

# **RDC Properties Limited Audited Financial Results**

## For the Financial Year Ended 31 December 2024

**BOARD OF DIRECTORS:** 

G Giachetti (Italy)

GR Giachetti (Italy)

A Bradley (Chairman) (South Africa) F Giachetti (Italy)

K C Maphage (Botswana) N Milne (South Africa) G Fisher (South Africa)

S Mathe (Botswana)

S Susman (South Africa)

J Pari (CEO) (Italy)



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### **PORTFOLIO PERFORMANCE**

**OVERALL VACANCY** 

8.2%

**OVERALL GROUP VACANCY** RATE IS DOWN FROM 11.3% IN 2023 TO 8.2% AS AT DECEMBER 2024

For the year

ended

P'000

582 960

 $(11\ 146)$ 

571 814

(214973)

356 841

(48251)

13 269

7 863

56 375

5 961

(57097)

342 380

 $(24\ 118)$ 

 $(18\ 166)$ 

108 475

408 571

(239627)

174 524

(19767)

154 757

155 573

(3112)

10 043

(736)

161 768

123 934

31 639

155 573

130 129

31 639

161 768

17.49

8.11

3 170 104

161 768

(11421)

(39572)

(53765)

3 235 820

8 706

31 December 2024 31 December 2023

P'000

758 232 937

758 232 937

For the vear

816

5 580

7 419

### **PORTFOLIO VALUE**

### P5.92 Billion

PORTFOLIO VALUE STABLE AT P5.92B (2023: P5.99B) DESPITE THE SALE OF NON-CORE ASSETS DURING THE YEAR

P'000

563 807

(2517)

561 290

(216560)

344 730

(51698)

536

(922)

10 379

(2398)

2 465

6 145

309 237

(19712)

(16040)

106 921

380 406

14 048

26 797

179 634

(46288)

133 346

(4 146)

129 200

28 659

25 780

183 639

101 039

129 200

155 478

758 232 937

758 232 937

For the year

ended

28 161

14.23

6.90

P'000

3 030 197

183 639

 $(31\ 300)$ 

(19318)

3 170 104

6 886

28 161

16%

(12%)

23%

18%

(241 617)

Chang

For the year

31 December 2023

### FINANCIAL HIGHLIGHTS PROFIT FROM OPERATIONS



**EXCL. FV ADJUSTMENTS** 

PROFIT FROM OPERATIONS\* UP 11% TO P342M (2023: P309M)

# **EARNINGS PER SHARE**



EARNINGS PER SHARE UP 23% TO 17.49 THEBE PER SHARE (2023: 14.23 THEBE)

### **LOAN TO VALUE**



For the year

31 December 2024 31 December 2023

LTV HAS DECREASED BY 157 BASIS POINTS TO 41.72% (2023: 43.29%)

## **RETURN TO SHAREHOLDERS**

**NET ASSET VALUE** DISTRIBUTION



**NET ASSET VALUE PER** SHARE (EXCLUDING DEFERRED TAX) IS P3.86 (2023: P3.73)

**DISTRIBUTION PER SHARE\*** HIGHER AT 8.11 THEBE (2023: 6.90 THEBE)



#### ABRIDGED AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Contractual lease rental revenue Straight-line rental adjustment

#### Net property operating expenses

#### Net property income

Other operating expenses Gains arising from joint ventures Other foreign exchange (losses)/gains Other operating income

Sales revenue Cost of sales

Profit on sale of subsidiary Inventory net realizable value adjustment

#### Profit from operations before fair value adjustments

(Loss)/gain arising on fair valuation of investments (Loss)/gain arising on fair valuation of interest rate derivatives Gain arising on revaluation of investment properties

