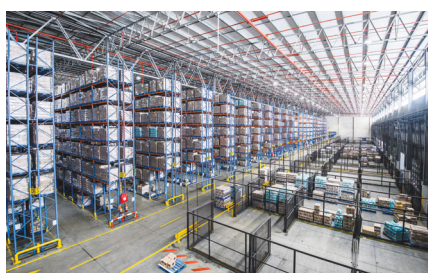


UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF COLLINS PROPERTY GROUP

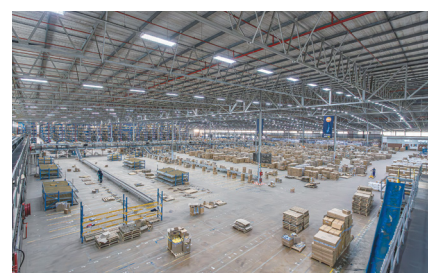
FOR THE SIX MONTHS TO 31 AUGUST 2023



Ndlovu Park, KwaZulu-Natal



Walter Reid Road, KwaZulu-Natal



Fibres Road, KwaZulu-Natal

Key information

- **Revenue: R581 million**
(31 August 2022: R570 million)
- **Profit from continuing operations before non-controlling interest: R159 million**
(31 August 2022: R139 million)
- **Net profit attributable to ordinary shareholders: R108 million**
(31 August 2022: loss of R958 million)
- **Earnings per share: 42 cents**
(31 August 2022: loss of 319 cents)
- **Net asset value per share: R12.62**
(28 February 2023: R12.40)
- **Interim dividend: To be declared post REIT conversion.**

In the second half of 2022, the Company disposed of all its property assets and operations in the United Kingdom and changed its reporting currency to South African rand following the sale.

Its remaining assets comprise a 74.3% interest in Collins Property Projects ("CPP") and full ownership of both the Nguni Group (Namibian portfolio) and Tradehold Africa.

Converting to a REIT

The disposal of the Company's UK assets formed part of an extensive restructuring of the business over the past six months, a process intended to result in the conversion of the Company into a real estate investment trust ("REIT") during the current financial year, should all the necessary approvals be obtained in time.

The restructuring process started with the bringing of the Company onshore from a tax perspective at the end of February 2023. As part of the process an agreement was reached with the owners of U Reit Collins (Pty) Ltd whereby they swap their 25.7% shareholding in CPP, the South African division of the group, for a 21.78% shareholding in the Company through the issue of listed shares at an effective price of R13.64 per ordinary share.

And finally, the name of the Company was changed from Tradehold Limited to Collins Property Group Limited, to leverage off the well-respected name of Collins in the local property market.

Business environment

In the view of management, the reporting period to 31 August 2023 was very demanding; a period marked by a stagnant economy, continuous load-shedding, failing infrastructure at every level, higher interest rates coupled with stubbornly high inflation, and increasing unemployment. The Company nevertheless managed to maintain profit levels primarily due to a solid tenant base and the ongoing broadening of its geographic footprint.

Financial performance

The Group reported a net profit of R108 million, an increase of R1 billion over the loss of R958 million suffered in the corresponding interim period in 2022. That loss was mainly due to a loss of R914 million incurred in the disposal of the Moorgarth Group of which the net assets were disclosed as held for sale. Profit from continuing operations before non-controlling interest increased from R139 million in the comparative August 2022 period to R159 million in this reporting period.

Total assets now amount to R12.2 billion (28 February 2023: R12.2 billion). Earnings per share were 42 cents compared to a loss of 319 cents per share for the corresponding period. Net asset value per share was R12.62 compared to R12.40 at 28 February 2023.

Operational performance

Collins

There was a renewed focus by management in the reporting period on balancing its local portfolio with properties in Western Europe. In the past six months Collins obtained a share in four mainly industrial properties in the Netherlands to add to the six it already owns in Austria. A senior staff member of the Group will be moving to the Netherlands in January 2024 to actively grow its portfolio in Europe, with potential assets in Germany under consideration at present.

In South Africa Collins has made good progress in selling down assets to free up cash for, *inter alia*, the intended offshore expansion. This ongoing recycling of assets is also aimed at constantly improving the overall quality and profitability of the portfolio. In the period under review seven properties were sold for a total of R62 million while the sale of further properties to the value of R159 million are expected to be completed before the end of the financial year.

Locally the Group is increasing its presence in the Western Cape, which management believes offers considerable opportunities. It has at present several substantial projects at various stages of investigation and development, the focus for now being mainly on convenience retail, targeting major retail groups as anchor tenants.

The bulk of the Group's gross lettable area ("GLA") of just more than 1.5 million square metres, consists of large industrial warehouses and distribution centres let on long-term leases to mainly national and JSE-listed companies. At the end of the reporting period, the weighted average lease expiry date ("WALE") was 4.7 years. Vacant space increased from 3% in February 2023 to 4.04%, mainly due to some smaller tenants being forced by the harsh business environment to either downsize or close up their businesses altogether.

