

Audited consolidated annual financial statements for the year ended 31 August 2024

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 234 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 1 524 479m² and is valued at R11.2 billion.

Salient features

Distributable income
after tax (R'million)

R421.9
(FY2023: R455.8)

Distributable income
per share (cents)

158.5
(FY2023: 171.2)

Dividend per share (cents)

125.0
(HY2023: 135.0)

Net asset value (NAV)
per share

R23.97
(FY2023: R24.24)

Loan to value (LTV)

39.2%
(FY2023: 37.7%)

This announcement is the responsibility of the directors. It is only a summary of the information contained in the audited consolidated annual financial statements for the year ended 31 August 2024 ("2024 AFS") and does not contain full or complete details.

Any investment decisions made by shareholders and/or investors should be based on a consideration of the 2024 AFS released on the Stock Exchange News Service (SENS) on 25 November 2024. The 2024 AFS including the audit opinion of the external auditor, Ernst & Young Inc., which sets out the key audit matters and the basis for its unmodified opinion, are available on the JSE website at <https://senspdf.jse.co.za/documents/2024/JSE/Issue/OCT/FY2024.pdf> and on the company's website at <https://octodec.co.za/wp-content/uploads/2024/11/Consolidated-annual-financial-statements-FY2024.pdf>.

Octodec's summarised financial statements for the year ended 31 August 2024, which includes directors' commentary, have been published on the company's website at <https://octodec.co.za/wp-content/uploads/2024/11/Summarised-AFS-and-Notice-of-AGM-FY2024.pdf>

Results

	% change	Audited 31 August 2024	Audited 31 August 2023
Revenue (R'000)	4.7	2 076 143	1 982 537
Basic and diluted earnings per share (cents)	(64.6)	81.1	229.3
Headline and diluted headline earnings per share (cents)	(12.9)	141.9	162.9
Distributable earnings per share (cents)	(7.4)	158.5	171.2
Distribution per share (cents)	(7.4)	125.0	135.0
Net asset value per share (Rand)	(1.1)	23.97	24.24

Dividends

The board of Octodec has declared a cash dividend of 65.00000 cents per share for the six months ended 31 August 2024, payable out of the company's distributable income.

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

	2024
Last day to trade cum dividend	Tuesday, 10 December
Shares trade ex dividend	Wednesday, 11 December
Record date	Friday, 13 December
Payment date	Tuesday, 17 December

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 December 2024 and Friday, 13 December 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
- A written undertaking to inform the CSDP, broker or 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 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 52.00000 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
- A written undertaking to inform their CSDP, broker or 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 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.

Prospects

Following the creation of the Government of National Unity, there has been an increase in business confidence, with expectations of increased foreign investment. In addition, the interest rate cutting cycle, which began in September 2024, will undoubtedly contribute to economic growth with reduced pressure on consumers and businesses, ultimately supporting growth in our rental income. It will also contribute positively to Octodec's cost of funding, creating possibilities for unlocking value through the potential redevelopment of underperforming properties.

Riaan Erasmus has been appointed executive financial director and debt officer, as well as deputy chief executive officer of Octodec with effect from 30 November 2024. In these new roles, Riaan will be employed full-time by Octodec, specifically focusing on optimising the group's property portfolio and assessing the merits of internalising the asset and property management services currently provided by City Property Administration. These responsibilities will sit alongside his primary duties as executive financial director and debt officer. Despite the difficult trading conditions we are experiencing, the lower inflation and anticipated reduction in interest rates should support our earnings in FY2025. We expect to achieve growth in distributable income of between 3% to 5%

This forecast is based on the following key assumptions:

- Forecast property income is based on contractual rental escalations and market-related renewals;
- Adequate allowance has been made for vacancies and rent reversions;
- No major corporate and tenant failures will occur;
- Reduction in interest rates by 100 basis points; and
- No unforeseen events.

The information in the group prospects section has not been audited nor reported on by the group's auditors.

Sharon Wapnick
Chairman

20 November 2024

Jeffrey Wapnick
Chief executive officer

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: 3789136JIOBKUTS28813
(Approved as a REIT by the JSE)

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Directors: S Wapnick (Chairman)¹, JP Wapnick (chief executive officer)², A Vieira (financial director)³, RWR Buchholz⁴, DP Cohen⁴, NC Mabunda⁴, EMS Mojapelo⁴, MZ Pollack¹, PJ Strydom³, LP van Breda⁴

¹ Non-executive director

² Executive director

³ Lead independent director

⁴ Independent non-executive director

Group company secretary

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www.octodec.co.za