

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF COLLINS PROPERTY GROUP

FOR THE SIX MONTHS TO 31 AUGUST 2024 AND CASH DIVIDEND DECLARATION



FIBRES ROAD, DURBAN



RICHEFOND CIRCLE, DURBAN



VERGELEGEN PLEIN SHOPPING CENTRE,
CAPE TOWN

HIGHLIGHTS

- **Distributable income per ordinary share ("DIPS"):** 54 cents for the 6 months ended 31 August 2024
- **Interim dividend declared:** 50 cents per ordinary share (31 August 2023: 40 cents)
- **Weighted average lease expiry ("WALE"):** 4.2 years
- **Loan-to-value ratio in terms of SA REIT Best Practice:** 50%
- **Vacancy rate:** 3.0%
- **Collection rate:** 97.2%
- **All in cost-to-income ratio in terms of SA REIT Best Practice:** 20%

FINANCIAL INDICATORS

Unaudited	31 Aug 2024	31 Aug 2023	% Increase/ (decrease)
Revenue excluding straight-line rental income (R'000)	628 678	604 401	4.0%
Basic earnings per share in issue (cents)	54	42	28.6%
Headline earnings per share in issue (cents)	35	38	(7.9%)
Net asset value per share (cents)	1 501	1 262	18.9%
Interim dividend per share (cents)	50	40	25.0%
Net profit attributable to ordinary shareholders (R'000)	120 787	133 791	(9.72%)

BUSINESS ENVIRONMENT

The period under review proved quite eventful, notably on the political front, when the months preceding the election were marked by considerable uncertainty, translating into a wait-and-see attitude throughout the economy. The establishment of a Government of National Unity (GNU) at the end of June, however, brought considerable optimism, boosted further by declining inflation rates and Eskom's ability to provide the country with an uninterrupted power supply.

Nevertheless, impaired national infrastructure continues to limit the economy's ability to respond to the positive impetus and will likely constrain growth for the foreseeable future.

FINANCIAL PERFORMANCE

The Group's assets at the reporting date were split across South Africa, in rand (83%), Namibia, in Namibian dollars (6%), in Europe in Austria and the Netherlands, in Euro (7%) and in the rest of Africa, in US dollar (4%).

The Group reported a total distributable income of R177.1 million for the six months ended 31 August 2024.

Total assets now amount to R12.1 billion (August 2023: R12.2 billion).

Net asset value per share stands at R15.0 compared to R12.6 in August 2023. The large increase in net asset value per share can be mostly attributed to deferred tax previously raised on future capital gains of R667 million being written back on the conversion to a REIT.

A loan-to-value ratio of 50% in terms of SA REIT Best Practice was achieved as well as an all-in cost-to-income ratio of 20%.

Distribution analysis

The below represents the distributable income analysis for the period ended 31 August 2024. Distributable income per share ("DIPS") corresponds with SA REIT Best Practice (Refer **Appendix 2**). Comparative figures have been presented for the year ended 29 February 2024 as the Group's REIT conversion was only effective post the interim reporting period in the preceding year. A reconciliation between distributable income and profit for the year is available in **Appendix 1** of these results.

Distributable income analysis	Unaudited 6 months to 31 Aug 2024 ZAR'000	Restated Audited 12 months to 29 Feb 2024 ZAR'000
Revenue	629 709	1 226 031
Sundry Income	9	95 637
<ul style="list-style-type: none"> ■ Sundry Income ■ Proceeds of a capital nature ■ Insurance claim proceeds 	15 509 (15 500) —	16 292 — 79 345
Employee Benefit Expense	(29 435)	(45 028)
Lease Expenses	(16 980)	(34 143)
Other operating costs	(76 347)	(247 100)
<ul style="list-style-type: none"> ■ Administration and Corporate Costs ■ Property Expenses ■ Damages due to flood ■ Write down of residential land development ■ Other Operating Costs 	(2 909) (64 229) — — (9 209)	(5 115) (108 103) (79 345) (21 921) (32 616)
Net Operating Income	506 956	995 397
Finance Income	10 158	27 527
Finance Charges	(323 785)	(662 002)
Other	3 896	(3 152)
Profit before tax	197 225	357 770
Taxation	(8 644)	(33 296)
Non-Controlling Interest Share in Distributable Income	(11 453)	(13 024)
Distributable Income	177 127	311 450
Distributable Income per Share (cents)	54	94
Distribution Ratio on above	84%	95%

OPERATIONAL PERFORMANCE

Collins converted to a REIT in the second half of the previous financial year and is now listed on the JSE's Industrial REIT sector as one of two companies in this segment.

At the end of the reporting period, the Group's South-African portfolio comprised 120 properties located mainly in Gauteng and KwaZulu-Natal, as well as increasingly in the Western Cape. Together they provide about 1.5 million square metres of lettable space.

The core of the portfolio (66%) consists of industrial properties and distribution centres, leased on a long-term basis to major national clients. The balance of the South African portfolio consists of convenience retail properties (28%), an increasingly popular asset class, and office buildings (6%).

