



equites
PROPERTY FUND

**AUDITED SUMMARY
CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 28 FEBRUARY 2023

HIGHLIGHTS

**169.60
CENTS**

DISTRIBUTION
PER SHARE

**13.8
YEARS**

WEIGHTED
AVERAGE
LEASE EXPIRY

0.1%

PORTFOLIO
VACANCY

**“NOTWITHSTANDING TOUGH TRADING
CONDITIONS WHICH HAVE BEEN
PRECIPITATED BY TURBULENT
FINANCIAL AND CAPITAL MARKETS,
WE ARE PLEASED WITH A RESILIENT
SET OF OPERATIONAL AND
FINANCIAL RESULTS.”**

– ANDREA TAVERNA-TURISAN, CEO



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COMMENTARY

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

1 THE YEAR IN REVIEW

Equites Property Fund Limited is pleased to announce its annual results for the year ended 28 February 2023.

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE FINANCIAL YEAR:

- **DPS OF 169.60 CENTS, UP 4.1%**
- **DISTRIBUTION PAY-OUT RATIO OF 100%**
- **LTV RATIO OF 39.7%**
- **NAV PER SHARE DECREASED BY 10.5% TO R16.65**
- **UK PORTFOLIO VALUATIONS DECREASED BY 21.4%, IN STERLING**
- **SA PORTFOLIO VALUATION INCREASED BY 4.3%**
- **PORTFOLIO VACANCY RATE OF 0.1%**
- **REFINANCED AND UPSIZED A 10-YEAR DEBT FACILITY IN THE UK AT A FIXED RATE OF 3.92%**
- **CONCLUDED THREE TRANSACTIONS WITH SHOPRITE**

EXECUTIVE SUMMARY

Equites delivered growth in DPS of 4.1% in line with the initial guidance provided to the market in May 2022 of between 4.0% and 6.0%.

Due to a sharp increase in interest rates during the second half of the financial year, the UK logistics property market experienced cap rate expansion, with prime logistics yields shifting outwards by 175bp from 3.25% to 5.00%. Although market rental growth mitigated a portion of the negative impact of rising property yields, Equites' UK portfolio value declined by 21.4% on a LfL basis, in sterling. The SA portfolio value performed in line with expectations, increasing by 4.3%, on a LfL basis.

On the occupational side, the underlying fundamentals remain strong in both jurisdictions, with supply chain optimisation continuing to propel the demand for modern logistics facilities. Due to limited availability of stock, both jurisdictions experienced double-digit market rental growth. The SA and UK portfolios were fully occupied, except for an ancillary unit in the UK.

The Group entered one of the most challenging property cycles in the UK with conservative levels of gearing, affording Equites the opportunity to continue executing its development pipeline in both SA and the UK. The LTV ratio increased from 31.5% to 39.7%, which is at the top-end of the target LTV range. As management is targeting an LTV ratio of approximately 35% by February 2024, the Group is planning further property disposals in SA and the UK. The Group has already concluded property disposal transactions with a combined transaction value of R2 billion, post year end.

Given current market conditions as well as the Group's capital structure, Equites resolved to no longer undertake large-scale developments in the UK. The Group is therefore exploring alternative strategies to extract maximum value from the ENGL development platform.

Since entering the UK logistics market in 2016, the Group has utilised CCIRS as a net hedge to foreign currency risk as well as to hedge the interest rate differential between the two jurisdictions. The decision to dispose of certain income-producing assets in the UK and to no longer undertake large-scale developments in the UK, reduces the requirement for CCIRS. The Board has therefore decided to close the derivative positions as they reach their maturity dates. Income from CCIRS will be excluded from distributable earnings in FY24, and although it will have a considerable impact on DPS, shareholders will benefit from improved growth in NAV per share, as the rand weakens against the pound over the long term.

The Group expects a DPS of between 130 and 140 cents for the next financial year.

2 STRATEGIC UPDATE

Equites' strategic focus remains concentrated on underlying property fundamentals and competitive advantage with its best-in-class logistics assets. The Group has prioritised the following key strategic imperatives for the upcoming year:

STRATEGIC IMPERATIVES

- High-quality logistics acquisitions and developments in SA;
- Potential disposal of the ENGL development platform;
- Property disposals in SA and the UK;
- Reducing the LTV ratio;
- Reducing land holdings to less than 5% of total portfolio value;
- Consider share repurchases and cancellations; and
- Termination of CCIRS.

2.1 HIGH-QUALITY LOGISTICS ACQUISITIONS AND DEVELOPMENTS IN SA

Equites continues to witness unabated demand for warehousing space in SA, driven by national retailers and third-party logistics companies optimising their supply chain networks, with a focus on increasing efficiencies and fulfilment capabilities. Equites is currently capitalising on this opportunity, given its strategic land bank and proven track record of delivering a world-class product to its clients.

The development pipeline in SA will continue to focus on A-grade tenants, pre-let development agreements on long-term leases as well as the integration of key sustainability metrics that are paramount to global multi-nationals and large SA listed organisations, which are the backbone of Equites' portfolio.

Due to increased funding costs, the Group has increased its target yield on new developments from 8.0%-9.0% to 8.5%-9.5%, which supports a robust capital allocation framework.

2.2 POTENTIAL DISPOSAL OF THE ENGL DEVELOPMENT PLATFORM

Equites entered a partnership with Newlands in 2020, affording the Group the opportunity to build scale in the top-end of the UK logistics market, by developing properties at a discount to open market values.

Since its inception, ENGL has completed two world-class developments for Amazon and EVRi for a combined cost of c. £113 million (R2.5 billion). The partnership also successfully completed a turnkey development, unlocking £9 million (R173 million) profit for ENGL. The partnership made considerable progress with advancing other schemes and based on current estimates, the expected development pipeline is £2 billion (R44 billion) over the next seven-year period.

Globally, capital market conditions have changed considerably since June 2022, with a surge in inflation causing central banks to respond by increasing interest rates. The changing macroeconomic landscape impacted the UK investment market, which experienced substantial repricing in asset values during 2022.

As the Group decided to no longer undertake large-scale developments in the UK, Equites has appointed Rothschild & Co to advise on strategies to unlock value from its shareholding in ENGL. Post consultation, the Board has decided to undertake the disposal of the development platform and negotiations are ongoing with interested parties. Equites will only sell its 60% shareholding in ENGL if the Board believes the offer will maximise value to Equites' shareholders.

Alternatively, Equites will undertake forward-funded transactions in the short to medium term, which will create additional development profits, whilst allocating limited capital to the platform.

COMMENTARY CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

2 STRATEGIC UPDATE CONTINUED

2.3 PROPERTY DISPOSALS IN SA AND THE UK

The Group commenced a property disposal programme towards the end of 2022, to further improve the property fundamentals of the portfolio, whilst generating capital internally to invest in its strategic development pipeline in SA. The recycling of capital will allow Equites to dispose of older properties with shorter lease terms and replace them with modern best-in-class developments, further supporting the growth profile of the Group over the long term.

DISPOSALS COMPLETED AFTER YEAR END:

- In the UK, Equites concluded the disposal of two properties for a total consideration of £51.8 million. The properties are tenanted by DSV and Coloplast and the transaction equated to a transaction yield of 4.4%.
- The Group concluded the disposal of six SA properties with a combined value of R850 million. The assets are expected to transfer between June and September 2023. The transaction values are in line with August 2022 book values.

ASSETS THAT ARE STRONGLY BEING CONSIDERED FOR DISPOSAL AND/OR THAT ARE CURRENTLY BEING MARKETED:

- A further R3.3 billion of properties is being considered for disposal in SA and the UK. These assets include properties with a degree of specialisation, suboptimal sustainability credentials and/or shorter lease terms. The disposals are expected to be concluded by February 2024.

2.4 REDUCTION IN THE LTV RATIO

Equites has continued to pursue the strategic objective of maintaining a robust capital structure. This objective has allowed the Group to continue funding its capital commitments without raising equity on the JSE through accelerated bookbuilds or requiring any significant property disposals over the last twelve months. As the bulk of the capital commitments were funded from additional debt facilities, coupled with a large decrease in UK property values, the LTV ratio increased from 31.5% at 28 February 2022 to 39.7% at 28 February 2023.

As noted above, the Group commenced a strategic disposal programme in FY23, which supports the objective of lowering its LTV ratio. Equites is experiencing strong demand for its assets in the investment market due to the exposure to A-grade tenants and long-term leases, both in SA and the UK. Furthermore, the potential sale of its stake in ENGL will also lower the Group LTV ratio, as further GBP-denominated debt will be settled after the conclusion of a potential transaction.

Equites remains committed to maintaining an optimal capital structure that aligns with the best practices in the industry and is confident to reach the LTV ratio target of 35% by February 2024.

2.5 REDUCTION OF LAND HOLDINGS

The Group is prioritising the utilisation of existing land holdings in SA. Over the last year, the Group transferred R651 million of its existing land parcels in SA to properties under development, unlocking the full value of these land parcels. Post year end movements, the Group has 49 hectares of land ready for development, affording the Group with R3 billion of potential bulk. Land holdings have decreased by 56% since FY21, when the Group had 112 hectares of land.

The land holdings in the UK comprise primarily of Newport Pagnell (R1.0 billion). The remainder comprises smaller land parcels that have been acquired over the last two years. These land holdings are included in the proposed disposal of the ENGL platform, and should this proceed, the Group expects the balance of UK land to be zero as of 29 February 2024.

The Group is targeting a maximum of 5% of its total portfolio being land holdings by FY25.

2.6 SHARE REPURCHASES AND CANCELLATIONS

Over the last few months, the Equites share price has consistently traded at a historically high discount to its last reported NAV per share and traded at a double-digit dividend yield. The Group has therefore repurchased 4.6 million shares in the open market for a total value of R73.8 million. Although the returns are attractive from a capital allocation point of view, careful consideration is being applied to gearing levels, as share buybacks will result in a marginally higher LTV ratio.

2.7 TERMINATION OF CCIRS

Equites has utilised CCIRS to hedge its investment in the UK as well as to hedge the interest rate differential between the two jurisdictions. The Group made progress with replacing CCIRS with GBP-denominated debt over time, resulting in the reduction of the CCIRS utilisation rate from 51% in 2018 to 22% in 2023.

As at 28 February 2023, the Group had £97.5 million of open CCIRS positions with a negative mark-to-market value of R109 million. Subsequent to year end, the Group has closed several CCIRS positions and the 30 April 2023 mark-to-market valuation of open positions improved to a negative value of R64 million. All remaining open positions mature before 31 August 2023, and thus there will be no open CCIRS positions held by the Group at the next reporting date. The impact of terminating the CCIRS positions will result in a reduction in distributable earnings; however, shareholders will benefit from improved growth in NAV per share through long-term rand weakness.

Management believes these seven strategic imperatives will support the growth profile of the Group over the medium- to long-term.

3 OVERVIEW OF UK LOGISTICS MARKET

Take-up for UK logistics properties in calendar year 2022 contrasted starkly in the first half compared to the second half. Record levels of take-up in 1H22 gave way to declining take-up in 2H22, driven by political and economic uncertainty in the region. Notwithstanding a natural return to pre-Covid levels, year-end take-up for 2022 has reached 48 million sq. ft. (3.5 million m²).

For 2023, however, take-up is expected to be impacted by a weakening consumer environment and rising occupational costs. Savills suggests that it is unlikely for take-up to exceed 10 million sq. ft. in any given quarter in 2023, resulting in a normalisation of take-up to pre-Covid levels of c.30 million sq. ft. for the year.

Although property values have been under pressure during the financial year, JLL stated that yields compressed by 25bp in March 2023, driven by improved investor sentiment. Furthermore, on the back of a changing macroeconomic environment, the number of speculative developments completing after the third quarter of 2023 is expected to collapse, limiting new supply in the market.

Despite take-up normalising to pre-Covid levels, the Group expects rental growth to continue to be robust over the medium term. The Group is also of the view that property values will improve during the FY24 period, as activity picks up in the investor market. This will, however, be primarily driven by the interest-rate environment during the year.

4 OVERVIEW OF SA LOGISTICS MARKET

The Group experienced rental growth of approximately 20% for A-grade warehousing space during the year, with numerous new developments and a lease renewal being concluded at net rentals of between R80 and R90 per square metre. This is driven by a record-low national vacancy rate for modern distribution facilities, an increase in construction cost inflation compared to pre-pandemic levels, and substantial warehousing requirements across various types of occupiers.

E-commerce in SA is estimated to grow from 1.4% in 2018 to more than 5% in 2023, as a percentage of total retail sales. The Group therefore expects SA to follow the global trend of real estate decisions being materially influenced by e-commerce, as retailers focus on improving their omni-channel capabilities to seamlessly fulfil customer orders, regardless of which channel they purchase merchandise.

To date, facilities developed by Equites have generally been either for the fulfilment of goods to physical stores, or hybrid facilities to support both the fulfilment of brick-and-mortar stores as well as online stores. The Group is currently developing a world-class facility for a retailer, which predominantly supports its online business and omni-channel capabilities, being a key example of this trend.

The lack of energy security is forcing occupiers to prioritise buildings with alternative sources of energy, to ensure the continuity of their operations during periods of high and persistent levels of loadshedding.

