

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")



REVIEWED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2022 AND DIVIDEND DECLARATION

Transcend is pleased to announce its interim results for the 12-month period ended 31 December 2022. Shareholders are advised that the Company's reviewed condensed interim financial statements for the 12 months ended 31 December 2022 were published on SENS on 13 February 2023 ("Full Announcement").

Highlights and key performance measures**Financial Metrics:**

Distribution per share (cents)	57.81 (2021: 56.39; 2.5% increase)
Distribution per share pay-out ratio	100%
Net Asset Value per share (Rand value)	R8.31 ¹ (31 Dec 2021: R8.08, 2.8% increase)
Loan-to-value ("LTV") ²	36.3% (31 Dec 2021: 38.2%; 31 Dec 2021 Normalised: 44.9%)

Operational Metrics:

Total units	4 079
Property value	R2.26 billion
Portfolio occupancy (at 31 December 2022)	95.8% ³
Average portfolio occupancy (year to date)	93.1%
Portfolio arrears (as percentage of revenue)	1.4% ⁴
Portfolio collections (year to date)	96.3%

Other Performance Highlights:

- Reduced LTV to 36.3% from 52.7% over a 2-year period
- Acquired 442 green units, at a cost of R256 million, which were transferred in the first quarter of 2022
- Successfully sold 379 units (R358 million sales proceeds) and proceeds were applied to repayment of debt
- Grew green loan book by R371.5 million. Green loans currently comprise of 69.1% of the total term debt book, providing funding benefit
- Improved ICR from 1.7 times (31 December 2021) to 2.1 times

Key Financials[#]

- Revenue from total operations up 2.7% to R313.4 million
- Operating profit from total operations up 6.1% to R177.1 million
- Headline earnings per share down 19.7% to an earnings per share of 70.67cps
- Basic and diluted earnings per share down 62.1% to an earnings per share of 62.97cps
- Distribution per share up 2.5% to 57.81cps
- Accounting net asset value per share up 0.5% to R8.76 per share

[#] Comparisons to 31 December 2021

¹Based on the South African Real Estate Investment Trust ("SA REIT") Association best practice recommendations.

²Calculated in accordance with the prescribed bank covenant definition. At 31 December 2021, R156 million in cash was raised as equity to partially fund the acquisition of The Block and Stoneleigh. The 31 December 2021 Normalised LTV excludes the effects of raising cash prior to taking transfer of the acquisition properties.

³Occupancy based on revenue and excludes properties being disposed of.

⁴Calculated as trade receivables net of provision for bad debts as a percentage of revenue.

Dividend

The Board has approved, and notice is hereby given of a dividend of 30.38337 cents per share for the six months ended 31 December 2022. This brings the distribution to 57.81321 cents per share (2021: 56.39022 cents per share) for the 12 month period ended 31 December 2022.

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 24.30669 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 13 February 2023, 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:

	2023
Last date to trade cum dividend	Tuesday, 28 February
Shares trade ex-dividend	Wednesday, 1 March
Record date	Friday, 3 March
Payment date	Monday, 6 March

Share certificates may not be dematerialised or rematerialised between Wednesday, 1 March 2023 and Friday, 3 March 2023, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to CSDP accounts/broker accounts on Monday, 6 March 2023. Certificated shareholders' dividend payments will be deposited on or about Monday, 6 March 2023.

Unmodified review conclusion

These condensed financial statements for the 12 months ended 31 December 2022 have been reviewed by KPMG Inc., who have expressed an unmodified review conclusion. The auditor's report does not necessarily report on all of the information in the results announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office. The distribution statement and commentary was not reviewed.

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/2023/jse/isse/tpfe/Dec2022.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
13 February 2023

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: Myles Kritzinger (Chief Executive Officer); Nicholas Ian Watchorn (Chief Financial Officer); Michael Simpson Aitken (Lead Independent non-executive director)*; Robert Nicolaas Wesselo**; Geoffrey Michael Jennett (Chairman)**; Greg Booyens**; Tshepiso Makofane* and Mr Panico Theocharides*

* Independent non-executive director

** Non-executive director