Since the end of the reporting period the amount of vacant space has recovered to 3.6%. Rental collections reduced slightly from 98.8% to 97.5%.

To help counter the effects of Eskom's power outages on tenant operations, Collins has continued its roll-out of solar generated power. Solar panels already cover some 225 000 square meters of total roof space. This roll-out has also created a new albeit small revenue stream in terms of roof-top rentals.

Nguni Group (Namibia)

The Namibian portfolio consist mainly of office and retail properties and are for the major part located in the capital, Windhoek. The sale of the company's 40% share in the Dunes Mall in Walvis Bay has been concluded while the construction of two office towers in Windhoek, one of which has been presold, is on schedule.

Tradehold Africa

Management finalised the sale of the Zambian portfolio during the reporting period. This released R44 million which is being added to the Group's investment in the Western Cape. The only remaining assets in countries outside South Africa and Namibia are two properties in Mozambique which the Group has been keen to sell for some time now.

Prospective ordinary share cash dividend

The board of directors of Collins intends to declare an interim dividend for the six months to 31 August 2023, subject to Collins being granted REIT status by the JSE. As set out above, Collins is in the process of applying for REIT status and anticipates being granted REIT status by the JSE. It is intended that the interim dividend will be treated as a "qualifying distribution" for purposes of section 25BB of the Income Tax Act, 58 of 1962. Accordingly, an interim dividend will only be declared once Collins has been granted REIT status by the JSE. A further announcement in this regard will be released on SENS in due course.

Going concern

The Group has prepared financial forecasts based on detailed operational cash-flow forecasts, for the 18 months to February 2025. After servicing all interest and amortisation on borrowings, the forecasts show sufficient cash levels as a buffer against unforeseen events.

Post the end of the reporting period, R450 million of debt shown under Short-term borrowings on the Statement of Financial Position has been converted to Long-term borrowings.

Outlook

During the period under review – and in the months since – much of management’s time has been spent on the extensive restructuring of the business and on equipping it for its future status as a REIT. We believe the Group is now much more focused and that the broadening of its footprint both into Europe and the Western Cape, has greatly strengthened its ability to manage the challenging operating and economic environment.

Policy adoption for trading statements

The Group has adopted net asset value per share as the measure for trading statements with effect from the 28 February 2017 financial year-end.

Preparation of financial statements

The preparation of the financial statements were supervised by the group financial director, Grant Lang B.Acc, B.Acc Hons, RPA(SA). The condensed consolidated interim results for the six months ended 31 August 2023 have not been audited or independently reviewed by the Group’s external auditors, PricewaterhouseCoopers Inc.

CH WIESE
CHAIRMAN

GC LANG
DIRECTOR

2 November 2023

Statement of comprehensive income

ZAR'000	Unaudited 6 months to 31 August 2023	Restated* ZAR Unaudited 6 months to 31 August 2022	Audited 12 months to 28 February 2023
Revenue	581 570	570 767	1 147 008
Other operating income	19 877	11 575	93 462
Profit on disposal of investment properties	(6 607)	2 058	8 300
Net gain/(loss) from fair value adjustment on investment property	16 559	(13 277)	294 484
Impairment (losses)/gains on financial assets	(13 900)	2 572	(42 855)
Employee benefit expenses	(25 972)	(31 006)	(50 218)
Lease expenses	(16 370)	(12 990)	(30 403)
Depreciation, impairment and amortisation	(4 201)	(4 254)	(8 474)
Other operating costs	(70 817)	(34 715)	(141 153)
Trading profit	480 139	490 730	1 270 151
Gain/(loss) on disposal of financial assets	4 146	158	(1 887)
Net fair value profit/(loss) on financial assets at fair value through profit or loss	10 546	(11 338)	(3 186)
Operating profit	494 831	479 550	1 265 078
Finance income	15 093	31 441	60 361
Finance cost	(322 188)	(284 572)	(590 656)
Profit before taxation	187 736	226 419	734 783
Taxation	(28 461)	(87 160)	(217 910)
Profit for the year from continuing operations before non-controlling interest	159 275	139 259	516 873
Loss from discontinued operations before non-controlling interest	—	(914 146)	(174 808)
Profit/(loss) for the year before non-controlling interest	159 275	(774 887)	342 065
Other comprehensive income			
Gains on cash flow hedges	—	7 420	7 593
Exchange differences on translation of foreign operations	36 506	186 866	43 329
Total comprehensive income for the period	195 781	(580 601)	392 987
Profit/(loss) attributable to:			
Owners of the parent	108 276	(958 493)	158 459
Non-controlling interest	50 999	183 606	183 606
	159 275	(774 887)	342 065
Total comprehensive income attributable to:			
Owners of the parent	133 791	(664 754)	205 058
Non-controlling interest	61 990	84 153	187 929
	195 781	(580 601)	392 987
Total comprehensive income attributable to owners of the parent arises from:			
Continuing operations	133 791	239 250	409 839
Discontinued operations	—	(904 004)	(204 781)
	133 791	(664 754)	205 058
Earnings per share (ZAR): basic	0.42	(3.19)	0.62
Number of shares for calculation of earnings per share ('000)	256 963	256 963	256 963
Earnings per share (ZAR): diluted	0.42	(3.18)	0.62
Number of shares for calculation of diluted earnings per share ('000)	256 963	257 616	256 963

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in Note 2.