### **Profit from operations**

Investment Income

Finance costs

#### Bargain purchase gair Profit before tax

Income tax expense

#### Profit for the year from continuing operations

### Discontinued Operations:

Profit/(Loss) for the period from discontinued operations

#### Profit for the year

#### Other comprehensive income

Items that may be subsequently reclassified to profit or loss: Exchange differences on translation of foreign operations Share of joint venture other comprehensive income for the year Fair value losses on available for sale financial assets

#### Total comprehensive income for the period

#### Profit attributable to Owners of the company Non-controlling interest

Non-controlling interest

Total comprehensive income for the year attributable to: Owners of the company

Average number of linked units in issue at period end Earnings per linked unit (thebe)

Number of linked units in issue at distribution date Distribution per linked unit (thebe)

**SUMMARISED CONSOLIDATED** STATEMENT OF CHANGES IN EQUITY

### Balance brought forward

Total comprehensive income for the year Sale of subsidiary – non-controlling interest derecognised Debenture interest paid Taxation attributable to debenture interest Dividends paid Balance at the end of the period

### ABRIDGED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Property, plant and equipment Intangible asset

Investments & loans

Investment in joint ventures Investment properties

Rental receivable – straight line rental adjustment Financial assets at fair value through OCI Long term trade receivables Inventories

Non-current assets held for sale Other current assets

#### **Total Assets**

#### **Equity and Liabilities**

Equity attributable to the owners of the parent Non-controlling interests Long-term borrowings – current and non-current Deferred tax liabilities

Non-current liabilities held for sale Current liabilities

### **Total Equity and Liabilities**

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

Net cash generated from operating activities Net cash generated from investing activities Net cash utilised in financing activities

#### Net movement in cash and cash equivalents

Cash and cash equivalents at beginning of the year Effects of exchange rates

Cash and cash equivalents at the end of the year

P'000	P'000	
28 264	38 570	
1 000	1 000	
54 541	69 815	
127 821	102 063	
5 453 249	5 429 077	
(18 655)	(7 509)	
9 698	10 421	
26 343	26 340	
110 835	158 943	
-	85 165	
392 712	294 289	
6 185 808	6 208 174	(0.3%)
2 707 038	2 609 717	
528 782	560 387	3.73%
2 584 354	2 601 895	3.7370
218 581	216 022	
210 301	62 705	
147 053	157 448	
		(0.00/)
6 185 808	6 208 174	(0.3%)
For the year	For the year	%
ended	ended	Change
31 December 2024 3	1 December 2023	

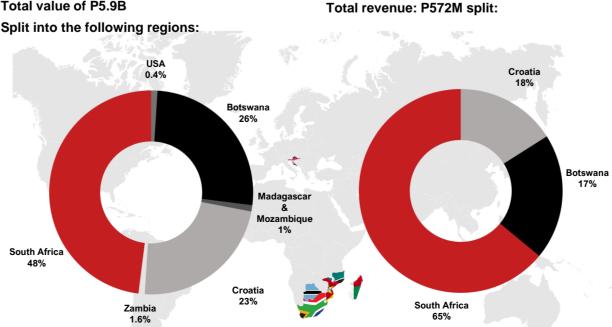
Change	ended December 2023	ended 31 December 2024 31
	P'000	P'000
15%	317 332	365 170
	90 791	50 119
	(395 253)	(350 504)
	12 870	64 785
	80 077	73 106
	(19 841)	(23 355)
57%	73 106	114 536

Revenue by Region

#### **Key Operational Information: Segmental Analysis**

### Portfolio Value by Region

Total value of P5.9B



I am pleased to report that for the year ended 31 December 2024, the Group achieved another solid set of financial results. The Group's well diversified portfolio in terms

The portfolio has remained stable with a slight decrease in value to P5.92 billion (2023: P5.99 billion) despite the sale of P140 million of less strategic assets during the year. Revenue increased by 2% to P572 million (2023: P561 million). The solidity of the portfolio is once again demonstrated by the profit from operations before fair value adjustments increasing by 11% to P342 million (2023: P309 million). Profit before tax has decreased by 3% due to the once-off bargain purchase gain in the prior year in relation to the acquisition of David Livingstone Safari Lodge (P27 million). Eliminating the impact of this profit before taxation would be 14% higher

