



INDLUPLACE
DWELLING ON RESIDENTIAL

SHORT-FORM
ANNOUNCEMENT

Indluplace Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 2013/226082/06) JSE share code: ILU ISIN: ZAE000201125
(Approved as a REIT by the JSE)
("Indluplace" or "the company")

Unaudited results
for the six months ended 31 March 2022

INCREASE /DECREASE		31 MARCH 2022	31 MARCH 2021
		%	
Revenue (Rand)	(4,0%)	282 583 086	294 217 811
Operating profit^ (Rand)	(7,8%)	111 915 823	121 434 554
Earnings (Rand)	(19,5%)	72 244 280	89 764 581
Earnings per share (cents)	(18,2%)	23,00	28,11
Diluted earnings per share (cents)	(18,2%)	22,80	27,86
Headline earnings per share (cents)	(18,2%)	23,00	28,11
Diluted headline earnings per share (cents)	(18,2%)	22,80	27,86
Net asset value per share (cents)	(10,8%)	698,51	782,88
Dividend for the period ended (cents)	>100,0%	13,16350	-

^ Rental income less property costs

Nature of business

Indluplace is a proudly South African property investor, owning a portfolio primarily focused on the affordable end of the rental residential market. The company was listed on the Main Board of the JSE in June 2015 and currently owns a portfolio of 9 220 residential units and 15 549m² of associated retail space. The portfolio is valued at approximately R3,5 billion, with properties situated primarily in Gauteng.

As at 31 March 2022, Indluplace successfully completed the internalisation of its property management function which was previously outsourced to various property management companies. The Group now directly employs in excess of 280 people providing all the services required to efficiently manage a large portfolio which is home to over 25 000 people. The staff complement includes those located at various buildings in the portfolio as well as head office staff, ensuring that tenants are provided with a superior service, that buildings are clean and well maintained and that properties deliver results which enable the company to pay to investors dividends that are sustainable.

Overview

The residential letting environment remains very competitive. We have seen substantial improvement in letting activity from January 2022; a welcome sign following the difficult end to 2021. We ended the first six months with the best occupancy rate since July 2020 and anticipate further improvements in the second half of the financial year. The disappointing performance of our student portfolio and the high cost of council charges, are however negatively impacting our overall numbers.

Payment of dividend for the 6 months ended 31 March 2022

The Board has declared a gross cash dividend of 13,16350 cents per share (dividend number 17) for the six months ended 31 March 2022, in accordance with the following timetable:

Last date to trade cum dividend	Monday, 13 June 2022
Shares trade ex-dividend	Tuesday, 14 June 2022
Record date	Friday, 17 June 2022
Payment date	Monday, 20 June 2022

Shares may not be dematerialised or rematerialised between Tuesday, 14 June 2022 and Friday, 17 June 2022, both days inclusive.

Payment of the dividend will be made to shareholders on Monday, 20 June 2022. In respect of dematerialised shares, the dividend will be transferred to the Central Securities Depository Participant (CSDP)/ broker accounts on Monday, 20 June 2022. Certificated shareholders' dividend payment will be deposited on or about Monday, 20 June 2022.

Tax treatment of dividend

In accordance with Indluplace'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"). The distribution on shares will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because they are dividends distributed by a REIT. This dividend is, however, exempt from dividends withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders furnished 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) a declaration that the dividend is exempt from dividends tax; and
- b) 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.

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any dividend received by a non-resident from a REIT is subject to a dividend withholding tax of 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 shareholders. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 10,53080 cents per share. A reduced dividend withholding rate in terms of the applicable DTA, may only be relied on if the non-resident shareholders have provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shareholders, or the company, in respect of certificated shareholders:

- 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 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.

Shares in issue at the date of declaration of this dividend: 336 523 275

Indluplace's income tax reference number: 9390/649/177

Short-form announcement

This short-form announcement is the responsibility of the board of directors of the company. This short-form announcement is a summary of the full announcement released on SENS and published on Indluplace's website (www.indluplace.co.za) at

<https://www.indluplace.co.za/downloads/2022/results/indluplace-interim-results-2022.pdf>

on 18 May 2022 and on the JSE website at

<https://senspdf.jse.co.za/documents/2022/jse/isse/ilu/indlu0322.pdf>

and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of the full announcement.

The full announcement is available for inspection at the registered offices of the company, on the company's website, www.indluplace.co.za and the offices of the sponsor, Java Capital (6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196 (entrance at 39 Wierda Road West)) at no charge during normal business hours from Wednesday, 18 May 2022 to Thursday, 26 May 2022. A copy of the full announcement is available on request from info@indluplaceproperties.co.za

By order of the Board

18 May 2022

Directors S Noik (Chairman)*^, C Abrams*^, C de Wit (CEO), T Kaplan (CFO), G Harris (COO), A Rehman*^, N Tetyana*^, D. Wilder*.
* Non-executive, ^ Independent. All directors are South African.

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