



EXEMPLAR

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY

2023

GENERAL INFORMATION

REGISTERED NAME

Exemplar REITail Ltd

COMPANY REGISTRATION NUMBER

2018/022591/06

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

NATURE OF BUSINESS & PRINCIPAL ACTIVITIES

Exemplar REITail is a market leader in the ownership and management of rural and township retail real estate in South Africa.

EXECUTIVE DIRECTORS

Duncan A Church
Jason McCormick
John McCormick

NON-EXECUTIVE DIRECTORS

Elias P Maponya
Frank M Berkeley
Gregory VC Azzopardi
Nonyameko Mandindi
Peter J Katzenellenbogen

REGISTERED OFFICE & BUSINESS ADDRESS

Corner Lyttelton Road and Leyden Avenue
Clubview
Centurion
0157

AUDITOR

BDO South Africa Incorporated
Chartered Accountants (S.A.)
Registered Auditor

LEVEL OF ASSURANCE

These Group and Company financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

PREPARER

The financial statements were internally compiled by Shenal Reddy (BCompt (Hons), CA(SA)) under the supervision of Duncan A Church (CFO (BCompt (Hons), CA(SA))).



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DIRECTORS' RESPONSIBILITIES AND APPROVALS

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the Group and Company financial statements and related financial information included in this report. It is their responsibility to ensure that the Group and Company financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the financial year then ended, in conformity with International Financial Reporting Standards ("IFRS"). The external auditor is engaged to express an independent opinion on the Group and Company financial statements.

The Group and Company financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control 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 set 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 endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management,

that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Group and Company financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's and Company's cash flow forecast for the period to 29 February 2024 and, in light of this review and the current financial position, they are satisfied that the Group and Company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group and Company financial statements. The Group and Company financial statements have been examined by the Group and Company's external auditor and their report is presented on pages 11 to 13.

Declaration by Group chief executive officer (CEO) and chief financial officer (CFO) for the year ended 28 February 2023

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

- a) the annual financial statements set out on pages 14 to 60, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- 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 the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements; and
- 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 any 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.

The Group and Company financial statements set out on pages 14 to 60, which have been prepared on the going concern basis, were approved by the board of directors on 29 May 2023 and were signed on their behalf by:

Jason McCormick
CEO

Duncan A Church
CFO

DECLARATION BY COMPANY SECRETARY

Declaration by company secretary

In terms of section 88(2)(e) of the Companies Act, and in my capacity as company secretary, I hereby certify that, to the best of my knowledge, Exemplar REITail Limited has filed the required returns and notices with the Companies and Intellectual Property Commission as are required in terms of the Companies Act, for the year ended 28 February 2023, and that all such returns and notices appear to be true, correct, and up to date.

Ananda Booysen
Company secretary



AUDIT AND RISK COMMITTEE REPORT

MEMBERS

PETER J KATZENELLENBOGEN (CHAIR)
Frank M Berkeley | Elias P Maponya

The Audit and Risk Committee is pleased to present its report for the financial year ended 28 February 2023.

FUNCTION AND COMPOSITION OF THE COMMITTEE

The committee charter, which outlines the committee's duties and responsibilities, was reviewed and approved by the board in February 2023. The committee operates in accordance with section 94(7) of the Companies Act, King IV, the Company's memorandum of incorporation, and the JSE Listings Requirements. The committee is responsible for ensuring the integrity of financial reporting and the audit process, overseeing integrated reporting, reviewing the Company's finance function, overseeing risk, compliance, and the governance of technology and information. The committee's members are subject to re-election by shareholders at each AGM.

The committee convenes at least three times per year, with special meetings scheduled when required, and attendance records are available in the Exemplar integrated annual report. The committee conducts an annual evaluation of its performance, and the board is satisfied with the chair's experience in accounting and financial management based on the satisfactory outcome of the evaluation conducted in the year under review.

ACTIVITIES OF THE COMMITTEE DURING FY2023

Financial statements and the integrated annual report

The committee has assessed the effectiveness of internal financial controls, finding them to be effective in all material aspects and forming a reliable basis for the preparation of the annual financial statements. Following a review of the financial statements for the year ended 28 February 2023, the committee is of the opinion that they comply with IFRS in all material respects and has recommended their approval by the board of directors. Additionally, the committee has approved the accounting policies utilised in the preparation of the financial statements.

Furthermore, the committee has evaluated the integrated annual report, finding that its contents are reliable, consistent, and fairly represented, and that it has been prepared in accordance with appropriate reporting standards while adhering to the requirements of King IV and the JSE Listings Requirements. The committee has consequently recommended the report for approval by the board of directors.

Going concern status and solvency and liquidity

After reviewing the going concern assertion made by management, the committee recommended its approval by the board. The committee is satisfied that the board conducted a solvency and liquidity test in accordance with sections 4 and 46 of the Companies Act and concluded that the Company will satisfy the test following the payment of the final dividend. The solvency and liquidity test was also conducted at the interim distribution stage.



■ **Internal audit**

The committee is responsible for overseeing the internal audit function, which is performed by Moore Johannesburg ("Moore"). Moore conducts specific *ad hoc* audits.

■ **External auditor**

The committee has assessed the independence of BDO South Africa Incorporated ("BDO") as the external auditor and Garron Chaitowitz as the engagement audit partner, and is satisfied that they meet the required independence criteria. After reviewing the information outlined in paragraphs 3.84(g)(iii) and 22.15(h) of the JSE Listings Requirements, the committee has determined that BDO and the new engagement audit partner possess the necessary expertise, competence, and experience to fulfill their responsibilities.

Furthermore, the committee has scrutinised BDO's engagement terms, including the provision of non-audit services, the audit fee and their report on the annual financial statements. The committee has also evaluated BDO's performance, including the identification of key audit matters. The committee recommends BDO as auditor and Stephen Shaw as the new engagement audit partner for shareholder approval at the upcoming AGM.

■ **Finance function review**

The committee has evaluated the resources and expertise of the Company's finance function and CFO, who bears the responsibility for the finance function, and is content with their adequacy.

■ **Risk management and compliance**

The committee exercises supervision over the Company's risk management and compliance functions and has confirmed the adequacy of the risk management processes in place. The policies prohibit the Company from engaging in any derivative transactions outside the scope of its ordinary course of business, which have been duly adhered to in all material respects. The committee is content with the effectiveness of the compliance processes and the handling of any disclosures received through the fraud and ethics hotline.

Peter J Katzenellenbogen
Chair: Audit and Risk Committee

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the Group and Company financial statements of Exemplar REITail Limited for the year ended 28 February 2023.

Exemplar is a listed Real Estate Investment Trust (REIT), which develops, owns and manages township and rural retail real estate. The Company was incorporated on 17 January 2018 and commenced trading on 1 June 2018.

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently with those reflected in note 1.

Full details of the financial position, results of operations and cash flows of the Group and Company are set out in these Group financial statements.

2. STATED CAPITAL

The Company's authorised share capital comprises 5 000 000 000 ordinary shares of no par value.

As at the date of this report, the Company had 332 290 686 shares in issue.

3. DIVIDENDS

The Group's dividend policy is to consider declaration of an interim and a final dividend in respect of each financial period. At its discretion, the board of directors may consider a special dividend, where appropriate.

A final dividend of 72,25371 cents per share was paid on 13 June 2022 to the Company's shareholders for the year ended 28 February 2022.

This dividend equated to a total of R 240 092 349. An interim dividend in respect of the six months ended 31 August 2022 of 68,71483 cents per share was declared on 4 November 2022 and paid on 28 November 2022 to the Company's shareholders. This dividend

equated to a total of R 228 332 980. Dividends totalling R 11 087 273 were paid to the non-controlling shareholders in five subsidiary companies, with an additional dividend payable at year end of R 12 599 147.

Total dividends declared by the Group was therefore R 492 111 748.

The dividends have been declared from distributable earnings and meet the requirement of a REIT "qualifying distribution" for purposes of section 25BB of the Income Tax Act 58 of 1962 (as amended).

The board of directors has approved a final dividend of 72,40709 cents per share for the year ended 28 February 2023.

The Company uses distribution per share as its key performance measure for JSE Trading Statement purposes.

4. DIRECTORS' INTERESTS

Directors' interests in Exemplar shares

John McCormick and Jason McCormick are beneficiaries of the John McCormick Family Trust (JMFT), which is a 0.69% (2022: 0.69%) shareholder of Exemplar and owns 2 299 385 shares in the Company. Additionally, both are directors of McCormick Property Development (Pty) Ltd (MPD), which is a 60.28% (2022: 60.28%) shareholder of Exemplar and owns 200 318 534 (2022: 200 318 534) shares in the Company.



Set out below are the names of directors of the Company that, directly or indirectly, are beneficially interested in Exemplar shares in issue at the last practicable date. No directors have resigned from the Company since the date of incorporation of the Company.

2023						
Directors	Beneficially held					Number of shares subject to security, guarantee, collateral or otherwise
	Directly	Indirectly	Associate	Total	%	
Church, DA	1	4 280 972	-	4 280 973	1.29	-
McCormick, J (Jason)	-	257 563 471	-	257 563 471	77.51	-
McCormick, J (John)	-	254 349 720	-	254 349 720	76.54	-

2022						
Directors	Beneficially held					Number of shares subject to security, guarantee, collateral or otherwise
	Directly	Indirectly	Associate	Total	%	
Church, DA	1	4 280 972	-	4 280 973	1.29	-
McCormick, J (Jason)	-	257 563 471	-	257 563 471	77.51	-
McCormick, J (John)	-	254 349 720	-	254 349 720	76.54	-

The JMFT has interests in the following shareholders of Exemplar and is able to exercise or control more than 35% of the voting rights of these entities, which are therefore considered associates.

2023						
Associates	Beneficially held by the associate				JMFT interest in the associate	Number of shares subject to security, guarantee, collateral or otherwise
	Directly	Indirectly	Total	%	%	
Blouberg Mall (Pty) Ltd	14 557 154	-	14 557 154	4.38	80.00	11 645 724
Diepkloof Plaza (Pty) Ltd	16 440 379	-	16 440 379	4.95	40.00	6 527 175
Olievenhout Plaza (Pty) Ltd	12 810 228	-	12 810 228	3.86	100.00	12 810 228
Modjadji Plaza (Pty) Ltd	7 924 040	-	7 924 040	2.38	100.00	7 924 040

2022					JMFT interest in the associate	Number of shares subject to security, guarantee, collateral or otherwise
Associates	Beneficially held by the associate					
	Directly	Indirectly	Total	%	%	Total
Blouberg Mall (Pty) Ltd	14 557 154	-	14 557 154	4.38	80.00	11 645 724
Diepkloof Plaza (Pty) Ltd	16 440 379	-	16 440 379	4.95	40.00	6 527 175
Olievenhout Plaza (Pty) Ltd	12 810 228	-	12 810 228	3.86	100.00	12 810 228
Modjadji Plaza (Pty) Ltd	7 924 040	-	7 924 040	2.38	100.00	7 924 040

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

Directors' interests in transactions

Save for the Mamelodi Square Proprietary Limited acquisition and as disclosed in the above and in note 35 – Directors' Emoluments, 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 current financial year or immediately preceding the financial year or during any earlier financial year and which remain in any respect outstanding.

5. GOING CONCERN

The directors believe that the Group and Company have adequate financial resources to continue in operation for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis. This assessment is supported by the Group's budgets for the 2024 financial year. Furthermore, 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 foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group and Company.

6. 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 this report.

7. AUDITOR

BDO South Africa Incorporated were appointed as auditors for the Group for 2023 in accordance with section 90 of the Companies Act of South Africa.

At the AGM, the shareholders will be requested to reappoint BDO South Africa Incorporated as the independent external auditor of the Group and to confirm Mr Stephen Shaw as the designated engagement audit partner for the 2024 financial period.

8. SECRETARY

The company secretary is Ananda Booysen.

The Group financial statements set out on pages 14 to 60, which have been prepared on the going concern basis, were approved by the board of directors on 29 May 2023, and were signed on their behalf by:



Jason McCormick
CEO
29 May 2023



Duncan A Church
CFO
29 May 2023



INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of Exemplar REITail Limited (the Group and Company) set out on pages 14 to 60, which comprise the consolidated and separate statements of financial position as at 28 February 2023, 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 a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Exemplar REITail Limited as at 28 February 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards 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.



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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment property - Group and Company Significant judgements and estimates are required to be applied, by the directors, in determining the fair value of investment property. The portfolio is valued annually by an external independent valuator – Quadrant Properties Proprietary Limited. The valuations were based on both discounted cash flow and income capitalisation models. Note 3 Investment property to the consolidated and separate financial statements sets out the most significant inputs into these valuations, all of which are unobservable. We considered the valuation of investment property a matter of most significance to our current year audit of the consolidated and separate financial statements due to the significance of the balance, the significant judgements and estimates associated with determining fair value and the sensitivity of the valuations to changes in assumptions.	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none">- 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. We also obtained a signed declaration of his independence with regard to his dealings with management and performance of the valuations;- We inspected the valuation reports and evaluated the valuation approach against the requirements of International Financial Reporting Standards and industry best practice to assess whether they were suitable for use in determining the fair value of the investment property. We furthermore assessed that the valuation approach had been applied consistently;- Making use of our internal valuations expertise, we compared the significant assumptions and judgements as noted in note 3 to the consolidated and separate financial statements, against historical inputs and market data, where available, and investigated unexpected movements;- For all properties, the calculations were assessed for mathematical accuracy;- The forecast revenue applied in the first year of both the discounted cash flow (DCF) model and income capitalisation model was assessed for reasonability. The inputs used to generate the revenue forecast were agreed to a sample of underlying contracts and compared to the current year revenue for reasonability;- The projected property expenses applied in the first year of both the DCF and income capitalisation model was assessed for reasonability. This was performed by comparison to 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 to underlying lease information, available industry data for similar investment properties and our knowledge of the client; and- We assessed the disclosure in the financial statements, including disclosure on significant inputs and sensitivity analysis against the requirements of International Financial Reporting Standards.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Exemplar REITail Limited Annual Financial Statements for the year ended 28 February 2023", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, 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 International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated 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 group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

may cast significant doubt on the group's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated 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
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 Exemplar REITail Limited for 5 years.

