equites
PROPERTY FUND

INTEGRATED REPORT 2024

NAVIGATION

The following icons are used throughout this report to indicate the connectivity between sections:

CAPITALS

- MC MANUFACTURED CAPITAL
- FC FINANCIAL CAPITAL
- NC NATURAL CAPITAL
- SC SOCIAL & RELATIONSHIP CAPITAL
- HC HUMAN CAPITAL
- IC INTELLECTUAL CAPITAL

STRATEGIC OBJECTIVES

1. MAXIMISE SHAREHOLDER VALUE
2. BALANCE SHEET MANAGEMENT
3. PORTFOLIO GROWTH
4. SOURCE AND UTILISE LAND
5. UPLIFT COMMUNITIES
6. EMPOWER EMPLOYEES

MATERIAL MATTERS

- MM1 MACROECONOMIC ENVIRONMENT
- MM2 INFRASTRUCTURE & SERVICE DELIVERY
- MM3 MANAGING RELATIONSHIPS
- MM4 BASELINE SPECIFICATION
- MM5 TOWN PLANNING

TOP 10 RESIDUAL RISKS

R^{1-10} Signifies the relevant risks and its ranking, with 1 being the highest risk.

KEY STAKEHOLDERS

TENANTS – Mainly large national or large listed retailers, 3PL and FMCG companies in SA and the UK.

FINANCIAL INSTITUTIONS – Banks, listed debt market and other institutions that safeguard the Group's financial capital, facilitate its transactions and provide access to funding.

INVESTORS – Private and institutional investors.

135 Refer to **appendix 3** of the AFS for the Group's shareholder analysis.

VENDORS & BROKERS – Suppliers, brokers and development contractors.

COMMUNITIES – Communities surrounding the Group's SA development nodes.

EMPLOYEES – Diverse workforce of 40 employees in SA, and 2 in the UK.

ENVIRONMENT – Government representatives or regulatory bodies, environmental groups and greater society, with an interest or concern in environmental activities.

QUICK NAVIGATION TOOLS

This report is best viewed in **Adobe Acrobat**. Navigation tools at the top right of each page are indicated below:

- RETURN TO PREVIOUS VIEW
- PREVIOUS 1 PAGE
- CONTENTS PAGE
- NEXT 1 PAGE

The following icons are used to indicate additional information:

- CLICK FOR MORE ON WWW.EQUITES.CO.ZA
- SCAN/CLICK FOR VIDEO CONTENT
- 123 REFER TO PAGE IN THIS REPORT
- 123 REFER TO PAGE IN THE SUSTAINABILITY REPORT
- CLIMATE RELATED

ABOUT THIS REPORT

Equites' integrated report is an opportunity to provide stakeholders with a concise overview of how the Group's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term.

REPORTING SCOPE AND BOUNDARY

This is the Group's 2024 Integrated Report which covers its performance over the period 1 March 2023 to 29 February 2024. Any material events after this date and up to the date of approval of the report have been considered. The information included in this report relates to the Group's operations in SA and the UK.

76 The Group's organisational structure can be found **here**.

MATERIALITY

The Group applies the principle of materiality in assessing the information to include in the IR. Material matters are those issues that have the potential to substantively affect the Group's ability to create, preserve or erode value over time and forms the basis of boardroom discussions.

9 The Group's materiality determination process and material matters can be found **here**.

ASSURANCE

Independent assurance has been provided over all financial, and certain non-financial information presented in this report. PricewaterhouseCoopers Inc., as the external auditors, have issued an unqualified audit opinion on the consolidated annual financial statements.

The following accredited service providers and agencies have verified selected non-financial performance metrics contained in this report:

- Honeycomb BEE Ratings Proprietary Limited independently verified the Group's contributor rating in accordance with the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 and the amended property sector code (Gazette No 40910 of June 2017).
- GCX makes use of customised tools for the assessment process that follows international best practice methodologies of the GHG Accounting Protocol (WBCSD & WRI) and complies with ISO 14001.
- EBS Advisory Proprietary Limited and Ecolution Consulting Proprietary Limited independently verified the sustainability performance targets of the sustainability-linked funding ("SLB") that was issued in line with International Capital Market Association's SLB Principles.

REPORTING FRAMEWORK

The Group aligns with best reporting practices and is guided by the principles and requirements of:

- International Financial Reporting Standards
- International Integrated Reporting Council's Integrated Reporting <IR> Framework
- King IV Report on Corporate Governance
- JSE Listings Requirements and Debt Listings Requirements
- South African Companies Act No.71 of 2008
- SA REIT BPR, 2nd addition
- The Global Reporting Initiative's (GRI) Sustainability Reporting Standards
- Task Force on Climate-related Financial Disclosures (TCFD)

Equites' application of King IV can be found **here**.
133 SA REIT BPR can be found **here**.
25 TCFD and GRI indices can be found **here**.

FEEDBACK

Your feedback is important to us, and we encourage your input to enhance the quality of our IR.
Please send your comments to investors@equites.co.za.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements about the Group's future performance and prospects. These forecasts involve risk and uncertainty, as they relate to events and circumstances that occur in the future. Actual results may differ materially from those expressed or implied by these forward-looking statements and readers are cautioned not to place undue reliance on them. Forward-looking statements have not been reviewed by the auditors and reflect the Group's expectations as of 31 May 2024.

BOARD RESPONSIBILITY & APPROVAL

The Board, supported by the Audit Committee, acknowledges its responsibility for the integrity of the IR and approved this report. The Board has applied its collective mind to the preparation and presentation of the IR and concluded that the report addresses all material matters and offers a balanced view of the Group's strategy and how this relates to its ability to preserve and create value in the short, medium and long term. This report was prepared under the supervision of the Executives and senior management and was subjected to rigorous internal review. The Board approved this report on 30 May 2024.

HIGHLIGHTS

SHAREHOLDER VALUE

1

DPS OF 131.12 CPS
IN LINE WITH GUIDANCE

NAV PER SHARE OF R17.14
REFLECTING A 3.0% INCREASE SINCE FEB-23

100%
DISTRIBUTION PAY-OUT RATIO

FC

STRONG BALANCE SHEET

2 3

R2.3 BILLION
IN CASH AND UNUTILISED FACILITIES

39.6% LTV
0.1 % IMPROVEMENT SINCE FEB-23

FC

PORTFOLIO MOVEMENTS

3 4

SA PORTFOLIO VALUATIONS
+4.2%

UK PORTFOLIO VALUATIONS IN GBP TERMS
+2.1%

R4.8 BILLION
DISPOSALS COMPLETED

R3.7 BILLION
DEVELOPMENT & ACQUISITION SPEND

MC

PROPERTY FUNDAMENTALS

1

0%
VACANCY

97.7%
A-GRADE TENANTS

12.6 YEARS
WEIGHTED AVERAGE LEASE EXPIRY

MC

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

3 5 6

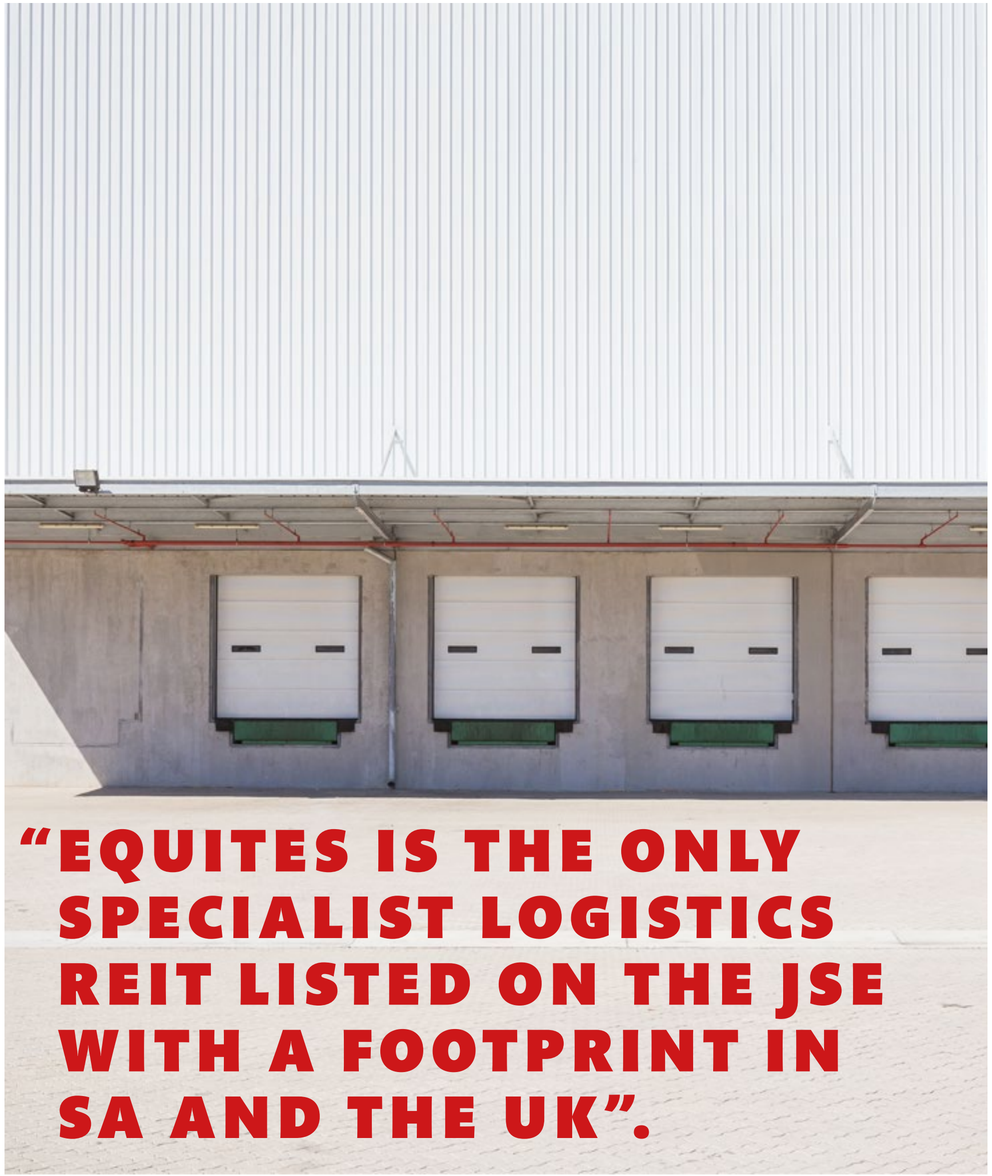
20.2MW
ROOFTOP SOLAR GENERATION CAPACITY

LEVEL 2
B-BBEE

IFC EDGE CHAMPIONS
2023

MC SC NC

CONTENTS



"EQUITES IS THE ONLY SPECIALIST LOGISTICS REIT LISTED ON THE JSE WITH A FOOTPRINT IN SA AND THE UK".

ABOUT EQUITES

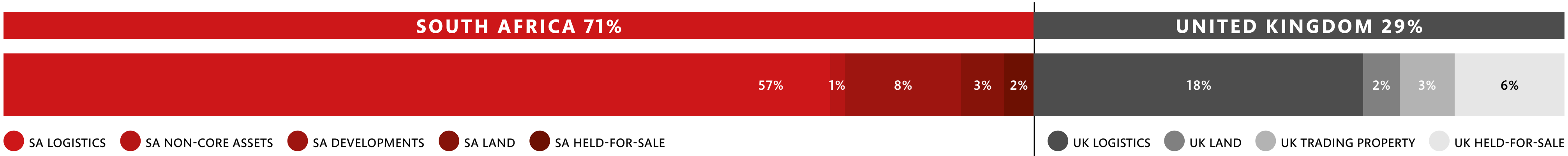
EQUITES PORTFOLIO

MC NC

Equites is a **SA REIT** with a focus on developing and acquiring best-in-class logistics facilities in prime locations in SA and the UK. Equites is listed on the JSE with a portfolio value of R28.4 billion as at 29 February 2024.

With the acquisition of the Canelands campus in KZN and the completion of five developments, four in Gauteng and one in the Western Cape, total GLA grew from 1.37 million m² in FY23 to 1.46 million m² in FY24.

PORTFOLIO COMPOSITION

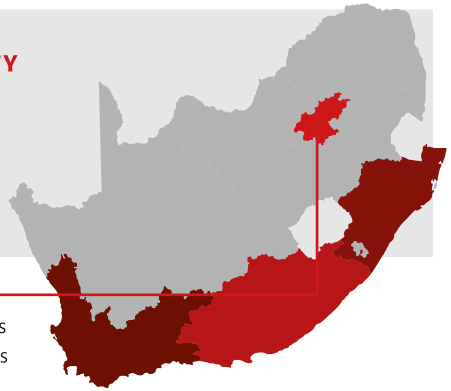


PORTFOLIO VALUE
R20.3 BILLION
UP 15.4%
(FY23: R17.6 BILLION)

GLA
1 370 435 M²
UP 11.9%
(FY23: 1 224 417 M²)

RENEWABLE ENERGY CAPACITY
20.2 MW
UP 115%
(FY23: 9.4 MW)

8 Read more about Equites' Green Buildings **here**.



FEATURED AREA GAUTENG

The Group continues to grow the SA portfolio through acquisitions and developments concentrated in Gauteng, from a geographical perspective. Equites views this region as the hub of SA logistics and continues to focus growth efforts there.

61 INCOME-PRODUCING PROPERTIES, OF WHICH 18 ARE EDGE CERTIFIED.

PORTFOLIO VALUE
R8.1 BILLION
DOWN 19.1%
(FY23: R10.0 BILLION)

GLA
91 778 M²
DOWN 37.9%
(FY23: 147 739 M²)

6 INCOME-PRODUCING PROPERTIES, OF WHICH 5 ARE BREEAM CERTIFIED.

PROPERTY FUNDAMENTALS

SUSTAINABLE BUILDINGS

2 3

Equites' long-term vision is to achieve the EDGE "Zero Carbon" certification on all its SA buildings.

REVENUE FROM GREEN BUILDINGS[1] AS A % OF TOTAL REVENUE:

31% (FY23: 24%)

VALUE OF GREEN BUILDINGS[1] AS A % OF INCOME-PRODUCING PORTFOLIO VALUE:

41% (FY23: 32%)

[1] Equites' Green Buildings are those properties that have been certified as sustainable in terms of BREEAM in the UK, and EDGE in SA.

8 Read more about Equites Green Buildings and sustainability initiatives **here**.

EQUITES' LONG-TERM VISION IS TO ACHIEVE EDGE ZERO CARBON CERTIFICATION, WITH SBTI NET ZERO BY

FY2040

THE GROUP SUBMITTED ITS FIRST EDGE ZERO CARBON BUILDING FOR CERTIFICATION ON ITS GERMISTON PROPERTY IN GAUTENG.

MM3 MM4

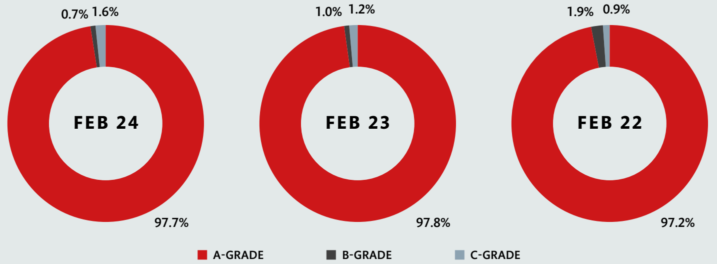
MC NC R[4,7,8]

TENANT QUALITY & LEASE LONGEVITY

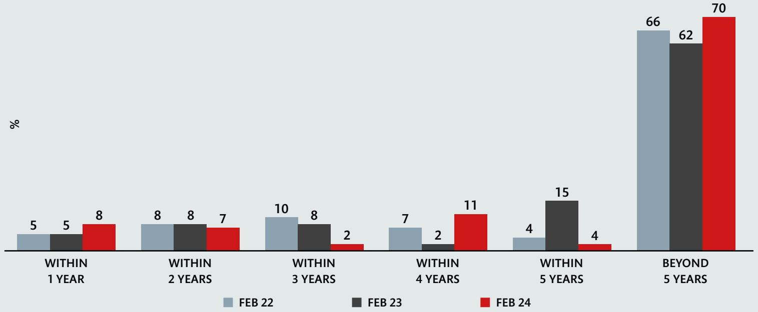
1 3

Equites' WALE of 12.6 years, combined with the quality of its tenants, represents a high degree of income certainty over a sustained period.

TENANT PROFILE BY REVENUE



LEASE EXPIRY PROFILE BY REVENUE



TOP 5 TENANTS BY REVENUE

1. SHOPRITE CHECKERS (PTY) LTD
2. DSV SOLUTIONS (PTY) LTD
3. HERMES PARCELNET LTD
4. FOSCHINI RETAIL GROUP (PTY) LTD
5. DIGISTICS (PTY) LTD

SA WEIGHTED AVERAGE LEASE ESCALATION BY GLA:

6.2%

MC SC R[2,8]

PORTFOLIO ACTIVITY

2 3 4

DISPOSALS

The Group commenced a strategic disposal programme in FY23 to lower LTV, whilst generating capital internally to invest in its development pipeline.

REGION	PROCEEDS
Gauteng	R598 million
Western Cape and KZN	R575 million
UK	£149.8 million (R3.6 billion)

93 Read more about the Group's investment properties held-for-sale **here**.

COMPLETED DEVELOPMENTS & ACQUISITIONS

- TFG Riverfields (Gauteng)
- Jet Park, Cargo Compass and Normet (Gauteng)
- Shoprite Canelands (KZN)
- Two speculative developments (Meadowview, Gauteng and Parow, Western Cape)

PIPELINE

The capital value of development and acquisition opportunities in SA amounts to R2.5 billion across 177 153m² of prime logistics space (Equites' share). R0.6 billion of capital expenditure outstanding at the reporting date will be disbursed over the next 12-month period and will be funded from cash on hand, undrawn debt facilities, debt raised against completed developments, and equity that will be released from property disposals.

	TOTAL	MEADOWVIEW - GAUTENG	JET PARK - GAUTENG	RIVERFIELDS - GAUTENG	CENTURION - GAUTENG	EASTERN CAPE
DEVELOPMENT COST (R'MILLION)	2 461	279	190	1 354	106	532
GLA ('000M²)	177	21	17	94	5	40
ESTIMATED COMPLETION		Oct-24	Mar-24	Apr-24	Mar-24	Oct-24

FC MC R[1,2,5]

EXTERNAL OPERATING ENVIRONMENT

Global events over the past five years have dramatically reshaped trading in the world economy. Logistics property markets in SA and the UK are expected to remain healthy, as logistics real estate is a critical component of modern supply chains.

CHANGING MACROECONOMIC ENVIRONMENT

- Central banks remain cautious on monetary policy and will maintain or gradually ease interest rates to ensure inflation stabilises at target levels
- Armed conflicts and geopolitical rivalry threaten the inflation outlook and the timing of a reduction in interest rates
- SA growth has been hindered by infrastructure inefficiencies, along with political uncertainty ahead of national elections
- Hyperglobalisation resulted in vulnerable supply chains which were disrupted by geopolitical tensions; and there is now a drive towards resilience through supply chain relocation
- Disruptions to energy and water supply have focused attention on sustainability measures

ELEVATED INHERENT RISK

R[1,2,4,5,8,9]

LOGISTICS MARKET TRENDS

UNITED KINGDOM

- Take-up normalised to pre-Covid levels (reaching 29.1 million ft² in 2023)
- The availability rate for new/modern logistics space remains constrained, at 4.7% nationally
- The constrained availability of new space has contributed to continued strong rental growth, which reached a national average of 7.2% for the 2023 year
- Prime logistics yields stand at 5.0% – 5.25%
- Higher cost of capital has resulted in limited new speculative developments and transactions
- The rental uplifts, combined with the anticipated yield compression is expected to result in value unlock over the medium term

SOUTH AFRICA

- Vacancy rate for A-grade ESG-compliant warehousing is estimated at less than 1%, as retailers continue to focus on omni-channel capabilities without disruption from loadshedding
- Approximately 31% increase in market rentals for A-grade logistics facilities over the last four years
- Market rentals expected to experience sustained upward trajectory, with growth of 5% per annum forecasted
- Constrained supply of A-grade logistics space will result in higher rental growth rates in the top-end of the market
- Whilst construction costs continue to escalate, especially the price of steel, Equites can pass on higher construction costs to tenants, as demand remains robust for high quality builds in strategic nodes

STRATEGIC RESPONSE

OFFSHORE STRATEGY

4

- Retention of the UK stabilised portfolio is a key element of the business
- Engaging with Newlands for a mutually beneficial solution on the ENGL disposal, with Equites aiming to maximise value for shareholders through land disposals or forward-funding agreements
- Significant value unlocked through the Newport Pagnell disposal

CCIRS

- Cross-currency swaps terminated in 1H24
- No synthetic gearing presents shareholders with an improved rand-hedge position

LTV RATIO

5

- R4.8 billion of disposals in SA and the UK facilitated the repayment of debt and expansion through development of new assets with sustainability credentials
- High quality assets with long-dated leases let to A-grade tenants resulted in property valuation increases, improving the LTV ratio
- LTV ratio reduced to 39.6% at Feb-24 with further disposals in FY25 creating significant headroom for developments

ALTERNATIVE REVENUE STREAMS

2

- Solar PV roll-out continued to meet demand for greener energy
- 11.1 MW of new solar capacity installed, increasing total solar capacity to 20.2 MW
- First energy wheeling agreement concluded in 1Q25 with revenue generation in FY25

18 Equites' strategic objectives can be found **here**.

OUTLOOK

THE BOARD EXPECTS DPS OF BETWEEN 130 AND 135 CENTS FOR FY25.

DPS guidance is based on a stable macroeconomic environment, no major corporate failures, GBP/ZAR exchange rate remaining materially unchanged, and increases in utility costs and municipal rates being recoverable. The outlook has not been audited or reviewed by the Group's external auditors.

MATERIALITY DETERMINATION PROCESS

Material matters are those issues that have the potential to substantively affect Equites' ability to create, preserve or erode value over time.

TO IDENTIFY MATERIAL MATTERS, EQUITES FOLLOWS A MATERIALITY DETERMINATION PROCESS. THIS INCLUDES AN ASSESSMENT OF THE ENVIRONMENTAL AND SOCIAL IMPACT OF THE GROUP'S BUSINESS ACTIVITIES ON ITS STAKEHOLDERS, AS IT RELATES TO SUSTAINABILITY.

IDENTIFY & ASSESS

ASSESSMENT OF RISKS AND OPPORTUNITIES 25

ASSESSMENT OF THE EXTERNAL OPERATING ENVIRONMENT 8

INPUT FROM INTERNAL BUSINESS UNITS

FEEDBACK FROM EXTERNAL STAKEHOLDERS 22

These matters are identified and assessed considering **qualitative and quantitative factors**, considering information from a range of sources, its area of effect, and timeframe. The materiality determination process **includes discussions at senior management, Executive and Board Committee levels**.

REFINE & CONSOLIDATE

MANAGEMENT COMMITTEE REFINE, CONSOLIDATE AND LIST POTENTIAL MATERIAL MATTERS

EVALUATE & PRIORITISE

EXECUTIVE MANAGEMENT EVALUATE AND PRIORITISE MATERIAL MATTERS

VALIDATE & APPROVE

AUDIT COMMITTEE APPROVE MATERIAL MATTERS AND PROVIDES FEEDBACK TO THE **BOARD** 71

MATERIAL MATTERS

INFLUENCE THE GROUP'S STRATEGY, PERFORMANCE, PROSPECTS AND GOVERNANCE ACTIVITIES.

EQUITES' MATERIAL MATTERS ARE:

MM1 **MACROECONOMIC ENVIRONMENT**

MM2 **INFRASTRUCTURE & SERVICE DELIVERY**

MM3 **MANAGING RELATIONSHIPS**

MM4 **BASELINE SPECIFICATION**

MM5 **TOWN PLANNING**

MATERIAL MATTERS

MACROECONOMIC ENVIRONMENT MM1

WHY IS IT IMPORTANT

The economic climate of the Group's operating jurisdictions influences the Group's access to capital and business expansion decisions. A stable operating environment allows for more accurate business decisions. A thriving society drives economic activity and is essential to the Group's long-term sustainable value creation.

STAKEHOLDERS IMPACTED	RELATED RISKS	STRATEGIC RESPONSE
	R1,2,5,8,9	1, 2, 3, 5

MC FC SC

IMPACT ON:

GOVERNANCE ACTIVITIES

- Disposal programme approved by the Board undertaken.
- Strategic objectives focused on resilience and sustainability.

STRATEGY & PERFORMANCE

- Disposed of R1.2 billion of properties in SA and R3.6 billion of land and properties in the UK.
- Raised R1.7 billion in debt through the DMTN programme.
- Raised R1.7 billion term funding for RLF.
- R2.3 billion in cash and available funding at year-end.
- Raised first 7-year listed debt with a private placement of R250 million.

8 Read more about the Group's external operating environment **here**.

16 Read more about the Group's initiatives on social responsibility, community development & education **here**.

MATERIAL MATTERS (CONTINUED)

INFRASTRUCTURE & SERVICE DELIVERY MM2

WHY IS IT IMPORTANT

Bulk infrastructure is vital to Equites' developments, mainly as it relates to water, sewerage and energy. In SA, constrained electricity supply and inadequate bulk water and sewerage infrastructure weigh on tenants' business continuity, which has fast tracked the demand for alternative off-grid solutions. Uncertainty remains around private sector involvement due to municipal infrastructure regulations.

STAKEHOLDERS IMPACTED	RELATED RISKS	STRATEGIC RESPONSE
	R 2,7	3 4 5

SC MC NC

IMPACT ON:
GOVERNANCE ACTIVITIES

- The Remuneration Committee included an additional Company-specific performance metric in the Group's long-term incentive measurement.
- Strategic objectives focused on sustainable portfolio growth.

STRATEGY & PERFORMANCE

- Renewable energy generation capacity of 20.2MW (FY23: 9.4MW) enabled Equites' tenants to continue operations during loadshedding.
- Evaluating the Group's available roof space of over 1million m² for further solar expansion.
- Investing in alternative solutions to drive water and sanitation initiatives at Equites' logistics parks.

9 Read more about the Group's solar, water and sanitation initiatives **here**.

MAINTAINING KEY RELATIONSHIPS MM3

WHY IS IT IMPORTANT

Value is created through key relationships with stakeholders. The current macroeconomic environment requires more frequent engagement with investors and financial institutions to drive market confidence in Equites. Increased staff turnover has shifted the Group's focus to staff retention and maintaining a working environment conducive for growth and development. Tenant satisfaction is a key driver to ensure Equites properties are used optimally and improve tenant efficiencies.

STAKEHOLDERS IMPACTED	RELATED RISKS	STRATEGIC RESPONSE
	R 3,5,6,10	1 2 6

MC HC IC SC

IMPACT ON:
GOVERNANCE ACTIVITIES

- Increased shareholder engagement, including a roadshow and one-on-one engagement with Top 20 shareholders.
- Underwent a Company-wide values session to define the Group's values and desired culture.
- Commitment to improve the Board composition to at least 50% black and a third female.

STRATEGY & PERFORMANCE

- Staff turnover during the year provided an opportunity for internal promotions.
- Successful over-subscribed DMTN programme.
- Continued engagement with tenants to support their needs.
- New development opportunities and extensions to existing facilities resulting from tenant engagements.

22 Read more about the Group's stakeholder relationships **here**.

MATERIAL MATTERS (CONTINUED)

BASELINE SPECIFICATION MM4

WHY IS IT IMPORTANT

The Group has established itself as a market leader in logistics development in SA through its strict baseline specification which is inspired by global best practice and remains one of Equites' competitive advantages. Tenants are attracted to the cost and operational efficiencies which supports their sustainability goals, thereby future-proofing business growth and attracting capital.

STAKEHOLDERS IMPACTED	RELATED RISKS	STRATEGIC RESPONSE
	R3,7	1, 3, 4, 5

SC | IC | FC | MC | NC

IMPACT ON:
GOVERNANCE ACTIVITIES

- The Investment Committee focused the disposal programme on older assets, with sub-optimal sustainability credentials.
- Strategic objectives focused on innovation and climate change resilience.

STRATEGY & PERFORMANCE

- All new developments are, at a minimum, built to Equites baseline specification which is well above the average build in SA.
- Equites' baseline specification incorporates EDGE Advanced certification requirements in SA and BREEAM in the UK.
- Equites has been recognised as an ESG Top rated company by Morningstar Sustainalytics.
- Equites achieved the IFC EDGE Champions award for 2023.

8 Read more about the Group's Green Buildings **here**.

Equites' interactive baseline specification can be found **here**.

TOWN PLANNING MM5

WHY IS IT IMPORTANT

Town planning and obtaining approvals significantly impact the Group's ability to prepare land parcels. In SA, the increasing demand for delivery of goods is impeded by a lack of warehousing space and an inability to zone, demolish and rebuild in a timely manner. In the UK, bureaucracy plays a role in obtaining planning permission whereby submissions can be declined despite recommendations from town planning experts.

STAKEHOLDERS IMPACTED	RELATED RISKS	STRATEGIC RESPONSE
	R2,4,8	3, 4, 5

MC | SC | NC

IMPACT ON:
GOVERNANCE ACTIVITIES

- Executives closely monitors council's outcomes regarding obtaining planning permission at Basingstoke.
- When considering land acquisitions, Investment Committee assesses the location and potential risks associated with obtaining town planning consent.

STRATEGY & PERFORMANCE

- Set criteria for sourcing land.
- Ensure engagements with professional teams is limited to those with a solid relationship and track record with council.
- Detailed pre-site acquisition due diligences are performed to ascertain anticipated risks and timeline from a town-planning perspective.

CHAIRMAN'S REPORT

LEON CAMPHER
CHAIRMAN

This Chairman's Report is set against the backdrop of another robust set of financial results achieved in a challenging macroeconomic environment. Given the latest set of results, Equites has maintained the trend of achieving its financial targets every year since listing.

FINANCIAL RESULTS

Equites declared DPS for FY24 of R1.31, which was in line with its guidance to the market. We are also pleased to report NAV per share of R17.14 which translates into a 3% increase in NAV year on year. The SA portfolio value performed well and increased by 4.3%. The UK portfolio showed a recovery after the FY23 valuation decline by increasing by 2.1%. In line with our policy, all properties are independently valued every six months. Furthermore, the Company continues to attract A-grade tenants willing to enter long-term leases, and now has a WALE of 12.6 years with no vacancies at year end.

Given the Equites share price relative to NAV, it was not appropriate to access the equity market. The Company thus had to rely exclusively on the debt markets and a significant disposal programme to finance its development pipeline. This led to a slight decrease in LTV from 39.7% to 39.6% at year end. The Company will continue with its disposal programme to ensure it can successfully implement the remainder of its development pipeline.

The results presented in this report were achieved because of the Company having, and continuously pursuing, a clearly defined vision and strategy that is a harmonious alignment of interests between the Company, its Board and shareholders (with a total absence of conflicts of interest).

STRATEGIC CHANGES

During the FY23 financial results presentation, Equites communicated significant changes to its strategy to the market, which included, *inter alia*:

- Firstly, due to the changes in the macroeconomic landscape with the surge in inflation causing sharp increases in interest rates globally, Equites decided to sell its ENGL development platform in the UK. Although a transaction has not yet been concluded, the Board remains confident that it will, in due course, be able to confirm that a sale has been agreed. Notwithstanding the intention to sell the development platform, Equites' stabilised UK portfolio of fully let quality warehouses (valued at c. R6 billion) remains a cornerstone of Equites' business and provides attractive diversification for shareholders.
- Secondly, because of the cost of equity increasing, Equites embarked on a significant disposal programme which resulted in the sale of R4.8 billion of assets across SA and the UK. Importantly, these sales were concluded in line with book values and redeployed into new ESG-compliant assets let to quality covenants on long term leases.
- Thirdly, in the past, and in line with the Group's treasury policy, Equites utilised CCIRS as a net hedge to foreign currency risk as well as to hedge the interest rate differential between SA and the UK. The Board decided in May 2023 to close all CCIRS derivative positions as they reach their maturity date. Although the implementation of this decision has had a considerable impact on DPS, shareholders will however benefit from improved growth in NAV per share, as the rand weakens against the pound over the medium to long term.

The Board is satisfied with the progress made over the past year regarding the implementation of these strategic changes and believes the impact of these changes on our strategy are in the best interest of the Company and its shareholders in the longer term.

GOVERNANCE

In line with King IV, Equites believes that effective corporate governance and comprehensive disclosure serve the long-term interests of the Company and all its stakeholders. The primary role of the Board is to provide overall leadership and to promote long-term sustainable success by generating value for shareholders.

Over the past year, we have continued our focus on strengthening our governance structures. To this end, well respected governance specialist, The Board Practice Holdings Proprietary Limited under the guidance of Dr Victor Prozesky, was appointed to conduct an independent review of:

- the effectiveness of the Board and its Committees;
- skills audit with a view to identifying whether the Board could be strengthened by adding persons with certain type of skillsets; and
- peer review of all directors.

The outcomes of the evaluation process indicated that the directors regard the Board and Committees as functioning in line with leading practice. During the process the consultants identified opportunities to further strengthen governance which will be implemented during FY25.

CHAIRMAN'S REPORT (CONTINUED)

Succession planning and talent development throughout the organisation, both on an executive and non-executive level, have been identified as areas of particular importance. As Chair, I intend focusing on ensuring that an appropriate succession planning strategy is finalised by the Nomination Committee, and approved by the Board before the end of FY25.

We are also delighted to welcome Thabo Vilakazi as our new Company Secretary. Thabo joined the Company in March 2024 and replaces Riaan Gous who acted as Company Secretary on an interim basis following the resignation of Dianna Beneke in August 2023.

We believe that our actions demonstrate our continuous commitment to implementing effective corporate governance practices across the Group and to enable us to achieve our long-term strategic goals.

REMUNERATION

In anticipation of the 2023 AGM, we engaged with shareholders regarding our remuneration policy, and we were grateful that the two resolutions relating to renumeration received sound support from shareholders at the AGM. This was, in my view, an example of constructive engagement with the Company taking into account, where appropriate, suggestions made by shareholders.

The 56 **remuneration policy**, which has been implemented in FY24, supports the achievement of the Group's strategic objectives in a fair and responsible way and is in line with our policy of rewarding sound performance.

In advance of the 2024 AGM, we will resume our engagement with shareholders regarding the 43 **remuneration policy** to ensure that it is fair and reasonable to all stakeholders.

SUSTAINABILITY

The Board remains steadfast in its commitment to sustainability and driving transformative change through an integrated ESG strategy, which is reflected in the continuous implementation of enhancements across all facets of our business operations.

We were pleased to have received the Morningstar Sustainalytics ESG Top Rated Company award in two categories for 2024, underscoring our leadership in ESG risk management for both our industry and region.

Another significant milestone in our sustainability journey is having 41% of the portfolio, by fair value, certified as green buildings, with these now contributing to 31% of total revenue. In recognition of this commitment to green building certification, we received the IFC EDGE Champions award, which celebrates our dedication to sustainability within the built environment.

We are equally proud of our involvement in the City of Cape Town's energy wheeling project. This initiative exemplifies our collaborative efforts to address climate change by facilitating the transfer of renewable energy across different locations. Our participation in this project not only supports local energy resilience but also aligns with our broader goals.

Looking ahead, we remain dedicated to expanding our renewable energy generation sites, further reinforcing our role as a leader in the transition to a low-carbon economy. Our ongoing efforts to integrate sustainability into every aspect of our business will continue to drive value for our stakeholders and contribute to a more sustainable future for all.

IN CLOSING

I wish to thank our Board, our management team, and staff for their important contribution over this past year. I believe the Board has a wide range of appropriate skills, and the right blend of diversity in terms of race and gender, which benefits the business. The effective, proactive, and sustainable management of Equites has enabled the Company to navigate a challenging economic environment and our business is well-placed to continue to deliver value to shareholders. We would like to continue this path of success and the Board remains committed to growing the Company to its full potential and delivering value to stakeholders.

LEON CAMPHER
CHAIRMAN

Cape Town
31 May 2024

Signatures are not included here for security purposes.

SUSTAINABLE VALUE CREATION

CEO'S REPORT

As we reflect on the most recent set of results, it is evident that our operating landscape has been reshaped by a number of factors, presenting both challenges and opportunities for stakeholders across the board.

ANDREA TAVERNA-TURISAN
CHIEF EXECUTIVE OFFICER

One cannot overlook the profound positive impact which COVID-19 had on the logistics asset class. This period served as a catalyst for unprecedented shifts in consumer behaviour with the rapid acceleration of e-commerce and changing consumer demands. Coupled with frequent supply chain disruptions, these trends bolstered the demand for logistics assets and saw record-breaking levels of occupier and investment demand, driving values to reach all-time highs.

In FY23, following a period of unprecedented growth in the sector which was combined with relatively inexpensive capital, we found ourselves encountering a more stabilised market where the supply and demand of logistics assets were more appropriately matched and inflationary pressures ushered in a period of tighter monetary policy which occasioned a significant devaluation in the property portfolio.

In March 2023, the world was an uncertain place with inflation impacting both consumers and developers and threats of further interest rate hikes and global recession was top-of-mind. We approached the year with cautious optimism, ensuring a disciplined allocation of capital in a capital constrained environment whilst looking to reduce exposure to undue risk and maximise shareholder value. To this end, we achieved the following:

- We acquired R0.8 billion of assets, including the Shoprite Canelands facility and one strategic land parcel in Riverfields, Gauteng;
- We deployed R2.8 billion towards high-quality developments, of which R1.9 billion related to Shoprite assets on new 20-year leases;
- We raised debt at record levels underpinned by strong property fundamentals; the most recent placement of 7-year debt was concluded at a margin of JIBAR + 153bp;
- After making the strategic decision to embark on an asset recycling process, we concluded asset disposals of R4.8 billion across SA and the UK;
- Importantly, we disposed of the SA assets in line with book values and redeployed this capital into new real estate assets to improve the overall quality of the portfolio; and
- We had 0% vacancy in the portfolio at year end reflecting the demand for high-quality new and second-hand logistics assets.

Whilst we are immensely proud of our accomplishments over the past year, FY24 required us to make difficult decisions aimed at securing a position which we believe will pave the way for long-term recovery and success.

The first decision we made was to terminate the utilisation of CCIRS. Whilst we acknowledge that these instruments played a valuable role in hedging the investment in the UK, the risk/reward relationship was no longer deemed to be viable given the narrowing of the interest rate differential between SA and the UK. Furthermore, we made the decision to remove synthetic gearing from our balance sheet in order to provide investors with exposure to hard currency and the potential devaluation of the Rand over time. This impact is already partially reflected in the increase in the NAV.

The rapid rise in interest rates, coupled with increased build costs and expansion in cap rates meant that developments in the UK no longer generated sufficient returns to a SA REIT investor. The platform also required a significant capital investment to unlock value, and in a capital constrained market, we made the decision to allocate capital to investments with higher return potential. Whilst the platform no longer met Equites' return requirements, it was still a highly desirable vehicle which would unlock value over time as the various schemes obtained the requisite planning. Given the inherent value in the platform, we owed it to ourselves and to the ENGL companies to find a partner with more suitably priced capital who was able to unlock this value. Whilst marketing the platform, we were approached by Panattoni to develop a speculative scheme on our site at Newport Pagnell. The transaction was structured as a forward-funded deal with ENGL selling the land to Panattoni and Newlands fulfilling the role of development manager. The transaction allowed Equites to recover its full WIP on the site and generate a profit of £6 million which will be realised on completion of the development, expected in October 2025.

Together with Newlands, we continue to look for a suitable partner for the remainder of the UK development business. In the interim, however, we continue to progress planning applications on all schemes. We are confident that once the schemes have achieved planning consents there will be suitable capital looking to develop bulk on the schemes which will result in an exit for Equites (through the sale of land) and Newlands maintaining their role as development managers.

UNITED KINGDOM

Whilst we are looking to exit the development platform, we are categoric that we are not exiting the UK. The current stabilised portfolio of £275 million remains a cornerstone of the Equites business and provides investors with the exposure to a highly developed market and hard currency. Importantly, the portfolio is highly reversionary and will generate rental growth as the assets reach their review dates or generate profit should Equites decide to sell any of these properties post rent review. Where capital is required, we may sell down individual UK assets, however, this will be done on a very selective basis. The current interest rate environment and pricing of UK stabilised assets make the allocation of capital to new UK acquisitions challenging, however, we do believe that buying opportunities will present themselves again when the cycle turns and Equites will consider the requisite opportunities at the appropriate time. To this end, and to poise ourselves for more active participation in the UK market, we are actively engaging with pools of capital with a view to finding the appropriately priced capital to partner with us in the UK.

SOUTH AFRICA

The demand remains robust for first-generation properties linked to sustainability, sought after by both local and multinational entities across various sectors such as B2B, B2C, 3PL, and everything in between. The challenges in energy generation in recent years have prompted organisations with resources to reassess their real estate strategies, prioritising energy security for their operations. This has allowed for a reevaluation of operational methods, paving the way for the potential adoption of 22nd-century solutions and innovative real estate designs. We, along with many other landlords, who have invested in top-tier logistics development, have reaped the rewards of this transformation, as evidenced by the minimal vacancy rates and significant rental growth observed in this market segment.

We have placed sustainability at the forefront of our operations for the last 6 years. During the current year, we received the Morningstar Sustainalytics ESG Regional top rated and ESG Industry top rated company awards for 2024. The Group has also submitted 650 000m^2 of its portfolio for green building accreditation, which earned us an IFC EDGE Champions Award in October 2023. This award was in recognition of our commitment to sustainability within the built environment.

Additionally, the Group's extensive roof spaces are positioned to benefit from the transformation of the SA energy landscape and pivot towards cheaper greener energy. The proximity of these assets inside the urban edge will further advantage our ability to deliver energy to potential end-users, given the proximity of the assets to these consumers. The investment in green energy not only serves as a responsible investment but also generates returns well in excess of our hurdle rates. We are pleased to have commenced wheeling energy as part of the City of Cape Town's pilot project. We earmarked an investment of R16 million to expand the generation infrastructure and increase the quantum of solar energy supplied from our site in Parow, Western Cape and concluded agreements to sell this energy to our head office in Cape Town. We see this as the first investment of this nature of many to come.

Against a backdrop of constrained water supply, particularly in Gauteng, we have commenced multiple initiatives to improve water efficiencies within the portfolio. The Group has developed working groups with leading academic institutions and ecological water treatment specialists, to implement integrated wastewater treatment plants that will significantly reduce reliance on municipal water supplies. These enhancements will lead to a notable decrease in water utilisation and discharge where implemented. This proactive approach not only mitigates the impact on local water resources but furthers our commitment to sustainable development within the built environment.

LOOKING FORWARD

We currently own approximately 40 ha of land in SA which continues to afford the team the opportunity to participate in the significant level of RFP's that are in the marketplace. The availability of high quality, appropriately zoned and serviced land remains a constrained resource and we view the ownership of this land as a key competitive advantage for us.

Over and above the development element of our business, tenants of our high-quality real estate are benefiting through operational efficiencies and reduced maintenance costs. This is proven through the renewal of leases to existing tenants and evidenced by a 90% retention ratio over the period. Where tenants choose to vacate our premises, we find that reletting the facility is done with relative ease given the location and quality of the asset.

In the UK, we are highly encouraged by the stabilised assets on which we have commenced the 5-yearly rent reviews. In the past financial year we successfully renegotiated GXO in Coventry, where we were awarded a 39% increase in the rent; this translated to a 5% increase in the LfL rental in the total UK portfolio. Post year-end, we negotiated a 68% rental uplift at DPD in Burgess Hill and we are currently negotiating two further rent reviews which will be incorporated in FY25. The remaining four assets will go through their reviews over the next 24 months which will result in further rental growth to shareholders.

IN CONCLUSION

By the time you read this document, Equites will be well on its way to commemorating its decade milestone on June 18, 2024. This remarkable journey stands as a testament to our dedicated team, who have grown our portfolio from R1 billion upon inception to an impressive R28 billion at 29 February 2024. Along this path, we've created a portfolio with zero vacancy and 98% tenanted by A-grade tenants. Furthermore, half of our buildings are sustainability-rated, generating over 20 MW of power.

Just like fine wine, the maturation process often necessitates moments of introspection to revisit its essence and purpose. Over the past few years, the Executive, under the leadership of the Board, has embarked on a journey of self-assessment, allocating substantial resources to foster an environment where every member of our team is given the opportunity to soar, be heard and never be left behind. In the past year, we have established a senior management team which has been granted considerable autonomy, enabling these talented individuals to expand their leadership skills. Much like any high-performing management team, success and failure are shared endeavours, and not the product of any one individual.

In conclusion, I would like to extend my heartfelt gratitude to the Board and my co-executives for their unwavering support and invaluable constructive feedback throughout our journey. I would also like to extend a special mention to our Chairman whose guidance and mentorship has been instrumental in shaping our collective journey towards success. Together, we have achieved remarkable milestones, and I am deeply appreciative of the collaborative spirit that defines our partnership. Thank you for your continued belief in our vision and for your commitment to excellence.

ANDREA TAVERNA-TURISAN
CHIEF EXECUTIVE OFFICER

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BUSINESS MODEL

Equites' business model draws on its capitals as inputs and, through its business activities, converts them into outputs and leads to capital outcomes.

OUTPUTS

PRODUCTS & SERVICES

6 Information about Equites' portfolio and property fundamentals can be found **here**.

BY-PRODUCTS & WASTE

12 Information about Equites' emissions and waste management can be found **here.**

BUSINESS ACTIVITIES

DEVELOPMENTS

Constructing high quality, sustainable buildings that are functionally designed and aesthetically pleasing. Having a strict baseline specification inspired by global best practice remains one of Equites' competitive advantages.

ACQUISITION OF TENANTED PROPERTY

Comprehensive feasibilities and due diligence procedures to identify strategic acquisition opportunities.

CAPITAL MANAGEMENT

Managing capital funding and financial risk to maintain a robust balance sheet.

PROPERTY MANAGEMENT

Proactively and effectively managing the property portfolio and building trusted-longstanding relationships with tenants.

ACQUISITION OF VACANT LAND

Strategic land holdings in prime logistic nodes.

8 Information about the context within which Equites operates can be found **here**.

CAPITAL INPUTS

18 Equites' purpose, strategy and resource allocation can be found **here**.

CAPITAL OUTCOMES

Capital	Capital inputs	Capital outcomes	
MC **MANUFACTURED CAPITAL** 7 High-quality logistics portfolio and development pipeline	■ R3.2 billion spent on acquisitions and developments ■ Completed six developments ■ 67 income-producing properties ■ Concluded new leases on vacating properties and renegotiated leases with existing tenants in line with exiting rentals	■ UK portfolio valuation up 2.1% in GBP terms on a LfL basis ■ SA portfolio valuation up 4.2% on a LfL basis ■ 0% vacancy across the portfolio	■ R1.6 billion of developments completed during the year, generating rental income. ■ 12.6 years WALE
FC **FINANCIAL CAPITAL** Strong capital base, diversified sources of funding, and available cash and unutilised facilities	■ Raised R1.25 billion in the SA debt capital market in a public auction off the JSE-listed DMTN Programme ■ Raised 7-year debt for the first time ■ Disposed R4.8 billion of assets in SA and the UK to fund new developments and settle debt	■ LTV reduced to 39.6% ■ The weighted average debt maturity profile has increased from 3.4 years to 3.7 years ■ The Group raised funding across the curve at lowest levels to date	■ R2.3 billion of available cash and unutilised facilities ■ SA cost of debt 78 bp above 3m JIBAR, and UK cost of debt 125 bp below SONIA
NC **NATURAL CAPITAL** 9 Natural resources including land, biodiversity, water and renewable energy	■ Used 626 286 kl of water (2023: 384 511 kl) ■ Used 94 411 MWh of grid electricity (2023: 111 914 MWh) ■ Installed additional solar capacity of 11.2 MW	■ Three additional EDGE certified Green buildings ■ 41% of portfolio are green buildings ■ Solar capacity of 20.2 MW (2023: 9.4 MW) ■ Avoided 21 780 tCO_2e (2023: 11 846 tCO_2e)	■ Sustainalytics rating improved by 19% to 9.0 ■ Awarded IFC EDGE Champion for 2023 ■ Recognised as an ESG Top rated company by Morningstar Sustainalytics in 2024
SC **SOCIAL AND RELATIONSHIP CAPITAL** 22 Quality relationships with key stakeholders	■ Responding to the legitimate needs and interests of Equites' key stakeholders ■ Open communication via various platforms ■ Enterprise and supplier development through AmpCore ■ Concluded the second and third Statement 102 transactions ■ Launched Equites Student Work Experience Programme	■ Doubled ESD spend ■ Achieved a level 2 B-BBEE rating with a verified black ownership of 79.9% ■ Maintained 100% payout ratio	■ Public auction of the DMTN programme was 2.5 times over-subscribed with the involvement of 13 bidders ■ GCR affirmed the national scale long and short-term ratings at $AA-_{(ZA)}$ and $A1+_{(ZA)}$
HC **HUMAN CAPITAL** 8 Culture, collective knowledge, skills and expertise of employees	■ 42 employees (40 in SA and two in the UK) ■ Internship programme ■ Six staff bursaries awarded ■ Undertook an internal "values" exercise encompassing all staff	■ 5% decrease in headcount (eight appointments and 10 terminations) ■ Internally promoted three employees to fill vacancies caused by resignations ■ Employed one intern from the Student Work Experience Programme	■ Successful completion of short-courses and progression achieved for staff studying towards a tertiary degree ■ 2 382 man-hours spent on industry-related training
IC **INTELLECTUAL CAPITAL** Information technology, innovation, brand and reputation underpinned by ethical foundation	■ Expanded the integration of operating systems ■ Cyber security and awareness training ■ A safe space for any stakeholder to report unethical behaviour or wrongdoing	■ Staff training provided (technical, soft skills, and relating to new systems implemented) ■ 98.4% success rate preventing simulated phishing attacks	■ One case of breach in corporate governance submitted via EthicsDefender which was investigated and resolved internally

GOVERNANCE STRUCTURE

32

VALUE CREATION

EQUITES' APPROACH

The Board is responsible for evaluating the vision, mission, and values of the Group. The Board reviews the Group's strategy annually with the aim of ensuring that the strategy is aligned to the core values, risks identified and long-term stakeholder interests.

The Chairperson leads the Board in forming its strategic vision and setting long-term goals. The Chairperson sets clear expectations concerning the Group's culture, values and behaviours, including the style and tone of Board discussions.

The CEO has the responsibility of ensuring that the operations of the Group and its performance are in accordance with the strategic goals approved by the Board and should promote the Company's culture, values, and behaviours through his own example and by influencing the day-to-day working environment of the Group.

During the year, the Board held a strategy session and reviewed and approved the Group's strategic objectives. The Executives undertook a values exercise, spearheaded by a management steering committee and encompassing all staff within the process, to break down barriers and individualise each person in the organisation before coming together to determine Equites' core values.

21 The Group's performance against strategy can be found **here**.

EQUITES' PURPOSE

TO BE A SPECIALIST LOGISTICS REIT

VISION

TO BE BEST-IN-CLASS

MISSION

TO DEVELOP STATE-OF-THE-ART LOGISTICS WAREHOUSES LET TO BLUE-CHIP TENANTS ON LONG DATED LEASES

VALUES

WE BELIEVE ALL VOICES MATTER!
WE LEAVE NO PERSON BEHIND!
WE STRIVE TO *SOAR!*

STRATEGIC OBJECTIVES

1 MAXIMISE SHAREHOLDER VALUE

RELATED MATERIAL MATTERS	MM1, MM3, MM4
PRIMARY RESOURCE ALLOCATION	MC, FC, NC, IC

STRATEGIC OBJECTIVE

The Group's primary strategic objective is to maximise shareholder value on a risk-adjusted basis. Equites will continue to focus on the quality of its underlying property fundamentals through its strict investment criteria of best-in-class logistics assets, let to blue-chip tenants on long-term leases.

7 Read more about the Group's property fundamentals **here**.

OUTLOOK

SHORT TO MEDIUM TERM

- Increased exposure to assets which meet our strict investment criteria and dispose of properties which no longer meet these requirements.

LONG TERM

- Focus on operating jurisdictions that align with the skills and expertise of the Group and which provide the best risk-adjusted returns for shareholders.

HOW THIS MITIGATES RISK OR MAXIMISES OPPORTUNITIES

- A-grade tenant base and WALE of 12.6 years ensures a low-risk of default and sustainable guaranteed revenue.
- Facilitates the optimal utilisation of the competence of the organisation.
- Reduces vacancy, tenant default and obsolescence risks.

R[1,5,9]

SDGs

In terms of strategic objectives, short to medium term means the next 1-3 years, and long term means beyond 3 years.

STRATEGIC OBJECTIVES (CONTINUED)

2 BALANCE SHEET MANAGEMENT

RELATED MATERIAL MATTERS: MM1 MM3

PRIMARY RESOURCE ALLOCATION: MC

STRATEGIC OBJECTIVE

Equites continues to pursue its strategic objective of maintaining a robust capital structure. The Group commenced a strategic disposal programme in FY23 which supports lowering its LTV ratio, whilst generating capital internally to invest in its development pipeline. These assets include properties with a degree of specialisation, suboptimal sustainability credentials and/or shorter lease terms. Recycling capital will allow Equites to replace these assets with modern state-of-the-art logistics facilities, further supporting sustainable growth over the long term.

93 Read more about the Group's investment property held-for-sale **here**.

OUTLOOK

SHORT TO MEDIUM TERM

- The Group is nearing completion of a R6.3 billion property disposal programme which is broadly in line with book value.

LONG TERM

- Maintain a conservative LTV ratio that allows for the Group to avail itself of investment opportunities as they arise.
- Develop and own high quality logistics assets with long term leases that meet both tenant and sustainability requirements for the next 20 years.

HOW THIS MITIGATES RISK OR MAXIMISES OPPORTUNITIES

- Recycling capital to optimise the property portfolio and lower the Group's LTV ratio, whilst investing in pre-let development agreements for blue-chip tenants in SA.
- Improved sustainability credentials.

R 1,2,5,9

SDGs: 17

3 PORTFOLIO GROWTH

RELATED MATERIAL MATTERS: MM1 MM2 MM4 MM5

PRIMARY RESOURCE ALLOCATION: FC NC MC

STRATEGIC OBJECTIVE

The development pipeline in SA will continue to be a top priority from a capital allocation point of view as retailers and logistics companies expand their warehousing footprint to optimise their supply chain capabilities. The integration of key sustainability metrics are paramount to global multinationals and large SA listed organisations, which is supported by the Equites baseline specification.