Statement of financial position

(ZAR'000)	Audited Unaudited 31 August 2023	Restated* ZAR Unaudited 31 August 2022	Audited 28 February 2023
Non-current assets	11 713 982	11 129 036	11 586 513
Property, plant and equipment	38 272	41 598	38 003
Investment properties – fair value for accounting purposes	10 754 120	10 275 336	10 670 453
Investment property – straight lining lease income accrual	640 564	675 565	667 120
Investment properties – right-of-use assets	5 697	5 991	5 856
Deferred taxation	153 354	96 883	115 714
Investments accounted for using the equity method			
Investments in associates	26 071	—	—
Financial assets at amortised cost:			
Loans to joint venture	7 350	15 592	11 526
Loans to associates	8 695	—	—
Loans receivable	79 859	18 071	77 841
Current assets	491 738	751 382	549 052
Financial assets at fair value through profit and loss	1 263	1 190	1 218
Financial assets at amortised cost:			
Loans receivable	135 887	195 314	119 327
Loans to associates	90 008	130 864	124 061
Trade and other receivables	88 500	131 281	61 752
Other current assets	16 967	67 803	23 768
Taxation	516	—	516
Cash and cash equivalents	158 597	224 931	218 410
Assets classified as held for sale	21 400	4 117 744	84 910
Total assets	12 227 120	15 998 162	12 220 475
Equity	4 333 937	5 131 072	4 252 790
Ordinary shareholders' equity	3 244 088	4 010 602	3 187 387
Non-controlling interest	1 089 849	1 120 470	1 065 403
Non-current liabilities	6 882 497	6 992 368	6 942 677
Preference share liability	1 082	1 091	1 082
Long-term borrowings	5 739 159	5 933 217	5 814 737
Lease liabilities	4 342	4 642	4 501
Derivative financial instruments	34 377	53 084	44 923
Deferred taxation	1 103 537	1 000 335	1 077 434
Current liabilities	1 010 686	1 797 501	1 025 008
Preference share liability	—	1 017 355	—
Short-term borrowings	777 962	388 902	730 530
Deferred revenue	42 146	9 343	58 397
Derivative financial instruments	—	95 277	—
Taxation	36 764	56 575	43 513
Trade and other payables	153 814	230 049	192 568
Liabilities directly associated with assets classified as held for sale	—	2 077 221	—
Total liabilities	7 893 183	10 867 090	7 967 685
Total equity and liabilities	12 227 120	15 998 162	12 220 475

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in Note 2.

Statement of changes in equity

(ZAR'000)	Unaudited 6 months to 31 August 2023	Restated* ZAR Unaudited 6 months to 31 August 2022	Audited 12 months to 28 February 2023
Balance at beginning of the year	4 252 790	6 044 335	6 044 335
Profit/(loss) for the period	159 273	(774 887)	342 065
Dividends distributed to shareholders	(77 089)	(78 404)	(1 269 398)
Disposal of subsidiary	83	—	(749 916)
Capital reserve (Employee Share Option Scheme)	—	1 064	1 729
Distribution to minorities	(37 626)	(4 500)	(166 947)
Other comprehensive income for the period	36 506	(56 536)	50 922
Balance at the end of the year	4 333 937	5 131 072	4 252 790

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in Note 2.

