

RDC Properties Limited Audited Financial Results

For the Financial Year Ended 31 December 2024

BOARD OF DIRECTORS:

A Bradley (Chairman) (South Africa) J Pari (CEO) (Italy)
 F Giachetti (Italy) K C Maphage (Botswana)
 G Fisher (South Africa) N Milne (South Africa)
 G Giachetti (Italy) S Mathe (Botswana)
 GR Giachetti (Italy) S Susman (South Africa)



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

| FINANCIAL HIGHLIGHTS | |
|--|--------------|
| PROFIT FROM OPERATIONS EXCL. FV ADJUSTMENTS | 11% |
| PROFIT FROM OPERATIONS* UP 11% TO P342M (2023: P309M) | |
| EARNINGS PER SHARE | 23% |
| EARNINGS PER SHARE UP 23% TO 17.49 THEBE PER SHARE (2023: 14.23 THEBE) | |
| LOAN TO VALUE | 1.57% |
| LTV HAS DECREASED BY 157 BASIS POINTS TO 41.72% (2023: 43.29%) | |

| RETURN TO SHAREHOLDERS | |
|---|-------------|
| NET ASSET VALUE | 3.5% |
| NET ASSET VALUE PER SHARE (EXCLUDING DEFERRED TAX) IS P3.86 (2023: P3.73) | |
| DISTRIBUTION | 18% |
| DISTRIBUTION PER SHARE* HIGHER AT 5.11 THEBE (2023: 6.90 THEBE) | |



| ABRIDGED AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | For the year ended | | % Change |
|--|--------------------|------------------|--------------|
| | 31 December 2024 | 31 December 2023 | |
| | P'000 | P'000 | |
| Revenue | | | |
| Contractual lease rental revenue | 582 960 | 563 807 | |
| Straight-line rental adjustment | (11 146) | (2 517) | |
| | 571 814 | 561 290 | 2% |
| Net property operating expenses | (214 973) | (216 560) | |
| Net property income | 356 841 | 344 730 | 4% |
| Other operating expenses | (48 251) | (51 698) | |
| Gains arising from joint ventures | 13 269 | 536 | |
| Other foreign exchange (losses)/gains | 7 419 | (922) | |
| Other operating income | 7 863 | 10 379 | |
| Sales revenue | 56 375 | 2 465 | |
| Cost of sales | (57 097) | (2 398) | |
| Profit on sale of subsidiary | 5 961 | - | |
| Inventory net realizable value adjustment | - | 6 145 | |
| Profit from operations before fair value adjustments | 342 380 | 309 237 | 11% |
| (Loss)/gain arising on fair valuation of investments | (24 118) | (19 712) | |
| (Loss)/gain arising on fair valuation of interest rate derivatives | (18 166) | (16 040) | |
| Gain arising on revaluation of investment properties | 108 475 | 106 921 | |
| Profit from operations | 408 571 | 380 406 | 7% |
| Investment Income | 5 580 | 14 048 | |
| Finance costs | (239 627) | (241 617) | |
| Bargain purchase gain | - | 26 797 | |
| Profit before tax | 174 524 | 179 634 | (3%) |
| Income tax expense | (19 767) | (46 288) | |
| Profit for the year from continuing operations | 154 757 | 133 346 | 16% |
| Discontinued Operations: | | | |
| Profit/(Loss) for the period from discontinued operations | 816 | (4 146) | |
| Profit for the year | 155 573 | 129 200 | 20% |
| Other comprehensive income | | | |
| Items that may be subsequently reclassified to profit or loss: | | | |
| Exchange differences on translation of foreign operations | (3 112) | 28 659 | |
| Share of joint venture other comprehensive income for the year | 10 043 | 25 780 | |
| Fair value losses on available for sale financial assets | (736) | - | |
| Total comprehensive income for the period | 161 768 | 183 639 | (12%) |
| Profit attributable to | | | |
| Owners of the company | 123 934 | 101 039 | |
| Non-controlling interest | 31 639 | 28 161 | |
| | 155 573 | 129 200 | 20% |
| Total comprehensive income for the year attributable to: | | | |
| Owners of the company | 130 129 | 155 478 | |
| Non-controlling interest | 31 639 | 28 161 | |
| | 161 768 | 183 639 | |
| Average number of linked units in issue at period end | 758 232 937 | 758 232 937 | |
| Earnings per linked unit (thebe) | 17.49 | 14.23 | 23% |
| Number of linked units in issue at distribution date | 758 232 937 | 758 232 937 | |
| Distribution per linked unit (thebe) | 8.11 | 6.90 | 18% |

