



ANNUAL FINANCIAL STATEMENTS

INDEX

The reports and statements set out below comprise the consolidated financial statements presented to the shareholders:

41	Statement by the CEO and the financial director
42	Directors' responsibilities and approval
43	Company secretary's certification
44	Audit and risk committee report
45	Directors' report
50	Independent auditor's report
54	Statement of financial position
55	Statement of profit or loss and other comprehensive income
56	Statement of changes in equity
57	Statement of cash flows
58	Notes to the consolidated financial statements

LAWS OF INCORPORATION AND MEMORANDUM OF INCORPORATION

Newpark REIT Limited has been established and incorporated in compliance with the provisions of the Companies Act of South Africa and operates in conformity with its Memorandum of Incorporation.

LEVEL OF ASSURANCE

The consolidated and separate financial statements have been audited in compliance with Section 30 of the Companies Act of South Africa.

AUDITORS

BDO South Africa Incorporated
Registered auditors

PREPARER

The consolidated financial statements for the year ended 28 February 2025 were prepared by Mr Alan Wilson (CA(SA); CFA Charterholder) financial director.

PUBLISHED

16 May 2025

STATEMENT BY THE CEO AND THE FINANCIAL DIRECTOR

In compliance with paragraph 3.84(k) of the JSE Listings Requirements

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

- (a) the annual financial statements set out on pages 54 to 108, fairly present in all material respects the financial position, financial performance and cash flows of Newpark in terms of IFRS Accounting Standards;
- (b) to the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to Newpark and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Newpark;
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (e) where we are not satisfied, we have disclosed to the audit and risk committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- (f) we are not aware of any fraud involving directors.

Signed by the CEO and the Financial Director



Auri Benatar
CEO



Alan Wilson
Financial director

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors, whose names are stated below, hereby confirm the following:

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the group and company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated and separate financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. No facts have been omitted or untrue statements made that would make the annual financial statements false or misleading.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the group and company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and company and all employees are required to maintain the highest ethical standards in ensuring the group and company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group and company is on identifying, assessing, managing and monitoring all known forms of risk across the group and company. While operating risk cannot be fully eliminated, the group and company endeavour to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The group and company's audit and risk committee plays an integral role in risk management as well as overseeing the group and company's integrated reporting.

The Code of Corporate Practices and Conduct has been integrated into the group and company's strategies and operations.

The directors are of the opinion, based on the information and explanations given by management and having fulfilled their role and function within the combined assurance model pursuant to principle 15 of the King Code™, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial controls can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Should an event arise where the directors are not satisfied with the internal financial controls, the directors will disclose to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and will take the necessary remedial action. During the reporting period, the directors were satisfied with the internal financial controls and no remedial action was required.

The directors have reviewed the group and company's cash flow forecasts for the year to 28 February 2025 and, in the light of this review and the current financial position, they are satisfied that the group and company have or has access to adequate resources to continue in operational existence for the next 12 months.

The external auditors were given unrestricted access to all financial records and related data, including minutes of meetings of shareholders and the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditors are responsible for independently auditing and reporting on the company's consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the group and company's external auditors and their report is presented on pages 50 to 53.

The financial statements set out on pages 54 to 108, which have been prepared on the going concern basis, were approved by the board of directors on 15 May 2025 and were signed on its behalf by:



Auri Benatar
CEO



Alan Wilson
Financial director

COMPANY SECRETARY'S CERTIFICATION

Declaration by the company secretary in respect of section 88(2)(e) of the Companies Act

In accordance with the provisions of section 88(2)(e) of the Companies Act, I certify that for the year ended 28 February 2025 the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a company in terms of the Companies Act, and that all such returns are true, correct and up to date.



Bronwyn Baker

Company secretary

16 May 2025

AUDIT AND RISK COMMITTEE REPORT

for the year ended 28 February 2025

During the reporting period, the committee comprised three independent non-executive directors, Roy Campbell (chairperson), Thando Sishuba and Stewart Shaw-Taylor. There were no changes to the membership of the committee during the period. A short *curriculum vitae* for each of these directors has been set out on pages 16 and 17 of the integrated report, demonstrating their suitable and relevant skills and experience.

The committee aims to meet three times a year and special meetings are convened as required. Applicable to the year under review, the committee met in October 2024 and January and May 2025. The external auditors and executive management are invited to and attend every meeting. The committee's duties are set out on pages 22 to 24.

In compliance with its oversight role in relation to the preparation of this report, the audit and risk committee has given due consideration to all factors and risks that may impact the integrity of the integrated report.

The audit and risk committee has satisfactorily dealt with all matters contained in Section 94(7) and (8) of the Companies Act. The external auditor, BDO South Africa Incorporated and the designated audit partner are considered to be independent and their appointment is in accordance with the Companies Act and paragraphs 3.84(g) and 3.86 of the JSE Listings Requirements. The committee has also considered the terms of engagement and scope of the audit and has approved the proposed audit fee for the 2025 audit. There are no non-audit services incurred for the 2025 financial year.

The committee confirms that it is satisfied that the financial director, Alan Wilson, is competent, appropriately qualified and experienced and that the finance function has adequate resources and sufficient expertise.

The committee considered the 2024 JSE Report on Proactive Monitoring of Financial Statements, issued on 7 November 2024, specifically Annexure 4, and has taken the appropriate action to apply the findings. In addition, the committee confirms that it is satisfied that the reporting complies with the SA REIT Best Practice.

The audit and risk committee recommended the integrated report to the board for approval.

The audit and risk committee recommended the annual financial statements for the year ended 28 February 2025 to the board for approval. The board has subsequently approved the annual financial statements, which will be presented for discussion and adoption at the forthcoming annual general meeting.

The audit and risk committee is satisfied that appropriate risk management processes are in place and has obtained combined assurance from the outsourced property administrators, executive management and the independent non-executive directors. The committee has monitored compliance with the company's risk management policy and confirms that the company has complied with the material aspects of the policy.

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 operational.



Roy Campbell

Audit and risk committee chairperson

DIRECTORS' REPORT

for the year ended 28 February 2025

The directors have pleasure in presenting their report on the consolidated financial statements of Newpark and the group for the year ended 28 February 2025.

1. NATURE OF BUSINESS

Newpark was registered and incorporated as a public company on 7 December 2015. Newpark is a property holding and investment company that through its subsidiaries is invested in high-quality properties.

Newpark's investment strategy is to seek well-located prime commercial, industrial and retail properties in South Africa, which provide a high-quality, sustainable earnings base with the potential for capital appreciation within the medium to long-term.

The JSE granted Newpark a listing of all of its issued shares on the JSE in the "Diversified REITs" sector of the AltX of the JSE under the abbreviated name: "Newpark", JSE share code: NRL and ISIN: ZAE000212783 with effect from 3 February 2016.

2. TYPE OF COMPANY

Newpark is registered as a public company in terms of the Companies Act.

3. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act.

The operating results and state of affairs of the group and company are fully set out in the attached financial statements and do not, in the opinion of the directors, require any further comment.

**Registered office
and business address** 51 West Street
Houghton, 2198
Gauteng

Postal address PO Box 3178
Houghton, 2041
Gauteng

4. AUTHORISED AND ISSUED SHARE CAPITAL

Total number of ordinary shares	Number of shares
Authorised	2 000 000 000
Issued	100 000 001

DIRECTORS' REPORT

for the year ended 28 February 2025

continued

5. DIVIDENDS

The following dividends were declared by Newpark in respect of the year ended 28 February 2025:

- Dividend number 21 was an interim dividend of R30 000 000 (30,0000 cents per share). The dividend was declared on 9 October 2024 to the shareholders recorded in the register of the company as at 30 October 2024 and paid on 4 November 2024.
- Dividend number 22 is the final dividend for the 2025 financial year amounting to R48 368 000 (48,3680 cents per share). The dividend was declared on 15 May 2025 and shareholders recorded in the register of the company as at Friday, 6 June 2025 will receive the cash dividend distribution on Monday, 9 June 2025.

6. DIRECTORS

The directors in office at the date of this report are as follows:

Directors	Designation
S Shaw-Taylor	Independent non-executive chairperson
AF Benatar	Chief executive officer
AJ Wilson	Financial director
RC Campbell	Independent non-executive director
KM Ellerine	Non-executive director
DT Hirschowitz	Non-executive director
TS Sishuba	Independent non-executive director
BD van Wyk	Non-executive director

DIRECTORS' REPORT

for the year ended 28 February 2025

continued

7. DIRECTORS' INTERESTS IN SHARES

As at 28 February 2025, the directors held the following direct and indirect interests in the company:

28 February 2025	Beneficial holdings		Non-beneficial holdings			
	Direct	Indirect	Direct	Indirect	TOTAL	%
S Shaw-Taylor	800 000	–	–	–	800 000	0,8
BD van Wyk *^	60 987	31 221 921	–	–	31 282 908	31,3
DT Hirschowitz	–	28 905 110	–	–	28 905 110	28,9
KM Ellerin ^	–	20 260 097	–	–	20 260 097	20,3
	860 987	80 387 128	–	–	81 248 115	81,2

* Barry van Wyk is the only director with shares pledged as security. 65% of the shares (20 000 000 Newpark shares) are pledged as security over a loan from an external lender with an outstanding balance of R16 638 267,33 as at 28 February 2025.

^ Includes holdings of immediate family.

There has been no change in the directors' interests in shares between the reporting date and the date of approval of the annual financial statements.

29 February 2024	Beneficial holdings		Non-beneficial holdings			
	Direct	Indirect	Direct	Indirect	TOTAL	%
S Shaw-Taylor	800 000	–	–	–	800 000	0,8
BD van Wyk *^	60 987	30 803 344	–	–	30 864 331	30,9
DT Hirschowitz	–	28 905 110	–	–	28 905 110	28,9
KM Ellerin ^	–	20 260 097	–	–	20 260 097	20,3
	860 987	79 968 551	–	–	80 829 538	80,8

* Barry van Wyk is the only director with shares pledged as security. 65% of the shares (20 000 000 Newpark shares) are pledged as security over a loan from an external lender with an outstanding balance of R144 018,46 as at 29 February 2024.

8. DIRECTORS' INTERESTS IN CONTRACTS

None of the directors of the company has, or had, any material beneficial interest, direct or indirect, in transactions that were effected by the group during the period.

9. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of these annual financial statements.

DIRECTORS' REPORT

for the year ended 28 February 2025

continued

10. GOING CONCERN

The group has committed and available liquidity facilities amounting to R50 million.

The strong tenant profile on the three single-tenanted properties supports a resilient income profile.

The board has considered the current realities of the operating environment and has stress-tested the group's liquidity and solvency against various outcomes. The directors believe that the group has adequate financial resources to continue in operation for the ensuing 12-month period and, accordingly, the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its cash requirements over the ensuing 12-month period. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

11. AUDITORS

BDO South Africa Incorporated have been re-appointed as auditors, in accordance with section 90 of the Companies Act. The designated auditor is Garron Michael Chaitowitz. This is Garron Michael Chaitowitz's second year as the designated auditor.

12. LEVEL OF ASSURANCE

These financial statements have been audited by our external auditors BDO South Africa Incorporated in compliance with the applicable requirements of the Companies Act.

13. COMPANY SECRETARY

Bronwyn Baker was the company secretary during the reporting period.

As required by the JSE Listings Requirements, the board has satisfied itself that the company secretary has appropriate qualifications, expertise and experience. In addition, the board has satisfied itself that there is an arm's length relationship with the company secretary, due to the fact that the company secretary is not a director of the company.

14. PREPARER

The financial statements were compiled by Alan Wilson CA(SA).

DIRECTORS' REPORT

for the year ended 28 February 2025

continued

15. LIQUIDITY AND SOLVENCY

The directors have performed the liquidity and solvency tests required by the Companies Act and confirm that these tests have been satisfied.

16. COMPARATIVES

The 2025 reporting period for the group is comparable to the 2024 reporting period.

