



ONE RICHEFOND CIRCLE

ANNUAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2018

AGENDA

A SHORT HISTORY

OVERVIEW OF THE BUSINESS

FINANCIAL REVIEW

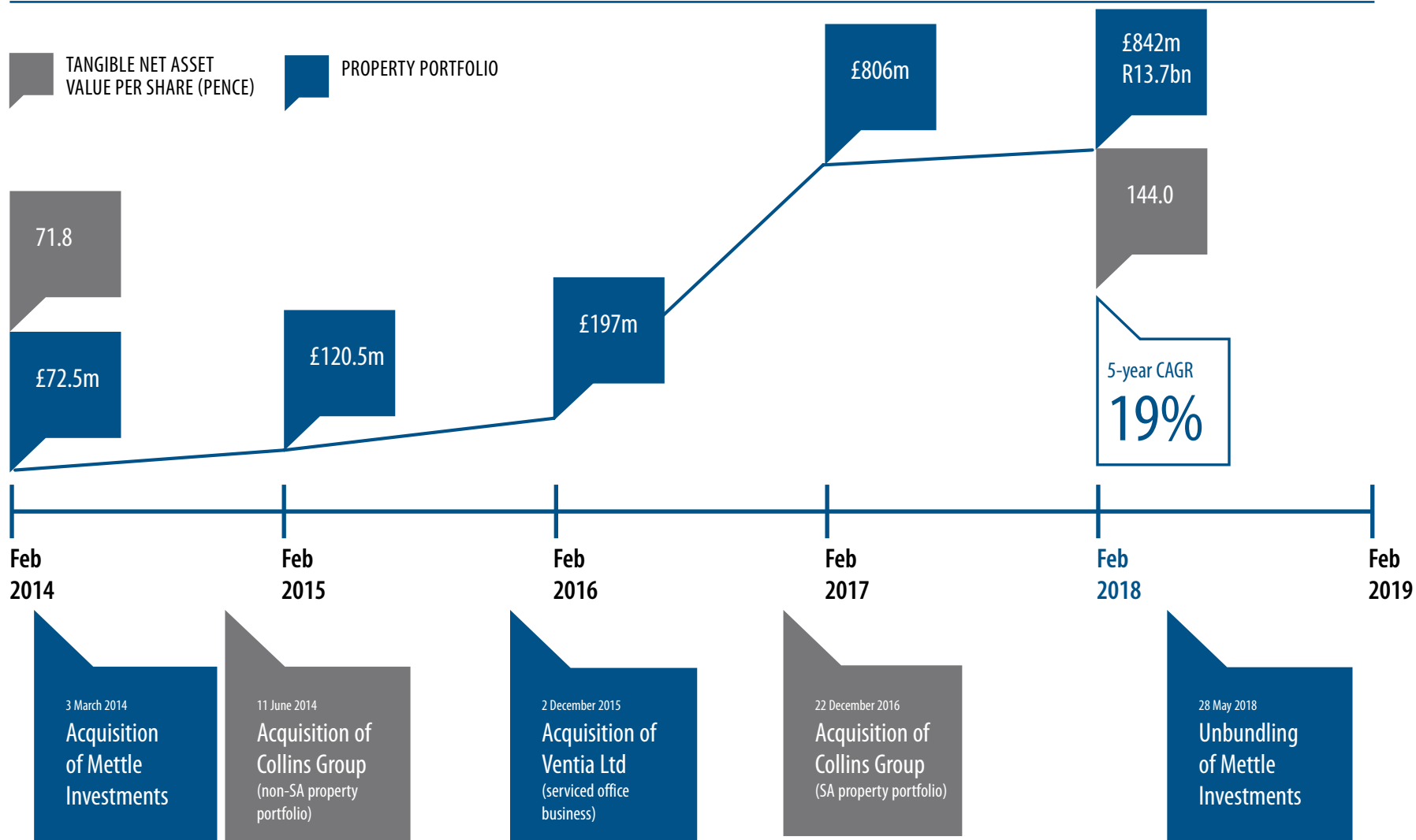
PROPERTY – UNITED KINGDOM

PROPERTY – SOUTH AFRICA AND NAMIBIA









PROPERTY – AFRICA (OUTSIDE SA AND NAMIBIA)

Q&A

A SHORT HISTORY



OVERVIEW OF THE BUSINESS

	Property focus going forward			Property to be realised
Business				
Countries				
Interest	100%	90%	100%	100%
Asset class	– Offices – Retail	– Serviced offices operating business	– Industrial – Offices – Retail	– Various
Size of property portfolio	£250m Including 50% of JV's (£192m excl JV's)	—	R9.4b / £576m	£74m

■ **Adapt.
Simplify.
Focus.**

■ Financial
services
unbundled

■ Focus on
South Africa
and the UK.