COMMENTARY CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

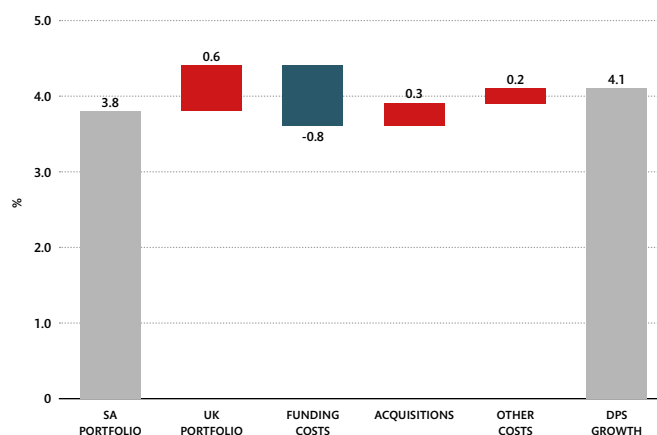
5 THE GROUP'S FINANCIAL PERFORMANCE

5.1 DISTRIBUTION PER SHARE

DPS HAS INCREASED BY 4.1% TO 169.60 CENTS COMPARED WITH THE CORRESPONDING PRIOR YEAR OF 162.99 CENTS. THE KEY DRIVERS OF THE MOVEMENT IN DPS WERE:

- LfL net rental growth in the SA portfolio of 5.4% contributed to 3.8% DPS growth, a result of the Group's robust in-force contractual lease escalation rate and exposure to A-grade tenants.
- The UK portfolio contributed to 0.6% growth in DPS, predominantly driven by a rent-review at the GXO-tenanted property.
- Due to a rising interest rate environment, funding costs have negatively impacted DPS growth by 0.8%, as the Group refinanced debt facilities both in SA and the UK.

FY23 DPS BRIDGE



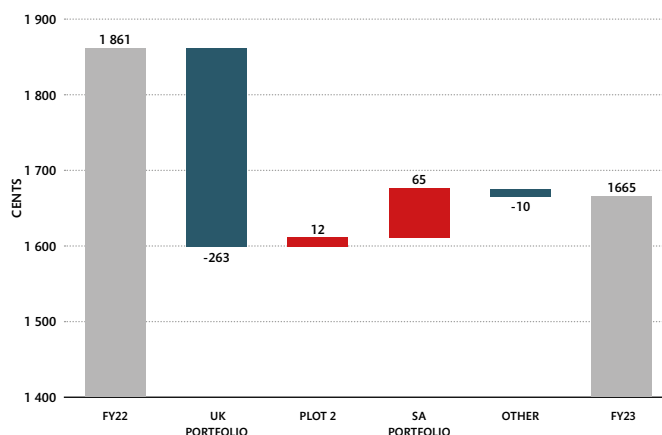
5.2 NET ASSET VALUE PER SHARE

NAV PER SHARE DECREASED BY 10.5% FROM R18.61 AT 28 FEBRUARY 2022 TO R16.65 AT 28 FEBRUARY 2023.

The primary drivers of the change in the NAV per share were:

- A decline in the UK portfolio's value detracted 263 cents of NAV per share (-14%), as the UK prime distribution yield has shifted by 175bp during the year.
- Equites' share in profits from the turnkey development relating to Plot 2, Barnsley, contributed to 12 cents of growth in NAV per share (+0.7%).
- The movement in the SA portfolio's value contributed to 65 cents per share (+3.5%).

FY23 NAV BRIDGE

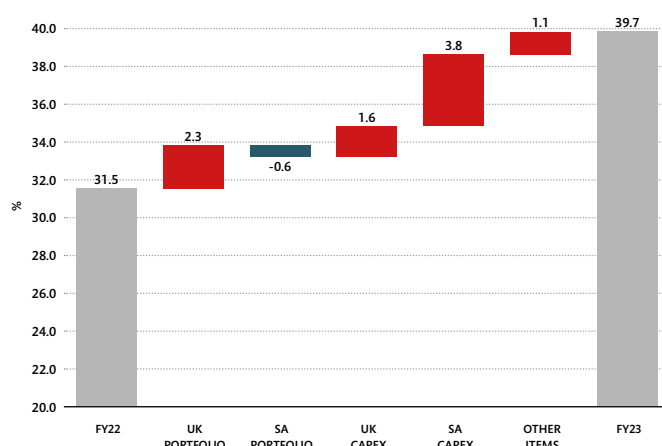


5.3 LOAN-TO-VALUE RATIO

THERE WAS AN INCREASE IN THE LTV RATIO FROM 31.5% AS AT 28 FEBRUARY 2022 TO 39.7%, AS AT 28 FEBRUARY 2023. THE KEY FACTORS IMPACTING THE GROUP'S LTV RATIO DURING THE YEAR WERE:

- The movement in UK property valuations impacted the LTV ratio by 2.3%.
- The movement in SA valuations decreased the LTV ratio by 0.6%.
- The UK and SA development pipeline increased the LTV ratio by 1.6% and 3.8%, respectively.

FY23 LTV RATIO BRIDGE



6 EQUITES PIPELINE

The potential pipeline of development opportunities in SA remains robust, as various retailers and logistics operators require additional warehousing space.

RLF, a controlled subsidiary of Equites, finalised two agreements with Shoprite, where the retailer has sold and leased back two of its existing distribution centres, namely Canelands and Wells Estate, for R560 million and R90 million, respectively. The assets will be let to Shoprite on 20-year leases. In addition to the existing facilities, the Group has concluded development agreements to expand these facilities. The development costs are estimated at R422 million for Canelands and R1 billion for Wells Estate. The expenditure will be funded by RLF, and Equites' 50.1% share in the two completed campuses will be a cornerstone for growth over the long-term.

Equites further concluded an agreement with Shoprite for the development of a campus in Riverfields, Gauteng, on a land parcel wholly owned by the Company. The total estimated development cost is R1.2 billion, including land, and is expected to have a GLA of 92 791m² on completion.

Notable ongoing developments in SA include the state-of-the-art TFG Riverfields development with a capital value of R626 million, which is expected to complete in September 2023. The Jet Park precinct has been a resounding success over the last year. The Group concluded a development agreement for a second facility for Cargo Compass SA with a capital value of R135 million and a development for Normet Africa with a capital value of R65 million. Post year-end, the Group concluded a development agreement with Spar Encore (a subsidiary of The Spar Group Limited) for a 17 066m² facility with a capital value of R188 million.

The total pipeline of development and acquisition opportunities in SA amounts to R3.7 billion across 304 228m² of prime logistics space (Equites' share). The R2.4 billion of capital expenditure at the reporting date will be disbursed over the next 2 years. The pipeline will be funded from cash on hand, undrawn debt facilities, debt raised against completed developments, and equity that will be released from property disposals. The full extent of the pipeline has been factored into the projected LTV of 35% at 29 February 2024.

Given the process currently underway in respect of the ENGL platform, the Group does not anticipate incurring any substantial development expenditure in the UK.

Group summary of current and future projects is presented below:

EQUITES PIPELINE AMOUNT (R'MILLION)	DEVELOPMENT COST INCL. LAND	COST TO DATE	CASHFLOWS OUTSTANDING	GLA (M²)	ESTIMATED COMPLETION DATE	ESTIMATED YIELD ON COST
Parow Industria 4 (Spec)	204	179	25	18 243	Apr-23	8.5%-9.25%
Equites Park – Meadowview 14 (Spec)	104	98	6	8 362	Apr-23	8%-9%
Equites Park – Riverfields 4 – TFG	626	443	183	51 423	Sep-23	8%-9%
Equites Park – Riverfields 5 – Shoprite	1 245	356	889	92 791	Jun-24	7.75%
Equites Park – Jet Park 4 – Cargo Compass SA 2	135	69	66	10 550	Jan-24	8%-9%
Equites Park – Jet Park 6 – Normet	65	34	31	4 815	Jan-24	8%-9%
Equites Park – Jet Park 2 – Spar Encore	188	54	134	17 066	Jun-24	8.5%-9.0%
SA DEVELOPMENTS	2 573	1 232	1 335	203 250		
RLF – EQUITES SHARE (50.1%)	ACQUISITION AND DEVELOPMENT COST INCL. LAND	COST TO DATE	CASHFLOWS OUTSTANDING	GLA (M²)	ESTIMATED COMPLETION DATE	ESTIMATED YIELD ON COST
Shoprite – Canelands ¹	502	–	502	51 639	Dec-23	7.75%
Shoprite – Centurion extension	104	19	85	4 581	Dec-23	7.50%
Shoprite – Wells Estate	551	53	498	44 758	Oct-24	7.80%
RLF	1 156	71	1 085	100 978		
TOTAL PIPELINE	3 729	1 303	2 420	304 228		

¹ Canelands' transfer was effective 18 April 2023. As at 28 February 2023, the full amount was outstanding.

COMMENTARY CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

7 PROPERTY VALUATIONS

100% of income-producing property were externally valued at year end. The Group's investment property portfolio (including assets held-for-sale) at 28 February 2023 is R26.9 billion, up from R25.7 billion at 28 February 2022 (R26.3 billion at 31 August 2022).

The average discount rate applied in the SA valuations implies the credit risk associated with tenants remains insignificant and highlights the quality and strategic positioning of Equites' developments. Further supporting property valuations in SA is the evidence of market rental growth that Equites is experiencing in both lease renewal negotiations and lease agreements for new builds. The increase in property valuations in SA amounted to 4.3% on a LfL basis, over the financial year.

In the UK, valuation yields have continued to expand over the financial year. It is reported that prime logistics yields have moved out by 175bp during the year, primarily driven by higher interest rates (fuelled by ongoing inflation) and associated funding costs. UK valuers have applied the higher yields in their valuations of the UK income-producing property portfolio. Positively, there has been an uptick in market activity in areas relevant to Equites, supporting market rentals, which should bode well for properties entering their rent reviews. This positive news on the market rentals was, however, insufficient to offset the yield expansion at this reporting period. As a result, the UK portfolio value decreased by 21.4% on a LfL basis, in sterling.

The largest single asset write-down relates to the Tesco facility at Hinckley which was valued at £25.6 million at 28 February 2023 (£45.7 million at 28 February 2022). The facility was negatively impacted by the short lease length (the lease expires in December 2023). Formal lease negotiations have commenced with the tenant, which Equites believes will improve the value of the property once concluded.

The information presented below is a summary of the significant inputs and resultant values assigned for Equites' income-producing portfolio, excluding properties held-for-sale:

TYPE OF PROPERTY	% OF INCOME-PRODUCING PORTFOLIO	AVERAGE VALUE (R/M ²)	DISCOUNT RATE (%)	NET INITIAL YIELD (%)
SA				
Modern distribution centre	69	11 266	12.69	7.97
Logistics campus	19	13 708	12.64	9.01
Cross-docking/Ultra-low coverage	10	11 949	12.85	9.16
Other	2	12 851	13.14	9.30
TOTAL	100	12 204	12.70	8.31
UK				
Modern distribution centre	36	43 580	n/a ¹	5.74
Cross-docking/Ultra-low coverage	64	58 809	n/a ¹	4.27
TOTAL	100	53 889	n/a	5.00

¹ As 100% of the UK portfolio was externally valued using an income capitalisation method, a discount rate does not apply.

8 EQUITES' OPERATIONAL UPDATE

Equites' modern warehouses are used by a diverse customer base, spanning a wide range of industries. As custodians of these facilities, the Group's main responsibility is to ensure that all operations are carried out effectively and efficiently and support the tenant's operational goals.

By constantly assessing the portfolio and managing individual sites, the Group strengthens its competitive position, attracts and retains quality tenants, maintains the integrity of the buildings, and consequently, supports underlying property valuations. This tenant-focused strategy is further enhanced by offering clients sustainable park environments, which affords tenants with enhanced security and environmentally sustainable features embedded within these parks.

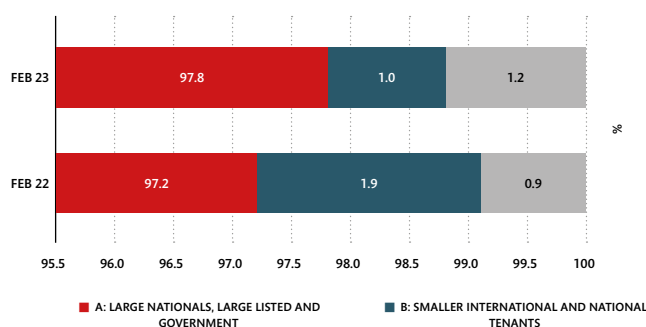
Due to the sharp increase in rentals in SA, Equites is conscious of the overall cost of occupation of its tenants. Equites remains focused on developing buildings that will significantly reduce maintenance costs over the long term for its tenants, primarily supported by the types of materials used in constructing the buildings, the design of the buildings and the sustainability elements of the properties.

The ongoing electricity crisis in SA has propelled the importance of renewable energy to promote business continuity and reduce the costs of electricity. Equites has embarked on a journey to install or fund solar PV and/or battery backups to support tenants in this regard. This additional element contributes further to the attractiveness of an Equites facility to tenants.