BDO South Africa Inc

BDO SOUTH AFRICA INCORPORATED

Registered Auditors

G M CHAITOWITZ

Director

Registered Auditor

29 May 2023

Wanderers Office Park
52 Corlett Drive
Illovo, 2196



STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	GROUP		COMPANY	
		2023 R	2022 R	2023 R	2022 R
Assets					
Non-Current Assets					
Investment property	3	8 045 587 084	6 921 601 401	3 777 973 428	3 256 619 505
Investments in subsidiaries	4	-	-	1 027 888 215	937 902 051
Operating lease asset	3	190 144 721	149 074 171	104 110 000	80 263 188
Property, plant and equipment	5	19 864 961	23 102 191	236 154 466	179 960 952
Derivative financial instruments	6	-	30 898 965	-	18 928 492
		8 255 596 766	7 124 676 728	5 146 126 109	4 473 674 188
Current Assets					
Derivative financial instruments	6	43 131 204	-	27 838 007	-
Loans to subsidiaries	7	-	-	1 788 080 572	1 534 940 090
Loans receivable	8	35 191 989	47 583 921	32 480 916	44 082 248
Trade and other receivables	9	70 615 587	57 125 176	29 202 723	27 389 850
Cash and cash equivalents	10	59 218 534	289 513 837	46 787 331	279 756 830
Dividend receivable		-	-	20 929 442	19 084 921
		208 157 314	394 222 934	1 945 318 991	1 905 253 939
Total Assets		8 463 754 080	7 518 899 662	7 091 445 100	6 378 928 127
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Stated capital	11	3 310 533 449	3 310 533 449	3 310 533 449	3 310 533 449
Retained income		1 371 869 450	926 319 234	679 272 231	463 785 593
Share based payment reserve	12	3 866 247	-	3 866 247	-
		4 686 269 146	4 236 852 683	3 993 671 927	3 774 319 042
Non-controlling interest	13	224 400 569	263 932 445	-	-
		4 910 669 715	4 500 785 128	3 993 671 927	3 774 319 042
Liabilities					
Non-Current Liabilities					
Financial liabilities	14	2 545 876 967	2 666 134 133	2 545 876 967	2 231 134 133
Lease liabilities	15	46 394 810	24 806 296	12 980 934	12 397 214
Deferred tax	16	165 863 720	114 377 508	122 480 265	84 184 315
		2 758 135 497	2 805 317 937	2 681 338 166	2 327 715 662
Current Liabilities					
Financial liabilities	14	435 000 000	-	-	-
Trade and other payables	17	226 952 850	198 545 490	82 568 871	83 921 642
Lease liabilities	15	3 896 871	3 031 781	1 174 618	2 284 316
Loans from subsidiaries	18	-	-	216 191 518	190 687 465
Dividends payable		12 599 147	11 219 326	-	-
Vendor finance payable	42	116 500 000	-	116 500 000	-
		794 948 868	212 796 597	416 435 007	276 893 423
Total Liabilities		3 553 084 365	3 018 114 534	3 097 773 173	2 604 609 085
Total Equity and Liabilities		8 463 754 080	7 518 899 662	7 091 445 100	6 378 928 127



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2023

		GROUP		COMPANY	
		2023	2022	2023	2022
	Notes	R	R	R	R
Rental income and recoveries	19	1 047 494 888	884 605 655	488 030 137	422 841 977
Property operating costs	20	(354 957 853)	(334 529 969)	(175 853 833)	(164 979 732)
Gross profit		692 537 035	550 075 686	312 176 304	257 862 245
Other income	21	55 388 755	77 356 988	94 959 573	73 120 025
Administrative expenses and corporate costs		(50 981 658)	(39 103 374)	(46 931 617)	(32 320 422)
Operating profit	22	696 944 132	588 329 300	360 204 260	298 661 848
Investment income	23	34 666 057	15 751 287	293 974 734	252 297 162
Insurance claim on material loss	24	69 165 709	289 284 299	69 165 709	248 691 183
(Impairment loss) / reversal of impairment loss	25	-	-	(27 359 300)	6 253 676
Finance costs	26	(200 414 261)	(166 055 710)	(179 729 299)	(139 620 886)
Fair value adjustments on investment property	3	467 611 026	265 128 923	197 042 298	(40 367 362)
Fair value adjustments on derivative financial instruments		12 232 239	13 818 316	8 909 515	9 712 450
Profit before taxation		1 080 204 902	1 006 256 415	722 207 917	635 628 071
Taxation	27	(51 486 212)	(11 296 673)	(38 295 950)	(17 951 495)
Profit for the period		1 028 718 690	994 959 742	683 911 967	617 676 576
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1 028 718 690	994 959 742	683 911 967	617 676 576
Profit attributable to:					
Owners of the parent		975 341 712	914 274 605		
Non-controlling interest	13	53 376 978	80 685 137		
		1 028 718 690	994 959 742		
Total comprehensive income attributable to:					
Owners of the parent		975 341 712	914 274 605		
Non-controlling interest	13	53 376 978	80 685 137		
		1 028 718 690	994 959 742		
Earnings per share					
Basic earnings per share (cents)	34	293,52063	275,14301		
Diluted earnings per share (cents)		288,46391	275,14301		



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2023

		GROUP					
		Stated capital	Retained income	Share based payment reserve	Total attributable to equity holders of the Company	Non-controlling interest	Total equity
Notes		R	R	R	R	R	R
Balance at 29 February 2021		3 310 533 449	323 814 454	-	3 634 347 903	206 434 950	3 840 782 853
Profit for the period		-	914 274 605	-	914 274 605	80 685 137	994 959 742
Dividends declared and paid		-	(311 769 825)	-	(311 769 825)	(23 187 642)	(334 957 467)
Balance at 28 February 2022		3 310 533 449	926 319 234	-	4 236 852 683	263 932 445	4 500 785 128
Profit for the period		-	975 341 712	-	975 341 712	53 376 978	1 028 718 690
Dividends declared	33	-	(468 425 329)	-	(468 425 329)	(23 686 419)	(492 111 748)
IFRS 2 Charge		-	-	3 866 247	3 866 247	-	3 866 247
Acquisition of non controlling interest	40	-	-	-	-	(69 222 435)	(69 222 435)
Premium paid on acquisition of non controlling interest	40	-	(61 366 167)	-	(61 366 167)	-	(61 366 167)
Balance at 28 February 2023		3 310 533 449	1 371 869 450	3 866 247	4 686 269 146	224 400 569	4 910 669 715
Notes		11		12		13	

		COMPANY			
		Stated capital	Retained income	Share based payment reserve	Total equity
		R	R	R	R
Balance at 29 February 2021		3 310 533 449	157 878 842	-	3 468 412 291
Profit for the period		-	617 676 576	-	617 676 576
Dividends declared and paid		-	(311 769 825)	-	(311 769 825)
Balance at 28 February 2022		3 310 533 449	463 785 593	-	3 774 319 042
Profit for the period		-	683 911 967	-	683 911 967
Dividends declared	33	-	(468 425 329)	-	(468 425 329)
IFRS 2 Charge		-	-	3 866 247	3 866 247
Balance at 28 February 2023		3 310 533 449	679 272 231	3 866 247	3 993 671 927
Note		11		12	



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2023

		GROUP		COMPANY	
		2023	2022	2023	2022
	Notes	R	R	R	R
Cash flows from operating activities					
Cash generated from operations	28	688 955 292	606 402 457	344 133 808	322 729 134
Interest income received		34 666 057	15 751 287	89 361 622	106 869 031
Finance costs paid	26	(214 274 905)	(175 063 335)	(176 986 465)	(150 179 971)
Dividend income received		-	-	202 768 594	126 343 210
Dividends paid	33	(490 731 927)	(323 738 141)	(468 425 329)	(311 769 825)
Net cash from operating activities		18 614 517	123 352 268	(9 147 770)	93 991 579
Cash flows from investing activities					
Additions to investment property	3	(500 398 423)	(253 118 157)	(210 353 359)	(21 897 294)
Proceeds from material loss insurance claim	24	69 165 709	289 284 299	69 165 709	248 691 183
Purchase of property, plant and equipment	5	(7 809 619)	(19 395 737)	(60 705 270)	(5 882 375)
Investments in subsidiaries	4	-	-	(137 345 464)	(6 175 106)
Loans receivable repaid	31	12 391 932	5 679 454	11 601 332	4 107 778
Loans receivable advanced	31	-	(3 355 073)	-	(2 899 859)
Loans to subsidiaries advanced	30	-	-	(689 930 231)	(517 350 359)
Loans to subsidiaries repaid	30	-	-	456 789 750	365 334 131
Net cash from investing activities		(426 650 401)	19 094 786	(560 777 534)	63 928 099
Cash flows used in financing activities					
Acquisition of non-controlling interest	40	(133 282 500)	-	-	-
Loans from subsidiaries advanced	32	-	-	50 596 387	83 618 183
Loans from subsidiaries repaid	32	-	-	(25 092 334)	(99 870 139)
Repayment of lease liabilities	15	(976 920)	(595 517)	(548 248)	-
Proceeds from financial liabilities	29	312 000 000	2 438 454 541	312 000 000	2 438 454 541
Repayment of financial liabilities	29	-	(2 331 454 542)	-	(2 331 454 542)
Net cash from financing activities		177 740 580	106 404 482	336 955 805	90 748 043
Total cash movement for the period		(230 295 303)	248 851 536	(232 969 499)	248 667 721
Total cash at beginning of the period		289 513 837	40 662 301	279 756 830	31 089 109
Total cash at end of the period	10	59 218 534	289 513 837	46 787 331	279 756 830



ACCOUNTING POLICIES

CORPORATE INFORMATION

Exemplar REITail Limited ("**Exemplar**" or the "**Company**") is a corporate REIT incorporated and registered in South Africa.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Group and Company financial statements are set out below.

1.1 BASIS OF PREPARATION

The Group and Company financial statements are prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair value. The financial statements are prepared on the going concern basis. They are presented in Rand, which is the Group and Company's functional currency, and all values are rounded to the nearest Rand.

The Group financial statements have been prepared in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS"), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act 71 of 2008 of South Africa, as amended, ("the Companies Act") and the Listings Requirements of the JSE Limited.

The accounting policies are consistent with those applied in the prior periods.

1.2 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses, as well as judgements used in accounting for the acquisitions of the asset portfolios and effective dates. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making its judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates

are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Assumptions and estimation uncertainties

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions concerning the future as described below. Estimates and assumptions, an integral part of financial reporting, have an impact on the amounts reported for the Group's assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment in the year ended 28 February 2023 is included in the following notes:

Investment property valuation – note 3

The property portfolio is valued externally by a professional valuer on an annual basis using the discounted cash flow method. Cash flow projections are based on estimates of future net rental cash flows, discounted using rates that reflect current market assessments, together with external evidence such as current market rentals for similar properties in the same location.

Future rentals are estimated taking into account existing lease contracts and escalations, location, the condition of the property, lease covenants, current market rentals, conditions and the economy.

Estimation is therefore used in determining the appropriate inputs to estimate the fair value of the investment property.

Impairment of non-financial assets - note 5

The Group tests whether assets have suffered any impairment in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on future cash flows discounted to their present value using appropriate rates. Estimates are based on interpretation of generally accepted industry-based market forecasts.



Impairment of staff scheme loans – note 8

Staff scheme loans under the share purchase scheme were granted to staff to align the interests of staff, management and executive directors to shareholders. The impairment and recoverability of the staff scheme loans requires key assumptions and estimation uncertainty. The components of the calculation that have a significant risk of resulting in a material adjustment to the carrying amount within the next financial year are those of employee longevity and the value of the shares. This risk is mitigated by the employee obligation to settle the difference between the value of the shares and the outstanding loan balance on cessation of employment. No debt to any staff member has been written off and the full loan amounts owing to Exemplar still remain.

Impairment of trade and other receivables – note 9

In these unprecedented times, determining the recoverability of receivables is a key source of estimation uncertainty for most companies due to the high concentration of customers likely to be facing financial difficulty or insolvency. Impairment adjustments are raised against trade receivables in terms of IFRS 9's ECL model. This is achieved by converting a historic ECL into a probability-weighted forward-looking ECL. At year-end, the probability-weighted forward-looking ECL was adjusted to account for the state of the economy. Management has therefore given careful consideration to indicators that their customers may be experiencing financial difficulty, such as later than normal payments or partial payments, and recognise impairment losses or makes realistic provisions based on the losses expected, net of the VAT clawback and deposits or guarantees held.

Judgements

IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Accounting policies

Note 1.3 - Consolidation: in reaching a conclusion on whether the Group has de facto control over an investee (see Note 4 - Investments in subsidiaries);
Note 1.4 - Joint arrangements: in assessing the substance of an investor's interest by virtue of contractual agreement (see note - 41 Joint operations);
Note 1.10 - Leases: whether an arrangement contains a lease.

Acquisition of assets and liabilities – note 39

The appropriate accounting treatment of acquisitions requires judgement in the determination of whether a transaction meets the definition of a business combination in terms of IFRS 3 and in conducting a control assessment in accordance with IFRS 10 to determine whether control has been obtained.

1.3 CONSOLIDATION

Basis of consolidation

Subsidiaries

The Group financial statements include the financial statements of the Company and subsidiaries that it controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the elements of control.

The results of subsidiaries are included from the date control was acquired up to the date control ceased. Cost comprises the fair value of any assets transferred, liabilities or obligations assumed and equity instruments issued, less transaction costs.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated in the preparation of the consolidated financial statements. The accounting policies of the subsidiaries are consistent with those of the Group.

Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses where necessary.

1.4 JOINT ARRANGEMENTS

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Company recognises the following in relation to its interests in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its share of expenses, including its share of any expenses incurred jointly.



1.5 INVESTMENT PROPERTY

The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised when it is probable that there will be future economic benefits from the use of the asset. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment property is measured at fair value. Fair values are determined annually by an external independent registered valuer on the open market value basis. The valuer uses either the discounted cash flow method or the capitalisation of net income method or a combination of both methods to determine fair value.

Gains or losses arising from changes in the fair values of investment property are included in profit or loss for the year in which they arise. Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss in the period during which it occurs.

Tenant installation costs are capitalised and amortised over the period of the respective lease. The carrying value of tenant installations is included with investment properties.

Leased property

At the beginning of an arrangement, the Group assesses whether or not it contains a lease. An agreement is or contains a lease if it transfers the right to control the use of an asset identified for a period of time in exchange for consideration.

The present value of the lease liability on commencement date equals the fair value of the right of use asset, if determinable (i.e. rate implicit in the lease). If not determinable, the present value of the lease is calculated using the incremental borrowing rate.

At initial recognition, the lease liability is initially measured at the present value of the lease payments. The asset is recognised at the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, less any lease incentives received.

The arrangement whereby a property is held under a lease and leased out under operating leases is considered to be a sublease, classified as investment property and stated at fair value.

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method, to write off the costs to their residual values over their estimated useful lives. The depreciation rates applicable are as follows:

Item	Average useful life
Computer equipment	3 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	5 years
Meter reading equipment	5 years
Solar assets	25 years
panels and installation	
Solar assets	10 years
inverters and accessories	

The useful lives and residual values of property, plant and equipment are assessed annually.

1.7 FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of derivative instruments, trade and other receivables, trade and other payables, cash and borrowings. 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.

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

Cash and equivalents

- Carried at amortised cost.

Derivative financial instruments

- Carried at fair value, with gain or loss on measurement to fair value recognised immediately in profit or loss.
- Directly attributable transaction costs are recognised in profit or loss when incurred.

Trade and other receivables

- Stated at amortised cost using the effective interest method less accumulated impairment losses.

Trade and other payables

- Stated at amortised cost using the effective interest method.

Related party loans receivable

- Stated at amortised cost using the effective interest method less accumulated impairment losses.

Related party loans payable

- Stated at amortised cost using the effective interest method.

Financial liabilities

- Non-derivative financial liabilities not at fair value through profit and loss are recognised at amortised cost using the effective interest method.

