AUGUST 2020
RESULTS PRESENTATION

Contents

Overview and strategy slide 3

Our sector and operating context slide 6

Impact of COVID-19 slide 12

Our developments slide 14

Property fundamentals slide 20

Shoprite transaction update slide 27

Financial review slide 31

- Financial performance
- Financial position
- Net debt
- Financial risk management

Focus on ESG slide 46

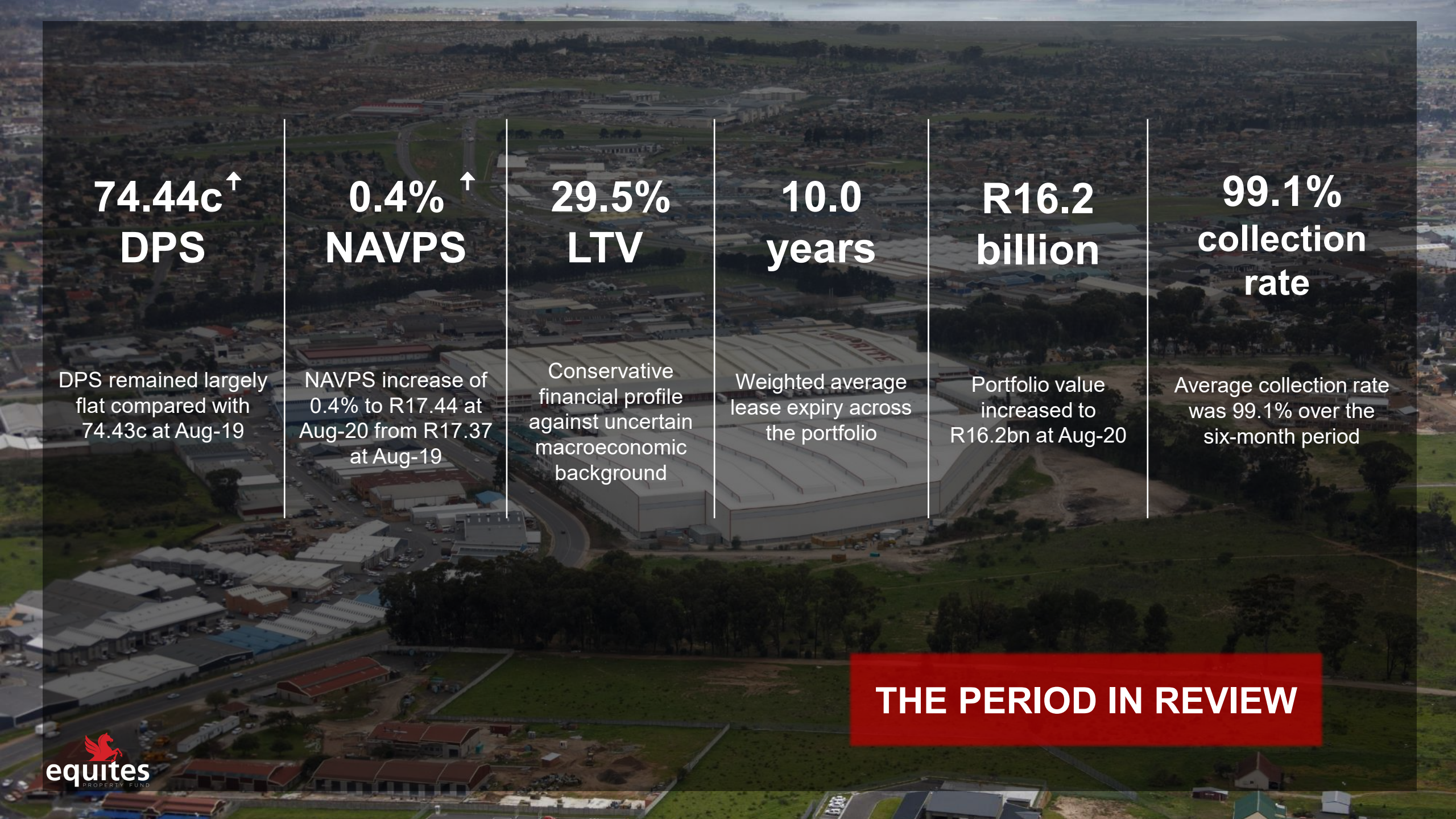
UK strategic venture slide 49

Prospects slide 58

equites PROPERTY FUND

OVERVIEW AND STRATEGY

equites
PROPERTY FUND



THE PERIOD IN REVIEW

74.44c ↑ DPS

DPS remained largely flat compared with 74.43c at Aug-19

0.4% ↑ NAVPS

NAVPS increase of 0.4% to R17.44 at Aug-20 from R17.37 at Aug-19

29.5% LTV

Conservative financial profile against uncertain macroeconomic background

10.0 years

Weighted average lease expiry across the portfolio

R16.2 billion

Portfolio value increased to R16.2bn at Aug-20

99.1% collection rate

Average collection rate was 99.1% over the six-month period

equites PROPERTY FUND

Equites' strategy is focused on becoming a globally relevant specialist REIT, focusing on the top end of the logistics sector

We have a single-minded focus on building our portfolio in line with our strict investment criteria

Unlock key tracts of land through the relationship with Newlands

Develop new assets on a pre-let basis through the JV and unlock value through turnkey developments

Acquisition of portfolio enhancing assets

United Kingdom

South Africa

Develop "best in class" logistics parks on key strategic land holdings

Sale and leaseback transactions

Acquisition of assets or portfolios should they become available

equites PROPERTY FUND

OUR SECTOR AND OPERATING CONTEXT

equites
PROPERTY FUND

OPERATING CONTEXT

Economic climate in the UK

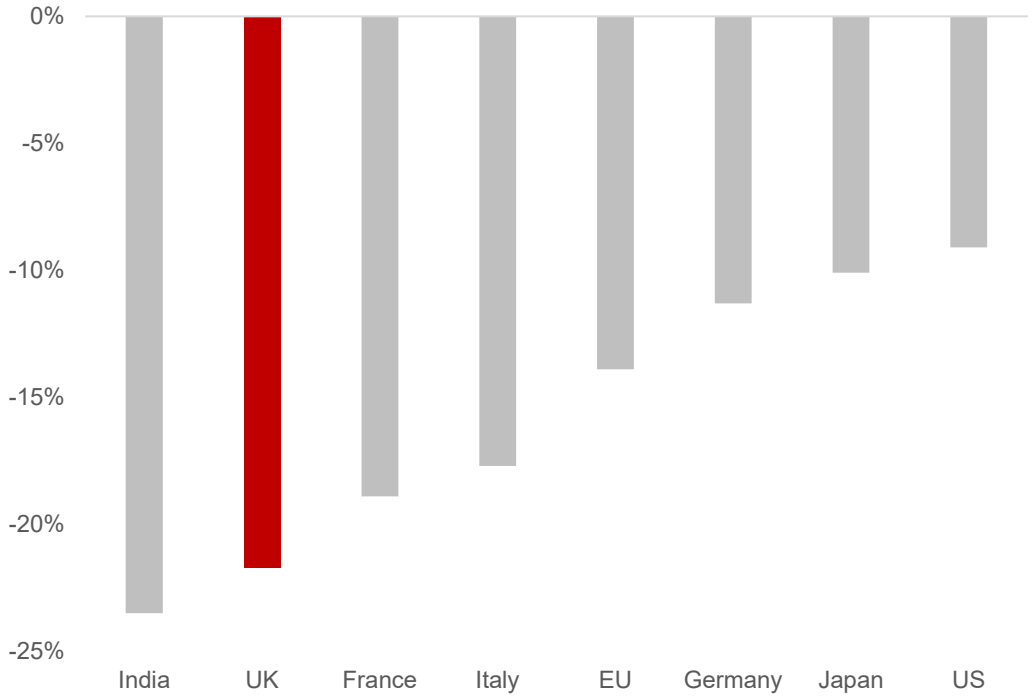
01 The UK tumbled into its largest recession (2Q20) on record (-22.1%) and fared worse compared to numerous other major economies

02 UK GDP is expected to contract by approximately 10% over the full year with almost 750,000 jobs being shed since the start of the coronavirus

03 Fiscal and monetary stimulus that has been enacted should provide some support - forecasts shows that the recovery could be rapid, forecasting growth of more than 6% in 2021

Source: Refinitiv

Major economies' 2Q20 GDP YoY - volume terms



Source: OECD

OPERATING CONTEXT

Economic climate in SA

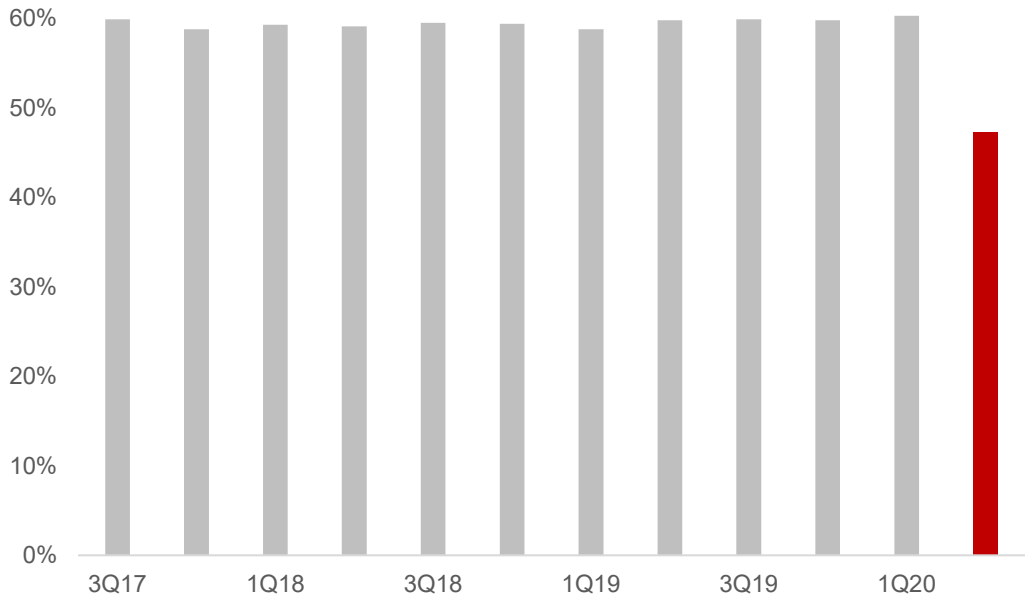
01 The South African Reserve Bank (SARB) expects SA's economy to contract by 8.2% in 2020, with some recovery in 2021 (+3.9%)

02 The SARB has cut the repo rate by 300 basis points this year, resulting in a record-low repo rate of 3.5%. Headline CPI is still however, expected to be 3.3% for 2020 – at the lower end of the SARB's target range of 3% to 6%

03 The South African economy shed more than 2 million jobs in the second quarter of 2020

Source: RMB Global Markets

SA – Labour force participation rate



Labour force participation fell to 47.3% in 2Q20 – compared to an average over the last three years of 59%

Source: StatsSA

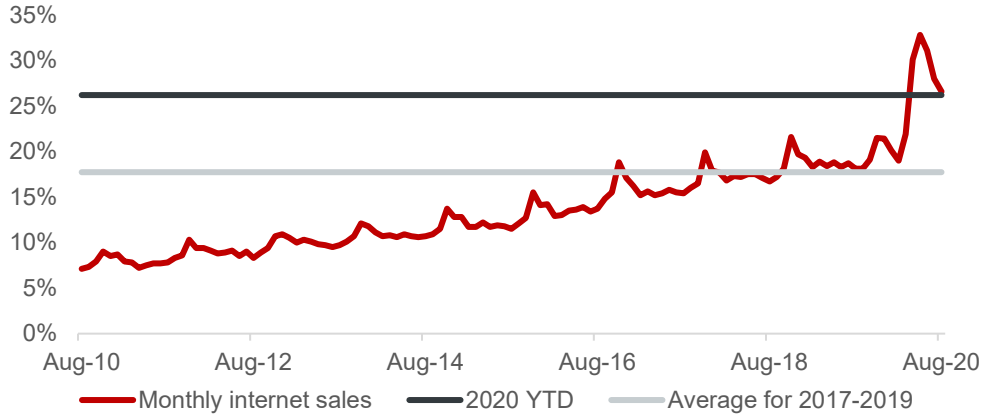
OPERATING CONTEXT

Strong tailwinds in the UK with robust growth in e-commerce

- Online sales as a percentage of total sales averaged 26% (Jan-Aug 2020), far higher than 19% in 2019
- Savills estimates online sales in the UK to be 26% in 2020, dropping to 24% in 2021 due to some normalisation in consumer shopping patterns
- Two additional trends support the logistics sector in a post-COVID-19 world:

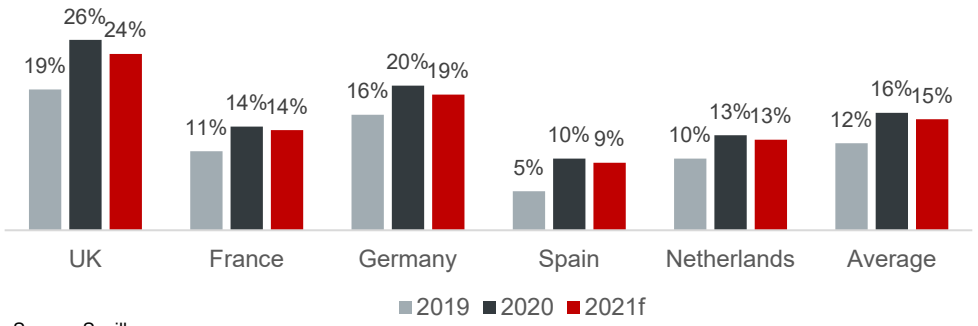
1. **Onshoring of manufacturing** –more emphasis being placed on in-country production security to mitigate supply side risks
2. **Rising inventory levels** – supply chains to include inventory buffers to cater for disruptions such as COVID-19

