



Octodec Investments Limited (Octodec or the company), its subsidiaries and associated company (the group) is a real estate investment trust (REIT) listed on the JSE Ltd (JSE) and A2X, with a diversified portfolio of 237 residential, retail, office and industrial properties situated in the major metropolitan areas of Tshwane and Johannesburg. The portfolio, including an equity-accounted joint venture, has a lettable area of 1 525 486m² and is valued at R11.2 billion.

Salient features

Distributable income
after tax (R'million)

R219.5
(HY2023: R234.5)

Distributable income
per share (cents)

82.47
(HY2023: 88.10)

Dividend per share (cents)

60.0
(HY2023: 60.0)

Net asset value (NAV)
per share

R24.11
(FY2023: R24.24)

Loan to value (LTV)

38.5%
(FY2023: 37.7%)

This short form announcement is the responsibility of the directors. This announcement is only a summary of the information contained in the unaudited condensed consolidated interim results for the six months ended 29 February 2024 (full announcement) and does not contain full or complete details.

Any investment decisions made by shareholders and/or investors should be based on the information contained in the full announcement, released on the Stock Exchange News Service (SENS) on 14 May 2024, which may be downloaded from the JSE cloudlink at: <https://senspdf.jse.co.za/documents/2024/JSE/isse/OCT/HY2024.pdf>

The full announcement is also available on the Octodec Investments Limited website at https://octodec.co.za/financial_results/interim-results-booklet-hy2024/

Results

	% change	29 February 2024	28 February 2023
Revenue (R'000)	4.7	1 005 862	961 099
Basic and diluted earnings per share (cents)	(72.5)	37.2	135.3
Headline and diluted headline earnings per share (cents)	(14.5)	73.05	85.42
Distributable earnings per share (cents)	(6.4)	82.47	88.10
Distribution per share (cents)	-	60.0	60.0
Net asset value per share (Rand)	(0.5)	24.11	24.01

Dividends

The board of Octodec has declared a cash dividend of 60.00000 cents per share for the six months ended 29 February 2024, payable out of the company's distributable income.

The salient dates relating to the interim dividend are as follows:

Last day to trade cum dividend	Tuesday, 4 June
Shares trade ex dividend	Wednesday, 5 June
Record date	Friday, 7 June
Payment date	Monday, 10 June

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 June 2024 and Friday, 7 June 2024, both days inclusive.

In accordance with Octodec's status as a REIT, shareholders are advised that the above dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 (the Income Tax Act).

Tax implications for South African resident shareholders

Dividends received by South African resident shareholders must be included in the gross income of such shareholders (as a non-exempt dividend in terms of section 10(1)(k)(i)(aa) of the Income Tax Act), with the effect that the dividends are taxable as income in the hands of the Octodec shareholder. These dividends are, however, exempt

from dividends withholding tax, 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 declaration that the distribution is exempt from dividends tax; and
- 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 ceases 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 above-mentioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Tax implications for non-resident shareholders

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 contained in section 10(1)(k)(i)(aa) of the Income Tax Act. It should be noted that dividends received by non-residents are subject to dividends withholding tax at a rate of 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 distribution amount due to non-resident shareholders is 48.00000 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied upon if the non-resident holder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, 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 transfer secretaries, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner ceases to be the beneficial owner;

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident holders are advised to contact their CSDP, broker or the transfer secretaries, as the

case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted.

The number of shares in issue at the date of this declaration is 266 197 535 and Octodec's tax reference number is 9925/033/71/5.

Outlook

The period under review is reflective of the challenging macroenvironment impacted by record unemployment and low economic growth, all of which negatively impacted Octodec.

As such, we have adopted a cautious approach against the backdrop of the forthcoming general elections. Although we anticipate a movement in the interest rate cycle in the medium-term, this is unlikely to have a bearing on our performance in the second half of the year.

Our retail shopping centres and industrial assets are expected to improve despite the challenging economic climate.

The improved occupancy at our residential buildings should continue to impact positively on our residential sector performance.

We are excited at the prospects of our two value-accretive developments being HealthConnect (completed) and Yethu City on Sisulu (under construction) and will evaluate further prudent conversion opportunities on their respective merits.

We continue to implement the value-added measures introduced at some of our properties, as well as ensuring backup power and water to our tenants during outages. We are focusing on the redevelopment and repurposing of other properties to improve our occupancy and grow our rental income and ultimately our distributable income.

While expectations were that interest rates would decrease at the beginning of 2024, it is now anticipated that interest rates will remain higher for longer, and this will have a negative impact on Octodec.

As a result, the board will, at this stage, not be providing any guidance on distributable income and dividends for the second half of FY2024.

The information in this outlook section has not been reviewed nor reported on by the group's auditors.

Sharon Wapnick
Chairman

10 May 2024

Jeffrey Wapnick
Managing director

OCTODEC INVESTMENTS LIMITED

"Octodec" or the "company"
Incorporated in the Republic of South Africa
Registration number: 1956/002868/06
JSE share code: OCT
JSE alpha code: OCTI
ISIN: ZAE000192258
LEI: 3789J36JIOBKUTUS2813
(Approved as a REIT by the JSE)

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¹ Non-executive director

² Executive director

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⁴ Independent non-executive director

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