17. ANALYSIS OF SHAREHOLDERS

Shareholders' spread analysis as at 28 February 2025	Number of shares	%
1 – 1 000 shares	3 346	0,0
1 001 – 10 000 shares	48 563	0,0
10 001 – 100 000 shares	520 363	0,5
100 001 – 1 000 000 shares	3 722 383	3,7
1 000 001 shares and over	95 705 346	95,7
	100 000 001	100,0

Shareholders with an interest of 5% or more in shares	Number of shares	%
Ellvest Proprietary Limited	32 116 788	32,1
Seaview Global Investments	27 849 336	27,8
Ellwain Investments Proprietary Limited	19 270 074	19,3
Renlia Developments Proprietary Limited	13 836 739	13,8
	93 072 937	93,1

Public and non-public shareholders	Number of shareholders	% of total	Number of shares	% of total
Public shareholders	68	86,1	2 693 492	2,7
Non-public shareholders:				
Directors and their associates	10	12,7	81 248 115	81,2
Strategic (more than 5%)	1	1,2	16 058 394	16,1
Total	79	100,0	100 000 001	100,0

18. MEASUREMENTS FOR FINANCIAL RESULTS

Given that Newpark is a REIT, the directors are of the view that distribution per share is a more relevant measurement for financial results than earnings per share and headline earnings per share. Accordingly, in terms of paragraph 3.4(b)(vi) of the JSE Listings Requirements, Newpark has adopted distribution per share as its financial results measurement for trading statement purposes.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NEWPARK REIT LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Newpark REIT Limited (the group and company) set out on pages 54 to 108, which comprise the consolidated and separate statements of financial position as at 28 February 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Newpark REIT Limited as at 28 February 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

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 Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company 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)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

Overall group materiality amounted to R16.4 million, which represents 1.50% of total consolidated assets.

Company materiality amounted to R15.4 million, which represents 1.50% of total company assets. Total Assets have been identified as an appropriate benchmark since the assets drive the income earning ability of the group and company.

Group Audit Scope

Our audit was scoped by obtaining an understanding of the group and its environment, and assessing the risks of material misstatement at a group level. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified. The group consists of 5 entities. We concluded that we require audit evidence in respect of each of these entities for group scoping purposes. The group consists of a holding company, 3 property holding subsidiaries and 1 intermediary holding company. A full scope audit was performed on the entities due to the significance of the assets, and the associated audit risk.

INDEPENDENT AUDITOR'S REPORT

continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties – refer note 7 (consolidated financial statements)</p> <p>The group's investment properties represent the majority of its consolidated assets and are accounted for using the fair value model.</p> <p>The valuation of these properties is based on a combined discounted cash flow method.</p> <p>Management obtained independent valuations for all properties during the current financial year.</p> <p>The valuation of investment properties was considered a matter of most significance to our audit of the consolidated financial statements of the current year due to the value of the investment properties to the group and the fact that the valuations required significant judgments and estimates to be made by the valuer and management of the group.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the design and implementation of the relevant controls in respect of the valuation of investment properties; • We evaluated whether management's valuation expert (the valuer) had the necessary competence, capabilities and objectivity to undertake the valuations, with reference to his qualifications, membership and standing with professional bodies, and resources available to perform the valuations. We obtained a signed declaration of his independence. We identified no aspects in this regard which required further consideration; • Making use of our internal valuation expertise, we examined the valuation reports and performed the following procedures: <ul style="list-style-type: none"> – We evaluated whether the techniques used by the valuer were applied consistently, and whether such techniques employed were in accordance with the requirements of IFRS Accounting Standards and industry best practice. We did not note any inconsistencies in this regard; – We tested the mathematical accuracy of the valuations; – We assessed the forecasted revenue applied in the first year of the discounted cash flow (DCF) model by agreeing the inputs used to generate the revenue forecast to lease contracts. We also compared the inputs to the current year revenue information and assessed its reasonability. Based on the results of our assessment, we accepted the forecast revenue applied by management in the first year of the DCF model; – We assessed the projected property expenses applied in the first year of the DCF model by comparing the projected property expenses to the actual expenses in the current financial period; – We assessed the reasonability of revenue and expense growth rates in the DCF model subsequent to the initial forecast year against underlying lease information, available industry data for similar investment properties and our knowledge of the client. We found that the growth rates applied fell within reasonable ranges of our expectations; – We assessed the reasonability of the discount and capitalisation rates applied by comparing these to available industry data for similar investment properties; and • We evaluated the adequacy of the disclosures in respect of the valuation of investment properties as contained in the consolidated financial statements against the requirements of IFRS Accounting Standards.

INDEPENDENT AUDITOR'S REPORT

continued

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Newpark REIT Limited Annual Financial Statements for the year ended 28 February 2025", which includes the Directors' Report, the Audit and Risk Committee Report and the Company Secretary's Certification as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Newpark REIT Limited Integrated Report 2025, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 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 and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company'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 and / or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 and separate 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 and separate 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 groups and the company's internal control.

INDEPENDENT AUDITOR'S REPORT

continued

- 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 groups and the company'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 and separate 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 and /or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 and separate 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

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Newpark REIT Limited for seven years.

BDO South Africa Inc.

BDO South Africa Incorporated

Registered Auditors

GM Chaitowitz

Director

Registered Auditor

16 May 2025

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

STATEMENT OF FINANCIAL POSITION

as at 28 February 2025

	Notes	GROUP		COMPANY	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
ASSETS					
Non-current assets					
Investment properties	7	1 050 839	1 047 982	–	–
Investment in subsidiaries	8	–	–	626 149	681 149
Straight-line lease asset	9	33 737	63 448	–	–
Lease incentive	11	–	1 323	–	–
		1 084 576	1 112 753	626 149	681 149
Current assets					
Trade and other receivables	12	2 040	3 705	173	–
Amounts due from group companies	17	–	–	396 767	399 029
Lease incentive	11	1 323	2 647	–	–
Derivative financial instruments	10	–	3 621	–	–
Cash and cash equivalents	13	7 108	12 996	4 081	2
		10 471	20 671	401 021	399 031
Total assets		1 095 047	1 135 723	1 027 170	1 080 181
EQUITY AND LIABILITIES					
Equity					
Share capital	14	619 918	619 918	619 918	619 918
Capital reorganisation reserve	15	180 412	180 412	180 412	180 412
Accumulated loss		(187 611)	(158 379)	(249 411)	(207 332)
		612 719	641 951	550 919	592 998
Liabilities					
Non-current liabilities					
Bank borrowings	16	475 000	474 500	475 000	474 500
Derivative financial instruments	10	42	–	42	–
		475 042	474 500	475 042	474 500
Current liabilities					
Trade and other payables	18	7 286	19 271	1 209	12 683
		7 286	19 271	1 209	12 683
Total liabilities		482 328	493 771	476 251	487 183
Total equity and liabilities		1 095 047	1 135 723	1 027 170	1 080 181

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2025

	Notes	GROUP		COMPANY	
		28 February 2025 R'000	29 February 2024 R'000	28 February 2025 R'000	29 February 2024 R'000
Revenue	19	132 823	130 886	135 809	123 385
Property operating expenses	20	(31 672)	(27 430)	–	–
Administrative expenses	20	(9 961)	(6 508)	(8 047)	(5 260)
Net loss from fair value adjustment on investment properties	22	(6 209)	(274 680)	–	–
Impairment of investment in subsidiary	8	–	–	(55 000)	(240 000)
Net loss from fair value adjustment of financial instruments at fair value through profit or loss	22	(3 664)	(2 530)	(42)	–
Operating profit/(loss)		81 317	(180 262)	72 720	(121 875)
Finance income	21	740	1 068	89	56
Finance costs	23	(45 920)	(43 087)	(49 519)	(47 811)
Profit/(loss) before taxation		36 137	(222 281)	23 290	(169 630)
Taxation	24	–	–	–	–
Profit/(loss) for the period		36 137	(222 281)	23 290	(169 630)
Other comprehensive income		–	–	–	–
Total comprehensive income/(loss) for the period		36 137	(222 281)	23 290	(169 630)
Earnings per share information (expressed in cents per share)					
Basic earnings/(loss) per share (cents)	25	36,14	(222,28)		
Diluted earnings/(loss) per share (cents)	25	36,14	(222,28)		

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2025

	Share capital R'000	Share issue costs R'000	Total share capital R'000	Capital reorganisation reserve R'000	(Accumulated loss)/retained income R'000	Total equity R'000
GROUP						
Balance at 1 March 2023	625 000	(5 082)	619 918	180 412	141 097	941 427
Loss for the period	–	–	–	–	(222 281)	(222 281)
Dividends	–	–	–	–	(77 195)	(77 195)
Balance at 1 March 2024	625 000	(5 082)	619 918	180 412	(158 379)	641 951
Profit for the period	–	–	–	–	36 137	36 137
Dividends	–	–	–	–	(65 369)	(65 369)
Balance at 28 February 2025	625 000	(5 082)	619 918	180 412	(187 611)	612 719
Notes	14	14	14	15		

	Share capital R'000	Share issue costs R'000	Total share capital R'000	Capital reorganisation reserve R'000	(Accumulated loss)/retained income R'000	Total equity R'000
COMPANY						
Balance at 1 March 2023	625 000	(5 082)	619 918	180 412	39 493	839 823
Loss for the period	–	–	–	–	(169 630)	(169 630)
Dividends	–	–	–	–	(77 195)	(77 195)
Balance at 1 March 2024	625 000	(5 082)	619 918	180 412	(207 332)	592 998
Profit for the period	–	–	–	–	23 290	23 290
Dividends	–	–	–	–	(65 369)	(65 369)
Balance at 28 February 2025	625 000	(5 082)	619 918	180 412	(249 411)	550 919
Notes	14	14	14	15		

STATEMENT OF CASH FLOWS

for the year ended 28 February 2025

	Notes	GROUP		COMPANY	
		28 February 2025 R'000	29 February 2024 R'000	28 February 2025 R'000	29 February 2024 R'000
Cash flows from operating activities					
Cash generated/(utilised) from operations	26	113 422	124 377	(14 656)	(787)
Finance income	21	740	1 068	89	56
Finance costs paid	23	(45 920)	(41 928)	(49 519)	(46 258)
Net cash generated from operating activities		68 242	83 517	(64 086)	(46 989)
Cash flows from investing activities					
Dividends received		–	–	118 417	80 500
Purchase of furniture and fittings	7	–	(30)	–	–
Acquisition of investment properties	7	(9 261)	(34 414)	–	–
Loans advanced to subsidiaries	17	–	–	(19 430)	(76 932)
Loans repaid by subsidiaries	17	–	–	34 047	96 117
Net cash utilised by investing activities		(9 261)	(34 444)	133 034	99 685
Cash flows from financing activities					
Dividends paid		(65 369)	(77 195)	(65 369)	(77 195)
Proceeds from borrowings	27	545 200	78 669	545 200	78 669
Repayment of borrowings	27	(544 700)	(54 169)	(544 700)	(54 169)
Net cash utilised by financing activities		(64 869)	(52 695)	(64 869)	(52 695)
Total cash and cash equivalents movement for the reporting period		(5 888)	(3 622)	4 079	1
Cash and cash equivalents at the beginning of the reporting period		12 996	16 618	2	1
Total cash and cash equivalents at the end of the reporting period	13	7 108	12 996	4 081	2

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

1. ACCOUNTING POLICIES

Newpark REIT Limited (“**the company**”) and its subsidiaries, Newpark Towers Proprietary Limited, I.M.P. Properties Proprietary Limited, Formprops 61 Proprietary Limited and CP Finance Proprietary Limited (together “**the group**”), hold a portfolio of investment properties in South Africa. The company is listed on the AltX of the JSE.

1.1 Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below and details of the group’s accounting policies are disclosed as part of each note to the financial statements. The accounting policies are consistent with prior year.

1.2 Basis of preparation

Statement of compliance

The consolidated and separate financial statements of Newpark REIT Limited have been prepared in accordance with IFRS Accounting Standards, the South African financial reporting requirements, the JSE Listings Requirements and the Companies Act of South Africa.

The financial statements were prepared on the historical cost basis with the exception of investment properties and derivatives.

Functional currency

The functional currency of Newpark REIT Limited is ZAR.

