

TOWER PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2012/066457/06)

JSE share code: TWR ISIN: ZAE000179040

(Approved as a REIT by the JSE)

("Tower" or "the Company")



TRADING STATEMENT

Shareholders are referred to Tower's results announcement for the six months ended 30 November 2020 which detailed the factors, including the Covid-19 Pandemic and resultant lockdowns, that impacted on Tower's performance for that period.

With respect to Tower's results for the year ended 31 May 2021, shareholders are advised that Tower expects that distributable earnings per share for the year ended 31 May 2021 will be 29.9 cents per share, being 49.6% lower than the 59.38219 cents per share for the year ended 31 May 2020.

The decreased distributable earnings per share is as a result of a number of factors including:

- increased vacancies, negative rental reversions for lease renewals and bad debt write-offs;
- rental concessions given due to the impact of Covid-19;
- the conversion of Euro debt into Rand debt (a strategic and stated target); and
- the sale of non-core assets; the proceeds of which were used to settle Euro debt, secured by South African properties, as per the company's disclosed strategy .

A further announcement regarding Tower's dividend per share will be made in due course, once the Tower board has made a decision regarding an appropriate pay-out ratio in respect of its distributable earnings for the year ended 31 May 2021. As previously communicated, the board will assess this ratio from time to time, but Tower does not expect to distribute more than 90% of its distributable income going forward. For the year ended 31 May 2020 Tower paid out 75% of distributable earnings.

The financial information contained in this trading statement has not been reviewed or reported on by Tower's auditors.

Tower's summarised consolidated results for the year ended 31 May 2021 will be published on 20 August 2021.

4 August 2021

Sponsor

JAVACAPITAL