TRADEHOLD LIMITED
(Registration number: 1970/009054/06)
Incorporated in the Republic of South Africa
JSE Ordinary Share code: TDH ISIN: ZAE000152658
("Tradehold" or the "Group")

Audited summary consolidated financial statements of the **Tradehold Group**

for the year to 28 February 2023 and cash dividend declaration

Key information

- Reporting currency is South African rand following the sale of the UK business
- Final dividend of 30 cents per ordinary share declared (24 May 2022: final dividend 30 cents).
- Revenue: R1 147 million (28 February 2022: R1 123 million)
- Ordinary shareholders' equity: R3 187 million (28 February 2022: R5 003 million)
- Profit from continuing operations before non-controlling interest: R516.9 million (28 February 2022: R528.9 million)
- Net profit attributable to ordinary shareholders: R158.5 million (28 February 2022: profit R413 million)
- Earnings per share: R0.62 (28 February 2022: R1.61)
- Earnings per share from continuing operations: R1.29 (28 February 2022: R1.30)
- Net asset value per share: R12.40 (28 February 2022: R19.47)

On 17 November 2022, Tradehold disposed of all its property assets and operations in the United Kingdom for a consideration of R2 013 million (£102.5 million) as part of a far-reaching restructuring of the business. These assets comprised the total investment in the Moorgarth Property Group. A loss of R856.7 million (reducing to a loss R164.4 million after the release of related foreign currency translation reserves) was realised on the disposal.

Tradehold utilised the disposal consideration (net of taxes and transaction costs) to fully redeem its listed 'B' preference shares held by Rand Merchant Bank, a division of First Rand Bank Limited, and distributed the balance to shareholders as part of a special dividend of R4.34 per share on 21 November 2022.

The loss on disposal of Moorgarth, together with Moorgarth's results up to the disposal date, are disclosed as a discontinued operation at the reporting date. Consequently, Tradehold's comparative Statements of Comprehensive Income have been restated accordingly.

Tradehold's remaining assets now comprise a 74.3% holding in the Collins Property Group and full ownership of both the Nguni Group (Namibia portfolio) and the Tradehold Africa Group.

Financial performance

Following the disposal in November 2022 of all its property interests in the United Kingdom, Tradehold's net assets at the reporting date were split across South African assets in rand (73%), Namibian dollar assets in Namibia (10%), euro assets in Austria (9%), and assets in the rest of Africa held in US dollar (8%). In South Africa it owns 74.3% of the Collins Property Group.

Profit from continuing operations before non-controlling interest was R516.9 million (28 February 2022: R528.9 million).

The group reported a net profit of R158.5 million, compared to the corresponding year's net profit of R413 million. The decrease is the result of the loss from discontinued operation of R174.8 million caused by the disposal of Moorgarth during the year. Moorgarth's net profit at 28 February 2022 was R77.7 million, which has been restated as a profit from discontinued operation.

The earnings per share from continuing operations (as defined by management) is R1.29, compared to R1.30 in the corresponding year.

Total assets now amount to R12 220 million (28 February 2022: R17 181 million), with the decrease due to the disposal of Moorgarth, of which the total assets amounted to R5 340 million at the disposal date.

Net asset value per share is R12.40, compared to R19.47 at 28 February 2022, the decrease resulting from the special dividend of R4.34 per share and the loss on disposal of Moorgarth.

Operational performance

- The Collins Property Group collected 98.8% of all income due despite the tough economic environment.
- A weighted average lease expiry date (WALE) of 5 years protected Collins' income despite the downward cycle in the economy.
- Collins reported a profit before minorities of R588.8 million compared to R539.7 million for the corresponding year.

Collins Group

Its ability to remain profitable under these debilitating conditions is mainly due to the nature and quality of its 1.5 million m² portfolio which comprises mainly industrial buildings and large distribution centres (82%). Of the rest 13% is invested in convenience retail properties and 5% in office space. Of the total gross portfolio, 7% is located in Austria. Since year-end the company has also acquired a 31.6% holding in four properties in the Netherlands in a joint venture as part of its decision to grow its holdings in Western Europe.

Equally important is the quality of its tenant mix – more than 80% of its South African income is derived from JSE listed companies or well-established national tenants. Given the financial strength of the majority of these clients Collins was able to collect 98.8% of all income owed.

