Newpark

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS, CASH DIVIDEND AND OUTLOOK

for the 12 months ended 28 February 2025

AT A GLANCE

REVENUE

increased to **R132,8** million (UP 1,5%)

FUNDS FROM OPERATIONS

decreased to **R78,4** million (DOWN 3,38%)

TOTAL DIVIDEND

increased to **78,37** cents per share (UP 11,37%)

NET ASSET VALUE PER SHARE

decreased to **R5,64** (DOWN 6,47%)

LOAN-TO-VALUE RATIO

deteriorated to **43,1%** (UP from 41,1%)

HEADLINE EARNINGS PER SHARE

decreased to **42,35** cents (DOWN 19,18%)

EARNINGS PER SHARE

increased to **36,14** cents per share (UP >100%)

NATURE OF BUSINESS

Newpark is a property holding and investment company that through its subsidiaries is invested in high-quality properties.

INVESTMENT STRATEGY

Newpark's investment strategy is to seek well-located prime commercial, industrial and retail properties in South Africa, which provide a high-quality, sustainable earnings base with the potential for capital appreciation within the medium- to long-term.

PROPERTY PORTFOLIO

Newpark's property portfolio consists of four properties. Two are located in the heart of Sandton, Gauteng, namely the JSE Building which has 18 533,0m² of gross lettable area ("**GLA**") and an adjoining mixed-use property known as 24 Central, which has 16 524,6m² of GLA. A further property is situated in Linbro Business Park, which has 13 713,0m² of GLA and the fourth property is situated in Crown Mines and has 11 277,0m², of GLA. The combined valuations of these properties, prepared by the registered property valuer, are performed annually at the group's year-end. The latest valuation as at 28 February 2025 was R1,09 billion.

COMMENTARY ON RESULTS

Newpark's loan-to-value ("**LTV**") ratio has increased to 43,1% (F2024: 41,1%), primarily due to the reduction in value of the JSE property. The positive impact of the increased value at the Linbro Park and 24 Central properties was offset by the change in valuation of the JSE property with the overall result being a total portfolio value decrease of R29,5 million (2,6%) relative to the value of the assets in the previous year. Independent valuations for all properties were performed by Broll Valuation and Advisory Services (Pty) Ltd, who also valued the properties in the previous financial year.

Revenue for the financial year ended 28 February 2025 ("**the financial year**") was R132,8 million (F2024: R130,9 million), up 1,5%. Operating profit before fair value adjustments was R91,2 million (F2024: R96,9 million), down 5,9% with the decrease predominately resulting from higher property and administration costs. After allowing for fair value adjustments and the net cost of finance, the total comprehensive profit for the financial year was R36,1 million (F2024: loss of R222,3 million), up 116,3%, representing earnings of 36,14 cents per share ("**cps**") (F2024: negative 222,28 cps).

The board declared a final cash dividend of 48,37 cps (F2024: 35,37 cps). The total dividend for the financial year is 78,37 cps (F2024: 70,37 cps), representing 100,0% of funds from operations ("**FFO**"), and an increase of 11,37% over the 70,37 cps declared in respect of the prior year (F2024: 86,8% of FFO).

FUNDING

The group's funding was restructured during the period, which had the impact of increasing the maturity profile and reducing funding margins. The previous term facilities amounting to R450 million were refinanced into a single facility of R475 million with a maturity date of 29 February 2028. This refinancing resulted in a decrease in the weighted average margin on term debt from 2,10% to 1,75% and refinanced a portion of capital expenses that had previously been funded by the revolving credit facility ("**RCF**"). Additionally, the term of the R50 million RCF was extended to 29 February 2028, with the rate also decreasing from prime less 1,30% to prime less 1,50%.

The increased borrowings arising from capital expenditure coupled with the decrease in property valuations resulted in an increase in the Loan-to-Value ("**LTV**") ratio to 43,1% at year-end. Despite the increase in the LTV, the ratio remains well below the requirement of 50,0% in terms of the group's restructured debt agreements.

