

REVIEWED  
CONSOLIDATED  
INTERIM FINANCIAL  
RESULTS AND  
DIVIDEND  
DISTRIBUTION  
DECLARATION

FOR THE 12 MONTHS  
ENDED 31 MARCH

2024

The Chief Financial Officer, Mr WL Venter CA(SA), was responsible for the preparation of these reviewed financial statements, executed by the Financial Manager, Mrs L Pieterse (AGA) SA.

# AT A GLANCE

SAFARI INVESTMENTS RSA LIMITED, REFERRED TO AS "SAFARI" OR "THE COMPANY" OR THE COMPANY INCLUDING ITS SUBSIDIARIES, "THE GROUP" IS LISTED ON THE JSE LIMITED ("JSE") AND OPERATES AS A REAL ESTATE INVESTMENT TRUST ("REIT"). SAFARI'S STRATEGIC FOCUS IS INVESTMENT IN CONVENIENCE AND SMALL REGIONAL SHOPPING CENTRES IN PERI-URBAN AREAS OF SOUTH AFRICA.

# OUR CORPORATE STRATEGY



## GROWTH

We want to strategically grow our specialised portfolio of assets through investing in convenience or small regional shopping centres and potential ancillary or value-adding assets, either through new acquisitions or expansion of existing assets, within South Africa.



## EFFICIENCY

We maintain a defensive income stream by focusing on long-term sustainability through effective property management and enhancing the dominance of our properties in our target market.



## BRAND

We promote high standards of environmental protection and social relations under good corporate governance in line with environmental, social and governance ("ESG") principles.

# STRENGTHS

- A robust portfolio designed for resilience and steady earnings
- A high-quality tenant base enhancing stability and reliability
- Minimal arrear and vacancy rates
- Sound liquidity management including proactive refinancing and diligent covenant risk oversight

# HIGHLIGHTS

## TOTAL RETAIL RENTAL AREA OF PORTFOLIO

177 866m<sup>2</sup>

(March 2023: 177 087m<sup>2</sup>)

## SA REIT NET ASSET VALUE PER SHARE

R9,94

(March 2023: R9,15)

## OCCUPANCY RATE

97,62%

(March 2023: 96,75%)

## SA REIT LOAN-TO-VALUE

34%

(March 2023: 35%)

## NATIONAL TENANCY GROSS LETTABLE AREA

89%

(March 2023: 87%)

## SA REIT COST-TO-INCOME RATIO

43%\*

(March 2023: 39%)

## WEIGHTED AVERAGE TRADING DENSITY FOR THE PORTFOLIO

R39 931/m<sup>2</sup>

(March 2023: R38 337/m<sup>2</sup>)

## DIVIDEND PER SHARE

31 cents

(March 2023: 32 cents)

## RENTAL REVERSION

+7,68%

(March 2023: +3,6%)

\* Refer to note 10 on page 15.

## COMMENTARY

### PROFILE

Safari is a retail-focused REIT listed on the JSE Main Board. The Company has a streamlined and targeted strategy, concentrating on high-quality retail property assets that generate sustainable rental income. There have been no significant changes to the nature of the business during the financial period under review.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Critical to Safari's approach to investment in property assets is the advancement of sustainability in all its facets including environmental stewardship, social responsibility and good governance.

### PROPERTY PORTFOLIO

The Company's eight established income-generating retail centres include **Denlyn** in Mamelodi, Pretoria; **Atlyn, Mnandi** and **Nkomo Village** in Atteridgeville, Pretoria; **Thabong** in Sebokeng, Johannesburg; **Victorian Village** in Heidelberg, Gauteng; **Thornhill** in Polokwane and **Platz am Meer** in Swakopmund, Namibia. These centres are known to be well located and dominant in their regions and are largely underpinned by national tenants with long-term contractual leases. Safari also owns bulk reserves held for future development or expansion of existing properties.

### LETTING ACTIVITY

Occupancy for Safari remained strong for the period under review, with a vacancy factor of only 2,38% as at 31 March 2024 (March 2023: 3,25%). With a reversion ratio of +7,68% (March 2023: +3,36%) on renewals and tenant replacements, we remain confident in the strength of the tenant base and the portfolio's ability to continue generating sustainable growth and earnings. We have seen a substantial improvement in occupancy rates at Platz am Meer with renewed demand largely due to a significant increase in trading densities at the centre.

### FINANCIAL PERFORMANCE

Operating profit increased by 7%. Finance costs increased by 25,36% due to further interest rate hikes by the Reserve Bank and expenditure on capital projects during the reporting period. Movement in earnings per share was affected by the aforementioned factors and once-off events such as the insurance payout in the comparative prior period. During the period under review, recovery of electricity was transitioned from an outsourced service provider to an internal function. This partially offset the negative impact of electricity costs. However, the full impact of this transition will only be evident from the 2025 financial year.

### OPERATIONAL

Despite the challenges presented by a higher interest rate environment, severe load shedding and increased electricity and diesel costs, management maintains confidence in its capability to foster sustainable value creation for shareholders, propelled by a high-quality property portfolio. A key strategic focus area continues to be portfolio optimisation, achieved through refurbishments, and ensuring optimal tenant occupancy. Furthermore, efficient balance sheet management and disposal of the Mnandi Centre and the Soweto Day Hospital remain top priorities for management in the short term.