Statement of cash flows

(ZAR'000)	Unaudited 6 months to 31 August 2023	Restated* ZAR 6 months to 31 August 2022	Audited 12 months to 28 February 2023
Cash flows of operating activities	1 648	153 754	(817 868)
Operating profit from continuing operations	494 831	479 550	1 265 078
Non-cash items	(33 785)	25 604	(285 414)
Changes in working capital	26 289	(15 880)	201 285
Cash flows of discontinued operations	—	31 580	93 503
Finance income	16 383	8 983	38 481
Finance expense	(342 501)	(264 489)	(582 558)
Dividends paid to ordinary shareholders	(77 089)	(78 404)	(1 269 398)
Dividends to non-controlling interests	(37 626)	(4 500)	(166 947)
Taxation paid	(44 854)	(28 691)	(111 898)
Cash flows of investing activities	(47 970)	(94 043)	1 819 132
Acquisition of investment properties	(112 422)	(185 733)	(245 434)
Acquisition of property, plant and equipment	(4 572)	(377)	(2 019)
Cash flows of discontinued operations	—	92 265	53 573
Proceeds on disposal of investment properties	66 651	25 669	27 611
Proceeds on disposal of property, plant and equipment	164	79	1 140
Proceeds on sale of subsidiary net of cash sold	—	—	1 770 383
Loans repaid by joint venture	4 176	4 662	—
Loans advanced to associate undertaking	(52 758)	(6 725)	(7 676)
Loans repaid by associate undertaking	61 356	2 261	2 192
Loans and advances – issued	(16 116)	(32 552)	(138 845)
Loans and advances – repaid	5 551	6 407	358 207
Cash flows of financing activities	(39 016)	(248 962)	(1 205 594)
Proceeds from borrowings	160 436	1 234 867	1 557 219
Repayment of borrowings	(199 293)	(1 463 606)	(1 578 239)
Cash flows of discontinued operations	—	(20 103)	(24 468)
Settlement of derivative	—	—	(156 359)
Redemption of preference shares	—	—	(1 003 488)
Principal elements of lease payments	(159)	(119)	(259)
Net decrease in cash and cash equivalents	(85 338)	(189 250)	(204 330)
Effect of changes in exchange rate	25 524	(4 250)	4 309
Cash and cash equivalents at beginning of the year	218 410	418 431	418 431
Cash and cash equivalents at end of the year	158 596	224 931	218 410

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in Note 2.

Segmental analysis

(ZAR'000)	Revenue	Operating profit/(loss)	Investment properties	Total assets	Total liabilities
Six months to 31 August 2023 (unaudited)					
Property – South Africa	480 690	437 125	9 524 560	10 023 748	6 836 585
Property – Europe	43 774	22 121	714 021	784 049	339 154
Property – Namibia	31 132	11 839	689 559	839 473	450 227
Property – rest of Africa	25 974	23 745	472 240	579 852	267 219
	581 570	494 830	11 400 381	12 227 122	7 893 185
Six months to 31 August 2022 (unaudited)					
Property – United Kingdom	—	—	—	3 044 322	2 196 490
Property – South Africa	483 380	397 018	9 101 600	9 682 638	6 567 539
Property – Austria	34 913	26 081	624 094	655 767	357 444
Property – Namibia	27 444	25 742	719 584	909 899	467 952
Property – rest of Africa	25 030	52 356	511 613	662 473	277 697
Serviced office – United Kingdom	—	—	—	1 056 818	993 363
Other	—	(21 647)	—	(13 755)	6 606
	570 767	479 550	10 956 892	15 998 162	10 867 089
Restated*					
Twelve months to 28 February 2022 (audited)					
Property – South Africa	955 629	1 132 489	9 412 734	9 945 576	6 822 591
Property – Austria	79 460	115 248	714 021	745 695	352 897
Property – Namibia	59 024	14 470	691 046	869 421	464 908
Property – rest of Africa	52 895	24 409	525 628	656 895	313 692
Other	—	(21 539)	—	2 887	13 596
	1 147 008	1 265 077	11 343 429	12 220 475	7 967 684

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in Note 2.

Notes to the condensed consolidated interim financial statements

1 **Basis of presentation and accounting policies**

The Condensed consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act, No 71 of 2008 (the “Companies Act”) applicable to interim financial statements.

The JSE Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated interim financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The comparative information included in consolidated interim financial statements in respect of the August 2022 financial period has been restated from the previous reporting currency of Great British Pounds to the new reporting currency of South African Rands. There has been no impact on disclosure due to the restatement.

The Group’s reportable segments reflect those components of the Group that are regularly reviewed by the chief executive officers and other senior executives who make strategic decisions (i.e. the chief operating decision maker).

Trading profit on the face of the statement of comprehensive income is the Group’s operating result excluding fair value gains or losses on financial assets at fair value through profit or loss and impairment losses on goodwill.

Tangible net asset value per share:

Tangible net asset value per share excludes intangible assets, deferred tax assets and deferred tax liabilities from the calculation of the group’s net asset value. Management believes that it is a useful measure for shareholders of the Group’s intrinsic net worth. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

The directors of the Group take full responsibility for the preparation of this interim report.

Notes (continued)

2 Discontinued operation

During the previous financial year the group restructured its business to strengthen the focus on its core property market in South Africa, through the disposal of the entirety of its United Kingdom property interests, the subsequent closure of its Malta office and the commencement of the closure of its Swiss office.

The disposal completed on 17 November 2022, when the group disposed of its 100% equity in its subsidiary Moorgarth Holdings (Luxembourg) S.à.r.l, comprising the United Kingdom operations known as Moorgarth, which in turn hold a 90% equity interest in a United Kingdom based serviced office business known as Boutique (collectively the “Moorgarth group”) for a total consideration in cash of ZAR 2 013 million resulting in a loss of ZAR 857 million before the release of related foreign currency translation reserves, and a loss of ZAR 164 million after the release of related foreign currency translation reserves.