Of the total rental income, 79% is backed by national clients. This has proved a major contributing factor to the Group's ability to collect 97.2% of all income due, slightly down from 98.3%. The collection rate is expected to increase in the second half of the year as interest rates come down and inflation eases.

The already improving business climate has enabled the Group to reduce the overall vacancy rate from 3.9% as it was at 29 February 2024 to 3.0% at the end of the reporting period. The weighted average lease expiry date ("WALE") stands at 4.2 years, the same as it was at the end of the financial year on 29 February 2024.

In the Western Cape, the Group has sold 50% of a convenience retail centre at a yield of 7.75% and has started construction of a 20 000 square metre centre to be anchored by a Checkers Hyper. Further opportunities in the Western Cape are being pursued continually.

In terms of the Namibian portfolio there has also been a significant increase in activity. The Group is in the process of finalising the sale of 6 000 square metres of office space in the capital, Windhoek, that has stood vacant for an extended period. The transfer of another office block in the Steps Precinct is underway and should be completed before the end of the financial year.

Management also expects negotiations for the sale of the balance of the Namibian portfolio to have been completed by the beginning of 2025.

The Group is keen to grow its presence in Europe, at present the Group owns six properties in Austria and, as a member of a consortium, four in The Netherlands. All these properties are leased for the long-term to major tenants and provide a solid return on investment.

Management is constantly engaged in improving the quality of the portfolio by selling off less profitable non-core assets and applying the proceeds generated to acquire and invest in quality properties that satisfy market needs and extend the Group's geographic footprint, primarily in the Western Cape and abroad.

During the reporting period five properties were transferred to their new owners, generating R110 million in cash and another four are anticipated to conclude before the end of the financial year. Management is also in the process of concluding the sale of another six properties. In total, if all these transactions are successfully concluded, they will release some R420 million cash for investment, to be directed primarily offshore.

ORDINARY SHARE CASH DIVIDEND

The board of directors of Collins has approved and notice is hereby given of an interim dividend of 50 cents per share for the six months that ended 31 August 2024. The dividend is payable to Collins shareholders in accordance with the timetable set out below:

Last date to trade 'cum' dividend	Tuesday, 19 November 2024
Shares trade ex dividend	Wednesday, 20 November 2024
Record date	Friday, 22 November 2024
Payment date	Monday, 25 November 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 20 November 2024 and Friday, 22 November 2024, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant accounts/ broker accounts on Monday, 25 November 2024.

Certificated shareholders' dividend payments will be paid on or about Monday, 25 November 2024.

Dividend tax treatment

In accordance with Collins' status as a REIT, shareholders are advised that the dividend of 50 cents per share for the period ended 31 August 2024 ("the dividend") meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, 58 of 1962 ("Income Tax Act"). The dividend will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT. This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provide the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- a) a declaration that the dividend is exempt from dividends tax; and
- b) a written undertaking to inform the CSDP, broker or the Company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 40 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- b) a written undertaking to inform their CSDP, broker or the Company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner ceases to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

Shares in issue at the date of declaration of this dividend: 334 097 767

Collins' income tax reference number: 9725/126/71/9.

GOING CONCERN

The Group has prepared financial forecasts based on detailed operational cash-flow forecasts, for the 18 months to February 2026.

After servicing all interest and amortisation on borrowings, the forecasts show sufficient cash levels as a buffer against unforeseen events.

OUTLOOK

The optimism following the establishment of the GNU and its impact on the economy had little time to reflect in the Group's results to end August. However, we do believe it will have a more pronounced effect in the remaining six months of the year as the new Cabinet works to improve the collapsed infrastructure across the spectrum that has for years handcuffed economic development.

There are already signs that the wait-and-see attitude that prevailed in the business community before the election has been replaced by a more upbeat sentiment regarding long-term investment.

Collins' strategic focus is to grow its distributable income in a sustainable and predictable manner. This is particularly applicable now that it has been converted to a REIT.

The Group has a history of more than a century of investing in property. Its consistent growth over the years has been guided by experienced and knowledgeable management. As this continues to this day, we are confident that in the current prevailing optimism, the company will continue to reward shareholders with above-average returns on their investment.

POLICY ADOPTION FOR TRADING STATEMENTS

The Group has adopted distribution per share as the measure for trading statements with effect from the 29 February 2024 financial year-end.

