestricted access to Acorim's advice and services, which includes providing independent guidance on fulfilling their responsibilities and ensuring proper governance practices.

Acorim collaborates closely with the Board's Chairperson, the chairpersons of various Board committees and executive directors to ensure that the Board operates effectively and that governance processes are robust. This collaboration helps maintain the integrity and efficiency of the Board's functioning.

The Board has thoroughly evaluated Acorim's competence, experience, qualifications and independence and is satisfied with their professional capabilities. The Board believes that the access to such professional and independent governance services is adequate and effectively supports the overall governance framework of the organisation.

Compliance and legislation

Dipula has established a comprehensive legal compliance framework to ensure adherence to South African statutes and regulations. This framework is supported by a team of legal professionals dedicated to overseeing compliance with a wide range of laws affecting our operations. Group-wide policies and practices are in place to minimise the risk of non-compliance and more complex legal matters are handled by external legal practitioners as needed.

The Board holds ultimate responsibility for ensuring that Dipula complies with all applicable laws and regulations. Any new legislation that could impact the Group is brought to the Board's attention and discussed at meetings. To assist the Board in this oversight role, the Company Secretary provides expert guidance and support.

Throughout the year, the Group has not faced any fines or non-monetary sanctions related to non-compliance with laws or regulations. Dipula has also not been involved in any legal actions concerning anti-competitive behaviour or anti-trust issues. This track record underscores our commitment to maintaining high standards of legal and regulatory compliance.

Information and technology governance

The Board plays a critical role in overseeing IT governance at Dipula, ensuring that technology strategies and practices align with the Group's strategic objectives. This oversight includes setting the overall direction for IT governance and approving all relevant policies. The implementation of these policies is managed by executive management, with ongoing guidance and oversight provided by the ARC. This structured approach ensures that IT governance practices are robust and aligned with the Group's strategic goals.

To support effective IT governance, Dipula collaborates with trusted service providers who adhere to industry best practices. These partnerships are essential for maintaining the integrity and reliability of Dipula's IT systems. Dipula also establishes service-level agreements with all external service providers. These agreements define the expected quality of service and performance standards, ensuring that external partners meet Dipula's requirements and contribute to the overall effectiveness of IT operations.

By maintaining active oversight and engaging with reputable service providers, the Board ensures that Dipula's IT governance framework supports the Group's strategic objectives and upholds high standards of service quality and operational reliability.

Board committees

Board committee members

BOARD COMMITTEES			
AR	I	RN	SES
Audit and Risk Committee	Investment Committee	Remuneration and Nomination Committee	Social, Ethics and Sustainability Committee
Financial integrity, risk management and controls	Acquisitions, developments, revamps, disposals and revaluations	Fair and responsible remuneration	Ethical conduct, good corporate citizenship and anti-corruption
<ul style="list-style-type: none"> ▶ BH Azizollahoff* ▶ Z Adams** ▶ ND Khoele* 	<ul style="list-style-type: none"> ▶ BH Azizollahoff** ▶ IS Petersen* ▶ K Teeroovengadum* ▶ ND Khoele* 	<ul style="list-style-type: none"> ▶ ZJ Matlala** ▶ ND Khoele** 	<ul style="list-style-type: none"> ▶ IS Petersen* ▶ K Teeroovengadum** ▶ Z Adams*

* Independent non-executive director.

◊ Executive director.

◆ Chairperson.

+ Chairperson in respect of remuneration matters.

Chairperson in respect of nomination matters.

Board and committee meeting attendance

Attendance at Board and committee meetings for the financial year is shown below:

	Board	Audit and Risk Committee	Investment Committee	Remuneration and Nomination Committee	Social, Ethics and Sustainability Committee
IS Petersen	(4/4)	–	(4/4)	–	(2/2)
S Moodley	(4/4)	–	–	–	–
ZJ Matlala	(4/4)	–	–	(3/3)	–
BH Azizollahoff	(4/4)	(4/4)	(4/4)	–	–
Z Adams	(4/4)	(4/4)	–	(3/3)	(2/2)
ND Khoele	(4/4)	(4/4)	(4/4)	(3/3)	–
K Teeroovengadum	(4/4)	–	(4/4)	–	(2/2)

Operations of Board committees

Audit and Risk Committee

Overview

The ARC meets at least quarterly. Ad-hoc meetings are held to consider special business as required. The CEO, FD, external auditor and internal auditor attend all meetings of the committee by invitation to contribute pertinent insights and information.

The ARC has considered and satisfied itself about the appropriateness of the expertise and experience of the FD, Sudesh Moodley, and the finance function.

Internal audit forms part of the Group’s combined assurance. The ARC examines and discusses with the internal auditor the appropriateness of internal controls. The ARC is comfortable with the internal audit function and that it has the necessary skills and resources to address the complexity and volume of risks faced by the organisation. The committee will continuously evaluate and review the Group’s internal audit function which, at this stage, is appropriate for the size and activities of the Group.

The committee has evaluated the independence and effectiveness of Forvis Mazars as Dipula’s external auditor, having considered the requirements of section 90 of the Companies Act and is satisfied that the external auditor is independent of the Group. The committee accordingly nominates Forvis Mazars as an independent external auditor for reappointment at the AGM.

Non-audit services approved throughout the year included mainly certificates of turnover rental. The ARC is satisfied that it has fulfilled its statutory responsibilities and its additional responsibilities in accordance with its terms of reference for the reporting period.

Responsibilities

The responsibilities of the ARC include:

- ▶ Assessing the expertise and experience of the FD and the appropriateness and effectiveness of the Group’s finance function.
- ▶ Carrying out its statutory duties as set out in section 90 of the Companies Act.
- ▶ Ensuring that appropriate financial reporting procedures have been established and are operating and that the financial reporting is accurate.
- ▶ Ensuring that the Company complies with legislation and regulations applicable, including the JSE Listings Requirements.
- ▶ Making recommendations to shareholders regarding the appointment or reappointment of the independent external auditor following an evaluation and assessment of the external auditor and the designated audit partner, the suitability for such appointment and independence of the external auditor and audit partner and considering and accepting the relevant submission by the external auditor to the Company as set out in paragraph 3.84(g)(ii) of the JSE Listings Requirements.
- ▶ Monitoring the implementation of the Group’s risk management policy and processes to identify and manage key risks and opportunities.
- ▶ Reviewing accounting policies.
- ▶ Reviewing the effectiveness of the Company’s systems of internal financial controls and the internal and external audit functions.
- ▶ The approval of non-audit services.

Key focus areas addressed during the financial year

- ▶ Ensuring compliance to all relevant statutory and regulatory requirements
- ▶ Expanding the internal audit function
- ▶ Implementing the new IFRS accounting standards
- ▶ The ARC report can be found on page 131 of the consolidated AFS

Investment Committee

Overview

The Investment Committee is responsible for evaluating all investment opportunities, valuations, disposals and investment strategies or any matter related to investments and making recommendations to the Board regarding these matters. The committee is chaired by an independent non-executive director.

The committee meets to consider business as required. The FD attends meetings of the committee by invitation.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Responsibilities

The responsibilities of the Investment Committee include:

- ▶ Considering the viability of capital projects, acquisitions and disposals of property in line with the Group's strategic objectives.
- ▶ Considering the financial viability of refurbishments, upgrades, extensions and improvements to existing properties in the Group's portfolio.
- ▶ Reviewing potential acquisitions, investments and other transactions in line with the Group's delegation of authority framework.

Key focus areas addressed during the financial year

- ▶ Considering potential development/acquisition opportunities including any redevelopment of existing properties

Remuneration Committee

Overview

The Remuneration Committee is chaired by an independent non-executive director. The committee oversees the implementation of the remuneration policy for the Group. It ensures that the remuneration policy and the remuneration implementation report are tabled annually to shareholders at the AGM for separate non-binding advisory votes.

The committee recommends to the Board the remuneration and incentivisation of the Company's executive directors, evaluates the performance of the executive directors and sets their annual KPIs.

The committee meets at least three times a year. Ad-hoc meetings are held to consider special business as required. The CEO and FD attend meetings of the committee, or part thereof, by invitation. The remuneration review can be found on page 114. The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Responsibilities

The responsibilities of the Remuneration Committee include:

- ▶ Ensuring all remuneration recommendations adhere to good governance practices and align with Dipula's strategic direction and value creation expectations.
- ▶ Approving executive remuneration.
- ▶ Recommending non-executive directors' remuneration to shareholders for approval.
- ▶ Ensuring Dipula has competitive reward strategies and programmes to attract and retain high-performing employees to achieve our strategic objectives.

Key focus areas addressed during the financial year

- ▶ Aligning executive directors' remuneration to benchmarked outcomes on incentive packages

Nomination Committee

Overview

The Nomination Committee is chaired by an independent non-executive director. The committee ensures that the Board has the appropriate composition and balance of skills to execute its duties effectively. It ensures that the appointment of directors is transparent and made through a formal process, which includes the identification and evaluation of potential candidates for appointment to the Board. The committee considers and applies the Company's approved policy on broader diversity in the nomination and appointment of directors.

The committee is responsible for the induction, ongoing training and development of directors and succession planning. The committee is responsible for assessing the outcome of the Board, committee and directors' evaluations.

The committee meets at least twice a year. Ad-hoc meetings are held to consider special business as required. The CEO and FD attend meetings of the committee by invitation.

The committee is satisfied that it fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Responsibilities

The responsibilities of the Nomination Committee include:

- ▶ Ensuring that the Board has the appropriate composition to execute its duties effectively.
- ▶ Making recommendations on the composition of the Board and its committees.
- ▶ Reviewing and approving the Board diversity policy.
- ▶ Identifying and evaluating suitable potential candidates for appointment to the Board as and when vacancies arise.
- ▶ Ensuring that directors are appointed through a formal and transparent process.
- ▶ Overseeing the induction, ongoing training and development of directors.
- ▶ Approving formal succession plans for the Board, CEO and senior management positions.
- ▶ Overseeing the evaluation of the Board and committees.
- ▶ Assessing the independence of relevant non-executive directors.

Key focus areas addressed during the financial year

- ▶ Assessing the outcome of the Board and committee evaluations during the reporting period
- ▶ Addressing independent non-executive director succession

Social, Ethics and Sustainability Committee

Overview

The Social, Ethics and Sustainability Committee is a statutory committee of the Board.

The committee draws to the Board’s attention, matters within its mandate as required and reports to shareholders at the Company’s AGM. The committee meets a minimum of twice a year. Ad-hoc meetings are held to consider special business as required. The report of the committee can be found on page 12 of our SR.

The committee is satisfied that it has fulfilled its statutory duties in terms of the Companies Act and its other responsibilities in accordance with its terms of reference for the reporting period.

Responsibilities

The committee oversees and reports on the following areas:

- ▶ Employment relationships.
- ▶ Responsible corporate citizenship, including the promotion of equality and the prevention of unfair discrimination, environment, health and public safety including the impact of the Company’s activities and its products or services.
- ▶ Social and economic development.
- ▶ Ensures that the Group’s organisational ethics are in line with its code of business conduct.

Key focus areas addressed during the financial year

- ▶ Monitoring the implementation of the B-BBEE strategy with the aim of improving the Group’s B-BBEE rating
- ▶ Overseeing phase 1 of the solar roll-out
- ▶ Overseeing various CSI initiatives
- ▶ Overseeing the Group’s compliance with EPC’s for buildings



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08 REMUNERATION REVIEW





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REMUNERATION OVERVIEW



Nthime Khoele
Chairperson

The Remuneration Committee ensures that our compensation practices are competitive, fair and aligned with our strategic objectives. Our employees are key to our success and we are dedicated to fostering a culture of integrity, innovation and excellence. Our remuneration strategy is crucial for attracting retaining and motivating top talent who are essential to driving our business and creating long-term value for all stakeholders.

Part 1 Background statement

We believe that offering fair and market-related remuneration is crucial for motivating and retaining top-tier talent. The committee has carefully crafted a policy designed to incentivise the execution of the Group’s broader strategy, which focuses on generating and protecting value for all stakeholders. By aligning compensation with short- and long-term performance goals, we ensure that our employees remain committed to driving sustainable growth and excellence.

To support our employees in achieving these goals, we rely on well-defined strategic value drivers which serve as key guiding principles. These drivers help employees meet their KPIs and enable them to exceed expectations. This ensures that employee efforts are closely aligned with our strategic objectives in fostering a culture of high performance and contributing to exceptional business outcomes.

Our remuneration principles and philosophy remain consistent with the previous year and are rooted in fairness, transparency and competitiveness. The committee continues to monitor and implement these principles, ensuring that they remain effective and responsive to market conditions and the evolving needs of the business. Through this continuous oversight, we are confident in our ability to attract, motivate and retain the talent essential for our long-term success.

Shareholders’ endorsement of the remuneration policy and remuneration implementation report 2024 AGM

At the upcoming AGM, scheduled for 18 February 2025, shareholders will be asked to endorse the remuneration policy and remuneration implementation report. These key documents outline Dipula’s approach to compensating its employees and

executives and the actual remuneration outcomes for the year. Shareholder support is critical as it reflects confidence in the Company’s ability to fairly reward performance and align compensation with long-term value creation.

Should the remuneration policy or the remuneration implementation report (or both) fail to secure the endorsement of more than 75% of the votes at the AGM, Dipula is committed to taking action. If more than 25% of the votes are cast against these proposals, we will engage directly with dissenting shareholders within 30 days after the AGM. This engagement process is designed to address all legitimate and reasonable objections or concerns raised by shareholders regarding the Company’s remuneration practices.

During this consultation period, Dipula will seek to understand the specific issues that led to the dissent and work collaboratively to resolve any concerns. Feedback will be carefully considered to ensure that our remuneration policies remain fair, transparent and aligned with shareholder expectations and our strategic objectives. This proactive approach demonstrates our commitment to maintaining solid relationships with our shareholders and our dedication to governance excellence.

2024 AGM feedback

At the AGM held on 21 February 2024, 84% voted in favour of the Group’s remuneration policy and 33% against the remuneration implementation report. In line with the JSE Listings Requirements, Dipula published a SENS announcement on 21 February 2024, providing dissenting shareholders an opportunity to engage with the Remco Chair regarding their reasons for not approving the resolution. While none of the dissenting shareholders took up the opportunity, the

Remco Chair remains open in future to discuss any concerns from shareholders.

Focus and reporting

The decision-making processes of the Remuneration Committee are firmly anchored in the governance principles recommended by King IV™ and the JSE Listings Requirements. These frameworks provide the committee with comprehensive guidance on best practices in corporate governance, ensuring that all decisions are aligned with the highest standards of integrity, fairness and accountability. We are also committed to incorporating the compliance reporting standards required by the Companies Act in this report. This dedication to governance and transparency is a key aspect of how we operate to reinforce trust among our shareholders and stakeholders.

The committee's responsibilities are broad and include the oversight of executive and employee remuneration, incentive structures and ensuring alignment with the Group's strategic objectives. Details on the committee's composition, responsibilities and meeting attendance are provided on pages 109 and 111 of this report and offer further insights into its governance role and activities.

For 2024, the committee is confident that the remuneration policy successfully met its stated objectives and supported the Group's broader strategy by attracting and retaining top talent while aligning rewards with performance outcomes. The committee also confirms there were no deviations from the approved remuneration policy during the year, demonstrating its consistency and adherence to established guidelines.

As we approach the upcoming AGM, Dipula remains committed to fostering open dialogue with shareholders. We are confident that the remuneration report and the remuneration implementation policy reflect the principles of fairness, performance alignment and strategic focus. We look forward to receiving shareholder support on these advisory resolutions, which will be presented for consideration and approval at the AGM. The committee values the ongoing feedback and engagement from shareholders as it helps to continuously refine and improve our approach to executive remuneration in line with stakeholder expectations.



Nthime Khoele
Chairperson

4 December 2024

Overview of the remuneration policy

Objective of the remuneration policy

Remuneration in context

To foster a culture of excellence and drive sustainable performance, we have carefully structured our remuneration mix to place great emphasis on variable pay components. These include STIs and LTIs, which form a significant portion of overall compensation. The variable components are directly tied to the achievement of specific, predefined performance criteria that are carefully selected to align with Dipula's strategic objectives. These performance metrics are designed to stretch capabilities and promote high performance across the Group while incorporating safeguards to mitigate the potential for excessive risk-taking.

Our remuneration strategy is not solely focused on financial compensation. We recognise that a holistic approach to rewards plays a key role in attracting, retaining and motivating top talent. In addition to financial incentives, we provide non-financial benefits that support the long-term growth and development of our employees. These include opportunities for career development, training and personal growth, which are integral to building a workforce that is highly skilled and engaged. By investing in the continuous development of our employees, we strengthen their ability to contribute to the Group's long-term success while enhancing their career prospects.



REMUNERATION OVERVIEW (continued)

Remuneration structure

Our remuneration framework is carefully crafted to be comprehensive and adaptable, taking into account a wide range of factors that impact individual and company performance. This framework is essential for ensuring that our compensation practices remain fair, competitive and aligned with our strategic objectives. By addressing these diverse influences, we maintain a system that rewards performance effectively while supporting our overall strategic goals. The structure considers several key elements:





TOWER MALL

By incorporating these drivers into our remuneration structure, we aim to create a balanced and fair compensation system that supports our strategic goals, drives high performance and remains responsive to internal and external influences. This helps us to maintain a motivated and engaged workforce while navigating the complexities of the business environment.

Equitable remuneration

We are committed to the principle of fair remuneration and ensure that compensation is directly aligned with the value an individual brings to the Group. Our approach seeks to strike a balance between fairness, equity and the strategic goal of motivating and retaining high-calibre individuals. We aim to attract professionals who recognise that showing initiative and being resourceful are fundamental to our ongoing success.

Our policy on fair pay differentiation is multifaceted. It considers several key factors, including the individual's job grade as determined by our job evaluation systems and procedures. Performance outcomes from our performance management review process also play a significant role in determining remuneration. We also consider industry and job-specific skills, experience and market premiums to ensure that compensation is competitive and reflect an individual's unique contributions.

While fair remuneration is a core aspect of our focus, we place equal importance on fostering an inclusive corporate culture. We strive to create an environment where all employees feel valued, respected and supported. Our career development initiatives are designed to provide equal opportunities for professional growth and advancement and offering avenues to increased earning potential. Through these efforts, we reinforce our commitment to fair pay and the overall well-being and development of our people.

For a more detailed overview of our HR practices and initiatives, please refer to pages 41 to 47 of our SR.

Guaranteed remuneration

Remuneration packages are carefully tailored to reflect each employee's level of influence, the complexity of their role and the scope of their responsibilities. This ensures that our compensation strategy is fair and motivating. To stay competitive, we regularly benchmark our remuneration packages against the broader market, specifically in the property industry. This allows us to make informed adjustments that consider an employee's performance, experience and the level of responsibility they carry in the Group.

Basic salaries are reviewed annually and are periodically benchmarked to the market to ensure competitiveness. Adjustments to salaries are made at the start of September each year and align with market trends and industry standards. Our commitment to maintaining market comparability involves benchmarking our remuneration packages against a set of recognised competitors including Accelerate, Emira, Fairvest, Octodec, SA Corporate, Heriot and Exemplar REIT. This ensures that our compensation practices are aligned with industry norms and that we continue to attract and retain top talent.

Summary of total remuneration for key staff

Key employees receive a Total Guaranteed Package ("TGP"). STIs for key staff are based on predetermined individual KPIs and are capped at a maximum of four months of TGP, depending on the seniority of the staff member. The executive directors identify key staff and recommend them to the committee for participation in the conditional share plan ("CSP").

REMUNERATION OVERVIEW (continued)

Composition of total remuneration for executive directors

The table below summarises the composition of total remuneration for executive directors:

TGP	Fixed
<ul style="list-style-type: none"> ▶ TGP is determined based on a market-related CTC inclusive of benefits. ▶ It is independently benchmarked at least once every three years. ▶ Dipula compensates starting at the market median for a specific position, with adjustments made based on factors such as qualifications, experience, candidate scarcity, general remuneration trends, and individual performance criteria. ▶ Salaries are reviewed annually by the committee with adjustments made effective from 1 September of each year. ▶ The level of TGP is positioned to attract and retain skilled, experienced and talented individuals. 	
STI	Variable
<ul style="list-style-type: none"> ▶ Based on 60% to 70% of TGP at the date of allocation. ▶ STI is independently benchmarked at least once every three years. ▶ Performance is based on company-wide targets and individual KPIs. ▶ KPIs for executive directors are pre-recommended to the Board for approval by the committee. ▶ Executives must meet at least the threshold performance level to be eligible for 75% of the target reward. ▶ Achieving target performance results in 100% of the target reward, while stretch performance yields 130% of the target reward. ▶ Scores below 75% result in a zero bonus allocation for the applicable KPI. ▶ The performance period is in line with the financial year-end i.e. 1 September to 31 August. ▶ STI payments are made in cash in December of each year. 	
LTI	Variable
<ul style="list-style-type: none"> ▶ The Group has a CSP scheme as summarised below. ▶ The number of shares allocated for the CSP are determined based on 100% and 116% of the FD and CEO's TGP on the date of allocation. ▶ LTI is independently benchmarked at least once every three years. ▶ Executives are allocated shares which vest once every three years subject to performance. ▶ The number of vesting shares are determined based on the following performance criteria: <ul style="list-style-type: none"> – 40% absolute performance of growth in distributable earnings. – 10% growth in dividends per share relative to peer group. – 10% growth in share price relative to peer group. – 20% relative performance to peers in NAV per share – 20% growth in NAV per share relative to peer group. ▶ The final number of vesting shares is contingent upon meeting the performance criteria outlined above, with minimum threshold, target and stretch performance levels determined by the committee. ▶ Shares vest by no later than the end of February, following the measurement period ended in August of the immediately preceding financial year-end. 	

Executive directors' service contracts

The CEO is seconded to Dipula through a service-level agreement with QVEST Consulting Proprietary Limited while the FD is a full-time employee of Dipula

Total guaranteed package

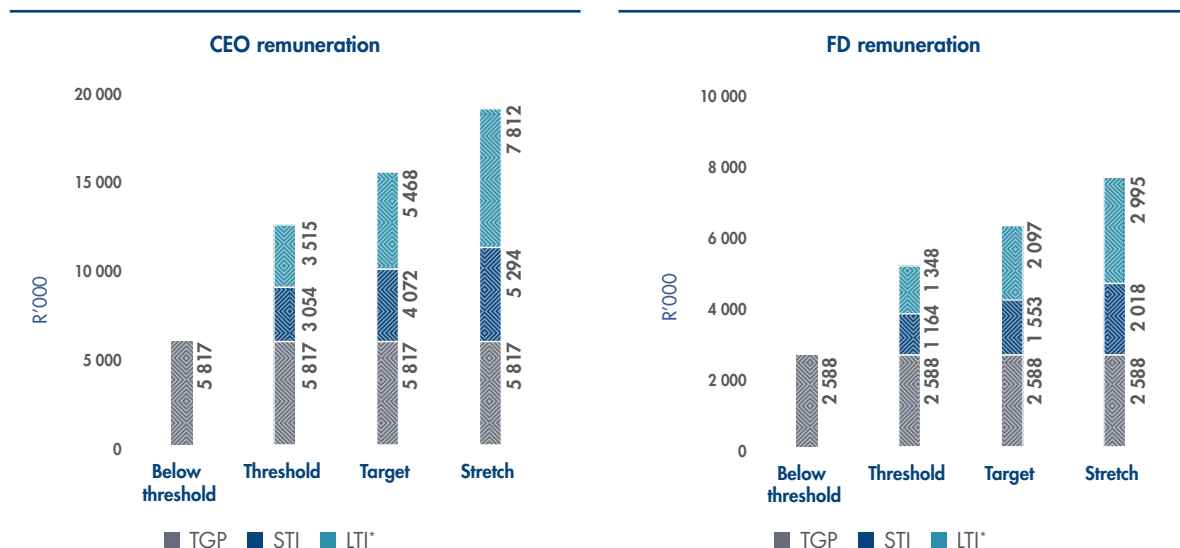
The committee approved average annual increases of 6% for executive management and all other staff for the period under review

KPIs for variable pay

Performance reviews of executive directors are undertaken annually to determine outcomes relative to predetermined KPIs

Potential consequence on total executive remuneration based on 2024 CSP allocations

The following graphs reflect the mix of remuneration for threshold (minimum requirement), target, stretch (outperformance) and below-threshold performance:



* Assumed market prices of R4.79 on vesting of shares in February 2027.

Non-executive directors' fees

Non-executive directors do not have fixed employment terms beyond the conditions outlined in the fund's MOI and therefore no service contracts are in place. Their fees are reviewed annually with adjustments based on inflation and benchmarking against a suitable Group of JSE-listed REITs at least every three years.

Shareholders approve non-executive directors' fees in advance through a special resolution at the Company's AGM. Non-

executive directors are reimbursed for travel and official business expenses provided these are necessary and reasonable. To avoid conflicts of interest and ensure their independence, non-executive directors do not receive share options or other incentive awards tied to share price or corporate performance.

Full remuneration policy

The full remuneration policy can be downloaded from the Company's website at www.dipula.co.za.

REMUNERATION IMPLEMENTATION REPORT

Executive directors' remuneration for the year ended 31 August 2024

The table below provides an analysis of total remuneration received by the executive directors in FY2024:

	TGP R'000	STI per criteria** R'000	LTI# R'000	Total remuneration R'000
Executive				
IS Petersen	5 817	4 013	12 325	22 155
S Moodley	2 588	1 379	–	3 967
Total	8 405	5 392	12 325	26 122

LTI conditional share plan – Tranche 3 allocation made in 1 June 2021. On 29 February 2024, 2 801 056 shares were purchased on-market at a price of R4.4 per share for a total value of R12.325 million to settle the conditional awards which vested on 29 February 2024.

** Paid in December 2024 relating to 31 August 2024 financial year.

STI performance measures

Based on company performance and individually set KPIs. KPIs for executive directors are pre-approved by the committee. The tables show the STI outcomes against each element of the performance metric.

