

EMIRA PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa

(Registration number 2014/130842/06)

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(Approved as a REIT by the JSE)

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



PRE-CLOSE OPERATIONAL UPDATE

Shareholders and noteholders are referred to the Fund's half-year results announcement for the six months ended 30 September 2024 ("interim results"), released on SENS on 13 November 2024. The Company wishes to provide an update to investors regarding the operational performance of its investments.

SA Direct local portfolio

Commercial portfolio

Despite a challenging economic environment, the local commercial portfolio, consisting of retail, industrial, and office properties, has delivered a resilient performance, meeting expectations for the 10 months ended 31 January 2025 ("the period"). Total vacancies across the portfolio increased to 6,8% (by GLA) at the end of January 2025 (September 2024: 3,9%). The increase was primarily due to RTT at RTT Acsa Park reducing their space from 46 673m² to 30 833m² and the impact of disposals over the period. Tenant retention remains a key focus, with 77.5% (by Gross rental) of matured leases being retained. The weighted average total reversions for the period have improved at an overall -4,2% (September 2024: -6,8%).

The Fund's weighted average lease expiry ("WALE") at the end of the period remained stable at 2,8 years (September 2024: 2,8 years), while average annual lease escalations remained similar at 6,4% (September 2024: 6,5%).

Collections vs billings for the period were 97.5%

During the period, 26 properties were transferred out of the Fund, generating total gross proceeds of R2.4 billion. These disposals comprised 5 retail properties, 10 office buildings, and 11 industrial parks.

Emira's experience on the key individual sectors is as follows:

Retail:

Retail vacancies at the end of the period increased slightly to 4,4% (September 2024: 4,2%). The WALE is similar at 3,1 years (September 2024: 3,2 years) and 81,9% (by gross rental) of maturing leases in the period were retained. Total weighted average reversions for the period have improved to -0.9% (September 2024: -4,0%).

Emira's retail portfolio of 12 properties consist mainly of grocer-anchored neighbourhood and community shopping centres, the largest being Wonderpark, a 91 038m² dominant regional shopping centre located in Karen Park, Pretoria North.

Office:

Office vacancies at the end of the period increased to 9,7% (September 2024: 9,4%). The WALE has improved slightly to 2,6 years (September 2024: 2,5 years) and 57,0% (by gross rental) of maturing leases in the period were retained. Total weighted average reversions for the period have improved to -5,8% (September 2024: -9,6%).

Emira's office portfolio consists of 10 properties, the majority of which are P- and A-grade properties. The sector's fundamentals remain depressed, with low demand continuing to limit real rental growth.

Industrial:

Industrial vacancies at the end of the period increased to 7,8% (September 2024: 0,7%) due to RTT at RTT Acsa Park reducing their space requirements. The WALE has decreased to 2,7 years (September 2024: 2,9 years) and 73,2% (by gross rental) of maturing leases in the period were retained. Total weighted average reversions for the period have declined to -10,8% (September 2024: -7,9%).

Emira's 21 industrial properties are split between single-tenant light industrial and warehouse facilities and multi-tenant midi- and mini-unit industrial parks.

Residential portfolio

The residential portfolio consists of 3 389 units (September 2024: 3 588) located in Gauteng and Cape Town.

Vacancies across the residential portfolio were 4.0% (by units) as at 31 January 2025 (September 2024: 5,0%), which was higher due to the held-for-sale units, and if these held for sale units are excluded, the vacancies were 2,9%.

Collections vs billings for the period under review were 98,4%.

In line with the Fund's recycling strategy 386 residential units have transferred during the period, realising gross disposal proceeds of R312,9m.

USA

The US portfolio now comprises 11 equity investments, down from 12 in September 2024, in grocery anchored, value orientated, open air power centres. During the period, Emira and its co-investors successfully completed the sale of San Antonio Crossing, realising gross proceeds of USD28,2m (an 8.87% premium to book value) upon transfer on 18 December 2024. Emira held a 49,50% equity stake in San Antonio Crossing.

As at 31 January 2025, vacancies across the remaining 11 properties had increased to 3,9% (September 2024: 3,5%), mainly due to the bankruptcy of Conn's (40 120 SF), the home goods retailer at Wheatland Towne Centre. The underlying properties are performing in line with expectations.

DL Invest Group S.A ("DL Invest")

DL Invest is a Luxembourg-headquartered Polish property company. Through its subsidiaries (collectively the "DL Group"), it develops and holds logistics centres, mixed use/office centres, and retail parks across Poland. Through its internal structure, which includes approximately 230 employees, the DL Group's business model assumes full implementation of the investment process and actively manages projects as a long-term owner.

Following shareholder approval at the general meeting on 17 March 2025, Emira exercised its Tranche 2 Subscription Option, and on 20 March 2025 subscribed for an additional 113 new B Shares and 113 9% Loan Notes, with each Loan Note linked to a B Share to form a Linked Unit (the "Tranche 2 Subscription"). This increased Emira's stake to 45% of the total DL Invest shares. The total consideration for the Tranche 2 Subscription was €44.5m, comprising €8.9m for the B Share subscription and €35.6m for the Loan Notes. The Tranche 2 Subscription was funded through a new 5-year Euro debt facility, with a fixed interest rate of 4,71%.

As at 31 December 2024, the DL Group holds a portfolio of 38 properties (excluding land and properties under development) with an estimated value of approximately €670m. This portfolio consists of logistics/industrial properties (67% by value), retail properties (11% by value), and mixed-use properties (22% by value). Additionally, as of the same date, the DL Group owned land and properties under development with a combined carrying value of €182m.

As at the 31 December 2024, total vacancies across the DL Invest portfolio increased to 3,2% (September 2024: 2,0%), while the WALE remained at 5,5 years.

Capital management and liquidity

As at 28 February 2025 the Fund had unutilised debt facilities of R1,09b together with cash-on-hand of R349,2m. This was bolstered in March 2025 by a new 5 year €45m term debt facility from Rand Merchant Bank to fund the DL Invest Tranche 2 Subscription.

The Fund's loan-to value ratio ("LTV") decreased to circa 34,1% as at 28 February 2025 (September 2024: 42,0%) because of disposal proceeds received on properties that transferred post 30 September 2024 being used to reduce debt. Following the DL Invest Tranche 2 Subscription the LTV has increased and is expected to close at c. 36% - 37% by 31 March 2025.

Conclusion

The Fund is on track to exceed its objectives for FY25.

Emira expects to release its results for the full year ended 31 March 2025 on Wednesday, 28 May 2025.

This information is the responsibility of the Directors and has not been reviewed or reported on by our external auditors.

Bryanston

31 March 2025