### FUNDING

Safari successfully replaced certain loan facilities during January 2024, securing more favourable terms. This resulted in a weighted average reduction in margin of 52 basis points. The Group's SA REIT loan-to-value ratio stands at 34%, with Safari's SA REIT cost of debt recorded at 10,38%, representing the all-in weighted average cost of Safari's interest-bearing borrowings for the 12 months ended 31 March 2024.

### DISTRIBUTABLE EARNINGS

Refer to note 14 for the full disclosure of distributable earnings and the 31 cents per share declared as a second distribution for the 12-month period ending 31 March 2024. The guidance provided in June 2023 and confirmed in November 2023 related to the 12 months ending 31 March 2024. Due to the year-end change from 31 March to 30 June, effective 30 June 2024, the Board intends to declare a third and final distribution for the last three months of the 15-month financial period ending 30 June 2024. This third and final distribution is expected to be between 16 cents and 18 cents per share and will be declared when the Integrated Annual Report for the 15 months ending 30 June 2024 is published. Furthermore, based on current forecasts and information available, we are confident that distributable earnings will show an above inflationary increase for the full 2025 financial year (1 July 2024 to 30 June 2025), compared to the 12-month period ended 31 March 2024, provided there is no significant deterioration in the economic environment in which we operate. More detailed guidance will be provided when the Integrated Annual Report for the 15 months ending 30 June 2024 is published. The forecast is the responsibility of the Board and has not been reviewed or reported on by the auditor.

### HERIOT BENEFICIAL INTEREST

Heriot Properties Proprietary Limited and its concert parties acquired a beneficial interest in the securities of the Company such that the total beneficial interest held by them was 58,92% (excluding treasury shares) of the Company's total issued ordinary share capital as at 31 March 2024.

### GOING CONCERN

The Directors are of the opinion that the Company has adequate financial resources to continue its operations for the foreseeable future. Accordingly, the reviewed consolidated interim financial statements for the 12 months ended 31 March 2024 have been prepared on a going concern basis. The Company is in a sound financial position and has access to sufficient borrowing facilities to meet its foreseeable cash requirements for operational activities and capital commitments.

Despite current liabilities exceeding current assets as at the reporting date, the Directors believe that the Company's strong financial position, along with the availability of unutilised borrowing facilities, ensure that it can meet its short-term obligations and continue its operations without interruption.

## INCOME-GENERATING RETAIL PORTFOLIO

for the 12 months ended 31 March 2024

	DENLYN Mamelodi	THABONG Sebokeng	ATLYN Atteridgeville	NKOMO VILLAGE Atteridgeville	THORNHILL Polokwane	VICTORIAN VILLAGE Heidelberg	MNANDI Atteridgeville	PLATZ AM MEER Swakopmund, Namibia
Total rentable area (m <sup>2</sup> )	34 868	34 319	31 325	22 719	12 590	11 962	8 717	21 366
Trading since	2003	2007	2006	2018	2009	1997	2015	2016
Number of shops	112	104	93	66	32	33	30	62
Fair value: 31 March 2024 (R)	1 046 000 000	701 800 000*	742 000 000	540 000 000	245 000 000	230 000 000	176 000 000	278 000 000
Annual trading density/m <sup>2</sup> : March 2024	R40 255	R41 627	R35 451	R47 410	R37 443	R51 711	R23 777	R36 759
National tenancy (%)	92	89	89	90	95	98	76	82
Occupancy level (%)	99	96	98	100	100	100	100	91

\* Including additional bulk.

### DEVELOPMENT PROJECTS

#### Atlyn Shopping Centre – refurbishment, second food anchor (Spar), drive-through addition

- Entire refurbishment of Atlyn planned; proposed construction start date: 1 August 2024
- A new banking node created on the south-western side of the centre
- A number of tenants relocated to enhance the tenant mix and the shopping experience for customers
- Spar (±2 100m<sup>2</sup>) added as a second food anchor, complemented by Tops (±360m<sup>2</sup>)
- The addition of a first Dis-Chem for the area is considered
- Several drive-through options are being considered with nationals

#### Denlyn Shopping Centre – drive-through addition

- Drive-through planned for Famous Brands' Steers
- Franchisee preapproved and proposed commercial terms to be finalised
- Proposed beneficial occupation date: September 2024
- Expected to open for trade: November 2024

#### Thabong Shopping Centre – drive-through addition and solar installation

- Addition of a first Burger King in the area
- Traffic impact study concluded and offer to lease secured
- Proposed beneficial occupation date: September 2024
- Expected to open for trade: November 2024
- Eskom application for a 1 700kWp grid-tied solar installation

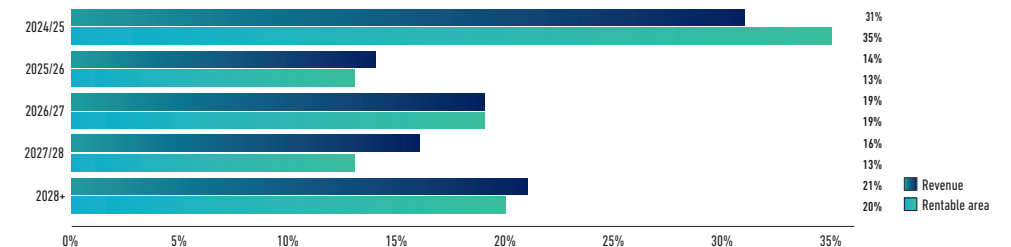
#### Thornhill Shopping Centre – addition of second food anchor (Checkers)