REMUNERATION IMPLEMENTATION REPORT (continued)

CEO

STI (2024)

Key performance indicator	Weighting %	Threshold performance	Target performance
Financial			
Gearing	10.0	40%	39%
Interest cover ratio	5.0	2.2 times	2.4 times
Property valuations	15.0	0%	2.0%
Distributable income per share	15.0	48 cents	52 cents
Vacancies	5.0	11%	9%
Disposals	15.0	R100m	R150m
Total financial	65.0		
Individual			
Leadership and ethics/governance	2.5		Staff retention and creating innovative culture
Risk management	7.5		Risk management process implemented and no major losses
Stakeholder management	10.0		Active engagement with stakeholders
Solar and water sustainability	7.5		Implement effective strategy and roll out per agreed targets
Integrated Report	5.0		Timeous, accurate and relevant content
B-BBEE strategy	2.5	Level 7	Level 6
Total individual	35.0		
Grand total	100.0		

FD

STI (2024)

Key performance indicator	Weighting %	Threshold performance	Target performance
Financial			
Gearing	10.0	40%	39%
Interest cover ratio	5.0	2.2 times	2.4 times
Property valuations	15.0	0%	2.0%
Distributable income	15.0	48 cents	52 cents
Vacancies	5.0	11%	9%
Disposals	15.0	R100m	R150m
Total financial	65.0		
Individual			
Financial reporting and audit	5.0		Timeous and accurate delivery of internal and external financial reports
Systems and internal controls	7.5		Implementation of new systems
Risk management	6.5		Risk management process implemented and no major losses
Leadership and ethics/governance	2.5		Staff retention and creating innovative culture
Cost efficiencies	6.5	Cost to income ratio – 42%	Cost-to-income ratio – 41%
Solar and water sustainability	2.0		Implement effective strategy and roll out per agreed targets
Relationships with funders	2.5		Relationships with funders
B-BBEE strategy	2.5	Level 7	Level 6
Total individual	35.0		
Grand total	100.0		

Threshold: 75%

Target: 100%

Stretch: 130%

Stretch	Actual performance	Total out of 100%	Weighted score %	Target STI
38%	36%	130	13	R529 371
2.6 times	2.7 times	130	6.5	R264 686
3.5%	4.8%	130	19.5	R794 057
55 cents	54.4 cents	124	18.6	R757 408
7.5%	7.8%	124	6.2	R252 469
R200m	R57m	0	0	R0
			63.8	R2 597 991
	Low staff turnover. Continuous drive to innovate	75	1.9	R76 352
	No major losses, risks adequately mitigated	75	5.6	R229 055
	Significant increase in insurance premium	130	13	R529 371
	Continuous and positive engagement with stakeholders			
	Strategy finalised with phase 1 of solar implementation completed	100	7.5	R305 406
	AFS not tabled at Audit Committee	70	3.5	R142 523
Level 5	Level 4	130	3.3	R132 343
			34.8	R1 415 050
			98.6	R4 013 041

Stretch	Actual performance	Total out of 100%	Weighted score %	Target STI
38%	36%	130	13	R201 825
2.6 times	2.7 times	130	6.5	R100 913
3.5%	4.8%	130	19.5	R302 738
55 cents	54.4 cents	124	18.6	R288 765
7.5%	7.8%	124	6.2	R96 255
R200m	R57m	0	0	R0
			63.8	R990 496
	AFS not tabled at Audit Committee	0	0	R0
	Improved IT and HR systems. Policies not updated	75	5.6	R87 328
	No major losses, risks adequately mitigated	75	4.9	R75 684
	Significant increase in insurance premium			
	Low staff turnover. Continuous drive to innovate	75	1.9	R29 109
Cost-to-income ratio – 40%	Cost-to-income ratio – 42%	75	4.9	R75 684
	Strategy finalised with phase 1 of solar implementation completed	100	2.0	R31 050
	Good relationship with funders	100	2.5	R38 813
	Debt renewed within allocated period			
Level 5	Level 4	130	3.3	R50 456
			25.1	R388 124
			88.9	R1 378 620

REMUNERATION IMPLEMENTATION REPORT (continued)

STI outcomes for 2024

	Allocation %	TGP	Financial performance %	Non-financial performance %	Target STI	Total score %	Actual STI
Executive							
CEO	70	R5 817 266	63.8	34.8	R4 072 086	98.6	R4 013 041
FD	60	R2 587 500	63.8	25.1	R1 552 500	88.9	R1 378 620
Grand total		R8 404 766			R5 624 586		R5 391 661

LTI outcomes for 2024

The CSP offers participants the chance to share in the Company’s success and provides an incentive to support the long-term business strategy. This is done by awarding conditional Dipula shares to executives and key staff who are chosen by the Company based on performance over a three-year period. The allocated shares are not entitled to dividends nor voting rights until they vest and become unrestricted at the end of the three-year measurement period.

Each year, the committee approves the performance conditions for awarding Dipula shares which will be outlined in the award letter to participants. Details of the performance criteria for the sixth award of Dipula shares can be found below.

LTI allocation for 2024 (tranche 6)

	Allocation %	TGP	Face value of the allocation	Number of DIB shares allocated***
Executive				
CEO	116	R5 817 266	R6 748 030	1 632 305
FD	100	R2 587 500	R2 587 502	625 900
Grand Total		R8 404 766	R9 335 532	2 258 205

*** Allocated based on 30-day VWAP DIB R4.13 on 15 February 2024.

Under the CSP, the CEO and FD can earn up to 116% and 100% of their TGPs, respectively. During the year, CSP awards were granted subject to specific performance conditions. If the stretch performance targets are achieved, the maximum number of shares allocated to the executive directors will be 2 258 205 DIB shares, valued at R9.3 million, as detailed above.

Performance criteria and targets for tranche 6

	Weighting	Threshold	Target	Stretch
Average distributable earnings growth relative to previous year (measured over a three-year period)	40%	3%	4%	6%
Growth in dividend per share				
Relative to peer group weighted by market cap (weighting at award date) over a three-year period	10%	95% of Index	110% of Index	120% of Index
Growth in share price relative to peer group weighted by market cap (weighting at award date) over a three-year period	10%	95% of Index	110% of Index	120% of Index
Growth in NAV per share relative to peer group weighted by total assets (weighting at award date) over a three-year period	20%	95% of Index	110% of Index	120% of Index
Individual KPI score achievement (based on three-year KPI performance)	20%			
	100%			

The peer group on the date of allocation of tranche 6 comprised Accelerate, Emira, Fairvest, Octodec, SA Corporate, Heriot and Exemplar REIT.

Termination policy

Reasons for termination

	Voluntary resignation	Dismissal	Normal and early retirement, retrenchment and death	Mutual separation
TGP	Paid over the notice period or as a lump sum	No payment	Paid for a defined period based on cause	Paid over the notice period or as a lump sum
STI	Paid if in employ on date of payment	None	None	By negotiation

Non-executive directors' fees for 2024

	Chairperson (per annum) Rand	Increase* %	Member (per annum) Rand	Increase* %
Board	495 636	19.0	317 663	7.0
Audit and Risk Committee	167 911	21.0	106 282	32.0
Investment Committee	110 000	4.0	79 869	3.0
Social, Ethics and Sustainability Committee	108 913	7.0	79 869	7.0
Remuneration and Nomination Committee	108 913	7.0	79 869	7.0

* The increase in non-executive directors' fees reflect inflationary increases as well as adjustments made to align certain board positions to the results of a benchmarking exercise undertaken in 2023. These increases were approved by shareholders at the AGM in February 2024.



CARNATION PLACE

09 ANNUAL FINANCIAL STATEMENTS



PREPARER OF FINANCIAL STATEMENTS

The consolidated and separate annual financial statements of Dipula Income Fund Limited (“Dipula” or “the Company” or “the Group”) as approved by the Board of directors on 4 December 2024 were prepared by Mrs R Maree CA(SA) (Finance Executive) and Mr S Moodley CA(SA) (Financial Director). These financial statements were audited by Forvis Mazars in compliance with section 30 of the Companies Act 2008, No 71 of 2008 (“the Companies Act”).

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DIRECTORS' RESPONSIBILITY AND APPROVAL

for the year ended 31 August 2024

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Company and the Group as at the end of the financial year and the results of its operations and cash flows for the year ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB"), the SA Financial Reporting Requirements, in conformity with the JSE Listings Requirements and the Companies Act. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied except for application of new accounting standards and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and Company and all employees are required to maintain the highest ethical standards in ensuring the Group and Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group and Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management and internal audit, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group and Company's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Company's financial statements.

The financial statements have been examined by the Company's external auditors and their report is presented on pages 135 to 138.

The financial statements set out on pages 139 to 221, which have been prepared on the going concern basis, were approved by the Board of directors on 4 December 2024 and were signed on their behalf by:



Izak Petersen
Chief Executive Officer



Sudesh Moodley
Financial Director

4 December 2024

CEO AND FD RESPONSIBILITY STATEMENT

for the year ended 31 August 2024

The directors, whose names are stated below, hereby confirm that:

- ▶ The consolidated and separate annual financial statements set out on pages 126 to 221 fairly present in all material respects the financial position, financial performance and cash flows of Dipula Income Fund Limited and its subsidiaries in terms of IFRS Accounting Standards;
- ▶ To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- ▶ Internal financial controls have been put in place to ensure that material information relating to Dipula Income Fund Limited and its consolidated subsidiaries have been provided to effectively prepare the consolidated financial statements;
- ▶ The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and separate annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls; and
- ▶ 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
- ▶ We are not aware of any fraud involving directors.



Izak Petersen
Chief Executive Officer



Sudesh Moodley
Financial Director

4 December 2024

CERTIFICATE OF THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act 2008 we declare that to the best of our knowledge, for the year ended 31 August 2024, Dipula Income Fund Limited has lodged with the Companies and Intellectual Property Commission ("CIPC") all such returns as are required of a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.



N Davies

Acorim Proprietary Limited

Company Secretary

Johannesburg

4 December 2024

AUDIT AND RISK COMMITTEE REPORT

for the year ended 31 August 2024

The Audit and Risk Committee has pleasure in submitting this report for the financial year ended 31 August 2024, as required by section 94(7) of the South African Companies Act, No 71 of 2008 ("the Companies Act"), the recommendations of the King Code of Governance for South Africa ("King IV™" – copyright and trade marks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved) and the JSE Listings Requirements.

The committee has an independent role with accountability to shareholders in respect of its statutory duties, and to the Board in respect of duties assigned to it by the Board as detailed in its terms of reference. The terms of reference are reviewed and updated on a regular basis and approved by the Board. The committee assesses its performance and effectiveness on a regular basis. The committee has performed its duties during the past financial year in accordance with the terms of reference.

The committee is chaired by independent non-executive director, Z Adams, and further comprises independent non-executive directors BH Azizollahoff and N Khoele. The Board of directors is satisfied that these directors act independently for the purposes of the committee. Members of the committee are all financially literate with the requisite levels of financial expertise. The Chief Executive Officer, the Financial Director, the internal auditor and the external auditor attend meetings of the committee by invitation. The external auditor and internal auditor meet with the committee without any of the executives on an annual basis and have unrestricted access to the committee. The committee meets at least four times a year and special meetings are convened when necessary. Details of attendance by members at meetings for the year under review are set out on pages 109.

Responsibilities

The committee has performed the duties assigned to it by the Companies Act and as governed by other legislative requirements including the statutory Audit Committee functions required for subsidiary companies. The committee performed the following activities, amongst others, during the year under review:

Integrated reporting and assurance in respect of financial expertise of the Financial Director and finance function

- ▶ Reviewed and recommended the Group's interim results, the Group's integrated report and annual financial statements for approval by the Board;
- ▶ Reviewed and considered new and existing IFRS Accounting Standards as issued by the IASB statements and guidelines;
- ▶ In compliance with paragraph 3.84(g)(i) of the JSE Listings Requirements, confirmed the expertise and experience of the Financial Director, S Moodley; in addition the committee confirmed its satisfaction with the composition, experience and skills of the Group's finance function; and
- ▶ Reviewed the quarterly financial report, including the financial performance against the budget and forecasts and prior year.

Materiality level

The committee was satisfied with the process followed by management in determining the materiality level for the Group at R35 million and recommended to the Board the materiality amount.

Engagement with the Group's external auditors

- ▶ Nominated and recommended to the directors the appointment of Forvis Mazars as external auditor of Dipula Income Fund Limited for the 2024 financial year;
- ▶ Reviewed the information provided by the auditor as set out in paragraph 3.84(g)(ii) of the JSE Listings Requirements;
- ▶ Ensured that the appointment of the auditor complies with the Companies Act, the applicable JSE Listings Requirements and any other legislation relating to the appointment of the auditor;
- ▶ Considered the independence and objectivity of the external auditor and ensured that the scope of additional services provided did not impair their independence;
- ▶ Obtained an annual confirmation from the external auditor that their independence was not impaired;
- ▶ Reviewed the external audit plan and approved the external auditor's fee proposal for the 2024 financial year. Audit fees are described in note 24 to the financial statements;
- ▶ Pre-approved any proposed agreement with the auditor for the provision of non-audit services to the Group which is of a material nature. The non-audit services rendered during the year included the issuance of turnover certificates for land rentals as well as the agreed-upon procedures relating to the SA REIT Best Practice Recommendations; and
- ▶ Prepared this report in compliance with section 94(7)(f) of the Companies Act.

AUDIT AND RISK COMMITTEE REPORT (continued)

Internal financial controls, internal audit and combined assurance

- ▶ Considered and confirmed its satisfaction with the effectiveness of the outsourced internal audit function;
- ▶ Assessed internal financial controls and concluded that no material breakdowns in the functioning of the internal financial controls were noted during the year under review. The results of the audit tests conducted indicated that the internal financial controls provided a sound basis for the preparation of financial statements;
- ▶ Considered any reported control weaknesses, management's response for their improvement and assessed their impact on the general control environment; and
- ▶ Ensured that in compliance with paragraph 3.84(g)(ii) of the JSE Listings Requirements, the companies have established appropriate financial reporting procedures and that these procedures are operating.

Oversight of risk management

- ▶ Reviewed and considered the activities and reports presented to the committee;
- ▶ Provided oversight of the regulatory compliance process and is assisted by the Social and Ethics Committee;
- ▶ Considered and monitored the key financial, information technology, operational and strategic risks facing the Group and the various mitigating controls thereof;
- ▶ Ensured that risk management requirements in accordance with the JSE Listings Requirements in respect of REITs were complied with;
- ▶ Reviewed and approved the specific risk management practices related to the use of various derivative instruments with the business;
- ▶ Reviewed compliance with the financial conditions of loan covenants and determined the capital of the Group was adequate; and
- ▶ Considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements.

Compliance with Companies Act requirements and JSE Listings Requirements

- ▶ Assisted the Board in overseeing the quality and integrity of the Group's integrated report process;
- ▶ Considered accounting treatments, significant financial transactions and other financial information;
- ▶ Reviewed the representation letter relating to the annual financial statements that was signed by management;
- ▶ Reviewed the external auditor's report including the key audit matters included in the report; and
- ▶ Confirmed that the REIT risk management policy has been complied with in all material respects, as further disclosed in the governance review included in the integrated report.

External auditors

In accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements, the committee has satisfied itself that the external auditor, Forvis Mazars, is independent of the Group, as required by the Companies Act, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the IRBA. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee has also satisfied itself with the quality of the external audit work being performed by Forvis Mazars in respect of the financial year-end under review.

There is a formal procedure that governs the process whereby the external auditor is considered for non-audit services. The committee approved the terms of the service agreement for the provision of non-audit services by the external auditor and approved the nature and extent of non-audit services that the external auditor provided in terms of the agreed pre-approval policy. For the year under review, non-audit service fees paid to Forvis Mazars were immaterial relative to the audit fees.

The committee nominated and recommended the re-appointment of Forvis Mazars as the external auditor of Dipula Income Fund Limited. The 31 August 2025 financial year will be the sixth year of Forvis Mazars' appointment as the Company's external auditor and a new lead partner will be appointed.

Internal financial controls and the finance function

The internal audit function is outsourced to an independent service provider and is an integral part of the risk management framework. Internal audit reports directly to the committee and operates in terms of the internal audit plan approved by the committee. Based on enquiries made, the assurance obtained from management and the reports obtained from the internal and external auditors, the committee has satisfied itself that no significant breakdown in current controls, procedures and systems have occurred during the year that could have a material impact on financial reporting.

Tax and treasury oversight

The committee receives regular feedback on both tax compliance and tax risk matters of the Group from management and is satisfied that the Group faces no material tax risks or that a material non-compliance event has occurred.

In respect of the treasury function, the committee receives regular feedback on the Group debt, debt covenants and interest rate hedge position and is satisfied that treasury risks are adequately managed.

IT governance

The committee periodically reviews the Group's management and operation of IT and considers it appropriate to enable the Group to function optimally and securely.

Going concern

The committee reviewed the going concern assumption (refer to note 40 in the AFS) for the consolidated and separate financial statements and supporting assessments performed by management, as required by the Companies Act and has no reason to believe that the business will not be a going concern in the year ahead.

The committee assists the Board with all financial reporting and reviews the annual financial statements, as well as results announcements and interim financial information.

The committee was satisfied with adequate accounting treatment of the matter.

Following a review by the committee and based on processes and assurances obtained, the committee recommended the annual financial statements of Dipula Income Fund Limited for the year ended 31 August 2024 to the Board for approval.

Risk management

The committee reviews the analysis of the critical risks facing the Group on a quarterly basis. The risk analysis and management's response to these risks is detailed on pages 22 to 29 of this integrated report. The committee is satisfied, to the extent possible given the wide range of known and unknown risks facing the Group and all businesses in general, that the compensating controls in place to mitigate the identified key risks are adequate. The committee confirms that it has monitored compliance with the Company's risk management policy and confirms that the Company has complied with the policy in all material respects.

Combined assurance

The committee is responsible for overseeing combined assurance activities. The established combined assurance framework ensures coordination between the different lines of assurance across the Company, including compliance, risk management, and internal and external audit. This framework promotes ongoing collaboration and aims to reduce duplication of efforts, enhancing the effectiveness of assurance activities across the organisation.

Subsidiary companies

The functions of the committee are also performed for the subsidiary companies and business entities of Dipula on the basis that the management of the Group is centralised and reports to this committee and the Board on a Group basis.

AUDIT AND RISK COMMITTEE REPORT (continued)

External audit: Key audit matters and significant risks

At the start of the audit cycle, Forvis Mazars presented their audit strategy, identifying their assessment of the key risks for the purposes of the audit and the scope of their work.

The Group's investment property comprises properties which are measured at fair value using significant judgements and estimates regarding vacancies, discount rates and future cash flows from leases which are determined by management and independent professional valuers in their valuation of each property. Due to the significance of this amount to the financial statements as a whole and combined with the judgement associated with determining the fair value, Forvis Mazars have identified the valuation of investment property as a key audit matter. The committee has assessed that the Group's policy and procedures in valuing investment property is adequate and considers the carrying value of investment property to be fairly stated.

The recoverability of long outstanding debtors has been identified as one of the key audit risks. The Group has assessed the total recoverability and feel an appropriate provision has been raised.

Management has elected to apply the simplified approach to impairment of trade receivables where a specific identification and provision matrix process is used to identify and measure the expected credit losses on the trade receivables. Following the stratification of accounts receivable balances within the defined provision matrix (industry, average collection days, account balance) a provision for the doubtful recovery of trade receivables was provided at R47.3 million (2023: R33.2 million). Refer to note 10 of the consolidated financial statements.

The committee is satisfied that it has complied with its statutory responsibilities and the responsibilities assigned to it by the Board.



Z Adams
Chairperson

4 December 2024

INDEPENDENT AUDITORS' REPORT

for the year ended 31 August 2024

To the Shareholders of Dipula Income Fund Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Dipula Income Fund Limited and its subsidiaries (the Group) set out on pages 143 to 221, which comprise the consolidated and separate statements of financial position as at 31 August 2024, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Dipula Income Fund Limited and its subsidiaries as at 31 August 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

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

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.

INDEPENDENT AUDITORS' REPORT (continued)

for the year ended 31 August 2024

Matter	Audit response
<p>The consolidated and the separate accounting policy in note 2.8 states that investment property is measured at fair value. The carrying value of investment properties amounted to R10.2 billion (2023: R9.7 billion) for the Group and R270.8million (2023: R261.5 million) for the Company at year-end.</p> <p>The property valuations incorporate property-specific details, including current tenancy agreements and rental income. The valuation process involves making assumptions for capitalisation rates, property-specific expense ratios, and estimated market rent, which are influenced by prevailing market capitalisation rates and comparable transactions, culminating in the determination of final property valuations.</p> <p>Detailed in note 3 of the consolidated and separate financial statements, the valuation of the consolidated and separate investment properties requires significant judgements from management experts and management. This includes decisions regarding the selection of valuation models, input parameters, current market conditions, and rental levels. Note 35.4 provides a breakdown of key inputs with the most substantial impact on these valuations and include the following:</p> <ul style="list-style-type: none"> ▶ market-related income; ▶ capitalisation rates; ▶ escalation rates; ▶ expense growth ratios; ▶ discount rates, ▶ vacancy rates; and ▶ rental growth rate. <p>It is essential to acknowledge the significance of these valuations at year-end, recognising the inherent estimates and judgments involved. Notably, even a minor difference in the valuation of an individual property, when aggregated, has the potential to result in a material misstatement. This underscores the need for specific audit focus on the accuracy and reliability of these valuations.</p>	<p>The audit procedures we performed included among others, the following:</p> <ul style="list-style-type: none"> ▶ We have assessed the design and implementation of internal control systems applied by management over the valuation process. ▶ We assessed the mathematical accuracy of the valuation calculations performed. ▶ We evaluated management's current-year calculations for consistency with the prior year methodology. ▶ We agreed the valuations to the accounting records and financial statements. ▶ We obtained the valuation reports from management and agreed the fair values of investment properties to the valuation reports from the management experts and internal valuations, as applicable. ▶ We evaluated the competence, experience, qualifications, objectivity, and independence of management experts. ▶ We evaluated a sample of models utilised by the directors and management experts, ensuring that the valuation approaches applied comply with IFRS Accounting Standards and industry norms. <p>For a sample of investment properties, we assessed the appropriateness and reasonability of the assumptions applied by management or the external valuers in determining the fair value of investment properties by:</p> <ul style="list-style-type: none"> ▶ Assessing the category, location and grade of the property with reference to corroborative evidence; ▶ Assessing the reasonability of both income and expense growth rates by comparing it to relevant internal data and external market publications. ▶ Comparing projected cash flows used in the valuation models to management's approved budgets and projected cash flows for reasonability, ▶ Assessing the reasonability of vacancy, terminal capitalisation and discount rates applied by management by comparing them to the external market information; and ▶ Evaluating the sensitivity of the assumptions on the fair value calculations. ▶ We assessed the adequacy of the disclosures in notes 3 and 35.4 to the consolidated and separate financial statements against the requirements of International Auditing Standard 40 and International Financial Reporting Standard 13.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled Dipula Income Fund Limited Integrated Report 2024 which includes the Directors' Report, the Audit and Risk Committee's Report, Certificate of the Company Secretary and Appendices 1 to 3 as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do 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 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 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 IFRS Accounting 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'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 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 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 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 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 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 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 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 Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (continued)

for the year ended 31 August 2024

- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 and separate 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 Forvis Mazars has been the auditor of Dipula Income Fund Limited for five years.

The logo for Forvis Mazars, featuring the company name in a stylized, bold, sans-serif font.

Forvis Mazars

Partner: Susan Truter

Registered Auditor

4 December 2024

Johannesburg

DIRECTORS' REPORT

The directors have pleasure in submitting their report for the year ended 31 August 2024.

Nature of business

Dipula Income Fund is a REIT and is listed on the JSE Limited under the Property: Real Estate Investment Trust sector.

Dipula was granted REIT status with effect from 1 September 2013. The Company listed on the JSE on 17 August 2011 and its primary business is long-term investment in rental income generating properties.

The Group owns a diversified property portfolio of retail, residential, offices, industrial and land.

The information presented for the year ended 31 August 2024 has been prepared in accordance with IFRS Accounting Standards as issued by the IASB. The presentation of the results also complies with the relevant section of the Companies Act, the JSE Listings Requirements and the SA Financial Reporting Requirements. Dipula is operating in compliance with the Companies Act and in conformity with its MOI. The annual financial statements have been audited by Forvis Mazars for the fifth consecutive year.

Given the nature of its business, Dipula uses dividend per share as its key performance measure for trading statement purposes instead of earnings or headline earnings per share.

Group entities

The Group includes the following 100% held subsidiaries:

- ▶ Asakhe Realty Investment Fund Proprietary Limited
- ▶ Dipula Asset Management Trust
- ▶ Dipula Property Management Proprietary Limited
- ▶ Gillwell Taxi Retail Park Proprietary Limited
- ▶ Mergence Africa Property Investment Trust
- ▶ The Dipula Property Investment Trust

Held 100% through Mergence Africa Property Investment Trust and The Dipula Property Investment Trust*:

- ▶ Mergence Africa Property Fund Proprietary Limited*

Held 100% through Mergence Africa Property Fund Proprietary Limited*:

- ▶ Emerald Fire Investments Proprietary Limited
- ▶ Hynorex Proprietary Limited
- ▶ Jarrabilla Investments Proprietary Limited
- ▶ Lizinex Proprietary Limited
- ▶ Luxanio Trading 181 Proprietary Limited
- ▶ Phepha Prop 006 Proprietary Limited
- ▶ Unlocked Properties 18 Proprietary Limited

And the following subsidiaries with less than 100% interest:

- ▶ 50.01% in Bajascape Proprietary Limited

And the following undivided interest in joint operations:

- ▶ Harding Shopping Centre – 50%
- ▶ Fairways on Main – 50%
- ▶ Seshego – 50%
- ▶ Detnet – 66.67%

* Group restructure – To simplify the property holding structure within the Group, various properties and shares in subsidiaries were transferred among Group entities through loan accounts or share issues. As a result, Mergence Africa Property Fund Proprietary Limited now holds 100% ownership in the entities mentioned above. The ultimate 100% shareholder of Mergence Africa Property Fund Proprietary Limited remains Dipula Income Fund Limited through its holdings in Mergence Africa Property Investment Trust and Dipula Property Investment Trust.

Information relating to the Company's interest in its subsidiaries is detailed in note 8 of the annual financial statements.

DIRECTORS' REPORT (continued)

Review of operations and acquisitions

The results of the Group and the Company are set out in the attached financial statements and accompanying notes.

Disposals

In line with the strategy to dispose of non-core assets to improve the quality of its portfolio, Dipula disposed of five properties with a carrying value of R36.5 million during the year.

A further five properties were transferred to held-for-sale at the end of August 2024. The proceeds on these properties will amount to a gross inflow to the Company of R50 million.

Acquisitions

There were no acquisitions in the current financial year.

Distributable earnings

Distributable earnings for the 31 August 2024 year amounted to 54.39590 cents (2023: 56.96098 cents) per ordinary share.

Directors' remuneration

Please refer to note 37.2 in the annual financial statements.

Stated capital

The authorised share capital of the Company consists of 6 billion ordinary shares of no par value at 31 August 2024 (2023: 6 billion ordinary shares of no par value).

There were 910 368 816 ordinary shares in issue at 31 August 2024 (2023: 911 918 399 ordinary shares in issue). Further details on stated capital are set out in note 13.

Property valuations and net asset value

The portfolio was valued at 31 August 2024 as per the investment property accounting policy (note 2.8) at R10.2 billion (2023: R9.8 billion) and the net asset value per share was R6.98 (2023: R6.64) at year-end.

Borrowings

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 has been fixed through interest rate swaps and interest caps. The Group's gearing remained stable at 35.7% (2023: 35.7%) with undrawn facilities of R80 million at year-end (2023: R178 million).

Directorate

The directors of the Company as at the date of this report were:

Independent non-executive

ZJ Matlala (Chairperson)	South African
BH Azizollahoff	British
Z Adams	South African
N Khoele	South African
K Teeroovengadam	Mauritian

Executive

IS Petersen (Chief Executive Officer) South African
S Moodley (Financial Director) South African

S Moodley has the same terms of employment as normal employees.

IS Petersen has a service agreement with Dipula Income Fund Limited.

Refer to note 37.2 for remuneration.

Directors' interests

The interest of the directors in the shares of Dipula Income Fund at 31 August 2024 were as follows:

Ordinary shares (number of shares)

	Direct beneficial 2024	Indirect beneficial 2024	Total 2024	Direct beneficial 2023	Indirect beneficial 2023	Total 2023
IS Petersen	1 067 830	37 142 980	38 210 810	1 067 830	34 341 924	35 409 754
R Asmal (resigned 1 March 2023 and holdings reported as of that date)	–	–	–	1 579 300	–	1 579 300
ZJ Matlala (Chairperson)	102 072	–	102 072	102 072	–	102 072
SA Halliday (resigned 31 May 2023 and holdings reported as of that date)	–	–	–	89 000	59 000	148 000
Y Waja (resigned 31 May 2023 and holdings reported as of that date)	–	–	–	130 000	–	130 000
	1 169 902	37 142 980	38 312 882	2 968 202	34 400 924	37 369 126

All shares acquired by the directors were at open market value. The above number of shares are stated in whole numbers and are not rounded figures. There have been no changes to the directors' interests between the end of the financial year and the date of approval of these annual financial statements.