Online sales – United Kingdom



Source: ONS

Online sales – European forecast



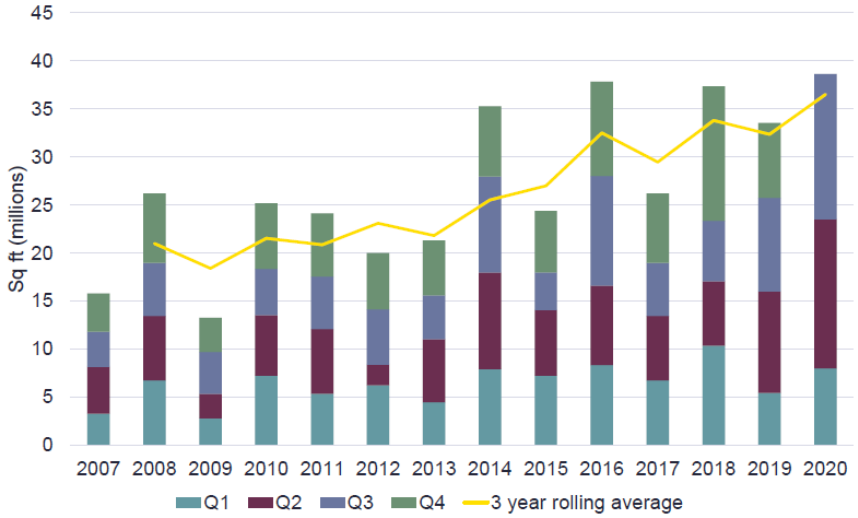
Source: Savills

OPERATING CONTEXT

Record take-up of space YTD in the UK logistics market, driven by online retailers

YTD take-up is 38.6m sq ft (3.59m sq m) (first three quarters of 2020), breaking the previous **annual record** of 37.8m sq ft (3.51m sq m) set in 2016; Amazon contributed to c.29% of take-up in 2020

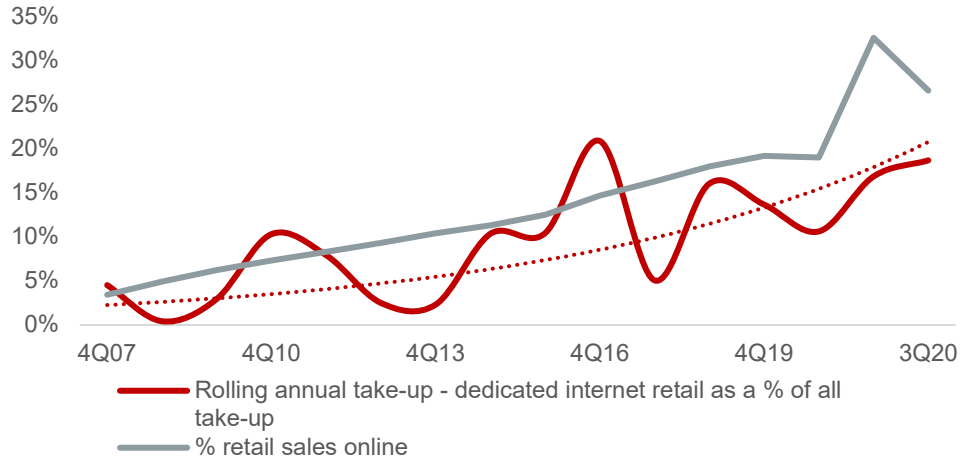
UK logistics market – take up per quarter



Sources: Savills

The trend of online retailers contributing to a higher percentage of the total take-up is expected to continue, primarily due to the growth in e-commerce

UK annual take up of dedicated internet retail



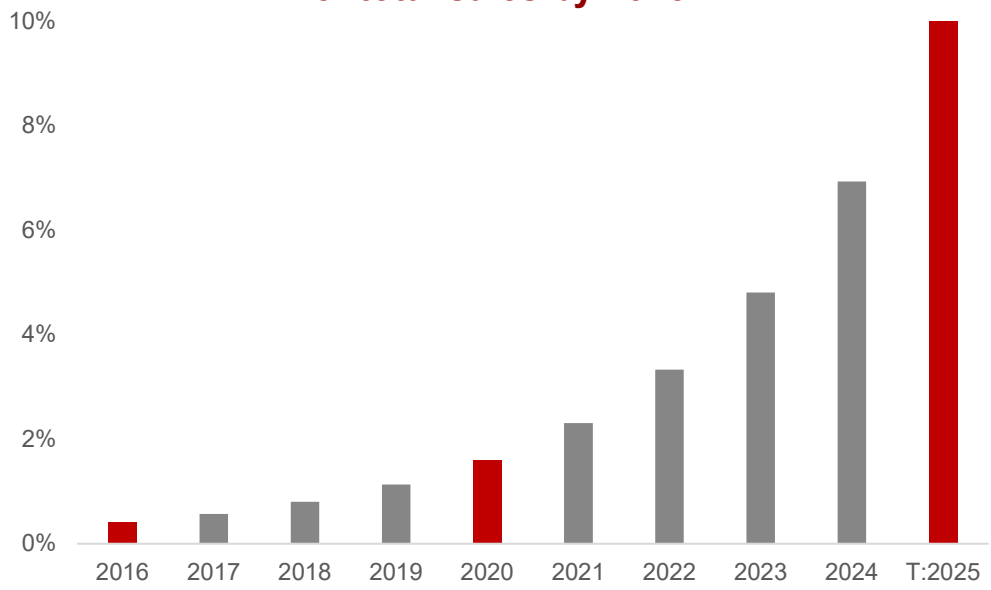
Sources: ONS, Gerald Eve

OPERATING CONTEXT

SA e-commerce infrastructure yet to bloom; COVID-19 is accelerating this trend

Dis-Chem	For the 24 weeks ending Aug 2020: Online sales growth of **344%**
mrp	Group online sales post lockdown were up **75%** - sales were above Black Friday in 2019
WOOLWORTHS	Fashion, Beauty and Home (FBH) - Online sales grew by **41%** in 2H20
Massmart	As at June 2020 - Game grew online sales by **100%,** Builders by **160%** and Makro by **84%**

TFG Africa targets their online sales to be 10% of total sales by 2025



IMPACT OF COVID-19

equites
PROPERTY FUND

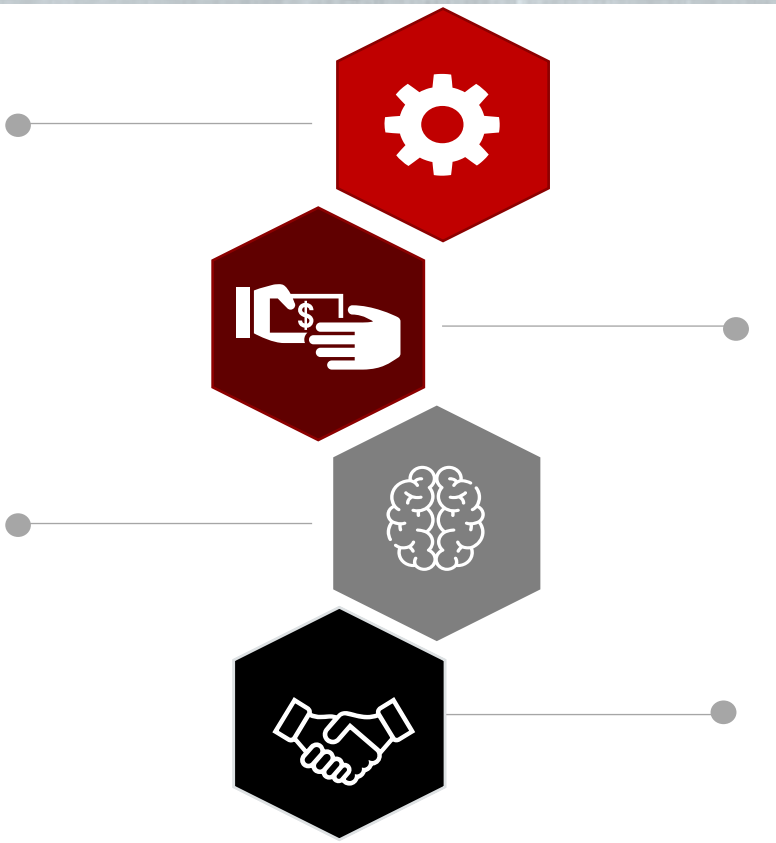
KEY OBJECTIVES AND IMPACT

Capital preservation

Increased risk premiums to reflect heightened uncertainty and reassessed capital allocation decisions

Job preservation for employees and contractors

Prioritised continued operation of development sites, provided support for contractors and equipped staff with resources to work from home



Maintaining sufficient liquidity

Maintained higher cash holdings, curtailed discretionary expenditure and proactive management of hedging positions

Tenant support

Understanding tenant needs and granting concessions on a case-by-case basis

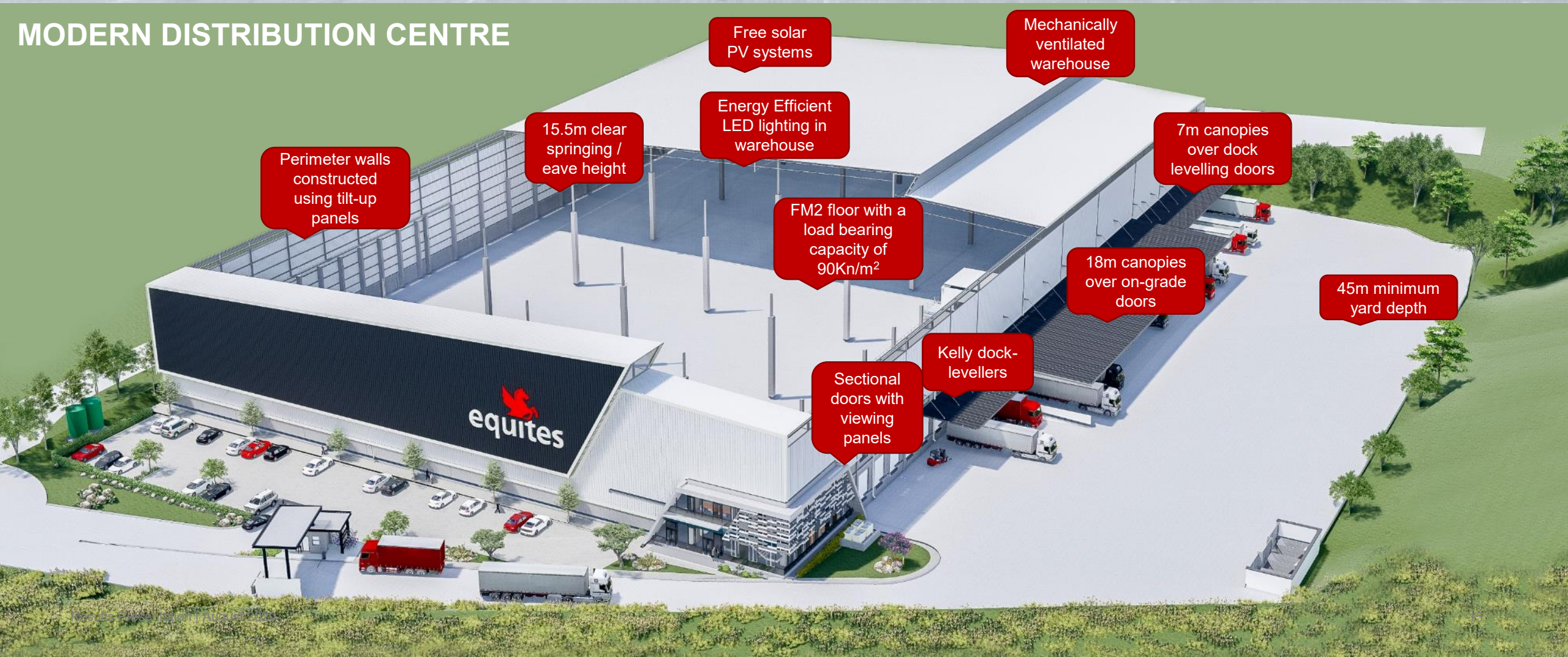
Despite our best efforts to minimize the impact of COVID, at least four types of once-off costs were incurred which were incremental when compared with the prior period; this amounted to R29million.

OUR DEVELOPMENTS

equites
PROPERTY FUND

BASELINE SPECIFICATION

MODERN DISTRIBUTION CENTRE



SELECTED ONGOING DEVELOPMENTS

Location	Equites Park – Meadowview, Gauteng
Tenant	Altron
Expected completion date	October 2020
Expected GLA	25 001m²
Capital value on completion	R239 million

Location	Equites Park – Meadowview, Gauteng
Tenant	Digistics
Expected completion date	December 2020
Expected GLA	21 026m²
Capital value on completion	R217 million

SELECTED ONGOING DEVELOPMENTS

Location	Equites Park – Riverfields, Gauteng
Tenant	Sandvik
Expected completion date	April 2021
Expected GLA	22 599m²
Capital value on completion	R287 million

Location	Equites Park – Riverfields, Gauteng
Tenant	Imperial
Expected completion date	December 2020
Expected GLA	17 628m²
Capital value on completion	R175 million

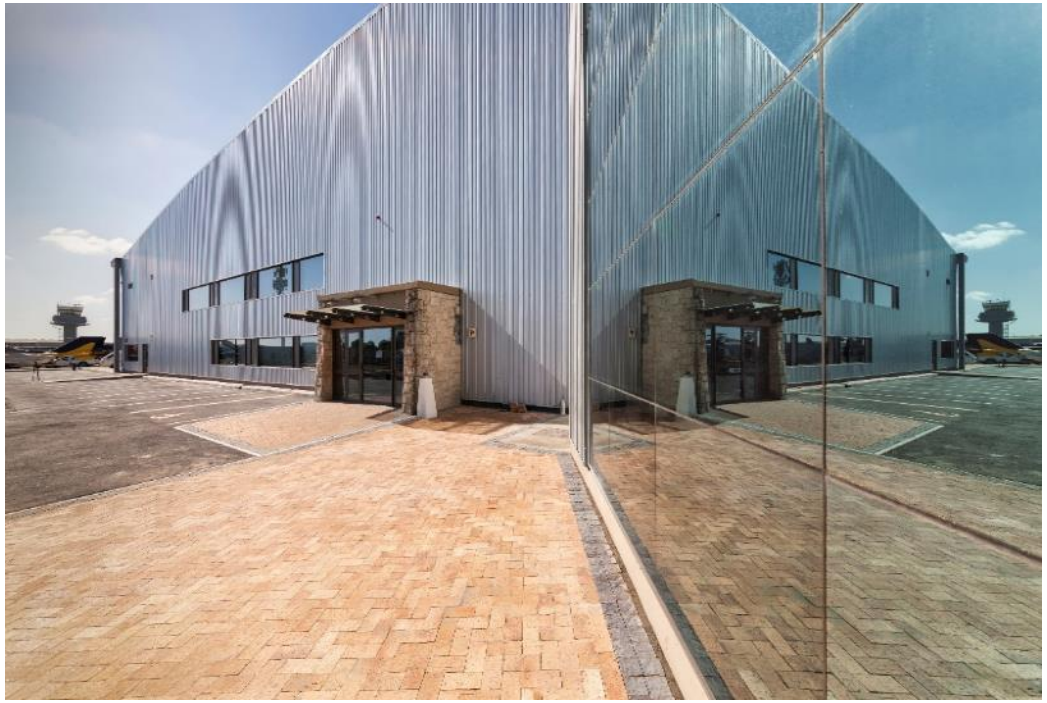
SELECTED ONGOING DEVELOPMENTS

Location	Philippi, Western Cape
Tenant	TBC
Expected completion date	March 2021
Expected GLA	8 089m²
Capital value on completion	R70 million