PREPARATION OF FINANCIAL STATEMENTS

CH WIESE
CHAIRMAN

GC LANG
DIRECTOR

4 November 2024

STATEMENT OF COMPREHENSIVE INCOME

ZAR'000	Unaudited 6 months to 31 Aug 2024	Restated Unaudited 6 months to 31 Aug 2023	Restated Audited 12 months to 29 Feb 2024
Property revenue	628 678	604 401	1 229 671
Straight-lining of leases adjustment	(55 787)	(22 831)	(49 471)
Revenue from land sales	11 894	—	24 479
Cost of sales from land sales	(10 863)	—	(28 119)
Other operating income	15 509	19 877	92 106
Profit on disposal of investment properties	(18 559)	(6 607)	(4 543)
Net gain from fair value adjustment on investment property	55 787	16 559	253 325
Impairment (losses)/gains on financial assets	1 513	(13 900)	(4 021)
Employee benefit expenses	(29 435)	(25 972)	(45 028)
Lease expenses	(16 980)	(16 370)	(34 143)
Depreciation, impairment and amortisation	(4 266)	(4 201)	(8 632)
Administrative expenses	(2 909)	(2 876)	(5 115)
Property operating and management expenses	(64 229)	(58 327)	(130 024)
Other operating costs	(9 209)	(9 614)	(111 961)
Trading profit	501 144	480 139	1 178 524
Profit/(Loss) on disposal of subsidiary	12 363	4 146	(7 426)
Net fair value gains on financial assets at fair value through profit or loss	3 517	10 546	23 577
Operating profit	517 024	494 831	1 194 675
Finance income	10 158	15 093	27 527
Finance cost	(323 785)	(322 188)	(662 002)
Share of profit from equity accounted associates	1 586	—	3 531
Profit before taxation	204 983	187 736	563 731
Taxation	(15 089)	(28 461)	643 905
Profit for the year before non-controlling interest	189 894	159 275	1 207 636
Other comprehensive income			
Exchange differences on translation of foreign operations	(57 654)	36 506	(4 822)
Total comprehensive income for the period	132 240	195 781	1 202 814
Profit attributable to:			
Owners of the parent	178 441	108 276	1 144 035
Non-controlling interest	11 453	50 999	63 601
	189 894	159 275	1 207 636
Total comprehensive income attributable to:			
Owners of the parent	120 787	133 791	1 139 213
Non-controlling interest	11 453	61 990	63 601
	132 240	195 781	1 202 814
Total comprehensive income attributable to owners of the parent arises from:			
Continuing operations	120 787	133 791	1 139 213
	120 787	133 791	1 139 213
Earnings per share (ZAR): basic	0.54	0.42	4.25
Number of shares for calculation of earnings per share ('000)	329 714	256 963	269 088
Earnings per share (ZAR): diluted	0.54	0.42	4.25
Number of shares for calculation of diluted earnings per share ('000)	329 714	256 963	269 088

* Comparatives have been restated for the change in disclosure as shown in note 2.

STATEMENT OF FINANCIAL POSITION

(ZAR'000)	Unaudited 31 Aug 2024	Restated Unaudited 31 Aug 2023	Restated Audited 29 Feb 2024
Non-current assets	11 613 160	11 713 982	11 882 097
Property, plant and equipment	31 369	38 272	35 534
Investment properties – fair value for accounting purposes	10 664 280	10 754 120	11 002 163
Investment property – straight lining lease income accrual	551 977	640 564	615 051
Investment properties – right-of-use assets	5 313	5 697	5 516
Deferred taxation	157 731	153 354	177 860
Investments accounted for using the equity method			
Investments in associates	30 066	26 071	30 498
Financial assets at amortised cost:			
Loans to joint operations	—	7 350	—
Loans to associates	158 440	8 695	—
Loans receivable	13 984	79 859	15 475
Current assets	494 803	491 738	376 019
Financial assets at fair value through profit and loss	1 362	1 263	1 312
Financial assets at amortised cost:			
Loans receivable	7 438	135 887	8 569
Loans to joint operations	—	—	3 497
Loans to associates	101 469	90 008	103 500
Trade and other receivables	54 853	88 500	55 222
Other current assets	35 736	16 967	23 114
Taxation	5 251	516	11 680
Cash and cash equivalents	288 694	158 597	169 125
Assets classified as held for sale		21 400	74 090
Total assets	12 107 963	12 227 120	12 332 206
Equity	5 193 779	4 333 937	5 226 557
Ordinary shareholders' equity	4 950 483	3 244 088	4 995 242
Non-controlling interest	243 296	1 089 849	231 315
Non-current liabilities	6 385 875	6 882 497	6 633 601
Preference share liability	1 384	1 082	1 384
Long-term borrowings	5 921 968	5 739 159	6 162 873
Lease liabilities	3 958	4 342	4 161
Derivative financial instruments	17 829	34 377	21 346
Deferred taxation	440 736	1 103 537	443 837
Current liabilities	528 309	1 010 686	472 048
Short-term borrowings	246 047	777 962	182 793
Deferred revenue	107 520	42 146	111 495
Taxation	20 621	36 764	43 797
Trade and other payables	154 121	153 814	133 963
Total liabilities	6 914 184	7 893 183	7 105 649
Total equity and liabilities	12 107 963	12 227 120	12 332 206

* Comparatives have been restated for the change in disclosure as shown in note 2.