Income and cash flow statements

The group presents its statement of profit or loss and other comprehensive income by nature of expense. The group reports cash flows from operating activities using the indirect method.

1.3 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the group and all investees which are controlled by the group.

The group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor’s returns.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

Capital reorganisation reserve

Newpark REIT Limited has elected to use the predecessor accounting method. Predecessor accounting does not require the acquirer to restate assets and liabilities to their fair values. The acquirer, i.e., Newpark REIT Limited, incorporated the predecessor carrying values. No goodwill arises in applying the predecessor accounting method.

In accordance with the predecessor method, any difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) is recognised in a separate reserve within equity called the capital re-organisation reserve. The group's reserve was recognised during the 2016 period during the acquisition of the subsidiaries.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements. Significant judgements and estimation uncertainty include:

Estimation uncertainty

Impairment of trade receivables and amounts due by group company

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Investment properties

The valuation of investment properties was determined principally using discounted cash flow projections, based on estimates of future cash flows, supported by the terms of any existing lease contract and by external evidence such as current market rentals for similar properties in the same location and condition, and using discount rates that reflects current market assessments, of the uncertainty in the amount and timing of the cash flows.

The future rental rates were estimated depending on the actual location, type and quality of the properties and taking into account market data and projections at the valuation date, as well as the expiry of existing lease agreements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

Taxation

Newpark REIT Limited is a REIT and tax and deferred tax are accounted for accordingly. On this basis, dividends paid to shareholders are allowable as a tax deduction and no deferred tax is provided on movements in the fair value of investment property as no capital gains tax is payable on disposal of properties.

Judgement is required in determining the provision for income taxes due to the complexity of legislation.

The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Derivative financial instruments

The valuation of derivative financial instruments was determined using the discount cash flow projections, based on estimates of future cash flows, supported by the terms of the relevant swap agreements and external evidence such as the ZAR 0– coupon perfect-fit swap curve (“**the swap curve**”). Future floating cash flows are determined using forward rates derived from the swap curve as at 28 February 2025. The net cash flows were discounted using the swap curve as at 28 February 2025.

1.5 Financial instruments

Classification

Financial instruments held by the group are classified in the following measurement categories:

- those to be measured subsequently at fair value, and
- those to be measured at amortised cost.

The classification depends on the group’s business model for managing the financial assets and liabilities and the contractual terms of the cash flows.

The group’s financial instruments consist mainly of loans receivable and payable, trade and other receivables, trade and other payables, cash, borrowings and derivative financial instruments.

Financial instruments are initially measured at fair value plus, in the case of financial instruments not measured at fair value through profit and loss, transaction costs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

Subsequent to initial recognition these instruments are measured as set out below:

Cash and cash equivalents	Carried at amortised cost
Trade and other receivables	Stated at amortised cost using the effective interest method less impairment losses
Trade and other payables	Stated at amortised cost using the effective interest method
Amounts due from group companies	Stated at amortised cost using the effective interest method, less impairment losses for receivables
Bank borrowings	Stated at amortised cost using the effective interest method
Derivative financial instruments	Derivative financial instruments are recognised initially and subsequently stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. Directly attributable transaction costs are recognised in profit or loss when incurred

For all financial instruments carried at amortised cost, where the financial effect of the time value of money is not considered to be material, discounting is not applied as the fair values of these instruments approximate their carrying values.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, which would change the methodology from 12 months to lifetime impairment losses. A significant increase in credit risk is recognised in the form of an increased expected credit loss percentage when a loan's receivable payment profile changes and it is recategorised from "fully performing" into "partially performing" and/or into "non-performing".

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 12 for further details.

For intra-group balances outstanding, the credit risk is measured against each individual company's ability to service its debt as it falls due. Liquidity and solvency of each subsidiary are measured in context of its ability to pay its debt as it falls due. A significant increase in credit risk on a loan receivable would be deemed to have occurred if rental income was no longer receivable from the tenants in the single tenant properties. A default would be deemed to have occurred if the loan balance became due and the net asset value of the property was not sufficient to settle the loan. Loan receivables would be written off in circumstances where there was no reasonable prospect of recovery as the individual company was no longer able to generate revenue and a default was occurring.

Defaulting trade receivables and inter-group balances are "non-performing" for more than 90 days as tenants are required to pay rental in advance and arrears of greater than 90 days is an indication of payment delays that are not merely administrative in nature.

The group's write-off policy determines that a trade receivable or inter-group loan balances be derecognised when there is no reasonable prospect of recovery.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

1.6 Impairment of non-financial assets (investment in subsidiaries)

For investments in subsidiaries, the carrying value of each investment is assessed for impairment in terms of IAS 36 and in instances where the investment is considered to be impaired, the investment was written down to its estimated recoverable amount by way of an impairment loss. The estimated recoverable amount of each subsidiary is calculated by reference to its net asset value which represents the fair value.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value-in-use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

1.7 Leases

The group classifies each lease as either an operating lease or a finance lease based on the extent to which the lease transfers the risks and rewards incidental to ownership of an underlying asset.

A 'finance lease' is a lease that transfers substantially all of the risks and rewards incidental to ownership of an underlying asset; title to the asset may or may not transfer under such a lease. An 'operating lease' is a lease other than a finance lease. All of the group's lease agreements are classified as operating leases.

Before lease commencement, the group recognises an asset in its statement of financial position and leases that asset to a lessee under an operating lease, then the group does not derecognise the asset on lease commencement. Generally, future contractual rental payments from the lessee are recognised as receivables over the lease term as the payments become receivable. The asset subject to the operating lease is presented in the group's statement of financial position according to the nature of the underlying asset – e.g., Investment property.

Initial direct costs incurred by the group in arranging an operating lease are added to the carrying amount of the underlying asset and cannot be recognised immediately as an expense. These initial direct costs are recognised as an expense on the same basis as the lease income. This will not necessarily be consistent with the basis on which the underlying asset is depreciated.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

2. SEGMENT INFORMATION

ACCOUNTING POLICIES

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group executive committee ("EXCO") that makes strategic decisions.

The information provided to EXCO summarises financial data and information by property. At 28 February 2025, the group is organised into four main operating segments:

- Mixed use (office, retail and storage)
- Head office
- Office
- Industrial

The segment information provided to EXCO for the operating segments for the period ended 28 February 2025 has been provided below.

GROUP	Mixed use (office, retail and storage) R'000	Office R'000	Industrial R'000	Head office R'000	Total R'000
2025					
Revenue	45 698	48 318	38 807	–	132 823
Property operating expenses	(26 482)	–	(4 996)	–	(31 478)
Administrative expenses	–	–	–	(9 961)	(9 961)
Depreciation	(194)	–	–	–	(194)
Fair value adjustments	2 896	(17 302)	8 197	(3 664)	(9 873)
Finance income	297	–	–	443	740
Finance expense	(1)	–	–	(45 919)	(45 920)
Profit before taxation	22 214	31 016	42 008	(59 101)	36 137
2024					
Revenue	42 330	56 344	32 212	–	130 886
Property operating expenses	(24 334)	(6)	(2 903)	–	(27 243)
Administrative expenses	–	–	–	(6 508)	(6 508)
Depreciation	(187)	–	–	–	(187)
Fair value adjustments	(69 179)	(190 624)	(14 878)	(2 530)	(277 210)
Finance income	251	–	–	818	1 068
Finance expense	–	–	–	(43 087)	(43 087)
Profit before taxation	(51 119)	(134 286)	14 431	(51 307)	(222 281)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

2. SEGMENT INFORMATION (continued)

The amounts provided to EXCO with respect to total assets are measured in a manner consistent with that in the statement of financial position. These assets are allocated based on the operations of the segment.

GROUP	Mixed use R'000	Office R'000	Industrial R'000	Head office R'000	Total R'000
2025					
Investment property	268 085	494 685	288 069	–	1 050 839
Straight-line lease asset	4 615	6 692	22 430	–	33 737
Lease incentive	–	1 323	–	–	1 323
Trade and other receivables	1 644	119	104	173	2 040
Derivative financial instruments	–	–	–	–	–
Cash and cash equivalents	2 248	–	123	4 737	7 108
Total assets per the consolidated financial statements	276 592	502 819	310 726	4 910	1 095 047
2024					
Investment property	257 330	511 987	278 665	–	1 047 982
Straight-line lease asset	5 070	41 043	17 335	–	63 448
Lease incentive	–	3 970	–	–	3 970
Trade and other receivables	2 828	41	836	–	3 705
Derivative financial instruments	–	–	–	3 621	3 621
Cash and cash equivalents	552	–	61	12 384	12 996
Total assets per the consolidated financial statements	265 780	557 041	296 896	16 005	1 135 723

The amounts provided to EXCO with respect to total liabilities are measured in a manner consistent with that in the statement of financial position.

GROUP	Mixed use R'000	Office R'000	Industrial R'000	General R'000	Total R'000
2025					
Bank borrowings	–	–	–	475 000	475 000
Derivative financial instruments	–	–	–	42	42
Trade and other payables	3 712	1 907	550	1 117	7 286
Total liabilities per the consolidated financial statements	3 712	1 907	550	476 159	482 328
2024					
Bank borrowings	–	–	–	474 500	474 500
Trade and other payables	4 979	1 619	130	12 543	19 271
Total liabilities per the consolidated financial statements	4 979	1 619	130	487 043	493 771

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

3. NEW STANDARDS AND INTERPRETATIONS

3.1 Standards and interpretations effective and adopted in the current period

IAS 1 – Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)

The IASB issued amendments to IAS 1 – Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022.

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2024.

The effective date of the amendment is for years beginning on or after 1 January 2024. The group adopted the amendments in the prior period and they have not had a material impact on the group's financial statements.

IAS 1 – Presentation of Financial Statements (Amendment – Non-Current Liabilities with Covenants)

The amendments include the requirement for the right to defer settlement to exist at the reporting date with substance, and the exclusion of covenants that must be complied with after the reporting date from affecting liability classification. Additionally, new disclosures are required for liabilities subject to covenants to help users understand the risk of repayment within 12 months.

The effective date of the amendment is for years beginning on or after 1 January 2024 and the standard was adopted during the period. The amendments have only resulted in minor changes to disclosures of accounting policies and have not had a material impact on the group's financial statements.

3.2 Standards and interpretations not yet adopted or effective in the current period

A number of new standards and amendments to issued standards and interpretations are in issue but not effective for annual periods beginning on or after 1 January 2026. The new standards and amendments which may be applicable to the group include:

Standard		Effective annual periods beginning on or after
IFRS 9	Financial instruments Amendment – Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure of financial statements Amendment – Categorization of Income and Expenses	1 January 2027

The group did not early adopt any of these new, revised or amended accounting standards or interpretations. These new standards, amendments to standards and interpretations are being evaluated for the impact on the group's financial results, and they are not expected to have a material impact on the group's financial results but are expected to materially impact the manner in which the results are reported in future periods.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

4. RISK MANAGEMENT

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of equity, disclosed in notes 14 and 15, debt, which includes the borrowings disclosed in note 16, as well as cash and cash equivalents disclosed in note 13 as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt. The group targets gearing ratios of below 50% which comply with the borrowings covenant per agreement with RMB as set out in note 16.

The gearing ratio at 2025 and 2024, respectively, was as follows:

	Notes	GROUP		COMPANY	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
Total borrowings					
Bank borrowings	16	475 000	474 500	475 000	474 500
Less: Cash and cash equivalents	13	(7 108)	(12 996)	(4 081)	(2)
Net debt		467 892	461 534	470 919	474 498
Total equity		612 719	641 951	550 919	592 998
Total capital		1 080 611	1 103 485	1 021 838	1 067 496
Gearing ratio (%)		43	42	46	44

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

4. RISK MANAGEMENT (continued)

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including interest rate risk and cash flow risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by senior management under policies approved by the directors.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flow.

The table below analyses the company's financial and non-financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date.