■ Strengthen
the balance sheet.

FINANCIAL REVIEW

TRADEHOLD RESULTS AT A GLANCE

	Feb 2018	Feb 2017	% Change
Net income	£30.8m	£47.5m	(35%)
Headline earnings per share (pence)	9.2	2.3	300%
Total gross assets	£1 075m	£997m	8%
TNAV	£356m	£320m	11%
Current gearing %	55%	60%	—
Shares in issue	247.2m	247.1m	—
TNAVPS (pence)	144	129.5	11%
Sum-of-the-Parts (SOTP) valuation per share (pence)	152.9	—	—

FINANCIAL REVIEW – INCOME STATEMENT PER DIVISION

	Property				Serviced Office	Operations held for distribution	Other	Group total
	UK incl. JV's	IFRS for JV's	SA & Nam	Rest of Africa	UK	UK & SA		
	Moorgarth		Collins	Tradehold Africa	TBWC (90%)	Reward & Mettle		
Total segment revenue (external customers)	14 031	(3 253)	66 216	6 204	18 273		—	101 471
Other income	1 972	(1 141)	413	160			24	1 427
Foreign exchange gains and losses				(89)			(202)	(291)
Provision for bad debts	(114)	23	(425)	(8)				(524)
Unrecovered property costs	(2 283)	378	(2 012)	(564)				(4 481)
Other operating costs ¹	(4 586)	615	(3 301)	(762)	(16 497)		(1 834)	(26 365)
EBITDA	9 020	(3 378)	60 891	4 941	1 776		(2 013)	71 238
Depreciation, impairment and amortisation	(225)	11	(543)	(56)	(1 836)		(7)	(2 656)
Trading profit per entity	8 795	(3 367)	60 348	4 886	(60)		(2 020)	68 583
Profit on disposal of investment property	646		511	—		—	—	1 157
Fair value adjustment to investment property	4 437	(511)	2 011	5 823				11 760
Profit/(loss) on acquisition/disposal of investments		(1)		340	1			340
Fair value gain/(loss) on investments	(39)		1					(37)
Operating profit / (loss)	13 839	(3 879)	62 871	11 049	(59)		(2 020)	81 803
Finance income	524	517	2 144	295	—		2 672	6 152
Finance cost (notional group interest allocation per segment)	(5 483)	2 098	(44 280)	(3 320)	(283)		(609)	(51 877)
Profit from joint venture		662						662
Profit from associated companies			539					539
Profit before taxation	8 880	(602)	21 274	8 024	(342)		43	37 279
Income tax expense	(510)	602	(5 036)	(1 938)	(116)		(1)	(7 000)
Profit from continuing operations	8 370		16 237	6 086	(458)		42	30 279
Profit from operations held for distribution				(21)		4 081		4 060
Profit before non-controlling interest	8 370		16 237	6 065	(458)	4 081	42	34 339
Non-controlling interest	375		(1 175)	(1 756)		(959)		(3 513)
Net profit for the year	8 745		15 062	4 309	(458)	3 122	42	30 826

