

EMIRA PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa

(Registration number 2014/130842/06)

JSE share code: EMI

ISIN: ZAE000203063

JSE Bond Company Code: EMII

LEI: 3789005E23C6259EAE70

(Approved as a REIT by the JSE)

("Emira" or the "Fund" or the "Company")



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 AND DIVIDEND DECLARATION

Nature of business

Emira Property Fund Limited (the "Company") is a Real Estate Investment Trust ("REIT") domiciled in South Africa and together with all its subsidiaries (the "Group" or the "Fund" or "Emira"), owns a portfolio of property investments which are diversified both sectorally and geographically. Emira's risk mitigating sectoral and geographical diversification strategy has enabled it to continue to deliver returns throughout the cycles.

Commentary

These interim results are for the for the six months ended 30 September 2023 (the "current reporting period" or the "current period") and are compared to the six months ended 31 December 2022 (the "prior period" or the "comparative period"). The difference in the interim reporting month end dates is due to the Company changing its financial year-end in the previous year from 30 June to 31 March. This was done to align its financial year-end, with that of its majority shareholder, Castlevue Property Fund Limited. While the number of months between the current reporting period and the prior period are the same, the comparability of certain items may be impacted due to seasonal adjustments.

Distributable earnings for the current reporting period is R310,6m compared to R378,7m for the prior period, primarily because the current six month period excludes the accrual of interest income from Inani and the higher yielding Enyuka, which was disposed during the period, together with lower distributable income from Emira's US investments and the higher absolute level of interest rates charged on debt during the period. After taking the adjustments to reflect the cash backed position into account, Emira's Board of Directors (the "Board") has declared an interim dividend of 61,74 cents per share for the current reporting period (December 2022: 66,43 cents). This is a period-on-period decrease of 7,1%.

Despite the sluggish economic growth, the local portfolio has remained resilient with operating metrics mostly improving across all sectors. Operationally, the Fund's investments in the USA continue to generally perform well however there have been certain larger tenant failures which have had an adverse impact on the current period's results. Interest rates remain persistently high and have negatively impacted the results, with rate increases greater than originally anticipated.

The Fund's balance sheet remains healthy, and the weaker Rand has contributed positively to the value of Emira's US investments. While the disposal of the Fund's high yielding investment in Enyuka and reinvestment of the disposal proceeds into debt, has negatively impacted distributable income, the loan-to-value ratio ("LTV") has pleasingly reduced to 41,2% and liquidity has improved considerably.

Given local and global market uncertainty and volatility, Emira remains cautious about the future and will continue to focus on fundamentals and elements within its control.

Financial summary

The unaudited condensed consolidated interim financial results for the six months ended 30 September 2023, as compared to the six months ended 31 December 2022 (“comparative period”), are set out below:

- Directly held portfolio revenue, increased by 12,5% to R944,6 million compared to R840,0 million for the comparative period;
- Headline earnings per share, decreased by 90.2% to 7,31 cents compared to 74,66 cents for the comparative period;
- Earnings per share, decreased by 85,1% to 17,44 cents compared to 117,04 cents for the comparative period;
- Net asset value per share increased by 0,5% to 1 703,4 cents compared to 1 694,6 cents for the comparative period;
- Distributable earnings, decreased by 18.0% to R310,6 million compared to R378,7 million for the comparative period; and
- Total dividend declared, decreased by 7,1% to 61,74 cents per share compared to 66,43 cents per share for the comparative period.

Dividend declaration

The Board has approved, and notice is hereby given that an interim gross dividend of 61,74 cents per share has been declared (December 2022: 66,43 cents), payable to the registered shareholders of Emira on Monday, 11 December 2023. In making its decision on whether to pay out a dividend and the quantum thereof, the Board has assessed the Company’s solvency and liquidity position, considering the Company’s current position together with forecasts.

The issued share capital at the declaration date is 522 667 247 listed ordinary shares. The source of the dividend comprises net income from property rentals, income earned from the Company’s equity-accounted investments, interest earned on loans receivable and interest earned on cash on deposit. Please refer to the condensed consolidated statement of comprehensive income for further information.

Last day to trade <i>cum</i> dividend	Tuesday, 5 December 2023
Shares trade <i>ex</i> -dividend	Wednesday, 6 December 2023
Record date	Friday, 8 December 2023
Payment date	Monday, 11 December 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 December 2023 and Friday, 8 December 2023, both days inclusive.

In accordance with Emira’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”). Accordingly, qualifying distributions received by local tax residents 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 shareholder. These qualifying distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders,

provided that the South African resident shareholders have provided the following forms to their Central Securities Depository Participant (“CSDP”) or broker, as the case may be in respect of uncertificated shares, or the transfer secretaries, 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 transfer secretaries, 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 transfer secretaries, 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 dividends received by non-resident 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 distribution received by a non-resident from a REIT will be subject to dividend 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 dividend withholding tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders will be 49,39200 cents per share. A reduced dividend withholding tax 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 the uncertificated shares, or the transfer secretaries, in respect of certificated shares:

- a) a declaration that the dividend is subject to a reduced rate because of the application of a DTA; and
- b) a written undertaking to inform their CSDP, broker or the transfer secretaries, 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 transfer secretaries, 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.

Local tax resident shareholders as well as non-resident shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

The Company’s tax reference number is 9995/739/15/9.

Short form announcement

This short form announcement is the responsibility of the Board, is only a summary of the information in the full announcement and therefore does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based as a whole on consideration of the unaudited condensed consolidated interim financial results for the six months ended 30 September 2023 which were released on SENS and may be downloaded from <https://senspdf.jse.co.za/documents/2023/jse/isse/emie/Sept23.pdf> or may be requested via email from sponsor@questco.co.za. The full announcement is also available on the Company’s website at: <https://emira.co.za/financial-reporting/>

Registered office: 1st Floor, Block A, Knightsbridge, 33 Sloane Street, Bryanston, 2191

Bryanston

16 November 2023

Sponsor

Questco Corporate Advisory Proprietary Limited

Ground Floor, Block C, Investment Place, 10th Road, Hyde Park, 2196

Debt Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)