




INDUSTRIAL | RETAIL | RESIDENTIAL | REST OF AFRICA



NOTICE OF ANNUAL GENERAL MEETING

6 June 2024 at 10h00



SA CORPORATE REAL ESTATE LIMITED
NOTICE OF ANNUAL GENERAL MEETING

6 JUNE 2024 AT 10H00

GREENPARK CORNER, 16TH FLOOR,
CORNER LOWER ROAD AND WEST ROAD SOUTH,
MORNINGSIDE, SANDTON

CONTENTS

- | | | |
|-----------|--|--|
| 2 | NOTICE OF ANNUAL
GENERAL MEETING | |
| 10 | DISCLOSURES AND
INFORMATION REQUIRED IN
TERMS OF THE JSELR | 12 FORM OF PROXY |
| 11 | IMPORTANT NOTES REGARDING
ATTENDANCE AT THE ANNUAL
GENERAL MEETING | 14 BRIEF BIOGRAPHIES OF
DIRECTORS |
| | | 15 AUDITED SUMMARY CONSOLIDATED
FINANCIAL STATEMENTS |

**ARTHUR MOLOTO***Chairman: SA Corporate Real Estate Limited***Dear Shareholder**

On behalf of the Board of Directors ("Board") of SA Corporate Real Estate Limited ("SA Corporate" or the "Company") you are invited to attend the Company's Annual General Meeting ("AGM") to be held at GreenPark Corner, 16th Floor, corner Lower Road and West Road South, Morningside, Sandton on Thursday, 6 June 2024 at 10h00.

The notice of AGM contains the audited summary consolidated financial statements ("AFS") of the Group for the year ended 31 December 2023, which were compiled under the supervision of Mr SY Moodley CA(SA), Chief Financial Officer of SA Corporate and audited by PricewaterhouseCoopers Inc., the Company's independent auditors who issued an unmodified audit opinion on the AFS of the Company and the Group for the year ended 31 December 2023.

The AFS and the Company's Integrated Annual Report suite, for the year ended 31 December 2023, are available on www.sacorporatefund.co.za or by contacting the Group Company Secretary on the details provided on page 11 of this notice.

Shareholders are able to vote by proxy in accordance with the instructions in this AGM notice on pages 12 and 13.

MA MOLOTO*Chairman*

25 April 2024

NOTICE OF ANNUAL GENERAL MEETING, PROXY FORM AND AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

SA Corporate Real Estate Limited
 Incorporated in the Republic of South Africa
 Share Code: SAC ISIN Code: ZAE000203238
 Registration number 2015/015578/06
 ("SA Corporate" or the "Company")
 REIT status approved

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2024 annual general meeting of shareholders (the "annual general meeting" or "AGM") of SA Corporate will be held at GreenPark Corner, 16th Floor, corner Lower Road and West Road South, Morningside, Sandton on Thursday, 6 June 2024 at 10h00, to deal with such business as may lawfully be dealt with at the AGM and to consider and, if deemed fit, pass, with or without modification, the ordinary resolutions, endorsements and special resolutions set out hereunder in the manner required by the Companies Act, 71 of 2008, (as amended) (the "Act"), the JSE Limited Listings Requirements ("JSELR") and the Company's memorandum of incorporation ("MOI").

This notice is important and requires your attention:

Your attention is drawn to the notes at the end of this notice, which contain important information regarding participation in the AGM.

IMPORTANT DATES

Record date to be eligible to receive the notice of AGM	Friday, 19 April 2024
Last day to trade to be eligible to attend and vote at the AGM	Monday, 27 May 2024
Record date to be eligible to attend and vote at the AGM	Friday, 31 May 2024
Proxies due (for administration purposes)	Tuesday, 4 June 2024
AGM at 10:00	Thursday, 6 June 2024
Results of AGM to be released on SENS (on or about)	Thursday, 6 June 2024

VOTING AND PERCENTAGE OF VOTING RIGHTS

Voting will be by way of a poll, and every shareholder of the Company, present or represented by proxy, shall have one vote for every share held in the Company by such shareholder.

Unless specifically stated otherwise, in order for an ordinary resolution and a special resolution to be approved by shareholders, same must be supported by more than 50% and at least 75%, respectively, of the voting rights exercised on the relevant resolution by shareholders present, or represented by proxy, at the AGM.

RECEIPT OF ANNUAL FINANCIAL STATEMENTS, AUDIT COMMITTEE REPORT AND SOCIAL, ETHICS AND ENVIRONMENTAL COMMITTEE REPORT

To receive the audited annual financial statements of the Company and of the Group (being the Company and its subsidiaries), for the financial year ended 31 December 2023, together with the directors' report, and the reports of the Audit and Risk Committee and the external auditors of the Company. The audited annual financial statements were approved by the Board on 27 March 2024 and are presented to shareholders as required in terms of section 30(3)(d) of the Act. The audited annual financial statements are available from the Company's website at www.sacorporatefund.co.za. Audited summary consolidated financial statements for the year ended 31 December 2023 are included with this notice of AGM; and

To receive the report of the Social, Ethics and Environmental Committee for the financial year ended 31 December 2023, as required in terms of Regulation 43 of the regulations to the Act, as set out in the Environmental, Social and Governance Report ("ESG Report") available on the Company's website.

ORDINARY RESOLUTIONS

Each of the following ordinary resolutions requires the support of more than 50% of the votes exercised thereon in order to be adopted. In terms of the JSELR, Ordinary Resolution Number 10 requires the support of more than 75% of the votes exercised thereon in order to be adopted.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Re-election of non-executive directors retiring by rotation

To vote on the re-election, each by way of a separate vote, of the following directors who are required to retire in terms of clause 25.12 of the Company's MOI, and who are eligible for re-election:

- Ms EM Hendrick
- Mr GJ Heron
- Mr MA Moloto

The Nomination Committee has reviewed the composition of the Board against statutory corporate governance requirements and best-practice recommendations and has recommended the re-election of Ms EM Hendricks, Messrs GJ Heron and MA Moloto. It is the view of the Board that the re-election of these non-executive directors will provide continuity on the Board and enable the Company to responsibly maintain a mixture of business skills and experience relevant to the Company.

The independence of all directors was reviewed by the Nomination Committee against the King IV Report on Governance for South Africa 2016 (King IV™) indicators, on a substance-over-form basis. The Nomination Committee recommended, and the Board agreed, that independence and judgement of the directors were not affected or impaired by their length of service, or otherwise, and that all the Company's non-executive directors are considered to be independent.

Information on the Company's corporate governance practices is available on pages 26 to 34 of the Company's Integrated Annual Report ("IAR") and pages 7 to 14 of the ESG Report, available on the Company's website: www.sacorporatefund.co.za.

Brief biographies of each of the aforementioned directors are set out on page 14 of this notice.

1. **Ordinary Resolution Number 1: Re-election of Ms EM Hendricks as an independent non-executive director of the Company**
"RESOLVED that Ms EM Hendricks, who retires by rotation in accordance with the Company's MOI, and who, being eligible, offers herself for re-election, be and is hereby re-elected as an independent non-executive director of the Company."
2. **Ordinary Resolution Number 2: Re-election of Mr GJ Heron as an independent non-executive director of the Company**
"RESOLVED that Mr GJ Heron, who retires by rotation in accordance with the Company's MOI, and who, being eligible, offers himself for re-election, be and is hereby re-elected as an independent non-executive director of the Company."
3. **Ordinary Resolution Number 3: Re-election of Mr MA Moloto as an independent non-executive director of the Company**
"RESOLVED that Mr MA Moloto, who retires by rotation in accordance with the Company's MOI, and who, being eligible, offers himself for re-election, be and is hereby re-elected as an independent non-executive director of the Company."

Election of an executive director appointed by the Board

4. **Ordinary Resolution 4: Election of Mr SJ Mojalefa as an executive director of the Company**
"RESOLVED that, in terms of clause 25.2 of the Company's MOI, Mr SJ Mojalefa having been appointed by the Board since the last AGM of the Company be and is hereby elected as an executive director of the Company."

Election of members of the Audit and Risk Committee

To vote on the election, each by way of a separate vote, of the members of the Audit and Risk Committee of the Company to hold office until the end of the next AGM, namely:

- Ms N Ford-Hoon(Fok)
- Mr GJ Heron (subject to him being re-elected as a director in terms of Ordinary Resolution Number 2)
- Ms SS Mafoyane

The Board, having considered the composition and mandate of the Audit and Risk Committee is satisfied that each member standing for election, meets the requirements of section 94(4) of the Act, as well as the minimum qualification requirements for a member of an audit committee and that collectively, they have adequate and relevant knowledge and experience to equip the Audit and Risk Committee to perform its functions as contemplated in section 94(7) of the Act.

Brief biographies of each of the aforementioned directors are set out on page 14 of this notice.

NOTICE OF ANNUAL GENERAL MEETING *CONTINUED*

5. Ordinary Resolution Number 5: Election of the members of the Audit and Risk Committee

"RESOLVED that each of the following independent non-executive directors, who fulfil the requirements of section 94(4) of the Act, be and are hereby elected, each by way of a separate vote, as members of the Company's Audit and Risk Committee:

5.1 Ms N Ford-Hoon(Fok)

5.2 Mr GJ Heron (subject to him being re-elected as a director in terms of Ordinary Resolution Number 2)

5.3 Ms SS Mafoyane

Reappointment of external auditors

In accordance with paragraph 3.84(g)(iii) of the JSELR, the Audit and Risk Committee has reviewed the credentials and accreditation information relating to PricewaterhouseCoopers Inc. ("PwC"), and to Ms A Majola (in her capacity as the designated audit partner), in order to assess their suitability for re-appointment as the Company's independent external auditors for the financial year ending 31 December 2024.

The Audit and Risk Committee is satisfied that PwC and Ms AKP Majola are suitable for re-appointment as the independent and designated auditor, respectively, of the Company. The Board agreed with this assessment, and accordingly recommends the reappointment of PwC and Ms AKP Majola for the financial year ending 31 December 2024, and to hold office until the conclusion of the next AGM.

6. Ordinary Resolution Number 6: Re-appointment of independent external auditors

"RESOLVED that PwC, be and is hereby reappointed as the independent external auditor of the Company and the Group, and that Ms AKP Majola be noted as the individual determined by PwC to be responsible for performing the functions of the auditor and who will undertake the audit of the Company for the financial year ending 31 December 2024, and will hold office until the conclusion of the next AGM."

Advisory endorsement of the remuneration policy and implementation report

The non-binding advisory votes proposed below are to endorse the Company's remuneration policy and remuneration implementation report, in accordance with principle 14 of King IV™ and the JSELR. These votes enable shareholders to express their views regarding the remuneration policy and implementation report of the Company. These resolutions are of an advisory nature and failure to pass one or both resolutions will therefore not have any legal consequences relating to existing arrangements. However, should either or both resolutions be voted against by 25% (twenty-five percent) or more of the voting rights exercised, the Board undertakes to engage with those opposed to the remuneration policy and/or implementation report in order to ascertain the reasons therefor, and to address appropriately legitimate and reasonable objections and concerns. Details of such engagement, if necessary, will be included in the results announcement of the AGM.

The remuneration policy and implementation report are included in the Remuneration Report in the Company's IAR, available on the Company's website: www.sacorporatefund.co.za

7. Ordinary Resolution Number 7: Non-binding advisory vote - Endorsement of remuneration policy of the Company

"RESOLVED that through a non-binding advisory vote, in accordance with the King IV™ and the JSELR, the shareholders endorse the remuneration policy of the Company as set out in the Remuneration Report."

8. Ordinary Resolution Number 8: Non-binding advisory vote - Endorsement of the implementation of the remuneration policy of the Company

"RESOLVED THAT through a non-binding advisory vote, in accordance with King IV™ and the JSELR, the shareholders endorse the implementation of the remuneration policy of the Company, as set out in the Remuneration Report."

Placing the unissued authorised ordinary shares of the Company under the control of the directors

In terms of the Company's MOI, shareholders must approve the placement of the unissued authorised ordinary shares under the control of the directors. The authority will be subject, at all times, to the relevant provision of the Act, the JSELR and the restrictions imposed by the Company's MOI. This approval is sought to ensure that the Company has maximum flexibility in managing capital resources. For avoidance of doubt, it is highlighted that the 5% (five percent) referred to in the resolution includes any shares issued under the general authority to issue shares for cash as set out in Ordinary Resolution Number 11 below, but not the distribution reinvestment alternative set out in Ordinary Resolution Number 10 below. Ordinary Resolution Number 9 authorises the Board to issue, or grant rights exercisable for, the unissued authorised shares of the Company. Such authority shall endure until the next AGM of the Company (at which time this authority shall lapse, unless it is renewed at the next AGM).

NOTICE OF ANNUAL GENERAL MEETING *CONTINUED*

9. Ordinary Resolution Number 9: To place the unissued authorised ordinary shares under the control of the directors

"RESOLVED that the unissued authorised ordinary shares of no par value in the Company be and are hereby placed under the control of the directors of the Company, who are authorised to allot and issue any such shares at their discretion, subject at all times to the provisions of the Act, the Company's MOI and the JSELR, provided that the number of shares issued hereunder in aggregate in any 1 (one) financial year, will not exceed 125 736 604 ordinary shares which number represents 5% (five percent) of the number of shares in issue (excluding treasury shares) as at the date of this notice of this AGM, being 2 514 732 095 ordinary shares, and is subject to a maximum discount of 5% (five percent) of the weighted average traded price on the JSE of those shares over the 30 business days prior to the allotment, issue or disposal as the case may be."