Despite the stressed business climate with its operational difficulties, Collins grew net profit by 9% from R539.7 million to R588.8 million.

The weighted average lease expiry date (WALE) at five years enabled the company to restrict vacancies to 3%, marginally up from 2.5% in the previous year. The average increase on renewals was 3% on 8 of the larger properties renewed during the year, representing some 46 000m².

Collins continues to invest in generators and solar power to help counter the impact of the uncertain power supply. At year-end it had 106 generators in operations with only 9% of the properties in its portfolio without back-up generation power. It also added 84 200m² of solar panels to the existing 76 320m² while a further 179 200m² is planned for the 2024 financial year. Collins has no capital expenditure outlay for this solar expansion as it uses a rental based model when expanding its solar footprint.

In line with its intention to broaden its national footprint, management is growing its presence in the Western Cape, a decision also influenced by the province's more reliable road infrastructure and service delivery. Based on its current developments in the Western Cape, the group intends increasing its exposure to that province to 17% of the total portfolio, thereby reducing the footprint of KwaZulu-Natal and Gauteng to 42% and 39% respectively.

In addition, management remains determined to expand its presence in Western Europe and is committing both human and capital resources to achieve this objective.

Collins contributed R395.2 million (2022: R340.5 million) to the group's net profit after minorities (before group interest).

Operational performance (continued)

Nguni Group (Namibia)

With the Namibian economy also under pressure, limited demand for space necessitated the write-down by R29 million of the fair value of some of the properties in the portfolio. These are mainly in the capital, Windhoek.

The building of two office towers, one of which has been presold, at 4@Steps, also in Windhoek, is to start soon. Negotiations for the company to sell its 40% stake in The Dunes Mall in Walvis Bay have been concluded and agreement reached.

Due to the fair-value write-downs, the Nguni Group reported a net loss for the year before group interest cost of R21.9 million (2022: profit R14.7 million).

Moorgarth

The sale of Moorgarth completed on 17 November 2022 for R2 013 million, resulting in a loss on disposal of R856.7 million, reducing to a loss R164 million after the release of related foreign currency translation reserves and included in the loss from discontinued operation.

Moorgarth's net loss after minorities but before group interest cost up to the date of disposal amounted to a loss of R25.7 million, against a profit of R80.3 million in the prior year, and has been reported as part of the loss from discontinued operation.

Ordinary share cash dividend

The board of directors of Tradehold (the "Board") declared a gross cash dividend of 30 cents per ordinary share on 24 May 2023. The cash used for this purpose is Tradehold's share of the distributions made by the Collins group every six months in terms of the agreement with its minority shareholders. The dividend will reduce Tradehold's stated capital.

In terms of the Income Tax Act ("ITA"), dividends tax ("DT") of 20% will be withheld in the case of those shareholders who are not exempt from it. They will therefore receive a net dividend of 24 cents per ordinary share.

Tradehold has 261 346 570 ordinary shares in issue. Its South African income tax reference number is 9725/126/71/9.

The salient dates for the dividend are as follows:

Declaration date	Friday, 26 May 2023
Last date to trade cum dividend	Monday, 12 June 2023
Date trading commences ex dividend	Tuesday, 13 June 2023
Record date	Thursday, 15 June 2023
Date of payment to shareholders	Monday, 19 June 2023

Share certificates may not be dematerialised or rematerialised between Tuesday, 13 June 2023, and Thursday, 15 June 2023, both days included.

Going concern

The information reported on has been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance further operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Group cash balances remain healthy at R218.4 million (2022: R298.8 million if the cash of the Moorgarth discontinued operation is excluded).

Debt covenants are compliant throughout the group. The loan to value ratio has improved to 57.4% compared to 62.0% last year thus allowing for more headroom on borrowing covenants.

The current ratio is still in deficit, but has improved to R476 million (2022: deficit R1 115 million). Although the group is reporting a net current liability position, the reason is mainly due to the following borrowings classified as current:

- RMB (First National Bank South Africa) preference shares – secured R363 million
- Standard Bank Isle of Man – secured R86 million
- RMB (First National Bank South Africa) – secured R81 million

  The RMB facility of R81 million has been successfully refinanced subsequent to the year end, and the remaining two facilities are at an advanced stage of being refinanced; management is confident that both facilities will be successfully refinanced. Once these three borrowings are reclassified to non-current in the coming financial year, the group's net current liability position will be restored to a comfortable net current asset position by the next reporting date.

