

EMIRA PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa
(Registration number 2014/130842/06)
JSE share code: EMI ISIN: ZAE000203063
JSE Interest Rate Issuer Code: EMII
(Approved as a REIT by the JSE)
("Emira" or "the Company")



REVIEWED CONDENSED CONSOLIDATED PRELIMINARY FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2020 AND DIVIDEND DISTRIBUTION DECLARATION

Nature of business

Emira is a diversified Real Estate Investment Trust ("REIT"), with a property portfolio of predominantly South African assets, and a growing component of offshore assets in the USA. In line with its strategic objectives, Emira's property portfolio spans multiple sectors, namely office, retail, industrial and residential. The Company is focused on growing the quality and value of its portfolio of property investments, in order to sustain and enhance its distribution growth to shareholders.

Distributable earnings and dividend declared

Distributable earnings for the year ended 30 June 2020 has decreased by 15,2% to R670,9m. After the inclusion of adjustments relating to the effects of COVID-19, the Board of Directors of Emira ("Board") has approved the declaration of a final dividend of 30,26 cents per share for the six months to 30 June 2020 (June 2019: 78,48 cents). This is a period-on-period decrease of 61,4%, bringing the full-year dividend per share to 104,36 cents (2019: 151,34 cents), a decrease of 31,0%. The reduction is due to the impact of COVID-19 and the relief provided by Emira and its partners to their tenants.

Despite the constrained local economy, the strategic steps taken by the Fund in recent years were taking shape and achieving their targeted results. In March 2020, Emira was on track to deliver growth similar to the first half of the financial year. The arrival of the COVID-19 pandemic forced Emira to shift into defensive mode to protect tenants' sustainability and defend its favourable liquidity position. Emira was fortunate to enter this new environment with a strong balance sheet having initiated and completed a series of landmark changes over the past four years. Emira's approach to the valuation of its assets meant its starting point when entering this period was a realistic one and the valuations performed at 30 June 2020 are the directors' best estimate, given the information at hand.

While the Fund contends with the changes in its operating environment, its principle of providing great real estate to its tenants endures. Even more so than before, tenant retention is the key focus area. Understanding tenants' needs, working with them, and delivering appropriate, good quality and well-priced space will help to contain vacancies at low levels without compromising on growth.

Financial summary

The reviewed condensed preliminary financial results for the year ended 30 June 2020, as compared to the year ended 30 June 2019 ("comparative period"), are set out below:

- Revenue decreased by 11.02% to R1 501 million compared to R1 687 million for the comparative period;
- Operating profit decreased by 22.34% to R741 million compared to R954 million for the comparative period;
- Headline earnings per share decreased by 88.73% to 17.92 cents compared to 158.97 cents for the comparative period;
- Earnings per share decreased by 183.95% to (147.69) cents compared to 175.92 cents for the comparative period;

- Net asset value per share decreased by 14.59% to 1 529.6 cents compared to 1 790.8 cents for the comparative period;
- Distributable earnings decreased by 15.18% to 671 million compared to 791 million for the comparative period; and
- Dividend decreased by 31.04% to 104.36 cents per share compared to 151.34 cents per share for the comparative period.

A copy of the auditor's review conclusion is available for inspection at Emira's registered office together with the financial statements identified in the auditor's report.

Dividend distribution declaration

The board of directors of Emira ("Board") has approved, and notice is hereby given that a final gross dividend of 30,26 cents per share has been declared, payable to the registered shareholders of Emira on 21 September 2020. The issued share capital at the declaration date is 522 667 247 listed ordinary shares. The source of the dividend comprises net income from property rentals, income earned from the Company's listed property investment, income earned from the Company's equity accounted investments, interest earned on loans receivable and interest earned on cash on deposit.

Last day to trade <i>cum</i> dividend	Tuesday, 15 September 2020
Shares trade ex-dividend	Wednesday, 16 September 2020
Record date	Friday, 18 September 2020
Payment date	Monday, 21 September 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 September 2020 and Friday, 18 September 2020, both days inclusive.

In accordance with Emira's status as a REIT, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). Accordingly, qualifying distributions received by local tax residents 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 shareholder. These qualifying distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders have provided the following forms to their Central Securities Depository Participant ("CSDP") or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, in respect of certificated shares:

- a) a declaration that the dividend is exempt from dividends tax; and
- b) a written undertaking to inform the CSDP, broker or the transfer secretaries, 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 transfer secretaries, 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 dividends received by non-resident 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 distribution received by a non-resident from a REIT will be subject to dividend 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 dividend withholding tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders will be 24,208 cents per share. A reduced dividend withholding tax rate in terms of the applicable DTA, may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of the uncertificated shares, or the transfer secretaries, in respect of certificated shares:

- a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- b) a written undertaking to inform their CSDP, broker or the transfer secretaries, 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 transfer secretaries, 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.

Local tax resident shareholders as well as non-resident shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

The Company's tax reference number is 9995/739/15/9.

This short form announcement is the responsibility of the Board and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based as a whole on consideration of the reviewed condensed consolidated preliminary financial results for the year ended 30 June 2020 which may be downloaded from

<https://senspdf.jse.co.za/documents/2020/jse/isse/EMIE/June20Prov.pdf>

or may be viewed, at no cost, at the registered office of the Company, or electronically via the sponsor (sponsor@questco.co.za), during ordinary business hours, for a period of 30 calendar days following the date of this announcement.

Registered office: 1st Floor, Block A, Knightsbridge, 33 Sloane Street, Bryanston, 2191

Bryanston
31 August 2020

Sponsor
Questco Corporate Advisory Proprietary Limited