1. Included in Moorgarth costs are £1.4 m of direct property asset management costs.

FINANCIAL REVIEW – BALANCE SHEET

	Property				Serviced Office	Operations held for distribution		
	UK incl. JV's	IFRS for JV's	SA & Nam	Rest of Africa	UK	UK & SA	Other	Group total
	Moorgarth		Collins	Tradehold Africa	TBWC (90%)	Reward & Mettle		
Investment properties	249 455	(57 899)	575 886	74 205				841 647
Property plant and equipment	791	(59)	4 316	260	5 832		9	11 150
Intangible assets	(57)	(1 664)	1 490	(449)	10 054			9 374
Financial assets	5 886							5 886
Investment in JV's and associates	11 924	12 789	11 528					36 241
Deferred taxation		1 780	9 378	520				11 678
Cash	6 363	(1 849)	3 117	6 381	1 587		798	16 397
Assets held for distribution				1 993		74 098		76 091
Loans due from operations held for distribution							21 840	21 840
Other assets	11 477	871	10 078	11 046	4 322		6 895	44 689
Total assets	285 839	(46 031)	615 793	93 956	21 795	74 098	29 542	1 074 993
Borrowings (notional group debt allocation per segment)	153 842	(38 352)	402 516	50 247	5 300		15 732	589 284
Deferred revenue		4 097		6 572				10 669
Deferred tax	(103)	1 244	46 726	4 304	141			52 312
Liabilities held for distribution				2 039		56 649		58 688
Other payables	10 701	(5 785)	6 366	4 927	8 126		1 103	25 438
Total liabilities	164 440	(38 796)	455 608	68 089	13 567	56 649	16 835	736 391
Non-controlling interest		878	9 553	2 997	(753)	1 183		13 858
Group borrowings	75 555	(6 530)	110 586	19 512	6 981		(206 103)	
Shareholders equity	45 844	(1 583)	40 046	3 359	2 000	16 266	218 811	324 744
Total equity	121 399	(7 235)	160 185	25 868	8 228	17 450	12 708	338 602
Tangible NAV per division before unbundling		114 368	186 490	27 104	(932)	16 266	12 708	356 004
Adjust for Reward and Mettle loans to be unbundled						13 422	(13 422)	
Adjust for 10% interest in Reward to be retained						(657)	657	
Tangible NAV per division		114 368	186 490	27 104	(932)	29 032	(57)	356 004
Contribution to TNAV per share issued (Pence)	46.27	75.45	10.97	(0.38)	11.75	(0.02)	144.03	
Directors sum-of-the-parts valuation		114 368	186 490	27 104	12 858	37 125	(57)	379 586
Notes: TBWC as per latest sale of 10% shareholding. Mettle and Reward based on distribution dividend of R604 million								
Contribution to SOTP valuation per share issued (Pence)	46.27	75.45	10.97	5.20	15.02	(0.02)	152.89	

PROPERTY – UK: A POINT OF DIFFERENCE

THE CHANGING CUSTOMER DYNAMIC

- The statisticians forget that human beings (well some) are social animals.
- The world is changing fast and we need to adapt faster than ever before.
- We are all getting older and wealthier, shoppers are much more savvy, they know their brands and they know how much they cost.
- People are now living in an instant gratification world – they seek, demand, command instant pleasures – we just love convenience.
- Leisure spend has increased in last 10 years by 29% and quadrupled in last 30 years. We have more leisure time – it has become a priority – leisure is no longer a luxury – its an essential, an expectation. F&B increase from 6% to over 20% of floor space in centres.
- The use of cars will become increasingly challenging, congestion on our roads is at breaking point – cars are an expensive and ecologically damaging luxury – why spend money on a car when you can eat out.
- Driverless cars will bring a whole new dimension and more people will use public transport than ever before – bus, trams, trains, underground.
- Urbanisation is “back in vogue”. What drives that – lifestyle, entertainment, communication and infrastructure.
- Community – a vital part of the offer here in the UK.

PROPERTY – UK

THE CHANGING CUSTOMER DYNAMIC (CONTINUED)

- People love variety, there's a distinct move to independent retail and food offers, something new and fresh, something that nobody else has.
- Millennials – their culture is fundamentally different.
They require, even over salary:
 - Flexibility
 - Collaboration
 - Sharing
 - Ownership is no longer essential
- By 2025 they will be the bulk of the workforce.
- The way we live and work has changed forever. We must embrace that change.
- Landlords having to constantly evolve their offer to meet changing needs of the occupier with a move from “space” sellers to “place makers” and tenant experience is key.

PROPERTY – UK

OUR CHALLENGES

- Understanding the psychology of our customer demographic base is imperative:
 - Their likes, their dislikes
 - Their desires, their aspirations
 - What makes them laugh
 - What they want to eat, drink
 - Where they want to live, why they want to live where they live
 - How old are they, how much money do they have
- How do we differentiate, what is our point of difference.
- What new and exciting offers can we put in our schemes.
- Competitive Socialising.

PROPERTY – UK

HOW DO WE ADDRESS THE CHALLENGE

- It's one big partnership – Local Authority, Community Groups, landowners, developers, retailers and F&B/leisure operators.
- Our job is to create an environment that drives footfall, creates dwell times and entertains our customers, creative places to work and spend time.
- We are in the entertainment business, our successes are a function of our footfall, our value is a function of tenants' trading performance.
- No longer are we rent collectors but now service providers, data and brand managers.
- Your customer is anyone who walks into your building, the value you build will be a function of the experience you create.
- We are a service industry, our customers are our guests, the better we look after them, the more likely they are to return.