7 Read more about the Group's development pipeline **here**.

OUTLOOK

SHORT TO MEDIUM TERM

- The total SA pipeline equates to R2.5 billion across 177 153m², of which R0.6 billion is outstanding at year end.
- To be funded from cash on hand, undrawn debt facilities, debt raised against completed developments, and equity that will be released from property disposals.
- Additional 8.3 MW of energy to be commissioned at a forecast capex of R165 million, increasing total installed solar capacity to 28.5 MW.

LONG TERM

- All properties to be EDGE/BREEAM certified.

HOW THIS MITIGATES RISK OR MAXIMISES OPPORTUNITIES

- State-of-the-art facilities designed to enable rapid response to e-commerce and supporting supply chain optimisation.
- Secure and form key strategic relationships with new tenants.
- Improved sustainability credentials.

R 1,2,3,5,7,8,10

SDGs: 6 7 9 11 12

4 SOURCE & UTILISE LAND HOLDINGS

RELATED MATERIAL MATTERS: MM2 MM4 MM5

PRIMARY RESOURCE ALLOCATION: NC MC

STRATEGIC OBJECTIVE

The Group is prioritising the utilisation of its 49 hectares of land holdings, ready for development in SA. Equites expects to convert a significant portion of this into income-producing assets in the short-term.

OUTLOOK

SHORT TO MEDIUM TERM

- Reduction of existing land holdings by developing into income-producing facilities.
- Discussions with various land-owners in key nodes to source land for future development.

LONG TERM

- Utilise land holdings to build self-sustaining logistics parks in key nodes which drive tenant efficiency and reduces tenant cost of operations.

HOW THIS MITIGATES RISK OR MAXIMISES OPPORTUNITIES

- Land available in key nodes can attract A-grade tenants resulting in new development opportunities.

R 2,7,8

SDGs: 9 11 12

STRATEGIC OBJECTIVES (CONTINUED)

5 UPLIFT COMMUNITIES

RELATED MATERIAL MATTERS: MM1 MM2 MM4 MM5

PRIMARY RESOURCE ALLOCATION: HC SC

STRATEGIC OBJECTIVE

The Group will continue to uplift communities through educating learners from disadvantaged backgrounds through social development, providing learning and mentorship through enterprise and supplier development, and the Group's transformation strategy to facilitate the creation of black property-owning businesses.

OUTLOOK

SHORT TO MEDIUM TERM

- Expand on the enterprise development programme to include more small, black-owned businesses from the communities surrounding our properties.

LONG TERM

- Grow the Equites Vacation Work Programme to be recognised by educational institutions.

HOW THIS MITIGATES RISK OR MAXIMISES OPPORTUNITIES

- The community has a vested interest in our parks which provides slight protection against civil unrest.

R 2,10

SDGs

6 EMPOWER EMPLOYEES

RELATED MATERIAL MATTERS: MM3

PRIMARY RESOURCE ALLOCATION: HC SC IC

STRATEGIC OBJECTIVE

The Group will continue to empower its employees through investing in training and skills development, mentorship and support, and a transformed workforce through hiring and promoting. Equites will increase its focus on attracting and retaining talent while developing well sensed KPIs that encourage staff to go above and beyond.

15 Read more about the Group's human capital **here**.

OUTLOOK

SHORT TO MEDIUM TERM

- Implement regular Q&A sessions where employees can get exposure to other departments and learn from each other.
- Enhanced KPI's which align with Equites' values.
- Stream-lined processes to enhance efficiency and collaboration.

LONG TERM

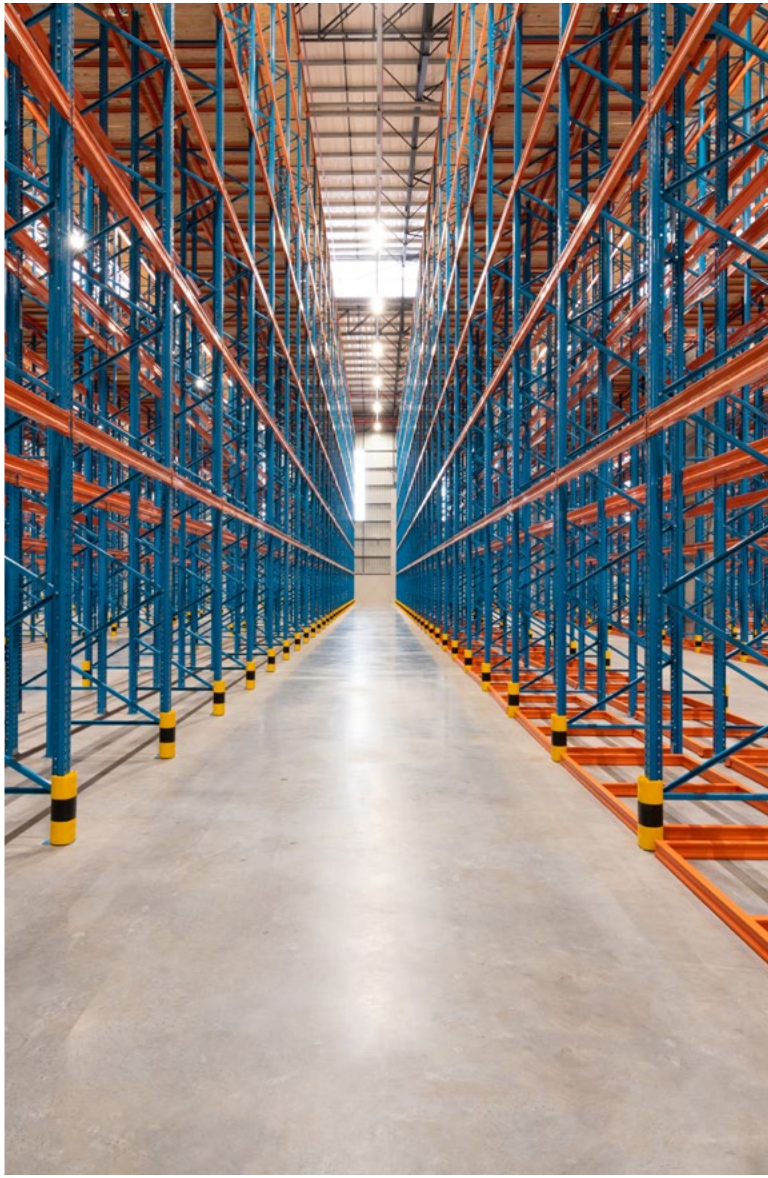
- Have a well-transformed workforce made up of high-calibre, self-motivating individuals.

HOW THIS MITIGATES RISK OR MAXIMISES OPPORTUNITIES

- The Group has set transformation targets.
- Succession planning and staff development to upskill employees.

R 3,4,6,10

SDGs



PERFORMANCE SCORECARD

18 STRATEGY OBJECTIVE	KEY PERFORMANCE INDICATOR	VALUE DRIVERS	43 EXECUTIVE REMUNERATION	ACHIEVED 2023	ACHIEVED 2024		TARGET 2024	TARGET 2025-2027
1 MAXIMISE SHAREHOLDER VALUE	Total return against WACC	Financial performance	CPM	-12.0%	82.0%	✗	100% of WACC (STI) 110% of WACC (LTI)	100% of WACC (STI) 110% of WACC (LTI)
	DPS versus budget	Financial performance	CPM	169.60 cents	131.12 cents	✓	130 – 140 cents pershare	130 – 135 cents per share
	Vacancy ratio	Operational metrics	PPM CPM	0.1%	0%	✓	<5.0% (PPM) <3.5% (CPM)	<5.0% (PPM) <3.5% (CPM)
	Growth in gross revenue	Business growth	PPM	25.4%	12.8%	✓	>8%	>8%
	Property expense ratio	Operational metrics	PPM CPM	16.1%	22.2%	✗	<15% (PPM) <16% (CPM)	<15% (PPM) <16% (CPM)
	Operating expense ratio	Operational metrics	PPM CPM	19.8%	28.8%	✗	<20% (PPM) <6% (CPM)	<20% (PPM) <6% (CPM)
	Let vacant space	Operational metrics	PPM	99.9%	100.0%	✓	>90%	>90%
	Arrears as a percentage of total revenue	Operational metrics	PPM CPM	1.0%	0.6%	✓	<1%	<1%
2 BALANCE SHEET MANAGEMENT	Debt expiry	Financial management	PPM	3.4 years	3.7 years	✓	> 3 years	> 3 years
	LTV ratio	Financial management	PPM CPM	39.7%	39.6%	<>	<40% (PPM) <37.5% (CPM)	<40% (PPM) <37.5% (CPM)
	Interest cover ratio	Financial management	CPM	2.8	2.2	✓	> 2.2 times	> 2.2 times
	Credit rating with GCR	Financial management	PPM CPM	Maintained	Maintained	✓	Maintain or improve	Improve
3 PORTFOLIO GROWTH	Portfolio activity versus budget (incl. conversion of land holding to income-producing properties)	Business growth	CPM	n/a	R8.5 billion	✓	R2 billion (STI) R4.5 billion over a 3-year period (LTI)	n/a
	Growth in income generating asset base	Business growth	PPM	12.3%	1.7%	✗	>10%	>10%
	New developments EDGE / BREEAM certified	Sustainability		All	All	✓	All	All
	Improvement in ESG score as measured by Sustainalytics	Sustainability	CPM	34.3%	18.9%	✓	Improve rating by 1.5% (STI) Improve by 2.5% (LTI)	Improve rating by 1.5% (STI) Improve by 7.5% (LTI)
	Renewable energy consumption as a percentage of total consumption	Sustainability		11.3%	18.6%	✓	6.2%	>8%
	New solar energy generation	Sustainability	CPM	11.4 Mwh	21.6 Mwh	✓	600 kwh	600 kwh
4 LAND HOLDINGS	SA land holding as % of Group portfolio	Business growth		3.4%	3.3%	✓	<5%	<5%
5 COMMUNITIES	Maintain or improve B-BBEE score	Transformation	PPM	Level 3	Level 2	✓	Level 3	Level 3
	Ownership score	Transformation	PPM	75.7%	79.9%	✓	>51%	>51%
6 EMPLOYEES	New hires in line with EE plan	Staff management	PPM	62.5% female 50.0% black	71.4% female 57.1% black	✓	50% female 50% black	55.6% female 66.7% black
	Staff retention	Staff management	PPM	95.5%	83.3%	✗	>90%	>90%

CPM Company Performance Modifier linked to Executive STI and LTI

PPM Personal Performance Modifier linked to Executive STI

✓ Achieved

<> Partially achieved or on track

✗ Not achieved or off track

STAKEHOLDER ENGAGEMENT

SC

Equites' **key stakeholders** are those groups or individuals that can be significantly affected by the Group's business activities, outputs or outcomes, or whose actions can significantly affect the ability of Equites to create value over time.

Equites strives to build and protect its relationship with key stakeholders which is based on trust and a willingness to engage that's been developed over time. To effectively manage these relationships, the Board has adopted an all-inclusive approach which balances the needs and interests of stakeholders with that of the business, in line with King IV.

Equites measured the quality of its relationship through feedback from across the business. This feedback was reviewed by the Executives and the SET Committee, to make an informed assessment and implement engagement strategies.

TENANTS

MM1 MM2 MM3 MM4 MM5

VALUE CREATION FOR EQUITES

Tenant relationships are the cornerstone of Equites' growth, as the Group cements its position as one of the key developers of choice for logistics developments in SA. Equites' tenant-driven approach creates a solid foundation for building trust, transforming once-off development projects or deals into long-term mutually beneficial relationships.

RELATIONSHIP QUALITY:

FALLING SHORT — FY23 — FY24 — EXCELLING

The quality of the relationship was assessed by considering:

- Improvement in cross-divisional collaboration
- Outcome of bi-annual tenant meetings
- Market leading logistics facilities
- Generating new business from existing tenants

STAKEHOLDER NEEDS & INTERESTS

- High quality, well maintained, logistics facilities that meet exacting requirements
- Low maintenance, cost-efficient facilities
- Alternative sources of energy and sustainable building features
- Safety and security
- A facility designed to improve operations and reduce lead times
- Location within prime logistics nodes and nearby labour pools

EQUITES' RESPONSE

- Baseline specification inspired by global best practices
- Green buildings that support tenant's sustainability goals
- Tenant engagements are prioritised, and their needs are supported and accommodated as far as possible
- Offering an optional assisted maintenance programme
- Offering optional training on Occupational Health and Safety regulations

STAKEHOLDER VALUE CREATED IN FY24

- Expanded existing facilities for Shoprite and TFG and developing new facilities for them
- Solar benefit extended to tenants located in parks with access to solar energy
- In the process of implementing recommendations of sustainability audits on the properties
- Enhanced security measures at logistics parks

STRATEGIC IMPERATIVES:

3 4

CAPITALS IMPACTED:

MC NC

19 Read more about Equites' approach to customer centricity **here**.

FINANCIAL INSTITUTIONS

MM1 MM3 MM4

VALUE CREATION FOR EQUITES

Financial institutions provide the Group with access to funding to grow its portfolio and provide solutions to manage financial risks.

RELATIONSHIP QUALITY:

FALLING SHORT — FY23 — FY24 — EXCELLING

The quality of the relationship was assessed by considering:

- Ease of doing business
- Over-subscribed debt auction
- Lower cost of debt
- Increase in the number of debt providers

STAKEHOLDER NEEDS & INTERESTS

- Strong balance sheet and reliable returns
- Good credit rating
- Quality and sustainability of assets to be pledged as security
- Ability to service interest and related costs

EQUITES' RESPONSE

- Employ a conservative financial risk management policy and capital structure
- Continuously monitor loan covenants and sustainability-linked KPIs
- High-quality logistics assets with long-dated leases
- Maintain a conservative target LTV ratio

STAKEHOLDER VALUE CREATED IN FY24

- Met all financial covenants and sustainability KPIs
- Maintained the Group's GCR credit rating
- Improved LTV ratio
- Issued 7-year debt for the first time

STRATEGIC IMPERATIVES:

2 3

CAPITALS IMPACTED:

FC NC

25 Read more about Equites' financial risk management **here**.

STAKEHOLDER ENGAGEMENT (CONTINUED)

INVESTORS

MM1 MM3

VALUE CREATION FOR EQUITES

Shareholders and potential investors are a source of financial capital and enable Equites to grow the business.

RELATIONSHIP QUALITY:

FALLING SHORT — FY23 — FY24 — EXCELLING

The quality of the relationship was assessed by considering:

- Investors seeking more stable government bonds
- Increased frequency of communication with investors
- Performance in line with guidance
- Increase in black ownership from 75.7% to 79.9%
- Proactive consultation with investors prior to AGM with all resolutions being passed

STAKEHOLDER NEEDS & INTERESTS

- Long-term capital appreciation and stable dividend returns
- Optimal capital allocation
- Transparent reporting and disclosure, including sustainability disclosure
- Sound corporate governance principles

EQUITES' RESPONSE

- Proactive communication with investors
- Strict investment criteria and clear strategic direction
- Governance and reporting aligned with best practices
- Independent, anonymous whistleblower platform
- Internal audit function

STAKEHOLDER VALUE CREATED IN FY24

- DPS in line with guidance
- Continued share repurchase programme
- Maintained 100% dividend payout ratio
- Maintained REIT status

STRATEGIC IMPERATIVES:

1 2 3

CAPITALS IMPACTED:

FC MC

VENDORS & BROKERS

MM2 MM4

VALUE CREATION FOR EQUITES

Suppliers, brokers, and development contractors are part and parcel to offering a high-quality product.

RELATIONSHIP QUALITY:

FALLING SHORT — FY23 — FY24 — EXCELLING

The quality of the relationship was assessed by considering:

- Excellent feedback from brokers
- Successful AmpCore programme and doubled ESD spend
- Formal vendor onboarding processes
- Payments settled within contracted payment terms
- Internal review of work performed by service providers
- Frequency of communication regarding standard of work

STAKEHOLDER NEEDS & INTERESTS

- Precise brief of work required
- Timely payment
- Sufficient lead-time
- Service-level agreements
- Adequate health and safety measures

EQUITES' RESPONSE

- Regular progress updates
- Strict procurement process
- Zero-tolerance approach to non-compliance
- SLAs signed for all recurring services
- Timely review of work performed
- Effective planning and budgeting

STAKEHOLDER VALUE CREATED IN FY24

- 30-day payment terms
- Maintained software to promote the collaboration between the Group and its contractors and consultants
- Job creation within ESD suppliers
- Stream-lined vendor onboarding process

STRATEGIC IMPERATIVES:

3 5

CAPITALS IMPACTED:

IC MC

COMMUNITIES

MM1 MM2 MM4 MM5

VALUE CREATION FOR EQUITES

Community upliftment and job creation is essential to overcoming poverty and building a sustainable, symbiotic relationship.

RELATIONSHIP QUALITY:

FALLING SHORT — FY23 — FY24 — EXCELLING

The quality of the relationship was assessed by considering:

- Positive impact of the AmpCore programme
- Community involvement on all development sites
- Subcontracting to community workers
- Academic progression made by the MLF bursary students
- Increased donations to schools and non-profit organisations
- Launch of the Equites Student Work Experience Programme

STAKEHOLDER NEEDS & INTERESTS

- Job creation
- Understanding the impact of new developments and operations
- Open lines of communication
- Financial support
- Safety and security on development sites

EQUITES' RESPONSE

- Community leaders engaged on all development sites
- Use of local service providers to service properties
- An inclusive participation plan to ensure community involvement is equitable and transparent
- Materials sourced locally and encourage the use of labour from the communities
- Investment in ESD through AmpCore
- All SA vendors required to be B-BBEE compliant
- Investment in community education through MLF learnership programme

STAKEHOLDER VALUE CREATED IN FY24

- Doubled ESD spend
- Seven bursaries awarded, through MLF
- Maintained donations to non-profits
- Increased verified black ownership to 79.9%
- Achieved a level 2 B-BBEE rating
- Concluded the Group's second and third Statement 102 transactions

STRATEGIC IMPERATIVES:

5

CAPITALS IMPACTED:

IC MC

16 Read more about the Group's social responsibility, community development & education initiatives **here**.

STAKEHOLDER ENGAGEMENT (CONTINUED)

EMPLOYEES MM3

VALUE CREATION FOR EQUITES

Equites' strength lies in the consistent ability to bring together unique talents and capabilities in a collaborative environment where they can formulate innovative and effective solutions.

RELATIONSHIP QUALITY:

FALLING SHORT — FY23 — FY24 — EXCELLING

The quality of the relationship was assessed by considering:

- Higher staff turnover
- Equites embarked on a values exercise, encompassing all staff, to determine the core values
- Internal promotions and investment in training and development
- Improved transformation metrics
- Formalised an HR function

STAKEHOLDER NEEDS & INTERESTS

- A positive, safe and healthy work environment
- Flexible work practices
- Fair remuneration and incentives
- Effective performance management
- Career development and advancement
- Ability to contribute towards the growth of the business

EQUITES' RESPONSE

- In-house training programme, regular team building and social events
- Funding and support to employees who wish to study further
- Appraisal platform enhances to standardise KPI process
- Access to ICAS, providing employees with access to counsellors, legal and medical professionals, amongst others
- Embarked on a values exercise and launched Equites' core values

STAKEHOLDER VALUE CREATED IN FY24

- Four employees were granted bursaries for 3-year tertiary degrees
- Five internal promotions resulting from resignations
- Two employees were granted funding to complete short-courses
- R22k average training spend per employee
- 2 382 man-hours spent on training (of which 82.0% relates to black employees)

STRATEGIC IMPERATIVES: 6

CAPITALS IMPACTED: HC IC

15 Read more about the Group's human capital **here**.

ENVIRONMENT MM2 MM4 MM5

VALUE CREATION FOR EQUITES

Government representatives or regulatory bodies, environmental groups and greater society, with an interest or concern in environmental activities.

RELATIONSHIP QUALITY:

FALLING SHORT — FY23 — FY24 — EXCELLING

The quality of the relationship was assessed by considering:

- Reduced carbon emissions and progress towards achieving net zero
- Listed as one of Sustainalytics' 2024 ESG Top-rated Companies
- EDGE 'Zero Carbon' certification submitted on one property
- Scarcity of suitable land
- Increase in extreme weather events

STAKEHOLDER NEEDS & INTERESTS

- Responsible development practices
- Environmental regulatory compliance
- Urgent action to tackle climate change
- Transparent disclosure

EQUITES' RESPONSE

- Baseline specification aligned with EDGE/BREEAM certification requirements
- Rigorous environmental and waste management processes during construction
- Dedicated ESG function to drive the Group's sustainability goals
- Obtaining independent assurance on sustainability metrics
- Sustainability disclosure in line with best practice recommendations
- Ongoing collaboration with academic community to develop decarbonisation pathways
- Working group with academic institution to pilot ecological wastewater treatment plant
- Net Zero commitment by 2040

STAKEHOLDER VALUE CREATED IN FY24

- Increased number of Green Certified Buildings in portfolio
- IFC EDGE Champions Award 2023
- Sustainalytics ESG Top rated company Regional and Industry award 2024
- Energy intensity improved from 98 kwh/m^2 to 91 kwh/m^2
- 9% reduction in category 13 Scope 3 emission

STRATEGIC IMPERATIVES: 3 4

CAPITALS IMPACTED: MC NC

10 Read more about the Group's response to climate change and natural capital **here**.

RISKS & OPPORTUNITIES

Equites' risk management framework is aligned to the requirements of King IV to ensure best practices in the governance of risk. Effective risk management is critical to the achievement of strategic objectives and the long-term growth of the Group.

RISK APPETITE

The Group's risk appetite is defined as the level of risk that it is willing to accept in pursuit of its business objectives. As a REIT, the Group accepts that there are inherent risks associated with the property industry, including economic and market-related risks, regulatory risks, operational risks, and environmental risks. The Group's risk appetite is balanced against its desire to generate sustainable returns for its shareholders and are committed to taking a prudent and disciplined approach to risk management.

TOLERANCE TO RISKS

Equites' tolerance to risks is defined as the level of risk that it's willing to accept before taking corrective action to mitigate risk or change its strategy. The Group has established risk limits for each of the key risk categories that it faces, and regularly monitors the Group's risk exposure against these limits. The Group's tolerance to risks is informed by its risk appetite, the strength of its balance sheet, its ability to manage risks effectively, and its commitment to acting in the best interests of its stakeholders.

BOARD RESPONSIBILITY & APPROVAL

The Board is ultimately responsible for ensuring that risks facing the business are effectively managed, and it has delegated oversight to the Risk and Capital Committee. The Committee reviews significant risks and mitigating factors at each meeting and reports back to the Board. Based on the feedback from the Committee and reports from the Executives, the Board approved the Group's risk management, mitigating activities and monitoring processes as an effective risk response.

RISK MANAGEMENT APPROACH

The risk management approach of the Group is designed to inculcate a culture of risk awareness and risk management throughout the Group. The systemic approach adopted involves the following objectives:

RISK & CAPITAL COMMITTEE OVERSIGHT

Members of the **Risk and Capital Committee** have detailed knowledge and expertise of the operational, financial, legal and corporate aspects of Equites to ensure effective oversight of the risk management of the Group.

39

IDENTIFYING RISKS

The **head of each business function** identifies risks in their area of responsibility, based on a sound understanding of the business.

ASSESSING LIKELIHOOD & IMPACT

The **Head of Risk** manages the risk assessment matrix and heatmap.

FORMULATING MITIGATING RESPONSES

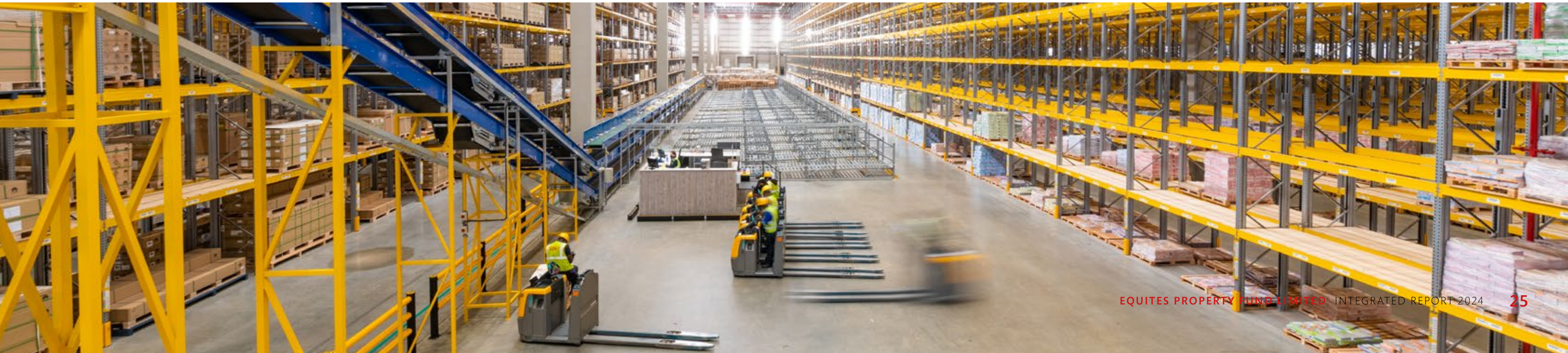
The Executives formulate and implement mitigating actions.

CLIMATE RISKS IDENTIFICATION & ASSESSMENT

The **ESG steering committee** monitors and reports all climate related risks under the guidance of the **Social, Ethics and Transformation Committee**.

REVIEW & REVISION OF IDENTIFIED RISKS ON AN ONGOING BASIS

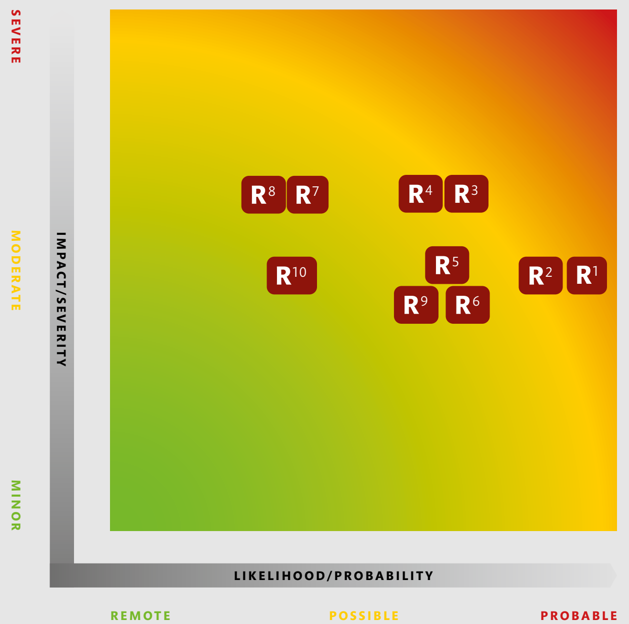
The Group's **Internal Auditor** provides assurance on the effectiveness of the Group's risk management activities.



RISKS & OPPORTUNITIES (CONTINUED)

RISK ASSESSMENT HEATMAP

The heatmap indicates the impact or severity of identified risks and the likelihood or probability that they would occur after appropriate control measures have been implemented by the Group (residual risk):



TOP 10 RESIDUAL RISKS

- R1 Market risk
- R2 Socio-economic operating environment
- R3 Information technology
- R4 Compliance with laws and regulations
- R5 Funding and liquidity
- R6 Human resourcing
- R7 Climate change
- R8 Logistics sector exposure
- R9 Credit risk
- R10 Transformation

EMERGING RISKS

- Elevated inherent risk of non-compliance with laws and regulations, given the increase in the numerous additions thereto, has resulted in the residual risk increasing to medium.
- Following broader consideration of climate change risks to the operations of Equites, residual risk remained unchanged based on Equites' increased focus on managing climate risk, as well as additional resources appointed.
- Following the strategic decision to exit from the ENGL development platform in the UK, property development risk has been lowered to very low and hence is no longer in the top 10 residual risks.

R1 MARKET RISK

Volatility in exchange rates and/or interest rate markets

INHERENT RISK MOVEMENT:

MATERIAL MATTER: MM1

STRATEGIC IMPERATIVES: 1 2 3

CAPITALS IMPACTED: FC SC

POTENTIAL IMPACT ON STRATEGY & PERFORMANCE

- Negatively impacts the translation of foreign operations
- Higher interest expense

MITIGATING RESPONSE

- Be proactive in maintaining exchange rate risk, by enforcing an appropriate policy for managing exchange rate risk
- Be proactive in assessing the impact of interest rate fluctuations on the Group
- Ensure that risks due to macroeconomic conditions are appropriately addressed
- Manage financial market risks with appropriate hedging instruments

OPPORTUNITIES THAT AROSE

- Trade alternative hedging derivatives

RISKS & OPPORTUNITIES (CONTINUED)

R2 SOCIO-ECONOMIC OPERATING ENVIRONMENT

MATERIAL MATTER: MM1 MM2 MM4 MM5

STRATEGIC IMPERATIVES: 2 3 4 5

CAPITALS IMPACTED: MC SC

Political or socio-economic instability in the business environment of operating jurisdictions adversely affects performance

INHERENT RISK MOVEMENT:

POTENTIAL IMPACT ON STRATEGY & PERFORMANCE

- Physical damage to property and tenant disruptions
- Increased cost of maintenance, repairs, security and insurance premiums
- Reduced demand for properties in 'high-risk' locations

MITIGATING RESPONSE

- Maintain a sound understanding of the locations in which the Group operates
- Keep abreast of changes that occur in operating locations
- Establish relationships with community forums and other business structures in close proximity to high-risk areas
- Ensure sufficient insurance cover is in place.
- Develop business parks with adequate security measures in place
- Evaluate disposal of properties in areas where socio-political risk is increasing

OPPORTUNITIES THAT AROSE

- Evaluate alternative operating jurisdictions or locations
- Advised tenants on insurance approach

R3 INFORMATION TECHNOLOGY

MATERIAL MATTER: MM3 MM4

STRATEGIC IMPERATIVES: 3 6

CAPITALS IMPACTED: HC IC SC

The threat to business data, critical systems and business processes associated with the use, ownership, operation, involvement, influence and adoption of IT within the organisation

INHERENT RISK MOVEMENT:

POTENTIAL IMPACT ON STRATEGY & PERFORMANCE

- Cyber attacks, disruption to business continuity, loss or corruption of data, misappropriation of data

MITIGATING RESPONSE

- Establish and maintain a specific Information Technology risk register
- Regular review of IT service providers
- Cloud based technologies primarily used
- ESET anti-virus installed and monitored by third-party IT service providers
- Mandatory online security awareness training for employees through an external vendor which includes regular simulated phishing attacks
- External gap assessment performed regularly

OPPORTUNITIES THAT AROSE

- Improved operational efficiency
- Improved secure electronic communication with tenants
- Created sustainability and other dashboards for tenants

R4 COMPLIANCE WITH LAWS & REGULATIONS

MATERIAL MATTER: MM1 MM5

STRATEGIC IMPERATIVES: 6

CAPITALS IMPACTED: HC SC FC IC NC

Legislative, regulatory or taxation changes in the business environment of operating jurisdictions or failure to comply with the laws and regulations

INHERENT RISK MOVEMENT:

POTENTIAL IMPACT ON STRATEGY & PERFORMANCE

- Results in fines/penalties, reputational harm, loss of REIT status, tax liabilities or loss of investor confidence

MITIGATING RESPONSE

- Operate in developed markets with a very low risk of political instability and with stable legislation
- Maintain a sound understanding of operating locations
- Keep abreast of all draft legislation that may impact the Group
- Ensure adherence with all promulgated legislation impacting the Group
- Evaluate any risks to the REIT status of the Company

21 More information about the Group's approach to Good Governance and regulatory compliance **here**.

OPPORTUNITIES THAT AROSE

- Employing an appropriately skilled, senior employee to lead and co-ordinate the Group's compliance and regulatory identification and mitigation

RISKS & OPPORTUNITIES (CONTINUED)

R5 FUNDING & LIQUIDITY

MATERIAL MATTER: MM1 MM3

STRATEGIC IMPERATIVES: 1 2 3

CAPITALS IMPACTED: MC SC FC

The volatility of funding in the equity and debt markets. Failure to appropriately assess liquidity requirements

INHERENT RISK MOVEMENT:

POTENTIAL IMPACT ON STRATEGY & PERFORMANCE

- Capital raised at unfavourable levels, negatively impacting the WACC and limiting growth
- Inability to pay obligations as they fall due
- Breach of internal thresholds (LTV, CFR) and/or financial covenants

MITIGATING RESPONSE

- Maintain a healthy balance sheet, underpinned by properties with strong fundamentals and translate into sustainable cash flows
- Prevent undue financial risk due to poor management of the balance sheet
- Ensure that appropriate levels of capital are held
- Assess the risks and opportunities of capital structure and the impact of equity and debt funding thereon
- Ensure appropriate hurdle rates and risk appetite is appropriately set
- Diversification of the sources of funding used within the Group

OPPORTUNITIES THAT AROSE

- Explored alternate entity structures and alternate sources of capital

R6 HUMAN RESOURCING

MATERIAL MATTER: MM3

STRATEGIC IMPERATIVES: 6

CAPITALS IMPACTED: HC IC SC

Loss of key staff or project development teams lacking requisite expertise

INHERENT RISK MOVEMENT:

POTENTIAL IMPACT ON STRATEGY & PERFORMANCE

- Being under-resourced inhibits the ability to achieve objectives

MITIGATING RESPONSE

- Maintain and retain key staff within the Group
- Ensure sufficient capacity to fulfil the needs of the Group
- Ensure that the personnel hired by the Group have the appropriate skills and training required to perform their duties prior to hiring
- Existing employees/contractors/suppliers to be appropriately trained with the necessary skills
- Minimise labour related disruptions

OPPORTUNITIES THAT AROSE

- The establishment of a full time dedicated human resources function
- The promotion of appropriately skilled employees throughout the business

R7 CLIMATE CHANGE

MATERIAL MATTER: MM2 MM4

STRATEGIC IMPERATIVES: 3 4

CAPITALS IMPACTED: MC FC NC

PHYSICAL RISK:

Damage to property from increased severe weather events

TRANSITION RISK:

Global transition towards a low-carbon economy accompanied by changes in policy and regulation and technological improvements

INHERENT RISK MOVEMENT:

POTENTIAL IMPACT ON STRATEGY & PERFORMANCE

- Physical damage to property
- Increasing cost of maintenance, repairs and insurance premiums
- Devaluation or complete property loss
- Increased cost of compliance with regulations
- Changes in tenant preferences
- Reputational damage

MITIGATING RESPONSE

- Investing in energy-efficient properties that employ renewable energy sources and are resilient to physical risk
- Actively participating in policy discussions related to climate change and real estate
- Frequent communication with key stakeholders about Equites' climate risk strategy
- Aligning with best practice recommendations to ensure transparent disclosure

21 More information about the Group's climate risks response can be found **here**.

OPPORTUNITIES THAT AROSE

- Solar, water and other environmental initiatives as a differentiator and/or as a business case for securing deals
- Roll out environmentally-positive initiatives within wholly-owned industrial parks

RISKS & OPPORTUNITIES (CONTINUED)

R8 LOGISTICS SECTOR EXPOSURE

MATERIAL MATTER: MM1 MM4 MM5

STRATEGIC IMPERATIVES: 3 4

CAPITALS IMPACTED: MC SC FC NC

A decline in demand for logistics properties or the inability to obtain planning permission for land holdings

INHERENT RISK MOVEMENT:

POTENTIAL IMPACT ON STRATEGY & PERFORMANCE

- Difficulties letting or selling speculative developments
- Inability to develop land holdings
- Losses from devaluation of investment property

MITIGATING RESPONSE

- Compliance with the Group's investment strategy
- Prevent investment decisions being made which aren't carefully considered from both a financial and strategic perspective
- Speculative development activity limited to 5% of portfolio value
- Land holdings, where no planning permission has been obtained or no development agreement has been concluded, limited to 10% of portfolio value
- Ensure developments occur on a pre-let basis to A-grade tenants

OPPORTUNITIES THAT AROSE

- Increased focus on asset management with a reduced equity stake in assets and an increase in asset management fees earned

R9 CREDIT RISK

MATERIAL MATTER: MM1

STRATEGIC IMPERATIVES: 1 2

CAPITALS IMPACTED: SC FC

Tenant late payment or default association with tenant's business, use of property, or actions of management

INHERENT RISK MOVEMENT:

POTENTIAL IMPACT

- Bad debt or increase in expected credit losses
- Reputational or financial damage

MITIGATING RESPONSE

- Maintain a constant rental pool of A-grade tenants
- Minimise the vacancies in the Group
- Regular interaction with tenants
- Due diligence performed on prospective tenants and their operations

OPPORTUNITIES THAT AROSE

- Regular interactions with clients improves relations leading to new development or leasing opportunities, or sustainability ideas and initiatives

R10 TRANS-FORMATION

MATERIAL MATTER: MM3

STRATEGIC IMPERATIVES: 3 5 6

CAPITALS IMPACTED: HC SC

Achieving a lower B-BBEE rating due to factors outside of Equites' control

INHERENT RISK MOVEMENT:

POTENTIAL IMPACT

- Reduces Equites' ability to attract and retain tenants and investors
- Hinders Equites' ability to compete on development bids with specific B-BBEE criteria

MITIGATING RESPONSE

- Analyse B-BBEE score to determine areas in which the Group can make the most significant change to improve the B-BBEE score
- Adherence to Property Sector Charter
- Aim to have a sustainably viable Group with focus on the wider world in which we live

OPPORTUNITIES THAT AROSE

- Improved the B-BBEE rating from a level 3 to a level 2

ENVIRONMENTAL, SOCIAL & GOVERNANCE

SUSTAINABILITY FRAMEWORK

Equites continues to infuse environmental and social targets into its business approach and operations, and is committed to transparency and accountability to ESG goals and progress.

The Group continues to be assessed by global ESG rating firm, Sustainalytics. Equites' overall risk rating score of 9.0 improved by 18.9% and its risk management score of 66.9 improved by 14.9%, compared to the previous year. This resulted in Equites retaining the leading position in its global peer group by value, ranking in the Top 3% for low ESG risk globally.

SUSTAINALYTICS ESG 2024 INDUSTRY TOP RATED

SUSTAINALYTICS ESG 2024 REGIONAL TOP RATED

CONTINUOUS CONSIDERATION OF SDGS OVER TIME

SUSTAINABLE DEVELOPMENT GOALS

STRATEGIC IMPERATIVE

3 4 5

ENVIRONMENTAL STEWARDSHIP

GREEN BUILDINGS
Equites has formalised sustainability initiatives in its baseline specification ensuring that all new SA developments are, at a minimum EDGE "Advanced" certified.

REDUCED CARBON EMISSIONS
Increasing energy efficiency, using renewable energy sources, and promoting sustainable transportation.

ENHANCED BIODIVERSITY
Implementing green infrastructure, using sustainable landscaping practices and supporting local biodiversity initiatives.

RESOURCE EFFICIENCY
Reducing consumption of water, materials, and energy, promoting circular economy practices, and reducing waste generation on development sites.

COMMUNITY ENGAGEMENT
Engaging communities on all development sites.

DISPOSAL PROGRAMME
Recycling capital to replace older assets with suboptimal sustainability credentials with green buildings.

6

EMPLOYEE WELLNESS

TRAINING & SKILLS DEVELOPMENT
Comprehensive in-house training programme.

MENTORSHIP & SUPPORT
Ensuring employee specific goals and aspirations are managed and achievements are recognised and rewarded.

DIVERSITY & TRANSFORMATION
HR policy designed to promote a workforce that is representative of the demographic of the country while ensuring diversity of race, gender, age and culture.

OCCUPATIONAL HEALTH & SAFETY
Providing employees access to the ICAS health and wellness programme.

5

SOCIAL RESPONSIBILITY, COMMUNITY DEVELOPMENT & EDUCATION

SOCIAL DEVELOPMENT
Supporting community initiatives and educating learners from disadvantaged backgrounds through MLF bursary programme and the Equites student work experience programme.

ENTERPRISE SUPPLIER DEVELOPMENT
Providing learning and mentorship through the AmpCore programme.

TRANSFORMATION
Facilitating the creation of black property-owning businesses through Statement 102 Transactions.

CUSTOMER CENTRICITY
Fostering strong tenant relationship

22 Read more about Equites' stakeholder engagement **here**.

PERFORMANCE
Executive remuneration that includes sustainability targets

21 Read more about the Group's performance against targets **here**.

RISK MANAGEMENT FRAMEWORK
Robust approach to climate risk management

25 Read more about Equites' risk management framework engagement **here**.

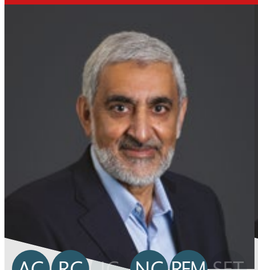
GOOD GOVERNANCE
Equites adheres to the principles of King IV

21 Read more about Equites' approach to Good Governance **here**.

8 More information about Equites' sustainable development goals can be found **here**.

BOARD OF DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

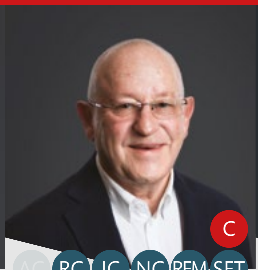


AC RC NC REM

MUSTAQ BREY 70
BCompt (Hons), CA(SA)

YEARS ON THE BOARD 8

- Leadership experience
- Investment holding
- Black empowerment and social impact



C
RC IC NC REM SET

PHILIP LEON CAMPHER 76
BEcon

YEARS ON THE BOARD 10

- Leadership experience
- Financial services industry
- Enterprise supplier development
- Retirement Funds

RC IC NC

NDABEZINHLE MKHIZE 45
BSC, CAIA, CFA

YEARS ON THE BOARD 2

- Financial services industry
- Asset management and pension funds

AC IC REM

DOUG MURRAY 67
BA, CA

YEARS ON THE BOARD 3

- Local & International retail and logistics markets
- Financial services industry

AC NC REM

KEABETSWE NTULI 40
BAcc (Hons), CA(SA)

YEARS ON THE BOARD 4

- Governance
- Risk and assurance
- Investments & accounting

RC NC SET

EUNICE CROSS 44
LLM (Commercial law), LLB

YEARS ON THE BOARD 4

- Corporate & commercial law
- Gender relations and equality

AC RC NC SET

FULVIO TONELLI 64
Bcom, Bcom (Hons), CA(SA)

YEARS ON THE BOARD 1

- Leadership experience
- Auditing and assurance
- Financial services and banking
- Corporate governance

C CHAIRMAN
AC AUDIT COMMITTEE
RC RISK & CAPITAL COMMITTEE
IC INVESTMENT COMMITTEE
NC NOMINATION COMMITTEE
REM REMUNERATION COMMITTEE
SET SET COMMITTEE

NON-EXECUTIVE DIRECTOR

IC

ANDRE JACQUES GOUWS 51
BCom, BCompt (Hons), CA(SA)

YEARS ON THE BOARD 9

- Extensive business leadership experience
- Property development and investment

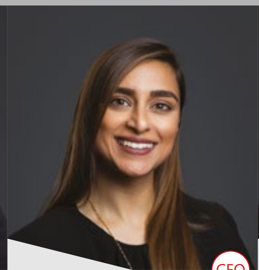
EXECUTIVE DIRECTORS

COO

RIAAN GOUS 58
BA (Law), LLB

YEARS ON THE BOARD 10

- Corporate and commercial law
- Real estate industry



CFO

LAILA RAZACK 37
BBSC (Finance & accounting), PGDA, CA(SA)

YEARS ON THE BOARD 4

- Auditing and assurance
- Mergers and acquisitions

CEO

ANDREA TAVERNA-TURISAN 55
BSC (Hons) (Mathematics & management)

YEARS ON THE BOARD 10

- Leadership experience
- Property development
- SA & UK property and logistics industry

BOARD COMPOSITION

In terms of Equites' MOI, the Board must comprise a minimum of four Directors and shareholders are entitled to determine the maximum number of directors by ordinary resolution.

The Board should comprise of a majority of non-executive directors, and the majority of these non-executive directors should be independent. Independence is regularly assessed by the Board, with an evaluation of each director being performed on an annual basis by the Nomination Committee.

King IV prescribes that the roles of chairperson and CEO are performed by different people, and that the chairperson is an independent non-executive director.

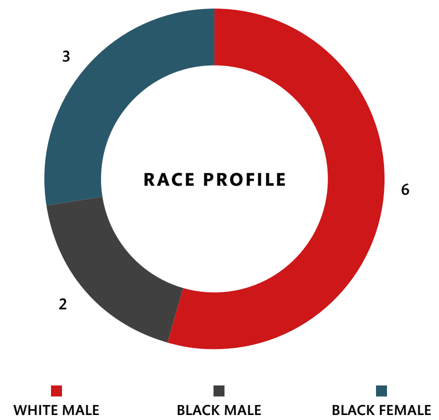
BOARD OF DIRECTORS (CONTINUED)

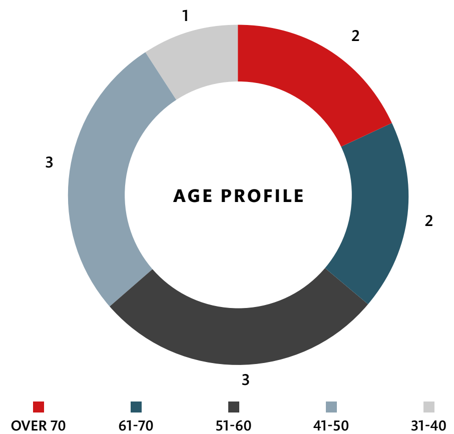
BOARD DIVERSITY

The non-executive directors have been selected to reflect diversity in terms of race, gender, age, culture, areas of knowledge, skills, experience and tenure.

The Nominations Committee is tasked with maintaining and improving the diversity of the Board. The Board is equipped with a vast array of knowledge, experience and expertise across property, finance and legal sectors, amongst others. The Board currently comprises of 27.3% black female directors and a further 18.2% black male directors (2023: 33.3% black female and 6.7% black male). The Board remains committed to improve its diversity in terms of gender and race. The Nominations Committee has recommended a minimum board diversity targets of 50% black representation and 33% black female representation.

Where any vacancies arise on the Board resulting from resignations, retirement by rotation or skills gap, the Board makes use of external recruitment service providers to source high quality directors who have the necessary skills and experience required. The Nominations Committee undergoes an extensive interview process with suitable candidates and recommends an individual for appointment to the Board. Once the Board has approved the appointment of a new director, the appointment is approved by shareholders at an AGM.





KNOWLEDGE, SKILLS & EXPERIENCE

The overriding concern of the Nomination Committee is to ensure that, as a collective, the Board is knowledgeable, skilled, experienced, diverse, and independent enough to fully discharge its roles and responsibilities.

The Board seeks members who combine a broad spectrum of business experience, industry knowledge and financial expertise with a reputation for integrity and objectivity.

DIRECTOR EVALUATIONS

NON-EXECUTIVE DIRECTORS – As at year end, an independent Board survey was underway, in line with the Board's policy to complete an external evaluation every three years. The outcomes have been received subsequently which indicated the Board is effective and identified opportunities to further strengthen the Board which will be explored in the coming year.

EXECUTIVE DIRECTORS – The Board establishes monitoring criteria against which to assess the performance of the Executives which are tabled at every Board meeting. This includes various financial and operating metrics, in addition to successfully implementing growth, acquisition, sustainability and transformational targets.

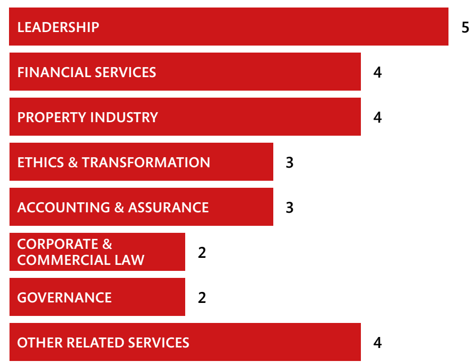
The Board suggests strategic development opportunities for the Executives. These development opportunities assist the Executives in achieving their goals and ensuring that the Group is focused on long-term value creation.

The Nomination Committee conducts regular performance reviews of the Executives. Equites staff took part in an externally conducted survey where they were able to provide feedback anonymously regarding the organisational values, culture and the leadership style of the Executives.

Based upon the Nomination Committee's evaluation, staff survey results and input received from fellow non-executive directors, the Committee reports to the Board on the overall effectiveness of the Executives.

BOARD SKILLS AND EXPERIENCE

(NUMBER OF BOARD MEMBERS)



COMPANY SECRETARY

Thabo Vilakazi was appointed as the company secretary on 18 March 2024 following the resignation of Diana Beneke. The Board is satisfied that his expertise, together with his experience and qualifications, are adequate to fulfil the duties of company secretary.

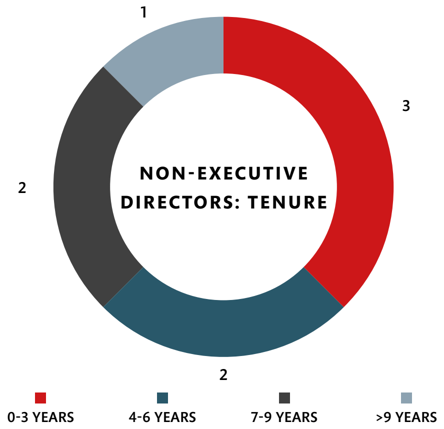
BOARD OF DIRECTORS (CONTINUED)

INDEPENDENCE

A majority of independent non-executive directors encourages independent thinking amongst all Board members and enables all directors to exercise objective judgement.

To allow a fair nominations process and to maintain the independence of the Board, one third of all non-executive directors must resign and are eligible to stand for re-election at each AGM as required by the MOI. The Committee follows the King IV nine-year tenure principle, as far as practically possible, for non-executive directors, including the Chairperson of the Board, to maintain the independence of the Board.

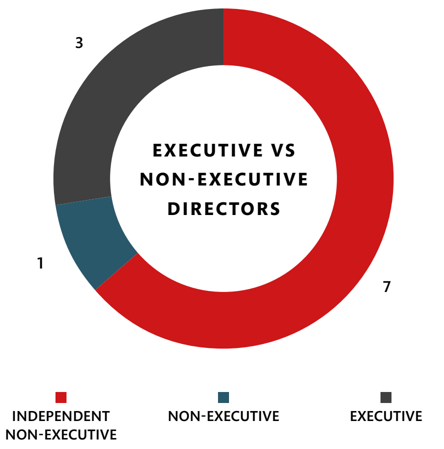
Leon Campher is the only director who has served on the Board for more than nine years. The Nomination Committee and the Board have assessed his independence and are satisfied that he maintains his independence and is able to exercise objective judgement, free from undue influence. As Chairman, his guidance and mentorship has been instrumental to the success of Equites and the Board considers his input invaluable both to the Board and in the best interests of shareholders.



CONFLICTS OF INTEREST & DIRECTOR'S PERSONAL INTERESTS

Timeously informing the Board of actual or potential conflicts of interest that they may have in relation to particular items of business or other directorships is an essential component of effective governance. Directors are required to declare their personal financial interests and those of related persons in contracts with the Group.

A comprehensive register in this regard is maintained and reviewed regularly. In line with the requirements of the Companies Act and King IV, directors are asked to recuse themselves, at both a Committee and Board level, from any discussions and decisions where they have a material financial interest or relationship, including related party transactions.



CORPORATE GOVERNANCE REPORT

Equites believes that effective corporate governance and disclosure serve the long-term interests of the Group, shareholders and other stakeholders. Effective corporate governance is deemed essential for the Group to achieve its long-term strategic goals. The implementation of the governance framework ensures that shareholders can hold directors accountable as their representatives, and in turn, directors can hold management accountable, with each of these constituents contributing to balancing the interests of the Group's varied stakeholders.

The purpose of this framework, amongst others, is to:

- Provide non-executive directors with a holistic and comprehensive view of governance activities across the organisation to enable the effective discharge of fiduciary duties;
- Clearly set out responsibilities across governance activities which enables accountability and transparency; and
- Set the platform for effective leadership from role players, providing clear direction and decision making to ultimately translate into long-term value creation for all stakeholders.

The Group has remained compliant with the Companies Act and operated in conformity with its MOI. The Board Charter and the terms of reference of each subcommittee are aligned with relevant provisions of the Companies Act and King IV.

The Board composition, governance framework, and the roles and responsibilities of the subcommittees are not solely focused on compliance with laws and regulations, but also play a vital role in driving outcomes that support the Group's ongoing long-term value creation.

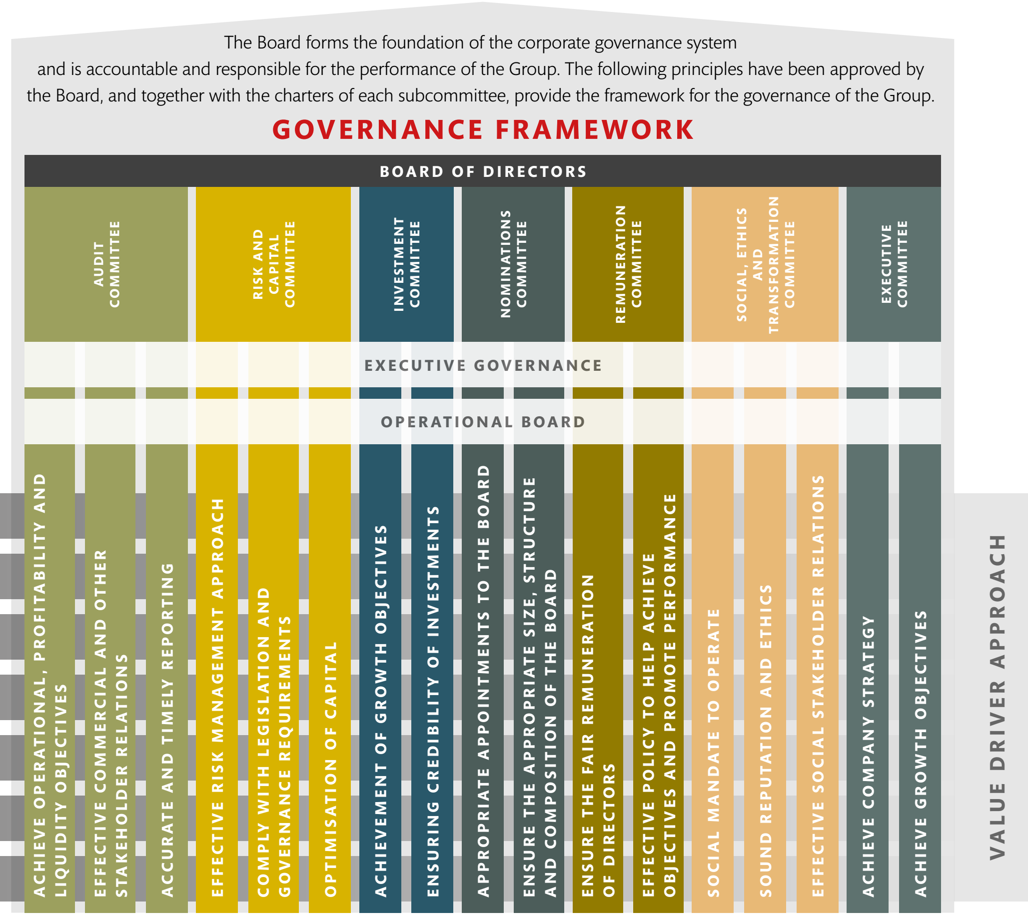
Through the governance structures and processes that are in place, the financial and other controls and the supervisory oversight exercised in the Group are deemed to be appropriate and adequate.