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



Derecognition

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flow from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where the terms of an existing liability are substantially modified, the exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Interest-bearing borrowings

Interest-bearing borrowings comprise long-term loans from various financial institutions which accrue interest over the pre-determined loan period.

1.8 IMPAIRMENT

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in profit or loss.

The recoverable amount of an asset or a cash-generating unit is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For any asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised.

Financial assets

In terms of IFRS 9 an entity is required to recognise an expected credit loss on a financial asset at amortised cost based on unbiased, forward-looking information. Exposures would be divided into the following three stages:

- Stage 1: 12-month expected credit loss will be recognised on exposures where the credit risk has not significantly increased since origination.
- Stage 2: Lifetime expected credit losses will be recognised for exposures with a significant increase in credit risk since origination.
- Stage 3: Lifetime expected credit losses will be recognised on exposures that meet the definition of default.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the probability weighted estimated future cash flows discounted at the pre-tax discount rate that reflects current market assessments of the time value of money, certain forward-looking information, including estimates of economic growth, the expected value of the assets and forecast of returns, and the risks specific to the asset.

Significant financial assets are tested for impairment individually. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment losses are recognised separately in profit or loss, and disclosed on the face of the Statement of Comprehensive Income if material.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss initially been recognised.

Trade receivables and lease receivables - Note 9

An entity has a policy choice to apply either the simplified approach or the general approach for all lease receivables that result from transactions that are within the scope of IFRS 16. The simplified approach does not



require an entity to track the changes in credit risk, but instead, requires the entity to recognise a loss allowance based on lifetime expected credit losses (ECLs) at each reporting date, right from origination.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on an individual basis, trade receivables are assessed net of the value-added tax clawback and deposit or guarantee held. Arrears aged 60 days and over are in most instances deemed to be irrecoverable and provided for. The expected loss rates are based on the Group's historical credit losses experienced over the period prior to the period end and are reassessed at each reporting date. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers, as well as potential changes in the debtors risk profiles. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

Trade receivables are written off when internal and initial legal collection processes have been exhausted and a judgement is made that the amount is likely not recoverable. Factors considered when monitoring credit risk and determining write-offs include the financial status of the debtor or counterparty, existence and quality of security, disputes and failure of the debtor to engage on payment plans or untraceable debtors.

Impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. Judgement, based on past history, existing market conditions and forward-looking estimates of economic growth and forecast of retail sales, are used in making these assumptions.

Loans to subsidiaries and loans receivable - Note 7 and 8

A significant increase in credit risk (SICR), in the context of IFRS 9, is a significant change in the estimated default risk. A default event is the failure of a debtor to fulfil an obligation to settle monies owed to the Group in a timely manner. The Group uses a forward-looking approach to assess significant increase in credit and default risk of customers as part of the entity's internal credit risk management practices, that incorporates value judgements, market indicators and dealing with other relevant qualitative factors. Once assessed, the Group will consider write off when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand. This is assessed based on the number of factors, including various liquidity and solvency ratios.

SICR assessment is performed qualitatively by reference to the borrower's cash flow and liquid asset position. The risk that the borrower will default on a demand loan depends on whether the subsidiary has sufficient cash or other liquid assets to repay the loan immediately (meaning that the risk of default is very low, possibly

close to 0%) or it will not (meaning that the risk of default is very high, possibly close to 100%). A loan is considered to be credit impaired if it meets the definition of a defaulted loan.

Investments in subsidiaries - Note 4

The carrying value of each investment in subsidiary 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.

1.9 LEASES

A lease, where the Group acts as a lessor, is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

A lease liability and right of use asset is recognised for all leases where the Group acts as a lessee.

Leases - Lessor

Due to the nature of the Group's lease agreements, they are considered to be operating leases. Operating lease income is recognised as an income on a straight-line basis over the lease term.

Turnover rentals (variable rentals based on the turnover achieved by a tenant) are included in revenue when the amounts can be reliably measured. When a contract includes both lease and non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.

Income for leases is disclosed under rental income and recoveries in profit or loss.

Leases - Lessee

Refer to investment property (accounting policy note 1.5).

1.10 RENTAL INCOME AND RECOVERIES

Rental income and recoveries comprises gross rental revenue, operating cost recoveries, as well as marketing and parking income, excluding value added taxation.

The Group recognises revenue in accordance with:

- IFRS 16 – Contractual rental income; and
- IFRS 15 – Revenue from cost recoveries.

Rental revenue from investment property is recognised on a straight-line lease basis on commencement of a lease and is measured based on the consideration specified in the contract. Operating cost recoveries, comprising the Group's recovery of costs for providing the tenant with services as determined by the lease agreement, are levied monthly in arrears. Operating cost recoveries are based on consumption and actual expenses incurred and are accounted for in accordance with IFRS 15. Rental and recoveries are billed on a monthly basis and payment is due by the first of the month. Turnover rental, income from marketing and parking is recognised when the amounts can be reliably measured.



1.11 INVESTMENT INCOME

Interest is recognised, in profit and loss, using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

1.12 OTHER INCOME

Administration and management fees received are recognised when the services are rendered.

1.13 PROPERTY OPERATING EXPENSES

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

1.14 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Equity - settled instruments

The fair value of options granted in terms of the employee share scheme is determined on grant date and amortised over the vesting period.

1.15 INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, after deducting the qualifying distribution for that year of assessment, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

In accordance with the Group's status as a REIT, the dividend declared meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act, 58 of 1962, (as amended) (the "Income Tax Act").

Deferred tax is provided using the statement of financial position method, based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As the Group has obtained REIT status effective 12 June 2018, the Group is not liable for capital gains tax on the disposal of directly held properties and local REIT securities. In addition, no deferred tax has been provided on movements in the fair value of investment property as no capital gains tax is payable on disposal of properties due to the REIT legislation. Deferred tax has been provided for capital allowances claimed in respect of investment property acquired in terms of the business acquisitions which allowances will be recouped on the disposal of such assets.

1.16 FINANCE COSTS

Finance costs comprise interest payable on borrowings calculated using the effective interest method.

1.17 SEGMENTAL REPORTING

The Group identifies and presents operating segments based on the information that is provided internally to the Group's management and internal reporting structure which will be determined by the Group's executive committee. A segment is a distinguishable component of the group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

There are no secondary segments. The Group's primary segment is based on geographical segments and are determined based on the location of the properties, presented by province.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of Group revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

1.18 EARNINGS PER SHARE

The Group presents basic earnings per share, headline earnings per share, diluted earnings per share and diluted headline earnings per share.

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of shares in issue during the year.

Headline earnings per share is calculated by dividing the headline earnings attributable to equity holders by the weighted average number of shares in issue during the year in accordance with SAICA Circular 01/2021.

Options granted to employees to acquire shares in the Company in terms of the equity-settled share scheme, have a dilutionary effect.

Diluted earnings per share and diluted headline earnings per share are calculated respectively by dividing the profit attributable to equity holders and headline earnings attributable to equity holders by the diluted weighted average shares in issue during the year.



NOTES TO THE GROUP FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the Group has adopted the following amendments to standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to IAS 16 : Property, Plant and Equipment

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets

The amendment clarifies the costs which should be included in the cost of fulfilling a contract and further stipulates that before a separate onerous contract is established, an impairment loss should be recognised on the assets used in fulfilling the contract.

Amendments to IFRS 3: Business combinations

As a result of the post-implementation review of IFRS 3, these amendments modify the definition of a business. These changes will result in fewer acquisitions being accounted for as a business combination within the scope of IFRS 3. The amendments also introduce an optional 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is a business.

The amendments will have no impact on the Group's or Company's financial statements for the current financial year.

2.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 March 2023 or later periods:

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

In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current.

The amendment is effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

IAS 1 Presentation of Financial Statements (Amendment - Disclosure of Accounting Policies)

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates.

Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.



The amendment is effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

IAS 12 Income Taxes (Amendment - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The amendment clarifies whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16).

The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

IBOR Reform and its Effects on Financial Reporting – Phase 2

In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. These amendments complement those made in 2019 ('IBOR – phase 1') and focus on the effects on entities when an existing interest rate benchmark is replaced with a new benchmark rate as a result of the reform.

The Group expects to adopt the amendments to the standards for the first time in the 2024 Group financial statements.

It is unlikely that the amendments to the aforementioned standards will have a significant impact on the Group's or Company's financial statements.

3. INVESTMENT PROPERTY VALUATION

		GROUP		COMPANY	
		2023	2022	2023	2022
	Notes	R	R	R	R
Net carrying value					
Carrying value		7 076 894 432	6 790 152 718	3 528 597 806	3 319 418 090
Cumulative fair value adjustments		968 692 652	131 448 683	249 375 622	(62 798 585)
		8 045 587 084	6 921 601 401	3 777 973 428	3 256 619 505
Reconciliation of investment property					
Investment properties at the beginning of the period		6 921 601 401	6 410 621 712	3 256 619 505	3 188 204 151
Additions		349 902 112	183 629 079	21 330 029	90 509 924
Reclassification from property, plant and equipment	5	9 811 114	-	-	-
Additions - riot damage		188 026 999	58 480 112	188 026 999	17 931 552
Additions - tenant installations		2 481 044	11 008 966	996 331	2 797 276
Tenant installations amortisation	20	(6 763 773)	(6 142 391)	(2 564 003)	(2 456 036)
Cost estimate		(3 582 838)	(1 125 000)	22 269	-
Properties acquired by group	39	116 500 000	-	116 500 000	-
Fair value adjustments		467 611 026	265 128 923	197 042 298	(40 367 362)
Balance at the end of the period		8 045 587 084	6 921 601 401	3 777 973 428	3 256 619 505
Reconciliation to independent valuation					
Investment property as per valuation		8 185 440 124	7 042 837 495	3 867 927 876	3 322 201 163
Operating lease assets		(190 144 721)	(149 074 171)	(104 110 000)	(80 263 188)
Lease liabilities	15	50 291 681	27 838 077	14 155 552	14 681 530
		8 045 587 084	6 921 601 401	3 777 973 428	3 256 619 505

Security over properties

The investment properties have been mortgaged in favour of the lenders disclosed in note 14. Furthermore, the Company and its subsidiaries have irrevocably and unconditionally jointly and severally cross-guaranteed each Group company's obligations to its lenders.

Details of valuation

The investment properties were valued using the discounted cash flow method. The valuations were performed by Quadrant Properties (Pty) Ltd, external independent qualified property valuers, with recent experience in location and category of the investment property being valued. At the financial year end, market related rental income categorised by building location, type and grade, have been used as inputs to the discounted cash flow model.



2023

Geographical location

Significant unobservable inputs and range of estimates used				
	Capitalisation rate	Discount rate	Growth projection in revenue and risk rate	Growth projection in contractual expenses
Gauteng	8.25% - 9.50%	13.50% - 15.00%	5.25% - 5.50%	5.25% - 5.50%
Mpumalanga	8.50% - 12.00% *	14.00% - 17.50% *	5.50%	5.50%
KwaZulu-Natal	9.25% - 10.25%	14.75% - 15.75%	5.50%	5.50%
Limpopo	8.75% - 10.50%	14.25% - 15.75%	5.25% - 5.50%	5.25% - 5.50%
Eastern Cape	8.75% - 9.50%	14.25% - 15.00%	5.50%	5.50%

2022

Building location

Significant unobservable inputs and range of estimates used				
	Capitalisation rate	Discount rate	Growth projection in revenue and risk rate	Growth projection in contractual expenses
Gauteng	8.00% - 9.25%	13.00% - 14.50%	5.26% - 5.94%	5.00% - 5.50%
Mpumalanga	8.25% - 12.00% *	13.50% - 17.00% *	4.96% - 8.59%	5.00% - 5.25%
KwaZulu-Natal	9.00% - 10.00%	14.25% - 15.25%	4.82% - 6.91%	5.25%
Limpopo	8.50% - 10.00%	13.75% - 15.00%	0.00 - 5.45%	5.00% - 5.25%
Eastern Cape	9.25%	14.50%	4.79%	5.25%

* The capitalisation rate and discount rate applied in the valuation of Acornhoek Megacity were 12.00% and 17.50% (2022: 12.00% and 17.00%) respectively. Excluding Acornhoek Megacity, the capitalisation and discount rate ranges for Mpumalanga would be 8.50% - 9.50% (2022: 8.25% - 9.25%) and 14.00% - 15.00% (2022: 13.50% - 14.50%) respectively.

The fair value of the investment property has not been adjusted significantly for the purposes of financial reporting, other than for the lease liabilities and operating lease assets that are recognised separately in the statement of financial position.

Inter-relationship between key unobservable inputs and fair value measurements

The valuations of the investment properties are sensitive to changes in the unobservable inputs used in such valuations. Changes to one of the unobservable inputs, while holding the other inputs constant, would have the following effects on the fair value of the investment property and fair value adjustment in profit or loss:

Input	Change %	2023 R	2022 R
Increase in capitalisation rate	1.00	(725 961 612)	(723 790 057)
Decrease in capitalisation rate	1.00	905 211 393	907 028 046
Increase in discount rate	1.00	(561 415 646)	(506 988 763)
Decrease in discount rate	1.00	561 415 646	506 988 763
Increase in projected revenue growth rate	1.00	905 211 393	907 028 046
Decrease in projected revenue growth rate	1.00	(725 961 612)	(723 790 057)
Increase in projected expense escalation rate	10.00	(556 363 872)	(373 644 846)
Decrease in projected expenses escalation rate	10.00	556 363 872	373 644 846

The fair value gains and losses are disclosed separately on the statement of profit or loss and other comprehensive income. The fair value of investment property is categorised as a level 3 recurring fair value measurement and there has been no transfer between levels in the current year. For the level 3 reconciliation, refer to the reconciliation of investment property contained within this note.

The effective date of the valuations was 28 February 2023 and 28 February 2022 for the prior financial year.



Weighted average rental per m² for rentable area for the month of March

Property	2023 R/m²	2022 R/m²
Acornhoek Megacity	77,67	79,33
Alex Mall	152,66	147,72
Atteridge Stadium Centre	208,40	195,76
Bizana Walk	163,02	N/A
Blouberg Mall	166,06	157,16
Chris Hani Crossing	203,87	192,63
Diepkloof Square	174,33	166,10
Greater Edendale Mall	124,41	* -
Emoyeni Mall	123,40	119,18
Jane Furse Plaza	204,76	192,41
Katale Square	131,92	126,75
KwaBhaca Mall	152,02	N/A
Kwagga Mall	170,15	165,01
Lusiki Plaza	142,14	134,58
Maake Plaza	164,47	153,23
Mabopane Square	145,96	142,87
Mall of Thembisa	148,24	143,90
Mamelodi Square	142,32	N/A
Mandeni Mall	147,37	141,60
Modimall	124,67	117,09
Modjadji Plaza	175,92	164,26
Olievenhout Plaza	174,54	166,38
Phola Mall	166,00	156,62
Theku Plaza	159,27	150,75
Thorntree Shopping Centre	167,64	162,30
Tsakane Mall	198,45	189,85

* Due to the damage caused during the July 2021 riots, Greater Edendale Mall was in the process of being rebuilt during the previous financial year.



4. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled directly by the Company, and the carrying amounts of the investments in the Company's financial statements:

Name of company	Notes	2023		2022	
		% holding	Carrying amount R	% holding	Carrying amount R
Alex Mall (Pty) Ltd		100.00	174 956 260	100.00	174 956 260
Bizana Walk (Pty) Ltd		60.00	89 604	60.00	600
Exemplar Leasing (Pty) Ltd		100.00	100	100.00	100
Exemplar Utilities (Pty) Ltd		100.00	100	100.00	100
Farisani Business Enterprise (Pty) Ltd		65.00	6 881 058	65.00	4 929 000
Katale Square (Pty) Ltd		100.00	19 373 775	100.00	19 373 775
KwaBhaca Mall (Pty) Ltd		60.00	3 268 009	60.00	1 246 106
Mabopane Square (Pty) Ltd		100.00	36 868 955	100.00	36 868 955
Maake Plaza (Pty) Ltd	25	100.00	59 809 934	100.00	69 756 526
Mall of Thembisa (Pty) Ltd	25 & 40	100.00	123 395 118	50.10	27 525 327
Mandeni Plaza (Pty) Ltd		50.00	25 881 595	50.00	25 881 595
Modimall (Pty) Ltd		100.00	63 409 206	100.00	63 409 206
Phola Mall (Pty) Ltd		53.00	77 416 382	53.00	77 416 382
Theku Plaza (Pty) Ltd		82.50	84 396 835	82.50	84 396 835
Tsakane Mall (Pty) Ltd		100.00	352 141 284	100.00	352 141 284
			1 027 888 215		937 902 051

The carrying amounts are stated net of impairments (refer to note 25).

Mandeni Plaza (Pty) Ltd is considered to be a subsidiary of the Company, as control is evidenced by virtue of the Company's power to appoint or remove the majority of the members of the board of directors. The entity has been consolidated accordingly.

During the current financial year the Company acquired the non controlling interest in the Mall of Thembisa Pty (Ltd), (refer to note 40).

There is no non-controlling interest reflected for Farisani Business Enterprise (Pty) Ltd as it is a newly incorporated entity which is to be used in the development Vuwani Mall in Limpopo.

All subsidiaries are incorporated and have their principal place of business in South Africa.



5. PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Notes				
Computer equipment	939 653	365 999	756 728	182 243
Cost	1 727 986	771 628	1 357 892	499 059
Accumulated depreciation	(788 333)	(405 629)	(601 164)	(316 816)
Furniture and fixtures	475 979	451 406	192 172	150 088
Cost	1 379 754	1 159 399	452 226	349 139
Accumulated depreciation	(903 775)	(707 993)	(260 054)	(199 051)
Office equipment	3 589 486	1 185 331	2 598 747	958 686
Cost	4 839 880	1 972 842	3 439 485	1 416 124
Accumulated depreciation	(1 250 394)	(787 511)	(840 738)	(457 438)
Motor vehicles	1 729 982	544 875	1 729 982	544 875
Cost	2 067 258	697 326	2 067 258	697 326
Accumulated depreciation	(337 276)	(152 451)	(337 276)	(152 451)
Meter reading and solar equipment	11 987 788	20 554 580	229 734 764	178 125 060
Cost	12 014 164	20 571 417	234 027 126	178 819 144
Accumulated depreciation	(26 376)	(16 837)	(4 292 362)	(694 084)
Office building	1 142 073	-	1 142 073	-
Cost	1 142 073	-	1 142 073	-
Accumulated depreciation	-	-	-	-
	19 864 961	23 102 191	236 154 466	179 960 952

Reconciliation of property, plant and equipment

Property, plant and equipment at the beginning of the period	23 102 191	4 542 866	179 960 952	1 466 183
Additions	7 809 619	19 395 737	60 705 270	179 676 921
Computer equipment	956 358	229 630	858 833	82 772
Furniture and fixtures	220 356	48 500	103 087	-
Office equipment	2 867 038	775 004	2 023 361	775 005
Motor vehicles	1 369 931	-	1 369 931	-
Buildings	1 142 073	-	1 142 073	-
Meter reading equipment and solar assets	1 253 863	18 342 603	55 207 985	178 819 144
		-	-	-
Reclassification to investment property	3 (9 811 114)	-	-	-
Depreciation	(1 235 735)	(836 412)	(4 511 756)	(1 182 152)
Computer equipment	(382 706)	(222 480)	(284 348)	(150 326)
Furniture and fixtures	(195 782)	(203 598)	(61 002)	(54 167)
Office equipment	(462 882)	(322 566)	(383 301)	(204 814)
Motor vehicles	(184 825)	(78 759)	(184 825)	(78 759)
Meter reading and solar equipment	(9 540)	(9 009)	(3 598 281)	(694 086)
	19 864 961	23 102 191	236 154 466	179 960 952

Included in the cost of meter reading and solar equipment is R11 966 233 (2022: R20 526 235) of solar components which have not yet been installed or brought into use.

Solar assets of R222 833 780 (2022: R178 819 144) owned by the Company and installed on the roofs of properties held through subsidiaries are classified as property, plant and equipment in the Company and on consolidation are reclassified to investment property.



6. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Hedging derivatives				
Interest rate derivatives	43 131 204	30 898 965	27 838 007	18 928 492
2023				
Transaction	Fixed rate payer	Floating rate payer	Rate	Notional
Interest rate swap	Exemplar	Counterparty	4.295%	R 850 000 000
Interest rate swap	Mall of Thembisa	Counterparty	4.130%	R 435 000 000
2022				
Transaction	Fixed rate payer	Floating rate payer	Rate	Notional
Interest rate cap	Exemplar	Counterparty	4.295%	R 850 000 000
Interest rate cap	Mall of Thembisa	Counterparty	4.130%	R 435 000 000

The Group utilises these derivative financial instruments to hedge all, or a portion, of the interest rate risk associated with its borrowings. The principal objective of such arrangements is to minimise the risks and / or costs associated with the Company's operating and financing structure. The Company and Mall of Thembisa (Pty) Ltd interest rate swap arrangements terminate on 11 December 2023 and 15 January 2024 respectively. The Company does not apply hedge accounting in terms of IFRS 9.

The derivative financial instruments were valued by ABSA Bank Limited as being the difference between the present value of interest payments at the fixed rate and the projected interest payments based on the forward yield curve. The Company and the Group subsidiary do not utilise derivatives for speculative or other purposes other than interest rate risk management.

Refer to note 38, Risk management for further details.



7. LOANS TO SUBSIDIARIES

	2023 R	2022 R
Alex Mall (Pty) Ltd The loan is unsecured, bears interest at 7.15% (2022: 6.31%) and has no fixed terms of repayment.	288 299 090	289 046 193
Bizana Walk (Pty) Ltd The loan is unsecured, bears interest at the prime lending rate plus 2% (2022: prime plus 1.75%) and has no fixed terms of repayment.	85 733 156	3 110 578
Exemplar Leasing (Pty) Ltd The loan is unsecured, bears no interest (2022: 6.31%) and has no fixed terms of repayment.	1 600 000	1 054 983
Katale Square (Pty) Ltd The loan is unsecured, bears interest at 7.15% (2022: 6.31%) and has no fixed terms of repayment.	96 711 284	98 174 429
KwaBhaca Mall (Pty) Ltd The loan is unsecured, bears interest at the prime lending rate (2022: prime lending rate) and has no fixed terms of repayment.	295 561 570	133 752 200
Mabopane Square (Pty) Ltd The loan is unsecured, bears interest at 7.15% (2022: 6.31%) and has no fixed terms of repayment.	120 589 874	122 704 248
Mall of Thembisa (Pty) Ltd The loan is unsecured, bears no interest (2022: prime +10%) and has no fixed terms of repayment	237 921 650	216 059 729
Mandeni Plaza (Pty) Ltd The loan is unsecured, bears interest at 7.15% (2022: 6.31%) and is repayable on demand.	106 204 246	104 453 834
Modimall (Pty) Ltd The loan is unsecured, bears interest at 7.15% (2022: 6.31%) and has no fixed terms of repayment.	189 491 161	198 965 591
Phola Mall (Pty) Ltd The loan is unsecured, bears interest at 7.15% (2022: 6.31%) and is repayable on demand.	274 721 656	277 890 773
Theku Plaza (Pty) Ltd The loan is unsecured, bears interest at 7.15% (2022: 6.31%) and is repayable on demand.	80 309 630	80 844 816
Tsakane Mall (Pty) Ltd The loan is unsecured, bears interest at 7.15% (2022: 6.31%) and has no fixed terms of repayment.	10 937 255	8 882 716
	1 788 080 572	1 534 940 090

The credit risk of these transactional loans is low considering, inter alia, that the subsidiaries property value and rental yield are expected to remain at or above current levels. The net asset value of each subsidiary is sufficient to cover the value of its loan and therefore management considers the loans recoverable. The loans are repayable on demand and the liquid assets do not cover the loan payable, hence the loans are in default and an assessment is done based on stage 3: lifetime expected credit losses. All available forward-looking information, including estimates of economic growth, the expected value of the investment properties and forecast of retail sales, were taken into account, which indicated that no expected credit loss exists and consequently the loans were not impaired.



8. LOANS RECEIVABLE

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Moemedi Enterprise (Pty) Ltd T/A Roots Katale Square	2 711 073	3 501 673	-	-
The loan is secured by equipment with a cost of R5 805 660, bears interest at 11% NACM and is repayable in monthly instalments.				
Employee share scheme	32 480 916	44 082 248	32 480 916	44 082 248
	35 191 989	47 583 921	32 480 916	44 082 248

In order to align the interests of the employees with those of the shareholders, the company provides eligible employees with the opportunity to acquire shares. The share debt bears interest from time to time at a rate determined by the directors, currently 6.5% (2022: 6.5%), until repaid in full. Dividends (or other distributions) on the plan shares are applied against the interest and the balance is credited to the outstanding debt.

Number of shares in issue at the beginning of the year	4 350 100	4 350 100	4 350 100	4 350 100
Number of shares settled during the year	(875 000)	-	(875 000)	-
Number of shares in issue at the end of the year	3 475 100	4 350 100	3 475 100	4 350 100
Number of shares authorised to be issued under the scheme	10 000 000	10 000 000	10 000 000	10 000 000
Number of shares issued under the scheme	(4 350 100)	(4 350 100)	(4 350 100)	(4 350 100)
Number of shares available for issue under the scheme at the end of the year	5 649 900	5 649 900	5 649 900	5 649 900

Should an employee vacate office prior to settlement and the value of the shares falls below the outstanding loan balance, the employee will be obliged to settle the difference.

The credit risk of the employee share scheme and the Moemedi Enterprise (Pty) Ltd loans are low considering, inter alia, that the net value of the shares would be sufficient to cover the share scheme debt and that the Moemedi Enterprise (Pty) Ltd loan is secured by the assets and fixtures of the Roots Katale Square store. The loans met the requirements for low risk financial assets and consequently 12-month expected credit losses were evaluated. A probability weighted risk of default during the next 12 months was applied to exposure at default. All available forward-looking information, including profit forecasts, estimates of economic growth and the expected value of the shares, were taken into account, which indicated no expected credit loss and consequently the loans were not impaired.



9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Trade receivables	77 971 294	65 536 664	36 800 589	35 669 253
Expected credit loss of trade receivables	(36 398 198)	(46 291 797)	(18 125 264)	(22 520 296)
	41 573 096	19 244 867	18 675 325	13 148 957
Deposits	23 071 759	24 244 946	9 123 838	9 004 973
Sundry debtors	1 283 828	90 629	467 559	(64 755)
Other prepayments	2 955 086	2 757 016	936 001	1 361 272
Value-added Tax	1 731 818	10 787 718	-	3 939 403
	70 615 587	57 125 176	29 202 723	27 389 850

All amounts are short term. The net carrying amount of trade and other receivables is considered a reasonable approximation of fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on an individual basis, trade receivables are assessed net of the value-added tax clawback and deposit or guarantee held. Arrears aged 60 days and over are in most instances deemed to be irrecoverable and provided for. The expected loss rates are based on the Group's historical credit losses experienced over the period prior to the period end and are reassessed at each reporting date. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers, as well as potential changes in the debtors risk profiles. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

The larger credit loss allowance in the prior year was attributable to the effects of the July 2021 riots.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises:

Cash on hand	159 776	171 200	82 836	98 709
Bank balances	46 220 735	276 783 491	37 574 841	270 666 956
Tenant deposits	12 838 023	12 559 146	9 129 654	8 991 165
	59 218 534	289 513 837	46 787 331	279 756 830
Cash and cash equivalents that are not available for use by the Group and Company	23 235 313	24 896 222	23 235 313	22 091 222

Restricted cash and cash equivalents comprise R 19 487 911 (2022: R 18 343 820) held in a back-to-back Nedbank account linked to guarantees issued to the City of Tshwane Metropolitan Municipality, as well as R 3 747 402 (2022: R 3 747 402) held in a Rand Merchant Bank call account linked to a guarantee issued to the Mbombela Local Municipality.

11. STATED CAPITAL

Authorised

5 000 000 000 ordinary shares with no par value

Issued

332 290 686 (2022: 332 290 686) ordinary shares with no par value

	3 310 533 449	3 310 533 449	3 310 533 449	3 310 533 449
Reconciliation of stated capital				
Reported at beginning of year	3 310 533 449	3 310 533 449	3 310 533 449	3 310 533 449
Reported at end of year	3 310 533 449	3 310 533 449	3 310 533 449	3 310 533 449
Reconciliation of number of shares				
Reported at beginning of year	332 290 686	332 290 686	332 290 686	332 290 686
Reported at end of year	332 290 686	332 290 686	332 290 686	332 290 686



12. SHARE BASED PAYMENT RESERVE

The Company operates two share based remuneration schemes for employees: a loan scheme and an equity settled scheme.

A new employee share scheme was adopted during the year, these are further explained in note 8.

In terms of the equity settled scheme employees are granted options to acquire shares in the Company at either market price or RNil. The options vest in three equal tranches, 3, 4 and 5 years after grant date. Employees have 2 years in which to exercise their options. Options not exercised within this period lapse. Options vesting following the resignation of employees are forfeited.