The Moorgarth group qualified as a discontinued operation as it was a component of the group that represented a separate major line of business.

Revenue and expenses, gains and losses relating to the Moorgarth group discontinued operation have been eliminated from profit or loss from the group’s continuing operations and are shown as a single line item in the consolidated statement of profit or loss.

ZAR'000	Audited 12 months to 28 February 2023
Income and expenses comprising the loss from the discontinued operation:	
Revenue	411 158
Other operating income	10 400
Loss on disposal of investment property	(258)
Net loss from fair value adjustment on investment property	(95 153)
Reversal of impairment losses on financial assets	405
Employee benefit expenses	(70 401)
Depreciation, impairment and amortisation	(16 346)
Other operating costs	(183 201)
Trading profit	56 603
Net fair value gains on financial assets at fair value through profit or loss	6 462
Operating profit	63 065
Finance income	10 113
Finance cost	(65 571)
Loss from joint venture	(35 846)
Loss before taxation	(28 238)
Taxation	(202)
Loss from discontinued operation before non-controlling interest	(28 441)
Non-controlling interest	2 787
Loss from discontinued operation after non-controlling interest	(25 654)
Other comprehensive income	7 593
Total comprehensive profit attributable to owners of the parent	(18 062)
Cash flow information	
Cash flow from operating activities	93 503
Cash flow from investing activities	53 573
Cash flow from financing activities	(24 468)
Total cash flows	122 608

Notes (continued)

2 Discontinued operation (continued)

ZAR'000	Audited 12 months to 28 February 2023
The carrying amounts of the assets and liabilities of the discontinued operation as at the date of sale (17 November 2022) and the loss on disposal were as follows:	
Property, plant and equipment	127 746
Investment property	2 890 970
Investment property – right-of-use assets	1 057 149
Intangible assets	157 678
Deferred taxation	56 972
Investments in joint venture	205 239
Loans to joint venture	7 027
Derivative financial instruments	9 090
Loans receivable	17 729
Total non-current assets	4 529 600
Financial assets at fair value through profit and loss	93 821
Trade and other receivables	28 822
Other current assets	157 428
Cash and cash equivalents	236 143
Total current assets	516 215
Investment property classified as held for sale	294 567
Long-term borrowings	(650 967)
Lease liabilities	(1 057 149)
Short-term borrowings	(444 247)
Deferred revenue	(130 331)
Trade and other payables	(197 859)
Taxation	(195)
Total net assets	2 859 635
Non-controlling interest	3 574
Total net assets after non-controlling interest	2 863 210
Net cash consideration	2 006 526
Total consideration received in cash	2 012 875
Disposal costs	(6 348)
Loss on disposal	(856 683)
Profit of Moorgarth group before non-controlling interest	
Non-controlling interest	(2 787)
Other comprehensive income	(7 593)
Effect of foreign currency translation differences	692 254
Loss from discontinued operation before non-controlling interest	(174 808)
Total consideration received in cash	2 012 875
Disposal costs	(6 348)
Cash and cash equivalents disposed of	(236 143)
Net cash received	1 770 383

Notes (continued)

ZAR'000	Unaudited 6 months to 31 August 2023	Unaudited 6 months to 31 August 2022	Audited 12 months to 28 February 2023
3 Number of shares in issue net of treasury shares ('000)	256 963	256 963	256 963
4 Net asset value per share	12.62	15.61	12.40
Earnings per share from continuing operations (as defined by management – excludes loss/profit from discontinued operations)	0.42	(3.19)	0.61
Calculation of earnings from continuing operations			
Profit for the year from continuing operations before non-controlling interest	159 275	(774 887)	342 065
Profit for the year attributable to non-controlling interest	(50 999)	(45 272)	(183 606)
Loss for the year of discontinued operation attributable to non-controlling interest	—	—	(2 787)
Profit from continuing operations attributable to owners of the parent	108 276	(820 159)	155 672
5 Depreciation for the year	4 201	4 254	8 474
6 Net profit/(loss) from fair value adjustment on investment property	16 559	(13 277)	294 484
7 Capital expenditure for the year	116 994	186 110	247 453
Capital commitments contracted but not provided for at year-end are:			
South Africa			
Inanda Spar: development by Colkru Investments (Pty) Ltd to be funded by Rand Merchant Bank Ltd.	—	2 119	—
Uitzicht: development by Colkru Investments (Pty) Ltd to be funded by Investec.	—	3 074	—
Tenant installation – improvement to existing and additional rental units for an existing tenant of Imbali Props 21 (Pty) Ltd, and the works are expected to be self-funded or via bank funding. This will be done over the course of the next financial period.	—	6 806	13 400
KZN flood damage: repairs of properties impacted by localised floods, Imbali Props 21 (Pty) Ltd and Saddle Path Props 69 (Pty) Ltd are committed to the works, and the source of funding is from insurance proceeds.	—	8 977	—
Vergelegen Shopping Centre: development costs by Vergelegen Property Investment (Pty) Ltd to be funded by existing capital and by Investec Ltd.	303 418	—	372 768
Mzuri Residential: land development costs by Coltrade West (Pty) Ltd to be funded by existing capital and by Investec Ltd on condition pre-let sales are met.	5 800	—	6 000
Netherlands investment: investment in property investment companies by Saddle Path Props 69 (Pty) Ltd and the investment was funded by existing capital.	—	—	35 000