Location	Leeds, UK
Tenant	DHL
Expected completion date	October 2020
Expected GLA	4 961m² (57 383 sq. ft.)
Capital value on completion	R272 million (£12 million)

SELECTED COMPLETED DEVELOPMENTS

Location	Equites Park – Meadowview, Gauteng
Tenant	DSV (extension)
Completion date	August 2020
GLA	5 260 m²
Capital value	R60 million



Location	Airport Industria, Western Cape
Tenant	Röhlig-Grindrod (refurbishment)
Completion date	August 2020
GLA	5 661 m²
Capital value	R25 million

PROPERTY FUNDAMENTALS

equites
PROPERTY FUND

OPERATIONAL HIGHLIGHTS

10.0 years

Weighted average lease expiry across the portfolio

7.8% escalation

Weighted average escalation across the South African portfolio

R16.2 billion

Fair value of our portfolio at Aug-20

94.6% A-grade

Percentage of total revenue from A-Grade tenants

63 properties

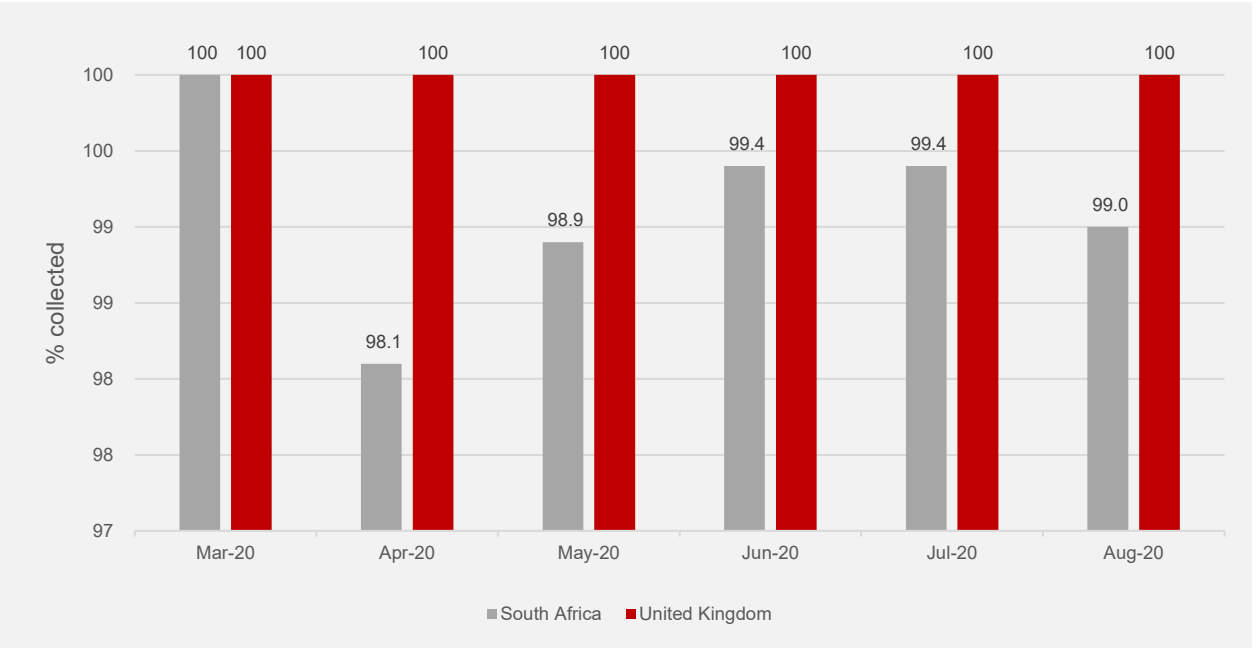
Income-producing properties across the portfolio

equites PROPERTY FUND

RENTAL COLLECTIONS

Rental collections

- We have collected on average 99% of total rental due in SA for the months of March to August 2020
- For the same period, we collected 100% of the contractual rental due in terms of lease agreements in the UK
- While rental collections remain robust, we recognize that our ability to collect rentals in future is contingent upon our tenants' ability to remain operational
- We have therefore engaged with tenants to understand how we may assist to ensure their sustainability
- In this regard, we have granted short-term cash flow relief and longer-term cash flow relief to tenants in the form of rent deferrals

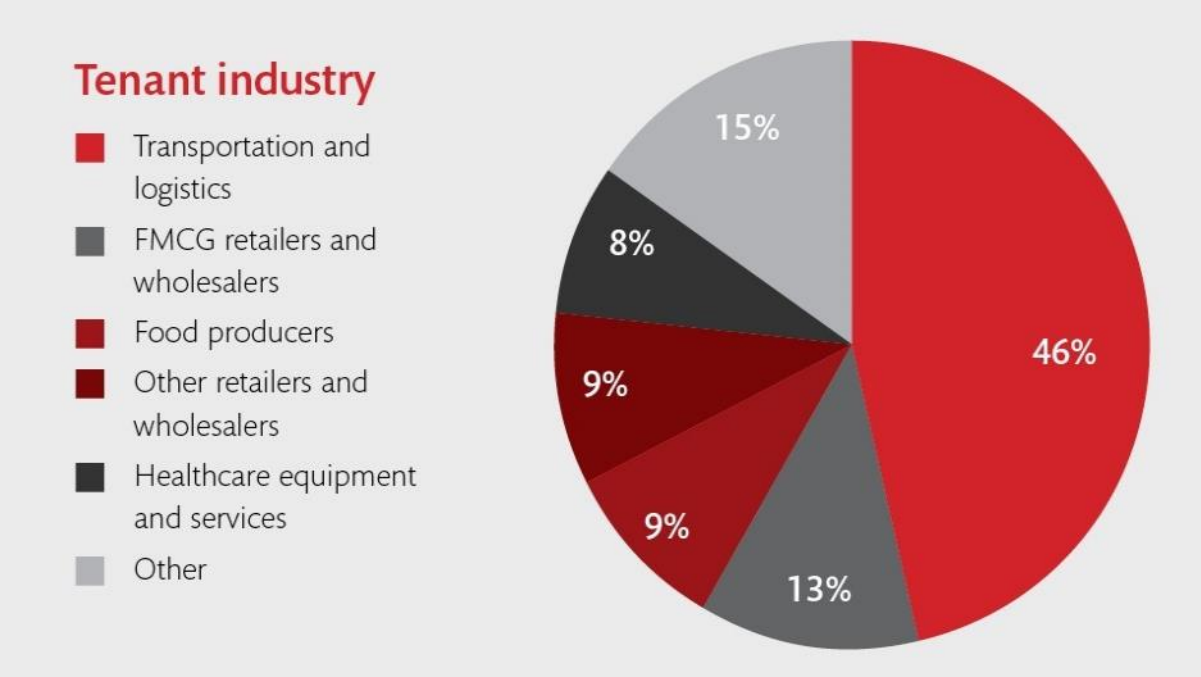


Cash flow relief has been provided to tenants by agreeing to defer a percentage of rental during lockdown, and for this to be repaid over an agreed upon period (usually within 12 months)

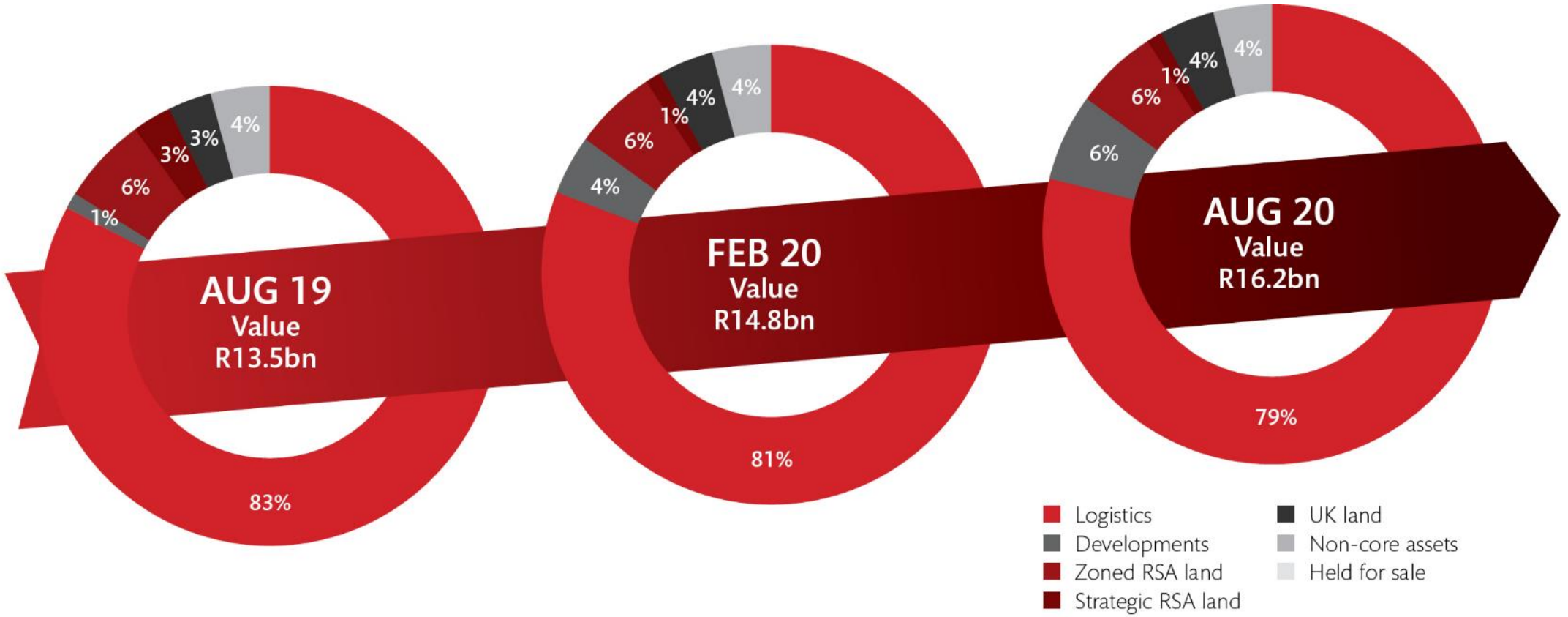
TENANT CONCENTRATION

Impact on tenants

- Our portfolio comprises 94.6% blue-chip tenants as at 31 August 2020
- 68% of our tenants operate in transport and logistics, FMCG retailing and food producers which have proven to be highly resilient throughout the pandemic
- Approximately 85% and 100% of tenants remained operational during lockdown in SA and the UK, respectively
- 100% of tenants are now fully operational



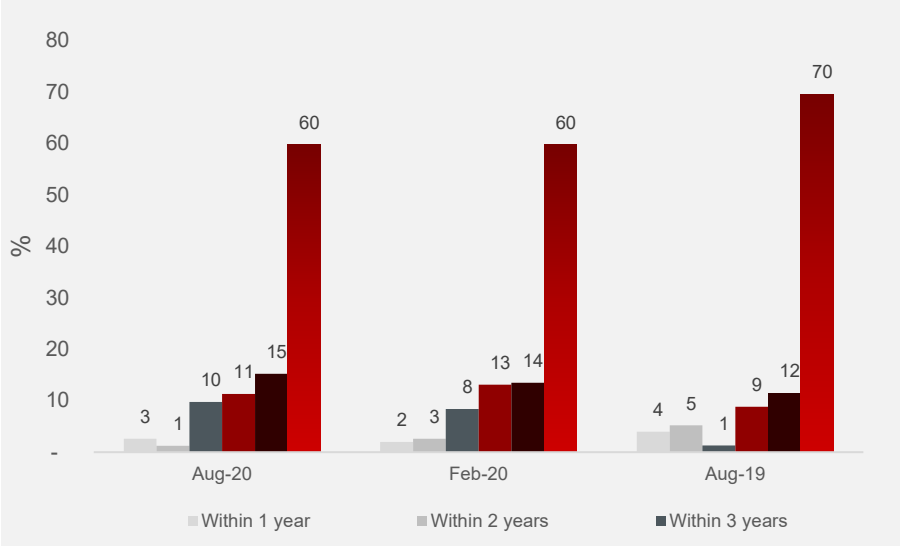
PORTFOLIO VALUE



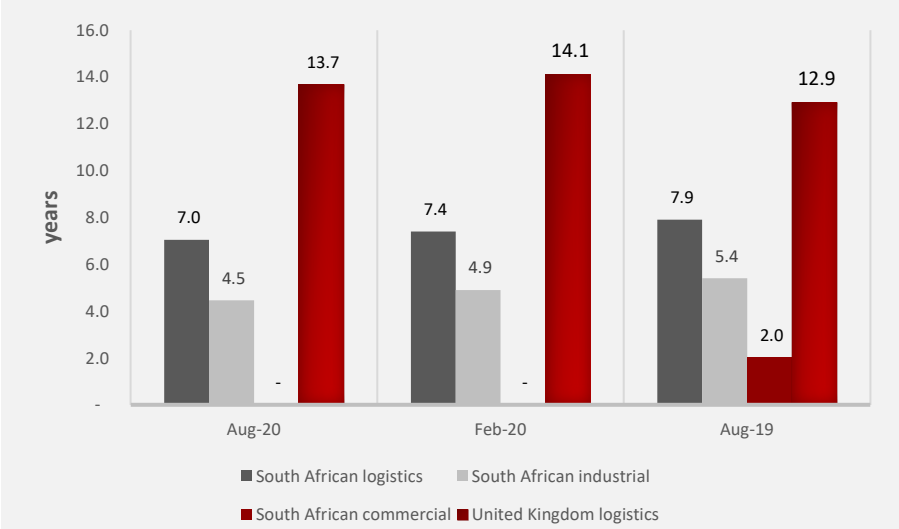
PROPERTY FUNDAMENTALS

Lease expiry profile

Lease expiry profile (by revenue)