The group has prepared financial forecasts based on detailed operational cash flow forecasts for the 24 months to 28 February 2025. After servicing all interest and amortisation on borrowings, the forecasts show sufficient cash levels as a buffer against unforeseen events.

Management has assessed the future commitments and the forecasts of the group and in addition reviewed the past performance of the continuing operations of the group to forecast future trends. With these assessments and the view of the strength of the property portfolio and tenant mix, management has concluded that the group has strong operational and financial capacity to continue operations throughout the going concern period and beyond.

The directors therefore consider the going concern assumption to be appropriate in the presentation of the financial statements as at 28 February 2023.

Outlook

The board does not foresee South Africa's economic outlook improving materially in the short to medium term. Although the floods in KZN and the effects of Covid are now largely behind us, the country still has to cope with major problems at many levels, particularly in the absence of decisive action by government. Most of the country's infrastructure is collapsing while the supply of basic services such as water and electricity has become increasingly unstable. This negative business environment will continue to place enormous pressure on the business sector and the community at large.

Despite these drawbacks, the board remains cautiously optimistic. The past financial year has seen substantial changes to the business. The company is expected to emerge from these more strongly focused than before. It is in the process of acquiring a new, coherent identity and positioning in the market, changes we believe that will also enhance its attractiveness for investors.

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.

Audit opinion

These summary consolidated financial statements for the year ended 28 February 2023 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the annual consolidated financial statements is available at http://www.tradehold.co.za/investor-centre/annual-reports or at the Group's registered office, together with the financial statements identified in the respective auditor's reports.

Preparation of financial results

The preparation of the financial results was supervised by the group financial director, Grant Lang.

Reporting currency change

Following the sale of the United Kingdom operations on 17 November 2022, the group has elected to change the presentation currency from pound sterling to South African rand effective from 1 March 2022. The change in presentation currency is a voluntary change which is accounted for retrospectively. Comparative financial information has been restated accordingly.

Resignation of directors

The following directors resigned from the board with effect from 24 February 2023:
Independent non-executive directors HRW Troskie, MJ Roberts and LL Porter; and executive directors TA Vaughan and KL Nordier.

Name change

The name of the company will shortly be changed to Collins Property Group Limited.

CH WIESE
CHAIRMAN

GC LANG
DIRECTOR

26 May 2023

To the shareholders of Tradehold Limited

Independent auditor's report
on the summary consolidated financial statements

Opinion
The summary consolidated financial statements of Tradehold Limited, contained in the accompanying provisional report, which comprise the summary consolidated statement of financial position as at 28 February 2023, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Tradehold Limited for the year ended 28 February 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements
The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 26 May 2023. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's responsibility for the summary consolidated financial statements
The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility
Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS INC.
DIRECTOR: JR DE VILLIERS
REGISTERED AUDITOR