	Less than one year R'000	Between one and two years R'000	Between three and five years R'000	More than five years R'000
GROUP				
At 28 February 2025				
Bank borrowings (refer to note 16)	–	–	475 000	–
Interest on borrowings	44 213	44 213	44 334	–
Derivative financial instruments (refer to note 10)	–	42	–	–
Trade and other payables (refer to note 18)	7 286	–	–	–
At 29 February 2024				
Bank borrowings (refer to note 16)	–	324 500	150 000	–
Interest on borrowings	49 525	48 792	11 795	–
Derivative financial instruments (refer to note 10)	–	–	–	–
Trade and other payables (refer to note 18)	19 271	–	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

4. RISK MANAGEMENT (continued)

	Less than one year R'000	Between one and two years R'000	Between three and five years R'000	More than five years R'000
COMPANY				
At 28 February 2025				
Trade and other payables	1 209	–	–	–
Bank borrowings	–	–	475 000	–
Interest on borrowings	44 213	44 213	44 334	–
At 29 February 2024				
Trade and other payables	12 683	–	–	–
Bank borrowings	–	324 500	150 000	–
Interest on borrowings	49 525	48 792	11 795	–

Interest rate risk

The company's interest rate risk arises from bank borrowings and cash held on deposit. Borrowings issued at variable rates expose the company to cash flow interest rate risk which is partially offset by cash held at variable rates. During the 2025 financial year, the company's borrowings at variable rates were denominated in South African Rand.

The company manages its cash flow interest rate risk by using interest rate swaps and interest rate caps. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the company raises long-term borrowings at floating rates and swaps a portion of the exposure into fixed rates that are lower than those available if the company borrowed at fixed rates directly. Under the interest rate swaps, the company agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

Interest rate caps are used to limit the impact of an increase in interest rates on borrowing costs when interest rates rise. The caps will set the maximum interest rate that will be paid through the counterparty settling any amount above the fixed rate. Interest rate caps will not have an impact on finance costs when variable interest rates decrease.

At 28 February 2025, if interest rates had been 1% higher/lower with all other variables held constant, post-tax profit for the period would have been R2 125 000 (2024: R1 772 500) lower/higher.

The average effective interest rates of financial instruments at the date of the statement of financial position, based on reports reviewed by key management personnel, were as follows:

	GROUP		COMPANY	
	2025 %	2024 %	2025 %	2024 %
Cash and cash equivalents up to R50 million through RCF	9,98	10,93	9,98	10,93
Bank borrowings up to R475 million	9,29	9,18	9,29	9,18

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

4. RISK MANAGEMENT (continued)

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks, only independently rated parties with a minimum rating of "Ba2" are accepted. If customers are independently rated, these ratings are used otherwise, if there is no independent rating, credit control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

The following table shows the balances with banking counterparties and their external ratings at the statement of financial position date.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Financial instruments				
FNB/RMB (Rating – Ba2)	7 108	12 996	4 081	2

The ratings were obtained from Moody's. The ratings are based on long-term investment horizons. The rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

Management does not expect any losses from non-performance by this counterparty and there are no credit loss allowances in respect of cash and cash equivalents. The company only transacts with banks that have a minimum rating of Ba2.

Financial assets exposed to credit risk at the reporting date were as follows:

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Cash and cash equivalents	7 108	12 996	4 081	2
Amounts due from group companies	–	–	396 767	399 029
Trade and other receivables	1 867	2 906	–	–

The trade and other receivables carrying amount is equal to its fair value. The credit risk rating of trade and other receivables is based on an internal credit risk management module. The trade and other receivables presented above are net of expected credit loss. Refer to note 12 for further details.

Foreign exchange risk

The group is not exposed to foreign exchange risk.

Price risk

The group is not exposed to equity price risk. The group is not exposed to commodity price risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

4. RISK MANAGEMENT (continued)

Fair value estimation

The fair value of assets and liabilities that are not traded in an active market is determined by using valuation techniques. Valuation models are used primarily to value investment properties, financial derivatives, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors.

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. See note 7, investment properties, for details on the application of this level.

Levels of fair value measurements

		GROUP		COMPANY	
	Notes	2025 R'000	2024 R'000	2025 R'000	2024 R'000
ASSETS					
Investment properties (level 3)	7	1 050 839	1 047 982	–	–
Derivative financial instruments (level 2)	10	–	3 621	–	–
Total assets at fair value		1 050 839	1 051 603	–	–
LIABILITIES					
Derivative financial instruments (level 2)	10	42	–	42	–
Total liabilities at fair value		42	–	42	–

Refer to note 7 for the reconciliation of investment properties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

4. RISK MANAGEMENT (continued)

Sensitivity analysis of level 3 fair value estimates

	Notes	GROUP		COMPANY	
		Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
2025					
ASSETS					
Observable input – 25bps change in discount rate:					
Investment properties	7				
– 24 Central property		(3 592)	3 666	–	–
– JSE building		(7 679)	7 847	–	–
– Linbro Business Park building		(2 987)	3 049	–	–
– Crown Mines property		(1 305)	1 332	–	–
Total for level 3 assets at fair value		(15 563)	15 894	–	–
Observable input – 25bps change in exit capitalisation rate:					
Investment properties	7				
– 24 Central property		(2 303)	2 421	–	–
– JSE building		(6 272)	6 630	–	–
– Linbro Business Park building		(2 001)	2 109	–	–
– Crown Mines property		(844)	887	–	–
Total for level 3 assets at fair value		(11 420)	12 047	–	–
Observable input – 100bps change in vacancy rate:					
Investment properties	7				
– 24 Central property		(1 240)	1,240	–	–
– JSE building		(2 351)	2 357	–	–
– Linbro Business Park building		(834)	766	–	–
– Crown Mines property		(407)	308	–	–
Total for level 3 assets at fair value		(4 832)	4 671	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

4. RISK MANAGEMENT (continued)

	Notes	GROUP		COMPANY	
		Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
Observable input – 100bps change in growth rate:					
Investment properties	7				
– 24 Central property		14 747	(13 753)	–	–
– JSE building		27 174	(25 182)	–	–
– Linbro Business Park building		6 168	(7 333)	–	–
– Crown Mines property		4 034	(3 839)	–	–
Total for level 3 assets at fair value		52 123	(50 107)	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

4. RISK MANAGEMENT (continued)

	Notes	GROUP		COMPANY	
		Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
2024					
ASSETS					
Observable input – 25bps change in discount rate:					
Investment properties	7				
– 24 Central property		(2 289)	2 317	–	–
– JSE building		(4 609)	4 667	–	–
– Linbro Business Park building		(1 764)	1 786	–	–
– Crown Mines property		(833)	843	–	–
Total for level 3 assets at fair value		(9 495)	9 613	–	–
Observable input – 25bps change in exit capitalisation rate:					
Investment properties	7				
– 24 Central property		(4 158)	4 383	–	–
– JSE building		(9 296)	9 859	–	–
– Linbro Business Park building		(3 098)	3 276	–	–
– Crown Mines property		(1 395)	1 470	–	–
Total for level 3 assets at fair value		(17 947)	18 988	–	–
Observable input – 100bps change in vacancy rate:					
Investment properties	7				
– 24 Central property		(2 062)	2 051	–	–
– JSE building		(3 327)	3 281	–	–
– Linbro Business Park building		(1 200)	1 151	–	–
– Crown Mines property		(610)	516	–	–
Total for level 3 assets at fair value		(7 199)	6 999	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

4. RISK MANAGEMENT (continued)

	Notes	GROUP		COMPANY	
		Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
Observable input – 100bps change in growth rate:					
Investment properties	7				
– 24 Central property		9 134	(8 844)	–	–
– JSE building		13 765	(13 305)	–	–
– Linbro Business Park building		2 737	(2 748)	–	–
– Crown Mines property		2 432	(2 433)	–	–
Total for level 3 assets at fair value		28 068	(27 330)	–	–

Inputs to the valuation are disclosed in note 7.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

5. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Financial assets at amortised cost R'000	Fair value through profit or loss R'000	Non-financial assets at fair value R'000	Total R'000
GROUP				
2025				
Trade and other receivables (refer to note 12)	1 867	–	173	2 040
Cash and cash equivalents (refer to note 13)	7 108	–	–	7 108
Derivative financial instruments (refer to note 10)	–	–	–	–
	8 975	–	173	9 148
2024				
Trade and other receivables (refer to note 12)	2 906	–	799	3 705
Cash and cash equivalents (refer to note 13)	12 996	–	–	12 996
Derivative financial instruments (refer to note 10)	–	3 621	–	3 621
	15 902	3 621	799	20 322

	Financial assets at amortised cost R'000	Non-financial assets at fair value R'000	Total R'000
COMPANY			
2025			
Cash and cash equivalents (refer to note 13)	4 081	–	4 081
Trade and other receivables (refer to note 12)	–	173	173
Amounts due from group companies (refer to note 17)	396 767	–	396 767
	400 848	173	401 021
2024			
Cash and cash equivalents (refer to note 13)	2	–	2
Trade and other receivables (refer to note 12)	–	–	–
Amounts due from group companies (refer to note 17)	399 029	–	399 029
	399 031	–	399 031

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

6. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Financial liabilities at amortised cost R'000	Financial liabilities at fair value R'000	Non-financial liabilities at fair value R'000	Total R'000
GROUP				
2025				
Bank borrowings (refer to note 16)	475 000	–	–	475 000
Derivative financial instruments (refer to note 10)	–	42	–	42
Trade and other payables (refer to note 18)	5 149	–	2 137	7 286
	480 149	42	2 137	482 328
2024				
Bank borrowings (refer to note 16)	474 500	–	–	474 500
Derivative financial instruments (refer to note 10)	–	–	–	–
Trade and other payables (refer to note 18)	17 810	–	1 461	19 271
	492 310	–	1 461	493 771
	Financial liabilities at amortised cost R'000	Financial liabilities at fair value R'000	Non-financial liabilities R'000	Total R'000
COMPANY				
2025				
Bank borrowings (refer to note 16)	475 000	–	–	475 000
Derivative financial instruments (refer to note 10)	–	42	–	42
Trade and other payables (refer to note 18)	1 209	–	–	1 209
	476 209	42	–	476 251
2024				
Bank borrowings (refer to note 16)	474 500	–	–	474 500
Derivative financial instruments (refer to note 10)	–	–	–	–
Trade and other payables (refer to note 18)	12 656	–	27	12 683
	487 156	–	27	487 183

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

7. INVESTMENT PROPERTIES

Investment properties consist of the property asset (which is fair valued) and the associated furniture and fixtures (measured at depreciable cost).

ACCOUNTING POLICIES

Investment property assets

Property comprising of freehold land and buildings that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is recognised initially at cost, including transaction costs.

Borrowing costs incurred for the purpose of acquiring, developing or producing a qualifying investment property are classified as part of its cost. Borrowing costs are capitalised while acquisition or development is actively under way and cease once the asset is substantially complete or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value adjusted for carrying values of fixtures and fittings, allowance for future rental escalations and amortised upfront lease costs which are recognised as separate assets.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location and condition of the specific asset. If this information is not available, the group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by professional registered valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash flows that could be expected in respect of the property.

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 company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When a part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from the future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in the statement of profit or loss and other comprehensive income. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from disposal.

When the group disposes of a property, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of profit or loss and other comprehensive income within net fair value gain on investment property.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

7. INVESTMENT PROPERTIES (continued)

ACCOUNTING POLICIES (continued)

Furniture and fixtures

Furniture and fixtures are stated at historical cost less accumulated depreciation and impairment charges. Cost comprises the purchase price as well as any other directly attributable costs.

Depreciation is calculated at cost less expected residual value on the straight-line method, which is reviewed annually. The useful lives of fixtures and fittings range from five to six years.

Repairs and maintenance are charges to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Furniture and fittings are linked to specific properties. Consequently, any gains or losses on disposal are incorporated with the gains or losses on the disposal of the investment property.

In determining the value of the furniture and fixtures component the group considers the historic cost less accumulated depreciation as the depreciable replacement cost of furniture and fixtures.

The portion of the fair value of the building is allocated to furniture and fittings using the depreciable replacement cost method, therefore the two different measurement bases under investment property and furniture and fittings.

The building is fair valued on the income approach based on the discounted cash flow basis, this fair value is allocated to the various components, furniture and fixtures being one of these components.