Specific authority to issue shares to afford shareholders distribution reinvestment alternatives

Pursuant to the shareholder's distribution reinvestment programme that the Company may implement with future distributions, shareholders will be provided with an election form on which they can indicate whether they wish to reinvest any of their distributions in shares in the Company. The election form will provide details of the process and timing of the programme. Ordinary Resolution Number 10 grants the directors the authority to afford shareholders the opportunity to elect to reinvest their distributions in new shares of the Company pursuant to a reinvestment option.

10. Ordinary Resolution Number 10: Specific authority to issue shares to afford shareholders distribution reinvestment alternatives

"RESOLVED that subject to the provisions of the Act and the JSELR, the directors be and they are hereby authorised by way of a specific standing authority (which is separate from and in addition to the authority referred to in Ordinary Resolution Number 11 of this notice of this AGM) to issue ordinary shares of no par value (ordinary shares) as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest distributions received by them in new ordinary shares of the Company, for which purpose such ordinary shares are hereby placed under the control of the directors."

General but restricted authority to issue shares for cash

Ordinary Resolution Number 11 grants the Company the general but restricted authority to issue equity securities for cash, in accordance with the provisions of the JSELR. The Board requires the flexibility to enter into transactions for the benefit of the Company and the shareholders as a general body, which transactions may entail elements of allotments and issues of shares in the capital of the Company for cash. The exercise of the powers to be granted to the Board, as contemplated in this resolution, shall be subject to compliance with the provisions of the Act and the JSELR.

In terms of the JSELR for this resolution to be adopted, more than 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the meeting, must cast their vote in favour of thereof.

11. Ordinary Resolution Number 11: General but restricted authority to issue shares for cash

"RESOLVED that the directors be and are hereby authorised by way of a general authority, to issue shares in the Company for cash as and when they in their discretion deem fit, subject to the Act, the JSELR, the Company's MOI, where applicable, and the following limitations, namely that:

- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- any such issue will be made only to "public shareholders" as defined in the JSELR and not related parties, subject to related parties being able to participate in a general issue of shares for cash through a bookbuild process where the related parties will participate at a maximum bid price at which they are prepared to take-up shares or at the book close price. In the event of a maximum bid price and the book closing at a higher price, the relevant related party will be "out of the book" and not be allocated shares;
- the number of shares issued for cash shall not in the aggregate in any one financial year exceed 5% (five percent) of the Company's issued share capital (excluding treasury shares), being an equivalent of 125 736 604 shares as at the date of the AGM;
- any shares issued in terms of this general authority must be deducted from the initial number of shares available under this general authority;

NOTICE OF ANNUAL GENERAL MEETING *CONTINUED*

- in the event of a sub-division or consolidation of issued shares during the period of this general authority, the general authority must be adjusted accordingly to represent the same allocation ratio;
- this authority will be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given;
- an announcement giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) business days prior to the date that the issue is agreed in writing and an explanation of the intended use of funds, will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of shares in issue prior to the issue; and
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of the shares, adjusted for any cum distribution portion, if applicable, over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the Board.

General Authorisation

12. Ordinary Resolution Number 12: Authorisation of directors and/or the company secretary

"RESOLVED that any director of the Company and/or the company secretary, be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of all the ordinary and special resolutions which are passed by the shareholders."

SPECIAL RESOLUTIONS

Each of the following special resolutions requires the support of at least 75% of the votes exercised thereon in order to be adopted.

Financial assistance to be granted by the Company in terms of sections 44 and 45 of the Act

SA Corporate requires the ability to continue to provide financial assistance, if necessary, in accordance with sections 44 and 45 of the Act. This authority is necessary for SA Corporate to provide financial assistance in appropriate circumstances to subsidiaries and/or other entities that are or become related or inter-related to SA Corporate.

In terms of the Act, in order for SA Corporate to provide such financial assistance, Special Resolutions Numbers 1 and 2 must be adopted. In addition, in terms of the Act, SA Corporate shall be entitled to provide such financial assistance only if the Board is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to SA Corporate and, immediately after providing such financial assistance, SA Corporate would satisfy the solvency and liquidity test contemplated in the Act.

In the circumstances and in order to ensure that, inter alia, SA Corporate's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from SA Corporate, it is necessary to obtain the approval of SA Corporate's shareholders, as set out in Special Resolutions Numbers 1 and 2.

Special Resolution Number 1 will permit SA Corporate to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Act) to the entities referred to in that resolution.

Special Resolution Number 2 will permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 44 of the Companies Act) to the entities referred to in Special Resolution Number 2 for the purposes of the subscription of options and/or securities, issued to or to be issued by SA Corporate's related or inter-related companies, or for the purchase of any securities of SA Corporate's related or inter-related companies.

Special Resolutions Numbers 1 and 2 are to be read separately and independently of Ordinary Resolutions Numbers 9, 10 and 11.

1. Special Resolution Number 1: Financial Assistance to related or inter-related parties

"RESOLVED that, to the extent required in terms of section 45 of the Act, the Board of SA Corporate may, subject to compliance with the requirements of the Company's MOI and the Act, each as presently constituted and as amended from time to time, authorise SA Corporate to provide direct or indirect financial assistance in terms of section 45 of the Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Act) to SA Corporate for any purpose or in connection with any matter, provided that such authority shall endure for 2 (two) years from the adoption of this Special Resolution Number 1."

NOTICE OF ANNUAL GENERAL MEETING *CONTINUED*

2. Special Resolution Number 2: Financial Assistance for the subscription and/or purchase of securities in a related or inter-related company of SA Corporate

"RESOLVED that, to the extent required in terms of section 44 of the Act, the Board of SA Corporate may, subject to compliance with the requirements of SA Corporate's MOI and the Act each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance in terms of section 44 of the Act by way of loans, guarantees, the provision of security or otherwise, to any related or inter-related company of SA Corporate (as defined in the Act) and/or to any financier of SA Corporate or any of its related or inter-related companies for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by a related or inter-related company of SA Corporate, or for the purchase of any securities of a related or inter-related company of SA Corporate, on the terms and conditions and for the amounts that the Board may determine, provided that such authority shall endure for 2 (two) years from the adoption of this Special Resolution Number 2."

Non-executive directors' fees

Special Resolution Number 3 grants the Company authority to pay reasonable market-related fees or remuneration to its non-executive directors for their services as directors in accordance with section 66(9) of the Act. The fees proposed represent a 6% (six percent) increase compared to the fees approved at the previous AGM.

3. Special Resolution Number 3: Approval of non-executive directors' fees

"RESOLVED that the following non-executive directors' fees be and are hereby approved for the period 6 June 2024 to 31 May 2025, or the date of the next AGM, whichever is sooner:

	Annual Retainer Fee* 2024	Fee* per meeting 2024	Annual Retainer Fee* 2023	Fee* per meeting 2023
Board				
Chairman ¹	631 463	–	595 720	–
Lead Independent Director	195 787	33 557	184 705	31 658
Members	159 063	33 557	150 059	31 658
Audit and Risk Committee				
Chairman	96 043	32 015	90 607	30 203
Members	56 055	18 685	52 882	17 627
Investment Committee				
Chairman	96 187	16 031	90 742	15 124
Members	64 100	10 683	60 472	10 078
Nomination Committee				
Chairman	39 899	19 949	37 641	18 820
Members	22 880	11 440	21 585	10 792
Remuneration Committee				
Chairman	48 105	24 052	45 382	22 691
Members	21 962	10 981	20 719	10 359
Social, Ethics and Environmental Committee				
Chairman	40 197	13 399	37 922	12 641
Members	31 979	10 659	30 169	10 056
Conference and strategy sessions flat fee (2-day Board Strategy session; other Board Workshop(s))	–	11 800	–	11 200
Ad hoc (special/unscheduled) meetings per hour, (capped at one-third of the specific meeting fee and an annual cap equal to one-third of the total annual fees for that Committee or the Board, as the case may be)	–	3 600	–	3 400

¹ The Chairman of the Board does not receive a fee per meeting for scheduled Board meetings.

* The fees exclude value added tax ("VAT"). VAT is paid to directors, in addition to their approved directors' fees, only if they are registered vendors and provide SA Corporate with tax invoices for the output tax.

Authority to issue shares to directors who elect to reinvest their distributions under the reinvestment option

To comply with the provisions of the Act, to the extent that the particular issue does not fall within the ambit of section 41(2)(c) of the Act, which permits such directors or officers, etc to participate in an issue for shares provided that the issue is in proportion with existing holdings. The motivation for proposed Special Resolution Number 4 is that, if approved by the shareholders at the AGM, the directors will be authorised to issue shares to persons contemplated in section 41(1) of the Act to reinvest their distribution in accordance with the Distribution Reinvestment Alternative.

4. Special Resolution Number 4: Authority to issue shares to directors who elect to reinvest their distributions under the reinvestment option

"RESOLVED that subject to the provisions of the Act, the Company's MOI and the JSELR, in the event that the Company elects, upon declaration by the Company of a distribution in respect of its shares, to afford all shareholders the option of reinvesting their distributions by subscribing for new shares of the Company ("the Distribution Reinvestment Alternative"); or some of the Company's shareholders, who are also persons contemplated in section 41(1) of the Act (which includes present or future directors or officers of the Company and persons related or inter-related to the Company or its directors and officers), elect to reinvest their distributions in accordance with the Distribution Reinvestment Alternative; the directors be and are hereby authorised to issue to each such shareholder who elects to reinvest their distributions in accordance with the Distribution Reinvestment Alternative such number of shares as are equivalent in value to the distributions reinvested by such shareholder, on such terms and conditions as the directors may, at their discretion, determine."

General authority to repurchase shares

The Company's MOI contains provisions allowing the Company to repurchase securities issued by the Company, subject to compliance with the Act and the JSELR. Special Resolution Number 5 grants the Company or any of its subsidiaries the general authority to repurchase its securities, in accordance with the provisions of the JSELR. The Board requires the flexibility to enter into transactions for the benefit of the Company and the shareholders as a general body, which transactions may entail elements of repurchases. The exercise of the powers to be granted to the Board, as contemplated in this special resolution, shall always be subject to compliance with the provisions of the Act, such as applying the solvency and liquidity test, and the JSELR.

5. Special Resolution Number 5: General authority to repurchase shares

"RESOLVED that the Company or any of its subsidiaries be and are hereby authorised, by way of general authority to acquire ordinary shares issued by the Company upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the Act and the JSELR, being that:

- any such acquisition of shares be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- the Company is duly authorised by its MOI to acquire shares it has issued;
- the general authority shall be valid only until the Company's next AGM or for 15 (fifteen) months from the date of this special resolution, whichever period is shorter;
- in determining the price at which the shares are acquired in terms of this general authority, the maximum premium at which such shares may be acquired shall be 10% (ten percent) of the weighted average of the market price at which such shares are traded on the JSE, as determined over the five trading days immediately preceding the date of the repurchase of such shares;
- in any one financial year the general authority to repurchase will be limited to a maximum of 10% (ten percent) of the Company's ordinary issued shares as at the date of this special resolution;
- an announcement is made as soon as shares have been acquired, on a cumulative basis, of 3% (three percent) of the number of shares in issue at the date of the AGM at which this special resolution is approved, and for each 3% (three percent) in aggregate acquired thereafter;
- the Company only appoints one independent third party agent to affect any repurchase(s) on its behalf;

NOTICE OF ANNUAL GENERAL MEETING *CONTINUED*

- repurchases may not be made during a prohibited period as defined in paragraph 3.67 of the JSELR, unless the Company has a repurchase programme in place and full details of the programme have been disclosed to the JSE prior to the commencement of the prohibited period. The Company must instruct only one independent third party, which makes its investment decisions independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme; and
- a resolution has been passed by the directors confirming that the Board has approved the general repurchase and that the Company will satisfy the solvency and liquidity test as set out in the Companies Act.”

By order of the Board:

J GROVÉ

GROUP COMPANY SECRETARY

DISCLOSURES AND INFORMATION REQUIRED IN TERMS OF THE JSELR

For the purposes of considering Special Resolution Number 5, and in compliance with paragraph 11.26 of the JSELR, shareholders are referred to the additional information below.

Directors' statement after considering the effect of a repurchase pursuant to this general authority

Although there is no immediate intention to effect a repurchase of the shares of the Company, the Board, having considered the effects of a repurchase of the maximum number of ordinary shares in terms of the foregoing general authority, are of the opinion that, for a period of 12 (twelve) months after the date of the notice of this AGM:

- the Company and the Group will, in the ordinary course of business, be able to pay its debts as they become due;
- the consolidated assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the company and the group; and
- the Company and Group's share capital, reserves and working capital will be adequate for ordinary business purposes.

Major shareholders of the Company

Details of major shareholders of the Company are set out on page 124 of the audited annual financial statements for the year ended 31 December 2023.

Share capital of the Company

Details regarding the share capital and reserves of the Company can be found on pages 109 of the audited annual financial statements for the year ended 31 December 2023.

Directors' responsibility statement

The directors collectively and individually accept full responsibility for the accuracy of the information contained in Special Resolution Number 5 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this resolution contains all information required by law and the JSELR.

No material changes to report

Other than the facts and developments reported on in the audited annual financial statements, which are available on the Company's website www.sacorporatefund.co.za, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the audit report for the financial year ended 31 December 2023.

