

## EQUITES PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2013/080877/06)

Share code: EQU

ISIN: ZAE000188843

JSE alpha code: EQUI

(Approved as a REIT by the JSE)

("Equites" or "the Group")



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## SALE OF A DISTRIBUTION CENTRE IN PETERBOROUGH, UNITED KINGDOM

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### 1 INTRODUCTION

Equites, through its Isle of Man based wholly owned subsidiary, Equites International Limited ("**Equites International**"), concluded a sale agreement ("**Sale Agreement**") in terms of which Equites International will be selling a high-quality distribution centre situated at Waterworth Road, Alwalton Hill, Peterborough (the "**Property**") in the United Kingdom ("**UK**") to Amazon UK Services Limited, a subsidiary of Amazon.com Inc. ("**purchaser**" or "**Amazon**") for a cash consideration of £38.5 million (exclusive of VAT), equating to a transaction yield of 5.17% (the "**Transaction**"). The Property is currently being let to Amazon with 12 years remaining on the lease.

The Transaction will release net cash proceeds of approximately £21.3 million (R490 million) to Equites, in addition to lowering the loan-to-value ("**LTV**") ratio and enhancing the growth profile of distributable earnings per share over the long term.

### 2 RATIONALE FOR THE SALE OF THE PROPERTY IN PETERBOROUGH

The Equites Board continuously evaluates its portfolio and applies a range of investment criteria against every property to determine a specific strategy in respect of each property. Factors considered include the quality and flexibility of the asset, the potential selling price and the ability to recycle the proceeds from the sale into superior product and/or at superior returns.

The sale of the Property is consistent with Equites' strategic disposal programme that has previously been communicated to shareholders. The disposal will reduce the LTV ratio, with proceeds initially being used to reduce both GBP and ZAR debt, and thereafter be invested in accretive projects within the South African development pipeline.

### 3 TERMS OF THE TRANSACTION

The purchase price of £38.5 million was paid to Equites on Friday, 22 November 2024 ("**Transfer Date**").

There are no outstanding conditions precedent and the Transaction exchanged and completed on Transfer Date.

Equites International has been released from their obligations as set out in the development agreement which regulated the respective obligations of Equites and Amazon during the construction phase of the Property. In turn Equites International has ceded and assigned its rights under the construction contracts to Amazon.

Under the Sale Agreement, Equites International has given a limited suite of warranties, which is considered standard in transactions of this nature.

#### 4 VALUATION

The last independent external valuation, performed by Cushman and Wakefield, in accordance with the “RICS Valuation – Professional Standards, the 2012 Edition” (the “Red Book”) valued the Property at £38.2 million.

#### 5 FINANCIAL EFFECTS AND DETAILS OF THE PROPERTIES

At 31 August 2024, the Property was classified as “held-for-sale” and recognised at the expected sales value of £38.5 million. As the disposal value is in line with the carrying value at 31 August 2024, there is no impact on Equites’ net asset value.

The contribution to net profit after tax (including fair value adjustments and finance costs) for the six months ended 31 August 2024 amounted to £160,594.

Property Name	Geographical Location	GLA (m <sup>2</sup> )	Property type	Weighted average rental per m <sup>2</sup> per month*
Amazon Peterborough Gateway	Peterborough, UK	13 318	Logistics	R323.35

\*Based on a GBP/ZAR exchange rate of ZAR23.3172.

The Transaction will decrease the Group LTV ratio by approximately 1.9%, thereby reducing LTV to below 40%.

The Transaction will be marginally accretive to distribution per share (“DPS”), as net cash proceeds will be utilised to repay rand-denominated debt. This has been taken into account in the DPS guidance for FY25.

This information has not been audited and was extracted from the Group’s interim results for the six months ended 31 August 2024, which were prepared in terms of International Financial Reporting Standards.

#### 6 CATEGORISATION

The Transaction is a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by shareholders.

26 November 2024

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Corporate advisor and sponsor to Equites

JAVACAPITAL

Debt sponsor

