

TRANSCEND RESIDENTIAL PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2016/277183/06

JSE share code: TPF ISIN: ZAE000227765

(Approved as a REIT by the JSE)

("Transcend" or "the Company")



UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 AND DIVIDEND DECLARATION

Transcend is pleased to announce its interim results for the period ended 30 June 2022. Shareholders are advised that the Company's condensed interim financial results for the six months ended 30 June 2022 were published on SENS on 15 August 2022 ("Full Announcement").

Highlights and key performance measures

Financial Metrics:

- **Distribution per share of 27.43 cents** (an increase of 8.8% from 30 June 2021)
- **100% of distributable earnings declared** as an interim cash dividend
- **Net Asset Value per share of R8.35** (an increase of 3.3% from 31 Dec 2021)
- **Loan-to-value reduced to 39.3%** from an effective 44.9% at 31 December 2021 (31 Dec 2020: 52.7%)

Operational Metrics:

- Portfolio **occupancy of 97.1%** as at 30 June 2022*
- Total portfolio **collections of 96.8%**
- Portfolio **arrears of 1.4%****
- Property portfolio with a **value of R 2.39bn**

Treasury and Other Performance Highlights:

- Acquired The Block and Stoneleigh at a cost of R256 million, which were transferred in the first quarter of 2022
- Successfully sold 227 units (R222 million gross sales proceeds) in the first half of 2022 and proceeds were applied to the settlement of debt
- Converted a R371.6m vanilla term facility into a green loan. Green loans currently comprise of 68.1% of the total debt book as at 30 June 2022
- Improved interest cover ratio to 2.1 times from 1.6 times (six months ending 30 June 2021)

* Occupancy based on revenue and excludes properties being disposed of.

** Calculated as trade receivables net of provision for bad debts as a percentage of revenue.

Key Financials#

- Revenue from total operations up 1.1% to R156.65 million
- Operating profit from total operations up 2.6% to R89.19 million
- Headline earnings per share down 27.4% to an earnings per share of 38.64cps
- Basic and diluted earnings per share down 73.9% to an earnings per share of 33.55cps
- Distribution per share up 8.8% to 27.43cps
- Net asset value per share down 7.9% to R8.35 per share

Comparisons to 30 June 2021

Dividend

The Board has approved, and notice is hereby given of an interim dividend of 27.43443 cents per share for the six months ended 30 June 2022 (30 June 2021: 25.21000 cents per share).

In accordance with Transcend'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 dividend 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 it is a dividend distributed by a REIT. This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provide the following forms to their Central Securities Depository Participant ("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 ("SARS"). 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 before 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 an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act, (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 dividend amount due to non-resident shareholders is 21.94754 cents per share. A reduced dividend withholding 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 uncertificated shares, or the Company, 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 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 SARS. 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.

As at Monday, 15 August 2022, being the declaration date of the dividend, the Company had a total of 163,932,679 shares in issue. The Company's tax reference number is 9015377253.

The dividend is payable to Transcend shareholders in accordance with the timetable set out below:

	2022
Last date to trade cum dividend	Tuesday, 30 August
Shares trade ex-dividend	Wednesday, 31 August
Record date	Friday, 2 September
Payment date	Monday, 5 September

Share certificates may not be dematerialised or rematerialised between Wednesday, 31 August 2022 and Friday, 2 September 2022, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to CSDP accounts/broker accounts on Monday, 5 September 2022. Certificated shareholders' dividend payments will be deposited on or about Monday, 5 September 2022.

Directors' responsibility statement

The Board of Transcend accepts responsibility for the information contained in this announcement and certifies that, to the best of its knowledge and belief, the information contained in this announcement relating to Transcend is true and this announcement does not omit anything that is likely to affect the import of such information.

Short-form announcement

This short-form announcement is the responsibility of the directors of Transcend and is a summary of the information in the Full Announcement and does not contain full or complete details. The Full Announcement is available on the Company's website at www.transcendproperty.co.za and at <https://senspdf.jse.co.za/documents/2022/jse/isse/tpfe/Int2022.pdf>

Copies may be requested at the Company's registered office and electronically via the sponsor (sponsor@questco.co.za) at no charge during business hours. Any investment decision in relation to the Company's shares should be based on the Full Announcement.

By order of the Board

Myles Kritzinger
Chief Executive Officer

Nic Watchorn
Chief Financial Officer

Johannesburg
15 August 2022

Registered office: 54 Peter Place, Block C, Peter Place Office Park, Bryanston, 2191

Transfer secretaries: Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, PO Box 4844, Johannesburg, 2000

Sponsor: Questco Corporate Advisory Proprietary Limited

Company secretary: Corpstat Governance Services Proprietary Limited

Directors: Robert Reinhardt Emslie* (Chairman); Myles Kritzinger (Chief Executive Officer); Nic Watchorn (Chief Financial Officer); Faith Nondumiso Khanyile*; Michael Simpson Aitken*; Anne Michelle Dickens*; Michael Louis Falcone*; Robert Nicolaas Wesselo**; Geoffrey Michael Jennett**; Solly Mboweni**; Greg Booyens**

* Independent non-executive director

** Non-executive director