

EQUITES PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2013/080877/06)

Share code: EQU ISIN: ZAE000188843

Alpha code: EQUI

(Approved as a REIT by the JSE)

("Equites" or "the Company")



SHORT-FORM ANNOUNCEMENT: AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

YEAR IN REVIEW

Equites continues to benefit from a resilient logistics property market in SA and the UK, supported by robust demand in the underlying tenant and investment markets.

Equites' performance over the financial year was further supported by the strength of its tenant base, impeccable property fundamentals, a sound investment philosophy, and prudent financial risk management policies.

FINANCIAL HIGHLIGHTS FOR THE YEAR

- Delivered a total return (dividends and change in NAV per share) of 17.3%, achieving its targeted double-digit total return.
- Net asset value ("NAV") per share increased by 7.9% over the financial year from R17.25 to R18.61.
- Grew distribution per share ("DPS") by 5.2% to 162.99 cents for the financial year ended 28 February 2022, in line with market guidance.
- Loan-to-value ("LTV") ratio of 31.5%, demonstrating a conservative capital structure.
- Cash and undrawn facilities of R1.8 billion at year-end.
- Like-for-like portfolio valuations relatively flat in SA and increased by 13% in the UK, in sterling.
- As of May 2022, the SA portfolio of 1.2 million m² is fully occupied.

KEY FINANCIAL HIGHLIGHTS

	Audited 12 months ended 28 February 2022	Audited 12 months ended 28 February 2021	Change %
Gross property revenue	1 687 571	1 185 380	42.4%
Distributable earnings	1 265 739	974 473	29.9%
Headline earnings per share (cents)	129.1	99.4	29.9%
Earnings per share (cents)	295.3	66.4	344.8%
Dividend declared per share (cents)	162.99	155.00	5.2%
Net asset value per share (cents)	1 861	1 725	7.9%

DECLARATION OF A FINAL CASH DIVIDEND WITH THE ELECTION TO REINVEST THE CASH DIVIDEND IN RETURN FOR EQUITES SHARES ("DIVIDEND REINVESTMENT ALTERNATIVE")

Notice is hereby given of the declaration of the final dividend number 17 of 84.61177 cents per share.

The board has declared a final gross dividend of 84.61177 cents per share on 3 May 2022 further to the interim dividend of 78.38 cents per share. This brings the total distributions for the year ended 28 February 2022 to 162.99 cents per share, which is a 5.2% growth over the prior year total distributions of 155.00 cents per share. The DPS growth is in line with previous guidance of 5% to 6%.

Dividends declared (cents per share)	% change	28 February 2022	28 February 2021
Interim dividend		78.37854	74.43601
Final dividend		84.61177	80.55835
Total distributions for the year	5.2%	162.99031	154.99436

Shareholders will be entitled, in respect of all or part of their shareholdings, to elect to reinvest the cash dividend in return for Equites shares. Those shareholders who elect not to reinvest will receive a gross cash dividend of 80.56 cents per share. The entitlement for shareholders to receive the dividend reinvestment alternative is subject to the board agreeing on the pricing and terms of the dividend reinvestment alternative. The board in its discretion may withdraw the dividend reinvestment alternative should market conditions warrant such actions and such withdrawal will be communicated to shareholders prior to the finalisation announcement to be published by no later than 11:00 (SA time) on Tuesday, 17 May 2022.

A circular providing further information in respect of the cash dividend and dividend reinvestment alternative (the “**circular**”) will be posted to shareholders on Wednesday, 4 May 2022. Shareholders who have dematerialised their shares through a Central Securities Depository Participant (“**CSDP**”) or broker should instruct their CSDP or broker with regard to their election in terms of the custody agreement entered into between them and their CSDP or broker.

The distribution of the circular and/or accompanying documents and the right to elect shares in jurisdictions other than the Republic of South Africa (SA) may be restricted by law and any failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Shareholders' rights to elect shares are not being offered, directly or indirectly, in the United Kingdom (UK), European Economic Area (EEA), Canada, United States of America (USA), Japan, Hong Kong or Australia unless certain exemptions from the requirements of those jurisdictions are applicable.

Fractions

Trading in the Strate environment does not permit fractions and fractional entitlements. Where a shareholder's entitlement to the shares in relation to the dividend reinvestment alternative gives rise to an entitlement to a fraction of a new share, such fraction will be rounded down to the nearest whole number with the cash balance of the dividend being retained by the shareholders.

Salient dates and times	2022
Equites results including declaration of a final distribution published on SENS	Wednesday, 4 May
Circular and form of election posted to shareholders	Wednesday, 4 May
Finalisation information including the share ratio and reinvestment price per share published on SENS by 11:00 (SA time)	Tuesday, 17 May
Last day to trade in order to participate in the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (“ LDT ”)	Tuesday, 24 May
Shares trade ex-dividend	Wednesday, 25 May
Listing of maximum possible number of shares under the dividend reinvestment alternative	Friday, 27 May
Last day to elect to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (no late forms of election will be accepted) at 12:00 (SA time)	Friday, 27 May
Record date for the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (“ record date ”)	Friday, 27 May

Announcement of results of cash dividend and dividend reinvestment alternative released on SENS	Monday, 30 May
Payment of cash dividends to certificated shareholders by electronic funds transfer	Monday, 30 May
Dematerialised shareholders' CSDP or broker accounts credited with the cash dividend payment (if applicable)	Monday, 30 May
Share certificates posted to certificated shareholders on or about	Wednesday, 1 June
Dematerialised shareholders' CSDP or broker accounts credited with the new shares (if applicable)	Wednesday, 1 June
Adjustment to shares listed on or about	Friday, 3 June

Notes:

1. Shareholders electing the dividend reinvestment alternative are alerted to the fact that the new shares will be listed on LDT + 3 and that these new shares can only be traded on LDT + 3, due to the fact that settlement of the shares will be three days after the record date, which differs from the conventional one day after record date settlement process.
2. Shares may not be dematerialised or rematerialised between Wednesday, 25 May 2022 and Friday, 27 May 2022, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on SENS.

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 84.61177 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 67.68942 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.

Shareholders are advised that in electing to participate in the dividend reinvestment alternative, pre-taxation funds are utilised for the purposes and that taxation will be due on the total cash dividend amount of 84.61177 cents per share.

Other information

- The issued ordinary share capital of Equites is 776 573 375 ordinary shares of no par value each before any election to reinvest the cash dividend.
- Income Tax Reference Number of Equites: 9275393180.

The cash dividend or the dividend reinvestment alternative 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.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of Equites and the contents were approved by the board on 3 May 2022. This short-form announcement is a summary of the full announcement released on SENS on 4 May 2022 and does not include full or complete details. None of the information in this announcement has been reviewed or reported on by the company's auditors.

The full announcement is available on the Company's website at <https://www.equites.co.za/investor-community/investor-documentation/> and can also be accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2022/jse/isse/EQU/2022AFS.pdf>

Any investment decision should be based on the full announcement available on the Company's website. A copy of the full announcement may be requested from info@equites.co.za or the sponsor, Java Capital at sponsor@javacapital.co.za.

The consolidated annual financial statements have been audited by the Company's auditors, PricewaterhouseCoopers Inc., who expressed an unmodified audit opinion thereon. The auditor's opinion also includes communication of a key audit matter in relation to valuation of investment property. This opinion is available, along with the annual financial statements, on the Company's website at <https://www.equites.co.za/investor-community/investor-documentation/> and is available for inspection at the registered office of the Company, 14th Floor, Portside Towers, 4 Bree Street, Cape Town, 8000, between normal business hours.

4 May 2022

Sponsor



Debt sponsor