During the year under review, the directors had no interest in material contracts or transactions, other than those directors involved in the operation of the Company as set out in this report. There have been no bankruptcies or voluntary arrangements of the above mentioned persons. The directors have not been the subject of public criticism by statutory or regulatory authorities (including professional bodies) and have not been disqualified by a court from acting as directors of a company or from acting in the management or conduct of the affairs of any company. There have been no offences involving dishonesty by the directors.

Corporate governance and internal controls

The Group's status with regard to corporate governance and internal controls is set out in a separate statement in the integrated report. (See pages 100 to 113.)

Audit and Risk Committee and independence of auditor

The Audit and Risk Committee consists only of independent non-executive directors and has reviewed these annual financial statements prior to submission to the Board for approval. The Audit and Risk Committee has also assessed the independence of the external auditors and is satisfied with their independence.

Further detail regarding the scope and mandate of the Audit and Risk Committee is detailed on page 110 of this integrated report.

DIRECTORS' REPORT (continued)

Going concern

The directors have evaluated the Group's ability to continue as a going concern and believe that both the Group and Company have sufficient resources to operate sustainably for the foreseeable future. It is therefore appropriate to adopt the going concern basis in preparing the consolidated and separate annual financial statements. Based on the current cash flow forecast, operational environment, geographical diversity, and industry trends, the directors are satisfied that the Group and Company satisfies the solvency and liquidity tests required by the Companies Act and will remain solvent and liquid for the next 12 months and are in a sound financial position, with access to sufficient borrowing facilities to meet foreseeable cash flow needs.

As part of the Group's capital recycling strategy, the disposal of non-core properties will be a focus over the next 12 months. Management is closely monitoring the trade receivable collections and the Group's liquidity position.

Based on the above, it would appear that the Group and the Company would be able to service their liabilities in the next 12 months. Refer note 40.

Subsequent events

Subsequent to the reporting date, one of the Group's buildings sustained partial damage due to a fire. A professional team has been appointed to assess the extent of the damage, estimate the cost of reinstatement, and provide guidance on an appropriate remedial method. The building was fully insured, and management is in the process of evaluating the potential impact on the Group's financial position. Refer to note 39 of the financial statements.

Auditors

Forvis Mazars, together with Susan Truter as the designated partner, were the appointed auditors during the year under review.

This was the fifth year that Forvis Mazars, together with Susan Truter as the designated partner, performed the Group audit.

Company Secretary

Acorim Proprietary Limited acted as the Company secretary during the year under review.

In terms of section 3.84(h) of the JSE Listings Requirements, the Board of directors have executed their duty in ensuring that the Company secretary is competent, is suitably qualified and experienced. The Company secretary also has unfettered access to the Board, is not a member of the Board and maintains an arm's length relationship with the Board.

Business address

Firestation Rosebank
12th floor
16 Baker Street
Rosebank

Postal address

Private Bag X3
Rosebank
2132

STATEMENTS OF FINANCIAL POSITION

for the year ended 31 August 2024

	Note	Consolidated		Company	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
ASSETS					
Non-current assets		10 159 063	9 786 862	8 160 885	7 618 146
Investment property		10 138 679	9 733 570	270 800	261 500
Fair value of property portfolio	3	9 791 564	9 420 470	268 645	259 711
Right-of-use asset	3	90 618	88 756	–	–
Straight-line rental income adjustment	4	256 497	224 344	2 155	1 789
Property, plant and equipment		2 370	2 501	2 141	2 214
Deferred taxation	5	6 058	6 058	–	–
Derivative financial instruments – swaps	6	6 526	39 023	6 526	39 023
Loans receivable	7	5 430	5 710	–	–
Loans to subsidiaries	8	–	–	5 780 862	6 458 054
Interest in subsidiaries	8	–	–	2 100 556	857 355
Current assets		369 828	282 337	92 785	48 613
Trade and other receivables	10	244 894	206 835	16 590	9 735
Loans receivable	7	451	412	–	–
Derivative financial instruments – swaps	6	11 854	13 539	11 854	13 539
Cash and cash equivalents	11	112 629	61 551	64 341	25 339
Non-current assets held-for-sale		50 350	39 081	–	–
Investment property held-for-sale	12	50 350	39 081	–	–
Total assets		10 579 241	10 108 280	8 253 671	7 666 759
EQUITY AND LIABILITIES					
Shareholders' interest		6 354 346	6 050 615	4 610 527	4 631 529
Stated capital	13	4 245 306	4 251 568	4 320 749	4 327 011
Fair value reserve	14	1 927 603	1 663 819	9 524	39 902
Share-based payment reserve	15	8 520	8 096	8 520	8 096
Retained income		172 917	127 132	271 734	256 520
Non-controlling interests	16	176 791	198 969	–	–
Non-current liabilities		3 856 662	2 246 004	3 633 226	1 739 693
Interest-bearing liabilities	17	3 738 252	2 134 183	3 623 861	1 734 944
Lease liabilities	18	109 045	107 072	–	–
Derivative financial instruments – swaps	6	9 365	4 749	9 365	4 749
Current liabilities		191 442	1 612 692	9 918	1 295 537
Interest-bearing liabilities	17	3 140	1 418 410	1 043	1 293 285
Lease liabilities	18	11 257	11 061	–	–
Trade and other payables	19	177 045	183 221	8 875	2 252
Total equity and liabilities		10 579 241	10 108 280	8 253 671	7 666 759

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 August 2024

	Note	Consolidated		Company	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
Revenue		1 487 463	1 395 041	853 985	840 543
Contractual rental income	20	1 110 320	1 111 308	54 283	26 557
Municipal and property recoveries	20	344 991	292 393	22 191	21 433
Management fees	21	–	–	58 422	56 566
Dividends received from Group companies	37	–	–	718 723	736 170
Straight-line rental income accrual	4	32 152	(8 660)	366	(183)
Property-related expenses	22	(552 647)	(482 662)	(53 408)	(47 878)
Expected credit losses	23	(14 507)	(11 118)	–	(538)
Net property income		920 309	901 261	800 577	792 127
Administration and corporate costs	24	(48 633)	(61 083)	(45 482)	(57 877)
Profit on Group restructure	8	–	–	12 235	–
Fair value adjustments		231 632	152 649	(30 744)	(25 157)
Investment properties and properties held-for-sale	14	302 581	148 718	8 419	(20 611)
Straight-line rental income accrual	4	(32 152)	8 660	(366)	183
Interest rate swaps	14	(38 797)	(4 729)	(38 797)	(4 729)
Net profit before finance cost		1 103 308	992 827	736 586	709 093
Net finance cost		(323 050)	(314 114)	(286 981)	(259 929)
Finance income	25	19 355	15 549	9 114	6 994
Finance cost	26	(342 405)	(329 663)	(296 095)	(266 923)
Profit before taxation		780 258	678 713	449 605	449 164
Taxation	27	–	(261)	–	–
Profit for the year after taxation		780 258	678 452	449 605	449 164
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		780 258	678 452	449 605	449 164
Total profit and comprehensive income for the year attributable to:					
Shareholders of the Company		774 302	588 031	449 605	449 164
Non-controlling interests		5 956	90 421	–	–
		780 258	678 452	449 605	449 164
Earnings per share (cents)	28	84.95	65.41		
Diluted earnings per share (cents)	28	83.52	64.41		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 August 2024

		Consolidated					
	Note	Stated capital R'000	Fair value reserve R'000	Share- based payment reserve R'000	Retained income R'000	Non- controlling interests R'000	Total equity R'000
Balance at 31 August 2022		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	13	(9 645)	–	–	–	–	(9 645)
Dividends declared	30	–	–	–	(507 847)	(28 537)	(536 385)
Share issue expenses	13	(392)	–	–	–	–	(392)
Repayment of subsidiary stated share capital	8	–	–	–	–	(13 993)	(13 993)
Reclassification of NCI loan	8	–	–	–	–	(616)	(616)
Share-based payments vested	15	–	–	(16 103)	–	–	(16 103)
Recognition of share-based payments expense	15	–	–	11 680	(5 951)	–	5 729
Dividend re-investment plan share issue	13	64 254	–	–	–	–	64 254
Transfer to fair value reserve – investment properties	14	–	148 718	–	(148 718)	–	–
Transfer to fair value reserve – interest rate swaps	14	–	(4 729)	–	4 729	–	–
Balance at 31 August 2023		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	13	(6 262)	–	–	–	–	(6 262)
Dividends declared	30	–	–	–	(455 526)	(28 134)	(483 660)
Share-based payments vested	15	–	–	(14 299)	–	–	(14 299)
Recognition of share-based payments expense	15	–	–	14 723	(9 207)	–	5 516
Transfer to fair value reserve – investment properties	14	–	302 581	–	(302 581)	–	–
Transfer to fair value reserve – interest rate swaps	14	–	(38 797)	–	38 797	–	–
Balance at 31 August 2024		4 245 306	1 927 603	8 520	172 917	176 791	6 531 137

STATEMENTS OF CHANGES IN EQUITY (continued)

for the year ended 31 August 2024

		Company					
	Note	Stated capital R'000	Fair value reserve R'000	Share- based payment reserve R'000	Retained income R'000	Non- controlling interests R'000	Total equity R'000
Balance at 31 August 2022		4 272 794	65 243	12 518	295 833	–	4 646 388
Total profit and comprehensive income for the year		–	–	–	449 164	–	449 164
Appraisal rights settlement	13	(9 645)	–	–	–	–	(9 645)
Dividends declared	30	–	–	–	(507 865)	–	(507 865)
Share issue expenses	13	(392)	–	–	–	–	(392)
Share-based payments vested	15	–	–	(16 103)	–	–	(16 103)
Recognition of share-based payments expense	15	–	–	11 680	(5 951)	–	5 729
Dividend re-investment plan share issue	13	64 254	–	–	–	–	64 254
Transfer to fair value reserve – investment properties	14	–	(20 611)	–	20 611	–	–
Transfer to fair value reserve – interest rate swaps	14	–	(4 729)	–	4 729	–	–
Balance at 31 August 2023		4 327 011	39 902	8 096	256 520	–	4 631 529
Total profit and comprehensive income for the year		–	–	–	449 605	–	449 605
Acquisition of treasury shares	13	(6 262)	–	–	–	–	(6 262)
Dividends declared	30	–	–	–	(455 563)	–	(455 563)
Share-based payments vested	15	–	–	(14 299)	–	–	(14 299)
Recognition of share-based payments expense	15	–	–	14 723	(9 207)	–	5 516
Transfer to fair value reserve – investment properties	14	–	8 419	–	(8 419)	–	–
Transfer to fair value reserve – interest rate swaps	14	–	(38 797)	–	38 797	–	–
Balance at 31 August 2024		4 320 749	9 524	8 520	271 734	–	4 610 527

STATEMENTS OF CASH FLOWS

for the year ended 31 August 2024

	Note	Consolidated		Company	
		2024 R'000	2023 R'000	2024 R'000	Restated* 2023 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from/(utilised in) operations*	29	829 891	846 906	44 241	(3 796)
Finance income	25	12 868	15 549	8 977	6 994
Finance cost	26	(365 568)	(314 424)	(328 067)	(262 541)
Dividends received from Group companies	37	–	–	718 723	736 170
Dividends paid	30	(483 660)	(536 385)	(455 563)	(507 865)
Net cash (utilised in)/generated from operating activities*		(6 469)	11 646	(11 690)	(31 039)
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditure on investment property		(149 401)	(160 614)	(1 625)	(2 819)
Acquisition of property, plant and equipment		(983)	(832)	(967)	(900)
Proceeds on disposal of investment properties		35 625	153 580	–	–
Loans receivable repaid	7	242	1 843	–	–
Loans advanced to subsidiaries	8	–	–	(117 874)	–
Loans repaid by subsidiaries	8	–	–	–	1 578
Net cash utilised in investing activities		(114 517)	(6 023)	(120 466)	(2 141)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of lease liabilities	18	(8 891)	(8 564)	–	–
Capital portion		2 170	2 299	–	–
Interest payment		(11 061)	(10 863)	–	–
Share issue expenses paid	13	–	(392)	–	(392)
Acquisition of additional interest in subsidiary**		–	(25 313)	–	(25 313)
Settlement appraisal rights shares	13	–	(34 000)	–	(34 000)
Acquisition of treasury shares	13	(6 262)	–	(6 262)	–
Shares acquired in terms of share-based payment	8	(14 299)	(16 103)	(14 299)	(16 103)
Dividend re-investment plan share exercise price proceeds	13	–	64 254	–	64 254
Repayment of subsidiary stated share capital	8	–	(13 993)	–	–
NCl loan repayment		–	6 562	–	–
Net movement in interest-bearing liabilities	17	201 516	19 236	191 719	30 458
Interest-bearing liabilities movement in access facility		104 105	(100 154)	105 919	(110 003)
Interest-bearing liabilities raised		111 611	200 000	100 000	200 000
Repayment of borrowings		(14 200)	(80 610)	(14 200)	(59 539)
Net cash generated/(utilised in) from financing activities*		172 064	(8 313)	171 158	18 904
Net increase/(decrease) in cash and cash equivalents		51 078	(2 691)	39 003	(14 275)
Cash and cash equivalents at the beginning of the year		61 551	64 242	25 339	39 614
Cash and cash equivalents at the end of the year	11	112 629	61 551	64 341	25 339

* Acquisition of additional interest in subsidiary for August 2023 has been restated in accordance with IAS 8. Refer note 29.

Relates to the settlement of the additional 19.9% in Unlocked Properties 18 Proprietary Limited by Dipula at 31 August 2022 through the exercise of an NCl put option. Amount settled in the 2023 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 August 2024

1. Standards and interpretations issued and not yet effective

At the date of approval of these annual financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

All of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group financial statements is provided on the following pages. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group financial statements.

Accounting standard or interpretation	Amendment	Impact on financial statements
IAS 1: <i>Presentation of Financial Statements</i> : Amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.	The amendment: Classification of liabilities as current or non-current; classification to be based on whether the right to defer settlement by at least 12 months exists at the end of the reporting period; classification is unaffected by expectation of settlement.	Not expected to have a significant impact on the financial statements as the concepts included in this amendment is currently being applied by the Group.
IAS 1: <i>Presentation of Financial Statements</i> : Amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.	Amendment: Classification of long-term debt affected by covenants: <ul style="list-style-type: none"> ▶ Classify debt as non-current only if the Company can avoid settling the debt within 12 months after the reporting date. ▶ Specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. ▶ The amendments require a company to disclose information about these covenants in the notes to the financial statements. 	Not expected to have a significant impact on the financial statements as the concepts included in this amendment is currently being applied by the Group.
IAS 7: <i>Statement of Cash flows</i> and IFRS 7: <i>Financial Instruments</i> : Disclosures. Amendment: Supplier finance arrangements is effective for annual periods beginning on or after 1 January 2024.	Amendment: Supplier finance arrangements requiring disclosure: <ul style="list-style-type: none"> ▶ About how supplier finance arrangements affect an entity's liabilities and cash flow. ▶ As to whether supplier finance agreements have been accessed providing extended payment terms or early payment terms for suppliers. ▶ Of the effects of exposure to liquidity risk including the impact if the supplier finance arrangements are no longer available. 	Not expected to have a significant impact on the financial statements as the Group is not party to significant supplier finance arrangements.
IFRS 16: <i>Leases</i> : Narrow scope amendment: Lease Liability in a Sale and Leaseback is effective for annual periods beginning on or after 1 January 2024.	The amendment narrows the scope of lease liability in a sale and leaseback transactions. <ul style="list-style-type: none"> ▶ Subsequent measurement for sale and leaseback transactions meeting the IFRS 15 requirements for sale only. ▶ Seller-lessee to measure the lease liability in such a manner so that any gain or loss recognised relates only to rights transferred to buyer-lessor. No gain or loss must be recognised on the right of use retained. 	Not expected to have a significant impact on the financial statements as the Group is not party to significant sale and lease-back transactions.

1. Standards and interpretations issued and not yet effective (continued)

Accounting standard or interpretation	Amendment	Impact on financial statements
IFRS S1: <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> is effective for annual periods beginning on or after 1 January 2024.	<p>New standard: requiring entities to disclose information about sustainability-related risks and opportunities that are useful to users relating to providing resources to the entity.</p> <ul style="list-style-type: none"> ▶ Entities are required to disclose information about sustainability-related risks and opportunities reasonably expected to affect their prospects. ▶ Prescribes how the entity prepares and reports its sustainability-related disclosures, setting out general requirements for content and presentation thereof. ▶ To provide an understanding of the entity's governance processes and controls, strategy to manage, identification processes and controls and performance in relation to the sustainability-related risks and opportunities and targets set. 	The Group is in the process of assessing the impact of this new standard on the financial statements.
IFRS S2: <i>Climate-related Disclosures</i> is effective for annual periods beginning on or after 1 January 2024.	<p>New standard: requiring entities to disclose information about the climate-related risks (physical and transition) an entity is exposed to and the opportunities available to that may be useful to investors and capital providers.</p> <ul style="list-style-type: none"> ▶ Entities are required to disclose information about climate-related risks and opportunities reasonably expected to affect their cash flows, access to finance or cost of capital over the short, medium or long term. ▶ To provide an understanding of the entity's governance processes and controls, strategy, identification processes and controls and performance in relation to the climate-related risks and opportunities and targets set. 	The Group is in the process of assessing the impact of this new standard on the financial statements.
IFRS 9: <i>Financial Instruments</i> is effective for annual periods beginning on or after 1 January 2026	<p>Amendment: Lease derecognition of lease liabilities:</p> <ul style="list-style-type: none"> ▶ Clarifies lessee accounting of a lease liability by adding reference to IFRS 9.3.3.3. <p>Amendment: Transaction price:</p> <ul style="list-style-type: none"> ▶ Reference to transaction price deleted and required wording around it providing reference to IFRS 15. 	The Group is in the process of assessing the impact of this new standard on the financial statements.
IFRS 9: <i>Financial Instruments</i> is effective for annual periods beginning on or after 1 January 2026	Amendment: Derecognition of financial liabilities.	The Group is in the process of assessing the impact of this new standard on the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

1. Standards and interpretations issued and not yet effective (continued)

Accounting standard or interpretation	Amendment	Impact on financial statements
IFRS 18: <i>Presentation and Disclosure in Financial Statements</i> is effective for annual periods beginning on or after 1 January 2027	<p>New standard: This standard deals with the presentation and disclosure of information in general purpose financial statements; new requirements:</p> <ul style="list-style-type: none"> ▶ New mandatory totals or subtotals within the statement of financial performance; ▶ Disclosure regarding management defined performance measures; ▶ Aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements and the notes; ▶ Operating profit must be the starting point for indirect method cash flows; and ▶ Consequential amendments to other accounting standards. 	The Group is in the process of assessing the impact of this new standard on the financial statements.
IFRS 19: <i>Subsidiaries without Public Accountability: Disclosures</i> is effective for annual periods beginning on or after 1 January 2027	<p>New standard: IFRS 19 permits eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosures (optional election).</p> <ul style="list-style-type: none"> ▶ Disclosures specified or cross referenced per applicable accounting standard. ▶ Financial statements to state compliance with IFRS Accounting Standards and the requirements of IFRS 19. 	The Group is in the process of assessing the impact of this new standard on the financial statements.

2. Material accounting policies

The Annual Financial Statements have been prepared on a going concern basis, in accordance with IFRS Accounting Standards as issued by the IASB, SA Financial Reporting Requirements, the JSE Listings Requirements and the Companies Act of South Africa, 2008, as amended.

2.1 Reporting entity

Dipula Income Fund Limited is a company domiciled in South Africa.

The consolidated and separate financial statements for the year ended 31 August 2024 comprise the Company and its subsidiaries (together referred to as the “Group”) and the accounting policies listed below apply to both the consolidated and separate financial statements.

The financial statements were authorised for issue by the directors on 4 December 2024.

2.2 Basis of preparation

The consolidated and separate financial statements (“financial statements”) are prepared on the historical cost basis, except for the measurement of investment property and certain financial instruments which are measured at fair value and incorporate the principal accounting policies set out below and in the individual notes to the financial statements. Fair value adjustments (where applicable) do not affect the calculation of distributable earnings but do affect the net asset value per share to the extent that adjustments are made to the carrying values of assets and liabilities.

2. Material accounting policies (continued)

2.2 Basis of preparation (continued)

Except for the amendments adopted as set out below in point 2.5, all accounting policies applied by the Group and the Company in the preparation of these consolidated financial statements are consistent with those applied by the Group and the Company in its consolidated financial statements as at and for the year ended 31 August 2024.

The financial statements are prepared on the going-concern basis. The Company's financial statements are presented in South African Rand, which is the functional and presentation currency.

2.3 Statement of compliance

The accounting policies of the Group comply with IFRS Accounting Standards as issued by the IASB as issued by the IASB and IFRIC® Interpretations effective for the Group's financial year as well as SA Financial Reporting Requirements, and the Companies Act, applicable to companies reporting under IFRS Accounting Standards and the JSE Listings Requirements.

2.4 Use of significant estimates and judgements

The preparation of financial statements in conformity with IFRS accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Actual results may differ from these estimates.

Judgements made by management in the application of IFRS accounting standards that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year are set out in note 2.22.

2.5 New and amended standards

The Group has adopted the following new standards, amendments and interpretations effective for the first time for the current financial period year. The impact of the adoption of these standards and amendments has been considered and deemed immaterial.

- ▶ IAS 12: *Income Taxes – amendment*: Deferred tax related to assets and liabilities arising from a single transaction is effective for annual periods beginning on or after 1 January 2023. Principles of this standard have already been implemented within the Group where applicable prior to effective date.
- ▶ IAS 1: *Presentation of Financial Statements amendment*: "Disclosure of Accounting policies" effective for annual reporting periods beginning on or after 1 January 2023. Principles of this standard have already been implemented within the Group where applicable prior to effective date.
- ▶ IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors amendment*: "Definition of Accounting Estimates" effective for annual reporting periods beginning on or after 1 January 2023. Principles of this standard have already been implemented within the Group where applicable prior to effective date.

2.6 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the subsidiaries.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group, and the profits or losses resulting from intra-group transactions that are recognised in assets such as property, plant and equipment are eliminated on consolidation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

2. Material accounting policies (continued)

2.6 Basis of consolidation (continued)

The non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. The non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholders' share of changes in equity since the date of the combination.

Subsidiaries

Subsidiaries are those entities controlled by the Group, the financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commenced until the date that control ceases.

Control is achieved when the Group:

- ▶ Has power over the investee
- ▶ Is exposed, or has rights, to variable returns from its involvement with the investee
- ▶ Has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts or circumstances indicate that one or more of the elements listed above have changes during the year.

In the case of the Company, investments in subsidiaries are measured at cost less impairment losses.

Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition and adjusted in the same proportion for the profit or loss at each reporting date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The Group considers the non-controlling interests to be material if they are greater than 10% of Group net assets.

2.7 Joint operations

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have joint rights to the assets and obligations relating to the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists when decisions about the relevant activities require the 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 consolidated annual financial statements only to the extent of interests in the joint operation that are not related to the Group.

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 revenue, including its share of revenue arising from the sale of the output arising from the joint operation; and
- ▶ its expenses, including its share of any expenses incurred jointly.

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

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

2. Material accounting policies (continued)

2.7 Joint operations (continued)

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

2.8 Investment property

Investment properties are initially measured at cost with inclusion of transaction costs. Investment properties are properties held to earn rental income but not for sale in the ordinary course of business or for administration purposes.

The cost of investment property comprises the purchase price and directly attributable expenditure.

Major improvements and renovations to properties subsequent to the purchase of properties are capitalised.

Investment property is maintained, upgraded and refurbished, where necessary, in order to preserve or improve the capital value as far as it is possible to do so. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against profit or loss.

Tenant installation and letting commission costs are capitalised to the cost of a building and amortised over the period of the tenant's lease. All these items are included in the fair value of investment property.

If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

After initial recognition, investment properties are measured at fair value.

Investment properties above R12 million in value at the last valuation date are valued by external independent registered valuers with appropriate and recognised professional qualifications and recent experience in the location and category of property being valued.

One-third of the below R12 million in value (at the last valuation date) are valued externally while the remaining two-thirds are valued internally by directors. Independent valuations for these below R12 million in value properties are obtained on a rotational basis, ensuring that every property below the threshold is valued at least once every three years by an external independent valuer.

Valuations are done on the open market value basis and the valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of the methods.

Gains or losses arising from changes in the fair values are included in profit or loss in the period in which they arise. Such gains or losses are transferred to a non-distributable fair value reserve in the statement of changes in equity and excluded from the calculation of distributable earnings.

The straight-lining of lease income is deducted from investment property as the discounted value of future rental cash flows forms part of the valuation methodology of investment property.

Gains or losses on the disposal of investment property are recognised as a fair value adjustment in profit or loss, and are calculated as the difference between the net selling price and the fair value of the property as valued in the most recent annual financial statements. Such gains or losses are excluded from the calculation of distributable earnings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

2. Material accounting policies (continued)

2.8 Investment property (continued)

Investment property held-for-sale

Classification

Non-current assets held-for-sale are those investment properties whose carrying amount will be recovered principally through sale rather than use. To classify the investment property as a non-current asset held-for-sale, it must be available for immediate sale in its present condition, subject only to terms that are usual for the sale of such assets, and the sale must be highly probable within 12 months. For the sale to be highly probable, management must be committed to a plan to dispose of the investment properties, actively market them, and expect that the properties will be sold within 12 months.

Measurement

Investment property classified as held-for-sale is carried at fair value in terms of IAS 40: *Investment Properties*.

2.9 Leases

Group as lessor

The Group is party to leasing contracts as the lessor of property. All leases are operating leases and the majority of the risks and rewards of ownership is retained by the Group.

Rental income is recognised on a straight-line basis over the period of the lease term.

The Group provides certain incentives for the lessee to enter into lease agreements. Initial periods of the leases are recognised as an integral part of the net consideration agreed for the use of the leased property, irrespective of the nature, form or timing of payments of the incentives provided.

The Group recognises the aggregate cost of incentives as a reduction of rental income over the lease term, on a straight-line basis.

Group as lessee

The Group is a party to leasehold land in respect of properties located in Gauteng, KwaZulu-Natal and Eastern Cape.

Land leases are initially recognised as a right-of-use asset in the statement of financial position, at the same measurement as the corresponding lease liability. The right-of-use asset is subsequently measured at fair value. Changes in fair value are transferred to a non-distributable reserve in the statement of changes in equity and excluded from the calculation of distributable earnings.

Lease liability

Lease liabilities are initially measured at the present value of the lease payments and subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Lease liabilities are presented as a separate line item on the statement of financial position.

The liability was measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at date of adoption.

Lease payments included in the measurement of the lease liability comprise the following:

- ▶ fixed lease payment
- ▶ lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option

Leases with variable lease payments that are linked to the performance are excluded from the definition of lease payments and consequently no lease liability is recognised for those variable lease payments. These variable lease payments are expensed through profit or loss.

2. Material accounting policies (continued)

2.9 Leases (continued)

The Group re-measures the lease liability when there has been a change to the lease term or a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payment using a revised discount rate. Where the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the underlying right-of-use asset.

Short-term leases (less than a year) or a lease of a low-value asset (less than R100 000) are expensed to profit or loss in terms of the recognition exemption.

Right-of-use asset

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is measured at the initial amount of the lease liability adjusted for any lease payments made in advance, plus any initial direct costs incurred less any lease incentives received.

A right-of-use asset in relation to leased land is recognised as investment property (note 2.8).

2.10 Financial instruments

Financial instruments include loans receivable, cash and cash equivalents, derivative financial assets, interest-bearing liabilities, loans with subsidiaries, trade and other receivables, trade and other payables and lease liabilities.

Financial assets and financial liabilities are recognised when the Group and Company becomes a party to the contractual provision of the instrument.