Option pricing model used	Black-Scholes		Black-Scholes	
Valuation model inputs:				
Market value	12,00	-	12,00	-
Strike price	0,00	-	0,00	-
Volatility	20.00%	-	20.00%	-
Risk free rate for 5 years	8.62%	-	8.62%	-
Risk free rate for 6 years	8.94%	-	8.94%	-
Risk free rate for 7 years	9.25%	-	9.25%	-
Dividend yield	10.83%	-	10.83%	-
Time to expiry	5, 6 and 7 years	-	5, 6 and 7 years	-
Options granted during the year	5 825 000	-	5 825 000	-
Options forfeited	(150 000)	-	(150 000)	-
Unexercised options end of year	5 675 000	-	5 675 000	-
Expiring 13 July 2027	1 891 660	-	1 891 660	-
Expiring 13 July 2028	1 891 669	-	1 891 669	-
Expiring 13 July 2029	1 891 671	-	1 891 671	-
Option premium (Rand/option):				
Expiring 13 July 2027	6,98145	-	6,98145	-
Expiring 13 July 2028	6,26467	-	6,26467	-
Expiring 13 July 2029	5,62149	-	5,62149	-
Total cost:	35 691 229	-	35 691 229	-
Expiring 13 July 2027	13 206 530	-	13 206 530	-
Expiring 13 July 2028	11 850 691	-	11 850 691	-
Expiring 13 July 2029	10 634 008	-	10 634 008	-
IFRS2 amortisation charge:	3 866 247	-	3 866 247	-
Expiring 13 July 2027	1 664 385	-	1 664 385	-
Expiring 13 July 2028	1 244 593	-	1 244 593	-
Expiring 13 July 2029	957 269	-	957 269	-



13. NON-CONTROLLING INTEREST

The non-controlling interest of R 224 400 569 (2022: R 263 932 445) represents 50% of the net asset value of Mandeni (see note 4 - Investments in subsidiaries), 47% of the net asset value of Phola, 17.5% of the net asset value of Theku, 40% of the net asset value of Bizana Walk, 40% of the net asset value of KwaBhaca Mall and loans from non-controlling interests at financial year end. The following is summarised financial information for Mandeni, Phola, Theku, Bizana and KwaBhaca, prepared in accordance with IFRS, adjusted for fair value adjustments on acquisition and differences in Group accounting policies. The information is before inter-company eliminations with other companies in the Group.

2023	Bizana Walk (Pty) Ltd R	KwaBhaca Mall (Pty) Ltd R	Mandeni Plaza (Pty) Ltd R	Phola Mall (Pty) Ltd R	Theku Plaza (Pty) Ltd R	Total R
Extracts from statement of profit and loss and other comprehensive income:						
Revenue	3 337 198	16 122 531	30 403 385	81 017 898	51 717 495	182 598 506
Profit after taxation	20 241 714	8 134 354	7 623 968	64 989 932	43 824 566	144 814 533
Attributable to equity holders of Exemplar	12 145 028	4 880 613	3 811 984	34 444 664	36 155 267	91 437 555
Attributable to non-controlling interest	8 096 685	3 253 742	3 811 984	30 545 268	7 669 299	53 376 978
Dividends paid to non-controlling interest during the year	-	-	(4 561 701)	(15 644 922)	(3 479 797)	(23 686 419)
Extracts from the statement of financial position:						
Non-current assets	116 011 894	336 520 387	181 200 732	626 069 375	279 000 000	1 538 802 389
Current assets	1 611 061	5 573 244	2 704 540	7 960 377	3 532 972	21 382 193
Non-current liabilities	(3 924 287)	(16 142 034)	(7 738 357)	(8 560 157)	(8 846 761)	(45 211 595)
Current liabilities	(93 456 955)	(317 817 244)	(115 258 604)	(302 933 504)	(96 520 359)	(925 986 665)
Net assets	20 241 714	8 134 353	60 908 311	322 536 091	177 165 852	588 986 321
Net assets attributable to non-controlling interest	8 096 685	3 253 741	30 454 156	151 591 963	31 004 024	224 400 569
Extracts from the statement of cash flows:						
Cash flows from operating activities	(5 502 652)	(12 916 548)	15 908 040	46 948 007	34 401 714	78 838 561
Cash flows from investing activities	88 049 633	173 954 050	(8 377 145)	(33 746 074)	(25 411 335)	194 469 130
Cash flows from financing activities	(82 473 472)	(160 516 584)	(6 528 104)	(13 189 823)	(8 143 377)	(270 851 361)
Net cash flow	73 509	520 919	1 002 791	12 110	847 002	2 456 331



2022	Mall of Thembisa (Pty) Ltd * R	Mandeni Plaza (Pty) Ltd R	Phola Mall (Pty) Ltd R	Theku Plaza (Pty) Ltd R	Total R
Extracts from statement of profit and loss and other comprehensive income:					
Revenue	109 981 046	27 145 208	74 942 048	21 509 598	233 577 901
Insurance claim on material loss	-	3 224 640	-	37 323 920	40 548 560
Profit after taxation	52 234 599	15 290 406	87 729 065	32 812 620	188 066 691
Attributable to equity holders of Exemplar	26 169 534	7 645 203	46 496 404	27 070 412	107 381 554
Attributable to non-controlling interest	26 065 065	7 645 203	41 232 661	5 742 209	80 685 137
Dividends paid to non-controlling interest during the year	-	(3 922 691)	(15 412 671)	(3 852 280)	(23 187 642)
Extracts from the statement of financial position:					
Non-current assets	773 272 851	181 673 264	591 798 858	253 000 000	1 799 744 973
Current assets	3 139 894	1 111 719	7 317 428	1 001 449	12 570 490
Non-current liabilities	(425 468 007)	(7 262 633)	(5 541 963)	(7 002 496)	(445 275 099)
Current liabilities	(252 302 583)	(113 114 606)	(302 741 098)	(93 773 113)	(761 931 400)
Net assets	98 642 155	62 407 744	290 833 225	153 225 840	605 108 964
Net assets attributable to non-controlling interest	49 222 435	31 203 872	136 691 616	26 814 522	243 932 445
Southern Palace loan with Thembisa					
The loan is unsecured, does not bear interest and has no fixed terms of repayment.	20 000 000	-	-	-	20 000 000
Net assets and loans attributable to non-controlling interest	69 222 435	31 203 872	136 691 616	26 814 522	263 932 445
Extracts from the statement of cash flows:					
Cash flows from operating activities	55 548 298	13 131 350	42 883 753	45 461 976	157 025 377
Cash flows from investing activities	(390 011)	1 903 269	13 599 924	(838 030)	14 275 152
Cash flows from financing activities	(55 024 673)	(14 995 679)	(56 278 756)	(44 502 450)	(170 801 558)
Net cash flow	133 614	38 940	204 921	121 496	498 971

* During the current financial year the Company purchased the remaining interest in the Mall of Thembisa (Pty) Ltd, resulting in it becoming a wholly owned subsidiary of Exemplar REITail Limited as at 28 February 2023.



14. FINANCIAL LIABILITIES

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Held at amortised cost				
ABSA Bank Limited The loan bears interest at prime minus 1.6%, with interest-only monthly instalments. The facility maturity date is 4 November 2027.	56 000 000	-	56 000 000	-
ABSA Bank Limited The loan bears interest at the 3 month JIBAR plus 2.10%, with interest-only quarterly instalments. The facility maturity date is 17 December 2023.	435 000 000	435 000 000	-	-
ABSA Bank Limited The loan bears interest at the 3 month JIBAR plus 1.80%, with interest-only quarterly instalments. The facility maturity date is 4 November 2025.	91 000 000	91 000 000	91 000 000	91 000 000
ABSA Bank Limited The loan bears interest at the 3 month JIBAR plus 1.86%, with interest-only quarterly instalments. The facility maturity date is 4 November 2026.	750 000 000	750 000 000	750 000 000	750 000 000
ABSA Bank Limited The facility of R 609 million bears interest at the 3 month JIBAR plus 1.70%, with interest-only quarterly instalments. The facility maturity date is 4 November 2024.	249 000 000	117 000 000	249 000 000	117 000 000
Nedbank Limited The loan bears interest at the 3 month JIBAR plus 1.80%, with interest-only quarterly instalments. The facility maturity date is 4 November 2025.	500 000 000	500 000 000	500 000 000	500 000 000
Nedbank Limited The loan bears interest at the 3 month JIBAR plus 1.86%, with interest-only quarterly instalments. The facility maturity date is 4 November 2026.	100 000 000	100 000 000	100 000 000	100 000 000
Standard Bank South Africa Limited The loan bears interest at the 3 month JIBAR plus 1.88%, with interest-only quarterly instalments. The facility maturity date is 4 November 2024.	124 000 000	-	124 000 000	-
Standard Bank South Africa Limited The loan bears interest at the 3 month JIBAR plus 1.80%, with interest-only quarterly instalments. The facility maturity date is 4 November 2025.	426 000 000	426 000 000	426 000 000	426 000 000
Standard Bank South Africa Limited The loan bears interest at the 3 month JIBAR plus 1.86%, with interest-only quarterly instalments. The facility maturity date is 4 November 2026.	259 000 000	259 000 000	259 000 000	259 000 000
Prepaid participation fees on facilities	2 990 000 000 (9 123 033)	2 678 000 000 (11 865 867)	2 555 000 000 (9 123 033)	2 243 000 000 (11 865 867)
	2 980 876 967	2 666 134 133	2 545 876 967	2 231 134 133
Non-current liabilities	2 545 876 967	2 666 134 133	2 545 876 967	2 231 134 133
Current liabilities	435 000 000	-	-	-
	2 980 876 967	2 666 134 133	2 545 876 967	2 231 134 133



Security

In terms of a Common Terms Agreement, the above facilities, excluding the amount of R 435 000 000 borrowed from ABSA Bank Limited, are secured by investment properties held by the Company and by its subsidiaries, with a fair value of R 7 213 969 749 (2022: R 6 215 668 305).

They are further secured by the Company and its subsidiaries in the form of continuing irrevocable and unconditional joint and several guarantees which extend to the ultimate balance of sums payable. The extent of the guarantees given by Phola Park Shopping Centre (Pty) Ltd, Theku Plaza (Pty) Ltd and Mandeni Plaza (Pty) Ltd are limited to R 292 668 311, R 88 758 000 and R 105 704 160 respectively, plus interest and costs.

The amount of R 435 000 000 borrowed from ABSA Bank Limited is secured by a mortgage bond registered over the Mall of Thembisa (Pty) Ltd. This amount was refinanced subsequent to year end.

All contracts referencing the Jibar will be actively transitioned to an alternative reference rate once the IBOR reform transition has been finalised.

Available facilities and residual values

The Group ensures that sufficient unutilised borrowing facilities are available for future commitments and operating requirements. Total facilities available to the Group at the reporting date amounted to R 3 570 000 000 (2022: R 3 570 000 000), of which R 2 980 876 967 (2022: R 2 666 134 133) had been utilised. The Group's policy is to refinance the residual portion of interest-bearing borrowings as they become due for renewal.

Further details relating to interest-bearing borrowings are disclosed in notes 6 and 38.



15. LEASE LIABILITIES

	Notes	GROUP		COMPANY	
		2023 R	2022 R	2023 R	2022 R
Minimum lease payments due					
- within one year		4 312 348	3 475 868	1 344 246	2 621 278
- in second to fifth year inclusive		20 117 644	9 930 677	5 733 637	5 567 909
- in sixth to tenth year inclusive		32 579 676	15 962 904	9 079 429	8 608 814
- later than ten years		805 330 234	480 970 786	251 366 210	253 382 270
		862 339 902	510 340 235	267 523 522	270 180 271
less: future finance charges		(812 048 221)	(482 502 157)	(253 367 970)	(255 498 741)
Present value of minimum lease payments		50 291 681	27 838 077	14 155 552	14 681 530
Present value of minimum lease payments due					
- within one year		3 896 871	3 031 781	1 174 618	2 284 316
- in second to fifth year inclusive		12 875 453	6 214 289	3 584 908	3 496 888
- in sixth to tenth year inclusive		11 244 069	5 485 406	3 098 120	2 937 463
- later than ten years		22 275 288	13 106 601	6 297 906	5 962 863
		50 291 681	27 838 077	14 155 552	14 681 530
Reconciliation of lease liability					
Balance at beginning of year		27 838 077	26 866 279	14 681 530	14 665 675
Leases entered into during the year		23 408 254	-	-	-
Lease payment		(6 156 213)	(3 321 175)	(2 677 126)	(2 544 275)
CPI adjustment		22 270	376 282	22 270	376 282
Interest		5 179 294	3 916 691	2 128 878	2 183 848
Balance at end of year	3	50 291 681	27 838 077	14 155 552	14 681 530
Non-current liabilities		46 394 810	24 806 296	12 980 934	12 397 214
Current liabilities		3 896 871	3 031 781	1 174 618	2 284 316
		50 291 681	27 838 077	14 155 552	14 681 530

Acornhoek Megacity was developed on land subject to a 30 year notarial lease commencing 1 September 2017, with a 20 year option to renew. The rental is escalated by 10% per annum and the lease liability has been discounted at a rate of 14.25% per annum.

Diepkloof Square was developed on land subject to a 30 year notarial lease commencing 1 December 2006, with an option to renew for a further 3 equal periods, totalling 9 years and 11 months. The rental is escalated by 4% per annum and the lease liability has been discounted at a rate of 14.50% per annum.

Exemplar head office is subject to a 5 year lease arrangement commencing 1 June 2018. The lease is escalated annually at a rate linked to the average Consumer Price Index and the lease liability has been discounted at a rate of 15.00% per annum.

Maake Plaza was developed on land subject to a 22 year notarial lease commencing 1 September 2006. The rental is escalated by 10% per annum and the lease liability has been discounted at a rate of 15.00% per annum.

Mandeni Mall was developed on land subject to a 40 year notarial lease commencing 1 April 2012. The rental is the greater of 2.7% of gross rent income or a base rent amount escalated by 10% per annum. The lease liability has been discounted at a rate of 14.50% per annum.

Phola Mall was developed on land subject to a 50 year notarial lease commencing 1 March 2015. The rental is escalated by 10% per annum and the lease liability has been discounted at a rate of 13.75% per annum.

Bizana Walk was developed on land subject to two 40 year notarial leases commencing 1 December 2022 and 1 January 2023 respectively. The lease liability has been discounted at a rate of 14.5% per annum.

KwaBhaca Mall was developed on land subject to 5 notarial leases commencing during 1 November 2022 and January 2023 respectively. These leases range between 40 to 60 year terms. The lease liability has been discounted at a rate of 14.25% per annum.



16. DEFERRED TAX

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Property, plant and equipment	53 482 230	18 408 318	53 491 430	18 530 711
Expected credit loss allowance	(5 918 220)	(6 401 536)	(2 936 292)	(3 223 406)
Prepaid expenses	797 872	771 663	252 721	381 156
Allowance for future expenditure on contracts	842	561 971	-	433 289
Income received in advance	(6 174 640)	(7 009 096)	(2 991 299)	(3 999 213)
Bonus and leave accruals	(236 030)	(285 670)	(228 417)	(221 178)
Other accruals	(234 393)	(268 686)	(234 393)	(268 687)
Fair value adjustments on derivatives	11 645 425	8 342 721	7 516 262	5 110 693
Capital allowances on investment property	163 899 715	146 803 936	67 610 253	67 440 950
Tax loss	(51 399 081)	(46 546 113)	-	-
Total deferred tax liability	165 863 720	114 377 508	122 480 265	84 184 315

Reconciliation of deferred tax liability

At beginning of year	114 377 508	103 080 836	84 184 315	66 232 820
Property, plant and equipment	35 073 913	6 135 197	34 960 722	18 530 711
Expected credit loss allowance	483 314	(2 280 265)	287 114	(553 759)
Prepaid expenses	26 210	149 448	(128 436)	90 229
Allowance for future expenditure on contracts	(561 129)	372 807	(433 289)	(641 437)
Income received in advance	834 456	(2 639 474)	1 007 914	(1 551 853)
Bonus and leave accruals	49 640	98 400	(7 239)	128 536
Other accruals	34 294	(39 671)	34 292	(39 671)
Fair value adjustments on derivatives	3 302 704	3 560 139	2 405 569	2 530 201
Capital allowances on investment property	17 095 779	10 828 556	169 303	(541 462)
Tax loss	(4 852 969)	(4 888 465)	-	-
	165 863 720	114 377 508	122 480 265	84 184 315

17. TRADE AND OTHER PAYABLES

Trade payables	47 373 913	34 366 184	18 224 123	20 105 955
Deposits received	37 876 373	33 024 813	18 684 232	18 105 388
Accrued leave pay and bonus	1 042 897	1 020 250	845 990	789 923
Accruals	6 204 289	10 026 711	3 766 676	5 460 968
Rates and utilities accrual	101 066 049	93 590 794	25 430 446	24 413 739
Other payables	1 227 251	1 716 512	661 134	762 765
Amounts received in advance	22 869 037	24 800 226	11 078 884	14 282 904
Value-added Tax	9 293 041	-	3 877 386	-
	226 952 850	198 545 490	82 568 871	83 921 642

All amounts are short term. The net carrying amount of trade and other payables is considered a reasonable approximation of fair value.



