

## 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")



## SHORT-FORM ANNOUNCEMENT: CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2021

### SIX MONTHS IN REVIEW

Equites continues to benefit from the outperformance of the logistics property market globally; with supply chain optimisation, the growth in e-commerce and the consumers' requirements for faster fulfilment driving strong occupier demand for warehousing space.

These global trends continue to reflect in the Group's results, with Distribution per share ("DPS") and Net Asset Value ("NAV") per share exceeding pre-COVID-19 levels. Equites continues to enjoy access to equity markets and raised R1.3 billion in equity over the last six months; this resulted in a Loan-to-value ("LTV") ratio of 28.6% at 31 August 2021. The Group refinanced over R1.2 billion of debt facilities during the period, with more than 60% of debt maturing after February 2024, resulting in a weighted average debt maturity of 3.0 years. Equites issued a R300 million 3-year floating rate note off the recently updated Domestic Medium Term Note Programme at an exceptional margin of 3-month JIBAR plus 165bps.

The strong performance over the last six months is underpinned by resilient property portfolios in SA and the UK, which is further enhanced with the attractive development pipeline of logistics properties in the top-end of the UK logistics market.

### THE PERIOD IN BRIEF

- DPS of 78.38 cents, an increase of 5.3% compared to the prior comparable period
- LTV ratio of 28.6%, demonstrating a conservative capital structure
- NAV per share increased by 2.2% from R17.25 to R17.63, supported by uplifts on UK developments
- Like-for-like ("LFL") portfolio valuation uplift in the UK was 5.1% in sterling
- LfL property valuations in SA were flat for the period
- LfL net property income growth was 7.5% in SA
- Average rental collection rates were 99.6% and 100% in SA and the UK, respectively
- Overall logistics portfolio vacancy rate of 0.8%
- Raised R1.3 billion in equity during the period under review
- Issued a R300 million floating rate note at an exceptional margin of 3-month JIBAR plus 165bp
- Solar plant output capacity reached 980 MWh at Aug-21 compared to 89 MWh at Aug-20
- The distribution policy remains unchanged at a 100% pay-out ratio

### KEY FINANCIAL HIGHLIGHTS

	Unaudited six months ended 31 August 2021	Unaudited six months ended 31 August 2020	Change %
Gross property revenue (R'000)	784 944	510 382	53.8%
Distributable earnings (R'000)	556 250	457 572	21.6%
Earnings per share (cents)	179.0	(20.1)	>100.0%
Headline earnings per share (cents)	97.3	(7.6)	>100.0%
Total comprehensive income (R'000)	1 052 271	395 424	>100.0%
Dividend declared per share (cents)	78.38	74.44	5.3%
Net asset value per share (cents)	1 763	1 744	1.1%

## DECLARATION OF AN INTERIM CASH DIVIDEND WITH THE ELECTION TO REINVEST THE CASH DIVIDEND IN RETURN FOR EQUITES SHARES

Notice is hereby given of the declaration of the interim dividend number 16 of 78.37854 cents per share.

The Board has declared an interim gross dividend of 78.37854 cents per share on 4 October 2021 which is a 5.3% growth over the prior year interim distribution of 74.44 cents per share. The DPS growth is in line with previous guidance of 5% – 6%. 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. Those shareholders who elect not to reinvest will receive a gross cash dividend of 78.37854 cents per share. 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 no later than 11:00 (SA time) on Tuesday, 12 October 2021.

A circular providing further information in respect of the cash dividend and dividend reinvestment alternative (the “**circular**”) will be posted to shareholders on Tuesday, 5 October 2021. The circular will be available on the website of the Company ([www.equites.co.za/investor-community/investors-documentation/](http://www.equites.co.za/investor-community/investors-documentation/)) from Tuesday, 5 October 2021. Copies of the circular may be obtained from the registered offices of Equites during normal business hours from Tuesday, 5 October 2021 to Friday, 22 October 2021. Shareholders who have dematerialised their shares through a Central Securities Depository Participant (“**CSDP**”) or broker should instruct their CSDP or broker with regard to their election in terms of the custody agreement entered into between them and their CSDP or broker.