Financial assets and liabilities are measured at fair value at the time of initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issuance of financial liabilities other than financial assets and liabilities measured at fair value through profit or loss ("FVTPL") are added to the fair value of the financial assets or deducted from the fair value of financial liabilities. Transaction costs that are directly attributable to the acquisition or issuance of the financials assets at FVTPL or financial liabilities at FVTPL are recognised in profit or loss.

Non-derivative financial assets are classified as "financial assets at amortised cost".

Financial assets are classified as "financial assets at amortised cost" if both of the following conditions are met:

- ▶ the financial assets are held within a business model for which the objective is to hold financial assets to collect contractual cash flows; and
- ▶ the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortised cost are measured at amortised cost using the effective interest method, less any impairments. Interest income based on the effective interest rate is recognised in profit or loss.

Subsequent to initial recognition, financial instruments are measured as follows:

Trade receivables and other receivables

Trade receivables and other receivables are classified as financial instruments held at amortised cost.

Trade receivables includes lease receivables recognised in accordance with IFRS 16: *Leases* and revenue transactions initially recognised at the transaction price in accordance with IFRS 15: *Revenue* from contracts with customers and subsequently measured at amortised cost.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

2. Material accounting policies (continued)

2.10 Financial instruments (continued)

The Group is following the simplified approach for impairment in terms of the practical expedient in IFRS 9 where impairment losses are measured at lifetime expected credit loss for trade receivables as there are no significant financing component to trade receivables.

In considering any impairments, the Group assesses each tenant individually and takes into account a significant increase in credit risk, deposits held, bank guarantees issued by the debtor, additional sureties provided by the principals of the debtors and running credit checks on debtors and their principals. The Group has the right to call on any surety should it be needed. The Group considers a debtor to be in default where repayment is 90 days or more past due and/or once all legal routes to recover the outstanding amounts have been exhausted and the amount is then written off to profit or loss.

The carrying amount of the asset is reduced and the amount of the loss is recognised profit or loss on the face of the statement of comprehensive income. When a trade receivable is uncollectable it is written off to profit or loss.

A reversal of an impairment loss is recognised in the profit or loss and is shown on the face of the statement of comprehensive income.

No adjustment is made for the effect of time value of money as receivables have a short-term profile as is applicable when applying the significant financing component practical expedient under IFRS 15.

Cash and cash equivalents

Cash and cash equivalents are carried subsequently at amortised cost.

Cash and cash equivalents include cash balances, call deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Loans receivable

Loans receivable are carried at amortised cost using the effective interest rate method net of expected credit losses.

The Group considers any expected credit losses on all loans receivable at the end of each reporting period.

The loss allowance is measured using, what is referred to as the general approach, at an amount equal to lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

If the credit risk has not increased significantly since initial recognition, then the loss allowance is measured at 12-month expected credit losses. The Group considers a significant increase in credit risk when a debt is 30 days past due. The Group considers a debt to be in default where repayment is 90 days or more past due.

Lifetime expected credit losses ("ECL") represents the ECLs that will result from all possible default events over the expected life of an instrument, while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Loans with subsidiaries

Loans with subsidiaries are carried at amortised cost using the effective interest rate method.

The ECLs for loans with subsidiaries are calculated on a subsidiary level at the end of each reporting period. The ECL is determined using the general approach per IFRS 9: *Financial Instruments*.

ECLs are measured individually for each loan to subsidiaries or loans to Group companies and the loss allowance is measured using the general approach.

For loans with subsidiaries that have no fixed terms of repayment, ECLs are based on the assumption that repayment of the loan is demanded at the reporting date. If the subsidiary has sufficient accessible liquid assets in order to repay the loan if demanded at the reporting date, the probability of default is usually assessed as low and the ECL is immaterial.

2. Material accounting policies (continued)

2.10 Financial instruments (continued)

If the subsidiary could not repay the loan if demanded at the reporting date, the Group classifies this loan as non-performing and considers the manner of recovery to measure ECL. If the recovery strategies indicate that the lender would fully recover the outstanding debt, the ECL is limited to the effect of discounting the amount owing on the loan (at the loans effective rate, which is regarded at 0% where the loan is interest free) over the period until the cash is realised. If the effective interest rate is 0% and all strategies indicate the lender will fully recover the outstanding debt, no impairment loss is recognised.

The Group writes off a loan when there is information indicating that the subsidiary is in severe financial difficulty and there is no realistic prospect of recovery.

Trade and other payables – Carried at amortised cost using the effective interest method.

Interest-bearing borrowings – Carried at amortised cost using the effective interest method.

Derivative financial instruments comprise interest rate swaps and interest rate caps – Classified as at fair value through profit or loss. (Refer to policy 2.12.)

2.11 Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount and is recognised in profit or loss.

Impairment losses recognised are allocated first to reduce the carrying amount of any goodwill allocated at CGU level and then to reduce the carrying amounts of the other assets on a pro rata basis.

The recoverable amount of an asset is the greater of their fair value less cost of disposal and their value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using the original effective pre-tax discount rate.

In respect of other assets except goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and there is an indication that the impairment loss no longer exists or has decreased.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

2.12 Derivative financial instruments

The Group uses derivative financial instruments to economically hedge its exposure to interest rate risk arising from its financing activities. The Group does not hold or issue derivative financial instruments for trading purposes. However, as the hedge relationship is not designated as a hedge for accounting purposes, the derivatives are accounted for as trading instruments. Derivative financial instruments are initially recognised at fair value.

Subsequent to initial recognition derivative financial instruments are measured at fair value through profit or loss. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. Any gains or losses on these financial instruments arising from changes in fair value do not affect distributable earnings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

2. Material accounting policies (continued)**2.12 Derivative financial instruments** (continued)

These gains or losses are transferred from retained earnings to a fair value reserve as they are not available for distribution.

The fair value of an interest rate swap and an interest rate cap is the estimated amount that the Group would receive or pay to terminate the swap or cap at the reporting date, taking account of current interest rates and the current creditworthiness of the swap counterparties.

2.13 Stated capital

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

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

All costs relating to the acquisition of treasury shares as well as gains or losses on disposal or cancellation of treasury shares are recognised directly in equity.

Dipula shares held by its subsidiaries and itself are treated as treasury shares on consolidation. These shares are deducted from the weighted average shares in issue. Dividends received on treasury shares are eliminated on consolidation.

Dividend reinvestment plan

When declaring a dividend reinvestment plan, shareholders are granted the option to elect receiving a cash dividend or an issue of shares at a discount. The shares issued at a discount are recognised and treated as a rights issue for the purposes of the stated capital discourses as well as the implications on earnings per share.

2.14 Revenue**Group**

Revenue comprises gross rental revenue and recoveries of rates, operating costs and municipal recoveries, excluding VAT. Rental income excludes tenant deposits which represent financial advances made by tenants as guarantees during the lease and are repayable by the Group upon termination of the lease contracts.

Rental revenue from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

When a contract includes both lease and non-lease components, the Group accounts for the non-lease component in accordance with the relevant standard.

Types of revenue	Recognition	Period
Contractual rental income	Recognised as income on a straight-line basis over the lease term.	Over time
Tenant recoveries	Tenant recoveries are recognised over the period for which the services are rendered. The Group acts as its own principal on its own account when recovering operating costs such as utilities from tenants. Tenants recoveries are accounted for in accordance with IFRS 15: <i>Revenue</i> from contracts with customers.	Over time
Contingent rents (turnover rental)	Included in revenue when the amounts can be reliably measured.	Over time
Dividends	Recognised when the Group's right to receive payment is established, usually upon declaring a dividend.	At a point in time

2. Material accounting policies (continued)

2.14 Revenue

Company

Revenue from contracts with customers comprises of below and are recognised over time:

- ▶ Asset management fees which are based on a percentage of enterprise value and invoiced monthly
- ▶ Property management fees which are based on a collection of revenue collected and invoiced monthly
- ▶ Building recoveries are based on recovery of salary costs incurred by property management and invoiced monthly

2.15 Expenses

Service costs for service contracts entered into and property operating and municipal costs are expensed as incurred.

2.16 Finance costs and finance income

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, as well as interest on the lease liability and is recognised in profit or loss as it accrues.

Finance income comprises interest received on funds invested and is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

Finance costs and finance income are recognised in profit and loss.

Borrowing costs are capitalised using the Group's weighted average cost of capital to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the assets are substantially ready for their intended use.

2.17 Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to business combinations or items recognised directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not provided for the following temporary differences: initial recognition of assets and liabilities in a transaction that is not a business combination, where the initial recognition affects neither accounting nor taxable profit or loss and on differences relating to investments in subsidiaries, associates and joint operations to the extent that the parent company is able to control the timing of the reversal of the temporary differences and they will probably not reverse in the foreseeable future.

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 substantively enacted by the reporting dates and includes adjustments for tax payable in respect of the previous years. In accordance with the REIT status, dividends declared are treated as a qualifying distribution in terms of section 25BB of the Income Tax Act.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset 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.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

2. Material accounting policies (continued)

2.17 Income tax (continued)

Non-REIT assets and liabilities

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

REIT assets and liabilities

In respect of investment properties, the measurement of deferred tax is based on a rebuttable presumption that the amount of the investment property will be recovered entirely through sale. Capital gains and losses for property sold by a REIT are disregarded and the rate relevant to recoupments is 27%. Investment properties are held as long-term income generating assets. Therefore, should any property no longer meet the Company's investment criteria and be sold, any profits or losses will be capital in nature and will be taxed at rates applicable to capital gains (current nil). Allowances previously claimed will be recouped on sale.

Where an accumulated loss is available to shield this recoupment, a deferred tax asset is raised.

In respect of other assets and liabilities, deferred tax is provided based on the expected manner of realisation or settlement taking into account the entity's expectation that it will pay dividends and will receive a tax deduction making it in substance exempt.

2.18 Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. All operations are located in South Africa. The business segments are determined based on the Group's management and internal reporting structure.

For each strategic business segment, the entity's chief executive officer, who is the chief operating decision maker reviews the internal management reports on a monthly basis.

The Group operates in the following segments:

- ▶ **Retail** – properties comprising shopping centres;
- ▶ **Offices** – properties which include high rise and low rise offices, office parks, as well as mixed-use properties comprising both office and retail;
- ▶ **Industrial** – properties which includes warehousing, industrial parks, low and high grade industrial, land zoned for developments as well as mini, midi and maxi units;
- ▶ **Land** – undeveloped land;
- ▶ **Residential** – property used for tenants to live in; and
- ▶ **Corporate** – management of the Group.

The Group will from time to time invest in/divest from certain segments, in which case segmental reporting will be adjusted to reflect only the relevant operating segments.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of Group revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

2.19 Employee benefits

The cost of all short-term employee benefits (expected to be settled wholly within 12 months), is recognised during the period in which the employee renders the related service. Short-term employee benefits are measured on an undiscounted basis.

Employees of the Group belong to a defined contribution plan.

The accrual for employee entitlements to salaries and leave represent the amount which the Group has a present obligation to pay as a result of the employees' services provided at the reporting date.

2. Material accounting policies (continued)

2.20 Share-based payments

Services received or acquired in a share-based payment transaction are recognised as the services are received.

A corresponding increase in equity is recognised if the services were received in an equity-settled share-based payment transaction. For equity-settled share-based payment transactions, the goods or services received, and the corresponding increase in equity, are measured directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity are measured indirectly by reference to the fair value, at grant date, of the equity instruments granted. When the services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

As the share-based payments granted do not vest until the counterparty completes a specified period of service and also meets various performance hurdles, the Group accounts for those services on a straight-line basis over the vesting period. If the share-based payments vest immediately, the services received are recognised immediately in full.

As reported previously, shareholders have approved a long-term retention and incentive scheme which is based on individual performance relative to personal critical performance area targets, the Group's performance relative to industry benchmarks and relative to an inflation-linked target. As the above are equity-settled share-based payments, the accounting treatment is to recognise the share-based payments on a straight-line basis over the vesting periods.

Under the scheme, senior management and executives of Dipula Income Fund Limited are provided with performance shares. These shares have no dividends or voting rights until the shares vest and become unrestricted.

The vesting of the share options are based on a three-year vesting period with the performance conditions attached to the vesting of the shares. The performance conditions are reviewed with each tranche that is issued.

The following conditions are taken into account:

- ▶ Average combined distributable earnings per share growth relative to CPI
- ▶ Average combined distributable earnings per share growth relative to peers over the three year period (weighted by market value)
- ▶ KPI achievement

Modifications to the Conditional Share Plan ("CSP") are only accounted for if the modification results in an increase of benefits to CSP participants.

Under or over-provisions realised at vesting date of equity settled instruments are recognised in equity as a direct transfer from the share-based payment reserve to retained income.

2.21 Related parties

Related parties in the case of the Company include Group companies and any shareholder who is able to exert a significant influence on the operating policies of the Company. Directors, their close family members and any employee who is able to exert significant influence on the operating policies of the Company are also considered to be related parties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

2. Material accounting policies (continued)

2.22 Accounting estimates and judgements

Estimates and judgements are an integral part of financial reporting and, as such, have an impact on the amounts reported in the Group's income, expenses, assets and liabilities.

Estimates and judgements

Management discusses with the Audit and Risk Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. Actual results may differ from these estimates.

Information on the key estimations and uncertainties that have had the most significant effect on the amounts recognised in the financial statements are set out in the following notes in the financial statements:

- ▶ Application of the following accounting policies, namely:
 - Fair value of investment properties (note 35.4)
 - Investment property held-for-sale (note 12)
 - Deferred taxation and taxation (note 5 and note 27)
 - Impairment of non-financial assets (note 2.11)
 - Trade and other receivables (note 10 and note 35.1)
 - Loans advanced to subsidiaries (note 8)
 - Preparation of cash flow forecasts (note 40)
 - Control versus joint operation – Detnet (note 9)

Investment property and investment property held-for-sale

The revaluation of investment property requires judgement in the determination of an appropriate discount rate and revisionary capitalisation rate.

Deferred tax and taxation

Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date in the form of future cash flows using a suitable growth rate for a five-year period, incorporating the 80/20 principle. As the Company has obtained REIT status effective 1 September 2013, the Company and its controlled property company subsidiaries are not liable for capital gains tax on the disposal of directly held properties and local REIT securities.

Deferred tax is not recognised on the fair value of investment property as capital gains tax on investment property is not applicable to REITs in terms of section 25BB of the Income Tax Act nor is deferred taxation calculated on the straight-line rental income accrual as it affects neither the Group's distributable income nor taxable profit.

Impairment of non-financial assets

The Group tests whether non-financial assets have suffered any impairment in accordance with the accounting policy stated in note 2.11.

The recoverable amounts have been determined based on future cash flows discounted to their present value using appropriate pre-tax rates. Estimates are based on interpretation of generally accepted industry-based market forecasts.

2. Material accounting policies (continued)

2.22 Accounting estimates and judgements (continued)

Trade and other receivables

Management identifies impairment of trade and other receivables on an ongoing basis, taking into account the financial position of the tenant, past experience and other factors. Impairment adjustments ("ECL") are raised against trade receivables when the collectability is considered to be doubtful. There are no significant trade and other receivables that are doubtful and have not been written off. In determining whether a particular receivable could be doubtful, the following factors are taken into consideration:

- ▶ Age;
- ▶ Customer current financial status;
- ▶ The industry the tenant operates in;
- ▶ Security held; and
- ▶ Forward looking estimates of the economy.

Management performs ECL assessments at each reporting period by estimating the probability of default and loss given default. Refer to note 35: Credit risk management for the key assumptions used in the ECL calculations.

Loans to subsidiaries

Loans to subsidiaries are tested for impairment using the general model per IFRS 9: *Financial Instruments*, as detailed above in accounting policy 2.11: Financial instruments.

Preparation of cash flow forecasts

The application of judgement is inherent in the preparation of cash flow forecasts which are used by the Group and the Company in support of the going-concern assumption, the recoverability of rental income from tenants, the anticipated operational costs, capital expenditure relating to properties, the servicing of interest on interest-bearing borrowings and interest rate swaps. The forecast assumes no property acquisitions but includes disposal of certain non-core properties.

The forecasts are based on the expected cash generated by the Group and reviewed by the Board of directors on a quarterly basis.

Classification of the Detnet co-ownership as joint operation

The Group has assessed the 66.67% held in Detnet in terms of IFRS 10. The Group has recognised the investment in Detnet as a joint operation rather than a subsidiary or joint venture in line with the signed co-ownership agreement in place which provide equal power and exposure for both parties to the agreement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

3. Investment property

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Net fair value				
Property acquisitions and capital expenditure	8 060 970	7 966 958	270 292	269 411
Right-of-use assets	90 618	88 756	–	–
Fair value reserve	1 987 091	1 677 856	508	(7 911)
	10 138 679	9 733 570	270 800	261 500
Movement for the year				
Investment properties at the beginning of the year	9 644 814	9 497 062	261 500	253 100
Additions at cost	145 903	146 907	1 252	2 304
– arising from subsequent expenditure	125 947	131 176	1 252	2 304
– arising from capitalised interest	18 925	12 752	–	–
– arising from capitalised costs	1 031	2 979	–	–
Transferred to non-current assets held-for-sale (note 12)	(65 866)	(196 731)	–	–
Transferred from non-current assets held-for-sale (note 12)	9 556	27 000	–	27 000
Change in fair value (note 14)	309 235	161 616	8 419	(20 611)
Tenant installations cost	9 641	12 243	138	277
Tenant installations amortisation	(6 828)	(6 012)	(399)	(499)
Lease commissions cost	13 813	13 871	235	238
Lease commissions amortisation	(12 207)	(11 142)	(345)	(309)
Investment properties at the end of the year	10 048 061	9 644 814	270 800	261 500
Less: Straight-line rental income accrual – per the statement of financial position (note 4)	(256 497)	(224 344)	(2 155)	(1 789)
Net investment properties at year-end	9 791 564	9 420 470	268 645	259 711
Right-of use assets				
Right-of-use assets at the beginning of the year	88 756	86 794	–	–
Right-of-use assets fair value adjustment (note 14)	1 862	1 962	–	–
Right-of-use assets at the end of the year	90 618	88 756	–	–
Total investment properties at year-end	9 882 182	9 509 226	268 645	259 711
Reconciliation to independent and directors' valuations				
Investment properties at valuation at the end of the year	9 882 182	9 509 226	268 645	259 711
Straight-line rental income accrual – per the statement of financial position	256 497	224 344	2 155	1 789
Independent and directors' valuations	10 138 679	9 733 570	270 800	261 500
Total valuations	10 138 679	9 733 570	270 800	261 500
Per independent valuations	9 933 191	9 315 000	270 800	261 500
Per directors' valuations	114 870	329 814	–	–
Right-of-use assets	90 618	88 756	–	–

A register of investment properties is available for inspection at the registered office of the Company. Refer also to the Property portfolio section on page 227 of the integrated report.

3. Investment property (continued)

The properties valued by independent registered valuers on 31 August 2024 were performed by:

- ▶ Asset Valuation Services CC
- ▶ Real Insight Proprietary Limited
- ▶ Yield Enhancement Solutions Proprietary Limited
- ▶ Broll Valuation and Advisory Services Proprietary Limited
- ▶ Premium Valuation Services Proprietary Limited

These external, independent property valuers have the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. They are all registered valuers in terms of section 19 of the Property Valuers Professional Act, No 47 of 2000.

The properties were valued using either the discounted cash flow or capitalisation methods by the internal and external valuers. The valuations were 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 ranged between 8% and 14% (2023: between 8% and 13.5%). Investment properties held-for-sale were valued at the net sale price, which is considered to be the fair value. Refer to note 35 for more details on fair value measurement.

Investment properties are encumbered as set out in note 17. The Group has no restrictions on the realisability of its investment properties, or the remittance of income and proceeds of disposal.

Included in investment property is industrial property to the value of R78.1 million (2023: R85.4 million), retail property to the value of R1.7 billion (2023: R1.2 billion), office property to the value of R51.4 million (2023: nil) and land to the value of R19.2 million (2023: nil) that are currently under development.

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance of enhancements is disclosed in note 32.

For rental income and direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period refer to note 38.

4. Straight-line rental income adjustment

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Balance at the beginning of the year	224 344	232 975	1 789	1 943
Current year movement	32 152	(8 660)	366	(183)
Transferred from held-for-sale	–	29	–	29
Balance at the end of the year	256 497	224 344	2 155	1 789

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

5. Deferred taxation

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Deferred taxation				
Balance at the beginning of the year	6 058	6 281	–	–
Current year movement	–	(223)	–	–
Balance at the end of the year	6 058	6 058	–	–
Balance is made up of:				
Assessed loss balance	7 867	8 157	–	–
Section 13s residential property allowance	(2 117)	(2 195)	–	–
Deferred income current period	102	106	–	–
Bad debt provision adjustment	206	213	–	–
Change in tax rate from 28% to 27%	–	(223)	–	–
	6 058	6 058	–	–

6. Derivative financial instruments – swaps

All interest rate swaps and cap transactions are accounted for in Dipula Income Fund Limited. The below reflects the Group and Company interest rate swap agreements at the reporting date:

	Trade date	Maturity date	Amount R'000	Nominal %	Consolidated and Company	
					Mark-to-market 2024 R'000	Mark-to-market 2023 R'000
STANDARD BANK						
Interest rate swaps						
Expired during the year	3-Jun-19	30-Nov-23	325 000	7.24	–	897
			325 000		–	897
Current interest rate swaps						
	26-Jul-21	28-Jul-25	150 000	5.44	3 282	7 110
	8-Dec-21	7-Dec-24	300 000	5.90	3 562	9 856
	29-Aug-23	29-Aug-26	300 000	7.85	(3 046)	485
	18-Jan-24	18-Jan-27	300 000	7.85	(3 354)	–
	24-Jul-24	24-Jul-27	300 000	7.60	(2 126)	–
	27-Aug-24	27-Aug-27	300 000	7.30	35	–
			1 650 000		(1 647)	17 451

6. Derivative financial instruments – swaps (continued)

						Consolidated and Company	
	Trade date	Maturity date	Amount R'000	Nominal %	Mark-to-market 2024 R'000	Mark-to-market 2023 R'000	
Current cap transactions							
Cap spread 1 – cap bought	29-Mar-21	31-Mar-25	200 000	6.50	2 205	5 348	
Cap spread 1 – cap sold	29-Mar-21	31-Mar-25	200 000	9.00	–	(366)	
Cap spread 2 – cap sold	11-Aug-21	11-Aug-26	50 000	9.00	(69)	(390)	
Cap spread 2 – cap bought	11-Aug-21	11-Aug-26	50 000	7.50	319	1 096	
Cap rate	11-Aug-21	11-Aug-26	100 000	7.50	638	2 193	
Cap rate	29-Aug-23	29-Aug-26	300 000	8.75	(523)	(2 721)	
			900 000		2 570	5 160	
NEDBANK							
Interest rate swaps							
Expired during the year	29-Mar-21	27-Mar-24	200 000	5.04	–	4 881	
			200 000		–	4 881	
Current interest rate swaps							
	27-May-21	27-May-26	200 000	5.95	4 557	9 677	
	1-Dec-21	2-Dec-24	300 000	6.40	2 805	7 761	
			500 000		7 362	17 438	
Current cap transactions							
Cap rate	11-Aug-22	11-Aug-26	150 000	9.00	(247)	(1 272)	
Cap rate	11-Aug-22	11-Aug-26	150 000	7.50	977	3 258	
			300 000		730	1 986	
Total					9 015	47 813	

Disclosed as follows in the annual financial statements:

	2024 R'000	2023 R'000
Non-current assets	6 526	39 023
Current assets	11 854	13 539
Non-current liabilities	(9 365)	(4 749)
Current liabilities	–	–
	9 015	47 813

Financial risk refer note 35.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

7. Loans receivable

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Sakhumzi Restaurant CC	5 881	6 122	–	–
Total loan receivable	5 881	6 122	–	–
Disclosed as follows:				
Loan receivable – non-current	5 430	5 710	–	–
Loan receivable – current	451	412	–	–
	5 881	6 122	–	–
Reconciliation of loans receivable				
Balance at 1 September 2023	6 122	7 965	–	–
Interest earned	–	685	–	–
Repayment of interest	–	(685)	–	–
Repayment of loan receivable	(241)	(1 843)	–	–
Balance at 31 August 2024	5 881	6 122	–	–

Refer to note 35 for financial risk disclosure.

Sakhumzi Restaurant CC

The loan agreement between Mergence Africa Property Investment Trust and Sakhumzi Restaurant CC arose as a result of the sale of Portion 7 of Erf 146 Bruma Township known as Bruma 146 South.

During the prior year, the loan agreement has been renegotiated with the following loan terms effective as of 1 July 2023. The loan bears interest at 0%, is repayable in monthly instalments of R37 563 with the balance due on maturity date 1 July 2033.

The Company has assessed the ECL in terms of IFRS 9 to be immaterial on the loan receivable due during the current year.

8. Interest in subsidiaries

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Shares at cost	–	–	2 100 556	857 355
Loans to subsidiaries	–	–	5 780 862	6 458 054
	–	–	7 881 418	7 315 409

8. Interest in subsidiaries (continued)

8.1 Shares at cost

	Effective interest		Investment	
	2024 %	2023 %	2024 R'000	2023 R'000
The Company has interests in the following subsidiaries: (All incorporated in South Africa)				
Bajascap Proprietary Limited	50.01	50.01	131 348	131 348
Gillwell Taxi Retail Park Proprietary Limited	100.00	100.00	#	#
Dipula Property Management Proprietary Limited	100.00	100.00	#	#
Dipula Asset Management Trust***	100.00	100.00	#	#
Mergence Africa Property Investment Trust**	100.00	100.00	#	#
The Dipula Property Investment Trust**	100.00	100.00	#	#
Mergence Africa Property Fund Proprietary Limited	100.00	100.00	1 969 208	41 856
Luxanio Trading 181 Proprietary Limited*	100.00	100.00	–	399 308
Asakhe Realty Investment Fund Proprietary Limited*	100.00	100.00	–	162 895
Emerald Fire Investments Proprietary Limited*	100.00	100.00	–	#
Hynorex Proprietary Limited*	100.00	100.00	–	#
Jarrabilla Investments Proprietary Limited*	100.00	100.00	–	#
Lizinx Proprietary Limited*	100.00	100.00	–	#
Phepha Prop 006 Proprietary Limited*	100.00	100.00	–	11 881
Unlocked Properties 18 Proprietary Limited*	100.00	100.00	–	110 067
			2 100 556	857 355

*** Dipula Asset Management Trust has a February year end.

** Held through Mergence Africa Property Fund Proprietary Limited.

* Held through Mergence Africa Property Investment Trust and The Dipula Property Investment Trust.

Less than R1 000.

All of the above entities' principal activity is property investment, with the exceptions of Dipula Property Management Proprietary Limited which is a property management enterprise and Dipula Asset Management Trust which is an asset management trust.

Movement in shares at cost

	Investment	
	2024	2023
Opening balance	857 355	871 631
Restructure#:	1 243 201	–
Disposal of Luxanio Trading 181 Proprietary Limited	(399 308)	–
Disposal of Phepha Prop 006 Proprietary Limited	(11 881)	–
Disposal of Unlocked Properties 18 Proprietary Limited	(110 067)	–
Disposal of Asakhe Realty Investment Fund Proprietary Limited	(162 895)	–
Disposal of Mergence Africa Property Investment Trust	#	–
Disposal of The Dipula Property Investment Trust	#	–
Additional acquisition in Mergence Africa Property Fund Proprietary Limited	1 927 352	–
Repayment of stated capital – Bajascap##	–	(14 276)
Closing balance	2 100 556	857 355

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

8. Interest in subsidiaries (continued)

8.2 Loans to subsidiaries

	Company	
	2024	2023
Loans to subsidiaries		
Asakhe Realty Investment Fund Proprietary Limited	18	193 080
Bajascap Proprietary Limited	568	7 072
Dipula Asset Management Trust	5 804	5 804
Dipula Property Management Proprietary Limited	36	36
Gillwell Taxi Retail Park Proprietary Limited	359 927	155 851
Luxanio Trading 181 Proprietary Limited	–	718 083
Mergence Africa Property Fund Proprietary Limited	4 584 111	688 628
Mergence Africa Property Investment Trust	279 588	3 782 647
Phepha Prop 006 Proprietary Limited	–	140 701
The Dipula Property Investment Trust	550 810	716 582
Unlocked Properties 18 Proprietary Limited	–	49 568
Disclosed in non-current assets	5 780 862	6 458 054

Loans to subsidiaries bear no interest, are unsecured and are repayable on demand.