As at 31 December 2024, the Group has significantly improved its balance sheet in line with its strategy. It has reduced its LTV to 41.72% from 43.29% and improved its NAV per linked unit (net of deferred taxation) by 3.5% to P3.86 per share (2023: P3.73), having had 66% of the portfolio independently valued

The 2024 reporting period has been characterised by continued focus on property and portfolio improvement which is reflected in the reduction in overall vacancies in the portfolio. Whereas the portfolio vacancy rate at the close of 2023 was 11.3% of total GLA, this ratio has reduced to 8.2%, through focus on leasing and hands-on management. New leases and renewals totaling 91,682 sqm were concluded in 2024, representing 27% of the total GLA of 335,051 sqm.

The region with the greatest improvement in occupancies has been Gauteng, where vacancies reduced from 26.6% to 17.7%. The Gauteng portfolio has shown signs of resurgence, particularly in the office sector, indicating a renewed confidence in the region's economic role. Vacancies in the Cape Town portfolio dropped from 5.4% to a historic low of 2.7%. The Western Cape consistently outperforms other regions with stable governance, a diversified economy and booming tourism sector contributing to its resilience. The reduction in inflation and finance cost played a significant role in the economic climate in South Africa in 2024, which together with less disruption from load-shedding and the formation of the Government of National Unity, has boosted investor confidence.

The Botswana portfolio vacancies have remained substantially flat at 8.4% due to transitional vacancies vs 7.5% a year ago. The property sector in Botswana has been slower to react to the new political landscape although there has been a noticeable increase in demand for office space in the Gaborone CBD, where the Company's single largest asset, Masa Square, is situated. Occupancy rates in prime office buildings have seen growth. The industrial sector in Botswana has been a key driver in the market, benefiting from government efforts to diversify beyond mining, and investor interest.

The Croatian portfolio remains fully let, with demand for both office and retail space in Zagreb, and in the coastal towns remaining strong.

Gross property income before the straight line adjustment grew by 3.4% on prior year despite the impact of the sale of non-core properties on rental revenues. The gain arising from the revaluation of investment properties as at December 2024 was P108.5 million. In total 66% of the portfolio was independently valued in line with Company policy, including the Croatian portfolio. This positive movement is an indicator of the increasing demand for quality investment property in the jurisdictions within which

In terms of highlights and significant events, the Westlake Shopping Centre in Cape Town was successfully relaunched and has had a positive impact on cash flow. A significant lease was signed at our 11,400 sqm Voortrekker Rd, Cape Town building. This deal welcomes NYSE listed Telus Digital as an RDC tenant and strengthens the Company's lease profile. RDC disposed of its interest in the 108 Albert Rd, Woodstock development on completion of the project at mid-year. In total, 7 properties were transferred out of the portfolio in 2024, representing cash receipts of P140 million. The proceeds from these non-core disposals have to date been employed in reducing debt and it is gratifying to see the positive impact the reduction of the Company's Loan to Value ratio has had on the interest expense

The Tower portfolio has historically employed an outsourced property management model delivered by Cape Town based company, Spire. Following investigations, it was

found that the Spire CEO was defrauding the company, and this has affected some Spire clients since 2017, including RDC. Notwane Asset Management (NAM), RDC's asset manager in RSA has immediately put in place measures to avoid any future loss. The Group is engaged in seeking indemnification of the losses sustained, estimated

at P11M over the last few years, although not deemed material to the group in any of the past financial years, it has accelerated plans to move this function previously performed by Spire to our long-term service providers, NAM, as is the case in all other RDC jurisdictions Hospitality remains a key contributor to the Group's NOI. The fully financed multi-year property improvement programs at Protea Marriott Masa and David Livingston

Safari Lodge are expected to enhance the properties' market positioning and competitiveness. These upgrades should drive higher occupancy rates and increased average daily rates, ultimately maximizing rental income for RDCP. Planning for the re-building of Chobe Marina Lodge is advanced after the fire at the Lodge in Q4 2024, which will result in an updated and improved hospitality offering in Kasane. The insurance company (Old Mutual) has accepted the liability and quantification of the claim is in progress with a P10M advance already received against the Business interruption policy.