Group company is the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the consolidated statement of financial position (note 7). See note 19 for the recognition of rental income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

7. INVESTMENT PROPERTIES (continued)

GROUP	2025			2024		
	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying value R'000
Investment properties	1 048 481	–	1 048 481	1 045 430	–	1 045 430
Furniture and fixtures	5 825	(3 467)	2 358	5 825	(3 273)	2 552
Total	1 054 307	(3 467)	1 050 839	1 051 255	(3 273)	1 047 982

Reconciliation of investment properties

GROUP	Opening balance R'000	Additions R'000	Fair value adjustment R'000	Depreciation R'000	Closing balance R'000
2025					
Investment properties	1 045 430	9 261	(6 209)	–	1 048 481
Furniture and fixtures	2 552	–	–	(194)	2 358
Total	1 047 982	9 261	(6 209)	(194)	1 050 839
2024					
Investment properties	1 285 696	34 415	(274 680)	–	1 045 430
Furniture and fixtures	2 708	30	–	(187)	2 552
Total	1 288 404	34 445	(274 680)	(187)	1 047 982

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

7. INVESTMENT PROPERTIES (continued)

Valuation reconciliation of investment properties

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
JSE Building				
Portion 25 of Erf 7 Sandown Johannesburg, South Africa				
– Purchase price	18 070	18 070	–	–
– Fair value adjustment	476 615	493 917	–	–
– Straight-line lease asset	6 692	41 043	–	–
– Lease incentive	1 323	3 970	–	–
	502 700	557 000	–	–
24 Central (mainly office and retail)				
Portion 20 of Erf 7 Sandton Township, registration division IR, Province of Gauteng				
– Purchase price	238 000	238 000	–	–
– Fair value adjustment	9 853	6 958	–	–
– Straight-line lease asset	4 615	5 070	–	–
– Capitalised expenditure	20 231	12 372	–	–
	272 699	262 400	–	–
Linbro Business Park				
Portion 3 and 4 of Erf 9 Frankenwald Extension 3 (Linbro Business Park)				
– Purchase price	127 858	127 858	–	–
– Fair value adjustment	39 853	32 320	–	–
– Straight-line lease asset	13 363	8 604	–	–
– Capitalised expenditure	29 726	28 518	–	–
	210 800	197 300	–	–
Crown Mines				
Erven 1 and 2 Crown City, Extension 1				
– Purchase price	85 044	85 044	–	–
– Fair value adjustment	5 588	4 925	–	–
– Straight-line lease asset	9 068	8 731	–	–
	99 700	98 700	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

7. INVESTMENT PROPERTIES (continued)

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Fair value of investment property for accounting purposes				
Opening fair value of property assets	1 115 400	1 382 000	–	–
Fair value adjustment on investment properties	(6 209)	(274 680)	–	–
Additions to fixtures and fittings	–	30	–	–
Depreciation	(194)	(187)	–	–
Additions to investment properties	9 261	34 415	–	–
Straight-line lease asset and lease incentive movement	(32 359)	(26 178)	–	–
Property valuation	1 085 899	1 115 400	–	–
Less: Straight-line lease income adjustment (note 9)	(33 737)	(63 448)	–	–
Less: Lease incentive receivable (note 11)	(1 323)	(3 970)	–	–
Closing fair value of property assets	1 050 839	1 047 982	–	–

Securities

Mortgage bonds have been registered over investment properties with a fair value of R1 050 839 298 (2024: R1 047 981 968) as security for interest-bearing liabilities at a nominal value amounting to R525 000 000 (2024: R500 000 000). Refer to note 16.

Details of valuation

The entire property portfolio is valued annually by an independent registered valuer. The properties were valued on 28 February 2025 using the discounted cash flow of future income streams method. The valuation of the properties was performed by an independent valuer, Shawn Crous, of Broll Valuation and Advisory Services (Pty) Ltd, who is a registered valuer in terms of section 19 of the Property Valuers Professional Act, no 47 of 2000.

The key assumptions and unobservable inputs used by the company in determining fair value were as follows:

2025	Mixed use %	Office %	Industrial %
Discount rate	13,50	12,50	13,13
Exit capitalisation rate	10,00	9,00	9,75
Growth rate	2,30	4,00	4,75
Initial vacancy rate	28,54	0,00	0,00

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

7. INVESTMENT PROPERTIES (continued)

2024	Mixed use %	Office %	Industrial %
Discount rate	13,75	12,75	13,38
Exit capitalisation rate	9,50	8,50	9,25
Growth rate	3,60	3,70	4,00
Initial vacancy rate	27,13	0,00	0,00

All properties were valued by an independent valuer and carried at the specified value.

Measurement of fair value

Valuation techniques

Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental and expense growth rates, vacant periods, lease incentive costs such as rent-free periods and other costs not recovered from tenants. The expected net cash flows are discounted using a discount rate. The discount rate applied is derived using an appropriate capitalisation rate and adding a growth rate based on market-related rentals, testing this for reasonableness by comparing the resultant Rand rate per m2 against comparative sales of similar properties in similar locations. Amongst other factors, the capitalisation rate estimation considers the quality of the building, its location, the tenants' credit quality and their lease terms.

Inter-relationship between key unobservable inputs and fair value measurements

Refer note 4 setting out the sensitivities of the relevant inputs discussed.

8. INVESTMENT IN SUBSIDIARIES

ACCOUNTING POLICIES

Company consolidated financial statements

In the company's separate financial statements, investment in a subsidiary is carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

8. INVESTMENT IN SUBSIDIARIES (continued)

Name of company	Holding 2025 %	Carrying amount 2025 R'000	Carrying amount 2024 R'000
As per statement of financial position		626 149	681 149
– Newpark Towers Proprietary Limited – shares at cost	100	805 413	805 413
– Newpark Towers Proprietary Limited – impairment		(295 000)	(240 000)
– I.M.P. Properties Proprietary Limited – shares at cost	100	115 736	115 736

The company acquired 100% of the shares of Newpark Towers Proprietary Limited, a South African property holding company, on 3 February 2016. In performing the annual impairment review for 2025, due to the downward fair value adjustment to investment properties (refer to note 7) held in Newpark Towers Proprietary Limited, it was necessary to reflect an impairment against the cost of the investment.

The company acquired 100% of the shares of I.M.P. Properties Proprietary Limited and its two subsidiaries, a South African property holding company, on 21 February 2017, together with the loan account, reflected in note 17, for a consideration of R113 250 215.

9. STRAIGHT-LINE LEASE ASSET

The operating lease asset arises as a result of the straight-line effect on lease rentals. It relates to the difference between the contractual and accrued rental income.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Reconciliation of movements				
Carrying value at the beginning of the reporting period	63 448	86 979	–	–
Current period movements	(29 711)	(23 531)	–	–
Net carrying value at the end of the reporting period	33 737	63 448	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

10. DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise. Derivatives are classified as financial assets at fair value through profit or loss – held for trading.

Fair valuation of financial instruments

The group uses fair value measurements to record fair value adjustments to certain financial instruments and to determine fair value disclosures. Derivatives are financial instruments recorded at fair value on a recurring basis.

Additionally, from time to time, the group may be required to record other financial assets at fair value on a non-recurring basis. These non-recurring fair value adjustments typically involve application of lower-of-cost-or-market accounting or write-downs of individual assets. Information about the extent to which fair value is used to measure assets and liabilities, the valuation methodologies used and its effect on earnings is included in the note “Fair Value Measurements”.

Fair value measurements

The company records derivative assets and liabilities at fair value.

The fair value of interest rate swaps is obtained from recognised derivative dealers.

The fair value is calculated using a model that incorporates the contractual terms of the swaps and caps in addition to other such market observable inputs as yield curve and volatility.

The fair value of the interest rate swap commitments is calculated using a model that incorporates current market prices, market conditions, option volatilities and the terms of the loans on which the commitments have been extended.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swaps are classified as level 2.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Internal models with significant observable market parameters (level 2):				
Interest rate swap asset	(42)	3 621	(42)	–

Interest rate swaps and caps

The notional principal amount of the interest rate swap contract at 28 February 2025 was R100 000 000 (2024: R285 000 000).

The notional principal amount of the interest rate cap contract at 28 February 2025 was R150 000 000 (2024: Rnil).

The main floating rate is three-month JIBAR. Gains and losses have been recognised in the statement of profit or loss and other comprehensive income. The current swap contract has fixed rates of 7,454%.

11. LEASE INCENTIVE

ACCOUNTING POLICIES

Group company is the lessor – lease incentives

In negotiating an operating lease with a current tenant, the group agreed to pay a portion of a pre-existing lease commitment of the tenant in order to incentivise the tenant to take up a long-term lease in relation to the group's single tenant building.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Reconciliation of movements				
Carrying value at beginning of the reporting period	3 970	6 617	–	–
Current period movement	(2 647)	(2 647)	–	–
Carrying value at end of the reporting period	1 323	3 970	–	–
Non-current asset	–	1 323	–	–
Current asset	1 323	2 647	–	–
	1 323	3 970	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

12. TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss. The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within property expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against recovery revenue in profit or loss.

Trade and other receivables are classified as financial assets at amortised cost.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Financial instruments				
Trade receivables	1 119	1 966	–	–
Allowance for credit losses	(244)	(280)	–	–
Other receivables	992	1 208	–	–
Accrued income	–	12	–	–
Non-financial instruments				
Value-added tax	173	799	173	–
	2 040	3 705	173	–
Fair value of trade and other receivables				
Trade and other receivables	2 040	3 705	173	–

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9 – Financial Instruments:

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
At amortised cost	1 867	2 906	–	–
Non-financial instruments	173	799	173	–
	2 040	3 705	173	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

12. TRADE AND OTHER RECEIVABLES (continued)

Exposure to credit risk

In order to mitigate the risk of financial loss from defaults, the group has policies in place to ensure that sales of services are made to customers with an appropriate credit history. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 – Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors both generally as well as with reference to the specific tenants within the Newpark properties. Factors considered when assessing the expected credit losses include payment history, changes in tenant behaviour and preferences and general economic factors including consumer demand reflected in the trading performance of the tenants. The type of tenant also has a general observable trend throughout the market. These are just some of the factors being considered.

The loss allowance provision is determined as follows:

	2025		2024	
	Gross carrying amount R'000	Loss allowance R'000	Gross carrying amount R'000	Loss allowance R'000
GROUP				
Current	–	–	–	–
Between 30 and 60 days past due	637	(244)	1 083	(280)
Between 60 and 90 days past due	237	–	75	–
More than 90 days past due	245	–	970	–
	1 119	(244)	1 966	(280)

The application of the forward-looking information with particular reference to specific tenants combined with certain recoveries and write-offs resulted in a decrease of the loss allowance.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

12. TRADE AND OTHER RECEIVABLES (continued)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Opening balance	(280)	(10 407)	–	–
Decrease as a result of loss allowances utilised to write off unrecoverable debts	–	8 119	–	–
Reversal of allowance for doubtful debts recovered	–	2 008	–	–
Allowance reversed on doubtful debts	36	–	–	–
Closing balance	(244)	(280)	–	–

In respect of the 2025 financial year, the reversal of credit loss allowances resulted from the reduction in the level of outstanding balances where the prospects of recovery were assessed to be low.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security.

Credit loss on other receivables is expected to be immaterial.

Currency

The carrying amount of trade and other receivables are denominated in the following currency:

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Rand	2 040	3 705	173	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

13. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially measured at fair value and subsequently recorded at amortised cost.

Cash and cash equivalents consist of:

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Bank balances	7 108	12 996	4 081	2

Facilities

As at 28 February 2025, the company had banking facilities in place of R525 000 000 with RMB of which a total of R475 000 000 has been drawn down (note 16).

Interest on the call account held with RMB is earned at a rate of prime less 3,80%.

Guarantees

The group issued bank guarantees of R1 613 000 (2024: R1 613 000) through RMB in favour of Eskom.

Credit quality of cash at bank

The credit quality of cash at bank can be assessed by reference to external credit ratings.