The movement in investments resulted from a group restructure within the current financial year, effective 1 September 2023. This restructure led to the sale of properties between fellow subsidiaries. Part of these transactions was settled through an asset-for-share exchange, causing a change in the investments in subsidiaries at the Company level.

Repayment of share capital related to properties disposed of in the prior year in Bajascap Proprietary Limited.

For ECL consideration refer to note 35.

9. Joint operations

	Consolidated		Company	
	2024 %	2023 %	2024 %	2023 %
Interests in joint operations are as follows: (All incorporated in South Africa)				
Harding Corner Shopping Centre*	50.00	50.00	50.00	50.00
Fairways on Main**	50.00	50.00	–	–
Seshego Circle**	50.00	50.00	–	–
Detnet Co-ownership***	66.67	66.67	–	–

All the joint operations are unincorporated entities which operate in the Retail segment except for Detnet which operates in the Office segment.

* Held through Dipula Income Fund Limited.

** Held through Mergence Africa Property Fund.

Although percentage held is greater than 50%, the investment is still considered to be a joint operation due to the co-ownership agreement entered into between the parties.

9. Joint operations (continued)

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
The Group's share of:				
Extracts from statement of comprehensive income				
Revenue	45 112	45 536	11 072	11 496
Property expenses	(17 303)	(16 511)	(4 767)	(3 975)
Net property income	27 809	29 025	6 305	7 521
Net finance income	269	274	46	51
Fair value adjustments	14 738	4 636	8 680	(1 422)
Profit before taxation	42 816	33 935	15 031	6 150
Extracts from statement of financial position				
Non-current assets	312 916	303 616	76 500	67 200
Current assets	5 903	6 124	319	540
Non-current liabilities	(163 655)	(169 530)	(19 393)	(25 268)
Current liabilities	(7 070)	(7 139)	(445)	(514)
Net assets	148 094	133 071	56 981	41 958

The above operations are classified as joint operations, whereby the Group recognises its share of the assets, liabilities, income and expenses of the joint operation.

10. Trade and other receivables

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Financial instruments	235 389	203 501	16 394	9 582
Trade receivables	158 249	145 797	2 362	2 317
Less: Rental discounts accrued	–	(11 990)	–	–
Less: Expected credit losses	(47 348)	(33 211)	(1 184)	(1 184)
Net trade receivables	110 901	100 596	1 178	1 133
Intercompany receivables	–	–	6 674	6 839
Interest receivable on interest rate swaps	4 611	–	4 611	–
Other receivables	20 689	37 808	3 572	1 329
Municipal recoveries	74 156	42 936	359	280
Deposits	25 032	22 161	–	–
Non-financial instruments	9 505	3 333	197	153
Prepayments	9 505	3 333	197	153
	244 894	206 835	16 590	9 735

Above amounts are all short term and discounting is omitted when the effect of discounting is immaterial.

The net carrying value of trade and other receivables is considered a reasonable approximation of fair value due to its short-term nature.

Further information on the credit risk of trade receivables is set out in note 35.1.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

11. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Standard Bank	78 508	38 240	46 833	9 211
First National	12 388	6 097	–	–
Nedbank	5 421	4 789	4 862	4 404
Investec	16 287	12 401	12 644	11 719
Petty cash	25	24	2	5
Bank balances	112 629	61 551	64 341	25 339

Cash and cash equivalents comprise amounts which are immediately available and the carrying amounts are equivalent to fair values.

The credit risk on cash and cash equivalents is considered low or immaterial due to all cash and cash equivalents being held with reputable financial institutions.

12. Investment property held-for-sale

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
At the beginning of the year	39 081	37 445	–	27 000
Transferred from investment property (refer to note 3)	65 866	196 731	–	–
Transferred to investment property (refer to note 3)	(9 556)	(27 000)	–	(27 000)
Additional costs incurred	–	1 165	–	–
Fair value adjustment (note 14)	(8 516)	(14 860)	–	–
Disposals	(36 525)	(154 400)	–	–
At the end of the year	50 350	39 081	–	–

The investment property classified as property held-for-sale are properties that the directors have decided will be recovered through sale rather than through use.

The directors are committed to sell the properties within the next 12 months.

12. Investment property held-for-sale (continued)

The following properties are included in disposals:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Retail segment	(9 625)	(78 825)	–	–
Standard Bank Doornfontein	(7 000)	–	–	–
Seventh Avenue Alberton (Trentyre Alberton)	(2 625)	–	–	–
22 Palm Street Phalaborwa	–	(2 000)	–	–
Kotze Place Hillbrow	–	(8 200)	–	–
Palm Street Mall	–	(14 500)	–	–
Standard Bank Brakpan	–	(1 900)	–	–
Heritage House Mafikeng	–	(4 850)	–	–
31 & 33 Third Street Springs	–	(6 050)	–	–
Amethyst	–	(5 500)	–	–
Fastfood Corner Springs	–	(7 000)	–	–
51 Joubert Street	–	(5 300)	–	–
Dulux Polokwane	–	(14 625)	–	–
Excelsior – Polokwane	–	(8 900)	–	–
Industrial segment	–	(75 575)	–	–
Vana Road Germiston	–	(35 000)	–	–
Reclam – Erf 1479 Portion 2	–	(40 575)	–	–
Office segment	(26 900)	–	–	–
Perm East London	(16 500)	–	–	–
Witbank Hoskins House	(3 400)	–	–	–
Johnson Wax	(7 000)	–	–	–
Total disposals	(36 525)	(154 400)	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

12. Investment property held-for-sale (continued)

The following properties are included in held-for-sale:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Retail segment	1 350	19 181	–	–
Standard Bank Sasolburg	1 350	–	–	–
Standard Bank Doornfontein	–	7 000	–	–
33 Pretoria Road	–	9 556	–	–
Seventh Avenue Alberton (Trentyre Alberton)	–	2 625	–	–
Office segment	4 000	19 900	–	–
Mellis Park	2 000	–	–	–
Mellis Park 2	2 000	–	–	–
Perm East London	–	16 500	–	–
Witbank Hoskins House	–	3 400	–	–
Industrial segment	45 000	–	–	–
Tedstone Park Wadeville	34 000	–	–	–
Saint Gobain	11 000	–	–	–
	50 350	39 081	–	–

13. Stated capital**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).

	2024 Shares	2023 Shares
ISSUED – GROUP		
Reconciliation of issued shares by numbers*		
Opening balance at the beginning of the period	911 918 399	893 664 473
Acquisition of treasury shares at R4.04 per share	(1 549 583)	–
Dividend re-investment plan [#]	–	18 253 926
	910 368 816	911 918 399

	2024 R'000	2023 R'000
ISSUED – GROUP		
Reconciliation of issued shares by numbers*		
Opening balance at the beginning of the period	4 251 568	4 197 351
Acquisition of treasury shares at R4.04 per share	(6 262)	–
Dividend re-investment plan [#]	–	64 254
Share issue expenses	–	(392)
Appraisal right shares final settlement	–	(9 645)
	4 245 306	4 251 568

13. Stated capital (continued)

	2024 Shares	2023 Shares
ISSUED – COMPANY		
Reconciliation of issued shares by number		
Opening balance at the beginning of the period	912 001 711	893 747 785
Acquisition of treasury shares at R4.04 per share	(1 549 583)	–
Dividend re-investment plan [#]	–	18 253 926
	910 452 128	912 001 711
	2024 R'000	2023 R'000
Reconciliation of issued shares by value		
Opening balance at the beginning of the period	4 327 011	4 272 794
Acquisition of treasury shares at R4.04 per share	(6 262)	–
Dividend re-investment plan [#]	–	64 254
Share issue expenses	–	(392)
Appraisal right shares final settlement	–	(9 645)
	4 320 749	4 327 011

* Net of 83 312 treasury shares.

[#] Dividend re-investment plan. On the 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.

Participation in the re-investment option resulted in 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 represents 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.

14. Fair value reserve

Fair value reserves comprise fair value adjustments relating to:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Opening balance	1 663 819	1 519 831	39 902	65 243
Fair value on investment properties	302 581	148 718	8 419	(20 611)
Fair value on investment properties	309 235	161 616	8 419	(20 611)
Fair value on right-of-use assets	1 862	1 962	–	–
Fair value on investment properties – held-for-sale	(8 516)	(14 860)	–	–
Fair value on – interest rate swaps	(38 797)	(4 729)	(38 797)	(4 729)
Closing balance	1 927 603	1 663 819	9 524	39 902

The fair value reserve encompasses all adjustments to the fair values of investment properties and related financial instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

15. Share-based payment reserve

Reconciliation of the share-based payment reserve is provided below:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Opening balance	8 096	12 518	8 096	12 518
Expense charge arising from equity-settled share-based payment	5 516	5 729	5 516	5 729
Shares vested to employees purchased in the market	(14 299)	(16 103)	(14 299)	(16 103)
Difference between grant date fair value and vesting date fair value recognised directly in equity	9 207	5 952	9 207	5 952
Closing balance	8 520	8 096	8 520	8 096

Key estimates and judgements

The assessed fair value at grant date of options granted on 20 February 2020, 15 February 2021, 15 February 2022, 20 February 2023 and 20 February 2024 is disclosed below.

The fair value at grant date is independently determined using the Monte-Carlo simulation valuation methodology.

The valuation model takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

	Number of share options 2024	Weighted average price 2024 Rand	Number of share options 2023	Weighted average price 2023 Rand
Dipula ordinary shares				
Reconciliation of share options granted at the end of the financial year				
Outstanding balance at the beginning of the year	10 449 132	1.62	12 538 382	2.50
Granted during the year	2 822 706	2.09	2 669 879	2.02
Exercised during the year	(3 249 667)	4.30	(3 754 767)	4.15
Cancelled during the year	(1 719 984)	4.30	(1 004 362)	4.20
Outstanding balance at the end of the year	8 302 187	0.18	10 449 132	1.62

The following options were issued and converted in the current and prior financial year:

	Number of options	Grant date	Vesting date	Fair value at grant date
Issued in 2024 (Tranche 6)	2 822 706	20 Feb 2024	20 Feb 2027	4.28
Issued in 2023 (Tranche 5)	2 669 879	20 Feb 2023	20 Feb 2026	4.13
Conversion of A-shares to B-shares (Tranche 4)	1 386 096	15 Feb 2022	15 Feb 2025	3.91
Conversion of A-shares to B-shares (Tranche 3)	1 863 619	15 Feb 2021	15 Feb 2024	2.94
Issued in 2022 (Tranche 4)	1 338 378	15 Feb 2022	15 Feb 2025	2.48
Issued in 2021 (Tranche 3)	3 106 032	15 Feb 2021	15 Feb 2024	0.90
Issued in 2020 (Tranche 2)	3 626 096	20 Feb 2020	19 Feb 2023	2.20

15. Share-based payment reserve (continued)

The inputs to the model determining the fair value of the options at grant date are set out below:

	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
CPI	n/a	n/a	n/a	n/a	n/a
Discount rate	8.0%	8.55%	10.90%	10.50%	10.10%
Dividend growth target	2.0%	3.00%	3.00%	4.00%	4.00%
Drift	0.5%	0.75%	0.75%	0.75%	1.00%
Number of shares awarded	3 626 096	3 106 032	1 338 378	2 669 879	2 822 706
Option value (Rand)	2.2	0.9	2.48	2.02	2.09
Total options value (Rand)	7 975 885	2 808 178	3 322 411	5 398 666	5 895 331
Peer dividend per share CAGR	3.8%	6.27%	8.00%	5.00%	3.00%
Share price (Rand)	3.30	1.61	3.95	4.13	4.28
Volatility	36.5%	48.4%	60.50%	38.00%	35.00%

16. Non-controlling interests

Current year

The non-controlling interest of R177 million (2023: R199 million) represents 49.99% (2023: 49.99%) of the net asset value of Bajascap Proprietary Limited.

Bajascap Proprietary Limited is incorporated in South Africa. The entity's nature of activities relate to property owning activities in the industrial sector and the percentage of shareholding of non-controlling interest is 49.99% (2023: 49.99%) at 31 August 2024.

	2024 R'000	2023 R'000
Extracts from statement of profit or loss and other comprehensive income		
Revenue excluding straight-line lease income accrual	68 713	68 437
Profit after taxation	11 914	180 842
Attributable to owners of the parent	5 958	90 439
Attributable to non-controlling interests	5 956	90 403
Dividends paid to non-controlling interests	28 134	28 537
Extracts from statement of financial position		
Non-current assets – Investment property	461 100	505 465
Current assets	4 977	7 465
Non-current liabilities	(110 480)	(112 312)
Current liabilities	(1 945)	(2 598)
Net assets	353 652	398 020
Net assets attributable to non-controlling interests	176 791	198 969

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

17. Interest-bearing liabilities

During the current financial year, the Group has entered into the following loan agreements as part of a debt syndication, which together with the equity capital is used to fund its investment activities.

Interest-bearing loans and borrowings are measured at amortised cost. The Group's exposure to interest rate and liquidity risk are discussed in note 35.3 and note 35.2.

17.1 Bank loans**The Standard Bank of South Africa Limited ("Standard Bank")**

The Group has secured a facility totalling R1.9 billion from Standard Bank (2023: R2.3 billion) and the Company a facility of R1.9 billion (2023: R2.1 billion) as part of the debt syndication*.

Type	Nominal interest rate	Maturity	Consolidated		Company	
			2024 R'000	2023 R'000	2024 R'000	2023 R'000
Floating	3-month JIBAR + 1.65%	** 28-Feb-27	758 462	–	758 462	–
Floating	3-month JIBAR + 1.75%	** 28-Feb-28	600 000	–	600 000	–
Floating	3-month JIBAR + 1.83%	** 28-Feb-29	279 750	–	279 750	–
Floating	3-month JIBAR + 1.75%	** 28-Feb-29	71 322	–	71 322	–
Floating	3-month JIBAR + 1.90%	** 28-Feb-28	200 000	–	200 000	–
Floating	3-month JIBAR + 2.23%	* 30-Oct-24	–	200 000	–	200 000
Floating	3-month JIBAR + 2.09%	* 30-Nov-23	–	371 763	–	371 763
Floating	3-month JIBAR + 1.99%	* 30-Nov-23	–	28 200	–	–
Floating	3-month JIBAR + 1.99%	* 30-Nov-23	–	63 360	–	63 360
Floating	3-month JIBAR + 2.05%	* 30-Nov-23	–	380 865	–	380 865
Floating	3-month JIBAR + 2.55%	* 28-Feb-25	–	328 145	–	328 145
Floating	Prime less 1.00%	* 30-Nov-23	–	31 337	–	31 337
Floating	3-month JIBAR + 1.99%	* 30-Nov-23	–	93 000	–	–
Floating	Prime less 0.75%	* 15-May-25	–	99 599	–	–
Floating	3-month JIBAR + 2.05%	* 31-Aug-25	–	260 575	–	260 575
Floating	3-month JIBAR + 2.15%	* 31-Aug-26	–	250 385	–	250 385
Floating	3-month JIBAR + 2.05%	* 06-Dec-25	–	100 000	–	100 000
Total Floating			1 909 534	2 207 228	1 909 534	1 986 429
Debt raising fees			(10 282)	(8 240)	(10 282)	(8 240)
Interest payable			1 043	9 839	1 043	9 775
Total Standard Bank			1 900 295	2 208 827	1 900 295	1 987 964

17. Interest-bearing liabilities (continued)

17.1 Bank loans

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Reconciliation of Standard Bank interest-bearing liabilities				
Balance at 1 September 2023	2 208 827	2 184 836	1 987 964	1 963 876
Movement in access facility account	33 107	(23 640)	33 107	(23 638)
Permanent repayment of debt – syndication	(413 605)	–	(192 806)	–
Debt raised – cash received	100 000	100 000	100 000	100 000
Permanent repayment of debt due to property sold	(13 163)	(59 539)	(13 163)	(59 539)
Debt raising fees paid	(9 650)	(1 198)	(9 650)	(1 198)
Debt raising fees amortised	3 574	3 148	3 574	3 148
Increase in interest payable	(8 796)	5 220	(8 732)	5 315
Balance at 31 August 2024	1 900 295	2 208 827	1 900 295	1 987 964

Nedbank Limited (“Nedbank”)

The Group has a facility totalling R1.8 billion (2023: R1.4 billion) and the Company has a facility of R1.8 billion (2023: R1.1 billion) as part of the debt syndication*.

Type	Nominal interest rate	Maturity	Consolidated		Company	
			2024 R'000	2023 R'000	2024 R'000	2023 R'000
Floating	3-month JIBAR + 1.65%	** 28-Feb-27	400 963	–	400 963	–
Floating	3-month JIBAR + 1.75%	** 28-Feb-28	200 570	–	200 570	–
Floating	3-month JIBAR + 1.83%	** 28-Feb-29	720 250	–	720 250	–
Floating	3-month JIBAR + 1.75%	** 28-Feb-29	213 966	–	213 966	–
Floating	3-month JIBAR + 1.90%	** 28-Feb-28	200 000	–	200 000	–
Floating	JIBAR 3 months + 2.25%	* 31-Jan-24	–	60 000	–	60 000
Floating	JIBAR 3 months + 2.35%	* 31-Jan-25	–	60 000	–	60 000
Floating	JIBAR 3 months + 2.45%	* 30-Jan-26	–	60 000	–	60 000
Floating	JIBAR 3 months + 2.25%	* 31-Jan-24	–	195 000	–	195 000
Floating	JIBAR 3 months + 2.35%	* 31-Jan-25	–	39 858	–	39 858
Floating	JIBAR 3 months + 2.45%	* 30-Jan-26	–	189 399	–	189 399
Floating	JIBAR 3 months + 2.35%	* 31-Jan-25	–	195 142	–	–
Floating	Prime less 0.50%	01-Oct-28	–	98 389	–	–
Floating	JIBAR 3 months + 1.60%	* 07-Jun-24	–	100 000	–	100 000
Floating	JIBAR 3 months + 2.17%	* 02-Dec-26	–	200 000	–	200 000
Total Nedbank			1 735 748	1 197 788	1 735 748	904 257
Debt raising fees			(11 071)	(4 430)	(11 071)	(4 050)
Interest payable			–	11 694	–	8 239
Total Nedbank			1 724 678	1 205 052	1 724 678	908 446

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

17. Interest-bearing liabilities (continued)

17.1 Bank loans

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Reconciliation of Nedbank interest-bearing liabilities				
Balance at 1 September 2023	1 205 052	1 193 460	908 446	878 329
Debt raised – cash received	–	100 000	–	100 000
Debt raised – syndication	542 770	–	737 913	–
Permanent repayment of debt – syndication	(98 389)	–	–	–
Permanent repayment of debt	–	(9 071)	–	–
Debt raising fees amortised	3 066	2 673	3 066	2 584
Debt raising fees paid	(8 772)	(1 035)	(8 772)	(1 035)
Permanent repayment of debt due to property sold	(1 037)	(12 000)	(1 037)	–
Movement in access facility account	93 681	(74 000)	93 301	(74 000)
Increase in interest payable	(11 694)	5 025	(8 239)	2 568
Balance at 31 August 2024	1 724 677	1 205 052	1 724 678	908 446

Investec Bank Limited (“Investec”)

Type	Nominal interest rate	Maturity	Consolidated		Company	
			2024 R'000	2023 R'000	2024 R'000	2023 R'000
Floating	Prime less 0.50%	18-Dec-26	110 000	–	–	–
Floating	3-month JIBAR*	24-Jun-24	–	50 100	–	50 100
Floating	3-month JIBAR*	02-Jun-25	–	59 070	–	59 070
Interest payable			1 057	2 668	–	2 668
Debt raising fee			(620)	(198)	(68)	(198)
Total Investec			110 437	111 640	(68)	111 640

17. Interest-bearing liabilities (continued)

17.1 Bank loans (continued)

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Reconciliation of Investec interest-bearing liabilities				
Balance at 1 September 2023	111 640	110 626	111 640	110 626
Debt raised – cash received	110 000	–	–	–
Permanent repayment of debt – syndication	(109 170)	–	(109 170)	–
Increase in interest payable	(1 611)	876	(2 668)	876
Debt raising fee paid	(620)	–	–	–
Debt raising fee amortised	198	138	130	138
Balance at 31 August 2024	110 437	111 640	(68)	111 640

This facility is secured by properties with a carrying value of R461 million (2023: R328 million) for the Group and the Company. This facility does not form part of the debt syndication.

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
ABSA Capital, a division of ABSA Bank Limited (“ABSA”)				
Overdraft facility	–	20 000	–	20 000
Interest payable	–	179	–	179
Total ABSA	–	20 179	–	20 179
The overdraft facility bears interest at prime less 1.25% and is cancellable at any time with prior notice from both parties. The loan was settled at 29 February 2024 as part of the debt syndication. This facility was secured by a property with a carrying value of R51.4 million (2023: R51.4 million) for the Group and the Company.				
Total bank loans	3 735 409	3 545 698	3 624 904	3 028 229

Cashbuild South Africa (Proprietary) Limited

On acquisition of Orange Farm Phase 1, the lender ceded its rights and obligations in respect of the Cashbuild loan to the Group. The loan is secured by a mortgage bond over erf 15672 Orange Farm. The remaining balance on the loan as at end of May 2027, will be settled in a lump sum payment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

17. Interest-bearing liabilities (continued)

17.1 Bank loans (continued)

Type	Nominal interest rate	Maturity	Consolidated		Company	
			2024 R'000	2023 R'000	2024 R'000	2023 R'000
Fixed	Fixed – 6.50%	30-June-27	5 982	6 895	–	–
Disclosed as follows:						
Current portion			1 040	405		–
Non-current portion			4 942	6 490	–	
Total non-bank loans			5 982	6 895	–	–
Total interest-bearing loans			3 741 391	3 552 593	3 624 904	3 028 229
Disclosed as follows:						
Current portion			3 140	1 418 410	1 043	1 293 285
Non-current portion			3 738 252	2 134 183	3 623 861	1 734 944
Total interest-bearing loans			3 741 391	3 552 593	3 624 904	3 028 229

* During the current year, 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 four years.

The Standard Bank and Nedbank facilities as part of the syndication is secured by mortgage bonds over investment property with a carrying value of R9.73 billion (2023: R6.09 billion) for the Group and R9.73 billion (2023: R5.45 billion) for the Company.

The debt restructure was assessed against the provisions of the derecognition criteria (including the 10% test) included in IFRS 9 and was determined to be a non-substantial modification. The impact is not considered to be material.

** The South African Reserve Bank (SARB) has officially published ZARONIA, which will replace JIBAR as the reference rate. SARB is leading the transition process and is currently engaging with financial institutions to finalise the necessary details.

The Group's facilities, excluding those with Investec and Cashbuild, are linked to JIBAR and will need to transition to ZARONIA. It is expected that the transition will occur on a neutral basis on day one, with the ZARONIA reference rate being adopted thereafter.

The amendment from JIBAR to ZARONIA has been assessed in accordance with expectations and does not result in any IFRS 9 accounting implications.

The fair values of interest-bearing liabilities and non-bank loans are not materially different from their carrying values, since the interest payable on these borrowings is either close to current market rates or the liabilities are of short-term nature.

Information about the Group's exposure to interest rate and liquidity risks is included in note 35 – Financial risk management and information regarding the Group's covenants is included in note 36 – Capital management.

18. Lease liabilities

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
At the beginning of the year	118 132	115 833	–	–
Finance costs	11 061	10 863	–	–
Lease payments	(8 891)	(8 564)	–	–
At the end of the year	120 302	118 132	–	–
Current portion	11 257	11 061	–	–
Non-current portion	109 045	107 072	–	–
Lease liabilities at 31 August 2024	120 302	118 132	–	–

The variable lease expense for the year amounted to R505 thousand (2023: R539 thousand) in the current year.

The lease liabilities relates to land rentals entered into by Mergence Africa Property Investment Trust and Gillwell Taxi Retail Park Proprietary Limited. The lease periods range between 40 and 50 years. Leases entered into by Mergence Africa Property Investment Trust have been transferred to Luxanio Trading 181 Proprietary Limited as part of the Group restructure that became effective 1 September 2024. There are no changes to the lease agreements.

The right-of-use assets related to the lease liabilities are disclosed in note 3. Interest is based on the weighted average borrowing rate of the Group and was adjusted for asset specific risk.

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored as part of the Group's operations.

There are no right-of-use assets or lease liabilities in the Company.

19. Trade and other payables

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Financial instruments	133 347	139 626	3 202	(1 413)
Trade payables	6 928	13 620	186	968
Accrued expenses	31 134	23 129	664	763
Interest payable on interest rate swaps	–	(5 743)	–	(5 743)
Municipal accruals	26 831	30 007	–	–
Tenant deposits	61 721	59 120	268	268
REIT distributions payable to NCI	–	7 161	–	–
Other payables	6 733	12 332	2 084	2 331
Non-financial instruments	43 698	43 595	5 673	3 665
Payroll payables	3 503	1 964	3 503	1 964
Tenant receipts paid in advance	39 175	36 248	1 575	781
SARS payable	–	39	–	–
VAT payable	1 020	5 343	595	920
	177 045	183 221	8 875	2 252

The carrying value of trade and other payables is considered to be a reasonable approximation of fair value due to the short-term maturities of these instruments.

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for the year ended 31 August 2024

20. Contractual rental income

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Property revenue	1 109 542	1 102 680	54 283	26 523
Rental discounts	778	2 715	–	34
Rental guarantee	–	5 913	–	–
	1 110 320	1 111 308	54 283	26 557
Revenue from contracts with customers				
Municipal and property recoveries	344 991	292 393	22 191	21 433
	1 455 311	1 403 701	76 474	47 990

21. Management fees

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Asset management fees*	–	–	21 948	21 115
Building management recoveries*	–	–	3 860	3 664
Property management fees*	–	–	32 614	31 787
	–	–	58 422	56 566

* Income earned from Group companies.

Refer to related party note 37 for more details.

