

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")



AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024, PROSPECTS FOR THE YEAR ENDING 28 FEBRUARY 2025 AND POSTING OF DIVIDEND ELECTION CIRCULAR

YEAR IN REVIEW

Equites is the only specialised logistics REIT listed on the JSE. The Group focuses on high-quality logistics properties, let to A-grade tenants on long-dated leases in both SA and the UK. The focus on the logistics asset class is underpinned by the belief that this will continue to outperform in the long term.

Operationally, both the SA and UK property portfolios are performing in line with expectations. Like-for-like rental growth in SA amounts to 6.4%, whilst the UK has shown an uplift of 5.0% (in GBP terms) as a result of a single rent review concluded during the year. The portfolio is fully let and has a WALE of 12.6 years, demonstrating the quality of the portfolio.

The Group spent R2.9 billion on new developments during FY24, and with a successful asset disposal process, the Group's LTV ratio at Feb-24 was 39.6%, down marginally from 39.7% at Feb-23.

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE YEAR

- Distribution per share ("**DPS**") of 131.12 cents per share, in line with guidance
- Net asset value per share increased by 3.0% to R17.14
- Distribution pay-out ratio of 100%
- R2.3 billion in cash and unutilised facilities
- Loan-to-value ("**LTV**") ratio of 39.6%
- SA portfolio valuation increased by 4.2%
- UK portfolio valuations increased by 2.1%, in sterling
- R4.8 billion disposals concluded
- R3.7 billion development and acquisition spend
- Portfolio vacancy rate of 0%
- 97.7% revenue from A-grade tenants
- Weighted average lease expiry ("**WALE**") of 12.6 years
- 20.2MW rooftop solar generation capacity

KEY FINANCIAL HIGHLIGHTS

	Audited 12 months ended 29 February 2024	Audited 12 months ended 28 February 2023	Change
Gross property revenue (R'000)	2 484 186	3 212 750	(22.7%)
Distributable earnings (R'000)	1 027 359	1 312 877	(21.7%)
Headline earnings per share (cents)	117.1	156.0	(24.9%)
Earnings per share (cents)	147.5	(82.4)	279.0%
Dividend declared per share (cents)	131.12	169.60	(22.7%)
Net asset value per share (cents)	1 714	1 665	3.0%

PROSPECTS

The Board expects DPS to remain relatively in line with FY24, within a target range of 130 cps and 135 cps. The Board's DPS guidance assumes no major corporate failures will occur, the GBP/ZAR exchange rate remains materially unchanged, and rising utility costs and municipal rates will be recovered from tenants. This forecast has not been audited or reviewed by the external auditors.

DECLARATION OF A FINAL CASH DIVIDEND WITH THE ELECTION TO REINVEST THE CASH DIVIDEND IN RETURN FOR EQUITES SHARES

Notice is hereby given of the declaration of the final dividend number 21 of 65.75300 cents per share.

The board has declared a final gross dividend of 65.75300 cents per share on 13 May 2024 further to the interim dividend of 65.37 cents per share. This brings the total distributions for the year ended 29 February 2024 to 131.12 cents per share, which is a 22.7% reduction over the prior year total distributions of 169.60 cents per share. The DPS is in line with previous guidance of 130 – 140 cents per share.

Shareholders will be entitled, in respect of all or part of their shareholdings, to elect to reinvest the cash dividend in return for Equites shares (the "**dividend reinvestment alternative**"). The entitlement for shareholders to receive the dividend reinvestment alternative is subject to the board agreeing on the pricing and terms of the dividend reinvestment alternative. The board in its discretion may withdraw the dividend reinvestment alternative should market conditions warrant such actions and such withdrawal will be communicated to shareholders prior to the finalisation announcement to be published by 11:00 on Monday, 27 May 2024.

Salient dates and times

2024

Equites results including declaration of a final distribution published on SENS	Tuesday, 14 May
Circular and form of election posted to shareholders	Tuesday, 14 May
Finalisation information including the share ratio and reinvestment price per share published on SENS by 11:00 (SA time)	Monday, 27 May
Last day to trade in order to participate in the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (" LDT ")	Tuesday, 4 June
Shares trade ex-dividend	Wednesday, 5 June
Listing of maximum possible number of shares under the dividend reinvestment alternative	Friday, 7 June
Last day to elect to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (no late forms of election will be accepted) at 12:00 (SA time)	Friday, 7 June
Record date for the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (" record date ")	Friday, 7 June
Announcement of results of cash dividend and dividend reinvestment alternative released on SENS	Monday, 10 June
Payment of cash dividends to certificated shareholders by electronic funds transfer	Monday, 10 June
Dematerialised shareholders' CSDP or broker accounts credited with the cash dividend payment (if applicable)	Monday, 10 June
Share certificates posted to certificated shareholders on or about	Wednesday, 12 June
Dematerialised shareholders' CSDP or broker accounts credited with the new shares (if applicable)	Wednesday, 12 June
Adjustment to shares listed on or about	Friday, 14 June

Notes:

1. Shareholders electing the dividend reinvestment alternative are alerted to the fact that the new shares will be listed on LDT + 3 and that these new shares can only be traded on LDT + 3, due to the fact that settlement of the shares will be three days after the record date, which differs from the conventional one day after record date settlement process.
2. Shares may not be dematerialised or rematerialised between Wednesday, 5 June 2024 and Friday, 7 June 2024, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on SENS.

Fractions

Trading in the Strate environment does not permit fractions and fractional entitlements. Where a shareholder's entitlement to the shares in relation to the dividend reinvestment alternative gives rise to an entitlement to a fraction of a new share, such fraction will be rounded down to the nearest whole number with the cash balance of the dividend being retained by the shareholders.

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 65.75300 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 52.60240 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 780 684 498.
- 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.

POSTING OF DIVIDEND ELECTION CIRCULAR

A circular to Equites shareholders (the "**circular**") in respect of the dividend reinvestment alternative, together with an election form, will be posted to shareholders today, Tuesday, 14 May 2024 and is available on the website of the Company: <https://www.equites.co.za/investor-community/investor-documentation/> from Tuesday, 14 May 2024.

Copies of the circular may be obtained from the registered offices of Equites, 14th floor, Portside Building, 4 Bree Street, Cape Town, 8001 during normal business hours, 08:00 until 16:00 (SA time), from Tuesday, 14 May 2024 to Friday, 7 June 2024.

RESULTS ANNOUNCEMENT

This results announcement is the responsibility of the directors of Equites and the contents were approved by the board on 13 May 2024. This results announcement contains a summary of the audited consolidated financial statements for the year ended 29 February 2024 ("**2024 AFS**") released on SENS on 14 May 2024 and does not include full or complete details. Any investment decision should be based on the 2024 AFS. None of the information in this announcement has been reviewed or reported on by the Company's auditors.

The 2024 AFS have been audited by the Company's auditors, PricewaterhouseCoopers Inc., who expressed an unmodified audit opinion thereon. This opinion is available, along with the 2024 AFS, 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/2024/jse/isse/EQU/2024AFS.pdf>.

The summary of the 2024 AFS which includes directors' commentary, is available on the Company's website at <https://www.equites.co.za/investor-community/investor-documentation/>.

14 May 2024

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