CRITICAL ELEMENTS OF GOVERNANCE

Seven critical elements of governance were considered when drafting the Group's governance framework. These were further disaggregated into specific and measurable goals, with areas of responsibility assigned to either the Board, the subcommittees, or the Executives.

39 Read more about the subcommittee mandates **here**.

1. STRATEGY & MANAGEMENT
2. GOVERNANCE STRUCTURES AND OVERSIGHT
3. SUSTAINABILITY AND RESILIENCE
4. CORPORATE CITIZENRY FRAMEWORK
5. RISK AND COMPLIANCE FRAMEWORK
6. TRANSPARENCY AND DISCLOSURE
7. ETHICAL LEADERSHIP AND CULTURE



INTEGRATED ASSURANCE

LINE 1: MANAGEMENT

LINE 2: ENTERPRISE RISK MANAGEMENT, COMPLIANCE

LINE 3: INDEPENDENT EXTERNAL ASSURANCE

CORPORATE GOVERNANCE REPORT (CONTINUED)

GOVERNANCE STRUCTURE

The Board retains effective control of the business through a clear governance structure and has established subcommittees to assist it in various elements of the Group's operations. The Board recognises that management is an integral part of the risk management and governance structure and to this end, the Board relies on regular management reports and updates. The Board delegates certain defined authorities to the Executives in order to operate the business efficiently, within the appropriate control framework. This framework is tabled at a Board meeting, annually, for updates, where necessary, and approval.

BOARD COMPOSITION

The Board consists of 11 directors, of which 8 are non-executive. Of the non-executives, 7 directors are independent.

The Nomination Committee is responsible for recommending candidates to the Board, in line with its policies and charter. This Committee monitors the rotation of directors in line with the Company's MOI and ensures that the size of the Board is optimised in order to facilitate efficiency and interaction between members. The overriding concern of the Nomination Committee is to ensure that as a collective, the Board is knowledgeable, skilled, experienced, diverse, and independent enough to fully discharge its roles and responsibilities.

Ruth Benjamin-Swales retired from the Board, by rotation, at the AGM held in August 2023 and Fulvio Tonelli was promoted to an indepenedent non-executive director from 1 June 2023.

33 Read more about Board diversity, independence, experience & skills **here**.

BOARD SUCCESSION

Succession planning is a key focus area for the Board. The Nomination Committee reviews succession planning for the Board, Executives and all other key management and makes recommendations to the Board accordingly. Succession planning includes policies and principles for the selection of Board members and Executives, and ongoing planning for circumstances which may require the selection of a new Board member and/or Executives.

BALANCE OF POWER AND AUTHORITY

The Chairperson of the Board and the CEO exercise important roles in the corporate governance structure of a company. King IV prescribes that the roles of Chairperson and CEO are performed by different people, and that the Chairperson is an independent non-executive director. Equites has always followed this principle.

CHAIRPERSON – Responsible to provide leadership to the Board, to take responsibility for the Board's composition and development and to lead the Board in forming its strategic vision and setting long-term goals for the future. Sets clear expectations concerning the Group's culture, values and behaviours and sets the style and tone of Board discussions.

CEO – Responsible for the effective management and running of the business in terms of the strategies and objectives approved by the Board. Chairs the Company's Executive Committee, leads and motivates the management team and ensures that the Board receives accurate, timely and clear information about the Group's performance. Promotes the Company's cultures, values, and behaviours through his own example and by influencing the day-today working environment of the Group.

COMPANY SECRETARY – Monitors the effective implementation of the delegated authority and has confirmed that, during the 2024 financial year Executives acted within the authority delegated to them by the Board. There is a clear balance of power and authority at Board level to ensure that no one director has unfettered powers of decision making.

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD FOCUS AREAS

The Board is responsible for evaluating the vision, mission, and values of the Group. The Board also approves group-wide policies and targets and monitors actual performance against these targets and effectiveness of these policies.

King IV provides for the Board to delegate the implementation and execution of the approved strategy, through policy and plans, to management via the Executives. The Board delegates authority to the Executives, to implement operational activities in line with long-term strategic goals.

The Board is expected to meet at least three times a year. Directors are expected to attend the Board and subcommittee meetings and to meet as frequently as may be necessary to enable the Board to properly discharge their statutory and compliance-related duties, as well as other responsibilities.

While maintaining a focus on corporate governance, the Board reviews the Group's strategy annually with the aim of ensuring that the strategy is aligned to the core values of the Group, risks identified and long-term stakeholder interests. The Board also reviews the Company's MOI regularly and proposes amendments, where necessary, for shareholder approval by means of a special resolution at an AGM.

KEY BOARD DISCUSSIONS AND APPROVALS IN FY2024:

MAY 2023

APPROVED the 2023 Consolidated and Separate Annual Financial Statements and the final dividend declaration

APPROVED the Group's risk register

APPROVED the Executives STI and LTI awards

DISCUSSED the new performance matrix to be included in the Remuneration Report

CONSIDERED the directors eligible for re-election at the AGM and confirmed that RE Benjamin-Swales will not be standing for re-election

HELD a Board strategy session

APPROVED the changes to the composition of the Audit Committee and Nomination Committee

DISCUSSED the status of the potential ENGL disposal

SEPTEMBER 2023

APPROVED the 2024 Condensed Consolidated Interim Results and the interim dividend declaration

APPROVED the new EOS for the Executives and key senior personnel

APPROVED diversity targets for the Board composition

DISCUSSED the EthicsDefender submissions and concluded that the matters have been investigated and closed

APPROVED the anti-bribery and corruption policy

DISCUSSED the disposals concluded and transferred during 1H24

FEBRUARY 2024

CONSIDERED service providers to perform an independent board evaluation

APPROVED the strategic objectives and material matters to be included in the FY24 Integrated Report

APPROVED base salary increases for all staff, including an adjusted increase for all staff earning below R500 000 per annum

REQUESTED the inclusion of a specific repurchase authority in the 2024 AGM

CONSIDERED the FY25 budget and requested management to make amendments and to resubmit a revised budget at the May 2024 Board meeting

APPROVED the anti-money laundering and the POPIA policy

CORPORATE GOVERNANCE REPORT (CONTINUED)

ETHICS & HUMAN RIGHTS

The Group subscribes to high ethical standards of business practice. The Board sets the tone at the top by leading with integrity, competence, responsibility, and accountability.

A set of ethical values is discussed and approved by the Board annually. These policies require all employees to adhere to ethical business practices in their relationships with each other, suppliers, investors, and all other stakeholders.

The Board is responsible for ensuring that the Group's ethics policies are appropriate and that they are enforced; this responsibility is discharged through the SET Committee. This Committee monitors the overall ethical culture of the business and ensures that the Board and wider organisation are equipped to deliver on the goal of creating an ethical workplace.

The Remuneration and Nomination Committee is responsible for enforcing ethical standards in recruitment processes, performance evaluation, remuneration of employees and to ensure fair and responsible pay at all levels.

The Risk and Capital Committee is responsible for identifying any ethical and other risks which may face the business, the potential consequences thereof, implementing procedures to mitigate the impact of any identified risk and the subsequent monitoring and assessing the effectiveness of these procedures.

The Group has a "no-tolerance" policy towards fraud and unethical behaviour in the organisation or with any of the counterparties the Group chooses to engage with.

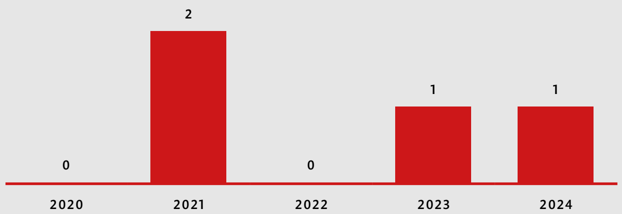
The Group subscribes to an anonymous whistle-blower platform, EthicsDefender, whereby any instances of fraud or other breaches of ethical behaviour may be reported.

Any incidents reported are directed to the Chairperson of the Audit Committee, Chairperson of the Risk and Capital Committee, Chairperson of the SET Committee and Chairperson of the Board and all incidents are investigated.

Key actions and initiatives undertaken during the year included:

- Approval of the anti-bribery and corruption and anti-money laundering policies
- Provided diversity training to all employees
- Underwent a values exercise encompassing all staff to establish the Company's core values

INCIDENTS REPORTED ON ETHICSDEFENDER



IN FY24 ONLY ONE INCIDENT WAS REPORTED:

- Breach in corporate governance by an Executive director. A third-party service provider was consulted to investigate the above incident and no breach of corporate governance has been identified. The matter has since been closed.

The link to EthicsDefender can be found on **here**.

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD COMMITTEES

The Group's governance structure and delegation framework enhance independent judgement, ensure the execution of strategy, and assigns directors to areas in which they would generate optimal value.

The Board acknowledges that they are ultimately responsible for managing the Group as a whole. To assist it in fulfilling its responsibilities, the Board has appointed a number of subcommittees. Each subcommittee has a mandate to ensure that all statutory and other regulatory requirements are addressed and to eliminate any potential duplication of activities. The Committees are appropriately constituted with relevant expertise and industry experience, and members are appointed by the Board with the exception of the Audit Committee, whose members are nominated by the Board and elected by shareholders at each AGM.

KNOWLEDGE SKILL & EXPERIENCE:
Financial reporting

AUDIT COMMITTEE

MEETINGS HELD: 3
ATTENDANCE: 100%
INDEPENDENCE: 100%

PRIMARY STAKEHOLDER INTEREST:

KEY RISKS: R[4]

MEMBERS AS AT 29 FEBRUARY 2024

Fulvio Tonelli (Chairperson)
Mustaq Brey
Keabetswe Ntuli
Doug Murray

INVITEES

Chairperson of the Board
Executives
Internal auditor
External auditors
Treasurer
Head of finance
Company secretary

KEY RESPONSIBILITIES

- Statutory committee whereby its responsibilities are in terms of section 94(7) of the Companies Act and all other duties assigned to it by the Board
- Fulfils a critical role in the overall governance framework by overseeing integrated reporting and ensuring the financial integrity of the annual financial statements
- Oversee the processes which ensure the integrity of the Group's reporting
- Oversight over the internal audit function

VALUE CREATING ACTIVITIES DURING THE YEAR:

- Reviewed the external auditor's effectiveness, independence and objectivity, audit and non-audit fees and the external audit plan
- Reviewed the interim and year-end financial results
- Reviewed internal audit findings and made recommendations
- Monitored the REIT status
- Discussed the 2023 JSE Proactive Monitoring report
- Recommended the reappointment of the external auditor, the financial results and dividend declarations to the Board for approval

70 The audit committee report can be found **here**.

KNOWLEDGE SKILL & EXPERIENCE:
Governance

RISK & CAPITAL COMMITTEE

MEETINGS HELD: 3
ATTENDANCE: 100%
INDEPENDENCE: 100%

PRIMARY STAKEHOLDER INTEREST:

KEY RISKS: R[1,2,3,4,8]

MEMBERS AS AT 29 FEBRUARY 2024

Mustaq Brey (Chairperson)
Leon Campher
Eunice Cross
Ndabezinhle Mkhize
Fulvio Tonelli

INVITEES

Executives
Internal auditor
Head of risk
Company secretary

KEY RESPONSIBILITIES

- Enables the Board to comply with its duties in relation to evaluating and improving the effectiveness of risk management, controls and governance processes within the Group
- Oversight and input into capital raises, debt funding and treasury related policies
- Ensure the effective development and implementation of the capital and risk management policies within the Group, to ensure that appropriate procedures are in place to identify, assess and manage risk and to report to the Board and shareholders, as necessary

VALUE CREATING ACTIVITIES DURING THE YEAR:

- Monitored compliance with the risk management framework, and reported that the Group had, in all material respects, complied with the framework
- Reviewed and revised the risk register
- Reviewed the results from the IT gap analysis performed by an independent service provider
- Monitored Group insurance requirements, especially the need for riot cover in SA
- Reviewed the revised POPIA policy

25 Read more about risk management **here**.

KNOWLEDGE SKILL & EXPERIENCE:
Property & development

INVESTMENT COMMITTEE

MEETINGS HELD: 2
ATTENDANCE: 100%
INDEPENDENCE: 75%

PRIMARY STAKEHOLDER INTEREST:

KEY RISKS: R[2,8]

MEMBERS AS AT 29 FEBRUARY 2024

Leon Campher (Chairperson)
Andre Gouws
Doug Murray
Ndabezinhle Mkhize

INVITEES

Executives
Company secretary

KEY RESPONSIBILITIES

- Essential to the growth and long-term value creation of the Group as it reviews capital allocation decisions identified by the Executives and makes recommendations to the Board in this regard

VALUE CREATING ACTIVITIES DURING THE YEAR:

- Evaluated, *inter alia*, the following transactions:
  - Disposal of a 35% undivided share of three Gauteng properties
  - Disposal of the Peterborough subsidiaries in the UK
  - Forward funding development and land disposal at Newport Pagnell, UK
  - Disposal of the New Germany property, KZN;
  - Further SA and UK disposals
- Analysed the commercial, financial, and operational impacts of these transactions and deemed all of them to be viable and in line with the long-term strategy of the business
- Recommended these transactions to the Board for approval

7 Read more about disposals **here**.

CORPORATE GOVERNANCE REPORT (CONTINUED)

KNOWLEDGE SKILL & EXPERIENCE: Leadership

NOMINATION COMMITTEE

MEETINGS HELD: 2
ATTENDANCE: 100%
INDEPENDENCE: 100%

PRIMARY STAKEHOLDER INTEREST:

KEY RISKS: R10

MEMBERS AS AT 29 FEBRUARY 2024

Leon Campher (Chairperson)
Mustaq Brey
Eunice Cross
Ndabezinhle Mkhize
Keabetswe Ntuli
Fulvio Tonelli

KEY RESPONSIBILITIES

- To assist the Board with the nomination, election and appointment of directors
- Ensures that the Board is suitably comprised in terms of skills and experience as well as in line with the Board's transformation goals

INVITEES

Executives
Company secretary

VALUE CREATING ACTIVITIES DURING THE YEAR:

- Reviewed and evaluated the size, structure and composition of the Board and set minimum diversity targets for black and black female representation
- Reconstituted all subcommittees and recommended these to the Board for approval
- Recommended directors for rotation to the Board, in line with the requirements of the MOI

33 Read more about Board diversity, knowledge, skills and experience **here**.

KNOWLEDGE SKILL & EXPERIENCE: Finance

REMUNERATION COMMITTEE

MEETINGS HELD: 3
ATTENDANCE: 100%
INDEPENDENCE: 100%

PRIMARY STAKEHOLDER INTEREST:

KEY RISKS: R6,10

MEMBERS AS AT 29 FEBRUARY 2024

Keabetswe Ntuli (Chairperson)
Mustaq Brey
Leon Campher
Doug Murray

KEY RESPONSIBILITIES

- Ensures that the Company remunerates all directors fairly and responsibly and that the disclosure of this remuneration is accurate, complete, and transparent
- Promoting fair, responsible, and ethical employment practices while being mindful of all stakeholders
- Ensures that the Group adopts a remuneration policy that is fair and transparent and attracts and retains talent that contributes to the achievement of the Group's objectives

INVITEES

Executives
External remuneration consultants
Company secretary

VALUE CREATING ACTIVITIES DURING THE YEAR:

- Reviewed the non-executive remuneration and the executive remuneration policy and implementation plan for approval by the shareholders at the AGM
- Focused its efforts on the reasonableness and fairness of the LTI and STI scheme
- Reviewed the results of the performance metrics and concluded on the impact on the STI and LTI
- Recommended LTI and STI awards for Executives to the Board for approval
- Evaluated the outcome of the 2018 EOS and determined that conditions have not been met on the measurement date
- Recommended the issuance of the 2023 EOS to the Board and the inclusion of key senior managers to the scheme
- Recommended the base salary increase rate to the Board for approval
- Recommended a specific repurchase authority in terms of the CSP to the Board for approval

43 The remuneration report can be found **here**.

KNOWLEDGE SKILL & EXPERIENCE: ESG

SOCIAL, ETHICS & TRANSFORMATION COMMITTEE

MEETINGS HELD: 2
ATTENDANCE: 100%
INDEPENDENCE: 100%

PRIMARY STAKEHOLDER INTEREST:

KEY RISKS: R2,6,7,10

MEMBERS AS AT 29 FEBRUARY 2024

Eunice Cross (Chairperson)
Fulvio Tonelli
Leon Campher

KEY RESPONSIBILITIES

- Statutory committee in terms of the Companies Act
- Oversight of and reporting on organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships
- Ensuring that the disclosure of the Group's SET values and goals are accurate, complete, and transparent
- Promoting organisational ethics and enhancing the positive footprint which Equites can make in society

INVITEES

Executives
Company secretary

VALUE CREATING ACTIVITIES DURING THE YEAR:

- Monitored the sustainability framework
- Reviewed the Sustainability report
- Increased attention on climate change mitigation practices under ESG
- Recommended the Anti-bribery and corruption policy to the Board for approval
- Recommended the anti-money laundering policy to the Board for approval
- Monitored MLF's activities
- Monitored compliance with ESG commitments
- Discussed an incident logged on EthicsDefender
- Reviewed B-BBEE status

41 The SET Committee's report can be found **here**.

SOCIAL, ETHICS & TRANSFORMATION REPORT

The Companies Act requires that the Board of all listed companies should have a Social and Ethics Committee. This report is prepared in compliance with the Companies Act.

The SET Committee met twice during the year under review. At each Board meeting, the Chairperson of the SET Committee reported on initiatives recently undertaken by the SET Committee, as well as the tools used to monitor and measure the Group's transformation and sustainability policies, activities, and processes. During the year under review, sustainability, ESG and transformation continue to be the key areas of focus.

SET COMMITTEE

MEMBERS:

Eunice Cross (Chairperson)
Fulvio Tonelli
Leon Campher

The SET Committee members are all independent non-executive directors. Their collective knowledge, skills and experience include:

- ESG
- Non-profit organisations
- Compliance
- Gender relations & equity matters
- Enterprise supplier development

KEY RISKS:

R 2,6,7,10

RESPONSIBILITIES

The Committee operates under strict terms of reference, which are reviewed regularly. Under these terms of reference, the SET Committee is responsible for:

- Monitoring the ESG activities of the Group, having regard to all relevant legislation, other legal and regulatory requirements, and prevailing codes of best practice.
- Ensuring good corporate citizenship of the Group, including:
  - Promotion of equality, prevention of unfair discrimination, transparency and integrity;
  - Contribution to development of the communities in which the Group's activities are predominantly conducted, sponsorships and charitable donations;
  - Assessment of the impact that the Group's activities may have on the environment, health and public safety;
  - Monitoring of consumer relationships, including the Group's advertising and public relations, as well as compliance with consumer protection laws; and
  - Consideration of labour and employment practices, including monitoring the Group's employment relationships and its contribution towards the educational development of its employees.
- Ensuring the highest ethical standards for the Group, including:
  - Leadership demonstrating support for ethics throughout the Group;
  - Being accountable for compliance with the Sustainability Framework and its objectives;
  - Monitoring the transformation targets of Equites, including the B-BBEE levels and making recommendations for improvements; and
  - Assisting management with an advisory function to enhance the effectiveness of ESG policies and practices.
- The development and maintenance of a strategy for social and ethics management that is informed by the risks the Group faces.
- Monitoring the implementation of new policies to address sustainability issues identified and applicable to the Group.

SUSTAINABILITY FRAMEWORK & GOALS

CODES AND STANDARDS APPLICABLE TO THE GROUP WHICH DIRECT THE COMMITTEE'S ACTIVITIES

The Broad-based Black Economic Empowerment Act 53 of 2003

Employment Equity Act, No 55 of 1998 of South Africa

Equality Act 2010 of the United Kingdom

International Labour Organisation's directives

The Ten Principles of the UN Global Compact

The Organisation for Economic Cooperation and Development

Task Force on Climate Related Disclosure framework

Global Reporting Initiative

International Financial Reporting Standards' S1 and S2

United Nations' Sustainable Development Goals

ENVIRONMENTAL STEWARDSHIP

EMPLOYEE WELLNESS

SOCIAL RESPONSIBILITY, COMMUNITY DEVELOPMENT & EDUCATION

CUSTOMER CENTRICITY

GOOD GOVERNANCE

CLIMATE RISK MANAGEMENT

MEASURING PERFORMANCE

Sustainalytics, a Morningstar company, is a global ESG ratings agency that evaluates Environmental, Social and Governance risk in an organisation. The score measures exposure to industry-specific material ESG risks and how the entity is managing those risks. Equites underwent its fourth consecutive Sustainalytics verification and achieved a score of 9.0. This represents an 18.9% improvement in its ESG risk rating compared to the previous year.

The Group will continue to be rated by an independent verification agency as this allows it to benchmark the ESG processes and outcomes against global best practice.

31 Read more about Equites' Sustainability Framework and Goals **here**.

SOCIAL, ETHICS & TRANSFORMATION REPORT (CONTINUED)

KEY ISSUES CONSIDERED BY THE COMMITTEE DURING THE YEAR

MM2 MM4 R[2,7]

ENVIRONMENTAL

CLIMATE RISK MANAGEMENT & DISCLOSURE
- Fully adopted the best practice recommendations of the TCFD
- Considered the impact of IFRS S1 & S2 Climate related disclosure

SUSTAINABILITY AUDITS
- Targeted at assessing energy and water usage
- Identify measures which can be taken to improve the Group's carbon footprint
- Acknowledged the awards granted in relation to Equites' ESG risk rating and its green building portfolio

COMMITMENTS & TARGETS
- Monitored compliance with the sustainability KPIs linked to debt facilities
- Monitored transactions which would have a material impact on sustainability KPIs
- Approved the Group's NetZero SBTi Commitment of achieving net zero by FY2040

BIODIVERSITY
- Considered the requirements of the Task Force on Nature Related Disclosure

CAPITALS IMPACTED:
MC FC NC

MM3 MM4 R[6,10]

SOCIAL

TRANSFORMATION
- Considered the transformation strategy and monitored the actual results of the annual verification to the strategy
- Approved the Group's third Statement 102 B-BBEE transaction

ENTERPRISE SUPPLIER DEVELOPMENT
- Approved the continued support of Equites' seven ESD vendors in the AmpCore programme which services properties in the Western Cape and Gauteng

EMPLOYEES
- Reviewed the Group's people strategy which is focused on ensuring that the Group has created an environment in which staff are involved, engaged and are valued as active contributors of value creation
- Provided oversight over the Equites values exercise to determine the Company's core values

SOCIAL DEVELOPMENT
- Continued monitoring over MLF
- Launched Equites' student vacation programme aimed at young students of the built environment, including those on the MLF bursary programme

CAPITALS IMPACTED:
HC SC

MM3 R[6]

GOVERNANCE

ETHICS, BRIBERY & CORRUPTION
- Oversaw the implementation and compliance of all ethical policies, ensuring they align with the Group's values
- Promoted a culture that encourages employees and stakeholders to report instances of unethical behaviour or other violations

STAKEHOLDER ENGAGEMENT
- Implemented a stakeholder engagement plan to provide greater specificity and transparency

WHISTLEBLOWING
- There was a single incident of alleged breach in corporate governance by a director reported on the EthicsDefender platform. This allegation was investigated, and no breach in governance was found. The matter has since been closed

CAPITALS IMPACTED:
IC

7 For detailed information about these initiatives please refer to the Group's annual Sustainability report **here**.

KEY AREAS FOR FUTURE CONSIDERATION
- Continue to implement the recommendations of the sustainability audits across the Group and certify the buildings to EDGE or BREEAM standards
- Enhancing the ESG processes to improve Equites' ESG risk profile
- Maintain a B-BBEE rating at level 2 and develop a plan to advance to level 1 over the medium-term
- Continued focus on diversity in all hiring and procurement practices
- Further enhance the Group's ethical framework

REMUNERATION REPORT

The Remuneration Committee's mandate is to ensure that Equites' remuneration policies and decisions continue to support the achievement of the Group's strategic objectives in a manner that is fair and responsible, and that encourages individual performance.

The policies in place have been developed over a number of years in consultation with shareholders and remuneration specialists, and is founded on an understanding of the unique culture of innovation and excellence at Equites.

REM COMMITTEE

MEMBERS:

Keabetswe Ntuli (Chairperson)
Mustaq Brey
Leon Campher
Doug Murray

The Rem Committee members are all independent non-executive directors. Their collective knowledge, skills and experience include:

- Assurance
- Finance
- Governance

KEY RISKS:

R6,10

THIS REPORT SETS OUT EQUITES' REMUNERATION PHILOSOPHY AND POLICY FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS AND IS PRESENTED IN THREE PARTS:

PART 1 The background statement which provides context to the Company's remuneration policy and performance;

PART 2 An overview of the forward-looking remuneration policy; and

PART 3 The implementation report which sets out in detail how the existing policy has been implemented during the year under review, and discloses payments made to non-executive and executive directors during the year.

The Remuneration Committee is tasked with upholding Equites' remuneration policies in alignment with the Group's strategic goals, fostering fairness, responsibility, and incentivising individual performance. These policies, shaped over years through collaboration with shareholders and remuneration experts, are rooted in Equites' distinctive culture of innovation and excellence.

The recruitment and retention of specialised roles is proving increasingly challenging due to heightened competition for talent. In the aftermath of the pandemic, employees prioritise a comprehensive employee value proposition when selecting their workplace. Factors like company culture, values, governance, diversity, and inclusivity now constitute a more comprehensive and compelling proposition, although remuneration cannot be underestimated in decision-making.

With the above in mind, the Committee diligently benchmarks, monitors, and revises its remuneration policy to sustain its effectiveness in advancing Equites' strategic objectives through its talent in order to generate value for stakeholders across short-, medium-, and long-term horizons. While the policy remains largely similar to the prior year, subsequent to shareholder engagement and market research, adjustments were made to certain personal performance metrics which impact the long-term and short-term incentive scheme. This is detailed in the 48 **remuneration policy**.

In 2018, the Committee implemented an "executive outperformance scheme" which was due to vest on 31 August 2023. The EOS was not initially awarded with performance criteria attached as it was intended to be a pure retention scheme. Following discussions with shareholders, the award was amended to include performance metrics relating to market capitalisation and distribution per share. These performance criteria were not met and the award lapsed, in its entirety, in August 2023. The Committee has approved a new executive outperformance scheme to replace the original scheme. Details of the original scheme and the new scheme is included in the 55 **remuneration policy** and the 63 **implementation report**.

At year end, the Equites team consisted of 40 employees in SA (including the three Executives) and two employees in the UK. Managing a small team across various pay scales presents unique challenges but the Committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for FY24 and that the remuneration policy achieved its stated objectives.

REMUNERATION REPORT (CONTINUED)

PART 1: BACKGROUND STATEMENT

1.1 INTRODUCTION

The FY23 remuneration report dealt extensively with the change in the Equites strategy as a result of operating in a high interest rate environment with a scarcity of equity capital. The report detailed the new strategic objectives, including:

- Dispose of the UK development platform and no longer undertake UK developments;
- Remove synthetic gearing from the balance sheet by terminating all CCIRS;
- Rebalance UK LTV;
- Implement an extensive disposal programme to unlock capital.

The anticipated result of these changes was a decrease in distributable earnings primarily as a result of terminating CCIRS and a decreased portfolio size as a result of the planned disposals necessary to generate capital. As a result of these changes, the remuneration policy was tailored to reflect the new strategic objectives. The 56 **implementation report** details the actual measurement against these agreed measures.

As anticipated, the period under review presented various challenges to the operating business. Real estate is intrinsically linked to the interest rate environment, and with globally restrictive monetary policy, investment in real estate diminished. Furthermore, the cost of capital increased in line with increases in interest rates, necessitating higher returns to meet hurdle rates. Lastly, growth in SA remained muted and without growth in the underlying economy, it has become increasingly difficult to generate growth in the underlying business.

Despite the challenging market conditions, the Executives delivered results in accordance with the board-approved strategy. Notable achievements include:

FINANCIAL HIGHLIGHTS:

- DPS of 131.12 cps, in line with guidance
- LTV at 39.6%, despite significant development activity during the period
- R2.3 billion in cash and unutilised facilities
- NAV per share of R17.14, reflecting a 3.0% increase since Feb-23

STRATEGIC HIGHLIGHTS:

- Disposal of SA assets to the value of R1.2 billion, at a 0.1% discount to book value
- Successfully terminated all CCIRS and no related income was included in distributable earnings
- Disposal of UK assets to the value of R3.6 billion
- Reduced offshore LTV to provide investors with greater exposure to underlying ZAR weakness over time

ESG HIGHLIGHTS:

- Installed a total of 3 130 kWp of new solar capacity during FY24, bringing the total generation capacity in the portfolio to 20.2 MW
- Commenced energy wheeling project in the Western Cape
- Achieved B-BBEE Level 2

In the face of a challenging economic climate, the resilience and strategic acumen demonstrated by the management team has been commendable. Despite formidable headwinds, management has delivered on its communicated strategy, and has positioned the business well for future growth.

FY24 REMUNERATION OUTCOMES

FIXED REMUNERATION

The Committee approved a 6.0% increase for Executives for FY25.

The salary adjustments approved for other staff in the organisation is based on a 6.0% base-level adjustment, with specific adjustments made to individual employees who had outperformed during the year or where individuals were remunerated below market. Furthermore, all Equites employees who earned below a certain threshold were awarded a 10% increase to combat the impacts of higher inflation, particularly with respect to food, energy and transportation.

VARIABLE REMUNERATION

STI

The STI allocation as well as the STI metrics were revised in FY23. Following an independent review on comparative variable pay in a peer group, the allocation was revised to increase the allocation to 100% of TGP for the CEO and 90% of TGP for the COO and CFO. The key performance metrics were also expanded to include total return, distribution per share, balance sheet management, portfolio activity, operational metrics and ESG metrics. The metrics were heavily weighted towards financial metrics, with 25% of the total measures being linked to total return against the weighted average cost of capital ("WACC"). Due to the rising cost of debt, the WACC was determined to be c.13% during the period. Despite achieving a total accounting return of 10.5% over FY24, this did not meet the required "threshold" and the resultant impact was that the Executives were awarded nil for this metric. On the remainder of the metrics, the performance varied between target and stretch and the resultant outcome for the company performance measure was 100% (out of a potential 200%). By applying the personal modifiers to this outcome, the resultant STI award was 121% of TGP for the CEO, 109% of TGP for the COO and 107% of TGP for the CFO (out of a potential 160% TGP for CEO and 145% TGP for COO and CFO).

REMUNERATION REPORT (CONTINUED)

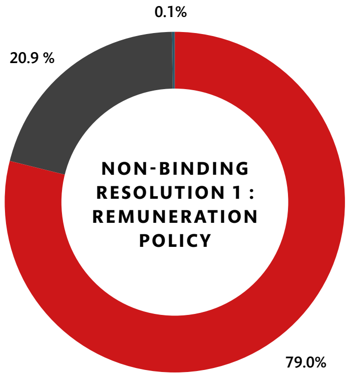
VARIABLE REMUNERATION (CONTINUED)

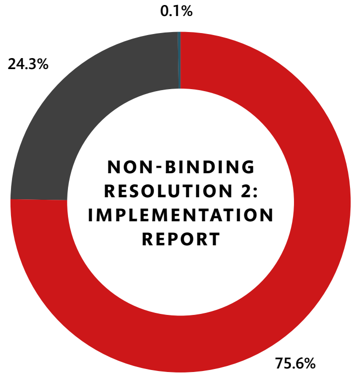
LTI

Two of the Company performance measures are linked to total return, with the remaining two being linked to portfolio growth and ESG metrics. Over the measurement period (FY21 – FY24), the NAV per share has declined from R17.25 to R17.14 driven largely by the decline in the UK portfolio values. This decline in NAV offsets the income return over the period and the total return has been determined to be 8.09% on a CAGR basis. This return has resulted in the Executives not achieving the two measures relating to total return. The Executives have, however, achieved the "stretch" on the portfolio growth measure and ESG measure. The resultant Company performance measure amounts to 100% (out of a potential 200%).

EOS

In 2018, the Committee implemented an EOS to reward key members of the Executive and staff who were instrumental in building the success of the Company, and to incentivise these members to remain with the Company. The 2018 EOS was implemented as a cash-settled conditional share plan, whereby participants were granted notional shares in the Company on 31 August 2018. The award included the payment of notional dividends to participants. The measurement date for the 2018 EOS was 31 August 2023. The full vesting criteria was not met at this date, the scheme did not vest and no cash was paid to participants in respect of this scheme vesting. This is discussed in further detail in the 55 **remuneration policy**.





VOTES IN FAVOUR   VOTES AGAINST   ABSTAIN

1.2 FEEDBACK FROM SHAREHOLDER ENGAGEMENT

Equites engages with shareholders regarding its remuneration policy and implementation on an annual basis. The intention of the engagement is to obtain shareholder insights and concerns and to ensure that the remuneration policy is adapted accordingly.

Key themes raised by shareholders have been incorporated into the policy for the upcoming year. In July 2023, the Company held seventeen shareholder meetings which were attended by the Chairperson of the Board and the Chairperson of the Committee. These discussions provided valuable insights to the Committee. Equites would like to thank all shareholders for their time and for continuing to engage on these matters.

At the AGM held on 17 August 2023, shareholders gave a positive non-binding advisory vote of 79.0% endorsing the 2023 remuneration policy (2022: 91.5%) and 75.6% (2022: 91.5%) endorsing the implementation report.

The Committee looks forward to continuing these discussions with our shareholders during FY25 and welcomes proactive feedback from all shareholders prior to the AGM. The Committee will respond to queries and input from shareholders in writing and will hold consultations with Equites' top 10 shareholders as well as any shareholders who specifically request a consultation. All shareholders are encouraged to contact investors@equites.co.za to request specific engagement or to pose questions directly relating to the remuneration policy or implementation report.

As in prior years, shareholders will be requested to cast a non-binding vote on both the remuneration policy and the 2024 implementation report at the AGM to be held on 14 August 2024. If either the remuneration policy or the implementation report receive 25% or more dissenting votes from shareholders at the AGM, the Board and the Committee will:

- Institute a formal engagement process with interested shareholders to assess their views;
- Address legitimate and reasonable objections raised; and
- If required, amend the remuneration policy or clarify and/or adjust the remuneration governance, processes or disclosure.

REMUNERATION REPORT (CONTINUED)

1.2 FEEDBACK FROM SHAREHOLDER ENGAGEMENT (CONTINUED)

Below is a summary of the pertinent feedback received following our engagement with shareholders during the year under review, along with Equites' comment or action for resolution:

COMMENT FOR CONCERN	NON-BINDING RESOLUTION
REMUNERATION POLICY	
1 Investors noted that they would welcome the upweighting of the financial performance metrics.	The Committee noted the requirement for increasing the financial metrics. In the STI, the "portfolio activity" measure was removed and the weighting allocated to "total return" was increased to 25%. The total financial metrics now comprise 85% of the total STI measures. In the LTI, the Committee removed the "portfolio activity" measure and increased the weighting of the "total return" measure. The total financial metrics now comprise 80% of the total LTI measures.
2 Investors suggested the inclusion of relative return metrics for both the STI and LTI (vs. the sector index or a relevant basket of peers).	The Committee considered the inclusion of a comparative metric in both the STI and LTI, however, decided to only include this in the LTI as it was more reflective of a trend in the peer group and less exposed to single-period anomalies. The relative metric has been included in the LTI as a relative total return metric to be measured against a basket of SA REIT peers.
3 Investors suggested the removal of the 'portfolio activity' metric from the STI and LTI as they felt that this was too broad and was covered in the balance sheet and operational metrics.	The Committee debated this at length and decided to remove this metric from the STI and LTI schemes. The STI metrics were amended from FY24 onwards. Changes made to the LTI awards will not impact "in-flight" awards but will impact new awards made from FY25 onwards.
IMPLEMENTATION REPORT	
4 Investors requested the WACC to have an observable/measurable reference point.	The Committee has updated the definition of WACC for the purposes of assessing performance to reference the risk-free rate + a premium of 2%.

1.3. KEY POLICY CHANGES DURING THE PERIOD

METRIC	UPDATES TO REMUNERATION POLICY	RATIONALE FOR CHANGE
SHORT TERM INCENTIVE – ALLOCATION OF AWARDS	On target award of STI was 60% of TGP for CEO and 50% of TGP for COO and CFO. This was capped at 120% for the CEO and 100% for COO and CFO. The on-target award of STI was increased to 100% for CEO and 90% of TGP for COO and CFO. This is capped at 160% for the CEO and 145% for COO and CFO.	Independent review of comparative counters indicated that the STI award multiple of TGP was lower than all counters in the peer group. The Committee decided to increase the allocation to the median of the peer group.
SHORT TERM INCENTIVE – COMPANY PERFORMANCE MEASURES	Company performance measures were updated to remove reference to "portfolio activity". The financial metrics were upweighted, and now comprise 85% of the total company performance measures. The ESG measure was disaggregated to reflect the "Sustainalytics" rating as well as the solar generation targets.	Following shareholder engagement, the metrics were carefully considered and updated to align management's remuneration more closely with financial returns for shareholders and to provide further granularity in terms of ESG metrics.
LONG TERM INCENTIVE – COMPANY PERFORMANCE MEASURES	Measures were updated to remove reference to the "portfolio activity" measure. The financial metrics were upweighted, and now comprise 80% of the total company performance measures. The ESG measure was disaggregated to reflect the "Sustainalytics" rating as well as the solar generation targets.	Following shareholder engagement and in line with the amendment to the company performance measures in the STI, these metrics were updated to align management's remuneration more closely with financial returns for shareholders and to provide further granularity in terms of ESG metrics.
2023 EXECUTIVE OUTPERFORMANCE SCHEME	The Committee has approved the reintroduction of an executive outperformance scheme (following the lapsing of the 2018 EOS), to aid the retention of Executives and other key employees. The new EOS will replace the previous scheme and further details on its operation are provided in the policy section. The new 2023 EOS was awarded on the same basis as the 2018 EOS: participants were awarded with notional shares to the value of 5 x their annual TGP. Participants are also entitled to dividend equivalents as cash amounts. The new awards were made on 31 August 2023 and will vest after 5 years.	The new EOS was awarded on a once-off basis to reward outperformance and reward retention.

REMUNERATION REPORT (CONTINUED)

1.4 REMUNERATION CONSULTANTS

The Committee engaged the services of Paul Barnard and Matthew Melville at Rem Solutions Proprietary Limited who were requested to provide a review of the following elements of remuneration:

- review of pay mix and the relative weighting of fixed vs variable remuneration;
- treatment of original executive outperformance scheme on 31 August 2023;
- investigating retention and outperformance scheme to retain and reward senior management;
- reviewed the alignment of executive remuneration with shareholder interests; and
- suggesting minimum shareholding requirements for Executives.

The outcomes of these reviews are included in the 48 **Remuneration Policy** section of this report.

The Committee used independent specialists to assist with reviewing the remuneration report and the Committee is satisfied that the services rendered were independent and objective.

1.5 UPDATE ON ACTIVITIES UNDERTAKEN DURING THE YEAR

The Committee fulfilled the following main duties:

- Engaged with shareholders to understand their concerns regarding the remuneration policy and implemented changes for the upcoming year;
- Engaged specialists to review the remuneration policy to ensure that it remains appropriate in line with the Group's change in strategy;
- Considered the appropriateness of the performance measures for both STI and LTI in line with the new strategy;
- Reviewed the outcomes of remuneration policy implementation to assess whether the policy's objectives had been achieved over the past financial period;
- Approved TGP increases for Executives;
- Reviewed performance outcomes and approved the STI payments to the Executives;
- Reviewed performance outcomes and approved the vesting of shares in respect of the 2021 LTI award;
- Reviewed and approved the grant of 2024 LTI awards to the Executives;
- Suggested changes to the non-executive directors' fees to be approved at the AGM; and,
- Oversaw the preparation of the remuneration report and ensured that the remuneration policy and implementation report are put to a non-binding advisory vote at the AGM.

1.6 FAIR AND RESPONSIBLE REMUNERATION

The Committee increased its focus on the principle of fair and responsible remuneration, with an emphasis on addressing the internal wage gap as well as any gaps in race or gender.

In consideration of fair and responsible pay, the Committee considered the legislated minimum wage and ensured that the lowest earning employees are remunerated well above this level. In FY24, the lowest earning employee earned 2.55 times the minimum wage (excluding any STI and LTI). The Committee believes that this is an ethically based wage which reflects the Group's values and the current socio-economic standing of the country. Furthermore, all permanent employees of the Group participate in both the STI and LTI schemes to further encourage alignment at all levels of staff.

In addition to the above and in line with the philosophy regarding fair and responsible pay, the Executives were mandated to consider individual job roles within the organisation and to benchmark these to ensure that the TGP of roles below executive level remain market-related and also to ensure parity in treatment between the TGP of Executives and that of employees below executive level. Where TGP was identified as being below the market, adjustments were made to the TGP of those employees in order to bring them in line with the market. Furthermore, notwithstanding paying well above minimum wage, all Equites employees who earned below a certain threshold were awarded a 10% increase to combat the impacts of higher inflation, particularly with respect to food, energy and transportation.

1.7 FUTURE AREA OF FOCUS

Consistency of LTI metrics in line with creating shareholder value.

REMUNERATION REPORT (CONTINUED)

PART 2: REMUNERATION POLICY

2.1 REMUNERATION COMMITTEE

In line with best practice, the Group's Remuneration Committee is appointed by the Board and has delegated authority, in accordance with its terms of reference, to review and make decisions regarding the Group's remuneration policies and implementation thereof. Details of the Committee and attendance at meetings is included in the 40 **Corporate Governance** report.

The Committee met three times during the year under review.

The Committee's primary responsibilities are set out in its terms of reference and include:

- Overseeing the setting and administering of remuneration at all levels in the Company;
- Overseeing the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance;
- Ensuring that executive remuneration is fair and responsible within the context of overall company remuneration;
- Reviewing the outcomes of the implementation of the remuneration policy to assess whether the policy's objectives are being achieved;
- Ensuring that the mix of fixed and variable pay in cash, shares and other elements meets the Company's needs and strategic objectives;
- Satisfying itself as to the accuracy of recorded performance measures that govern the vesting of incentives;
- Ensuring that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- Considering the results of the evaluation of the performance of the CEO and other executive directors, both as directors and as executives, in determining remuneration;
- Selecting an appropriate comparator group when comparing remuneration levels;
- Regularly reviewing incentive schemes to ensure continued contribution to shareholder value and ensuring that these schemes are administered in terms of their respective rules;
- Considering the appropriateness of early vesting of share-based schemes at the end of employment; and,
- Consulting on and making recommendations for approval of the fees payable to non-executive directors.

REMUNERATION REPORT (CONTINUED)

2.2 ORGANISATION-WIDE REMUNERATION POLICY OVERVIEW

	TGP	STI	LTI (CONDITIONAL SHARE PLAN – PERFORMANCE SHARES)	LTI (CONDITIONAL SHARE PLAN – MATCHING SHARES)	2023 EOS (ONCE-OFF AWARD)
OBJECTIVE	To attract and retain high quality individuals	To incentivise employees to deliver annual targets and strategic goals	To incentivise participants to deliver long-term shareholder value	To incentivise participants to deliver long-term shareholder value	To retain key staff and reward the creation of long-term shareholder value
PARTICIPATION	All employees	All employees	All employees	All employees	Executives and selected key personnel
PERFORMANCE PERIOD	Ongoing	One year	Three years, with a further two-year post-vesting holding period	None; awarded on a 3:1 basis, calculated on number of LTI awards that have vested	Five years
VESTING	N/A	One year from award date	Potential 200% vesting after three years, subject to achieving the set performance targets. Vested LTI awards are subject to a further 2 years elective post-vesting holding period	100% vesting two years from award date, subject to employment	100% vesting five years from award date; subject to achieving the set performance targets
PERFORMANCE MEASURES FOR FY25	Individual performance	Company performance measures include: Total return, DPS against budget, Balance sheet management, operational metrics, ESG and solar generated Individual performance	Company performance measures include: total return, balance sheet management, operational metrics, ESG and solar generated.	Conditional on continued employment for the 2-year period	Company performance measures include DPS, share price growth, NAV growth, total return and generating non-GLA income
METHOD OF DELIVERY	Cash	Cash	Equites shares	Equites shares	Cash
SUBJECT TO MALUS AND CLAWBACK?	No	Yes. Malus and clawback applicable	Yes. Malus and clawback applicable	Yes. Malus and clawback applicable	Yes. Malus and clawback applicable

For the purposes of the remuneration policy, employees have been categorised into three categories: Executives, management and other employees. The Group's pay mix provides for short-term reward, while incorporating long-term incentives.

In addition to TGP, all permanent employees receive a component of variable remuneration. Short-term variable remuneration is awarded in the form of either a thirteenth cheque or short-term incentive dependent on the employee's level and role in the Group. All permanent employees are included in the long-term incentive scheme.

TOTAL GUARANTEED PAY

THE TGP IS THE SALARY FOR PERFORMING THE CONTRACTUAL ROLE AGREED UPON AND ANY BENEFITS ACCRUING DURING THE FINANCIAL YEAR.

ANNUAL PERFORMANCE-RELATED INCENTIVES

THE STI IS AWARDED TO EMPLOYEES BASED ON THE GROUP'S ANNUAL FINANCIAL PERFORMANCE AS WELL AS INDIVIDUAL PERFORMANCE METRICS.

LONG-TERM INCENTIVES

THE LTI IS DESIGNED TO ATTRACT, RETAIN AND REWARD EMPLOYEES THROUGH THE AWARD OF CONDITIONAL SHARES. THIS SERVES TO ALIGN THE INTERESTS OF EMPLOYEES WITH THOSE OF SHAREHOLDERS.

REMUNERATION REPORT (CONTINUED)

2.3 FAIR AND RESPONSIBLE REMUNERATION

The remuneration for employees is market competitive and includes variable remuneration in the form of an STI and LTI for all employees. This is to assist in promoting the financial health of all staff in the business and to align the interests of employees with those of shareholders. As detailed above, the Executives are mandated to consider individual roles within the organisation and benchmark these on an ongoing basis to ensure that the TGP of roles below executive level remain market-related. Where any anomalies are identified in the TGP of a particular role, the TGP is adjusted accordingly in order to bring it in line with market.

The Group currently performs detailed annual analysis of income differentials, per the requirements of the Employment Equity Act, as one mechanism of identifying and correcting any unjustified income differentials. The Committee uses salary benchmarks to determine market relatedness and which forms a primary input into the annual salary review process.

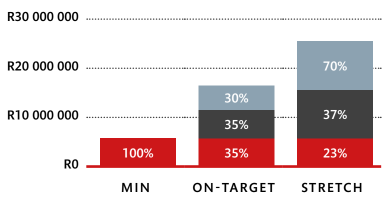
Employees have been awarded a 6% base-level increase for FY25 to address the increase in cost of living concerns and enhance fair remuneration across the Group. In line with the Committee's philosophy around fair and responsible pay, the Executives were mandated to consider individual job roles within the organisation and to benchmark these to ensure that the TGP of roles below executive level remain market related, particularly in light of the growth in the Company over the past four years and also to ensure parity in treatment between the TGP of Executives and that of employees below executive level. Several employees were identified to fall into this category and the Executives adjusted these salaries to be reflective of the value which these employees add to the business. The resultant increase across the employee category (excluding Executives) was 15%, effective from 1 March 2024.

Lower income earners are awarded a higher medical aid subsidy from the Company, in an attempt to neutralise the impacts of salary differentials and to compensate for the impact of higher food and fuel inflation. The Company also provides bursaries to employees who wish to further their studies and empower themselves through education. These benefits have gone a long way to improve the lowest income earners in the organisation.

2.4 EXECUTIVE REMUNERATION

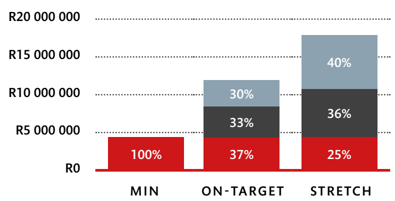
The Executives' remuneration is a mix of TGP, STI and LTI as detailed below:

CEO



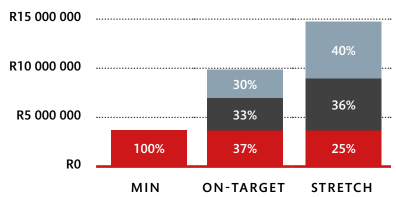
	MIN	ON-TARGET	STRETCH
LTI	–	4 959 603	9 919 206
STI	–	5 834 827	9 335 723
TGP	5 834 827	5 834 827	5 834 827

COO



	MIN	ON-TARGET	STRETCH
LTI	–	3 568 832	7 137 663
STI	–	4 014 936	6 468 507
TGP	4 461 040	4 461 040	4 461 040

CFO



	MIN	ON-TARGET	STRETCH
LTI	–	2 899 931	5 799 863
STI	–	3 262 423	5 256 126
TGP	3 624 914	3 624 914	3 624 914

On-target variable pay (STI and LTI) comprises more than half of total remuneration. At stretch, the variable pay comprises 77% of the total remuneration for the CEO, and 76% of total remuneration for the COO and CFO. Amounts received under the EOS have not been included here, as this is not considered to form part of regular annual remuneration.

2.5 TOTAL GUARANTEED PAY

TGP comprises cash salary and benefits and is determined by the scope of the role, performance, and experience. Employee remuneration levels are reviewed annually and assessed against business performance, the scope and nature of the role, relevant companies in the property sector and macroeconomic indicators such as inflation, cost-of-living changes and the labour market, to ensure they are fair and reasonable.

Equites typically benchmarks its Executives' TGP to the median of a comparator group of JSE-listed property companies peer companies every three years; with inflationary increases in the interim years. The last benchmarking exercise was performed in 2021 and the next one is planned for FY25.

An increase of 6.5% was approved for Executives for FY24, effective 1 March 2023 and a 6% increase was granted for Executives for FY25. This increase is in line with the base-line increase awarded to all other employees in the Group.

2.6 VARIABLE PAY

The Executive remuneration pay mix was benchmarked against Equites' peer group during FY24 and it was found that the variable pay component was pitched relatively low, particularly in the STI payment when the company performed and outperformed. Equites' "on-target" total pay mix was found to be too light in terms of STI because the Equites on target multiple for STI was found to be the lowest amongst peers. Consequently, the STI on-target percentage was increased from 60% of TGP (2023) to 100% for the CEO, and from 50% of TGP (2023) to 90% for the COO and CFO. In line with the increase in the STI on target allocation, the Committee increased the cap to 160% for the CEO and 145% for the COO and CFO. This change results in an on-target total pay mix of 37% TGP, 33% STI and 30% LTI for the CEO which is more aligned to market. This change was implemented from FY24 onwards.

REMUNERATION REPORT (CONTINUED)

2.6.1 SHORT-TERM INCENTIVE

The Group has adopted a multiplier-based STI plan (a bottom-up multiplicative structure) which incorporates both company performance measures (financial and non-financial) and individual performance modifiers. The performance-related incentive target for each Executive is agreed annually and is based on targets that are verifiable and aligned to the business' operations and strategy. STIs are payable annually after being approved by the Committee and release of the audited AFS. Any annual performance-related incentive pay-outs received in terms of plan are paid in cash. The following formula is applied to incorporate the multiplier model:

STI	=	ON-TARGET INCENTIVE %	X	COMPANY PERFORMANCE MULTIPLIER	X	PERSONAL MODIFIER
CEO		100% of TGP		0% – 200%		0% – 150%
COO		90% of TGP		0% – 200%		0% – 150%
CFO		90% of TGP		0% – 200%		0% – 150%

The multiplicative approach results in zero bonuses if either the Company performance measure or Personal Modifier is 0%.

2.6.1.1 COMPANY PERFORMANCE MEASURES

As explained in the background statement, the Group undertook a change in strategy during FY23, resulting in the amendment of the company performance measures used for the FY24. The Committee has deemed the FY24 performance measures to still be relevant for FY25, with the following changes:

- The "portfolio activity" measure was removed;
- The financial metrics were upweighted, and now comprise 85% of the total company performance measures;
- The ESG measure was disaggregated to reflect the "Sustainalytics" rating as well as the solar generation targets.

The resultant company performance measures for FY25 are detailed below:

FY25 COMPANY PERFORMANCE MEASURE		50%	100%	200%
STI	**WEIGHTING**	**THRESHOLD**	**TARGET**	**STRETCH**
Total return against WACC	25%	95% of WACC	100% of WACC	105% of WACC
DPS vs budget	20%	90% of budget	100% of budget	110% of budget
Balance sheet management vs target (LTV, ICR, GCR rating)	20%	LTV – 40% ICR – 2 times GCR – maintain rating	LTV – 37.5% ICR – 2.2 times GCR – improve outlook	LTV – 35% ICR – 2.5 times GCR – improve rating
Operational metrics (vacancy ratio, cost ratio against budget)	20%	Vacancy – 5% Property cost ratio < 17% Admin cost ratio < 7%	Vacancy – 3.5% Property cost ratio < 16% Admin cost ratio < 6%	Vacancy – 2% Property cost ratio < 15% Admin cost ratio < 5%
ESG score as measured by Sustainalytics	7.5%	Maintain rating	Improve rating by 1.5%	Improve rating by 3%
Solar generated vs target	7.5%	Generate 500 000 kwh of new solar per annum	Generate 600 000 kwh of new solar per annum	Generate 700 000 kwh of new solar per annum
	100%			

Linear apportionment is used between the specific levels tabulated above to prevent binary outcomes.

REMUNERATION REPORT (CONTINUED)

2.6.1.2 PERSONAL MODIFIER

The Committee agrees personal objectives with each Executive at the beginning of the financial year. Personal objectives are assessed at the end of the year and result in a modifier from 0-150%. The maximum STI payable to an individual director is, however, limited to the stretch company performance measure percentage, i.e. the bonus payable can never exceed 160% of TGP for the CEO and 145% of TGP for the COO and CFO.

The personal performance indicators comprise targets relating to business growth, operational metrics, financial metrics, leadership, stakeholder management, innovation and transformation. Details of the individual personal performance measures are included in the implementation section of this report, along with the assigned weightings and outcomes of the current year assessment.