- Spar right-sized and repositioned to a prominent premises in the centre
- A new Fresh X Checkers will occupy the current Spar premises
- The Checkers store will be complemented with the addition of two Checkers brands: Petshop Science and Checkers LiquorShop
- Proposed beneficial occupation date: October 2024
- Checkers expected to open for trade: December 2024

#### Lynnwood erven – new development

- New mixed-use development in planning phase
- 13 000m<sup>2</sup> property in the popular Lynnwood precinct
- Firm interest evident from major national tenants
- Letters of intent received from all large food anchor retailers
- Rezoning application is in process

#### Lease expiry profile of the portfolio



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2024

	Note	Reviewed 31 March 2024 R'000	Audited 31 March 2023 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		804	603
Right-of-use assets		1 642	3 997
Investment property	3	3 692 815	3 429 996
Fair value of investment property		3 816 800	3 535 800
Straight-lining lease asset	4	(123 985)	(105 804)
Investment in joint ventures		1 500	1 500
Derivatives	19	–	1 017
Straight-lining lease asset	4	123 273	105 507
Deferred tax asset		–	13 857
		<b>3 820 034</b>	3 556 477
<b>Current assets</b>			
Inventories	5	10 109	29 869
Trade and other receivables	7	35 137	23 126
Derivatives	19	390	1 615
Straight-lining lease asset	4	712	297
Cash and cash equivalents		9 136	10 914
		<b>55 484</b>	65 821
Investment property held for sale	18	190 100	184 900
<b>Total assets</b>		<b>4 065 618</b>	3 807 198

	Note	Reviewed 31 March 2024 R'000	Audited 31 March 2023 R'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Stated capital	6	1 599 381	1 604 616
Retained income		991 616	822 885
Share-based payment reserve	17	3 380	1 568
<b>Total equity and reserves</b>		<b>2 594 377</b>	2 429 069
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing borrowings	8	1 368 066	954 604
Deferred tax liability		35 074	27 106
Lease liabilities		2 365	4 531
		<b>1 405 505</b>	986 241
<b>Current liabilities</b>			
Interest-bearing borrowings	8	15 179	358 926
Trade and other payables	7	49 778	31 968
Lease liabilities		779	994
		<b>65 736</b>	391 888
<b>Total liabilities</b>		<b>1 471 241</b>	1 378 129
<b>Total equity and liabilities</b>		<b>4 065 618</b>	3 807 198

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the 12 months ended 31 March 2024

	Note	Reviewed 12 months ended 31 March 2024 R'000	Audited Year ended 31 March 2023 R'000
<b>Revenue</b>		<b>537 008</b>	456 899
Property revenue	9	499 238	392 562
Straight-line lease adjustment	4	18 180	15 601
Revenue from sale of inventory	5	19 590	36 736
Revenue from sale of land		–	12 000
Other income	16	7 449	33 007
Cost of inventory sold		(24 114)	(39 524)
Cost of land sold		–	(13 026)
(Impairment of inventory)/impairment reversal		(1 591)	111
Operating expenses	10	(216 189)	(154 620)
<b>Operating profit</b>		<b>302 563</b>	282 847
Investment income		1 663	3 488
Fair value adjustments	3	183 019	144 677
Finance costs		(134 657)	(107 413)
Fair value (loss)/gain on derivatives		(2 283)	15 481
<b>Profit before taxation</b>		<b>350 305</b>	339 080
Taxation		(22 083)	(16 168)
<b>Profit for the year</b>		<b>328 222</b>	322 912
Other comprehensive income		–	–
<b>Total comprehensive income for the year</b>		<b>328 222</b>	322 912
Basic earnings per share (cents)	13	127,95	125,40
Diluted earnings per share (cents)	13	127,67	125,22

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 12 months ended 31 March 2024

	Stated capital R'000	Share-based payment reserve R'000	Retained income R'000	Total equity R'000
<b>Balance as at 1 April 2022 (Audited)</b>	1 606 452	465	667 560	2 274 477
Profit for the period	–	–	322 912	322 912
Other comprehensive income	–	–	–	–
<b>Total comprehensive income for the year</b>	–	–	322 912	322 912
Share buy-back	(1 836)	–	–	(1 836)
Share-based payment expense	–	1 103	–	1 103
REIT distribution paid	–	–	(167 587)	(167 587)
<b>Balance as at 31 March 2023 (Audited)</b>	1 604 616	1 568	822 885	2 429 069
Profit for the period	–	–	328 222	328 222
Other comprehensive income	–	–	–	–
<b>Total comprehensive income for the year</b>	–	–	328 222	328 222
Share buy-back	(5 235)	–	–	(5 235)
Share-based payment expense	–	1 812	–	1 812
REIT distribution paid	–	–	(159 491)	(159 491)
<b>Balance as at 31 March 2024 (Reviewed)</b>	<b>1 599 381</b>	<b>3 380</b>	<b>991 616</b>	<b>2 594 377</b>