PROPERTY – UK

EMBRACING CHANGE – CASE STUDY 1



READING, BROAD STREET MALL

Cosmetic
refurbishment
of the Mall –
£2m



Property

Broad Street Mall*

Location	Reading
Total GLA (sq. meters)	36 735
Value £	67 800 000
Value / GLA £/sq. meter	1 846

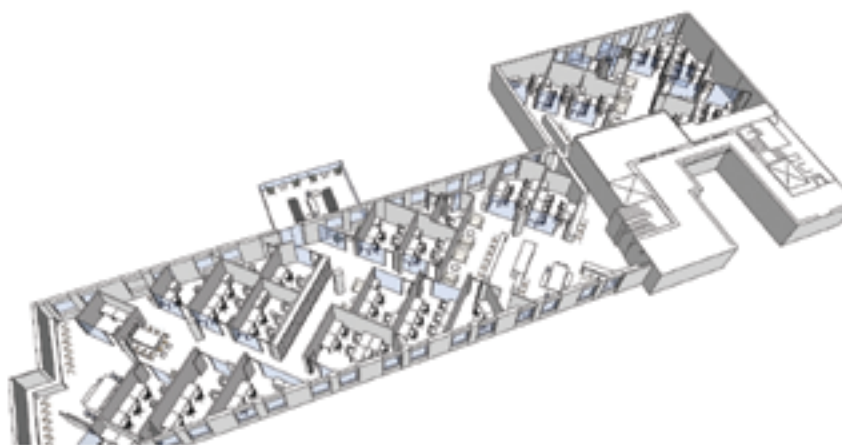
* This is a 50:50 JV with Texton Property Fund with Moorgarth as the asset manager.

PROPERTY – UK

EMBRACING CHANGE – CASE STUDY 1



READING, BROAD STREET MALL
Refurbishment of
the Offices –
£1.7m Fountain
House and £850 000
Quadrant House