Notes (continued)

ZAR'000		Unaudited 6 months to 31 August 2023	Unaudited 6 months to 31 August 2022		Audited 12 months to 28 February 2023		
8	Headline earnings						
	Basic headline earnings per share (ZAR)	0.38		1.32		0.45	
	Diluted headline earnings par share (ZAR)	0.38		1.31		0.45	
	Calculation of headline earnings	Gross	Net	Gross	Net	Gross	
	Profit attributable to equity holders of the company	—	108 276	—	(820 159)	—	158 459
	Net loss/(profit) from fair value adjustment on investment property	(16 559)	(9 958)	13 277	13 405	(294 484)	(183 340)
	Net loss from fair value adjustment on investment property attributable to discontinued operations	—	—	1 083 144	1 080 146	—	—
	Fair value adjustments from equity-accounted investments	—	—	—	66 142	—	(19 345)
	Loss/(profit) on disposal of investment properties	6 607	3 622	(2 058)	(1 479)	(8 300)	(5 717)
	Loss on disposal of investment properties attributable to discontinued operations	—	—	253	253	—	—
	(Gain)/loss on disposal of financial assets	—	(4 146)	—	(158)	—	1 887
		—	97 794	—	338 149	—	(48 056)
9	Financial assets						
	Unlisted investments at fund managers valuation		1 263	—	1 190	—	1 218
10	Contingent liabilities						
	None		—	—	—	—	—

Notes (continued)

11 Related parties

During the reporting period, in the ordinary course of business, certain companies within the group entered into transactions with each other. All these intergroup transactions are similar to those in the prior year and have been eliminated in the financial statements on consolidation.

12 Events after the reporting period

Assets held for sale are highly probable to have all unconditional sale terms fulfilled after the reporting period.

Disposal of certain investment properties in South Africa have been agreed to with independent third parties after reporting date. As such the properties are shown as part of investment property until such time as the conditions pass. The decisions to sell the assets were taken after reporting date and therefore the requirements of IFRS 5 were not met.

Insurance claim for KZN Floods 2022 – an agreement of loss has been signed which amounts to a total claim of R213 million. This claim can be broken down into a material damage claim of R130 million and a business interruption claim of R83 million.

Debt refinancing – the negotiations of new financing arrangements for existing long term debt of R362 million with RMB (First National Bank of South Africa) and R88 million with Standard Bank Isle of Man have been finalised after the reporting period.

Mzuri residential development

Ongoing sales of residential units – the various land parcels will be sold as plots of land with no further development work carried out other than costs incurred to effect the disposal. Any capital commitments are to service the land to secure pre-sales and funding.

Namibia

Associate, Steps Towers (Pty) Ltd has commenced construction of two office towers on the Erf 1319. One of these towers, 2 500sqm will be sold to an end user or held for rental income. The other tower, 2 039sqm will be sectionalised and sold to third parties. Construction is expected to be concluded within 18 months.

The company intends to convert to a Real Estate Investment Trust (“REIT”).

13 Goodwill

	Unaudited 6 months to 31 August 2023	Unaudited 6 months to 31 August 2022	Audited 12 months to 28 February 2023
13.1 Cost	—	—	—
Accumulated impairment losses	—	—	—
	—	—	—
13.2 Cost			
Balance at beginning of year	—	166 160	166 160
Transferred to assets held for sale	—	(166 160)	—
Disposal of subsidiary	—	—	(157 678)
Foreign currency translation movements	—	—	(8 482)
Balance at end of year	—	—	—
13.3 Accumulated impairment losses			
Balance at beginning of year	—	—	—
Foreign currency translation movements	—	—	—
	—	—	—

Notes (continued)

13 Goodwill (continued)

13.4 Allocation of goodwill to cash-generating units

The goodwill acquired in a business combination is allocated, at acquisition, to the CGU or group of CGUs that is expected to benefit from that business. Goodwill arose from the acquisition of The Boutique Workplace Co Ltd (“Boutique”) which has been identified as the CGU for which this goodwill has been allocated.

The subsidiary to which the goodwill relates was disposed of during the year – refer Note 2.