STATEMENT OF CHANGES IN EQUITY

(ZAR'000)	Unaudited 6 months to 31 Aug 2024	Unaudited 6 months to 31 Aug 2023	Audited 12 months to 29 Feb 2024
Balance at beginning of the year	5 226 557	4 252 788	4 252 791
Profit for the year	189 894	159 275	1 207 636
REIT restructure share issue	—	—	992 000
Dividends distributed to shareholders	(164 857)	(77 089)	(208 975)
Disposal of subsidiary	(163)	83	83
Capital reserve (Employee Share Option Scheme)	—	—	1 219
Distribution to minorities	—	(37 626)	(1 057 185)
Other comprehensive income for the year	(57 652)	36 506	38 988
Balance at the end of the year	5 193 779	4 333 937	5 226 557

STATEMENT OF CASH FLOWS

(ZAR'000)	Unaudited 6 months to 31 Aug 2024	Restated Unaudited 6 months to 31 Aug 2023	Restated Audited 12 months to 29 Feb 2024
Cash flows of operating activities	24 097	1 649	156 316
Operating profit from continuing operations	517 024	494 831	1 194 675
Non-cash items	5 224	(33 785)	(58 838)
Changes in working capital	5 725	26 289	(6 244)
Interest received	10 158	16 383	27 527
Interest paid	(323 785)	(342 500)	(676 814)
Dividends paid to ordinary shareholders	(164 857)	(77 089)	(208 975)
Dividends to non-controlling interests	—	(37 626)	(55 715)
Taxation paid	(25 392)	(44 854)	(59 300)
Cash flows of investing activities	(5 331)	(47 970)	52 730
Acquisition of investment properties	(176 210)	(112 422)	(227 975)
Acquisition of property, plant and equipment	(1 432)	(4 572)	(7 314)
Proceeds on disposal of investment properties	123 492	66 651	128 852
Proceeds on disposal of property, plant and equipment	1 727	164	1 000
Proceeds on sale of subsidiary net of cash sold	53 426	—	—
Acquisition of financial assets	(50)	—	(94)
Loans repaid by joint operations	3 497	4 176	8 029
Acquisition of associate undertaking	—	—	(26 071)
Loans advanced to associate undertaking	(23 847)	(52 758)	(62 438)
Loans repaid by associate undertaking	12 574	61 356	65 618
Loans and advances – issued	(666)	(16 116)	(31 687)
Loans and advances – repaid	2 158	5 551	204 810
Cash flows of financing activities	100 593	(39 016)	(297 892)
Proceeds from borrowings	544 028	160 436	557 511
Repayment of borrowings	(443 232)	(199 293)	(855 366)
Proceeds from ordinary share issue	—	—	333 000
Acquisition of NCI shares in subsidiary	—	—	(333 000)
Proceeds from preference share issue	—	—	302
Principal elements of lease payments	(203)	(159)	(339)
Net increase/(decrease) in cash and cash equivalents	119 359	(85 337)	(88 846)
Effect of changes in exchange rate	210	25 524	39 561
Cash and cash equivalents at beginning of the year	169 125	218 410	218 410
Cash and cash equivalents at end of the year	288 694	158 597	169 125

* Comparatives have been restated for the change in disclosure as shown in note 2.

SEGMENTAL ANALYSIS

(ZAR'000)	Revenue	Operating profit/(loss)	Investment properties	Total assets	Total liabilities
Six months to 31 August 2024 (unaudited)					
Property – South Africa	471 426	389 640	9 370 856	9 831 740	6 172 106
Property – Offshore	65 605	40 462	1 135 146	1 292 094	561 869
Property – Namibia	33 618	29 274	715 568	859 325	420 048
Other	3 273	57 648	—	124 803	(239 839)
	573 922	517 024	11 221 570	12 107 962	6 914 184
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	23 746	472 241	579 850	267 217
	581 570	494 831	11 400 381	12 227 120	7 893 183
Twelve months to 29 February 2024 (audited)					
Property – South Africa	964 342	1 089 959	9 788 538	10 159 580	5 996 209
Property – Offshore	138 313	65 601	1 226 467	1 425 839	660 816
Property – Namibia	62 564	64 050	716 881	867 579	425 683
Other	11 341	(24 935)	(109 156)	(120 792)	22 941
	1 176 560	1 194 675	11 622 730	12 332 206	7 105 649

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these consolidated and the separate annual financial statements are set out below. These policies have been consistently applied to all years presented in relation to the consolidated and separate annual financial statements, unless otherwise stated.

1. Basis of preparation

Statement of compliance

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS[®] Accounting Standards”) and its interpretations adopted by the International Accounting Standards Board (“IASB”), the South African Institute of Chartered Accountants (“SAICA”), Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (“FRSC”), the requirements of the Companies Act of South Africa and the JSE Limited Listings Requirements.

Preparation of the consolidated annual financial statements

The consolidated and separate annual financial statements have been prepared on the historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments), certain classes of plant and equipment and investment property – measured at fair value; and
- Assets held for sale – measured at fair value less costs to sell.

The preparation of consolidated annual financial statements in conformity with IFRS[®] Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements are disclosed in accounting policy 30.

Use of adjusted measures

The measure listed below is presented as management believes it to be relevant to the understanding of the group’s financial performance. This measure is used for internal performance analysis and provides additional useful information on underlying trends to equity holders. This measure is not a defined term under IFRS[®] Accounting Standards and may therefore not be comparable with similarly titled measures reported by other entities. It is not intended to be a substitute for, or superior to, measures as required by IFRS[®] Accounting Standards.