Credit rating

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
RMB/FNB (Rating – Ba2)	7 108	12 996	4 081	2

The ratings were obtained from Moody's. The ratings are based on long-term investment horizons. The rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

Management does not expect any losses from non-performance by this counterparty. The company only transacts with banks that have a minimum rating of Ba2.

Currency

The carrying amounts of cash and cash equivalents are denominated in the following currency:

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Rand	7 108	12 996	4 081	2

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

14. SHARE CAPITAL

ACCOUNTING POLICIES

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

External costs directly attributable to the issue of new shares are shown as a deduction in equity from the proceeds. Ordinary shares are classified as equity.

	GROUP		COMPANY	
	2025 number	2024 number	2025 number	2024 number
Authorised				
Ordinary shares of no par value	2 000 000 000	2 000 000 000	2 000 000 000	2 000 000 000
Ordinary type A shares	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Unissued ordinary shares are under the control of the directors.				
Issued				
100 000 001 (2024: 100 000 001) ordinary shares of no par value	625 000	625 000	625 000	625 000
Share issue costs	(5 081)	(5 081)	(5 081)	(5 081)
	619 918	619 918	619 918	619 918

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

15. CAPITAL RE-ORGANISATION RESERVE

ACCOUNTING POLICIES

IFRS 3 specifically states that a combination of entities or businesses under common control is excluded from the scope of IFRS 3. There is currently no guidance in IFRS on the accounting treatment for combinations among entities under common control. In developing a policy for capital re-organisation transactions, Newpark REIT Limited considered the guidance issued by other standard setting bodies which use a similar conceptual framework to develop accounting standards.

The predecessor accounting method, which is based on equivalent US GAAP and UK GAAP guidance for common control transactions does not require the acquirer to restate assets and liabilities to their fair values. No goodwill arises in applying the predecessor accounting method.

In accordance with the predecessor method, any difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) is recognised in a separate reserve within equity called the capital re-organisation reserve. The value of this reserve will be realised on a sale of the shares.

On 3 February 2016, the group acquired 100% of the share capital of Newpark Towers Proprietary Limited. This did not result in a substantive economic change and merely resulted in a change in the structure of the group.

Newpark Towers Proprietary Limited's assets and liabilities are ultimately controlled by the same parties both before and after the transaction.

Recognised amounts of identifiable assets acquired and liabilities assumed:

	GROUP	COMPANY
	2016 R'000	2016 R'000
Total purchase consideration	624 938	624 938
Book value of identifiable assets and liabilities acquired under common control	805 350	805 350
Capital re-organisation reserve	180 412	180 412

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

16. BANK BORROWINGS

ACCOUNTING POLICIES

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Held at amortised cost				
Non-current				
Rand Merchant Bank loan	475 000	474 500	475 000	474 500
Total	475 000	474 500	475 000	474 500

Rand Merchant Bank (RMB)

The loan covenants stipulate an interest cover ratio (EBITDA: Net interest charged) of 1,8 times, a Loan-to-Value measure ("LTV") of 50%, a Secured Properties Loan-to-Value of 50%, and a secured properties interest cover ratio of 2,0 times. Further details on the performance against the covenants is provided below.

The group has available liquidity facilities amounting to R50,0 million of which R0,0 million was drawn at year-end. Per the group's forecasts and budgets, the group remains liquid and solvent.

The RMB facilities are secured by a first mortgage bond over fixed property with a carrying value of R 1 050 839 298 and currently attracts a floating rate of three-month JIBAR plus 1,75% on the first R475 million of term loans and a floating rate of prime less 1,50% on the remaining R50 million loan, respectively. The blended floating rate amounts to 9,31% before the hedging instruments are applied to the borrowings profile.

The South African Reserve Bank (SARB) has indicated their intention to move away from JIBAR and, in this regard, ZARONIA has been introduced. The projected cessation date as well as the manner of transition from JIBAR to ZARONIA have not been announced. The group monitors the progress of the transition to the new benchmark rates by reviewing the total amounts of contracts that are yet to transition to an alternative.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

16. BANK BORROWINGS (continued)

The interest rate swap that is currently in place with RMB has the effect that 21% of the floating portion of the current rate on the RMB facilities is swapped for a fixed base rate of 7,454% (R100 million) before the RMB margin of 1,75% on the term facility. In addition, an interest rate cap is also in place which will limit the base rate on a further 32% of the floating rate facilities to 9,000% should interest rates increase significantly. The interest rate cap and swap expire on 1 June 2025 and 3 March 2027 respectively.

The all-in weighted average cost of funding is 9,286% (2024: 9,266%) and the average hedge-term is 0,96 years.

Facilities	Amount R'000	Rate %
Expiry Feb 2028 (facility C) – floating rate	50 000	Prime -1,50
Expiry Feb 2028 (facility F) – floating rate	475 000	Three-month JIBAR +1,75
Total available facilities	525 000	

Hedge instruments over above facilities	Amount R'000	Hedges of three-month JIBAR base-rate %
Hedge 9: rate cap – to start 2024/06/01 / expires 2025/06/01	150 000	9,000
Hedge 10: rate swap – to start 2025/03/03 / expires 2027/03/03	100 000	7,454

All-in weighted average cost of funding as at 28 February 2025 is 9,286% (2024: 9,266%).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

16. BANK BORROWINGS (continued)

Net debt reconciliation

	Cash and cash equivalents R'000	Borrowings due within 1 year R'000	Borrowings due after 1 year R'000	Total net debt R'000
GROUP				
Net cash/(debt) at 1 March 2023	16 618	–	(450 000)	(433 382)
Cash flows	(3 622)	–	–	(3 622)
Net borrowings drawn	–	–	(24 500)	(24 500)
Net cash/(debt) at 1 March 2024	12 996	–	(474 500)	(461 504)
Cash flows	(5 888)	–	–	(5 888)
Net borrowings drawn	–	–	(500)	(500)
Net cash/(debt) at 28 February 2025	7 108	–	(475 000)	(467 892)
COMPANY				
Net cash/(debt) at 1 March 2023	1	–	(450 000)	(449 999)
Cash flows	1	–	(24 500)	(24 499)
Net cash/(debt) at 1 March 2024	2	–	(474 500)	(474 498)
Cash flows	4 079	–	–	4 079
Net borrowings drawn	–	–	(500)	(500)
Net cash/(debt) at 28 February 2025	4 081	–	(475 000)	(470 919)

The carrying value of bank borrowings approximates fair value and all borrowings are denominated in Rands.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

16. BANK BORROWINGS (continued)

The group's borrowing facilities from RMB, totaling R525 million, are subject to the following covenant measures:

Interest cover ratio measured as EBITDA: Net Interest Charged:

- a. Covenant required >1.8 times
- b. Actual measurement on 28 February 2025 = 2,0 times (headroom in EBITDA of R9,9 million)

Covenant measure met.

LTV measured as Borrowings: Immovable Asset Value (expressed as %)

- a. Covenant required <50%
- b. Actual measurement on 28 February 2025 = 43,1% (headroom of R75,0 million)

Covenant measure met.

Secured properties Loan-to-Value measured as outstanding facilities: secured property valuation

- a. Covenant required <50%
- b. Actual measurement on 28 February 2025 = 43,7% (headroom of R70,0 million)

Secured Properties interest cover measured as secured property net income: secured properties interest payable

- a. Covenant required >2,0 times
- b. Actual measurement on 28 February 2025 = 2,9 times (headroom of R41,34 million)

Covenant measure met.

17. AMOUNT DUE FROM GROUP COMPANIES

ACCOUNTING POLICIES

These include amounts due by/(to) the holding company and the subsidiary company and are recognised initially at fair value plus direct transaction costs.

Amounts due by group companies are classified as financial assets at amortised cost.

Amounts due to group companies are classified as financial liabilities measured at amortised cost.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

17. AMOUNT DUE FROM GROUP COMPANIES (continued)

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Subsidiary				
I.M.P. Properties Proprietary Limited	–	–	132 853	132 257
Newpark Towers Proprietary Limited	–	–	263 914	266 772
The above amounts are unsecured, interest free and are repayable on demand.				
Currency				
The carrying amounts of amounts due from group companies are denominated in the following currency:				
Rand	–	–	396 767	399 029

Split between non-current and current portions

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Current assets	–	–	396 767	399 029

Exposure to credit risk

Loans receivable are subject to the impairment provisions of IFRS 9 – Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days after repayment has been requested, then it is assumed that there has been a significant increase in credit risk since initial recognition.

The maximum exposure to credit risk at the reporting date is the fair value of loans receivable mentioned above. The identified impairment loss was immaterial.

The credit risk on the intergroup loans is assessed regularly. The existing loans to other group companies are backed by investment property with fair values in excess of the loans outstanding. An independent, external evaluation of the investment properties are performed annually which specifically takes into account future cash flows directly associated with each property and the tenant's occupancy of the property. The credit risk has been assessed as low (stage one) and there are no expected credit losses.

Exposure to currency risk

The carrying amounts of loans receivable are denominated in South African Rands.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

18. TRADE AND OTHER PAYABLES

ACCOUNTING POLICIES

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Financial instruments				
Accrued audit fees	850	786	850	786
Accrued interest	37	11 731	–	11 870
Deposits received	2 769	2 403	–	–
Other payables	1 493	2 890	359	–
Non-financial instruments				
Value-added tax	2 137	1 461	–	27
	7 286	19 271	1 209	12 683
Currency				
The carrying amounts of trade and other payables are denominated in the following currency:				
Rand	7 286	19 271	1 209	12 683

19. REVENUE

ACCOUNTING POLICIES

Revenue comprises gross rental revenue including advertising space and recoveries from tenants of municipal and operating costs and are recognised excluding VAT. Rental revenue from investment property is recognised in the statements of profit or loss and other comprehensive income on a straight-line basis over the term of the lease. Recoveries are recognised on an accrual basis when the costs are incurred. Lease incentives granted are recognised as an integral part of the total rental income over the lease period. Turnover rentals are recognised on the accrual basis.

The subsidiaries act as a principal on their own account when recovering municipal and operating costs from tenants and the recovery of these costs comprise revenue. Subsidiaries are considered to act as an agent when recovering any other costs, not in the ordinary course of business, that are incurred at the discretion and on behalf of the tenants under their direction and control.

Revenue also comprises dividend income received from subsidiary companies.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

19. REVENUE (continued)

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Rental income	137 245	130 916	–	–
Dividend received	–	–	130 772	118 418
Management fee received from related party	–	–	5 037	4 967
Recoveries	27 936	26 148	–	–
Straight-line adjustment of lease income	(29 711)	(23 531)	–	–
Amortisation of lease incentive	(2 647)	(2 647)	–	–
	132 823	130 886	135 809	123 385

Revenue was categorised and accounted for as follows:

Type of revenue	Separate goods or services	IFRS 16	IFRS 15	IFRS 9	Fixed/variable	Point in time/over time
2025						
Rental income (operating lease income)	✓	✓			Fixed	n/a
Indirect recovery of operating costs	x	✓			Fixed	n/a
Recoveries: direct recovery of rates, water, electricity, sewerage	✓		✓		Variable	Over time
Dividends				✓	Variable	n/a
Management fees			✓		Fixed	Point in time
Advertising *	✓	✓			Variable	n/a
2024						
Rental income (operating lease income)	✓	✓			Fixed	n/a
Indirect recovery of operating costs	x	✓			Fixed	n/a
Recoveries: direct recovery of rates, water, electricity, sewerage	✓		✓		Variable	Over time
Dividends				✓	Variable	n/a
Management fees			✓		Fixed	Point in time
Advertising *	✓	✓			Variable	n/a

* Advertising contracts concluded represent rental agreements and advertising revenue has, therefore, been treated in accordance with IFRS 16.

The group holds well-positioned, prime commercial and industrial properties that offer an attractive return from both capital and income perspectives. Based on their portfolio, the risk of tenant groups is lower.

The group provided the JSE, an A grade tenant occupying 31 % of the group's GLA, with a lease incentive of R20 million, realised over an 8-year period, which ends in August 2025. Furthermore, the group also provide rent abatements (rent-free months in order for tenants to establish their business) to some of their tenants.