The David Livingstone Safari Lodge and Spa was honoured with the TripAdvisor's Travelers' Choice Awards for 2024. This prestigious recognition highlights businesses that consistently earn outstanding reviews, placing them among the top 10% of listings globally on TripAdvisor. The Lodge has since received a 2025 Traveler Review Award from Booking.com. This recognition reflects the exceptional experiences and outstanding hospitality provided to guests at the lodge. The scheduled refurbishment

In December 2024, the Green Building Council South Africa awarded the Old Cape Quarter Apartments a Multi-Unit Residential As Built 4 Star rating, adding another Green Star rated property to the RDC Portfolio

In pursuit of long-term value creation, RDC recognises the importance of integrating ESG considerations into operations, strategy and decision-making processes. In this past year, some 18 Power Purchase Agreements have been signed enhancing the PV solar generation across the portfolio. This provides for the generation of clean power at a discount to the grid rate. Whilst power costs have remained stable in Botswana. South Africa has seen a sharp increase in grid costs, and the Company's proactive approach to sustainable solutions is a hedge against rising costs and will contribute to the reduction of our carbon footprint. In terms of other sustainability initiatives, water security is a focus in Gauteng and waste management is a key focus across the portfolio with specific initiatives being rolled out.

In alignment with RDC's commitment to the highest standards of governance, Andrew Bradley was elected as independent non-executive chairman at the Board meeting held on 23 May 2024, immediately following the AGM, Guido Giachetti, will continue to lead the executive team and asset management operations, ensuring the company's sustained performance and growth. The revised Board Charter, approved in September 2024, introduced a clause requiring the Board to nominate an independent non-executive director to act as chairman in the event of the chairman's unavailability. Mr. Giorgio Giachetti and Ms. Kate Maphage have decided not to present themselves for re-election and will therefore retire at the 2025 AGM. The Board gratefully acknowledges the significant contributions of these long-standing embers to RDC's success, and has subsequently approved the appointment of two new directors with effect from May 2025, subject to approval by linked unit holders at the 2025 AGM. A comprehensive assessment of the Board, its committees, and executive management was conducted in November 2024. The strong results confirmed that the Board operates effectively, fosters productive deliberations, and continues to enhance RDC's performance in the best interest of unit holders.

#### BASIS OF PREPARATION AND ACCOUNTING POLICIES

The summarised financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS"). In preparing the underlying financial statements from which these summarised financial results were extracted, all IFRS and International Reporting Committee interpretations issued and effective for annual periods beginning on or after 1 January 2024 have been applied. The Group's underlying consolidated annual financial statements have also been prepared in accordance with IFRS. The principal accounting policies are consistent in all material respects with those of the previous year.

#### **DISTRIBUTION TO LINKED UNIT HOLDERS**

For the financial year ended 31 December 2024, the Board has declared a final distribution of P40 million to the shareholders. The distribution will be a dividend of 0.194 thebe per ordinary share and interest of 5.081 thebe per debenture. This dividend and interest will be payable on or about the 28 April 2025 to those linked unit holders registered at the close of business on the 16 April 2025. The ex-dividend date is therefore 14 April 2025.

Grant Thornton, the Group's independent auditors, have audited the consolidated annual financial statements of the Group from which these summarised financial results have been derived, and have expressed an unmodified audit opinion on the consolidated annual financial statements. The full set of consolidated annual financial statements including the audit report are available for inspection at the Group's registered office.

Andrew Bradley, Chairman 24 March 2025