Twelve months to 28 February 2023 (audited)	Opening	Disposal of subsidiary	Foreign currency translation differences	Closing
Boutique	166 160	(157 678)	(8 482)	—
Total	166 160	(157 678)	(8 482)	—

Six months to 31 August 2022 (unaudited)	Opening	Transfer to Non-current assets held for sale	Closing
Boutique	166 160	—	166 160
Total	166 160	—	166 160

14 Financial instruments

The carrying amounts, net gains and losses recognised through profit and loss, total finance income, finance interest expense and impairment of each class of financial instrument are as follows:

31 August 2023	Carrying value	Net (losses)/ gains	Total finance income	Total finance expense	Impairment
Assets (ZAR'million)					
Financial asset at fair value through profit or loss	1.3	0.5	—	—	—
Derivatives	—	—	—	—	—
Loans to joint venture	7.4	—	—	—	—
Loans to associates	98.7	—	3.0	—	(11.3)
Loans receivable	215.7	—	—	—	—
Trade and other receivables	89.0	—	—	—	—
Other assets	17.0	—	—	—	—
Cash and cash equivalents	158.6	—	10.5	—	—
Liabilities (ZAR'million)					
Long-term borrowings	5 739.2	—	—	(312.7)	—
Derivatives	34.4	(11)	—	—	—
Preference shares	1.1	—	—	—	—
Deferred revenue	42.1	—	—	—	—
Short-term borrowings	778.0	5	—	—	—
Trade and other payables	153.8	—	—	—	—

Notes (continued)

14 Financial instruments (continued)

31 August 2022 – Restated* ZAR	Carrying value	Net (losses)/ gains	Total finance income	Total finance expense	Impairment
Assets (ZAR'million)					
Financial asset at fair value through profit or loss	1.2	—	—	—	—
Derivatives	—	11.3	—	—	—
Loans to joint venture	15.6	—	—	—	—
Loans to associates	130.9	—	1.5	—	2.1
Loans receivable	213.4	—	7.5	—	—
Trade and other receivables	131.3	—	—	—	—
Other assets	67.8	—	—	—	—
Cash and cash equivalents	224.9	—	—	—	—
Liabilities (ZAR'million)					
Long-term borrowings	5 933.2	—	—	(242.8)	—
Derivatives	148.4	42.1	—	4	—
Preference shares	1 018.4	—	—	(29.7)	—
Deferred revenue	9.3	—	—	—	—
Short-term borrowings	388.9	—	—	(0.2)	—
Trade and other payables	230.0	—	—	—	—

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in Note 2.

28 February 2023	Carrying value	Net (losses)/ gains	Total finance income	Total finance expense	Impairment
Assets (ZAR'million)					
Financial asset at fair value through profit or loss	1.2	0.1	—	—	—
Derivatives	—	3.2	—	—	—
Loans to joint venture	11.5	—	—	—	—
Loans to associates	124.1	—	3.0	—	(5.8)
Loans receivable	197.2	—	26.8	—	—
Trade and other receivables	62.3	—	—	—	—
Other assets	23.8	—	—	—	—
Cash and cash equivalents	218.4	—	—	—	—
Liabilities (ZAR'million)					
Long-term borrowings	5 814.7	—	—	(534.1)	—
Derivatives	44.9	—	—	11.2	—
Preference shares	—	—	—	(59.0)	—
Deferred revenue	58.4	—	—	—	—
Short-term borrowings	730.5	0.9	—	(0.4)	—
Trade and other payables	192.6	—	—	—	—
Lease liabilities	4.5	—	—	(2.0)	—

The fair value of all amounts, except long-term borrowings with fixed interest rates, approximate their carrying amounts.

All financial instruments are classified as loans receivable/payable at amortised cost, except listed investments, which are classified as financial assets at fair value through profit or loss and the derivatives, which are partly carried at fair value through profit and loss held for trading and partly as fair value through profit and loss designated as a hedge.

Notes (continued)

15 Fair value measurement of financial instruments

IFRS7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The following table presents the group's financial and non-financial assets and liabilities that are measured at fair value at 28 February 2023:

R'000	Level 1	Level 2	Level 3
Unaudited 31/08/23			
Assets			
Financial assets at fair value through profit and loss			
Equity securities	—	—	1 263
Investment properties	—	300 000	11 100 381
Total assets	—	300 000	11 101 644
Liabilities			
Interest rate swap	—	34 377	—
Preference shares	—	—	1 082
Borrowings	—	—	6 517 121
Total liabilities	—	34 377	6 518 203
Unaudited 31/08/22 – Restated* ZAR			
Assets			
Financial assets at fair value through profit and loss			
Equity securities	—	—	1 190
Investment properties	—	—	10 956 892
Total assets	—	—	10 958 082
Liabilities			
Cross currency swap	—	148 360	—
Preference shares	—	1 017 355	1 091
Borrowings	—	—	6 322 119
Total liabilities	—	1 165 715	6 323 210

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in Note 2.