There are no buy-back agreements, residual value guarantee or variable lease payments within the group to mitigate.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
20. EXPENSES BY NATURE				
Administrative expenses	9 961	6 508	8 047	5 260
Property operating expenses	31 672	27 430	–	–
Total property operating and administrative expenses	41 633	33 938	8 047	5 260
Property operating expenses				
Administration and management fees	3 682	2 460	–	–
Repairs and maintenance	2 061	3 218	–	–
Utilities	20 725	16 834	–	–
Insurance	153	452	–	–
Depreciation	194	187	–	–
Cleaning	1 410	1 227	–	–
Security	1 702	1 552	–	–
Other expenses	1 745	1 500	–	–
Total property expenses	31 672	27 430	–	–
Administrative expenses				
Directors' fees and costs	2 516	2 351	2 516	2 351
Annual duty	–	–	–	–
Audit fees	903	802	903	802
Administration costs and fees	5 957	2 979	4 172	1 830
Bank charges	165	192	143	180
Legal fees	131	79	39	–
Sundry expenses	289	105	274	97
Total administrative expenses	9 961	6 508	8 047	5 260

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

21. FINANCE INCOME

ACCOUNTING POLICIES

Interest income and expense are recognised within “finance income” and “finance costs” in profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

This accounting policy also applies to note 23.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Interest revenue				
Bank	406	775	53	13
Trade and other receivables	334	293	36	43
	740	1 068	89	56
22. FAIR VALUE ADJUSTMENTS				
Net loss from fair value adjustment on investment properties	(6 209)	(274 680)	–	–
Net loss from fair value adjustments on financial instruments at fair value through profit or loss	(3 664)	(2 530)	(42)	–
	(9 873)	(277 210)	(42)	–
23. FINANCE COSTS				
Bank borrowings	49 519	47 811	49 519	47 811
Interest (received)/paid interest rate swap	(3 599)	(4 724)	–	–
	45 920	43 087	49 519	47 811

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

24. TAXATION

ACCOUNTING POLICIES

In accordance with the holding company's status as a REIT and the subsidiary companies' status as a Controlled Property Company ("**CPC**"), the dividend distributions made in line with the holding company's dividend policy meet the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("**Income Tax Act**"). In determining the tax obligation of the company, the "qualifying distribution" is deducted from taxable profits insofar that it does not create an assessed loss.

The context within which the income tax policy must be read is that the holding company and therefore the group, is recognised as a REIT and tax and deferred tax assets and liabilities are accounted for accordingly.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets and liabilities

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for the carry-forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

No deferred tax is recognised on the fair value adjustments to investment property. These assets are realised through sale and as such do not attract capital gains tax in terms of section 25BB of the Income Tax Act.

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period after deduction of "qualifying distributions" in terms of section 25BB of the Income Tax Act, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

In accordance with the group's status as a REIT, the dividend distributions declared meet the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

24. TAXATION (continued)

ACCOUNTING POLICIES (continued)

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Dividend distribution

Dividend distributions to the group's shareholders are recognised as a liability in the company financial statements in the period in which the dividend distributions are approved by the group's directors.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Major components of the tax (income)/ expense				
Current				
Local income tax – recognised in current tax for prior periods	–	–	–	–
Deferred				
Originating and reversing temporary differences	–	–	–	–
	–	–	–	–
Reconciliation of the tax expense				
<i>Reconciliation between accounting profit/(loss) and tax expense</i>				
Accounting profit/(loss) before tax	36 137	(222 281)	23 290	(169 630)
Tax at the applicable tax rate of 27%	9 757	(60 016)	6 288	(45 800)
Tax effect of adjustments on taxable income				
Fair value adjustments and impairments not subject to tax	2 666	74 847	14 861	64 800
Straight-line and lease incentive movements not subject to tax	8 736	7 068	–	–
Dividend distribution	(21 149)	(19 000)	(21 149)	(19 000)
Allowances	(10)	(2 899)	–	–
Taxable income	–	–	–	–
Assessed loss brought forward	–	–	–	–
Tax payable/loss carried forward	–	–	–	–

In determining the tax obligation of the group, the “qualifying distribution” is deducted from taxable profits insofar that it does not create an assessed loss and, therefore, no provision has been raised for 2025.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

	GROUP	
	2025 R'000	2024 R'000
25. EARNINGS PER SHARE		
Basic earnings per share		
Basic earnings		
Profit/(loss) attributable to shareholders	36 137	(222 281)
Weighted average number of ordinary shares in issue	100 000 001	100 000 001
Basic earnings/(loss) per share		
From operations (cents per share)	36,14	(222,28)
Diluted earnings per share		
There are no dilutive instruments in issue.		
Profit/(loss) attributable to shareholders	36 137	(222 281)
Weighted average number of ordinary shares in issue	100 000 001	100 000 001
Diluted earnings/(loss) per share (cents per share)	36,14	(222,28)
Headline earnings per share		
Headline earnings is calculated as follows:		
Profit/(loss) attributable to shareholders	36 137	(222 281)
<i>Adjusted for:</i>		
Change in fair value of investment properties/impairment	6 209	274 680
	42 346	52 399
Weighted average number of ordinary shares in issue	100 000 001	100 000 001
Headline earnings per share (cents per share)		
From operations (cents per share)	42,35	52,40
The weighted average number of shares has been calculated as 100 000 001 (2024: 100 000 001) weighted for the full financial year to 28 February 2025, resulting in 100 000 001 (2024: 100 000 001) shares.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
26. CASH GENERATED/ (UTILISED) FROM OPERATIONS				
Profit/(loss) before taxation	36 137	(222 281)	23 290	(169 630)
Adjustments for:				
<i>Items disclosed separately in cash flow statement:</i>				
Dividends receivable	–	–	(130 771)	(118 417)
Finance income	(740)	(1 068)	(89)	(56)
Finance costs	45 920	43 087	49 519	47 811
<i>Non-cash items:</i>				
Depreciation	194	187	–	–
Fair value adjustments – derivatives	3 664	2 530	42	–
Fair value adjustments – investment properties	6 209	274 680	–	–
Impairment of investment in subsidiary	–	–	55 000	240 000
Change in straight-line lease asset	29 711	23 531	–	–
Change in lease incentive	2 647	2 647	–	–
Changes in working capital:				
Trade and other receivables	1 666	1 778	(173)	–
Trade and other payables	(11 986)	(714)	(11 474)	(495)
	113 422	124 377	(14 656)	(787)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Opening balance R'000	Drawn loan cash inflow R'000	Repaid loan cash outflows R'000	Closing balance R'000
2025				
GROUP				
Borrowings	474 500	545 200	(544 700)	475 000
	474 500	545 200	(544 700)	475 000

	Opening balance R'000	Drawn loan cash inflow R'000	Repaid loan cash outflows R'000	Closing balance R'000
2024				
GROUP				
Borrowings	450 000	78 669	(54 169)	474 500
	450 000	78 669	(54 169)	474 500

	Opening balance R'000	Drawn loan cash inflow R'000	Repaid loan cash outflows R'000	Closing balance R'000
2025				
COMPANY				
Borrowings	474 500	545 200	(544 700)	475 000
	474 500	545 200	(544 700)	475 000

	Opening balance R'000	Drawn loan cash inflow R'000	Repaid loan cash outflows R'000	Closing balance R'000
2024				
COMPANY				
Borrowings	450 000	78 669	(54 169)	474 500
	450 000	78 669	(54 169)	474 500

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

28. RELATED PARTIES

Relationships

Subsidiaries

Formprops 61 Properties Proprietary Limited

Newpark Towers Proprietary Limited

I.M.P. Properties Proprietary Limited

CP Finance Proprietary Limited

Other related parties

Tygon Capital Proprietary Limited (common director AF Benatar)

Renlia Developments Proprietary Limited (common director BD Van Wyk)

Azalea Capital Proprietary Limited (common director AJ Wilson)

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Related party balances				
Amounts due from/(to) related parties				
Newpark Towers Proprietary Limited	–	–	263 914	266 772
I.M.P. Properties Proprietary Limited	–	–	132 853	132 257
Related party transactions				
Professional services (refer to note 29)				
Tygon Capital Proprietary Limited	375	350	–	–
Azalea Capital Proprietary Limited	546	510	–	–
Renlia Developments Proprietary Limited *	3 602	905	2 785	905
Management fees received from related parties				
Newpark Towers Proprietary Limited	–	–	4 124	4 055
Formprops 61 Properties Proprietary Limited	–	–	610	610
CP Finance Proprietary Limited	–	–	303	300

* Services were provided in respect of lease renewals and project management on capital projects. Further details of the arrangements with Renlia have been provided in the announcement released on 15 May 2025.

Short-term key management compensation amounted to R1,82 million (2024: R1,70 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

29. DIRECTORS' EMOLUMENTS

	Board member fees R'000	Professional services (refer to note 28) R'000	Total 2025 R'000
12 months ended 28 February 2025			
Non-executive directors			
RC Campbell	314	–	314
T Sishuba	230	–	230
S Shaw-Taylor	345	–	345
DT Hirschowitz	243	–	243
KM Ellerin	230	–	230
BD van Wyk	256	3 602	3 948
Sub-total	1 618	3 602	5 310
Executive directors			
AF Benatar	535	375	910
AJ Wilson	364	546	910
Sub-total	899	921	1 820
Total	2 517	4 523	7 130

	Board member fees R'000	Professional services R'000	Total 2024 R'000
12 months ended 29 February 2024			
Non-executive directors			
RC Campbell	293	–	293
T Sishuba	215	–	215
S Shaw-Taylor	322	–	322
DT Hirschowitz	227	–	227
KM Ellerin	215	–	215
BD van Wyk	239	905	1 144
Sub-total	1 511	905	2 416
Executive directors			
AF Benatar	500	350	850
AJ Wilson	340	510	850
Sub-total	840	860	1 700
Total	2 351	1 765	4 116

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

continued

30. DETAILS OF PROPERTY PORTFOLIO

Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment property not recognised in the financial statements are as follows:

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Minimum lease payments				
Within 1 year	94 011	135 936	–	–
Between 1 to 2 years	84 032	92 758	–	–
Between 2 to 3 years	83 302	42 657	–	–
Between 3 to 4 years	87 123	38 279	–	–
Between 4 to 5 years	88 763	39 803	–	–
Later than 5 years	153 165	143 864	–	–

As at 28 February 2025, the total vacancy rate of the group, by gross lettable area, was 9,5% (2024: 7,6%).

31. GOING CONCERN

The company and the group have committed and available liquidity facilities amounting to R50 million at 28 February 2025.

The strong tenant profile on the three single-tenanted properties supports a resilient income profile.

The board has considered the current realities of the operating environment and has stress-tested the group's liquidity and solvency against various outcomes. The directors believe that the company and the group have adequate financial resources to continue in operation for the ensuing 12-month period and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company and the group are in a sound financial position and that it has access to sufficient borrowing facilities to meet its cash requirements over the ensuing 12-month period. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

32. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025



NEWPARK REIT LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2015/436550/06)
JSE share code: NRL • ISIN: ZAE000212783
(Approved as a REIT by the JSE)
("Newpark" or "the company" or "the group")

The second edition of the SA REIT Association's ("SA REIT") Best Practice Recommendations was published during November 2019. This document recommends the disclosure of certain non-IFRS financial measurements and is effective for all members for reporting periods commencing on or after 1 January 2020. SA REIT encourages full compliance with best practice recommendations and suggests an annexure to be published with the integrated report.

Newpark implemented these best practice recommendations for the first time during the 2021 financial year.

1. FUNDS FROM OPERATIONS PER SHARE ("FFOPS")

for the 12 months ended 28 February 2025

	2025 R'000	2024 R'000
(Loss)/profit per IFRS statement of comprehensive income attributable to the shareholders	36 137	(222 281)
<i>Adjusted for:</i>		
Accounting/specific adjustments:	38 566	300 858
– Fair value adjustments to investment properties	6 209	274 680
– Straight-line and incentive operating leases adjustment	32 357	26 178
Hedging items:	3 664	2 530
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	3 664	2 530
Funds from operations	78 367	81 107
Number of shares outstanding at end of period (net of treasury shares) ('000)	100 000	100 000
FFOPS (cents)	78,37	81,11
Dividend per share (cents)	78,37	70,37
– Interim dividend (declared 9 October 2024) (cents)	30,00	35,00
– Final dividend (declared 15 May 2025) (cents)	48,37	35,37

* The final dividend declared is 100,0% of FFO.