Although decreasing interest rates have had a positive impact on Newpark's funding costs, the benefit was somewhat offset by the maturing of an interest rate swap which had fixed a portion of the group's debt at a low base rate. Newpark currently has an interest rate swap and an interest rate cap in place, with a combined nominal value of R250 million, which mature in June 2025 and March 2027 respectively. Newpark will continue to monitor the interest rate environment and, where appropriate, adjust its hedging position by adding or replacing instruments during the year to ensure that interest rate risk is managed in line with its hedging strategy.

OUTLOOK

Newpark will maintain its focus on managing its existing assets, with particular attention on the office space at 24 Central, where vacancies currently account for 4,8% of the portfolio by GLA.

The group will continue to remain alert to any potential acquisitions and disposals that are in keeping with its stated investment strategy.

The full rental reversion on the JSE lease will come into effect in the coming financial year and, taking the resultant impact into account, the group is budgeting FFOPS for the year ending 28 February 2026 to be between 39,00 and 46,00 cents per share, being a decrease of between 50,2% and 41,3% of FFOPS for the financial year of 78,37 cents.

The dividend per share for the year ended 28 February 2026 is budgeted to be in line with the FFOPS for that year.

The forecast is based on the assumption that there will be no further deterioration in the macro-economic environment, no material tenant default will occur, operating cost increases will not exceed inflation and no changes will be made to the property portfolio. This forecast has not been audited, reviewed or reported on by Newpark's auditor.

CASH DIVIDEND DECLARATION

The board has approved and notice is hereby given of the final gross dividend of 48,3680 cents per share for the year ended 28 February 2025.

The dividend is payable to Newpark's shareholders in accordance with the timetable set out below:

	2025
Last date to trade *cum* dividend	Tuesday, 3 June
Shares trade *ex* dividend	Wednesday, 4 June
Record date	Friday, 6 June
Payment date	Monday, 9 June

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 June 2025 and Friday, 6 June 2025, both days inclusive.

The dividend will be transferred to dematerialised shareholders' CSDP accounts/broker accounts on Monday, 9 June 2025.

Certificated shareholders' dividend payments will be paid to certificated shareholders' bank accounts on or about Monday, 9 June 2025.

In accordance with Newpark's status as a REIT, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("**Income Tax Act**"). The dividend will be deemed to be a dividend for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT. This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders submitted the following forms to their Central Securities Depository Participant ("**CSDP**") or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

a) a declaration that the dividend is exempt from dividends tax; and

b) 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 ceases 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.

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any dividends received by a non-resident from a REIT will be subject to dividend 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 shareholders. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 38,6944 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 submitted 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) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and

b) 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.

Shares in issue at the date of declaration of dividend: 100 000 001

Newpark's income tax reference number: 9114003149.

The audited consolidated annual financial statements for the 12 months ended 28 February 2025 including the audit opinion of the external auditor, BDO South Africa Incorporated, which set out the key audit matters and the basis for its unmodified opinion, are available on the company's website on http://www.newpark.co.za/pdf/annual_reports/FY25AFS.pdf.

By order of the board

15 May 2025

*This results announcement is the responsibility of the directors and is only a summary of information in the audited consolidated annual financial statements for the 12 months ended 28 February 2025 ("**2025 AFS**") released on SENS on 16 May 2025 and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on the 2025 AFS which is available on https://senspdf.jse.co.za/documents/2025/jse/isse/NRLE/FY25AFS.pdf and published on the company's website on http://www.newpark.co.za/pdf/annual_reports/FY25AFS.pdf on 16 May 2025.*

NEWPARK REIT LIMITED
(Incorporated in the Republic of South Africa) • (Registration number 2015/436550/06) • JSE share code: NRL • ISIN: ZAE000212783 • (Approved as a REIT by JSE)
("**Newpark**" or "**the company**" or "**the group**")

Directors:
S Shaw-Taylor (Chairperson) **, AF Benatar (Chief Executive Officer), AJ Wilson (Financial Director), DT Hirschowitz *, KM Ellerine *, BD van Wyk *, RC Campbell **, TS Sishuba **
** Non-executive director* *** Independent non-executive director*

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