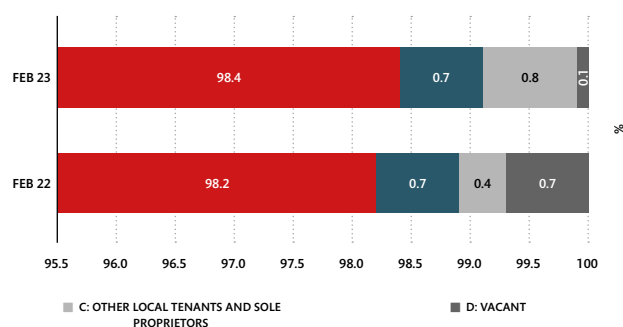
The installation of energy-related projects could provide Equites with an alternative source of income over time.

8.1 QUALITY OF TENANTS

TENANT PROFILE BY REVENUE

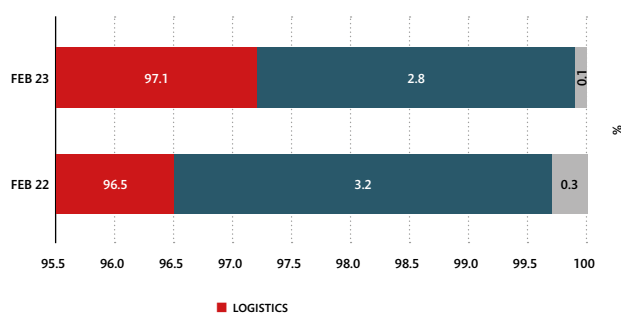


TENANT PROFILE BY GLA

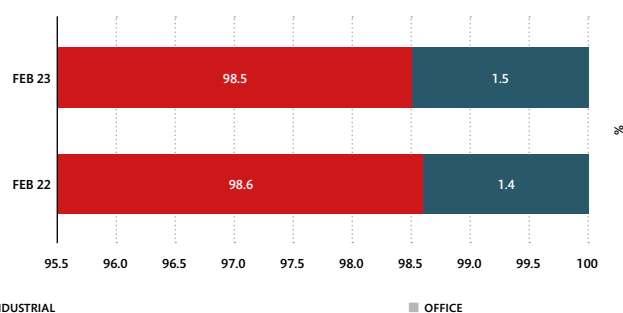


The Group understands the value of low-risk tenants, which is reflected in the fact that 97.8% of its revenue is derived from A-grade tenants.

SECTORAL PROFILE BY REVENUE



SECTORAL PROFILE BY RENTABLE AREA



The Group sold its remaining office complex situated in Pretoria, Gauteng during the year.

8.2 LEASE LONGEVITY

WEIGHTED AVERAGE LEASE EXPIRY BY REVENUE (YEARS)

	2023	2022
SA – Logistics	13.2	13.8
SA – Industrial	11.1	10.7
SA WEIGHTED AVERAGE LEASE EXPIRY	13.1	13.7
UK – Logistics	15.8	13.6
GROUP WEIGHTED AVERAGE LEASE EXPIRY	13.8	13.7

Equites' WALE of 13.8 years, combined with the quality of its tenants, represents a high degree of income certainty over a sustained period. This further reduces continuous reletting commissions and decreases the risk of vacancies in the medium-term.

WEIGHTED AVERAGE ESCALATION BY GLA (%)

	2023	2022
SA – Logistics	6.5	6.6
SA – Industrial	7.3	7.3
SA WEIGHTED AVERAGE ESCALATION	6.5	6.6

COMMENTARY CONTINUED

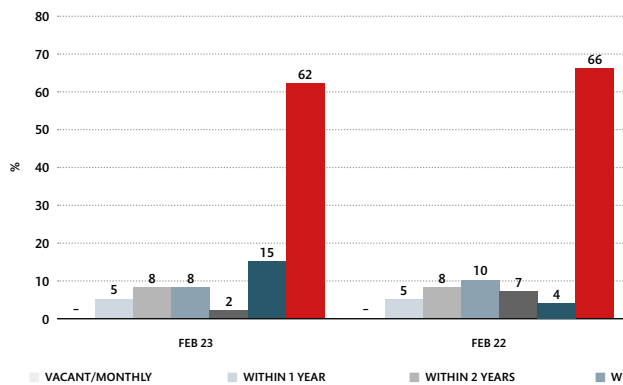
Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

8 EQUITES' OPERATIONAL UPDATE CONTINUED

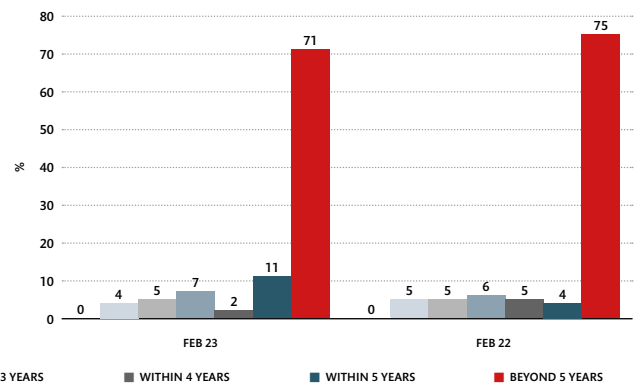
8.2 LEASE LONGEVITY CONTINUED

Equites' average escalation rate has declined marginally as a result of the new Shoprite leases being concluded at lower escalation rates (5% per annum). From a total return perspective, Equites is compensated for the reduction in escalation rates through longer lease terms.

LEASE EXPIRY BY REVENUE



LEASE EXPIRY BY GLA

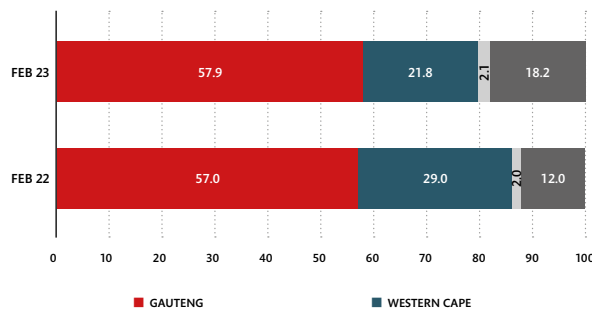


Equites is actively engaging with tenants where leases are due to expire within the next two years. All leases expiring in the next financial year have been renewed, except for a lease relating to a 16,000 m² property in the Western Cape, in which negotiations are ongoing.

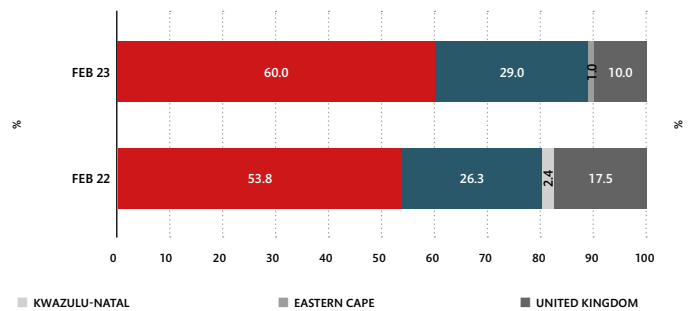
8.3 GEOGRAPHICAL PROFILE

The Group continues to grow the SA portfolio through acquisitions and developments concentrated in Gauteng, from a geographical perspective. Equites' views this region as the hub of SA logistics and continues to focus growth efforts there. During the year, Equites acquired its first property in the Eastern Cape and is expected to develop within this region over the short-term.

LOCATION BY REVENUE



LOCATION BY GLA



8.4 VACANCY

VACANCY PROFILE

	2023	2022
Logistics	0.1%	0.7%

The SA portfolio is fully let with all speculative developments completed during the year having been let to A-grade tenants. The only remaining vacancy in the portfolio relates to a single ancillary unit of 1 401m² located in the UK.

9 **TREASURY RISK MANAGEMENT** **FINANCIAL MARKET UPDATE**

The past year has been a period of shifting narrative, whether this be in global politics, economics, financial markets, or commercial real estate. The world has now dealt with more than a year of the Russian invasion of Ukraine, with sanctions reshaping supply chains. Changing global political alliances have led to a transition from near-shoring to friend-shoring, as the large players attempt to assert their dominance and smaller economies realign themselves, driven by a lack of domestic growth coupled with energy supply constraints.

In financial markets the leading narrative changed from China reopening to disinflation to no landing to hard landing in a few months. Central banks have had to be nimble, reacting to the ever-changing data in front of them and currently leading to the pricing of tighter monetary policy for longer, influencing asset prices across the globe.

The exit from the low interest rate environment of 2020/21 has certainly been dramatic, with 425bp, 415bp and 475bp of increases in central bank rates in SA, the UK, and the USA respectively, after these central banks continued to raise policy rates through to March 2023. The central banks of developed and emerging market countries have been forced to remain in lockstep with the US Fed, as they tackle rising inflation and sluggish growth, cognisant of the threat of recession and with uncertainty as to when inflation will peak, thereby continuing to push out the end of the interest rate tightening cycle.

SA has experienced a greater impact than many other countries due to persistent low economic growth, structural infrastructure constraints, an operationally and financially weak state-owned enterprise sector, and deep inequalities hampering reform progress and fuelling social risk. These factors have made SA more susceptible to event risk driven by political and social instability in a challenging macro socio-economic landscape. Despite these challenges, the foundations of a functioning economy remain strong, due to the robustness of key institutions such as the judiciary and central bank, a resilient and liquid financial sector, and limited foreign currency liabilities. Nevertheless, South Africans have suffered significantly due to power cuts and disruptions to the country's transport and logistics networks. Energy insecurity continues to have a detrimental effect on sentiment and has weighed heavily on business confidence and fixed capital formation. The SARB remains hawkish, focussed on bringing consumer inflation back to target levels, and has the unenviable task of controlling inflation and protecting the rand in an environment of low growth and extreme unemployment.

The UK has not only had to deal with global geopolitics but has had to continue to navigate the complexity of Brexit, notable change in domestic politics with three Prime Ministers and four Chancellors in the past year alone, and prolonged double-digit inflation. The latter factor has seen significant spending pressures that will likely keep the debt burden elevated, but the UK remains a wealthy, diversified and competitive economy that has shown to be highly flexible with a strong institutional framework and sound monetary policy.

HIGHLIGHTS OF THE PAST YEAR

The completion of Colossus, a 340 000 sq. ft. distribution hub for Evri, near Barnsley, UK gave rise to the opportunity to refinance a debt facility with Aviva Investors. The facility was increased to £105 million and extended to 2032, ensuring long-dated funding against the portfolio of high-quality assets in the UK.

Equites raised R1.25 billion in the SA debt capital market in a public auction of 1-year, 3-year and 5-year senior unsecured floating rate notes off the JSE-listed DMTN Programme. The auction was 1.9 times over-subscribed with the involvement of 21 bidders across the three notes.

On 30 August 2022, GCR Ratings affirmed the national scale long- and short-term issuer ratings of Equites at AA_(ZA) and A1_(ZA) respectively and revised the outlook to Positive. In the analysis of Equites, GCR stated that *"the Positive Outlook reflects Equites' sustained robust operating performance, as evidenced by the substantial growth in the property portfolio...facilitated by wide access to capital, providing the resources for continued portfolio expansion."* GCR noted that this *"strong access to capital," "the quality of tenants" and "flexibility in structuring the development and funding thereof"* allows Equites to *"continue to expand its portfolio of high-quality logistics assets that evidence robust performance metrics and are able to generate strong returns."*

COMMENTARY CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

9 TREASURY FINANCIAL MANAGEMENT CONTINUED APPROACH TO FINANCIAL RISK MANAGEMENT

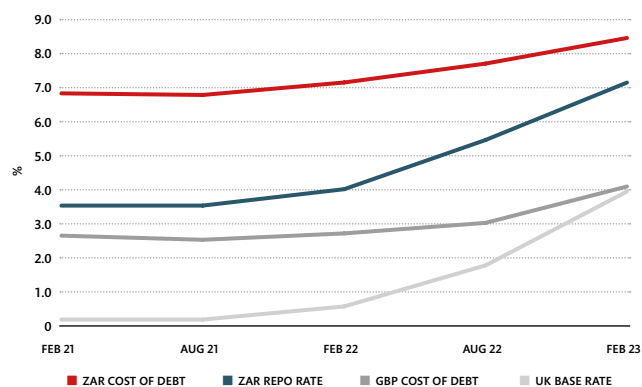
The Group has formulated a robust treasury policy that is reviewed regularly by the Risk & Capital Committee of the Board. The aim of the policy is to maximise stakeholder value through the appropriate reduction of financial risk, with six guiding principles defining the framework in which financial decisions are made. These six principles are stated below, together with commentary and metrics evidencing adherence to each of these principles:

TREASURY POLICY PRINCIPLES

- Minimise the current cost of capital using an optimal mix of debt and equity,
- Maintain a robust balance sheet which offers flexibility for future growth opportunities,
- Diversify the sources of finance employed to fund operations,
- Phase the maturity of outstanding financial liabilities,
- Ensure that strong liquidity is maintained, and
- Appropriately manage significant financial risks.