The personal performance measures to be used in FY25 incorporates feedback from the shareholder engagements conducted in July 2023. These conditions are set out below:

PERSONAL PERFORMANCE OBJECTIVES – FY25

	DESCRIPTION	MEASUREMENT TARGET	ANDREA TAVERNA-TURISAN	GERHARD RIAAN GOUS	LAILA RAZACK
			Max %	Max %	Max %
BUSINESS GROWTH					
Grow income generating asset base	Growth in income-producing properties in both SA and the UK greater than 10%	10%	10.0%	10.0%	10.0%
Grow gross revenue	Growth in gross revenue to exceed 8% per annum	8%	10.0%	10.0%	10.0%
			20.0%	20.0%	20.0%
OPERATIONAL METRICS					
Monitor property expense ratio	Maintain property expense ratio below 15%	15%	7.5%	7.5%	7.5%
Monitor operating expense ratio	Maintain operating expense ratio below 20%	20%	7.5%	7.5%	7.5%
Monitoring vacancy ratio	Maintain vacancy ratio below 5%	5%	7.5%	7.5%	7.5%
Monitor arrears ratio	Maintain arrears at less than 1% of total revenue	1%	7.5%	7.5%	7.5%
			30.0%	30.0%	30.0%
LEADERSHIP, COHESION, STAFF MANAGEMENT AND COMPANY CULTURE					
Ensuring fully committed and motivated team	Establish clear vision, mission and values which embody the culture of the organisation.	100%	10.0%	10.0%	10.0%
New hires in line with EE plan submitted to DOL	% new hires in line with employment equity plan submitted in Jan of PY	100%	5.0%	5.0%	5.0%
Staff turnover	More than 90% staff retention	90.0%	5.0%	5.0%	5.0%
			20.0%	20.0%	20.0%

	DESCRIPTION	MEASUREMENT TARGET	ANDREA TAVERNA-TURISAN	GERHARD RIAAN GOUS	LAILA RAZACK
			Max %	Max %	Max %
ADDITIONAL OPERATIONAL METRICS					
Focus on letting vacant space	Let more than 90% of vacant space for the year under review	90.0%	–	7.5%	–
Tenant retention ratio	Maintain tenant retention ratio above 90%	90.0%	–	7.5%	–
			–	15.0%	–
FINANCIAL MANAGEMENT					
Maintain conservative LTV	Maintain LTV below 40%	40%	10.0%	10.0%	10.0%
Manage debt expiry profile	Maintain debt expiry above 3 years	3.0	–	–	5.0%
Implement currency hedging strategy	Maintain hedging level in line with policy	100%	–	–	10.0%
Maintain credit rating	Maintain (75%) or improve (100%) credit rating with GCR	100%	–	–	10.0%
			–	–	25.0%
STAKEHOLDER MANAGEMENT					
Effective and efficient functioning of the board	Qualitative	100%	10.0%	10.0%	10.0%
Managing major shareholder interactions	Qualitative	100%	10.0%	–	–
Media engagement	Qualitative	100%	10.0%	–	–
			30.0%	10.0%	10.0%

REMUNERATION REPORT (CONTINUED)

PERSONAL PERFORMANCE OBJECTIVES – FY25 (CONTINUED)

	DESCRIPTION	MEASUREMENT TARGET	ANDREA TAVERNA-TURISAN	GERHARD RIAAN GOUS	LAILA RAZACK
			Max %	Max %	Max %
ENGAGEMENT WITH DEBT HOLDERS					
Ongoing negotiations with third party lenders	Qualitative	100%	–	–	10.0%
Diversify sources of funding and minimising funding costs	Qualitative	100%	–	–	10.0%
			0.0%	0.0%	20.0%
IMPLEMENTATION OF ACQUISITIONS/DISPOSALS					
Leading due diligence on all material transactions	Qualitative	100%	–	15.0%	–
Overseeing and implementing all transactions seamlessly	Qualitative	100%	–	15.0%	–
			0.0%	30.0%	0.0%
INNOVATION					
Cementing Equites position of excellence in logistics market	Qualitative	100%	12.5%	–	–
Involvement with education and brand awareness	Qualitative	100%	12.5%	–	–
			25.0%	0.0%	0.0%
TRANSFORMATION					
Focus on ownership transformation	Maintain an ownership score >51%	51%	7.5%	7.5%	7.5%
Maintain industry leading BBBEE score	Maintain level at or below 3	3	7.5%	7.5%	7.5%
			15.0%	15.0%	15.0%
			150.0%	150.0%	150.0%

2.6.2 LONG-TERM INCENTIVE

Long-term incentive awards are granted annually in the form of conditional shares in Equites ("performance shares"). The Committee believes that using this type of award aligns the interests of the Executives and shareholders and allows the Executive the opportunity to share in the success of Equites over the long-term. The total quantum of shares (at face value) awarded for the year is set at 85% of TGP for the CEO and 80% of TGP for the COO and CFO based on the 30-day VWAP on the date of the award.

All LTI awards issued from FY20 – FY23 are subject to the following performance measures:

FY20 – FY23 AWARDS	WEIGHTING	THRESHOLD (30% VESTING)	TARGET (100% VESTING)	STRETCH (200% VESTING)
Total return to exceed weighted average cost of capital ("WACC")	25%	Total return to be equal to WACC over a three-year period	Total return to exceed WACC by 10% over a three-year period	Total return to exceed WACC by 15% over a three-year period
Total return to be equal to, or exceed, specified internal benchmark	25%	Total return to be equal to, or exceed 10% over a three-year period	Total return to be equal to, or exceed 12% over a three-year period	Total return to be equal to, or exceed 14% over a three-year period
Portfolio growth and LTV	25%	Portfolio growth of 5% whilst maintaining target LTV over a three-year period	Portfolio growth of 10% whilst maintaining target LTV over a three-year period	Portfolio growth of 15% whilst maintaining target LTV over a three-year period
ESG metrics which measures the group's approach to sustainability and improvements year on year (refer to Sustainability report for further details)	25%	Maintain ESG score as measured by Sustainalytics over a three-year period	Improve ESG score as measured by Sustainalytics by 7.5% over a three-year period	Improve ESG score as measured by Sustainalytics by 10% over a three-year period

The measures under the FY24 awards were amended to take into account the key change in Equites' business strategy in the prior year. Following consultation with several investors during FY24, the Committee once again reviewed the LTI measures to ensure that they were aligned with long-term shareholder value creation.

The Committee has deemed these measures to still be relevant for awards made from FY25 onwards, with some slight amendments:

- The "portfolio activity" measure was removed;
- The financial metrics were upweighted, and now comprise 80% of the total company performance measures;
- The ESG measure was disaggregated to reflect the "Sustainalytics" rating as well as the solar generation targets.

REMUNERATION REPORT (CONTINUED)

The measures for all awards made from for FY24 and FY25 are as follows:

FY24/FY25 AWARD			30%	100%	200%
LTI	**FY24 WEIGHTING**	**FY25 WEIGHTING**	**THRESHOLD (30% VESTING)**	**TARGET (100% VESTING)**	**STRETCH (200% VESTING)**
TOTAL RETURN AGAINST WACC	25%	20%	70% of WACC	100% of WACC	110% of WACC
TOTAL RETURN AGAINST PEERS	N/A	20%	90% of sector peers	100% of sector peers	110% of sector peers
BALANCE SHEET MANAGEMENT VS TARGET (LTV, ICR, GCR RATING)	25%	20%	LTV – 40% ICR – 2 times GCR – maintain rating	LTV – 37.5% ICR – 2.2 times GCR – maintain rating	LTV – 35% ICR – 2.5 times GCR – improve rating
PORTFOLIO ACTIVITY VS BUDGET (INCLUDE CONVERSION OF LAND HOLDING TO INCOME PRODUCING)	15%	N/A	R3 billion of acquisitions, disposals or developments over the 3 year period	R4.5 billion of acquisitions, disposals or developments over the 3 year period	R6 billion of acquisitions, disposals or developments over the 3 year period
OPERATIONAL METRICS (VACANCY RATIO, COST RATIO AGAINST BUDGET)	15%	20%	Vacancy – 5% Property cost ratio < 17% Admin cost ratio < 7%	Vacancy – 3.5% Property cost ratio < 16% Admin cost ratio < 6%	Vacancy – 2% Property cost ratio < 15% Admin cost ratio < 5%
MAINTAIN OR IMPROVE ESG SCORE AS MEASURED BY SUSTAINALYTICS	10%	10%	Maintain rating	Improve rating by 2.5%	Improve rating by 5%
SOLAR GENERATED VS TARGET	10%	10%	Generate 500 000 kwh of new solar per annum over the period	Generate 600 000 kwh of new solar per annum over the period	Generate 700 000 kwh of new solar per annum over the period
	100%	**100%**			

The changes to the measures do not impact any in-flight awards, which remain subject to the measures associated with the award on the award date. The Committee understands the importance of consistency in the long-term incentive scheme and believes that the metrics detailed above are in line with the long-term strategic objectives of the business.

All long-term incentive awards are subject to performance measures and require the participant to be employed by the Group until 31 May following the end of the 3-year performance period.

Following the end of the three-year performance period, performance shares vest for plan purposes (i.e. they can no longer be forfeited) and are settled to a participant, adjusted in line with the outcomes of the performance measures, as assessed and approved by the Committee. In order to further the long-term alignment between the interests of Executives and our shareholders, the vested performance shares are locked up and participants are restricted from disposing of the shares until such time as the further 2 year holding period has lapsed, thereby ensuring that Executives have additional 'skin-in-the-game'.

2.6.3 MATCHING SHARES

Upon vesting of the performance shares, Executives will receive a conditional award of matching shares (1 matching share for every 3 vested conditional shares) on a 1-for-3 basis (i.e. by 33.3%). The matching shares will be subject to the Executive remaining in the employ of the company until the expiry of the post-vesting holding period at which time the matching shares will vest.

Where a participant's employment is terminated after vesting, but before the end of the additional post-vesting 2-year holding period, the vested performance shares will be released from the holding period on the termination date and the participant will forfeits the matching shares in full.

2.7 MALUS AND CLAWBACK

Equites has a malus and clawback policy in place which is applicable to all staff including Executives which allows the Group to reduce or recoup both long-term and short-term incentives prior to payment / vesting and for a period of two years after the payment / vesting date.

Malus provisions apply before awards have vested or been paid to an employee whilst clawback provisions apply to awards that have already vested or been paid to an employee. Malus and clawback may both be instituted following the discovery of a "trigger event".

Trigger events include but are not limited to the material misstatement of financial statements and actions, omissions or conduct of participants which may amount to gross misconduct, gross negligence, dishonesty, or fraud.

This policy applies to all incentive awards made to staff including Executives.

2.8 SHARE USAGE LIMIT

The scheme rules limit the allocation of shares in terms of the long-term incentive scheme to 20 million shares in aggregate and 4 million shares per participant, representing 2.6% and 0.5% of the current shares in issue respectively. The current usage level is set out in the 56 **implementation report**.

REMUNERATION REPORT (CONTINUED)

2.9 EXECUTIVE OUTPERFORMANCE SCHEME ("EOS")

The Board introduced an EOS in 2018 ("2018 EOS") to reward key members of the Executive and staff who were instrumental in building the success of the Company, and to incentivise these members to remain with the Company. The 2018 EOS was implemented as a cash-settled conditional share plan, whereby participants were granted notional shares in the Company on 31 August 2018. This was awarded to all Executives and two members of senior management. Although initially awarded without performance conditions attached, the awards were later amended to include two performance metrics related to market cap and DPS.

Due to macroeconomic circumstances, including higher interest rates and the global downturn in real estate assets which was outside of management's control, the market cap performance metric was not met and, as a result, the awards did not vest.

The Committee decided to revisit the concept of an EOS in order to retain key talent, to ensure continuity and stability in the organisation and to ensure long-term alignment between employees and shareholders. The non-vesting of the 2018 award was primarily a result of external factors and the Committee therefore made the decision to implement a new once-off outperformance scheme. Awards in terms of the new performance scheme, known as the "2023 executive outperformance scheme" ("2023 EOS") were made to the Executives and certain employees at a senior management level on 31 August 2023. The performance metrics in the 2023 EOS (to be measured over a five-year period) were carefully crafted to ensure maximum alignment between shareholders and management. These were devised following consultation with shareholders and Rem Solutions. The targets are ambitious and will create significant value if achieved.

			MEASURED OVER 5 YEARS		
			30% VESTING	50% VESTING	100% VESTING
	MEASURE	WEIGHTING	THRESHOLD	TARGET	STRETCH
1	DPS VS SAPY	20%	Benchmark (Equites = SAPY)	Equites = SAPY + 0.75%*	Equites = SAPY + 1.5%**
2	SHARE PRICE GROWTH	20%	5%	6%	7%
3	NAV VS SAPY	20%	Benchmark (Equites = SAPY)	Equites = SAPY + 0.75%*	Equites = SAPY + 1.5%**
4	TOTAL ACCOUNTING RETURN VS RISK FREE RATE	20%	Benchmark (Rf)	Rf + 1%	Rf + 2%
5	NON-GLA INCOME % RENTAL COLLECTION	20%	0.50%	0.75%	1%

	MEASURES	EXPLANATION	RATIONALE AND COMMENT
1	DPS VS SAPY	This is measured as the cumulative growth of FY29 interim dividend / FY24 interim dividend measured on a CAGR basis.	For Equites to achieve threshold on this measure, it will need to show significant growth in its DPS which should result in an increase in the share price (ceteris parabus).
2	SHARE PRICE NET OF DIVIDEND TO GROW BY PRE-DETERMINED LEVEL	Share price growth per annum reduced by the DPS	This measure was introduced to encourage behaviour which would positively impact the share price. Whilst this is largely out of the control of management, it does encourage ultimate alignment as this ultimately drives shareholder return. This metric rewards share price growth, whilst taking into account the impact of paying dividends. Should the Board adjust the payout ratio, the cash would be retained and this should (theoretically) be reflected in a growth in the share price.
3	NAV VS SAPY	Equites NAV vs. published SAPY NAV	This metric was introduced to encourage management to drive value creating opportunities and not to sacrifice capital growth in favour of distribution growth. Traditionally, the share price should track the NAV and this would further encourage share price growth.
4	TOTAL ACCOUNTING RETURN VS RISK FREE RATE	(Closing NAV less opening NAV+DPS) / Opening NAV	The accounting return references the dividend yield on NAV as well as the growth in NAV. This return is often compared to the company's cost of capital to determine whether investments are value enhancing or dilutive. Property returns will always be compared to the prevailing risk-free rate and it is expected that management outperform the risk-free rate, regardless of the rates presently being at historically high levels.
5	NON-GLA INCOME % RENTAL COLLECTION	Non-GLA income / Rental collection income	This measure aims to introduce an alternative revenue source to the business. Should Equites be successful, it would add positively to the bottom line.

REMUNERATION REPORT (CONTINUED)

2.10 EXECUTIVE SERVICE CONTRACTS AND SIGN-ON AWARDS

Executives hold permanent employment contracts with six-month notice periods. Together with the Nominations Committee, the Remuneration Committee carefully considers executive succession planning and regularly tables this for discussion at a Board level. Equites does not grant sign-on awards to any Executives upon joining the Company. The Company may decide to award sign-on bonuses to individual employees below the executive level. This is assessed on a case-by-case basis.

2.11 TERMINATION ARRANGEMENTS AND CHANGE OF CONTROL

On termination, Executives are entitled to their TGP for the period of service and any accrued leave balances owing to them. No provision is made for other severance payments of any kind. Termination does not trigger any accelerated vesting conditions relating to the LTI or balloon payments. STI amounts are only payable to employees that are employed at the end of May following the end of the financial year to which the STI relates. Employees who resign or are dismissed will forfeit all unvested LTI awards. Employees who leave for injury, ill-health, disability, retrenchment, or any other reason determined by the Committee will receive a pro-rata vesting of any unvested LTI awards based on performance achieved and number of complete months served during the vesting period.

In the event of a change of control occurring before the vesting of awards, a portion of the awards will vest early and will be pro-rated based on performance achieved and number of complete months served from the award date to the date of the change in control. The portion of the award which does not vest early will remain subject to the terms of the Equites Conditional Share Plan and the Committee may make such adjustments to the number of shares comprising the award to place the employees in no worse a position than they were prior to the change in control.

2.12 NON-EXECUTIVE REMUNERATION

Non-executive directors do not have employment contracts and do not receive any benefits associated with permanent employment. Their fees as directors are determined as a board member base fee and attendance fees based on their committee obligations. In line with best practice recommendations, the Chairperson receives a fixed annual fee that is inclusive of all board and committee attendances as well as all other tasks performed on behalf of the Group. Equites pays for all travelling and accommodation expenses in respect of board meetings. Details of all non-executive fees paid during FY24 are included in the 64 **implementation report**.

The table below indicates the proposed fees for the upcoming year, to be approved by the shareholders at the AGM to be held on 14 August 2024:

	FY25		FY24		
ROLE	BASE FEE	ATTENDANCE FEE	BASE FEE	ATTENDANCE FEE	% CHANGE
Chairperson of the board*	R1 085 759	–	R1 024 301	–	6.0%
Board member	R382 114	–	R338 483	–	6.0%
Chairperson of the audit committee	–	R78 691	–	R74 236	6.0%
Member of the audit committee	–	R49 774	–	R46 957	6.0%
Chairperson of other sub-committees*	–	R52 099	–	R49 150	6.0%
Member of other sub-committees**	–	R34 237	–	R32 299	6.0%

* Note the chairperson of the board only receives a base fee and does not receive any fees for serving on any of the committees.

** Note that Equites does not differentiate between the chairpersons' fees (or member fees) of the Remuneration Committee, Nominations Committee, Social, Ethics and Transformation Committee, Risk and Capital Committee and Investment Committee.

PART 3: IMPLEMENTATION

The Committee confirms that the Company has complied with all aspects of the remuneration policy for the year under review, except for an adjustment to the STI scheme in which the allocation was revised.

The Committee commissioned an independent review of comparative total remuneration in FY24 to ascertain the appropriateness of the relative weightings of remuneration. The review compared Equites' TGP, STI and LTI to a basket of peers including Fortress, Vukile, Liberty 2 Degrees, Redefine, Hyprop, Emira, Fairvest, Attacq, Segro and London Metric. The results concluded that whilst TGP was appropriate (as it was benchmarked to the median of a peer group in 2021), the variable pay was deemed to be relatively low, particularly in the STI payment when the company outperformed. This resulted in Equites "on-target" pay mix being too heavily weighted to TGP.

The independent review concluded that the multiple of TGP (60% for CEO and 50% for COO and CFO) was lower than all counters in the peer group. The Committee decided to increase the allocation to 100% of TGP for the CEO and 90% of TGP for the COO and CFO, which was in line with the median of the peer group. In line with the increase in the allocation, the Committee increased the cap to 160% for the CEO and 145% for the COO and CFO. This change was implemented in FY24.

REMUNERATION REPORT (CONTINUED)

The implementation report is detailed below:

3.1. TGP ADJUSTMENTS

FOR FY24

An increase of 6.5% was approved for both executive and non-executive directors for FY24. In line with the Committee's philosophy around fair and responsible pay, the Executives were mandated to consider individual job roles within the organisation and to benchmark these to ensure that the TGP of roles below executive level remain market related, particularly in light of the growth in the Company over the past four years and also to ensure parity in treatment between the TGP of Executives and that of employees below executive level.

3.2 SINGLE FIGURE OF REMUNERATION

	SHORT TERM REMUNERATION			LONG TERM REMUNERATION		
	GUARANTEED PAY		VARIABLE	VARIABLE		
	SALARY R'000	BENEFITS R'000	PERFORMANCE BONUS R'000	VALUE OF EQUITY SETTLED SHARE BASED PAYMENT INCENTIVES VESTED* R'000	DIVIDEND EQUIVALENT ON EOS R'000	TOTAL REMUNERATION R'000
2024						
EXECUTIVE DIRECTORS						
Andrea Taverna-Turisan	5 505	103	5 505	4 350	2 172	17 635
Gerhard Riaan Gous	4 209	97	3 788	3 130	1 644	12 868
Laila Razack	3 420	40	3 078	2 543	1 247	10 328
	13 134	**240**	**12 371**	**10 023**	**5 063**	**40 831**

* This relates to the shares vested on 31 May 2024; i.e. within FY25

	SALARY R'000	BENEFITS R'000	PERFORMANCE BONUS R'000	VALUE OF EQUITY SETTLED SHARE BASED PAYMENT INCENTIVES VESTED* R'000	DIVIDEND EQUIVALENT ON EOS R'000	TOTAL REMUNERATION R'000
2023						
EXECUTIVE DIRECTORS						
Andrea Taverna-Turisan	5 169	74	5 798	3 412	1 412	15 865
Gerhard Riaan Gous	3 952	66	3 689	2 383	1 048	11 138
Laila Razack	3 211	71	3 004	286	684	7 256
	12 332	**211**	**12 491**	**6 081**	**3 144**	**34 259**

3.3 SHORT-TERM INCENTIVE

During the year under review, the following performance metrics were used to determine the company performance measure:

COMPANY PERFORMANCE MEASURE		50%	100%	200%	OUTCOME	TOTAL
STI	**WEIGHTING**	**THRESHOLD**	**TARGET**	**STRETCH**		
TOTAL RETURN AGAINST WACC	**25.0%**	95% of WACC	100% of WACC	105% of WACC	10.0%	0.0%
DPS VS BUDGET	**15.0%**	90% of budget	100% of budget	110% of budget	100.0%	15.0%
BALANCE SHEET MANAGEMENT VS TARGET (LTV, ICR, GCR RATING)	**15.0%**	LTV – 40% ICR – 2 times GCR – maintain rating	LTV – 37.5% ICR – 2.2 times GCR – maintain rating	LTV – 35% ICR – 2.5 times GCR – improve rating	83.0%	12.5%
PORTFOLIO ACTIVITY VS BUDGET (INCLUDE CONVERSION OF LAND HOLDING TO INCOME PRODUCING)	**15.0%**	R1.5 billion of acquisitions, disposals or developments	R2.0 billion of acquisitions, disposals or developments	R2.5 billion of acquisitions, disposals or developments	200.0%	30.0%
OPERATIONAL METRICS (VACANCY RATIO, COST RATIOS)	**15.0%**	Vacancy – 5% Property cost ratio < 17% Admin cost ratio < 7%	Vacancy – 3.5% Property cost ratio < 16% Admin cost ratio < 6%	Vacancy – 2% Property cost ratio < 15% Admin cost ratio < 5%	83.0%	12.5%
MAINTAIN OR IMPROVE ESG SCORE AS MEASURED BY SUSTAINALYTICS	**7.5%**	Maintain rating since last measurement	Improve rating by 1.5%	Improve rating by 3%	200.0%	15.0%
SOLAR GENERATED VS TARGET	**7.5%**	Generate 500 000 kwh of new solar per annum	Generate 600 000 kwh of new solar per annum	Generate 700 000 kwh of new solar per annum	200.0%	15.0%
						100.0%

Linear interpolation is used between the specific levels tabulated above to prevent binary outcomes.

Company performance measure outcomes:

The company performance measure is 50% on achieving the threshold performance and 100% on achieving the on-target performance, with linear interpolation if the actual result falls between these points.

For FY24, the company performance measure amounted to 100%.

As part of historic shareholder engagements, the Committee has undertaken to include personal performance objectives relating to sustainable business growth and increased focus on transformation. These were incorporated into the measured metrics for this period and the Committee's evaluation of the FY24 personal performance measures is on the next page.

REMUNERATION REPORT (CONTINUED)

PERSONAL PERFORMANCE OBJECTIVES – FY24

	DESCRIPTION	MEASUREMENT TARGET	ACTUAL MEASUREMENT	% ACHIEVED FOR STI MEASUREMENT (CAPPED)	ANDREA TAVERNA-TURISAN		GERHARD RIAAN GOUS		LAILA RAZACK		COMMENTARY
					MAX %	RESULT	MAX %	RESULT	MAX %	RESULT	
BUSINESS GROWTH											
Grow income generating asset base	Growth in income-producing properties in both SA and the UK greater than 10%	10.0%	3.0%	30.0%	**10.0%**	3.0%	**10.0%**	3.0%	**10.0%**	3.0%	The additions and development expenditure on "income producing properties" amounts to R622 million on an opening balance of R20 billion. This amounts to a 3% increase in "income producing properties".
Grow gross revenue	Growth in gross revenue to exceed 8% per annum	8.0%	25.0%	100.0%	**10.0%**	10.0%	**10.0%**	10.0%	**10.0%**	10.0%	Gross revenue increased by 13% despite targeted disposals to enhance balance sheet strength. All investment decisions met internal risk adjusted hurdle rates.
					20.0%	**13.0%**	**20.0%**	**13.0%**	**20.0%**	**13.0%**	
OPERATIONAL METRICS											
Monitor property expense ratio	Maintain property expense ratio below 15%	15.0%	22.0%	53.0%	**7.5%**	4.0%	**7.5%**	4.0%	**7.5%**	4.0%	Property expense ratio is slightly above the target band; this is as a result of certain non-recoverable costs including valuation fees, letting commissions amortised and legal fees specifically relating to properties.
Monitor operating expense ratio	Maintain operating expense ratio below 20%	20.0%	29.0%	55.0%	**7.5%**	4.1%	**7.5%**	4.1%	**7.5%**	4.1%	Operating expense ratio is above the target band driven by non-recoverable "portfolio level" costs as well as once-off legal fees relating to UK consultants. This has not been adjusted for the purposes of this analysis.
Monitoring vacancy ratio	Maintain vacancy ratio below 5%	5.0%	0.0%	100.0%	**7.5%**	7.5%	**7.5%**	7.5%	**7.5%**	7.5%	0% vacancy across the portfolio.
Monitor arrears ratio	Maintain arrears at less than 1% of total revenue	1.0%	1.0%	100.0%	**7.5%**	7.5%	**7.5%**	7.5%	**7.5%**	7.5%	Insignificant arrears of less than 0.1%.
					30.0%	**23.1%**	**30.0%**	**23.1%**	**30.0%**	**23.1%**	
LEADERSHIP, COHESION, STAFF MANAGEMENT AND COMPANY CULTURE											
Ensuring fully committed and motivated team	Establish clear vision, mission and values which embody the culture of the organisation.	100.0%	80.0%	80.0%	**10.0%**	8.0%	**10.0%**	8.0%	**10.0%**	8.0%	The Company has embarked on a "values/mission/vision" process conducted by independent consultants which engages staff to derive organisational values from the "bottom up". The process has been well-received with staff taking accountability for the process and providing positive feedback with respect to the process. Management promotes training and development which encourages staff to be more engaged. Over the past year, Management have approved and paid for six employee's studies and provided them with study leave, wrap around support and mentoring.
New hires in line with EE plan submitted to DOL	% new hires in line with employment equity plan submitted in Jan of PY	100.0%	100.0%	100.0%	**5.0%**	5.0%	**5.0%**	5.0%	**5.0%**	5.0%	The Executives have considered diversity of race, gender and background in all hiring processes. There were 5 new hires in SA during the period of which 80% were EE candidates.
Staff turnover	More than 90% staff retention	90.0%	83.0%	92.0%	**5.0%**	4.6%	**5.0%**	4.6%	**5.0%**	4.6%	Eight staff members left the employ of the business; the majority of these employees have left to pursue more diverse opportunities in their personal or professional capacities. The Executive have prioritised staff retention to ensure that Equites retains high calibre talent.
					20.0%	**17.6%**	**20.0%**	**17.6%**	**20.0%**	**17.6%**	

REMUNERATION REPORT (CONTINUED)

PERSONAL PERFORMANCE OBJECTIVES – FY24 (CONTINUED)

	DESCRIPTION	MEASUREMENT TARGET	ACTUAL MEASUREMENT	% ACHIEVED FOR STI MEASUREMENT (CAPPED)	ANDREA TAVERNA-TURISAN		GERHARD RIAAN GOUS		LAILA RAZACK		COMMENTARY
					MAX %	RESULT	MAX %	RESULT	MAX %	RESULT	
ADDITIONAL OPERATIONAL METRICS											
Focus on letting vacant space	Let more than 90% of vacant space for the year under review	90.0%	90.0%	100.0%	–	–	**7.5%**	7.5%	–	–	There is no vacancy in the portfolio at 29 February 2024.
Tenant retention ratio	Maintain tenant retention ratio above 90%	90.0%	90.0%	100.0%	–	–	**7.5%**	7.5%	–	–	Only one tenant at a facility in Cape Town vacated their premises. The premises was subsequently marketed for disposal and terms have been concluded with a buyer. The Executive actively engages with all tenants including who have leases expiring within the next 12 months and certain tenants who have leases expiring in the following years to ensure that we maintain our retention ratio.
							15.0%	**15.0%**			
FINANCIAL MANAGEMENT											
Maintain conservative LTV	Maintain LTV below 40%	40.0%	39.6%	100.0%	**10.0%**	10.0%	**10.0%**	10.0%	**10.0%**	10.0%	LTV recorded at 39.6% which is at the upper end of the target band, but remains under 40%.
Manage debt expiry profile	Maintain debt expiry above 3 years	3.0	3.7	100.0%	–	–	–	–	**5.0%**	5.0%	Managed cost of debt and liquidity; at 3.7 years this is in line with the target.
Implement currency hedging strategy	Maintain hedging level in line with policy	100.0%	100.0%	100.0%	–	–	–	–	**10.0%**	10.0%	Currency hedging policy was fully implemented during the period to hedge any volatility in translation of UK distributions. Interest rate derivatives were successfully implemented to partially shield the business from high interest rates.
Maintain credit rating	Maintain (75%) or improve (100%) credit rating with GCR	100.0%	75.0%	75.0%	–	–	–	–	**10.0%**	7.5%	GCR rating remained consistent with the prior year, with the outlook improving to positive.
					10.0%	**10.0%**	**10.0%**	**10.0%**	**35.0%**	**32.5%**	
STAKEHOLDER MANAGEMENT											
Effective and efficient functioning of the board	Qualitative	100.0%	90.0%	90.0%	**10.0%**	9.0%	**10.0%**	9.0%	**10.0%**	9.0%	An independent board and committee survey was undertaken in April 2024 and indicated that we have a well-functioning Board with the committees functioning effectively.
Managing major shareholder interactions	Qualitative	100.0%	90.0%	90.0%	**10.0%**	9.0%	–	–	–	–	High level of engagement with shareholders throughout the year in both Equites events and through various corporate-hosted events; open line of communication with Top 20 shareholders who interact with the CEO on a regular basis. Moreover, the chairperson of the Board and chairperson of Remuneration Committee consult with the top 15 shareholders every year regarding the remuneration policy and the AGM notice.
Media engagement	Qualitative	100.0%	90.0%	90.0%	**10.0%**	9.0%	–	–	–	–	Equites has been mentioned on numerous occasions in positive media articles on various platforms over the last 12 months. Equites has continued to successfully implement a digital marketing strategy through extensive engagement on LinkedIn and other social media platforms.
					30.0%	**27.0%**	**10.0%**	**9.0%**	**10.0%**	**9.0%**	

REMUNERATION REPORT (CONTINUED)

PERSONAL PERFORMANCE OBJECTIVES – FY24 (CONTINUED)

	DESCRIPTION	MEASUREMENT TARGET	ACTUAL MEASUREMENT	% ACHIEVED FOR STI MEASUREMENT (CAPPED)	ANDREA TAVERNA-TURISAN		GERHARD RIAAN GOUS		LAILA RAZACK		COMMENTARY
					MAX %	RESULT	MAX %	RESULT	MAX %	RESULT	
ENGAGEMENT WITH DEBT HOLDERS											
Ongoing negotiations with third party lenders	Qualitative	100.0%	90.0%	90.0%	–	–	–	–	**10.0%**	9.0%	Continued to effectively manage relationships with major bilateral funders; placed 7 year notes for the first time, reflecting the appetite of funders for Equites paper.
Diversify sources of funding and minimising funding costs	Qualitative	100.0%	90.0%	90.0%	–	–	–	–	**10.0%**	9.0%	28 sources of debt funding between SA and the UK. Sector leading price on listed debt for auctions concluded during FY24.
									20.0%	**18.0%**	
IMPLEMENTATION OF ACQUISITIONS/DISPOSALS											
Leading due diligence on all material transactions	Qualitative	100.0%	90.0%	90.0%	–	–	**15.0%**	13.5%	–	–	Conducted extensive due diligences on all major transactions which ensure that all property acquistions meet the strict investment criteria.
Overseeing and implementing all transactions seamlessly	Qualitative	100.0%	90.0%	90.0%	–	–	**15.0%**	13.5%	–	–	The Group concluded R4.8 billion of disposals during FY24 which was successfully implemented and completed.
							30.0%	**27.0%**			
INNOVATION											
Cementing Equites position of excellence in logistics market	Qualitative	100.0%	90.0%	90.0%	**12.5%**	11.3%	–	–	–	–	Hosted brokers to communicate the effectiveness of the Equites way; aim to educate the market. Developed new sustainability standards for all new buildings – all new buildings will be EDGE certification ready. Introduced Sustainability audits (cost covered by Equites) to understand how we may assist tenants in becoming more focused on sustainability. Initiated the "AmpCore" incubation programme which will enable us to train and provide support to black property service companies.
Involvement with education and brand awareness	Qualitative	100.0%	90.0%	90.0%	**12.5%**	11.3%	–	–	–	–	Collaboration with UCT and US to develop and improve REIT aspects of property courses. Launched social media campaign to promote brand awareness and become active on platforms which are relevant.
					25.0%	**22.6%**					
TRANSFORMATION											
Focus on ownership transformation	Maintain an ownership score >51%	51.0%	51.0%	100.0%	**7.5%**	7.5%	**7.5%**	7.5%	**7.5%**	7.5%	Several ongoing initiatives to attract additional black owners Concluded an asset disposal with vendor loan component through statement 102 to assist in the development of black property entrepreneurs.
Maintain industry leading BBBEE score	Maintain level at or below 3	3.00	3.00	100.0%	**7.5%**	–	**7.5%**	–	**7.5%**	–	Continue to actively target strategic imperatives to bolster transformation.
					15.0%	**7.5%**	**15.0%**	**7.5%**	**15.0%**	**7.5%**	
					150.0%	**120.8%**	**150.0%**	**122.2%**	**150.0%**	**120.7%**	

REMUNERATION REPORT (CONTINUED)

The resultant short-term incentives relating to the FY24 financial year, which will be paid in May 2024, are as follows:

DIRECTOR	TGP (R'000)	ON-TARGET INCENTIVE %	COMPANY PERFORMANCE MEASURE (0% TO 200%)	PERSONAL MODIFIER (0% TO 150%)	RESULTING AWARD LEVEL AS % OF TGP	TOTAL STI (R'000)
ANDREA TAVERNA-TURISAN	5 505	100%	100%	121%	121.0%	6 661
GERHARD RIAAN GOUS	4 209	90%	100%	122%	109.8%	4 621
LAILA RAZACK	3 440	90%	100%	121%	108.9%	3 746

3.4 LONG TERM INCENTIVE

The performance measures attached to the 2021 awards for which the performance period ended on 29 February 2024 are set out below:

PERFORMANCE CONDITION	WEIGHTING	THRESHOLD (30% VESTING)	TARGET (100% VESTING)	STRETCH (200% VESTING)	ACTUAL PERFORMANCE	ACTUAL VESTING (% OF PERFORMANCE SHARES)
TOTAL RETURN TO EXCEED WACC	25%	Total return to be equal to WACC over three year period	Total return to exceed WACC by 10% over three year period	Total return to exceed WACC by 15% over three year period	Total return < WACC	0.0%
TOTAL RETURN TO EXCEED BENCHMARK	25%	Total return to be equal to, or exceed 10% over a three year period	Total return to be equal to, or exceed 12% over a three year period	Total return to be equal to, or exceed 14% over a three year period	Total return < 10%	0.0%
PORTFOLIO GROWTH AND LTV	25%	Portfolio growth of 5% whilst maintaining target LTV over a three-year period	Portfolio growth of 10% whilst maintaining target LTV over a three-year period	Portfolio growth of 15% whilst maintaining target LTV over a three-year period	Portfolio growth of 42.2%	50.0%
ESG METRICS TO TO IMPROVE	25%	Maintain ESG score as measured by Sustainalytics over three year period	Improve ESG score as measured by Sustainalytics by 7.5% over three year period	Improve ESG score as measured by Sustainalytics by 10% over three year period	ESG score improved by 88%	50.0%
TOTAL LTI VESTING						100.0%

All shares applicable to the 2021 award together with the matching shares will be issued in June 2024. These remain restricted and subject to a further service condition until 31 May 2026. The Committee obtained independent external verification of all computations in the LTI awards actually awarded in the current year. The amount included in the single figure remuneration table above is set out below:

The table below illustrates the schedule of unvested awards and cash flow on settlement for the year under review:

DIRECTOR	AWARD	NUMBER OF SHARES UNDER AWARD	PERCENTAGE PERFORMANCE FACTOR	PERFORMANCE ADJUSTED NUMBER OF SHARES	30-DAY VWAP AT 29 FEBRUARY 2024 (R)	VALUE OF SHARES INCLUDED IN SINGLE FIGURE TABLE (R)
ANDREA TAVERNA-TURISAN	2021 award	235 892	100%	235 892	13.83	
	2021 award – matching share			78 631	13.83	
	Total			**314 523**		**4 349 634**
GERHARD RIAAN GOUS	2021 award	169 743	100%	169 743	13.83	
	2021 award – matching share			56 581	13.83	
	Total			**226 324**		**3 129 910**
LAILA RAZACK	2021 award	137 929	100%	137 929	13.83	
	2021 award – matching share			45 976	13.83	
	Total			**183 905**		**2 543 276**

REMUNERATION REPORT (CONTINUED)

The table below illustrates the schedule of unvested awards and cash flow on settlement for the year under review:

		NUMBER OF INSTRUMENTS AWARDED											
DATE OF AWARD	VESTING DATE	ON TARGET GRANT	MAXIMUM ADDITIONAL PERFORMANCE	TOTAL MAXIMUM SHARES	FORFEITED/ LAPSED DURING FY24	SETTLED DURING FY24	CLOSING NUMBER OF UNVESTED INSTRUMENTS AT 29 FEBRUARY 2024	INDICATIVE VALUE[1]	CASH VALUE OF DIVIDENDS PAID DURING THE YEAR	CASH VALUE OF AWARDS SETTLED IN THE YEAR	ISSUE PRICE	30 DAY VWAP	ESTIMATED VESTING %
ANDREA TAVERNA-TURISAN													
CONDITIONAL SHARE PLAN													
2020/02/20	2023/05/31	161 753	161 753	323 506	(143 780)	(179 726)	–	–	–	3 421 975	19.04	13.83	50%
2021/02/20	2024/05/31	235 892	235 892	471 784	–	–	471 784	5 872 006	–	–	18.31	13.83	90%
2022/02/20	2025/05/31	205 694	235 892	629 046	–	–	629 046	7 829 342	–	–	18.31	13.83	90%
2023/02/20	2026/05/31	295 676	295 676	591 352	–	–	591 352	7 360 194	–	–	21.36	13.83	90%
2024/02/20	2027/05/31	358 628	358 628	717 256	–	–	717 256	8 927 234	–	–	13.83	13.83	90%
MATCHING SHARES													
2020/02/20	2023/05/31	107 835	–	107 835	(71 890)	(35 945)	–	–	–	684 397	20.35	13.83	100%
2021/02/20	2024/05/31	157 262	–	157 262	–	–	157 262	2 174 817	102 800	–	20.34	13.83	100%
							2 566 700						
RIAAN GOUS													
CONDITIONAL SHARE PLAN													
2020/02/20	2023/05/31	112 956	112 956	225 912	(100 406)	(125 506)	–	–	–	2 389 634	19.04	13.83	50%
2021/02/20	2024/05/31	169 743	169 743	339 486	–	–	339 486	4 225 379	–	–	18.31	13.83	90%
2022/02/20	2025/05/31	148 013	148 013	296 026	–	–	296 026	3 684 449	–	–	13.83	13.83	90%
2023/02/20	2026/05/31	212 763	212 763	425 526	–	–	425 526	5 296 249	–	–	21.36	13.83	90%
2024/02/20	2027/05/31	258 061	258 061	516 122	–	–	516 122	6 423 845	–	–	13.83	13.83	90%
MATCHING SHARES													
2020/02/20	2023/05/31	75 304	–	75 304	(50 203)	(25 101)	–	–	–	477 929	20.35	13.83	100%
2021/02/20	2024/05/31	113 162	–	113 162	–	–	113 162	1 564 955	73 973	–	20.34	13.83	100%
							1 690 322						
LAILA RAZACK													
CONDITIONAL SHARE PLAN													
2020/02/20	2023/05/31	13 550	13 550	27 100	(12 043)	(15 057)	–	–	–	286 678	19.04	13.83	50%
2021/02/20	2024/05/31	137 929	137 929	275 858	–	–	275 858	3 433 423	–	–	18.31	13.83	90%
2022/02/20	2025/05/31	120 271	120 271	240 542	–	–	240 542	2 993 879	–	–	13.83	13.83	90%
2023/02/20	2026/05/31	172 885	172 885	345 770	–	–	345 770	4 303 582	–	–	17.57	13.83	90%
2024/02/20	2027/05/31	209 693	209 693	419 386	–	–	419 386	5 219 833	–	–	13.83	13.83	90%
MATCHING SHARES													
2020/02/20	2023/05/31	9 033	–	9 033	(6 022)	(3 011)	–	–	–	57 334	20.35	13.83	100%
2021/02/20	2024/05/31	91 952	–	91 952	–	–	91 952	1 271 638	60 108	–	20.34	13.83	100%
							1 373 508						

[1] Indicative value (utilising the 30-day volume weighted average price at 29 February 2024 and includes an weighting for estimated vesting)

REMUNERATION REPORT (CONTINUED)

In determining an indicative value the Company followed the guidance set out in: *"A guide to the application of King IV: Governance of remuneration"*. The following assumptions have been taken into account:

1. The share price at year end was based on a closing price of R13.09
2. Expected volatility has been based on an evaluation of the historical volatility of Equites' share price since listing.
3. The expected forfeiture rate has been based on historical experience.

3.5 EXECUTIVE OUTPERFORMANCE SCHEME

As detailed in Part 2 of this report, the 2018 EOS was implemented as a cash-settled conditional share plan, whereby the Executives were granted notional shares in the Company on 31 August 2018. As this scheme aims to reward specific outperformance, they vest on an "all-or-nothing" basis on 31 August 2023 based on achieving the following performance measures:

STRATEGIC OBJECTIVE	MEASURE	TARGET
GROWTH IN MARKET CAPITALISATION TO ACHIEVE SCALE	Equites market capitalisation measured using a 30-day VWAP up to and including 31 August 2023	Market capitalisation of R14 billion (represents a 54% growth on the market capitalisation at grant of R9 081 million)
SUSTAINABLE ABOVE MARKET GROWTH IN DISTRIBUTABLE EARNINGS	Distribution per share growth over the 5-year vesting period as measured on a CAGR basis	DPS growth exceeds the SAPY benchmark* by 10% on a CAGR basis over the 5-year vesting period

* The SAPY benchmark was set as all South African REITs that are constituents of the SAPY index on the JSE.

The settlement of the awards is also subject to the Company meeting the solvency and liquidity test as set out in section 4 of the Companies Act immediately prior to settling the awards.

The award was made on an "all-or-nothing" basis despite linear vesting being commonplace in such schemes. At the measurement date, the market capitalisation of the Group did not exceed R14 billion, despite having reached this level during the vesting period. The Committee noted that the reason for the decline in the market capitalisation since 2022 was largely linked to macroeconomic circumstances including higher interest rates and the global downturn in real estate assets which was outside of management's control.

Despite achieving the second performance measurement; i.e DPS exceeding SAPY benchmark by 10% over the period, the cliff-vesting element of the award had an unintended overly punitive outcome and in terms of the scheme rules, none of the awards vested at 31 August 2023.

Under the rules of the 2018 EOS, participants were entitled to dividend equivalents as cash amounts, equal in value to the dividends that they would have earned if they were a shareholder holding shares equal in number to the number of notional shares comprising the award from the award date to the vesting date. The dividends paid to the Executives under the 2018 EOS is detailed below:

Details of awards made under the 2018 EOS on 31 August 2018, along with the dividend paid during FY23 are set out below. During FY24, dividends of R3.2 m were paid in respect of the EOS as it relates to Executives:

2018 EOS	TGP R'000	ALLOCATION (5X) R'000	30-DAY VWAP	NOTIONAL NUMBER OF SHARES	DIVIDEND EQUIVALENT PAID IN CURRENT YEAR R'000
ANDREA TAVERNA-TURISAN	5 505	16 430	R19.34	849 612	748
GERHARD RIAAN GOUS	4 209	12 190	R19.34	630 357	555
LAILA RAZACK	1 813	4 140	R19.34	214 084	188

The new 2023 EOS was awarded on the same basis as the 2018 EOS; participants were awarded with notional shares to the value of 5 x their annual TGP. Participants are also entitled to dividend equivalents as cash amounts. As the award was made on 31 August 2023, participants were entitled to the dividend declared on 10 October 2023. Details of the award and the dividends paid in respect of the 2023 EOS as it relates to Executives is set out below:

2023 EOS	TGP R'000	ALLOCATION (5X) R'000	30-DAY VWAP	NOTIONAL NUMBER OF SHARES	DIVIDEND EQUIVALENT PAID IN CURRENT YEAR R'000
ANDREA TAVERNA-TURISAN	5 504 554	27 522 768	R12.50	2 201 821	1 424
GERHARD RIAAN GOUS	4 208 528	21 042 640	R12.50	1 683 411	1 089
LAILA RAZACK	3 419 730	17 098 652	R12.50	1 367 892	885

The dividend equivalent paid during the year under review is included in the 57 **single-figure remuneration table**.

REMUNERATION REPORT (CONTINUED)

3.6 SHARE USAGE LIMIT

The current share usage level is set out below.

	NUMBER OF SHARES AVAILABLE	PERCENTAGE OF SHARESAVAILABLE AS PERCENTAGE OF CURRENT SHARES IN ISSUE	NUMBER OF SHARES UTILISED AS AT YEAR END	PERCENTAGE OF SHARES UTILISED AS PERCENTAGE OF CURRENT SHARES IN ISSUE
AGGREGATE LIMIT	20 000 000	2.5%	8 685 198	1.11%

3.7 NON-EXECUTIVE FEES

The actual fees paid to non-executive directors during the current financial year are set out below:

	2024	2023
TOTAL NON-EXECUTIVE DIRECTOR FEES PAID		
Leon Campher	1 024	962
André Gouws	425	460
Cindy Hess (resigned 15 July 2022)	–	170
Doug Murray	663	548
Eunice Cross	620	582
Fulvio Tonelli	794	199
Keabetswe Ntuli	681	547
Mustaq Brey	810	731
Nazeem Khan (retired 17 August 2022)	–	323
Ndabezinhle Mkhize	587	490
Ruth Benjamin-Swales (retired 17 August 2023)	272	699
	5 876	**5 711**

4. OUTLOOK

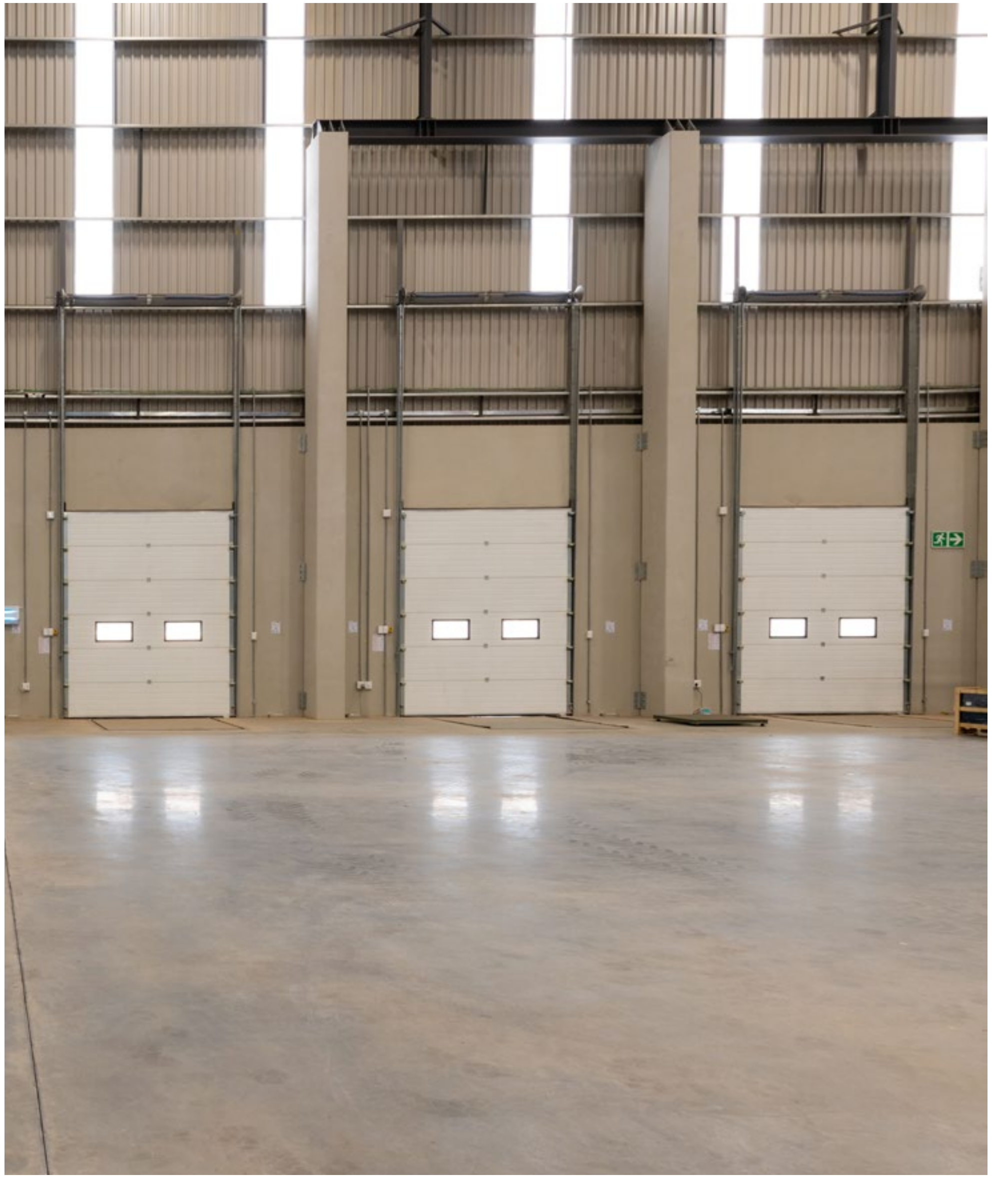
The Committee will continue to focus on achieving fair and responsible remuneration in the context of the operating business, while keeping executives and management incentivised. This journey is by no means an overnight endeavour and will remain a priority focus of the Committee, considering the interests of all stakeholders involved.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

CONTENTS

THE FOLLOWING INFORMATION DOES NOT FORM PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AND HAS NOT BEEN AUDITED:

THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024 HAVE BEEN AUDITED BY PRICEWATERHOUSECOOPERS INC., IN COMPLIANCE WITH THE APPLICABLE REQUIREMENTS OF THE COMPANIES ACT, 2008. THE AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS WERE PREPARED UNDER THE SUPERVISION OF MS L RAZACK, CA(SA).



REPORTS

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the consolidated annual financial statements, comprising the statements of financial position at 29 February 2024, and the statements of comprehensive income, the statements of changes in equity and statements of cash flows for the year then ended, and the notes to the annual financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and the requirements of the South African Companies Act 71 of 2008.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; maintaining adequate accounting records and an effective system of risk management; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors are also responsible for the controls over, and security of, the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.

The directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

The consolidated annual financial statements of Equites Property Fund Limited were approved by the board of directors on 13 May 2024 and are signed on its behalf by:

LEON CAMPHER
CHAIRMAN

ANDREA TAVERNA-TURISAN
CHIEF EXECUTIVE OFFICER

Signatures are not included here for security purposes.

DECLARATION BY THE COMPANY SECRETARY

In terms of section 88(2)(e) and in my capacity as company secretary, I hereby confirm, in terms of the Companies Act that, for the year ended 29 February 2024, the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

RIAAN GOUS
ACTING COMPANY SECRETARY, AS AT 29 FEBRUARY 2024

CEO AND CFO RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that:

- The consolidated annual financial statements set out on pages 84 to 130 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the consolidated annual financial statements of the issuer;
- The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated any deficiencies; and
- We are not aware of any fraud involving directors.

ANDREA TAVERNA-TURISAN
CHIEF EXECUTIVE OFFICER

LAILA RAZACK
CHIEF FINANCIAL OFFICER

Signatures are not included here for security purposes.

CORPORATE GOVERNANCE DISCLOSURES IN ACCORDANCE WITH THE JSE DEBT LISTINGS REQUIREMENTS

As contemplated in paragraph 7.3(c)(iii) of the JSE Debt Listings Requirements, independence of directors is determined holistically, in accordance with the indicators provided in section 94(4)(a) and (b) of the Companies Act and King IV. The Group confirms that the audit committee has executed the responsibilities as set out in paragraph 7.3(e) of the JSE Debt Listings Requirements. In accordance with paragraph 7.3(f) of the JSE Debt Listings Requirements, the Group follows an existing policy on the evaluation of the performance of its Board of directors and that of its Committees, its chair and its individual directors pursuant to the provisions of King IV. The Group's debt officer, as contemplated in paragraphs 6.39(a) and 7.3(g) of JSE Debt Listings Requirements, is Warren Douglas (Treasurer and Head of Risk Management). The Board duly considered and satisfied itself with the competence, qualifications and experience of Warren Douglas before he was appointed as debt officer of the Group.

The Group's board appointment and conflict of interest policy (Policies) are accessible at https://equites.co.za/media/441okzqr/equites_nomination-of-directors-policy.pdf and https://equites.co.za/conflicts/.

The Policies deal, inter alia, with:

i) the conflicts of interest of the directors and the executive management of Equites and how such conflicting interests can be identified and managed or avoided; and
ii) the process for the nomination and appointment of directors of the Group.

Since publication of the Policy, there have been no amendments to the Policies. Equites confirms that, as at 29 February 2024, there are no recorded conflicts of interest and/or personal financial interests of the directors and/or the executive management of Equites, as contemplated in the Policies and paragraphs 7.5 and 7.6 of the JSE Debt Listings Requirements (as read with section 75 of the Companies Act) other than the fact that the executive directors of Equites Property Fund Limited are also the directors of the wholly-owned subsidiaries in the Group. Accordingly, as at 29 February 2024, there is no 'register of any conflicts of interest and/or personal financial interests', as contemplated in paragraph 7.6 of the JSE Debt Listings Requirements.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

The Audit Committee ("the committee") takes pleasure in presenting its report for the year ended 29 February 2024.