IMPORTANT NOTES REGARDING ATTENDANCE AT THE ANNUAL GENERAL MEETING

SA Corporate Real Estate Limited

(Incorporated in the Republic of South Africa) Share code: SAC

(Registration number 2015/015578/06) (Approved as a REIT by the JSE)

ISIN: ZAE000203238

("SA Corporate" or the "Company" or the "Group")

1. A quorum for the purposes of considering the resolutions above shall consist of 3 (three) shareholders of the Company personally present or represented by proxy (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the Annual General Meeting (AGM). In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions above, providing that at least 3 (three) shareholders are personally present or represented by proxy at the AGM.
2. A SA Corporate shareholder (certificated or own-name dematerialised shareholder) entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote on a poll in his/ her stead. Such proxy need not be a shareholder of the Company.
3. A form of proxy is attached hereto for the convenience of registered certificated shareholders or shareholders who have dematerialised their SA Corporate shares with own-name registration and cannot attend the AGM, but wish to be represented thereat. For administrative purposes, duly completed forms of proxy must be lodged at, or posted to, the AGM scrutineers, The Meeting Specialist (TMS), at the addresses below by no later than 10h00 on Tuesday, 4 June 2024.
4. SA Corporate shareholders who have dematerialised their SA Corporate shares and have not selected own-name registration must advise their Central Securities Depository Participant ("CSDP") or broker of their voting instructions should they be unable to attend the Annual General Meeting but wish to be represented thereat. Dematerialised SA Corporate shareholders without own-name registration should contact their CSDP or broker with regard to the cut-off time for their voting instructions. If, however, such members wish to attend the AGM in person, then they will need to request their CSDP or broker to provide them with the necessary letter of representation to attend in terms of their custody agreement.
5. In terms of section 63(1) of the Act, meeting participants will be required to provide identification to the reasonable satisfaction of the Chairman of the AGM and the Chairman must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably satisfied. Forms of identification that will be accepted include original and valid identity documents, driver's licences and/or passports.

REGISTERED OFFICE DETAILS

SA Corporate Real Estate Limited

16th Floor, GreenPark Corner

Corner Lower Road and West Road South

Morningside, 2196

Suite 95

Private Bag X9976

Sandton City, 2146

Tel: +27 (0)1 020 2530

Email: info@sacorp.co.za

Website: www.sacorporatefund.co.za

Company Secretary: J Grové

Email: jgrove@sacorp.co.za

AGM SCRUTINEERS

The Meeting Specialist (Pty) Ltd

JSE Building

One Exchange Square

2 Gwen Lane

Sandown, 2196

PO Box 62043

Marshalltown, 2107

Tel: +27 (0)84 433 4836 / +27 (0)81 711 4255 / +27 (0)61 440 0654

Email: proxy@tmsmeetings.co.za

FORM OF PROXY

SA Corporate Real Estate Limited

Incorporated in the Republic of South Africa | Share Code: SAC ISIN Code: ZAE000203238 | Registration number 2015/015578/06 | ("SA Corporate" or "the Company") | REIT status approved

For use by shareholders of the Company holding certificated shares and/or dematerialised shareholders who have elected "own-name" registration, nominee companies of Central Securities Depository Participants ("CSDP") and brokers' nominee companies, registered as such at the close of business on Friday, 31 May 2024 (the voting record date), at the Annual General Meeting of the Company to be held at GreenPark Corner, 16th Floor, corner Lower Road and West Road South, Morningside, Sandton on Thursday, 6 June 2024, 10h00 ("AGM"), or at any adjournment thereof.

If you are a dematerialised shareholder, other than with "own-name" registration, do not use this form. Dematerialised shareholders, other than with "own-name" registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (block letters)

of (address)

being a shareholder(s) of the Company and entitled to vote, do hereby appoint:

1. _____ failing him/her

2. _____ failing him/her

3. the Chairman of the AGM,

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s), as follows:

	For	Against	Abstain
Ordinary Resolutions			
1 Re-election of Ms EM Hendricks as an independent non-executive director of the Company			
2 Re-election of Mr GJ Heron as an independent non-executive director of the Company			
3 Re-election of Mr MA Moloto as an independent non-executive director of the Company			
4 Election of Mr SJ Mojalefa as an executive director of the Company			
5.1 Election of Ms N Ford-Hoon(Fok) as a member of the Audit and Risk Committee			
5.2 Election of Mr GJ Heron as a member of the Audit and Risk Committee			
5.3 Election of Ms SS Mafoyane as a member of the Audit and Risk Committee			
6 Re-appointment of PwC as independent external auditor			
7 Non-binding advisory vote - Endorsement of remuneration policy of the Company			
8 Non-binding advisory vote - Endorsement of the implementation of the remuneration policy of the Company			
9 To place the unissued authorised ordinary shares under the control of the directors			
10 Specific authority to issue shares to afford shareholders distribution reinvestment alternatives			
11 General but restricted authority to issue shares for cash			
12 Authorisation of directors and/or the company secretary			
Special Resolutions			
1 Financial assistance to related or inter-related parties			
2 Financial assistance for the subscription and/or purchase of securities in a related or inter-related company of SA Corporate			
3 Approval of non-executive directors' fees			
4 Authority to issue shares to directors who elect to reinvest their distributions under the reinvestment option			
5 General authority to repurchase shares			

Mark 'for', 'against' or 'abstain', as required. If no options are marked, the proxy will be entitled to vote as he/she thinks fit.

Signed at _____ on this _____ day of _____ 20_____

Full name(s) and capacity _____

Signature(s) _____

Assisted by (guardian)* _____

INSTRUCTIONS ON SIGNING AND LODGING THE PROXY FORM

A SHAREHOLDER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND, SPEAK, VOTE, AND ON A POLL, VOTE IN HIS/HER/THEIR STEAD, AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF SA CORPORATE.

1. This form of proxy must only be used by certificated SA Corporate shareholders or own name dematerialised SA Corporate shareholders.
2. If shareholders have dematerialised their shares with a CSDP or broker, other than own name dematerialised shareholders, they must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the Annual General Meeting (AGM) and vote thereat or the shareholder concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.
3. A SA Corporate shareholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the Annual General Meeting". A proxy need not be a shareholder of the Company. The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
4. A SA Corporate shareholder is entitled to one vote on a show of hands and on a poll the SA Corporate shareholder is entitled to one vote for each SA Corporate share held. A SA Corporate shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the SA Corporate shareholder in the appropriate box. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the SA Corporate shareholders' votes.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the AGM notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the SA Corporate shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the meeting facilitators, not less than 48 hours before the commencement of the AGM.
6. If a SA Corporate shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the AGM be proposed, the proxy shall be entitled to vote as he/she thinks fit.
7. The Chairman of the AGM may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
8. The completion and lodging of this form of proxy will not preclude the relevant SA Corporate shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such SA Corporate shareholder wish to do so, subject to the conditions stated herein.
9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the Chairman of the AGM.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
11. Where there are joint holders of SA Corporate shares:
 - a. any one holder may sign this form of proxy;
 - b. the vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of SA Corporate shareholders appear in the Company's register of SA Corporate shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint SA Corporate shareholder(s).
12. Proxy forms must be forwarded to reach TMS, JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196, South Africa or posted to TMS, PO Box 62043, Marshalltown, 2107, South Africa, and proxies can be emailed to proxy@tmsmeetings.co.za to be received by them by no later than 10h00 on Tuesday, 4 June 2024 for administrative purposes, provided that any form of proxy not delivered to TMS by this time may be lodged with TMS immediately prior to the commencement of voting at the AGM.
12. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.

BRIEF BIOGRAPHIES OF DIRECTORS



MABOTHA ARTHUR MOLOTO (55)

BA (Hons); Postgrad Eco Principles; MSc Finance and Financial Law

South African

Appointed to the Board: 7 July 2014

Independent non-executive director
Chairman of the Board

Mr Moloto has extensive experience in infrastructure development, financial regulation, pension fund governance, energy regulation and legislative work. He has served on the Boards of Pan African Infrastructure Development Fund, Government Employees Pension Fund and currently serves on the Boards of Kansai Plascon Africa Limited, and Harith General Partners Proprietary Limited. Mr Moloto also served as the Chairperson of the Land and Agricultural Development Bank of South Africa.



SEAPEI SHELE MAFOFYANE (46)

B.Sc in Microbiology and Genetics; MBA

South African

Appointed to the Board: 11 February 2021

Independent non-executive director

Ms Mafofane is currently the Managing Director of Espy Advisory Services. She previously served as the Chief Executive Officer of Black Umbrellas, the Enterprise and Supplier Development partner to a number of corporates in the public and private sector. Ms Mafofane also served as Business Performance and Capability Strategist at South African Breweries, as Head of Customer Strategy: Credit Division for the Standard Bank of South Africa, and as the Functional Head of Vitality at Discovery Health. She was further an independent non-executive director and Lead Independent Director of Rolife Holdings Limited until 2020 and served as the Chairperson of its Social and Ethics Committee.



NAIDENE FORD-HOON(FOK) (55)

BCom; CTA; CA(SA)

South African

Appointed to the Board: 17 July 2019

Independent non-executive director
Chairman of the Audit and Risk Committee

Ms Ford-Hoon(Fok) is a Chartered Accountant and a seasoned financial executive. She was also the Group Chief Financial Officer for Alexander Forbes Group Holdings Limited, and the South African Reserve Bank, respectively. She currently serves as an independent non-executive director on other listed and unlisted boards.



GREGORY JAMES HERON (58)

BCom; DipAcc; CA(SA)

South African

Appointed to the Board: 17 July 2019

Independent non-executive director
Chairman of the Investment Committee

Mr Heron is a qualified Chartered Accountant and the Chief Executive Officer of Infnitus Holdings (Pty) Limited, an investment company with a portfolio primarily invested in the FMCG and retail sectors. Prior to that, he was head of Leaf Property Fund, a significant unlisted property fund focussed on the office and commercial sector of the property market. Mr Heron has also served as the managing director of Clearwater Capital, and the Head of Structured Finance at Nedbank Property Finance.



EMILY MAURISTENE HENDRICKS (50)

Dip in Teaching; LLB; LLM ; CISL (High impact leadership)

South African

Appointed to the Board: 12 April 2014

Independent non-executive director
Chairman of the Social, Ethics and Environmental Committee

Ms Hendricks is currently the Manager: Exporter Liaison and Regional Coordination at Waitrose and Partners Foundation. Ms Hendricks was previously the Manager: Transformation and Sustainability at United Exports (Pty) Ltd where she headed the OZblu Academy (Pty) Ltd, a subsidiary of United Exports, and championed the implementation of the Agri-sector B-BBEE Codes within the group of companies, which mainly consisted of farming entities. Ms Hendricks' prior roles focussed on education and development of farming communities, driving sustainable and responsible farming. In addition to her teaching and legal qualifications, Ms Hendricks obtained a Brain Based Coaching Certificate from the NeuroLeadership Institute CCE.



SAMSON JOEL MOJALEFA (42)

BAcc; CA(SA)

South African

Appointed to the Board: 25 April 2024

Executive Director

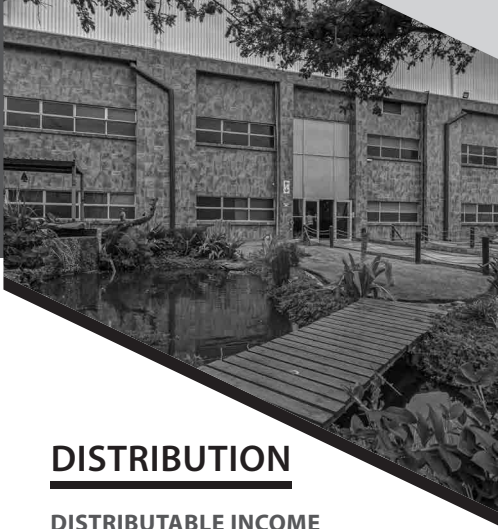
Mr Mojalefa has served the SA Corporate Group as a member of its executive management in the capacity of Head of Corporate Finance since June 2020. He is an accomplished financial executive with over 18 years' post-article experience and knowledge that is transferable over a number of faculties including corporate finance, financial management, strategy execution, private equity and investor relations. In the last four years he has made a substantial contribution to the performance of the business and implementing strategically important transactions.