9.1 MINIMISING THE COST OF CAPITAL

The substantial increases in central bank rates in SA and the UK have significantly increased borrowing costs for corporates globally. Against this backdrop, standard hedging instruments such as vanilla interest rate swaps are often not the most efficient instrument for hedging interest rate risk. Over the past two years the Group had entered into a number of interest rate derivatives which have successfully kept the cost of debt at relatively lower levels, even with the introduction of new debt, to the extent that the SA cost of debt is a little over 125bp above the SARB base rate and the UK cost of debt is almost equivalent to the Bank of England base rate



COST OF DEBT ¹	FEB 23	AUG 22	FEB 22	AUG 21	FEB 21
All-in ZAR effective fixed cost of debt	8.58%	7.78%	7.19%	6.80%	6.85%
All-in GBP effective fixed cost of debt	4.15%	3.01%	2.68%	2.48%	2.61%

¹ Excluding impact of cross-currency swaps

Given the constrained equity markets globally, and particularly for the SA property sector during the past year, no equity capital raises were undertaken, and the Group utilised R74 million of excess funding to execute share buybacks between September 2022 and February 2023. The Group constantly evaluates the capital structure, and where the deployment of capital is best suited to the repurchase of shares, the Group will continue to undertake such transactions.

9.2 MAINTAINING A ROBUST BALANCE SHEET

The capital structure of the Group is constantly evaluated, in order to align the strategic objective of maintaining a robust capital base with stakeholder risk appetite and the projected future requirements of the business. The Group aims for an LTV ratio that aligns with the capital structure, with a focus on ensuring that the business is appropriately structured to reduce risk and maximise the ability to take advantage of potential future opportunities.

The Group constantly evaluates the capital structure of the business in order to optimise the financial leverage through various mechanisms such as new share issuance, debt raising, or asset recycling dependant on the prevailing market conditions. Although equity markets have not been favourable for raising capital in the last year, the Group's low LTV of 31.5% at the end of the prior year has allowed it to access substantial liquidity and demand in the debt markets. As a result, the Group has secured debt in both ZAR and GBP at historically low rates over the past year, of which R3.4 billion has a maturity of between five and ten years.

Whilst the LTV ratio for February 2023 has been impacted by increased debt levels, it is the softening of UK asset prices that has been the main driver of an LTV, that whilst higher than previously reported levels, remains below 40%. Nevertheless, and given the funding requirement for the development pipeline in SA over the next two years of approximately R2 billion, the Group has commenced a strategic property disposal process centred on optimising the portfolio through the disposal of non-core SA and UK assets which the Group believes are at, or near to, market value highs. The recycling of assets will achieve several key capital management outcomes:

- the funding of the development pipeline without the need to access equity markets,
- a reduction in LTV to below 35%, and
- an improvement in portfolio quality through the replacement of older properties with Equites best-in-class developments.

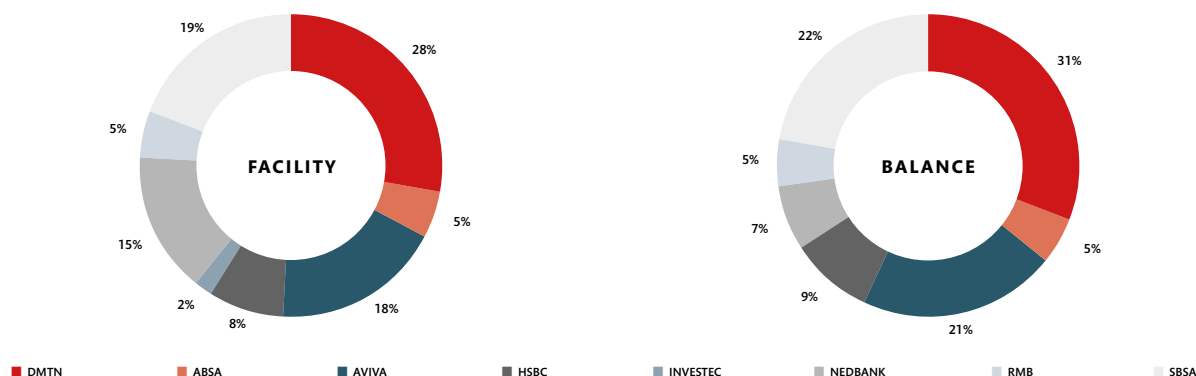
The disposal process commenced with the sale of two UK properties for £51.8 million in March 2023, the proceeds of which were utilised to repay both UK and SA debt. Further asset recycling is forecast to lower the LTV ratio to 35% by February 2024.

9.3 DIVERSIFYING SOURCES OF FUNDING

In November 2022, the Group concluded its second publicly listed debt auction and received incredibly strong support from the debt capital markets, raising R1.25 billion across 1-, 3- and 5-year notes. This in turn led to an increased diversification in lenders, with the Group now having 29 different financial institutions invested into the Group's listed debt along with seven financial institutions with which the Group has bilateral funding facilities. Of the R7.9 billion ZAR-denominated funding at 28 February 2023, 44% (R3.5 billion) was raised through the JSE-listed DMTN Programme and alternate debt capital market sources (32% of total debt).

Unsecured debt ratios reflect a diversified funding mix with unsecured debt as a proportion of total debt being 43.7% (Feb22: 47.9%), and the ratio of unsecured borrowings to unencumbered assets of 38.8% (Feb22: 33.8%) providing reassurance to debt capital market investors participating in unsecured debt. Asset encumbrance reflected a shift towards unsecured borrowing with an unencumbered asset ratio (unencumbered assets relative to total assets) of 45.9% (Feb22: 47.7%), and the ratio of secured borrowings to encumbered assets being 42.4% (Feb22: 33.9%).

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COMMENTARY CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

9 TREASURY FINANCIAL MANAGEMENT CONTINUED

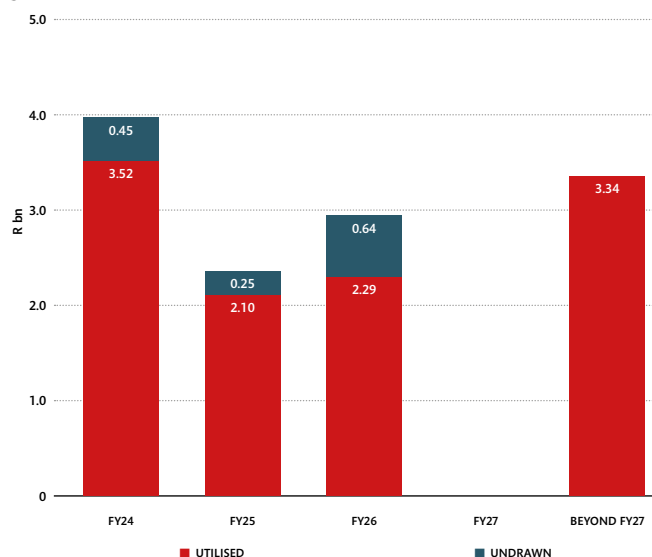
9.4 PHASING THE MATURITY OF FINANCIAL LIABILITIES

The Group balances the term structure of loans and borrowings to reduce refinancing risk with the minimisation of the cost of debt. The weighted average debt maturity profile has increased from 2.7 years at February 2022 to 3.4 years at February 2023 through a combination of new and refinanced facilities.

Significant new debt financing facilities were concluded over the past twelve months, including £105 million with Aviva for ten years and a R418 million 5-year listed note as part of the R1.25 billion debt auction in November 2022, thereby ensuring that more than half of all debt matures in FY26 and beyond.

The Group is confident that all facilities maturing within the next twelve months can either be repaid or renewed. Of the R3.5 billion maturing prior to 29 February 2024, R1.4 billion relates to 1-year and 3-year listed and unlisted notes for which refinancing discussions have already commenced with debt capital market advisors, with strong appetite for Equites paper continuing to be evident in the market. The successful debt auction in November 2022 augurs well for continued participation by Equites in the SA debt capital markets. R1.5 billion relates to 1- and 2-year secured financing facilities with two SA banks maturing in October 2023.

Of the R1.34 billion in available debt facilities at 28 February 2023, the Group has access to R250 million of undrawn facilities maturing in December 2024 and R638 million maturing in February 2026. The RLF development pipeline will be funded from debt facilities with several SA banks that have been concluded after year-end and are not included in the reported facility amount. Available undrawn debt, the new RLF facilities, the proceeds from the sale of UK assets in March 2023 and further assets disposals through FY24, mitigate the risk of funding maturities.



EXPIRY DATE	DEBT BALANCE ¹ (R'000)	UNDRAWN FACILITY (R'000)	FACILITY AMOUNT (R'000)	% OF LOAN BALANCE	% OF FACILITY AMOUNT
Within one year	3 523 601	450 000	3 973 601	31%	31%
Within two years	2 101 000	250 000	2 351 000	19%	19%
Within three years	2 305 465	638 000	2 943 465	20%	23%
Beyond four years	3 375 046	—	3 375 046	30%	27%
TOTAL	11 305 112	1 338 000	12 643 112	100%	100%

¹ Excluding fees

9.5 MAINTAINING STRONG LIQUIDITY

Equites maintains a highly liquid financial position given continued volatile capital markets, albeit the Group was able to raise a significant amount of long-dated debt during the year and continues to receive indications of significant appetite in the debt capital markets.

The Group has a policy-driven contingent liquidity buffer of R300 million which requires that this amount be held in cash or undrawn facilities at any point in time and is incorporated into two-year funding forecast projections. As at this reporting period end, the Group held over R1.34 billion in undrawn committed facilities.

The disposal proceeds and the RLF-specific debt, together with the undrawn committed facilities, will enable the Group to both execute the development pipeline and provide the necessary flexibility to execute on any further opportunities, should these arise.

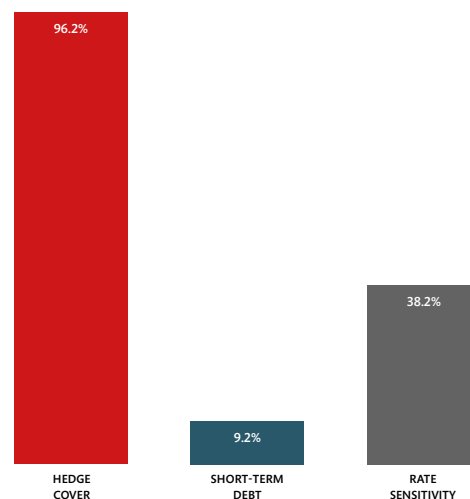
9.6 MANAGING FINANCIAL RISKS

9.6.1 INTEREST RATE RISK

The Group has continued to use a combination of natural hedges and derivative financial instruments to hedge exposure to interest rate risk. Additional interest rate derivative instruments that were entered into in the first half of 2021 to take advantage of the low interest rate cycle, and which resulted in a high proportion of interest rate risk exposure that was hedged at the time, have benefited the Group in the current high interest rate environment and in which interest rate hedging is viewed as expensive.

Group policy is to hedge at least 80% of the interest rate risk of all debt with a remaining maturity greater than one year either using interest rate derivatives or entering into fixed-rate loan agreements. As at 28 February 2023, 96.2% of all long-dated (>12 months) debt facilities maturing after FY24 is hedged. The Group aims to limit debt with a contractual maturity of one year or less to below 20% of all debt, and in this regard only 9.2% of total debt is short-dated (≤12 months) in nature. The Group measures sensitivity to interest rates and enters into hedges to ensure that the increase in the cost of debt is less than 25bp for a 50bp increase in interest rates, and as at 28 February 2023 the cost of debt would increase by 191bp for a 500bp increase in interest rates, a sensitivity of 38.2%.

This is further evident in the valuation of interest rate derivatives, for which the mark-to-market value has increased by R239 million from February 2022 (-R31 million) to February 2023 (+R208 million).



9.6.2 FOREIGN EXCHANGE RATE RISK

The treasury policy of the Group dictates the parameters within which foreign exchange risk is managed, with the over-arching precept to reduce exchange rate volatility for investors.

HEDGING NET INVESTMENT IN FOREIGN OPERATION

The Group considers the sourcing of GBP debt currently the most effective manner in which to hedge the investment into foreign-denominated operations. To this purpose, the Group further increased GBP debt facilities to £216 million (R4.8 billion) during the financial year.

Equites treasury policy restricts the utilisation of CCIRS to 45% of foreign denominated assets. Following the additional GBP debt that was raised during the financial year, derivative usage has decreased, with the increase in the asset-usage ratio rising due to lower asset values at February 2023.

Given this increase in GBP-denominated debt and disposal of some UK assets, the Group no longer determines it necessary to utilise CCIRS to manage the interest rate differential between SA and the UK. Subsequent to year-end the Group has commenced this process through allowing CCS positions to mature as all open positions mature before 31 August 2023, and there will be no open CCS positions held by the Group by the next reporting date. As at 30 April 2023, the mark-to-market valuation of open positions was -R64 million.

