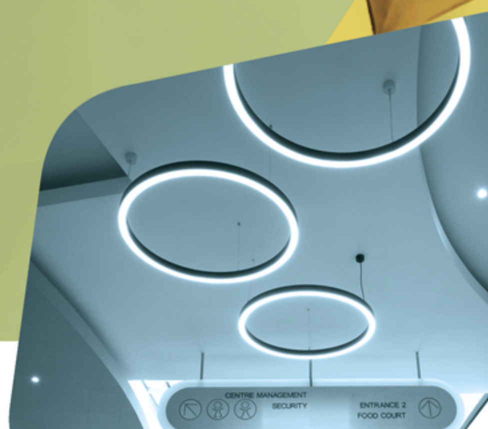
Vukile
Centres of Growth

BUILDING COMMUNITIES,
GROWING VALUE.

TWENTY 25

UNAUDITED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 September 2024



Vukile Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2002/027194/06)
JSE share code: VKE
ISIN: ZAE000180865
NSX share code: VKN
Debt company code: VKEI
(Granted REIT Status with the JSE)
(Vukile or the group or the company)

A strong first half comprising outstanding operating results positions us well for continued growth

DISCIPLINED OPERATIONAL MANAGEMENT DELIVERS SUSTAINED PERFORMANCE ACROSS SOUTH AFRICAN PORTFOLIO

- Like-for-like retail **NOI growth** of **4.6%**
- Annualised **trading density** growth of **4.2%**
- Retail **vacancies** contained at **1.9%**
- **Cost-to-income ratio** decreased to **15.1%** (lowest level in a decade)
- Like-for-like retail **portfolio value** increased by **3.7%**

EXCEPTIONAL RELATIONSHIPS WITH TENANTS ENSURE CASTELLANA MAINTAINS MARKET-LEADING METRICS

- Normalised like-for-like **NOI growth** of **2.1%**
- Portfolio occupancy of **98.6%**
- Positive **rental reversions** of **45.5%**
- **95%** of retail space let to **international and national** tenants
- Lowest-in-the-market occupancy-cost ratio of **9.5%**

PRUDENT BALANCE SHEET MANAGEMENT SECURES STRONG LIQUIDITY OF R6.4 BILLION

- Significant available **cash balances** of **R5.1 billion** and undrawn debt facilities of **R1.3 billion**
- **LTV** reduced to **35.4%**
- Interest cover ratio **(ICR)** increased to **2.5 times**
- **c.R2 billion raised** from new share issuances
- Hedge ratio increased to **91%** and Castellana's Aareal syndicated loan **refinanced** with a **fixed-term interest rate**
- Corporate long-term credit rating of $AA_{(ZA)}$ was reaffirmed by GCR, with the outlook being **upgraded** from stable to **positive**

STRATEGIC CORPORATE AND ACQUISITION ACTIVITY POSITIONS US WELL FOR TRANSFORMATIVE GROWTH

- Sold remaining interest in Fairvest for **c.R141 million**
- Accepted offer to dispose of **28.8%** interest in Lar España at **€8.30** per share, for **c.€200 million**
- Acquired an 80% controlling interest in three shopping centres in **Portugal**, valued at **c.€176.5 million**
- **Active pipeline of deals** currently under consideration

GROWTH STRATEGY DELIVERS 6% INCREASE IN DIVIDEND PER SHARE

- Funds from operations **(FFO)** of **82.40 cents** per share
- Interim dividend of **55.2 cents** per share (**R679 million** in aggregate), up **6%** on the prior period

Commentary

NATURE OF OPERATIONS

Vukile is a high-quality, low-risk, retail-focused Real Estate Investment Trust (REIT) operating in South Africa, Spain and now Portugal. Our results reflect the ongoing strength of our consumer-led model, a strong operational focus and a hands-on, proactive approach to property asset management and balance sheet risk management.

FINANCIAL PERFORMANCE

Executive summary

Vukile's growth strategy is gaining momentum as we enter the start of the interest rate cutting cycle. We expect to see benefits from the reduced cost of funding in the second half of the reporting period. In October, Castellana concluded its first acquisition in Portugal, acquiring three shopping centres in a landmark transaction, increasing Castellana's exposure to the Iberian Peninsula. In addition, Castellana accepted a voluntary cash tender offer for its investment in Lar España and concluded an irrevocable undertaking to sell its 28.8% shareholding for c.€200 million. Over the past six months, we continued to see strong operational performance, supported by solid balance sheet metrics. Vukile remains well positioned to deliver on its full-year growth guidance for FFO and dividend per share.

The following significant events and transactions occurred during the six months ended 30 September 2024:

- Share issuances:
  - July 2024: 36.98 million shares were issued under a dividend reinvestment plan (DRIP) at R14.50 per share, resulting in Vukile retaining R536.2 million (before costs) and representing a scrip election under the DRIP of 67.5%.
  - September 2024: 88.2 million shares issued at R17.00 per share, amounting to R1.5 billion (before costs).
- Investment in Lar España:
  - During April 2024, Castellana acquired a further 34,411 shares in Lar España at c.€7.25 per share, increasing its shareholding to 28.8%.
  - During the period, Castellana received an offer for its shares in Lar España by way of a voluntary cash tender offer, from a consortium comprising Hines European Real Estate Partners III SCSp and a vehicle controlled by Grupo Lar Inversiones Inmobiliarias, at a price of €8.10 per share. The offer was subsequently increased to €8.30 per share. On 2 October, Castellana concluded an irrevocable undertaking to accept the higher offer price. Castellana will sell its 24 090 411 shares in Lar España for an aggregate consideration of c.€200 million.
- The purchase in April 2024 of 50% of the Mall of Mthatha, formerly BT Ngebs City (in the Eastern Cape) for c.R400 million (Vukile's share).
- Sale of non-core assets:
  - The transfer of Sandton Bryanston Ascot Offices was concluded in May 2024 at a sale price in line with book value.
  - The sale of Vukile's remaining 2.5% interest in Fairvest for c.R141 million, in May 2024.
- A successful unsecured bond auction was held in August 2024, which was 3.4 times oversubscribed. Vukile raised R796 million through 3, 5 and 6.5 year bonds.
- Castellana successfully refinanced €242 million of the Aareal syndicated loans with a fixed-term interest rate, maturing in FY29.
- Vukile entered new interest rate swaps of R2.55 billion and €24.45 million for ZAR and EUR interest-bearing debt, respectively. Group hedging of interest-bearing debt increased from 58.5% at 31 March 2024 to 91.3% at 30 September 2024 due to the debt refinancing and new interest rate swaps.
- Global Credit Rating (GCR) reaffirmed Vukile's national scale issuer rating of $AA_{(ZA)}$ and $A1+_{(ZA)}$ for long- and short-term ratings respectively, with a positive outlook. Fitch Ratings Inc. (Fitch) also reaffirmed Castellana's Long-term Issuer Rating (IDR) of BBB-, with an upgraded positive outlook. The rating reflects an international investment-grade rating for Castellana.

Dividend

The board approved a final dividend of 55.18051 cents per share for the six months ended 30 September 2024. The total dividend for the interim period is R679 million. The dividend payment is comfortably covered by cash from operations for the period. A dividend declaration announcement in respect of the dividend, containing information relating to the salient dates and tax treatment of the dividend, will be released separately on SENS.

Calculation of funds from operations

The below table highlights variances when comparing the results for the year ended 30 September 2024 to the prior comparable period, with footnotes and explanations below the table.

	30 September 2024 Rm	30 September 2023 Rm	Variance %
Property revenue	**1 539**	1 546	(0.5)
Property expenses (net of recoveries)	**(182)**	(192)	5.2
Net income from property operations	**1 357**	1 354	0.2
Corporate administration expenses[1]	**(224)**	(181)	(23.8)
Investment and other income[2]	**554**	57	
Loss on realisation of derivative	—	(33)	
Operating income before finance costs	**1 687**	1 197	40.9
Finance costs[3]	**(665)**	(492)	(35.2)
Income before equity-accounted income	**1 022**	705	45.0
Share of (loss)/income from associate and joint venture[4]	**(1)**	1	
Income before taxation	**1 021**	706	44.6
Taxation	**(2)**	(1)	
Income after taxation	**1 019**	705	44.5
Net income attributable to non-controlling interests (NCI)	**(5)**	(4)	(25.0)
Attributable to Vukile group	**1 014**	701	44.7
Non-IFRS[5] adjustments	**(1)**	180	
Accrued dividends[6]	**(88)**	174	
Non-cash impact of IFRS entries[7]	**7**	5	
Antecedent income[8]	**80**	1	
FFO	**1 013**	881	15.0
Number of shares in issue at the end of the reporting period	**1 229 933 623**	1 036 266 628	18.7
FFO per share	**82.40**	84.99	(3.0)

1 *Refer to the group corporate expenditure breakdown further on in the commentary.*
2 *Investment income includes finance income (interest received) of R137 million (H1 FY24: R32 million) and foreign exchange differences on FECs of R39 million (H1 FY24: R5 million). H1 FY25 includes dividend income from Lar España amounting to R378 million. In H1 FY24, no dividend from Lar España was included in IFRS due to the timing of the dividend declaration. H1 FY24 includes dividend income from Fairvest amounting to R20 million, and nil for H1 FY25 due to the sale of shares.*
3 *The increase in finance costs is mainly as a result of EUR base rate increases that impacted Castellana's Aareal syndicated loans, of which the fixed rate expired in September 2023. The loans were refinanced and re-fixed in September 2024.*
4 *Net amount in respect of Vukile's share of net profit from MICC Namibia, ALT Capital and Fetch.*
5 *International Financial Reporting Standards (IFRS).*
6 *For the purposes of FFO, the Lar España dividend accrual (net of withholding tax) amounts to R274 million (H1 FY24: R156 million). Given that R378 million was included in H1 FY25 from an IFRS perspective (nil for H1 FY24), a non-IFRS adjustment of -R104 million applies (H1 FY24: +R156 million). For H1 FY25, the full prior period under accrual (c.€5.3 million) has been included in FFO due to the fact that the investment in Lar España is classified as held for sale, with the sale expected to be concluded in January 2025. The amount also includes an FEC accrual of R16 million (H1 FY24: -R14 million), relating to Castellana's dividend for H1 FY25. Prior period includes a Fairvest dividend accrual of -R1 million and elimination of R33 million relating to the MEREV top-up.*
7 *This amount relates to the non-cash impact of IFRS 16 – Leases.*
8 *125.2 million new shares were issued during the period, which increased the total shares in issue to 1 229 933 623 shares.*

Commentary continued

Revenue and net income from direct property portfolio

Geographical segment	Revenue[1] 30 September 2024 Rm	Revenue[1] 30 September 2023 Rm	% change	Net property income 30 September 2024 Rm	Net property income 30 September 2023 Rm	% change
South Africa	**818**	776	5.4	**705**	643	9.6
Spain	**721**	770	(6.4)	**652**	711	(8.3)
Total	**1 539**	1 546	(0.5)	**1 357**	1 354	0.2
Split percentage						
South Africa	**53.2**	50.2		**52.0**	47.5	
Spain	**46.8**	49.8		**48.0**	52.5	

[1] *Excludes straight-lining and recoveries.*

The South African stable portfolio delivered 3.8% like-for-like growth in revenue and 4.6% like-for-like growth in net property income. Taking into account the impact of properties sold, the total portfolio delivered an increase of 5.4% and 9.6% in total revenue and net property income, respectively.

Excluding the impact of exchange rate movements, Castellana's recurring revenue increased by 1.7% for the period. The reduction in total revenue and total NOI is due to exchange rate movements as well as income received from the sellers of VallSur and Los Arcos in the prior period to cover loss of income during capital projects.

Portfolio-specific metrics, operational results and trading are discussed more fully in the relevant South African and Spanish portfolio reviews hereafter.

Investment and other income

	30 September 2024 Rm	30 September 2023 Rm	Movement Rm	Variance %
Income from listed investments (Fairvest and Lar España)	**378.2**	19.6	358.6	
FEC realised	**38.7**	4.6	34.1	
Interest income	**137.0**	33.2	103.8	
Total	**553.9**	57.4	496.5	>100

During the period, Vukile sold its remaining 2.5% interest in Fairvest in line with its strategy to dispose of non-core assets. Income from listed investments in the current period consists of the dividend from Lar España for their year ended 31 December 2023. H1 FY25 includes dividend income from Lar España amounting to R378 million. In H1 FY24, no dividend from Lar España was included in IFRS due to the timing of the dividend declaration. The Lar España dividend accrual included in FFO for H1 FY25 amounts to c.R274 million by way of a non-IFRS adjustment. For H1 FY25, the full prior period under accrual (c.€5.3 million) has been included in FFO due to the fact that the investment in Lar España is classified as held for sale, with the sale expected to be concluded in January 2025. Refer to further commentary below in respect of listed investments.

Vukile enters into FECs to hedge the EUR exposure in respect of dividends received from Castellana (in aggregate), in line with the anticipated dividend dates of dividend receipts from Castellana. The FECs seek to minimise adverse foreign exchange fluctuations and provide stable, predictable dividend streams for investors. In the current period, an increase in FEC income was realised due to a strengthening of the Rand/Euro foreign exchange rate relative to the FEC contract rates.

Interest income increased due to the impact of higher interest rates during the period, coupled with short-term cash investments from the proceeds of the recent equity capital raise in South Africa.

Listed investments

	30 September 2024			31 March 2024	
Entity	Carrying value Rm	Number of shares held	% held	Carrying value Rm	% held
Fairvest (B shares)	—	—	**0.0**	142.4	2.5
Lar España Real Estate SOCIMI	**3 731.8**	**24 090 411**	**28.8**	3 538.0	28.7
Total	**3 731.8**			3 680.4	

Lar España Real Estate SOCIMI (Lar España) – 28.8% shareholding
Lar España is a Madrid Stock Exchange Listed, retail focused Spanish SOCIMI.

During the period, Castellana acquired a further 34 411 shares in Lar España, increasing its shareholding to 28.8%.

The share price of Lar España at 30 September 2024 was €8.05 per share, resulting in a ZAR equivalent carrying value of R3.73 billion against an investment cost of R2 billion.

Dividends from Lar España included in FFO for the six months ended 30 September 2024 amounted to c.€13.7 million (30 September 2023: c.€8.1 million). The ZAR equivalent dividend included in FFO for the period amounted to c.R274 million (30 September 2023: c.R156 million). Historically, any prior period under accrual related to the Lar España dividend, was brought into Vukile's FFO equally in H1 and H2 of each reporting period. For H1 FY25, the full prior period under accrual (c.€5.3 million) has been included in FFO due to the fact that the investment in Lar España is classified as held for sale, with the sale expected to be concluded in January 2025.

During the period, Castellana received an offer for its shares in Lar España by way of a voluntary cash tender offer, from a consortium comprising Hines European Real Estate Partners III SCSp and a vehicle controlled by Grupo Lar Inversiones Inmobiliarias, at a price of €8.10 per share. The offer was subsequently increased to €8.30 per share. On 2 October, Castellana concluded an irrevocable undertaking to accept the higher offer price. Castellana will sell its 24 090 411 shares in Lar España for an aggregate consideration of c.€200 million.

Further narrative in respect of Castellana's investment in Lar España is provided in the portfolio review of the Spanish portfolio, later in this commentary.