Cape Town
South Africa
26 May 2023

Statement of comprehensive income

ZAR'000	Audited 12 months to 28/02/23	Restated* Audited 12 months to 28/02/22
Revenue	1 147 008	1 122 949
Other operating income	93 462	48 546
Profit on disposal of investment properties	8 300	33 410
Net gain from fair value adjustment on investment property	294 484	348 071
Gain on disposal and scrapping of PPE (excluding buildings)	—	20
Impairment (losses)/gains on financial assets	(42 855)	2 648
Employee benefit expenses	(50 218)	(45 225)
Lease expenses	(30 403)	(611)
Depreciation, impairment and amortisation	(8 474)	(8 638)
Other operating costs	(141 153)	(194 570)
Trading profit	1 270 151	1 306 600
(Loss)/gain on disposal of financial assets	(1 887)	509
Net fair value losses on financial assets at fair value through profit or loss	(3 186)	(41 742)
Operating profit	1 265 078	1 265 367
Finance income	60 361	69 712
Finance cost	(590 656)	(579 229)
Profit before taxation	734 783	755 850
Taxation	(217 910)	(226 920)
Profit for the year from continuing operations before non-controlling interest	516 873	528 930
(Loss)/profit from discontinued operations before non-controlling interest	(174 808)	77 659
Profit for the year before non-controlling interest	342 065	606 589
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Gains on cash flow hedges	9 491	8 867
Deferred tax on cash flow hedges	(1 898)	(2 217)
Exchange differences on translation of foreign operations	43 329	(22 694)
Total comprehensive income for the year	392 987	590 545
Profit attributable to:		
Owners of the parent	158 459	413 099
Non-controlling interest	183 606	193 490
	342 065	606 589
Total comprehensive income attributable to:		
Owners of the parent	205 058	397 018
Non-controlling interest	187 929	193 527
	392 987	590 545
Total comprehensive income attributable to owners of the parent arises from:		
Continuing operations	409 839	316 715
Discontinued operations	(204 781)	80 303
	205 058	397 018
Earnings per share (ZAR): basic	0.62	1.61
Number of shares for calculation of earnings per share ('000)	256 963	256 963
Earnings per share (ZAR): diluted	0.62	1.61
Number of shares for calculation of diluted earnings per share ('000)	256 963	257 267

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in Note 2 and for the change in presentation currency from Pound Sterling to South African rand as detailed in Note 1

Statement of financial position

(ZAR'000)	Audited 28/02/23	Restated* Audited 28/02/22
Non-current assets	11 586 513	15 655 126
Property, plant and equipment	38 003	163 160
Investment properties – fair value for accounting purposes	10 670 453	13 117 292
Investment property – straight lining lease income accrual	667 120	674 674
Investment properties – right-of-use assets	5 856	769 330
Intangible assets	—	166 160
Deferred taxation	115 714	156 601
Investments accounted for using the equity method		
Investment in joint venture	—	209 029
Financial assets at amortised cost:		
Loans to joint venture	11 526	206 464
Loans receivable	77 841	68 525
Other non-current assets	—	123 891
Current assets	549 052	1 173 526
Financial assets at fair value through profit and loss	1 218	93 394
Derivative financial instruments	—	1 821
Financial assets at amortised cost:		
Loans receivable	119 327	366 685
Loans to associates	124 061	124 325
Trade and other receivables	61 752	123 166
Other current assets	23 768	45 704
Taxation	516	—
Cash and cash equivalents	218 410	418 431
Assets classified as held for sale	84 910	352 471
Total assets	12 220 475	17 181 123
Equity	4 252 790	6 044 335
Ordinary shareholders' equity	3 187 387	5 003 518
Non-controlling interest	1 065 403	1 040 817
Non-current liabilities	6 942 677	8 848 722
Preference share liability	1 082	1 082
Long-term borrowings	5 814 737	7 226 264
Lease liabilities	4 501	615 211
Derivative financial instruments	44 923	41 731
Deferred taxation	1 077 434	964 434
Current liabilities	1 025 008	2 288 066
Preference share liability	—	1 015 469
Short-term borrowings	730 530	477 065
Deferred revenue	58 397	117 622
Lease liabilities	—	152 753
Derivative financial instruments	—	139 284
Taxation	43 513	38 276
Trade and other payables	192 568	347 597
Total liabilities	7 967 685	11 136 788
Total equity and liabilities	12 220 475	17 181 123

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in Note 2 and for the change in presentation currency from Pound Sterling to South African Rand as detailed in Note 1