18. LOANS FROM SUBSIDIARIES

EXEMPLAR UTILITIES (PTY) LTD

The loan is unsecured, bears interest at 7.15% (2022: 6.31%) and has no fixed terms of repayment.

MAAKE PLAZA (PTY) LTD

The loan is unsecured, does not bear interest and has no fixed terms of repayment.

MALL OF THEMBISA (PTY) LTD

The loan is unsecured, does not bear interest and has no fixed terms of repayment.

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
EXEMPLAR UTILITIES (PTY) LTD	-	-	186 036 203	157 587 444
MAAKE PLAZA (PTY) LTD	-	-	30 155 315	31 956 836
MALL OF THEMBISA (PTY) LTD	-	-	-	1 143 185
	-	-	216 191 518	190 687 465

19. RENTAL INCOME AND RECOVERIES

Rental income

COVID-19 credits

Riot credits

Turnover rental income

Recovery income

Operating lease equalisation

687 194 096	649 764 826	331 926 475	332 252 483
(3 683)	(1 537 457)	(3 683)	(831 849)
(11 614 056)	(46 709 634)	(15 171 125)	(33 126 731)
3 697 749	5 374 418	1 363 842	3 720 542
327 150 232	286 474 791	146 067 816	138 262 405
41 070 550	(8 761 289)	23 846 812	(17 434 873)
1 047 494 888	884 605 655	488 030 137	422 841 977



20. PROPERTY OPERATING COSTS	Notes	GROUP		COMPANY	
		2023	2022	2023	2022
		R	R	R	R
Accounting fees		103 918	62 166	6 356	16 440
Audit fees		1 333 153	1 293 469	712 353	694 669
Bad debts		2 328 366	14 713 115	505 607	4 120 753
Bank charges		157 236	156 825	84 327	79 121
Cleaning expenses		24 344 036	21 497 291	10 869 405	9 886 414
COVID-19 expenses		4 394	60 562	991	9 532
Depreciation		668 802	530 966	399 121	210 067
Employee costs		8 935 429	8 752 424	4 170 229	4 153 560
General expenses		743 193	493 156	365 414	197 025
Insurance		6 570 427	4 525 948	2 924 830	2 076 563
Legal expenses		625 922	388 314	401 270	327 856
Marketing		5 972 897	4 685 031	2 187 019	1 605 904
Rates and utilities		240 791 818	219 879 534	122 198 683	115 056 411
Repairs and maintenance		22 216 539	17 942 880	12 714 136	10 160 029
Security expenses		32 067 325	32 422 369	15 109 433	13 523 025
Stationery		282 040	289 417	136 257	142 256
Telephone and fax		658 470	484 113	284 558	204 829
Tenant installations amortisation	3	6 763 773	6 142 391	2 564 003	2 456 036
Travel - Local		390 115	209 998	219 841	59 242
		354 957 853	334 529 969	175 853 833	164 979 732

21. OTHER INCOME

Administration and management fees received	31 719 845	11 952 161	31 751 390	20 942 293
Insurance claim on rental loss	22 355 312	54 421 101	22 355 312	38 827 886
Sundry income	1 313 598	10 983 726	40 852 871	13 349 846
	55 388 755	77 356 988	94 959 573	73 120 025

22. OPERATING PROFIT

Operating profit for the period is stated after charging the following, amongst others:

Employee costs	48 756 266	37 642 092	35 764 612	2 627 198
IFRS 2 charge on equity settled share scheme	3 866 247	-	3 866 247	-
Salaries, wages, bonuses and other benefits	44 890 019	37 642 092	31 898 365	2 627 198
Depreciation				
Depreciation of property, plant and equipment	1 235 735	836 412	4 511 753	1 182 152



23. INVESTMENT INCOME

23. INVESTMENT INCOME

	GROUP		COMPANY	
Notes	2023 R	2022 R	2023 R	2022 R
Group companies:				
Subsidiaries - Local	-	-	204 613 111	145 428 131
Interest income				
Investments in financial assets:				
Bank and other cash	11 639 164	4 904 503	10 818 351	4 383 515
Employee share scheme	2 660 413	2 899 859	2 660 413	2 899 859
Loans receivable	-	2 909 015	-	-
Other financial assets	20 366 480	5 037 910	1 579 708	1 814 902
	34 666 057	15 751 287	15 058 472	9 098 276
Loans to group companies:				
Subsidiaries	-	-	74 303 151	97 770 755
Total interest income	34 666 057	15 751 287	89 361 623	106 869 031
Total investment income	34 666 057	15 751 287	293 974 734	252 297 162

24. INSURANCE CLAIM ON MATERIAL LOSS

Insurance claim received on material loss	69 165 709	289 284 299	69 165 709	248 691 183
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This amount relates to the cost to rebuild the centres damaged during the July 2021 riots.

25. REVERSAL OF IMPAIRMENT LOSS / (IMPAIRMENT LOSS)

2023		Maahe Plaza (Pty) Ltd R	Mall of Thembisa (Pty) Ltd R	Totals R	
Net asset value	4	59 809 934	123 395 118	183 205 052	
Investment in subsidiary		(69 756 525)	(140 807 827)	(210 564 352)	
(Impairment loss)		(9 946 591)	(17 412 709)	(27 359 300)	
2022		Maahe Plaza (Pty) Ltd R	Modimall (Pty) Ltd R	Mabopane Square (Pty) Ltd R	Totals R
Net asset value	4	69 756 525	63 409 206	36 868 955	170 034 686
Investment in subsidiary		(74 359 725)	(53 143 558)	(36 277 727)	(163 781 010)
(Impairment loss) / Reversal of impairment loss		(4 603 200)	10 265 648	591 228	6 253 680

With respect to to Maahe Plaza (Pty) Ltd, the fair value of the investment decreases annually as the land lease expires in 2028, resulting in the above impairment loss for the current and prior financial year.

The investment in the Mall of Thembisa Pty (Ltd) has been impaired, as a premium has been paid to acquire the non controlling interest in the current year.

The recoverable amount of each investment is based on the net asset value of the entity.



26. FINANCE COSTS

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Non-current borrowings	188 838 581	150 262 028	161 228 190	123 026 010
Amortisation of participation fees on facilities	2 742 834	5 713 590	2 742 834	5 713 590
Imputed interest on lease liabilities	5 179 294	3 916 691	2 128 878	2 183 848
Other interest paid	3 653 552	6 163 401	13 629 397	8 697 438
Total finance costs	200 414 261	166 055 710	179 729 299	139 620 886

During the current year, interest costs capitalised to investment properties amounted to R 16 603 929. R 13 943 208 to KwaBhaca Mall Pty Ltd and R2 660 270 to Bizana Walk Pty (Ltd).

Reconciliation of finance costs from operating activities

Total finance costs	200 414 261	166 055 710	179 729 299	139 620 886
Imputed interest on lease liabilities	-	(1 191 033)	-	360 427
Movement in prepaid participation fees on facilities	(2 742 834)	10 198 658	(2 742 834)	10 198 658
Capitalised borrowing costs	16 603 478	-	-	-
Finance costs from operating activities	214 274 905	175 063 335	176 986 465	150 179 971

27. TAXATION

Major components of the income tax expense

Deferred

Property, plant and equipment	35 073 913	6 135 197	34 960 722	18 530 711
Expected credit loss allowance	483 314	(2 280 264)	287 114	(553 759)
Prepaid expenses	26 210	149 448	(128 436)	90 229
Allowance for future expenditure on contracts	(561 129)	372 807	(433 289)	(641 437)
Income received in advance	834 456	(2 639 474)	1 007 914	(1 551 853)
Bonus and leave accruals	49 640	98 400	(7 239)	128 536
Other accruals	34 294	(39 671)	34 292	(39 671)
Fair value movements on derivatives	3 302 704	3 560 139	2 405 569	2 530 201
Capital allowances	17 095 779	10 828 556	169 303	(541 462)
Tax loss	(4 852 969)	(4 888 465)	-	-
Originating and reversing temporary differences	51 486 212	11 296 673	38 295 950	17 951 495

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate

Applicable tax rate	28.00%	28.00%	28.00%	28.00%
Tax effect of adjustments on taxable income				
Permanent difference on tax deductible REIT dividend (s25BB qualifying deduction)	(16.69)%	(11.30)%	(17.94)%	(17.21)%
Permanent difference on fair value adjustments	(12.12)%	(8.96)%	(7.63)%	1.75%
Permanent difference on operating lease equalisation adjustments	(1.06)%	0.13%	(0.92)%	0.77%
Permanent difference on lease liabilities	0.09%	0.02%	-	(0.02)%
Permanent difference on distributions by subsidiaries	-	-	-	0.24%
Permanent difference on insurance claim proceeds - material loss	(1.79)%	(8.05)%	(2.68)%	(10.96)%
Permanent difference on impairment loss	-	0.17%	1.06%	(0.28)%
Substantively enacted tax rate change	(0.28)%	1.14%	(0.42)%	0.53%
(Over) / under provision of deferred tax for prior periods	8.83%	(0.05)%	5.85%	-
Deferred tax asset not recognised	(0.21)%	0.02%	-	-
	4.77%	1.12%	5.31%	2.82%



28. CASH GENERATED FROM OPERATIONS

	Notes	GROUP		COMPANY	
		2023 R	2022 R	2023 R	2022 R
Profit before taxation		1 080 204 902	1 006 256 415	722 207 917	635 628 071
Adjustments for:					
Depreciation and amortisation		11 582 346	8 103 803	7 053 487	3 638 187
Share-based payment charge		3 866 247	-	3 866 247	-
Dividend income		-	-	(204 613 111)	(127 958 918)
Interest income		(34 666 057)	(15 751 287)	(89 361 623)	(124 338 244)
Finance costs		200 414 261	166 055 710	179 729 299	139 620 886
Insurance claim on material loss		(69 165 709)	(289 284 299)	(69 165 709)	(248 691 183)
Impairment loss / (reversal of impairment loss)		-	-	27 359 300	(6 253 676)
Fair value (gains) / losses on investment property		(467 611 026)	(265 128 923)	(197 042 298)	40 367 362
Movement in lease liabilities		22 270	376 282	22 270	376 282
Movement in lease equalisation		(41 070 550)	8 761 289	(23 846 812)	17 434 874
Fair value (gains) / losses on derivative financial instruments		(12 232 239)	(13 818 316)	(8 909 515)	(9 712 450)
Changes in working capital:					
Trade and other receivables		(13 490 411)	829 559	(1 812 873)	(533 927)
Trade and other payables		31 101 258	2 224	(1 352 771)	3 151 870
		688 955 292	606 402 457	344 133 808	322 729 134

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Balance at beginning of year		2 666 134 133	2 569 332 792	2 231 134 133	2 134 332 792
Movement in prepaid participation fees on facilities		2 742 834	(10 198 658)	2 742 834	(10 198 658)
Proceeds from financial liabilities		312 000 000	2 438 454 541	312 000 000	2 438 454 541
Repayment of financial liabilities		-	(2 331 454 542)	-	(2 331 454 542)
Balance at end of year	14	2 980 876 967	2 666 134 133	2 545 876 967	2 231 134 133

30. RECONCILIATION OF LOANS TO SUBSIDIARIES ARISING FROM INVESTING ACTIVITIES

Balance at beginning of year		-	-	1 534 940 090	1 492 158 541
Increase in loans to subsidiaries		-	-	253 140 482	42 781 549
Repayment of subsidiary loans		-	-	(456 789 750)	(365 334 131)
Advances of subsidiary loans		-	-	689 930 231	517 350 359
Loan repayments arising on acquisition of solar plants		-	-	-	(109 234 679)
Loans to subsidiaries acquired		-	-	20 000 000	-
Balance at end of year	7	-	-	1 788 080 572	1 534 940 090

31. RECONCILIATION OF LOANS RECEIVABLE ARISING FROM INVESTING ACTIVITIES

Balance at beginning of year		47 583 921	49 908 302	44 082 248	45 290 167
Increase in loans receivable		(12 391 932)	(2 324 381)	(11 601 332)	(1 207 919)
Repayment of loans receivable		(12 391 932)	(5 679 454)	(11 601 332)	(4 107 778)
Advances of loans receivable		-	3 355 073	-	2 899 859
Balance at end of year	8	35 191 989	47 583 921	32 480 916	44 082 248

32. RECONCILIATION OF LOANS FROM SUBSIDIARIES ARISING FROM FINANCING ACTIVITIES

Balance at beginning of year		-	-	(190 687 465)	(53 038 096)
Increase in loans from subsidiaries		-	-	(25 504 053)	(137 649 369)
Cash repayment of subsidiary loans		-	-	25 092 334	99 870 139
Cash advances of subsidiary loans		-	-	(50 596 387)	(83 618 183)
Cash Loan arising on acquisition of solar plants		-	-	-	(153 901 325)
Balance at end of year	18	-	-	(216 191 518)	(190 687 465)



33. DIVIDENDS PAID

Shareholders of Exemplar
Dividends payable - prior year
Dividends payable - current year
Non-controlling interest

GROUP		COMPANY	
2023 R	2022 R	2023 R	2022 R
(468 425 329)	(311 769 825)	(468 425 329)	(311 769 825)
(11 219 326)	-	-	-
12 599 147	11 219 326	-	-
(23 686 419)	(23 187 642)	-	-
(490 731 927)	(323 738 141)	(468 425 329)	(311 769 825)

Dividends are paid from operating profits.