Fairvest
During the period, Vukile sold its remaining 2.5% interest in Fairvest, in line with the strategy of disposing non-core assets. The sale realised proceeds of c.R141 million. The sale proceeds are being redeployed in PV projects in South Africa and will generate income in H2 FY25.

No dividends were received from Fairvest in the six months ended 30 September 2024 (30 September 2023: R19.6 million). In addition, no dividends from Fairvest were included in FFO for the period ended 30 September 2024 (30 September 2023: R18.9 million).

Group corporate expenditure

	30 September 2024 Rm	30 September 2023 Rm	Variance Rm	Variance %
South Africa: Total corporate expenditure	**115.8**	82.7	33.1	40.0
Corporate expenditure excluding environmental, social and governance (ESG) costs	**108.0**	76.7	31.3	40.8
ESG costs	**7.8**	6.0	1.8	30.0
Spain: Total corporate expenditure	**108.1**	98.4	9.7	9.9
Corporate expenditure excluding ESG and innovation costs	**94.4**	88.2	6.2	7.0
ESG and innovation costs	**13.7**	10.2	3.5	34.3
Group total	**223.9**	181.1	42.8	23.6

Corporate expenditure equates to 0.95% of total assets (31 March 2024: 0.92%), with 1.13% attributable to South Africa (31 March 2024: 1.02%) and 0.81% attributable to Spain (31 March 2024: 0.85%). Corporate expenditure in South Africa includes head office and overhead costs that benefit both the Vukile and Castellana portfolios.

The increase in corporate costs[1] in South Africa is mainly attributable to staff-related costs (c.R25 million) as well as the roll-out of marketing and advertising campaigns (c.R1.5 million). Increase in staff-related costs relates to out-performance (c.+R7.4 million) on the conditional share plan included in the current period compared to a clawback (c.-R17.4 million) in the prior period, which accounts for R24.8 million (79%) of the variance. Excluding the impact of the R24.8 million variance, corporate expenditure (excluding ESG costs) increased by c.7%.

Commentary continued

The increase in corporate costs[1] in Spain is mainly attributable to corporate advisory fees and other aborted costs related to prospective property acquisitions (c.R4.9 million, €248 000) which accounts for 79% of the variance.

[1] *Excluding ESG and innovation and foreign exchange movements.*

Group cash flow

The major items reflected in the composition of cash generated and utilised during the year under review are set out below:

	30 September 2024 Rm	30 September 2023 Rm
Cash from operating activities	**1 188**	1 166
Dividends paid	**(802)**	(678)
Net finance costs	**(441)**	(394)
Income from listed investments	**378**	282
Net increase in borrowings	**1 291**	153
Issue of shares	**2 027**	696
Investment property capex (net of disposals)	**(708)**	(205)
Disposal of listed investments (net of acquisitions)	**136**	—
Tenant and other deposits	**(100)**	—
Purchase of additional shares in Castellana from MEREV	**—**	(1 325)
Other cash movements	**(50)**	(95)
Net increase in cash and cash equivalents[1]	**2 919**	(400)

[1] *Excluding foreign currency exchange loss of R125 million (2023: R6 million profit).*

Net asset value (per share)

The net asset value (NAV) of the group decreased by 1.8% from R21.55 per share to R21.17 per share at 30 September 2024, as set out in the table below:

	Rand per share
NAV 1 April 2024	**21.55**
Net property income	**1.17**
Net finance costs	**(0.43)**
Issue of shares	**(0.55)**
Change in fair value of investment property net of capex	**0.21**
Change in fair value of listed investments	**0.32**
Dividend paid	**(0.65)**
Foreign exchange differences	**(0.61)**
Other movements	**0.16**
NAV 30 September 2024	**21.17**

The NAV per share decreased primarily due to strengthening of the Rand/Euro foreign exchange rate from R20.37/Euro at 31 March 2024 to R19.24/Euro at 30 September 2024.

Vukile's share price of R18.26 per share at 30 September 2024 represents a 13.8% discount to the NAV per share.

Share trading and liquidity

Vukile continues to be a highly traded and liquid share. During the six-month period to 30 September 2024, 387 million Vukile shares traded (H1 FY24: 220 million shares), equating to approximately 64.4 million shares per month (H1 FY24: 36.7 million shares per month). In the last six months, 31.46% of Vukile shares in issue were traded.

SA REIT ratios

The SA REIT ratios, together with comparatives, are included in a separate section at the end of this report.

TREASURY MANAGEMENT

Balance sheet and treasury risk management remains one of Vukile's key focus areas. Vukile and Castellana continue to benefit from very strong relationships with their diversified funding providers.

At 30 September 2024, consolidated group LTV net of cash was 35.4% (31 March 2024: 40.7%), with a group interest cover ratio (ICR) of 2.5 times (31 March 2024: 2.3 times). Since group ICR is a 12-month backward-looking metric, improvements in base interest rates will take time to reflect in the group ICR. Vukile's debt metrics are comfortably within covenant levels. This applies to group (consolidated) covenants, bank transactional covenants and domestic medium-term note (DMTN) covenants.

The group LTV ratio reduced, primarily as a result of the issue of R1.5 billion in new shares in September 2024, the dividend re-investment plan (DRIP) which raised R536 million in July 2024, an increase in property valuations and an increase in the Lar España share price. In the next six to 12 months, as cash is deployed into new acquisitions, the group LTV is expected to increase to c.40%.

The group debt maturity profile is at a healthy 3.5 years and the group interest-bearing debt hedge ratio is at 91% (31 March 2024: 59%). The hedge ratio has increased primarily due to the Castellana's Aareal syndicated loans of €242 million being refinanced with a fixed-term interest rate. The loans were refinanced more than 12 months prior to their maturity. During the period, Vukile hedged R2.6 billion of ZAR debt and €24 million of SA EUR debt. Benefits from hedging debt at below current base rates are only expected to be felt in a lower average cost of debt in H2 FY25.

Castellana debt has no recourse to the South African or group balance sheet. It is noteworthy to highlight that Castellana's assets would need to undergo a 63% reduction in asset value before reaching Castellana's 65% LTV covenant. Castellana's average debt maturity profile is at a healthy 4.6 years. The next Castellana debt maturity will be in FY29.

Credit rating

In July 2024, GCR, as part of its annual review, reaffirmed Vukile's corporate credit rating of $AA_{(ZA)}$ (long-term issuer rating) and national short-term scale of $A1+_{(ZA)}$, and upgrading its outlook from stable to positive. According to GCR, the positive outlook reflects Vukile's "consistently strong property performance metrics in both its South African and Spanish portfolios" and recognises that this is supported by Vukile's "access to capital and strong liquidity."

In October 2024, Fitch Ratings Inc. (Fitch) reaffirmed Castellana's Long-term Issuer Rating (IDR) of BBB-, upgrading its outlook from stable to positive. The rating reflects an international investment-grade rating for Castellana.

Group borrowings summary

The group's funding strategy is to optimise funding costs while minimising refinance risk. Total debt at 30 September 2024 amounted to R19.5 billion (31 March 2024: R18.9 billion). A summary of funding by currency is provided below:

Funding breakdown	Number of funders	Rm	Percentage of debt %	
Foreign funders (EUR)	5	**8 536**	43.8	Secured against Castellana's balance sheet with no recourse to Vukile
South African bank funders (ZAR)	3	**3 350**	17.2	Secured against Vukile's South African balance sheet
South African bank funders (EUR)	3	**4 093**	21.0	
Domestic medium-term note (DMTN) programme (ZAR)		**3 497**	18.0	Unsecured
Total[1]		**19 476**	100.0	

[1] *Excludes amortised cost.*

Commentary continued

Sources of funding

Vukile's debt funding is well diversified across several funders, in line with the group's strategy to manage concentration and refinance risk.

Group debt and hedging exposure per bank (ZAR)	Debt[1] Rm	Debt exposure per bank %	Hedging and fixed debt[2] Rm
Aareal (Spain)[3]	5 846	30.0	5 813
DMTN – unsecured corporate bonds (SA)	3 497	18.0	—
Absa (SA)	2 832	14.5	4 530
RMB (SA)	2 072	10.6	2 136
Santander (Spain)[3]	1 932	9.9	1 836
Nedbank (SA)	1 500	7.7	1 780
Standard Bank (SA)	1 039	5.4	20
BBVA Bank (Spain)[3]	370	1.9	370
Liberbank (Spain)[3]	253	1.3	—
Pichincha (Spain)[3]	135	0.7	—
Investec (SA)	—	—	294
Total	**19 476**	**100.0**	**16 779**

1 *Foreign currency-denominated debt is converted at a EUR/ZAR spot rate of R19.24 at 30 September 2024. All amounts are nominal debt exposure and exclude amortised transaction costs and accrued interest.*
2 *Hedging exposure is represented by exposure per banking relationship.*
3 *Group exposure includes Castellana debt of €444 million (R8.536 billion equivalent), which is non-recourse to Vukile.*

Vukile group loan and swap expiry profile at 30 September 2024

As part of the group's funding strategy, Vukile proactively manages its debt expiry. Only 4.4% (R863 million) of group debt matures in FY25 with €3.4 million (R65 million) being the amortisation of Castellana bank debt. Vukile has exceptionally strong liquidity with cash and undrawn committed facilities of R6.4 billion, exceeding all debt expiring over the next 12 months by 2.8 times. Vukile continues to focus on liquidity by maintaining a balance between undrawn committed facilities and its short-term debt expiries, to reduce and effectively manage refinance risk.

	FY25	FY26	FY27	FY28	FY29	FY30	FY31 and Beyond	Total
Loan expiry profile including access facilities (%)	4.4	7.7	20.2	7.5	31.4	26.7	2.1	**100.0**
Term loan expiry profile (Rm)	446	1 107	3 639	1 443	6 129	5 195	416	**18 375**
Access facility expiry profile (Rm)	417	395	289	—	—	—	—	**1 101**
Hedged portion (interest rate swaps, caps and fixed debt) (Rm)	2 127	624	8 507	4 655	866	—	—	**16 779**

A summary of group debt ratios at 30 September 2024 is provided below:

	30 September 2024			31 March 2024		
	Group	South Africa	Spain	Group	South Africa	Spain
Total debt (excluding access facilities) (Rm)	**18 375**	**9 839**	**8 536**	18 855	8 661	10 194
Hedged portion (interest rate swaps, caps and fixed debt) (Rm)	**16 779**	**8 760**	**8 019**	11 032	6 573	4 459
Interest-bearing debt fixed/hedged (%)	**91.3**	**89.0**	**93.9**	58.5	75.9	43.7
Hedged (swaps and fixed debt) maturity profile (years)	**2.3**	**1.9**	**2.7**	2.3	2.2	2.6
Debt maturity profile (years)	**3.5**	**2.7**	**4.6**	2.9	3.1	2.6
LTV ratio (net of cash)[1] (%)	**35.4**	**51.3**	**24.1**	40.7	43.3	38.8
LTV covenant level (%)	**50**	**N/A**	**65**	50	N/A	65
ICR[2]	**2.5 times**	**2.2 times**	**2.7 times**	2.3 times	2.0 times	2.7 times
ICR covenant level	**2.0 times**	**N/A**	**1.15 times**	2.0 times	N/A	1.15 times

1 *LTV ratio (net of cash) is calculated as a ratio of nominal interest-bearing debt less cash and cash equivalents (excluding restricted cash) divided by the sum of (i) the amount of the most recent directors' valuation (external valuation in the case of the Spanish portfolio) of all the direct property portfolio on a consolidated basis; (ii) the market value of listed investments; and (iii) investments in associates and non-listed investments (Namibia and the REimagine portfolio).*

2 *ICR is based on operating profit excluding straight-line lease income, plus earnings from investments less corporate costs (EBITDA), divided by finance costs, after deducting all finance income (net interest cost) over the respective period.*

Group finance costs

The group's average cost of finance (including amortisation of capitalised raising fees) for the period ended 30 September 2024 was 5.7% (31 March 2024: 5.5%). We have been able to partially offset historically high base rates with a reduction in ZAR margins (off successful DCM auctions in August 2023, February 2024 and most recently in August 2024). This is evidenced by the H1 FY25 ZAR cost of debt reducing to 9.0% (31 March 2024: 9.5%).

Castellana's fix of €256 million (relating to the Aareal syndicated loans) expired in September 2023. The full impact of the increased Euro base rates in respect to this loan is evidenced by the H1 FY25 EUR cost of debt increasing to 4.0% (31 March 2024: 3.7%).

Interest-bearing debt (excluding access facilities) is 91.3% hedged with a 2.3-year hedged maturity profile (31 March 2024: 58.5% with a 2.3-year hedge maturity profile).

We have begun to see a decrease in base rates, both in South Africa and Spain, and expect base rates to continue to reduce over the remainder of FY25. The benefits of lower base rates will take 12 months to be fully incorporated in the average cost of debt.

	H1 FY25 cost of debt %	Debt at 30 September 2024 Rm	FY24 cost of debt %	Debt at 31 March 2024 Rm
ZAR	**9.0**	**6 847**	9.5	5 993
EUR	**4.0**	**12 629**	3.7	12 862
Total	**5.7**	**19 476**	5.5	18 855

Undrawn facilities

Undrawn facilities at 30 September 2024 amounted to R1.3 billion (31 March 2024: R2.9 billion). The ratio of cash and undrawn committed facilities to debt expiring over the next 12 months (R2.3 billion) is 2.8 times, which demonstrates Vukile's strong liquidity position, with more than sufficient capacity to repay debt expiring over the next 12 months, if required.

Commentary continued

Unsecured debt and unencumbered assets

	30 September 2024 Rm	31 March 2024 Rm
Property assets (external valuation)	**860**	862
Listed shares	**14 055**	14 526
Unencumbered assets	**14 915**	15 388
Unsecured debt	**3 497**	3 043
Covenant exclusive facilities[1]	**417**	—
Unsecured + covenant exclusive	**3 914**	3 043
Unsecured debt to unencumbered assets (%)	**23.4**	19.8

[1] *Covenant exclusive facilities form part of the bank's secured debt, with rights to its secured security pool, however, they do not form part of transactional financial covenants.*

The decrease in unencumbered assets is primarily attributed to the sale of Fairvest shares and EUR/ZAR exchange rate movements.

Movement in group debt

During the period, total group debt increased by R0.6 billion. The most significant movements in debt were as follows:

	Nominal debt drawn/ (repaid) Rm	Foreign exchange movements Rm	Net Rm
Vukile ZAR DMTN debt	**454**	—	**454**
Vukile ZAR bank debt	**400**	—	**400**
Vukile EUR debt	**1 572**	**(148)**	**1 424**
Castellana EUR debt	**(1 093)**	**(564)**	**(1 657)**
Total	**1 333**	**(712)**	**621**

During the period, R5.3 billion of debt facilities were newly negotiated and/or extended. In August 2024, R796 million of unsecured corporate bonds were issued with 3-, 5- and 6.5-year tenors, at margins of 1.19%, 1.37% and 1.46%, respectively (Vukile's lowest margins since launching our DMTN programme in 2012).

Group foreign exchange currency hedges

Vukile has adopted a layered approach to hedging its EUR dividend exposure (in aggregate) with FECs, targeting an average hedge ratio of c.60% across a five-year period (tiered 100% hedging in year one, 80% hedging in year two, etc), in line with the anticipated dates of dividend receipts from Castellana. The intention with the dividend hedging strategy is to minimise adverse foreign exchange fluctuations and provide stable, predictable dividend streams for investors.