Note 6

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the 12 months ended 31 March 2024

Note	Reviewed 12 months ended 31 March 2024 R'000	Audited Year ended 31 March 2023 R'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	319 728	297 161
Investment income received	1 663	3 488
Finance costs paid	(119 428)	(104 369)
REIT distribution paid	(159 491)	(167 587)
Tax paid	(257)	(729)
<b>Net cash from operating activities</b>	<b>42 215</b>	<b>27 964</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(512)	(145)
Development of investment property	(88 802)	(88 215)
Capital expenditure related to investment property held for sale	(95)	-
Proceeds from disposal of investment property	-	12 000
Proceeds from shareholders' loan	-	47 495
<b>Net cash (used in) investing activities</b>	<b>(89 409)</b>	<b>(28 865)</b>
<b>Cash flows from financing activities</b>		
Share buy-back	(5 235)	(1 836)
Proceeds from interest-bearing borrowings	430 422	492 650
Repayment of interest-bearing borrowings	(379 040)	(485 323)
Payment of lease liabilities	(731)	(807)
<b>Net cash from financing activities</b>	<b>45 416</b>	<b>4 684</b>
<b>Total cash movement for the year</b>	<b>(1 778)</b>	<b>3 783</b>
Cash at the beginning of the year	10 914	7 131
<b>Total cash and cash equivalents at the end of the year</b>	<b>9 136</b>	<b>10 914</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the 12 months ended 31 March 2024

## 1. BASIS OF PREPARATION

The reviewed consolidated interim financial statements for the 12 months ended 31 March 2024 were prepared in accordance with IFRS Accounting Standards, IAS 34 *Interim Financial Reporting*, the South African financial reporting requirements per section 8.60 of the JSE Listings Requirements, the requirements of the Companies Act 71 of 2008 ("Companies Act") of South Africa and the JSE Listings Requirements. The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS Accounting Standards and are consistent with those applied in the previous audited consolidated annual financial statements. These interim results have been reviewed by the Company's auditor.

The second edition of the SA REIT Association's Best Practice Recommendations published in November 2019 encourages consistent presentation and disclosure of relevant metrics in the SA REIT sector. Annexure 1 discloses the SA REIT ratios for the 12 months ended 31 March 2024.

The reviewed consolidated interim financial statements for the 12 months ended 31 March 2024 were approved by the Board on 18 June 2024.

## 2. CHANGE OF FINANCIAL YEAR-END

Shareholders are advised that Safari Investments RSA Limited changed its financial year-end from 31 March to 30 June effective from the year ending 30 June 2024 and that these interim results are for the 12-month period ended 31 March 2024. The Integrated Annual Report for the year ended 30 June 2024 will include audited annual financial statements for the 15 months ended 30 June 2024 in line with section 27 of the Companies Act.

## 3. INVESTMENT PROPERTY

The Group's investment properties are valued annually by way of independent valuation.

The most recent external valuation was performed on 31 March 2024.

The valuation of investment property is considered to be Level 3 on the fair value hierarchy per IFRS 13. There have been no movements of inputs between the fair value hierarchy levels or changes in the methods of valuation.

The properties were valued by Peter Parfitt of Quadrant Properties Proprietary Limited who is a registered valuer in terms of Section 19 of the Property Valuers Profession Act 47 of 2000. The properties were valued using the discounted cash flow and comparable sales methods, which methods value the properties by discounting the cash flows of future income streams of the properties, taking into account expected rental and expense growth rates, vacancies and costs not recoverable from tenants. The discounted cash flow valuations are tested for reasonableness by benchmarking against recent comparable sales activity and available market surveys and by comparing the discounted cash flow values to the capitalised cash flow values. The capitalised cash flow values are calculated by applying appropriate capitalisation rates to the single forward year net revenue earning potential of the properties. The capitalisation rates are dependent on a number of factors such as location, the condition of the property, lease covenants and current market conditions.

The capitalisation rate applied on the retail portfolio ranged from 8,50% to 9,75% (2023: 8,50% to 11,75%) and resulted in an increase in the value of the portfolio of 7,98%.

### Inter-relationship between key unobservable inputs and fair value measurement

The fair value of investment properties would be affected by:

- change in expected market rental growth;
- change in expected expense growth; and
- change in discount and capitalisation rates.

NOTES TO THE FINANCIAL STATEMENTS continued  
for the 12 months ended 31 March 2024**3. INVESTMENT PROPERTY** continued

The sensitivity to key unobservable inputs in determining the valuation of investment property (for those properties valued on 31 March 2024) utilising the discounted cash flow method, illustrates that if the valuer increased both the terminal capitalisation and discount rates by 0,50%, the total valuation would decrease by R201 241 503, and if the valuer decreased both the terminal capitalisation and discount rates by 0,50%, the total valuation would increase by R223 968 842. Additionally, if the valuer increased the long-term vacancy provision by 1,00%, the total valuation would decrease by R53 672 636, and if the valuer decreased the long-term vacancy provision by 1,00%, the total valuation would increase by R37 560 288.