Weighted average lease expiry

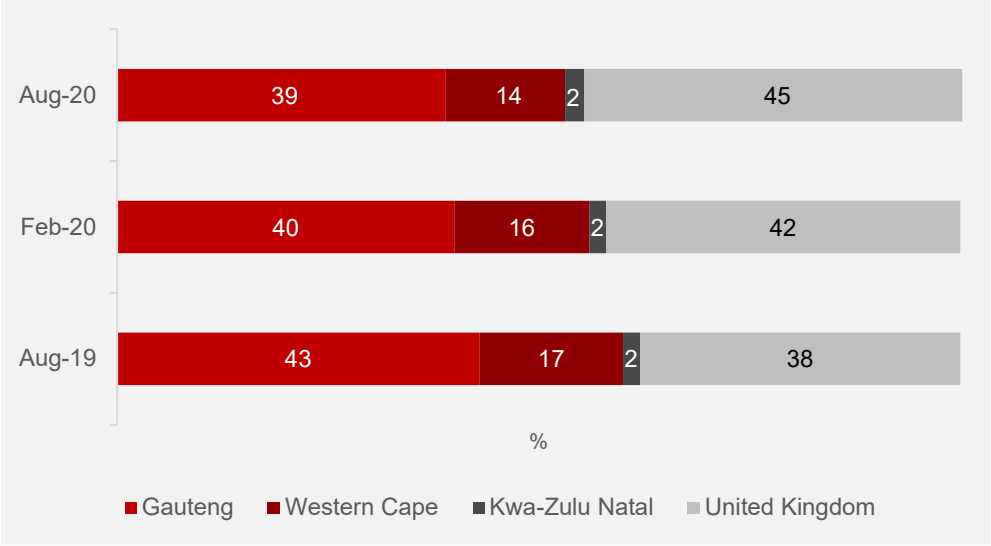


- 60% of our leases expire beyond five years
- Three leases, with a combined GLA of 23,961m² are due to expire within the next 12 months – we are engaging with these tenants to extend/renew their agreements

- WALE increased from 9.5 years at August 2019 to 10.0 years at August 2020
- Developments completed in the six months ended 31 August 2020 resulted in long dated leases expiring between 7 and 10 years

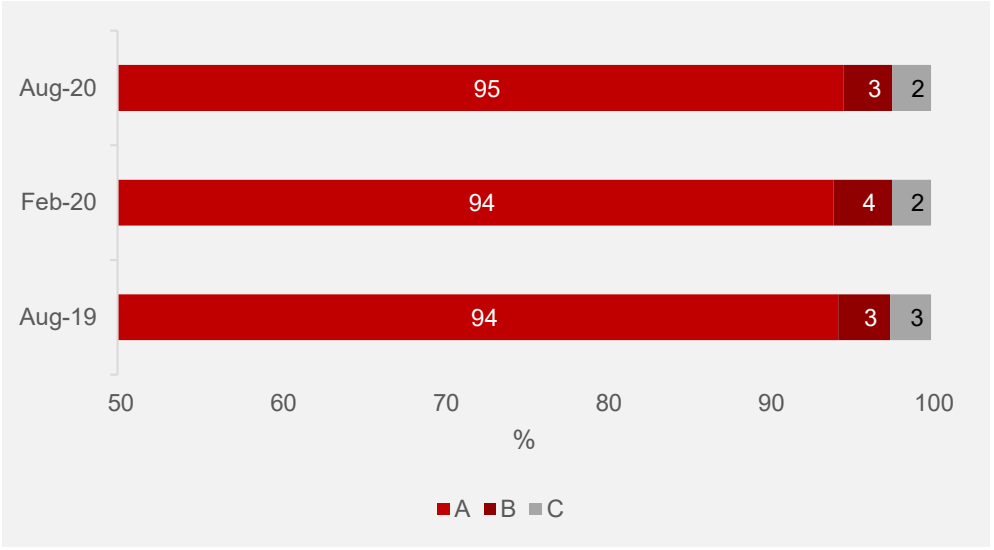
Geographical location and tenant profile

Geographical location



- The majority of our assets are situated in key logistics nodes
- 55% and 45% of our portfolio (by value) is situated in SA and the UK, respectively

Tenant grade



- As we build our portfolio for the future, we favor long-dated leases with low risk tenants
- Through targeted acquisitions, we have effectively reduced the exposure to C-grade tenants.

SHOPRITE TRANSACTION UPDATE

equites
PROPERTY FUND

Shoprite transaction: acquisition of three distribution centres

Centurion campus

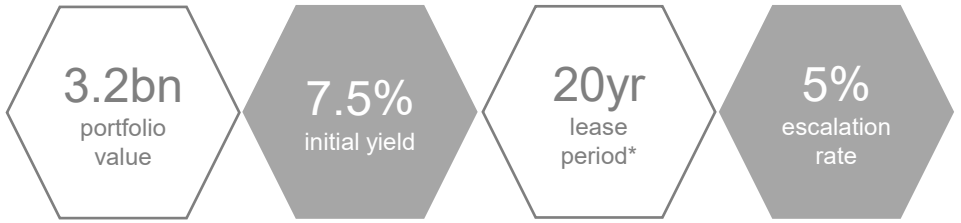
Cilmor DC

Brackenfell DC

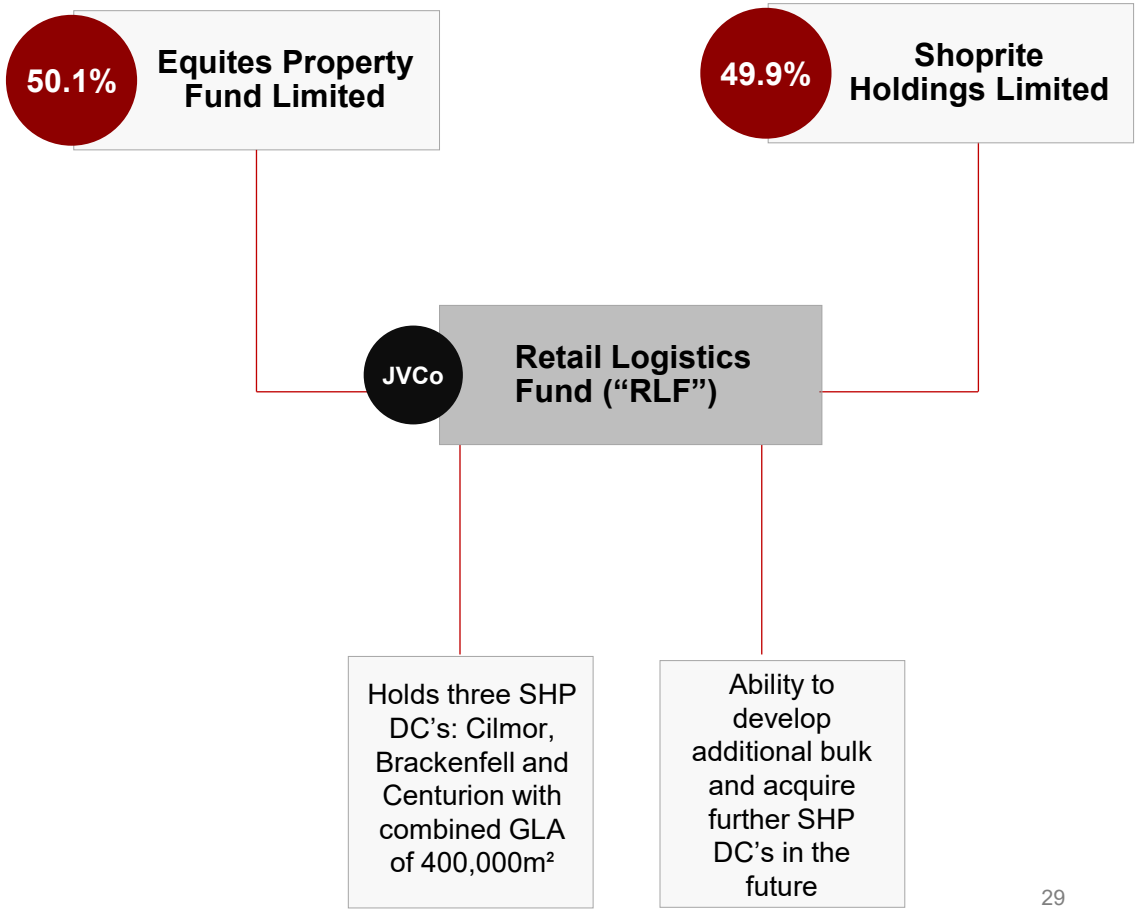
SHOPRITE TRANSACTION

Shoprite transaction overview

- The JV creates a long-term relationship between Shoprite and Equites
- Further developments and extensions can be executed within this structure
- There is the potential for further Shoprite tenanted properties to move into Retail Logistics Fund



20-Yr lease period with three 10-year lease renewal options thereafter

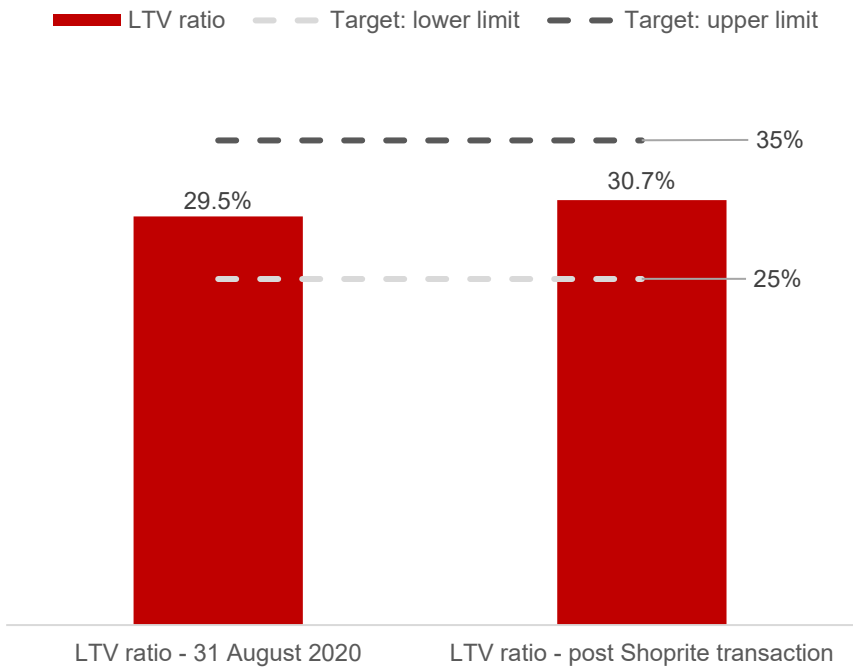


SHOPRITE TRANSACTION

Shoprite transaction overview

- The acquisition is in line with Equites' robust investment criteria
- The transaction serves to further diversify the tenant base and increase exposure to the food sector & largest food retailer in Africa
- Increased predictability of cash flows with 20-year leases let to strong covenant
- Assist superior NAV growth
- Increase group WALE from 10.0 to 13.7 years
- Expected return on equity: 14% - 15% (yield and geared capital growth)

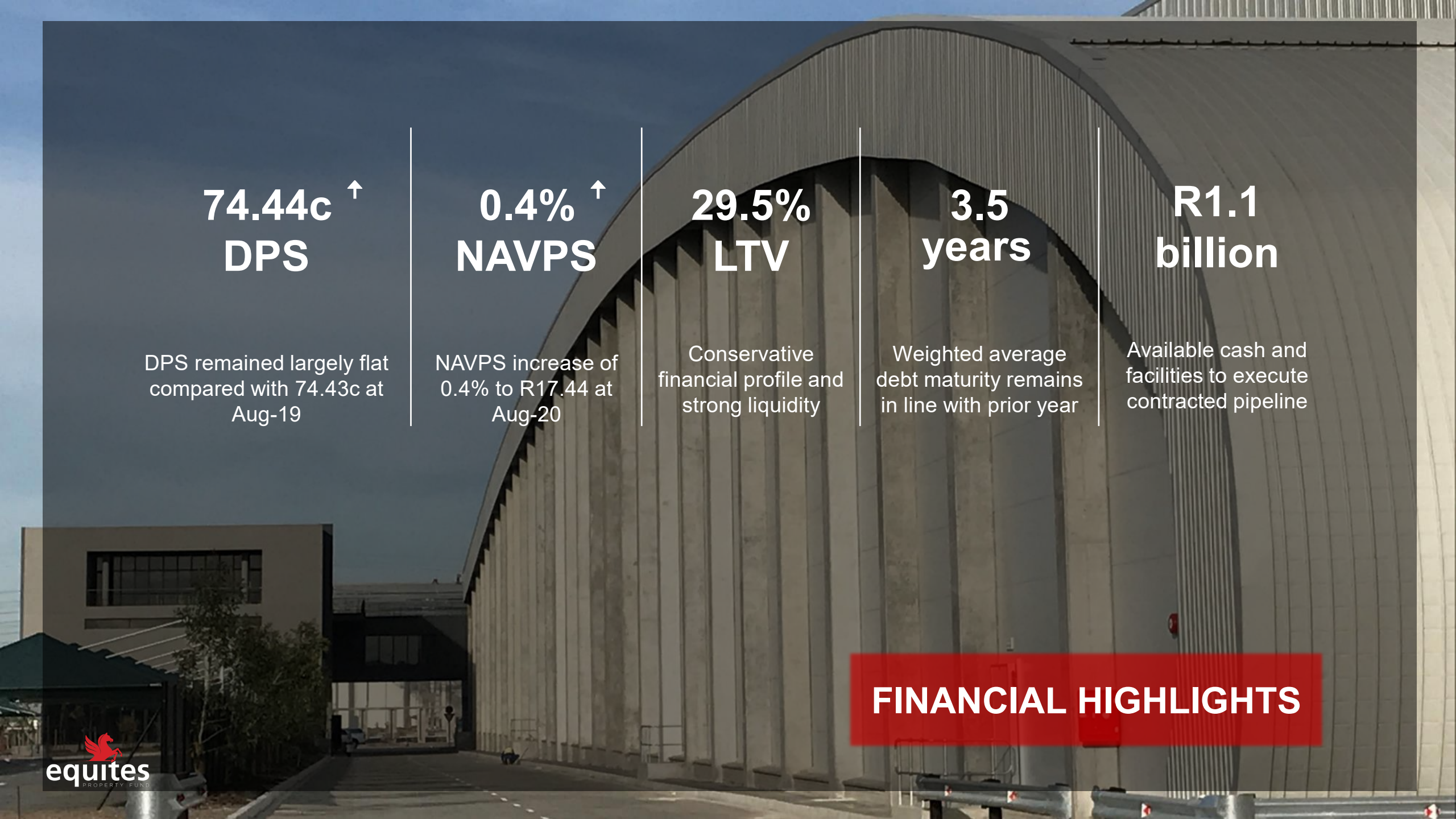
Expected LTV impact



Further debt capacity of R1.3bn before we reach a 35% LTV ratio (including the Shoprite transaction)