22. Property-related expenses

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Property-related expenses include:				
Assessment rates	87 637	84 698	3 564	3 448
Depreciation	797	696	797	696
Defined contribution plan	1 385	1 354	1 385	1 354
Municipal costs	296 834	236 524	5 188	4 147
Property management fees – external	3 287	5 427	260	242
Salaries	30 065	26 638	30 065	26 638
Security	40 546	39 305	537	527
Repairs and maintenance	17 815	16 422	549	1 430

23. Expected credit losses

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
ECL provided/(reversed)	2 855	(2 681)	–	538
Bad debts written off through ECL	10 487	12 633	–	–
Bad debts written off directly to profit or loss	1 165	1 166	–	–
	14 507	11 118	–	538

24. Administration and corporate costs

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Administration and corporate expenses include:				
Auditor's remuneration	2 106	2 604	1 109	1 171
Non-assurance audit fees	47	84	24	41
Defined contribution plan	972	909	972	909
Depreciation	1 039	295	1 039	295
Directors' remuneration (note 37.2)	3 206	3 187	3 206	3 187
Professional fees	9 882	14 901	9 882	14 901
Salaries	18 647	23 559	18 647	23 559
Share-based payments	5 516	5 729	5 516	5 729
Trustees' remuneration	115	108	–	–

25. Finance income

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Interest received from financial institutions	12 868	10 938	8 977	6 923
Interest received on loan receivable	–	685	–	–
Interest on overdue accounts	6 487	3 926	137	71
	19 355	15 549	9 114	6 994
Amount reconciled to cash flow note				
Finance income as per above	19 355	15 549	9 114	6 994
Interest on overdue accounts	(6 487)	–	(137)	–
	12 868	15 549	8 977	6 994

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26. Finance cost

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Interest – interest-bearing liabilities	379 465	342 225	344 623	290 486
Interest – interest rate swaps	(36 376)	(16 682)	(36 376)	(16 682)
Interest – overdue accounts creditors	199	–	3	–
Amortisation of debt raising fees (note 17.1)	5 435	4 282	5 224	4 194
Amortisation of cap rates	1 547	1 676	1 547	1 676
Interest – capitalised on developments	(18 925)	(12 752)	(18 925)	(12 752)
Interest – on lease liabilities (note 18)	11 061	10 863	–	–
Interest – NCI shareholder loan	–	49	–	–
Interest – SARS (accrued reversed)	–	2	–	1
	342 405	329 663	296 095	266 923

Refer to note 35 for derivative hedging details.

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Amount reconciled to cash flow note				
Finance cost as per above	342 405	329 663	296 095	266 923
Exclude the following non-cash flow items:				
Amortisation of debt raising fees (note 17.1)	(5 435)	(4 282)	(5 224)	(4 194)
Amortisation of cap rates	(1 547)	(1 676)	(1 547)	(1 676)
Interest – on lease liabilities (note 18)	(11 061)	(10 863)	–	–
Interest accrued SARS reversed	–	(2)	–	(1)
Interest – capitalised on developments (note 3)	18 925	12 752	18 925	12 752
Interest payable Investec and ABSA Bank (note 17)	1 790	(923)	2 847	(923)
Interest payable Standard Bank (note 17)	8 796	(5 220)	8 732	(5 315)
Interest payable Nedbank (note 17)	11 694	(5 025)	8 239	(5 025)
	365 568	314 424	328 067	262 541

27. Taxation

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Normal taxation				
Current	–	261	–	–
– Current year	–	261	–	–
– Relating to prior year	–	–	–	–
Deferred	–	–	–	–
– Current year	–	–	–	–
	–	261	–	–

27. Taxation (continued)

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Reconciliation between applicable taxation rate and effective taxation rate				
South African normal taxation rate applied to income before taxation	27.0%	27.0%	27.0%	27.0%
Taxation effect of:				
– Fair value adjustments and straight-lining of leases	(9.1%)	(5.7%)	1.3%	1.5%
– Permanent difference	(0.8%)	(0.7%)	(1.4%)	(1.0%)
– REIT distribution deduction	(15.6%)	(18.3%)	(27.0%)	(27.6%)
– Deferred tax not raised	(1.5%)	(2.3%)	0.1%	0.1%
Effective taxation	–	–	–	–
Reconciliation between applicable taxation and effective taxation				
South African normal taxation rate applied to income before taxation	210 670	183 182	121 395	121 274
Taxation effect of:				
– Fair value adjustments and straight-lining of leases	(70 959)	(38 878)	5 818	6 841
– Permanent differences**	(6 454)	(4 711)	(6 316)	(4 652)
– REIT distribution deduction	(121 395)	(123 870)	(121 395)	(123 870)
– Deferred tax not raised	(11 862)	(15 724)	498	406
Effective taxation	–	–	–	–

** Permanent differences consist of intangible asset amortisation, debt raising fees, non-deductible expenses and share-based payments.

Deferred taxation

The conversion of the Fund to a REIT was effective from 1 September 2013. As such, the Group is not liable for capital gains tax in terms of section 25BB of the Income Tax Act.

Deferred tax on investment properties and the related straight-line rental adjustment has been reduced to nil as capital gains tax will no longer apply to registered REITs. Consequently, no deferred tax was raised on deferred capital gains of investment property.

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28. Earnings and headline earnings

Earnings per share for the Group is calculated on the weighted average number of 911 508 514 ordinary shares (2023: 898 941 655 ordinary shares) net earnings after taxation of R774 million (2023: R588 million).

	Consolidated	
	2024 R'000	Restated# 2023 R'000
Reconciliation between profit, earnings and headline earnings		
Profit attributable to shareholders of the Company	774 302	588 031
Adjustments	(324 759)	(86 592)
Fair value – investment properties revaluation	(302 581)	(148 718)
NCI – 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
Earnings per share (cents)	84.95	65.41
Diluted earnings per share (cents)	83.52	64.41
Total diluted weighted average number shares in issue*	927 126 684	912 911 994
Total weighted average number shares in issue*	911 508 514	898 941 655
Effect of dilutive instruments	15 618 170	13 970 339

* Net of treasury shares.

Prior period error restatement – The fair value straight-line rental income accrual of negative R8.6 million 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.

29. Cash generated from operations

	Notes	Consolidated		Company	
		2024 R'000	2023 R'000	2024 R'000	Restated* 2023 R'000
Profit before taxation		780 258	678 713	449 605	449 164
Adjusted for:					
Dividends received from Group companies	37	–	–	(718 723)	(736 170)
Finance costs	26	342 405	329 663	296 095	266 923
Finance income	25	(19 355)	(15 549)	(9 114)	(6 994)
Fair value adjustment		(231 632)	(152 649)	30 744	25 157
Straight-lining income accrual	4	(32 152)	8 660	(366)	183
Depreciation – property, plant and equipment		1 113	992	1 040	923
Share-based payment expense	15	5 516	5 729	5 516	5 729
Increase/(decrease) in expected credit loss	23	2 855	(2 681)	–	538
Capitalised development costs	3	1 031	–	1 031	–
Profit on restructure	8	–	–	(12 236)	–
Amortisation of tenant installations	3	6 828	6 012	399	499
Amortisation of leasing commissions	3	12 207	11 142	345	309
Operating income before working capital changes		869 074	870 032	44 336	6 261
Working capital changes*		(39 184)	(23 126)	(95)	(10 057)
(Increase)/decrease in trade and other receivables		(33 008)	(2 658)	(6 718)	8 341
(Decrease)/increase in trade and other payables*		(6 176)	(20 468)	6 623	(18 398)
Net cash generated from/(utilised in) operations*		829 891	846 906	44 241	(3 796)

* Prior period error restatement – Working capital change in trade and other payables in the amount of R25 million for year ended August 2023 has been restated to disclose the cash flow impact related to the Acquisition of additional interest in subsidiary, separately in the Statement of Cash Flows within financing activities in accordance with IAS 7.

30. Dividends paid

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Dividends paid	(455 526)	(507 847)	(455 563)	(507 865)
Dividends paid to non-controlling interest	(28 134)	(28 537)	–	–
	(483 660)	(536 385)	(455 563)	(507 865)
Dividends paid	(455 526)	(507 847)	(455 563)	(507 865)
49.99428 cents per share (2023: 56.82419 cents per share)	(455 526)	(507 847)	(455 563)	(507 865)

Refer note 13 for further detail on dividend re-investment plan executed in the prior year impacting dividends paid.

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31. Taxation paid

No tax paid in the current year and prior year.

32. Commitments

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Capital commitments				
Investment property improvements	57 000	47 500	–	–
Total capital commitments	57 000	47 500	–	–

The commitments will be funded using a combination of proceeds from disposals and is expected to be spent in the next 12 months.

33. Minimum lease payments receivable

Future minimum lease payments comprise contractual rental income, excluding the straight-line lease adjustment, and operating expense recoveries due in terms of signed lease agreements on investment properties:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
– Receivable within one year	1 137 024	859 872	29 111	32 236
– Receivable within two to five years	2 497 232	1 882 617	54 565	85 250
– Receivable within year six	179 363	101 071	–	–
– Receivable within year seven to ten years	566 146	216 068	–	–
	4 379 765	3 059 628	83 676	117 486

The Group has entered into operating leases on its investment property portfolio consisting of certain office, retail, industrial buildings and residential units. These leases have on average, terms of between 12 months and 10 years.

Future minimum lease payments have only been disclosed up to a ten-year period.

34. Contingent liabilities and guarantees

Guarantees

Municipal guarantees

Guarantees totalling R6.2 million (2023: R6.2 million) have been issued on the Group's behalf by the Standard Bank of South Africa Limited to various municipal councils in lieu of deposits for services.

Subsidiary loan guarantees

Dipula has guaranteed the interest-bearing liabilities of the following subsidiaries with their respective debt funders:

	Interest-bearing liability as at 31 August 2024 R'000	Interest-bearing liability as at 31 August 2023 R'000
Jarrabilla Investments Proprietary Limited	–	93 000
Lizinex Proprietary Limited	–	28 200
Gillwell Taxi Retail Park Proprietary Limited	–	195 142
Bajascapc Proprietary Limited	55 011	49 195
	55 011	365 537

An expected credit loss assessment was performed on the financial guarantees and it was determined that no liability is required at this time in accordance with the requirements of IFRS 9.

35. Financial risk management

The Group's financial instruments consist mainly of loans receivable (note 7), cash and cash equivalents (note 11), derivative financial instruments – swaps (note 6), interest-bearing liabilities (note 17), loans with subsidiaries (note 8), trade and other receivables (note 10), trade and other payables (note 19) and lease liabilities (note 18). In respect of the aforementioned financial instruments, carrying value approximates fair value, except as otherwise stated.

The Group has exposure to the following risks from its use of financial instruments:

- ▶ Credit risk
- ▶ Liquidity risk
- ▶ Market risk

The Company's Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Board has delegated the responsibility for developing and monitoring the Group's risk management policies to the Group Audit and Risk Committee.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the Group's activities.

The Group's risk management policies are established to ensure:

- ▶ improved risk management and control;
- ▶ the efficient allocation of funds to maximise returns;
- ▶ the maintenance of acceptable levels of risk within the Group as a whole; and
- ▶ efficient liquidity management and control of funding costs.

The Group Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reports to the Board of directors on a regular basis on its activities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

35. Financial risk management (continued)

35.1 Credit risk management

Credit risk is the risk of financial loss to the Group if a tenant or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from tenants, cash balances, loans receivable and derivative financial assets held with financial institutions.

The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets recognised in profit or loss relate to trade and other receivables.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. The characteristics are determined by the size and financial position of each tenant.

The majority of rental revenue is derived from properties situated in Gauteng, and thus most of the credit risk is concentrated within this province. Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. When available, the Group's review includes external ratings.

Trade and other receivables relate mainly to the Group's tenants and deposits with municipalities. The ECL on deposits is considered immaterial since most deposits are with reputable institutions.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry, size of business and existence of previous financial difficulties.

An individual account-by-account assessment was done in the current financial year on debtors to determine the ECL. The total impairment loss that was raised amounted to R14 million (2023: R11 million). In the Company no ECL amount was raised during the year (2023: R538k).

In considering the expected credit loss, the following forward-looking factors were taken into account.

- ▶ Financial state of the tenant and any indication of financial distress based on most recent information available and management discussions
- ▶ Commitments made for payment and whether they are realistically based on history and tenant relationship
- ▶ Current economic state

The Group divided its debtors into low, medium to high risk debtors based on the industry it operates in.

Low risk tenants

- ▶ Financial Institutions
- ▶ Government
- ▶ National

Medium to high risk tenants

- ▶ Residential
- ▶ Restaurants
- ▶ SME
- ▶ Medical

Exposures within each group were segmented based on common conditions during the period over which the historical data was collected, current conditions and the Group's view of the economic conditions over the expected lives of the receivables.

35. Financial risk management (continued)

35.1 Credit risk management (continued)

Low risk tenants

Government and large national tenants are classified as low risk tenants, as they share common credit risk characteristics which include slow payment behaviour, administrative delays and disputes relating to amounts owed. The time value of money as well as a forward-looking allowance for expected dispute losses are therefore factored into the loss rates based on past experience with the specific tenant. While these tenants may be considered slow payers management has taken all the factors into consideration and has assessed the credit risk of non-payment as low based on historical data, current conditions and the Group's view of economic conditions over the expected lives of the receivables as reflected in the ECL rates.

Medium to High risk tenants

Tenants included in this category are smaller tenants who are facing significant pressure as a result of challenging South African market conditions, increased load shedding, municipal delivery issues, inflationary increases and interest rate hikes during the financial year. This category includes SME businesses and restaurants that have similar credit risk characteristics.

	Consolidated				
	Current R'000	30 days R'000	60 – 90 days R'000	120 + days R'000	Total R'000
2024					
Low risk tenants					
Trade receivables – gross carrying amount					
Financial Institutions	558	208	412	10 708	11 886
Government	4 749	1 942	2 678	2 731	12 099
National	3 988	1 305	863	2 215	8 372
% impairment (ECL)					
Financial Institutions	2%	2%	2%	19%	18%
Government	4%	4%	25%	100%	30%
National	2%	2%	2%	29%	9%
Impairment (ECL)					
Financial Institutions	(10)	(4)	(7)	(2 071)	(2 092)
Government	(166)	(68)	(677)	(2 731)	(3 642)
National	(71)	(23)	(15)	(650)	(760)
Net trade receivables	9 048	3 360	3 254	10 202	25 863

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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35. Financial risk management (continued)

35.1 Credit risk management (continued)

	Consolidated				
	Current R'000	30 days R'000	60 – 90 days R'000	120 + days R'000	Total R'000
2024					
Medium to high risk tenants					
Trade receivables – gross carrying amount					
Residential	400	109	240	2 742	3 491
Restaurants	824	820	881	14 362	16 887
SME	8 795	4 980	9 186	80 847	103 807
Medical	158	76	55	1 418	1 706
% impairment (ECL)					
Residential	–	–	–	45%	35%
Restaurants	1%	3%	4%	35%	30%
SME	5%	7%	10%	40%	33%
Medical	–	–	–	59%	49%
Impairment (ECL)					
Residential	–	–	(1)	(1 227)	(1 228)
Restaurants	(12)	(23)	(37)	(4 971)	(5 043)
SME	(454)	(360)	(948)	(31 986)	(33 748)
Medical	–	–	–	(835)	(835)
Net trade receivables	9 711	5 602	9 375	60 350	85 037
Total net trade receivables	18 759	8 962	12 629	70 552	110 901

35. Financial risk management (continued)
35.1 Credit risk management (continued)

	Consolidated				
	Current R'000	30 day R'000	60 – 90 days R'000	120 + days R'000	Total R'000
2023					
Low risk tenants					
Trade receivables – gross carrying amount					
Financial institutions	324	411	2 732	5 612	9 079
Government	2 736	2 781	1 865	3 801	11 182
National	6 948	962	804	6 387	15 101
% impairment (ECL)					
Financial institutions	–	–	–	37%	23%
Government	–	–	–	–	–
National	–	–	–	22%	9%
Impairment (ECL)					
Financial institutions	–	–	–	(2 094)	(2 094)
Government	–	–	–	–	–
National	–	–	–	(1 390)	(1 390)
Net trade receivables	10 008	4 154	5 401	12 316	31 878
Medium to high risk tenants					
Trade receivables – gross carrying amount					
Residential	424	194	174	1 352	2 144
Restaurants	1 181	676	890	14 188	16 935
SME	5 856	3 792	7 644	72 347	89 639
Medical	217	185	171	1 143	1 716
% impairment (ECL)					
Residential	10%	43%	88%	100%	76%
Restaurants	–	–	–	53%	44%
SME	–	1%	3%	44%	36%
Medical	–	–	1%	64%	43%
Impairment (ECL)					
Residential	(42)	(83)	(153)	(1 346)	(1 624)
Restaurants	–	–	–	(7 523)	(7 523)
SME	(1)	(37)	(246)	(31 547)	(31 832)
Medical	–	–	(1)	(737)	(738)
Net trade receivables	7 635	4 726	8 479	47 878	68 718
Total net trade receivables	17 643	8 880	13 880	60 194	100 596

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

35. Financial risk management (continued)

35.1 Credit risk management (continued)

	Company				
	Current R'000	30 days R'000	60 – 90 days R'000	120 + days R'000	Total R'000
2024					
Low risk tenants					
Trade receivables – gross carrying amount					
National	–	–	–	710	710
% impairment (ECL)					
National	–	–	–	87%	87%
Impairment (ECL)					
National	–	–	–	(618)	(618)
Net trade receivables	–	–	–	92	92
Medium to high risk tenants					
Trade receivables – gross carrying amount					
SME	403	8	21	1 220	1 652
% impairment (ECL)					
SME	5%	12%	9%	44%	34%
Impairment (ECL)					
SME	(21)	(1)	(2)	(542)	(566)
Net trade receivables	382	7	19	678	1 086
Total net trade receivables	382	7	19	770	1 178

35. Financial risk management (continued)
35.1 Credit risk management (continued)

	Company				
	Current R'000	30 day R'000	60 – 90 days R'000	120 + days R'000	Total R'000
2023					
Low risk tenants					
Trade receivables – gross carrying amount					
Financial institutions	2	–	–	–	2
National	69	2	–	710	782
% impairment (ECL)					
Financial institutions	–	–	–	–	–
National	–	–	–	88%	80%
Impairment (ECL)					
Financial institutions	–	–	–	–	–
National	–	–	–	(626)	(626)
Net trade receivables	71	2	–	85	158
Medium to high risk tenants					
Trade receivables – gross carrying amount					
Restaurants	2	2	9	147	160
SME	346	27	19	974	1 366
Medical	6	–	–	–	6
% impairment (ECL)					
Restaurants	–	–	–	2%	2%
SME	–	–	–	57%	57%
Medical	–	–	–	–	–
% impairment (ECL)					
Restaurants	–	–	–	(3)	(3)
SME	–	–	–	(555)	(555)
Medical	–	–	–	–	–
Net trade receivables	355	29	28	563	975
Total net trade receivables	426	31	28	647	1 133

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

35. Financial risk management (continued)

35.1 Credit risk management (continued)

	Consolidated	
	2024 R'000	2023 R'000
Movements on the impairment of trade receivables are as follows:		
Balance at the beginning of the year	45 201	47 882
Amounts written off	(12 360)	(13 799)
Additional impairment recognised – through profit or loss	14 507	11 118
Closing balance at year-end	47 348	45 201

	Company	
	2024 R'000	2023 R'000
Movements on the impairment of trade receivables are as follows:		
Balance at the beginning of the year	1 184	646
Additional impairment reversed/recognised – through profit or loss	–	538
Closing balance at year-end	1 184	1 184

The quality of the remaining trade receivables is considered by management to be good and likely to be recovered.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Management and the Board consider the ECL to be adequate for any material credit risk exposure.

35. Financial risk management (continued)

35.1 Credit risk management (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Maximum exposure to credit losses from receivables, after impairment				
Trade receivables (note 10)	110 901	112 586	1 178	1 133
Less: VAT	(20 641)	(19 017)	(308)	(302)
Less: Rental discounts accrued	–	(11 990)	–	–
Other receivables (note 10)	124 488	102 905	15 216	14 636
Credit risk exposure on trade and other receivables	214 748	184 484	16 086	15 467
Credit risk exposure mitigated through:				
Tenant deposits held (note 10)	(25 032)	(22 161)	–	–
Tenant bank guarantees held	(3 742)	(9 353)	–	–
Residual exposure on trade and other receivables	185 974	152 970	16 086	15 467
Loans with subsidiaries (note 8)	–	–	5 780 862	6 458 054
Loans receivable (note 7)	451	412	–	–
Cash and cash equivalents (note 11)	112 629	61 551	64 341	25 339
Financial guarantee contracts (note 34)	–	–	55 011	365 537
Residual exposure	299 054	214 933	5 916 300	6 864 397

The Group holds deposits over certain trade and other receivables in the form of cash tenant deposits and bank guarantees as indicated above.

The directors have performed assessments on ECL for all other receivables that are classified as financial assets and have assessed this as immaterial and are of the opinion that the financial assets have a low credit risk.

Cash and cash equivalents

The Group's exposure to credit risk is limited through the use of financial institutions of good standing for investment and cash-handling purposes.

Sureties

The Group's policy is to provide sureties with regards to subsidiaries to the extent required in the normal course of business. Refer to note 34.

Such sureties are provided to enable the subsidiaries to obtain the funding necessary to enable them to acquire investment property or investments.

The sureties are backed by second bonds on the property.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

35. Financial risk management (continued)**35.1 Credit risk management** (continued)

Loans to subsidiaries

Loans to subsidiaries is low risk due to the fact that loans are only made to entities known to the directors where their recoverability is assured beyond any reasonable doubt. Recoverability of all loans to subsidiaries at year-end has been assessed by evaluating the lending entities' liquidity and net asset value position. ECL for loans to subsidiaries was considered and assessed as immaterial.

35.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations relating to interest-bearing liabilities and trade and other payables as they fall due. The Group ensures that it always has adequate funds available and seeks to borrow for as long as possible at the lowest possible cost. Liquidity requirements are managed by monitoring forecasted cash flows and the maturity profile of financial liabilities.

The Group receives rental income on a monthly basis and deposits this into its call account or access facilities of the bank loans until the cash is required to pay dividends. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Maturities of financial liabilities

The tables below analyse the Group and Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative and derivative financial liabilities. The amounts disclosed in the tables for non-derivative financial liabilities are the contractual undiscounted cash flows, and the amounts for derivatives are the current mark-to-market valuations. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

	Consolidated					
	Less than six months R'000	One year R'000	Two years R'000	Three to four years R'000	More than four years R'000	Total R'000
Year ended 31 August 2024						
Financial liabilities						
Interest-bearing liabilities	2 610	530	1 178	2 362 827	1 396 220	3 763 364
Interest-bearing liabilities – finance costs	188 176	188 176	376 352	540 412	67 860	1 360 975
Lease liabilities	4 522	4 522	9 024	29 006	440 684	487 757
Derivative financial instruments	(6 367)	(5 487)	(2 606)	5 444	–	(9 015)
Derivative financial instruments – finance costs	(13 852)	(8 930)	(12 650)	(5 040)	–	(40 471)
Trade and other payables	71 626	61 721	–	–	–	133 347
Total financial liabilities	246 715	240 531	371 298	2 932 649	1 904 764	5 695 957

35. Financial risk management (continued)
35.2 Liquidity risk (continued)

	Consolidated					
	Less than six months R'000	One year R'000	Two years R'000	Three to four years R'000	More than four years R'000	Total R'000
Year ended 31 August 2023						
Financial liabilities						
Interest-bearing liabilities	1 268 310	150 100	1 242 389	891 795	–	3 552 593
Interest-bearing liabilities – finance costs	64 000	11 960	74 235	48 265	–	198 460
Lease liabilities	4 446	4 446	9 043	28 206	450 509	496 649
Derivative financial instruments	(897)	(4 881)	(29 709)	(12 326)	–	(47 813)
Derivative financial instruments – finance costs	(14 373)	(8 856)	(11 825)	(5 136)	–	(40 189)
Trade and other payables	80 506	59 120	–	–	–	139 626
Total financial liabilities	1 401 991	211 888	1 284 134	950 804	450 509	4 299 326

	Company					
	Less than six months R'000	One year R'000	Two years R'000	Three to four years R'000	More than four years R'000	Total R'000
Year ended 31 August 2024						
Financial liabilities						
Interest-bearing liabilities	1 043	–	–	2 359 995	1 285 288	3 646 326
Interest-bearing liabilities – finance costs	182 075	182 075	364 149	516 006	64 555	1 308 860
Financial guarantees issued to banks for subsidiary loans	–	–	55 011	–	–	55 011
Derivative financial instruments	(6 367)	(5 487)	(2 606)	5 444	–	(9 015)
Derivative financial instruments – finance costs	(14 373)	(8 856)	(11 825)	(5 136)	–	(40 189)
Trade and other payables	2 934	268	–	–	–	3 202
Total financial liabilities	165 312	168 000	404 729	2 876 310	1 349 843	4 964 194

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

35. Financial risk management (continued)**35.2 Liquidity risk** (continued)

	Company					
	Less than six months R'000	One year R'000	Two years R'000	Three to four years R'000	More than four years R'000	Total R'000
Year ended 31 August 2023						
Financial liabilities						
Interest-bearing liabilities	1 143 186	150 100	947 648	787 296	–	3 028 229
Interest-bearing liabilities – finance costs	57 729	11 960	57 768	40 144	3 509	171 109
Financial guarantees issued to banks for subsidiary loans	–	–	170 395	–	195 142	365 537
Derivative financial instruments	(897)	(4 881)	(29 709)	(12 326)	–	(47 813)
Derivative financial instruments – finance costs	(14 373)	(8 856)	(11 825)	(5 136)	–	(40 189)
Trade and other payables	(1 681)	268	–	–	–	(1 413)
Total financial liabilities	1 183 963	148 591	1 134 277	809 978	198 651	3 475 460

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above table as interest rates change. Except for financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

35.3 Market risk**Interest rate risk**

Market risk is the risk that changes in interest rate will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

The Group's debt carries floating interest rates, with corresponding swaps to hedge the risk, except for the Cashbuild loan which carries a fixed interest rate (note 17).

The interest rate swaps are not designated as cash flow hedges for accounting purposes and thus any changes to the interest rate at the date of reporting would affect profit or loss but, as these gains or losses are not available for distribution, they would be transferred to a fair value reserve.

The Group is exposed to interest rate risk through its variable rate cash balances, long-term balances as well as its hedges.

35. Financial risk management (continued)

35.3 Market risk (continued)

A change in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below (pre-tax).

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Sensitivity analysis				
Fair value sensitivity (mark to market on interest rate swaps)				
– 0.50% increase in interest rate	23 109	15 122	23 109	15 122
– 1.00% increase in interest rate	39 572	12 897	39 572	12 897
– 1.50% increase in interest rate	56 302	13 167	56 302	13 167
Cash flow sensitivity (interest-bearing borrowings)				
– 0.50% increase in interest rate	(19 874)	(18 458)	(19 218)	(15 692)
– 1.00% increase in interest rate	(39 749)	(36 915)	(38 435)	(31 385)
– 1.50% increase in interest rate	(59 623)	(55 373)	(57 653)	(47 077)

The sensitivity analysis is based on the contractual terms of the derivatives and the estimated movement in the prime and JIBAR rates. The values are obtained from external providers.

Currency risk

The Group has no exposure to currency risk.

Equity price risk

The Group is not exposed to equity price risk.

35.4 Fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods below. When applicable, further information about the assumption made in determining fair values is disclosed in the notes specific to that asset or liability.

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 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.

Investment properties and derivative financial instruments have been categorised as Level 3 and 2 respectively. There has been no material change between levels during the year and there were no transfers between levels.

For derivative financial instruments, the fair value of interest rate swaps is based on statement valuations from reputable financial institutions.

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35. Financial risk management (continued)**35.4 Fair values** (continued)

These statements 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 similar instruments at the reporting date.

The Group's Audit and Risk Committee determines the policies and procedures for recurring fair value measurement.

In terms of the accounting policy, the portfolio is valued annually, with properties above R12 million being valued by independent registered valuers. One-third of the properties below R12 million (at the last valuation date) are valued externally whilst the remaining two-thirds are valued internally by directors (refer to note 3).

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to market conditions and other relevant documents.

At 31 August 2024, the property portfolio was valued at R10.2 billion (2023: R9.7 billion) company R271 million (2023: R262 million). Refer to note 3 for further details.

The fair values of the properties are estimated using a discounted cash flow method, which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields. The estimated rental stream takes into account current occupancy levels, estimates of future vacancy levels, the terms of in-place leases and expectations of rentals from future leases over the remaining economic life of the properties.

The estimated fair value would increase/(decrease) if the expected market rental growth was higher/(lower), the discount rate was lower/(higher) and/or the capitalisation rate was lower/(higher).

The most significant inputs are the discount rate, the expected rental growth, the capitalisation rate and the vacancy rate.