**4. STRAIGHT-LINING LEASE ASSET**

Lease terms range from three to 10 years with the weighted average lease escalation being 5,5% for the 12 months ended 31 March 2024.

	Reviewed 12 months ended 31 March 2024 R'000	Audited Year ended 31 March 2023 R'000
Non-current assets	123 273	105 507
Current assets	712	297
	123 985	105 804
<b>Movement can be reconciled as follows:</b>		
Balance at the beginning of the year	105 804	95 076
Movement during the year*	18 180	10 728
	123 984	105 804
<b>Maturity analysis of lease payments receivable</b>		
The future minimum lease payments receivable under non-cancellable leases are as follows:		
Future minimum lease payments receivable:		
No later than one year	305 300	284 623
Between one and two years	261 965	235 872
Between two and three years	205 253	189 338
Between three and four years	148 716	142 281
Between four and five years	88 968	98 666
Later than five years	516 709	722 764
	1 526 911	1 673 544

\* Excluding investment property held for sale.

**5. INVENTORY**

Safari's wholly owned subsidiary, Safari Investments Namibia Proprietary Limited, holds 100% of the shares in a private company known as Platz am Meer Property One Proprietary Limited and, through its nominee, Mr DC Engelbrecht, the membership in a remaining unsold close corporation. Residential units were developed with the Platz am Meer Shopping Centre, and a sectional title scheme and 36 close corporations were incorporated in which the residential units vest. During the 12-month period ended 31 March 2024, five of the remaining six units were sold. One unit remains to be transferred and is classified as inventory of the Group.

**6. STATED CAPITAL**

In the 2024 financial year, Safari intends to distribute a minimum of 75% of its taxable earnings to the shareholders as per the REIT requirements, and the shareholders will be liable for the tax on the profit distributed.

	Reviewed 12 months ended 31 March 2024	Audited Year ended 31 March 2023
<b>Reconciliation of number of shares in issue</b>		
Shares issued (legal)*	257 496 169	310 826 016
Southern Palace shares treated as treasury shares*	–	(53 000 000)
Repurchased shares held as treasury shares <sup>#</sup>	(965 350)	(329 847)
<b>At the end of the year – shares in issue</b>	<b>256 530 819</b>	257 496 169
<b>Issued</b>		
At the beginning of the year (R'000)	1 604 616	1 606 452
Movements during the year (R'000)	(5 235)	(1 836)
	1 599 381	1 604 616

\* During the prior reporting period, Safari held a pledge over 53 million Safari shares as security for a claim against Southern Palace. Shareholders are referred to announcements released on the Stock Exchange News Service ("SENS") on 22 February 2023 and 1 March 2023 in relation to the repurchase of the Southern Palace shares. At the General Meeting held on 31 March 2023, a special resolution was passed to repurchase the 53 million Safari shares. Shareholders are referred to announcements released on SENS on 20 April 2023 and 26 April 2023 in this regard confirming the finalisation of the repurchase after fulfilment of all conditions precedent and the subsequent delisting and cancellation of the repurchase shares on 26 April 2023.

<sup>#</sup> During the current reporting period, 965 350 shares were repurchased at an average price of R5,55 per share. To date, the Group has repurchased 1 295 197 shares in the open market for a total value of R7,1 million.



NOTES TO THE FINANCIAL STATEMENTS continued  
for the 12 months ended 31 March 2024**7. TRADE AND OTHER RECEIVABLES/PAYABLES**

Trade and other receivables include R20 million (2023: R18 million) of monthly rental debtors. The remainder of the trade and other receivables balance relates to ad hoc billings such as turnover rental, electricity and water recoveries, deposits paid and prepaid expenses. Trade and other payables include tenant deposits held, income received in advance, value added tax payable and accrued expenses.

**8. INTEREST-BEARING BORROWINGS**

The Group is required to adhere to the following bank covenants during the reporting period:

	Actual ratios as at 31 March 2024	Covenant ratios applicable as at 31 March 2024
<b>Debt covenants – loan-to-value (“LTV”) and interest cover ratio (“ICR”)</b>		
Transactional LTV (including mark-to-market value) (%)	<b>34,8</b>	<55
Transactional LTV (excluding mark-to-market value) (%)	<b>34,8</b>	<50
Transactional ICR	<b>2,48</b>	>1,85
Corporate ICR	<b>2,28</b>	>2,00
Corporate LTV (%)	<b>36,9</b>	<50
Hedging agreements covenant	<b>0,09</b>	<1,25

Safari remains within the parameters of compliance for debt covenants and does not foresee any breaching of covenant triggers.

The Group holds as part of its security special purpose vehicle agreement and International Swaps and Derivatives Association master agreement, liabilities and hedging instruments which are indexed to the Johannesburg Interbank Average Rate (“JIBAR”). As part of the global benchmark interest rate reform, whereby some interbank offered rates will be replaced with an alternative risk-free rate, the Group would need to assess the impact of the interbank offered rate reform and possible hedge ineffectiveness that the Group will be exposed to. As at the reporting date, the Group is yet to transition to the replaced or reformed alternative rates. The Directors consider the carrying amount of bank loans to approximate their fair values as the interest rates associated with these bank loans are considered to be market-related. During August 2023, Safari successfully concluded a facility agreement, in line with its growth and lender diversification strategy, for R150 million with Standard Bank of South Africa Limited which had refinanced the maturing R150 million Absa Bank Limited facility. Additionally, in January 2024, Safari successfully replaced its older, more expensive loan facilities, securing more favourable terms.

