

## **EMIRA PROPERTY FUND LIMITED**

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



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## **REVIEWED CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2021 AND DIVIDEND DISTRIBUTION DECLARATION**

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### **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.

### **Commentary**

Distributable earnings for the year ended 30 June 2021 has decreased by 3.2% to R649,1m. After taking into account adjustments to reflect the cash backed position, the Board of Directors of Emira ("Board") has approved the declaration of a final dividend of 66,65 cents per share for the six months to 30 June 2021 (June 2020: 30,26 cents). This is a period-on-period increase of 120,2%, bringing the full-year dividend per share to 118,65 cents (2020: 104,36 cents), an increase of 13,7%.

It has been encouraging to see the strong recovery of the global economy, despite the setbacks experienced by the varying degrees of third wave COVID-19 restrictions imposed by countries in response to the spread of the Delta variant. Having entered the pandemic in a weak position, the South African economy has been slower to bounce back. The recent unrest and looting in Gauteng and KwaZulu-Natal are expected to hamper the local recovery even further. That said, the diversified nature of Emira's investments on a sectoral and geographical basis, including its offshore exposure and its co-investment methodology, has proved defensive with some sectors and regions being hit harder than others. Fundamentally, Emira's local operations continue to be strained. While some positive signs have started to emerge, they vary by sector and region. In contrast, the United States of America's ("USA" or "US") economy is growing again and is close to returning to near-normal, and the Fund's open-air retail centre assets are performing well.

Despite the unprecedented environment in which the Fund has been operating, the Fund has achieved its objectives for the year, which included:

- optimising net income and delivering a cash backed return to investors;
- selectively recycling assets and upgrading core assets through reinvestment;
- retaining a high proportion of tenants whose leases expired during the year;
- maintaining above industry average occupancy levels;
- collecting rentals timeously;
- improving liquidity and extending the debt expiry profile; and
- driving diversification across all areas of the business to reduce risk.

While the Fund is unable to materially impact the macroeconomic environment in which it operates, management's approach has been to ensure the fundamentals are performed with excellence.

### **Financial summary**

The reviewed condensed provisional financial results for the year ended 30 June 2021, as compared to the year ended 30 June 2020 ("comparative period"), are set out below:

- Revenue decreased by 1.4% to R1 481 million compared to R1 501 million for the comparative period;
- Operating profit decreased by 2.61% to R722 million compared to R741 million for the comparative period;
- Headline earnings per share increased by 950.45% to 188.24 cents compared to 17.92 cents for the comparative period;
- Earnings per share increased by 165.26% to 96.38 cents compared to (147.69) cents for the comparative period;
- Net asset value per share decreased by 0.7% to 1 518 cents compared to 1 530 cents for the comparative period;
- Distributable earnings decreased by 3.2% to R649 million compared to R671 million for the comparative period; and
- Dividend increased by 13.7% to 118.65 cents per share compared to 104.36 cents per share for the comparative period.

### **Unmodified review opinion**

The auditor has issued an unmodified review opinion for the year ended 30 June 2021. 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 has approved, and notice is hereby given that a final gross dividend of 66,65 cents per share has been declared, payable to the registered shareholders of Emira on Monday, 13 September 2021. In making its decision on whether to pay out a dividend and the quantum thereof, the Board has assessed the Company's solvency and liquidity position, taking into account the Company's current position together with forecasts.

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 equity accounted investments, interest earned on loans receivable and interest earned on cash on deposit.

Last day to trade *cum* dividend  
Shares trade ex-dividend  
Record date  
Payment date

Tuesday, 7 September 2021  
Wednesday, 8 September 2021  
Friday, 10 September 2021  
Monday, 13 September 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 September 2021 and Friday, 10 September 2021, 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 53,32000 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 provisional financial results for the year ended 30 June 2021 released on SENS on 18 August 2021 and which may be downloaded from:

<https://emira.co.za/financial-reporting/> and at

<https://senspdf.jse.co.za/documents/2021/jse/isse/EMIE/June21Prov.pdf>

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

Registered office: 1<sup>st</sup> Floor, Block A, Knightsbridge, 33 Sloane Street, Bryanston, 2191

Bryanston  
18 August 2021

Sponsor  
Questco Corporate Advisory Proprietary Limited

Debt Sponsor  
Rand Merchant Bank (a division of FirstRand Bank Limited)