INDUSTRIAL | RETAIL | RESIDENTIAL | REST OF AFRICA



AUDITED SUMMARY CONSOLIDATED
FINANCIAL STATEMENTS
for the year ended 31 December 2023



OVERVIEW

PORTFOLIO PERFORMANCE

TOTAL NET PROPERTY INCOME (NPI) of
R1.3 billion (2022: R1.2 billion)

TOTAL LIKE-FOR-LIKE NPI increased by
4.6% to R1.01 billion (2022: R0.96 billion)

TRADITIONAL PORTFOLIO VACANCIES
% of gross lettable area (GLA)
2.0% (2022: 2.3%)

RESIDENTIAL PORTFOLIO VACANCIES
% of total units

Afhco 2023 average **3.1%** (2022 average: 4.3%)

AS AT 31 DECEMBER 2023

Afhco **4.2%** (2022: 2.9%)

Indluplace **4.5%** (at 30 September 2022,
Indluplace's last year-end reported, 8.5%)

Total **4.4%**

CAPITAL STRUCTURE

LOAN TO VALUE (LTV) ratio of **41.9%***
(2022: 38.1%*)

* Net debt LTV excluding derivatives, which if included would be 41.6%
(2022: 37.8%)

WEIGHTED AVERAGE COST of funding of
10.2% (2022: 8.8%) exclusive of swaps and
9.4% (2022: 9.0%) inclusive of swaps

EFFECTIVE FIXED DEBT of **70.1%**

WEIGHTED AVERAGE SWAP TENOR of
1.5 years

DISTRIBUTION

DISTRIBUTABLE INCOME

↑ 5.5% vs six months
to 31 December 2022

↓ 4.0% vs twelve months
to 31 December 2022

R647.8 million or 25.76 cps
(2022: R674.8 million or 26.83 cps)

ANNUAL DISTRIBUTION

Declared 23.18 cps# at 90%
payout ratio

(2022: 24.15 cps at 90% payout ratio)

* Includes distribution of 11.39 cps paid in respect of H1 2023

PROPERTY ACTIVITY

Disposal pipeline contracted and still
to transfer and divestments transferred
since 1 January 2023

R1.4 billion

(Transferred to 31 December 2023: R1 013.8 million;
Contracted not yet transferred: R192.2 million,
of which R13.2 million has transferred after
31 December 2023, and under offer: R225.3 million)

ASSETS UNDER MANAGEMENT OF
R19.0 billion

(2022: R16.6 billion)

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS *CONTINUED*

COMMENTARY

INTRODUCTION

SA Corporate Real Estate Limited (SA Corporate or the Company) is a JSE-listed Real Estate Investment Trust (REIT). Together with all its subsidiaries (the Group), it owns a focused portfolio of quality industrial, retail and residential buildings located primarily in the major metropolitan areas of South Africa, with a secondary node in Zambia.

As at 31 December 2023, the Group's property portfolio consisted of 267 properties with 1 709 651 m² of GLA valued at R17.7 billion, as well as a 50.0% joint venture (JV) interest in three Zambian entities, including a minority shareholding in Zambia's only listed property company, valued at R1.8 billion.

STRATEGY PERFORMANCE UPDATE

In 2023, the South African economy continued to experience levels of inflation and interest rates above those recorded prior to the COVID-19 pandemic. The South African Reserve Bank (SARB) repo rate, which peaked at 8.25% in 2023, had a significant impact on the Group's interest costs and, consequently, on distributable income for the 2023 fiscal year. Despite these realities, and other increasing economic challenges, the Group reported results for the financial year ended 31 December 2023 in line with guidance provided to the market during the year. The Group's resilience, which enables it to trade through economic downturns, is a result of its strategy to create a defensive portfolio for its investors. SA Corporate's defensive portfolio is predicated on the pillars of: (i) a robust retail property portfolio focused on convenience-orientated shopping centres which dominate their catchment areas; (ii) a quality logistics portfolio which offers competitive rentals and that invests in established logistics precincts and properties optimised to meet tenant needs; (iii) a "best in class" residential rental portfolio in inner city precincts and suburban estates; and, (iv) financial sustainability realised by actively monitoring and managing the Group's debt, hedging structures and financial covenants. The completion of the acquisition of Indluplace Properties Limited (Indluplace) in the second half of 2023, coupled with the subsequent divestment of properties deemed to be non-core to the Group's residential portfolio, has bolstered the Group's scale of operations and contributed positively to the establishment of a "best in class" residential rental portfolio.

Vacancies in the retail portfolio reduced to 2.7% for the period ended 31 December 2023. Like-for-like revenue and NPI grew by 7.8% and 5.3% respectively over the prior year. New leasing at Morning Glen, Umlazi Mega City and Coachman's Crossing totaling 2 564m² contributed meaningfully to the reduction in vacancies at year-end. Like-for-like revenue growth was impacted by a once-off municipal credit of R12 million at Northpark Mall in the prior year which, if excluded, would have resulted in like-for-like NPI exceeding inflation for the year. The redevelopment of Coachman's Crossing, which was completed in October 2023, resulted in the introduction of Woolworths and complementary food offerings to the centre. Convenience retail and national tenants now comprise 63.6% and 66.8% respectively of the retail offering across the Group's centres.

The industrial portfolio delivered year-on-year like-for-like NPI growth of 5.3%, driven largely by positive escalations in respect of 139 862m² of space let in respect of long-term leases at 57 Sarel Baard, 112 & 37 Yaldwyn, as well as at Beryl Street. Minor vacancy of 0.2% recorded at year-end evidences the portfolio's ability to continue to deliver consistent and predictable cash flows, further affirming its defensive nature. Rental reversions were close to flat, whilst rental escalations for the portfolio averaged positive 6.4% for 2023.

The Group's residential portfolio increased with the 100% acquisition and subsequent delisting of Indluplace. The Indluplace acquisition provides a strategic fit for the Afhco portfolio, in that its suburban weighted spread furthers Afhco's intention to rebalance the residential portfolio towards a more equal split between suburban and inner city locations, following divestment from poor quality properties. Operationally, Indluplace has reduced vacancies in its residential portfolio from 8.5% for the financial year-end 30 September 2022, Indluplace's last reported year-end, to 4.5% at 31 December 2023, whilst retail vacancies increased from 8.9% to 10.3% in the same period. NPI for the period to December 2023 is 12.7% (or R13.4 million) greater than the NPI that was forecast for Indluplace at the time of acquisition, largely due to an increase in occupancies in its residential and student portfolios with the latter increasing from 50% to 98%. In the Afhco portfolio, like-for-like NPI grew by 3.3% over the prior year and, excluding the increase in diesel costs associated with loadshedding of R2.8 million, like-for-like NPI would have grown by 4.4% over the same period. Rental increases, averaging at 3.9% for the period under review, continue to steadily improve, supported by robust demand and low vacancies.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS *CONTINUED*

COMMENTARY *CONTINUED*

Distributable income from the *Zambian JV* grew by 4.5% year-on-year, driven by a reduction in vacancies to 2.6% at year-end; compared to 6.5% recorded in the prior period. Post year-end, SA Corporate, together with its *Zambian JV* partner, increased its shareholding in Real Estate Investments Zambia Plc (REIZ) to 89.9% in anticipation of REIZ deriving the tax efficiencies associated with its conversion to REIT status. The transaction is still subject to regulatory approval from Zambia's Competition and Consumer Protection Commission.

SA REIT FUNDS FROM OPERATIONS

Funds from operations (FFO), as defined by the SA REIT Association (SA REIT), generated for the year was R647.8 million (2022: R674.8 million). Total SA REIT FFO per share for the year amounted to 26.01 cps, down 3.9% relative to 27.07 cps in 2022.

NET PROPERTY INCOME

Total property revenue amounted to R2 480.5 million (2022: R2 042.5 million) with the like-for-like portfolio, excluding disposals, developments and acquisitions during 2022 and 2023, amounting to R1 825.0 million (2022: R1 726.4 million).

NPI increased by 10.7% (R125.9 million) from the previous year, with the like-for-like portfolio increasing by 4.6%. The increase in NPI was largely driven by the acquisition of Indluplace and the increase in the like-for-like portfolio, these were partially offset by a decrease in NPI attributable to properties sold and held for sale.

Total property expenses, including Indluplace increased to R1 155.3 million (2022: R960.6 million) without which total property expenses, would have amounted to R1 000.1 million. Like-for-like property expenses increased by 7.2%.

The overall distributable income from the *Zambian JV* for the year increased by 4.5% to R58.3 million (2022: R55.8 million). This is due to reduced vacancies and increased income generated from new phases at East Park Mall in the current year. The increase in distributable income from the *Zambian JV* in ZAR further benefitted from the depreciation of the ZAR/USD average conversion rate by 12.9%.

NET FINANCE COST

Net finance cost, excluding the impact of IFRS 16, increased by 27.2% to R606.4 million (2022: R476.6 million). However, adding back finance costs capitalised to investment properties of R4.6 million (2022: R5.6 million), a R1.0 million reduction compared to the prior year due to the reduced development pipeline, net finance cost with the inclusion of capitalised interest for the year amounted to R611.0 million (2022: R482.2 million).

The net finance cost, including capitalised interest, was up on the prior year largely due to a steep rise in the base rate, which resulted in the cost of debt increasing to 9.4% (2022: 9.0%), combined with higher average borrowings as a result of the consolidation of Indluplace's borrowings and related interest costs (R48.7 million) for the year from 1 August 2023 to 31 December 2023.

PROPERTY VALUATIONS

The Group's independently valued property portfolio, excluding properties held in the *Zambian JV*, increased by R2.5 billion to R17.7 billion for the year. The acquisition of Indluplace added R3.1 billion at 31 December 2023 valuation, whilst the appreciation of the property portfolio, excluding Indluplace, added R219.3 million in value; this increase was offset by the net disposal of non-core assets in the Traditional and Afhco portfolios during the year of R843.1 million. The Indluplace valuations represents a 25.2% increase to the acquisition value and a 6.3% decrease to that last reported by Indluplace prior to acquisition. The like-for-like portfolio held for the full 12 months to 31 December 2023 increased by R252.0 million from 31 December 2022.

On a clean growth basis, valuations have increased by 1.5% for the 12 months to December 2023, in respect of the Traditional and Afhco portfolios on a combined basis. The increase of 1.5%, whilst below inflation, evidences a robust portfolio in the face of an increased albeit flattening cost of capital cycle and economic headwinds facing the country. The industrial portfolio continued to be the best performer of the South African portfolio with a 3.1% clean growth percentage for the 12 months to December 2023. The retail portfolio has shown a 2.0% clean growth in value from 1 January 2023, and reflects the improved quality of the portfolio with reduced vacancies, however, the valuation assumptions continue to be negatively impacted by concerns over increasing local authority expenses, and increased expenditure associated with the continued unpredictability of Eskom's electricity supply.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

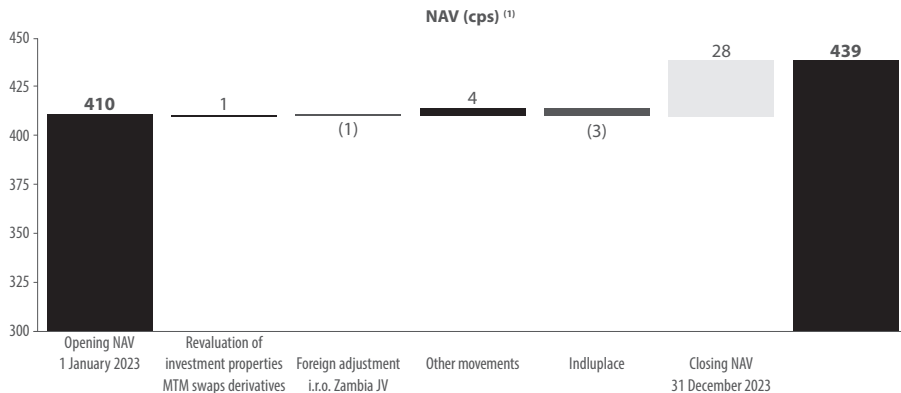
COMMENTARY CONTINUED

Whilst the Afhco portfolio has continued to show a positive performance in the last year, this is not reflected in the value, with a slightly below flat clean growth valuation for the year. The decline of 0.1% in value is the result of a conservative view in respect of the residential capitalisation rate assumptions, in that increased inflationary pressures on the target market would limit rental growth. Nevertheless, given the low vacancies in the portfolio and continued demand for affordable rental accommodation, Afhco's valuations can be expected to increase into the future as a consequence of this robust base that exists.

On a clean growth basis, the Zambian portfolio has seen a substantial increase in USD value (USD\$11.6 million) over the prior year, largely driven by the valuation of the Group's share in the REIZ property portfolio, previously conservatively valued by SA Corporate upon initial acquisition in the prior year. The original three properties of the JV have seen valuations increase by 7.7% in USD on a clean growth basis, supported by the improved fundamentals of this portfolio and evident in negligible vacancies at the East Park Mall property. The depreciation of the ZAR of 9.1% against the USD has resulted in the ZAR value increasing by 19.4% of the original three properties. Overall, this is a satisfactory result in a region still recovering from the operational effects of the COVID-19 pandemic and a high cost of capital.

The discount and capitalisation rates applied in the valuations are discussed in detail in the investment property section in note 4.

The net asset value (NAV) per share increased by 7.1% from 410 cps to 439 cps, including adjustments in respect of the Indluplace acquisition, the fair value of interest rate swap derivatives, investment property and investments in the Zambian JV, as set out in the graph below.



⁽¹⁾ Based on IFRS and shares in issue.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

COMMENTARY CONTINUED

The SA REIT-defined NAV is calculated as NAV per the Summary Consolidated Statement of Financial Position; less goodwill and intangible assets, deferred taxation and any final dividend declared, and not paid in respect of the reporting period. The SA REIT NAV per share was 424 cps (2022: 396 cps) as at 31 December 2023, based on the diluted number of shares in issue.

PROPERTY PORTFOLIO

The tables below reflect the pipeline of disposals which includes both properties that meet the definition of "held for sale" and those that do not meet the IFRS criteria in this regard due to suspensive conditions in sale agreements.

Transferred disposals:

Property	Transfer date	Gross selling price (Rm)	Region	Sector
Safari Investments - Listed shares	Jan 23	112.0		Listed Investments
31 Allen Drive, Bellville	Jan 23	20.0	Western Cape	Commercial
Five Johannesburg Inner City Properties *	Feb - Sep 23	265.7	Gauteng	Residential
Celtis Ridge Shopping Centre, Centurion	Mar 23	143.0	Gauteng	Retail
Cnr Bismuth & Graniet Streets, Jet Park	Mar 23	9.0	Gauteng	Industrial
Wood Ibis Investments, Maydon Wharf, Durban	Apr 23	69.1	KwaZulu-Natal	Industrial
1 Baltex Road, Isipingo	Jul 23	136.5	KwaZulu-Natal	Industrial
15 Patrick Road, Jet Park	Aug 23	18.0	Gauteng	Industrial
Cnr Giel Basson & Nathan Mallach Road, Goodwood	Sep 23	84.0	Western Cape	Industrial - Motor Showroom
120 Loper Avenue, Airport Industrial Estate	Oct 23	19.0	Gauteng	Industrial
Transcend Property Fund - Listed shares	Nov 23	52.1		Listed Investments
Residential apartments	Jan - Dec 23	85.4	Gauteng	Residential
Total		1 013.8		

* Part of the FirstMile transaction.

