

28 May 2025

Emira delivers exceptional full-year results with robust fundamentals underpinning its strategic pivot

Emira Property Fund (JSE: EMI) reported a strong set of results for its full year ended 31 March 2025 highlighting consistent strategic execution, accretive diversification and disciplined capital management. The company declared a cash-backed final dividend of 61.50cps, taking the full year dividends to 123.89cps, 5.9% higher than the prior year. Its full-year distributable income per share increased by 4.9%. Emira's net asset value per share surged by 20.9% over a busy year that delivered exceptional results, improved operational metrics and a substantial repositioning.

All Emira's key metrics improved, with its South African assets delivering steady outperformance and the US portfolio remaining robust. At the same time, it achieved meaningful portfolio restructuring and strengthening, with a strong entry into the Polish real estate market.

Through a synchronised asset rotation focus, Emira traded out of R2.8bn of non-core assets in South Africa, where it had a further R628.3m of sales under contract at year end. It simultaneously redeployed approximately R2bn (EUR100m) of proceeds into its international strategy, successfully concluding two tranches of investment in DL Invest, with the balance reducing debt. This strategic capital allocation enhances Emira's diversification by adding exposure to Poland's growing economy, supported by strong consumer demand, ongoing infrastructure investment and sound macroeconomic fundamentals.

International investments now comprise 38% of Emira's portfolio, with 16.6% in the US and 21.2% in Poland. The real estate investment trust's (REIT's) sectorally and geographically diversified portfolio of direct and indirect property investments supports consistent returns through varying market cycles.

"Emira achieved a major restructure while maintaining and improving our balance sheet strength. The business remains well-capitalised with a prudently managed financial position that is comfortably within all covenants," says Greg Booyens, CFO of Emira Property Fund.

Interest cover improved to 2.5 times and the loan-to-value ratio improved to 36.3% from 42.4%. GCR reaffirmed Emira's long-term and short-term credit ratings of A(ZA) and A1(ZA) respectively, with a stable outlook, reflecting a diversified funder base and trusted funding relationships.

Emira's South African direct property portfolio comprises 63 assets, valued at R9.96bn. The portfolio's fair market value, adjusted for disposals, increased 6.1%. The commercial portfolio comprises 42 properties balanced across office (22%), urban retail (46%) and industrial (13%). The residential portfolio (19%) comprises 3,347 units across 21 properties, including properties owned by Transcend Residential Property Fund, a wholly owned subsidiary focused on quality, value-oriented suburban rental units.

Ulana van Biljon, COO Emira Property Fund, *"We are pleased to report excellent performance across our South African direct property portfolio. While economic headwinds and soft property fundamentals have delayed real rental growth, recent improvements in the operating environment are encouraging. Reduced load shedding and greater political clarity created by the Government of National Unity are bolstering business confidence, which supports the performance of both the commercial and residential property sectors. This reflects in the occupancy metrics of the South African direct portfolio, which continued to trend favourably."*

Commercial vacancies decreased from 4.1% to 3.6% post period, improving from a fleeting increase to 6.4% at year-end caused by a single industrial tenant relinquishing and then reoccupying its space. Vacancies in all sectors were well below national sector benchmarks, signalling sustained tenant

demand for Emira's properties and effective leasing strategies. Office vacancies reduced from 10.9% to 8.4%. Retail vacancies remained low at 4.2% and the industrial portfolio vacancies reduced to 0.5% post period from 0.7%.

Residential portfolio occupancies remained high at 97.2%, excluding units for sale, with solid underlying demand supporting performance and contributing to consistent, modest rental growth.

Emira invested R177.2m in targeted upgrades, energy efficiency projects and refurbishments to reinforce tenant retention and attraction. *"These investments are undertaken to enhance asset competitiveness and support operational efficiency, as well as to improve resilience against the impact of weakening municipal service delivery,"* notes van Biljon.

Internationally, Emira invests indirectly through equity interests alongside specialist co-investors. In the United States, it holds stakes in influential stakes, ranging between 45% and 49%, in dominant, grocery-anchored centres with US-based partner The Rainier Group. In Poland, Emira has a 45% equity interest in DL Invest Group, a Luxembourg-headquartered company developing and managing logistics hubs, mixed-use offices and retail parks across the country.

In the US in December 2024, Emira and its co-investors successfully sold San Antonio Crossing, a centre that had reached peak performance, at an 8.87% premium to book value. The US portfolio closed the financial year with 11 investments, which traded well supported by the continued resilience of the US retail real estate sector. These assets totalled R2.7bn (USD145.4m) and delivered R235.1m in distributable income (FY24: R222.6m for 12 investments).

Emira's US investments continued to demonstrate strength, supported by stable occupancy levels and consistent tenant demand, even in the face of broader economic volatility, with reported vacancies of 4.6% (FY24: 3.6%) and a weighted average lease expiry of 4.2 years (FY24: 5.0 years).

In August 2024, Emira acquired an initial strategically structured stake in DL Invest and completed a second tranche of investment on 20 March 2025, taking its total equity interest to 45%. Emira's investment is structured for an attractive return profile, including an annual cash yield of 7.2%, escalated annually by the Harmonised Index of Consumer Prices (HICP) for the European Area, but subject to a cap of 4% and a floor of 2%.

When Emira closed its financial year, DL Invest held a portfolio of 39 completed properties, valued at EUR689m. The portfolio comprises 67% industrial and logistics assets, 22% mixed-use/office assets and 11% retail parks. The portfolio has a total vacancy of 3.1% and a stable weighted average lease expiry of 5.5 years. It also includes land and development assets of EUR173m providing a pipeline for future growth.

Building on a pivotal year from a healthy operational and balance sheet position, Emira will continue to execute disciplined capital recycling strategy and strategically redeploy the proceeds into higher-yielding, value-accretive opportunities. With a strong foundation, disciplined execution and a clear strategy, Emira is positioned to sustain and grow value for investors.

At the same time as reporting results, Emira announced that James Day, currently a non-executive director of Emira, has been appointed Chief Executive Officer with effect from 1 July 2025.

Day, who joined the Emira board on 1 October 2023, brings extensive international and local experience in the listed property sector, including key expertise in raising and negotiating financing arrangements, along with a strong track record in strategic execution and transaction structuring, with various prior

financial management and audit roles in South Africa, the United States and Australia. Emira's board advised that Day's proven financial acumen and leadership capabilities position him well to guide Emira in its next phase of growth and development. Prior to this appointment, Mr. Day held senior roles in the property sector both in Australia and South Africa, most recently serving as Financial Director at Castlevue Property Fund Limited.

.../ends