Statement of cash flows

(ZAR'000)	Audited 12 months to 28/02/23	Restated* Audited 12 months to 28/02/22
Cash flows of operating activities	(817 868)	277 685
Operating profit from continuing operations	1 265 078	1 265 367
Non-cash items	(285 414)	(356 014)
Changes in working capital	201 285	797
Cash flows of discontinued operations	93 503	149 367
Interest received	38 481	35 039
Interest paid	(582 558)	(543 988)
Dividends paid to ordinary shareholders	(1 269 398)	(154 183)
Dividends to non-controlling interests	(166 947)	(48 466)
Taxation paid	(111 898)	(70 234)
Cash flows of investing activities	1 819 132	(16 832)
Acquisition of investment properties	(245 434)	(96 179)
Acquisition of property, plant and equipment	(2 019)	(2 452)
Cash flows of discontinued operations	53 573	(18 485)
Proceeds on disposal of investment properties	27 611	162 146
Proceeds on disposal of property, plant and equipment	1 140	1 448
Proceeds on sale of subsidiary net of cash sold	1 770 383	–
Loans advanced to associate undertaking	(7 676)	(5 829)
Loans repaid by associate undertaking	2 192	2 784
Loans and advances – issued	(138 845)	(68 003)
Loans and advances – repaid	358 207	7 738
Cash flows of financing activities	(1 205 594)	(371 251)
Proceeds from borrowings	1 557 219	1 436 233
Repayment of borrowings	(1 578 239)	(1 635 540)
Cash flows of discontinued operations	(24 468)	(143 627)
Settlement of derivative	(156 359)	(3 025)
Redemption of preference shares	(1 003 488)	(24 966)
Acquisition of treasury shares	–	(138)
Principal elements of lease payments	(259)	(189)
Net decrease in cash and cash equivalents	(204 330)	(110 398)
Effect of changes in exchange rate	4 309	(3 692)
Cash and cash equivalents at beginning of the year	418 431	532 521
Cash and cash equivalents at end of the year	218 410	418 431

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in note 2 and for the change in presentation currency from Pound Sterling to South African Rand as detailed in note 1.

Statement of changes in equity

(ZAR'000)	Audited 12 months to 28/02/23	Restated* Audited 12 months to 28/02/22
Balance at beginning of the year	6 044 335	5 654 397
Profit for the year	342 065	606 589
Dividends distributed to shareholders	(1 269 398)	(154 183)
Disposal of subsidiary	(749 916)	—
Acquisition of treasury shares	—	(138)
Capital reserve (Employee Share Option Scheme)	1 729	2 180
Distribution to minorities	(166 947)	(48 466)
Other comprehensive income for the year	50 921	(16 044)
Balance at the end of the year	4 252 790	6 044 335

* Comparatives have been restated for the sale of the United Kingdom operation which is disclosed as a discontinued operation as detailed in note 2 and for the change in presentation currency from Pound Sterling to South African Rand as detailed in note 1.

Segmental analysis

(ZAR'000)	Revenue	Operating profit/(loss)	Investment properties	Total assets	Total liabilities
Twelve months to 28 February 2023 (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	14 471	691 046	869 421	464 908
Property – rest of Africa	52 895	24 409	525 628	656 895	313 692
Property – United Kingdom	—	—	—	—	—
Serviced office – United Kingdom	—	—	—	—	—
Other	—	(21 539)	—	2 888	13 597
	1 147 008	1 265 078	11 343 429	12 220 475	7 967 685

(ZAR'000)	Revenue	Operating profit/(loss)	Investment properties	Total assets	Total liabilities
Restated*					
Twelve months to 28 February 2022 (audited)					
Property – South Africa	948 608	1 117 820	8 966 191	9 757 026	6 702 391
Property – Austria	68 572	81 443	624 090	656 473	357 443
Property – Namibia	60 606	45 306	719 591	903 689	474 025
Property – rest of Africa	45 163	40 397	457 224	597 542	261 747
Property – United Kingdom	—	—	2 842 055	3 930 888	2 059 758
Serviced office – United Kingdom	—	—	952 145	1 328 347	1 272 961
Other	—	(19 599)	—	7 158	8 463
	1 122 949	1 265 367	14 561 296	17 181 123	11 136 788

Notes to the condensed consolidated annual financial statements

1 Basis of presentation and accounting policies

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

The Listings Requirements require provisional 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 financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the change in presentation currency from Pound Sterling to South African Rand as detailed below, and the adoption of the following new standards, amendments to publicised standards and interpretations that became effective for the current reporting period beginning 1 March 2022:

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments add an exception to the recognition principle of IFRS 3. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the *Conceptual Framework*, to determine whether a present obligation exists at the acquisition date.

The amendments also clarify that contingent assets do not qualify for recognition at the acquisition date.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits the deduction from the cost of property, plant and equipment any proceeds of the sale of items produced while bringing the asset to the location or condition required for use. Instead, the proceeds of selling such items and the cost of producing such items must be recognised in profit or loss.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The amendment specifies which costs need to be included when assessing if a contract is onerous or loss-making. Costs should be directly related to contract activities.