FINANCIAL REVIEW

equites
PROPERTY FUND



FINANCIAL HIGHLIGHTS

74.44c ↑ DPS

DPS remained largely flat compared with 74.43c at Aug-19

0.4% ↑ NAVPS

NAVPS increase of 0.4% to R17.44 at Aug-20

29.5% LTV

Conservative financial profile and strong liquidity

3.5 years

Weighted average debt maturity remains in line with prior year

R1.1 billion

Available cash and facilities to execute contracted pipeline

equites PROPERTY FUND

Distribution statement

Distribution statement	Six months ended 31 Aug 2020 R'000	Six months ended 31 Aug 2019 R'000	Year ended 29 Feb 2020 R'000	Variance R'000	Variance %
Gross property-related income	569 617	513 095	1 065 019	56 522	11.0%
Property-related expenses	(69 358)	(62 295)	(115 892)	(7 063)	
Net property-related income	**500 259**	**450 800**	**949 127**	**49 459**	**11.0%**
Other administrative expenses	(23 052)	(22 762)	(37 769)	(290)	
Distributable earnings before financing activities	**477 206**	**428 037**	**911 358**	**49 169**	**11.5%**
Net finance costs	(26 498)	(48 594)	(105 413)	22 096	
Current tax expense	-	(533)	(2 476)	533	
Antecedent dividend	6 864	26 665	35 899	(19 802)	
Distributable earnings	**457 572**	**405 577**	**839 368**	**51 995**	**12.8%**
No. of shares outstanding	614 718	544 890	554 441	69 828	12.8%
Distribution per share (cents)	**74.44**	**74.43**	**151.39**	**.01**	**0.0%**

Net property-related income

11.0% increase largely due to LFL net rental growth across the SA of 6.2% and the impact of acquisitions and developments in SA (Federal-Mogul, Digistics etc.) and the UK (Coloplast, Puma, DPD, Roche)

Other administrative expenses

Marginal increase across administrative expenses which reflects cost containment measures considering COVID-19 and the decrease in discretionary expenditure

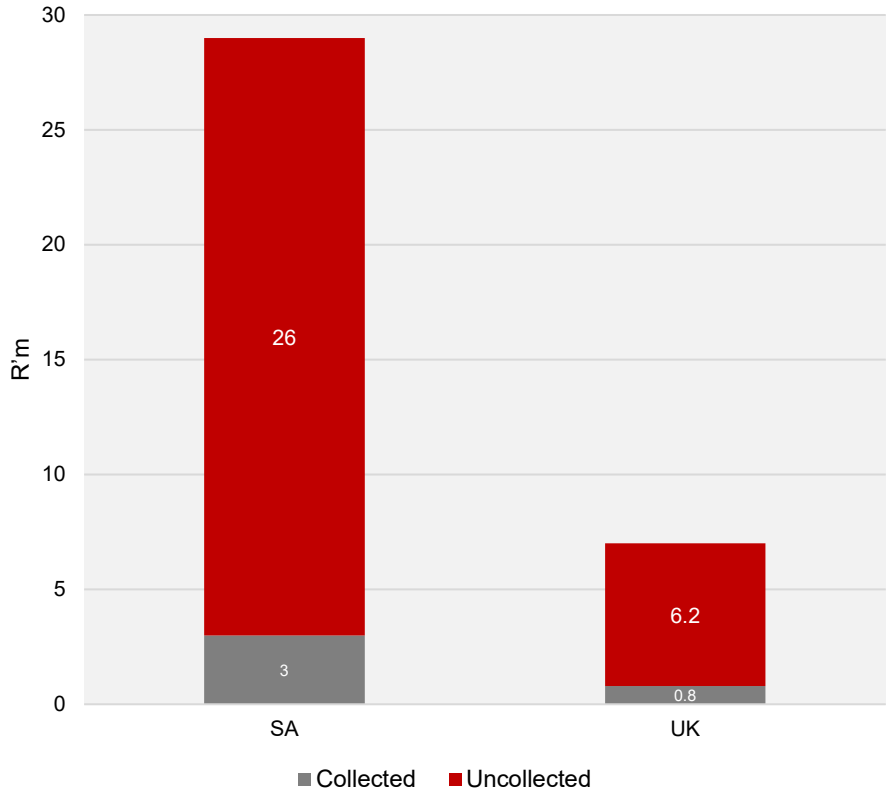
Net finance costs

A lower all-in cost of debt, the impact of raising equity in March 2020 and the capitalisation of interest, offset partially by incremental funding on new acquisitions and developments

RENTAL DEFERRALS

Treatment of rental deferrals

- Rental deferrals granted during the period amounted to R29m in SA and R7m in the UK
- We anticipate to receive majority of these rentals over the next 12 months, with R3.8m already received as at 31 August 2020
- Approximately R7m of these deferrals were lease modifications per IFRS 16, the impact of which was immaterial
- Performed a detailed assessment of the expected credit loss as a result of rental deferrals
- Expected credit losses on the outstanding lease receivables were estimated to be R3.7m across the group



Reconciliation from CGFO to distributable earnings

R'000	31 Aug 2020
Cash generated from operations ('CGFO')	**346 337**
Net finance costs paid	(15 127)
Current tax paid	(728)
	330 482
Working capital movements	**127 891**
Interest expense incurred not yet paid	(10 418)
Income tax paid relating to the prior period	728
Timing and foreign exchange differences	**(9 690)**
Antecedent dividend	6 864
Adjustments to distributable earnings not in IFRS	**6 864**
Other adjustments	**2 025**
Distributable earnings	**457 572**

Cash generated from operations ("CGFO")

Cash generated from operations continues to remain robust despite the impact of COVID-19 on the operations

Nature of adjustments

The primary adjustment to cash generated from operations pertains to working capital movements. These include the impact of rent deferrals, derivative instruments and the movement in accruals

Antecedent dividend

Had DPS been calculated using a weighted average number of shares, the result would have substantially been the same

FINANCIAL POSITION

Condensed consolidated statement of financial position

As at

	Unaudited 31 Aug 2020 R'000	Unaudited 31 Aug 2019 R'000	Audited 29 Feb 2020 R'000	Variance R'000	Variance %
Assets					
Fair value of investment property	16 157 457	13 499 365	14 834 168	2 658 092	19.7%
Investment property held-for-sale	68 231	-	40 455	68 231	n/r
Property, plant and equipment	16 528	16 211	15 399	318	2.0%
Deferred tax asset	181 973	104 938	159 870	77 035	73.4%
Other financial assets	226 495	85 565	23 017	140 930	164.7%
Trade and other receivables	107 194	54 257	76 191	52 937	97.6%
Cash and cash equivalents	134 597	35 730	53 724	98 867	276.7%
TOTAL ASSETS	**16 892 475**	**13 796 067**	**15 202 825**	**3 096 408**	**22.4%**

Fair value of investment property

R2.7bn increase is primarily attributable to acquisitions and developments in SA (R0.7bn) and the UK (R0.9bn), fair value adjustments (-R0.1bn) and FX (R1.2bn)

Deferred tax asset

Increase pertains to UK capital allowances and tax losses which are expected to be realised in the next few years

Trade and other receivables

Increase mainly due to rent deferrals granted over the past six months

Other financial assets

R0.2bn was held in short-term deposits at 31 Aug 2020

FINANCIAL POSITION

Condensed consolidated statement of financial position

As at

	Unaudited 31 Aug 2020 R'000	Unaudited 31 Aug 2019 R'000	Audited 29 Feb 2020 R'000	Variance R'000	Variance %
Equity and reserves					
Equity attributable to the parent	10 723 750	9 464 105	9 729 590	1 259 645	13.3%
Non-controlling interest	38 062	35 390	40 434	2 672	7.5%
TOTAL EQUITY	**10 761 812**	**9 499 495**	**9 770 024**	**1 262 317**	**13.3%**
Liabilities					
Loans and borrowings	5 220 600	3 821 168	4 796 043	1 399 432	36.6%
Other financial liabilities	630 022	147 630	241 470	482 392	326.8%
Other liabilities	4 479	4 481	4 462	(2)	0.0%
Current tax liability	600	1 006	1 328	(406)	n/r
Trade and other payables	274 962	322 286	389 496	(47 323)	(14.7)%
TOTAL LIABILITIES	**6 130 663**	**4 296 570**	**5 432 799**	**1 834 093**	**42.7%**
TOTAL EQUITY AND LIABILITIES	**16 892 475**	**13 796 065**	**15 202 823**	**3 096 410**	**22.4%**

Equity attributable to the parent

Increase due mainly to capital raise, the impact of FX movements and fair value adjustments

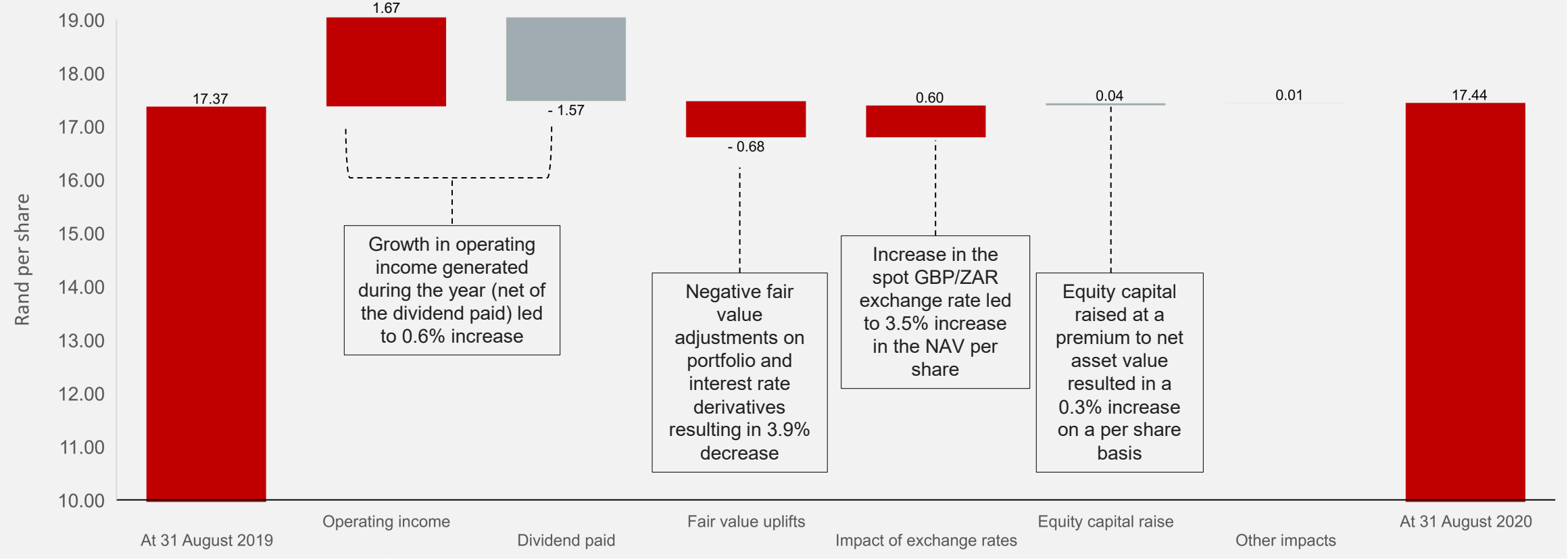
Loans and borrowings

Increase mainly due to UK funding (Aviva and HSBC), SA DMTN issuance (EQT004), additional SA bank funding and FX movements

Other financial liabilities

Increase is due to the LIBOR and JIBAR swap yield curves flattening as a result of falling global interest rates and the impact of the ZAR depreciation

Net asset value per share progression



Valuation policy

We continue to maintain a robust external valuation policy. Our policy is buttressed by the following three foundational elements:

Expertise

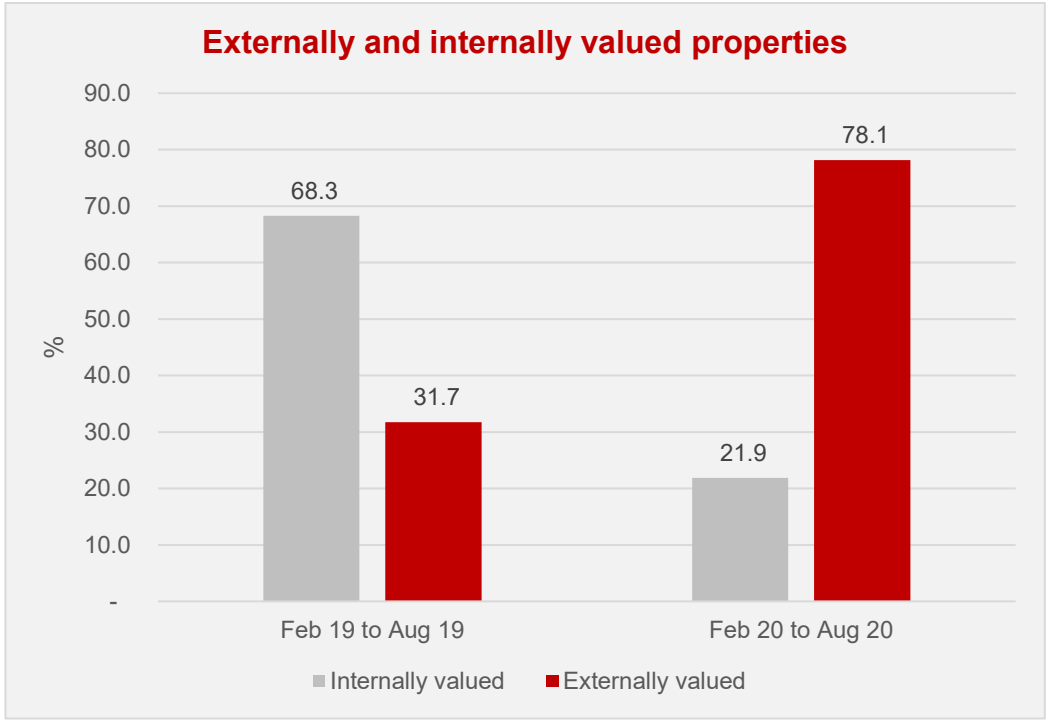
- We prefer specialists in logistics assets who have local knowledge
- We consider a broad range of external valuers as part of the selection criteria