**9. PROPERTY REVENUE**

	Reviewed 12 months ended 31 March 2024	Audited Year ended 31 March 2023
Property revenue – rental and solar income	<b>368 120</b>	339 986
Property revenue – recoveries	<b>131 118</b>	52 576
Straight-line lease adjustment	<b>18 180</b>	15 601
Revenue from sale of inventory	<b>19 590</b>	36 736
Revenue from sale of land	<b>–</b>	12 000
	<b>537 008</b>	456 899

Refer to the condensed consolidated segment report for revenue disaggregation by location and operating segment.

Total property revenue increased by 27,17% compared to the comparative period. The disproportionate increase can partly be attributed to a change in the treatment of electricity billing and recoveries from tenants as the internalisation of electricity billing was phased in during the reporting period from April 2023.

**10. OPERATING EXPENSES**

Operating expenses have also shown a disproportionate increase, with the SA REIT cost-to-income ratio rising from 39% to 43%. This increase is attributable to several factors outlined below.

Firstly, the internalisation of electricity billing during the reporting period altered the categorisation of electricity expenses and corresponding recoveries from tenants (refer also to note 9). Municipal electricity invoices are categorised as expenses, while the recovery of these costs from tenants is recorded as revenue. This difference in treatment can distort direct comparisons between periods when analysed line by line.

Moreover, heightened diesel expenditure and generator maintenance costs were incurred due to severe levels of load shedding during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS continued  
 for the 12 months ended 31 March 2024

## 11. EVENTS DURING THE REPORTING PERIOD

Announcements were released on SENS on 20 April 2023 and 26 April 2023 in relation to the finalisation of the repurchase of Safari shares held by Southern Palace confirming the fulfilment of all conditions precedent and the subsequent delisting and cancellation of the repurchase shares on 26 April 2023.

An announcement was released on SENS on 26 April 2023 in relation to Heriot Investments Proprietary Limited ("Heriot") and related parties, advising that they have acquired a beneficial interest in the securities of the Company, such that the total of the beneficial interest held by them amounts to 56,8% of the Company's total issued ordinary share capital.

On 4 May 2023, a lease was entered into for the Soweto Day Hospital with a new tenant, Element WCH Proprietary Limited, with an option to purchase the property within 24 months at a price to be determined by an independent external JSE-accredited valuer. This property is classified as a property held for sale.

The Company changed its financial year-end from 31 March to 30 June effective from the year ending 30 June 2024. The announcement advising the change in financial year-end was released on SENS on 1 June 2023.

On 21 June 2023, the Board approved a final cash distribution of 32 cents per Safari share which was paid to shareholders during July 2023.

Shareholders are referred to the SENS announcement published on 29 June 2023 relating to the abridged summarised audited consolidated annual financial results for the 2023 financial year, dividend distribution declaration, release of the Integrated Annual Report and notice of Annual General Meeting.

In accordance with paragraph 2.7A(b) of the JSE Listings Requirements, the Company changed its sponsor, and Valeo Capital Proprietary Limited was appointed as the Company's sponsor with effect from 24 July 2023.

In line with the Company's growth and lender diversification strategy, a new facility agreement was concluded for R150 million with Standard Bank of South Africa Limited. This new facility was implemented on 1 September 2023 with a four-year term and replaced a maturing R150 million Absa Bank Limited facility.

An announcement was released on 27 September 2023 in relation to Heriot advising that it has transferred 25 782 608 ordinary shares in the Company, equivalent to an approximate 10,02% interest in the Company, to its subsidiary, Thibault REIT Limited ("Thibault") as part of the listing of Thibault on the Cape Town Stock Exchange ("transfer"). Following the transfer, the total beneficial interest held by Heriot and its related parties, being Heriot REIT Limited, Reya Gola Investments Proprietary Limited and Thibault, amounts to 57% of the Company's total issued share capital.

Atlyn Shopping Centre and Thabong Shopping Centre were transitioned into subsidiaries for a more efficient implementation of SASRIA cover for these assets. This transition took effect on 1 October 2023.

At the Annual General Meeting held on 24 October 2023, all resolutions were passed. Mr MH Muller indicated that he would not be standing for re-election as a Non-executive Director of Safari and the resolution for his re-election was withdrawn.

On 15 November 2023, the Board approved a gross cash interim distribution of 30 cents per ordinary share which was paid to shareholders during December 2023.

Safari replaced existing facilities of R800 million with Absa Bank Limited at more favourable margins. As a result, a new facility of R800 million with Absa Bank Limited was implemented on 31 January 2024. The new Absa Bank Limited facility is split into different tranches with different maturity dates to achieve a well balanced debt expiry profile.