£'000	2023	2022
Foreign assets	445 063	521 876
Foreign liabilities	(170 194)	(156 571)
FOREIGN NET ASSETS	274 869	305 305
Nominal value of CCIRS	97 500	107 500
Derivative hedging of GBP-denominated assets	21.9%	20.6%

COMMENTARY CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

9 TREASURY FINANCIAL MANAGEMENT CONTINUED

9.6 MANAGING FINANCIAL RISKS CONTINUED

9.6.2 FOREIGN EXCHANGE RATE RISK CONTINUED

HEDGING DISTRIBUTABLE EARNINGS AND CASH FLOW RISK

The Group utilises natural hedges to minimise exposure to fluctuations in foreign exchange rates on distributable earnings. This includes the reinvestment of all surplus net operating rental cashflows into developments. The Group assesses the likely impact on the funds to be received from foreign operations of reasonably possible changes in the GBP/ZAR exchange rate and hedges exposure within these levels.

The Group has hedged net income to be received over the next 24 months in line with the documented Group hedging level policy.

SIX-MONTH PERIOD ENDED	EFFECTIVE HEDGING LEVEL	BLENDED PARTICIPATION FLOOR	BLENDED PARTICIPATION CAP
31 August 2023	80.00%	R20.86/GBP	R21.70/GBP
29 February 2024	75.00%	R21.34/GBP	R22.49/GBP
31 August 2024	45.00%	R21.90/GBP	R22.10/GBP
28 February 2025	30.00%	R22.57/GBP	R23.50/GBP

The Group hedging policy with respect to distributable earnings and cash flow risk is deliberately constructed to provide short-term stability in the growth in distributable earnings and to gain from the hard currency appreciation over the medium- and long-term.

10 TRANSFORMATION

Transformation remains a fundamental tenet to the Equites business. The Group fully recognises and acknowledges the importance of adhering to the country's B-BBEE policies and striving for transformation in a holistic manner. For the year under review, the Group has achieved a Level 3 B-BBEE rating with a verified black ownership of 76%.

A key component of the transformation strategy is to facilitate the creation of black property-owning businesses and to assist in the transfer of skills from an operational, financial and asset management perspective. To aid this objective, the Group has concluded a Statement 102 transaction whereby it disposed of six property assets located in the Western Cape to Mabel, a 100% black-owned consortium. These assets were deemed to be non-core to the Equites portfolio due to the size of the individual asset, but still represented high-quality underlying fundamentals.

16 11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG is a crucial aspect of the Group's strategic positioning and continues to be at the core of operations. As the Group strives to become a leading specialist logistics REIT, Equites prioritises the implementation of sustainability measures across its entire portfolio.

FOCUS AREAS FOR EQUITES

CLIMATE MITIGATION STRATEGIES	Reduce the carbon footprint by increasing energy efficiency in buildings and through the deployment of renewable energy sources.
IMPROVING RESOURCE EFFICIENCY	Reduce the consumption of resources such as water, materials, and energy by implementing efficient building designs, and by promoting circular economy practices.
SUPPORTING SOCIAL SUSTAINABILITY	Promote social sustainability in operations by fostering a diverse and inclusive workplace, engaging with all stakeholders, supporting community initiatives, and expanding the Enterprise Supplier Development programs.
ENHANCING BIODIVERSITY	Protect and enhance biodiversity in properties by implementing green infrastructure, using sustainable landscaping practices, and supporting local biodiversity initiatives.
GOOD GOVERNANCE	Promote good governance by seeking independent assurance for emissions and social investment initiatives, thereby ensuring transparency and accountability, and upholding ambitious standards of sustainability and social responsibility.

The implementation of these measures not only benefits the tenants but also strengthens the Group's commitment to attaining its sustainability objectives, which are aligned with the United Nations Sustainable Development Goals.



11.1. RENEWABLE ENERGY

Equites set a target of expanding the use of solar-powered energy in its portfolio by 15% annually over a 3-year period, beginning in September 2021. This goal was linked to a KPI for a sustainability-linked debt facility. The first assessment milestone for September 2022 was significantly surpassed. The Group is steadfastly continuing the implementation of solar installations and battery energy storage solutions through the sustainability-focused tenant engagement process initiated in FY22.

During the year, installed solar capacity in the portfolio reached 9.4 MW, representing a 65% increase from the previous year. This generated 11.4 million kWh of energy, resulting in 11 846 tonnes of avoided carbon emissions. The current solar pipeline is gaining momentum with an anticipated addition of 9 MW in the medium to long term, which is expected to generate 13 982 MWh, which is projected to further reduce the carbon footprint by an additional 14 542 tonnes.

Harnessing solar power not only mitigates against rising energy costs but also ensures energy security for Equites' tenants, while contributing to climate change strategies.

Equites is advancing in its City of Cape Town energy wheeling project and actively engaging with potential offtakers for a short term PPA. The Group expects to generate revenue from surplus energy production under the City of Cape Town SSEG feed-in tariffs initiative in the medium term. This is a key example of how the Group is creating an alternative source of revenue.

11.2. WATER EFFICIENCY

Recognising SA's critical status as a region facing significant water scarcity, the Group acknowledges its responsibility to minimize water use intensity in all aspects of its operations. Equites is committed to addressing this challenge by integrating rainwater harvesting systems and greywater systems into the core specifications of every new development. On existing buildings, the recommendation of the sustainability audits is being implemented, which has resulted in water use reductions of up to 30%.

The principal aim is to attain a minimum 20% efficiency in water usage through ongoing monitoring using smart metering technology and tenant engagement. Equites has formulated a water use policy as a guiding framework and established this target in line with the EDGE Green Building Certification benchmark for water use efficiency. This objective will be reinforced by a comprehensive water risk management framework, embedded within the environmental management system.

11.3. GREEN BUILDING CERTIFICATION

The Equites baseline specification in SA adheres to the IFC EDGE Green Building certification standard. The Group has successfully attained advanced certification for 80% of all new developments submitted for evaluation, necessitating a minimum of 40% energy efficiency. The Group surpassed the prescribed guidelines achieving an average efficiency of 56% for energy, 30% for water and 47% for embodied emissions. Additionally, Equites has been recognised by the IFC EDGE as an EDGE Champion, for accelerating the adoption of Green Buildings in the portfolio.

The UK portfolio complies with BREEAM, the Building Research Establishment's Green Building certification standard. The Group has currently certified 67% of the buildings located here and of these, 88% have achieved a "Very Good" rating, reflecting strong performance in areas such as energy efficiency, water conservation, embodied emissions, waste management, and health and wellbeing.

11.4. SOCIAL RESPONSIBILITY

In collaboration with MLF, Equites has reinforced its dedication to childhood development by contributing to the Peninsula School Feeding Association. This organization addresses hunger among young learners and students attending primary, secondary, and special needs schools, as well as Orphaned & Vulnerable Children Centres, Early Childhood Development Centres, and Technical and Vocational Education and Training Colleges in the Western Cape.

Equites demonstrates its commitment to empowerment through the Equites AmpCore programme. The Group has linked the performance of the programme to a KPI for a sustainability-linked debt facility. This targets an increase in ESD spend of 20% per annum over a 3-year period against the baseline set period in September 2021. The first assessment period in FY23 was exceeded by 122%, and the Group remains committed to furthering the success of this initiative by partnering with specialist community engagement partners, to expand the scope of the programme.

COMMENTARY CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

12 PROSPECTS

The Group has embarked on several strategic activities which are central to the operations in the upcoming year. The potential disposal of the ENGL platform is the largest of such activities. As the process is still in the preliminary stages, the quantum and timing of the disposal are still to be finalised and both will have an impact on the earnings for FY24.

There will be various items impacting DPS growth during FY24, which are unpacked below.

Positive contributors to growth:

- LfL NPI growth in SA of between 5.0% and 5.5%, driven by contractual escalations but marginally impacted by negative lease reversions; and
- LfL NPI growth in the UK of between 5.0% and 6.0%, driven by two rent reviews in the portfolio.

Negative contributors to growth:

- Higher interest rates both in SA and in the UK;
- Conservative vacancy provisions relating to properties in SA;
- Disposal of non-core properties at higher yields than the reinvestment yields of new developments and Shoprite acquisitions;
- Converting c. £70 million (R1.5 billion) of pound debt to rand debt, to rebalance the LTV ratios between the two jurisdictions;
- Additional interest expenses arising from a large once-off litigation settlement in the UK; and
- The exclusion of CCIRS income from FY24 DPS.

The Group will continue to distribute 100% of its distributable earnings. The Board, therefore, expects that the Group will achieve a DPS of between 130 and 140 cents for the next financial year (FY23: 169.60).

The Board's DPS guidance is based on the assumptions that a stable macro-economic environment will prevail, no major corporate failures will occur, the GBP/ZAR exchange rate remains materially unchanged, and rising utility costs and municipal rates will be recovered from tenants.

This forecast has not been audited or reviewed by the external auditors of Equites.

13 SUBSEQUENT EVENTS

13.1. PETERBOROUGH DISPOSAL

Equites disposed of its investments in two IOM subsidiaries to a commingled investment fund managed by Clarion Partners Europe for a cash consideration of £51.8 million (approximately R1.1 billion) on 22 March 2023. The disposal comprised two distribution centres, located in Peterborough, let to DSV Solutions Limited and Coloplast Limited, respectively. A portion of the proceeds was used to early settle £6.6 million (R145 million) of debt owed to HSBC at the time of disposal.

13.2. CANELANDS ACQUISITION

Equites, through its subsidiary RLF, acquired a logistics campus located in Canelands, KZN on 18 April 2023 from Shoprite. The acquisition constitutes an existing warehouse and undeveloped land at a cost of R560 million and R78 million, respectively. The existing warehouse is let to Shoprite and the undeveloped land is to be developed, in terms of a development lease agreement, to extend the existing facility at an indicative cost of R422 million (including the land cost)

14 DECLARATION OF A FINAL CASH DIVIDEND

Notice is hereby given of the declaration of the final dividend number 19 of 88.02237 cents per share.

The Board has declared a final gross dividend of 88.02237 cents per share on 8 May 2023 further to the interim dividend of 81.58 cents per share. This brings the total distributions for the year ended 28 February 2023 to 169.60 cents per share which is a 4.1% growth over the prior year total distributions of 162.99 cents per share. The DPS growth is in line with previous guidance of 4% - 6%.

DIVIDENDS DECLARED (CENTS PER SHARE)	% CHANGE	2023	2022
Interim dividend		81.58013	78.37854
Final dividend		88.02237	84.61177
TOTAL DISTRIBUTION FOR THE YEAR	4.1%	169.60250	162.99031

SALIENT DATES AND TIMES

2023

Equites results including declaration of a final distribution published on SENS	Tuesday, 9 May
Last day to trade in order to receive the cash dividend	Tuesday, 23 May
Shares trade ex-dividend	Wednesday, 24 May
Record date to receive the cash dividend	Friday, 26 May
Payment of cash dividend to certified shareholders by electronic funds transfer	Monday, 29 May
Dematerialised shareholders' CSDP or broker accounts credited with the cash dividend payment	Monday, 29 May

TAX IMPLICATIONS

Equites listed on the JSE as a REIT in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended (the "Income Tax Act") and section 13 of the JSE Listings Requirements.

The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income.

The cash dividend of 88.02237 cents per share meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act (a "qualifying distribution") with the result that:

- qualifying distributions received by resident Equites shareholders must be included in the gross income of such shareholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the Equites shareholder. These qualifying distributions are however exempt from dividends withholding tax, provided that the South African resident shareholders provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:
 - a declaration that the dividend is exempt from dividends tax; and
 - a written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner,
- both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted,
- qualifying distributions received by non-resident Equites shareholders will not be taxable as income and instead will be treated as ordinary dividends, but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. Any qualifying distributions are subject to dividends withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder. Assuming dividends withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 70.41790 cents per share. A reduced dividend withholding rate in terms of the applicable DTA, may only be relied upon if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:
 - a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
 - a written undertaking to inform their CSDP, broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,
- both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

OTHER INFORMATION

- The issued ordinary share capital of Equites at the date of declaration is 785 930 874.
- Income Tax Reference Number of Equites: 9275393180.

The cash dividend may have tax implications for resident as well as non-resident shareholders. Shareholders are therefore encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

By order of the Board

EQUITES PROPERTY FUND LIMITED

8 May 2023

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Equites Property Fund Limited

OPINION

The summary consolidated financial statements of Equites Property Fund Limited, contained in the accompanying provisional report, which comprise the summary consolidated statement of financial position as at 28 February 2023, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Equites Property Fund Limited for the year ended 28 February 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 8 May 2023. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



PRICEWATERHOUSECOOPERS INC.

