

## **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 Fund" or "the Company")



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### **UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021 AND DIVIDEND 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 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 six months ended 31 December 2021 has marginally decreased to R329,2m. Emira's Board of Directors (the "Board") has approved the declaration of an interim dividend of 56,59 cents per share for the six months to 31 December 2021 (December 2020: 52,00 cents) after taking the adjustments into account to reflect the cash backed position. This is a period-on-period increase of 8,8%. It is however noted that the declared December 2020 dividend was after the deferral of 5,09 cents of the available cash backed dividend per share to the second half of the year. This was because of the uncertainty at that stage on the future operational performance of Emira's investments. A similar deferral has not been deemed necessary for the current period.

The diversified nature of Emira's investments, on both a sectoral and geographical basis, continues to safeguard the Fund and despite the continued pressure on local property fundamentals the portfolio performed above expectations. The "fourth wave" was expected to further slow down the recovery of the local economy and while it did have some impact, it was pleasing to see that only minor restrictions were placed on tenants' businesses. The steady performance of the local industrial and retail sectors has countered the strained office market, while the Fund's exposure to the stable economy of the United States of America has provided a buffer to the low growth South African environment.

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

#### **Financial summary**

The unaudited condensed consolidated interim financial results for the six months ended 31 December 2021, as compared to the six months ended 31 December 2020 ("comparative period"), are set out below:

- Directly held portfolio revenue decreased by 2,6% to R722 million compared to R741 million for the comparative period;

- Portfolio operating profit decreased by 10,15% to R319 million compared to R355 million for the comparative period;
- Headline earnings per share decreased by 28,5% to 57,29 cents compared to 80,12 cents for the comparative period;
- Earnings per share increased by over 100% to 64,02 cents compared to (0,46) cents for the comparative period;
- Net asset value per share increased by 4,4% to 1 540,5 cents compared to 1 475,3 cents for the comparative period;
- Distributable earnings decreased by 1,3% to R329 million compared to R334 million for the comparative period; and
- Dividend declared increased by 8,8% to 56,59 cents per share compared to 52,00 cents per share for the comparative period.

### **Dividend distribution declaration**

The Board has approved, and notice is hereby given that, an interim gross dividend of 56,59 cents per share has been declared (December 2020: 52,00 cents), payable to the registered shareholders of Emira on Monday, 14 March 2022. 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	Tuesday, 8 March 2022
Shares trade ex-dividend	Wednesday, 9 March 2022
Record date	Friday, 11 March 2022
Payment date	Monday, 14 March 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 March 2022 and Friday, 11 March 2022, 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 45,27200 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.

### **Short form announcement**

This short form announcement is the responsibility of the Board, is only a summary of the information in the full announcement and therefore 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 unaudited condensed consolidated interim financial results for the six months ended 31 December 2021 which was released on SENS and may be downloaded from

<https://senspdf.jse.co.za/documents/2022/jse/isse/EMIE/Interims21.pdf>

or may be requested via email from [sponsor@questco.co.za](mailto:sponsor@questco.co.za). The full announcement is also available on the Company’s website at: <https://emira.co.za/financial-reporting/>

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

Bryanston  
16 February 2022

### **Sponsor**

Questco Corporate Advisory Proprietary Limited  
Ground Floor, Block C, Investment Place, 10th Road, Hyde Park, 2196

**Debt Sponsor**

Rand Merchant Bank (a division of FirstRand Bank Limited)