Trading profit on the face of the statement of comprehensive income, being the group’s operating result excluding fair value gains or losses on financial assets at fair value through profit or loss.

NOTES (CONTINUED)

2. Reclassification

During the current year, the group undertook a streamlining exercise on its financial statements. This resulted in a reclassification of amounts shown on the face of the statement of comprehensive income to improve the presentation of the items as shown in the statement of comprehensive income on a function basis.

The reclassification has been made to align the group's financial statements closer to disclosures within the industry, specifically the REIT sector. During the reclassification no errors were noted on the previously reported financial statements and the impact on the presentation of the statement of comprehensive income is as follows:

Six months to 31 August 2023 (unaudited)	Reported	Reclassification	Restated
Revenue	581 570	(581 570)	—
Property revenue	—	604 401	604 401
Straight-lining of leases adjustment	—	(22 831)	(22 831)
Revenue from land sales	—	—	—
Cost of sales from land sales	—	—	—
Other operating income	19 877	—	19 877
Loss on disposal of investment properties	(6 607)	—	(6 607)
Net gain from fair value adjustment on investment property	16 559	—	16 559
Impairment losses on financial assets	(13 900)	—	(13 900)
Employee benefit expenses	(25 972)	—	(25 972)
Lease expenses	(16 370)	—	(16 370)
Depreciation, impairment and amortisation	(4 201)	—	(4 201)
Administrative costs	—	(2 876)	(2 876)
Property and management costs	—	(58 327)	(58 327)
Other operating costs	(70 817)	61 203	(9 614)
Trading profit	480 139	—	480 139
Gain on disposal of financial assets	4 146	—	4 146
Net fair value profit on financial assets at fair value through profit or loss	10 546	—	10 546
Operating profit	494 831	—	494 831
Finance income	15 093	—	15 093
Finance cost	(322 188)	—	(322 188)
Profit before taxation	187 736	—	187 736

Impact on profit before tax and distributable earnings

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There has been no impact on either the statement of changes in equity or the statement of financial position at any reporting period.

NOTES (CONTINUED)

2. Reclassification (continued)

Twelve months to 29 February 2024 (audited)	Reported	Reclassification	Restated
Revenue	1 176 560	(1 176 560)	
Property revenue	—	1 229 671	1 229 671
Straight-lining of leases adjustment	—	(49 471)	(49 471)
Revenue from land sales	—	24 479	24 479
Cost of sales from land sales	—	(28 119)	(28 119)
Other operating income	92 105	—	92 105
Loss on disposal of investment properties	(4 543)	—	(4 543)
Net gain from fair value adjustment on investment property	253 325	—	253 325
Impairment losses on financial assets	(4 021)	—	(4 021)
Employee benefit expenses	(45 028)	—	(45 028)
Lease expenses	(34 143)	—	(34 143)
Depreciation, impairment and amortisation	(8 632)	—	(8 632)
Administrative costs	—	(5 115)	(5 115)
Property and management costs	—	(130 024)	(130 024)
Other operating costs	(247 099)	135 139	(111 960)
Trading profit	1 178 524	—	1 178 524
Loss on disposal of financial assets	(7 426)	—	(7 426)
Net fair value profit on financial assets at fair value through profit or loss	23 577	—	23 577
Operating profit	1 194 675	—	1 194 675
Finance income	27 527	—	27 527
Finance cost	(662 002)	—	(662 002)
Share of profit from equity accounted associates	3 531	—	3 531
Profit before taxation	563 731	—	563 731

Impact on profit before tax and distributable earnings

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There has been no impact on either the statement of changes in equity or the statement of financial position at any reporting period.

NOTES (CONTINUED)

	Unaudited 6 months to 31 Aug 2024	Unaudited 6 months to 31 Aug 2023	Audited 12 months to 29 Feb 2024
3. Number of shares in issue net of treasury shares ('000)	329 714	256 963	329 714
4. Net asset value per share (ZAR)	15.01	12.62	15.15
Earnings per share (ZAR) from continuing operations	0.54	0.42	4.25
Calculation of earnings from continuing operations			
Profit for the year from continuing operations before non-controlling interest	189 894	159 275	1 207 636
Profit for the year attributable to non-controlling interest	(11 453)	(50 999)	(63 601)
Profit from continuing operations attributable to owners of the parent	178 441	108 276	1 144 035
5. Depreciation for the year	4 266	4 201	8 632
6. Net profit from fair value adjustment on investment property	55 787	16 559	253 325
7. Capital expenditure for the year	177 642	116 994	235 289
Capital commitments contracted but not provided for at year-end are:			
South Africa			
Winelands Square: development costs by Imbali Props 21 (Pty) Ltd to be funded by its own reserves and by RMB Ltd.	375 135	—	—
Vergelegen Shopping Centre: development costs committed to by the associate, Vergelegen Property Investment (Pty) Ltd, to be funded by Investec Ltd.	54 617	303 418	106 267
Mzuri Residential: land development costs to be funded by its own reserves and funding secured from Investec Ltd, on condition pre-let sales are met.	—	5 800	—