In an endeavour to provide more detail regarding the significant unobservable input for Investment property – Level 3, the below tables have been prepared.

Valuation technique and significant unobservable inputs – Investment Property – Level 3.

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:

	Consolidated			
	2024			
	Level 1	Level 2	Level 3	Total
ASSETS				
Investment property	–	–	10 138 679	10 138 679
Derivative financial assets – swaps	–	18 380	–	18 380
Investment property held-for-sale	–	–	50 350	50 350
Total	–	18 380	10 189 029	10 207 409
LIABILITIES				
Derivative financial liabilities – swaps	–	9 365	–	9 365
Total	–	9 365	–	9 365

35. Financial risk management (continued)
35.4 Fair values (continued)

Consolidated				
2023				
	Level 1	Level 2	Level 3	Total
ASSETS				
Investment property	–	–	9 733 570	9 733 570
Derivative financial assets – swaps	–	52 562	–	52 562
Investment property held-for-sale	–	–	39 081	39 081
Total	–	52 562	9 772 651	9 825 214
LIABILITIES				
Derivative financial liabilities – swaps	–	4 749	–	4 749
Total	–	4 749	–	4 749

Company				
2024				
	Level 1	Level 2	Level 3	Total
ASSETS				
Investment property	–	–	270 800	270 800
Derivative financial assets – swaps	–	18 380	–	18 380
Total	–	18 380	270 800	289 180
LIABILITIES				
Derivative financial liabilities – swaps	–	9 365	–	9 365
Total	–	9 365	–	9 365

Company				
2023				
	Level 1	Level 2	Level 3	Total
ASSETS				
Investment property	–	–	261 500	261 500
Derivative financial assets – swaps	–	52 562	–	52 562
Total	–	52 562	261 500	314 062
LIABILITIES				
Derivative financial liabilities – swaps	–	4 749	–	4 749
Total	–	4 749	–	4 749

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

35. Financial risk management (continued)

35.4 Fair values (continued)

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. There has been no material change between levels during the period and there were no transfers between levels.

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 – swaps have been categorised as Level 2. There has been no material change between levels during the period and there were no transfers between levels.

35. Financial risk management (continued)

35.4 Fair values (continued)

Movement in Level 3 instruments

	Consolidated			
	Investment property 2024	Investment property held-for-sale 2024	Investment property 2023	Investment property held-for-sale 2023
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 (note 14)	309 235	(8 516)	161 616	(13 695)
Transferred from/(to) non-current assets held-for-sale/disposals	(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

	Company			
	Investment property 2024	Investment property held-for-sale 2024	Investment property 2023	Investment property held-for-sale 2023
Balance at the beginning of the year	261 500	–	253 100	27 000
Acquisitions/additions	1 252	–	2 304	–
Change in fair value (note 14)	8 419	–	(20 611)	–
Transferred from/(to) non-current assets held-for-sale/disposals	–	–	27 000	(27 000)
Net tenant installation/lease commission	(371)	–	(293)	–
Balance at the end of the year	270 800	–	261 500	–

Significant unobservable inputs and ranges of estimates used:

	Discount rate		Capitalisation rate		Vacancy rate	Gross rental	Rental growth
	Range %	Weighted average %	Range %	Weighted average %	Range %	Range R/m ²	Range %
2024							
Total portfolio	12 – 16	13.90	8 – 14	9.50	2 – 9	21 – 325	3 – 5
Retail	12 – 15	12.90	8 – 13	9.10	4 – 8	35 – 325	3 – 6
Office	13 – 15	13.50	9 – 11	9.60	5 – 18	34 – 317	(2) – 2
Industrial	13 – 16	13.90	9 – 14	10.75	0 – 4	21 – 105	3 – 6
Residential	14 – 14	14.10	9 – 10	9.25	1 – 7	138 – 162	3 – 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

35. Financial risk management (continued)

35.4 Fair values (continued)

	Discount rate		Capitalisation rate		Vacancy rate	Gross rental	Rental growth
	Range %	Weighted average %	Range %	Weighted average %	Vacancy rate range %	Range R/m ²	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

The valuations of the investment properties are sensitive to changes in the unobservable inputs used in the valuations. Changes to one of the observable inputs, while holding the other inputs constant, would have the following effects on the fair value of investment property and fair value adjustments in profit or loss.

	Impact on valuation							
	Discount rate (0.5%)	Discount rate +0.5%	Capitalisation rate (0.5%)	Capitalisation 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%	Capitalisation rate (0.5%)	Capitalisation 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

35. Financial risk management (continued)

35.5 Categories of financial assets and financial liabilities

	Consolidated			
	Financial assets/ liabilities at amortised cost R'000	Financial assets/ liabilities at FVTPL R'000	Non-financial assets/ liabilities R'000	Total R'000
Year ended 31 August 2024				
Financial assets				
Trade and other receivables	235 389	–	9 505	244 894
Derivative financial instruments	–	18 380	–	18 380
Loans receivable	5 881	–	–	5 881
Cash and cash equivalents	112 629	–	–	112 629
Total financial assets	353 899	18 380	9 505	381 784
Financial liabilities				
Interest-bearing liabilities	3 741 392	–	–	3 741 392
Lease liabilities	120 302	–	–	120 302
Derivative financial instruments	–	9 365	–	9 365
Trade and other payables	133 347	–	43 698	177 045
Total financial liabilities	3 995 041	9 365	43 698	4 048 104

	Consolidated			
	Financial assets/ liabilities at amortised cost R'000	Financial assets/ liabilities at FVTPL R'000	Non-financial assets/ liabilities R'000	Total R'000
Year ended 31 August 2023				
Financial assets				
Trade and other receivables	203 501	–	3 333	206 834
Derivative financial instruments	–	39 023	–	39 023
Loans receivable	6 122	–	–	6 122
Cash and cash equivalents	61 551	–	–	61 551
Total financial assets	271 174	39 023	3 333	313 530
Financial liabilities				
Interest-bearing liabilities	3 552 593	–	–	3 552 593
Lease liabilities	118 132	–	–	118 132
Derivative financial instruments	–	4 749	–	4 749
Trade and other payables	139 626	–	43 595	183 221
Total financial liabilities	3 810 351	4 749	43 595	3 858 695

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

35. Financial risk management (continued)

35.5 Categories of financial assets and financial liabilities

	Company			
	Financial assets/ liabilities at amortised cost R'000	Financial assets/ liabilities at FVTPL R'000	Non-financial assets/ liabilities R'000	Total R'000
Year ended 31 August 2024				
Financial assets				
Trade and other receivables	16 394	–	197	16 591
Derivative financial instruments	–	18 380	–	18 380
Loans to subsidiaries	5 780 862	–	–	5 780 862
Interest in subsidiaries	–	–	2 100 556	2 100 556
Cash and cash equivalents	64 341	–	–	64 341
Total financial assets	5 861 597	18 380	2 100 753	7 980 730
Financial liabilities				
Interest-bearing liabilities	3 624 904	–	–	3 624 904
Derivative financial instruments	–	9 365	–	9 365
Trade and other payables	3 202	–	5 673	8 875
Total financial liabilities	3 628 106	9 365	5 673	3 643 144

	Company			
	Financial assets/ liabilities at amortised cost R'000	Financial assets/ liabilities at FVTPL R'000	Non-financial assets/ liabilities R'000	Total R'000
Year ended 31 August 2023				
Financial assets				
Trade and other receivables	9 581	–	153	9 734
Derivative financial instruments	–	39 023	–	39 023
Loans to subsidiaries	6 458 054	–	–	6 458 054
Interest in subsidiaries	–	–	857 355	857 355
Cash and cash equivalents	25 339	–	–	25 339
Total financial assets	6 492 974	39 023	857 508	7 389 505
Financial liabilities				
Interest-bearing liabilities	3 028 229	–	–	3 028 229
Derivative financial instruments	–	4 749	–	4 749
Trade and other payables	(1 413)	–	3 665	2 252
Total financial liabilities	3 026 816	4 749	3 665	3 035 230

36. Capital management

The capital structure of the Group consists of net debt and equity of the Group.

The net debt consists of interest-bearing liabilities disclosed in note 17 less cash and cash equivalents disclosed in note 11.

The equity comprises stated capital, reserves, retained earnings and non-controlling interests.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of directors also monitors the level of distribution to shareholders. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group may maintain or adjust the capital structure through various mechanisms, including issuing new shares or selling assets to reduce debt.

There were no changes in the Group's approach to capital management during the year.

One of the measures that the Group employs to monitor capital is the calculation of an LTV ratio, as determined by the ratio of net debt to the fair value of property assets, consistent with others in the industry.

Covenants

At Group level, Dipula's strictest covenant requirements with its various debt providers is a loan to value ("LTV") ratio of 50% and an interest cover ratio ("ICR") of 2 times.

Dipula's covenant levels were substantially within the approved limits at the reporting date, as follows:

	Consolidated	
	2024 R'000	2023 R'000
LTV	35.7%	35.7%
ICR	2.7 times	2.8 times

Unutilised borrowings

The unutilised borrowings of the Group are reflected below:

	Consolidated	
	2024 R'000	2023 R'000
Value of the property portfolio	10 189 029	9 772 651
50% thereof (2023: 50% thereof)	5 094 515	4 886 326
Borrowings utilised	(3 741 392)	(3 552 593)
Unutilised borrowings capacity	1 353 122	1 333 733

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

37. Related party transactions**37.1 Related parties**

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Related parties with whom Dipula transacted during the year includes subsidiaries (note 8) and joint operations (note 9). The transactions are as follows:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Property management fees (note 21)	–	–	32 614	31 787
Gillwell Taxi Retail Park Proprietary Limited	–	–	945	1 115
Emerald Fire Investments Proprietary Limited	–	–	2 095	1 934
Jarrabilla Investments Proprietary Limited	–	–	976	950
Lizinex Proprietary Limited	–	–	1 909	1 943
Luxanio Trading 181 Proprietary Limited	–	–	21 032	2 403
Mergence Africa Property Investment Trust	–	–	3 075	18 201
Seshego Circle Consortium	–	–	1 331	1 219
The Dipula Property Investment Trust	–	–	451	3 267
Hynorex Proprietary Limited	–	–	734	703
Detnet Consortium	–	–	65	50
Building management recoveries (note 21)	–	–	3 860	3 664
Emerald Fire Investments Proprietary Limited	–	–	50	30
Gillwell Taxi Retail Park Proprietary Limited	–	–	355	331
Jarrabilla Investments Proprietary Limited	–	–	84	77
Lizinex Proprietary Limited	–	–	134	86
Luxanio Trading 181 Proprietary Limited	–	–	2 524	111
Mergence Africa Property Investment Trust	–	–	413	2 759
Seshego Circle Consortium	–	–	185	209
Hynorex Proprietary Limited	–	–	116	63

37. Related party transactions (continued)

37.1 Related parties (continued)

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Asset management fees (note 21)	–	–	21 948	21 115
Emerald Fire Investments Proprietary Limited	–	–	1 384	1 334
Gillwell Taxi Retail Park Proprietary Limited	–	–	913	954
Hynorex Proprietary Limited	–	–	485	442
Jarrabilla Investments Proprietary Limited	–	–	992	933
Lizinex Proprietary Limited	–	–	1 125	1 151
Luxanio Trading 181 Proprietary Limited	–	–	14 572	2 228
Mergence Africa Property Investment Trust	–	–	2 164	12 189
The Dipula Property Investment Trust	–	–	314	1 883
Total			58 423	56 567
Distribution/dividends from group companies	–	–	718 723	736 170
Asakhe Realty Investment Fund Proprietary Limited	–	–	–	40 893
Bajascapc Proprietary Limited	–	–	28 145	28 549
Gillwell Taxi Retail Park Proprietary Limited	–	–	19 414	25 568
Luxanio Trading 181 Proprietary Limited	–	–	–	64 510
Mergence Africa Property Fund Proprietary Limited	–	–	372 813	84 943
Mergence Africa Property Investment Trust	–	–	214 923	434 255
Phepha Prop 006 Proprietary Limited	–	–	–	9 053
The Dipula Property Investment Trust	–	–	83 428	37 570
Unlocked Properties 18 Proprietary Limited	–	–	–	10 829
Loans receivable from group companies (note 8)	–	–	5 780 862	6 458 054
Asakhe Realty Investment Fund Proprietary Limited	–	–	18	193 080
Bajascapc Proprietary Limited	–	–	568	7 072
Dipula Asset Management Trust	–	–	5 804	5 804
Dipula Property Management Proprietary Limited	–	–	36	36
Gillwell Taxi Retail Park Proprietary Limited	–	–	359 927	155 851
Luxanio Trading 181 Proprietary Limited	–	–	–	718 083
Mergence Africa Property Fund Proprietary Limited	–	–	4 584 111	688 628
Mergence Africa Property Investment Trust	–	–	279 588	3 782 647
Phepha Prop 006 Proprietary Limited	–	–	–	140 701
The Dipula Property Investment Trust	–	–	550 810	716 582
Unlocked Properties 18 Proprietary Limited	–	–	–	49 568

Refer to note 35 for ECL consideration.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

37. Related party transactions (continued)

37.1 Related parties (continued)

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Related parties outside the Group				
	(22 549)	(25 355)	(22 549)	(24 771)
Qvest consulting Proprietary Limited – professional fees*	(22 199)	(24 421)	(22 199)	(24 421)
MAC Capital Solutions Proprietary Limited – administration costs*	(894)	(855)	(894)	(855)
MAC Capital Solutions Proprietary Limited – rent received*	544	505	544	505
R Asmal – consulting fees	–	(584)	–	–

* Amounts were (paid to) received from companies which IS Petersen (executive director) is associated with.

37.2 Directors' remuneration

NON-EXECUTIVE DIRECTORS**Short-term benefits**

Fees earned for services as Non-Executive directors of the Company were as follows:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
BH Azizollahoff*	649	556	649	524
SA Halliday [#]	–	347	–	436
E Links*	–	413	–	520
ZJ Matlala (Chairperson)*	656	580	656	548
Y Waja*	–	504	–	634
Z Adams*	785	277	785	277
K Teeroovengadam [#]	395	238	395	238
N Khoele [#]	664	272	664	272
	3 149	3 187	3 149	3 448

* Directors' fees include VAT charged.

[#] Directors' fees do not include VAT charged.

37. Related party transactions (continued)

37.2 Directors' remuneration (continued)

EXECUTIVE DIRECTORS

	STI			
	Salary	Bonus	LTI	Total
2024				
IS Petersen**	5 817	4 057	12 325	22 199
S Moodley	2 588	962	–	3 550
Total	8 405	5 019	12 325	25 749
2023				
IS Petersen**	5 488	9 302	9 632	24 421
R Asmal	1 465	4 298	4 421	10 184
S Moodley	1 458	–	–	1 458
Total	8 411	13 600	14 053	36 064

** Amount paid by the Group to QVEST Consulting Proprietary Limited for services rendered by IS Petersen. IS Petersen is the sole shareholder of the Company.

The directors are the prescribed officers of the Group as well.

NON-EXECUTIVE DIRECTOR – TRUSTEES FEES

Fees earned for services as trustee for various trusts within the Group were as follows:

	Consolidated		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
BH Azizollahoff	115	107	–	–

Share-based-payments

The conditional share plan provided for participants to be awarded rights to a specified number of Dipula ordinary shares, the vesting of which is conditional upon the extent the performance conditions have been satisfied.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

37. Related party transactions (continued)

37.2 Directors' remuneration (continued)

		Number of unexercised options as at 31 August 2024	Number of options granted	Number of unexercised options as at 31 August 2023	Vesting date
IS Petersen	Tranche 1 – Dipula ordinary shares	–	834 161	–	22 Aug 22
	Tranche 2 – Dipula ordinary shares	–	2 109 280	–	19 Feb 23
	Tranche 3 – Dipula ordinary shares	–	1 754 520	1 754 520	15 Feb 24
	Tranche 3 – Dipula ordinary shares converted	–	1 052 712	1 052 712	15 Feb 24
	Tranche 4 – Dipula ordinary shares	756 388	756 388	756 388	15 Feb 25
	Tranche 4 – Dipula ordinary shares converted	783 355	783 355	783 355	15 Feb 25
	Tranche 5 – Dipula ordinary shares	1 530 304	1 530 304	1 530 304	20 Feb 26
	Tranche 6 – Dipula ordinary shares	1 632 305	1 632 305	–	20 Feb 27
		4 702 352	10 453 025	5 877 279	
R Asmal	Tranche 1 – Dipula ordinary shares	–	384 000	–	22 Aug 22
	Tranche 2 – Dipula ordinary shares	–	970 992	–	19 Feb 23
	Tranche 3 – Dipula ordinary shares	–	807 681	807 681	15 Feb 24
	Tranche 3 – Dipula ordinary shares converted	–	484 608	484 608	15 Feb 24
	Tranche 4 – Dipula ordinary shares	–	348 198	348 198	15 Feb 25
	Tranche 4 – Dipula ordinary shares converted	–	360 612	360 612	15 Feb 25
			–	3 356 091	2 001 099
S Moodley	Tranche 5 – Dipula ordinary shares	600 962	600 962	600 962	20 Feb 26
	Tranche 6 – Dipula ordinary shares	625 900	625 900	–	20 Feb 27
		1 226 862	1 226 862	600 962	

Refer to note 15 for share-based payment reserve.

38. Segmental information

The Group identifies and presents operating segments based on the information that is provided internally to the Chief Executive Officer, the Group's chief operating decision maker.

The segments are based on the sectoral nature including the property management segment. All operating segments are all located in South Africa. There are no single major customers.

The results of the operating segments are reviewed monthly by the Chief Executive Officer, to assess performance and make decisions regarding the allocation of capital to each of the operating segments.

The measurement policies the Group uses for segmental reporting under IFRS 8 are the same as those used in its financial statements, to arrive at distributable earnings.

Reportable segments for the year ended 31 August 2024 are consistent with those reported as at 31 August 2023.

38. Segmental information (continued)

Five of the segments generate rental income from the letting of investment properties.

The segmental information is limited:

- ▶ on the statement of comprehensive income to:
 - contractual rental income
 - property expenses
- ▶ on the statement of financial position to:
 - investment properties
 - non-current assets held-for-sale

All the debt is negotiated at a Group level with some of the subsidiaries carrying long-term debt.

All other line items are allocated to corporate as they are not split between the subsectors above for management purposes.

2024

Extracts from the statement of comprehensive income

	Retail R'000	Offices R'000	Industrial R'000	Residential R'000	Land R'000	Corporate R'000	Total R'000
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 operating expenses (including ECL)	(170 476)	(57 635)	(28 719)	(13 442)	(27)	–	(270 299)
Municipal expenses (excluding municipal rates)	(222 580)	(38 064)	(23 289)	(12 916)	(6)	–	(296 856)
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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

38. Segmental information (continued)

2023

Extracts from the statement of comprehensive income

	Retail R'000	Offices R'000	Industrial R'000	Residential R'000	Land R'000	Restated* Corporate R'000	Total R'000
Contractual rental income and recoveries (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 operating expenses (including ECL)	(164 191)	(53 853)	(25 235)	(13 943)	(11)	–	(257 233)
Municipal expenses (excluding municipal rates)	(179 965)	(29 005)	(17 465)	(10 097)	(13)	–	(236 546)
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 operating 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. Further to this, Municipal expenses have been split out from Property operating expenses and are reflected separately.

38. Segmental information (continued)

Reconciliations of reportable segment revenue and profit.

	2024 R'000
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 R'000
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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

38. Segmental information (continued)**Reconciliations of reportable segment assets**

	R'000
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

39. Subsequent events**Dividend declaration**

In line with IAS 10: *Events after the Reporting Period*, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements. The Board approved a final dividend on 11 November 2024 of 24.37996 cents per share for the year ended 31 August 2024 (31 August 2023: 25.41793 cents) amounting to R221.9 million (2023: R231.8 million) net of treasury shares. The dividend represents a pay-out ratio of 90% (2023: 90%) of total Group distributable earnings and 100% of the minimum JSE required SA REIT distribution.

Property damaged in fire

Subsequent to the reporting date, one of the Group's buildings sustained partial damage due to a fire. A professional team has been appointed to assess the extent of the damage, estimate the cost of reinstatement, and provide guidance on an appropriate remedial method. The building was fully insured, and management is in the process of evaluating the potential impact on the Group's financial position.

40. Going concern

The directors have evaluated the Group and Company's ability to continue as a going concern and believe that both the Group and Company have sufficient resources to operate sustainably for the foreseeable future. It is therefore appropriate to adopt the going concern basis in preparing the consolidated and separate annual financial statements. Based on the current cash flow forecast, operational environment, geographical diversity, and industry trends, the directors are satisfied that the Group and Company will remain solvent and liquid for the next 12 months and are in a sound financial position, with access to sufficient borrowing facilities to meet foreseeable cash flow needs.

APPENDIX 1: SA REIT BEST PRACTICE RECOMMENDATION RATIOS

The BPR is effective for the reporting periods commencing on or after 1 January 2020. The comparative figures have been disclosed on the same basis. 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 and 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	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

* Excluding treasury shares.

	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	5 745 256
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
SA REIT cost-to-income ratio		
Expenses		
Operating expenses per IFRS® Accounting Standards statement of comprehensive income (includes municipal expenses)	552 647	482 662
Administrative expenses per IFRS® Accounting Standards statement of comprehensive income	48 633	61 083
Other expenses – impairment loss and write off of receivables	14 507	11 118
<i>Exclude:</i>		
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® Accounting Standards statement of comprehensive income (excluding straight-lining)	1 110 320	1 111 308
Utility and operating recoveries per IFRS® Accounting Standards 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)

SA REIT administrative cost-to-income ratio

	Unaudited year ended 31 August 2024 R'000	Unaudited year ended 31 August 2023 R'000
Expenses		
Administrative expenses as per IFRS® Accounting Standards statement of comprehensive income	48 633	61 083
Administrative costs	48 633	61 083
Rental income		
Contractual rental income per IFRS® Accounting Standards statement of comprehensive income (excluding straight-lining)	1 110 320	1 111 308
Utility and operating recoveries per IFRS® Accounting Standards 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 m²	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%

SA REIT cost of debt

	Unaudited year ended 31 August 2024 %	Unaudited year ended 31 August 2023 %
Cost of debt		
<i>Variable interest-rate borrowings</i>		
Floating reference rate plus weighted average margin	10.33	9.56
<i>Fixed interest-rate borrowings</i>		
Weighted average fixed rate	–	–
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%

APPENDIX 2: DISTRIBUTION STATEMENT*

	Unaudited year ended 31 August 2024 R'000	Unaudited year ended 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: <i>Rental paid adjustment</i>	(8 891)	(8 564)
IFRS 16: <i>Finance cost adjustment</i>	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 audited by Forvis Mazars.

APPENDIX 3: INVESTMENT PROPERTY SUMMARY

Property	Address	Region	Multi/ Single	Acquisition date	GLA (m ²)	Average gross rent (R/m ²)
RETAIL						
Gillwell Taxi Retail Park	Corner Gillwell and Fleet Streets, East London	◆	Multi	Nov 15	21 378	170.62
Chilli Lane	Corner Rivonia and Leeuwkop Road, Sunninghill	◇	Multi	Jun 18	13 597	208.60
Umzimkhulu Mall	Bird and Main Street, Umzimkhulu	+	Multi	Jun 15	15 759	172.50
Gezina Galleries	Corner Michael Brink and Frederika, Gezina, Pretoria	◇	Multi	Jul 13	16 956	190.40
Nquthu Plaza	Erf 4008 Nquthu, Manzolwande Drive, Nquthu	+	Multi	May 12	14 906	184.24
Bochum Plaza	Corner Dendron and Blouberg Road, Bochum	■	Multi	May 12	12 073	174.74
Kopanong Kudube Shopping Centre	Douglas Rens Road, Kudube Ext 4, Hammanskraal	◇	Multi	Dec 14	10 767	193.57
Woodmead Super Value Mall	Waterfall Crescent South, Woodmead	◇	Multi	Jul 13	7 213	324.97
Tower Mall	Corner N12 and Jabulani Street, Jouberton, Klerksdorp	⊙	Multi	Dec 13	15 539	141.60
Hammanskraal Shopping Centre	Douglas Rens Road, Hammanskraal	◇	Multi	Dec 14	10 765	136.42
Seshego Circle (50%)	Confluence Nelson Mandela and Polokwane Drive, Seshego, Polokwane	■	Multi	Aug 15	15 619	187.00
Ziyabuya Shopping Centre	Corner Uitenhage Road and Makhwenk, Kwadesi	◆	Multi	Jul 13	14 578	111.11
Atrium at 45**	Kerk Street, Johannesburg	◇	Single	Jun 18	9 147	–
Game Groblersdal	Corner Barlow Street and Grobler Avenue, Groblersdal	■	Multi	Aug 15	7 856	158.86
Marikana Shoprite Shoprite Centre	Farm Rooikoppies 297, Marikana 259 Ben Viljoen Street, Pretoria North	⊙	Multi	Dec 17	6 139	172.01
Pretoria North Meadow Point Shopping Centre	Zone 2, Meadowlands	◇	Multi	Jul 13	5 782	222.95
Fin Forum	Corner Dr Van der Merwe Road and Sefako Makgatho Drive, Montana, Pretoria	◇	Multi	Aug 15	5 850	223.46
Asembe Power Park	Corner Chris Hani and Dynamo Streets, Soweto	◇	Multi	Aug 15	9 987	117.77
Kopanong Tembisa Phangami	Malatsi Street, Ivory Park, Tembisa Corner R524 (Punda Maria Road) and R523 (Sibasa Road)	◇	Multi	Jul 11	3 953	277.67
Tsakane Corner Palm Court	Sibongiseni Street, Tsakane Corner JG Strydom and Fern Road, Weltevreden Park	◇	Multi	Nov 14	5 407	181.84
Protea Point Shopping Centre**	Protea North, Soweto	◇	Multi	Jul 11	6 510	208.13
Belle Ombre Shopping Centre	Corner Boom and Potgieter Street, Marabastad, Pretoria	◇	Multi	Dec 14	3 871	233.49
Dobson Point Shopping Centre	Mohajane Drive, Dobsonville	◇	Multi	Jul 11	7 829	127.64
Shoprite Sibasa	57 Miluwani Street, Sibasa, Thohoyandou	◇	Multi	Dec 14	3 856	186.25
		■	Multi	Aug 15	5 915	126.32

APPENDIX 3: INVESTMENT PROPERTY SUMMARY (continued)