Change in presentation currency

The directors have elected to change the Group's presentation currency from Pound Sterling to South African Rand effective from 1 March 2022. The change in presentation currency is a voluntary change which is accounted for retrospectively. All other accounting policies are consistent with those adopted in the annual financial report for the year ended 28 February 2022. The financial report has been restated to South African Rand in accordance with the procedures outlined below:

Statement of comprehensive income and Statement of cash flows have been translated into South African Rand using average foreign currency rates prevailing for the relevant period.

Assets and liabilities in the Statement of financial position have been translated into South African Rand at the closing foreign currency rates on the relevant balance sheet dates.

The equity section of the Statement of financial position, including foreign currency translation reserve, retained earnings, share capital and the other reserves, have been translated into South African Rand using historical rates.

Earnings per share and dividend disclosures have also been restated to South African Rand to reflect the change in presentation currency.

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.

Earnings per share from continuing operations:
Earnings per share from continuing operations excludes earnings of discontinued operations from the calculation of the group's earnings per share. Management believes that it is a useful measure for shareholders of the Group's normalised earnings per share. 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 provisional report.

Notes (continued)

2 Discontinued operation

During the 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.àr.l, comprising the United Kingdom operations known as Moorgarth, which in turn holds 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 28/02/23	Audited 12 months to 28/02/22
Income and expenses comprising the loss from the discontinued operation:		
Revenue	411 158	491 280
Other operating income	10 400	7 161
Loss on disposal of investment property	(258)	
Net loss from fair value adjustment on investment property	(95 153)	(141 459)
Reversal of impairment losses on financial assets	405	5 055
Employee benefit expenses	(70 401)	(87 611)
Depreciation, impairment and amortisation	(16 346)	(27 111)
Other operating costs	(183 201)	(186 333)
Trading profit	56 603	60 982
Net fair value gains on financial assets at fair value through profit or loss	6 462	15 048
Operating profit	63 065	76 030
Finance income	10 113	23 757
Finance cost	(65 571)	(80 443)
(Loss)/earnings from joint venture	(35 846)	20 616
(Loss)/profit before taxation	(28 238)	39 960
Taxation	(202)	37 699
(Loss)/profit from discontinued operation before non-controlling interest	(28 441)	77 659
Non-controlling interest	2 787	2 648
(Loss)/profit from discontinued operation after non-controlling interest	(25 654)	80 307
Other comprehensive income	7 593	6 650
Total comprehensive (loss)/profit attributable to owners of the parent	(18 062)	86 957
Cash flow information		
Cash flow from operating activities	93 503	149 367
Cash flow from from investing activities	53 573	(18 485)
Cash flow from financing activities	(24 468)	(143 627)
Total cash flows	122 608	(12 745)

Notes (continued)

	ZAR'000	Audited 12 months to 28/02/23	Audited 12 months to 28/02/22
2	**Discontinued operation (continued)**		
	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	
	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	157 429	
	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	2 859 634	
	Non-controlling interest	3 576	
	Total net assets after non-controlling interest	2 863 210	
	Net cash consideration	2 006 527	
	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		77 659
	Non-controlling interest	(2 787)	
	Other comprehensive income	(7 593)	
	Effect of foreign currency translation differences	692 254	
	(Loss)/profit from discontinued operation before non-controlling interest	(174 808)	77 659
	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	Audited 12 months to 28/02/23	Audited 12 months to 28/02/22
3	**Number of shares in issue net of treasury shares ('000)**	256 963	256 963
4	**Net asset value per share**	12.40	19.47
	Earnings per share from continuing operations	1.29	1.30
	(as defined by management – excludes loss/profit from discontinued operation)		
	Calculation of earnings from continuing operations		
	Profit for the year from continuing operations before non-controlling interest	516 873	528 930
	Profit for the year attributable to non-controlling interest	(183 606)	(193 490)
	Loss for the year of discontinued operation attributable to non-controlling interest	(2 787)	(2 648)
	Profit from continuing operations attributable to owners of the parent	330 480	332 792
5	**Depreciation for the year**	8 474	8 638
6	**Net profit from fair value adjustment on investment property**	294 484	348 071
7	**Capital expenditure for the year**	247 453	98 631
	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.	–	16 619
	Uitzicht: development by Colkru Investments (Pty) Ltd to be funded by Investec.	–	18 900
	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.	13 400	12 616
	Vergelegen Shopping Centre: development costs by Vergelegen Property Investment (Pty) Ltd to be funded by shareholder funds and by Investec Ltd.	372 768	9 595
	Netherlands investment: investment in property investment companies by Saddle Path Props 69 (Pty) Ltd, the investment was funded by shareholder funds.	35 000	–
8	**Headline earnings**		
	Basic headline earnings per share (ZAR)	0.45	1.24
	Diluted headline earnings par share (ZAR)	0.45	1.24