Independence

- We carefully evaluate threats to independence prior to our appointment process
- We rotate external valuers on a regular basis to preserve independence

Frequency

- We target externally valuing each property in our portfolio at least once every 18 months
- Over 75% of the portfolio was valued between Feb-20 and Aug-20



Valuation of investment property

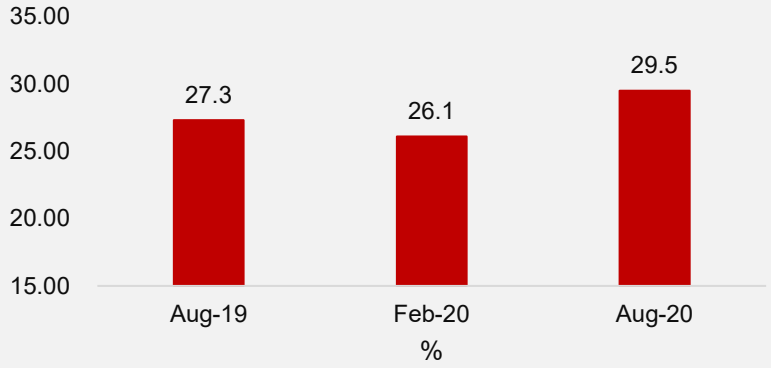
Creating value through the quality of our buildings

Region	Type of property	% of income-producing portfolio	Average value (R/m²)	Discount rate	Exit cap rate
SA	Modern distribution centre	46%	R11 109	13.64%	7.90%
	Logistics campus	36%	R16 762	13.50%	7.96%
	Cross-docking / Ultra-low coverage	11%	R13 925	13.69%	7.95%
	Other	7%	R14 852	13.69%	8.47%
SA total		**100%**	**R13 797**	**13.60%**	**7.98%**
UK	Modern distribution centre	49%	R32 839	5.52%	4.90%
	Cross-docking / Ultra-low coverage	51%	R54 828	5.61%	4.88%
UK total		**100%**	**R43 961**	**5.57%**	**4.89%**

- We test the robustness of the valuations by:
  - Testing to comparable external valuations
  - Assessing the reasonability of the implied cap rates and comparing to current build costs
- The average value of our modern distribution centres in SA is R11 109/m² and this increases as the specification changes
- High-quality logistics real estate continues to demonstrate resilience
- Both discount rates and exit capitalisation rates have remained relatively flat for prime logistics assets
- In SA, we have also noted flat to slight decreases in market rental assumptions and the forecasts for rental growth

NET DEBT DASHBOARD

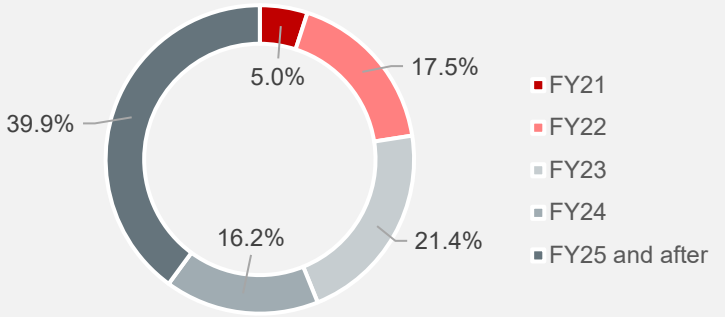
Loan-to-value



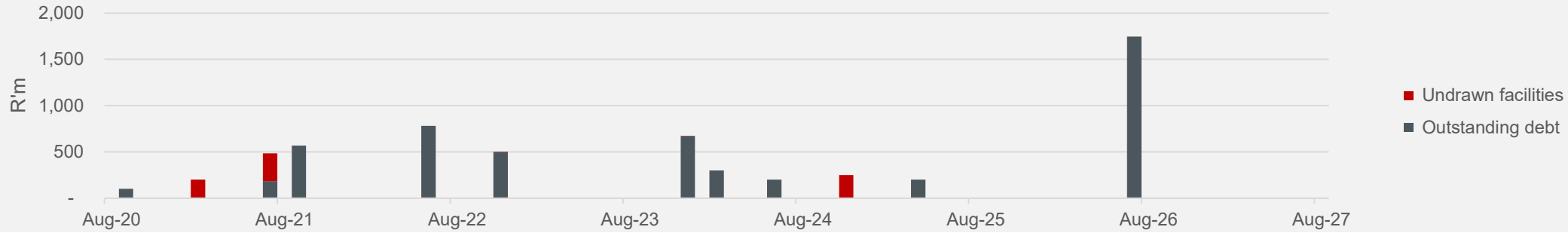
LTV has remained below the mid-point of the target range of 25% - 35%

Weighed average debt maturity is 3.5 years at Aug-20, largely in line with Aug-19 at 3.6 years

Expiration of debt facilities



Debt maturity profile

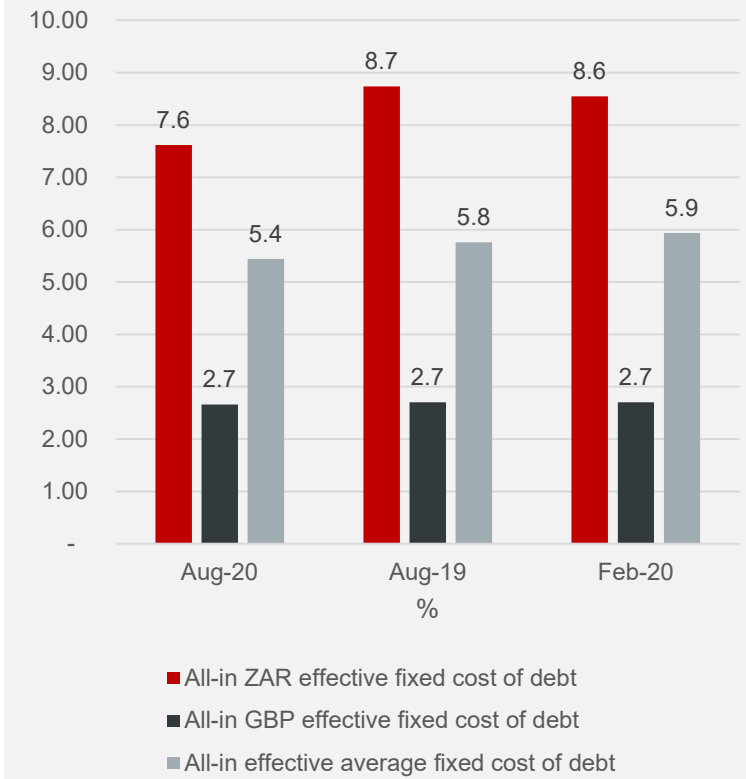


Debt maturities extend until FY27 with less than 25% of debt facilities expiring in the next two years

NET DEBT DASHBOARD

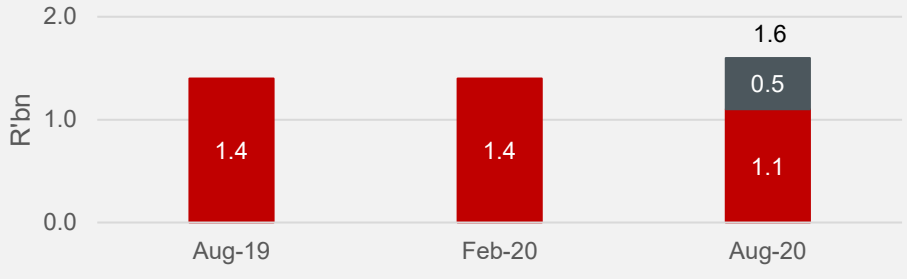
All-in ZAR and GBP cost of debt continues to fall with falling global interest rates but also due to notable decreases in credit margins due to improved credit metrics both in SA and in the UK

All-in cost of debt



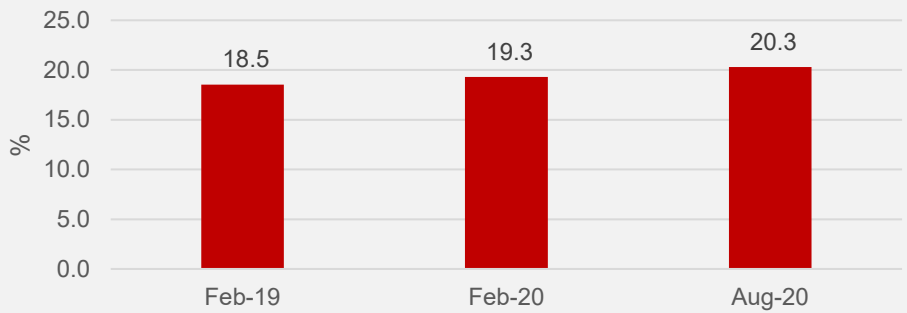
R1.1bn of available liquidity (cash and undrawn facilities) at Aug-20, increasing to R1.6bn in Sep-20

Available liquidity (cash and undrawn facilities)



R3.2bn of portfolio unencumbered at Aug-20, up from R2.9bn at Feb-20

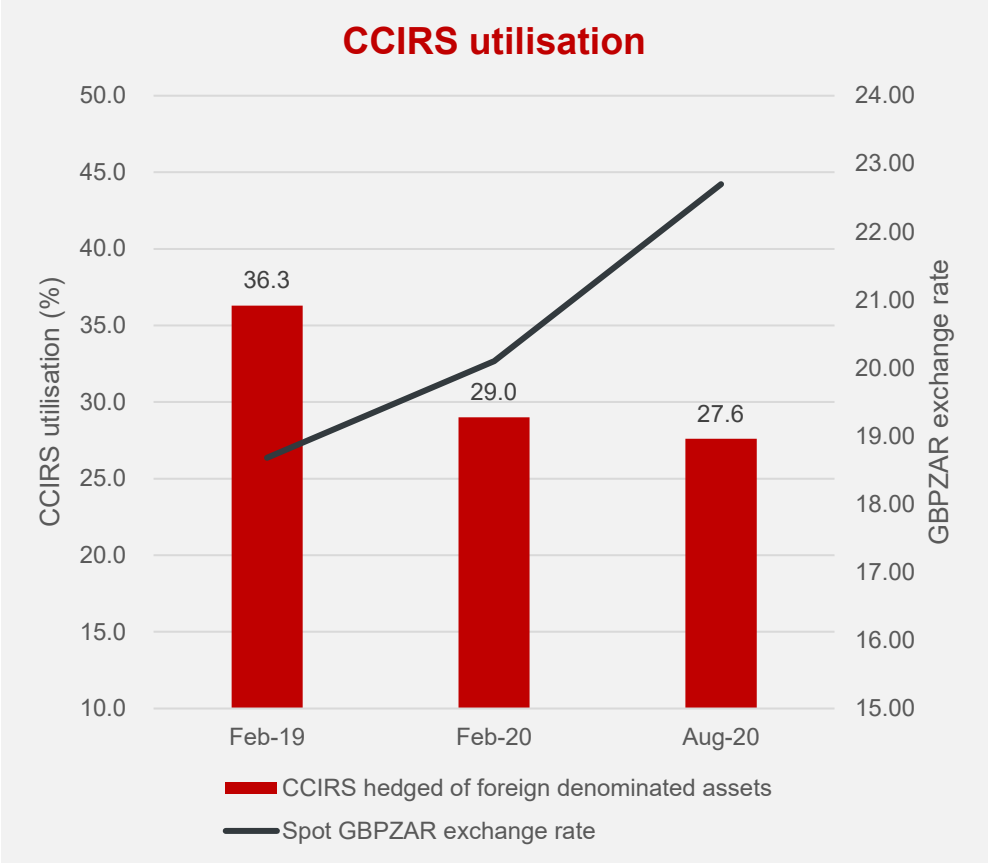
Unencumbered properties



Foreign exchange rate risk

Hedging net investment in foreign operation

- The group has continued to reduce its hedge cover over its net investment into the UK in anticipation of ZAR weakness
- The sharp depreciation in the ZAR over the past six months provided NAV upside which the group has benefited from
- Heightened levels of ZAR weakness can present an opportunity to protect the group from NAV erosion in future
- Internal policy limit of 45% CCIRS utilisation as percentage of foreign denominated assets over time
- CCIRS utilisation is 27.6% at Aug-20, down from 29.0% at Feb-20