TERMS OF REFERENCE

The committee acts in accordance with its terms of reference which governs their roles and responsibilities. These terms of reference include the statutory requirements of the Companies Act and the King IV Report on Corporate Governance for South Africa, as well as certain responsibilities delegated by the board.

The committee is mainly responsible for ongoing oversight and review of the following areas:

- Effectiveness of the internal financial controls and compliance with laws and regulations
- Annual financial statements and any other financial information presented to shareholders and ensuring compliance with IFRS
- Integrated reporting and consideration of the factors and risks that could impact on the integrity of the integrated report
- Internal audit function
- Appointment and assessment of the independence of the external auditor and external audit reports
- Non-audit services provided by the external auditors
- Going concern assessment

The committee confirms that it has fulfilled all its statutory obligations, as well as its responsibilities under its terms of reference for the year ended 29 February 2024.

COMPOSITION

The terms of reference require an annual evaluation of the performance of the committee and its members, as well as confirmation of the members' independence in terms of King IV and the Companies Act.

The committee comprises of the following members, as appointed at the AGM held on 17 August 2023:

- Fulvio Tonelli (Chair) CA(SA); BCom (Hons)
- Doug Murray BA Accountancy & Finance, CA
- Keabetswe Ntuli CA(SA); BAcc (Hons)
- Mustaq Brey CA(SA); BCompt (Hons)

Ruth Benjamin-Swales retired at the AGM and Fulvio Tonelli was appointed as chairperson of the committee.

The outcome of the annual evaluation and confirmation of independence respectively was satisfactory.

INTERNAL FINANCIAL CONTROLS

The committee continually monitors the efficiency of internal financial controls. The committee is satisfied that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities and that this addresses all significant risks facing the Group. The committee confirms that no material breakdown of internal financial controls was identified during the current financial year.

In accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements, the committee further confirms that the Group has established appropriate financial reporting procedures and that those procedures are operating effectively.

EXTERNAL AUDITORS

The committee assessed the suitability of PricewaterhouseCoopers Inc. ("PwC"), as external auditors, and is satisfied that PwC conducts its duties with the requisite independence. The committee approved the auditor's terms, audit plan and proposed fee and assessed the quality of the external audit process for the year ended 29 February 2024.

The committee continuously monitors the extent of non-audit services performed by PwC and adopted a formal framework for the pre-approval of allowable non-audit services above certain pre-determined thresholds. The committee is also satisfied that none of these types of services performed by PwC in the 2024 financial year had an impact on their independence.

The committee recommends for approval by the shareholders the reappointment of PwC as external auditor for the 2025 financial year.

AUDIT COMMITTEE REPORT (CONTINUED)

For the year ended 29 February 2024

SIGNIFICANT MATTERS

The significant reporting matter the committee considered during the year is the valuation of investment property.

VALUATION OF INVESTMENT PROPERTY

The major risk relating to investment property is the valuation of investment property. Valuation of investment property has been highlighted as an area of critical judgement and estimates in note **4** of the annual financial statements. The Group externally values all income-producing properties twice each year. The fair value is determined using the discounted cash flow method of valuation for SA properties and the income capitalisation method for UK properties.

Properties under development generally take less than 12 months to complete and all related costs incurred are at arm's length which equates to the fair value of the development. Where fair value cannot be readily determined, properties under development is measured at cost. The fair value of vacant land is determined by comparing land costs to comparable land parcels, adjusted for infrastructure costs incurred.

Through discussions with the executive directors, the committee is satisfied with the valuation methodology and the critical inputs. A number of non-executive board members have extensive experience in the property industry and the board as a whole reviews and approves the valuations and is satisfied overall that the fair value of investment property is not materially misstated. No matters of a material nature in this regard were brought to the attention of the audit committee by the external auditors.

All income-producing properties were externally valued as at 29 February 2024.

INTERNAL AUDIT

The internal audit function reports functionally to the chairperson of the committee, and administratively to the CFO. A risk-based approach has been applied to develop the annual internal audit plan.

The internal audit plan:

- is formally approved by the audit committee;
- is formulated by considering key risk factors as identified through ongoing risk assessments, but also incorporating any additional matters identified by management and the audit committee;
- considers the evaluation of governance, operational and financial processes and associated controls;
- considers the contracting of outsourced specialist skills, where necessary to ensure the plan has adequately skilled resources; and
- is reviewed to consider new risk areas as the business evolves.

Among the various risk areas under review, the past year saw a focus on the IT environment, data governance and compliance as well as employee relations and human resources.

All identified control weaknesses are brought to the attention of management and the committee through a formal reporting process. The internal audit function presents progress and status reports at each committee meeting. The committee continuously assesses the capacity of the internal audit function, and where appropriate use is made of suitably qualified external and independent resources to complete the agreed workplan for the year.

PROACTIVE MONITORING

The committee confirms that it has considered the findings contained in the JSE's 2023 Proactive Monitoring report when reviewing the annual financial statements for the year ended 29 February 2024.

FINANCIAL DIRECTOR

In terms of paragraph 3.84(g)(i) of the JSE Listings Requirements, the committee has considered the expertise and experience of the CFO, Laila Razack, and is satisfied that these are appropriate for her role. The committee is further satisfied that the finance function and composition of the finance team is effective.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The committee confirms that it formally recommended the adoption of the 2024 consolidated annual financial statements to the board of directors.

FULVIO TONELLI
CHAIRPERSON OF THE AUDIT COMMITTEE

Cape Town
13 May 2024

Signatures are not included here for security purposes.

DIRECTORS' REPORT

DIRECTORS' REPORT

For the year ended 29 February 2024

NATURE OF BUSINESS

Equites is listed on the JSE as a REIT and its main business is the investment in and development of modern logistic facilities. The Company is incorporated and domiciled in South Africa with its registered address being 14th Floor Portside Tower, 4 Bree Street, Cape Town, South Africa, 8001.

The Company carries on its business directly and through a number of subsidiaries. During the current year, the Group made the following changes to its investment property portfolio:

- acquired a distribution campus, ongoing development and land for development in KwaZulu-Natal, SA and land for development in Gauteng, SA;
- completed six developments in SA and one in the UK;
- commenced four developments in SA;
- disposed of undivided shares in 3 logistics properties and disposed of a further five distribution centres in line with the Group's SA disposal programme;
- disposed of two UK subsidiaries; and
- disposed of land and two logistics assets in the UK.

Income-producing properties are currently situated in Western Cape, Gauteng, KwaZulu-Natal and Eastern Cape in SA, and the UK.

FINANCIAL RESULTS

The detailed financial results are fully set out in the consolidated annual financial statements.

BORROWINGS

Equites has unlimited borrowing powers in terms of the Memorandum of Incorporation, but the Group has maintained its debt levels below 60% of its gross asset value due to JSE requirements for REITs. The Group is also subject to certain financial covenants with the strictest being a 50% loan-to-value covenant on its debt. The Group's overall borrowings were R12.1 billion (2023: R11.4 billion) at the reporting date as detailed in note **7** to the consolidated annual financial statements.

STATED CAPITAL

The authorised share capital of the Company remained unchanged at 2 000 000 000 (two billion) ordinary shares of no par value.

The issued share capital at year end is 780 684 498 (2023: 774 089 562) ordinary shares of no par value. 2 877 (2023: 43 549) ordinary shares are held as treasury shares. All movements in issued shares are detailed in note **14** to the consolidated annual financial statements.

DISTRIBUTION TO SHAREHOLDERS

The total distribution for the year ended 29 February 2024 of 131.12 (2023: 169.60) cents per share is 22.7% lower than the comparative period and in line with distribution guidance previously provided. This is made up of the interim dividend declared on 10 October 2023 (dividend number 20) of 65.37 cents per share and the final dividend declared on 13 May 2024 (dividend number 21) of 65.75 cents per share.

DIVIDEND DECLARED

Dividend number 21 for 65.75300 cents per share was declared on 13 May 2024.

Shareholders will be entitled, in respect of all or part of their shareholdings, to elect to reinvest the cash dividend in return for Equites shares (the "dividend reinvestment alternative"). The entitlement for shareholders to receive the dividend reinvestment alternative is subject to the board agreeing on the pricing and terms of the dividend reinvestment alternative. The board in its discretion may withdraw the dividend reinvestment alternative should market conditions warrant such actions and such withdrawal will be communicated to shareholders prior to the finalisation announcement to be published by 11:00 on Monday, 27 May 2024.

A circular providing further information in respect of the cash dividend and dividend reinvestment alternative will be posted/electronically delivered to shareholders on Tuesday, 14 May 2024.

DIRECTORS' REPORT (CONTINUED)

For the year ended 29 February 2024

DISTRIBUTION TO SHAREHOLDERS (CONTINUED)

DIVIDEND DECLARED (CONTINUED)

The following salient dates apply:

	2024
Equites results including declaration of a final distribution published on SENS	Tuesday, 14 May
Circular and form of election posted to shareholders	Tuesday, 14 May
Finalisation information including the share ratio and reinvestment price per share published on SENS by 11:00 (SA time)	Monday, 27 May
Last day to trade in order to participate in the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend ("LDT")	Tuesday, 4 June
Shares trade ex-dividend	Wednesday, 5 June
Listing of maximum possible number of shares under the dividend reinvestment alternative	Friday, 7 June
Last day to elect to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (no late forms of election will be accepted) at 12:00 (SA time)	Friday, 7 June
Record date for the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend ("record date")	Friday, 7 June
Announcement of results of cash dividend and dividend reinvestment alternative released on SENS	Monday, 10 June
Payment of cash dividends to certificated shareholders by electronic funds transfer	Monday, 10 June
Dematerialised shareholders' CSDP or broker accounts credited with the cash dividend payment (if applicable)	Monday, 10 June
Share certificates posted to certificated shareholders on or about	Wednesday, 12 June
Dematerialised shareholders' CSDP or broker accounts credited with the new shares (if applicable)	Wednesday, 12 June
Adjustment to shares listed on or about	Friday, 14 June

Notes:

1. **Shareholders electing the dividend reinvestment alternative are alerted to the fact that the new shares will be listed on LDT + 3 and that these new shares can only be traded on LDT + 3, due to the fact that settlement of the shares will be three days after the record date, which differs from the conventional one day after record date settlement process.**
2. Shares may not be dematerialised or rematerialised between Wednesday, 5 June 2024 and Friday, 7 June 2024, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on SENS.

The board confirms the use of distribution per listed securities as the relevant measure of financial results for the purposes of trading statements.

SOLVENCY AND LIQUIDITY TEST

The directors have performed the required solvency and liquidity tests required by the Companies Act and have reasonably concluded that the Group will satisfy the solvency and liquidity test immediately after completing the distribution.

GOING CONCERN

The annual financial statements of the Group were prepared on a going concern basis. The board is satisfied that the Group has adequate resources to continue trading for the foreseeable future based on a formal review of the results, forecasts and assessing available resources.

DIRECTORS' REPORT (CONTINUED)

For the year ended 29 February 2024

SUBSIDIARIES

The Company has the following wholly-owned subsidiaries, unless otherwise indicated, all of which are property investment/management companies:

EQUITES PROPERTY FUND LIMITED

100%	EQUITES UK DEVELOPER LTD[2]		
100%	EQUITES UK PROPERTIES LTD[2]		
50.1%	RETAIL LOGISTICS FUND (RF) (PTY) LTD		
51%	PLUMBAGO INVESTMENT PLATFORM (PTY) LTD	100%	PLUMBAGO LOGISTICS PLATFORM (PTY) LTD
100%	SWISH PROPERTY SEVEN (PTY) LTD		
100%	KOVACS INVESTMENTS 715 (PTY) LTD		
100%	GALT PROPERTY TWO (PTY) LTD		
100%	EQUITES INTERNATIONAL LTD[1]		
100%	GALT PROPERTY ONE (PTY) LTD		
100%	EQUITES PROPERTY MANAGEMENT SERVICES (PTY) LTD		
100%	EQUITES INVESTMENTS 1 (PTY) LTD	100%	CHAMBER LANE PROPERTIES 3 (PTY) LTD
100%	DORMELL PROPERTIES 711 (PTY) LTD		
100%	PROP FOR LIST (PTY) LTD		
100%	EQUITES ATLANTIC HILLS (PTY) LTD		
100%	EA WATERFALL LOGISTICS JV (PTY) LTD		

EQUITES INTERNATIONAL LTD[1]

100%	EQUITES UK SPV 1 LTD[1]
100%	EQUITES UK SPV 4 LTD[1]
100%	EQUITES UK SPV 5 LTD[1]
100%	EQUITES UK SPV 6 LTD[1]
100%	EQUITES UK SPV 9 LTD[1]
100%	EQUITES UK SPV 10 LTD[1]
100%	EQUITES UK SPV 11 LTD[1]
100%	EQUITES UK SPV 12 LTD[1]
100%	EQUITES PETERBOROUGH GATEWAY LTD (UK)[2]
60%	EQUITES NEWLANDS (PETERBOROUGH WEST PLOT 1) LTD[2]
60%	EQUITES NEWLANDS (PETERBOROUGH WEST PLOT 2) LTD[2]
60%	EQUITES NEWLANDS (PETERBOROUGH WEST PLOT 3) LTD[2]
60%	EQUITES NEWLANDS (PETERBOROUGH WEST PLOT 4) LTD[2]
60%	EQUITES NEWLANDS (PETERBOROUGH WEST PLOT 5) LTD[2]
60%	EQUITES NEWLANDS (PETERBOROUGH WEST PLOT 6) LTD[2]
60%	EQUITES NEWLANDS (PETERBOROUGH WEST PLOT 7) LTD[2]
60%	EQUITES NEWLANDS (PETERBOROUGH WEST PLOT 8) LTD[2]
60%	EQUITES NEWLANDS (PETERBOROUGH WEST) LTD[2]
60%	EQUITES NEWLANDS (JUNCTION 16) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE) LTD[2]
60%	EQUITES NEWLANDS (THRAPSTON EAST) LTD[2]
60%	EQUITES NEWLANDS (NORTHAMPTONSHIRE) LTD[2]
60%	EQUITES NEWLANDS (LAND) LTD[2]
60%	**EQUITES NEWLANDS GROUP LTD[2]**
60%	EQUITES NEWLANDS (JUNCTION 16 PLOT 1) LTD[2]
60%	EQUITES NEWLANDS (JUNCTION 16 PLOT 2) LTD[2]
60%	EQUITES NEWLANDS (JUNCTION 16 PLOT 3) LTD[2]
60%	EQUITES NEWLANDS (JUNCTION 16 PLOT 4) LTD[2]
60%	EQUITES NEWLANDS (JUNCTION 16 PLOT 5) LTD[2]
60%	EQUITES NEWLANDS (JUNCTION 16 PLOT 6) LTD[2]
60%	EQUITES NEWLANDS (JUNCTION 16 PLOT 7) LTD[2]
60%	EQUITES NEWLANDS (JUNCTION 16 PLOT 8) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE PLOT 1) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE PLOT 2) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE PLOT 3) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE PLOT 4) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE PLOT 5) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE PLOT 6) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE PLOT 7) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE PLOT 8) LTD[2]
60%	EQUITES NEWLANDS (CAMBRIDGE PLOT 9) LTD[2]
60%	EQUITES NEWLANDS (THRAPSTON PLOT 1) LTD[2]
60%	EQUITES NEWLANDS (THRAPSTON PLOT 2) LTD[2]
60%	EQUITES NEWLANDS (THRAPSTON PLOT 3) LTD[2]
60%	EQUITES NEWLANDS (THRAPSTON PLOT 4) LTD[2]
60%	EQUITES NEWLANDS (THRAPSTON PLOT 5) LTD[2]
60%	EQUITES NEWLANDS (THRAPSTON PLOT 6) LTD[2]
60%	EQUITES NEWLANDS (RUSHDEN PLOT 1) LTD[2]
60%	EQUITES NEWLANDS (RUSHDEN PLOT 2) LTD[2]
60%	EQUITES NEWLANDS (RUSHDEN PLOT 3) LTD[2]
60%	EQUITES NEWLANDS (RUSHDEN PLOT 4) LTD[2]
60%	EQUITES NEWLANDS (RUSHDEN PLOT 5) LTD[2]
60%	EQUITES NEWLANDS (RUSHDEN PLOT 6) LTD[2]

EQUITES NEWLANDS GROUP LTD[2]

100% EQUITES NEWLANDS (BASINGSTOKE) LTD[2]

100%	EQUITES NEWLANDS (GOLDTHORPE) LTD[2]	50%	GOLDTHORPE DEVELOPMENT PARTNERSHIP LLP (UK)
100%	EQUITES NEWLANDS (LAND 2) LTD[2]		
100%	EQUITES NEWLANDS (SNODLAND) LTD[2]		
100%	EQUITES NEWLANDS (HOYLAND) LTD[2]	100%	EQUITES NEWLANDS (HOYLAND PLOT 2) LTD[2]
100%	EQUITES NEWLANDS (EGHAM) LTD[2]		
100%	EQUITES NEWLANDS (RUGBY) LTD[2]		
100%	EQUITES NEWLANDS (PETERBOROUGH DEVELOPER) LTD[2]		
100%	EQUITES NEWLANDS (JUNCTION 24) LTD[2]		

[1] Incorporated in Isle of Man
[2] Incorporated in the United Kingdom

The Company was integral in the formation of The Michel Lanfranchi Foundation NPC which houses all the corporate social responsibility initiatives of the Group. In line with IFRS 10, the following companies are consolidated as structured entities:

100%	THE MICHEL LANFRANCHI FOUNDATION NPC	100%	ILANGA LAKUSASA (PTY) LTD

DIRECTORS' REPORT (CONTINUED)

To the Shareholders of Equites Property Fund Limited

DIRECTORS

The directors of the Company as at the date of this report are:

INDEPENDENT NON-EXECUTIVE DIRECTORS[1]

- MA Brey
- PL Campher (Chairman)
- E Cross
- N Mkhize
- AD Murray
- K Ntuli
- F Tonelli

[1] RE Benjamin-Swales retired on 17 August 2023

NON-EXECUTIVE DIRECTORS

- AJ Gouws

EXECUTIVE DIRECTORS

- GR Gous (COO)
- L Razack (CFO)
- A Taverna-Turisan (CEO)

In terms of the Memorandum of Incorporation, a third of the directors will retire at the next annual general meeting and are eligible for re-election.

DIRECTORS' INTEREST IN ORDINARY SHARES

DIRECTORS' INTEREST AS AT 29 FEBRUARY 2024

	BENEFICIALLY HELD					
DIRECTORS	DIRECTLY	INDIRECTLY	ASSOCIATES	TOTAL	%	PLEDGED
MA Brey	–	112 500	10 000	122 500	0.0%	–
PL Campher	–	–	–	–	–	–
E Cross	–	–	–	–	–	–
GR Gous[2]	848 814	2 020 648	300 000	3 169 462	0.4%	2 782 993
AJ Gouws	15 043	7 711 955	–	7 726 998	1.0%	–
N Mkhize	–	–	–	–	–	–
AD Murray	–	250 053	–	250 053	0.0%	–
K Ntuli	3 602	–	–	3 602	0.0%	–
L Razack[2]	112 562	–	–	112 562	0.0%	–
A Taverna-Turisan[2]	596 644	9 004 000	–	9 600 644	1.2%	7 000 000
F Tonelli	–	–	–	–	–	–
TOTAL	**1 576 665**	**19 099 156**	**310 000**	**20 985 821**	**2.6%**	**9 782 993**

DIRECTORS' INTEREST AS AT 28 FEBRUARY 2023

	BENEFICIALLY HELD					
DIRECTORS	DIRECTLY	INDIRECTLY	ASSOCIATES	TOTAL	%	PLEDGED
RE Benjamin-Swales	42 729	–	7 117	49 846	0.0%	–
MA Brey	–	112 500	10 000	122 500	0.0%	–
PL Campher	–	–	–	–	–	–
E Cross	–	–	–	–	–	–
GR Gous[2]	1 198 203	2 020 648	300 000	3 518 851	0.5%	2 305 500
AJ Gouws	15 043	7 711 955	–	7 726 998	1.0%	–
N Mkhize	–	–	–	–	–	–
AD Murray	–	250 053	–	250 053	0.0%	–
K Ntuli	3 602	–	–	3 602	0.0%	–
L Razack[2]	94 496	–	–	94 496	0.0%	–
A Taverna-Turisan[2]	700 489	11 104 000	–	11 804 489	1.5%	7 000 000
F Tonelli	–	–	–	–	–	–
TOTAL	**2 054 562**	**21 199 156**	**317 117**	**23 570 835**	**3.0%**	**9 305 500**

[2] The conditional shares awarded, but not yet issued, to the executive directors as set out in note **13** to the consolidated annual financial statements, have not been included in the table above.

There have been no changes to the directors' interest in the Company's shares between the end of the financial year and the approval of the financial statements.

COMPANY SECRETARY

Dianna Beneke resigned as company secretary with effect from 31 August 2023 and Thabo Vilakazi has been appointed with effect from 18 March 2024. Riaan Gous was acting as company secretary prior to Thabo's appointment.

AUDITORS

PwC continued as external auditors in accordance with Section 90 (1) of the Companies Act. A resolution for their reappointment will be proposed at the upcoming annual general meeting.

LITIGATION

The directors are not aware of any legal or arbitration proceedings, that have commenced, are pending or have been threatened, that have or may have a material impact on the results of the Group.

SUBSEQUENT EVENTS

The directors are not aware of any other events, apart from those disclosed in note **30**, which have occurred since the end of the financial year, which have a material impact on the results and disclosures in these financial statements.

HOLDING COMPANY

Equites has no holding company and the main shareholders are detailed in **Appendix 3** to the consolidated annual financial statements.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Equites Property Fund Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Equites Property Fund Limited and its subsidiaries (together the Group) as at 29 February 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

WHAT WE HAVE AUDITED

Equites Property Fund Limited's consolidated financial statements set out on pages 84 to 130 comprise:

- the consolidated statement of financial position as at 29 February 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

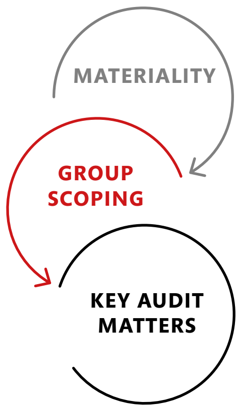
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

OUR AUDIT APPROACH

OVERVIEW



OVERALL GROUP MATERIALITY

- Overall group materiality: R169 million, which represents 1% of consolidated net assets.

GROUP AUDIT SCOPE

- The Group consists of 83 property-investment companies in both South Africa and the United Kingdom (UK).
- We performed full scope audits at four of the South African companies based on their contribution to consolidated net assets.
- Furthermore, we performed an audit of the investment property related balances and an audit of certain account balances and analytical procedures over the remaining companies.

KEY AUDIT MATTERS

- Valuation of investment properties.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

OVERALL GROUP MATERIALITY	R169 million
HOW WE DETERMINED IT	1% of consolidated net assets.
RATIONALE FOR THE MATERIALITY BENCHMARK APPLIED	We chose consolidated net assets as the benchmark because, in our view, it is the key benchmark considered by users of the consolidated financial statements. We chose 1% which is consistent with quantitative materiality thresholds used for entities in this sector.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Equites Property Fund Limited

HOW WE TAILORED OUR GROUP AUDIT SCOPE

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of 83 property-investment companies, which includes industrial properties in South Africa and the UK. The majority of the property portfolio consists of single tenant industrial or logistical properties. The consolidated financial statements are a consolidation of all the companies in the Group.

Based on the financial significance and audit risk, we performed full scope audits at four of the South African companies, namely Equites Property Fund Limited, Chamber Lane Properties 3 (Pty) Ltd, Retail Logistics Fund (RF) (Pty) Ltd and Plumbago Logistics Platform (Pty) Ltd. Furthermore, we performed an audit of the investment property related balances and an audit of certain account balances and analytical procedures over the remaining companies.

This, together with additional procedures performed at the group level, including testing of consolidation journals and intercompany eliminations, gave us sufficient appropriate audit evidence regarding the financial information of the Group. All of the work was performed by the group audit team.

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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
VALUATION OF INVESTMENT PROPERTIES The Group's investment property portfolio is split between South Africa and the United Kingdom, with a total valuation, including the straight-lining lease adjustment, in the consolidated statement of financial position of R25.2 billion. The fair value gain recognised for the year amounts to R554 million. Refer to note **4** to the consolidated financial statements for details on the valuation of investment properties and note **33.1** for the property schedule. We considered the valuation of investment properties to be a matter of most significance to the current year audit due to the following: - The significance of the estimates and judgements involved in its determination; and - The magnitude of the balance of the investment properties recorded in the consolidated statement of financial position, as well as the changes in fair value relating to the property portfolio recorded in the consolidated statement of comprehensive income The investment properties are stated at their fair values based on directors' valuations and external valuations as deemed appropriate. The fair values of investment properties at year end were determined using the discounted cash flow and income capitalisation methods of valuation. The valuation of the Group's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the forecasted future net cash flows and residual value for that particular property.	We obtained an understanding of the approach followed by management for the valuation of the Group's investment property portfolio through discussions with management. We inspected a sample of valuation reports for the properties valued externally in the current year and assessed whether the valuation approach followed for each property and the approach followed by management were in accordance with IFRS and suitable for use in determining the fair value for the purpose of the consolidated financial statements. Our work, as detailed in the procedures below, focused on the largest properties in the portfolio, as well as those properties where the assumptions used and/or year-on-year capital value movement suggested a possible outlier versus market data for the relevant sector. We evaluated the external valuers' qualifications and expertise and evaluated whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work through direct communication with the valuer, and inspection of their credentials. We did not note any aspects in this regard requiring further consideration. We made use of our internal valuation expertise in our assessment of the reasonableness of the valuation methodologies and assumptions applied based on their knowledge of the industry and the markets in which the group operates. We evaluated comparable market evidence in assessing the fair value of the properties. No material differences were noted. We tested the accuracy, reliability and completeness of data inputs into the directors' valuations, as well as in the valuations prepared by the external valuers. We focused on the following data inputs: rental income, tenancy schedules, expenditure details and square metre details which underpin the investment property valuations for the selected investment properties. We found no material deviations. We evaluated the forecasted future net cash flows by comparing them to lease agreements and noted no material deviations.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Equites Property Fund Limited

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
In determining a property's valuation, the directors and the valuers take into account property-specific information such as expected market rental growth, discount rate, exit capitalisation rate and capitalisation rates. The directors and valuers apply yields, discount rates, market rentals and exit capitalisation rates which are influenced by prevailing market yields and comparable market transactions for properties with similar characteristics, to arrive at the final valuation. Investment property under development and vacant land are subsequently measured at fair value at each reporting period. If the fair value cannot be reasonably determined, this is measured at cost. The Group capitalises borrowing costs on new developments and major refurbishments that are deemed to be qualifying assets based on management's judgement in line with IFRS Accounting Standards ("IFRS") requirements as reflected in note **4** to the consolidated financial statements.	We evaluated the significant assumptions, including discount rates, capitalisation rates, exit capitalisation rates, vacancy rates, market rental growth rates and any adjustment factors by comparing it to historic and market benchmarks in order to assess whether they were in a reasonable range for the respective market, sector and asset. Our audit procedures on the above indicated that the assumptions fell within an acceptable range. For investment properties under development, we agreed the development costs incurred to relevant underlying documentation and assessed the eligibility of capitalising these costs against the criteria set out in IAS 40: Investment Property. On a sample basis, we recalculated and assessed the appropriateness of the borrowing costs capitalised and also assessed management's judgement in assessing when an asset becomes a qualifying asset in accordance with IAS 23: Borrowing Costs. No material exceptions were noted. In respect of vacant land, we recalculated, on a sample basis, the value of the land based on comparable market data and comparable listed sales prices. Our audit procedures on the above did not identify any material differences. For a representative sample of the straight-lining lease income accrual we agreed the inputs in the calculation to the underlying lease agreements and tested the accuracy of the calculation through reperformance. We did not identify any material differences. We further evaluated the appropriateness of the disclosures in the consolidated financial statements concerning the key assumptions to which the valuations are most sensitive, and the inter-relationship between the assumptions and the valuation amounts.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Equites Property Fund Consolidated Annual Financial Statements for the year ended 29 February 2024" and the document titled "Equites Property Fund Annual Financial Statements for the year ended 29 February 2024" which includes the Declaration by the company secretary, Audit committee report and Directors' report as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document "Equites Property Fund Integrated Report 2024", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Equites Property Fund Limited

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Equites Property Fund Limited for 8 years.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS INC.
DIRECTOR: P LIEDEMAN
REGISTERED AUDITOR

Cape Town, South Africa
13 May 2024

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

Equites Property Fund Limited and its subsidiaries at 29 February 2024

R'000	NOTES	2024	2023
ASSETS			
NON-CURRENT ASSETS			
Investment property (excluding straight-lining)	**4**	24 050 575	23 657 994
Straight-lining lease income accrual	**4.3**	1 121 199	802 644
Land options	**4.1**	154 461	100 552
Deferred tax asset	**16**	3 580	3 290
Other financial assets	**8.2**	72 654	151 450
Trade and other receivables	**12**	611 048	2 188
Loan receivable	**13**	54 441	55 154
Property, plant and equipment	**19**	22 337	27 059
		26 090 295	**24 800 331**
CURRENT ASSETS			
Trading properties	**5**	948 685	748 448
Trade and other receivables	**12**	390 721	271 351
Other financial assets	**8.2**	132 713	125 217
Loan receivable	**13**	3 013	2 903
Current tax receivable		–	1 681
Cash and cash equivalents	**10**	493 253	257 692
		1 968 385	**1 407 292**
Investment property held-for-sale	**4.2**	2 164 480	2 337 633
TOTAL ASSETS		**30 223 160**	**28 545 256**

R'000	NOTES	2024	2023
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Stated capital	**14**	12 257 529	12 136 465
Accumulated loss		(99 985)	(49 514)
Foreign currency translation reserve		1 195 109	778 296
Share-based payment reserve	**15**	30 570	22 316
TOTAL ATTRIBUTABLE TO OWNERS		**13 383 223**	**12 887 563**
Non-controlling interest	**11**	3 562 275	3 384 200
TOTAL EQUITY AND RESERVES		**16 945 498**	**16 271 763**
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	**7**	9 468 043	7 590 856
Financial guarantees	**8.3**	10 000	10 000
Other financial liabilities	**8.3**	30 180	46 766
Deferred tax liability	**16**	151 423	129 706
Other payables	**18**	67 676	65 306
		9 727 322	**7 842 634**
CURRENT LIABILITIES			
Loans and borrowings	**7**	2 631 904	3 618 456
Trade and other payables	**18**	889 397	472 625
Current tax payable		2 146	–
Other financial liabilities	**8.3**	26 893	141 731
		3 550 340	**4 232 812**
Non-current liabilities held-for-sale	**17**	–	198 047
TOTAL LIABILITIES		**13 277 662**	**12 273 493**
TOTAL EQUITY AND LIABILITIES		**30 223 160**	**28 545 256**

STATEMENT OF COMPREHENSIVE INCOME

R'000	NOTES	2024	2023
Property revenue and tenant recoveries	20	2 128 110	1 887 058
Straight-lining of leases adjustment		334 539	273 761
Revenue from trading properties and developments	21	21 537	1 051 931
GROSS PROPERTY REVENUE		**2 484 186**	**3 212 750**
Cost of sales from trading properties and developments	5	(59 668)	(908 111)
Property operating and management expenses	23	(471 830)	(303 893)
Other net (losses)/gains	22	(447 921)	(292 448)
Administrative expenses	23	(153 332)	(236 051)
Fair value adjustments – investment property	4	550 903	(1 607 261)
OPERATING PROFIT/(LOSS) BEFORE FINANCING ACTIVITIES		**1 902 338**	**(135 014)**
Finance cost	24	(622 981)	(52 128)
Finance income	25	203 721	56 454
NET PROFIT/(LOSS) BEFORE TAX		**1 483 078**	**(130 688)**
Taxation	26	39 557	25 911
PROFIT/(LOSS) FOR THE YEAR		**1 522 635**	**(104 777)**
OTHER COMPREHENSIVE INCOME			
Items that may subsequently be reclassified to profit or loss:			
Translation of foreign operations		494 852	422 920
Items reclassified to profit or loss:			
Reclassification of FCTR	22.1	(68 830)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1 948 657**	**318 143**
PROFIT/(LOSS) ATTRIBUTABLE TO:			
Owners of the parent		1 151 765	(638 793)
Non-controlling interest	11	370 870	534 016
		1 522 635	**(104 777)**
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Owners of the parent		1 568 578	(231 121)
Non-controlling interest	11	380 079	549 264
		1 948 657	**318 143**
Basic earnings per share (cents)	2	147.5	(82.4)
Diluted earnings per share (cents)	2	145.8	(81.6)

STATEMENT OF CASH FLOWS

Equites Property Fund Limited and its subsidiaries for the year ended 29 February 2024

R'000	NOTES	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27.1	1 554 791	1 873 580
Finance cost paid	24	(642 423)	(310 968)
Finance income received	25	213 490	26 031
Tax paid	27.7	(2 382)	(102 709)
Dividends paid	27.6	(1 404 240)	(1 516 504)
NET CASH FLOWS UTILISED BY OPERATING ACTIVITIES		**(280 764)**	**(30 570)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment properties	27.2	(638 253)	(413 570)
Development of investment properties	27.3	(2 489 885)	(1 602 436)
Finance cost paid capitalised to investment properties	24	(352 488)	(285 611)
Proceeds from disposal of investment property and subsidiaries (net of costs)	27.4	2 933 274	151 165
Purchases of current financial assets[1]	27.5	(1 072 402)	(874 981)
Proceeds on divestment of current financial assets[1]	27.5	1 072 402	874 981
Proceeds from loan receivable		750	1 750
Proceeds from disposal of property, plant and equipment		–	8
Purchase and development of property, plant and equipment	19	(6 476)	(11 378)
NET CASH FLOWS UTILISED BY INVESTING ACTIVITIES		**(553 078)**	**(2 160 072)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue costs paid	14.3	(284)	–
Proceeds from share issue relating to dividend reinvestment programme (net of costs)	14.3	–	27 099
Repurchase of shares	14	(81 113)	(73 816)
Repayment of lease liability		(11 543)	(9 948)
Proceeds from borrowings	7.1	13 522 423	9 101 447
Repayment of borrowings	27.8	(12 386 068)	(7 211 996)
NET CASH FLOWS RAISED FROM FINANCING ACTIVITIES		**1 043 415**	**1 832 786**
Net increase/(decrease) in cash and cash equivalents		209 573	(357 856)
Effect of exchange rate movements on cash and cash equivalents		25 988	45 405
Cash and cash equivalents at the beginning of the year		257 692	570 143
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	**493 253**	**257 692**

[1] This primarily consists of investments in and divestments of surplus cash held in money market funds.

STATEMENT OF CHANGES IN EQUITY

R'000	NOTES	STATED CAPITAL	ACCUMULATED (LOSS)/PROFIT	FOREIGN CURRENCY TRANSLATION RESERVE	SHARE-BASED PAYMENT RESERVE	TOTAL ATTRIBUTABLE TO PARENT	NON-CONTROLLING INTEREST	TOTAL
Balance at 1 March 2022		12 170 853	1 880 847	370 624	29 390	14 451 714	3 059 872	17 511 586
(Loss)/profit for the year		–	(638 793)	–	–	(638 793)	534 016	(104 777)
Other comprehensive income		–	–	407 672	–	407 672	15 248	422 920
Transactions with non-controlling interest	11	–	–	–	–	–	64 623	64 623
Share issue in terms of dividend reinvestment programme	14	28 154	–	–	–	28 154	–	28 154
Shares issued in terms of conditional share plan	14	13 160	–	–	(13 160)	–	–	–
Treasury shares issued in terms of conditional share plan	14	–	–	–	(163)	(163)	–	(163)
Shares forfeited in terms of conditional share plan	14	(831)	–	–	831	–	–	–
Shares repurchased and cancelled	14	(73 816)	–	–	–	(73 816)	–	(73 816)
Equity-settled share-based payment charge	15	–	–	–	5 418	5 418	–	5 418
Dividends distributed to shareholders		–	(1 291 568)	–	–	(1 291 568)	(289 559)	(1 581 127)
Share issue costs	14	(1 055)	–	–	–	(1 055)	–	(1 055)
BALANCE AT 28 FEBRUARY 2023		**12 136 465**	**(49 514)**	**778 296**	**22 316**	**12 887 563**	**3 384 200**	**16 271 763**
Balance at 1 March 2023		12 136 465	(49 514)	778 296	22 316	12 887 563	3 384 200	16 271 763
Profit for the year		–	1 151 765	–	–	1 151 765	370 870	1 522 635
Other comprehensive income		–	–	416 813	–	416 813	9 209	426 022
Shares issued in terms of share-based payment transaction	14	196 069	–	–	–	196 069	–	196 069
Shares repurchased and cancelled	14	(75 497)	–	–	–	(75 497)	–	(75 497)
Shares repurchased and issued in terms of conditional share plan		–	–	–	(5 616)	(5 616)	–	(5 616)
Treasury shares issued in terms of conditional share plan	14	831	–	–	(831)	–	–	–
Shares forfeited in terms of conditional share plan	14	(55)	–	–	55	–	–	–
Equity-settled share-based payment charge	15	–	–	–	14 646	14 646	–	14 646
Dividends distributed to shareholders		–	(1 202 236)	–	–	(1 202 236)	(202 004)	(1 404 240)
Share issue costs	14	(284)	–	–	–	(284)	–	(284)
BALANCE AT 29 FEBRUARY 2024		**12 257 529**	**(99 985)**	**1 195 109**	**30 570**	**13 383 223**	**3 562 275**	**16 945 498**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. PREPARATION OF FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of the consolidated financial statements are set out in the notes to the consolidated annual financial statements and are consistent with those applied in the previous year, unless otherwise stated. The consolidated annual financial statements were authorised for issue by the board of directors on 13 May 2024.

1.1 BASIS OF PREPARATION

The consolidated annual financial statements have been prepared in accordance with IFRS® Accounting Standards, the IFRS Interpretations Committee interpretations, 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 No. 71 of 2008, as amended and the Listings Requirements of the exchange operated by JSE Limited ("JSE").

1.2 BASIS OF MEASUREMENT

The consolidated annual financial statements are prepared on the historical cost basis, except for investment property, derivative financial instruments and financial instruments at fair value through profit or loss, which are measured at fair value.

1.3 BASIS OF CONSOLIDATION

The Group consolidates all of its subsidiaries. Accounting policies are applied consistently in all Group companies. The results of subsidiaries are included from the effective date of acquisition up to the effective date of disposal. Subsidiaries are deconsolidated from the date that control ceases. All subsidiaries have the same financial year ends and are consolidated to that date.

All intra-group transactions, balances and unrealised gains and losses on transactions between entities of the Group have been eliminated.

1.3.1 CONTROL

Subsidiaries are entities (including structured entities) over which the Group has control. Control exists when the following can be demonstrated:

- power over the investee through having existing rights that give it the current ability to direct relevant activities;
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to affect those returns through its power to govern the financial and operating policies of the investor's returns.

1.3.2 BUSINESS COMBINATIONS

When the Group gains control of a business, the business combination is accounted for using the acquisition method at the acquisition date (the date on which control is transferred). The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. Acquisition-related costs are expensed as incurred. Identifiable assets acquired as well as liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the consideration transferred is less than the Group's share of the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

For acquisition of subsidiaries not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

1.4 FUNCTIONAL CURRENCY

All items in the consolidated annual financial statements are measured using the currency of the primary economic environment in which it operates (the functional currency). The consolidated annual financial statements are presented in South African Rand, which is Equites' functional and the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the average exchange rates for the relevant period. These average exchange rates approximate the spot rate at the date of the transaction. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at closing rates, are recognised in the statement of comprehensive income.

Subsidiaries that have a functional currency that is different from the presentation currency of the Group are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenditure for each statement of comprehensive income presented are translated at the average exchange rates for the period; and
- all resulting translation differences are recognised in other comprehensive income and presented as a separate component of equity in foreign currency translation reserve ("FCTR").

Exchange rate differences arising from the translation of a net investment in foreign operations is recognised in FCTR. The Group's net investment in foreign operation is equal to the equity investment plus all monetary items that are receivable from or payable to the foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future. On disposal or a decrease in the group's effective interest in the foreign subsidiary, all or a proportionate share of the exchange differences accumulated in equity in respect of that subsidiary attributable to the equity holders of the group are reclassified to profit or loss. The amount of FCTR reclassified to profit or loss is calculated based on the appreciation or devaluation in the functional currency of the foreign subsidiary disposed against the functional currency of the Group.

1.5 STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE FOR THE FIRST TIME AT 29 FEBRUARY 2024

The standards, amendments and interpretations effective for the first time in the current financial year have been summarised below. The impact of the adoption of these standards and amendments have been considered and is deemed immaterial.

	EFFECTIVE DATE (PERIODS BEGINNING ON OR AFTER)
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023
Narrow scope amendments to IAS 1 'Presentation of Financial Statements, Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	1 Jan 2023

1.6 STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE AT 29 FEBRUARY 2024

The table below summarises the standards, amendments and interpretations that have been published, but that are not yet effective in the current financial year and are relevant to the Group. None of these standards, amendments and interpretations are expected to have a material impact on the results of the Group.

	EFFECTIVE DATE (PERIODS BEGINNING ON OR AFTER)
Amendments to IAS 1 – Non-current liabilities with covenants	1 Jan 2024
Amendment to IFRS 16 – Leases on sale and leaseback	1 Jan 2024
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	1 Jan 2024
Amendments to IAS 21 Lack of Exchangeability	1 Jan 2025
IFRS 18 – Presentation and Disclosure in Financial Statements	1 Jan 2027

Management is in the process of assessing the impact of the implementation of IFRS 18.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

2. EARNINGS AND HEADLINE EARNINGS PER SHARE

This note provides the obligatory information in terms of IAS 33 Earnings per share and SAICA Circular 1/2023 for the Group and should be read in conjunction with **Appendix 1**, where earnings are reconciled to distributable earnings. Distributable earnings determine the dividend declared to shareholders, which is a meaningful metric for a shareholder in a REIT.

ACCOUNTING POLICY

Earnings per share is calculated by dividing the net profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year. Headline earnings per share is calculated in terms of the requirements set out in Circular 1/2023 issued by SAICA.

Diluted earnings and diluted headline earnings per share are determined by adjusting for the impact on earnings and the weighted average number of ordinary shares of all known dilutive potential ordinary shares.

2.1 BASIC EARNINGS PER SHARE

R'000	NOTES	2024	2023
BASIC EARNINGS			
Earnings (profit/(loss) attributable to owners of the parent)		1 151 765	(638 793)
NUMBER OF SHARES			
Shares in issue		780 684 498	774 089 562
Weighted average number of shares in issue		781 049 778	775 345 406
Add: weighted potential dilutive impact of conditional shares		8 685 198	7 390 022
Diluted weighted average number of shares in issues		789 734 976	782 735 428
CENTS			
BASIC EARNINGS PER SHARE			
Basic earnings per share		147.5	(82.4)
Diluted earnings per share		145.8	(81.6)

2.2 HEADLINE EARNINGS PER SHARE

R'000	NOTES	2024	2023
RECONCILIATION BETWEEN BASIC EARNINGS AND HEADLINE EARNINGS:			
Earnings (profit/(loss) attributable to owners of the parent)		1 151 765	(638 793)
Adjusted for:			
Fair value adjustments to investment properties	4.1	(553 556)	1 607 261
Less: Fair value adjustment to investment properties (NCI)	11.1	95 545	232 549
Fair value adjustment of non-current assets held-for-sale	4.2	2 652	–
Loss on sale of non-current assets	22	149 827	8 225
Less: Profit on sale of non-current assets (NCI)	11.1	68 554	–
HEADLINE EARNINGS		**914 787**	**1 209 242**
CENTS			
HEADLINE EARNINGS PER SHARE			
Headline earnings per share		117.1	156.0
Diluted headline earnings per share		115.8	154.5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

3. SEGMENT INFORMATION

ACCOUNTING POLICY

The Group identifies and presents operating segments on the basis of internal reporting that is regularly reviewed by the chief operating decision-makers ("CODM"). The CODM has been identified as the Group's executive directors. The CODM allocates resources and assesses the performance of the operating segments of the Group.

The Group has identified the following reportable segments:

- **SA industrial** – This part of the business incorporates all the SA industrial and logistics assets. This comprised of 61 (2023: 60) completed properties split between prime logistics nodes in Western Cape, Eastern Cape, Gauteng and KwaZulu-Natal.
- **UK industrial** – This part of the business incorporates all completed buildings and development sites in the UK. This comprised of six (2023: 10) completed properties.
- **UK developer** – This part of the business relates specifically to the activities within ENGL which pertain to disposal of land and turnkey developments. These projects are assessed based on different measurement and performance criteria, specifically relating to disposal profits as opposed to long-term property fundamentals. Profits generated from this segment are specifically excluded from distributable income. This comprised of no ongoing development sites (2023: no ongoing development sites) in the UK.
- **Other** – Properties held-for-sale.

The geographic analysis of revenue is based on the country where the building is situated, and therefore where the rental income is derived. Equites generates the majority of revenue from properties situated in SA, while the remainder of revenue is generated through properties situated in the UK. The SA and UK markets differ in terms of market risk, political risk and the processes for the purchase and letting of assets. For this reason, the CODM analyses the assets in these markets separately and allocates resources according to this analysis.

The CODM primarily uses a measure of revenue and operating profit before financing activities to assess the performance of the operating segment. The operating segment is the same as the reportable segment.

R'000	OPERATING SEGMENTS				
SEGMENT INFORMATION FOR THE GROUP FOR THE YEAR ENDED 29 FEBRUARY 2024	**SA INDUSTRIAL**	**UK INDUSTRIAL**	**UK DEVELOPER**	**OTHER**	**TOTAL**
STATEMENT OF COMPREHENSIVE INCOME					
Property revenue and tenant recoveries	1 711 485	253 391	–	163 234	**2 128 110**
Straight-lining of leases adjustment	267 671	69 747	–	(2 879)	**334 539**
Revenue from trading properties and developments	21 537	–	–	–	**21 537**
Property operating and management expenses	(441 647)	(5 682)	–	(24 501)	**(471 830)**
Fair value adjustments – investment property	202 260	351 295	–	(2 652)	**550 903**
Operating profit/(loss) before financing activities	1 280 137	527 387	(35 156)	129 970	**1 902 338**
Finance income	160 474	31 962	–	11 285	**203 721**
Finance costs	(438 944)	(118 616)	–	(65 421)	**(622 981)**
Current tax (expense)/income	(11 211)	–	5 002	–	**(6 209)**
STATEMENT OF FINANCIAL POSITION					
Investment property and land options	19 863 967	5 462 268	–	2 164 480	**27 490 715**
Trading properties	–	–	948 685	–	**948 685**
Trade and other receivables[1]	252 712	715 552	7 921	25 584	**1 001 769**
Loans and borrowings	8 839 959	3 259 988	–	–	**12 099 947**
Total assets	20 341 274	6 595 629	970 306	2 315 951	**30 223 160**
Total liabilities	9 196 435	3 926 118	27 591	127 518	**13 277 662**
SEGMENT INFORMATION FOR THE GROUP FOR THE YEAR ENDED 28 FEBRUARY 2023	**SA INDUSTRIAL**	**UK INDUSTRIAL**	**UK DEVELOPER**	**OTHER**	**TOTAL**
STATEMENT OF COMPREHENSIVE INCOME					
Property revenue and tenant recoveries	1 403 060	294 566	–	189 432	**1 887 058**
Straight-lining of leases adjustment	399 417	(11 437)	–	(114 219)	**273 761**
Revenue from trading properties and developments	–	–	1 051 931	–	**1 051 931**
Property operating and management expenses	(241 848)	(12 728)	–	(49 317)	**(303 893)**
Fair value adjustments – investment property	241 874	(1 849 135)	–	–	**(1 607 261)**
Operating (loss)/profit before financing activities	1 356 912	(1 661 015)	44 475	124 614	**(135 014)**
Finance income	1 619 996	(1 563 749)	–	207	**56 454**
Finance costs	(57 433)	5 297	–	8	**(52 128)**
Current tax expense	–	–	(98 090)	–	**(98 090)**
STATEMENT OF FINANCIAL POSITION					
Investment property and land options	16 488 214	8 072 975	–	2 337 634	**26 898 823**
Trading properties	19 028	–	729 420	–	**748 448**
Trade and other receivables[1]	215 894	11 725	34 326	11 594	**273 539**
Loans and borrowings	8 029 984	3 179 328	–	145 277	**11 354 589**
Total assets	17 407 600	8 128 532	793 529	2 215 595	**28 545 256**
Total liabilities	8 468 648	3 472 797	60 845	271 203	**12 273 493**

[1] Trade and other receivables was added in the current year

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENT PROPERTY

R'000	2024	2023
Income-producing investment property	20 481 501	20 217 779
Investment property under development	2 355 755	1 320 513
Freehold land	1 193 062	2 091 944
Right-of-use asset	20 257	27 758
Investment property (excluding straight-lining) (note **4.1**)	24 050 575	23 657 994
Investment property held-for-sale (note **4.2**)	2 164 480	2 337 633
Straight-lining lease income accrual (note **4.3**)	1 121 199	802 644
FAIR VALUE OF INVESTMENT PROPERTY	**27 336 254**	**26 798 271**
Land options at cost (note **4.1**)	154 461	100 552
TOTAL INVESTMENT PROPERTY	**27 490 715**	**26 898 823**

ACCOUNTING POLICY

Investment property is held to earn rental income and/or for capital appreciation, and is made up of the following:
- income-producing investment property comprising land and buildings, leased to tenants under an operating lease,
- investment property under development and vacant land available for development,
- land options exercisable at a future date subject to receiving planning consent, and
- property held-for-sale where the carrying amount will be recovered through sale rather than continuing use.

Investment property is initially measured at cost, including transaction cost. Subsequently, investment property is measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss in the period in which they arise, and is excluded from the calculation of distributable earnings. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other costs, including repairs and maintenance, are expensed as incurred. Future costs or capital commitments are not included in the fair value of investment property.

All income-producing properties are valued externally by a registered valuer at each reporting date. All UK properties were valued using the income capitalisation method, with all SA properties valued using the discounted cash flow ("DCF") technique. Adjustments to the fair value of investment properties are computed net of the impact of accounting for lease income on a straight-line basis over the term of lease.

Lease commission expenditure is capitalised to the cost of investment property and amortised over a straight-line basis over the term of the lease.

A gain or loss arising on disposal of investment property is recognised in profit or loss, measured as the difference between the net disposal proceeds and the carrying amount.

INVESTMENT PROPERTY UNDER DEVELOPMENT AND FREEHOLD LAND

Investment property under development comprises the cost of the land and development and is measured at fair value at each reporting date. If the fair value cannot be reasonably determined, this is measured at cost. Upon completion of the development, these properties become part of income-producing investment property.

Investment property under development and vacant land is transferred to trading properties when there is a change in use which results in the entity concluding that it will recover the future economic benefits from the asset through sale in the short term, as opposed to holding the asset for capital appreciation and/or to generate rental income. This arrangement may arise in the UK where the entity has engaged in significant development activity.

LAND OPTIONS

In the UK, land is held through long-term option agreements that are exercisable at a future date subject to receiving planning consent. Land options are non-financial assets and are initially capitalised at cost and considered for any impairment indication annually. The impairment review includes consideration of the resale value of the option, likelihood of achieving planning consent and current recoverable value as determined by an independent valuer.

In the calculation of the resale value or recoverable value of land options, several estimates are required which includes the expected size of the development, expected rental and capitalisation rates, estimated build costs, the time to complete the development and anticipated progress with achieving planning consent, as well as the associated risks of achieving the above.

Once a land option is exercised and the land is drawn down it is transferred into vacant land.

INVESTMENT PROPERTY HELD-FOR-SALE

Investment property is classified as held-for-sale if it is expected that its carrying amount will be recovered principally through sale rather than continuing use. The following conditions are required to be met to be classified as held-for-sale:
- management is committed to a plan to sell,
- an active programme to locate a buyer is initiated,
- the asset is available for immediate sale in its present condition,
- the asset is being actively marketed for sale at a price reasonable in relation to its fair value,
- the sale is highly probable, within 12 months of classification as held-for-sale, and subject only to terms that are usual and customary for sale of such assets; and
- actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

Investment properties held-for-sale are excluded from the measurement scope of IFRS 5 Non-Current Assets Held-for-Sale and Discontinued Operations and is measured at fair value less costs to sell with gains/losses recognised in the statement of comprehensive income upon sale.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset are capitalised to the cost of that asset until such time as the asset is ready for the indented use.

Borrowing costs comprise interest on borrowings and amortisation of capitalised loan arrangement fees. The amount of borrowing costs eligible for capitalisation is determined as follows:
- **Specific borrowings:** actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment income from surplus funds derived from those borrowings; and
- **General borrowings:** weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset(s).

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs capitalised cannot exceed actual borrowing costs incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENT PROPERTY (CONTINUED)

ACCOUNTING POLICY (CONTINUED)

A qualifying asset is defined as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. An asset that normally takes more than a year to be ready for use will usually be a qualifying asset. The Group classifies the following as qualifying assets:

- investment property under development,
- land held for the purpose of development,
- income-producing investment property under major refurbishment,
- trading property (note **5**), and
- land options.

Capitalisation commences when expenditures are incurred for the asset, borrowing costs are incurred, and the Group undertakes activities that are necessary to prepare the asset for its intended use. This occurs as follows:

- Properties under development and refurbishments: once expenditures are incurred; and
- Land: once land or land option is acquired and in the process of being developed, i.e. when town planning, zoning, earthworks, etc. commences with a view to utilising this in development.

The Group ceases capitalising borrowing costs on each qualifying asset on the date on which practical completion is issued. On this date, substantially all the activities necessary to prepare the qualifying asset for its intended use are considered to be complete.

LEASES

The Group is a party to leasehold land in respect of certain investment properties, giving rise to a right-of-use asset recognised as investment property at lease commencement date. The right-of-use asset is measured at the initial amount of the lease liability adjusted for any lease payments made in advance, plus any initial direct costs incurred less any lease incentives received. The lease liability is initially measured at the present value of the future lease payments discounted using the Group's incremental borrowing rate. The lease payments consist of a fixed percentage of the income generated from the investment property.

The right-of-use asset recognised as investment property is subsequently measured at fair value. A remeasurement occurs when there is a change in the future lease cash flows arising from a change in the underlying tenant lease. Where the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the underlying right-of-use asset.