Calculation of headline earnings	Gross	Net	Gross	Net
Profit attributable to equity holders of the company		158 459		413 099
Net profit from fair value adjustment on investment property	(294 484)	(183 340)	(348 071)	(56 267)
Fair value adjustments from equity-accounted investments		(19 345)		(9 816)
Profit on disposal of investment properties	(8 300)	(5 717)	(33 410)	(20 922)
Loss on disposal of subsidiary	856 683	164 429	–	–
Loss/(gain) on disposal of financial assets		1 887		(6 763)
Gain on disposal of property, plant and equipment		–		(20)
		116 372		319 312

9	**Financial assets**		
	Unlisted investments at fund managers valuation	1 218	93 394

Notes (continued)

10 Contingent liabilities

None

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.

Investment in Netherlands property: the group has acquired non-controlling interests of 31.67% in two Dutch based property companies for EUR 1.7 million, funded by cash designated for offshore investment. The investee entities are resident in the Netherlands and are owners of their properties.

Insurance claim for the 2022 KwaZulu-Natal floods: the claim has been submitted to the insurers and has been settled partially but not yet in full. The full and final assessment is still pending and will only be concluded in the next financial year.

Debt refinancing: the group has succesfully refinanced its existing R81 million RMB facility, and is in the process of negotiating new financing arrangements for existing long term debt of R363 million with RMB (First National Bank of South Africa) and R86 million with Standard Bank Isle of Man.

Vergelegen 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 is in the final stages of concluding the contracts to develop two office towers on the currently vacant Erf 1319. One of these towers, 2 500m² will be sectionalised and sold to an end user. The other tower, 2 039m² will be sold to end users or held for rental income. Construction is expected to commence in the 2023/2024 financial year and conclude within 18 months.

The name of the company will shortly be changed to Collins Property Group Limited, and thereafter the company intends to convert to a Real Estate Investment Trust ("REIT").

Notes (continued)

		Audited 12 months to 28/02/23	Audited 12 months to 28/02/22
13	**Goodwill**		
13.1	**Cost**	–	166 160
	Accumulated impairment losses	–	–
		–	166 160
13.2	**Cost**		
	Balance at beginning of year	166 160	168 320
	Disposal of subsidiary	(157 678)	–
	Foreign currency translation movements	(8 482)	(2 160)
	Balance at end of year	–	166 160
13.3	**Accumulated impairment losses**		
	Balance at beginning of year	–	–
		–	–

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)	–

Twelve months to 28 February 2022 (audited)	Opening	Disposal of subsidiary	Foreign currency translation differences	Closing
Boutique	168 320	–	(2 160)	166 160

Notes (continued)

14 Financial instruments

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

28 February 2023	Carrying value	Net (losses)/gains	Total interest income	Total interest 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	1	—	(0.4)	—
Trade and other payables	192.6	—	—	—	—

28 February 2022	Carrying value	Net (losses)/gains	Total interest income	Total interest expense	Impairment
Assets (ZAR'million)					
Financial asset at fair value through profit or loss	93.4	8.8	—	—	—
Derivatives	—	41.7	—	—	—
Loans to joint venture	206.5	—	23.3	—	(14.9)
Loans to associates	124.3	—	2.8	—	6.7
Loans receivable	435.2	—	25.2	—	—
Trade and other receivables	123.2	—	—	—	—
Other assets	169.6	—	—	—	—
Cash and cash equivalents	418.4	—	—	—	—
Liabilities (ZAR'million)					
Long-term borrowings	7 226.3	—	—	(559.0)	—
Derivatives	181.0	16.1	—	(1.3)	—
Preference shares	1 015.5	—	—	(57.6)	—
Deferred revenue	117.6	—	—	—	—
Short-term borrowings	477.1	—	—	(0.2)	—
Trade and other payables	—	—	—	—	—