NOTES (CONTINUED)

	Unaudited 6 months to 31 Aug 2024		Unaudited 6 months to 31 Aug 2023		Audited 12 months to 29 Feb 2024	
8. Headline earnings						
Basic headline earnings per share (ZAR)		0.35		0.38		1.12
Diluted headline earnings par share (ZAR)		0.35		0.38		1.12
	31 Aug 2024		31 Aug 2023		29 Feb 2024	
	Gross	Net	Gross	Net	Gross	Net
Calculation of headline earnings						
Profit attributable to equity holders of the company		178 442		108 276		1 144 035
Net profit from fair value adjustment on investment property	(55 787)	(52 256)	(16 559)	(9 958)	(253 325)	(252 732)
Loss on disposal of investment properties	18 559	12 993	6 607	3 622	4 543	2 002
Deferred tax on reversal of future capital gains tax					(2 221 804)	(599 887)
Loss/(gain) on disposal of financial assets	(12 363)	(12 363)		(4 146)	7 426	7 426
Capital proceeds received	(15 500)	(10 850)				
		115 966		97 794		300 844
9. Financial assets						
Unlisted investments at fund managers valuation		1 362		1 263		1 312

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

South Africa

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.

NOTES (CONTINUED)

13. 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:

31 August 2024	Carrying value	Net (losses)/gains	Total interest income	Total interest expense	Impairment
Assets (ZAR'million)					
Financial asset at fair value through profit or loss	1.4	0.1	—	—	—
Loans to associates	259.9	—	0.7	—	1.7
Loans receivable	21.4	—	0.8	—	(0.1)
Trade and other receivables	54.9	—	—	—	(54.6)
Other assets	35.7	—	—	—	—
Cash and cash equivalents	288.7	—	7.9	—	—
Liabilities (ZAR'million)					
Long-term borrowings	5 922.0	—	—	300.8	—
Derivatives	17.8	3.5	—	11.6	—
Preference shares	1.4	—	—	—	—
Deferred revenue	107.5	—	—	—	—
Short-term borrowings	246.0	—	—	0.4	—
Trade and other payables	154.1	—	—	—	—
31 August 2023					
Assets (ZAR'million)					
Financial asset at fair value through profit or loss	1.3	0.5	—	—	—
Derivatives	—	—	—	—	—
Loans to joint operations	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	(11.0)	—	—	—
Preference shares	1.1	—	—	—	—
Deferred revenue	42.1	—	—	—	—
Short-term borrowings	778.0	5.0	—	—	—
Trade and other payables	153.8	—	—	—	—

NOTES (CONTINUED)

13. Financial instruments (continued)

29 February 2024	Carrying value	Net (losses)/gains	Total interest income	Total interest expense	Impairment
Assets (ZAR'million)					
Financial asset at fair value through profit or loss	1.3	—	—	—	—
Derivatives	—	—	—	—	—
Loans to joint venture	3.5	—	—	—	—
Loans to associates	103.5	—	—	—	(5.8)
Loans receivable	24.0	—	26.8	—	—
Trade and other receivables	55.2	—	—	—	—
Other assets	23.1	—	—	—	—
Cash and cash equivalents	169.1	—	—	—	—
Liabilities (ZAR'million)					
Long-term borrowings	6 162.9	—	—	636.7	—
Derivatives	21.3	—	—	28.8	—
Preference shares	1.4	—	—	—	—
Deferred revenue	111.5	—	—	—	—
Short-term borrowings	182.8	—	—	1.6	—
Trade and other payables	134.0	—	—	—	—

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)

14. 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 29 February 2024:

	Unaudited 31 August 2024		
	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
Equity securities	—	—	1 362
Non-financial assets at fair value through profit or loss			
Investment properties	—	—	11 221 570
Total assets	—	—	11 222 932
Liabilities			
Financial liabilities at fair value through profit and loss			
Derivative financial instruments	—	17 829	—
Financial liabilities at amortised cost			
Preference shares	—	—	1 384
Borrowings	—	—	6 168 015
Total liabilities	—	17 829	6 169 399
Unaudited 31 August 2023			
	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
Equity securities	—	—	1 263
Non-financial assets at fair value through profit or loss			
Investment properties	—	300 000	11 100 381
Total assets	—	300 000	11 101 644
Liabilities			
Financial liabilities at fair value through profit and loss			
Derivative financial instruments	—	34 377	—
Financial liabilities at amortised cost			
Preference shares	—	—	1 082
Borrowings	—	—	6 517 121
Total liabilities	—	34 377	6 518 203

NOTES (CONTINUED)

14. Fair value measurement of financial instruments (continued)

	Audited 29 February 2024		
	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
Equity securities	—	—	1 312
Non-financial assets at fair value through profit or loss			
Investment properties	—	—	11 622 730
Total assets	—	—	11 624 042
Liabilities			
Financial liabilities at fair value through profit and loss			
Cross currency and interest rate swap	—	21 346	—
Financial liabilities at amortised cost			
Preference shares	—	—	1 384
Borrowings	—	—	6 345 666
Total liabilities	—	21 346	6 347 050