DIRECTOR: P LIEDEMAN

REGISTERED AUDITOR

Cape Town, South Africa
8 May 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equites Property Fund Limited and its subsidiaries at 28 February 2023

R'000	NOTES	2023	2022
ASSETS			
NON-CURRENT ASSETS			
Investment property (excluding straight-lining)	4	23 657 994	24 970 607
Straight-lining lease income accrual	4	802 644	547 000
Land options	4	100 552	–
Deferred tax asset		3 290	162 765
Other financial assets		151 450	60 637
Trade receivables		2 188	–
Loan receivable		55 154	–
Property, plant and equipment		27 059	16 086
		24 800 331	25 757 095
CURRENT ASSETS			
Trading properties and developments		748 448	878 927
Trade and other receivables		271 351	223 196
Other financial assets		125 217	104 645
Loan receivable		2 903	–
Current tax receivable		1 681	–
Cash and cash equivalents		257 692	570 143
		1 407 292	1 776 911
Investment property held-for-sale	4	2 337 633	206 124
TOTAL ASSETS		28 545 256	27 740 130
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Stated capital		12 136 465	12 170 853
Accumulated (loss)/profit		(49 514)	1 880 847
Foreign currency translation reserve		778 296	370 624
Share-based payment reserve		22 316	29 390
TOTAL ATTRIBUTABLE TO OWNERS		12 887 563	14 451 714
Non-controlling interest		3 384 200	3 059 872
TOTAL EQUITY AND RESERVES		16 271 763	17 511 586
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	5	7 590 856	7 974 268
Financial guarantees		10 000	–
Other financial liabilities		46 766	117 200
Deferred tax liability		129 706	441 194
Trade and other payables		65 306	8 334
		7 842 634	8 540 996
CURRENT LIABILITIES			
Loans and borrowings	5	3 618 456	1 026 304
Trade and other payables		472 625	572 364
Other financial liabilities		141 731	88 880
		4 232 812	1 687 548
Non-current liabilities held-for-sale		198 047	–
TOTAL LIABILITIES		12 273 493	10 228 544
TOTAL EQUITY AND LIABILITIES		28 545 256	27 740 130

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

R'000	NOTES	2023	2022
Property revenue and tenant recoveries	6	1 887 058	1 505 103
Straight-lining of leases adjustment		273 761	182 468
Revenue from trading properties and developments		1 051 931	576
GROSS PROPERTY REVENUE		3 212 750	1 688 147
Cost of sales from trading properties and developments		(908 111)	–
Property operating and management expenses		(303 893)	(240 418)
Other net (losses)/gains	7	(292 448)	155 207
Administrative expenses		(236 051)	(78 039)
Fair value adjustments – investment property		(1 607 261)	1 168 317
OPERATING (LOSS)/PROFIT BEFORE FINANCING ACTIVITIES		(135 014)	2 693 214
Finance cost	8	(52 128)	31 994
Finance income		56 454	14 021
NET (LOSS)/PROFIT BEFORE TAX		(130 688)	2 739 229
Tax expense		25 911	(382 809)
(LOSS)/PROFIT FOR THE YEAR		(104 777)	2 356 420
OTHER COMPREHENSIVE INCOME			
Items that may subsequently be reclassified to profit or loss:			
Translation of foreign operations		422 920	(19 147)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		318 143	2 337 273
(LOSS)/PROFIT ATTRIBUTABLE TO:			
Owners of the parent		(638 793)	2 032 661
Non-controlling interest		534 016	323 759
		(104 777)	2 356 420
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		(231 121)	2 011 765
Non-controlling interest		549 264	325 508
		318 143	2 337 273
Basic earnings per share (cents)	2	(82.4)	295.3
Diluted earnings per share (cents)	2	(81.6)	293.1

CONSOLIDATED STATEMENT OF CASH FLOWS

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

R'000	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	1 873 580	944 849
Finance cost paid	(310 968)	(99 807)
Finance income received	26 031	4 908
Tax paid	(102 709)	(50 032)
Dividends paid	(1 516 504)	(1 228 043)
NET CASH FLOWS UTILISED BY OPERATING ACTIVITIES	(30 570)	(428 125)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment properties	(413 570)	(2 209 150)
Development of investment properties	(1 602 436)	(2 184 606)
Finance cost paid capitalised to investment properties	(285 611)	(260 259)
Proceeds from government grants	–	61 726
Proceeds from disposal of investment property and subsidiaries (net of disposal costs)	151 165	104 663
Purchases of current financial assets ¹	(874 981)	(1 823 000)
Proceeds on divestment of current financial assets ¹	874 981	1 823 000
Repayment of loan receivable	1 750	–
Proceeds from disposal of property, plant and equipment	8	4
Purchase and development of property, plant and equipment	(11 378)	(1 555)
NET CASH FLOWS UTILISED BY INVESTING ACTIVITIES	(2 160 072)	(4 489 177)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue (net of costs)	–	1 987 559
Proceeds from share issue relating to dividend reinvestment programme (net of costs)	27 099	653 736
Repurchase of shares	(73 816)	–
Repayment of lease liability	(9 948)	(7 816)
Proceeds from borrowings	9 101 447	4 782 461
Repayment of borrowings	(7 211 996)	(2 563 648)
NET CASH FLOWS RAISED FROM FINANCING ACTIVITIES	1 832 786	4 852 292
Net decrease in cash and cash equivalents	(357 856)	(65 010)
Effect of exchange rate movements on cash and cash equivalents	45 405	22 837
Cash and cash equivalents at the beginning of the year	570 143	612 316
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	257 692	570 143

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

R'000	STATED CAPITAL	ACCUMULATED (LOSS)/PROFIT	FOREIGN CURRENCY TRANSLATION RESERVE	SHARE- BASED PAYMENT RESERVE	TOTAL ATTRIBUTABLE TO PARENT	NON- CONTROLLING INTEREST	TOTAL
Balance at 1 March 2021	9 337 288	918 422	391 520	195 953	10 843 183	2 166 757	13 009 940
Profit for the year	—	2 032 661	—	—	2 032 661	323 759	2 356 420
Other comprehensive income	—	—	(20 896)	—	(20 896)	1 749	(19 147)
Acquisition of subsidiary with non-controlling interests	—	—	—	—	—	703 150	703 150
Transactions with non-controlling interest	—	—	—	—	—	22 264	22 264
Shares issued for cash	2 000 000	—	—	—	2 000 000	—	2 000 000
Share issue in terms of dividend reinvestment programme	653 736	—	—	—	653 736	—	653 736
Shares issued in terms of conditional share plan	12 270	—	—	(12 270)	—	—	—
Shares issued in respect of share-based payment transactions	180 000	—	—	(180 000)	—	—	—
Equity-settled share-based payment charge	—	—	—	25 707	25 707	—	25 707
Dividends distributed to shareholders	—	(1 070 236)	—	—	(1 070 236)	(157 807)	(1 228 043)
Share issue costs	(12 441)	—	—	—	(12 441)	—	(12 441)
BALANCE AT 28 FEBRUARY 2022	12 170 853	1 880 847	370 624	29 390	14 451 714	3 059 872	17 511 586
Balance at 1 March 2022	12 170 853	1 880 847	370 624	29 390	14 451 714	3 059 872	17 511 586
(Loss)/profit for the year	—	(638 793)	—	—	(638 793)	534 016	(104 777)
Other comprehensive income	—	—	407 672	—	407 672	15 248	422 920
Transactions with non-controlling interest	—	—	—	—	—	64 623	64 623
Share issue in terms of dividend reinvestment programme	28 154	—	—	—	28 154	—	28 154
Shares issued in terms of conditional share plan	13 160	—	—	(13 160)	—	—	—
Treasury shares issued in terms of conditional share plan	—	—	—	(163)	(163)	—	(163)
Shares forfeited in terms of conditional share plan	(831)	—	—	831	—	—	—
Shares repurchased and cancelled	(73 816)	—	—	—	(73 816)	—	(73 816)
Equity-settled share-based payment charge	—	—	—	5 418	5 418	—	5 418
Dividends distributed to shareholders	—	(1 291 568)	—	—	(1 291 568)	(289 559)	(1 581 127)
Share issue costs	(1 055)	—	—	—	(1 055)	—	(1 055)
BALANCE AT 28 FEBRUARY 2023	12 136 465	(49 514)	778 296	22 316	12 887 563	3 384 200	16 271 763

SUMMARY OPERATING SEGMENT INFORMATION

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

The segment information for the Group for the year ended 28 February 2023 is set out below:

R'000	OPERATING SEGMENTS				TOTAL
	SA INDUSTRIAL	UK INDUSTRIAL	UK DEVELOPER	OTHER	
STATEMENT OF COMPREHENSIVE INCOME					
Property revenue and tenant recoveries	1 403 060	294 566	—	189 432	1 887 058
Straight-lining of leases adjustment	2 061 723	(1 673 743)	—	(114 219)	273 761
Revenue from trading properties and developments	—	—	1 051 931	—	1 051 931
Property operating and management expenses	(241 848)	(12 728)	—	(49 317)	(303 893)
Fair value adjustments – investment property	241 874	(1 849 135)	—	—	(1 607 261)
Operating loss before financing activities	1 356 912	(1 661 015)	44 475	124 614	(135 014)
Finance income	1 619 996	(1 563 749)	—	207	56 454
Finance cost	(57 433)	5 297	—	8	(52 128)
Current tax expense	—	—	(98 090)	—	(98 090)
STATEMENT OF FINANCIAL POSITION					
Investment property (note 4)	16 488 214	8 072 975	—	2 337 634	26 898 823
Trading properties	19 028	—	729 420	—	748 448
Loans and borrowings (note 5)	8 029 984	3 179 328	—	145 277	11 354 589
Total assets	17 407 600	8 128 532	793 529	2 215 595	28 545 256
Total liabilities	8 468 648	3 472 797	60 845	271 203	12 273 493

The segment information for the Group for the year ended 28 February 2022 is set out below:

R'000	OPERATING SEGMENTS				TOTAL
	SA INDUSTRIAL	UK INDUSTRIAL	UK DEVELOPER	OTHER	
STATEMENT OF COMPREHENSIVE INCOME					
Property revenue and tenant recoveries	1 215 823	263 235	—	26 045	1 505 103
Straight-lining of lease adjustment	169 626	14 220	—	(1 378)	182 468
Fair value adjustments – investment property	(356 859)	1 546 128	—	(20 952)	1 168 317
Operating profit before financing activities	796 817	1 878 841	(2 445)	20 001	2 693 214
Finance income	14 057	41	—	(77)	14 021
Finance cost	72 657	(40 598)	—	(65)	31 994
Current tax expense	—	(1 254)	(48 778)	—	(50 032)
STATEMENT OF FINANCIAL POSITION					
Investment property (excluding straight-lining)	14 929 254	10 041 353	—	—	24 970 607
Straight-lining lease income accrual	504 528	42 472	—	—	547 000
Investment property held-for-sale	—	—	—	206 124	206 124
Trading properties	20 754	—	858 173	—	878 927
Loans and borrowings	6 496 875	2 503 697	—	—	9 000 572
Total assets	15 952 283	10 681 885	891 391	214 571	27 740 130
Total liabilities	6 726 324	3 241 662	257 556	3 002	10 228 544

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

1 BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated annual financial statements from which the provisional consolidated annual financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

These summary consolidated financial statements for the year ended 28 February 2023 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated annual financial statements from which these provisional consolidated annual financial statements were derived.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

The audited consolidated annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office and on the Company's website at <https://www.equites.co.za/investor-community/investor-documentation/>.

Laila Razack CA(SA), in her capacity as Chief Financial Officer, was responsible for the preparation of these summary consolidated annual financial statements.

NOTES CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

2 EARNINGS AND HEADLINE EARNINGS PER SHARE

This note provides the obligatory information in terms of IAS 33 *Earnings per share* and SAICA Circular 1/2021 for the Group and should be read in conjunction with Appendix 1, where earnings are reconciled to distributable earnings. Distributable earnings determine the dividend declared to shareholders, which is a meaningful metric for a shareholder in a REIT.

2.1 BASIC EARNINGS PER SHARE

R'000	2023	2022
BASIC EARNINGS		
Earnings ((loss)/profit attributable to owners of the parent)	(638 793)	2 032 661
NUMBER OF SHARES		
Shares in issue	774 089 562	776 573 375
Weighted average number of shares in issue	775 345 406	688 221 003
Add: weighted potential dilutive impact of conditional shares	7 390 022	5 376 814
Diluted weighted average number of shares in issues	782 735 428	693 597 817
CENTS		
EARNINGS PER SHARE		
Basic earnings per share	(82.4)	295.3
Diluted earnings per share	(81.6)	293.1

2.2 HEADLINE EARNINGS PER SHARE

R'000	2023	2022
RECONCILIATION BETWEEN BASIC EARNINGS AND HEADLINE EARNINGS:		
Earnings ((loss)/profit attributable to owners of the parent)	(638 793)	2 032 661
Adjusted for:		
Fair value adjustments to investment properties	1 607 261	(1 147 365)
Less: Fair value adjustment to investment properties (NCI)	232 549	8 221
Fair value adjustment of non-current assets held-for-sale	–	(20 952)
Loss on sale of non-current assets held-for-sale	–	237
Loss on sale of non-current assets	8 225	15 706
HEADLINE EARNINGS	1 209 242	888 508
CENTS		
HEADLINE EARNINGS PER SHARE		
Basic headline earnings per share	156.0	129.1
Diluted headline earnings per share	154.5	128.1

3 FAIR VALUE MEASUREMENT

Assets and liabilities recognised and subsequently measured at fair value are categorised into a three-tier hierarchy that reflects the significance of the inputs used in the valuation technique. The levels of the hierarchy are defined as follows:

Level 1: Unadjusted, quoted prices in an active market for identical assets and liabilities. Quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valuation techniques using inputs that are observable either directly (i.e. as prices other than quoted prices that are included in level 1) or indirectly (i.e. from derived prices).