Contracted and unconditional disposals:

Property	Expected transfer date	Gross selling price (Rm)	Region	Sector
Portion of 11 Wankel Street, Jet Park	Apr 24	30.0	Gauteng	Industrial
Chapel Court, Johannesburg Inner City	May 24	38.0	Gauteng	Afhco Retail
Residential apartments ⁽¹⁾	Jan - Apr 24	47.1	Gauteng	Residential
Total		115.1		

⁽¹⁾ R13.2 million has transferred subsequent to year-end.

Contracted and conditional disposals:

Property	Expected transfer date	Gross selling price (Rm)	Region	Sector
Multi Glass, Johannesburg	Jun 24	3.6	Gauteng	Afhco Retail
Villakazi, Johannesburg ⁽²⁾	Sep 24	1.1	Gauteng	Residential
No One Eloff, Johannesburg ⁽²⁾	Sep 24	42.0	Gauteng	Residential
Pomegranate, Johannesburg ⁽²⁾	Sep 24	8.2	Gauteng	Residential
Empire Gardens, Johannesburg ⁽²⁾	Sep 24	19.5	Gauteng	Residential
Hotel at Cullinan Jewel Shopping Centre, Pretoria	Sep 24	2.7	Gauteng	Retail
Total		77.1		

⁽²⁾ Indluplace properties.

Note: Excludes 7 ex Indluplace non-core properties under offer to the value of R225.3 million.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS *CONTINUED*

COMMENTARY *CONTINUED*

The Group's total contracted and transferred disposal pipeline from 1 January 2023 of R1.21 billion was sold at a 6.0% premium on the last valuation, and at a weighted average exit yield of 8.7%. Residential apartments totaling R132.5 million were divested at a weighted average exit yield of 7.1% and at a premium of 24.6% on last valuation. Listed investments in respect of Safari Investments (Safari) and the Transcend Property Fund (Transcend) were disposed of for a total consideration of R164.1 million, the latter being executed at a historic exit yield of 9.2%.

With the disposal of the seven industrial properties listed above totaling R365.6 million, the Group's industrial portfolio now comprises approximately 80.0% of logistics warehousing. These divestments are aligned to the Group's strategy of developing a quality logistics portfolio offering competitive rentals that invests in established logistics precincts.

The balance of the disposal proceeds relating to the final tranche of the sale of nine Johannesburg inner city properties, totaling R265.7 million, was received in 2023. A further inner city retail property, Chapel Court, was contracted for disposal at R38.0 million in late 2023, with transfer expected in Q2 2024. In addition, a total of 224 sectional title apartments were transferred in 2023 at a disposal value of R85.4 million. A further 130 apartments have been contracted at a value of R47.1 million, and are expected to transfer during 2024.

In respect of Indluplace, the refinement of the portfolio through disposals is progressing with four poorer quality non-core properties having been contracted for, at a total disposal consideration of R70.8 million and at a weighted average exit yield of 11.0% at their last valuation. A further seven properties of similarly poorer quality are also under offer for a total consideration of R225.3 million. These properties are located in the Johannesburg inner city and Hillbrow, and it is anticipated that all conditions precedent in respect of the sale of shares agreements for the properties shall be fulfilled by September 2024.

VACANCIES

Sector	Vacancy as % of GLA			Vacancy as % of rental income		
	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2023	31 Dec 2022	31 Dec 2021
Traditional portfolio						
Industrial	0.2	0.2	0.7	0.1	0.1	0.5
Retail	2.7	3.2	4.6	1.9	2.4	3.4
Commercial	15.1	17.7	18.9	9.4	15.9	15.3
Portfolio total	2.0	2.3	3.3	1.7	2.3	3.1
Storage Portfolio						
Storage ⁽¹⁾	19.7	16.1	10.4	16.9	17.4	12.3
Afhco portfolio						
Retail/Commercial	4.4	5.5	5.8	4.3	3.3	3.7
Residential ⁽¹⁾	4.2	2.9	8.5	4.3	2.9	8.6
Indluplace portfolio						
Retail/Commercial	10.3	–	–	11.1	–	–
Residential ⁽¹⁾	4.5	–	–	4.7	–	–
South African portfolio JV						
Residential ⁽²⁾	–	–	3.5	–	–	3.0
Rest of Africa portfolio						
Retail	2.6	5.4	12.6	1.7	3.8	12.2
Commercial	2.4	13.8	14.8	1.4	8.1	13.6
Portfolio total	2.6	6.5	13.0	1.6	4.5	12.5

⁽¹⁾ Vacancy calculated on number of units.

⁽²⁾ Subsequent to acquiring control of The Falls Rental Company, this investment has been consolidated into the Group's accounts at year-end. The vacancies in respect of the property have been included as part of the total Afhco portfolio, as at 31 December 2023.

Vacancies in the retail portfolio reduced by 1 882m² in 2023. At Umlazi Mega City, previously vacant space of 819m² was leased to various national stores such as Sneaker Factory, Pick n Pay Clothing and The Bed Shop. Vacancies were further reduced at Town Square (187m²), Hayfields Mall (142m²) and Cambridge Crossing (141m²). The 2023 year saw the Group further optimise its leasing efforts, thereby reducing vacancies and improving the make-up of tenants at various properties by leveraging off the capacity

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS *CONTINUED*

COMMENTARY *CONTINUED*

and extensive skills of the internal retail leasing team. At East Point Shopping Centre, 981m² was leased to Global Brands through the repurposing of unused space and by combining existing GLA, further enhancing the sportswear offering of the centre.

In addition to the reduction in vacant GLA, redevelopment projects were completed at Morning Glen and Coachman's Crossing, resulting in strategic vacant areas being filled by national and convenience-orientated tenants. At Morning Glen, vacancies were reduced by 1 505m². This included leasing to Blueberry Beacon, Golden Tee, Willow Way Fitness and Foodies Feast Market (544m²) which successfully opened in August 2023. These tenancies complemented the lifestyle offering of the centre. The redevelopment of Coachman's Crossing was completed in October 2023, resulting in the introduction of Woolworths Food (790m²) and fast food shops complementary to the existing tenant mix.

Vacancies in the industrial portfolio remain negligible, with 810m² of industrial space having become vacant at year-end, various viable leasing options are under consideration.

Commercial property vacancies reduced from 17.7% to 15.1% as at 31 December 2023. This was largely due to the reduction in the vacancies of the two standalone commercial properties, which stood at 1% of GLA at year-end. The Group's small commercial portfolio is largely impacted by vacancies in the office space above the retail centres. In the commercial space above retail at Musgrave Centre, we have contracted a development partner for the conversion of office to residential apartments on a phased approach.

The increase in vacancies in the storage portfolio is largely due to storage units that were under maintenance in the previous year, combined with unavailable units containing stored goods awaiting auction; all of which are available for letting in 2024.

Average vacancies in the Afhco portfolio for the 2023 year were 3.1% reducing from 4.3% in 2022, demonstrating strong performance throughout the year. Whilst Afhco average vacancies increased to 4.2% at year-end, this is in line with seasonal movements typical at this time of year. The inner city continued to outperform the suburban portfolio, with vacancies reducing to 0.8% in October 2023, and closing the year with vacancies only being 2.6%. The suburban portfolio had an annual average vacancy of 4.4% and closed the year with a 6.0% vacancy. Performance was impacted by higher vacancies at South Hills Lifestyle Estate, due to recurring municipal electricity and water outages.

In the Indluplace portfolio, vacancies decreased to 4.5% at year-end from 8.5% at the end of September 2022, and from 6.0% at the end of March 2023, as reported by Indluplace prior to its acquisition by Afhco. The 4.5% represents a significant improvement over the previous reporting periods. The Indluplace suburban portfolio outperformed the inner city portfolio, with average occupancies for the year of 96.8%.

The reduction in residential vacancies can be attributed to implemented strategic capital expenditure initiatives, coupled with effective promotional interventions. Notably, these interventions have yielded occupancy levels that the portfolio has not experienced in over seven years, showcasing the defensive nature of the residential portfolio.

On Afhco and Indluplace's retail properties, vacancies closed the year at 4.4% and 10.3% respectively. Further improvement to the Indluplace portfolio is expected in Q1 of 2024, with approximately 550m² contracted prior to year-end, with two national tenants contracted to occupy space at Jozi House in the inner city.

Vacancies in the Zambian JV retail portfolio reduced to 2.6% from 5.4% at 31 December 2022. At East Park Mall, which is the 68 302m² flagship property located in Lusaka, vacancies were reduced to 0.7% at year-end, while significant letting progress was made at Jacaranda Mall, with vacancies reducing to 11.7% at year-end compared to 19.1% at 31 December 2022. In the commercial portfolio, vacancies reduced from 13.8% in the prior period to 2.4% at 31 December 2023. This was largely as a result of AB Bank occupying 1 000m² of space in the reporting year.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

COMMENTARY CONTINUED

BORROWINGS

The debt profile as at 31 December 2023 is detailed below.

	Maturity date	Value (Rm)	Interest rate%
Term loan facility	2024/05/16	305	9.49%
Revolving credit facility ⁽¹⁾	2024/10/31	–	10.09%
Term loan facility	2024/10/31	146	9.99%
Term loan facility	2024/11/16	76	10.29%
Term loan facility	2024/11/16	76	10.14%
Term loan facility	2025/01/11	107	9.53%
Term loan facility ⁽²⁾	2025/01/15	502	4.96%
Term loan facility	2025/05/07	308	9.65%
Term loan facility	2025/05/07	300	9.69%
Term loan facility	2025/06/02	100	9.53%
Revolving credit facility ⁽³⁾	2025/09/09	160	9.38%
Term loan facility	2025/09/09	200	9.42%
Revolving credit facility ⁽⁴⁾	2025/09/09	198	9.41%
Term loan facility	2025/09/10	200	9.65%
Term loan facility	2025/10/31	227	9.64%
Term loan facility	2025/11/16	67	10.44%
Term loan facility	2025/11/16	67	10.24%
Term loan facility	2025/12/09	150	10.00%
Term loan facility	2025/12/11	150	10.02%
Revolving credit facility ⁽⁵⁾	2026/06/30	–	9.42%
Term loan facility	2026/06/30	200	9.42%
Term loan facility	2026/09/08	200	9.71%
Term loan facility	2026/09/09	519	9.51%
Term loan facility	2026/09/09	913	9.51%
Revolving credit facility ⁽⁶⁾	2026/10/11	100	9.38%
Term loan facility	2026/10/31	75	9.79%
Term loan facility	2026/10/31	146	10.09%
Term loan facility	2027/06/30	140	9.54%
Term loan facility	2027/09/09	700	9.64%
Term loan facility	2027/09/09	320	9.64%
Term loan facility	2027/09/09	298	9.61%
Revolving credit facility ⁽⁷⁾	2027/09/09	–	9.61%
Term loan facility	2028/08/07	240	9.55%
Term loan facility	2028/08/07	564	9.54%
Term loan facility	2028/08/07	345	9.55%
Total interest-bearing borrowings ⁽⁸⁾		8 099	

⁽¹⁾ R10 million revolving credit facility undrawn

⁽²⁾ US dollar denominated facility

⁽³⁾ R200 million revolving credit facility

⁽⁴⁾ R329 million revolving credit facility

⁽⁵⁾ R160 million revolving credit facility undrawn

⁽⁶⁾ R100 million revolving credit facility

⁽⁷⁾ R300 million revolving credit facility undrawn

⁽⁸⁾ Excluding capitalised transaction costs

Total debt drawn amounted to R8 098.5 million, an increase of R1 643.0 million from 31 December 2022, whilst net debt amounted to R8 036.5 million (December 2022: R6 375.8 million). The Induplace acquisition added R1 347.3 million of debt, with the balance of the increase in drawn debt largely attributable to capital expenditure during the year. The USD loan increased by R41.6 million due to the depreciation of the ZAR/USD exchange rate from R17.04 in December 2022 to R18.58 in

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS *CONTINUED*

COMMENTARY *CONTINUED*

December 2023. The USD cross-currency swap was settled during January 2023 (December 2022: net liability of R50.9 million). The weighted average tenor of debt as at 31 December 2023 has decreased to 2.6 years. The Group successfully concluded the refinancing of long-term borrowing facilities amounting to R1 249.3 million expiring in 2024, and new facilities of R500.0 million during the second half of 2023. The Group has R612.3 million of borrowing facilities expiring in the 2024 financial year.

The net debt LTV increased from 38.1% as at 31 December 2022 to 41.9% as at 31 December 2023, largely due to debt acquired through the acquisition of Indluplace. This excludes the fair value asset on interest rate swap derivatives of R58.3 million (December 2022: asset of R60.2 million).