The distribution of the circular and/or accompanying documents and the right to elect shares in jurisdictions other than the Republic of South Africa (SA) may be restricted by law and any failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Shareholders' rights to elect shares are not being offered, directly or indirectly, in the United Kingdom (UK), European Economic Area (EEA), Canada, United States of America (USA), Japan, Hong Kong or Australia unless certain exemptions from the requirements of those jurisdictions are applicable.

### 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.

### Salient dates and times

2021

Equites results including declaration of an interim distribution published on SENS	Tuesday, 5 October
Circular and form of election posted to shareholders	Tuesday, 5 October
Finalisation information including the share ratio and reinvestment price per share published on SENS by 11:00 (SA time)	Tuesday, 12 October
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 (“ <b>LDT</b> ”)	Tuesday, 19 October
Shares trade ex-dividend	Wednesday, 20 October
Listing of maximum possible number of shares under the dividend reinvestment alternative	Friday, 22 October
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, 22 October

Record date for the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (" <b>record date</b> ")	Friday, 22 October
Announcement of results of cash dividend and dividend reinvestment alternative released on SENS	Monday, 25 October
Payment of cash dividends to certificated shareholders by electronic funds transfer	Monday, 25 October
Dematerialised shareholders' CSDP or broker accounts credited with the cash dividend payment (if applicable)	Monday, 25 October
Share certificates posted to certificated shareholders on or about	Wednesday, 27 October
Dematerialised shareholders' CSDP or broker accounts credited with the new shares (if applicable)	Wednesday, 27 October
Adjustment to shares listed on or about	Friday, 29 October

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#### 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, 20 October 2021 and Friday, 22 October 2021, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on SENS.

#### 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 78.37854 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 62.70283 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.

Shareholders are advised that in electing to participate in the dividend reinvestment alternative, pre-taxation funds are utilised for the purposes and that taxation will be due on the total cash dividend amount of 78.37854 cents per share.

### **Other information**

The issued ordinary share capital of Equites at the date of declaration is 709 696 393 ordinary shares of no par value each before any election to reinvest the cash dividend.

Income Tax Reference Number of Equites: 9275393180.

The cash dividend or the dividend reinvestment alternative 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.

### **SHORT-FORM ANNOUNCEMENT**

This short-form announcement is the responsibility of the directors of Equites and the contents were approved by the Board on 4 October 2021. This short-form announcement is a summary of the full announcement released on SENS on 5 October 2021 and does not include full or complete details. None of the information in this announcement has been reviewed or reported on by the company's external auditors.

The full announcement is available on the Company's website at <https://www.equites.co.za/investor-community/investors-documentation/> and can also be accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2021/jse/isse/EQU/H12021.pdf>

A copy of the full announcement may be requested from [info@equites.co.za](mailto:info@equites.co.za) or the sponsor, Java Capital at [sponsor@javacapital.co.za](mailto:sponsor@javacapital.co.za). Any investment decision should be based on the full announcement available on the Company's website.

The condensed consolidated interim results have not been reviewed or audited by the Company's external auditors, PricewaterhouseCoopers Inc.

### **Non – Executive Directors**

P.L. Campher\* (Chairman), R.E. Benjamin-Swales\*, M.E. Brey\*, E. Cross\*, A.J. Gouws, N Khan\*, K. Ntuli\*, AD Murray\*, C. Hess\*\*, N. Mkhize\*\*

\*Independent

+Appointed 1 October 2021

### **Executive Directors**

A Taverna-Turisan (CEO)^, G.R. Gous (COO), L. Razack (CFO)

^Italian

### **Registered office and business address**

14th Floor, Portside Towers, 4 Bree Street, Cape Town, 8000

### **Contact details**

[info@equites.co.za](mailto:info@equites.co.za)

### **Company secretary**

TC Petersen#  
#Appointed 1 October 2021

**Transfer secretary**

Computershare Investor Services Proprietary Limited

**Auditors**

PricewaterhouseCoopers Inc.

**Debt sponsor**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

**Corporate advisor and equity sponsor**

Java Capital  
6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196

**5 October 2021**