Level 3: Valuation techniques using inputs that are not based on observable market data (unobservable inputs).

R'000	LEVEL OF HIERARCHY	2023	2022
ASSETS AND LIABILITIES MEASURED AT FAIR VALUE			
FINANCIAL ASSETS			
Derivative financial instruments	Level 2	276 667	165 283
FINANCIAL LIABILITIES			
Derivative financial instruments	Level 2	(188 497)	(173 207)
NON-FINANCIAL ASSETS			
Investment properties ¹ (note 4)	Level 3	24 460 638	25 517 606

¹ Excluding investment property held-for-sale and land options at cost.

There have been no transfers between level 1, level 2 or level 3 during the period under review. Derivative financial instruments are measured with reference to observable market inputs (interest rates, yield curves, FX rates) based on mid-market levels.

DETAILS OF VALUATION TECHNIQUES

INVESTMENT PROPERTY

The Group has appointed a panel of independent valuers to conduct the valuation for each income-producing property.

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

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

DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

INTEREST RATE AND CROSS-CURRENCY INTEREST RATE SWAPS

The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty. This is calculated based on credit spreads derived from current credit default swap or bond prices.

NOTES CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

3 FAIR VALUE MEASUREMENT CONTINUED

SENSITIVITY OF FAIR VALUES TO CHANGES IN UNOBSERVABLE INPUTS (LEVEL 3):

Valuation of investment properties is sensitive to changes in unobservable inputs used in determining fair value.

R'000	2023							
	EXIT CAPITALISATION RATES		DISCOUNT RATES		MARKET RENTALS		INCOME CAPITALISATION YIELDS	
Change in input	-0.1%	+0.1%	-0.1%	+0.1%	+5.0%	-5.0%	-0.5%	+0.5%
Increase/(decrease) in fair value:								
SA Industrial	78 932	(97 903)	85 286	(96 853)	384 435	(366 393)	—	—
UK Industrial	—	—	—	—	—	—	813 967	(710 297)
TOTAL	78 932	(97 903)	85 286	(96 853)	384 435	(366 393)	813 967	(710 297)

R'000	2022							
	EXIT CAPITALISATION RATES		DISCOUNT RATES		MARKET RENTALS		INCOME CAPITALISATION YIELDS	
Change in input	-0.1%	+0.1%	-0.1%	+0.1%	+5.0%	-5.0%	-0.5%	+0.5%
Increase/(decrease) in fair value:								
SA Industrial	71 509	(91 269)	70 170	(94 470)	351 732	(356 771)	—	—
UK Industrial	—	—	—	—	—	—	1 184 399	(886 817)
TOTAL	71 509	(91 269)	70 170	(94 470)	351 732	(356 771)	1 184 399	(886 817)

Due to significant yield softening in the UK logistics market over the last twelve months, the Group deems it reasonable to use a 50bp range on the sensitivity analysis.

R'000	2023	2022
4 INVESTMENT PROPERTY		
Income-producing investment property	20 217 779	20 045 118
Investment property under development	1 320 513	2 681 934
Freehold land	2 091 944	2 213 175
Right-of-use asset	27 758	30 380
Investment property (excluding straight-lining) (note 4.1)	23 657 994	24 970 607
Investment property held-for-sale (note 4.2)	2 337 633	206 124
Straight-lining lease income accrual (note 4.3)	802 644	547 000
FAIR VALUE OF INVESTMENT PROPERTY	26 798 271	25 723 731
Land options at cost (note 4.1)	100 552	—
INVESTMENT PROPERTY	26 898 823	25 723 731

4.1 RECONCILIATION OF INVESTMENT PROPERTY

R'000	SA				UK				TOTAL			
	LOGISTICS	INDUSTRIAL	PROPERTIES UNDER DEVELOPMENT	ZONED INDUSTRIAL LAND ²	STRATEGIC LAND HOLDINGS ³	RIGHT-OF-USE ASSET	LOGISTICS	PROPERTIES UNDER DEVELOPMENT		ZONED INDUSTRIAL LAND ²	STRATEGIC LAND HOLDINGS ³	LAND OPTIONS ⁴
BALANCE AS AT 01 MARCH 2021	9 961 247	320 379	515 303	1 029 038	482 897	20 817	5 439 117	604 366	165 805	339 316	—	18 878 285
Acquisitions	2 478 107	—	33 521	1 41 004	—	15 948	—	—	—	359 668	—	2 928 248
Improvements and extensions	84 407	—	—	—	—	—	43 730	—	—	—	—	128 137
Construction and development costs ³	—	—	432 730	96 972	54 631	—	—	1 526 082	—	235 122	—	2 345 537
Transfers ¹	319 014	48 077	(83 005)	(246 724)	(219 835)	—	893 926	(893 926)	(165 805)	(27 753)	—	(376 031)
Letting commission capitalised	3 794	—	—	—	—	—	—	—	—	—	—	3 794
Letting commission amortised	(2 400)	—	—	—	—	—	(838)	—	—	—	—	(3 238)
Lease incentives amortised	(397)	—	—	—	—	—	—	—	—	—	—	(397)
Remeasurements	—	—	—	—	—	951	—	—	—	—	—	951
Fair value adjustment	(329 365)	(4 700)	—	(16 229)	770	(7 336)	844 365	523 863	—	177 901	—	1 189 269
Disposals	—	—	—	(100 363)	—	—	—	—	—	—	—	(100 363)
Foreign exchange movements	—	—	—	—	—	—	(53 345)	23 000	—	6 760	—	(23 585)
BALANCE AS AT 28 FEBRUARY 2022	12 514 407	363 756	898 549	803 698	318 463	30 380	7 166 955	1 783 385	—	1 091 014	—	24 970 607
Acquisitions	326 256	—	—	75 635	—	—	—	—	—	—	11 679	413 570
Improvements and extensions	52 537	8 381	—	—	—	—	230 601	—	—	—	—	291 519
Construction and development costs ³	—	—	855 171	135 614	221 194	—	—	207 156	—	140 830	34 669	1 594 634
Transfers ¹	(74 461)	—	(433 207)	(63 184)	(539 657)	—	785 977	(1 990 541)	—	(85 832)	53 663	(2 347 242)
Letting commission capitalised	8 473	—	—	—	—	—	—	—	—	—	—	8 473
Letting commission amortised	(3 752)	—	—	—	—	—	(891)	—	—	—	—	(4 643)
Lease incentives amortised	(246)	—	—	—	—	—	—	—	—	—	—	(246)
Remeasurements	—	—	—	—	—	4 166	—	—	—	—	—	4 166
Fair value adjustment	302 866	(15 243)	—	(38 962)	—	(6 788)	(1 887 557)	—	—	38 423	—	(1 607 261)
Disposals	(145)	—	—	—	—	—	—	—	—	—	—	(145)
Foreign exchange movements	—	—	—	—	—	—	439 865	—	—	(5 292)	541	435 114
BALANCE AS AT 28 FEBRUARY 2023	13 125 935	356 894	1 320 513	912 801	—	27 758	6 734 950	—	—	1 179 143	100 552	23 758 546

1 Transfers relates to the following:

- Land which has been zoned and serviced and available for a development to commence;
- Land where a development has commenced;
- Investment properties under development which have been completed;
- Properties that are being refurbished;
- Properties that have been recognised as held-for-sale (note 4.2); and
- Land and developments which are held as trading property.

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

3 Includes borrowing costs capitalised of R285 million (2022: R260 million).

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

NOTES CONTINUED

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

R'000	2023	2022
4 INVESTMENT PROPERTY CONTINUED		
4.2 INVESTMENT PROPERTY HELD-FOR-SALE		
Opening balance	206 124	86 112
Transfers	2 337 634	161 718
Improvements	9 176	1 228
Letting commission amortised	(504)	–
Fair value adjustment	–	(20 952)
Disposal	(214 797)	(21 982)
INVESTMENT PROPERTY HELD-FOR-SALE	2 337 633	206 124
Investment property held-for-sale includes properties which are considered non-core assets comprising of four industrial properties in Gauteng, KwaZulu-Natal and the Western Cape, and two logistics properties in the UK. It also includes a 35% undivided share in three logistics properties situated in Gauteng. The Group has concluded sale agreements on most of these properties and transfer is yet to occur. Transfer of the UK properties took place in March 2023 with the remaining properties expected to transfer within twelve months after year end.		
4.3 STRAIGHT-LINING LEASE INCOME ACCRUAL		
Contractual lease receivables are as follows:		
Within one year	1 669 175	1 455 626
Within two years	1 621 180	1 425 203
Within three years	1 564 678	1 353 081
Within four years	1 545 104	1 291 417
Within five years	1 427 675	1 244 443
Beyond five years	11 325 751	10 639 337
	19 153 563	17 409 107
Less: lease revenue on a straight-line basis	(18 328 357)	(16 862 107)
Transferred to held-for-sale	(22 562)	–
STRAIGHT-LINING LEASE INCOME ACCRUAL	802 644	547 000
5 LOANS AND BORROWINGS		
Opening balance	9 000 572	6 828 343
Proceeds from borrowings	9 101 447	4 782 461
Repayment of borrowings	(7 211 996)	(2 563 648)
Loan fees paid and amortisation	(2 581)	(1 591)
Foreign exchange loss/(gain)	372 292	(44 993)
DEBT BALANCE	11 259 734	9 000 572
Accrued interest	94 855	–
LOANS AND BORROWINGS	11 354 589	9 000 572
Non-current	7 590 856	7 974 268
Non-current held-for-sale	145 277	–
Current	3 618 456	1 026 304
6 PROPERTY REVENUE AND TENANT RECOVERIES		
Contractual rental income	1 560 064	1 241 912
Tenant recoveries	322 915	261 747
Property management fee	4 079	1 444
PROPERTY REVENUE AND TENANT RECOVERIES	1 887 058	1 505 103

R'000	2023	2022
7 OTHER NET (LOSSES)/GAINS		
Income from foreign exchange derivative instruments	206 421	158 124
Fair value adjustment on foreign exchange derivative instruments	(267 843)	43 491
Insurance recoveries	429	121
Loss on sale of subsidiary companies	–	(237)
Loss on sale of investment property	(8 233)	(15 710)
Profit on sale of property, plant and equipment	8	4
Foreign exchange loss	(217 987)	(36 647)
Fair value adjustment on financial guarantee	(10 000)	–
Sundry income	4 757	6 061
TOTAL	(292 448)	155 207
8 FINANCE COST		
Interest expense on borrowings	586 243	324 743
Interest on lease liabilities	2 715	2 279
Finance cost relating to interest rate derivatives	49 280	94 192
Fair value movement on interest rate derivatives	(226 202)	(145 888)
Interest on utility accounts and other	735	389
Borrowing costs capitalised to investment and trading property ¹	(360 643)	(307 709)
FINANCE COST	52 128	(31 994)
9 CAPITAL COMMITMENTS		
Authorised and contracted for acquisition or construction of new industrial properties ²	2 194 014	931 764
Authorised but not contracted	683 920	474 489
	2 877 934	1 406 253
10 RELATED PARTIES		
Related party relationships exist between the Company, its subsidiaries, directors, and key management of the Group.		
In the ordinary course of business, the Group entered into the following other transactions with related parties:		
Dividend paid to related party shareholders	39 781	52 013
Insurance premiums paid to Commsure Financial Solutions (indirectly owned by Cindy Hess' spouse) ³	4 329	13 011
Fees paid to BTKM Proprietary Limited (in which Nazeem Khan is a director) ⁴	3 793	1 945
Fees paid to Automotion Proprietary Limited (in which Kevin Dreyer is a director) ⁵	–	13
	47 903	66 982

¹ The capitalisation rate applied during the year was 8.4% (2022: 7.0%) in relation to general borrowings and 3.5% (2022: 2.5%) in relation to specific borrowings.

² Includes commitments to acquire land.

³ Cindy Hess resigned as a director, effective 15 July 2022, and therefore Commsure ceased to be a related party during the year. The amount disclosed for the current year relates to charges prior to her resignation.

⁴ Nazeem Khan retired as a director, effective 17 August 2022, and therefore BTKM ceased to be a related party during the year. The amount disclosed for the current year relates to charges prior to his retirement.

⁵ Kevin Dreyer retired as a director, effective 27 July 2021, and therefore Automotion ceased to be a related party during the prior year.

APPENDIX 1

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2023

DISTRIBUTABLE EARNINGS

DISTRIBUTION POLICY

The Group has established strict guidelines regarding its distribution policy to ensure that the distributable earnings is a fair reflection of sustainable earnings; this comprises property related income net of property related expenditure, interest expense and administrative costs.

The principles encompassed in the calculation below are largely aligned with the best practice recommendations ("BPR") established by the SA REIT Association published in 2016 and the guidelines further developed in the revised best practice recommendations which were published in November 2019.

As distributable earnings is a measure of core earnings, the Group has adjusted for the following key items in the determination of this metric:

- certain non-cash and accounting adjustments;
- gains or losses on the disposal of assets and the associated tax treatment;
- certain foreign exchange and hedging items;
- net profit arising from land sale and turnkey developments; and
- antecedent earnings adjustment.