The Group's weighted average cost of debt, excluding and including interest rate swaps, was 10.2% and 9.3% (December 2022: 8.8% and 8.9%) respectively, with a 114 bps increase in the JIBAR base rate since December 2022. The weighted average swap margin was -0.9% (December 2022: 0.1%), and the weighted average debt margin was 2.0% (December 2022: 1.9%), the increase is due to a higher debt margin on existing Indluplace facilities. 70.1% of total debt drawn was fixed through swaps in respect of the variable debt. The annualised amortised transaction costs imputed into the effective interest rate is 0.1%, resulting in an all-in weighted average cost of debt of 9.4%. The net interest cover ratio (ICR) decreased to 2.1 times (December 2022: 2.4 times) as a result of the steep rate hiking cycle of the past two years, which has seen an average increase in JIBAR of 278 bps year on year.

Key lender covenants

At 31 December 2023, the Group was in compliance with all lender covenants applicable to the period.

Description	Covenant requirement as at 31 December 2023	Audited year ended 31 December 2023	Covenant requirement as at 31 December 2022	Audited year ended 31 December 2022
LTV	50.0%	43.4%	50.0%	39.9%
ICR ⁽¹⁾	1.75x ⁽²⁾	1.9x	2.0x	2.2x

⁽¹⁾ This is gross ICR.

⁽²⁾ Interim measurement period relaxed covenant agreed with lenders for the period from 1 November 2023 to 30 April 2024.

The Group had anticipated that following its initial steps towards its residential rental property strategy, which commenced with the acquisition of Indluplace, its Corporate ICR would decline, this is due to the increase in finance charges as a result of the additional debt consolidated from the acquisition of Indluplace, combined with rising interest rates. The Group therefore proactively approached its lenders who agreed to an interim measurement period covenant for its Corporate ICR and Transactional ICR covenants, of 1.75x and 1.5x respectively, until 30 April 2024, to allow the Group a window within which to complete the key steps in its residential rental property strategy including the raising of equity capital from impact investors. These steps would most notably result in deleveraging the balance sheet, thereby allowing its covenants to revert to more normalised levels.

The lender LTV for the year has increased to 43.4%. Cash on hand, including committed undrawn facilities, excluding tenant deposits as at 31 December 2023, amounted to R702.0 million (December 2022: R677.3 million).

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS *CONTINUED*

COMMENTARY *CONTINUED*

OUTLOOK

The defensive nature of SA Corporate's property portfolio provides the foundation for sustainable growth in NPI despite a particularly challenging economic environment in South Africa.

Vacancy in the retail portfolio is anticipated to reduce marginally from the below sector vacancy at the 2023 year-end. Above inflation escalations are contracted for 88.5% of leases in 2024. As a consequence of negative reversions that are expected with certain national tenants in areas undergoing reconfiguration, renewal reversions are expected to be flat. If the renewals affected by reconfiguration are excluded, the forecast renewal reversion would have been approximately 5.0%.

Strong performance is forecasted in the industrial portfolio for this financial year with a 100% let portfolio, escalations above inflation and reversions becoming positive.

In the residential portfolio, the aggregation of the Indluplace portfolio with that of Afhco, vacancies for the combined portfolio will be marginally higher than previously reported for Afhco. Residential rental rates are also expected to continue their positive trend. Engagement with potential investors for the Group's unlisted residential fund continues. SA Corporate is cognisant that the terms offered to initial cornerstone investors must be such that capital is raised at pricing reflective of the unique socially responsible investment opportunity being offered and ensure the sustainability of the asset and property management of the fund by SA Corporate. To achieve the latter, it is anticipated that the first investor will be contracted by the end of June 2024. A pipeline of quality suburban residential estates is being explored to increase exposure to the latter asset type.

Like-for-like NPI growth for the year for the total South African portfolio is forecast to be between 4.5% and 5.0%.

For the year ending 31 December 2024, distributable income is estimated to approximate inflation with the second half being greater than the first.

The forecast financial information above has not been reviewed and reported on by the Group's auditors.

DISTRIBUTION

The Company is committed to a distribution policy that meets the investment thesis of REIT investors, and consequently has withheld 10% of distributable income from distribution to shareholders for capital expenditure that is defensive and recurring, and which will not generate additional income or enhance the value of property assets. Having made allowances for the aforementioned deduction, the Board of Directors (the Board) approved a distribution of R583.0 million for the year ended 31 December 2023 (2022: R607.3 million), being 90% (2022: 90.0%) of distributable income and amounting to 23.18 cps (2022: 24.15 cps), a decrease of 4.0%.

CHANGE IN DIRECTORATE

As previously reported, Ms GZN Khumalo was appointed to the Board as an independent non-executive director, as a member of the Audit and Risk Committee, and as a member of the Remuneration Committee, with effect from 1 February 2023. Ms NNN Radebe was also appointed as an executive director and Chief Operating Officer of the Group, with effect from 1 February 2023.

The employment contract of the Group's Chief Executive Officer and executive director, Mr TR Mackey, was renegotiated to postpone Mr Mackey's retirement to 31 December 2024.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

DISTRIBUTION STATEMENT

R 000	Unaudited year ended 31 December 2023	Unaudited year ended 31 December 2022
DISTRIBUTABLE INCOME		
Rent (including straight-line rental adjustment) ⁽¹⁾	1 740 055	1 527 964
Net property expenses	(455 990)	(355 321)
Property expenses	(1 155 346)	(960 552)
Recovery of property expenses	699 356	605 231
Pre-effective date acquisition dividend from Indluplace	14 500	–
Net property income	1 298 565	1 172 643
Income from investment in JV	58 322	47 155
Taxation on distributable income	(2 286)	(1 878)
Dividends from investments in listed shares	3 635	18 342
Net finance cost	(606 415)	(476 666)
Interest expense	(649 164)	(507 303)
Interest income	42 749	30 637
Distribution-related expenses	(104 028)	(84 833)
Distributable income	647 793	674 763
Interim distributable income	318 229	362 308
Final distributable income	329 564	312 455
Shares in issue (000)	2 514 732	2 514 732
Weighted number of shares in issue (000)	2 514 732	2 514 732
Distributable income per share (DIPS) (cents)	25.76	26.83
H1 DIPS (cents)	12.65	14.41
H2 DIPS (cents)	13.11	12.42
Company specific adjustments to distributable income (R 000)		
Distributable income retained	64 779	67 476
Distribution	583 014	607 287
Distribution per share (DPS) (cents)	23.18	24.15
Interim	11.39	12.97
Final	11.79	11.18

⁽¹⁾ Included in rent is R0.4 million (2022: R52.6 million) in respect of insurance proceeds received relating to loss of income on properties affected by the July 2021 civil unrest.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS *CONTINUED*

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of SA Corporate Real Estate Limited

OPINION

The summary consolidated financial statements of SA Corporate Real Estate Limited, set out on pages 15 to 27, which comprise the summary consolidated statement of financial position as at 31 December 2023, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of SA Corporate Real Estate Limited for the year ended 31 December 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 27 March 2024. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

PricewaterhouseCoopers Inc.

Director: AKP Majola
Registered Auditor
Cape Town, South Africa
Date: 27 March 2024

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

AUDITED SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R 000	Audited year ended 31 December 2023	Audited year ended 31 December 2022
Assets		
Non-current assets		
Investment property ⁽¹⁾	17 275 069	14 384 073
- Investment property excluding straight-line rental adjustment	16 935 296	14 073 107
- Rental receivable - straight-line rental adjustment	321 255	289 271
- Letting commissions and tenant installations	18 518	21 695
Investments in JVs	1 294 948	1 201 078
Property, plant and equipment	45 099	41 705
Intangible assets and goodwill	82 448	83 952
Right-of-use assets	37 383	12 124
Investment in listed shares	-	52 993
Other financial assets	32 665	651
Swap derivatives	5 100	36 848
Deferred taxation	2 279	4 689
	18 774 991	15 818 113
Current assets		
Inventories	78	189
Letting commissions and tenant installations	15 647	17 147
Investment in listed shares	-	116 000
Other financial assets	19 475	13 417
Swap derivatives	58 472	150 514
Trade and other receivables	402 878	464 642
Cash and cash equivalents	195 027	180 019
Rental receivable - straight-line rental adjustment	40 205	27 034
Taxation receivable	1 770	324
	733 552	969 286
Non-current assets held for sale	424 681	746 446
Total Assets	19 933 224	17 533 845
Equity and liabilities		
Equity		
Share capital and reserves	11 034 900	10 320 812
Liabilities		
Non-current liabilities		
Lease liabilities	36 417	11 253
Swap derivatives	-	222
Interest-bearing borrowings	7 486 859	6 395 662
	7 523 276	6 407 137
Current liabilities		
Lease liabilities	11 050	5 341
Swap derivatives	5 259	177 865
Interest-bearing borrowings	654 078	40 917
Taxation payable	3 212	367
Trade and other payables	701 449	581 406
	1 375 048	805 896
Total Liabilities	8 898 324	7 213 033
Total Equity and Liabilities	19 933 224	17 533 845

⁽¹⁾ Investment property has been re-presented and the subtotal added to achieve clarity of presentation without restating the comparative amounts.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

AUDITED SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R 000	Audited year ended 31 December 2023	Audited year ended 31 December 2022
Revenue	2 480 458	2 042 494
Expected credit losses	(20 497)	(22 685)
Other operating income	410	52 607
Fair value gain on investment property ⁽¹⁾	599 002	1 215
Operating expenses	(1 283 281)	(1 035 639)
Operating profit	1 776 092	1 037 992
Other income/(loss) ⁽²⁾	103 331	(47 808)
Foreign exchange adjustments	(40 206)	(27 057)
Fair value (loss)/gain on swap derivatives	(14 175)	220 131
Capital loss on disposal of assets ⁽³⁾	(55 767)	(5 331)
Fair value (loss)/gain on investment in listed shares	(910)	6 122
Profit from JVs ⁽⁴⁾	56 522	246 528
Impairment of JVs	–	(132 822)
Dividends from investments in listed shares	6 147	17 846
Interest income	42 749	16 046
Interest expense	(657 247)	(508 724)
Profit before taxation	1 216 536	822 923
Taxation expense	(7 575)	(3 609)
Profit after taxation for the year	1 208 961	819 314
Other comprehensive income:		
Items that may be reclassified to profit or loss after taxation:		
Foreign exchange adjustments on investment in JV	53 770	67 770
Total comprehensive income for the year	1 262 731	887 084
Basic earnings per share (cents) - Restated	48.54	32.91
Diluted earnings per share (cents) - Restated	48.34	32.77

⁽¹⁾ Fair value gain on investment property of R592.0 million (2022: R16.2 million loss) and fair value gain on held for sale property of R7.0 million (2022: R16.1 million). Refer to note 5.

⁽²⁾ Included in other income/(loss) is a loss of R8.4 million (2022: R48.6 million) which is an adjustment to the insurance income recognised in the prior year relating to reinstatement costs for damages incurred during the July 2021 civil unrest. The balance of other income relates to R94.9 million (2022: nil) relating to the reversal of accrual for phases 5 and 6 development in Zambia.

⁽³⁾ Included in capital loss on disposal of assets is sale of investment property, property, plant and equipment and investment in listed shares.

⁽⁴⁾ Included in profit from JVs is R1.8 million (2022: R190.7 million) relating to fair value adjustment of properties and R 58.3 million (2022: R55.8 million) relating to distributable income.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

AUDITED SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R 000	Audited year ended 31 December 2023	Audited year ended 31 December 2022
Share capital and reserves at the beginning of the year	10 320 812	10 066 363
Total comprehensive income for the year	1 262 731	887 084
Treasury shares purchased	(19 524)	–
Share-based payment reserve	9 780	10 602
Distribution attributable to shareholders	(567 537)	(643 237)
Fair value adjustment ⁽¹⁾	28 638	–
Share capital and reserves at the end of the year	11 034 900	10 320 812

⁽¹⁾ Realisation of assets initially recognised at zero value as part of the Indluplace acquisition.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

AUDITED SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

R 000	Audited year ended 31 December 2023	Audited year ended 31 December 2022
Operating profit before working capital changes	1 247 870	1 142 979
Working capital changes	126 794	(180 383)
Cash generated from operations	1 374 664	962 596
Operating activities changes	(1 211 732)	(1 156 255)
Interest received	14 659	13 807
Distributions paid	(567 537)	(643 237)
Interest paid	(657 656)	(524 694)
Taxation paid	(1 198)	(2 131)
Net cash from/(used in) operating activities	162 932	(193 659)
Net cash (used in)/from investing activities	(364 555)	152 325
Net cash from financing activities	216 631	10 026
Payment on lease liabilities	(21 439)	(7 674)
Proceeds from interest-bearing borrowings	2 062 300	706 000
Repayment of interest-bearing borrowings	(1 756 240)	(688 300)
Repurchase of treasury shares	(19 524)	–
Settlement of swap derivatives	(48 466)	–
Total cash and cash equivalents movement for the year	15 008	(31 308)
Cash and cash equivalents at the beginning of the year	180 019	211 327
Total cash and cash equivalents at the end of the year	195 027	180 019

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS*for the year ended 31 December 2023***1. BASIS OF PREPARATION**

The summary of the consolidated financial statements is prepared in accordance with the requirements of the JSE Limited Listings Requirements (the Listings Requirements), and the requirements of the Companies Act (Act 71 of 2008) (Companies Act) applicable to summary consolidated financial statements. The Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards, and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, as well as the Financial Pronouncements as issued by the Financial Reporting Standards Council. They must also contain, at a minimum, the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the Group's annual financial statements from which the summary consolidated financial statements were derived are in terms of IFRS. They are also consistent with those accounting policies applied in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

In the current year, the Group has adopted all of the revised Standards and Interpretations issued which are relevant to its operations and effective for accounting periods beginning on or after 1 January 2023. The adoption of these Standards and Interpretations has not resulted in any adjustments to the amounts previously reported for the year ended 31 December 2022.