PROPERTY – UK

EMBRACING CHANGE – CASE STUDY 1



READING, BROAD STREET MALL

Container Scheme –
£1.1m Independent
Trader destination

PROPERTY – UK

EMBRACING CHANGE – CASE STUDY 1



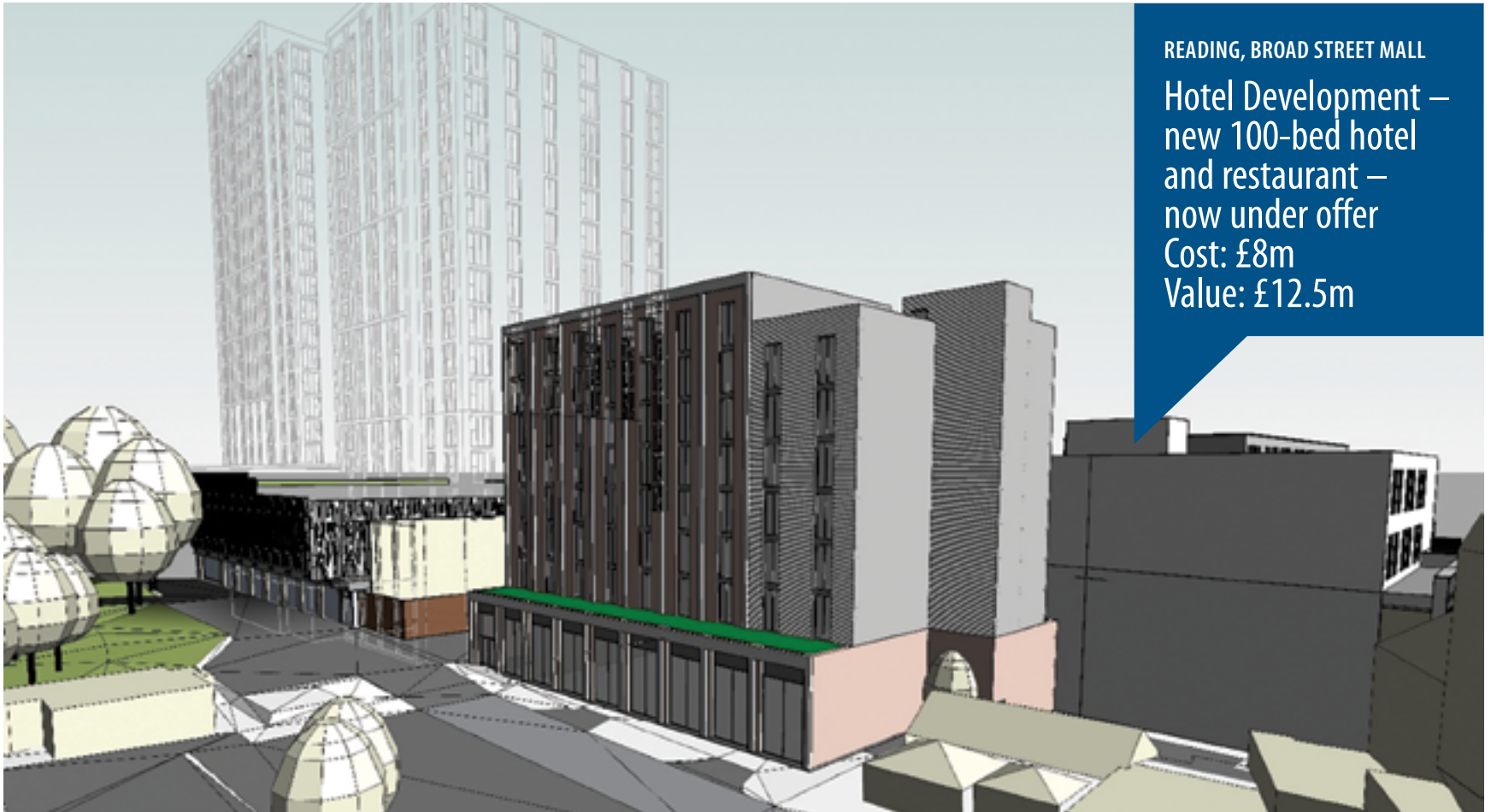
READING, BROAD STREET MALL

Queens Walk
Public Realm
Improvements



PROPERTY – UK

EMBRACING CHANGE – CASE STUDY 1



PROPERTY – UK

EMBRACING CHANGE – CASE STUDY 1



READING, BROAD STREET MALL

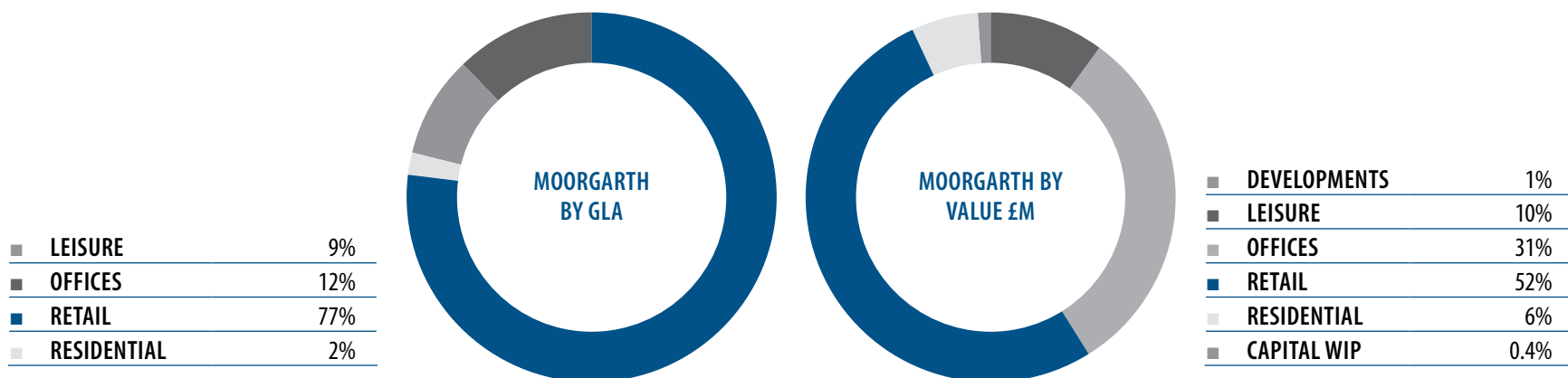
Masterplanning
Application –
application to be
submitted for 450
residential apartments
it being the catalyst for
the wider regeneration



PROPERTY – UK

MOORGARTH INCL JV'S

Sector	GLA sq ft	Attributable to Moorgarth	GLA sq m	Attributable to Moorgarth	Value £m	Attributable to Moorgarth	Net ave. yield on book value – actual	Net ave. yield on book value – ERV	Vacancies %	Number of properties
Development	—	—	—	—	1.4	1.4	n/a	n/a	n/a	2.00
Leisure	132 124	106 542	12 275	9 898	30.1	24.2	6.3%	8.2%	0.9%	1.50
Offices	172 148	140 688	15 993	13 070	85.3	77.8	3.8%	5.9%	2.0%	8.50
Retail	1 175 459	903 332	109 204	83 922	172.4	128.9	7.7%	8.6%	6.3%	12.50
Residential	20 576	20 576	1 912	1 912	16.2	16.2	4.0%	3.8%	0.2%	2.50
Capital WIP	n/a	n/a	n/a	n/a	1.5	1.0	n/a	n/a	n/a	n/a
Total	1 500 307	1 171 138	139 383	108 802	306.9	249.5	6.3%	7.5%	9.4%	27.0