Castellana's FFO is not hedged, thus ensuring that Vukile's FFO is positively exposed to a weaker Rand, while still providing predictable dividends over the short to medium term through a layered approach to hedging. Castellana's net forecast FY25 dividends are fully hedged.

PORTFOLIO REVIEW – SOUTH AFRICA

Operating environment

The South African portfolio continued to achieve strong operational results for H1 FY25 with positive and sustained overall portfolio metrics. Major operational efficiency measures continue their upward trajectory relative to prior periods and are further buoyed by the positive political and improving macro-economic environment post the national elections held in May 2024. Notable highlights over the period have been the sustained positive reversionary cycle, strong retention ratios, steady growth in overall base rentals, improved rent-to-sales ratios, continued growth in trading densities and footfall, significant decrease in the cost-to-income ratio and sustained high collection rates. This sustained performance, as has been the case in the past five years, is testament to the solid, dominant and defensive overall composition of the South African portfolio, driven by disciplined operational management and value-add acquisitions in areas of growth across South Africa.

The trading environment over H1 FY25 can be characterised as a tale of two quarters. The first quarter saw steady but measured trade, with average trading densities growing at 2.9% up to June. This operating environment was characterised pre- and post-election uncertainty. The operating environment has since seen significant improvement after the outcome of a peaceful election and creation of a government of national unity and a multi-party executive. Trading densities showed month-on-month improvement in July, August and September to close at an overall annualised trading density increase of 4.2% at the end of the period.

Key to this growth has been an operating period of uninterrupted power supply throughout all 182 days of H1 FY25, significant positive signals at a macro-economic level, the turn in the interest rate cycle and traction on governmental reforms (including railway, ports, water, visas, spectrum and electricity supply) driven by the operation Vulindlela roadmap. All this significant positive momentum augurs well for the supply of services to our malls across the country as well as consumer health and sentiment, which drives sales within our malls.

We remain cautiously optimistic that further reforms will be introduced to boost the economy and potentially drive GDP growth to exceed population growth in the medium term. Looking forward to the next six months, we eagerly await the impact of the retirement two pot system reform on retail sales, which should come through in the December trade figures. We will in the meanwhile continue to focus on operational efficiency strategies to ensure that we maximise the performance and growth of the portfolio.

The South African total direct property portfolio on 30 September 2024 consisted of 38 properties, with a total value of R16.5 billion, a gross lettable area (GLA) of 814 688m² and an average value of R434 million per property.

The South African retail portfolio, which accounts for 97% of the value of the assets, was valued at R16.0 billion and consists of 33 properties, with an average value of R485 million per property. In total, 85% of retail space is let to national tenants.

Retail portfolio overview

The South African retail portfolio has performed admirably and delivered a like-for-like net operating income (NOI) growth of 4.6%.

There has been significant leasing activity over this period. We have seen both national and independent tenants increase their occupancy levels within the portfolio. Our top 10 tenants renewed leases on c.18 800m² of lettable area and expanded their footprint with c.2 200m² or 21% of the new leases in FY25. Vacancy levels excluding the Mall of Mthatha (currently under redevelopment) have remained at 1.9%, matching the FY24 rate. Including Mall of Mthatha, vacancies have increased to 2.3%. We have made significant traction on Mall of Mthatha leasing activity. Upon transfer, the vacancies were 16.9%. We have since decreased them to 8.2%, with further lets to occur, including a new anchor prior to the conclusion of the redevelopment in March 2025. We anticipate that Mall of Mthatha will be substantially let in Q2 of FY26. The overall retail portfolio remains defensive with vibrant leasing activity.

Rental reversions increased by 1.6%, with 85% of the renewals either flat or positive, which underscores the strong trading performance delivered by the portfolio and the price tension created by low vacancies and waiting lists in some of our rural and township assets. Out of the 287 renewals concluded over the period, two specific renewals were the biggest detractors to growth, being the Gym Company at Randburg Square and Cashbuild at Maake Plaza, which we had to strategically retain, without which overall retail reversions would have been 3.3%. Recent weighted average lease expiry (WALE) on renewals has also been higher than the portfolio average (+3.8 years vs +3.5 years), which, in conjunction with the positive reversions, is an indication of strong support for the portfolio, and an overall improvement on sentiment from retailers.

In total, 12 597m² of vacant space (1.7% of total retail GLA) has been let, as opposed to 12 295m² of tenants who vacated. Out of the total number of tenants who have vacated over this period, c.49% of them have been small, medium and micro-enterprises (SMMEs). Over the period under review, 368 leases were concluded (287 renewals and 81 new leases) covering 82 822m², with a total contract value of R733 million. This equates to 11% of the portfolio's lettable area compared to 19% in FY24, 20% in FY23, 22% in FY22 and 11% in FY21. Tenant retention remains steady at 93%, with 78% of leasing activity concluded with nationals and second-tier retailers underscoring the strong covenants which underpin the portfolio's cash flows.

The portfolio's rent-to-sales ratio remains stable at 6.0%. The annualised trading densities increased by 4.2% (FY24: 2.4%) measured on a 24-month like-for-like basis. This growth resulted in an average annual trading density of R35 388/m². The township, rural, value centre, commuter and urban portfolios grew by 7.4%, 3.9%, 2.2%, 2.4% and 2.1%, respectively. On average, the turnover within the portfolio was 4.1% higher than in the preceding 12 months. 11 of the 14 retail categories within the portfolio showed growth in both annualised trading densities and overall turnover. The grocery category (21% of GLA) experienced a trading density growth of 5.2% (FY24 0.9%). The fashion category (23% of GLA) showed a trading density growth of 1.8% (FY24 0.9%) which reflects a recovery in consumer spending, in line with recent national retail sales figures.

The overall portfolio footfall is 100% in line with the previous comparable period. The township portfolio grew marginally to 101% when compared to H1 FY24 while the commuter mall portfolio was at 100%. The rural (98%) and urban (97%) centres had marginally less feet, but with more spend per head as has broadly been experienced by the industry over the past year. In the urban category, Pine Crest spend per head grew by 7.3% and Maluti Crescent in the rural portfolio increased by 7.2%. Overall, we are seeing an increase in spend per head faster than turnover, which indicates that shoppers are frequenting malls less but spending more upon each visit.

Commentary continued

The portfolio value increased by 3.7% on a like-for-like basis in H1 FY25. The average asset size has increased to R485 million, further highlighting the regional and nodal dominance of the 33 assets which make up the core of the portfolio.

We will continue to drive operational efficiencies to manage cost pressures, particularly around security and energy costs. Stakeholder management remains a key focus area, particularly around community engagements and community forums. We are encouraged by the strong support that we continue to see from South African retailers and will continue meaningful initiatives to better understand and improve experiences for our shoppers, which results in value for our tenants and all stakeholders.

- Retail vacancies reduced to 1.9% (2.3% including Mall of Mthatha currently under redevelopment)
  - 10 malls fully let
  - 19 malls with vacancies less than 1 000m²
  - Rural, value centre and urban vacancies are at 0.4%, 0.8% and 1.5%, respectively (from 0.4%, 0.8% and 1.5%, respectively in FY24)
- Retail reversions continue to be positive at 1.6%. Out of the 287 leases renewed, 77% were positive, 8% flat, and only 15% were negative
- An average lease term of 3.8 years has been attained on recent transactions, relative to the portfolio WALE of 3.5 years
- Collections remain strong at 101% of billings
- Escalations remain strong with in-contract escalations at 6.3% and new leases concluded at an average escalation of 6.3% as well
- Retail retention ratio remains steady at 93%
- Cost-to-income ratio reduced from 16.8% to 15.1% driven by solar PV, operational efficiencies and diesel savings (due to reduction in loadshedding)

Energy and sustainability management

Three key pillars of energy and sustainability management strategy

Optimum electricity and water supply
- 20% of the electricity consumed in the portfolio is now being generated through 32 PV projects
- Total installed PV plant capacity to date is 26.5MWp from 21.6MWp in FY24
- 8.4MWp of solar PV currently under construction will be completed in FY25
- 91% of the portfolio by value already has backup water storage (rural and commuter at 100%, urban at 90%, township at 88% and value centre at 78%)
- Installed 240 Propelair toilets which are projected to save 40% of the water consumed in female ablutions
- Installed additional energy-saving lights at Moruleng Mall, Bloemfontein Plaza and Queenstown Nonesi Mall, which are 30% more efficient than the previous fittings

Battery Energy Storage System (BESS) project update
- 4.4MWh of BESS installed to date
- Queenstown Nonesi Mall is the first successful BESS system commissioned
- Full backup power provided during key trading periods
- BESS will reduce electricity demand charge, irrespective of loadshedding

Management and monitoring
- Increased remote metering of the portfolio to 88% from 84% in FY24
- 1201 new smart electricity meters installed
- 129 new smart water meters installed

Footfall and turnover

Sustained customer loyalty, driven by our focus on consumer needs and strategic initiatives, has helped maintain consistent footfall and drives sales growth.

	Footfall	
	September 2024 versus September 2023 %	March 2024 versus March 2023 %
Rural	100	101
Township	97	104
Urban	96	98
Commuter	94	95
Total portfolio	**97**	**101**

Annual turnover increased by 4.1% when comparing the 12 months ended 30 September 2024 to 30 September 2023.

	Movement in annual turnover %	Portfolio exposure based on turnover %
Total	**4.1**	**100.0**
Grocery and food	3.6	42.4
Fashion, department and home	2.5	32.8
Other categories	7.3	24.8
Grocery and food		
Grocery/supermarket	3.1	32.1
Food	5.0	10.3
Fashion, department and home		
Fashion	3.5	22.6
Home furnishings/art/antiques/décor	1.0	5.3
Department stores	(0.1)	5.0
Other categories		
Pharmacies	9.1	6.2
Sports utilities/gyms/outdoor goods and wear	8.0	4.1
Bottle stores	9.0	3.7
Cell phones	6.2	2.5
Restaurants and coffee shops	1.9	1.5
Health and beauty	7.1	1.0
Accessories	0.8	0.8
Electronics	4.0	0.8
Other categories	7.0	4.3

Annualised trading densities (annualised turnover per m² of occupied space) increased by 4.2%.

	Township %	Urban %	Rural %	Value centres %	Commuter %	Total %
Total annualised trading density growth	7.4	2.1	3.9	2.2	2.4	4.2
Grocery and food	9.0	1.1	4.4	0.7	(2.1)	5.0
Fashion, department and home	4.2	2.2	2.0	0.1	3.0	2.5
Other categories	7.6	0.9	5.9	4.9	4.8	4.6

Commentary continued

	Annualised trading density growth %
Total	**4.2**
Bottle stores	9.4
Pharmacies	7.4
Grocery/ supermarket	5.2
Food	4.6
Health and beauty	4.5
Department stores	3.9
Sports utilities/gyms/outdoor goods and wear	2.8
Cell phones	2.5
Home furnishings/ art/ antiques/ décor	2.3
Fashion	1.8
Accessories	0.6
Electronics	(0.2)
Restaurants & coffee shops	(1.7)
Other categories	4.7

Tenant arrears

Tenant arrears (net of provisions) amounted to R51.1 million on 30 September 2024 compared to R37.9 million on 31 March 2024. Excluding provisions, the balance on 30 September 2024 amounted to R89.0 million compared to R116.9 million on 31 March 2024.

The allowance for the impairment of tenant receivables on 30 September 2024 decreased to R37.9 million from R79.0 million on 31 March 2024.

Bad debts written off for the period 30 September 2024 amounted to R19.5 million (31 March 2024: R10.9 million).

Sales

The sale of Sandton Bryanston Ascot Office Park for R15.3 million has been completed and transferred in Q1 FY25.

Valuation of South African portfolio

The South African portfolio consists of 38 properties with a total GLA of 814 688m².

The accounting policies of the group require that the directors value the entire portfolio every six months at fair value. Using a discounted cash flow (DCF) methodology, approximately half of the portfolio is valued every six months, on a rotational basis, by registered independent external valuers. The directors have valued the South African property portfolio at R16.5 billion[(1)] with a forward yield of 8.7% on 30 September 2024. The value of the stable portfolio (excluding sales), at an average value density of R20 218/m² (retail R20 664/m²), is R544 million or 3.4% higher than the March 2024 value.

The external valuations by Quadrant Properties (Pty) Ltd and Knight Frank (Pty) Ltd are in line with the directors' valuations.

[(1)] *The South African property portfolio value takes into account Moruleng Mall at 80%, whereas in the unaudited consolidated interim financial statements, the group property value reflects 100% of Clidet No 1011 (Pty) Ltd, which owns Moruleng Mall.*

Short-term focus areas

The key focus areas for the portfolio in the short term will be on further strengthening tenant and community relationships, ongoing research into understanding customer behaviour and continuing our pursuit of operational excellence.

Customer insights

- Accumulate and analyse data on consumers to improve the shopper journey in a tangible and meaningful way
- Integrate data that includes current portfolio metrics, psychographic information, nodal dynamics and individualised customer data from the Wi-Fi database
- Utilise integrated data to enable the business to respond in real time to consumer behaviour changes and movements
- Explore new avenues for alternative revenue sources

Tenant relationships

- Remain a partner of choice by providing well-managed and safe shopping environments for our retailers to prosper
- Continue to foster sound relationships at executive level with our top 20 tenants to ensure sustained growth of the portfolio
- Continue to incubate new entrants and SMMEs into the portfolio through our Retailer Academy Programme
- Introduce energy availability strategy to support our tenants

Operational excellence

- Continue exploring sustainable solutions to manage costs through integration, efficiency of operations, and cash flow management – across soft services, hard services, marketing and promotions, property, utility and alternative income management
- Continue delivering on PV strategy to optimise energy and utility spend
- Intensify the execution of our water strategy to ensure malls are operational when services are interrupted
- Continue spending our capital budget effectively to ensure that the assets are fit for purpose and highly marketable
- Drive effective and quick decision making and turnaround time for innovative solutions across the value chain

People and communities

- Empower community-based service providers to become partners in mall operations
- Continue to invest in corporate social investment initiatives that make a difference in communities in which we operate
- Execute on targeted promotional activity to drive footfall and spend at our malls
- Support local communities to entrench the position of our malls as a loved and integral part of the community

Commentary continued

Top 15 properties by value

Vukile's top 15 properties are all retail assets. They are 88% exposed to national, listed and franchised tenants. These properties comprise 70.8% of the total portfolio value and 55.2% of the total portfolio GLA.

Property	Location	GLA m²
Pinetown Pine Crest	KwaZulu-Natal	43 735
Boksburg East Rand Mall[1]	Gauteng	34 942
Durban Phoenix Plaza	KwaZulu-Natal	24 072
Phuthaditjhaba Maluti Crescent	Free State	35 749
Pretoria Kolonnade Retail Park	Gauteng	39 660
Soweto Dobsonville Mall	Gauteng	26 438
Gugulethu Square	Western Cape	25 698
Queenstown Nonesi Mall	Eastern Cape	27 881
Mdantsane City Shopping Centre	Eastern Cape	36 266
Daveyton Shopping Centre	Gauteng	19 859
Moruleng Mall[2]	North West	25 246
Atlantis City Shopping Centre	Western Cape	21 983
Germiston Meadowdale Mall[3]	Gauteng	33 146
Thohoyandou Thavhani Mall[4]	Limpopo	17 778
Roodepoort Hillfox Value Centre	Gauteng	37 562
Total top 15 properties		450 015
% of total portfolio		55.2
% of retail portfolio		58.2

(1) 50% undivided share in this property.
(2) 80% undivided share in this property.
(3) 67% share in the company.
(4) 33.33% undivided share in this property.