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	(474 863)	545 476	(178 800)	172 050	976 861	(916 041)
Namibia investment properties	(82 709)	101 817	(7 341)	5 995	78 581	(78 617)
Offshore investment properties	(62 221)	145 443	(44 433)	68 669	125 029	(126 982)

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)

14. Fair value measurement of financial instruments (continued)

Reconciliation of recurring level 3 fair value financial instruments:

	Unaudited 31 Aug 2024	Unaudited 31 Aug 2023	Audited 29 Feb 2024
Investment Properties			
At beginning of year	11 622 730	11 343 429	11 343 091
Additions – direct acquisitions South Africa	77 442	–	–
Insurance damages due to flood claim	–	–	(103 055)
Write down of residential land development	–	–	(21 921)
Construction and development costs	98 767	112 422	227 832
Subsequent expenditures – improvements and extensions	–	–	143
Capitalisation of borrowing costs	9 414	9 912	16 829
Foreign currency translation differences	(90 034)	14 147	78 192
Disposals	(67 962)	(73 257)	(73 179)
Transfer to assets held for sale	–	–	(49 396)
Straight line lease adjustment	(55 787)	(22 831)	(49 471)
Net gain from fair value adjustments on investment property	55 990	16 718	253 325
Movements on right-of-use investment property assets:			
Net loss from fair value adjustments on investment property	(203)	(159)	340
Change of control of subsidiary	(428 787)	–	–
At end of year	11 221 570	11 400 381	11 622 730
Financial assets			
At beginning of year	1 312	1 218	1 218
Distribution received	50	45	94
At end of year	1 362	1 263	1 312

APPENDIX 1

Unaudited distributable earnings

	Unaudited 6 months to 31 Aug 2024 ZAR'000	Restated Audited 12 months to 29 Feb 2024 ZAR'000
Reconciliation between earnings and distributable earnings		
Profit for the year (attributable to owners of the parent)	178 442	1 144 035
<i>Adjusted for:</i>		
Fair value adjustments to investment properties	(55 787)	(253 325)
Add: Fair value adjustment to investment properties (NCI)	3 531	593
Less: Proceeds received capital in nature	(15 500)	—
Add: Proceeds received capital in nature (NCI)	4 650	—
Profit on disposal of investment properties	18 559	4 543
Less: Profit on disposal of investment properties (NCI)	(5 566)	(1 560)
Add: Capital gains Tax paid of investment properties	—	(981)
Less: Deferred tax on reversal of future capital gains tax	—	(599 887)
(Gain)/Loss on sale of subsidiary	(12 363)	7 426
Headline earnings	115 966	300 844
<i>Adjusted for:</i>		
Straight-lining of leases adjustment	55 787	49 471
Fair value adjustments to derivative financial assets and liabilities	(3 517)	(23 577)
Depreciation and amortisation	4 266	8 632
Taxation paid in advance on business interruption claim	—	15 124
Deferred taxation	6 445	(92 438)
Non-controlling interest	(1 820)	53 393
Distributable earnings	177 127	311 449
Number of shares		
	Unaudited 6 months to 31 Aug 2024	Audited 12 months to 29 Feb 2024
The following inputs impacted the antecedent earnings adjustment:		
Opening balance – Shares in issue	334 097 767	261 346 570
Increase in shares in issue	—	72 751 197
Treasury shares	(4 383 460)	(4 383 460)
Closing balance – Shares in issue	329 714 307	329 714 307
Dividends declared and distribution per share		
	Cents per share	ZAR'000
Total distribution for the year – 2025		
Interim dividend declared on 4 November 2024 (Dividend number 3)	50	164 857
Total distribution for the year ended 28 February 2025	50	164 857
Total distribution for the year – 2024		
Interim dividend declared on 17 January 2024 (Dividend number 1)	40	131 886
Final dividend declared on 22 May 2024 (Dividend number 2)	50	164 857
Total distribution for the year ended 29 February 2024	90	296 743

APPENDIX 2

SA REIT Best Practice Recommendations disclosure

	Unaudited 6 months to 31 Aug 2024 ZAR'000	Restated Audited 12 months to 29 Feb 2024 ZAR'000
SA REIT Funds from Operations (SA REIT FFO) per share		
Profit for the year (attributable to owners of the parent)	178 442	1 144 035
<i>Adjusted for:</i>		
Accounting/specific adjustments	7 194	(896 000)
Fair value adjustments to:		
■ Investment property	(55 787)	(253 325)
Debt and equity instruments held at fair value through profit or loss	(3 517)	(23 577)
Depreciation and amortisation of intangible assets	4 266	8 632
Deferred tax movement recognised in profit or loss	6 445	(692 325)
Straight-lining operating lease adjustment	55 787	49 471
Taxation paid in advance on business interruption claim	—	15 124
Adjustments arising from investing activities	(9 304)	11 969
Gains or losses on disposal of:		
■ Investment property and property, plant and equipment	18 559	4 543
■ Proceeds received of a capital nature	(15 500)	—
■ Disposal of subsidiary	(12 363)	7 426
Other adjustments:	795	51 445
Tax impact of the above adjustments		
Non-controlling interests in respect of the above adjustments	795	51 445
SA REIT FFO	177 127	311 449
Number of shares outstanding at end of period (net of treasury shares)	329 714 307	329 714 307
SA REIT FFO per share	0.54	0.94
Distributable Earnings Per Share (ZAR)	0.54	0.94
SA REIT Net Asset Value ("SA REIT NAV")		
Reported NAV attributable to the parent	4 950 483	4 995 242
Adjustments:		
Dividend to be declared	(148 371)	(164 857)
Deferred tax	283 005	265 977
SA REIT NAV	5 085 117	5 096 362
Shares outstanding	329 714	329 714
Number of shares in issue at period end (net of treasury shares)	329 714 307	329 714 307
Dilutive number of shares in issue	329 714	329 714
SA REIT NAV PER SHARE (ZAR):	15.42	15.46