UK TENANTS AND LEASE EXPIRY PROFILES

Tenant profile	%
A – Large nationals, large listeds, government and major franchisees	42.4%
B – Nationals, listeds, franchisees, and medium to large professional firms	6.7%
C – Other	51.0%
	100%

Lease expiry profile based on revenue	Within 1 Year %	Within 2 Years %	Within 3 Years %	Thereafter Years %
Industrial	1.4%	0%	0%	0%
Leisure	0%	0%	0%	9.6%
Offices	5.8%	4%	2.4%	1.7%
Retail	7.6%	3.8%	3.7%	53.5%
Residential	6.6%	0%	0%	0%
	21.4%	7.8%	6.1%	64.7%

PROPERTY – UK

UK PROPERTY PORTFOLIO FUNDING

	Principal 28.2.18 £'000	Accrued Interest £'000	Total £'000	Amount fixed £'000	Amount variable £'000	Interest rate on fixed	Interest rate on variable	Remaining term Years Months
Canada Life	32 599	131	32 730	32 599	0	3.41%	n/a	9 8
HSBC – Connolly Works	8 550	24	8 574	0	8 550	—	3 month LIBOR + 1.90%	2 8
HSBC – Carter Lane	6 960	17	6 977	0	6 960	—	3 month LIBOR + 1.85%	1 11
	48 109	172	48 281	32 599	15 510			
Joint Ventures								
HSBC – Shirley @ 50%	5 100	14	5 114	4 000	1 100	2.79%	3 month LIBOR + 1.95%	2 8
HSBC – Waverley Mall @ 50%	7 450	19	7 469	5 000	2 450	2.51%	3 month LIBOR + 1.90%	2 1
HSBC – Reading @ 50%	21 487	93	21 580	9 879	11 608	3.84%	3 month LIBOR + 2.10%	2 3
	34 037	126	34 163	18 879	15 158			
B Pref (notional allocation from group)	63 238		63 238	0	63 238	—	3 month LIBOR + 1.66%	3 6
Total property debt incl JV's attributable to Moorgarth	145 384	298	145 682	51 478	93 906			
Other – JV Partners (equity contributions) etc.			8 161					
Total on Moorgarth divisional balance sheet			<u>153 843</u>					
LTV of property debt against property portfolio of £249.5m			58%					

SERVICED OFFICES – UK

THE BOUTIQUE WORKPLACE COMPANY (TBWC)

- Design lead workplace provider in capital London.
- Ahead of the market in strategy, innovation.
- We now have 32 sites with more than 3 600 workstations. Each site demonstrating something different to cater for all tastes.
- We have a designated team of 45 focused and driven individuals who micro manage our portfolio.
- Client retention is key, current occupancy is circa 87% aiming to achieve 90+%.
- Wanting to grow the business and create real scale.
- Programme of refurbishment throughout the estate to upgrade and modernise and create interesting spaces.

	Feb 2018	Feb 2017	Operation	2018	2017
Turnover	£18.3m	£15.5m	London Office locations	32	31
EBITDA	£1.8m	£3.1m	No. of workstations	3 630	> 3 500
Like-for-like EBITDA*	£2.8m		Occupancy	87%	85%

*TBWC incurred a £1m start-up loss on new centres that opened during the 2018 year.

PROPERTY – UK

TBWC



CENTRAL STREET, LONDON 1960'S REFURB.



GRAY'S INN ROAD, CREATING MEMORABLE EXPERIENCE.

PROPERTY – UK

TBWC



CLERKENWELL ROAD, LONDON.

PROPERTY – UK

TBWC



NOTCUTT HOUSE, SOUTHWARK, LONDON.

PROPERTY – UK

**“THE SECRET OF CHANGE
IS TO FOCUS ALL OF
YOUR ENERGY, NOT
ON FIGHTING THE OLD,
BUT ON BUILDING
THE NEW.”**

SOCRATES

PROPERTY – COLLINS GROUP

HIGHLIGHTS

SOUTH AFRICA

- year of consolidation.
- quality industrial portfolio.
- value of R8.7 billion (£535 million).
- total gross lettable area of 1.6 million m².
- 91% of gross lettable area is industrial.
- occupancy of 98.4%.
- weighted average expiry of leases is 7.7 years.
- tenants include Unilever, Massmart, Sasol, Nampak and Pep.
- strategy to sell of non-key assets to reduce gearing to focus on core business.
- disposed 5 non-core properties: profit uplift of R9m.
- R1.063 billion worth of properties identified to sell, including R206m (government tenanted) and R630m (Aveng tenanted).
- commenced with developments of an office park refurbishment at De Tijger, Cape Town (5 500 m² completed at a cost of R88m) and a taxi-rank retail centre at Nkandla (1 650 m² at a cost of R15m).

