

## 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" or "the Group")



## SHORT-FORM ANNOUNCEMENT: UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2022

### SIX MONTHS IN REVIEW

Equites delivered a strong set of operational and financial results against a challenging macro-economic environment over the period.

The Group's performance was supported by external tailwinds, which includes the importance of supply chain optimisation, growth in e-commerce and consumers' demanding requirements for faster fulfilment, as well as internal factors, which includes robust property fundamentals, disciplined capital allocation and a strong balance sheet.

The last six months has seen a sharp rise in the number of development opportunities in SA, due to record levels of demand for warehousing space. Equites is well positioned to capitalise on these opportunities, given its strategic land bank. The development pipeline will add 228,000m<sup>2</sup> of prime logistics space over the medium term, with a combined capital value of R2.7 billion.

### THE PERIOD IN BRIEF

- Distribution per share ("**DPS**") of 81.58 cents, an increase of 4.1% compared to the prior comparable period
- Loan-to-value ratio of 33.3%, demonstrating a conservative capital structure
- Net asset value per share increased by 0.8% from R18.61 at 28 February 2022 to R18.77
- Like-for-like ("**LfL**") portfolio valuations in the UK decreased by 2.9%, in sterling
- LfL property valuations in SA increased by 2.0%
- In SA, eight projects of 228,000m<sup>2</sup> are under construction, capital value of R2.7 billion
- The SA portfolio of 1.3 million m<sup>2</sup> is fully occupied
- Refinanced a 10-year debt facility in the UK at an all-in rate of sub-4%
- Participating in the City of Cape Town pilot wheeling project, a first of its kind in SA
- The distribution policy remains unchanged at a 100% pay-out ratio

### KEY FINANCIAL HIGHLIGHTS

	Unaudited six months ended 31 August 2022	Unaudited six months ended 31 August 2021	% Change
Gross property revenue (R'000)	1 047 375	784 944	33.4%
Distributable earnings (R'000)	635 250	556 250	14.2%
Earnings per share (cents)	143.0	179.0	(20.1%)
Headline earnings per share (cents)	126.7	97.3	30.2%
Total comprehensive income (R'000)	1 106 093	1 052 271	5.1%
Dividend declared per share (cents)	81.58	78.38	4.1%
Net asset value per share (cents)	1 877	1 763	6.5%

### DECLARATION OF AN INTERIM CASH DIVIDEND

Notice is hereby given of the declaration of the interim dividend number 18 of 81.58013 cents per share.

The Board has declared an interim gross dividend of 81.58013 cents per share on 4 October 2022 which is a 4.1% growth over the prior year interim distribution of 78.38 cents per share. The DPS growth is in line with previous guidance of 4% – 6%.

### Salient dates and times

2022

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Equites results including declaration of an interim distribution published on SENS	Wednesday, 5 October
Last day to trade in order to receive the cash dividend	Tuesday, 25 October
Shares trade ex-dividend	Wednesday, 26 October
Record date to receive the cash dividend	Friday, 28 October
Payment of cash dividends to certificated shareholders by electronic funds transfer	Monday, 31 October
Dematerialised shareholders' CSDP or broker accounts credited with the cash dividend payment	Monday, 31 October

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### Note:

Shares may not be dematerialised or rematerialised between Wednesday, 26 October 2022 and Friday, 28 October 2022, both days inclusive.

### 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 81.58013 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 65.26410 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.

### **Other information**

- The issued ordinary share capital of Equites at the date of declaration is 777 760 028 ordinary shares of no par value each.
- Income Tax Reference Number of Equites: 9275393180.

### **SHORT-FORM ANNOUNCEMENT**

This short-form announcement is the responsibility of the directors of Equites and the contents were approved by the Board on 4 October 2022. This short-form announcement is a summary of the full announcement released on SENS on 5 October 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 external auditors.

The full announcement is available on the Company's website at <https://www.equites.co.za/investor-community/investors-documentation/> and can also be accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2022/jse/isse/EQU/H12023.pdf>

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

The condensed consolidated interim results have not been reviewed or audited by the Company's external auditors, PricewaterhouseCoopers Inc.

### **Non – Executive Directors**

P.L. Campher\* (Chairman), R.E. Benjamin-Swales\*, M.A. Brey\*, E. Cross\*, A.J. Gouws, K. Ntuli\*, AD Murray\*, N. Mkhize\*  
\*Independent

### **Executive Directors**

A Taverna-Turisan (CEO)^, G.R. Gous (COO), L. Razack (CFO)  
^Italian

### **Registered office and business address**

14th Floor, Portside Towers, 4 Bree Street, Cape Town, 8001

### **Contact details**

[info@equites.co.za](mailto:info@equites.co.za)

### **Company secretary**

TC Petersen

### **Transfer secretary**

Computershare Investor Services Proprietary Limited

### **Auditors**

PricewaterhouseCoopers Inc.

**Debt sponsor**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

**Corporate advisor and equity sponsor**

Java Capital

6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196

**5 October 2022**