Summary of portfolio changes

GLA reconciliation	Retail portfolio GLA m²	Total portfolio GLA m²
Balance on 31 March 2024	**743 385**	**789 798**
GLA adjustments	(144)	(141)
Disposals	—	(5 539)
Acquisitions and extensions	30 569	30 569
Balance on 30 September 2024	**773 810**	**814 687**

Vacancy reconciliation	Retail portfolio GLA m²	Retail portfolio %	Total portfolio GLA m²	Total portfolio %
Balance on 31 March 2024	**14 400**	**1.9**	**21 042**	**2.7**
Less: Properties sold since 31 March 2024	—	—	(5 539)	100.0
Remaining portfolio balance on 31 March 2024	14 400	1.9	15 503	2.0
Leases expired	123 906		123 906	
Tenants vacated or relocated	12 295		12 294.6	
Renewal of expired leases	(60 728)		(60 728)	
Leases to be renewed	(52 022)		(52 022)	
New letting of vacant space	(23 752.6)		(24 007.6)	
Balance on 30 September 2024	**14 098**	**1.9**	**14 946**	**1.9**

Portfolio profiles

Geographic profile

Vukile's portfolio is well represented in most South African provinces. At the same time, it is focused on high-growth nodes with 78% of the gross income from Gauteng, KwaZulu-Natal, Eastern Cape and Free State.

	% of gross income	% of GLA
Gauteng	36	42
KwaZulu-Natal	22	16
Eastern Cape	11	11
Free State	9	10
Western Cape	8	7
Limpopo	8	7
Mpumalanga	3	4
North West	3	3

Sectoral profile

Based on value, 97% of the South African portfolio is in the retail sector, followed by 1.1% in the office, 1.1% in the motor-related sector, 0.4% in the industrial sector and 0.3% in the residential sector.

Tenant profile

Large national and listed tenants and major franchises account for 83% of our tenants by rentable area.

	% of rent		% of GLA	
	Retail	Total portfolio	Retail	Total portfolio
A – Large national and listed tenants and major franchises	72	72	75	74
B – National and listed tenants, franchises and medium to large professional firms	10	9	10	9
C – Other (972 tenants)	18	19	15	17

Lease expiry profile

The South African lease expiry profile shows that 20% of the leases based on rentals are due for renewal in FY25, with 41% due to expire in FY28 and beyond. Based on GLA, 42% of leases are due to expire in FY28 and beyond, contributing to a WALE by GLA of 3.5 years

	FY25	FY26	FY27	FY28	Beyond FY28
% of contractual rent	20	18	21	16	25
Cumulative	20	38	59	75	100

	Vacant	FY25	FY26	FY27	FY28	Beyond FY28
% of GLA	1.9	20	18	18	14	28
Cumulative	1.9	22	40	58	72	100

Commentary continued

Vacancy profile

The focused in-house leasing drive to fill vacancies resulted in reducing the all-important retail vacancies to 1.9%. A material part of the current retail vacancies is due to office lettable area within the retail environment. Core retail vacancies excluding this office component is 1.2%.

Retail office vacancies are at Mbombela Shoprite, Daveyton Mall and Roodepoort Ruimsig Shopping Centre which are 3 514m², 696m² and 481m² respectively. Projects that will explore alternative use and potential conversions are being explored for the retail office vacancy market which currently has low levels of demand.

There has been significant traction in leasing residential units following a marketing intervention to improve our offering with value-add services such as Wi-Fi offered to tenants.

Vacancies (% of GLA)	30 September 2024 %	31 March 2024 %
Retail	**1.9**	1.9
Offices	**4.7**	26.8
Motor-related	—	—
Industrial	—	—
Residential	—	3.2
Total	**1.9**	2.7

Vacancies (% of gross rental)	30 September 2024 %	31 March 2024 %
Retail	**3.7**	2.0
Offices	**5.0**	18.0
Motor-related	—	—
Industrial	—	—
Residential	—	3.3
Total	**3.7**	2.3

Leasing profile

Vukile concluded new leases and renewals in excess of 83 000m² with a contract value of R733.8 million. Tenant retention on the total portfolio is 93%, with retail retention also at 93%.

Rental profile

There were positive reversions of 1.6% on the retail portfolio. Retail reversions were stronger in the value centre, rural and township segments, and are starting to show an improvement in the urban and commuter portfolios.

The weighted average base rental rates (excluding recoveries) increased by 2.6% from R167.97/m² to R172.31/m² during the year to date.

Base rental rates (excluding recoveries)	30 September 2024 R/m²	31 March 2024 R/m²	Escalation %
Retail	**174.34**	170.52	2.2
Offices	**132.55**	124.05	6.9
Motor-related[1]	**193.31**	186.19	3.8
Industrial	**63.60**	60.00	6.0
Residential	**147.92**	115.95	27.6
Portfolio weighted average base rentals	**172.31**	167.97	2.6

[1] *Expiry rental on Bellville Barons included tenant installation, renewal rental now comprises only of basic rental, excluding the historical tenant installation portion.*

In-contract escalation rates	30 September 2024 %	31 March 2024 %
Retail	**6.3**	6.3
Offices	**6.6**	7.4
Motor-related	**7.0**	7.0
Industrial	**6.0**	6.0
Total	**6.3**	6.3

Retail tenant profile and exposure
Vukile's tenant exposure is well diversified and low-risk, with national tenants representing c.82% of retail rental income.

Our top 10 tenants account for 48% of total rent and 54% of GLA. Pepkor and TFG are our two single largest tenants, accounting for 8.1% and 8.0% of total rent, respectively.

Our data-driven asset management enables us to identify risk early. It is our strategy to mitigate the risk of overexposure to a single retail group or brand, and we have strategies in place where there is a potential risk. In this way, we mitigate risk but can also respond quickly to opportunities to introduce new retail brands to our portfolio.

Weighted average lease expiry (WALE)
Vukile has a retail tenant expiry profile based on rent of 2.8 years, with 41% of contractual rental expiring in FY28 and beyond.

Costs
The largest expense categories contribute 83% to the total expenses. These are government services (47%), rates and taxes (18%), cleaning and security (11%) and property management (7%).

We continuously evaluate methods of containing costs in the portfolio and urge our property managers to implement innovative solutions to achieve this.

The cost-to-income ratio remains challenged by increasing rates and taxes, diesel costs, soft services, innovation and Wi-Fi costs.

Net cost-to-income ratio: remaining portfolio	FY19 %	FY20 %	FY21 %	FY22 %	FY23 %	FY24 %	FY25 %
All expenses	16.5	15.9	18.3	16.3	16.7	16.8	**15.1**
All expenses excluding rates and taxes and electricity	15.7	15.8	18.2	17.5	19.0	20.1	**20.0**

The projected electricity over-recovery in FY25 is 136%, due to increased PV investment within the portfolio. Cleaning and security expenses, constituting 11% of total expenses and 31% of expenses excluding rates and taxes, and electricity, is projected to increase by 8% compared to FY24. Net diesel expenses are projected to reduce by c.80%.This results in the net cost-to-income ratio reducing to 15.1% from 16.9%.

Like-for-like NOI growth
The stable retail portfolio delivered 4.6% like-for-like NOI growth versus the comparable period in FY24.

	Retail portfolio			Total portfolio		
Like-for-like growth (stable portfolio)	30 September 2024	30 September 2023	% change	30 September 2024	30 September 2023	% change
Property revenue (R'm)	**751.8**	724.3	3.8	**769.6**	741.5	3.8
Net property expenses (R'm)	**127.3**	127.2	0.1	**131.2**	130.9	0.2
Net property income (R'm)	**624.5**	597.1	4.6	**638.4**	610.6	4.6
Net cost-to-income ratio (%)	**16.9**	17.6		**17.0**	17.7	

Commentary continued

PORTFOLIO REVIEW – SPAIN

Spanish economy

Castellana Properties continues to lead the Spanish market in key indicators.

The Financial Times article, dated 29 October 2024, reads: "Spanish Growth soars as eurozone stumbles. Boosted by investment, immigration and tourism, Spain´s economy is set to record better growth than even the US". The fact is that all institutions have been positively surprised by the Spanish growth in the third quarter that grew by 0.8% quarter-on-quarter (3.4% year-on-year) in Q3 2024, a similar figure to Q2 and substantially above the eurozone average growth (0.4% quarter-on-quarter). Domestic demand was the main driver of growth, which was mainly driven by private and public consumption (+3.3% quarter-on-quarter).

CaixaBank Research reports a slight increase in inflation in October of 1.8%, compared to 1.5%, year-on-year. This is in line with expectations due to fuel price behaviour, and still below the 2% benchmark set by the ECB. Core inflation also grew a tenth to 2.5% year-on-year, remaining at acceptable levels.

As a result of the stabilisation in inflation, the ECB started to cut interest rates, reducing them to 3.25% in October 2024, 75bps lower than in June when the first cut was confirmed. However, this remains above the 2% considered neutral, so further reductions are expected in 2024 (-0.25%) and 2025 to close the gap.

For unemployment, the Bank of Spain forecasts 11.5% in 2024, down 0.1% from the previous estimation, 11.3% for 2025 and 11.2% for 2026.

According to data published by INE for July 2024, the total number of foreign tourists that visited Spain increased by 12.1% year-on-year, and their in-country spending of €71.109 million was also 12.1% higher. Based on these figures, it is estimated that 91 million international tourists will arrive in Spain in the 2024 calendar year, an increase of 7% compared to the 85 million who arrived in 2023 that was already higher than 2019 pre-pandemic. Their spend is expected to total around €125 billion, an increase of 15.2% over the €108.5 billion spent last year.

Overall, the portfolio achieved pleasing gross rental income (GRI) growth of 2.3% on a like-for-like basis compared to the previous financial half-year. Applying indexation for the half-year, combined with concluding new value-add projects, growing income through active asset management, and reaching the final step of rental levels on completed value-add projects, GRI increased to €35.9 million.

At 30 September 2024, the Spanish portfolio comprised of 15 properties externally valued at €1 029 million, spanning 365 543m^2 of GLA, with an average value of €64 million per property. Total property-related assets are valued at €1 223 million, including the 28.8% stake in Lar España.

Operating environment

Projections are for Spain to continue this growth trajectory for some time. The reasons for this are explained as:

1. Household finances are broadly healthy, with aggregate debt at 45% of GDP, compared to the 81% reached in 2012 or the euro area's current 52%. The high savings rate has also shored up households' balance sheets, standing at 13.4% of gross disposable income, well above the historical average of 8.6%. Finally, households' net financial wealth has reached 232% of gross disposable income. All this provides a solid foundation for consumption to continue to grow rapidly in the coming years. Indeed, the pace of consumption growth is likely to accelerate somewhat as inflation and interest rates normalise.
2. The second strength of Spain's economy is its diversified export base, which bolsters its economic resilience. In terms of both products and countries, Spain's exports are more diversified now than they were in previous cycles, and more and more companies are exporting. In the last decade, the number of regular exporters has increased by almost 30%. All this has provided a major boost to Spain's exports, which now represent 38% of GDP, up from 26% in 2013. They have recorded particularly rapid growth in recent years and currently stand at 10.9% above 2019 levels in real terms, driven by services exports, which are already 35.0% above pre-pandemic levels. All this has helped to maintain significant current account surpluses and reduce foreign debt, with the net international investment position (NIIP) standing at 47% of GDP, versus 86% in 2020.
3. Thirdly, but no less important, Spain's economy is highly diversified at sector level, supported by the deployment of European NGEU funds. Tourism remains a significant driver of growth. CaixaBank Research estimates that tourism GDP will see 2024 end at 11.5% above 2019 levels. However, other sectors also stand out: the GDP of the information and communications sector is 23.4% higher than in Q4 2019; real estate activities is 15.9% higher; professional activities is 15.6% higher; and the manufacturing industry is 10.2% higher. In the current international context, with a high degree of uncertainty and sector-specific shocks affecting various countries, sectoral diversification is an asset to be preserved. In fact, in the coming years and as interest rates normalise, business investment is likely to gather momentum, further bolstering the country's productive sectors.
4. Finally, there are two additional factors which have unexpectedly entered the scene during the current cycle, and which are also playing a prominent role: population growth and the diversification of the energy mix. In the past two years, the population has increased by just over 1% annually, largely due to the arrival of one million immigrants. This influx has increased and rejuvenated the labour force, and projections indicate that the population will continue to grow at a similar rate in the coming years. On the other hand, the diversification of the energy mix is a notable factor, as renewable energies take on an increasingly prominent role in Spain's electricity production. In 2023, renewables accounted for 50% of production, marking a 13pp increase since 2019. This reduces the country's energy dependence, improves security supply and allows more energy-intensive sectors, such as manufacturing, to become more competitive.

Source: Caixa Bank

Portfolio overview

In the context of this growth, Castellana has shown exceptional operational performance, maintaining market-leading metrics for the first half of the financial year.

Our continued focus on building and maintaining strong relationships with key tenants continues to be a core strength within the portfolio, leading to new store openings, growing rentals, positive reversions and renewals, low vacancies and low arrears across the portfolio.

Operational highlights

Highlights for the period include the following:
- Portfolio occupancy of 98.6%, with a negligible 1.4% vacancy.
- Footfall and sales continued growing by +1.9% and +4.0%, respectively, from HY24.
- Lowest-in-the-market occupancy-cost ratio (OCRs) at 9.5%, while the benchmark now stands at 12.1% according to Apresco, the national industry association.
- Positive rental reversions of 45.52%, at an average of €18.8/m^2 for renewals, relocations, resizing and replacements.
- Leasing activity includes 83 leases signed (16 renewals and 67 new leases) covering 27 088m² of GLA, representing a potential increase in NOI of around €5 million over the next few years.
- Portfolio WALE is strong and stable at 10.3 years, with weighted average lease to break (WALB) at 2.3 years.
- Collection rate stabilised at 99.0%.

Although the portfolio is performing extremely well and its cash flows are solid and sustainable, growth in NOI will be slightly muted but still positive this financial year, given that there are three main shopping centres where accretive value added projects are in progress, which will positively affect growth in the coming years, especially in FY26 when most of them will be completed and trading - generating the full extent of the additional income projected.

Footfall, sales and collections performance

Footfall

	Footfall	
	H1 FY25 versus H1 FY24 %	H1 FY24 versus H1 FY23 %
Total portfolio	**1.9**	6.0

Footfall increased to a new record high of +1.9% on HY24.

Sales

Continued sales growth of +4.0% compared to HY24 – another record high.

	Sales	
	H1 FY25 versus H1 FY24 %	H1 FY24 versus H1 FY23 %
Shopping centres	**2.9**	8.8
Retail parks	**6.7**	3.2
Total portfolio	**4.0**	7.1

Like-for-like category performance showed stable increases from HY24 with leisure +1.7%, food and beverages +2.4%, and fashion and accessories +2.6%, demonstrating once again the positive impact of active asset management.