CRITICAL ESTIMATES AND JUDGEMENTS

VALUATION OF INCOME-PRODUCING INVESTMENT PROPERTY

The Group has appointed a panel of external valuers to conduct the valuation for each property. The independent valuers applied, among other inputs, current market prices for properties with similar characteristics, leases and cash flow projections. All SA valuations are performed using a discounted cash flow method and UK valuations are performed using an income capitalisation method:

Discounted cash flow method

The fair value of each income-producing SA property is determined by calculating its net present value by discounting forecasted future net cash flows and a residual value at the end of the cash flow projection period by the discount rate of each property. The residual value is calculated using an appropriate exit capitalisation rate. The discount rate used to determine the fair value of each property is a function of the exit capitalisation rate and the long-term market rental growth rate. The exit capitalisation rate is dependent on a number of factors, including location, asset class, market conditions, lease covenants and the risks inherent in the property.

Income capitalisation method

The external valuations in the UK were performed by capitalising the current income stream by targeting a net initial yield as well as taking into account the nominal equivalent yield, as the properties are reversionary. This considers the length of secure income for the property, the covenant strength of the tenant, the quality of the building and associated reletting prospects. Additionally, comparable market evidence is evaluated in determining the fair value.

Significant unobservable inputs

- Exit capitalisation rates varied between 7.3% and 9.0% (2023: 7.3% and 9.0%) for SA properties.
- Discount rates varied between 12.3% and 13.8% (2023: 12.0% and 13.5%) for SA properties.
- Net initial yields for UK properties varied between 4.2% and 5.3% (2023: 3.0% and 9.1%).[1]
- Reversionary yields for the UK properties varied between 5.0% and 6.0% (2023: 3.5% and 7.4%).[1]
- Expected market rentals.

Inter-relationship between unobservable inputs and fair value measurement

The overall valuations are sensitive to the assumptions listed above. The impact of vacancy is deemed to be immaterial on the valuations as the majority of the Group's leases are long dated, with no view of material vacancies in the portfolio in the near future. Management deems that the range of possible alternative assumptions is greatest for the exit capitalisation rates. The impact of changing the significant unobservable inputs on the fair value of investment property is detailed in note **9**.

[1] The reason for the significant widening in UK yields in the prior year relates to the Tesco facility at Hinckley which was valued at £25.6 million at 28 February 2023. The facility was negatively impacted by the short lease length, in terms of period to termination. This facility was sold during the year.

ACQUISITION OF PROPERTY SUBSIDIARIES

Where the Group obtains control of entities that own investment properties, or when the Group acquires properties or a group of properties collectively, an evaluation is performed as to whether such acquisitions should be accounted for as business combinations or acquisitions in terms of IAS 40 Investment Properties. An acquisition is not considered to be a business combination if at the date of the acquisition of the entity the integrated activities deemed necessary to generate a business are not present. The Group concluded that all acquisitions of properties in the current financial year were of this nature. Therefore these were accounted for in terms of IAS 40 Investment Properties.

LEASE TERM

Where the Group recognises a lease liability and corresponding right-of-use asset, consideration is given around the extension options of the lease, in terms of IFRS 16 Leases. An evaluation of the facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option on the remaining lease term, is performed. These include an assessment of the likelihood of renewal by the tenant situated on the leasehold land, the potential business disruption by not extending and the unrecoverable costs or penalties incurred to extend or terminate the contract. The Group concluded that all lease liabilities and right-of-use assets are appropriately accounted for based on the lease term and that any significant changes or circumstances in the current year to this assessment have been accounted for.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENT PROPERTY (CONTINUED)

4.1 RECONCILIATION OF INVESTMENT PROPERTY

	SA						UK				
R'000	LOGISTICS	INDUSTRIAL	PROPERTIES UNDER DEVELOPMENT	ZONED INDUSTRIAL LAND[2]	STRATEGIC LAND HOLDINGS[2]	RIGHT-OF-USE ASSET	LOGISTICS	PROPERTIES UNDER DEVELOPMENT	STRATEGIC LAND HOLDINGS[2]	LAND OPTIONS[4]	TOTAL
BALANCE AS AT 01 MARCH 2022	**12 514 407**	**363 756**	**898 549**	**803 698**	**318 463**	**30 380**	**7 166 955**	**1 783 385**	**1 091 014**	**–**	**24 970 607**
Acquisitions	326 256	–	–	75 635	–	–	–	–	–	11 679	**413 570**
Improvements and extensions	52 537	8 381	–	–	–	–	230 601	–	–	–	**291 519**
Construction and development costs[3]	–	–	855 171	135 614	221 194	–	–	207 156	140 830	34 669	**1 594 634**
Transfers[1]	(74 461)	–	(433 207)	(63 184)	(539 657)	–	785 977	(1 990 541)	(85 832)	53 663	**(2 347 242)**
Letting commission capitalised	8 473	–	–	–	–	–	–	–	–	–	**8 473**
Letting commission amortised	(3 752)	–	–	–	–	–	(891)	–	–	–	**(4 643)**
Lease incentives amortised	(246)	–	–	–	–	–	–	–	–	–	**(246)**
Remeasurements	–	–	–	–	–	4 166	–	–	–	–	**4 166**
Fair value adjustment	302 866	(15 243)	–	(38 962)	–	(6 788)	(1 887 557)	–	38 423	–	**(1 607 261)**
Disposals	(145)	–	–	–	–	–	–	–	–	–	**(145)**
Foreign exchange gain/(loss)	–	–	–	–	–	–	439 865	–	(5 292)	541	**435 114**
BALANCE AS AT 28 FEBRUARY 2023	**13 125 935**	**356 894**	**1 320 513**	**912 801**	**–**	**27 758**	**6 734 950**	**–**	**1 179 143**	**100 552**	**23 758 546**
Acquisitions	560 000	–	62 570	211 752	–	–	–	–	–	–	**834 322**
Improvements and extensions	62 790	30	–	–	–	–	–	–	–	–	**62 820**
Construction and development costs[3]	–	–	2 408 052	97 830	–	–	–	–	276 897	27 770	**2 810 549**
Transfers[1]	1 110 658	108 044	(1 482 507)	(246 226)	–	(5 977)	(2 415 381)	–	(1 401 449)	–	**(4 332 838)**
Letting commission capitalised	4 170	–	2 335	–	–	–	437	–	–	–	**6 942**
Letting commission amortised	(3 172)	–	–	–	–	–	(708)	–	–	–	**(3 880)**
Lease incentives capitalised	246	–	–	–	–	–	–	–	–	–	**246**
Lease incentives amortised	(4 137)	–	–	–	–	–	–	–	–	–	**(4 137)**
Remeasurements	–	–	–	–	–	4 701	–	–	–	–	**4 701**
Fair value adjustment	223 086	5 428	44 792	(64 821)	–	(6 225)	220 756	–	130 539	–	**553 555**
Disposals	–	–	–	–	–	–	(244 186)	–	–	–	**(244 186)**
Foreign exchange gain	–	–	–	–	–	–	635 661	–	96 596	26 139	**758 396**
BALANCE AS AT 29 FEBRUARY 2024	**15 079 576**	**470 396**	**2 355 755**	**911 336**	**–**	**20 257**	**4 931 529**	**–**	**281 726**	**154 461**	**24 205 036**

1 Transfers relates to the following:
- i) Land which has been zoned and serviced and is available for a development to commence;
- ii) Land where a development has commenced;
- iii) Investment properties under development which have been completed;
- iv) Properties that are being refurbished;
- v) Properties that have been recognised as held-for-sale (note **4.2**); and
- vi) Land and developments which are held as trading property (note **5**).

2 Zoned industrial land is land parcels that have the necessary zoning rights and have been prepared for developments. Strategic land holdings are land parcels for which the necessary zoning rights are being obtained.

3 Includes borrowing costs capitalised of R352 million (2023: R285 million).

4 Land held through long-term option agreements that are exercisable at a future date subject to receiving planning consent.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENT PROPERTY (CONTINUED)

4.1 RECONCILIATION OF INVESTMENT PROPERTY (CONTINUED)

External property valuations were obtained from the following independent valuers:

- Knight Frank Proprietary Limited, Mills Fitchet Magnus Penny, CBRE Excellerate, and Premium Valuation Services in SA
- Cushman & Wakefield Debenham Tie Leung Limited, Savills (UK) Limited and Jones Lang LaSelle IP, Inc. in the UK

The valuers are considered to hold the relevant professional qualifications with experience in the location and category of the investment properties valued.

Refer to note **9** for the fair value disclosure.

R'000	2024	2023
Portfolio externally valued	21 622 957	20 930 280
Investment properties encumbered as security against the Group's loan facilities (note **7.4**)	14 358 956	14 946 988

The majority of the Group's leases are fully repairing and insuring with the average lease expiring after 12.6 years (2023: 13.8 years). SA leases contain contractual escalations over the lease where UK leases contain rent reviews after every 5 years.

4.2 INVESTMENT PROPERTY HELD-FOR-SALE

R'000	2024	2023
Opening balance	2 337 633	206 124
Transfers	4 344 900	2 337 634
Improvements	4 609	9 176
Letting commission capitalised	1 825	–
Letting commission amortised	(2 462)	(504)
Lease incentive amortised	(101)	–
Straight-lining of leases adjustment	(1 109)	–
Fair value adjustment	(2 652)	–
Foreign exchange gain	9 248	–
Disposal	(4 527 411)	(214 797)
INVESTMENT PROPERTY HELD-FOR-SALE	**2 164 480**	**2 337 633**

Investment property held-for-sale at year-end includes properties comprising of one industrial property in Gauteng, two logistics properties located in Gauteng and Western Cape respectively, and three logistics properties in the UK. The Group has concluded sale agreements on most of these properties and transfer is yet to occur. Transfer of the one industrial property in Gauteng took place in March 2024 with the remaining properties expected to transfer within twelve months after year end.

During the year, an additional three income-producing properties (two in the Western Cape and one in the UK) and one land parcel in the UK was transferred to held-for-sale and disposed of before year end. All assets were disposed of at fair value. The proceeds from the land parcel sale included a deferred consideration, refer to note **12** for further details.

All properties held-for-sale in the prior year were sold in the current year, except for the industrial property which transferred in March 2024.

4.3 STRAIGHT-LINING LEASE INCOME ACCRUAL

R'000	2024	2023
Contractual lease receivables are as follows:		
Within one year	1 714 254	1 669 175
Within two years	1 662 142	1 621 180
Within three years	1 656 220	1 564 678
Within four years	1 609 959	1 545 104
Within five years	1 555 741	1 427 675
Beyond five years	12 898 404	11 325 751
	21 096 720	19 153 563
Less: lease revenue on a straight-line basis	(19 949 187)	(18 328 357)
Recognised as held-for-sale	(26 334)	(22 562)
STRAIGHT-LINING LEASE INCOME ACCRUAL	**1 121 199**	**802 644**

The Group has assessed the impact of ECL on the straight-lining lease income accrual. The Group deems the impact to be immaterial and any negative impacts would be reflected in the fair value of investment property.

5. TRADING PROPERTY

ACCOUNTING POLICY

Trading properties comprise of land acquired, and property under development with the intention of disposing for a profit in the ordinary course of business. Trading properties are recognised at the lower of cost and net realisable value. Costs include all costs of purchase, transaction costs, costs of conversion, capitalised interest and other costs incurred in bringing the properties to their present condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and make the sale.

Trading properties under development takes longer than 12 months to complete, however, the asset can be sold in its current state should the contracting party intend to complete the sale prior to completion of the property. Trading properties are transferred to investment properties when there is a change of intention which results in the Group concluding that it will recover the future economic benefits from the asset through holding the asset for capital appreciation and/or to generate rental income in the long-term.

R'000	2024	2023
Opening balance	748 448	878 927
Transfers from Investment Property (note **4.1**)	12 856	32 169
Capital expenditure[1]	160 756	709 042
Disposals	(46 813)	(878 494)
Impairment	(12 855)	(29 617)
Foreign exchange gain	86 293	36 421
CLOSING BALANCE	**948 685**	**748 448**

[1] Includes borrowing costs capitalised of R89 million (2023: R75 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

6. CAPITAL MANAGEMENT

The Group has continued to pursue the strategic objective of maintaining a robust capital base while providing consistent returns to shareholders. This goal is achieved through a careful balance of equity and debt management, which allows the Group to sustainably grow the business while reducing the cost of capital. The Group remains committed to maintaining an optimal capital structure that aligns with the best practices in the industry, utilising various mechanisms such as issuing new shares, raising new debt, or selling assets to reduce debt.

The Group employs various measures to monitor capital, including the calculation of a loan-to-value ("LTV") ratio – the ratio of net debt to the fair value of property assets – consistent with others in the industry. The Group aims for an LTV ratio that aligns with the capital structure, with a focus on ensuring that the business is appropriately structured to reduce risk and maximise the ability to take advantage of potential future opportunities.

Despite the inaccessibility to the equity markets and continued macro economic headwinds of the past financial year characterised by sustained higher interest rates globally, the Group reported a LTV ratio of 39.6% at 29 February 2024, compared to 39.7% at the end of the prior year. The sustained LTV ratio was mainly driven by the Group having to fund its development pipeline through raising debt and recycling capital. GBP denominated debt has decreased due to the repayment of the SBSA facility and a portion of the HSBC facility.

R'000	2024	2023
Debt (including loan fees)	12 008 797	11 259 735
Less: cash & cash equivalents	(493 253)	(257 692)
NET DEBT	**11 515 544**	**11 002 043**
Total assets	30 223 160	28 545 256
Less: assets related to net debt	(1 147 137)	(865 955)
PROPERTY ASSETS	**29 076 023**	**27 679 301**
LTV ratio	39.6%	39.7%

7. LOANS AND BORROWINGS

ACCOUNTING POLICY

Borrowings are initially recognised at fair value (net of any transaction costs) and subsequently at amortised cost. Borrowings are generally long-term in nature and are classified as non-current liabilities, except to the extent that amounts are contractually repayable in the 12 months from the reporting date.

Borrowings are classified as financial liabilities and are measured at amortised cost using the effective interest rate method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Non-current liabilities held-for-sale comprise of financial instruments that are excluded from the measurement scope of IFRS 5 Non-current assets held-for-sale and Discontinued Operations and continue to be measured at amortised cost using the effective interest rate method. Non-current liabilities held-for-sale are presented separately from loans and borrowings in the statement of financial position.

R'000	2024	2023
NON-CURRENT LIABILITIES		
Secured bank loans	5 175 391	4 033 977
Unsecured bank loans	1 765 000	1 413 656
Unsecured bonds and commercial paper	2 565 000	2 143 223
Loan fees[1]	(37 348)	–
	9 468 043	**7 590 856**
CURRENT LIABILITIES		
Secured bank loans	1 225 786	2 156 173
Unsecured bonds and commercial paper	1 314 968	1 367 428
Accrued interest	91 150	94 855
	2 631 904	**3 618 456**
NON-CURRENT LIABILITIES HELD-FOR-SALE		
Secured bank loans (note **17**)	–	145 277
LOANS AND BORROWINGS	**12 099 947**	**11 354 589**

[1] Disaggregated in the current year to separately disclose loan fees

The fair values of loans and borrowings are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Fair value is determined in accordance with Level 3 fair value methodology.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note **8**.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

7. LOANS AND BORROWINGS (CONTINUED)

R'000	2024	2023
7.1 RECONCILIATION OF LOANS AND BORROWINGS[1]		
OPENING BALANCE		
Debt balance	11 259 734	9 000 572
Accrued interest	94 855	–
OPENING LOANS AND BORROWINGS	**11 354 589**	**9 000 572**
Opening balance	11 354 589	9 000 572
Proceeds from borrowings	13 522 423	9 101 447
Repayment of borrowings	(13 181 531)	(7 211 996)
Foreign exchange loss	400 142	372 291
Loan fees paid and amortised	8 029	(2 581)
Movement in accrued interest	(3 705)	94 855
LOANS AND BORROWINGS	**12 099 947**	**11 354 589**
CLOSING BALANCE		
Debt balance	12 046 145	11 259 734
Loan fees	(37 348)	–
Accrued interest	91 150	94 855
LOANS AND BORROWINGS	**12 099 947**	**11 354 589**

[1] Reconciliation has been disaggregated to separately disclose loan fees

7.2 SOURCES OF DEBT FUNDING	2024	2023
JSE-listed debt	3 845 000	3 513 000
Absa	815 000	615 000
Aviva Commercial Finance	2 554 713	2 342 046
HSBC UK Bank	735 318	1 021 465
Investec	200 000	200 000
Nedbank	1 850 000	1 900 000
RMB	1 750 786	615 341
Standard Bank of South Africa	2 100 000	2 436 260
TOTAL DEBT FACILITY	**13 850 817**	**12 643 112**

7.3 TERMS AND REPAYMENT SCHEDULE

The terms and conditions of outstanding loans are as follows:

AT 29 FEBRUARY 2024	CURRENCY	NOMINAL INTEREST RATE[2]	MATURITY	BALANCE R'000
Secured bank loans	GBP	3.92%	2032	2 554 713
Secured bank loans	ZAR	3mJ+1.48%	2024-27	2 685 360
Secured bank loans	GBP	S+2.22%	2025	735 318
Secured bank loans	GBP	S+1.60%	2024	425 786
Unsecured bank loans	ZAR	3mJ+1.45%	2024-28	1 799 968
Unsecured bonds	ZAR	3mJ +1.48%	2024-28	3 645 000
Unsecured commercial paper	ZAR	3mJ +1.00%	2024	200 000
DEBT BALANCE				**12 046 145**

[2] Nominal interest rate: weighted average rate where more than one loans have been aggregated by maturity bucket
3mJ: 3 month JIBAR
S: SONIA

AT 28 FEBRUARY 2023	CURRENCY	NOMINAL INTEREST RATE[3]	MATURITY	BALANCE R'000
Secured bank loans	GBP	3.92%	2032	2 316 180
Secured bank loans	ZAR	3mJ+1.66%	2023-26	1 505 586
Secured bank loans	GBP	S+2.16%	2025	1 008 425
Secured bank loans	GBP	S+1.76%	2023	1 505 236
Unsecured bank loans	ZAR	3mJ+1.62%	2024-27	1 413 656
Unsecured bonds	ZAR	3mJ+1.67%	2023-27	2 942 994
Unsecured commercial paper	ZAR	3mJ+1.08%	2023	567 657
DEBT BALANCE				**11 259 734**

[3] Nominal interest rate: weighted average rate where more than one loans have been aggregated by maturity bucket
3mJ: 3 month JIBAR
S: SONIA

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

7. LOANS AND BORROWINGS (CONTINUED)

R'000	2024	2023
7.4 ASSET ENCUMBRANCE & DEBT RATIOS		
Unencumbered investment property	14 717 067	12 695 713
Property assets (note **6**)	29 076 023	27 679 301
UNENCUMBERED ASSET RATIO	**50.6%**	**45.9%**
Unsecured borrowings	5 607 620	4 924 308
Debt (including loan fees)	12 008 797	11 259 734
UNSECURED DEBT RATIO	**46.7%**	**43.7%**
Secured borrowings	6 401 177	6 335 426
Encumbered assets (note **4.1**)	14 358 956	14 946 988
RATIO OF SECURED BORROWINGS TO ENCUMBERED ASSETS	**44.6%**	**42.4%**
Unsecured borrowings	5 607 620	4 924 308
Unencumbered investment property	14 717 067	12 695 713
RATIO OF UNSECURED BORROWINGS TO UNENCUMBERED ASSETS	**38.1%**	**38.8%**
7.5 MATURITY PROFILE		
The earliest contractual maturity date of outstanding loans is profiled as follows:		
Within one year	2 540 753	3 667 754
Within two years	2 017 678	2 098 832
Within three years	1 750 000	2 144 668
Within four years	1 033 000	–
Within five years	1 900 000	1 032 300
Beyond five years	2 804 714	2 316 180
DEBT BALANCE	**12 046 145**	**11 259 734**

7.6 FINANCIAL COVENANTS

The Group has a number of debt facility agreements which contain various financial covenants. Across all of these facility agreements, the strictest of Group financial covenants require the Group to maintain a LTV ratio of no more than 50%, an interest coverage ratio of at least 2 times, net asset value ("NAV") in excess of R8 billion, unencumbered properties of at least R2 billion and an unencumbered asset ratio of at least 20%[1]. All of these financial covenants have been complied with during the reporting period.

FINANCIAL COVENANT	REQUIREMENT	2024	2023
Net asset value	≥ R8 billion	R16.9 billion	R16.3 billion
Unencumbered properties	≥ R2 billion	R14.7 billion	R12.7 billion
Loan-to-value ratio (note **6**)	≤ 50%	39.6%	39.7%
Interest coverage ratio (note **8.4.4** contains further analysis of interest rate risk)	≥ 2 times	2.2 times	2.8 times
Unencumbered asset ratio (note **7.4**)	≥ 20%	50.6%	45.9%

[1] A single loan within PLP requires the maintenance of an LTV ratio below 40%, and an ICR above 2.5x. This loan has met these covenants for the year under review.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

7. LOANS AND BORROWINGS (CONTINUED)

7.7 SUSTAINABILITY-LINKED KEY PERFORMANCE INDICATORS

R'000	2024	2023
STANDARD BANK OF SOUTH AFRICA FACILITY E	–	1 115 260

The Group entered into an £50 million 2-year sustainability-linked loan with Standard Bank in October 2021. The loan had three key performance indicators, and an annual measurement date of 30 September. If two or more of the sustainability performance targets ("SPTs") are met, the interest payable under the note will be reduced by up to 3bp per annum and if one or less SPTs are met, the interest payable will be increased by up to 3bp per annum. The changes in these rates will be reflected in the period in which the change occurs.
The sustainability performance targets were:

- All new building developments are to be EDGE and/or BREEAM certified.
- Renewable energy as a proportion of total energy consumption needs to increase by 15% per annum.
- Enterprise and supplier development spend needs to increase by 20% per annum.

During the period under review, the Group achieved all three SPTs on the abovementioned sustainability-linked loan. The loan was settled during the year.

R'000	2024	2023
STANDARD BANK OF SOUTH AFRICA FACILITY F	800 000	800 000

The Group entered into a R800 million 3-year sustainability-linked loan with Standard Bank in October 2021. The loan has three key performance indicators, and an annual measurement date of 30 September. If two or more of the SPTs are met, the interest payable under the note will be reduced by up to 3bp per annum and if one or less SPTs are met, the interest payable will be increased by up to 3bp per annum. The changes in these rates will be reflected in the period in which the change occurs. The sustainability performance targets are:

- All new building developments are to be EDGE and/or BREEAM certified.
- Renewable energy as a proportion of total energy consumption needs to increase by 15% per annum.
- Enterprise and supplier development spend needs to increase by 20% per annum.

During the period under review, the Group achieved all three SPTs on the abovementioned sustainability-linked loan.

R'000	2024	2023
RMB GREEN LOAN	225 000	225 000

The Group entered into a R225 million 4-year green loan with RMB in September 2021. The loan is deemed to be a sustainability-linked note in compliance with the Loan Market Association ("LMA") Green Loan Principles by virtue of the loan proceeds being applied to two IFC EDGE certified properties: Equites Park Meadowview 19A and 19B. Due to the sustainable design of these two properties, they have significant energy usage, water usage and embodied energy savings.

R'000	2024	2023
NEDBANK REVOLVING CREDIT FACILITY (30180251)[1]	110 361	112 000

The Group entered into a R750 million 3-year sustainability-linked revolving credit facility with Nedbank in February 2023. The loan has two key performance indicators, and an annual measurement date of 30 September. If either of the SPTs are not met, the interest payable under the note will be increased by 3bp per annum. The changes in these rates will be reflected in the period in which the change occurs. The sustainability performance targets are:

- All new building developments are to be EDGE and/or BREEAM certified.
- Renewable energy as a proportion of total energy consumption needs to increase by 20% per annum.

During the period under review, the Group achieved both SPTs on the abovementioned sustainability-linked RCF.

R'000	2024	2023
SUSTAINABILITY-LINKED FUNDING	**1 135 361**	**2 252 260**
Non-current	335 361	2 252 260
Current	800 000	–

[1] A Nedbank revolving credit facility (30180251), which has sustainability key performance indicators, was entered into in FY23. The prior year disclosure has been updated accordingly.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL RISK MANAGEMENT

ACCOUNTING POLICY

FINANCIAL ASSETS

Financial assets at fair value through profit or loss are investments which were acquired principally for the purpose of selling in the short-term. These financial assets therefore are not classified either at amortised cost or fair value through other comprehensive income. Such assets are classified as current or non-current based on their expected maturity.

Financial assets at fair value through profit or loss are carried at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments comprise of interest rate and foreign exchange rate instruments and are either assets or liabilities and are classified as current or non-current based on the termination date of the instrument. Purchases and settlements of derivative financial instruments are initially recognised on the trade date at fair value and are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of derivative financial instruments are included as fair value adjustments in profit and loss together with the related interest and/or other income. Realised gains and losses in respect of interest rate derivatives are presented in finance costs. Income accrued on currency derivative instruments are presented within other net gains or losses. The Group does not apply hedge accounting and does not enter into derivative contracts for trading or speculative purposes. Any references to hedging refers to economic hedges.

FINANCIAL GUARANTEES

Financial guarantees issued are initially recognised at fair value and are subsequently measured at the higher of:

- The loss allowance determined as expected credit loss under IFRS 9 and
- The amount initially recognised (fair value) less any cumulative amount of amortisation on a straight-line basis over the term of the guarantee.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk (note **8.2**);
- Liquidity risk (note **8.3**); and
- Market risk, including interest rate and foreign exchange risk (note **8.4**).

8.1 RISK MANAGEMENT FRAMEWORK

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group Risk and Capital Committee is responsible for developing the Group's risk management policies, and evaluating and improving the effectiveness of risk management, control and governance processes within the Group. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to mitigate risks, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. In respect of financial reporting risks, the Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and the Group Risk and Capital Committee reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Both committees report regularly to the board of directors on activities.

8.2 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and vendor loans. Credit risk also arises from the Group's cash balances and derivative financial instruments (where these are in an asset position) held with financial institutions. The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets recognised in profit or loss relate to trade and other receivables.

The Group deposits funds and trades derivative instruments with various financial institutions in both SA and the UK. From a credit risk perspective, the Group places reliance on the published credit ratings of the major rating agencies together with the Group's own analysis and research.

R'000	2024	RESTATED[1] 2023
8.2.1 FINANCIAL ASSETS		
FINANCIAL ASSETS AT FAIR VALUE		
Derivatives not specifically designated as hedging instruments (note **8.2.2**)	205 367	276 667
FINANCIAL ASSETS AT AMORTISED COST		
Cash and cash equivalents (note **10**)	493 253	257 692
Trade and other receivables (note **12**)	872 464	223 499
Loan receivable (note **13**)	57 454	58 057
FINANCIAL ASSETS	**1 628 538**	**815 915**
Total current	890 396	607 123
Total non-current	738 142	208 792

[1] Cash and cash equivalents was previously disclosed under financial assets at fair value in error and has been restated under financial assets at amortised cost in the current year. This restatement had no measurement impact nor any impact on the primary statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.2 CREDIT RISK (CONTINUED)

8.2.2 DERIVATIVE FINANCIAL ASSETS

The Group is exposed to credit risk in relation to derivative financial instruments which have a mark-to-market value in favour of the Group. The breakdown of this exposure both by derivative instrument type and by counterparty is as follows.

R'000			2024	2023
FOREIGN CURRENCY LONG TERM DEPOSIT RATINGS	**MOODY'S**	**S&P**		
Absa Bank	Ba2	BB-	33 012	43 129
HSBC UK Bank	A1	AA-	19 093	24 231
Nedbank	Ba2	BB-	91 275	128 377
RMB	Ba2	BB-	8 836	–
Standard Bank of South Africa	Ba2	BB-	34 785	69 653
Investec	Ba2	BB-	18 366	11 277
DERIVATIVES WITH A POSITIVE MARK-TO-MARKET VALUATION BY COUNTERPARTY			**205 367**	**276 667**
Interest Rate Swaps			176 967	233 065
Interest Rate Derivatives			21 216	37 718
Cross-currency Swaps			–	1 051
FX Zero-cost Collars			7 184	4 833
DERIVATIVES WITH A POSITIVE MARK-TO-MARKET VALUATION BY INSTRUMENT			**205 367**	**276 667**

8.3 LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities as they become due. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors its net liquidity position on a continuous basis by means of expected cash flows. The Group seeks to reduce liquidity risk through the regular review of the maturity profile of financial liabilities to reduce refinancing risk, utilising facilities with differing maturities to reduce maturity concentration and by employing revolving credit and other similar facilities.

8.3.1 FINANCING ARRANGEMENTS

The Group had R1.45 billion (2023: R1.45 billion) of revolving credit facilities as at 29 February 2024, of which R1.30 billion (2023: R1.34 billion) was undrawn at year-end. The Group had a further R0.5 billion (2023: nil) undrawn facility at year-end.

	2024		2023	
MATURITY (R'000)[1]	**DEBT BALANCE**	**UNDRAWN FACILITIES**	**DEBT BALANCE**	**UNDRAWN FACILITIES**
Within one year	2 540 753	665 033	3 522 476	450 000
Within two years	2 017 678	639 639	2 098 832	250 000
Within three years	1 750 000	500 000	2 289 947	638 000
Within four years	1 033 000	–	–	–
Within five years	1 900 000	–	1 032 300	–
Beyond five years	2 804 714	–	2 316 180	–
DEBT AND BANKING FACILITIES	**12 046 145**	**1 804 672**	**11 259 735**	**1 338 000**

[1] The disclosure relating to the maturity profile of the loans has been expanded. As a result, the maturity profile in the prior year comparatives have been expanded accordingly.

R'000	2024	2023
8.3.2 FINANCIAL LIABILITIES		
FINANCIAL LIABILITIES AT FAIR VALUE		
Derivatives not specifically designated as hedging instruments (note **8.4.2**)	57 073	188 497
FINANCIAL LIABILITIES AT AMORTISED COST		
Trade and other payables (note **18**)	531 050	430 958
Financial Guarantee (note **8.3.4**)	10 000	10 000
Loans and borrowings (note **7**)	12 099 947	11 354 589
FINANCIAL LIABILITIES	**12 698 070**	**11 984 044**
Total current	3 097 921	4 191 144
Total non-current	9 600 149	7 792 900

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.3 LIQUIDITY RISK (CONTINUED)

8.3.3 MATURITIES OF FINANCIAL LIABILITIES

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative and derivative financial liabilities. The amounts disclosed in the tables for non-derivative financial liabilities are the contractual undiscounted cash flows, and the amounts for derivatives are the current mark-to-market valuations. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

2024	REPAYABLE WITHIN ONE YEAR OR ON-DEMAND	REPAYABLE BETWEEN ONE AND TWO YEARS	REPAYABLE BETWEEN TWO AND THREE YEARS	REPAYABLE BETWEEN THREE AND FOUR YEARS	REPAYABLE BETWEEN FOUR AND FIVE YEARS	REPAYABLE BEYOND FIVE YEARS	TOTAL
Debt	2 540 753	2 017 678	1 750 000	1 033 000	1 900 000	2 804 714	**12 046 145**
Interest repayments	935 673	738 236	581 627	445 783	365 471	218 518	**3 285 308**
Trade and other payables	497 758	5 337	4 072	4 157	4 288	15 438	**531 050**
Derivatives	11 183	9 500	36 272	–	–	118	**57 073**
TOTAL	**3 985 367**	**2 770 751**	**2 371 971**	**1 482 940**	**2 269 759**	**3 038 788**	**15 919 576**

2023[1]	REPAYABLE WITHIN ONE YEAR OR ON-DEMAND	REPAYABLE BETWEEN ONE AND TWO YEARS	REPAYABLE BETWEEN TWO AND THREE YEARS	REPAYABLE BETWEEN THREE AND FOUR YEARS	REPAYABLE BETWEEN FOUR AND FIVE YEARS	REPAYABLE BEYOND FIVE YEARS	TOTAL
Debt	3 522 476	2 098 832	2 289 947	–	1 032 300	2 316 180	**11 259 735**
Interest repayments	648 205	408 027	265 152	91 808	51 708	27 485	**1 492 385**
Trade and other payables	375 456	17 949	11 975	6 456	6 254	12 868	**430 958**
Derivatives	141 731	15 898	10 087	15 628	13 628	11 628	**208 600**
TOTAL	**4 687 868**	**2 540 706**	**2 577 161**	**113 892**	**1 103 890**	**2 368 161**	**13 391 678**

[1] The maturity profile has been expanded. As a result the prior year comparative has been updated accordingly.

The interest payments on variable interest rate loans and bond issues in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above table as interest rates and exchange rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

8.3.4 FINANCIAL GUARANTEE

The Group provided a financial guarantee in favour of Nedbank in terms of which the Group guarantees the fulfilment of Mabel Black Knight Investments 1 Proprietary Limited's obligations to Nedbank, limited to R10 million. Nedbank will release this security once Mabel's LTV reaches 50% or less and ICR of 2 times.

8.4 MARKET RISK

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. From the Group's perspective, the main market risks at present pertain to interest rates (both in SA and the UK) and foreign exchange rates (principally the GBP/ZAR exchange rate). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivatives to manage market risks. All such transactions are carried out within the Group's treasury policy guidelines set by the Risk and Capital Committee.

The Group does not apply hedge accounting and does not enter into derivative contracts for trading or speculative purposes.

8.4.1 MANAGING INTEREST RATE BENCHMARK REFORM AND ASSOCIATED RISKS

OVERVIEW

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates with alternative near risk-free rates (referred to as "IBOR reform"). The Group has exposures to IBORs on its financial instruments that have or will be replaced or reformed as part of these market-wide initiatives.

The Group had modified all of its floating-rate liabilities indexed to sterling LIBOR to reference SONIA during the year ended 28 February 2022. The transition happened on an economically equivalent basis and there were no other changes made to the contracts.

The South African Reserve Bank ("SARB") embarked on a process to replace the Johannesburg Interbank Average Rate ("JIBAR") in response to global reforms of interbank rates. In November 2022 the SARB began publishing the South African Rand Overnight Index Average ("ZARONIA"). In early November 2023, the SARB designated ZARONIA as the successor rate to replace JIBAR. The observation period for ZARONIA ended on 3 November 2023 and the SARB has indicated that market participants may use the published ZARONIA as a reference rate in pricing financial contracts going forward. The SARB has indicated that the transition from JIBAR to ZARONIA is a multi-year initiative and has not yet communicated a cessation date for JIBAR. The Group currently has a number of contracts which reference ZAR JIBAR, all of which have yet to transition to an alternative benchmark interest rate as at 29 February 2024. These contracts are disclosed within the table below. The use of an alternative reference rate is not expected to have a material impact on the Group's assessment of interest rate risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.4 MARKET RISK (CONTINUED)

8.4.1 MANAGING INTEREST RATE BENCHMARK REFORM AND ASSOCIATED RISKS

DERIVATIVES

The Group holds derivatives, including interest rate swaps, for risk management purposes which have floating legs that are indexed to ZAR JIBAR. The Group's derivative instruments are governed by contracts based on ISDA master agreements. The transition from ZAR JIBAR to an alternative secured overnight financing rate (ZARONIA) may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group will endeavour to match the timing of the transition of liabilities referenced to ZAR JIBAR with the timing of the transition of derivatives related to those liabilities to the extent possible.

R'000	2024	2023
LIABILITIES EXPOSED TO ZAR JIBAR MATURING AFTER YEAR END		
Long-term debt	8 330 328	6 429 893
Derivatives	48 533	62 821
TOTAL	**8 378 861**	**6 492 714**

8.4.2 DERIVATIVE INSTRUMENTS

The Group utilises a range of derivative instruments to hedge market risks. The Group does not enter into derivative instruments for speculative purposes. All derivative instruments are valued at mark-to-market. The table below describes the reason for the utilisation of the derivative instruments employed by the Group.

DERIVATIVE	RISK MITIGATION
INTEREST RATE SWAPS AND DERIVATIVES	The Group enters into derivative financial instruments to manage its exposure to interest rates by hedging the interest rate exposure on floating rate loans.
DUAL CURRENCY DEPOSITS	The Group enters into short-term financial instruments to obtain higher investment yields when currency flows and liquidity permit.
FX AVERAGE RATE ZERO-COST COLLARS AND FORWARDS	The Group enters into foreign exchange derivatives to manage exposure to foreign exchange risk by forward selling foreign currency according to predetermined foreign income hedging levels.

	NOTIONAL VALUE		MARK-TO-MARKET VALUE	
R'000	2024	2023	2024	2023
DERIVATIVE INSTRUMENTS				
Interest rate swaps	7 204 961	5 675 977	176 967	233 065
Interest rate derivatives	1 000 000	1 500 000	(27 317)	(25 103)
Cross-currency swaps	–	2 021 230	–	(109 092)
FX zero-cost collars	337 350	286 032	3 483	2 814
FX average rate forwards	56 227	166 053	(4 839)	(13 514)
TOTAL	**8 598 538**	**9 649 292**	**148 294**	**88 170**
Derivative financial assets (note **8.2.2**)			205 367	276 667
Derivative financial liabilities (note **8.3.2**)			(57 073)	(188 497)

	NOTIONAL VALUE	
£'000	2024	2023
GBP-referenced instruments	**48 086**	**186 855**

8.4.3 CURRENCY & TRANSLATION RISK

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which revenue, costs, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are the ZAR and GBP. Most of the Group's external revenue and costs arise within SA and are denominated in South African Rand. Where the Group's foreign operations trade and are funded in their functional currency, this limits their exposure to foreign exchange volatility. Therefore, the Group's policy is, wherever possible, that funding should be secured in a currency to match the currency of the underlying rental cashflows to minimise foreign exchange volatility through natural hedges. Where this is not possible at competitive rates, the Group enters into derivative instruments to hedge foreign currency, capital purchases, purchase and sale commitments, interest expense and foreign currency investments. The Group currently partially finances the UK expansion through a combination of SA debt and equity and therefore has foreign exchange exposure on its capital investment in the UK.

	2024	2023
The following exchange rates have been applied:		
GBP/ZAR average rate	23.3853	20.2442
GBP/ZAR year-end spot rate	24.3306	22.3052
£'000		
8.4.3.1 EXPOSURE TO CURRENCY RISK		
The summary quantitative data about the Group's exposure to currency risk on financial assets and financial liabilities is as follows:		
Trade and other receivables	30 045	1 805
Cash and cash equivalents	17 678	8 696
Derivatives	2 941	5 683
Secured bank loans – UK institutions	(135 222)	(149 051)
Secured bank loans – SA institutions	(17 500)	(67 484)
Trade payables	(26 314)	(12 963)
NET STATEMENT OF FINANCIAL POSITION EXPOSURE	**(128 372)**	**(213 314)**
Next 12 months forecast distributable income	10 221	12 438
NET FORECAST TRANSACTION EXPOSURE	**10 221**	**12 438**
Cross-currency swaps	–	97 500
NET EXPOSURE	**(118 151)**	**(103 376)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL RISK MANAGEMENT (CONTINUED)
8.4 MARKET RISK (CONTINUED)

£'000	2024	2023
8.4.3 CURRENCY & TRANSLATION RISK		
8.4.3.2 HEDGING OF CAPITAL INVESTMENT – TRANSLATION RISK		
The table below shows the carrying amounts of the Group's foreign currency assets and liabilities and the percentage of foreign net assets which are currently hedged:		
Foreign assets	371 573	445 063
Foreign liabilities	(179 701)	(170 194)
FOREIGN NET ASSETS	**191 872**	**274 869**
Nominal value of GBP/ZAR cross-currency swaps	–	97 500
Derivative hedging of foreign assets	0.0%	21.9%

The Group's treasury policy restricts the utilisation of cross-currency interest rate swaps to 45% of foreign denominated assets over time. The Group achieves this by continually monitoring its exposure to foreign exchange rates as a result of its investment into the UK.

8.4.3.3 HEDGING OF CASH FLOW

Cash flows from Group operations in the UK are exposed to movements in the GBP/ZAR exchange rate. To manage the impact of currency volatility, the Group has a policy of hedging at least 80% of its 12 month projected forward net operating cashflow and 40% of its 12-24 month projected forward net operating cashflow derived in foreign currency. Historically, development funding requirements exceeded net operating rental cashflows in the UK and cash flows were retained in the UK and reinvested into developments, eliminating the requirement for cash flow hedges. Net operating income is hedged using monthly average forwards and collars (refer hedging of distributable earnings in note **8.4.3.4**), and this policy and associated trades will remain in place, thereby continuing to hedge UK operating cashflows in line with our policy. Any material non-operating cashflows will be analysed and adjudicated on a case-by-case basis, and where these are inflows, taking into account the repayment of debt and any associated hedging positions.

8.4.3.4 HEDGING OF DISTRIBUTABLE EARNINGS

The Group utilises natural hedges to minimise its exposure of fluctuations in foreign exchange rates on its distributable earnings to the full extent possible. The Group settles interest expenses on GBP-denominated loans and derivative hedges in GBP, which partially hedges its foreign exchange rate exposure. In relation to the residual exchange rate risk, the Group assesses the likely impact on the funds to be received from its foreign operations of reasonably possible changes in the GBP/ZAR exchange rate using financial modelling and hedges its exposure to this exchange rate. The Group has implemented a base hedging level for funds expected to be earned from its UK operations in the next 24 months in line with the below policy.

- Hedge 80% of the income projected to be received in the following 6 months;
- Hedge 70% of the income projected to be received in months 7 to 12;
- Hedge 45% of the income projected to be received in months 13 to 18; and
- Hedge 30% of the projected income to be received in months 19 to 24.

The average 12-month minimum hedging level is 75%, and the level of income hedging tapers off with later maturities to provide the Group with limited upside in relation to the GBP/ZAR exchange rate. As time elapses, each maturity will move closer towards the initial period and therefore the amount of Group income hedged will increase in line with the above policy. As at 29 February 2024, the Group had hedged net income to be received over the next 24 months as follows.

SIX-MONTH PERIOD ENDING	EFFECTIVE HEDGING LEVEL	BLENDED PARTICIPATION FLOOR	BLENDED PARTICIPATION CAP
31 August 2024	80%	R22.68/£	R22.98/£
28 February 2025	70%	R23.14/£	R24.20/£
31 August 2025	45%	R23.82/£	R26.18/£
28 February 2026	30%	R23.90/£	R27.21/£

8.4.3.5 SENSITIVITY ANALYSIS TO EXCHANGE RATES

The sensitivity analysis applies two standard deviations ("2SD") above and below the GBP/ZAR 52-week simple moving average exchange rate. This includes the impact of currency hedging and assumes that other macroeconomic factors remain unchanged.

An analysis of the sensitivity of changes in exchange rates has been performed in relation to net profit, total equity and distributable earnings:

	2024		2023	
	2SD GBP/ZAR STRENGTH	2SD GBP/ZAR WEAKNESS	2SD GBP/ZAR STRENGTH	2SD GBP/ZAR WEAKNESS
Spot exchange rate	25.6113	23.0499	23.7178	20.8926
Average exchange rate	24.6659	22.1046	21.6567	18.8316
Distributable earnings (R'000)	42 613	(41 433)	(30 226)	30 226
Net profit (R'000)	26 509	(35 917)	(30 638)	41 443
Total equity (R'000)	276 124	(276 124)	397 295	(386 490)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.4 MARKET RISK (CONTINUED)

8.4.4 INTEREST RATE RISK

The Group is exposed to interest rate risk on loans advanced, interest-bearing borrowings and cash and cash equivalents. The Group adopts a proactive interest rate risk management policy in order to achieve a low cost of debt whilst mitigating against interest rate risk. It is the Group's policy to hedge at least 80% of the interest rate risk of all debt with a contractual maturity greater than one year either using interest rate derivatives or entering into fixed-rate loan agreements. The Group aims to limit debt with a contractual maturity of one year or less to below 20% of all debt. With regard to the sensitivity to interest rates, the Group aims to ensure that the increase in the cost of debt is less than 250bp for a 500bp increase in interest rates.

R'000	2024	2023
8.4.4.1 INTEREST RATE DERIVATIVE INSTRUMENTS		
The following table depicts the nominal value of the interest rate derivative instruments which the Group has utilised to hedge floating rate liabilities:		
JIBAR-linked interest rate swaps	6 035 000	4 135 000
JIBAR-linked interest rate derivatives	1 000 000	1 500 000
SONIA-linked interest rate swaps	1 169 961	1 540 977
TOTAL INTEREST RATE DERIVATIVES	8 204 961	7 175 977
Weighted average maturity	November 2025	March 2025

8.4.4.2 HEDGING EFFECTIVENESS

The Group regularly assesses the adequacy of its interest rate cover by analysing the effective interest hedging cover on total committed future financing cash outflows.

HEDGE EFFECTIVENESS AS AT 29 FEBRUARY 2024

	INTEREST RATE HEDGES		
R'000	ZAR-DENOMINATED	GBP-DENOMINATED	TOTAL
MATURITY PROFILE			
Within one year	2 860 000	391 382	3 251 382
Within two years	1 125 000	243 306	1 368 306
Within three years	2 550 000	535 273	3 085 273
Within five years	500 000	–	500 000
INTEREST RATE HEDGES	**7 035 000**	**1 169 961**	**8 204 961**

	FACILITIES			BALANCES		
R'000	FLOATING	FIXED	TOTAL	FLOATING	FIXED	TOTAL
MATURITY PROFILE						
Short-term debt balance (excluding accrued interest)	525 250	–	525 250	217 316	–	217 316
Long-term debt balance (excluding accrued interest)	2 555 786	–	2 555 786	2 305 786	–	2 305 786
Within one year	3 081 036	–	3 081 036	2 523 102	–	2 523 102
Within two years	2 657 318	–	2 657 318	2 017 678	–	2 017 678
Within three years	1 751 000	–	1 751 000	1 500 500	–	1 500 500
Within four years	1 033 000	–	1 033 000	1 033 000	–	1 033 000
Within five years	1 675 450	–	1 675 450	1 675 450	–	1 675 450
Beyond five years	250 000	2 554 713	2 804 713	250 000	2 554 713	2 804 713
DEBT BALANCE TO BE HEDGED	**10 447 804**	**2 554 713**	**13 002 517**	**8 999 730**	**2 554 713**	**11 554 443**
DEBT NOT REQUIRED TO BE HEDGED	**848 300**	**–**	**848 300**	**491 702**	**–**	**491 702**
DEBT BALANCE	**11 296 104**	**2 554 713**	**13 850 817**	**9 491 432**	**2 554 713**	**12 046 145**

INTEREST HEDGE COVER	TARGET	FACILITIES	BALANCES
Hedge cover maturing greater than one year	≥80%	75.7%	83.14%
Short-term debt as a percentage of total debt balance	<20%	3.8%	1.8%
Debt cost change	<250bp for 500bp move	166bp	n/a

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL RISK MANAGEMENT (CONTINUED)
8.4 MARKET RISK (CONTINUED)
8.4.4 INTEREST RATE RISK (CONTINUED)
HEDGE EFFECTIVENESS AS AT 28 FEBRUARY 2023

	INTEREST RATE HEDGES		
R'000	**ZAR-DENOMINATED**	**GBP-DENOMINATED**	**TOTAL**
MATURITY PROFILE			
Within one year	850 000	–	850 000
Within two years	2 860 000	827 211	3 687 211
Within three years	1 125 000	223 052	1 348 052
Within five years	800 000	490 714	1 290 714
INTEREST RATE HEDGES	**5 635 000**	**1 540 977**	**7 175 977**

	FACILITIES			BALANCES		
R'000	**FLOATING**	**FIXED**	**TOTAL**	**FLOATING**	**FIXED**	**TOTAL**
MATURITY PROFILE						
Short-term debt balance (excluding accrued interest)	1 158 341	–	1 158 341	957 632	–	957 632
Long-term debt balance (excluding accrued interest)	2 815 260	–	2 815 260	2 564 843	–	2 564 843
Within one year	3 973 601	–	3 973 601	3 522 475	–	3 522 475
Within two years	2 351 000	–	2 351 000	2 098 832	–	2 098 832
Within three years	2 943 465	–	2 943 465	2 289 947	–	2 289 947
Within five years	1 033 000	–	1 033 000	1 032 300	–	1 032 300
Beyond five years		2 342 046	2 342 046	–	2 316 180	2 316 180
DEBT BALANCE	**10 301 066**	**2 342 046**	**12 643 112**	**8 943 554**	**2 316 180**	**11 259 734**

INTEREST HEDGE COVER	**TARGET**	**FACILITIES**	**BALANCES**
Hedge cover maturing greater than one year	≥80%	96.2%	107.5%
Short-term debt as a percentage of total debt balance	<20%	9.2%	8.5%
Debt cost change	<250bp for 500bp move	191bp	n/a

8.4.4.3 SENSITIVITY ANALYSIS TO INTEREST RATES

The Group has calculated the sensitivity of changes in interest rates on net profit assuming a 50bp parallel shift of the yield curve in either direction. As the main component of the movement in net profit for the year would arise from an accounting mismatch whereby derivatives are fair valued and the related financial liabilities are not, the Group has also outlined the impact of changes in interest rates on distributable earnings which it considers to be more appropriate. The sensitivity analysis includes the impact of interest rate hedging and it assumes that other macroeconomic factors remain unchanged.

	2024		2023	
R'000	**+50 BP**	**-50BP**	**+50 BP**	**-50BP**
Distributable earnings	(13 572)	8 988	(11 035)	15 010
Net profit	17 918	(34 534)	28 429	(28 429)

9. FAIR VALUE MEASUREMENT

Assets and liabilities recognised and subsequently measured at fair value are categorised into a three-tier hierarchy that reflects the significance of the inputs used in the valuation technique. The levels of the hierarchy are defined as follows:
Level 1 – unadjusted, quoted prices in an active market for identical assets and liabilities. Quoted prices are readily 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.
Level 2 – valuation techniques using inputs that are observable either directly (i.e. as prices other than quoted prices that are included in level 1) or indirectly (i.e. from derived prices).
Level 3 – valuation techniques using inputs that are not based on observable market data (unobservable inputs).

R'000	**LEVEL OF HIERARCHY**	**2024**	**2023**
ASSETS AND LIABILITIES MEASURED AT FAIR VALUE			
FINANCIAL ASSETS			
Derivative financial instruments (note **8.2.2**)	Level 2	205 367	276 667
FINANCIAL LIABILITIES			
Derivative financial instruments (note **8.3.2**)	Level 2	(57 073)	(188 497)
NON-FINANCIAL ASSETS			
Investment properties[1] (note **4**)	Level 3	25 171 774	24 460 638

[1] Excluding Investment property held-for-sale and land options at cost

There have been no transfers between level 1, level 2 or level 3 during the period under review. Derivative financial instruments are measured with reference to observable market inputs (interest rates, yield curves, FX rates) based on mid-market levels.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

9. FAIR VALUE MEASUREMENT (CONTINUED)

SENSITIVITY OF FAIR VALUES TO CHANGES IN UNOBSERVABLE INPUTS (LEVEL 3):

Valuation of income-producing investment property is sensitive to changes in unobservable inputs used in determining fair value.

R'000	2024 EXIT CAPITALISATION RATES		DISCOUNT RATES		MARKET RENTALS		INCOME CAPITALISATION YIELDS	
Change in input	-0.1%	+0.1%	-0.1%	+0.1%	+5%	-5%	-0.5%	0.5%
Increase/(decrease) in fair value:								
SA Industrial	222 775	(199 040)	201 309	(199 072)	404 839	(385 072)	–	–
UK Industrial	–	–	–	–	–	–	563 348	(460 104)

R'000	2023 EXIT CAPITALISATION RATES		DISCOUNT RATES		MARKET RENTALS		INCOME CAPITALISATION YIELDS	
Change in input	-0.1%	+0.1%	-0.1%	+0.1%	+5.0%	-5.0%	-0.5%	+0.5%
Increase/(decrease) in fair value:								
SA Industrial	78 932	(97 903)	85 286	(96 853)	384 435	(366 393)	–	–
UK Industrial	–	–	–	–	–	–	813 967	(710 297)

10. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash comprises cash on hand and positive bank balances. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and not subject to a significant risk of a change in value.

R'000	2024	2023
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Current accounts	460 369	257 316
Cash on call	32 884	376
CASH AND CASH EQUIVALENTS	**493 253**	**257 692**

Cash and cash equivalents comprise amounts which are immediately available and the carrying amounts are equivalent to the fair values.

All cash and cash equivalents and derivative financial assets are held with reputable financial institutions. Cash balances are only retained for working capital requirements.

FOREIGN CURRENCY LONG TERM DEPOSIT RATINGS	MOODY'S	S&P	2024	2023
Absa	Ba2	BB-	15 565	13 331
HSBC UK Bank	A1	A+	51 369	169 679
Investec Bank	Ba2	BB-	74 617	9 185
FirstRand Bank Limited	Ba2	BB-	23 246	3
Nedbank	Ba2	BB-	17 267	13 612
Royal Bank of Scotland	A1	A+	309 844	15 483
Standard Bank of South Africa	Ba2	BB-	1 345	36 399
CASH AND CASH EQUIVALENTS			**493 253**	**257 692**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

11. NON-CONTROLLING INTERESTS

ACCOUNTING POLICY

Non-controlling interest ("NCI") is disclosed in equity, separately from the equity of the owners of the parent. NCI is initially measured at the fair value of the consideration to acquire the minority interest in the subsidiary. Subsequently, the NCI's share of profit or loss and other comprehensive income is attributable to the NCI recognised in equity less any dividends paid to them.

CRITICAL ESTIMATES AND JUDGEMENTS

CONSOLIDATION OF STRUCTURED ENTITY

The Group assisted in the incorporation of the Michel Lanfranchi Foundation NPC ("MLF") which houses all the corporate social responsibility projects and initiatives of the Group. The main objective of MLF is to contribute to educational infrastructure at primary, secondary and tertiary education level, as well as to facilitate bursaries and scholarships to deserving individuals. Equites was instrumental in the formation of MLF and is currently the only source of donation income to the Foundation.

The Group has applied judgement in determining the treatment of the relationship with MLF. An IFRS 10 assessment has been performed to determine if the Group controls MLF and its subsidiaries. While the Group does not have influence over the board's decision making or operations of MLF, the board of MLF also serve as board members of Equites. The IFRS 10 assessment concluded that the Group should consolidate MLF and its subsidiary.

Power over MLF

The relevant activities of the Foundation include the collection of donation fee income in order to fulfil its mandate of contributing to educational infrastructure at primary, secondary and tertiary education level, as well as to facilitate bursaries and scholarships to deserving individuals. At present, these activities are only made possible through the donations provided by Equites. The directors of MLF provide a budget to Equites at the beginning of each financial period which details the intended projects for the upcoming year. On an annual basis, the Equites board determines the amount it wishes to allocate to the Foundation and continually monitors the allocated budget against the actual spend.