APPENDIX 2 (CONTINUED)

SA REIT Best Practice Recommendations disclosure

	Unaudited 6 months to 31 Aug 2024 ZAR'000	Restated Audited 12 months to 29 Feb 2024 ZAR'000
SA REIT cost-to-income ratio		
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	119 853	321 156
Adjustments to operational expenditure – exceptional items:		
■ Damages due to flood	—	(79 345)
■ Write down of residential land development	—	(21 921)
Administrative expenses per IFRS income statement	2 909	5 115
Operating costs	122 762	225 005
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	628 678	1 229 671
Gross rental income	628 678	1 229 671
SA REIT cost-to-income ratio	20%	18%
SA REIT administrative cost-to-income ratio		
Expenses		
Administrative expenses as per IFRS income statement	2 909	5 115
Administrative costs	2 909	5 115
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	628 678	1 229 671
Gross rental income	628 678	1 229 671
SA REIT administrative cost-to-income ratio	0.5%	0.4%
SA REIT GLA vacancy rate		
Gross lettable area of vacant space	42 742	58 914
Gross lettable area of total property portfolio	1 412 612	1 519 687
SA REIT GLA vacancy rate	3.0%	3.9%

APPENDIX 2 (CONTINUED)

SA REIT Best Practice Recommendations disclosure

Cost of debt	SA	Offshore	Nambia	Total
<i>Variable interest-rate borrowings</i>	9.7%	7.4%	11.3%	10.9%
<i>Fixed interest-rate borrowings</i>	11.2%	0.0%	0.0%	9.3%
Pre-adjusted weighted average cost of debt	10.4%	7.4%	11.3%	10.3%
Adjustments:				
Impact of interest rate derivatives	0.2%	0.0%	0.0%	0.1%
All-in weighted average cost of debt	10.6%	7.4%	11.3%	10.4%

SA REIT loan-to-value	Unaudited 6 months to 31 Aug 2024 ZAR'000	Restated Audited 12 months to 29 Feb 2024 ZAR'000
Gross debt	6 148 006	6 317 043
Less:		
Cash and cash equivalents	(288 694)	(169 125)
Add/Less:		
Derivative financial instruments	17 829	21 346
Net debt	5 877 141	6 169 264
Total assets – per Statement of Financial Position	12 107 962	12 332 206
Less:		
Cash and cash equivalents	(288 694)	(169 125)
Trade and other receivables	(54 852)	(55 222)
Carrying amount of property-related assets	11 764 416	12 107 859
SA REIT loan-to-value (“SA REIT LTV”)	49.96%	50.95%

DIRECTORATE AND ADMINISTRATION

Directorate

CH Wiese (83)*

BA, LLB, D Com (HC)
Chairman

KR Collins (53)#+

Chief Executive Officer

RD Fenner (55)*°

MCom, CA(SA), CD(SA)

B Makhunga (43)*°

BCom, HDip Acc, CA(SA)

PJ Roelofse (47)*+

BAcc (Cum Laude) BAcc Hons, CA(SA), CFA

BA Chelius (56)*+

BAcc Hons, CA(SA), CFA

JD Wiese (43)*

BA, LLB, M Com
Alternate to CH Wiese

KA Searle (56)#

BCompt Hons, CA(SA)
Managing Director

FH Esterhuysen (54)*+

BAcc Hons, MCom, CA (SA)

GC Lang (40)#°

BCompt Hons, RPA(SA)
Financial Director

MR Collins (56)*

Alternate to KR Collins

DC Coleman (55)#

BA, LLB
Alternate to FH Esterhuysen

J Templeton (51)*

BComm Hons, CFA

Administration

Company secretary

PJ Janse van Rensburg
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Cape Town 8001

Sponsor

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Registrars

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Auditors

PricewaterhouseCoopers Inc.

Other information

ISIN: ZAE000152658
Share Code: CPP
Previously Tradehold Limited
Approved as a REIT by the JSE

- # Executive
- Non-executive
- * Independent non-executive and member of the Audit and Risk Committee
- + Member of the Remuneration Committee
- ° Member of the Social and Ethics Committee