NAMIBIA

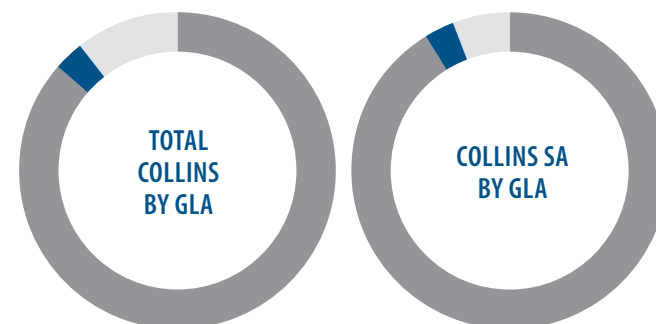
- decided not to proceed with listing of Namibian assets.
- 27 000 m² retail mall at Dunes Mall in Walvis Bay: completed at cost of R488m.
- City Lodge, Steps, in Windhoek: completed within budget at cost of R81.9m.
- commenced with re-development of 10 000 m² retail mall at Gobabis, anchored by Shoprite – due to complete in 2019.
- this year, plan is to unlock the future phased development of the Steps office development in Windhoek.

PROPERTY – COLLINS GROUP

PORTFOLIO

Sector	GLA (sq. meters)	Value (R '000)	Value (NAD '000)	Total value (R '000)	Value (£ '000)	Net average yield on book value – actual	Vacancies %	Average escalation	Number of properties
Industrial	1 463 440	7 004 154	—	7 004 154	430 479	9.1%	1.34%	7.1%	84
Offices	51 928	709 649	—	709 649	43 615	9.8%	0.23%	6.1%	22
Retail	181 905	883 912	855 896	1 739 808	106 930	8.8%	0.44%	7.3%	46
Properties under development		104 818	—	104 818	6 442				6
Total	1 697 273	8 702 533	855 896	9 558 429	587 466	9.1%	1.98%	7.1%	158

Value as above	8 702 533	855 896	9 558 429
Associates & JV's	—	(188 412)	(188 412)
Value per divisional balance sheet	8 702 533	667 484	9 370 017
Value in £ per country	534 862	41 024	575 886



■ OFFICES	3.1%	3.2%
■ RETAIL	10.7%	5.8%
■ INDUSTRIAL	86.2%	91.0%

PROPERTY – COLLINS GROUP

SOME MAIN ASSETS

Gosforth Park (Massmart), Gauteng

Classification	Industrial
Total GLA (sq. meters)	70 273
Value R	827 884 071
Value £	50 882 209
Value / GLA (R/sq. meter)	11 781
Value / GLA (£/sq. meter)	724



Ndlovu Park (Unilever), KwaZulu-Natal

Classification	Industrial
Total GLA (sq. meters)	59 071
Value R	421 128 872
Value £	25 882 811
Value / GLA (R/sq. meter)	7 129
Value / GLA (£/sq. meter)	438



PROPERTY – COLLINS GROUP

SOME MAIN ASSETS

Ridgeside Office Park, KwaZulu-Natal

Classification	Offices
Total GLA (sq. meters)	4 024
Value R	137 000 000
Value £	8 420 095
Value / GLA (R/sq. meter)	34 047
Value / GLA (£/sq. meter)	2 093



Fibres Road 300 (Pepkor), KwaZulu-Natal

Classification	Industrial
Total GLA (sq. meters)	69 866
Value R	607 000 000
Value £	37 306 553
Value / GLA (R/sq. meter)	8 688
Value / GLA (£/sq. meter)	534



PROPERTY – COLLINS GROUP

SOME MAIN ASSETS

Gosforth Park (Sasol), Gauteng

Classification	Industrial
Total GLA (sq. meters)	18 907
Value R	174 000 000
Value £	10 694 135
Value / GLA (R/sq. meter)	9 203
Value / GLA (£/sq. meter)	566



Elgin Road (Toll), Gauteng

Classification	Industrial
Total GLA (sq. meters)	11 094
Value R	115 952 681
Value £	7 126 778
Value / GLA (R/sq. meter)	4 261
Value / GLA (£/sq. meter)	262



PROPERTY – COLLINS GROUP

TENANT AND LEASE EXPIRY PROFILE

Tenant profile	SA	Namibia
A – Large nationals, large listeds and major franchisees	57%	68%
B – Government	2%	14%
C – Nationals, listeds, franchisees	28%	4%
D – Medium to large professional firms	12%	14%
Percentage of total monthly revenue contributed	100%	100%

