

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")



INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2024 AND POSTING OF DIVIDEND ELECTION CIRCULAR

SIX MONTHS IN REVIEW

The six months to 31 August 2024 have been characterised by a strong focus on fundamentals and simplifying the core business.

The Group continued with its disposal programme, completing the disposal of a further R0.6 billion of assets in 1H25. This, combined with a successful dividend reinvestment programme in May-24, has funded R0.9 billion of development expenditure, whilst maintaining a stable LTV ratio of 41.0%. The Group expects to dispose of a further R0.9 billion of SA assets in 2H25 (R0.5 billion are subject to Heads of Terms at the date of this report). The disposal of a UK asset valued at £39 million (R0.9 billion) is expected to be completed in 2H25, with two further UK assets identified for sale. These disposals, offset by R0.6 billion of SA developments in 2H25, is forecast to reduce the LTV to c.38% by Feb-25.

Both the SA and the UK property portfolios are performing in line with expectations, delivering strong like-for-like ("**LfL**") growth of 5.6% in the SA portfolio and an uplift of 7.4% in the UK portfolio as a result of rent reviews. The Group's portfolio is characterised by robust fundamentals with 98.6% of rental income derived from A-grade tenants, zero vacancy at the date of this announcement, and a weighted average lease expiry of 13.2 years.

The Group is targeting the upper end of its guidance of 130 and 135 cps for FY25.

THE PERIOD IN BRIEF

- Distribution per share of 66.50 cents, on track for full year guidance of 130 cps – 135 cps.
- Distribution pay-out ratio of 100%.
- Net asset value per share decreased by 4.8% from R17.14 at 29 February 2024 to R16.32.
- SA portfolio valuations up by 2.2%, on a LfL basis, from 29 February 2024.
- Disposals of R0.6 billion completed and transferred.
- R0.9 billion spent on developments.
- Rooftop solar generation capacity increased to 23.5MW from 20.2MW at 29 February 2024.
- Achieved first EDGE NET-ZERO CARBON certification
- Loan-to-value ratio ("**LTV**") of 41.0%.
- R2.2 billion of cash and unutilised facilities.
- Portfolio vacancy rate of 0.6% at Aug-24. This property has subsequently been let from Oct-24.

KEY FINANCIAL HIGHLIGHTS

	Unaudited six months ended 31 August 2024	Unaudited six months ended 31 August 2023	% Change
Gross property revenue (R'000)	1 995 345	1 232 034	62.0%
Distributable earnings (R'000)	538 405	511 022	5.4%
Earnings per share (cents)	24.2	54.6	(55.6%)
Headline earnings per share (cents)	53.7	45.6	17.7%
Total comprehensive income (R'000)	205 879	945 418	(78.2%)
Dividend declared per share (cents)	66.50	65.37	1.7%
Net asset value per share (cents)	1 632	1 673	(2.4%)

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 22 of 66.50411 cents per share.

The Board has declared an interim gross dividend of 66.50411 cents per share on 9 October 2024 which is a 1.7% increase over the prior year interim distribution of 65.36876 cents per share. The DPS is in line with previous guidance of achieving 130 to 135 cents per share for the year.

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 Tuesday, 22 October 2024.

Salient dates and times

2024

Equites results including declaration of an interim distribution published on SENS	Thursday, 10 October
Circular and form of election posted to shareholders	Thursday, 10 October
Finalisation information including the share ratio and reinvestment price per share published on SENS by 11:00 (SA time)	Tuesday, 22 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 (" LDT ")	Tuesday, 29 October
Shares trade ex-dividend	Wednesday, 30 October
Listing of maximum possible number of shares under the dividend reinvestment alternative	Friday, 1 November
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, 1 November

Record date for the election to receive shares in terms of the dividend reinvestment alternative or to receive a cash dividend (" record date ")	Friday, 1 November
Announcement of results of cash dividend and dividend reinvestment alternative released on SENS	Monday, 4 November
Payment of cash dividends to certificated shareholders by electronic funds transfer	Monday, 4 November
Dematerialised shareholders' CSDP or broker accounts credited with the cash dividend payment (if applicable)	Monday, 4 November
Share certificates posted to certificated shareholders on or about	Wednesday, 6 November
Dematerialised shareholders' CSDP or broker accounts credited with the new shares (if applicable)	Wednesday, 6 November
Adjustment to shares listed on or about	Friday, 8 November

Note:

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, 30 October 2024 and Friday, 1 November 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 66.50411 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 53.20329 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 809 581 655 ordinary shares of no par value each.
- Income Tax Reference Number of Equites: 9275393180.

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, Thursday, 10 October 2024 and is available on the website of the Company: <https://www.equites.co.za/investor-community/investor-documentation/> from Thursday, 10 October 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 Thursday, 10 October 2024 to Friday, 1 November 2024.

RESULTS ANNOUNCEMENT

This results announcement is the responsibility of the directors of Equites and the contents were approved by the Board on 8 October 2024. This results announcement is a summary of the unaudited condensed consolidated interim results for the six months ended 31 August 2024 ("**full announcement**") released on SENS on 10 October 2024 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/2024/jse/isse/EQU/H12025.pdf>

A copy of the full announcement may be requested from info@equites.co.za or the sponsor, Java Capital at 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.

Independent Non – Executive Directors

P.L. Campher (Chairman), M.A. Brey, E. Cross, K. Ntuli, A.D. Murray, N. Mkhize, F. Tonelli

Non – Executive Directors

A.J. Gouws

Executive Directors

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

Registered office and business address

14th Floor, Portside Towers, 4 Bree Street, Cape Town, 8001

Contact details

info@equites.co.za

Company secretary

T. Vilakazi

Transfer secretary

Computershare Investor Services Proprietary Limited

Auditors

PricewaterhouseCoopers Inc.

Debt sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Equity sponsor

Java Capital Trustees and Sponsors Proprietary Limited
6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196

10 October 2024