Property	Address	Region	Multi/ Single	Acquisition date	GLA (m ²)	Average gross rent (R/m ²)
Pimville Square	Modjadji Street, Pimville Zone 7	◇	Multi	Dec 14	4 291	177.90
Blackheath Pavilion	309 Pendoring Road, Blackheath	◇	Multi	Jul 13	6 346	142.26
Harding Corner (50%)	Corner Hawkins and Livingstone Streets; Harding	+	Multi	Mar 18	8 446	164.38
Randfontein Station Shopping Centre	Corner Station and Sutherland Roads, Randfontein	◇	Multi	Jul 14	5 978	155.87
Boxer Tzaneen	9 Station Road, Extension 4, Tzaneen	■	Multi	Aug 15	5 094	131.31
Chilli on Top	721 Leeuwkop Road, Sunninghill	◇	Multi	Jun 18	5 042	173.92
Welkom High Park Building	Stateway and Bok Street, Sanlam Business Centre, Welkom	◇	Multi	Apr 08	7 796	167.01
Sam Sekoti Vosloorus	Sam Sekoti Avenue, Vosloorus	◇	Multi	May 07	3 971	132.58
14 Kramer Street	14 Kramer, Kramerville	◇	Multi	Aug 18	4 692	133.67
Orange Farm/Town Square	Link Road, Orange Farm CBD	◇	Multi	Dec 12	5 504	78.08
Marikana Old Church	Farm Rooikoppies 297, Marikana	⊙	Multi	Dec 17	2 784	159.56
51 Govan Mbeki	51 Govan Mbeki Avenue, Port Elizabeth	◆	Multi	Oct 14	6 854	110.76
Pick n Pay Kroonstad	Corner President and Truter Streets, Kroonstad	◇	Multi	Jun 07	4 959	112.22
Fairways on Main (50%)	45 Main Road, Howick	+	Multi	Oct 13	6 763	162.85
October Avenue Ivory Park	2nd October Avenue, Ivory Park Ext 8 Park	◇	Single	May 07	2 715	*
Atlas Road Banking Centre Boksburg	Corner Atlas and Racecourse Road, Anderbolt, Boksburg	◇	Multi	Jul 11	3 300	159.52
Umgeni Business Park	1 Kosi Place, Springfield Park, Durban	+	Multi	Nov 13	3 688	150.10
Giyani Shopping Centre	Magistrate Street, Giyani	■	Multi	Jul 11	5 334	66.54
Main Street Corner Nigel	Corner Main and Hendrik Verwoerd Streets	◇	Multi	Apr 08	3 443	128.52
Woodmead Square	Waterfall Crescent South, Woodmead	◇	Multi	Jul 13	2 945	223.54
Blackheath Galleries	Corner Beyers Naude Drive and Mountain View, Blackheath	◇	Multi	Jul 11	3 161	132.61
Mafikeng Centre	20 Shippard Street, Mafikeng	⊙	Multi	Apr 08	1 764	136.35
Shoprite Westonaria	Corner Edwards and Allen Street, Westonaria, Randfontein	◇	Single	Jun 07	2 576	*
Virgin Active Horizon View	38 Van Santen Drive, Horizon View, Roodepoort	◇	Single	Jul 11	2 500	*
Eufeefees Corner Bethal	Corner Eufeefees and Mark Street, Bethal	□	Multi	Apr 08	2 424	126.82
Planet Fitness Montana	33 Tibouchina Street, Zambesi Drive, Montana Park, Pretoria	◇	Single	Jul 11	2 472	*
29 Main Street Mafikeng	29 Main Street, Mafikeng	⊙	Multi	Apr 08	2 601	116.71
30 Voortrekker Road	30 Voortrekker Road, Bellville	●	Single	Jun 07	3 189	*
Blouberg Plaza	Corner Dendron and Blouberg Road, Blouberg	■	Multi	May 12	971	258.67
Alberton Crossing	Corner Voortrekker and Ring Road, Alberton	◇	Multi	Jun 07	2 194	117.25
Casseys Auto Springs	140 – 2nd Street, Springs	◇	Single	Apr 08	6 884	*
Amandla BLVD	Corner Freedom Drive and Amanda Boulevard	◇	Single	May 07	1 500	*

Property	Address	Region	Multi/ Single	Acquisition date	GLA (m ²)	Average gross rent (R/m ²)
Boxer Giyani	Stand BA 43, 44 and 46 Giyani, Giyani Business Districts	■	Single	Mar 08	1 982	*
Alvaro Centre	82 President Kruger Street, Vanderbijlpark, Gauteng	◇	Multi	Apr 08	3 997	84.05
West Place Kempton Park	6 West Street, Kempton Park, Gauteng	◇	Multi	Apr 08	1 063	180.19
Duiwelskloof	Corner Charles Maberley Street and Gordon Street, Duiwelskloof	■	Multi	Aug 15	1 757	86.67
Bears Centre	9 Bears Street, Kuruman	◆	Multi	Apr 08	2 097	64.16
33 Pretoria Street	33 Pretoria Road, Kempton Park	◇	Multi	Apr 08	846	129.58
Citizen Springs	4th Avenue, Springs	◇	Multi	Apr 08	1 549	85.80
Standard Bank Krugersdorp	39 Human Street, Krugersdorp	◇	Multi	Apr 08	2 600	62.74
Standard Bank Vanderbijlpark	10 Van Rhijn Street, Vanderbijlpark	◇	Multi	Apr 08	2 461	159.54
Beacon Centre Vereeniging	14 Beaconsfield Avenue, Vereeniging	◇	Multi	Apr 08	1 550	67.55
ABSA Silverton	177 De Boulevard Street, Silverton, Pretoria	◇	Multi	Apr 08	2 024	76.49
ABSA Centre Krugersdorp	Corner Burger and Monument Streets Krugersdorp	◇	Multi	Apr 08	1 450	101.71
Absa Hercules	569 Van Der Hoff Street, Hercules, Pretoria	◇	Multi	Apr 08	1 375	117.04
Agatha Street Tzaneen	Joubert and Agatha Street, Tzaneen	■	Multi	Apr 08	913	96.57
FNB Florida	12 Goldman Road, Florida	◇	Multi	Apr 08	1 091	117.23
Express Centre Kempton Park	23 Pretoria Road, Kempton Park	◇	Multi	Apr 08	850	98.74
De Villiers Street Barberton	100 De Villiers Street, Barberton	■	Single	Apr 08	895	*
1 President Street Germiston	1 President Street, Germiston	◇	Multi	Apr 08	2 445	38.00
Church Street West Pretoria	472 WF Nokomo Street, Pretoria	◇	Single	Apr 08	866	34.64
Kruger Corner Vanderbijlpark	13 President Kruger Street, Vanderbijlpark	◇	Multi	Apr 08	1 773	53.45
Hobhouse Centre – Klerksdorp	19 Emily Hobhouse, Klerksdorp	⊙	Single	Apr 08	832	*
Beaconsfield Vereeniging	15 Beaconsfield Avenue, Vereeniging	◇	Multi	Apr 08	964	55.88
Standard Bank Sasolburg	Kirchoffer Boulevard, Sasolburg	◆	Single	Apr 08	892	*
Voortrekker Brakpan	62 Voortrekker Street, Brakpan	◇	Single	Apr 08	450	*
Total retail portfolio weighted average gross rent/m²					434 568[#]	158.69
Weighted average gross rent/m ² (single tenant)						98.19

APPENDIX 3: INVESTMENT PROPERTY SUMMARY (continued)

Property	Address	Region	Multi/ Single	Acquisition date	GLA (m ²)	Average gross rent (R/m ²)
OFFICE						
SAPS VIP	Corner Park and Troye Streets, Sunnyside, Pretoria	◇	Single	Dec 12	21 478	*
Avanti Office Park	Corner Carl Cronje and Bill Bezuidenhout Roads, Tygervalley	●	Multi	Jun 18	8 783	192.55
SAPS IJS	463 Prieska Street, Erasmuskloof, Pretoria	◇	Single	Dec 12	7 874	*
Firestation Rosebank	16 Baker Street, Rosebank	◇	Multi	Apr 18	4 259	317.44
Carnation Place	Constantia Boulevard and Albert Schweitzer Streets, Constantia Kloof	◇	Single	Jun 18	4 541	*
Valley View Office Park	680 Joseph Lister Street, Constantia Kloof	◇	Multi	Jun 18	6 793	113.34
Steve Biko Corner	27 Beatrix Street, Arcadia, Pretoria	◇	Single	Dec 12	5 048	*
21 Girton	21 Girton Road, Parktown	◇	Multi	Dec 06	5 085	131.12
Sanburn Building Benoni**	68 Woburn Avenue, Benoni	◇	Single	Jul 11	6 487	*
50 Hamilton Street	50 Hamilton Street, Arcadia, Pretoria	◇	Single	Nov 13	4 500	*
Montrose Place	Waterfall Park, Bekker Road, Vorna Valley Ext 21, Midrand	◇	Multi	Jun 07	3 923	100.42
55 Hyde Park	55 Hyde Park	◇	Single	Jun 18	2 191	*
Markem Office Building	21 Margaret Avenue, Kempton Park	◇	Multi	Dec 06	4 568	103.61
Horwood Centre Secunda	Horwood Street, Secunda	▣	Multi	Feb 08	3 916	127.60
ABSA Horizon Park	161 Ontdekkers Road, Horizon Park, Roodepoort	◇	Single	Jul 11	2 427	*
Howick Mews	1342 Howick Close, Waterfall Park, Midrand	◇	Multi	Apr 07	3 680	105.44
Hyde West	Building 7, Albury Park, Dunkeld West	◇	Single	Aug 15	1 132	*
Byron Place	320 Sophie De Bruyn, Pretoria	◇	Multi	Apr 13	3 272	96.93
Bruma Boulevard**	20 Zulberg Close, Bruma, Johannesburg	◇	Multi	Jul 11	4 623	102.25
Detnet (66.67%)	Centenary Street, Modderfontein	◇	Single	Jun 18	2 165	*
College House	26 Peter Place, Lyme Park, Bryanston	◇	Multi	Jul 11	1 850	101.13
Reclam – Illovo Head Office	Oxford Street, Illovo	◇	Single	Jul 18	878	*
SARS Welkom	Graaf Street, Welkom	◆	Single	Apr 08	2 687	*
Horizon Office Park	No. 4/6 Kingfisher Street, Horizon Park, Roodepoort	◇	Multi	Jul 11	3 008	93.66
Sloan Park	Cnr Main Road and Sloane Street, Bryanston	◇	Single	May 07	1 320	*
295 Kent Avenue	295 Kent Avenue, Randburg	◇	Multi	May 07	2 993	
Sandhaven Office Park	Corner Pongola and Katherine Streets, Eastgate, Sandton	◇	Multi	Jan 07	1 876	123.88
Fairland Office Park	200 Smit Street, Fairlands	◇	Multi	Oct 13	1 774	100.78
Waterview Corner	2 Ernest Oppenheimer Drive, Bruma Johannesburg	◇	Multi	Jul 11	2 460	102.11
Selbourne House Bloemfontein	Corner First and Selbourne Streets, Bloemfontein	◆	Single	Apr 08	1 188	*

Property	Address	Region	Multi/ Single	Acquisition date	GLA (m ²)	Average gross rent (R/m ²)
Mellis Park	334 Rivonia Road, Rivonia	◇	Single	Nov 13	634	*
Mellis Park 2	334 Rivonia Road, Rivonia	◇	Single	Jan 07	634	*
Byron Place Parking	Sophie De Bruyn Street, Pretoria	◇	Single		423	*
Total office portfolio weighted average gross rent/m²					128 469[#]	140.68
Weighted average gross rent/m ² (single tenant)						133.99

Property	Address	Region	Multi/ Single	Acquisition date	GLA (m ²)	Average gross rent (R/m ²)
INDUSTRIAL						
Corporate Park II Polokwane	Ext 12, Pietersburg	■	Multi	Jun 15	28 058	67.75
New Brighton PE	8 Struan Way, Struandale	◆	Single	Mar 15	24 515	*
Sterkolite Building	Corner Swartkop and Prieska Roads, Pretoria	◇	Single	Apr 13	12 782	*
Reclam – Prospecton	Jeffels Road, Isipingo	+	Single	Jul 18	12 531	*
Renaissance Park	49 Crownwood Road, Johannesburg	◇	Multi	Nov 07	10 680	60.03
Range Road Blackheath	5 Range Way, Blackheath, Kuils River	●	Multi	Jun 07	12 287	69.46
SIFON Park	238 Sifon Street, Robertville Ext 10	◇	Multi	Jun 07	9 298	50.81
Tedstone Park Wadeville	Tedstone Road, Wadeville	◇	Single	Aug 15	6 940	*
Reclam – PE Grahamstown Road	Grahams Road, Port Elizabeth	◆	Single	Jul 18	11 090	*
Reclam – Wadeville 4	Corner Manchester and Bezuidenhout Road, Wadeville	◇	Single	Jul 18	7 969	*
Jasco Eastgate Ext Sandton	12 Delphi Street, Eastgate Ext 18, Sandton	◇	Single	Jul 11	5 014	*
Bernie Street	c/o Bernie Street and Hilston Road	◇	Multi	Feb 07	6 342	50.17
Reclam – Wadeville 3	Snoek Place, Wadeville	◇	Single	Jul 18	7 392	*
Anderbolt McCarthy	246 Francis Road, Dormehl, Anderbolt, Boksburg	◇	Single	Jul 11	3 335	*
Alert Engine Parts	26 Western Boulevard, City West, Johannesburg	◇	Single	Jul 11	4 351	*
Document Warehouse	17 – 21 20th Street, PB003, Polokwane	■	Single	Aug 15	4 500	*
Reclam – Wilsonia	Bert Kipling Street, East London	◆	Single	Jul 18	12 950	*
Reclam – PE Burman Road	Burman Road, Port Elizabeth	◆	Single	Jul 18	8 922	*
Reclam – Richards Bay	Alumina Alley, Alton Industrial Park, Richards Bay	+	Single	Jul 18	5 766	*
Reclam – Pietermaritzburg	Lincoln Road, Woodlands Industrial, Pietermaritzburg	+	Single	Jul 18	3 750	*
Seatings	14 Bunsen Street, Industria, Johannesburg	◇	Single	Jul 11	6 752	*
14 Mandy Road	14 Mandy Road, Reuven, Johannesburg	◇	Single	Jul 11	7 115	*

APPENDIX 3: INVESTMENT PROPERTY SUMMARY (continued)

Property	Address	Region	Multi/ Single	Acquisition date	GLA (m ²)	Average gross rent (R/m ²)
Reclam – Watloo 3	Battery Street, Watloo, Pretoria	◇	Single	Jul 18	4 005	*
Wynpol 679	Corner Thora Crescent and 4th Street, Wynberg	◇	Multi	Apr 08	3 532	52.13
Park Avenue Industrial	13 Park Avenue, North Rooihuiskraal Extension 31	◇	Single	Apr 08	2 218	*
1 Killarney Avenue	No 1 Killarney Avenue, Milneron	●	Single	Apr 08	3 073	*
Eastgate Mini	11 and 13 Delphi Street, Eastgate, Sandton	◇	Single	Jun 07	2 600	*
381/382 Robertville	1037-1041 Anvil Road, Robertville, Roodepoort	◇	Multi	Jul 11	4 701	43.97
Reclam – Rustenburg	Hefer Street, Rustenburg	⊙	Single	Jul 18	5 407	*
Reclam – Middelburg 2	Watt Street, Industria, Middelburg	▣	Single	Jul 18	6 943	*
Reclam – Congella	Sydney Road, Congella, Durban	+	Single	Jul 18	2 542	*
Reclam – Middelburg	Watt Street, Industria, Middelburg	▣	Single	Jul 18	6 429	*
Dauphin Seatings	12 Bunsen Street, Industria, Johannesburg	◇	Single	Jul 11	3 563	*
Reclam – Newcastle	Van der Bijl Street, Newcastle	+	Single	Jul 18	7 286	*
Saint Gobain	49 Silicon Street, PB017, Polokwane	■	Single	Aug 15	1 810	*
Reclam – Phoenix	Aberdare Drive, Phoenix	+	Single	Jul 18	1 783	*
Reclam – Clayville	Industry Road, Clayville Industrial	◇	Single	Jul 18	4 899	*
Humcor	9 Borax Street, Alrode Ext 7, Alberton	◇	Multi	Apr 08	2 658	52.11
Reclam – Vanderbijlpark	Delfos Boulevard, Vanderbijlpark	◇	Single	Jul 18	11 806	*
Border Place Malvern	7 Geldenhuis Road, Malvern East, Germiston	◇	Multi	Apr 08	3 593	21.17
Reclam – Hercules	Taljaard Street, Pretoria	◇	Single	Jul 18	1 310	*
Reclam – Wadeville 1	Kreupelhout Street, Wadeville	◇	Single	Jul 18	2 294	*
289 Granville Road	289 Granville Avenue, Robertville, Roodepoort	◇	Single	Jul 11	1 070	*
Jubilee Street Kempton Park	6 – 8 Jubilee Street, Kempton Park	◇	Single	Apr 08	1 493	59.63
Midway Centre	6 Old Pretoria Road, Richards Drive Halfway House	◇	Multi	Nov 08	4 993	67.06
Total industrial portfolio weighted average gross rent/m²					302 343	43.40
Weighted average gross rent/m ² (single tenant)						37.44

Property	Address	Region	Multi/ Single	Acquisition date	GLA (m ²)	Average gross rent (R/m ²)
RESIDENTIAL						
Palm Springs Cosmo City	35 Georgia Crescent, Cosmo City	◇	Multi	Jul 20	18 796	137.96
Urban Village Bruma	25 Ernest Oppenheimer Drive, Bruma	◇	Multi	Mar 21	5 288	162.36
Urban Village Midrand	16 Broadwalk Street, Midrand	◇	Multi	Mar 21	4 137	161.51
Norwood Centre	74 Grant Avenue, Norwood	◇	Multi	Jul 11	1 375	159.87
Total residential portfolio weighted average gross rent/m²					29 596[◇]	147.42

Property	Address	Region	Multi/ Single	Acquisition date	GLA (m ²)
LAND					
Stellendale Village	Belhar Road, Kuils River	●	Land	Dec 16	–
Lephalale Conference Centre	Ptn 9 of erf 2631, Ellisras	■	Land	May 14	–
Total Land					–

* Single tenanted property.

** Property under redevelopment.

GLA inclusive of co-owned properties.

◇ Includes retail.

◆ Eastern Cape
◇ Gauteng
+ KwaZulu-Natal

○ North West
■ Limpopo
□ Mpumalanga

◇ Free State
● Western Cape
◆ Northern Cape

10 SHAREHOLDER INFORMATION





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SHAREHOLDER ANALYSIS

for the year ended 31 August 2024

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000	2 579	71.72	155 477	0.02
1 001 – 10 000	266	7.40	1 298 992	0.14
10 001 – 100 000	375	10.43	14 637 902	1.61
100 001 – 1 000 000	261	7.26	94 826 225	10.40
Over 1 000 000	115	3.20	801 083 104	87.84
Total	3 596	100.00	912 001 700	100.00
Distribution of shareholders				
Assurance companies	21	0.58	16 478 961	1.81
BEE entities	2	0.06	58 062 630	6.37
Close corporations	13	0.36	2 776 024	0.30
Collective investment schemes	151	4.20	474 329 971	52.01
Control accounts	1	0.03	1	0.00
Custodians	4	0.11	43 999	0.00
Foundations and charitable funds	19	0.53	10 752 562	1.18
Hedge funds	4	0.11	21 539 168	2.36
Insurance companies	2	0.06	68 335	0.01
Investment partnerships	6	0.17	182 692	0.02
Managed funds	12	0.33	5 347 419	0.59
Medical aid funds	12	0.33	5 930 044	0.65
Organs of state	4	0.11	13 351 188	1.46
Private companies	81	2.25	26 684 250	2.93
Public companies	5	0.14	46 803 586	5.13
Public entities	2	0.06	470 867	0.05
Retail shareholders	3 019	83.95	28 396 087	3.11
Retirement benefit funds	159	4.42	121 503 124	13.32
Scrip lending	3	0.08	34 673 982	3.80
Sovereign funds	1	0.03	25 966 580	2.85
Stockbrokers and nominees	16	0.44	7 626 806	0.84
Treasury	1	0.03	1 549 583	0.17
Trusts	58	1.61	9 463 841	1.04
Total	3 596	100.00	912 001 700	100.00
Shareholder type				
Non-public shareholders	4	0.11	39 862 465	4.37
Directors and associates	3	0.08	38 312 882	4.20
Treasury	1	0.03	1 549 583	0.17
Public shareholders	3 592	99.89	872 139 235	95.63
Total	3 596	100.00	912 001 700	100.00

* Pursuant to the provisions of section 56 of the Companies Act, 2008, disclosures from foreign nominee companies have been included in this analysis.

	Number of shares	% of issued capital
Fund managers with a holding greater than 5% of the issued shares		
Coronation Fund Managers	209 637 793	22.99
Camissa Asset Management	123 602 385	13.55
Abax Investments	83 661 345	9.17
Truffle Asset Management	49 937 418	5.48
Total	466 838 941	51.19
Beneficial shareholders with a holding greater than 5% of the issued shares		
Coronation Fund Managers	169 417 909	18.58
Sanlam Group	64 880 639	7.11
Nedbank Group	61 105 191	6.70
Dipula BEE Trust	58 029 520	6.36
Camissa Asset Management	46 723 993	5.12
Arrowgem Limited	45 581 241	5.00
Total	445 738 493	48.87

Total number of shareholdings 3 594

Total number of shares in issue 912 001 700

JSE STATISTICS

	DIB
Share price performance	
Opening price 1 September 2023	R4.05
Closing price 31 August 2024	R4.50
Closing high for period	R4.50
Closing low for period	R3.65
Number of shares in issue	912 001 700
Volume traded during period	222 939 384
Ratio of volume traded to shares issued	24.45%
Rand value traded during the period	R882 893 350
Price/earnings ratio as at 31 August 20234	8.04
Earnings yield as at 31 August 2024	12.44
Dividend yield as at 31 August 2024	11.11
Market capitalisation at 31 August 2024	R4 104 007 650

SHAREHOLDERS' DIARY

Financial year-end	31 August
Publication of reviewed results	13 November 2024
Extracts of consolidated financial results and notice of AGM posted to shareholders	10 December 2024
AGM	18 February 2024

DEFINITIONS AND ABBREVIATIONS

ABASA	Association for the Advancement of Black Accountants
ABSIP	Association of Black Securities and Investment Professionals
Acorim	Acorim Proprietary Limited
AFS	Annual Financial Statements
AGM	Annual general meeting
ALPI	All Property Index
ANC	African National Congress
B-BBEE	Broad-based black economic empowerment
BCI	Business Confidence Index
BI	Business Intelligence
the Board	The Board of Directors of Dipula Income Fund Limited
BOE	Bank of England
BPO	Business Process Outsourcing
BPR	SAREIT Association best practice recommendations
CEO	Chief Executive Officer
COJ	City of Johannesburg
CIPC	The Companies and Intellectual Property Commission
the Companies Act	South African Companies Act, No 71 of 2008, as amended
CPI	Consumer price index
CSI	Corporate social investment
CSP	Conditional share plan
CTC	Cost to company
Dipula/the Company/the Fund	Dipula Income Fund Limited, listed on main board of JSE in the Property: Real Estate sector
DAMT/Asset Manager/Manco	Dipula Asset Management Trust, the asset manager of Dipula Income Fund Limited
DIB	Dipula ordinary share code
DMTNP	Domestic Medium-Term Note Programme
DPW	Department of Public Works
DTI	Department of Trade and Industry
EAF	Energy availability factor
EBITDA	Earnings before interest, taxation, depreciation and amortisation
ECB	European Central Bank
ECL	Expected credit loss
EPC	Energy Performance Certificates

DEFINITIONS AND ABBREVIATIONS (continued)

ESD	Enterprise and supplier development
ESG	Environmental, social and governance
EU	European Union
Exco	Executive Committee of Dipula Income Fund Limited
FD	Financial Director
FDI	Foreign direct investments
Fed	Federal Reserve Board
FFO	Funds from operations
Financial statements	The consolidated and separate financial statements
FOMC	Federal Reserve's Open Market Committee
FSCA	Financial Services Conduct Authority
FY	Financial year
GCR	Global credit rating
GDP	Gross domestic product
GFC	Global financial crisis
GHG	Greenhouse gas
GLA	Gross lettable area, measured in square metres
GNU	Government of National Unity
Gross rental	Includes basic rental, operating cost and rates recoveries
the Group	Dipula Income Fund Limited and its subsidiaries
HEPS	Headline earnings per share
HCE	Household consumption expenditure
HR	Human resources
HS Act	Health and Safety Act No 85 of 1993 regulations
Hynorex	Hynorex Proprietary Limited
IASB	International Accounting Standards Board
IBC	Inside back cover
ICR	Interest coverage ratio
IFRIC	IFRIC® Interpretations as issued by the IFRS Interpretations Committee
IFRS	IFRS® Accounting Standards
<IR>	Integrated Reporting Framework
IPP	Independent power producers
IT	Information technology
JSE	Johannesburg Stock Exchange incorporating the Johannesburg Securities Exchange, the main board in South Africa

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KPI	Key performance indicator
kWh	Kilowatt hours
kWP	Kilowatt peak
LTI	Long-term incentive
LTV	Loan-to-value
MOI	Memorandum of Incorporation
MPC	Monetary Policy Committee
MTBPS	Medium-term budget policy statement
NAV	Net asset value
NCI	Non-controlling interest
NPC	Non-profit company
NPEs	National and Provincial Elections
NPO	Non-profit organisation
NTAV	Net tangible asset value
PDI	Previously disadvantaged individual
Phepha 006	Phepha Prop 006 Proprietary Limited
PIC	Public Investment Corporation
POPI/POPI Act	Protection of Personal Information Act
the previous year	The year ended 31 August 2023
PS	Performance shares
PV	Photovoltaic
Q3	Third quarter
OCGT	Open-cycle gas turbine
OECD	Organisation for Economic Co-operation and Development
QoQ	Quarter on quarter
QPM	Quarterly Projection Model
REIT	Real Estate Investment Trust, a JSE property investment vehicle which owns and operates income-producing property
Report/Integrated Report/IR	Integrated report
Resilient	Resilient REIT Limited
Revenue	Includes gross rental plus all utility recoveries and other income
S&P	Standard & Poor's Global Ratings
SA	South Africa

DEFINITIONS AND ABBREVIATIONS (continued)

SACSC	South African Council of Shopping Centres
SAIBPP	South African Institute of Black Property Practitioners
SAICA	South African Institute of Chartered Accountants
SAPOA	South African Property Owners Association
SAPY	JSE SA Listed Property Index
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASRIA	South African Special Risk Insurance Association
SA REIT	The SA REIT Association
Scheme	Scheme of arrangement to approve the repurchase of Dipula A shares by the issue of 2.4 Dipula B shares
SDGs	United Nations Sustainable Development Goals
SENS	Stock Exchange News Service
SHE	Safety, Health and Environment
SMME	Small, medium and micro enterprises
SOEs	State Owned Enterprises
STI	Short-term incentive
TGP	Total guaranteed package
the year/year under review	The year ended 31 August 2024
Unlocked	Unlocked Properties 18 Proprietary Limited
USD	United States dollar
US	United States of America
WSP	Workplace Skills Plan
WALE	Weighted average lease expiry
YoY	Year-on-year
ZAR	South African Rand

CORPORATE INFORMATION

DIPULA INCOME FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2005/013963/06)
JSE share code: DIB
ISIN: ZAE000203394
(Approved as a REIT by the JSE)
("Dipula" or "the Company" or "the Fund", and together with its subsidiaries, "the Group")

Registered office and business address

12th Floor Firestation Rosebank
16 Baker Street
Rosebank
2196

(Private Bag X3, Rosebank, 2132)

Independent auditors

Forvis Mazars Gauteng
Practice number 900222
Registered auditors
Forvis Mazars House
54 Glenhove Road
Melrose Estate
2196

Transfer secretaries

JSE Investor Services Proprietary Limited
(Registration number 2000/007239/07)
5th Floor
One Exchange Square
Gwen Lane
Sandown
2196

Bankers

Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
3rd Floor
East Wing
30 Baker Street
Rosebank
2196

(PO Box 8786, Johannesburg, 2000)

Corporate advisor and sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6th Floor
1 Park Lane
Wierda Valley
Sandton
2196

(PO Box 2087, Parklands, 2121)

Company Secretary

Acorim Proprietary Limited
(Registration number 2013/087325/07)
13th Floor Illovo Point
68 Melville Road
Illovo
Sandton
2196

Key JSE information

Registration number	2005/013963/06
DIB ISIN	ZAE000203394
JSE-listed REIT	1 September 2013
JSE share codes	DIB
Date listed	17 August 2011
B-BBEE	Level 4 (2023: Level 6)
Market capitalisation	R4.1 billion (2023: R3.7 billion)
Closing price (31 August 2024)	DIB: R4.50 (2023: R4.08)

www.dipula.co.za