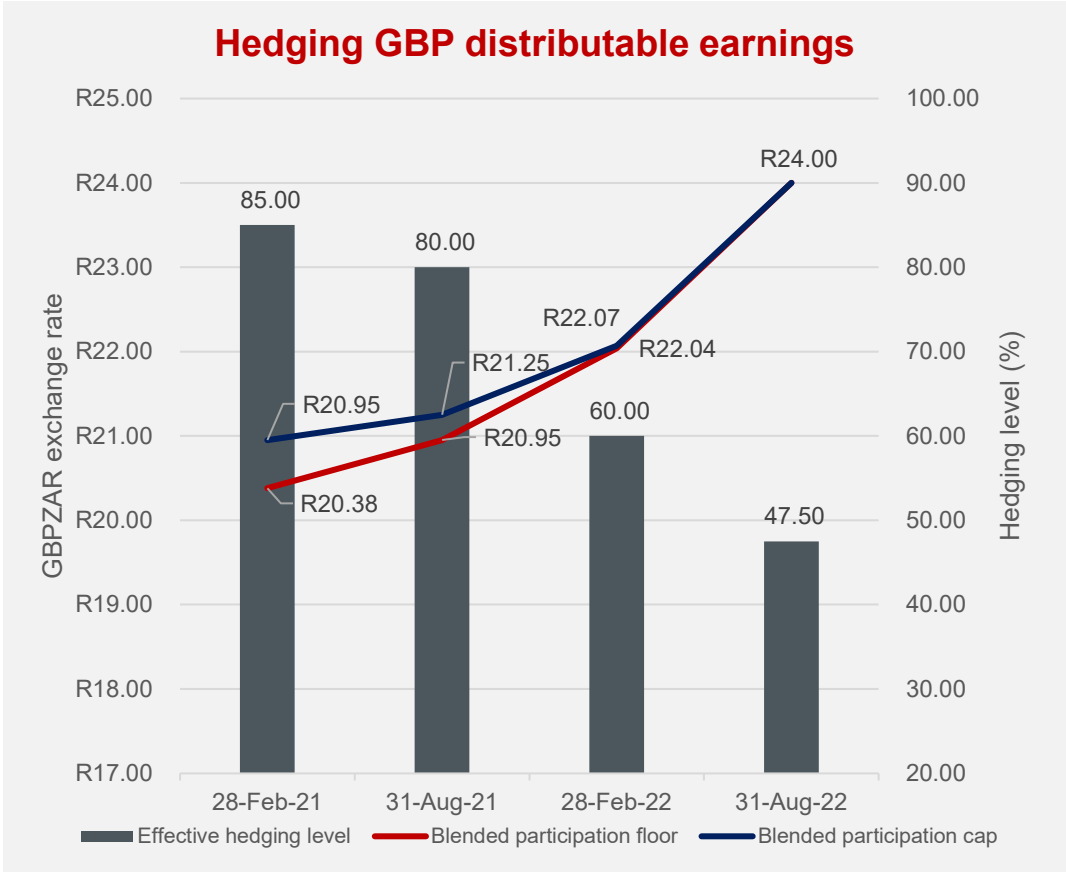


Foreign exchange rate risk

Hedging distributable earnings and cash flow risk

- The group employs a FX hedging strategy for GBP distributable earnings
- The FX hedging strategy ensures that shareholders obtain medium- and long-term hard currency exposure over time
- The group continues to utilise natural hedges to minimise its exposure
- The group has therefore instituted a hedging policy for GBP distributable earnings to be earned as follows:

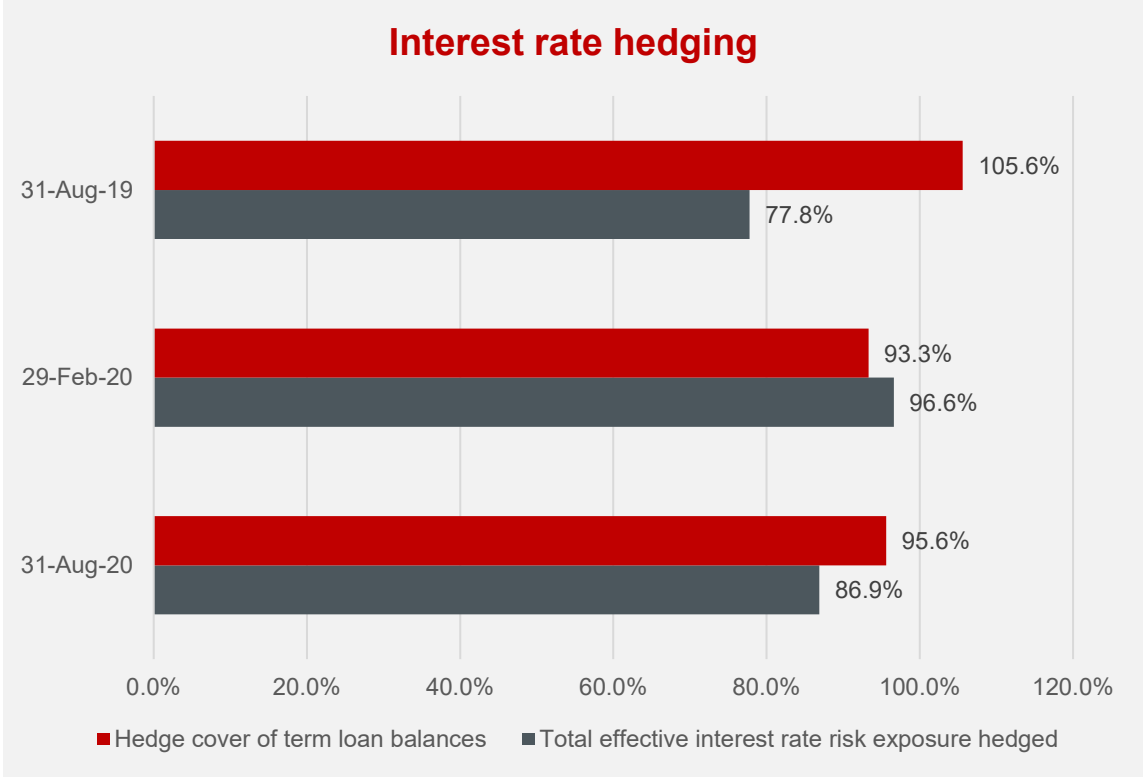
Six-month period ended	Effective hedging level	Blended participation floor	Blended participation cap
28 February 2021	85.0%	R20.38/£	R20.95/£
31 August 2021	80.0%	R20.95/£	R21.25/£
28 February 2022	60.0%	R22.04/£	R22.07/£
31 August 2022	47.5%	R24.00/£	R24.00/£



Interest rate risk

Hedging interest rate exposure

- The group has continued to use a combination of natural hedges and derivative financial instruments to hedge its exposure to interest rate risk
- Hedged 95.6% and 86.9% of the interest rate risk associated with existing term loan balances and total contracted net future capital floating debt respectively
- Above minimum target hedging levels of 80% and 70% respectively
- Hedging levels remain well above minimum target levels to lock-in interest rates in South Africa and the UK at all-time lows



FOCUS ON
ESG

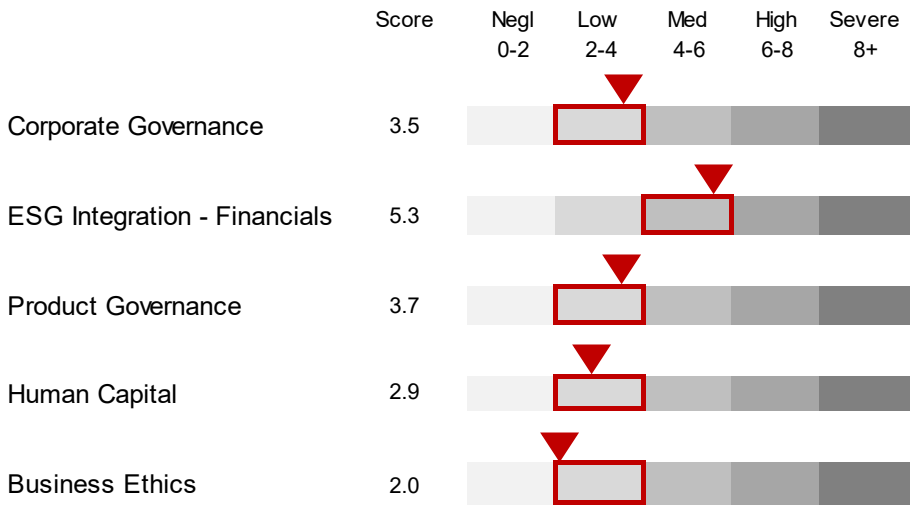
ESG risk rating

- We embarked on a comprehensive process to assess our business across the ESG spectrum to focus our sustainability efforts in various areas across the group

- We obtained a risk rating from a leading global firm, Sustainalytics, who assessed our ESG performance in five areas according to their verification:

    - Corporate Governance
    - Integration in Financials
    - Product Governance
    - Human Capital
    - Business Ethics

- We managed to achieve a risk rating of **“low risk”** overall, relative to peers in the top third global REIT industry

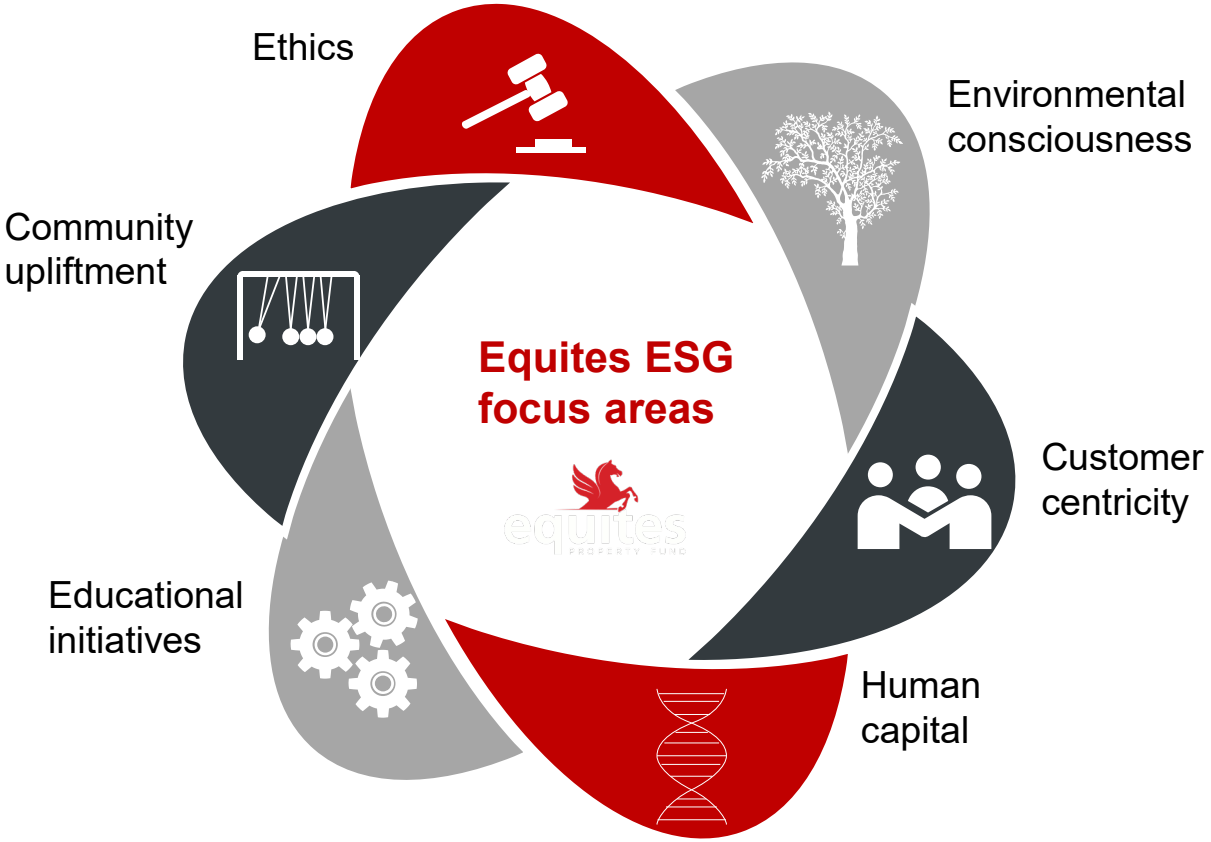


Sustainalytics ESG risk rating – Equites 2020

ESG FOCUS AREAS

Sustainability-linked funding

- We secured our first sustainability-linked facility during the period ended 31 August 2020 of R1.6bn, pioneering this type of funding in the REIT sector in South Africa
- Our all-in cost of debt on this facility will be reduced if we achieve certain predefined improvements to our Sustainalytics ESG risk rating
- The focus areas for the improvements are aligned to the 6 existing sustainability focus areas within the company and further supports our initiatives towards creating a meaningful impact in multiple aspects of the ESG spectrum



UK STRATEGY

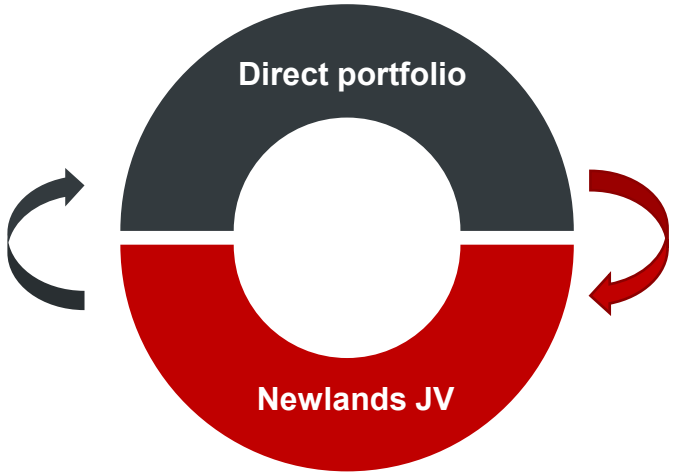
equites
PROPERTY FUND

UK strategy

Our UK platform consists of two different, yet complementary businesses

Direct property portfolio

- Portfolio of completed assets in the UK, curated through acquisitions between 2016 and 2020
- Direct property portfolio comprises 11 assets with portfolio value of R6.3 billion
- Combination of “Last-mile” and big-box logistics facilities
- Total GLA of portfolio is 178,000m^2
- Portfolio initial yield of 5%