95% of Castellana's rentable area is let to tenants who are international and national brands representing the strongest players in retail in Spain.

Short-term focus areas

Excellence in portfolio management

Ongoing active asset management and investment in its assets have strengthened Castellana's portfolio, enhancing its competitiveness. This is confirmed by market-leading metrics and reflected through stable income growth.

The projects underway at El Faro and Vallsur are progressing well, with highlights including the opening of what will be the world's largest LEFTIES store (over 6 000 m^2) and signing important brands such as Alvaro Moreno, Fifty Factory, Fitness Park and Primor. With these leases, Vallsur is building on the successful first phase of the project, which cemented it as the reference point for food, dining and leisure in the area. On the other hand, we are delighted to announce the commencement of the project involving the former office building in Los Arcos. This project is in its early stages, with the first refurbishment work underway. We are confident that this project will enhance the shopping centre by improving its current food and beverage and leisure offer, anchored by the Bowling (agreement already finalised), making Los Arcos a reference in the city of Seville.

Commentary continued

We continue to focus on other key initiatives, such as expanding our culture of innovation and customer centricity, and collecting and analysing data to keep improving our market intelligence and decision-making dexterity.

Strong commitment to mitigating climate change
Decarbonising our portfolio is mandatory in order to align with the Paris Agreement and prepare for future new regulations and/or stakeholder requirements. Our main strategy remains to improve the energy efficiency of our assets and promote on-site renewable energy production. To this end, we have just completed the energy phase of the Smart Building project (which will be extended to water and other streams during FY26), and 1.5MW of solar PV panels are already fully operational through Castellana Green, our Sustainable Energy JV with SunBird. Third-party Energy Audits will also be undertaken in the coming months to identify further efficiency opportunities. We are also updating our Climate Risk Report to better understand the potential impact of extreme weather conditions on our portfolio. Our efforts and commitment to ESG, have awarded Castellana with the 5th star in the GRESB reporting Framework (the top grading possible) and furthermore, the Spanish Shopping Centre Association have awarded us with the Best ESG Strategy award of the 2024 AECC Awards.

Future growth
We continue to evaluate numerous opportunities in the Spanish market as well as in Portugal after our successful acquisition of three shopping centres in Lisbon and Porto, post-period, in October, marking the start of our expansion into the wider Iberian Peninsula. The portfolio exploits the attractive macro-economic climate in Portugal, driven by record tourism and high population growth. The attractive pricing and strong performance provides an excellent platform for further growth into Portugal. Castellana remains at the forefront of most acquisitions available in the market and is regularly and actively evaluating a number of attractive opportunities. In addition, we are exploring strategic opportunities in new regions with a view to creating a larger Pan-European business.

Debt provider engagement
Castellana Properties closed the period with a very healthy balance sheet featuring an average net LTV of 33.0% and no debt expiries until FY29. The Castellana interest-bearing debt hedge ratio increased to 94% (43% as at 31 March 2024), as a result of the €254 million refinancing agreement with Aareal Bank AG, signed in September. The five-year agreement is supported by Banco Santander and BBVA, further diversifying Castellana's sources of funding. As part of the transaction, €50 million of the previous debt has been repaid, reducing Castellana's leverage and decreasing its net LTV over the period from 39% to 33%. This transaction also extends Castellana's average debt maturity from 2.7 years to 4.6 years. Additionally, the loan was fixed for three years, improving Castellana's interest rate hedge ratio to 94%.

We remained very comfortably compliant with all banking covenants at September 2024. Castellana continues to maintain a strong relationship with its debt providers, who fully support the business and are satisfied with Castellana's balance sheet strength and cash position. We are working on several new value-add projects in existing assets and financing for such projects is already secured, confirming our financers support and confidence in what we do best, being active management that creates value.

Collections
Collection rate for the period: 99.0%

Collections	HY25	FY24
Total collected (%)	**99.0**	99.3

Our collections and tenant care teams continue to drive lower arrears.

Tenant arrears

Tenant arrears amounted €1.25 million (R24.1 million) at 30 September 2024 (€1.18 (R23.6 million) as at March 2024). Castellana's in-house Collections & Tenant Care team collected 99.0% of monthly rental invoices during HY25.

Valuation of Spanish portfolio

The Spanish portfolio was independently valued by Colliers at €1 029 million (R21.0 billion) at 30 September 2024 (31 March 2024: €1 027 million or R20.9 billion), representing a 1.1% like-for-like increase in value during H1 FY25.

This valuation cycle is characterised by stabilisation in discount rates and exit yields backed by the cuts in interest rates carried out by ECB in the last months and the improvement of the transactional markets in Spain. Despite yields that have not yet turned around, indexation, conclusion and consolidation of the completed value-add projects, active leasing activity and other accretive asset management initiatives have ensured growth in income, which has been the driver of this increase in value.

The fair value of the portfolio is estimated using RICS' Red Book methodology with a DCF approach, which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields.

Top 10 properties by value

Castellana is 100% retail-focused. Cumulatively, 95% of tenants in the top 10 properties are international and national tenants. These properties comprise 92.1% of the total portfolio value, 92.5% of the total portfolio rental income and 87% of the total portfolio GLA.

Property	Location	GLA m²
El Faro*	Extremadura	**60 945**
Bahía Sur	Andalucia	**35 420**
Los Arcos*	Andalucia	**26 774**
Granaita	Andalucia	**55 861**
Habaneras	Com. Valenciana	**24 892**
Puerta Europa	Andalucia	**29 894**
Vallsur	Castilla y Leon	**35 087**
Parque Oeste	Madrid	**13 604**
Parque Principado	Asturias	**16 090**
Marismas del Polvorín	Andalucia	**19 052**
Total top 10 properties		**317 619**
% of total portfolio		**87**

* *Excluding valuations of development properties.*

Summary of portfolio changes

GLA reconciliation	GLA m²	
Balance as at 30 September 2023	373 814.75	
GLA adjustments	**(8 272)**	
Balance as at 30 September 2024	**365 543**	
Areas under development	31 059	
Storage area	6 452	
GLA excluding areas under development and the storage area	328 032	
Vacancy reconciliation	**GLA m²**	**%**
Balance as at 31 March 2023*	3 768.86	1.01
Vacancy movement	880	
Balance as at 31 March 2024*	**4 649**	**1.42**

**Excluding area under development in El Faro and Vallsur.*

Portfolio profiles

Geographic profile

The geographic distribution of the Spanish portfolio is indicated in the table below. 91% of the gross income comes from Andalucia, Extremadura, Com. Valenciana and Castilla Leon.

	% of rental income	% of GLA
Andalucia	**50**	**47**
Extremadura	**23**	**24**
Castilla Leon	**9**	**8**
Com. Valenciana	**9**	**10**
Madrid	**4**	**4**
Asturias	**3**	**4**
Murcia	**2**	**3**

Sector profile

Based on value, 100% of the Spanish portfolio is in the retail sector.

Commentary continued

Tenant profile
Large international and national tenants account for 95% of tenants by GLA.

	% of rental income	% of GLA
Large international and national tenants	**95**	**95**
Local tenants	**5**	**5**

Expiry profile
Castellana has a 10.3-year tenant expiry profile and 2.3 years to break with 47% of contractual rent expiring in FY34 and beyond.

The expiry profile as a percentage of contractual rent is shown below.

Total portfolio

	Sep 2025 %	Sep 2026 %	Sep 2027 %	Sep 2028 %	Sep 2029 %	Sep 2030 %	Sep 2031 %	Sep 2032 %	Sep 2033 %	Sep 2034 %	Beyond Sep 2034 %
% of contractual rent	10	4	5	4	5	4	4	5	7	5	47
Cumulative	10	14	19	23	28	32	36	41	48	53	100

	Vacant	Sep 2025 %	Sep 2026 %	Sep 2027 %	Sep 2028 %	Sep 2029 %	Sep 2030 %	Sep 2031 %	Sep 2032 %	Sep 2033 %	Sep 2034 %	Beyond Sep 2034 %
% of GLA	1	9	2	3	2	4	3	3	5	6	4	58
Cumulative	1	10	12	15	17	21	24	27	32	38	42	100

Break profile
The break profile (the date upon which the tenant has an option to terminate the lease prior to the expiry date) as a percentage of contractual rent is shown below.

Total portfolio

	Sep 2025 %	Sep 2026 %	Sep 2027 %	Sep 2028 %	Sep 2029 %	Sep 2030 %	Sep 2031 %	Sep 2032 %	Sep 2033 %	Sep 2034 %	Beyond Sep 2034 %
% of contractual rent	32	22	17	11	10	4	1	—	—	—	3
Cumulative	32	54	71	82	92	96	97	97	97	97	100

Vacancy profile
The portfolio's vacancy rate at 30 September 2024 was 1.4%.

Vacancies (% of GLA)	30 September 2024 %	30 September 2023 %
Shopping centres	**1.20**	1.50
Retail parks	**1.60**	0.30
Total	**1.42**	0.96

Rental profile
The Castellana portfolio's weighted average rental has increased by 0.9% to €17.06/m^2.

	30 September 2024 €/m^2	31 March 2024 €/m^2	Escalation %
Shopping centres	**22.07**	22.09	(0.1)
Retail parks	**11.13**	11.05	0.7
Portfolio weighted average base rentals	**17.06**	16.91	0.9

The average OCR for Castellana Properties portfolio closed at 9.5%, much lower than market benchmarks. This demonstrates the strength of our assets, with room for further rental improvement, and gives us the confidence to continue applying indexation without problems.

Costs
Castellana's cost ratio is well-managed and in line with industry standards.

Service charges are the most significant expense and represent 82.4% of total property expenses. Service charges mainly include utilities, cleaning, marketing, security and management. Property tax is another significant expense representing 17.6% of the total property expenses.

Investment in Lar España

Castellana has concluded an irrevocable undertaking to sell its 28.8% stake in Lar España to Helios RE S.A. in acceptance of the voluntary tender offer at the increased price of €8.30 per share. This sale has effected a c.40% IRR in Euros for Castellana, and is a successful outcome of its initial thesis in acquiring the mispriced asset opportunistically two and a half years ago. Proceeds of €200 million are expected to be received in January 2025.

Commentary continued

CHANGES TO THE BOARD OF DIRECTORS

Effective 2 September 2024, Mr H Ntene, who was due to retire from the board by rotation, did not avail himself for re-election. Mr Ntene served on the board since 2013 and has made a tremendous contribution through his deep property knowledge and experience on both the board and Vukile's property and investment committee. The board thanks Mr Ntene for his valuable contribution to Vukile over the years and wishes him well for the future.

Effective 23 October 2024, Dr S Moseneke assumed the duties of Chairman of the property and investment committee. The foregoing Chairman, Mr S Booysen, will remain a member of the committee.

PROSPECTS FOR THE GROUP

Over the past six months, Vukile continued to deliver strong operational results and solid trading metrics in South Africa and Spain. The business is well positioned to execute on our growth strategy, both from an operational and financial perspective.

The global economic environment is starting to see green shoots and access to capital in recent months has allowed us to pursue further potential deals that are accretive and aligned to our strategic objectives. Post the reporting period, Castellana concluded its first acquisition in Portugal, acquiring three landmark shopping centres and significantly increasing the group's exposure to the Iberian Peninsula.

Supported by a strong balance sheet, we enter the second half of the financial year positive and optimistic about the group's continued growth prospects.

We remain well on track to keep guidance for the full year ending 31 March 2025 unchanged, with growth in FFO per share of between 2% to 4% and growth in dividend per share of between 4% to 6%. The forecast assumes an average exchange rate of R19.05/€ for the remainder of the year.

We will be offering shareholders the option of a dividend reinvestment plan (DRIP) for the upcoming interim dividend.

SUBSEQUENT EVENTS

i. Declaration of dividend

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 an interim dividend on 26 November 2024 of 55.18051 cents per share for the six months ended 30 September 2024, amounting to R679 million.

ii. Sale of investment in Lar España

Vukile, through its 99.5% held subsidiary Castellana, holds 28.8% of the issued shares in Lar España. During the reporting period, a consortium comprising of Hines European Real Estate Partners III SCSp and a vehicle controlled by Grupo Lar Inversiones Inmobiliarias, made a voluntary cash tender offer for all of the shares in the Lar España at a price of €8.10 per share. The consortium subsequently increased the offer to €8.30 per share.

In October 2024, Castellana concluded an irrevocable undertaking to accept the higher offer price to sell its 24 090 411 Lar España shares for an aggregate cash consideration of c.€200 million. The disposal will allow management to re-deploy the capital into other accretive opportunities in Spain and Portugal.

iii. Further expansion into the Iberian Peninsula

As part of Vukile's strategy to expand further into the Iberian Peninsula, Castellana concluded a share purchase agreement with Suitable World, Unipessoal, Lda to acquire an 80% controlling interest in Caminho, a newly incorporated Portuguese company, that acquired three shopping centres in Portugal valued at c.€176.5 million. Caminho refinanced an existing in-country asset-backed debt package with existing lenders resulting in a LTV of 38.26%. The remaining €108.4 million of the purchase consideration (including costs) was funded by the subscription of shares in Caminho. The transaction was effective from 1 October 2024.

iv. Acquisition of Bonaire Shopping Centre

During October 2024, Castellana entered into negotiations to acquire Bonaire Shopping Centre from Unibail-Rodamco-Westfield (URW) located in Valencia, Spain. The conclusion of the transaction has been delayed due to torrential flooding that occurred in Spain. However, the exclusivity agreement between URW and Castellana for the acquisition remains in place. No assets in Castellana's existing portfolio were adversely affected by floods.

BASIS OF PREPARATION

The unaudited consolidated interim financial statements for the six months ended 30 September 2024 and comparative information have been prepared in accordance with, and containing the information required by, International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB®), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Announcements, as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, IAS 34, and relevant sections of the Companies Act, 71 of 2008, as amended (Companies Act).

All accounting policies applied by the group in the preparation of these unaudited consolidated interim financial statements are consistent with those applied by the group in its consolidated financial statements for the year ended 31 March 2024, except where new standards have been introduced as disclosed in note 1.2.

Preparation of the unaudited interim financial statements was supervised by Lizelle Pottas CA(SA) in her capacity as Financial Director. These unaudited interim financial statements have not been reviewed or reported on by Vukile's independent external auditors.