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025

continued

1. FUNDS FROM OPERATIONS PER SHARE ("FFOPS") (continued)

for the 12 months ended 28 February 2025

Reconciliation between funds from operations ("FFO") and cash from operating activities

	2025 R'000	2024 R'000
FFO	78 367	81 107
<i>Adjustments</i>		
Working capital adjustment		
– Trade receivables	1 666	1 778
– Trade payables	(11 986)	445
Depreciation of property, plant and equipment	194	187
Net cash from operating activities	68 241	83 517

2. NET ASSET VALUE

	2025 R'000	2024 R'000
NAV attributable to the parent at 28 February	612 719	641 951
<i>Adjustments:</i>		
Dividend to be declared	(48 368)	(35 369)
Fair value of certain derivative financial instruments	42	(3 621)
NAV	564 393	602 961
Shares outstanding		
Number of shares in issue at period end (net of treasury shares) ('000)	100 000	100 000
Dilutive number of shares in issue ('000)	100 000	100 000
NAV per share (R)	5,64	6,03

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025

continued

3. COST-TO-INCOME RATIO

	2025 R'000	2024 R'000
Expenses		
Property operating expenses per IFRS income statement (includes municipal expenses)	31 672	27 430
Cost	31 672	27 430
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	137 245	130 916
Utility and operating recoveries per IFRS income statement	27 936	26 148
Gross rental income	165 181	157 064
Cost-to-income ratio (%)	19,2	17,5

4. ADMINISTRATIVE COST-TO-INCOME RATIO

	2025 R'000	2024 R'000
Expenses		
Administrative expenses as per IFRS income statement	9 961	6 508
Administrative cost	9 961	6 508
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	137 245	130 916
Utility and operating recoveries per IFRS income statement	27 936	26 148
Gross rental income	165 181	157 064
Administrative cost-to-income ratio (%)	6,0	4,1

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025

continued

5. GLA VACANCY RATE

	2024 m ²	2023 m ²
Gross lettable area of vacant space	5 712	4 569
Gross lettable area of total property portfolio	60 048	60 049
GLA vacancy rate (%)	9,5	7,6

6. COST OF DEBT

	2025 %	2024 %
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	9,31	10,33
Pre-adjusted weighted average cost of debt	9,31	10,33
<i>Adjustments:</i>		
Impact of interest rate derivatives	(0,02)	(1,06)
All-in weighted average cost of debt	9,29	9,27

7. LOAN-TO-VALUE

	2025 R'000	2024 R'000
Gross debt	475 000	474 500
Less: Cash and cash equivalents	(7 108)	(12 996)
Less: Derivative financial instruments	42	(3 621)
Net debt	467 934	457 883
Total assets – per statement of financial position	1 095 047	1 135 723
<i>Less:</i>		
– Derivative financial assets	–	(3 621)
– Cash and cash equivalents	(7 108)	(12 996)
– Trade and other receivables	(2 040)	(3 705)
Carrying amount of property-related assets	1 085 899	1 115 400
Loan-to-value (%)	43,1	41,1

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025

continued

8. GROSS INITIAL YIELD

	2025 R'000	2024 R'000
Gross initial yield		
Investment properties	1 085 899	1 115 400
Grossed up property value	1 085 899	1 115 400
Property income		
Contractual cash rentals	93 865	134 026
Annualised net rental	93 865	134 026
Gross initial yield (%)	8,64	12,02

9. PROPERTY DISCLOSURES

as of and for the 12 months ended 28 February 2025

The table below sets out the details of the properties within the property portfolio.

Property name	Physical address	Sector	Land area m ²	Nature	Weighted average net rental per month (R/m ²)	Rentable area (GLA) m ²	Vacancy (% of group rental area)	Valuation as at 28 February 2025 R'000
JSE Building	One Exchange Square, 2 Gwen Lane, Sandown, 2196 Gauteng	Office	5 659	Prime grade offices	*	18 533,0	–	502 700
24 Central	6 Gwen Lane, Sandown, Sandton, 2196 Gauteng	Mixed use (mainly office and retail)	17 679	A grade offices, retail and storage	108,6	16 524,6	9,5	272 699
Linbro Business Park	Portion 3 and 4 of Erf 9 Frankenwald Extension 3 Township (Linbro Business Park)	Industrial	23 511	B grade industrial	*	13 713,0	–	210 800
Crown Mines	Erven 1 and 2 Crown City Extension 1	Industrial	21 023	B+ grade industrial	*	11 277,0	–	99 700
Total					134,5	60 047,6	9,5	1 085 899

* As the JSE building, Linbro Business Park and Crown Mines are single tenanted buildings in the property portfolio, the weighted average rental per m² as at 28 February 2025 has been included in the weighted average rental per m² for the group.

All four of the properties are 100% owned by the group.

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025

continued

9. PROPERTY DISCLOSURES (continued)

Analysis of the properties

An analysis of the properties in respect of geographic, sectoral, tenant, vacancy and lease expiry profiles as at 28 February 2025 is provided in the tables below.

Lease expiry profile

GLA	TOTAL m ²	Mixed use m ²	Office m ²	Industrial m ²
Vacant	5 711,9	5 711,9	–	–
Feb 2026	1 527,2	1 527,2	–	–
Feb 2027	6 822,5	6 822,5	–	–
Feb 2028	946,0	946,0	–	–
Feb 2029	350,0	350,0	–	–
Feb 2030	12 444,0	1 167,0	–	11 277,0
> Feb 2031	32 246,0	–	18 533,0	13 713,0

Gross rental as a percentage of total gross income	TOTAL %	Mixed use %	Office %	Industrial %
Vacant	4,9	4,9	–	–
Feb 2026	3,9	3,9	–	–
Feb 2027	10,1	10,1	–	–
Feb 2028	1,5	1,5	–	–
Feb 2029	0,8	0,8	–	–
Feb 2030	14,3	2,6	–	11,7
> Feb 2030	64,5	0,2	44,8	19,5

Geographic profile

All of the properties are located in Gauteng.

Sectoral profile

	Based on GLA %	Based on gross rental %	Vacancy profile based on GLA %	GLA m ²
Office	27,5	22,2	9,5	16 524,6
Mixed use (retail and office)	30,9	44,8	–	18 533,0
Industrial	41,6	31,2	–	24 990,0
Total	100,0	100,0	9,5	60 047,6

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025

continued

9. PROPERTY DISCLOSURES (continued)

	GLA m ²	GLA %	Gross rental for the 28 February 2025 period R'000
Tenant profile			
A	48 896,0	81,4%	127 709
B	663,0	1,1%	2 325
C	4 776,7	8,0%	7 066
Vacant	5 711,9	9,5%	–
	60 047,6	100,0%	137 100

For the tenant profile table, the following key is applicable:

- A. Large international and national tenants, listed tenants, government and major franchisees. These are the JSE Limited, Vida E Café Proprietary Limited, CCI South Africa Proprietary Limited, Boo! Out of Home Media Proprietary Limited, IHS Towers Proprietary Limited, Hellermann Tyton Proprietary Limited and Bidvest – Bidvest Afcom Proprietary Limited.
- B. Smaller listed tenants, franchisees and medium to large professional firms. This is Solo – Ndondlobala Holdings Proprietary Limited.
- C. Other local tenants and sole proprietors. These are Cocoon Lounge CC, ATM Solutions Proprietary Limited, Greenhouse Sandton Proprietary Limited, Wagyu South Africa Proprietary Limited, Investapp J29 Proprietary Limited, Beer Park Sandton Proprietary Limited and Urban Retail Assets Proprietary Limited.

Top 10 tenants by gross rental revenue

	Sector	Gross rental revenue for the 28 February 2025 period R'000
Tenants and advertisers		
JSE	Office	*
Hellermann Tyton	Industrial	*
Bidvest Afcom	Industrial	*
Top three tenants		114 090
CCI South Africa	Mixed use (retail and office)	5 906
Boo! Out Of Home Media	Mixed use (advertising)	2 822
Solo Restaurant	Mixed use (retail and office)	2 180
Monarch and Roadhouse	Mixed use (retail and office)	1 929
TLS	Mixed use (retail and office)	1 640
Greenhouse	Mixed use (retail and office)	1 378
BOA/LIV/Cocoon	Mixed use (retail and office)	1 243
		131 188

* As the JSE building, Linbro Business Park and Crown Mines are single tenanted buildings in the property portfolio, the gross income for the period for these three properties are presented as a total value.

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025

continued

9. PROPERTY DISCLOSURES (continued)

	2025 R'000	2024 R'000
JSE Building		
Portion 25 of Erf 7 Sandown Johannesburg, South Africa		
– Purchase price	18 070	18 070
– Fair value adjustment	476 615	493 917
– Straight-line lease asset	6 692	41 043
– Lease incentive	1 323	3 970
	502 700	557 000
24 Central (mainly office and retail)		
Portion 20 of Erf 7 Sandton Township, registration division IR, Province of Gauteng		
– Purchase price	238 000	238 000
– Fair value adjustment	9 853	6 958
– Straight-line lease asset	4 615	5 070
– Capitalised expenditure	20 231	12 372
	272 699	262 400
Linbro Business Park		
Portion 3 and 4 of Erf 9 Frankenwald Extension 3 (Linbro Business Park)		
– Purchase price	127 858	127 858
– Fair value adjustment	39 853	32 320
– Straight-line lease asset	13 363	8 604
– Capitalised expenditure	29 726	28 518
	210 800	197 300
Crown Mines		
Erven 1 and 2 Crown City, Extension 1		
– Purchase price	85 044	85 044
– Fair value adjustment	5 588	4 925
– Straight-line lease asset	9 068	8 731
	99 700	98 700

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025

continued

9. PROPERTY DISCLOSURES (continued)

	2025 R'000	2024 R'000
Fair value of investment properties for accounting purposes		
Opening fair value of property assets at 1 March	1 115 400	1 382 000
Gross fair value adjustment on investment properties	(6 209)	(274 680)
Additions to fixtures and fittings	–	30
Depreciation	(194)	(187)
Additions to investment properties	9 261	34 415
Straight-line lease asset and lease incentive movement	(32 359)	(26 178)
Property valuation	1 085 899	1 115 400
Less: Straight-line lease income adjustment	(33 737)	(63 448)
Less: Lease incentive	(1 323)	(3 970)
Closing fair value of property assets at 28 February	1 050 839	1 047 982

The key assumptions and unobservable inputs used by the group in determining fair values were as follows:

2025	Mixed use %	Office %	Industrial %
Discount rate	13,50	12,50	13,13
Exit capitalisation rate	10,00	9,00	9,75
Growth rate	2,30	4,00	4,75
Initial vacancy	28,54	0,00	0,00

2024	Mixed use %	Office %	Industrial %
Discount rate	13,75	12,75	13,38
Exit capitalisation rate	9,50	8,50	9,25
Growth rate	3,60	3,70	4,00
Initial vacancy	27,13	0,00	0,00

ANNEXURE 1 – SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES

for the 12 months ended 28 February 2025

continued

9. PROPERTY DISCLOSURES (continued)

Other property disclosures

	Average rental escalation %	Average remaining lease length period in years at year-end	Gross rental for the 28 February 2025 period R'000	Acquisition date of property
Sectoral profile				
JSE Building (office)	5,25	5,8	*	3 February 2016
24 Central (Mixed use)	6,60	1,9	23 154	3 February 2016
Linbro Business Park (Industrial)	7,35	8,8	*	28 February 2017
Crown Mines (Industrial)		4,8	*	28 February 2017

* As the JSE building, Linbro Business Park and Crown Mines are single tenanted buildings in the property portfolio, the gross income for the period for these three properties is R113 840 981 in total.

The average rental escalation based on rentable area is 6,65%.

The forward average annualised property yield was 8,6% at 28 February 2025 (29 February 2024: 12,0%).