Notes (continued)

15 Fair value measurement of financial instruments (continued)

	Level 1	Level 2	Level 3
Audited 28/02/23			
Assets			
Financial assets at fair value through profit and loss			
Equity securities	—	—	1 218
Investment properties	—	—	11 343 429
Total assets	—	—	11 344 647
Liabilities			
Cross currency and interest rate swap	—	44 923	—
Preference shares	—	—	1 082
Borrowings	—	—	6 545 267
Total liabilities	—	44 923	6 546 349

The fair value of financial instruments traded in active markets is based on quoted market prices at the year-end. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

The carrying amounts reported in the statement of financial position approximate fair values. Discounted cash flow models are used for trade and loan receivables. The discount yields in these models use calculated rates that reflect the return a market participant would expect to receive on instruments with similar remaining maturities, cash flow patterns, credit risk, collateral and interest rates.

The fair value of investment properties is based on rental yield valuations and vacancy rates at the reporting date. The key observable inputs are rental yields and vacancy rates.

	1% increase in capitalisation/ discount rate	1% decrease in capitalisation/ discount rate	5% increase in vacancy rate	5% decrease in vacancy rate	10% increase in market rents/ estimated rental	10% decrease in market rents/ estimated rental
South Africa investment properties	(768 037)	911 021	(437 643)	199 377	1 112 582	(1 083 843)
Europe investment properties	(68 100)	44 700	(54 500)	37 000	200	(72 000)
Namibia investment properties	(52 907)	145 208	(130 037)	110 648	61 841	(36 102)
Rest of Africa investment properties	50 761	(50 755)	(43 277)	52 990	50 761	(50 755)

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

There were no transfers between the levels 1 and 2 and 3 during the year.

Notes (continued)

15 Fair value measurement of financial instruments (continued)

Reconciliation of recurring level 3 fair value financial instruments:

	Unaudited 31 August 2023	Unaudited 31 August 2022	Audited 28 February 2023
Investment Properties			
At beginning of year	11 343 429	14 561 296	14 561 296
Additions – direct acquisitions South Africa	—	114 380	114 370
Movements of discontinued operations	—	—	(140 037)
Disposal of subsidiary	—	—	(2 890 970)
Insurance damages due to flood claim	—	—	(48 395)
Insurance remedial works due to flood claim	—	—	48 395
Construction and development costs	112 422	71 353	131 011
Subsequent expenditures – improvements and extensions	—	—	52
Capitalisation of borrowing costs	9 912	4 404	12 433
Foreign currency translation differences	14 147	(72 864)	136 471
Disposals	(73 258)	(23 586)	(19 311)
Transfer to assets held for sale	—	(2 921 063)	(83 843)
Straight line lease adjustment	(22 831)	(496)	(9 312)
Net gain/(loss) from fair value adjustment on investment property	16 718	(13 192)	294 743
Movements on right-of-use investment property assets:			
Movements of discontinued operations	—	—	293 934
Disposal of subsidiary	—	—	(1 057 149)
Transfer to assets held for sale/disposals	—	(731 744)	—
Net loss from fair value adjustments on investment property	(159)	(119)	(259)
Foreign currency translation differences	—	(31 477)	—
At end of year	11 400 380	10 956 892	11 343 429
Financial assets			
At beginning of year	1 218	93 394	93 394
Additions	—	20	—
Distribution received	45	20	63
Movements of discontinued operations	—	—	1 582
Transfer to assets held for sale/disposals	—	(88 433)	—
Disposal of subsidiary	—	—	(93 821)
Foreign currency translation differences	—	(3 811)	—
At end of year	1 263	1 190	1 218

Directorate and administration

Directorate

CH Wiese (81)•

B A, LL B, D Com (HC)
Chairman

KR Collins (51)+

RD Fenner (54)*◦

M Com, CA (SA), CD(SA)

B Makhunga (42)*◦

B Com, CA (SA)

PJ Roelofse (46)•+

B Acc (Cum Laude) B Acc Hons,
CA (SA), CFA

BA Chelius (54)*+

B Acc Hons, CA (SA), CFA

JD Wiese (42)•

B A, LL B, M Com
alternate to CH Wiese

KA Searle (55)#

B Compt Hons, CA (SA)

FH Esterhuysen (52)#

B Acc Hons, M Com, CA (SA)

GC Lang (38)#◦

B Compt Hons, RPA(SA)
Financial director

MR Collins (55)•

Alternate to KR Collins

DC Coleman (54)#

B A, LLB
Alternate to FH Esterhuysen

Administration

Company secretary

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Cape Town 8001

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Auditors

PricewaterhouseCoopers Inc

Executive

• Non-executive

* Independent non-executive and member of the
audit committee

+ Non-executive and member of the remuneration
committee

◦ Member of the social and ethics committee