On behalf of the board

NG Payne
Chairman

LG Rapp
Chief Executive Officer

Houghton Estate

26 November 2024

Vukile Property Fund Limited

(Incorporated in the Republic of South Africa)
(Registration number: 2002/027194/06)
JSE share code: VKE
ISIN: ZAE000180865
Debt company code: VKEI
Namibian Stock Exchange (NSX) share code: VKN
(Granted REIT status with the JSE)
(Vukile or the group or the company)

JSE sponsor: Java Capital
NSX sponsor: IJG Group, Windhoek, Namibia
Executive directors: LG Rapp (Chief Executive Officer), LE Pottas (Financial Director), IU Mothibeli (Managing Director: South Africa)
Non-executive directors: NG Payne (Chairman)*, SF Booysen*, RD Mokate*, GS Moseneke, AMSS Mokgabudi*, BM Kodisang, JR Formby*, JH Zehner*, NP Dongwana*

* *Independent*

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Company Secretary: J Neethling
Transfer secretaries: JSE Investor Services (Pty) Ltd, 5th Floor, One Exchange Square, Gwen Lane, Sandown, Johannesburg
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2024

	Unaudited 30 September 2024 Rm	Unaudited 30 September 2023 Rm	Audited 31 March 2024 Rm
ASSETS			
Non-current assets	**37 774**	39 778	41 454
Investment property	**36 334**	35 860	36 568
Straight-line rental income accrual	**424**	367	346
Financial assets at fair value through profit or loss (FVTPL)	**181**	402	252
Equity investment at fair value through other comprehensive income (FVTOCI)	**—**	2 383	3 538
Investment in associate (equity accounted)	**152**	138	152
Investment in joint venture (equity accounted)	**14**	3	7
Derivative financial instruments	**151**	106	75
Long-term loans granted	**318**	309	309
Other non-current assets	**200**	210	207
Current assets	**9 386**	1 506	2 783
Trade and other receivables	**330**	287	301
Derivative financial instruments	**62**	87	94
Current taxation assets	**—**	12	—
Other current assets	**115**	16	19
Cash and cash equivalents	**5 147**	993	2 353
Non-current assets held for sale	**3 732**	111	16
Total assets	**47 160**	41 284	44 237
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent	**26 038**	21 928	23 803
Stated capital	**16 857**	13 834	14 830
Other components of equity	**6 780**	5 841	6 765
Retained earnings	**2 401**	2 253	2 208
Non-controlling interest	**164**	143	155
Non-current liabilities	**17 840**	16 879	18 649
Interest-bearing borrowings	**17 014**	16 167	17 883
Lease liability	**304**	292	297
Cash-settled incentive plans	**114**	48	75
Derivative financial instruments	**57**	53	57
Deferred taxation liabilities	**103**	66	80
Other non-current financial liabilities	**248**	253	257
Current liabilities	**3 118**	2 334	1 630
Trade and other payables	**792**	898	743
Short-term portion of interest-bearing borrowings	**2 303**	1 366	829
Short-term portion of lease liability	**22**	20	21
Derivative financial instruments	**1**	48	35
Shareholders for dividends	**—**	2	2
Total equity and liabilities	**47 160**	41 284	44 237

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2024

	Unaudited 30 September 2024 Rm	Unaudited 30 September 2023 Rm	Audited 31 March 2024 Rm
Property revenue	**2 042**	2 017	4 017
Straight-line rental income accrual	**78**	(14)	(34)
Gross property revenue	**2 120**	2 003	3 983
Property expenses	**(719)**	(659)	(1 359)
Change in expected credit loss (ECL): tenant receivables	**34**	(4)	(3)
Net profit from property operations	**1 435**	1 340	2 621
Corporate and administrative expenses	**(224)**	(181)	(409)
Investment and other income[1]	**554**	57	116
Profit before finance costs	**1 765**	1 216	2 328
Finance costs	**(665)**	(492)	(1 103)
Profit after finance costs	**1 100**	724	1 225
(Loss)/profit on disposals	**(6)**	3	11
Loss on realisation of derivative	**—**	(33)	(33)
Fair value (loss)/gain on financial instruments	**(7)**	169	196
Impairments	**7**	(5)	(5)
Profit before changes in fair value of investment property	**1 094**	858	1 394
Fair value adjustments:	**190**	331	243
Gross change in fair value of investment property	**261**	310	195
Change in fair value of right-of-use asset	**7**	7	14
Straight-line rental income adjustment	**(78)**	14	34
Profit before equity-accounted investment	**1 284**	1 189	1 637
Share of (loss)/income from associate	**(1)**	—	6
Share of profit from joint venture	**—**	1	1
Profit before taxation	**1 283**	1 190	1 644
Taxation	**(26)**	(3)	(34)
Profit for the period	**1 257**	1 187	1 610
Attributable to owners of the parent	**1 244**	1 174	1 587
Attributable to non-controlling interest	**13**	13	23
Basic and diluted earnings per share (cents)	**109.82**	113.43	152.27

1 *Investment and other income includes finance income (interest received) of R137 million (H1 FY24: R32 million) and foreign exchange differences on FECs of R39 million (H1 FY24: R5 million). H1 FY25 includes dividend income from Lar España amounting to R378 million. In H1 FY24, no dividend from Lar España was included in IFRS due to the timing of the dividend declaration. H1 FY24 includes dividend income from Fairvest amounting to R20 million, and nil for H1 FY25 due to the sale of shares.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September 2024

	Unaudited 30 September 2024 Rm	Unaudited 30 September 2023 Rm	Audited 31 March 2024 Rm
Profit for the period	**1 257**	1 187	1 610
Other comprehensive income (OCI) net of tax			
Items that will not be reclassified to profit or loss:			
Equity investments designated at fair value through OCI	**397**	267	1 058
Fair value adjustment on equity investments	**397**	267	1 058
Items that are/will be reclassified to profit or loss:			
Foreign currency translation reserve	**(606)**	436	653
Subsidiary	**(606)**	436	653
Cash flow hedges	**(51)**	38	16
Interest rate swaps	**(73)**	30	(7)
Barrier option	**22**	8	23
Other comprehensive (loss)/income for the period	**(260)**	741	1 727
Total comprehensive income for the period	**997**	1 928	3 337
Attributable to owners of the parent	**986**	1 816	3 210
Attributable to non-controlling interest	**11**	112	127

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2024

	Stated capital Rm	Other components of equity Rm	Retained earnings Rm	Total shareholders' interest Rm	NCI Rm	Total Rm
Balance at 30 September 2023	13 834	5 841	2 253	21 928	143	22 071
Issue of share capital	996	—	—	996	—	996
Dividend distribution	—	—	(539)	(539)	(3)	(542)
	14 830	5 841	1 714	22 385	140	22 525
Profit for the period	—	—	413	413	10	423
Transfer to non-distributable reserve	—	(81)	81	—	—	—
Equity-settled share scheme	—	24	—	24	—	24
Other comprehensive income	—	981	—	981	5	986
Balance at 31 March 2024	**14 830**	**6 765**	**2 208**	**23 803**	**155**	**23 958**
Issue of share capital	**2 027**	—	—	**2 027**	—	**2 027**
Dividend distribution	—	—	**(797)**	**(797)**	**(2)**	**(799)**
	16 857	**6 765**	**1 411**	**25 033**	**153**	**25 186**
Profit for the period	—	—	**1 244**	**1 244**	**13**	**1 257**
Transfer to non-distributable reserve	—	**254**	**(254)**	—	—	—
Equity-settled share scheme	—	**19**	—	**19**	—	**19**
Other comprehensive loss	—	**(258)**	—	**(258)**	**(2)**	**(260)**
Balance at 30 September 2024	**16 857**	**6 780**	**2 401**	**26 038**	**164**	**26 202**

CONSOLIDATED STATEMENT OF CASH FLOW

for the six months ended 30 September 2024

	Unaudited 30 September 2024 Rm	Unaudited 30 September 2023 Rm	Audited 31 March 2024 Rm
Cash flow from operating activities	**1 188**	1 166	2 245
Cash flow from investing activities	**(173)**	83	(479)
Cash flow from financing activities	**1 904**	(1 649)	(832)
Net increase/(decrease) in cash and cash equivalents	**2 919**	(400)	934
Foreign currency movements in cash	**(125)**	6	32
Cash and cash equivalents at the beginning of the period	**2 353**	1 387	1 387
Cash and cash equivalents at the end of the period[1]	**5 147**	993	2 353
Major items included in the above:			
Cash flow from operating activities	**1 188**	1 166	2 245
Profit before tax	**1 283**	1 190	1 644
Adjustments[2]	**(107)**	(34)	610
Working capital adjustments	**12**	10	2
Taxation paid	**—**	—	(11)
Cash flow from investing activities	**(173)**	83	(479)
Proceeds from sale of investment property (including joint operations)	**185**	64	181
Acquisition of investment property and development costs	**(893)**	(269)	(864)
Acquisition of equity investments at fair value through other comprehensive income	**(5)**	—	(319)
Proceeds from sale of listed property securities	**141**	—	203
Further contributions to equity investments at fair value through profit or loss	**(8)**	(18)	(41)
Investment and other income	**510**	310	372
Tenant and other deposits invested with Spanish administrations	**(100)**	—	(3)
Other	**(3)**	(4)	(8)
Cash flow from financing activities	**1 904**	(1 649)	(832)
Interest-bearing borrowings advanced	**2 836**	3 026	7 700
Interest-bearing borrowings repaid	**(1 545)**	(2 873)	(6 623)
Finance costs paid	**(573)**	(422)	(961)
Dividends paid	**(802)**	(678)	(1 221)
Equity transactions with NCI	**—**	(1 325)	(1 301)
Proceeds from issue of share capital	**2 027**	696	1 692
Settlement of derivatives	**39**	(28)	(62)
Other	**(78)**	(45)	(56)

[1] *Tenant deposits of c.R1 million are held in custody on behalf of tenants and are not available for general use by the group and are therefore treated as restricted cash.*

[2] *Adjustments to cash flows from operating activities for 30 September 2024 mainly comprise a fair value gain on investment property and other financial instruments of R261 million and -c.R5 million respectively, finance costs of -R665 million and Investment and other income of R554 million.*

OPERATING SEGMENT REPORT

for the six months ended 30 September 2024

	South Africa			Spain			
	Retail Rm	Other Rm	Total Rm	Retail Rm	Other Rm	Total Rm	Total group Rm
Group income for the year ended 30 September 2024							
Property revenue	1 136	24	1 160	882	—	882	2 042
Property expenses	(456)	1	(455)	(230)	—	(230)	(685)
Net income from property operations	680	25	705	652	—	652	1 357
Corporate and administrative expenses	(115)	(1)	(116)	(108)	—	(108)	(224)
Investment and other income	6	115	121	14	419	433	554
Income before finance costs	571	139	710	558	419	977	1 687
Finance costs	(393)	—	(393)	(272)	—	(272)	(665)
Profit after finance costs	178	139	317	286	419	705	1 022
Profit/(loss) on disposals	(1)	—	(1)	(5)	—	(5)	(6)
Fair value (loss)/gain on financial instruments	—	(7)	(7)	—	—	—	(7)
Impairments	—	7	7	—	—	—	7
Income before changes in fair value of investment property	177	139	316	281	419	700	1 016
Fair value adjustments:	287	(31)	256	12	—	12	268
Gross change in fair value of investment property	280	(31)	249	12	—	12	261
Change in fair value of right-of-use asset	7	—	7	—	—	—	7
Income before equity-accounted income	464	108	572	293	419	712	1 284
Share of (loss)/income from associate	—	(1)	(1)	—	—	—	(1)
Income before taxation	464	107	571	293	419	712	1 283
Taxation	(26)	—	(26)	—	—	—	(26)
Income after taxation	438	107	545	293	419	712	1 257
Calculation of FFO							
FFO before reversal of capital items:	438	107	545	293	419	712	1 257
Profit/(loss) on disposals	1	—	1	5	—	5	6
Fair value gain/(loss) on financial instruments	—	7	7	—	—	—	7
Impairments	—	(7)	(7)	—	—	—	(7)
FFO before reversal of fair value adjustments:	439	107	546	298	419	717	1 263
Gross change in fair value of investment property	(280)	31	(249)	(12)	—	(12)	(261)
Change in fair value of right-of-use asset	(7)	—	(7)	—	—	—	(7)
FFO before deferred tax and NCI adjustment	152	138	290	286	419	705	995
Deferred tax	24	—	24	—	—	—	24
Net income attributable to NCI	—	(3)	(3)	—	(2)	(2)	(5)
FFO Attributable to Vukile Group	176	135	311	286	417	703	1 014
Non-IFRS adjustments	87	—	87	—	(88)	(88)	(1)
Antecedent income	80		80	—	—	—	80
Accrued dividends	—	—	—	—	(88)	(88)	(88)
Non-cash impact of IFRS entries	7	—	7	—	—	—	7
FFO	263	135	398	286	329	615	1 013

OPERATING SEGMENT REPORT continued

for the six months ended 30 September 2024

	South Africa			Spain			Total group Rm
	Retail Rm	Other Rm	Total Rm	Retail Rm	Other Rm	Total Rm	
Group statement of financial position at 30 September 2024							
ASSETS							
Non-current assets	16 776	1 055	17 831	19 943	—	19 943	37 774
Investment property	16 324	205	16 529	19 805	—	19 805	36 334
Straight-line rental income accrual	399	25	424	—	—	—	424
Financial assets at fair value through profit or loss	—	181	181	—	—	—	181
Investment in associate	—	152	152	—	—	—	152
Investment in joint venture	—	14	14	—	—	—	14
Derivative financial instruments	53	98	151	—	—	—	151
Long-term loans granted	—	318	318	—	—	—	318
Other non-current assets	—	62	62	138	—	138	200
Current assets	445	2 148	2 593	565	6 228	6 793	9 386
Trade and other receivables	233	22	255	75	—	75	330
Derivative financial instruments	62	—	62	—	—	—	62
Current taxation	—	—	—	—	—	—	—
Other current assets	—	—	—	115	—	115	115
Cash and cash equivalents	150	2 126	2 276	375	2 496	2 871	5 147
Non-current assets held for sale	—	—	—	—	3 732	3 732	3 732
Total assets							47 160
EQUITY AND LIABILITIES							
Equity attributable to the owners of the parent							26 038
Non-controlling interest							164
Non-current liabilities	9 205	51	9 256	8 521	63	8 584	17 840
Interest-bearing borrowings	8 750	—	8 750	8 264	—	8 264	17 014
Lease liability	304	—	304	—	—	—	304
Cash-settled incentive plans	—	51	51	—	63	63	114
Derivative financial instruments	57	—	57	—	—	—	57
Deferred taxation liabilities	94	—	94	9	—	9	103
Other non-current liabilities	—	—	—	248	—	248	248
Current liabilities	2 561	172	2 733	249	136	385	3 118
Trade and other payables	362	172	534	122	136	258	792
Short-term portion of interest-bearing borrowings	2 176	—	2 176	127	—	127	2 303
Short-term portion of lease liability	22	—	22	—	—	—	22
Derivative financial instruments	1	—	1	—	—	—	1
Total equities and liabilities							47 160