The summary consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, SY Moodley CA(SA).

These summary consolidated financial statements for the year ended 31 December 2023 have been audited by Pricewaterhouse Coopers Incorporated, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

The audited Group annual financial statements and the auditor's report thereon are available for inspection at the company's registered office and on the company's website at www.sacorporatefund.co.za.

The auditor's report does not necessarily report on all of the information contained in this summary consolidated financial statements.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 CONTINUED

2. RECONCILIATION OF PROFIT AFTER TAXATION TO FUNDS FROM OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS

	Audited year ended 31 December 2023		Audited year ended 31 December 2022			
	R 000	cps	R 000	Restated cps**	Previously reported	Variance
Profit after taxation attributable to shareholders	1 208 961	48.54*	819 314	32.91**	32.58	0.33
Adjustments for:						
Capital loss on sale of investment property	55 474		5 331			
Fair value gain on of investment property	(599 002)		(1 215)			
Fair value gain on investment properties in JVs	(93 133)		(52 621)			
Headline earnings	572 300	22.98*	770 809	30.96**	30.65	0.31
Diluted headline earnings**	572 300	22.88	770 809	30.83	–	30.83

* Calculated on weighted average number of shares in issue.

** Restated.

Earnings is calculated on the profit after taxation and the weighted average number of shares in issue (net of treasury shares) of 2 490 546 536 (2022: 2 489 322 998).

The 2022 comparative cps (cents per share) has been restated due to treasury shares that were previously incorrectly included in the weighted average number of shares.

The calculation of headline earnings per share is based on headline earnings of R572 300 000 (2022: R770 809 000) of the Group and 2 490 546 536 (2022: 2 489 322 998) weighted average number of shares in issue during the year. Diluted headline earnings per share is calculated considering the potential dilution that could occur if all employee incentive shares vested.

Additionally diluted headline earnings is included as it was previously erroneously omitted.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 CONTINUED

3. DECEMBER 2023 INFORMATION ON REPORTABLE SEGMENTS

R 000	Industrial	Retail	Commer- cial	Afhco	Group ⁽¹⁾
Revenue	458 521	1 029 221	33 055	959 661	2 480 458
Rental income (excluding straight-line rental adjustment)	333 282	630 866	16 340	759 157	1 739 645
Other operating income (insurance claim - Sasria)	–	410	–	–	410
Net property expenses	(33 104)	(65 563)	(7 292)	(356 681)	(462 640)
Property expenses	(124 167)	(456 923)	(23 898)	(556 838)	(1 161 437)
Recovery of property expenses	91 063	391 360	16 217	200 157	698 797
Net property income	300 178	565 713	9 048	402 476	1 277 415
Straight-line rental adjustment	34 176	6 995	498	347	42 016
Other income	–	8 398	–	–	103 331
Interest income	–	–	–	–	42 749
Interest expense	–	–	–	–	(657 247)
Profit from investment in JVs	–	–	–	–	58 322
Foreign exchange adjustments	–	–	–	–	(40 206)
Dividends from investments in listed shares	–	–	–	–	6 147
Loss on derecognition of right of use assets and liabilities held for sale	–	–	–	–	(293)
Group expenses	–	–	–	–	(142 341)
Capital loss on disposal of investment property	–	–	–	–	(55 474)
Fair value gain/(loss) on investment property	21 500	(169 494)	(10 684)	757 680	599 002
Investment property	55 676	(162 499)	(10 186)	758 027	641 018
Straight-line rental adjustment	(34 176)	(6 995)	(498)	(347)	(42 016)
Fair value loss on investment in listed shares	–	–	–	–	(910)
Profit on JVs	–	–	–	–	(1 800)
Fair value loss on swap derivatives	–	–	–	–	(14 175)
Taxation	–	–	–	(1 993)	(7 575)
Profit/(loss) after taxation	355 854	411 612	(1 138)	1 158 510	1 208 961
Other comprehensive income, net of taxation	–	–	–	–	53 770
Total comprehensive income/(loss)	355 854	411 612	(1 138)	1 158 510	1 262 731

⁽¹⁾ Corporate division is included in the Group.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 CONTINUED

3. DECEMBER 2023 INFORMATION ON REPORTABLE SEGMENTS CONTINUED

R 000	Industrial	Retail	Commer- cial	Afhco	Group ⁽¹⁾
Investment property at fair value ⁽²⁾	3 278 400	7 316 711	260 400	6 865 909	17 721 420
Non-current assets	3 173 439	6 944 335	258 890	6 558 632	16 935 296
At valuation	3 248 400	5 492 444	260 400	6 570 174	15 571 418
Straight-line rental adjustment	(74 961)	(271 796)	(1 510)	(13 242)	(361 509)
Under development	–	1 723 687	–	1 700	1 725 387
Current assets ⁽³⁾	30 000	100 646	–	294 035	424 681
Classified as held for sale	30 000	100 580	–	294 035	424 615
Straight-line rental adjustment	–	66	–	–	66
Other assets	156 661	600 714	21 988	293 645	2 573 234
Total assets	3 360 100	7 645 695	280 878	7 146 312	19 933 211
Total liabilities	52 745	267 472	11 687	6 473 596	8 898 311
Acquisitions and improvements	45 824	458 776	3 586	2 181 915	2 690 101
Segment growth rates(%)					
Rental income (excluding straight-line rental adjustment)	(4.1)	17.4	(33.5)	34.2	17.9
Property expenses	(6.8)	8.4	(22.6)	51.4	21.9
Recovery of property expenses	(8.2)	8.4	3.5	54.6	15.5
Net property income	(4.3)	6.8	(8.3)	23.0	8.2

⁽¹⁾ Corporate division is included in the Group.

⁽²⁾ Excluding straight-line rental assets.

⁽³⁾ Current assets include the properties classified as held for sale and the related straight-line rental assets.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 *CONTINUED*

4. FAIR VALUE MEASUREMENT

Fair value for financial instruments and investment property

IFRS 13 requires that an entity discloses for each class of financial instruments and investment property measured at fair value, the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety. The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). There have been no transfers between level 1, level 2 and level 3 during the period under review.

	Audited year ended 31 December 2023		
	Fair value	Level 2	Level 3
R 000			
Assets			
Non-current assets			
Investment property	16 935 296	–	16 935 296
Investment in JV	1 294 948	–	1 294 948
Swap derivatives	5 100	5 100	–
	18 235 344	5 100	18 230 244
Current assets			
Properties classified as held for sale	424 681	–	424 681
Swap derivatives	58 472	58 472	–
	483 153	58 472	424 681
Total assets measured at fair value	18 718 497	63 572	18 654 925
Current liabilities			
Swap derivatives	5 259	5 259	–
Total liabilities measured at fair value	5 259	5 259	–

Details of valuation techniques

The valuation techniques used in measuring fair values at 31 December 2023 for financial instruments and investment property measured at fair value in the statement of financial position, as well as the significant unobservable inputs used are disclosed below. There has been no significant changes in valuation techniques and inputs since 31 December 2022.

Independent external valuers (Quadrant Properties, Real Insight and Yield Enhancement Solutions) were appointed to conduct the Group's December 2023 property valuations. The Group provided the valuers with property and other information required in the valuation of the properties. Among other inputs, the independent valuers applied current market-related assumptions to the risks in rental streams of properties.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS *CONTINUED*

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 *CONTINUED*

4. FAIR VALUE MEASUREMENT *CONTINUED*

Details of valuation techniques *continued*

Once the valuations had been completed by the independent valuers, they were reviewed internally and approved by the board of directors. The valuers are registered valuers in terms of Section 19 of the Property Valuers Professional Act (Act No 47 of 2000). Quadrant Properties, Real Insights and Yield Enhancement Solutions performed the valuation of investment properties for both the current year as well as the previous year and applied valuation techniques that are consistent with those applied in the previous year. The independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations.

The independent valuers' details are as follows:

Quadrant Properties, P. Parfitt, NDip (Prop Val), MRICS, Professional Valuer.

Real Insights, T. Behrens, NDip (Prop Val), Professional Valuer.

Yield Enhancement Solutions, R. Collins, Professional Valuer.

Unobservable Inputs as considered in December 2023 valuation report

	Retail ⁽¹⁾	Commercial	Industrial	Residential	REIZ Zambia	Zambia - Traditional
Expected market rental growth rate	4.70%	0.00%	3.90%	1.20%	0.00%	1.00%
Occupancy rate	94.00%	83.00%	95.00%	93.00%	63.00%	88.00%
Vacancy periods	0 - 3 months	0 - 6 months	0 - 1 month	0 - 2 months	0 - 6 months	0 - 3 month
Rent free periods	0 - 2 months	0 - 4 months	0 - 1 month	0 - 1 month	0 - 4 months	0 - 2 months
Discount rates	13.50%-16.00%	15.25%-16.25%	13.00%-16.50%	N/A	11.75%-13.00%	12.50%-13.50%
Capitalisation rates	8.00%-10.50%	9.75%-10.75%	8.00%-11.00%	8.00%-12.25%	8.50%-9.75%	8.50%-9.50%
Exit capitalisation rates	8.25%-11.25%	10.00%-11.25%	8.00%-11.25%	N/A	8.50%-10.00%	8.75%-10.00%
Expected expense growth - municipal	8.80%	8.60%	8.20%	6.45%	1.00%	1.00%
Expected expense growth - controllable	5.25%	4.00%	4.00%	4.75%	1.10%	1.10%
Valuation method	Discounted cashflow	Discounted cashflow	Discounted cashflow	Capitalisation of net income earnings	Discounted cashflow	Discounted cashflow

⁽¹⁾ Includes storage.

Valuation methodology

The valuation of all non-residential revenue producing real estate is calculated by determining future contractual and market related net income streams excluding corporate costs, as well as a terminal realisation value for the property and discounting this income stream to calculate a net present value. This is performed over a five- year (2022: ten- year) period in order to reasonably revert all cash flow to a market-related rate. The terminal value (residual value) is calculated by capitalising the sixth (2022: eleventh) year's net revenue and discounting this value to present. The discount rate is determined as a forward yield rate (capitalisation rate) and a risk is added to it (as related to the nature and contracts of the property) and forward growth rate associated with the cash flow as related to the market. There are reasonable market observable transactions to support the capitalisation rate, growth rate and risk considerations as applied. South African Property Owners' Association (SAPOA) also publishes data tables on which these assumptions may be benchmarked. Adjustments are made to the present value calculated, to adjust for immediate capital expenditure requirements, as would be reasonably considered between a willing buyer and a willing seller.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 CONTINUED

4. FAIR VALUE MEASUREMENT CONTINUED

Residential property is not subject to long-term leases, as such discounted cash flows cannot be performed, and the valuation is determined by capitalising net income streams excluding corporate costs.

The fair value on investment property was approved on 5 February 2024 by the board of directors.

Sensitivity of fair values to changes in unobservable inputs

Valuation of investment properties are sensitive to changes in inputs used in determining fair value. The table below illustrates the sensitivity in fair value to changes in unobservable inputs, while holding the other inputs constant.

Investment properties 2023	Cap rate		
	(1.0%) R 000	Current R 000	1.0% R 000
Discount rate			
(0.5%)	19 417 750	17 900 104	16 536 480
Current	19 206 587	17 721 419	16 356 944
0.5%	19 000 461	17 517 321	16 181 628

Investment properties 2022	Cap rate		
	(1.0%) R 000	Current R 000	1.0% R 000
Discount rate			
(0.5%)	16 011 737	15 459 848	15 011 857
Current	15 648 687	15 135 437	14 691 635
0.5%	15 302 384	14 796 555	14 385 952

Sector	Growth rate 2023			
	Weighted growth rate	(1.0%) R 000	Current R 000	1.0% R 000
Industrial	4.40%	3 187 970	3 278 400	3 375 113
Retail	4.90%	6 671 202	6 884 287	7 082 301
Commercial	1.40%	246 106	260 000	264 505
Residential	N/A	-	-	-

Sector	Vacancy rate 2023			
	Weighted vacancy rate	(1.0%) R 000	Current R 000	1.0% R 000
Industrial	1.00%	3 285 026	3 278 400	3 271 194
Retail	3.10%	6 899 801	6 884 287	6 867 121
Commercial	7.00%	263 501	260 000	255 401
Residential	4.10%	7 459 023	7 298 733	7 184 522

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 *CONTINUED*

4. FAIR VALUE MEASUREMENT *CONTINUED*

Other financial instruments

The swap derivatives are valued based on the discounted cash flow method. Future cash flows are estimated based on forward exchange and contracted interest rates and, where these are not contracted, from observable yield curves at the end of the reporting period, and discounted at a rate that reflects the credit risk. Investment in JVs is valued at the ownership of the underlying JVs net asset value.

5. INVESTMENT PROPERTY

The table below analyses the movement of investment property for the period under review.