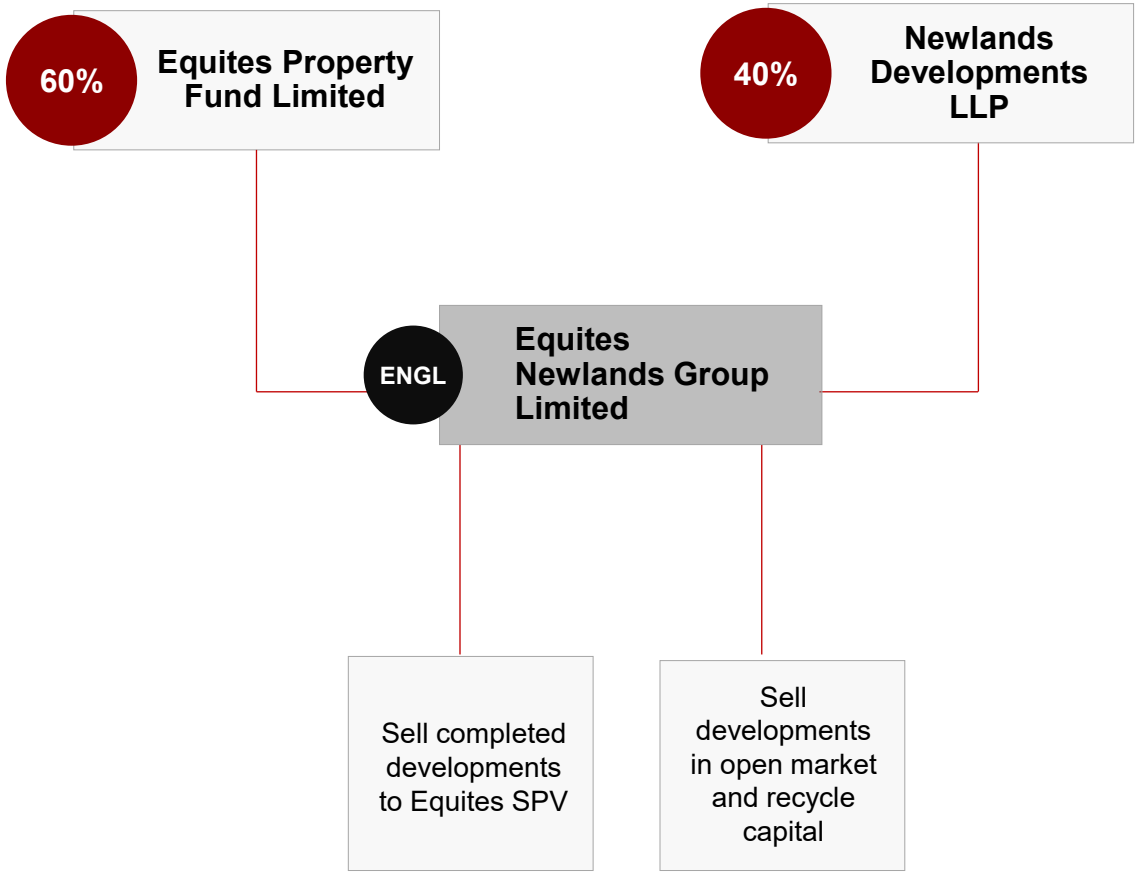


Newlands strategic partnership

- Joint venture established between Equites and Newlands with Equites holding 60% and Newlands holding 40%
- Newland’s strength lies in their ability to unlock strategic land for development
- Target pipeline of £400m in the next 19 months with further value to be unlocked over the 7-year agreement
- Focus on developments of big-box logistics and last-mile facilities in the UK

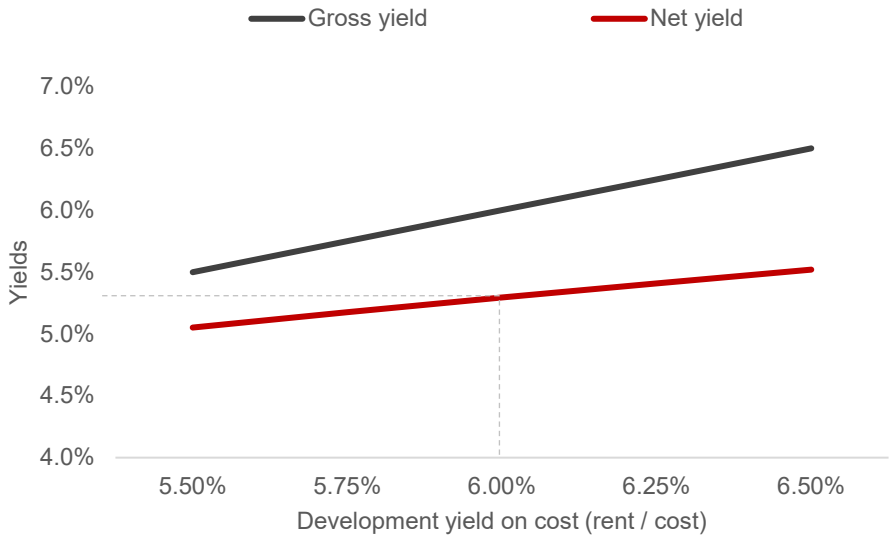
Newlands: Structure of relationship

- The venture represents a strategic relationship between Equites and Newlands Developments
- Equites will provide funding for land acquisitions (or options) and developments in the initial stages
- Newlands will reinvest 50% of any development profits into the joint venture to ensure alignment of interests
- ENGL will sell completed developments into an Equites SPV where Equites' share of the development profit will be retained thereby ensuring a discount to open market value
- ENGL will also undertake developments which may not be retained (should it not meet Equites' investment criteria), thereby enabling Equites to recycle capital efficiently

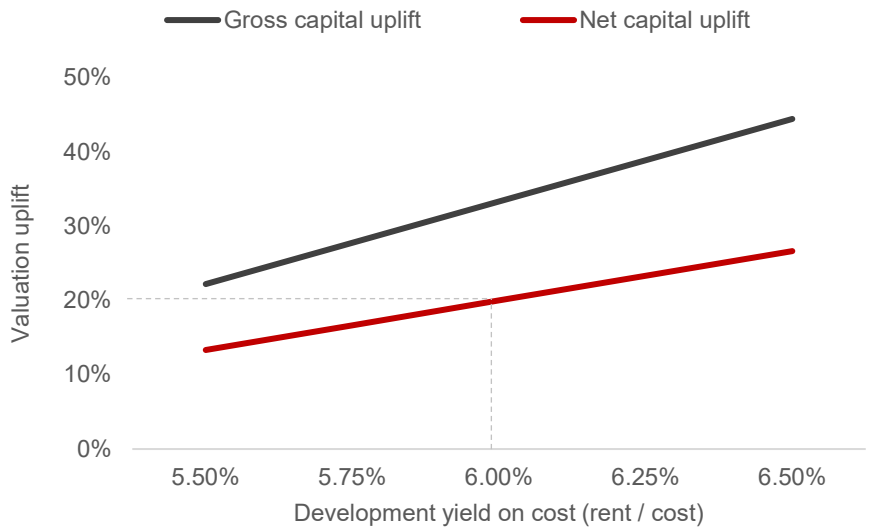


NEWLANDS' VENTURE

Equites will benefit from 60% of the development profit/fair value uplift



I.e., if ENGL develop at a 6.0% yield on cost, Equites will effectively take control of the asset at a 5.3% yield and can then either sell the asset or retain control of it. This assumes that the asset will re-rate to a 4.5% cap rate

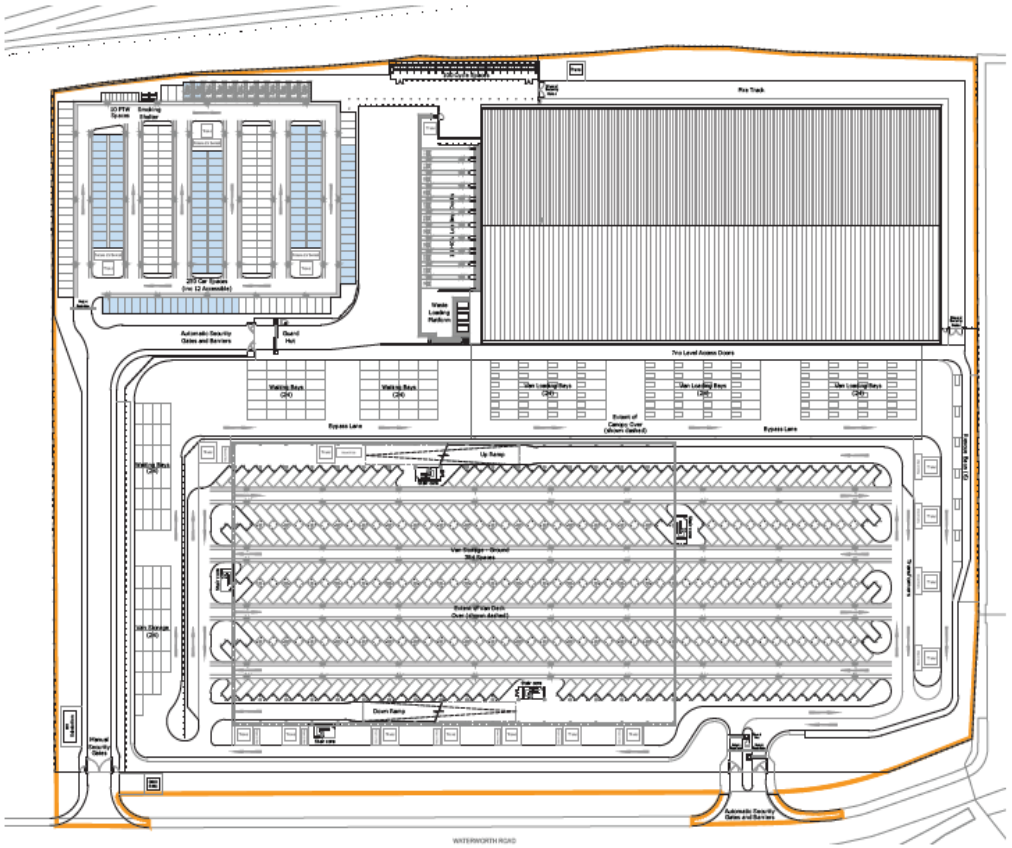


I.e., post ENGL's 40% share in the development margin (net basis), if the development is executed at a 6.0% yield on cost, Equites will get a 20% uplift in capital value upon completion assuming the asset will re-rate to a 4.5% cap rate

NEWLANDS DEVELOPMENTS

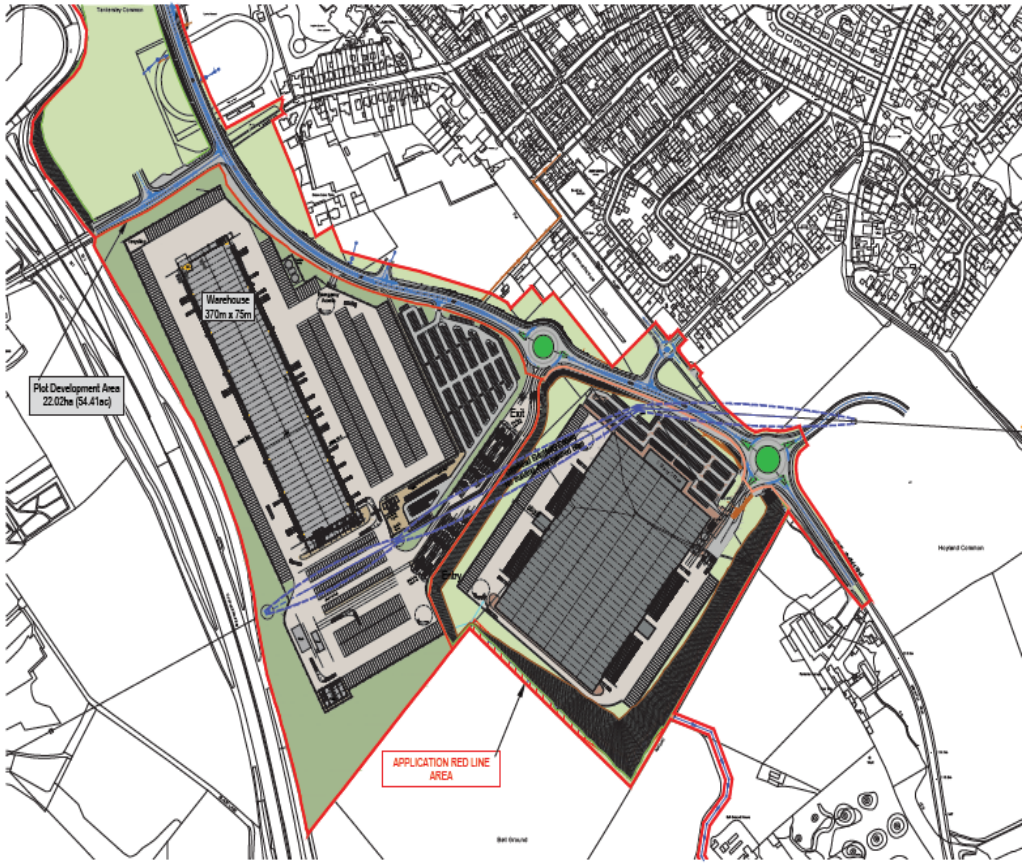
Peterborough Gateway - last mile fulfilment centre

- E-commerce retailer last mile fulfilment centre with GLA of 12 855m² (138 371 sq. ft.)
- Includes 800 van multi-storey parking for HGV's with focus on sustainability to future proof the facility
- User is in the process of rolling out a programme of these facilities across the United Kingdom
- Capital value of c.£ 45million
- Terms have been agreed with counterparties, awaiting final signature



Hoyland, South Yorkshire

- Hermes – Transaction agreed in principle; legal agreements being finalised
- Super hub for Hermes with a second plot for pre-let opportunity
- Total GLA of facility at 31 570m² (339 821 sq. ft.)
- Agreement with Hermes for 20-year lease
- Capital value of c.£ 80 million on completion
- Terms have been agreed with counterparties, awaiting final signature



Basingstoke Gateway

- Basingstoke is ideally located to house “last-mile” fulfilment centers
- In negotiations with an e-commerce retailer to develop a £200 million freehold facility (largest plot on the plan)
- Terms have been agreed with counterparty for the largest plot, awaiting final signature
- Initial discussion regarding logistics last-mile delivery facility taking 50% of the remaining land

OPERATING CONTEXT

Key trends driving UK logistics market

COVID 19 effect

- Acceleration of e-commerce and logistics “swing” from retail
- JLL report that by end of Q320, market take up had met 2019 levels
- Rental growth and yield compression is evident
- 20-year lease to Amazon is trading at sub 4%

Customer Experience

- DPD is a market leader
- Amazon’s latest strategy with last-mile fulfilment facilities
- Parcel return hubs
- Newlands being approached to work with occupiers on accelerating pipeline

Green Agenda

- September 2020 was the first time more electric cars (incl. PHEV) sold than diesel
- Planning focus
- Occupier focus e.g. electric van facilities

PROSPECTS

equites
PROPERTY FUND

Prospects

While the effects of **COVID** are still unfolding, we are confident that we have **effectively managed** the first-round impacts of the pandemic

We have amassed a portfolio which will continue to be **resilient** in the **face of adversity**

Collections remain robust, and the properties are testament to the **defensiveness** provided by the **logistics** asset class

For this reason, the board expects the company to achieve full year **distribution per share** growth of **2% - 4%***

*This guidance is based on the assumptions that a stable macro-economic environment will prevail, no major corporate failures will occur, the GBP/ZAR exchange rate remains materially unchanged and tenants will be able to absorb the recovery of rising utility costs and municipal rates. This forecast has not been audited or reviewed by Equites' auditors.

QUESTIONS

equites
PROPERTY FUND