	South Africa			Spain			Total group
	Retail Rm	Other Rm	Total Rm	Retail Rm	Other Rm	Total Rm	Total group Rm
Group income for the year ended 30 September 2023							
Property revenue	1 059	21	1 080	937	—	937	2 017
Property expenses	(428)	(9)	(437)	(226)	—	(226)	(663)
Net income from property operations	631	12	643	711	—	711	1 354
Corporate and administrative expenses	(81)	(2)	(83)	(98)	—	(98)	(181)
Investment and other income	21	28	49	8	—	8	57
Income before finance costs	571	38	609	621	—	621	1 230
Finance costs	(330)	—	(330)	(162)	—	(162)	(492)
Profit after finance costs	241	38	279	459	—	459	738
Profit/(loss) on disposals	—	3	3	—	—	—	3
Loss on realisation of derivative	—	(33)	(33)	—	—	—	(33)
Fair value (loss)/gain on financial instruments	—	8	8	—	161	161	169
Impairments	—	(5)	(5)	—	—	—	(5)
Income before changes in fair value of investment property	241	11	252	459	161	620	872
Fair value adjustments:	456	(23)	433	(116)	—	(116)	317
Gross change in fair value of investment property	449	(23)	426	(116)	—	(116)	310
Change in fair value of right-of-use asset	7	—	7	—	—	—	7
Income before equity-accounted income	697	(12)	685	343	161	504	1 189
Share of profit from joint venture	—	1	1	—	—	—	1
Income before taxation	697	(11)	686	343	161	504	1 190
Taxation	—	(3)	(3)	—	—	—	(3)
Income after taxation	697	(14)	683	343	161	504	1 187
Calculation of FFO							
FFO before reversal of capital items:	697	(14)	683	343	161	504	1 187
Profit/(loss) on disposals	—	(3)	(3)	—	—	—	(3)
Fair value gain/(loss) on financial instruments	—	(8)	(8)	—	(161)	(161)	(169)
Impairments	—	5	5	—	—	—	5
FFO before reversal of fair value adjustments:	697	(20)	677	343	—	343	1 020
Gross change in fair value of investment property	(450)	24	(426)	116	—	116	(310)
Change in fair value of right-of-use asset	(7)	—	(7)	—	—	—	(7)
FFO before deferred tax and NCI adjustment	240	4	244	459	—	459	703
Deferred tax	—	2	2	—	—	—	2
Net income attributable to NCI	—	(2)	(2)	—	(2)	(2)	(4)
FFO Attributable to Vukile Group	240	4	244	459	(2)	457	701
Non-IFRS adjustments	7	31	38	—	142	142	180
Antecedent income	—	1	1	—	—	—	1
Accrued dividends	—	32	32	—	142	142	174
Non-cash impact of IFRS entries	7	(2)	5	—	—	—	5
FFO	247	35	282	459	140	599	881

OPERATING SEGMENT REPORT continued

for the six months ended 30 September 2024

	South Africa			Spain			
	Retail Rm	Other Rm	Total Rm	Retail Rm	Other Rm	Total Rm	Total group Rm
Statement of financial position at 30 September 2023							
ASSETS							
Non-current assets	15 290	1 520	16 810	20 585	2 383	22 968	39 778
Investment property	14 907	515	15 422	20 438	—	20 438	35 860
Straight-line rental income accrual	305	62	367	—	—	—	367
Financial assets at fair value through profit or loss	—	402	402	—	—	—	402
Equity investments at fair value through other comprehensive income	—	—	—	—	2 383	2 383	2 383
Investment in associate (equity accounted)	—	138	138	—	—	—	138
Investment in joint venture (equity accounted)	—	3	3	—	—	—	3
Derivative financial instruments	78	28	106	—	—	—	106
Long-term loans granted	—	309	309	—	—	—	309
Other non-current assets	—	63	63	147	—	147	210
Current assets	615	18	633	857	16	873	1 506
Trade and other receivables	190	16	206	81	—	81	287
Derivative financial instruments	87	—	87	—	—	—	87
Current taxation	12	—	12	—	—	—	12
Other current assets	—	—	—	—	16	16	16
Cash and cash equivalents	215	2	217	776	—	776	993
Non-current assets held for sale	111	—	111	—	—	—	111
Total assets							41 284
EQUITY AND LIABILITIES							
Equity attributable to the owners of the parent							21 928
Non-controlling interest							143
Non-current liabilities	6 785	9	6 794	10 046	39	10 085	16 879
Interest-bearing borrowings	6 382	—	6 382	9 785	—	9 785	16 167
Lease liability	292	—	292	—	—	—	292
Share scheme liability	—	9	9	—	39	39	48
Derivative financial instruments	53	—	53	—	—	—	53
Deferred taxation liabilities	58	—	58	8	—	8	66
Other non-current liabilities	—	—	—	253	—	253	253
Current liabilities	1 683	133	1 816	518	—	518	2 334
Trade and other payables	332	131	463	435	—	435	898
Short-term portion of interest-bearing borrowings	1 283	—	1 283	83	—	83	1 366
Short-term portion of lease liability	20	—	20	—	—	—	20
Short-term portion of share scheme liability	—	—	—	—	—	—	—
Derivative financial instruments	48	—	48	—	—	—	48
Current taxation liabilities	—	—	—	—	—	—	—
Shareholder for dividends	0	0.002	0.002	0	0	0	0.002
Total equity and liabilities							41 284

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 30 September 2024

1 GENERAL ACCOUNTING POLICIES

1.1 Basis of preparation

Estimates

Management discusses the development, selection and disclosure of the group's critical accounting policies and estimates and the application of these policies and estimates with the audit and risk committee. Actual results may differ from these estimates.

The revaluation of investment property requires judgement in determining discount rates and an appropriate reversionary capitalisation rate. Note 2.3 sets out further details of the fair value measurement of investment property.

In determining a lease liability in accordance with IFRS 16, the incremental borrowing rate was estimated by management using the three-year DMTN margin as a starting point. The rate was adjusted to reflect an estimated spread for a tenure of 10 years, 25 years and 50 years.

Judgements

Judgement is applied in certain areas based on historical experience and reasonable expectations relating to future events. In determining the lease term per IFRS 16, management applies its judgement in considering all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (and periods after termination options) are only included in the lease term if it is reasonably certain to be extended or not terminated.

Management applied judgement in assessing whether certain assets qualify to be classified as held for sale. In management's opinion, the investment in Lar España met the requirements to be classified as held for sale. In terms of the scope of IFRS 5, the investment continues to measured at fair value in terms of IFRS 9.

Going concern

Going concern is assessed on an ongoing basis by conducting appropriate procedures and considering all available information about the future. For the current reporting period, the directors have considered the group's projected cash flows for a period of 12 months following the date of issue of these unaudited consolidated interim financial statements and have concluded that the group will be able to meet its financial obligations as they fall due. The projected cash flows are based on operating budgets approved by the board. On this basis, the directors are satisfied that the group will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the unaudited consolidated interim financial statements.

1.2 New standards and amendments

The group has adopted the following new standards or amendments to standards that were effective for the first time for the financial period commencing 1 April 2024. These amendments had no impact on the group.

- The amendment to IAS 1 – Presentation of Financial Statements on non-current liabilities with covenants, clarifying how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability.
- The amendment to IFRS 16 – Leases related to a lease liability in a sale and leaseback transaction, clarifying how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
- The amendment to IFRS 7 – Financial Instruments: Disclosures and IAS 7 – Statement of Cash Flows related to additional disclosure requirements for supplier finance arrangements that task entities to provide qualitative and quantitative information about the arrangement.

NOTES TO THE FINANCIAL STATEMENTS continued

for the six months ended 30 September 2024

2 FAIR VALUE MEASUREMENT

2.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

2.2 Fair value hierarchy

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value.

	30 September 2024			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets				
Financial asset at fair value through profit or loss	—	—	46	46
Equity investments at fair value through other comprehensive income	3 732	—	—	3 732
Executive share scheme financial asset at fair value through profit or loss	—	135	—	135
Derivative financial instruments	—	213	—	213
Total	3 732	348	46	4 126
Liabilities				
Derivative financial instruments	—	(58)	—	(58)
Total	—	(58)	—	(58)
Net fair value	3 732	290	46	4 068

	30 September 2023				31 March 2024			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets								
Financial asset at fair value through profit or loss	300	—	18	318	142	—	39	181
Equity investments at fair value through other comprehensive income	2 383	—	—	2 383	3 538	—	—	3 538
Executive share scheme financial asset at fair value through profit or loss[1]	—	84	—	84	—	71	—	71
Derivative financial instruments	—	193	—	193	—	169	—	169
Total	2 683	277	18	2 978	3 680	240	39	3 959
Liabilities								
Derivative financial instruments	—	(101)	—	(101)	—	(92)	—	(92)
Total	—	(101)	—	(101)	—	(92)	—	(92)
Net fair value	2 683	176	18	2 877	3 680	148	39	3 867

[1] *The executive share scheme financial asset has been disclosed as a single instrument as opposed to being disclosed on a disaggregated basis in the prior period.*

There have been no significant transfers between levels 1, 2 and 3 in the reporting period under review.

2 FAIR VALUE MEASUREMENT continued

2.2 Fair value hierarchy continued

Equity investment at fair value

The fair value of shares held in listed property securities (Lar España and Fairvest (in the prior reporting period only)) is determined by reference to the quoted closing price at the reporting date. The fair value of shares held in unlisted investments (REimagine Social Impact Retail Fund and REimagine Social Impact Retail Fund I Carry Partnership) is determined with reference to the underlying net assets in the fund.

Executive share scheme financial asset

The level 2 executive share scheme financial asset is based on the number of shares held by SCM valued at the closing share price in conjunction with the shares expected to vest which is calculated with reference to the fair value of the conditional shares, weighted for the probability of fulfilment of performance conditions, and based on the number of days to vesting.

Derivative financial instruments

Level 2 derivatives consist of interest rate swap contracts, forward exchange contracts and a barrier call option. The fair values of these derivative instruments are determined by Vukile's and Castellana's bank funders, using a valuation technique that maximises the use of observable market inputs. The level 3 derivative in the prior period consisted of a net settled derivative that was valued using the Black Scholes option pricing model.

Measurement of fair value

The methods and valuation techniques used to measure fair value are unchanged compared to the previous reporting period.

2.3 Fair value measurement of non-financial assets (investment property)

At 30 September 2024, the directors valued the South African property portfolio at R16.47 billion (31 March 2024: R15.55 billion) (excluding the non-controlling interest in Clidet which owns Moruleng Mall), and an external valuer valued the Spanish portfolio at R19.8 billion / €1.0 billion (31 March 2024: R20.9 billion / €1.0 billion).

The external valuations performed by Quadrant Properties (Pty) Ltd and Knight Frank (Pty) Ltd at 30 September 2024 on 47% of the South African portfolio were in line with the directors' valuations. The Spanish portfolio was valued by Colliers International.

The fair value of investment property is estimated using a discounted cash flow method – a level 3 model, 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 buildings.

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

The most significant inputs are the discount rate and the reversionary capitalisation rate. The inputs used in the valuations were:

	30 September 2024				31 March 2024			
	Discount rate %		Reversionary capitalisation rate %		Discount rate %		Reversionary capitalisation rate %	
	Range	Weighted average	Range	Weighted average	Range	Weighted average	Range	Weighted average
South Africa	**12.7 to 19.6**	**13.3**	**8.0 to 16.2**	**8.8**	12.7 to 19.6	13.3	7.8 to 16.3	8.8
Spain	**8.3 to 10.5**	**9.2**	**6.0 to 7.0**	**6.5**	8.3 to 10.5	9.3	6.0 to 7.0	6.5

NOTES TO THE FINANCIAL STATEMENTS continued

for the six months ended 30 September 2024

2 FAIR VALUE MEASUREMENT continued

2.3 Fair value measurement of non-financial assets (investment property) continued

South Africa

The discount rate and reversionary capitalisation rate have been disaggregated based on geography. The table below also illustrates the impact on valuations resulting from changes in base discount rates as well as net operating income (NOI) (including the resultant impact on the capitalisation rate) for year one and the capitalisation year.

	2024						
South African directly held property portfolio	Portfolio exposure %	Average discount rate %	Average exit capitali-sation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitali-sation year %	Valuation impact of 5% NOI reduction in cash flow in capitali-sation year %
Total portfolio	100	13.3	8.8	(5.5)	(4.0)	(3.4)	(5.0)
Retail	98	13.3	8.8	(5.5)	(4.0)	(3.4)	(5.0)
Other	2	13.3	10.6	(4.8)	(4.6)	(2.3)	(5.1)
Gauteng	38	13.2	8.7	(5.6)	(3.9)	(3.6)	(5.0)
KwaZulu-Natal	21	13.2	8.6	(5.3)	(4.0)	(2.9)	(5.0)
Western Cape	9	12.9	8.6	(5.6)	(3.9)	(3.5)	(5.0)
Free State	8	13.1	8.7	(5.6)	(4.1)	(3.6)	(5.0)
Eastern Cape	11	13.4	9.2	(5.3)	(4.3)	(3.5)	(5.0)
Limpopo	6	13.9	9.1	(5.2)	(4.7)	(3.4)	(5.0)
North West	4	13.2	8.2	(5.9)	(3.7)	(3.7)	(5.0)
Mpumalanga	3	15.2	10.5	(4.9)	(4.8)	(3.4)	(5.1)

Given that the discount rate for the portfolio ranges from 12.7% to 19.6%, the table above has been further disaggregated based on risk showing discount rates below 14%, between 14% and 16%, and above 16%. Refer to the following three tables:

Discount rate below 14%	Portfolio exposure %	Average discount rate %	Average exit capitali-sation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitali-sation year %	Valuation impact of 5% NOI reduction in cash flow in capitali-sation year %
Total portfolio	77	12.9	8.4	(5.7)	(3.8)	(3.4)	(5.0)
Retail	76	12.9	8.3	(5.7)	(3.8)	(3.5)	(5.0)
Other	1	12.9	9.7	(5.1)	(4.1)	(2.1)	(5.1)
Gauteng	28	12.8	8.3	(5.8)	(3.7)	(3.7)	(5.0)
KwaZulu-Natal	19	13.0	8.4	(5.3)	(3.9)	(2.8)	(5.0)
Western Cape	9	12.9	8.6	(5.6)	(3.9)	(3.5)	(5.0)
Free State	5	12.7	8.0	(6.0)	(3.7)	(3.7)	(5.0)
Eastern Cape	8	13.2	8.8	(5.5)	(4.1)	(3.6)	(5.0)
Limpopo	4	12.8	8.0	(6.0)	(3.7)	(3.7)	(5.0)
North West	4	13.2	8.2	(5.9)	(3.7)	(3.7)	(5.0)

2 FAIR VALUE MEASUREMENT continued

2.3 Fair value measurement of non-financial assets (investment property) continued

Discount rate between 14% and 16%	Portfolio exposure %	Average discount rate %	Average exit capitali-sation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitali-sation year %	Valuation impact of 5% NOI reduction in cash flow in capitali-sation year %
Total portfolio	19	14.1	9.9	(4.9)	(4.5)	(3.5)	(5.0)
Retail	18	14.1	9.8	(5.0)	(4.4)	(3.5)	(5.0)
Other	1	15.0	13.7	(3.7)	(6.4)	(3.1)	(5.3)
Gauteng	8	14.0	9.7	(5.1)	(4.3)	(3.5)	(5.1)
KwaZulu-Natal	2	14.4	10.1	(4.8)	(4.5)	(3.4)	(5.0)
Free State	3	14.0	10.3	(4.7)	(4.8)	(3.4)	(5.1)
Eastern Cape	3	14.0	10.5	(4.6)	(4.9)	(3.4)	(5.0)
Limpopo	1	15.0	10.5	(4.6)	(4.8)	(3.4)	(5.0)
Mpumalanga	2	14.0	9.0	(5.4)	(4.0)	(3.6)	(5.0)

Discount rate above 16%	Portfolio exposure %	Average discount rate %	Average exit capitali-sation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitali-sation year %	Valuation impact of 5% NOI reduction in cash flow in capitali-sation year %
Total portfolio	4	16.7	12.4	(3.7)	(6.3)	(2.9)	(5.1)
Retail	4	16.7	12.4	(3.7)	(6.3)	(2.9)	(5.1)
Gauteng	2	16.3	11.7	(4.2)	(4.7)	(3.3)	(5.1)
Limpopo	1	16.3	11.7	(3.2)	(8.0)	(2.3)	(5.0)
Mpumalanga	1	18.1	14.3	(3.5)	(6.6)	(3.0)	(5.1)

NOTES TO THE FINANCIAL STATEMENTS continued

for the six months ended 30 September 2024

2 FAIR VALUE MEASUREMENT continued

2.3 Fair value measurement of non-financial assets (investment property) continued

Spain

The tables below illustrate the impact on valuations resulting from changes in base discount rates as well as market rentals on a total portfolio basis. Spain has not been further disaggregated per geographical area due to the homogeneity of the portfolio. The reasons for the homogeneity is due to Spain having a retail only property portfolio, concentrated discount and capitalisation rates used in determining fair value of properties and geographical consistency in the placement of malls.