## 11. EVENTS DURING THE REPORTING PERIOD continued

On 21 February 2024, the Board approved the following capital projects subject to successfully securing the required funding where existing facilities will not be sufficient to fund the projects:

- **Thornhill Checkers**  
 A capital project amounting to R41 561 254 to improve the tenant mix by replacing SuperSpar and Tops with Checkers and Checkers Liquor and replacing Food Lover's Market (lease ending 30 June 2024) with Spar and Tops (estimated time of completion: March 2025).
- **Thabong Burger King drive-through**  
 A capital project amounting to R622 940 for the construction of a new Burger King drive-through at Thabong Shopping Centre (estimated time of completion: November 2024).

An announcement was released on SENS on 7 March 2024 in relation to Heriot Properties Proprietary Limited and its concert parties, advising that they have acquired a beneficial interest in the securities of the Company, such that the total of the beneficial interest held by them amounts to 58,92% of the Company's total issued ordinary share capital.

The Directors are not aware of any other material reportable events that occurred during the reporting period.

## 12. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 18 June 2024, the Board approved a gross cash interim distribution of 31 cents per Safari share which will be paid during July 2024.

On 18 June 2024, the Board approved the following capital projects, subject to certain conditions precedent and subject to successfully securing the required funding where existing facilities will not be sufficient to fund the projects:

- **Thornhill project**  
 On 21 February 2024, the Board approved a project amounting to R41 561 254 (refer to note 11 – Events during the reporting period). After concluding commercial terms with Spar and Checkers, the Board approved an additional amount of R7 500 000 bringing the total project cost to R49 061 254 (estimated time of completion: March 2025).
- **Atteridgeville project**  
 A capital project amounting to R145 244 356 was approved as a strategy to strengthen Safari's dominance in the Atteridgeville node. The project comprises the following:
  - **Atlyn refurbishment and expansion:** Full refurbishment of the 18-year-old shopping centre to modernise the centre and improve the tenant mix. SuperSpar will become a second anchor, a banking court and food court will be created, a new Burger King drive-through will be added, and the solar installation will be expanded (estimated time of completion: November 2025).
  - **Nkomo Village:** Addition of a fourth drive-through, Nando's (estimated time of completion: November 2024).
  - **Mnandi:** Addition of a BP filling station and the conversion of Pick n Pay to Spar (estimated time of completion: March 2025).

The Directors are not aware of any other material reportable events that occurred subsequent to the reporting period.

NOTES TO THE FINANCIAL STATEMENTS continued  
for the 12 months ended 31 March 2024

### 13. EARNINGS PER SHARE

	Reviewed 12 months ended 31 March 2024	Audited Year ended 31 March 2023
Earnings used in the calculation of basic earnings per share (profit after tax R'000)	328 222	322 912
Number of ordinary shares in issue at period end*	256 530 819	257 496 169
Diluted weighted average number of ordinary shares	257 076 858	257 885 129
Weighted average number of ordinary shares in issue at period end	257 037 863	257 820 609
Add: Weighted potential dilutive impact of "Long-term Incentive Plan ("LTI")	38 995	64 520
Headline earnings (R'000)	145 203	178 235
Basic earnings per share (cents)	127,95	125,40
Diluted earnings per share (cents)	127,67	125,22
Basic headline earnings per share (cents)	56,60	69,22
Diluted headline earnings per share (cents)	56,48	69,11
<b>Headline earnings reconciliation</b>		
Basic earnings (profit after tax R'000)	328 222	322 912
Fair value adjustments to properties (R'000)	(183 019)	(144 677)
Headline earnings (R'000)	145 203	178 235

\* Excluding treasury shares.

### 14. DISTRIBUTABLE EARNINGS

	Reviewed 12 months ended 31 March 2024 R'000	Audited Year ended 31 March 2023 R'000
Revenue (including recoveries and other income, excluding sale of apartments/land)	524 867	441 170
Less: Lease smoothing effect	(18 180)	(15 601)
Less: Expenses	(216 189)	(154 620)
Less: Net interest	(132 994)	(103 925)
Interest income	1 663	3 488
Interest expense	(134 657)	(107 413)
<b>Distributable earnings*</b>	<b>157 504</b>	167 024
Less: Interim distribution paid	(77 092)	(85 083)
Interim distribution per share (cents)	30	33
Available for distribution	80 412	81 941
Number of shares excluding treasury shares	256 530 819	257 496 169
Final distributable income per share available (cents)	31	32
Percentage of distributable income declared (%)	100	100
<b>Final distribution per share declared (cents)</b>	<b>31</b>	32

\* Despite the increase in revenue, distributable earnings decreased compared to the comparative interim period due to a substantial non-recurring insurance payout received in the prior period. If the non-recurring insurance event is excluded, the core distribution shows an increase of 10,5% from the comparative prior reporting period.

NOTES TO THE FINANCIAL STATEMENTS continued  
for the 12 months ended 31 March 2024

## 15. NET ASSET VALUE PER SHARE

	Reviewed 12 months ended 31 March 2024	Audited Year ended 31 March 2023
Total assets (R'000)	4 065 618	3 807 198
Total liabilities (R'000)	(1 471 241)	(1 378 129)
<b>Reported net asset value (R'000)</b>	<b>2 594 377</b>	2 429 069
Ordinary shares in issue*	256 530 819	257 496 169
Net asset value per share (Rand per share)	10,11	9,43
Tangible net asset value (Rand per share)	10,11	9,43
<b>Reported net asset value/tangible net asset value adjusted for:</b>		
Dividend declared (R'000)	(79 525)	(82 399)
Fair value of derivative financial instruments (R'000)	(390)	(2 632)
Deferred tax (R'000)	35 074	13 249
<b>SA REIT net asset value (R'000)</b>	<b>2 549 536</b>	2 357 287
Ordinary shares in issue*	256 530 819	257 496 169
<b>SA REIT net asset value (Rand per share)</b>	<b>9,94</b>	9,15

\* Excluding treasury shares.