Lease expiry profile based on revenue	Within 1 Year %	Within 2 Years %	Within 3 Years %	Thereafter Years %
Industrial	1.9%	3.3%	5.5%	62.1%
Offices	1.7%	1.5%	0.7%	2.5%
Retail	4.5%	2.8%	3.3%	10.3%
Total	8.0%	7.6%	9.5%	74.9%



■	WITHIN 1 YEAR	8.0%
■	WITHIN 2 YEARS	7.6%
■	WITHIN 3 YEARS	9.5%
■	AFTER 3 YEARS	74.9%

PROPERTY – COLLINS GROUP

DEVELOPMENTS

	Colkru Developments (Retail)	Sub-Acute Hospitals (Medical)	Mzuri Estate (Residential)	Mzuri Estate (Commercial)	Pontac Parc (Commercial / Industrial)	Gobabis Shopping (Retail)	Steps (Commercial)	Total
Location	Various	Various	Somerset West	Somerset West	Paarl	Gobabis	Windhoek	
GLA (m ²)	34 719	1 007	36 500	2 400	Serviced Land	9 939	22 698	107 263
Total development cost (£ million)	20.2	2.1	32.7	4.3	7.4	8.3	32.6	107.6
Handover / Opening Date	Various	Various	Nov 2020	Dec 2020	Nov 2019	Mar 2019	Various	
Anchor tenants	Shoprite, Cambridge, Boxer	Cure Day Clinics	n/a	Virgin Active	n/a	Shoprite	n/a	
Effective shareholding	80% – 100%	50%	95%	95%	60%	87.5%	25.0%	

PROPERTY – COLLINS GROUP

FINANCING

	Balance at 28 February 2018 £'000	R'000	Linked to fixed interest rates	Fixed interest rates	Linked to variable interest rates	Variable interest rates	Remaining terms
Nedbank	306 875	4 993 047	71%	10.32% to 13.30%	29%	South African prime rate less 1.54% to Namibian prime plus 2.75%	6 months to 14 years
Investec	68 841	1 120 079	63%	10.4%	37%	South African prime rate less 0.50% to less 0.25%	4 years
Rand Merchant Bank	30 007	488 237	99%	11.027%	1%	South African prime rate less 1.5%	3 years
Other – ABSA and Sanlam	4 121	67 058	99%	9.41%	1%	South African prime rate less 1.0%	5 years
Total	409 844	6 668 421	72%		28%		
	Total debt in R		Total debt in £				
Debt as above	6 668 421		409 845				
Associates debt not on balance sheet	(161 607)		(9 932)				
Total bank debt on balance sheet	6 506 814		399 912				
JV partners loans (equity contributions)	42 362		2 604				
Total debt per divisional balance sheet			402 516				
LTV (excl JV partners loans) on Investment Properties of £575 886 000			69%				

PROPERTY – TRADEHOLD AFRICA

HIGHLIGHTS

Strategy to reduce exposure to rest of Africa, other than South Africa and Namibia, concentrating efforts on growing existing portfolios in those regions.

MOZAMBIQUE

- Acacia Estate housing development in Maputo: in process of disposing of the asset for US\$61.9m.
- 8 000 m² retail centre in Pemba was completed and is anchored by Shoprite Checkers.

BOTSWANA

- two out of three identified non-core properties disposed of.

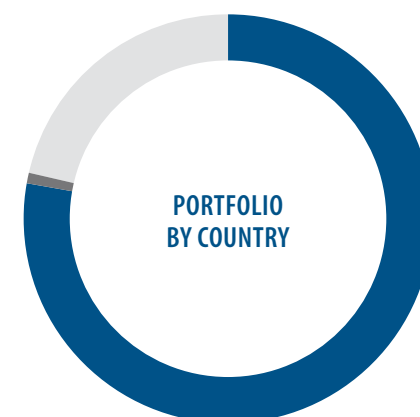
ZAMBIA

- actively being marketed for sale, within the strategy of focusing the business on the South African and Namibian assets.

PROPERTY – TRADEHOLD AFRICA

PORTFOLIO BY COUNTRY

Country	GLA sq m	Value £'000	Value / GLA £/sq m	Net ave. yield on book value	Vacancies %	Number of properties
Botswana	816	607	744	9.1%	0.0%	1
Mozambique	42 526	56 036	1 318	8.0%	11.8%	3
Zambia	11 550	6 103	528	9.6%	0.1%	3
Properties under development		11 459				1
Total	54 892	74 205	1 143	8.2%	11.9%	8



■	BOTSWANA	1%
■	ZAMBIA	21%
■	MOZAMBIQUE	77%

Q&A