The tables below show the impact on the fair value of investment property for a 25bps change in discount and capitalisation rate:

	30 September 2024		31 March 2024	
	Variation of discount rate		Variation of discount rate	
	25bps decrease €'000	25bps increase €'000	25bps decrease €'000	25bps increase €'000
Retail	**17 480**	**(17 280)**	17 810	(17 410)

	30 September 2024		31 March 2024	
	Variation of capitalisation rate		Variation of capitalisation rate	
	25bps decrease €'000	25bps increase €'000	25bps decrease €'000	25bps increase €'000
Retail	**21 440**	**(19 980)**	22 290	(20 740)

The tables below show the impact on the fair value of investment property for a 10% change in market rents and Rand/ Euro foreign exchange rate:

	30 September 2024		31 March 2024	
	Impact on valuation and fair value adjustment €'000	valuation and fair value adjustment Rm	Impact on valuation and fair value adjustment €'000	Impact on valuation and fair value adjustment Rm
10% increase in market rents	**69 270**	**1 333**	69 430	1 414
10% decrease in market rents	**(69 380)**	**(1 335)**	(69 400)	(1 412)

	30 September 2024	31 March 2024
	Impact on valuation Rm	Impact on valuation Rm
10% increase in foreign exchange rate	**1 980**	2 092
10% decrease in foreign exchange rate	**(1 980)**	(2 092)

The effect of a 25bps change to the base discount rate will have the following impact on the valuation of the portfolio:

South Africa[1]	Fair value Rm	25bps increase Decreased fair value Rm	Decrease Rm	% decrease	25bps decrease Increased fair value Rm	Increase Rm	% increase
30 September 2024	**16 473**	**16 015**	**(458)**	**(2.8)**	**16 979**	**506**	**3.1**
31 March 2024	15 545	15 105	(440)	(2.8)	16 031	486	3.1

[1] *Fair value excludes non-controlling interest in Clidet.*

Spain	Fair value €m	Decreased fair value €m	Decrease Rm	% decrease	Increased fair value €m	Increase Rm	% increase
30 September 2024	**1 029**	**1 012**	**(333)**	**(1.7)**	**1 047**	**336**	**1.7**
31 March 2024	1 027	1 009	(355)	(1.7)	1 045	363	1.7

NOTES TO THE FINANCIAL STATEMENTS continued

for the six months ended 30 September 2024

2 FAIR VALUE MEASUREMENT continued

2.3 Fair value measurement of non-financial assets (investment property) continued

The following table reflects the levels within the hierarchy of non-financial assets measured at fair value:

	Unaudited 30 September 2024 Recurring fair value measurements Level 3 Rm	Unaudited 30 September 2023 Recurring fair value measurements Level 3 Rm	Audited 31 March 2024 Recurring fair value measurements Level 3 Rm
Investment property	**36 433**	35 915	36 596
Right-of-use asset	**326**	312	318

	Unaudited 30 September 2024 Non-recurring fair value measurements Level 3 Rm	Unaudited 30 September 2023 Non-recurring fair value measurements Level 3 Rm	Audited 31 March 2024 Non-recurring fair value measurements Level 3 Rm
Investment property held for sale	**—**	111	16

3 RECONCILIATION OF EARNINGS TO HEADLINE EARNINGS

	Unaudited 30 September 2024		Unaudited 30 September 2023		Audited 31 March 2024	
	Rm	Cents per share	Rm	Cents per share	Rm	Cents per share
Profit attributable to owners of the parent	**1 244**	**109.82**	1 174	113.43	1 587	152.27
Earnings and diluted earnings	**1 244**	**109.82**	1 174	113.43	1 587	152.27
Change in fair value of investment property	**(261)**	**(23.02)**	(310)	(29.94)	(195)	(18.69)
Non-controlling interest (NCI) portion of fair value changes in investment property	**8**	**0.68**	2	0.18	9	0.82
Remeasurement of right-of-use asset	**(7)**	**(0.62)**	(7)	(0.68)	(14)	(1.31)
Loss/(profit) on sale of investment property	**6**	**0.55**	(3)	(0.32)	(11)	(1.09)
Remeasurement included in equity-accounted earnings of associate	**—**	**(0.01)**	3	0.33	(7)	(0.66)
Headline and diluted headline earnings	**990**	**87.40**	859	83.00	1 369	131.34
Number of shares in issue	**1 229 933 623**		1 036 226 628		1 104 719 779	
Weighted average number of shares	**1 132 751 221**		1 035 002 584		1 042 385 772	

There are no dilutionary shares in issue.

4 CAPITAL COMMITMENTS

The following table reflects the capital commitments as at 30 September 2024:

	30 September 2024 Rm	31 March 2024 Rm
Authorised and contracted	**1 021**	1 221
Authorised and not contracted	**478**	517

In the prior year, Vukile committed R200 million to REimagine Social Impact Retail Fund as an equity investment, of which c.R53 million has been invested until 30 September 2024.

Authorised projects also include R240 million, of which R186.7 million has already been contracted, relating to an investment in sustainable backup power in South Africa.

Capital commitments of c.€30 million in Spain relate to value-add development projects on investment property.

The above capital expenditure will be funded by way of bank facilities, surplus cash from share issuances and proceeds from the sale of non-core assets.

5 NON-CURRENT ASSETS HELD FOR SALE

At the reporting date, management assessed whether certain assets qualified to be classified as held for sale.

Equity investments at FVTOCI that are classified as held for sale in the current period, relate to the investment in Lar España, held by Vukile's Spanish subsidiary, Castellana. Castellana accepted a voluntary cash tender offer at €8.30 per share for its investment in Lar España and concluded an irrevocable undertaking to sell its 24,090,411 shares, for an aggregate consideration of c.€200 million.

	Unaudited 30 September 2024 Rm	Unaudited 30 September 2023 Rm	Audited 31 March 2024 Rm
Equity investments at FVTOCI	**3 752**	—	—
Investment Property	**—**	111	16

SA REIT ratios

for the six months ended 30 September 2024

SA REIT FUNDS FROM OPERATIONS (SA REIT FFO)

	31 March 2024 Rm	30 September 2023 Rm	31 March 2024 Rm
Profit per IFRS statement of comprehensive income attributable to the parent	**1 244**	1 174	1 587
Adjusted for:			
Accounting/specific:			
Fair value adjustments to:	**(323)**	(137)	208
Investment property	**(183)**	(324)	(229)
Debt and equity instruments held at fair value through profit or loss	**7**	(10)	(42)
Depreciation and amortisation of intangible assets	**2**	2	9
Asset impairments (excluding goodwill) and reversal of impairment	**(7)**	5	5
Deferred tax movement recognised in profit or loss	**24**	2	23
Straight-lining operating lease adjustment	**(78)**	14	34
Adjustments to dividends from equity interests held	**(88)**	174	408
Adjustments arising from investing:			
Gains or losses on disposal of:	**6**	(3)	(11)
Investment property and property, plant and equipment	**6**	(3)	(11)
Foreign exchange and hedging items:	**—**	(152)	(154)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	**—**	4	7
Adjustments to amounts recognised in profit or loss relating to derivative financial instruments	**—**	(156)	(161)
Other adjustments:	**88**	1	83
Adjustments made for equity-accounted entities	**—**	(2)	(11)
Non-controlling interests in respect of the above adjustments	**8**	2	9
Antecedent income	**80**	1	85
SA REIT FFO	**1 015**	883	1 713
Number of shares outstanding (net of treasury shares)	**1 229 933 623**	1 036 226 628	1 104 719 779
SA REIT FFO cents per share	**82.52**	85.21	115.06
Company-specific adjustments	**(2)**	(2)	(9)
Depreciation	**(2)**	(2)	(9)
FFO	**1 013**	881	1 704
FFO per share (cents)	**82.40**	84.99	154.20

SA REIT NAV

	30 September 2024 Rm	30 September 2023 Rm	31 March 2024 Rm
Reported NAV attributable to the parent	**26 038**	21 928	23 803
Adjustments:			
Dividend declared[1]	**(679)**	(540)	(797)
Fair value of derivative financial instruments	**(56)**	(64)	(26)
Goodwill and intangible assets	**(4)**	(3)	(4)
SA REIT NAV	**25 299**	21 321	22 976
Shares outstanding			
Number of shares in issue (net of treasury shares)	**1 229 933 623**	1 036 226 628	1 104 719 779
SA REIT NAV per share	**20.57**	20.58	20.80

[1] *The SA REIT NAV is reduced by the total dividend declared for H1 FY25.*

SA REIT COST-TO-INCOME RATIO

South African portfolio	30 September 2024 Rm	30 September 2023 Rm	31 March 2024 Rm
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)	**455**	437	884
Administrative expenses per IFRS income statement [1]	**116**	83	193
Excluding: Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	**(2)**	(2)	(3)
Operating costs	**569**	518	1 074
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	**820**	776	1 570
Utility and operating recoveries per IFRS income statement	**340**	304	631
Gross rental income	**1 160**	1 080	2 201
SA REIT cost-to-income ratio (%)	**49.1**	48.0	48.8

[1] *The increase in corporate costs in SA is mainly attributable to staff-related costs as well as the roll-out of marketing and advertising campaigns. Increase in staff-related costs relate to out-performance (c.+R7.4 million) on the conditional share plan included in the current period compared to a clawback (c.-R17.4 million) in the prior period.*

Spain portfolio	30 September 2024 Rm	30 September 2023 Rm	31 March 2024 Rm
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)	**230**	226	478
Administrative expenses per IFRS income statement	**108**	98	216
Excluding: Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	**—**	—	(5)
Operating costs	**338**	324	689
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	**721**	770	1 492
Utility and operating recoveries per IFRS income statement	**161**	167	324
Gross rental income [1]	**882**	937	1 816
SA REIT cost-to-income ratio (%)	**38.3**	34.6	37.9

[1] *Revenue decreased slightly due to exchange rate movements as well as income received from the sellers of VallSur and Los Arcos in the prior period to cover loss of income during capital projects.*

SA REIT ratios continued

for the six months ended 30 September 2024

South African portfolio	30 September 2024 Rm	30 September 2023 Rm	31 March 2024 Rm
Administrative costs			
Administrative expenses as per IFRS income statement [1]	**116**	83	193
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	**820**	776	1 570
Utility and operating recoveries per IFRS income statement	**340**	304	631
Gross rental income	**1 160**	1 080	2 201
SA REIT administrative cost-to-income ratio (%)	**10.0**	7.7	8.8

[1] The increase in corporate costs in SA is mainly attributable to staff-related costs as well as the roll-out of marketing and advertising campaigns. Increase in staff-related costs relate to out-performance (c.+R7.4 million) on the conditional share plan included in the current period compared to a clawback (c.-R17.4 million) in the prior period.

Spain portfolio	30 September 2024 Rm	30 September 2023 Rm	31 March 2024 Rm
Administrative costs			
Administrative expenses as per IFRS income statement	**108**	98	216
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	**721**	770	1 492
Utility and operating recoveries per IFRS income statement	**161**	167	324
Gross rental income [1]	**882**	937	1 816
SA REIT administrative cost-to-income ratio (%)	**12.2**	10.5	11.9

[1] Revenue decreased slightly due to exchange rate movements as well as income received from the sellers of VallSur and Los Arcos in the prior period to cover loss of income during capital projects.

SA REIT GLA VACANCY

South Africa portfolio	30 September 2024 Rm	30 September 2023 Rm	31 March 2024 Rm
GLA of vacant space (m^2)	**14 946**	21 467	21 042
GLA of total property portfolio (m^2)	**750 706**	797 186	789 798
SA REIT GLA vacancy rate (%)	**2.0**	2.7	2.7

Spain portfolio	30 September 2024 Rm	30 September 2023 Rm	31 March 2024 Rm
GLA of vacant space (m^2)	**4 649**	3 272	3 769
GLA of total property portfolio (m^2)	**328 032**	341 169	336 427
SA REIT GLA vacancy rate (%)	**1.4**	1.0	1.1

SA REIT COST OF DEBT

30 September 2024	ZAR %	EUR %
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	**9.5**	**1.8**
Fixed interest rate borrowings		
Weighted average fixed rate	**—**	**2.5**
Pre-adjusted weighted average cost of debt	**9.5**	**4.3**
Adjustments:		
Impact of interest rate derivatives	**(0.4)**	**(0.2)**
Amortised transaction costs imputed into the effective interest rate	**0.1**	**0.2**
SA REIT all-in weighted average cost of debt	**9.2**	**4.3**

30 September 2023	ZAR %	EUR %
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	10.0	3.6
Fixed interest rate borrowings		
Weighted average fixed rate	—	1.6
Pre-adjusted weighted average cost of debt	10.0	5.2
Adjustments:		
Impact of interest rate derivatives	(0.3)	—
Amortised transaction costs imputed into the effective interest rate	0.1	0.1
SA REIT all-in weighted average cost of debt	9.8	5.3

31 March 2024	ZAR %	EUR %
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	9.9	3.6
Fixed interest rate borrowings		
Weighted average fixed rate	—	1.2
Pre-adjusted weighted average cost of debt	9.9	4.8
Adjustments:		
Impact of interest rate derivatives	(1.3)	(0.3)
Amortised transaction costs imputed into the effective interest rate	0.1	0.2
SA REIT all-in weighted average cost of debt	8.7	4.7

SA REIT ratios continued

for the six months ended 30 September 2024

SA REIT LTV

	30 September 2024 Rm	30 September 2023 Rm	31 March 2024 Rm
Gross debt	**19 476**	17 692	18 855
Less:			
Cash and cash equivalents	**(5 146)**	(992)	(2 352)
Cash and cash equivalents balance sheet	**(5 147)**	(993)	(2 353)
Less restricted cash	**1**	1	1
Less:			
Net derivative financial instruments asset	**(56)**	(63)	(25)
Forward exchange contracts	**(105)**	4	(1)
Interest rate swaps	**49**	(67)	(24)
Net debt	**14 274**	16 637	16 478
Total assets – per statement of financial position	**47 160**	41 284	44 237
Less:			
Cash and cash equivalents	**(5 147)**	(993)	(2 353)
Tenant deposits	**(204)**	(151)	(139)
Derivative financial assets:	**(114)**	(165)	(117)
Forward exchange contracts	**(105)**	(95)	(82)
Interest rate swaps	**(9)**	(70)	(35)
Goodwill and intangible assets	**(4)**	(4)	(4)
Trade and other receivables	**(330)**	(287)	(301)
Carrying amount of property-related assets	**41 361**	39 684	41 323
SA REIT LTV %	**34.5**	41.9	39.9

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