The specific adjustments are detailed in the statement of distributable earnings presented below. All of these adjustments are derived from the face of the income statement presented and the notes accompanying these financial statements.

RECONCILIATION BETWEEN EARNINGS AND DISTRIBUTABLE EARNINGS

R'000	UNAUDITED 2023	UNAUDITED 2022
(LOSS)/PROFIT FOR THE YEAR (ATTRIBUTABLE TO OWNERS OF THE PARENT)	(638 793)	2 032 661
<i>Adjusted for:</i>		
Fair value adjustments to investment properties	1 607 261	(1 168 317)
Less: Fair value adjustment to investment properties (NCI)	232 549	8 221
Loss on sale of non-current assets	8 225	15 943
HEADLINE EARNINGS	1 209 242	888 508
<i>Adjusted for:</i>		
Straight-lining of leases adjustment	(273 761)	(182 468)
Fair value adjustments to derivative financial assets and liabilities	41 641	(189 379)
Fair value adjustment to financial guarantees	10 000	–
Equity-settled share-based payment reserve	7 186	27 568
Capital items (non-distributable) ²	388 535	40 035
Deferred taxation	(124 001)	332 777
Net development (profit)/loss (non-distributable)	(38 837)	51 382
Non-controlling interest	98 611	157 755
Antecedent dividend ¹	(5 739)	139 561
DISTRIBUTABLE EARNINGS	1 312 877	1 265 739

¹ In the determination of distributable earnings, an adjustment is made where equity capital is raised or shares are repurchased during the financial year. During the financial year, the Group issued shares pursuant to the dividend reinvestment programme in May 2022, issued shares in respect of the share incentive scheme in June 2022 and repurchased shares in the open market between October 2022 and February 2023. These movements in share capital gave rise to an antecedent adjustment included above.

² Includes litigation settlement expense of R152 million in the current year.

NUMBER OF SHARES	2023	2022
THE FOLLOWING INPUTS IMPACTED THE ANTECEDENT EARNINGS ADJUSTMENT:		
Opening balance – shares in issue	776 573 375	628 715 573
Increase in shares in issue as a result of accelerated bookbuild	–	103 517 195
Dividend reinvestment programme	1 421 922	34 374 527
Shares issued in terms of conditional share plan	689 731	655 324
Shares repurchased and cancelled	(4 595 466)	–
Share issue in respect of property acquisition	–	9 310 756
CLOSING BALANCE – SHARES IN ISSUE	774 089 562	776 573 375

DIVIDENDS DECLARED AND DISTRIBUTION PER SHARE

TOTAL DISTRIBUTION FOR THE YEAR – 2023	CENTS PER SHARE	R'000
Interim dividend declared on 4 October 2022 (Dividend number 18)	81.58	635 250
Final dividend declared on 8 May 2023 (Dividend number 19)	88.02	677 627
TOTAL DISTRIBUTION FOR THE YEAR ENDED 28 FEBRUARY 2023	169.60	1 312 877

TOTAL DISTRIBUTION FOR THE YEAR – 2022	CENTS PER SHARE	R'000
Interim dividend declared on 30 September 2021 (Dividend number 16)	78.38	556 250
Final dividend declared on 3 May 2022 (Dividend number 17)	84.61	709 489
TOTAL DISTRIBUTION FOR THE YEAR ENDED 28 FEBRUARY 2022	162.99	1 265 739

APPENDIX 2

SA REIT BPR

R'000	UNAUDITED 2023	UNAUDITED 2022
SA REIT FUNDS FROM OPERATIONS ("SA REIT FFO")		
(LOSS)/PROFIT FOR THE YEAR (ATTRIBUTABLE TO OWNERS OF THE PARENT)	(638 793)	2 032 661
<i>Adjusted for:</i>		
Accounting/specific adjustments:	1 221 868	(1 014 620)
Fair value adjustments to:		
▪ Investment property	1 607 261	(1 168 317)
Depreciation and amortisation	2 369	3 388
Deferred tax movement recognised in profit or loss	(124 001)	332 777
Straight-lining operating lease adjustment	(273 761)	(182 468)
Fair value adjustment to financial guarantees	10 000	–
Adjustments arising from investing activities:	8 225	15 943
Loss on disposal of:		
▪ Investment property and property, plant and equipment	8 225	15 706
▪ Subsidiaries	–	237
Foreign exchange and hedging items:	259 628	(152 732)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	41 641	(189 379)
Foreign exchange losses relating to capital items – realised and unrealised	217 987	36 647
Other adjustments:	325 421	305 536
Non-controlling interests in respect of the above adjustments	331 160	165 975
Antecedent earnings adjustment	(5 739)	139 561
SA REIT FFO	1 176 349	1 186 788
Number of shares outstanding at year-end	774 089 562	776 573 375
SA REIT FFO PER SHARE (CENTS)	151.97	152.82
Company-specific adjustments per share (cents)	17.63	10.17
Equity-settled share-based payment charge	0.93	3.55
Net development (profit)/loss	(5.02)	6.62
Litigation settlement (non-distributable)	19.61	–
Capital items (non-distributable)	2.11	–
DISTRIBUTABLE EARNINGS PER SHARE (CENTS)	169.60	162.99
SA REIT NET ASSET VALUE ("SA REIT NAV")		
Reported NAV attributable to the parent	12 887 563	14 451 714
<i>Adjustments:</i>		
Dividend to be declared	(677 627)	(709 489)
Fair value of certain derivative financial instruments	197 261	21 898
Deferred tax	179 186	278 429
SA REIT NAV	12 586 383	14 042 552
SHARES OUTSTANDING		
Number of shares in issue at period end (net of treasury shares)	774 089 562	776 573 375
Effect of dilutive instruments	7 390 022	5 376 814
DILUTIVE NUMBER OF SHARES IN ISSUE	781 479 584	781 950 189
SA REIT NAV PER SHARE (RAND):	16.11	17.96

R'000	UNAUDITED 2023	UNAUDITED 2022
SA REIT COST-TO-INCOME RATIO		
EXPENSES		
Operating expenses per IFRS income statement (includes municipal expenses)	303 893	240 418
Administrative expenses per IFRS income statement ¹	236 051	78 039
<i>Exclude:</i>		
Depreciation expense in relation to property, plant and equipment	(2 369)	(3 388)
OPERATING COSTS	537 575	315 069
RENTAL INCOME		
Contractual rental income per IFRS income statement (excluding straight-lining)	1 560 064	1 241 912
Utility and operating recoveries per IFRS income statement	326 994	263 191
GROSS RENTAL INCOME	1 887 058	1 505 103
SA REIT COST-TO-INCOME RATIO	28.5%	20.9%
SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO		
EXPENSES		
Administrative expenses as per IFRS income statement ¹	236 051	78 039
ADMINISTRATIVE COSTS	236 051	78 039
¹ Includes litigation settlement expense of R152 million in the current year.		
RENTAL INCOME		
Contractual rental income per IFRS income statement (excluding straight-lining)	1 560 064	1 241 912
Utility and operating recoveries per IFRS income statement	326 994	263 191
GROSS RENTAL INCOME	1 887 058	1 505 103
SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO	12.5%	5.2%
SA REIT GLA VACANCY RATE		
Gross lettable area of vacant space	1 401	1 401
Gross lettable area of total property portfolio	1 372 156	1 146 354
SA REIT GLA VACANCY RATE	0.1%	0.1%
COST OF DEBT		
<i>Variable interest rate borrowings</i>		
Floating reference rate plus weighted average margin	9.06%	5.85%
<i>Fixed interest rate borrowings</i>		
Weighted average fixed rate	0.00%	3.92%
PRE-ADJUSTED WEIGHTED AVERAGE COST OF DEBT	9.06%	4.92%
ADJUSTMENTS:		
Impact of interest rate derivatives	(0.53%)	(0.95%)
Impact of cross-currency interest rate swaps	0.20%	(1.28%)
Amortised transaction costs imputed into the effective interest rate	0.05%	0.18%
ALL-IN WEIGHTED AVERAGE COST OF DEBT	8.78%	2.87%
<i>All rates are nominal annual compounded quarterly (nacq)</i>		

APPENDIX 2 CONTINUED

SA REIT BPR CONTINUED

R'000		UNAUDITED 2023	UNAUDITED 2022
SA REIT LOAN-TO-VALUE ("SA REIT LTV")			
Gross debt		11 259 734	9 000 572
Less:			
Cash and cash equivalents (and including short-term deposits)		(257 692)	(570 143)
Add/Less:			
Derivative financial instruments		(88 169)	(103 460)
NET DEBT	A	10 913 873	8 326 969
Total assets – per statement of financial position		28 545 256	27 740 130
Less:			
Cash and cash equivalents (and including short-term deposits)		(257 692)	(570 143)
Derivative financial assets		(276 667)	(165 283)
Trade and other receivables		(331 596)	(223 196)
CARRYING AMOUNT OF PROPERTY-RELATED ASSETS	B	27 679 301	26 781 508
SA REIT LTV	A/B	39.4%	31.1%

ADMINISTRATION

DIRECTORS

NON-EXECUTIVE DIRECTORS

PL Campher¹ (Chairman), RE Benjamin-Swales¹, MA Brey¹, E Cross¹, AJ Gouws, K Ntuli¹, AD Murray¹, N Mkhize¹, F Tonelli²

¹ Independent

² Appointed 4 October 2022

EXECUTIVE DIRECTORS

A Taverna-Turisan (CEO)³, GR Gous (COO), L Razack (CFO)

³ Italian

EQUITES PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2013/080877/06)

Share code: EQU ISIN: ZAE000188843

JSE alpha code: EQUI

(Approved as a REIT by the JSE)

("Equites" or "the Company" or "the Group")

REGISTERED OFFICE

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CONTACT DETAILS

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COMPANY SECRETARY⁴

D Beneke⁵

⁴ TC Peterson resigned 31 December 2022

⁵ Appointed 1 March 2023

TRANSFER SECRETARY

Computershare Investor Services Proprietary Limited

AUDITORS

PricewaterhouseCoopers Inc.

EQUITY SPONSOR

Java Capital

DEBT SPONSOR

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

DATE OF PUBLICATION

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GLOSSARY

B-BBEE	Broad Based Black Economic Empowerment Act of 2003	PV	Photovoltaic
BOARD	Equites Property Fund Limited's board of directors	REIT	Real Estate Investment Trust
BP	Basis points	RLF	Retail Logistics Fund (RF) Proprietary Limited
BREEM	Building Research Establishment Environmental Assessment Method	RMB	Rand Merchant Bank
CARGO COMPASS	Cargo Compass (South Africa) Proprietary Limited	SA	South Africa
CCIRS	Cross currency interest rate swap	SAICA	The South African Institute of Chartered Accountants
CCS	Cross currency swap	SARB	South African Reserve Bank
CEO	Chief Executive Officer	SENS	Stock Exchange News Service
CFO	Chief Financial Officer	SHOPRITE	Shoprite Checkers Proprietary Limited
COMPANIES ACT	the Companies Act, No. 71 of 2008, as amended from time to time	SPAR ENCORE	Spar Encore Limited
COMPANY	Equites Property Fund Limited	SQ. FT.	Square feet
COO	Chief Operating Officer	SBSA	The Standard Bank of South Africa Limited
COVID	Coronavirus disease	STI	Short-term incentive
CSDP	Central Securities Depository Participant	TESCO	Tesco Plc
DMTN	Domestic Medium Term Note Programme	TFG	The Foschini Group Limited
DPS	Dividend per share	UK	United Kingdom
DTA	Double tax agreement	USA	United States of America
EDGE	Excellence in Design for Greater Efficiencies	US FED	United States Federal Reserve System
ENGL	Equites Newlands Group Limited	WALE	Weighted Average Lease Expiry
EQUITES	Equites Property Fund Limited	ZAR	South African Rand
ESD	Enterprise and Supplier Development		
ESG	Environmental, Social and Governance		
EVRI	Trading name of Hermes ParcelNet Limited		
FFO	Funds from operations		
FX	Foreign exchange		
FY	Financial year		
GBP	Pound sterling		
GCR	Global credit rating		
GLA	Gross lettable area		
GROUP	Equites Property Fund Limited and its subsidiaries		
GXO	GXO Logistics, Inc.		
HSBC	HSBC UK Bank Plc		
IAS	International Accounting Standards		
IFC	International finance corporation		
IFRS	International Financial Reporting Standards		
INCOME TAX ACT	Income Tax Act, No. 58 of 1962, as amended		
IOM	Isle of Man		
JLL	Jones Lang LaSalle IP, Inc.		
JSE	Johannesburg Stock Exchange		
KPI	Key performance indicator		
KWH	Kilowatt-hour		
KZN	KwaZulu-Natal		
LFL	Like-for-like		
LTV	Loan-to-value		
MABEL	Mabel Black Knight Investments 1 Proprietary Limited		
MLF	The Michel Lanfranchi Foundation NPC		
MW	Megawatt		
NACQ	Nominal Annual Compounded Quarterly		
NAV	Net asset value		
NCI	Non-controlling interest		
NEWLANDS	Newlands Property Developers LLP		
NORMET AFRICA	Normet Africa Proprietary Limited		
NPI	Net property income		
PPA	Power purchase agreement		



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