Right to variable returns

As MLF is an NPC, there are no variable returns as the intention is purely philanthropic.

Ability to use its power over MLF to control the amount of returns

As MLF is an NPC, there are no variable returns as the intention is purely philanthropic.

Through the above assessment it was concluded that MLF shall be consolidated by Equites in respect of its Group consolidated financial statements.

CRITICAL ESTIMATES AND JUDGEMENTS

CONSOLIDATION OF PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED ("PIP")

Equites and Eskom Pension and Provident Fund ("EPPF") established a strategic venture in respect of a logistics campus let to DSV Solutions. To determine whether Equites exercises control over PIP, the Group carefully assessed the below IFRS 10 considerations.

Power over PIP

The business of the PIP group is broadly defined to include a number of activities of a property company, with the main relevant activity relating to the selecting, acquiring and disposing of property assets. As this vehicle has third-party debt, a relevant activity also includes the ability to select and structure the funding in the vehicle. Decisions about the relevant activities of PIP are made by the board. Through its majority stake, Equites is able to appoint one additional director and is therefore able to direct decisions over the relevant activities. The substantive rights inferred through its majority stake also include the ability to appoint key management personnel, the ability to enter into significant transactions and the ability to dominate the nomination of members to PIP's board.

In the founding and operational agreements which govern PIP, EPPF has been granted a number of protective rights and the scope of PIP's activities have been partially restricted, however, it is conclusive that Equites has the substantive right to direct the relevant activities of PIP such that it has power over PIP.

Right to variable returns

Equites, as a holder of 51% of the equity in PIP, remains exposed to both downside risks and upside potential as a result of the broad scope of the business that PIP can conduct and through its ability to direct the activities that are undertaken by PIP.

Ability to use its power over PIP to control the amount of returns

Equites' power over PIP gives Equites the ability to affect the amount of returns generated by PIP. As Equites actively manages the PIP group, Equites determines the amount of dividends to be declared by PIP.

Through the above assessment it was concluded that PIP shall be consolidated by Equites in respect of its consolidated financial statements and EPPF should be reflected as a 49% non-controlling interest at a Group level.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

11. NON-CONTROLLING INTERESTS (CONTINUED)

CRITICAL ESTIMATES AND JUDGEMENTS

CONSOLIDATION OF RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED ("RLF")

Equites and Shoprite Checkers Proprietary Limited established a strategic venture in respect of Shoprite's distribution centres. Equites acquired a 50.1% stake in RLF on 4 November 2020, when the distribution centres transferred to RLF, with Shoprite holding the remaining 49.9%.

To determine whether Equites exercises control over RLF, the Group carefully assessed the below IFRS 10 considerations.

Power over RLF

The business of RLF is broadly defined to include a number of activities of a property company, with the main relevant activity relating to the selecting, acquiring and disposing of property assets and the related funding thereof. Decisions about the relevant activities of RLF are made by the board. Through its majority stake, Equites is able to appoint one additional director and is therefore able to direct decisions over the relevant activities. The substantive rights inferred through its majority stake also include the ability to appoint key management personnel, the ability to enter into significant transactions and the ability to dominate the nomination of members to RLF's board.

In the founding and operational agreements which govern RLF, Shoprite has been granted a number of protective rights and the scope of RLF's activities have been partially restricted, however, it is conclusive that Equites has the substantive right to direct the relevant activities of RLF such that it has power over RLF.

Right to variable returns

Equites, as a holder of 50.1% of the equity in RLF, remains exposed to both downside risks and upside potential as a result of the broad scope of the business that RLF can conduct and through its ability to direct the activities that are undertaken by RLF.

Ability to use its power over RLF to control the amount of returns

Equites' power over RLF gives Equites the ability to affect the amount of returns generated by RLF. As Equites actively manages RLF, Equites determines the amount of dividends to be declared by RLF.

Through the above assessment it was concluded that RLF shall be consolidated by Equites in respect of its consolidated financial statements and Shoprite should be reflected as a 49.9% non-controlling interest at a Group level.

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP	TOTAL
NCI %	**40%**	**49%**	**49.9%**	**100%**	
BALANCE AT 28 FEBRUARY 2022	**58 075**	**707 213**	**2 252 936**	**41 648**	**3 059 872**
Transactions with non-controlling interest	64 623	–	–	–	**64 623**
Share of profit for the year	105 665	120 321	304 712	3 318	**534 016**
Share of other comprehensive income for the year	15 248	–	–	–	**15 248**
Dividend declared	(129 175)	(8 116)	(152 268)	–	**(289 559)**
BALANCE AT 28 FEBRUARY 2023	**114 436**	**819 418**	**2 405 380**	**44 966**	**3 384 200**
Share of profit/(loss) for the year	(29 252)	120 943	288 715	(9 536)	**370 870**
Share of other comprehensive income for the year	9 209	–	–	–	**9 209**
Dividend declared	–	(48 270)	(153 734)	–	**(202 004)**
BALANCE AT 29 FEBRUARY 2024	**94 393**	**892 091**	**2 540 361**	**35 430**	**3 562 275**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

11. NON-CONTROLLING INTERESTS (CONTINUED)

11.1 SHARE OF PROFIT FOR THE YEAR ATTRIBUTABLE TO NON-CONTROLLING INTEREST INCLUDES THE FOLLOWING:

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP	TOTAL
FOR THE YEAR ENDED 29 FEBRUARY 2024					
Fair value adjustment – investment property	–	46 821	46 801	1 923	**95 545**
Profit on sale of non-current asset	68 554	–	–	–	**68 554**
Fair value adjustment – derivatives	–	(465)	–	–	**(465)**
Straight-lining of leases adjustment	–	23 739	85 790	(735)	**108 794**
Net loss from trading properties and developments	(35 114)	–	–	–	**(35 114)**
Expenses of a capital nature	–	–	(435)	–	**(435)**
ADJUSTMENT TO DISTRIBUTABLE EARNINGS	**33 440**	**70 095**	**132 156**	**1 188**	**236 879**
DISTRIBUTABLE EARNINGS	**(62 692)**	**50 848**	**156 559**	**(10 724)**	**133 991**

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP	TOTAL
FOR THE YEAR ENDED 28 FEBRUARY 2023					
Fair value adjustment – investment property	116 805	34 806	79 544	1 394	**232 549**
Fair value adjustment – derivatives	–	8 924	–	–	**8 924**
Straight-lining of leases adjustment	–	28 894	71 222	505	**100 621**
Net profit from trading properties and developments	49 836	–	–	–	**49 836**
Expenses of a capital nature[1]	(60 733)	–	(37)	–	**(60 770)**
ADJUSTMENT TO DISTRIBUTABLE EARNINGS	**105 908**	**72 624**	**150 729**	**1 899**	**331 160**
DISTRIBUTABLE EARNINGS	**(243)**	**47 697**	**153 983**	**1 419**	**202 856**

[1] Includes litigation settlement expense

11.2 SUMMARISED STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP
	100%	**100%**	**100%**	**100%**
SUMMARISED STATEMENT OF FINANCIAL POSITION				
Non-current assets	1 735 147	2 344 636	6 031 502	179 565
Current assets	351 071	132 030	165 509	144
TOTAL ASSETS	**2 086 218**	**2 476 666**	**6 197 011**	**179 709**
Non-current liabilities	–	629 452	948 467	142 400
Current liabilities	1 850 236	26 620	157 638	1 880
TOTAL LIABILITIES	**1 850 236**	**656 072**	**1 106 105**	**144 280**
NET ASSET VALUE	**235 982**	**1 820 594**	**5 090 906**	**35 429**
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME				
Gross property revenue	823	246 081	644 595	21 201
Gross profit from trading properties and developments	(23 854)	–	–	–
Property operating and management expenses	(4 830)	(36 087)	(155 347)	(3 345)
Current taxation	5 002	–	–	–
PROFIT/(LOSS) FOR THE YEAR	**(73 131)**	**246 823**	**578 587**	**(9 536)**
SUMMARISED STATEMENT OF CASH FLOWS				
Cash flows from operating activities	160 489	2 237	105 710	219
Cash flows from investing activities	517 135	–	(1 122 089)	(1 734)
Cash flows from financing activities	(396 050)	–	983 842	(6 869)
Effect of exchange rate movements	12 788	–	–	–
NET CASH MOVEMENT	**294 362**	**2 237**	**(32 537)**	**(8 384)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

11. NON-CONTROLLING INTERESTS (CONTINUED)

11.2 SUMMARISED STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

R'000	EQUITES NEWLANDS GROUP LIMITED	PLUMBAGO INVESTMENT PLATFORM PROPRIETARY LIMITED GROUP	RETAIL LOGISTICS FUND (RF) PROPRIETARY LIMITED	THE MICHEL LANFRANCHI FOUNDATION NPC GROUP
	100%	100%	100%	100%
SUMMARISED STATEMENT OF FINANCIAL POSITION				
Non-current assets	1 282 102	2 213 127	4 041 454	176 653
Current assets	829 337	120 479	809 230	8 831
TOTAL ASSETS	**2 111 439**	**2 333 606**	**4 850 684**	**185 484**
Non-current liabilities	–	640 316	–	149 269
Current liabilities	1 730 653	21 010	30 279	2 052
TOTAL LIABILITIES	**1 730 653**	**661 326**	**30 279**	**151 321**
NET ASSET VALUE	**380 786**	**1 672 280**	**4 820 405**	**34 163**
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME				
Gross property revenue	–	234 668	515 694	19 798
Gross profit from trading properties and developments	229 573	–	–	–
Property operating and management expenses	–	(23 950)	(118 188)	(3 507)
Current taxation	98 090	–	–	–
PROFIT FOR THE YEAR	**264 163**	**245 554**	**610 647**	**3 317**
SUMMARISED STATEMENT OF CASH FLOWS				
Cash flows from operating activities	(49 672)	(4 558)	6 179	2 067
Cash flows from investing activities	(339 067)	–	29 764	(679)
Cash flows from financing activities	357 952	(2 812)	–	–
Effect of exchange rate movements	24 095	–	–	–
NET CASH MOVEMENT	**(6 692)**	**(7 370)**	**35 943**	**1 388**

12. TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less expected credit loss ("ECL"). Trade receivables are amounts due from tenants for contractual lease charges and recoveries and are classified as current assets unless recovery is expected more than 12 months from the reporting date. The fair value of trade and other receivables approximates the carrying amounts due to its short-term nature.

The Group has credit vetting procedures in place before entering into leases with new tenants. The Group's tenants are predominantly blue-chip companies and there were no significant concentrations of credit risk at year-end.

EXPECTED CREDIT LOSS ASSESSMENT – TENANT RECEIVABLES

Trade receivables are assessed for impairment at each reporting date. The Group applies the simplified approach permitted by IFRS 9 *Financial Instruments*, which requires lifetime ECL to be recognised from initial recognition of the trade receivable. This represents the ECL that will result from all possible default events over the expected life of the trade receivable.

The Group makes use of a provision matrix based on the payment profile of trade receivables and the historical credit losses experienced over the period. Trade receivables are aggregated into groups of receivables that share similar credit risk characteristics. In assessing the appropriate grouping, we have considered the applicable region (South Africa or United Kingdom), tenant grading (A-grade, B-grade or C-grade) and credit life cycle (performing vs. non-performing).

The historical loss rates are adjusted to reflect current and forward-looking information that could significantly impact the tenant's ability to settle the trade receivable. The forward-looking adjustment was based on the change in credit default risk of government bonds in South Africa (R2032) and the United Kingdom (10 year guild).

Deferred rent receivables form part of tenant receivables. ECL on these amounts have been assessed and is immaterial.

ECL is recorded in the loss allowance account until the Group is satisfied that no recovery of the amount owing is possible, at which point the amount is considered irrecoverable and is written off against trade receivables directly. Movements in ECL are included in property operating and management expenses in the statement of comprehensive income.

EXPECTED CREDIT LOSS ASSESSMENT – OTHER RECEIVABLES

Deferred consideration: we have assessed the impact of expected credit losses considering the probability of default, debtor's credit rating and potential recourses on the deferred consideration and deem the impact to be immaterial.

Other receivables: We have assessed the impact of expected credit losses on other receivables and deem the impact to be immaterial.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

CRITICAL ESTIMATES AND JUDGEMENTS

VALUATION OF DEFERRED PURCHASE CONSIDERATION

Deferred purchase consideration consist of a contractual long term receivable in relation to the land sale at Newport Pagnell, UK. The land was sold for R1.4 billion (£59 million) of which R730 million (£30 million) has been received in cash. The remaining balance is expected to be received in October 2025. This receivable includes a significant financing component and is discounted to present value on initial recognition to the cash price equivalent that would be reflected in a separate financing transaction. The discount rate applied was determined using current market interest rates adjusted for the buyer's credit risk. The discount rate is not subsequently adjusted for changes in interest or other circumstances. The difference between the contracted amount and the deferred consideration is treated as interest income and is recognised over the period until actual receipt, using the effective interest method.

R'000	2024	2023
Gross trade receivables (tenants)	57 767	41 913
Deferred rent receivables	578	1 756
Loss allowance (note 12.3)	(2 564)	(2 477)
NET TENANT RECEIVABLES	**55 781**	**41 192**
Municipal and rental deposits	37 335	18 646
Supplier development loan (note 12.4)	10 000	10 000
Sundry debtors	128 831	108 851
Deferred purchase consideration	609 607	–
Accrued income	17 268	33 584
Creditors with debit balances	9 923	8 742
VAT receivable	52 464	17 362
Prepaid expenses	76 841	32 678
Other receivables	3 719	2 484
TRADE AND OTHER RECEIVABLES	**1 001 769**	**273 539**
Non-current	611 048	2 188
Current	390 721	271 351
CLASSIFICATION OF TRADE AND OTHER RECEIVABLES		
The Group's trade and other receivables have been classified as follows:		
Financial instruments at amortised cost	872 464	223 499
Non-financial instruments	129 305	50 040
TRADE AND OTHER RECEIVABLES	**1 001 769**	**273 539**

12.1 CREDIT QUALITY OF TRADE RECEIVABLES

R'000	2024	2023
The credit quality of trade receivables is evaluated with reference to available financial information and history with the Group and can be categorised into the following groups:		
A – Large multinational companies, large listed companies and government organisations	47 730	40 908
B – Smaller multinational and national tenants	246	1 005
C – Other local tenants and sole proprietors	9 791	–
GROSS TRADE RECEIVABLES	**57 767**	**41 913**

The maximum exposure to credit risk for trade and other receivables are the carrying values.

12.2 AGEING OF TRADE RECEIVABLES

The ageing of trade receivables as at year end was as follows:

	TRADE RECEIVABLES		DEFERRED RENT	
R'000	2024	2023	2024	2023
Current	45 408	22 718	578	1 756
1 – 30 days past due	2 695	13 960	–	–
31 – 60 days past due	1 252	879	–	–
61 – 90 days past due	1 255	1 167	–	–
91 days past due or more	7 157	3 189	–	–
TOTAL	**57 767**	**41 913**	**578**	**1 756**

MATURITY PROFILE OF DEFERRED RENT ARRANGEMENTS

As a result of the COVID-19 global pandemic, R35 million of rental deferrals were granted in SA and £326k (R7 million) in the UK during the 2021 financial year. Of these deferrals, R578 227 (2023: R1.8 million) remain outstanding in SA and nil in the UK.

R'000	2024	2023
The expected repayment of outstanding deferred rent is profiled as follows:		
Within one year	266	1 239
Within two years	95	239
Within three years	95	95
Within four years	95	95
Beyond four years	27	88
TOTAL DEFERRED RENT ARRANGEMENTS	**578**	**1 756**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

12.3 EXPECTED CREDIT LOSS ALLOWANCE

The ECL provision was determined as follows for trade receivables:

	EXPECTED CREDIT LOSS RATE		TRADE RECEIVABLES	
R'000	**2024**	**2023**	**2024**	**2023**
Current	0.00%	0.33%	–	74
1 – 30 days past due	7.10%	3.77%	191	526
31 – 60 days past due	18.47%	58.25%	231	518
61 – 90 days past due	17.67%	39.53%	222	461
91 days or more past due	26.83%	28.19%	1 920	898
LOSS ALLOWANCE			**2 564**	**2 477**

RECONCILIATION OF LOSS ALLOWANCE

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

R'000	2024	2023
Opening balance	2 477	2 948
Remeasurement of loss allowance	87	(471)
CLOSING BALANCE	**2 564**	**2 477**

Trade receivables of nil (2023: nil) have been written off during the year.

R'000	**2024**	**2023**
12.4 SUPPLIER DEVELOPMENT LOAN		
Damon at Sons Construction Proprietary Limited	10 000	10 000

These amounts were advanced to one of our suppliers as part of our supplier development programme and are unsecured, do not bear interest and have no fixed terms of repayment.

13. LOAN RECEIVABLE

ACCOUNTING POLICY

The Group holds a loan receivable which is classified as a financial asset at amortised cost as the payments comprise solely principal and interest. Loans receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method less ECL.

EXPECTED CREDIT LOSS ASSESSMENT

Taking into consideration the current net asset value and liquidity situation of the borrower, the Group does not see any premise for loan impairment. The borrower is considered to have the capacity to meet their obligation resulting from loans, therefore the credit risk of the loans is assessed very low. The ECL amount is assessed to be immaterial.

R'000	**2024**	**2023**
Mabel Black Knight Investments 1 Proprietary Limited	57 454	58 057
LOAN RECEIVABLE	**57 454**	**58 057**
Current	3 013	2 903
Non-current	54 441	55 154

The Group concluded a single indivisible transaction in terms of Statement 102 of the Broad-Based Black Economic Empowerment Codes of Good Practice, whereby it disposed of six property assets located in the Western Cape to Mabel Black Knight Investments 1 Proprietary Limited ("Mabel"), a 100% black-owned consortium. The transaction was concluded in July 2022 and included the advancement of a five-year loan to Mabel of R59.8 million, which bears interest at the prime overdraft rate and interest is repayable quarterly, compounded monthly, and capital is repayable in four equal annual instalments of 5% of the loan advanced with the balance repayable on the loan termination date.

Loans receivable are considered to have low credit risk. Refer to note **8** for details of the Group's credit risk management policies.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

14. STATED CAPITAL

ACCOUNTING POLICY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares and share options are recognised as a deduction from equity.

TREASURY SHARES

Unvested restricted shares forfeited by employee participants of the CSP are classified as treasury shares. The cost price of these shares, together with related transaction costs, is deducted from equity. The issued and weighted average number of shares is reduced by the unvested restricted shares held for employee participants in terms of the CSP for the purposes of the basic and headline earnings per share calculations. Treasury shares are reallocated to issued shares when the shares have been allocated to an employee participant in terms of the CSP. When treasury shares held for employee participants vest in such participants, the shares are no longer classified as treasury shares, but included as part of issued share capital.

SHARE REPURCHASES AND CANCELLATIONS

Consideration paid for share buybacks, including any directly attributable incremental costs are deducted from equity.

	NUMBER OF SHARES		AMOUNT (R'000)	
	2024	2023	2024	2023
14.1 AUTHORISED SHARES				
Ordinary shares, of the same class and no par value	2 000 000 000	2 000 000 000	–	–
14.2 ISSUED SHARES				
Ordinary shares, of the same class and no par value	780 684 498	774 089 562	12 257 584	12 137 296

The unissued shares are under the control of the directors (subject to limitations set by shareholders' resolutions) until the next annual general meeting.

	NUMBER OF SHARES		AMOUNT (R'000)	
	2024	2023	2024	2023
14.3 RECONCILIATION OF ISSUED SHARES				
ORDINARY SHARES:				
Opening balance	774 089 562	776 573 375	12 137 296	12 170 853
Shares issued in respect of conditional share plan	–	689 731	–	13 160
Shares issued in respect of share-based payment transactions (note **27.2**)	12 857 794	–	196 069	–
Shares issued in terms of dividend reinvestment programme	–	1 421 922	–	28 154
Shares repurchased and cancelled[1]	(6 262 858)	(4 595 466)	(75 497)	(73 816)
Share issue costs	–	–	(284)	(1 055)
ISSUED SHARES	**780 684 498**	**774 089 562**	**12 257 584**	**12 137 296**
TREASURY SHARES:				
Opening balance	43 549	8 016	831	163
Treasury shares issued in terms of conditional share plan	(43 549)	(8 016)	(831)	(163)
Shares forfeited in respect of conditional share plan	2 877	43 549	55	831
TREASURY SHARES	**2 877**	**43 549**	**55**	**831**
NET SHARE CAPITAL	**780 681 621**	**774 046 013**	**12 257 529**	**12 136 465**

[1] 2024: 6 727 838 shares repurchased between 01 March 2023 and 14 November 2023 at an average price of R12.06 per share (2023: 4 595 466 shares repurchased between 1 September 2022 and 7 February 2023 at an average price of R16.06 per share).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

15. SHARE-BASED PAYMENT RESERVE

ACCOUNTING POLICY

For equity-settled share-based payment transactions, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The Group operates a conditional share plan, which is classified as an equity-settled share-based payment plan, under which it receives services from employees as consideration for equity instruments of the Group. Executive directors and all employees are beneficiaries under the scheme. The fair value of the employee services received in exchange for the grant of shares is recognised as an expense on a straight-line basis over the vesting period, with a corresponding adjustment to the share-based payment reserve.

The total amount expensed to profit or loss is determined by reference to the fair value rights to equity instruments granted, including any market performance conditions and excluding the impact of any non-market performance vesting conditions. Non-market performance vesting conditions are included in assumptions regarding the number of shares granted that are expected to vest. At the end of each reporting period, the Group revises its estimates of the number of shares granted that are expected to vest and recognises the impact of any changes in profit or loss with a corresponding adjustment to equity.

The effect of all conditional shares granted is taken into account when calculating diluted earnings and diluted headline earnings per share.

R'000	2024	2023
Conditional share plan (note **15.1**)	30 570	22 316
SHARE-BASED PAYMENT RESERVE	**30 570**	**22 316**

15.1 CONDITIONAL SHARE PLAN

In terms of its conditional share plan, the Group has granted conditional shares to executive directors and staff.

Long-term incentive awards are granted annually in the form of conditional shares in Equites. The total quantum of shares (at face value) awarded for the year was set as 85% of TGP for the CEO and 80% of TGP for the COO and CFO based on the 30-day VWAP on the date of the award. For individual employees, awards are made based on individual employment contracts. All awards are subject to performance conditions and require the participant to be employed by the Group until the 31st May following the end of the 3-year performance period.

The full details of the scheme will be included in the remuneration report.

The CSP awards have been recognised as equity-settled share-based payments as a separate category within equity. The fair value of the conditional share plan charge has been measured using the Black-Scholes formula. The following assumptions were incorporated in the valuation:

ASSUMPTIONS	AWARD GRANTED IN FEB 2021	AWARD GRANTED IN FEB 2022	AWARD GRANTED IN FEB 2023	AWARD GRANTED IN FEB 2024
Maximum number of unvested instruments – Directors	1 449 505	1 263 941	1 816 864	2 203 685
Maximum number of unvested instruments – Other	270 236	595 249	1 085 717	–
Weighted average fair value of instruments at measurement date	36 733 678	39 712 289	44 873 915	28 846 241
Grant date	20 February 2021	20 February 2022	27 February 2023	29 February 2024
Vesting date	31 May 2026	31 May 2027	31 May 2028	31 May 2029
Issue price (30 day VWAP)	R18.31	R21.36	R15.82	R13.83
Forfeiture rate – conditional share plan	5.0%	5.0%	5.0%	5.0%
Forfeiture rate – matching shares	12.5%	12.5%	12.5%	12.5%
Dividend yield	10.0%	10.0%	10.0%	10.0%
Performance condition factor	100.0%	188.0%	75.0%	75.0%

NUMBER OF SHARES ALLOCATED TO DIRECTORS IN TERMS OF THE AWARD SCHEME

2024	OPENING BALANCE	GRANTED	LAPSED	VESTED	CLOSING BALANCE	IFRS 2 CHARGE R'000	FAIR VALUE OF SHARES GRANTED R'000
Andrea Taverna-Turisan	1 966 031	1 585 389	(448 196)	(180 851)	2 922 373	1 775	20 753
Gerhard Riaan Gous	1 414 715	1 140 815	(322 513)	(130 136)	2 102 881	1 585	14 933
Laila Razack	1 149 562	926 989	(262 064)	(105 746)	1 708 741	3 263	12 134
	4 530 308	**3 653 193**	**(1 032 773)**	**(416 733)**	**6 733 995**	**6 623**	**47 820**

2023	OPENING BALANCE	GRANTED	LAPSED	VESTED	CLOSING BALANCE	IFRS 2 CHARGE R'000	FAIR VALUE OF SHARES GRANTED R'000
Andrea Taverna-Turisan	1 608 902	788 470	(215 670)	(215 671)	1 966 031	2 711	12 190
Gerhard Riaan Gous	1 148 564	567 367	(150 608)	(150 608)	1 414 715	1 714	8 772
Laila Razack	724 669	461 027	(18 067)	(18 067)	1 149 562	1 044	7 127
	3 482 135	**1 816 864**	**(384 345)**	**(384 346)**	**4 530 308**	**5 469**	**28 089**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

15. SHARE-BASED PAYMENT RESERVE (CONTINUED)

15.1 CONDITIONAL SHARE PLAN (CONTINUED)

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price since listing. The expected forfeiture rate has been based on historical experience and general employee behaviour. On an annual basis, assumptions are adjusted with the availability of objective evidence. Where these result in changes in the non-market conditions of the scheme, the cumulative impact is charged to profit and loss in the year the adjustment is made.

After 3 years from grant date the participant may elect to defer the vesting of the applicable tranche of shares by a further 24 months. This election will result in the award being increased on a 3-for-1 basis (i.e. by 33.3%). The only further vesting condition will be for the participant to remain in the Group's employment for these 24 months. Should the employee leave within the 24 month period, the shares vest immediately, however, the employee forfeits the matching shares.

R'000	2024	2023
Opening balance	22 316	29 390
Expense recognised in profit or loss	14 646	5 418
Shares issued[1]	(6 447)	(13 323)
Shares forfeited (note **14.3**)	55	831
CLOSING BALANCE	**30 570**	**22 316**

[1] Issued shares are subject to a 2 year restriction as detailed above.

R'000	2024	2023
16. DEFERRED TAX ASSET AND LIABILITY		
Deferred tax asset	3 580	3 290
Deferred tax liability	(151 423)	(129 706)
Deferred tax liability held-for-sale	–	(52 770)
	(147 843)	**(179 186)**
NET DEFERRED TAX ASSET/(LIABILITY)		
Capital allowances	(166 155)	(154 870)
Capital loss unutilised	13 853	
Tax losses	73 669	70 631
Fair value adjustment	(69 210)	(94 947)
	(147 843)	**(179 186)**
RECONCILIATION OF DEFERRED TAX ASSET/(LIABILITY)		
Opening balance	(179 186)	(278 429)
Investment property – allowances utilised and recognised	2 671	(280 858)
Tax losses recognised and utilised	(3 243)	13 122
Capital loss recognised	13 315	–
Fair value adjustment	33 023	386 993
Change in tax rate	–	4 743
Foreign exchange movement	(14 423)	(24 757)
CLOSING BALANCE	**(147 843)**	**(179 186)**
Assessed losses for which no deferred tax asset is recognised	375 991	140 157

SOUTH AFRICA

The Group is a REIT as defined by section 25BB of the South African Income Tax Act which allows a deduction of the qualifying distribution to shareholders, limited to taxable income. To the extent that no tax will become payable in future as a result of section 25BB, no deferred tax was recognised on assessed losses and items such as IFRS® accounting adjustments. Deferred tax is not recognised on the fair value adjustment of investment properties as capital gains tax is not applicable in terms of section 25BB. In addition, section 25BB does not allow for allowances relating to immovable property. Allowances granted in prior years, before becoming a REIT must be recouped in the year the immovable property is sold. A deferred tax liability will be recognised on the recoupment to the extent it will result in a tax liability after the qualifying distribution deduction.

Only one SA subsidiary of the Group does not meet the definition of a controlled company as per section 25BB and therefore is eligible to recognised deferred tax on assessed losses which can be offset against future taxable income.

UNITED KINGDOM

A deferred tax asset/(liability) is recognised on all temporary differences relating to capital allowances, fair value adjustments and tax losses. A deferred tax asset is recognised to the extent that there are future taxable profits against which it can be offset. Recognised tax losses relate to tax obligations to HM Revenue and Customs under Corporations Tax.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

R'000	2024	2023
17. NON-CURRENT LIABILITIES HELD-FOR-SALE		
Loans and borrowings (note **7**)	–	145 277
Deferred tax (note **16**)	–	52 770
NON-CURRENT LIABILITIES HELD-FOR-SALE	**–**	**198 047**

18. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Trade and other payables are classified as financial liabilities where they meet the definition of a financial liability. These are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after year end.

Lease liabilities are initially measured at the present value of the future lease payments discounted using the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments and variable payments dependent on an index or a rate, initially measured using the index or rate as at the lease commencement date. It is remeasured when there is a change in the future lease cash flows arising from a change in the Group's assessment of whether it will exercise an extension or termination option or where variable payments become fixed.

Each sale agreement is analysed separately and an assessment is made on the fact pattern of each agreement to determine if any guarantees issued fall within the scope of IFRS 15 or IFRS 9. Rental guarantees which are related to the performance and quality of the property being sold and is contingent on the occurrence or non-occurrence of a future event, sellers apply the variable consideration guidance in IFRS 15. The rental guarantees are dependent on the occurrence or non-occurrence of a vacancy or lower rental achieved at a potential future date at the sold property, these therefore fall within the scope of IFRS 15. An estimated rental guarantee has been recognised as a liability taking into account the probability of a variable consideration to be paid at a future date. This amount reduces the net profit on sale (or increases the net loss on sale) recognised in net other gains and losses. Any subsequent changes in the rental guarantee will be adjusted against profit / loss on sale.

CRITICAL ESTIMATES AND JUDGEMENTS

MEASUREMENT OF LEASE LIABILITY

Equites pays land rental in Waterfall, Gauteng when the buildings are subleased. In determining the lease liability for the Waterfall leases, Equites looks to the lease term and lease payments of the underlying sub-lease agreement, in calculating the amount that will form part of the right-of-use asset and lease liability of the head lease agreement, as this portion has been determined to be in substance fixed.

R'000	2024	2023
Trade payables and accruals	430 154	176 606
Rent received in advance	104 932	96 707
Tenant deposits	51 093	35 865
Shareholders for dividends	74	75
Lease liabilities	32 897	37 490
IFRS 2 liability	3 618	10 266
Litigation settlement	–	167 289
Rental guarantees	12 103	–
VAT payable	317 474	–
Other payables	4 728	13 633
TRADE AND OTHER PAYABLES	**957 073**	**537 931**
Current	889 397	472 625
Non-current	67 676	65 306
CLASSIFICATION OF TRADE AND OTHER PAYABLES		
The Group's trade and other payables have been classified as follows:		
Financial instruments at amortised cost	531 050	430 958
Non-financial instruments	426 023	106 973
TRADE AND OTHER PAYABLES	**957 073**	**537 931**

Refer to note **8.3** for liquidity risk disclosure for trade and other payables.

The fair value of trade and other payables approximates the carrying amounts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

19. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant and equipment are tangible assets held by the Group for administrative and operational purposes and are expected to be used during more than one period. All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. The historical cost includes all expenditure that is directly attributable to the acquisition of the asset and is depreciated on a straight-line basis, from the date it is available for use, at rates appropriate to the various classes of assets involved, taking into account the estimated useful life and residual values of the individual items, as follows:

Computer equipment	3 years
Equipment	6 years
Furniture and fittings	6 years
Buildings	20 years
Land	n/a

The Group determines the estimated useful lives, residual values and the related depreciation charges at acquisition and these are reviewed at each statement of financial position date. If appropriate, adjustments are made and accounted for prospectively as a change in estimate.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other costs, including repairs and maintenance, are expensed as incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal or scrapping of property, plant and equipment, being the difference between the net proceeds on disposal or scrapping and the carrying amount, are recognised in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets are reviewed for indicators of impairment at each reporting date. Where such indicators exist, the assets recoverable amount is estimated.

Where the carrying value of an asset exceeds its estimated recoverable amount, the carrying value is impaired and the asset is written down to its recoverable amount. The recoverable amount is calculated as the higher of the asset's fair value less cost to sell and the value in use. These calculations are prepared based on management's assumptions and estimates such as forecasted cash flows, management budgets and financial outlook. For the purpose of impairment testing the assets are allocated to cash-generating units. Cash-generating units are the lowest levels for which separately identifiable cash flows can be determined.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset has decreased or no longer exists and recognises a reversal of an impairment loss. Impairment losses are only reversed to the extent that they do not increase an asset's carrying value above the carrying value it would have been if no impairment loss had been recognised.

Impairment losses and reversal are recognised in profit or loss.

LEASES

The Group is a party to a lease in respect of its Cape Town office, situated in the Portside building.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is measured at the initial amount of the lease liability adjusted for any lease payments made in advance, plus any initial direct costs incurred less any lease incentives received. A right-of-use asset in relation to leased offices is recognised as Property, Plant and Equipment and depreciated on a straight-line basis over the lease term.

It is remeasured when there is a change in the future lease cash flows arising from a change in the Group's assessment of whether it will exercise an extension or termination option or where variable payments become fixed. Where the finance lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the underlying right-of-use asset.

CRITICAL ESTIMATES AND JUDGEMENTS

LEASE TERM

Where the Group recognises a lease liability and corresponding right-of-use asset, consideration is given around the extension options of the lease, in terms of IFRS 16. An evaluation of the facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option on the remaining lease term, is performed. These include an assessment of the potential business disruption by not extending and the unrecoverable costs or penalties incurred to extend or terminate the contract. The Group concluded that the lease liabilities and right-of-use assets are appropriately accounted for based on the lease term and that any significant changes or circumstances in the current year to this assessment have been accounted for.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

R'000	FURNITURE AND FITTINGS	EQUIPMENT	COMPUTER EQUIPMENT	BUILDINGS	LAND	RIGHT-OF-USE ASSET	TOTAL
Cost	7 981	625	1 290	3 924	1 551	8 522	23 893
Accumulated depreciation	(4 302)	(73)	(582)	(980)	–	(1 870)	(7 807)
CARRYING VALUE AT 28 FEBRUARY 2022	**3 679**	**552**	**708**	**2 944**	**1 551**	**6 652**	**16 086**
FOR THE YEAR ENDED 28 FEBRUARY 2023							
Opening carrying value	3 679	552	708	2 944	1 551	6 652	16 086
Additions	5 925	11	1 299	4 143	–	–	11 378
Transfers	168	–	–	(168)	–	–	–
Right-of-use asset remeasurement	–	–	–	–	–	1 921	1 921
Depreciation charge for the year	(1 749)	(120)	(415)	344	–	(429)	(2 369)
Foreign exchange movements	39	–	4	–	–	–	43
CLOSING CARRYING VALUE	**8 062**	**443**	**1 596**	**7 263**	**1 551**	**8 144**	**27 059**
Cost	14 113	636	2 593	7 899	1 551	10 443	37 235
Accumulated depreciation	(6 051)	(193)	(997)	(636)	–	(2 299)	(10 176)
CARRYING VALUE AT 28 FEBRUARY 2023	**8 062**	**443**	**1 596**	**7 263**	**1 551**	**8 144**	**27 059**
FOR THE YEAR ENDED 29 FEBRUARY 2024							
Opening carrying value	8 062	443	1 596	7 263	1 551	8 144	27 059
Additions	5 455	35	600	386	–	–	6 476
Right-of-use asset remeasurement	–	–	–	–	–	22	22
Depreciation charge for the year	(4 692)	(123)	(697)	(391)	–	(5 446)	(11 349)
Foreign exchange movements	160	–	(31)	–	–	–	129
CLOSING CARRYING VALUE	**8 985**	**355**	**1 468**	**7 258**	**1 551**	**2 720**	**22 337**
Cost	19 754	671	3 199	8 285	1 551	10 465	43 925
Accumulated depreciation	(10 769)	(316)	(1 731)	(1 027)	–	(7 745)	(21 588)
CARRYING VALUE AT 29 FEBRUARY 2024	**8 985**	**355**	**1 468**	**7 258**	**1 551**	**2 720**	**22 337**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

20. PROPERTY REVENUE AND TENANT RECOVERIES

ACCOUNTING POLICY

Revenue comprises the following:

- Contractual rental income
- Tenant recoveries
- Property management fees

Contractual rental income from operating leases are recognised on a straight-line basis over the term of the lease taking into account fixed escalations. Lease incentives are recognised, on a straight-line basis, as a reduction of rental income over the lease period.

Tenant recoveries are levied monthly in arrears as a result of the Group recovering costs of providing the tenant with services as determined by the lease agreement. The Group negotiates the terms of the service, manages the relationship with the suppliers and is liable for payment (even if the property is vacant or the expense is not recovered from the tenant), and therefore maintains primary responsibility for providing the service. The Group acts as a principal on its own account when recovering operating costs from tenants. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. These recoveries are variable and dependent on the cost/actual usage of the service provided.

Revenue is measured at the transaction price agreed under the contract. For arrangements that include deferred payment terms that exceed 12 months, the Group adjusts the transaction price for the financing component, with the impact recognised as interest income using the effective interest rate method over the period of the financing.

Property and asset management fees on assets under the Group's management are recognised, over the period which the service relates, in terms of the respective management agreements.

Rental income received in advance is recognised as a current liability as part of trade and other payables in the statement of financial position.

R'000	2024	2023
Contractual rental income	1 694 157	1 560 064
Tenant recoveries (note **20.2**)	433 673	322 915
Property management fee	280	4 079
PROPERTY REVENUE AND TENANT RECOVERIES	**2 128 110**	**1 887 058**

20.1 TENANTS COMPRISING >10% OF PROPERTY REVENUE AND TENANT RECOVERIES

R'000	2024	2023
Shoprite Checkers Proprietary Limited	22.8%	20.3%
DSV Solutions Proprietary Limited	12.7%	16.0%

Both these tenants are included in the SA Industrial segment.

Refer to note **33** for revenue disaggregation by sector, location and tenant grade.

20.2 TENANT RECOVERIES

R'000	2024	2023
IFRS 16 variable recoveries	225 178	149 111
IFRS 15 tenant recoveries[1]	208 495	173 804
TOTAL	**433 673**	**322 915**

[1] The frequency and value of these recoveries are not detailed in the lease agreements as they are based on actual expenses incurred and therefore fall within the scope of IFRS 15.

PROPERTY OPERATING AND MANAGEMENT EXPENSES

R'000	2024	2023
Recoverable expenses	446 506	293 571
Non-recoverable expenses	25 324	10 322
TOTAL	**471 830**	**303 893**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

21. REVENUE FROM TRADING PROPERTIES AND DEVELOPMENTS

ACCOUNTING POLICY

Revenue from trading properties and developments relates to the sale of land and turnkey developments. The sale of land and development works are distinct performance obligations as these are separately identifiable transactions.

Land sale is recognised at a point in time, when the land is transferred to the buyer, at the consideration received for the land.

Revenue from turnkey developments is recognised over a period of time for the duration of the development. Revenue is recognised at the total consideration receivable for the development on a stage of completion basis.

CRITICAL ESTIMATES AND JUDGEMENTS

PRINCIPAL VERSUS AGENT CONSIDERATION

Determining whether the Group is the principal or agent for turnkey developments requires significant judgement.

The following factors were considered to understand the relationship and contractual arrangements between the various parties:

- The Group negotiates the maximum commitment in relation to the development and appoints all contractors and professionals.
- The building contractor has a duty to provide the construction, infrastructure, and related works according to specification, with due care and warranty however, the Group remains ultimately responsible for oversight, compliance and fulfilment of the development works to the point of practical completion.
- The Group combines third-party goods and services to provide the complete development works to the customer.
- The Group gains control of the infrastructure and building works through the various stages of completion.

Based on management's assessment of the contractual arrangement the Group is regarded as the principal to the contract.

R'000	2024	2023
Revenue from trading property	21 537	344 496
Revenue from turnkey developments	–	707 435
REVENUE FROM TRADING PROPERTIES AND DEVELOPMENTS	**21 537**	**1 051 931**

22. OTHER NET (LOSSES)/GAINS

R'000	2024	2023
Income from foreign exchange derivative instruments	51 871	206 421
Fair value adjustment on foreign exchange derivative instruments	102 242	(267 843)
Insurance recoveries	(13)	429
Loss on sale of subsidiary companies (note **22.1**)	(49 780)	–
Loss on sale of investment property	(100 047)	(8 233)
Profit on sale of property, plant and equipment	–	8
Foreign exchange loss	(470 934)	(217 987)
Fair value adjustment on financial guarantee	–	(10 000)
Sundry income	18 740	4 757
TOTAL	**(447 921)**	**(292 448)**

22.1 LOSS ON SALE OF SUBSIDIARY COMPANIES[1]

R'000	2024	2023
Loss on sale of subsidiary companies	(118 610)	–
Reclassification of FCTR	68 830	–
TOTAL	**(49 780)**	**–**

[1] The Group disposed of its investment in Equites UK SPV 7 Limited and Equites UK SPV 8 Limited on 21 March 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

23. EXPENSES BY NATURE

R'000	2024	2023
COMPOSITION OF PROPERTY MANAGEMENT AND ADMINISTRATIVE EXPENSES		
Employee benefits (note **23.1**)	88 618	37 626
Operating and administrative expenses (note **23.2**)	536 544	502 318
TOTAL PROPERTY MANAGEMENT AND ADMINISTRATIVE EXPENSES	**625 162**	**539 944**

ACCOUNTING POLICY

LOW VALUE LEASED ASSETS

Printing rentals for office printers is recognised in other operating expenses and has been separately disclosed below. The Group has applied the exemption in IFRS 16 for these assets and a lease liability and right-of-use asset has not been recognised for these assets.

SHORT-TERM EMPLOYEE BENEFITS

Wages, salaries, paid annual leave and other costs of short-term employee benefits are recognised as employee benefit expense in profit or loss in the period in which the services are rendered.

SHORT-TERM BONUSES

The Group recognises an expense in profit or loss and accrues for short-term bonuses in the statement of financial position where such payments can be contractually determined or where past practice has created a constructive obligation.

23.1 EMPLOYEE BENEFITS

R'000	2024	2023
Salary costs	52 235	38 051
Executive director and public officer's emoluments (note **23.4**)	30 828	25 034
Non-executive directors' emoluments (note **23.3**)	5 876	5 711
Share-based payment expense	7 999	7 186
Capitalised to investment property	(8 320)	(38 356)
TOTAL	**88 618**	**37 626**

23.2 OPERATING AND ADMINISTRATIVE EXPENSES

R'000	2024	2023
Property taxes and utility expenses	381 401	285 538
Property operational costs	38 778	18 355
Insurance costs	50 300	26 434
Audit fees	5 851	5 583
PricewaterhouseCoopers Inc.	4 164	3 583
Cooper Parry LLP	1 687	2 000
Non-audit fees	2 479	320
PricewaterhouseCoopers Inc.	625	320
Cooper Parry LLP	1 854	–
Loss allowance	86	(471)
Depreciation of property, plant and equipment (non-distributable)	11 349	2 369
Marketing expense	3 911	4 728
Professional, secretarial and other administrative expenses	79 501	42 748
Rental expense[1]	1 860	2 820
Litigation settlement	–	151 832
Other operating expenses	14 305	9 989
Overheads capitalised to investment property	(53 277)	(47 927)
TOTAL	**536 544**	**502 318**

[1] Rental expense relates to leases of low-value assets and short-term leases that are not shown as a right-of-use asset, under IFRS 16

23.3 NON-EXECUTIVE DIRECTORS' EMOLUMENTS

The following fees were paid to non-executive directors for their services as directors:

DIRECTOR	2024	2023
Leon Campher	1 024	962
André Gouws	425	460
Cindy Hess (resigned 15 July 2022)	–	170
Doug Murray	663	548
Eunice Cross	620	582
Fulvio Tonelli	794	199
Keabetswe Ntuli	681	547
Mustaq Brey	810	731
Nazeem Khan (retired 17 August 2022)	–	323
Ndabezinhle Mkhize	587	490
Ruth Benjamin-Swales (retired 17 August 2023)	272	699
TOTAL	**5 876**	**5 711**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

23. EXPENSES BY NATURE (CONTINUED)

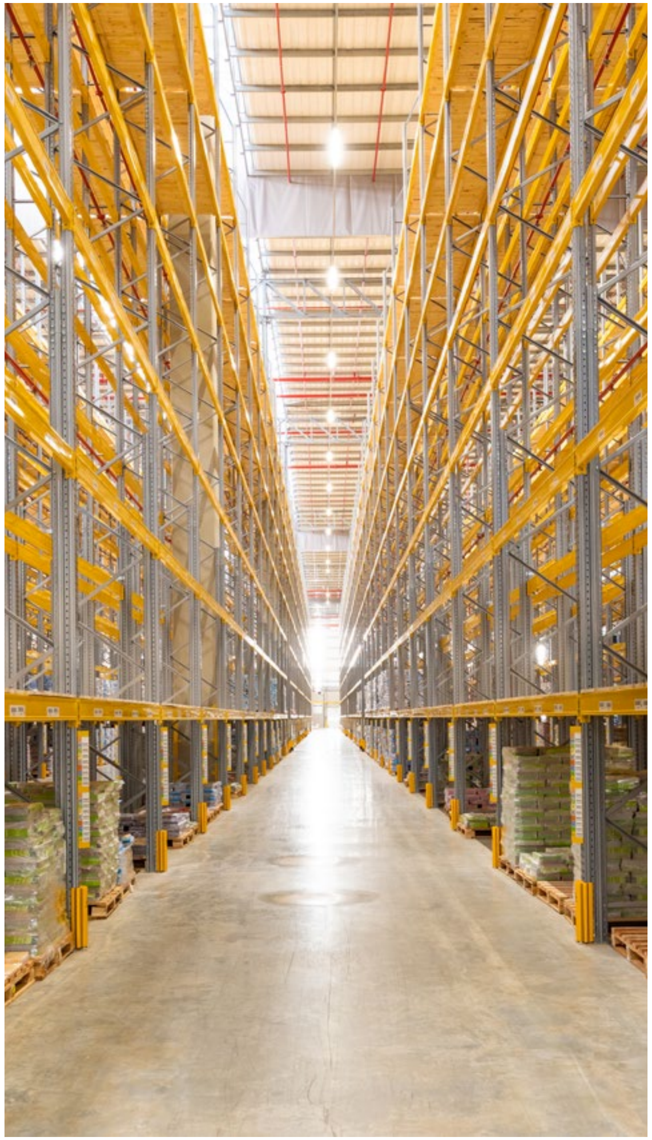
23.4 EXECUTIVE DIRECTOR AND PUBLIC OFFICER'S EMOLUMENTS

EXECUTIVE DIRECTORS REMUNERATION

	2024							
R'000	SALARY	BENEFITS	PERFORMANCE BONUS	OTHER FEES	TOTAL	DIVIDEND EQUIVALENT ON EOS	VALUE OF EQUITY-SETTLED SHARE-BASED PAYMENT INCENTIVES GRANTED[1]	TOTAL
Andrea Taverna-Turisan	5 505	103	5 505	–	11 113	2 172	2 743	**16 028**
Gerhard Riaan Gous	4 209	97	3 788	–	8 094	1 644	2 325	**12 063**
Laila Razack	3 420	40	3 078	20	6 558	1 247	3 864	**11 669**
TOTAL	**13 134**	**240**	**12 371**	**20**	**25 765**	**5 063**	**8 932**	**39 760**

	2023						
R'000	SALARY	BENEFITS	PERFORMANCE BONUS	TOTAL	DIVIDEND EQUIVALENT ON EOS	VALUE OF EQUITY-SETTLED SHARE-BASED PAYMENT INCENTIVES GRANTED[1]	TOTAL
Andrea Taverna-Turisan	5 169	74	5 798	11 041	1 412	4 571	**17 024**
Gerhard Riaan Gous	3 952	66	3 689	7 707	1 048	3 289	**12 044**
Laila Razack	3 211	71	3 004	6 286	684	2 673	**9 643**
TOTAL	**12 332**	**211**	**12 491**	**25 034**	**3 144**	**10 533**	**38 711**

[1] Further detail relating to share-based payments is included in note **15.1**



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

24. FINANCE COST

ACCOUNTING POLICY
Interest expense is recognised using the effective interest method and expensed in the statement of profit or loss and other comprehensive income.

R'000	2024	2023
Interest expense on borrowings	973 572	586 243
Interest on lease liabilities	2 227	2 715
Finance costs relating to interest rate derivatives	22 737	49 280
Fair value loss/(gain) on interest rate derivatives	63 201	(226 202)
Interest on utility accounts and other	2 499	735
Borrowing costs capitalised to investment and trading property[1]	(441 255)	(360 643)
FINANCE COST	**622 981**	**52 128**

[1] The capitalisation rate applied during the year was 9.1% (2023: 8.4%) in relation to general borrowings and 3.5% (2023: 3.5%) in relation to specific borrowings.

RECONCILIATION OF FINANCE COST EXPENSE TO FINANCE COST PAID

R'000	2024	2023
Interest accrued opening balance	95 922	53 663
Finance costs	622 981	52 128
Fair value (loss)/gain on interest rate derivatives	(63 201)	226 202
Interest on lease liabilities	(2 227)	(2 715)
Loan fee amortisation	(18 536)	(18 281)
Loan fees paid	10 507	20 862
Borrowing costs capitalised to trading property	88 767	75 031
Interest accrued closing balance	(91 790)	(95 922)
FINANCE COST PAID	**642 423**	**310 968**

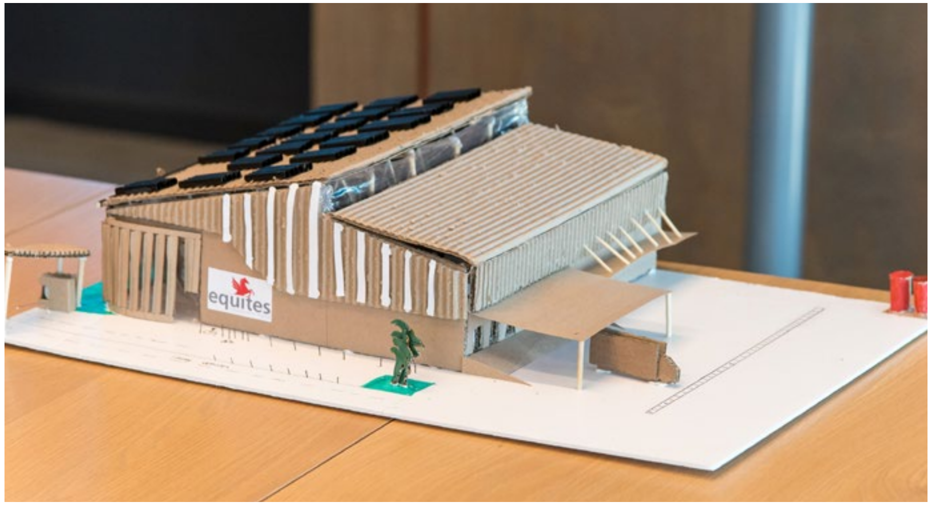
25. FINANCE INCOME

ACCOUNTING POLICY
Finance income comprises interest earned on positive bank balances, short-term investments and on overdue accounts. Interest is recognised in profit or loss using the effective interest rate method.

R'000	2024	2023
Interest received from tenants and other	2 016	785
Interest received on financial assets at fair value	178 962	50 194
Interest received on deferred consideration	6 147	–
Interest received on loan receivable	6 658	3 561
Interest received on call and current account balances	9 938	1 914
TOTAL	**203 721**	**56 454**

RECONCILIATION OF FINANCE INCOME TO FINANCE INCOME RECEIVED

R'000	2024	2023
Interest accrued opening balance	30 423	–
Finance income	203 721	56 454
Interest received on long-term sundry debtors	(6 147)	–
Interest accrued closing balance	(14 507)	(30 423)
FINANCE INCOME RECEIVED	**213 490**	**26 031**



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

26. TAXATION

ACCOUNTING POLICY

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position. Deferred income tax is recognised, using the liability method, for calculated income tax losses and temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

SOUTH AFRICAN TAX LAWS

The income tax expense for the period comprises current and deferred income tax and is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it will also be recognised in other comprehensive income or directly in equity as applicable. The Group is a REIT and all SA and IOM subsidiaries in the Group are "controlled companies" (as defined in the Income Tax Act), except for one SA company which is not a "property company" as defined by section 25BB. The Group applies judgement in determining what income sources constitute "rental income" as defined by section 25BB of the Income Tax Act. The Group is subject to tax at 27% in South Africa and any remaining taxable income, after deducting the section 25BB qualifying distribution, is subject to tax at the full corporate rate.

UNITED KINGDOM TAX LAWS

All UK operating subsidiaries are subject to Corporations Tax and the tax charge is calculated as 25% of taxable income. In the UK, the Group has sufficient tax losses to utilise against taxable income.