| ABRIDGED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION | For the year ended | | % Change |
|---|--------------------|------------------|---------------|
| | 31 December 2024 | 31 December 2023 | |
| | P'000 | P'000 | |
| Assets | | | |
| Property, plant and equipment | 28 264 | 38 570 | |
| Intangible asset | 1 000 | 1 000 | |
| Investments & loans | 54 541 | 69 815 | |
| Investment in joint ventures | 127 821 | 102 063 | |
| Investment properties | 5 453 249 | 5 429 077 | |
| Rental receivable – straight line rental adjustment | (18 655) | (7 509) | |
| Financial assets at fair value through OCI | 9 698 | 10 421 | |
| Long term trade receivables | 26 343 | 26 340 | |
| Inventories | 110 835 | 158 943 | |
| Non-current assets held for sale | - | 85 165 | |
| Other current assets | 392 712 | 294 289 | |
| Total Assets | 6 185 808 | 6 208 174 | (0.3%) |
| Equity and Liabilities | | | |
| Equity attributable to the owners of the parent | 2 707 038 | 2 609 717 | |
| Non-controlling interests | 528 782 | 560 387 | 3.73% |
| Long-term borrowings – current and non-current | 2 584 354 | 2 601 895 | |
| Deferred tax liabilities | 218 581 | 216 022 | |
| Non-current liabilities held for sale | - | 62 705 | |
| Current liabilities | 147 053 | 157 448 | |
| Total Equity and Liabilities | 6 185 808 | 6 208 174 | (0.3%) |
| ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS | | | |
| | P'000 | P'000 | |
| Net cash generated from operating activities | 365 170 | 317 332 | 15% |
| Net cash generated from investing activities | 50 119 | 90 791 | |
| Net cash utilised in financing activities | (350 504) | (395 253) | |
| Net movement in cash and cash equivalents | 64 785 | 12 870 | |
| Cash and cash equivalents at beginning of the year | 73 106 | 80 077 | |
| Effects of exchange rates | (23 355) | (19 841) | |
| Cash and cash equivalents at the end of the year | 114 536 | 73 106 | 57% |

FINANCIAL RESULTS

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 of sector and location has enabled it to perform well in this challenging macro-economic environment.

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.

OPERATIONS AND HIGHLIGHTS

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 totalling 91,862 sqm were concluded in 2024, representing 27% of the total GLA of 355,051 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 outlook. 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 occupancy 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, Massa 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 RDC operates and demonstrates value protection.

In terms of highlights and significant events, the Westlake Shopping Centre in Cape Town was successfully relaunched and 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 Caps 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. Netwone 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, CAM, as the basis in all other RDC jurisdictions.

Hospitality remains a key contributor to the Group's NOL. The fully financed multi-year programme of upgrades at Protea Marriott Massa and David Livingstone 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 Kaasane. 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.

AWARDS

The David Livingstone Safari Lodge and Spa was honoured with the TripAdvisor's Travellers' 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 will further strengthen these scores.

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 rating property to the RDC Portfolio.

Key Operational Information: Segmental Analysis

Portfolio Value by Region
 Total value of P5.9B

Revenue by Region
 Total revenue: P572M split:

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | For the year ended | | % Change |
|--|--------------------|------------------|-----------|
| | 31 December 2024 | 31 December 2023 | |
| | P'000 | P'000 | |
| Balance brought forward | 3 170 104 | 3 030 197 | |
| Total comprehensive income for the year | 161 768 | 183 639 | |
| Sale of subsidiary – non-controlling interest derecognised | (11 421) | - | |
| Debtore interest paid | (39 572) | (31 300) | |
| Taxation attributable to debtore interest | 8 706 | 6 886 | |
| Dividends paid | (53 765) | (19 318) | |
| Balance at the end of the period | 3 235 820 | 3 170 104 | 2% |

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 5.061 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 15 April 2025. The ex-dividend date is therefore 14 April 2025.

INDEPENDENT AUDITOR'S REPORT

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.

By order of the Board
 Andrew Bradley, Chairman
 Gaborone
 24 March 2025