34. EARNINGS AND HEADLINE EARNINGS

Reconciliation of basic earnings to headline earnings

Profit for the year attributable to equity holders of Exemplar
Fair value adjustment to investment properties
Non-controlling interest in fair value adjustment to investment properties
Insurance claim on material loss
Non-controlling interest in insurance claim on material loss

975 341 712	914 274 605
(467 611 026)	(265 128 923)
31 712 680	51 212 752
(69 165 709)	(289 284 299)
-	8 144 006

Headline earnings

470 277 657	419 218 141
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Number of shares in issue
Weighted average number of shares in issue
Diluted weighted average number of shares in issue
Basic earnings per share (cents)
Headline earnings per share (cents)
Diluted earnings per share (cents)
Diluted headline earnings per share (cents)

332 290 686	332 290 686
332 290 686	332 290 686
338 115 686	332 290 686
293,52063	275,14301
141,52598	126,16006
288,46391	275,14301
139,08780	126,16006

35. DIRECTORS' EMOLUMENTS

	2023 R		2022 R	
	Short-term employee benefits	Total	Short-term employee benefits	Total
Executive				
Church, DA*				
Salary	3 969 396	3 969 396	3 374 280	3 244 500
McCormick, J (Jason)				
Salary	1 984 698	1 984 698	1 687 140	1 622 500
McCormick, J (John)				
Salary	1 984 698	1 984 698	1 687 140	1 622 500
	7 938 792	7 938 792	6 748 560	6 489 500
Non-executive				
Azzopardi, GVC	Directors' fees	Total	Directors' fees	Total
	439 900	439 900	415 000	415 000
Berkeley, FM	568 160	568 160	536 000	536 000
Katzenellenbogen, PJ	493 960	493 960	466 000	466 000
Mandindi, N	392 200	392 200	216 404	216 404
Maponya, EP	439 900	439 900	430 000	430 000
	2 334 120	2 334 120	2 063 404	2 063 404

*DA Church is a participant in the employee share scheme that was adopted during the current year as referred in note 12 and 8, he was granted 2 000 000 share options.



36. RELATED PARTIES

Relationships

Subsidiaries

Shareholder with significant influence

Refer to note 4

Jason McCormick

The John McCormick Family Trust

McCormick Property Development (Pty) Ltd

	GROUP		COMPANY	
	2023	2022	2023	2022
	R	R	R	R
Related party balances				
Loan accounts - Owning (to) by related parties				
Alex Mall (Pty) Ltd	-	-	288 299 090	289 046 193
Bizana Walk (Pty) Ltd	-	-	85 733 156	3 110 578
Exemplar Leasing (Pty) Ltd	-	-	1 600 000	1 054 983
Exemplar Utilities (Pty) Ltd	-	-	(186 036 203)	(157 587 444)
Jason McCormick - Share Scheme	9 363 863	10 417 104	9 363 863	10 140 079
Katale Square (Pty) Ltd	-	-	96 711 285	98 174 429
KwaBhaca Mall (Pty) Ltd	-	-	295 561 570	133 752 200
Maake Plaza (Pty) Ltd	-	-	(30 155 315)	(31 956 836)
Mabopane Square (Pty) Ltd	-	-	120 589 874	122 704 248
Mall of Thembisa (Pty) Ltd	-	-	237 921 650	216 059 729
Mandeni Plaza (Pty) Ltd	-	-	106 204 246	104 453 834
Modimall (Pty) Ltd	-	-	189 491 161	198 965 591
Phola Mall (Pty) Ltd	-	-	274 721 654	277 890 773
Theku Plaza (Pty) Ltd	-	-	80 309 630	80 844 816
Tsakane Mall (Pty) Ltd	-	-	10 937 255	8 882 715
Related party transactions				
Interest received from / (paid to) related parties				
Bizana Walk (Pty) Ltd	-	-	4 404 578	9 009
Exemplar Leasing (Pty) Ltd	-	-	-	65 083
Exemplar Utilities (Pty) Ltd	-	-	(12 848 245)	3 694 292
Jason McCormick - Share Scheme	633 469	667 087	633 469	667 087
Katale Square (Pty) Ltd	-	-	6 841 869	6 108 720
KwaBhaca Mall (Pty) Ltd	-	-	19 460 021	4 589 579
Mabopane Square (Pty) Ltd	-	-	8 420 738	7 487 392
Mall of Thembisa (Pty) Ltd	-	-	-	33 293 916
Mandeni Plaza (Pty) Ltd	-	-	7 509 998	6 737 832
Modimall (Pty) Ltd	-	-	-	12 351 688
Phola Mall (Pty) Ltd	-	-	19 581 948	17 892 816
Theku Plaza (Pty) Ltd	-	-	5 704 999	5 228 426
Tsakane Mall (Pty) Ltd	-	-	-	100 221
Commission received from / (paid to) related parties				
Exemplar Leasing (Pty) Ltd	-	-	6 960 899	(1 820 794)
Management fees received from related parties				
Alex Mall (Pty) Ltd	-	-	2 460 939	1 799 257
Bizana Walk (Pty) Ltd	-	-	45 415	-
Katale Square (Pty) Ltd	-	-	475 272	460 271
KwaBhaca Mall (Pty) Ltd	-	-	291 577	-
Maake Plaza (Pty) Ltd	-	-	291 205	275 111
Mabopane Square (Pty) Ltd	-	-	780 371	571 570
Mall of Thembisa (Pty) Ltd	-	-	3 670 616	3 268 854
Mandeni Plaza (Pty) Ltd	-	-	723 773	646 121
Modimall (Pty) Ltd	-	-	1 110 973	1 011 609
Phola Mall (Pty) Ltd	-	-	2 004 983	1 860 839
Theku Plaza (Pty) Ltd	-	-	981 253	872 573
Tsakane Mall (Pty) Ltd	-	-	1 417 135	1 345 394



	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Purchase of solar assets from related parties				
Exemplar Utilities (Pty) Ltd	-	-	23 833 156	263 136 004
Purchase of 50% undivided share in Mamelodi Square from a related party				
McCormick Property Development (Pty) Ltd	116 500 000	-	116 500 000	-
Rooftop rent (paid to) related parties				
Alex Mall (Pty) Ltd	-	-	(169 911)	(41 108)
Katale Square (Pty) Ltd	-	-	(71 820)	(17 237)
Mabopane Square (Pty) Ltd	-	-	(90 134)	(21 546)
Mall Of Thembisa (Pty) Ltd	-	-	(357 210)	(87 480)
Phola Mall (Pty) Ltd	-	-	(179 285)	(43 376)
Modimall (Pty) Ltd	-	-	(109 035)	-
Theku Plaza	-	-	(124 185)	-
Tsakane Mall (Pty) Ltd	-	-	(82 467)	(19 962)
Electricity income received from related parties				
Alex Mall (Pty) Ltd	-	-	2 657 184	852 284
Katale Square (Pty) Ltd	-	-	1 092 426	329 457
Mabopane Square (Pty) Ltd	-	-	1 188 505	362 820
Mall Of Thembisa (Pty) Ltd	-	-	6 874 715	1 747 089
Modimall (Pty) Ltd	-	-	2 753 572	-
Phola Mall (Pty) Ltd	-	-	2 765 453	798 980
Theku Plaza (Pty) Ltd	-	-	1 567 087	-
Tsakane Mall (Pty) Ltd	-	-	1 027 953	667 940
Dividends received from related parties				
Alex Mall (Pty) Ltd	-	-	62 752 896	49 138 111
Katale Square (Pty) Ltd	-	-	2 824 987	2 804 702
Maake Plaza (Pty) Ltd	-	-	7 631 521	7 158 064
Mabopane Square (Pty) Ltd	-	-	5 314 888	6 926 508
Mall of Thembisa (Pty) Ltd	-	-	38 015 106	-
Mandeni Plaza (Pty) Ltd	-	-	4 561 701	2 711 471
Modimall (Pty) Ltd	-	-	13 805 570	6 832 651
Phola Mall (Pty) Ltd	-	-	17 642 146	12 668 569
Theku Plaza (Pty) Ltd	-	-	16 404 756	12 067 556
Tsakane Mall (Pty) Ltd	-	-	35 659 541	33 104 403
Rent and operating costs (paid to) related parties				
The John McCormick Family Trust	(1 451 842)	(1 381 027)	(1 451 842)	(1 381 027)



37. MINIMUM LEASE PAYMENTS RECEIVABLE

Minimum lease payments comprise contractual rental income from investment properties and fixed operating recoveries due in terms of signed lease agreements.

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Receivable within year one	740 512 046	657 560 674	333 733 285	289 053 727
Receivable within year two	606 165 228	461 634 521	269 715 535	217 934 375
Receivable within year three	457 520 933	314 616 253	180 397 676	152 823 924
Receivable within year four	311 063 865	213 095 049	113 157 626	85 458 751
Receivable within year five	215 655 351	130 764 236	79 707 465	46 923 734
Receivable beyond five years	548 682 761	419 838 183	339 461 371	245 931 420
	2 879 600 184	2 197 508 916	1 316 172 958	1 038 125 931

The Group lets a number of retail properties under operating leases. Leases typically run for an average period of three to ten years, with an applicable escalation rate ranging between 5 to 8 %.



38. RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

2023

	Notes	Fair value through profit or loss R	Amortised cost R	Total R
Derivative financial instruments	6	43 131 204	-	43 131 204
Loans receivable	8	-	35 191 989	35 191 989
Trade and other receivables	9	-	42 856 924	42 856 924
Cash and cash equivalents	10	-	59 218 534	59 218 534
		43 131 204	137 267 447	180 398 651

2022

Derivative financial instruments	6	30 898 965	-	30 898 965
Loans receivable	8	-	47 583 921	47 583 921
Trade and other receivables	9	-	19 335 496	19 335 496
Cash and cash equivalents	10	-	289 513 837	289 513 837
		30 898 965	356 433 254	387 332 219

Categories of financial liabilities

2023

Financial liabilities	14	-	2 990 000 000	2 990 000 000
Trade and other payables	17	-	155 871 502	155 871 502
Dividends payable	33	-	12 599 147	12 599 147
Vendor finance payable	42	-	116 500 000	116 500 000
		-	3 274 970 649	3 274 970 649

2022

Financial liabilities	14	-	2 678 000 000	2 678 000 000
Trade and other payables	17	-	139 700 201	139 700 201
Dividends payable	33	-	11 219 326	11 219 326
		-	2 828 919 527	2 828 919 527

Categories of financial instruments

Categories of financial assets

2023

		Fair value through profit or loss R	Amortised cost R	Total R
Derivative financial instruments	6	27 838 007	-	27 838 007
Loans to subsidiaries	7	-	1 788 080 572	1 788 080 572
Loans receivable	8	-	32 480 916	32 480 916
Trade and other receivables	9	-	19 142 884	19 142 884
Cash and cash equivalents	10	-	46 787 331	46 787 331
Dividend receivable		-	20 929 442	20 929 442
		27 838 007	1 907 421 145	1 935 259 152

2022

Derivative financial instruments	6	18 928 492	-	18 928 492
Loans to subsidiaries	7	-	1 534 940 090	1 534 940 090
Loans receivable	8	-	44 082 248	44 082 248
Trade and other receivables	9	-	13 084 202	13 084 202
Cash and cash equivalents	10	-	279 756 830	279 756 830
Dividend receivable		-	19 084 921	19 084 921
		18 928 492	1 890 948 291	1 909 876 783



Categories of financial liabilities

	Notes	COMPANY		
		Fair value through profit or loss	Amortised cost	Total
		R	R	R
2023				
Financial liabilities	14	-	2 555 000 000	2 555 000 000
Trade and other payables	17	-	48 082 379	48 082 379
Loans from subsidiaries	18	-	216 191 518	216 191 518
Vendor finance payable	42	-	116 500 000	116 500 000
		-	2 935 773 897	2 935 773 897
2022				
Financial liabilities	14	-	2 243 000 000	2 243 000 000
Trade and other payables	17	-	50 743 427	50 743 427
Loans from subsidiaries	18	-	190 687 465	190 687 465
		-	2 484 430 892	2 484 430 892

Pre-tax gains and losses on financial instruments

GROUP				
		Fair value through profit or loss	Amortised cost	Total
		R	R	R
Gains and losses on financial assets				
2023				
Interest income	23	-	34 666 057	34 666 057
Gain on fair value of derivative financial instruments		12 232 239	-	12 232 239
		12 232 239	34 666 057	46 898 296
2022				
Interest income	23	-	15 751 287	15 751 287
Gain on fair value of derivative financial instruments		13 818 316	-	13 818 316
		13 818 316	15 751 287	29 569 603

Gains and losses on financial liabilities

2023				
Finance costs	26	-	(200 414 261)	(200 414 261)
		-	(200 414 261)	(200 414 261)
2022				
Finance costs	26	-	(166 055 710)	(166 055 710)
		-	(166 055 710)	(166 055 710)

Gains and losses on financial assets

COMPANY				
		Fair value through profit or loss	Amortised cost	Total
		R	R	R
2023				
Interest income	23	-	89 361 623	89 361 623
Gain on fair value of derivative financial instruments		8 909 515	-	8 909 515
		8 909 515	89 361 623	98 271 138
2022				
Interest income	23	-	106 869 031	106 869 031
Gain on fair value of derivative financial instruments		9 712 450	-	9 712 450
		9 712 450	106 869 031	116 581 481

2023

Gains and losses on financial liabilities

Finance costs	26	-	(179 729 299)	(179 729 299)
		-	(179 729 299)	(179 729 299)

2022

Gains and losses on financial liabilities

Finance costs	26	-	(139 620 886)	(139 620 886)
		-	(139 620 886)	(139 620 886)



Capital risk management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 14, cash and cash equivalents disclosed in notes 10, and equity as disclosed in the statement of financial position.

	Notes	GROUP		COMPANY	
		2023 R	2022 R	2023 R	2022 R
Loans from subsidiaries	18	-	-	216 191 518	190 687 465
Financial liabilities	14	2 990 000 000	2 678 000 000	2 555 000 000	2 243 000 000
Lease liabilities	15	50 291 681	27 838 077	14 155 552	14 681 530
Trade and other payables	17	155 871 502	139 700 201	48 082 379	50 743 427
Total borrowings		3 196 163 183	2 845 538 278	2 833 429 449	2 499 112 422
Cash and cash equivalents	10	(59 218 534)	(289 513 837)	(46 787 331)	(279 756 830)
Net borrowings		3 136 944 649	2 556 024 441	2 786 642 118	2 219 355 592

The Group's loan agreements are subject to covenant clauses, comprising certain key financial ratios. The financial loan covenants comprise a Loan-to-Value Ratio that does not at any time exceed 50%, and an Interest Cover Ratio that is at all times at least 2.00 times. Neither of these covenants were breached during the financial year.

Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Interest rate risk.

The Group's management policies are designed to ensure that there is an acceptable level of risk within the Group as a whole.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group and Company are exposed to credit risk on loans receivable, trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is assessed individually for creditworthiness before terms and conditions are offered, which involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables; and
- loans receivable.

Trade receivables and loans receivable

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles over a period of 12 months before 28 February 2023 and the corresponding historical credit losses experienced within this period. To measure expected credit losses on an individual basis, trade receivables are assessed net of the value-added tax clawback and deposit or guarantee held. Arrears aged 60 days and over are in most instances deemed to be irrecoverable and provided for. The expected loss rates are based on the Group's historical credit losses experienced over the period prior to the period end and are reassessed at each reporting date. Refer to note 9 - Trade and other receivables for the key macroeconomic factors identified by the Group, and the adjustments to the historical loss rates based on expected changes in these factors.