TAXATION FOR THE YEAR ENDED 29 FEBRUARY 2024

R'000	SA TAX	UK TAX	TOTAL
Current tax	11 211	(5 002)	6 209
Prior year	141	–	141
Current year	11 070	(5 002)	6 068
Deferred tax	(67)	(45 699)	(45 766)
Current year	(67)	(45 699)	(45 766)
TOTAL	**11 144**	**(50 701)**	**(39 557)**

TAXATION FOR THE YEAR ENDED 28 FEBRUARY 2023[1]

R'000	SA TAX	UK TAX	TOTAL
TAX EXPENSE			
Current tax	–	98 090	98 090
Current year	–	98 090	98 090
Deferred tax	–	(124 001)	(124 001)
Prior year	–	153 749	153 749
Current year	–	(277 750)	(277 750)
TOTAL	**–**	**(25 911)**	**(25 911)**

[1] This note has been expanded from prior year to disaggregate by tax jurisdiction

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

26. TAXATION (CONTINUED)

R'000	2024	2023
RECONCILIATION BETWEEN APPLICABLE TAX RATE AND EFFECTIVE TAX RATE		
Profit/(loss) before tax	1 483 078	(130 688)
Income tax at 27% (2023: 28%)	400 431	(36 593)
Amounts not subject to tax:		
Fair value adjustment – investment property	(184 409)	818 170
Fair value adjustment – derivative financial instruments	(10 541)	22 416
Straight-lining of leases adjustment	(90 326)	(76 653)
Loss on sale of non-current assets	40 453	2 303
IFRS 2 adjustments	2 160	2 012
Depreciation	3 064	663
Amounts not included in profit before tax:		
Interest capitalised	(119 139)	(100 980)
Overheads capitalised	(14 385)	(13 419)
Salaries capitalised	(2 246)	(10 740)
Donations	25	25
Items of a capital nature	1 739	44 282
Wear and tear allowances	(1 392)	(541)
PBO exemption	–	(991)
UK capital allowances	(2 885)	(267 665)
Tax losses	5 505	23 529
UK capital losses	(14 380)	–
Other	7 796	(17 652)
Foreign tax differential	4 062	(84 348)
Qualifying distribution	(65 089)	(329 729)
TAXATION	**(39 557)**	**(25 911)**
Effective tax rate	-2.5%	19.8%

27. NOTES TO THE STATEMENT OF CASH FLOWS

27.1 CASH GENERATED FROM OPERATIONS

R'000	NOTE	2024	2023
Profit/(loss) before tax		1 483 078	(130 688)
Adjusted for:			
Finance costs	24	622 981	52 128
Finance income	25	(203 721)	(56 454)
Loss on disposals	22	149 827	8 225
Foreign exchange differences	22	470 934	217 987
Straight-lining of leases adjustment		(334 539)	(273 761)
Fair value adjustments – investment property		(550 903)	1 607 261
Fair value adjustments – derivative instruments	22	(102 242)	267 843
Fair value adjustment – financial guarantee	22	–	10 000
Impairment of trading property	5	12 855	29 617
Depreciation and amortisation		21 929	7 762
IFRS 2 share-based payment charge	23.1	7 999	7 186
Loss allowance		87	(471)
Working capital movements:			
(Increase)/decrease in trading properties		(197 762)	244 484
Increase in trade and other receivables		(118 958)	(43 745)
Increase in derivative instruments		(451 564)	(114 602)
Increase in trade and other payables		744 790	40 808
CASH GENERATED FROM OPERATIONS		**1 554 791**	**1 873 580**

27.2 CASH PAID IN RESPECT OF INVESTMENT PROPERTY ACQUIRED

R'000	NOTE	2024	2023
Investment property acquired	4.1	(834 322)	(413 570)
Shares issued	14.3	196 069	–
		(638 253)	**(413 570)**

27.3 CASH PAID IN RESPECT OF INVESTMENT PROPERTY DEVELOPMENTS

R'000	NOTE	2024	2023
Opening construction and development cost accrued		(75 643)	(55 625)
Improvements and extensions	4.1 & 4.2	(67 429)	(300 695)
Construction and development cost	4.1	(2 810 549)	(1 594 634)
Letting commission capitalised	4.1 & 4.2	(8 767)	(8 473)
Lease incentive capitalised	4.1	(246)	–
Finance cost paid capitalised to investment properties (note **24**)		352 488	285 611
Disposal related fees		–	(4 263)
Closing construction and development cost accrued		120 261	75 643
		(2 489 885)	**(1 602 436)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

27 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

R'000	NOTE	2024	2023
27.4 CASH RECEIVED IN RESPECT OF DISPOSALS OF INVESTMENT PROPERTY AND SUBSIDIARIES			
Loss on disposal	22	(149 827)	(8 233)
Investment property disposed	4.1	244 186	145
Held-for-sale property disposed	4.2	4 527 411	214 797
Straight-lining disposed	4.2	(20 282)	–
Loans advanced to the purchaser		–	(59 807)
Deferred purchase price		(603 212)	–
Rental guarantees issued	18	12 103	–
Loans repaid directly by purchaser	27.8	(795 463)	–
Other net assets disposed		–	5 245
Disposal related fees		–	(982)
Foreign exchange difference		(281 642)	–
		2 933 274	**151 165**
27.5 INVESTMENTS AND DIVESTMENTS OF CURRENT FINANCIAL ASSETS			
Investments		(1 072 402)	(874 981)
Proceeds from divestments		1 072 402	874 981
CLOSING BALANCE		**–**	**–**
27.6 DIVIDENDS PAID TO SHAREHOLDERS			
Dividends distributed to parent		(1 202 236)	(1 291 568)
Dividends distributed to non-controlling interest		(202 004)	(289 559)
Transactions with NCI		–	64 623
		(1 404 240)	**(1 516 504)**
27.7 TAX PAID			
Opening balance		1 681	–
Amounts charged to profit or loss		(6 209)	(98 090)
Foreign exchange differences		–	(2 938)
Closing balance		2 146	(1 681)
		(2 382)	**(102 709)**
27.8 LOANS & BORROWINGS REPAID			
Repayment of borrowings	7.1	(13 181 531)	(7 211 996)
Loans repaid directly by purchaser of investment property (non-cash)	27.4	795 463	–
		(12 386 068)	**(7 211 996)**

28. CAPITAL COMMITMENTS

R'000	NOTE	2024	2023
Authorised and contracted for acquisition or construction of new industrial properties[1]		843 702	2 194 014
Authorised but not contracted		50 253	683 920
		893 955	**2 877 934**

[1] Prior year includes commitments to acquire land

29. RELATED PARTIES

Related party relationships exist between the Company, its subsidiaries, directors, and key management of the Group. Refer to the Director's Report for a list of all subsidiaries and structured entities consolidated.

Remuneration paid to directors is set out in note **23**.

Details of the conditional share plan in which the directors participate are provided in note **15**.

Details of directors' interest in the ordinary shares of the Group are provided in the **Directors' Report**.

In the ordinary course of business, the Group entered into the following other transactions with related parties:

R'000	2024	2023
Dividend paid to related party shareholders	41 733	39 781
Insurance premiums paid to Commsure Financial Solutions (indirectly owned by Cindy Hess' spouse)[2]	–	4 329
Fees paid to BTKM Proprietary Limited (in which Nazeem Khan is a director)[3]	–	3 793
	41 733	**47 903**

[2] Cindy Hess resigned as a director, effective 15 July 2022, and therefore Commsure ceased to be a related party during the prior year.
[3] Nazeem Khan retired as a director, effective 17 August 2022, and therefore BTKM ceased to be a related party during the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

30. SUBSEQUENT EVENTS

30.1 DIVIDENDS DECLARED AFTER YEAR END

A dividend of 65.75300 cents per share was declared on 13 May 2024.

31. GOING CONCERN

The Directors have assessed the Group's ability to continue as a going concern. Despite current liabilities exceeding current assets, the Group includes unutilised facilities in determining the liquidity position. Current assets (including unutilised facilities) amounts to R3.7 billion (2023: R2.8 billion). Based on an assessment of the Group's current cashflow forecast, its operational environment, geographical diversity and industry trends, the Group believes it will remain both solvent and liquid for the next 12 months, and intends to pay out at least 75% of distributable income. The Directors believe, based on their assessment of the Group's financial performance and financial position there is no reasonable material uncertainties about the entity's ability to continue as a going concern for the next 12 months. The Directors remain committed to maintaining its REIT status over the next financial period.

32. SEPARATE ANNUAL FINANCIAL STATEMENTS

Separate statutory annual financial statements for Equites Property Fund Limited in accordance with IFRS® Accounting Standards and the requirements of the Companies Act have been prepared and issued as separate financial statements. Please refer to these financial statements for the company balances, transactions, and disclosures. These have been issued separately for ease of reference purposes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

33. PROPERTY ANALYSIS

33.1 PROPERTY SCHEDULE[1]

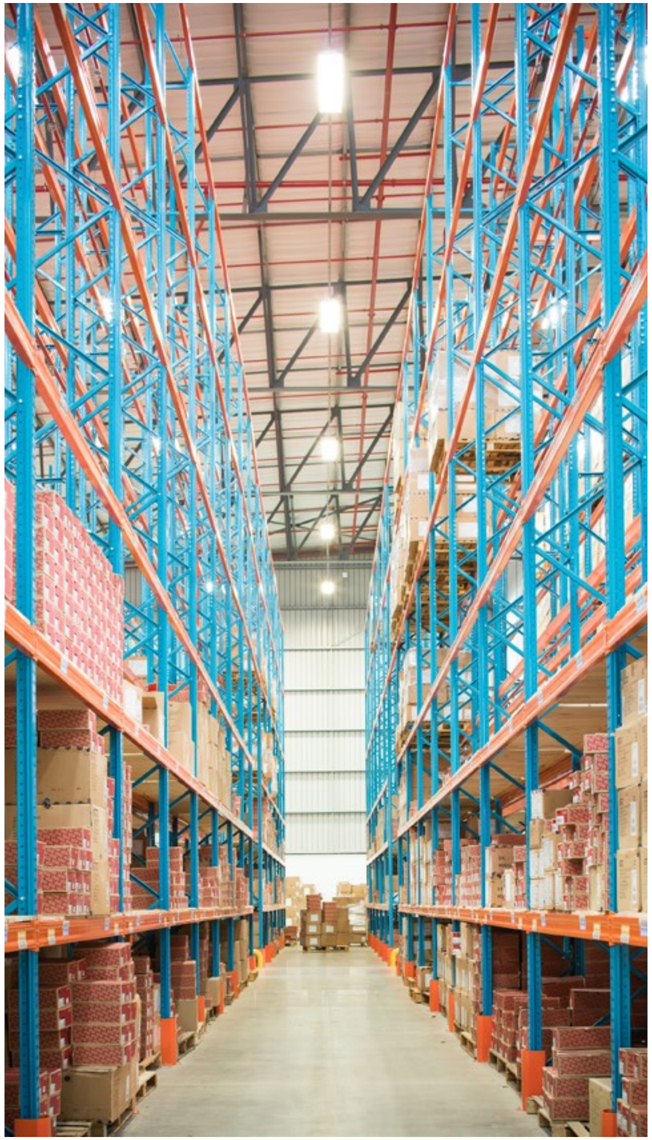
PROPERTY NAME	LOCATION	COUNTRY	GROSS LETTABLE AREA (M²)	AVERAGE RENTAL PER M² (RAND)	VALUE (R'000)	DATE OF LAST EXTERNAL VALUATION
LOGISTICS PROPERTIES						
Plumbago Campus	Witfontein, Gauteng	South Africa	144 213	Note **1**	2 325 000	29 February 2024
Hoyland Common	Hoyland	United Kingdom	31 570	Note **1**	2 068 101	29 February 2024
Centurion 1	Centurion, Gauteng	South Africa	169 966	Note **1**	1 615 000	29 February 2024
Brackenfell 2	Brackenfell, Western Cape	South Africa	140 048	Note **1**	1 386 019	29 February 2024
Scimitar Way	Coventry	United Kingdom	19 880	Note **1**	1 183 684	29 February 2024
Canelands campus	Canelands, KwaZulu-Natal	South Africa	101 944	Note **1**	1 030 000	29 February 2024
Brackenfell 1	Brackenfell, Western Cape	South Africa	109 568	Note **1**	848 293	29 February 2024
Super G	Wakefield	United Kingdom	24 340	Note **1**	772 983	29 February 2024
Island Road West	Reading	United Kingdom	11 027	Note **1**	674 067	29 February 2024
Equites Park – Riverfields 4	Witfontein, Gauteng	South Africa	44 883	Note **1**	597 198	29 February 2024
Equites Park – Meadowview 8[3]	Meadowview, Gauteng	South Africa	27 691	Note **1**	505 700	29 February 2024
Equites Park – Lords View 1	Lords View, Gauteng	South Africa	39 111	Note **1**	480 000	29 February 2024
Equites Park – Meadowview 18	Meadowview, Gauteng	South Africa	28 527	Note **1**	359 130	29 February 2024
Equites Park – Riverfields 1	Witfontein, Gauteng	South Africa	22 377	Note **1**	354 110	29 February 2024
Germiston 1[3]	Germiston, Gauteng	South Africa	26 278	Note **1**	339 300	29 February 2024
Equites Park – Jet Park 1 East	Jet Park, Gauteng	South Africa	28 889	Note **1**	332 910	29 February 2024
The Hub – Unit 3	Burgess Hill	United Kingdom	4 961	Note **1**	327 247	29 February 2024
Equites Park – Meadowview 15	Meadowview, Gauteng	South Africa	22 945	Note **1**	298 000	29 February 2024
Equites Park – Meadowview 19A	Meadowview, Gauteng	South Africa	21 448	Note **1**	296 770	29 February 2024
Equites Park – Meadowview 19B	Meadowview, Gauteng	South Africa	23 235	Note **1**	294 805	29 February 2024
Longmeadow[3]	Longmeadow, Gauteng	South Africa	24 592	Note **1**	272 805	29 February 2024
Waterfall 8C[2]	Waterfall, Gauteng	South Africa	25 017	Note **1**	267 867	29 February 2024
Waterfall 22B	Waterfall, Gauteng	South Africa	21 043	Note **1**	238 295	29 February 2024
Equites Park – Atlantic Hills 1	Atlantic Hills, Western Cape	South Africa	17 607	Note **1**	237 475	29 February 2024
Equites Park – Lords View 4	Lords View, Gauteng	South Africa	15 155	Note **1**	225 688	29 February 2024
Waterfall 8A	Waterfall, Gauteng	South Africa	12 638	Note **1**	223 381	29 February 2024
Equites Park – Riverfields 2	Witfontein, Gauteng	South Africa	17 894	Note **1**	222 072	29 February 2024
Equites Park – Meadowview 11	Meadowview, Gauteng	South Africa	14 159	Note **1**	211 750	29 February 2024
Parow Industria 4	Parow, Western Cape	South Africa	17 646	Note **1**	202 106	29 February 2024
Waterfall 9B	Waterfall, Gauteng	South Africa	6 650	Note **1**	148 364	29 February 2024
Equites Park – Meadowview 3A	Meadowview, Gauteng	South Africa	10 470	Note **1**	141 371	29 February 2024
Equites Park – Jet Park 4	Jet Park, Gauteng	South Africa	9 968	Note **1**	137 760	29 February 2024
Equites Park – Lords View 3	Lords View, Gauteng	South Africa	13 392	Note **1**	135 000	29 February 2024
Equites Park – Bellville 2	Bellville, Western Cape	South Africa	9 861	Note **1**	134 220	29 February 2024
Waterfall 9D	Waterfall, Gauteng	South Africa	8 087	Note **1**	127 580	29 February 2024
Waterfall 9E[2]	Waterfall, Gauteng	South Africa	10 374	Note **1**	117 925	29 February 2024
Airport Industria 1	Airport Industria, Western Cape	South Africa	9 388	Note **1**	116 084	29 February 2024

[1] Excludes properties that are held-for-sale as at 29 February 2024

[2] 50% ownership

[3] 65% ownership

Note **1:** The rental per m² for single-tenanted buildings has not been disclosed.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

33. PROPERTY ANALYSIS (CONTINUED)

33.1 PROPERTY SCHEDULE[1] (CONTINUE)

PROPERTY NAME	LOCATION	COUNTRY	GROSS LETTABLE AREA (M²)	AVERAGE RENTAL PER M² (RAND)	VALUE (R'000)	DATE OF LAST EXTERNAL VALUATION
LOGISTICS PROPERTIES (CONTINUED)						
Waterfall 8B	Waterfall, Gauteng	South Africa	8 690	Note **1**	116 040	29 February 2024
Equites Park – Lords View 5	Lords View, Gauteng	South Africa	9 364	Note **1**	110 191	29 February 2024
Waterfall 22C	Waterfall, Gauteng	South Africa	5 027	Note **1**	107 627	29 February 2024
Equites Park – Lords View 2	Lords View, Gauteng	South Africa	11 366	Note **1**	103 837	29 February 2024
Equites Park – Meadowview 14	Meadowview, Gauteng	South Africa	8 359	Note **1**	102 650	29 February 2024
Wells Estate	Gqeberha, Eastern Cape	South Africa	10 077	Note **1**	97 850	29 February 2024
Epping Industria	Epping, Western Cape	South Africa	8 177	Note **1**	93 371	29 February 2024
Equites Park – Meadowview 12	Meadowview, Gauteng	South Africa	7 543	Note **1**	88 783	29 February 2024
Philippi 2	Philippi, Western Cape	South Africa	8 422	Note **1**	87 479	29 February 2024
Equites Park – Saxdowne 3	Blackheath, Western Cape	South Africa	11 028	Note **1**	86 023	29 February 2024
Equites Park – Meadowview 7	Meadowview, Gauteng	South Africa	8 230	Note **1**	82 991	29 February 2024
Equites Park – Bellville 3	Bellville, Western Cape	South Africa	5 983	Note **1**	77 000	29 February 2024
Waterfall 9A	Waterfall, Gauteng	South Africa	3 951	Note **1**	75 211	29 February 2024
Equites Park – Meadowview 6	Meadowview, Gauteng	South Africa	6 205	Note **1**	74 400	29 February 2024
Equites Park – Atlantic Hills 2	Atlantic Hills, Western Cape	South Africa	4 874	Note **1**	68 636	29 February 2024
Equites Park – Atlantic Hills 5	Atlantic Hills, Western Cape	South Africa	5 844	Note **1**	65 568	29 February 2024
Airport Industria 2	Airport Industria, Western Cape	South Africa	5 661	Note **1**	64 591	29 February 2024
Waterfall 9C	Waterfall, Gauteng	South Africa	3 219	Note **1**	62 912	29 February 2024
Waterfall 22A	Waterfall, Gauteng	South Africa	4 652	Note **1**	61 483	29 February 2024
Equites Park – Meadowview 4	Meadowview, Gauteng	South Africa	5 000	Note **1**	60 500	29 February 2024
Equites Park – Jet Park 6	Jet Park, Gauteng	South Africa	4 815	Note **1**	59 098	29 February 2024
Equites Park – Atlantic Hills 3	Atlantic Hills, Western Cape	South Africa	4 358	Note **1**	46 497	29 February 2024
Equites Park – Meadowview 2	Meadowview, Gauteng	South Africa	3 280	Note **1**	36 317	29 February 2024
Equites Park – Atlantic Hills 4	Atlantic Hills, Western Cape	South Africa	3 200	Note **1**	35 510	29 February 2024
TOTAL LOGISTICS PROPERTIES			**1 444 167**	**88.9**	**21 112 625**	
NON-LOGISTICS PROPERTIES						
INDUSTRIAL						
Equites Park – Riverfields 6	Witfontein, Gauteng	South Africa	–	Note **1**	152 302	29 February 2024
Airport Industria 7	Airport Industria, Western Cape	South Africa	5 549	Note **1**	118 300	29 February 2024
Equites Park – Belville 1	Bellville, Western Cape	South Africa	5 239	Note **1**	117 000	29 February 2024
Equites Park – Saxdowne 1	Blackheath, Western Cape	South Africa	4 066	Note **1**	61 600	29 February 2024
Equites Park – Saxdowne 2	Blackheath, Western Cape	South Africa	1 895	Note **1**	35 800	29 February 2024
Equites Park – Meadowview 16	Meadowview, Gauteng	South Africa	1 117	Note **1**	20 650	29 February 2024
Equites Park – Meadowview Cell Tower 12	Meadowview, Gauteng	South Africa	98	Note **1**	3 160	29 February 2024
Equites Park – Meadowview Cell Tower 11	Meadowview, Gauteng	South Africa	82	Note **1**	1 520	29 February 2024
TOTAL NON-LOGISTIC PROPERTIES			**18 046**	**144.6**	**510 332**	
TOTAL INCOME EARNING PROPERTIES			**1 462 213**	**89.4**	**21 622 957**	

[1] Excludes properties that are held-for-sale as at 29 February 2024

Note 1: The rental per m² for single-tenanted buildings has not been disclosed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

33. PROPERTY ANALYSIS (CONTINUED)

33.1 PROPERTY SCHEDULE (CONTINUE)

PROPERTY NAME	LOCATION	COUNTRY	VALUE (R'000)
PROPERTIES UNDER DEVELOPMENT			
Equites Park – Riverfields 5	Witfontein, Gauteng	South Africa	1 122 568
Wells Estate	Gqeberha, Eastern Cape	South Africa	690 320
Centurion 2	Centurion, Gauteng	South Africa	229 420
Equites Park – Jet Park 2	Jet Park, Gauteng	South Africa	210 035
Equites Park – Meadowview 9	Meadowview, Gauteng	South Africa	49 225
Equites Park – Meadowview 3B	Meadowview, Gauteng	South Africa	31 409
Equites Park – Atlantic Hills 1	Atlantic Hills, Western Cape	South Africa	22 778
TOTAL PROPERTIES UNDER DEVELOPMENT			**2 355 755**
VACANT LAND			
ZONED INDUSTRIAL LAND			
Gauteng	Witfontein, Meadowview, Lords View	South Africa	752 012
Western Cape	Saxdown, Brackenfell	South Africa	106 533
Eastern Cape	Gqeberha	South Africa	36 563
KwaZulu-Natal	Canelands	South Africa	16 228
TOTAL ZONED INDUSTRIAL LAND			**911 336**
STRATEGIC LAND HOLDINGS			
United Kingdom	Peterborough, Northampton	United Kingdom	281 726
TOTAL STRATEGICALLY HELD LAND			**281 726**
TOTAL LAND HOLDINGS			**1 193 062**
TOTAL PROPERTIES, DEVELOPMENTS AND VACANT LAND			**25 171 774**

33.2 TENANT PROFILE

	REVENUE (R'000)	REVENUE (%)	GROSS LETTABLE AREA (M²)	GROSS LETTABLE AREA (%)	NUMBER OF TENANTS	NUMBER OF TENANTS %
A – Large nationals, large listeds companies and government	2 078 749	97.7%	1 441 659	98.6%	72	96.0%
B – Smaller international and national tenants	15 603	0.7%	9 526	0.7%	2	2.7%
C – Other local tenants and sole proprietors	33 758	1.6%	11 028	0.7%	1	1.3%
	2 128 110	**100.0%**	**1 462 213**	**100.0%**	**75**	**100.0%**

33.3 SECTORAL PROFILE (INCLUDING VACANCY PROFILE)

	REVENUE (R'000)	REVENUE (%)	GROSS LETTABLE AREA (M²)	GROSS LETTABLE AREA %	VACANCY AREA (M²)	VACANCY (%)
Logistics	2 097 664	98.6%	1 449 407	99.1%	–	0.0%
Industrial	30 446	1.4%	12 806	0.9%	–	–
	2 128 110	**100.0%**	**1 462 213**	**100.0%**	**–**	**0.0%**

33.4 GEOGRAPHICAL PROFILE

	REVENUE (R'000)	REVENUE (%)	GROSS LETTABLE AREA (M²)	GROSS LETTABLE AREA %
Gauteng	1 229 344	57.8%	880 000	60.1%
Western Cape	418 600	19.7%	378 414	25.9%
KwaZulu-Natal	102 984	4.8%	101 944	7.0%
Eastern Cape	9 875	0.5%	10 077	0.7%
United Kingdom	367 307	17.2%	91 778	6.3%
	2 128 110	**100.0%**	**1 462 213**	**100.0%**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

33. PROPERTY ANALYSIS (CONTINUED)

33.5 LEASE EXPIRY PROFILE

LEASE EXPIRY PROFILE BASED ON GROSS LETTABLE AREA	LOGISTICS	INDUSTRIAL	TOTAL
Expiry in the year to 28 February 2025	5.3%	0.8%	5.2%
Expiry in the year to 28 February 2026	6.1%	0.0%	6.0%
Expiry in the year to 28 February 2027	1.8%	31.8%	2.1%
Expiry in the year to 29 February 2028	8.5%	14.8%	8.5%
Expiry in the year to 28 February 2029	1.8%	0.0%	1.8%
Thereafter	76.5%	52.6%	76.4%
	100.0%	**100.0%**	**100.0%**

LEASE EXPIRY PROFILE BASED ON REVENUE	LOGISTICS	INDUSTRIAL	TOTAL
Expiry in the year to 28 February 2025	7.9%	0.8%	7.8%
Expiry in the year to 28 February 2026	7.3%	0.0%	7.2%
Expiry in the year to 28 February 2027	1.6%	22.3%	2.0%
Expiry in the year to 29 February 2028	11.3%	12.6%	11.3%
Expiry in the year to 28 February 2029	1.5%	10.5%	1.6%
Thereafter	70.4%	53.8%	70.1%
	100.0%	**100.0%**	**100.0%**

33.6 WEIGHTED AVERAGE ESCALATIONS, LEASE EXPIRY AND INITIAL YIELD

SECTOR	YIELD (%)[2]	LEASE EXPIRY (YEARS)[3]	ESCALATION (%)[4]
South Africa – Logistics	8.1	14.4	6.2
South Africa – Industrial	11.8	1.2	7.1
		13.1	**6.2**
United Kingdom – Logistics[1]	4.7	10.6	n/a
AVERAGE ANNUALISED PORTFOLIO		**12.6**	

1 Majority of the leases for properties in the UK are structured with five year annual rent reviews and not fixed annual escalations
2 Based on property valuation
3 Based on revenue
4 Based on gross lettable area

APPENDICES

APPENDIX 1

DISTRIBUTABLE EARNINGS

DISTRIBUTION POLICY

The Group has established strict guidelines regarding its distribution policy to ensure that the distributable earnings is a fair reflection of sustainable earnings; this comprises property related income net of property related expenditure, interest expense and administrative costs.

The principles encompassed in the calculation below are largely aligned with the best practice recommendations established by the SA REIT Association published in 2016 and the guidelines further developed in the revised best practice recommendations which were published in November 2019.

As distributable earnings is a measure of core earnings, the company has adjusted for the following key items in the determination of this metric:
- certain non-cash and accounting adjustments;
- gains or losses on the disposal of assets and the associated tax treatment;
- certain foreign exchange and hedging items;
- net profit arising from land sale and turnkey developments;
- antecedent earnings adjustment.

The specific adjustments are detailed in the statement of distributable earnings presented below. All of these adjustments are derived from the face of the income statement presented and the notes accompanying these financial statements.

RECONCILIATION BETWEEN EARNINGS AND DISTRIBUTABLE EARNINGS

R'000	UNAUDITED 2024	UNAUDITED 2023
PROFIT/(LOSS) FOR THE YEAR (ATTRIBUTABLE TO OWNERS OF THE PARENT)	1 151 765	(638 793)
Adjusted for:		
Fair value adjustments to investment properties	(550 903)	1 607 261
Less: Fair value adjustment to investment properties (NCI)	95 545	232 549
Loss on sale of non-current assets	149 827	8 225
Less: Loss on sale of non-current assets (NCI)	68 554	–
HEADLINE EARNINGS	**914 788**	**1 209 242**
Adjusted for:		
Straight-lining of leases adjustment	(334 539)	(273 761)
Fair value adjustments to derivative financial assets and liabilities	(39 041)	41 641
Fair value adjustment to financial guarantees	–	10 000
Equity-settled share-based payment reserve	7 999	7 186
Capital items (non-distributable)[2]	504 586	388 535
Deferred taxation	(45 766)	(124 001)
Net development loss/(profit) (non-distributable)	44 050	(38 837)
Income from foreign currency derivatives	(94 265)	–
Non-controlling interest	72 780	98 611
Antecedent dividend[1]	(3 233)	(5 739)
DISTRIBUTABLE EARNINGS	**1 027 359**	**1 312 877**

[1] Antecedent dividend
In the determination of distributable earnings, an adjustment is made where equity capital is raised or shares are repurchased during the financial year. During the reporting period, the Group issued shares pursuant to a share-based payment transaction on 16 March 2023 and repurchased shares in the open market between March 2023 and November 2023. These movements in share capital gave rise to an antecedent adjustment included above.

[2] Includes litigation settlement expense of R152 million in the prior year.

NUMBER OF SHARES	2024	2023
THE FOLLOWING INPUTS IMPACTED THE ANTECEDENT EARNINGS ADJUSTMENT:		
Opening balance – shares in issue	774 089 562	776 573 375
Share issue in respect of share-based payment transaction	12 857 794	–
Dividend reinvestment programme	–	1 421 922
Shares issued in terms of conditional share plan	–	689 731
Shares repurchased and cancelled	(6 262 858)	(4 595 466)
CLOSING BALANCE – SHARES IN ISSUE	**780 684 498**	**774 089 562**

DIVIDENDS DECLARED AND DISTRIBUTION PER SHARE

TOTAL DISTRIBUTION FOR THE YEAR – 2024	CENTS PER SHARE	R'000
Interim dividend declared on 10 October 2023 (Dividend number 20)	65.37	511 022
Final dividend declared on 13 May 2024 (Dividend number 21)	65.75	516 337
TOTAL DISTRIBUTION FOR THE YEAR ENDED 29 FEBRUARY 2024	**131.12**	**1 027 359**

TOTAL DISTRIBUTION FOR THE YEAR – 2023	CENTS PER SHARE	R'000
Interim dividend declared on 4 October 2022 (Dividend number 18)	81.58	635 250
Final dividend declared on 8 May 2023 (Dividend number 19)	88.02	677 627
TOTAL DISTRIBUTION FOR THE YEAR ENDED 28 FEBRUARY 2023	**169.60**	**1 312 877**

APPENDIX 2

SA REIT BPR

R'000	UNAUDITED 2024	UNAUDITED 2023
SA REIT FUNDS FROM OPERATIONS ("SA REIT FFO")		
PROFIT/(LOSS) FOR THE YEAR (ATTRIBUTABLE TO OWNERS OF THE PARENT)	**1 151 765**	**(638 793)**
Adjusted for:		
Accounting/specific adjustments:	(942 557)	1 221 868
Fair value adjustments to:		
▪ Investment property	(550 903)	1 607 261
Depreciation and amortisation	(11 349)	2 369
Deferred tax movement recognised in profit or loss	(45 766)	(124 001)
Straight-lining operating lease adjustment	(334 539)	(273 761)
Fair value adjustment to financial guarantees	–	10 000
Adjustments arising from investing activities:	149 827	8 225
Loss on disposal of:		
▪ Investment property	100 047	8 225
▪ Subsidiaries	49 780	–
Foreign exchange and hedging items:	431 893	259 628
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(39 041)	41 641
Foreign exchange losses relating to capital items – realised and unrealised	470 934	217 987
Other adjustments:	233 646	325 421
Non-controlling interests in respect of the above adjustments	236 879	331 160
Antecedent earnings adjustment	(3 233)	(5 739)
SA REIT FFO	**1 024 574**	**1 176 349**
Number of shares outstanding at year-end	780 684 498	774 089 562
SA REIT FFO PER SHARE (CENTS)	**131.24**	**151.97**
Company-specific adjustments per share (cents)	(0.12)	17.63
Equity-settled share-based payment charge	1.02	0.93
Net development (profit)/loss	5.64	(5.02)
Litigation settlement (non-distributable)	–	19.61
Income from foreign currency derivatives (non-distributable)	(12.07)	
Capital items (non-distributable)	5.29	2.11
DISTRIBUTABLE EARNINGS PER SHARE (CENTS)	**131.12**	**169.60**

R'000	UNAUDITED 2024	UNAUDITED 2023
SA REIT NET ASSET VALUE ("SA REIT NAV")		
Reported NAV attributable to the parent	13 383 223	12 887 563
Adjustments:		
Dividend to be declared	(516 101)	(677 627)
Fair value of certain derivative financial instruments	148 294	197 261
Deferred tax	147 843	179 186
SA REIT NAV	**13 163 259**	**12 586 383**
SHARES OUTSTANDING		
Number of shares in issue at period end (net of treasury shares)	780 684 498	774 089 562
Effect of dilutive instruments	8 685 198	7 390 022
DILUTIVE NUMBER OF SHARES IN ISSUE	**789 369 696**	**781 479 584**
SA REIT NAV PER SHARE (RAND):	**16.68**	**16.11**
SA REIT COST-TO-INCOME RATIO		
EXPENSES		
Operating expenses per IFRS® income statement (includes municipal expenses)	471 830	303 893
Administrative expenses per IFRS® income statement[1]	153 332	236 051
Exclude:		
Depreciation expense in relation to property, plant and equipment	(11 349)	(2 369)
OPERATING COSTS	**613 813**	**537 575**
RENTAL INCOME		
Contractual rental income per IFRS® income statement (excluding straight-lining)	1 694 157	1 560 064
Utility and operating recoveries per IFRS® income statement	433 952	326 994
GROSS RENTAL INCOME	**2 128 109**	**1 887 058**
SA REIT COST-TO-INCOME RATIO	**28.8%**	**28.5%**
SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO		
EXPENSES		
Administrative expenses per IFRS® income statement[1]	153 332	236 051
ADMINISTRATIVE COSTS	**153 332**	**236 051**

[1] Includes litigation settlement expense of R152 million in the prior year

APPENDIX 2 (CONTINUED)

SA REIT BPR (CONTINUED)

R'000	UNAUDITED 2024	UNAUDITED 2023
RENTAL INCOME		
Contractual rental income per IFRS® income statement (excluding straight-lining)	1 694 157	1 560 064
Utility and operating recoveries per IFRS® income statement	433 952	326 994
GROSS RENTAL INCOME	**2 128 109**	**1 887 058**
SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO	**7.2%**	**12.5%**
SA REIT GLA VACANCY RATE		
Gross lettable area of vacant space (m^2)	–	1 401
Gross lettable area of total property portfolio (m^2)	1 462 213	1 372 156
SA REIT GLA VACANCY RATE	**0.0%**	**0.1%**

COST OF DEBT	SA	UK
Variable interest-rate borrowings		
Floating reference rate plus weighted average margin	9.84%	7.18%
Fixed interest-rate borrowings		
Weighted average fixed rate	0.00%	3.92%
PRE-ADJUSTED WEIGHTED AVERAGE COST OF DEBT	**9.84%**	**4.94%**
ADJUSTMENTS:		
Impact of interest rate derivatives	-0.74%	-1.31%
Amortised transaction costs imputed into the effective interest rate	0.04%	0.31%
ALL-IN WEIGHTED AVERAGE COST OF DEBT	**9.14%**	**3.94%**

All rates are nominal annual compounded quarterly (nacq)

R'000		UNAUDITED 2024	UNAUDITED 2023
SA REIT LOAN-TO-VALUE ("SA REIT LTV")			
Gross debt		12 099 947	11 259 734
Less:			
Cash and cash equivalents (and including short-term deposits)		(493 253)	(257 692)
Add/Less:			
Derivative financial instruments		(148 294)	(88 169)
NET DEBT	A	**11 458 400**	**10 913 873**
Total assets – per Statement of Financial Position		30 223 160	28 545 256
Less:			
Cash and cash equivalents (and including short-term deposits)		(493 253)	(257 692)
Derivative financial assets		(205 367)	(276 667)
Goodwill and intangible assets		–	–
Trade and other receivables		(448 517)	(331 596)
CARRYING AMOUNT OF PROPERTY-RELATED ASSETS	B	**29 076 023**	**27 679 301**
SA REIT LTV	A/B	**39.4%**	**39.4%**

APPENDIX 3

SHAREHOLDER ANALYSIS

1. SHAREHOLDER SPREAD

SHAREHOLDER SPREAD	NUMBER OF SHAREHOLDER ACCOUNTS	% OF TOTAL SHAREHOLDER ACCOUNTS	NUMBER OF SHARES	% OF ISSUED SHARES
1 – 1 000	3 209	47.4%	458 008	0.1%
1 001 – 10 000	2 172	32.1%	8 390 120	1.1%
10 001 – 100 000	932	13.8%	29 502 926	3.8%
100 001 – 1 000 000	315	4.7%	108 584 318	13.9%
Over 1 000 000	145	2.0%	633 749 126	81.1%
	6 773	**100.0%**	**780 684 498**	**100.0%**

2. DISTRIBUTION OF SHAREHOLDERS

DISTRIBUTION OF SHAREHOLDERS	NUMBER OF SHAREHOLDINGS	% OF TOTAL SHAREHOLDINGS	SHARES HELD	% HELD
Banks, Brokers & Nominees	16	0.2%	6 307 769	0.8%
Close Corporations	46	0.7%	780 924	0.1%
Collective Investment Schemes	289	4.3%	248 685 993	31.8%
Control Accounts and Unclaimed Shares	2	0.0%	10	0.0%
Insurance & Assurance Corporate Funds	10	0.2%	5 567 074	0.7%
Lending, Collateral & Pledged Accounts	13	0.2%	8 742 068	1.1%
Non-SA Custodians	56	0.8%	93 757 975	12.0%
NPO & Charity Funds	74	1.1%	3 947 412	0.5%
Organs of State & Public Entities	20	0.3%	18 385 721	2.4%
Pooled & Mutual Funds	130	1.9%	31 482 567	4.0%
Private Companies	237	3.5%	48 657 998	6.2%
Public Companies	1	0.0%	5 120 228	0.7%
Retail Individuals	5 068	74.9%	21 058 661	2.7%
Retirement Benefit Funds	217	3.2%	265 022 913	34.0%
Treasury Holdings	2	0.0%	2 877	0.0%
Trusts & Investment Partnerships	592	8.7%	23 164 308	3.0%
TOTAL	**6 773**	**100.0%**	**780 684 498**	**100.0%**

3. SHAREHOLDER TYPE

SHAREHOLDER TYPE	NUMBER OF SHAREHOLDINGS	% OF TOTAL SHAREHOLDINGS	NUMBER OF SHARES	% OF ISSUED CAPITAL
NON-PUBLIC SHAREHOLDERS	**19**	**0.2%**	**150 286 047**	**19.3%**
Beneficial Holders > 10%	1	0.0%	129 224 835	16.6%
Treasury Holdings	1	0.0%	2 877	0.0%
Directors and Associates (Indirect Holdings)	9	0.1%	19 409 156	2.5%
Directors and Associates (Direct Holdings)	8	0.1%	1 649 179	0.2%
PUBLIC SHAREHOLDERS	**6 754**	**99.8%**	**630 398 451**	**80.7%**
TOTAL	**6 773**	**100.0%**	**780 684 498**	**100.0%**

4. BENEFICIAL SHAREHOLDERS HOLDING > 3% OF ISSUED SHARES

BENEFICIAL SHAREHOLDERS HOLDING > 3% OF ISSUED SHARES	TOTAL SHAREHOLDING	% HELD
Government Employees Pension Fund	154 710 015	19.8%
Coronation Fund Managers	68 551 728	8.8%
Old Mutual Group	38 004 471	4.9%
JP Morgan (Custodian)	36 925 264	4.7%
Eskom Pension & Provident Fund	33 393 239	4.3%
	331 584 717	**42.5%**

5. FUND MANAGERS HOLDING > 3% OF ISSUED SHARES

FUND MANAGERS HOLDING > 3% OF ISSUED SHARES	TOTAL SHAREHOLDING	% HELD
Public Investment Corporation	143 539 301	18.4%
Coronation Fund Managers	83 021 354	10.6%
Sesfikile Capital	61 856 644	7.9%
Meago Asset Management	38 322 199	4.9%
Old Mutual Investment Group	37 814 301	4.8%
Ninety One	24 766 467	3.2%
Catalyst Fund Managers	23 772 123	3.1%
	413 092 389	**52.9%**

APPENDIX 3 (CONTINUED)

SHAREHOLDER ANALYSIS (CONTINUED)

6. BENEFICIAL HOLDING BY REGION

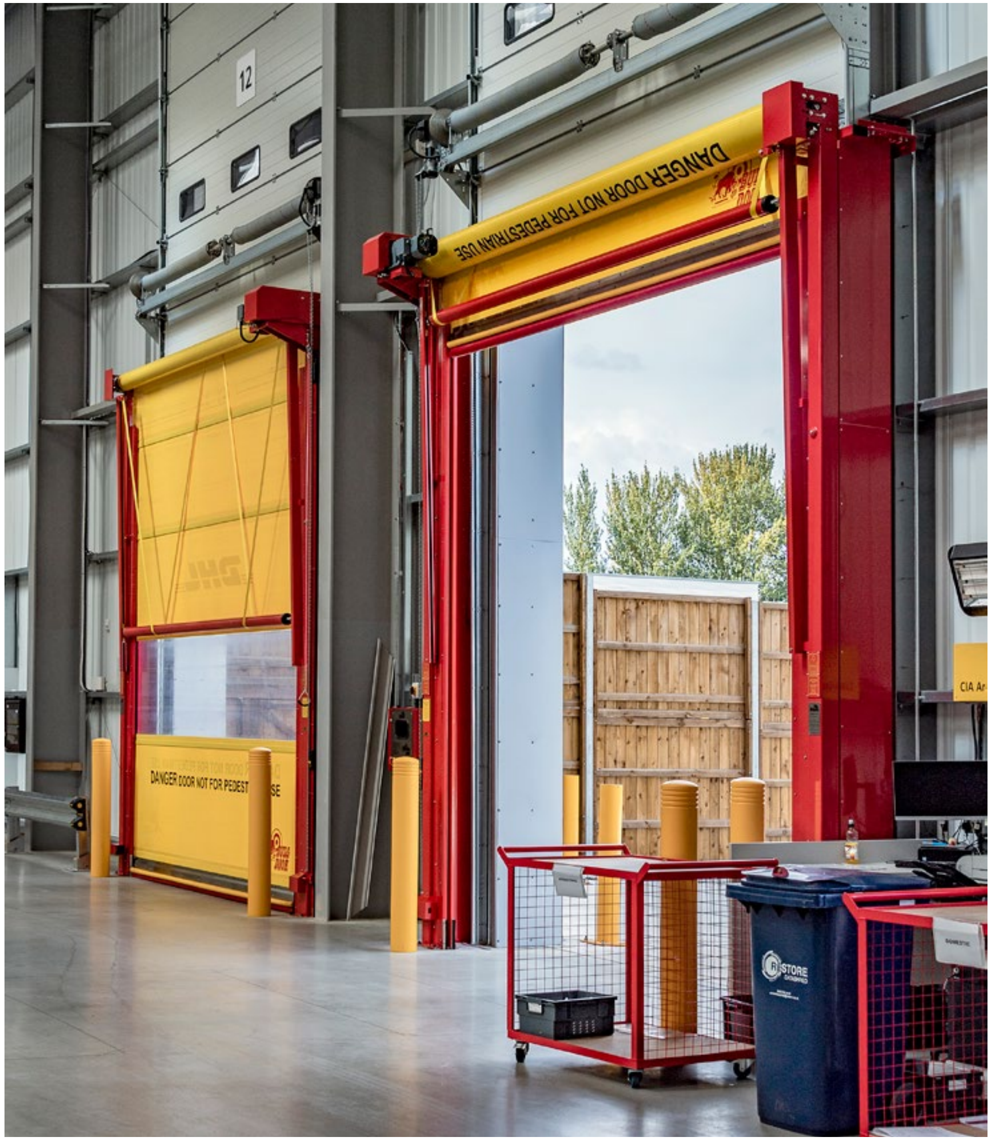
BENEFICIAL HOLDING BY REGION	TOTAL SHAREHOLDING	% HELD
South Africa	673 718 151	86.3%
United States	71 715 048	9.2%
United Kingdom	18 216 417	2.3%
Mauritius	9 013 164	1.2%
Switzerland	2 134 721	0.3%
Italy	1 648 677	0.2%
Balance (not listed above)	4 238 320	0.5%
	780 684 498	**100.0%**

TOTAL NUMBER OF SHAREHOLDERS **6 773**

TOTAL NUMBER OF SHARES IN ISSUE **780 684 498**

7. SHARE PRICE PERFORMANCE

Opening Price 01 March 2023	R15.64
Closing Price 29 February 2024	R13.09
Closing High for period (12 April 2023)	R15.86
Closing Low for period (12 June 2023)	R10.68
Opening Price 01 March 2022	R21.11
Closing Price 28 February 2023	R15.46
Closing High for period (31 March 2022)	R22.94
Closing Low for period (24 February 2023)	R15.00
Number of shares in issue	780 684 498
Volume traded during period	544 818 190
Ratio of volume traded to shares issued	69.8%
Market capitalisation at 29 February 2024	R10 219 160 079



OTHER INFORMATION

FIVE YEAR FINANCIAL REVIEW

R'000	FEBRUARY 2024	FEBRUARY 2023	FEBRUARY 2022	FEBRUARY 2021	FEBRUARY 2020
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Investment Property	27 490 715	26 898 823	25 723 732	19 329 143	14 874 623
Other non-current assets	764 060	239 141	239 487	147 194	181 495
Current assets	1 968 385	1 407 292	1 776 911	1 380 862	146 706
TOTAL ASSETS	**30 223 160**	**28 545 256**	**27 740 130**	**20 857 199**	**15 202 824**
EQUITY AND LIABILITIES					
Capital and reserves	13 383 223	12 887 563	14 451 714	10 843 183	9 729 590
Non-controlling interest	3 562 275	3 384 200	3 059 872	2 166 757	40 434
TOTAL EQUITY	**16 945 498**	**16 271 763**	**17 511 586**	**13 009 940**	**9 770 024**
Non-current liabilities	9 727 322	8 040 681	8 540 996	6 057 147	4 864 462
Current liabilities	3 550 340	4 232 812	1 687 548	1 790 112	568 338
TOTAL EQUITY AND LIABILITIES	**30 223 160**	**28 545 256**	**27 740 130**	**20 857 199**	**15 202 824**
STATEMENT OF COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Gross property revenue	2 484 186	3 212 750	1 688 147	1 185 380	993 699
Cost of sales from trading properties and developments	(59 668)	(908 111)	–	–	–
Other net gains/(losses)	(447 921)	(292 448)	155 207	127 341	(20 162)
Property and administrative costs	(625 162)	(539 944)	(318 457)	(219 995)	(169 010)
Fair value adjustments – investment property	550 903	(1 607 261)	1 168 317	(224 874)	21 764
OPERATING PROFIT/(LOSS) BEFORE FINANCING ACTIVITIES	**1 902 338**	**(135 014)**	**2 693 214**	**867 852**	**826 292**
Finance costs	(622 981)	(52 128)	31 994	(287 008)	(218 529)
Finance income	203 721	56 454	14 021	17 367	6 494
NET PROFIT/(LOSS) BEFORE TAX	**1 483 078**	**(130 688)**	**2 739 229**	**598 211**	**614 257**
Taxation	39 557	25 911	(382 809)	(108 160)	76 996
NET PROFIT/(LOSS) FOR THE YEAR	**1 522 635**	**(104 777)**	**2 356 420**	**490 051**	**691 252**
OTHER COMPREHENSIVE INCOME					
Translation of foreign operations	426 022	422 920	(19 147)	208 507	262 239
TOTAL COMPREHENSIVE INCOME	**1 948 657**	**318 143**	**2 337 273**	**698 558**	**953 491**
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:					
Owners of the parent	1 568 578	(231 123)	2 011 765	615 996	944 431
Non-controlling interest	380 079	549 265	325 508	82 562	9 085
OTHER INFORMATION					
Distribution per share (cents)	131.12	169.52	162.99	155.00	151.39
Headline earnings per share (cents)	117.12	155.96	129.10	99.41	125.93
Net asset value per share (Rands)	17.14	16.65	18.61	17.25	17.55
Closing share price (Rands)	13.09	15.46	21.05	18.31	17.27
Market capitalisation (R'000)	10 219 160	11 967 425	16 346 870	11 511 782	9 575 200
Loan-to-value (%)	39.6	39.7	31.5	31.2	26.1
NON-FINANCIAL INFORMATION					
Number of properties	67	70	67	64	62
Total gross lettable area (m^2)	1 445 202	1 372 156	1 363 900	1 146 354	700 149
Weighted average lease expiry (years)	12.6	13.8	13.7	15.4	10.2
Vacancy (%)	0.0	0.1	0.7	0.1	3.4

GLOSSARY

2SD	Two standard deviations
3PL	Third-party logistics
AFS	Annual financial statements
AGM	Annual general meeting
B2B	Business to business
B2C	Business to consumer
B-BBEE	Broad-based black economic empowerment
Board	Equites board of directors
BREEAM	Building Research Establishment Environmental Assessment Method
bp	Basis point
BPR	Best Practice Recommendations
CAGR	Compound annual growth rate
cap	Capitalisation
CCIRS	Cross-currency interest rate swap
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFR	Contingent funding requirements
COO	Chief Operating Officer
CODM	Chief operating decision maker
Companies Act	the Companies Act, No. 71 of 2008, as amended from time to time
Company	Equites Property Fund Limited
COVID-19	Coronavirus disease
CODM	Chief operating decision-makers
CPM	Company performance modifier
CSDP	Central Securities Depository Participant
CSP	Conditional share plan
DCF	Discounted Cash Flow
DMTN	Domestic Medium-Term Note
DOL	Department of Labour
DPD	DPD Group UK Limited
DPS	Distribution per share
EBS Advisory	Subsequently acquired by EY South Africa
ECL	Expected credit losses
EDGE	Excellence in Design for Greater Efficiencies
EE	Employment equity
EPPF	Eskom Pension and Provident Fund
ENGL	Equites Newlands Group Limited
EOS	Executive outperformance scheme
ESD	Enterprise supplier development
ESG	Environmental, social and governance
Equites	Equites Property Fund Limited
Executives	Executive Directors
FRSC	Financial Reporting Standards Council
FCTR	Foreign currency translation reserve
FFO	Funds from operations
FMCG	Fast-moving consumer goods
FX	Foreign exchange
GBP	Pound sterling
GCR	Global Credit Rating Company Limited and/or its licensors and subsidiaries
GCX	Global Carbon Exchange SA (Pty) Ltd
GLA	Gross lettable area
GRI	Global Reporting Initiative
Group	Equites and its subsidiaries
GXO	GXO Logistics Drinks Limited
ha	Hectares
HR	Human Resources
IAS	International Accounting Standards
IBOR	Interbank offered rate
ICAS	Independent Counselling and Advisory Services
ICR	Interest cover ratio
IFC	International Finance Corporation
IFRS®	International Financial Reporting Standards
IOM	Isle of Man
IR	Integrated report
IRBA Code	Independent Regulatory Board for Auditor's Code of Professional Conduct for Registered Auditors
ISA	International Standards on Auditing
ISDA	International Swaps and Derivatives Association
IT	Information technology
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
kl	Kilolitre
King Code/King IV	King IV Report on Corporate Governance for South Africa
KPI	Key performance indicator
kWp	Kilowatt peak
KZN	KwaZulu-Natal
LDT	Last Day of Trade
LIBOR	London Interbank Offered Rate
LfL	Like-for-like
LMA	Loan Market Association
LTI	Long-term incentive
LTV	Loan-to-value
Mabel	Mabel Black Knight Investments 1 Proprietary Limited
MLF	The Michel Lanfranchi Foundation NPC
MOI	Memorandum of incorporation
MW	Megawatt
MWh	Megawatt hour
NACQ	Nominal Annual Compounded Quarterly
NAV	Net asset value
NCI	Non-controlling interest
Newlands	Newlands Property Developers LLP
NPC	Non-profit company
Panattoni	Panattoni UK Holding S.à.r.l.
PBO	Public Benefit Organisation
PIP	Plumbago Investment Platform Proprietary Limited
POPIA	Protection of Personal Information Act
PPM	Personal performance modifier
PwC	Pricewaterhouse Coopers Inc.
PV	Photo voltaic
RCF	Revolving Credit Facility
REIT	Real Estate Investment Trust
REM Solutions	REM Solutions Proprietary Limited
RFP	Request for proposal
RLF	Retail Logistics Fund (RF) Proprietary Limited
RMB	Rand Merchant Bank
SA	South Africa
SAICA	The South African Institute of Chartered Accountants
SARB	South African Reserve Bank
SBSA	Standard Bank of South Africa
SBTi	Science Based Target Initiatives
SDGs	United Nations Sustainable Development Goals
SENS	Stock Exchange News Service
SET	Social, Ethics and Transformation
Shoprite	Shoprite Checkers Proprietary Limited
SLA	Service level agreement
SLB	Sustainability-linked Bond
SONIA	Sterling Overnight Index Average
SPT	Sustainability performance target
STI	Short-term incentive
Sustainalytics	Sustainalytics UK Limited
tCO_2e	Greenhouse gasses emitted measured in tonne
TCFD	Task force on Climate-related Financial disclosure
TFG	Foschini Retail Group (Pty) Ltd
TGP	Total guaranteed pay
UK	United Kingdom
VAT	Value Added Tax
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
WALE	Weigted average lease expiry
WBCSD	World Business Council for Sustainable Development
WIP	Work-in-progress
WRI	World Resources Institute
ZAR	South African Rand
ZARONIA	South African Rand Overnight Index Average

COMPANY INFORMATION

EQUITES PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2013/080877/06)
Share code: EQU ISIN: ZAE000188843
JSE alpha code: EQUI
(Approved as a REIT by the JSE)

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INDEPENDENT NON-EXECUTIVE DIRECTORS

PL Campher (Chairman), MA Brey, E Cross, K Ntuli, AD Murray, N Mkhize, F Tonelli

NON-EXECUTIVE DIRECTOR

AJ Gouws

EXECUTIVE DIRECTORS

A Taverna-Turisan (CEO), GR Gous (COO), L Razack (CFO)

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EQUITY SPONSOR

Java Capital Trustees and Sponsors Proprietary Limited

DEBT SPONSOR

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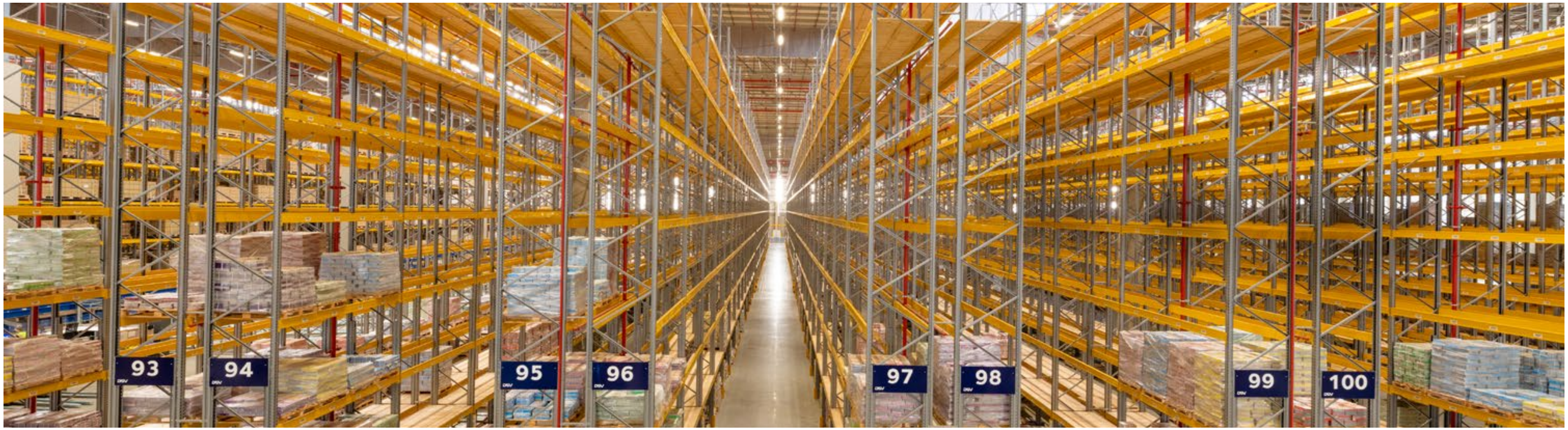

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