R 000	Audited year ended 31 December 2023	Audited year ended 31 December 2022
Investment property (including straight-line rental adjustment)		
Carrying value at beginning of the year	14 073 107	13 675 260
Acquisitions and improvements ⁽¹⁾	2 773 810	809 325
Disposals	(141 593)	(88 844)
Fair value adjustment ⁽²⁾	591 982	(16 150)
Transferred to properties classified as held for sale	(359 621)	(283 256)
Transferred to property, plant and equipment ⁽³⁾	(2 389)	(23 228)
Carrying value at end of the year	16 935 296	14 073 107
Non-current assets held for sale (investment property, including straight-line rental adjustment)		
Carrying value at beginning of the year	746 446	940 928
Disposals	(688 391)	(494 524)
Fair value adjustment	7 020	16 077
Utilised	(81)	(853)
Transferred from investment property	359 716	284 818
Carrying value at end of the year	424 710	746 446

⁽¹⁾ Included in this amount is the R2.5 billion for the acquisition of Indluplace properties (2022: step acquisition of The Falls Lifestyle Estate).

⁽²⁾ Included in this amount is Rnil (2022: R27.3 million) relating to the impairment of investment property as a result of the civil unrest. The increase in fair value is attributable to the Indluplace acquisition and the accounting treatment thereof.

⁽³⁾ This relates to the transfer of owner-occupied buildings.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS CONTINUED

NOTES TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 *CONTINUED*

6. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had capital commitments of R197.2 million as at 31 December 2023 (2022: R134.9 million).

The contingent liabilities compromise guarantees issued on behalf of the following parties:

R 000	Audited year ended 31 December 2023	Audited year ended 31 December 2022
Guaranteed entity		
Graduare Property Development Limited ^(1,2&3)	225 779	207 024
Total	225 779	207 024

⁽¹⁾ The guarantee is secured by the underlying party.

⁽²⁾ The guarantee relates to the co-owner's allocation of the underlying debt and is secured by the 50% shareholding in the JV held by the co-owner. Risk guarantee is in USD and has been converted at the closing rate of USD: R18.58 (2022: R16.98).

⁽³⁾ The guarantee will reduce when the sovereign risk of Zambia reduces.

7. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year-end, the Group received R8.7 million as a further interim payment from SASRIA in relation to the receivable at year-end for properties damaged during the 2021 civil unrest.

CONSOLIDATED AUDITED ANNUAL FINANCIAL RESULTS *CONTINUED*

DISTRIBUTIONS

PAYMENT OF DISTRIBUTION AND IMPORTANT DATES

Notice is hereby given of the declaration of distribution number 17 in respect of the income distribution period 1 July 2023 to 31 December 2023. The payment amounts to 11.79481 cps (December 2022: 11.17938 cps). The source of the distribution comprises net income from property rentals. Please refer to the statement of comprehensive income for further details. 2 514 732 095 Group shares are in issue at the date of this distribution declaration; the Group's income tax reference number is 9179743191.

Last date to trade cum distribution	Tuesday, 16 April 2024
Shares will trade ex-distribution	Wednesday, 17 April 2024
Record date to participate in the distribution	Friday, 19 April 2024
Payment of distribution	Monday, 22 April 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 April 2024 and Friday, 19 April 2024 (both days inclusive).

TAX IMPLICATIONS

As the Group has REIT status, shareholders are advised that the distribution meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, Act 58 of 1962 (Income Tax Act). The distribution on the Group's shares will be deemed to be dividends for South African tax purposes, in terms of section 25BB of the Income Tax Act. The distributions received by or accrued to South Africa tax residents must be included in the gross income of such shareholder and are not 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 they are dividends distributed by a REIT, with the effect that the distribution is taxable in the hands of the shareholder.

These distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders; this is provided that the South African resident shareholders have provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, in respect of certificated shares.

- (a) A declaration that the distribution is exempt from dividends tax; and
- (b) A written undertaking to inform the CSDP, broker or the transfer secretaries, 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.

The Group's shareholders are advised to contact the CSDP, broker or transfer secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

DISTRIBUTIONS *CONTINUED***Notice to non-resident shareholders**

Distributions received by non-resident shareholders will not be taxable as income. Instead, they will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1) (k)(i) of the Income Tax Act. Distributions received by a non-resident from a REIT are 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 shareholder.

Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 9.43585 cps. A reduced dividend withholding rate, in terms of the applicable DTA, may only be relied on if the non-resident shareholder has provided the following forms to the CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, 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 the CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the reduced rate 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.

Non-resident shareholders are advised to contact the CSDP, broker or the transfer secretaries, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable.

Johannesburg

27 March 2024

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited

ANNEXURE TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022

REIT RATIOS

R 000	Unaudited year ended 31 December 2023	Unaudited year ended 31 December 2022
SA REIT funds from operations (SA REIT FFO)		
Profit after taxation attributable to shareholders	1 208 961	819 314
Adjusted for:		
Accounting/specific adjustments:	(658 612)	(176 083)
Fair value adjustments to:		
Investment property	(599 002)	(1 215)
Investment properties in JVs	1 800	(52 621)
Swap derivatives	14 175	(220 131)
Investment in listed shares	910	(6 122)
Depreciation of property, plant and equipment and amortisation of intangible assets	7 955	7 494
Dividend from investment in listed shares not yet declared	(2 512)	496
Non-distributable expenses	36 778	8 541
Non-distributable (income)/expenses on investments in JVs	(94 933)	660
Non-distributable taxation expense	5 290	1 732
IFRS 16 Lease payment	(19 719)	(7 674)
IFRS 16 Depreciation on right-of-use asset	18 187	4 510
IFRS 16 Interest on lease liability	8 373	1 421
Debt related costs	–	117
Pre-effective date acquisition dividend from Indluplace	14 500	–
Insurance (income)/expense adjustment relating to reinstatement costs ⁽¹⁾	(8 398)	48 615
Straight-lining operating lease (income)/expense	(42 016)	38 094
Adjustments arising from investing activities:	55 767	5 331
Loss on disposal of investment property and property, plant and equipment	55 767	5 331
Foreign exchange items:	41 677	26 201
Foreign exchange losses relating to capital items realised and unrealised	41 677	26 201
SA REIT FFO	647 793	674 763
Number of shares in issue at end of period (net of treasury shares) (000)	2 488 969	2 492 607
SA REIT FFO per share (cents)	26.03	27.07
Company-specific adjustments to SA REIT FFO cents per share ⁽²⁾	(2.85)	(2.92)
Distribution per share (cents)	23.18	24.15

⁽¹⁾ Included in other (income)/loss in the statement of comprehensive income is an income of R8.4 million (2022: R48.6 million loss) which is an adjustment to the insurance income recognised in the prior year relating to reinstatement costs for damages incurred during the July 2021 civil unrest.

⁽²⁾ The adjustment is primarily in relation to the 10% retained distribution with the balance relating to the impact of the treasury shares.

ANNEXURE TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 CONTINUED

REIT RATIOS CONTINUED

R 000	Unaudited year ended 31 December 2023	Unaudited year ended 31 December 2022
Reconciliation of SA REIT FFO to cash generated from operations		
SA REIT FFO	647 793	674 763
Adjustments:		
Interest received	(42 749)	(16 046)
Interest expense	657 247	508 724
Amortisation of tenant installation and letting commission	13 738	22 794
Non-cash movement in JVs	(58 322)	(166 327)
Dividends received	(6 147)	(17 846)
Dividend from listed investments not yet declared	2 512	(496)
Taxation expense/(income)	2 285	(2 131)
Non-distributable expense	(25 432)	(3 873)
Other non-cash items ⁽¹⁾	71 445	143 417
Pre-effective date acquisition dividend from Indluplace	(14 500)	-
Working capital changes:		
Decrease/(increase) in trade and other receivables	80 269	(177 149)
Increase/(decrease) in trade and other payables	46 525	(3 234)
Cash generated from operations	1 374 664	962 596
SA REIT Net Asset Value (SA REIT NAV)		
Reported NAV attributable to the parent	11 034 900	10 320 812
Adjustments:		
Dividend declared ⁽²⁾	(296 608)	(281 210)
Intangible assets and goodwill	(82 448)	(83 952)
Deferred taxation	(2 279)	(4 689)
SA REIT NAV	10 653 565	9 950 961
Shares outstanding		
Diluted number of shares in issue (000)	2 514 732	2 514 732
SA REIT NAV per share (cents)	423.65	395.71

⁽¹⁾ Includes ECL, straight-lining, and share based payment expense.

⁽²⁾ H2 dividend declared in the next year.

ANNEXURE TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 CONTINUED

REIT RATIOS CONTINUED

R 000	Unaudited year ended 31 December 2023	Unaudited year ended 31 December 2022
SA REIT cost-to-income ratio		
Expenses:		
Operating expenses per IFRS income statement (includes municipal expenses) ⁽¹⁾	1 165 331	954 667
Administrative expenses per IFRS income statement ⁽²⁾	125 267	95 114
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	(26 142)	(12 004)
Operating costs	1 264 456	1 037 777
Rental income:		
Contractual rental income per IFRS income statement (excluding straight-lining)	1 739 645	1 475 357
Utility and operating recoveries per IFRS income statement	698 797	605 231
Gross rental income	2 438 442	2 080 588
SA REIT cost-to-income ratio	51.9%	49.9%
Excluding Recoveries:		
Operating costs	462 534	349 436
Contractual rental income per IFRS income statement (excluding straight-lining)	1 739 645	1 475 357
SA Corporate cost-to-income ratio ⁽³⁾	26.8%	23.7%
SA REIT administrative cost-to-income ratio		
Expenses:		
Administrative expenses as per IFRS income statement ⁽²⁾	125 267	95 114
Rental income:		
Contractual rental income per IFRS income statement (excluding straight-lining)	1 739 645	1 475 357
Utility and operating recoveries per IFRS income statement	698 797	605 231
Gross rental income	2 438 442	2 080 588
SA REIT administrative cost-to-income ratio	5.1%	4.6%

⁽¹⁾ Includes expected credit loss.

⁽²⁾ Excludes audit fees.

⁽³⁾ SA Corporate measures cost-to-income-net of recoveries.

ANNEXURE TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 CONTINUED

REIT RATIOS CONTINUED

	Unaudited year ended 31 December 2023	Unaudited year ended 31 December 2022
SA REIT GLA vacancy rate		
GLA of vacant space (m ²)	14 794	18 202
GLA of total property portfolio (m ²)	741 010	798 117
SA REIT GLA vacancy rate ⁽¹⁾	2.0%	2.3%
Cost of debt		
Variable interest-rate borrowings:		
Floating reference rate plus weighted average margin	10.2%	8.9%
Pre-adjusted weighted average cost of debt	10.2%	8.9%
Adjustments:		
Impact of interest rate derivatives	(0.9%)	0.1%
Impact of cross-currency interest rate swaps	0.0%	(0.1%)
Amortised transaction costs imputed into the effective interest rate	0.1%	0.1%
All-in weighted average cost of debt	9.4%	9.0%

⁽¹⁾ Excludes the Afhco portfolio which is based on units.

ANNEXURE TO THE AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022 CONTINUED

REIT RATIOS CONTINUED

R 000	Unaudited year ended 31 December 2023	Unaudited year ended 31 December 2022
SA REIT LTV		
Gross debt ⁽¹⁾	8 098 439	6 404 924
Less: Net cash and cash equivalents	(62 031)	(79 674)
Total cash and cash equivalents	(195 027)	(180 019)
Less: Government grant maintenance reserve amount	500	500
Less: Tenant deposit accounts	132 496	99 845
Add:		
Cross-currency derivatives	–	50 948
Interest rate swap derivatives	(58 313)	(60 223)
Net debt	7 978 095	6 315 975
Total assets per summary consolidated statement of financial position	19 933 224	17 533 845
Less:		
Cash and cash equivalents	(195 027)	(180 019)
Derivative financial assets	(63 572)	(187 362)
Intangible assets and goodwill	(82 448)	(83 952)
Deferred taxation	(2 279)	(4 689)
Trade and other receivables ⁽²⁾	(394 168)	(350 271)
Taxation receivable	(1 770)	(324)
Inventories	(78)	(189)
Carrying amount of property-related assets	19 193 882	16 727 039
SA REIT LTV	41.6%	37.8%

⁽¹⁾ Excludes accrued interest.

⁽²⁾ Adjusted for reinstatement insurance claim receivable and net debt raising costs.

DIRECTORATE AND STATUTORY INFORMATION

SA Corporate Real Estate Limited
 (Incorporated in the Republic of South Africa)
 (Registration number 2015/015578/06)
 Approved as a REIT by the JSE
 Share code: SAC
 ISIN code: ZAE000203238
 (SA Corporate or the Company)

Registered office

GreenPark Corner, 16th Floor
 Corner Lower Road and West Road South
 Morningside
 Johannesburg
 2196
 Tel: 010 020 2530

Registered auditors

PricewaterhouseCoopers Inc.
 5 Silo Square
 V&A Waterfront
 Cape Town
 8002

Company secretary

J Grové
 GreenPark Corner, 16th Floor
 Corner Lower Road and West Road South
 Morningside
 Johannesburg
 2196
 Tel: 010 020 2530

Transfer secretaries

Computershare Investor Services (Pty) Ltd
 Rosebank Towers
 15 Biermann Avenue
 Rosebank
 2196

Sponsor

Nedbank Corporate and Investment Banking, a division
 of Nedbank Limited
 135 Rivonia Road
 Sandton
 2196

Directors

MA Moloto (Chairman)
 OR Moselehi (Lead Independent Director)
 TR Mackey (Chief Executive Officer)*
 SY Moodley (Chief Financial Officer)*
 NNN Radebe (Chief Operating Officer)*
 (appointed 1 February 2023)
 N Ford-Hoon(Fok)
 EM Hendricks
 GJ Heron
 SS Mafoyane
 GZN Khumalo (resigned 19 April 2024)
 SJ Mojalefa* (appointed 25 April 2024)

* *Executive*



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