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:

Audited 28/02/23	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
Equity securities			1 218
Non-financial assets at fair value through profit or loss			
Investment properties			11 343 429
Total assets			11 344 647
Liabilities			
Financial liabilities at fair value through profit and loss			
Trading derivatives			
Interest rate swap		44 923	
Financial liabilities at amortised cost			
Preference shares			1 082
Borrowings			6 545 267
Total liabilities		44 923	6 546 349

Audited 28/02/22	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
Equity securities			93 394
Trading derivatives			
South Africa CPI hedge		1 821	
Non-financial assets at fair value through profit or loss			
Investment properties			14 561 296
Total assets		1 821	14 654 690
Liabilities			
Financial liabilities at fair value through profit and loss			
Trading derivatives			
Cross currency and interest rate swap		181 015	
Financial liabilities at amortised cost			
Preference shares		1 015 469	1 082
Borrowings			7 703 329
Total liabilities		1 196 484	7 704 411

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.

Notes (continued)

15 Fair value measurement of financial instruments (continued)

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 and Austria investment properties	(864 437)	991 621	(376 000)	106 000	1 107 682	(1 150 743)
Namibia investment properties	(52 907)	145 208	(60 517)	87 683	131 361	(59 067)
Rest of Africa investment properties	(47 493)	54 893	(11 889)	—	56 463	(59 121)

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.

Reconciliation of recurring level 3 fair value financial instruments:

	Audited 28/02/23	Audited 28/02/22
Investment Properties		
At beginning of year	14 561 296	14 744 642
Additions – direct acquisitions South Africa	114 370	—
Movements of discontinued operations	(140 037)	(17 757)
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	131 011	93 385
Subsequent expenditures – improvements and extensions	52	2 794
Capitalisation of borrowing costs	12 433	18 052
Foreign currency translation differences	136 471	(57 931)
Disposals	(19 311)	(128 212)
Loss due to civil unrest – South Africa	—	(25 480)
Transfer to assets held for sale	(83 843)	(351 726)
Straight line lease adjustment	(9 312)	17 706
Net loss from fair value adjustments on investment property	294 743	348 260
Movements on right-of-use investment property assets:		
Adjustment for rent increase	—	(8 809)
Additions	—	52 316
Movements of discontinued operations	293 934	(113 329)
Disposal of subsidiary	(1 057 149)	—
Net loss from fair value adjustments on investment property	(259)	—
Foreign currency translation differences	—	(12 614)
At end of year	11 343 429	14 561 296
Financial assets		
At beginning of year	93 394	85 533
Distribution received	63	34
Fair value gain	—	8 788
Movements of discontinued operations	1 582	—
Disposal of subsidiary	(93 821)	—
Foreign currency translation differences	—	(961)
At end of year	1 218	93 394

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)
Appointed on 27 February 2023

B Makhunga (42)*°
B Com, CA (SA)
Appointed on 27 February 2023

PJ Roelofse (46)•+
B Acc (Cum Laude) B Acc Hons, CA (SA), CFA

BA Chelius (54)*+
B Acc Hons, CA (SA), CFA
Appointed on 27 February 2023

JD Wiese (42)•
B A, LL B, M Com
alternate to CH Wiese

KA Searle (55)#
B Compt Hons, CA (SA)
Appointed on 27 February 2023

FH Esterhuyse (52)#
B Acc Hons, M Com, CA (SA)

GC Lang (38)#°
B Compt Hons, RPA(SA)
Financial director
Appointed on 27 February 2023

LL Porter (71)*°
B A, B Sc, D Phil, FBCS, CITP
Resigned on 24 February 2023

MJ Roberts (76)*+°
B A
Resigned on 24 February 2023

HRW Troskie (53)*+
B Juris, LL B, LL M
Resigned on 24 February 2023

TA Vaughan (57)#
B Sc Hons, MRICS
Resigned on 24 February 2023

KL Nordier (56)#°
B Acc Hons, CA (SA)
Financial director
Resigned on 24 February 2023

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

Administration

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