

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 2023

YEAR IN REVIEW

Equites delivered growth in distribution per share ("DPS") of 4.1% in line with the initial guidance provided to the market in May 2022 of between 4.0% and 6.0%.

Due to a sharp increase in interest rates during the second half of the year, the UK logistics property market experienced cap rate expansion, with prime logistics yields shifting outwards by 175bp from 3.25% to 5.00%. Although market rental growth mitigated a portion of the negative impact of rising property yields, Equites' UK portfolio value declined by 21.4% on a like-for-like ("Lfl") basis, in sterling. The SA portfolio value performed in line with expectations, increasing by 4.3%, on a Lfl basis.

On the occupational side, the underlying fundamentals remain strong in both jurisdictions, with supply chain optimisation continuing to propel the demand for modern logistics facilities. Due to limited availability of stock, both jurisdictions experienced double-digit market rental growth. The SA and UK portfolios were fully occupied, except for an ancillary unit in the UK.

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE YEAR

- DPS of 169.60 cents, up 4.1%
- Distribution pay-out ratio of 100%
- Loan-to-value ratio of 39.7%
- Net asset value per share decreased by 10.5% to R16.65
- UK portfolio valuations decreased by 21.4%, in sterling
- SA portfolio valuation increased by 4.3%
- Portfolio vacancy rate of 0.1%
- Refinanced and upsized a 10-year debt facility in the UK at a fixed rate of 3.92%
- Concluded three transactions with Shoprite Checkers (Pty) Ltd

KEY FINANCIAL HIGHLIGHTS

	Audited 12 months ended 28 February 2023	Audited 12 months ended 28 February 2022	Change %
Gross property revenue (R'000)	3 212 750	1 688 147	90.3%
Distributable earnings (R'000)	1 312 877	1 265 739	3.7%
Headline earnings per share (cents)	156.0	129.1	20.8%
Earnings per share (cents)	(82.4)	295.3	(127.9%)
Dividend declared per share (cents)	169.60	162.99	4.1%
Net asset value per share (cents)	1 665	1 861	(10.5%)

DECLARATION OF A FINAL CASH DIVIDEND

Notice is hereby given of the declaration of the final dividend number 19 of 88.02237 cents per share.

The Board has declared a final gross dividend of 88.02237 cents per share on 8 May 2023 further to the interim dividend of 81.58 cents per share. This brings the total distributions for the year ended 28 February 2023 to 169.60 cents per share which is a 4.1% growth over the prior year total distributions of 162.99 cents per share. The DPS growth is in line with previous guidance of 4% - 6%.

Dividends declared (cents per share)	% change	28 February 2023	28 February 2022
Interim dividend		81.58013	78.37854
Final dividend		88.02237	84.61177
Total distribution for the year	4.1%	169.60250	162.99031

Salient dates and times

2023

Equites results including declaration of a final distribution published on SENS	Tuesday, 9 May
Last day to trade in order to receive the cash dividend	Tuesday, 23 May
Shares trade ex-dividend	Wednesday, 24 May
Record date to receive the cash dividend	Friday, 26 May
Payment of cash dividend to certified shareholders by electronic funds transfer	Monday, 29 May
Dematerialised shareholders' CSDP or broker accounts credited with the cash dividend payment	Monday, 29 May

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 88.02237 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 70.41790 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 785 930 874.
- Income Tax Reference Number of Equites: 9275393180.

The cash dividend 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 8 May 2023. This short-form announcement is a summary of the full announcement released on SENS on 9 May 2023 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/2023/jse/isse/EQU/2023AFS.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 the valuation of investment property. This opinion is available, along with the consolidated and separate 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 Tower, 4 Bree Street, Cape Town, 8001, during normal business hours.

9 May 2023

Sponsor



Debt sponsor