The Group uses a general approach to measure all loans receivables per note 8.



On that basis, the loss allowance as at 28 February 2023 was determined as follows for both trade receivables and loans receivable.

Financial assets exposed to credit risk at year end were as follows:	Notes	GROUP		
		Gross carrying amount	Credit loss allowance	Amortised cost
		R	R	R
2023				
Loans receivable	8	35 191 989	-	35 191 989
Trade and other receivables	9	79 255 122	(36 398 198)	42 856 924
Cash and cash equivalents	10	59 218 534	-	59 218 534
		173 665 645	(36 398 198)	137 267 447
2022				
Loans receivable	8	47 583 921	-	47 583 921
Trade and other receivables	9	65 627 293	(46 291 797)	19 335 496
Cash and cash equivalents	10	289 513 837	-	289 513 837
		402 725 051	(46 291 797)	356 433 254
		COMPANY		
		Gross carrying amount	Credit loss allowance	Amortised cost
		R	R	R
2023				
Loans to subsidiaries	6	1 788 080 572	-	1 788 080 572
Loans receivable	7	32 480 916	-	32 480 916
Trade and other receivables	8	37 268 148	(18 125 264)	19 142 884
Cash and cash equivalents	9	46 787 331	-	46 787 331
		1 904 616 967	(18 125 264)	1 886 491 703
2022				
Loans to subsidiaries	6	1 534 940 090	-	1 534 940 090
Loans receivable	7	44 082 248	-	44 082 248
Trade and other receivables	8	35 604 498	(22 520 296)	13 084 202
Cash and cash equivalents	9	279 756 830	-	279 756 830
		1 894 383 666	(22 520 296)	1 871 863 370



Liquidity risk

The Group is exposed to liquidity risk as a result of future payment commitments, detailed below.

The Group mitigates its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing resources comprise a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and the Company manages the liquidity risk through an ongoing review of commitments and credit facilities. Cash flow forecasts and budgets are prepared and adequate utilised borrowing facilities, disclosed in notes 10 and 14, are monitored.

The maturity profile of the contractual cash flows of financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

	Notes	GROUP				
		Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
		R	R	R	R	R
2023						
Non-current assets						
Derivative financial instruments	6	-	30 898 965	-	-	30 898 965
Non-current liabilities						
Financial liabilities	14	(207 833 630)	(728 195 155)	(1 293 335 759)	(1 129 140 705)	(3 358 505 249)
Current liabilities						
Trade and other payables	17	(155 871 502)	-	-	-	(155 871 502)
Dividend payable	33	(12 599 147)	-	-	-	(12 599 147)
Financial liabilities	14	(457 645 623)	-	-	-	(457 645 623)
Vendor finance payable	42	(116 500 000)	-	-	-	(116 500 000)
		(950 449 902)	(697 296 190)	(1 293 335 759)	(1 129 140 705)	(4 070 222 556)
2022						
Non-current assets						
Derivative financial instruments	6	-	31 876 861	-	-	31 876 861
Non-current liabilities						
Financial liabilities	14	(142 492 978)	(553 415 293)	(229 407 226)	(2 142 767 726)	(3 068 083 223)
Current liabilities						
Trade and other payables	17	(139 700 201)	-	-	-	(139 700 201)
		(282 193 179)	(521 538 432)	(229 407 226)	(2 142 767 726)	(3 175 906 563)
2023						
		COMPANY				
Non-current assets						
Derivative financial instruments	6	-	-	-	-	-
Non-current liabilities						
Financial liabilities	14	(207 833 630)	(728 195 155)	(1 293 335 759)	(1 129 140 705)	(3 358 505 249)
Current liabilities						
Trade and other payables	17	(48 082 379)	-	-	-	(48 082 379)
Loans from subsidiaries	18	(216 191 518)	-	-	-	(216 191 518)
Vendor finance payable	42	(116 500 000)	-	-	-	(116 500 000)
		(588 607 527)	(728 195 155)	(1 293 335 759)	(1 129 140 705)	(3 739 279 146)
2022						
Non-current assets						
Derivative financial instruments	6	-	19 482 507	-	-	19 482 507
Non-current liabilities						
Financial liabilities	14	(118 415 293)	(114 402 346)	(229 407 226)	(2 142 767 726)	(2 604 992 591)
Current liabilities						
Trade and other payables	17	(50 743 427)	-	-	-	(50 743 427)
Loans from subsidiaries	18	(188 125 533)	-	-	-	(188 125 533)
		(357 284 253)	(94 919 839)	(229 407 226)	(2 142 767 726)	(2 824 379 044)



Interest rate risk

Fluctuations in the interest rates impact on the value of investments, financing activities and interest rate swaps, giving rise to interest rate risk.

The interest rate risk arises primarily from long-term borrowings, which bear interest at rates linked to 3 month Jibar and the prime lending rate. The Company's weighted average cost of borrowing is 3 month JIBAR plus 1.905% (2022: 3 month JIBAR plus 1.905%), excluding the amortisation of hedging costs and participation fees. The Group strategy is well-managed and monitored, and 43.1% (2022: 48.2%) of Group debt is hedged by way of interest rate swaps arrangements. The Company and Mall of Thembisa (Pty) Ltd interest rate swaps terminate on 11 December 2023 and 15 January 2024 respectively, as disclosed in note 6. Monitoring of international and local economic climate and aligning development and hedging strategy with views of future rate movements further mitigates the risk.

A 1% increase in the effective interest rate applicable to interest-bearing borrowings, would have resulted in an increase in finance charges of R 27 633 770 (2022: R 22 311 341) before tax.

Fair value hierarchy for financial instruments and investment property

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. IFRS 13 requires that an entity disclose for each class of financial instrument and investment property measured at fair value, the level of fair value hierarchy into which the fair value measurements are categorised in their entirety.

The fair value hierarchy has the following levels:

- LEVEL 1 fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- LEVEL 2 fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly.
- LEVEL 3 fair value is determined through the use of valuation techniques using significant inputs (refer note 3 for assumptions applied to valuation of investment property).

		GROUP			
	Notes	Fair value R	Level 1 R	Level 2 R	Level 3 R
2023					
Assets					
Investment properties	3	8 185 440 124	-	-	8 185 440 124
Derivative financial instruments	6	43 131 204	-	43 131 204	-
2022					
Assets					
Investment properties	3	7 042 837 495	-	-	7 042 837 495
Derivative financial instruments	6	30 898 965	-	30 898 965	-
		COMPANY			
2023					
Assets					
Investment properties	3	3 867 927 876	-	-	3 867 927 876
Derivative financial instruments	6	27 838 007	-	27 838 007	-
2022					
Assets					
Investment properties	3	3 322 201 163	-	-	3 322 201 163
Derivative financial instruments	6	18 928 492	-	18 928 492	-

There have been no transfers between levels 1, 2 and 3 during the financial year.

Refer to notes 3 and 6 for the relevant valuation methods, inputs and assumptions made.



39. ACQUISITION OF ASSETS AND LIABILITIES BY THE GROUP

During the current year, Exemplar acquired a 50% undivided share in Mamelodi Square to be settled in cash of R116 500 000.

40. ACQUISITION NON-CONTROLLING INTEREST

During the year the Company acquired the non-controlling interest in Mall of Thembisa (Pty) Ltd.

	GROUP		COMPANY	
	2023 R	2022 R	2023 R	2022 R
Purchase price of 49.9% of the shares	113 000 000	-	113 000 000	-
Shareholder loan claim acquired	20 000 000	-	20 000 000	-
Transaction costs	282 500	-	282 500	-
	133 282 500	-	133 282 500	-
Utilisation of provision for interest	(2 693 898)	-	(2 693 898)	-
	130 588 602	-	130 588 602	-
Non-controlling interest	69 222 435	-	69 222 435	-
Premium paid on acquisition	61 366 167	-	61 366 167	-



41. JOINT OPERATIONS

Profits and losses resulting from the transactions with the joint operations are recognised in the Group's consolidated annual financial statements only to the extent of interests that are not related to the Group.

The Group accounts for the assets, liabilities, revenues and expenses relating to joint operations in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses.

In the separate annual financial statements of the Company, interests in joint operations are accounted for in the same manner.

Joint operations comprise the following properties:

	2023	2022
	%	%
Acornhoek Megacity	43.98	43.98
Chris Hani Crossing	50.00	50.00
Jane Furse Plaza	29.83	29.83
Kwagga Mall	43.51	43.51
Maake Plaza	30.00	30.00
Modjadji Plaza	70.00	70.00
Mamelodi Square	50.00	-
Tsakane Mall	50.00	50.00

Exemplar's share of profit and loss and net assets:

Statement of profit or loss and other comprehensive income

	R	R
Rental income and recoveries	226 830 716	198 736 310
Straight-line lease income adjustments	(240 095)	962 370
Property operating expenses	(80 181 608)	(68 091 084)
Profit from operations	146 409 013	131 607 596
Fair value adjustment to investment properties	81 279 890	76 239 410
Other income	223	8 313 051
Interest income	1 427 674	898 554
Finance costs	(666 586)	(736 099)
Insurance claim on material loss	-	13 553 966
Profit before taxation	228 450 215	229 876 477

Statement of financial position

Opening fair value of property assets	1 686 492 960	1 594 218 603
Additions	2 178 219	102 324
Acquisitions	116 500 000	-
Additions - riot damage	-	13 509 410
Net movement in tenant installations	(1 067 292)	1 768 817
Fair value adjustment	81 813 110	76 239 410
Lease liability	(320 356)	(307 974)
Operating lease asset	(773 315)	962 370
Closing fair value of property assets	1 884 823 327	1 686 492 960
Property, plant and equipment	984 153	170 800
Current assets	369 672 362	353 051 263
Total assets	2 255 479 842	2 039 715 022
Equity	2 331 933 528	2 113 214 898
Deferred taxation	(45 909 109)	(46 310 681)
Current liabilities	(30 544 578)	(27 189 194)
Total equity and liabilities	2 255 479 842	2 039 715 022

All joint operations have their principal place of business in South Africa.



42. VENDOR FINANCE PAYABLE

This loan is attributable to the purchase of 50% undivided share in Mamelodi Square Proprietary Limited. The loan has been settled subsequent to the financial year end.

43. GOING CONCERN

The directors believe that the Group and Company have adequate financial resources to continue in operation for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis. This assessment is supported by the Group's budgets for the 2024 financial year. Furthermore, 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 foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group and Company.

44. 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 this report.

45. CONTINGENCIES

The claim made by a competing developer and disclosed in prior financial years is ongoing. The claim is being defended, although pleadings have now closed. The attorneys are of the view that the prospects of successfully defending the matter, based on a special plea of prescription, are sound.



ANNEXURE A

SEGMENT REPORT

Segment analysis

The Group identifies and presents operating segments based on information that is provided to the Group's management and internal reporting structure as determined by the Group's executive committee.

The Group's management reviews the performance of its investment properties on an individual basis and due to the entire portfolio being retail, has taken a decision to aggregate operating segments and disclose such reportable segments on a geographical basis, being:

- Gauteng;
- Mpumalanga;
- KwaZulu-Natal;
- Limpopo;
- Eastern Cape.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

	GLA m ²	Investment property R	Rental income and recoveries R	Property operating expenses R	Change in fair values R	Net property income R
2023						
Gauteng	181 170	4 080 196 799	533 441 123	(154 236 602)	222 739 633	601 944 154
Mpumalanga	85 924	1 532 263 973	204 777 424	(78 134 896)	83 295 725	209 938 253
KwaZulu-Natal	48 770	799 635 619	117 074 857	(43 011 293)	45 903 471	119 967 035
Limpopo	52 664	963 137 346	139 504 645	(56 908 506)	68 809 446	151 405 585
Eastern Cape	39 414	670 353 347	52 696 839	(22 666 556)	46 862 751	76 893 034
	407 942	8 045 587 084	1 047 494 888	(354 957 853)	467 611 026	1 160 148 061
2022						
Gauteng	172 909	3 718 030 115	474 761 903	(155 975 096)	284 514 074	603 300 881
Mpumalanga	85 924	1 439 408 491	193 011 969	(74 488 835)	142 857 476	261 380 610
KwaZulu-Natal	57 388	557 496 820	57 655 409	(40 676 576)	(252 873 864)	(235 895 031)
Limpopo	52 665	870 405 770	127 385 563	(51 384 896)	73 440 510	149 441 177
Eastern Cape	13 597	336 260 205	31 790 811	(12 004 566)	17 190 727	36 976 972
	382 483	6 921 601 401	884 605 655	(334 529 969)	265 128 923	815 204 609



ANNEXURE B

DISTRIBUTABLE EARNINGS RECONCILIATION

The following annexure does not form part of the IFRS financial statements

	GROUP	
	2023	2022
	R	R
Net property income	1 160 148 061	815 204 609
Other income	55 388 755	77 356 988
Administrative expenses and corporate costs	(50 981 658)	(39 103 374)
Investment income	34 666 057	15 751 287
Finance costs	(200 414 261)	(166 055 710)
Insurance claim received on material loss	69 165 709	289 284 299
Fair value adjustment to derivative financial instruments	12 232 239	13 818 316
Taxation	(51 486 212)	(11 296 673)
Total comprehensive income	1 028 718 690	994 959 742
Distributable earnings reconciliation		
Total comprehensive income	1 028 718 690	994 959 742
Distributable earnings adjustments:		
Attributable to non-controlling interests	(53 376 978)	(80 685 137)
Fair value adjustment to derivative financial instruments	(12 232 239)	(13 818 316)
Fair value adjustment to investment properties	(467 611 026)	(265 128 923)
Non-controlling interest in fair value adjustment to investment properties	31 712 680	51 212 752
Straight-line lease income adjustments	(41 070 550)	8 761 289
Non-controlling interest in straight-line lease income adjustments	1 935 297	5 016 162
Lease liability adjustment - rent paid	(3 606 716)	(2 887 145)
Lease liability adjustment - interest on lease	5 179 294	3 742 166
Non-controlling interest in lease liability adjustments	(952 067)	(473 625)
Non-controlling interest in fair value adjustment to derivative financial instruments	-	2 048 827
Settlement costs of derivative financial instruments amortised	(5 015 642)	(45 366 969)
Non-controlling interest in settlement costs of derivative financial instruments amortised	-	3 433 318
Insurance claim on material loss	(69 165 709)	(289 284 299)
Non-controlling interest in insurance claim on material loss	-	8 144 006
Deferred tax movement	51 486 212	11 296 673
Non-controlling interest in deferred tax movement	(932 496)	(202 758)
IFRS2 Charge on Share Scheme	3 866 247	-
Distributable income	468 934 998	390 767 763
Distributable income per share (cents)	141,12192	117,59817
Distributable income for the year	468 934 998	390 767 763
Interim dividend paid	228 332 980	(150 675 417)
Dividend per share (cents)	68,71483	45,34446
Number of shares	332 290 686	332 290 686
Final dividend	240 602 018	240 092 349
Dividend per share (cents)	72,40709	72,25371
Number of shares	332 290 686	332 290 686
Dividend per share for the 12 months (cents)	141,12192	117,59817





EXEMPLAR


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