## 16. OTHER INCOME

Other income shows a significant decrease from R33 million for the year ended 31 March 2023 to R7,4 million in the current interim period (12 months ended 31 March 2024). This can be attributed to an insurance payout of R25,2 million received in the comparative period for the Company's losses experienced during the July 2021 unrest and settled by the insurer.

## 17. SHARE-BASED PAYMENT RESERVE

The Group has awarded a conditional right to ordinary shares for both Executive Directors and management in terms of its LTI Plan.

The LTI Plan aims to align the interests of management to those of shareholders. Details of the plan are included within the Remuneration Policy. The total number of shares awarded referred to as "LTI Plan participation" is determined by using a 30-trading day volume-weighted average price ("VWAP") at the end of the reporting period and a percentage of total guaranteed package for both Executive Directors and management.

The shares awarded at the grant dates are subject to both retention and performance conditions, measured over a three-year period, after a restriction period of two years.

Safari has recognised the shares granted as equity-settled with a share-based payment reserve recorded within equity and a share-based payment expense recognised in the statement of comprehensive income over the relevant measurement/vesting period.

The fair value of the conditional share awards was measured using the Black-Scholes formula.

The annualised share price volatility was identified based on the historical volatility of the Safari share and the expected forfeiture rate of 5%, evaluated on the historical behaviour of both executive and senior management staff.

Assumptions and estimates	Shares granted July 2021	Shares granted July 2022	Shares granted July 2023
Grant date	1 July 2021	1 July 2022	1 July 2023
Issue price at grant date (30-trading day VWAP)	R3,82	R5,38	R5,61
Number of shares awarded at grant date	561 447	467 514	568 132
Vesting commencement date	31 July 2024	31 July 2025	31 July 2026
Retention condition factor	95%	95%	95%
Retention measurement period	5 years	5 years	5 years
Performance condition factor	60%	60%	60%
Weighted average fair value per awarded share at grant date	R5,55	R6,80	R6,31

NOTES TO THE FINANCIAL STATEMENTS continued  
for the 12 months ended 31 March 2024

17. SHARE-BASED PAYMENT RESERVE continued

	Reviewed 12 months ended 31 March 2024 R'000	Audited Year ended 31 March 2023 R'000
<b>Movement summary for share-based payment reserve</b>		
At the beginning of the period	1 568	1 077
Expense recognised in profit or loss	1 812	491
Shares issued during the period	–	–
<b>At the end of the period</b>	<b>3 380</b>	1 568

18. INVESTMENT PROPERTY HELD FOR SALE

The Board resolved to dispose of the Group's non-core assets and negotiations with several interested parties have subsequently taken place. The disposal is consistent with the Group's long-term policy to focus its activities on higher-yielding retail opportunities as well as to optimise capital allocation. The Soweto Day Hospital and Mrandi Shopping Centre, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and are presented separately in the statement of financial position.

The proceeds from disposals are expected to be in line with the fair value of the related investment properties as disclosed in the statement of financial position. The current assets classified as held for sale are as follows:

	Reviewed 12 months ended 31 March 2024 R'000	Audited Year ended 31 March 2023 R'000
Fair value of investment property held for sale	190 100	184 900

19. DERIVATIVES

	Reviewed 12 months ended 31 March 2024 R'000	Audited Year ended 31 March 2023 R'000
<b>Hedging derivatives</b>		
Interest rate derivatives asset/(liability)	390	2 632
<b>JIBAR-linked interest rate swaps</b>		
In line with an internal hedging policy adopted by the Board, a portion of the debt has been fixed by way of interest rate swaps.		
	390	2 632
<b>Split between non-current and current portions</b>		
Non-current assets	–	1 017
Current assets	390	1 615
	390	2 632

Interest rate swaps at fair value

The Group measured its derivative financial instruments, which relate to interest rate swaps at fair value on 31 March 2024. The fair value is based on a Level 2 fair value measurement hierarchy, measured with reference to models with observable market inputs, such as benchmark interest rates, yield or swap curves and foreign exchange or default rates based on mid-market levels. Interest rate swaps are calculated using the net present value the Company would pay or receive from the swap counterparty based on current interest rates. Interest rate swaps have been entered into in order to mitigate against the effect of changes in interest rates.

Fair value information

Financial assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of fair value. The fair value measurement of the Group's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted).
- Level 2: Observable direct or indirect inputs other than Level 1 inputs. The observable inputs for a financial instrument are either direct, as market-quoted prices or indirect, from derived prices.
- Level 3: Unobservable inputs (i.e. not derived from market data).

## CONSOLIDATED SEGMENT REPORT

The Group classifies the following segments, which is consistent with the way the Group reports internally: Atteridgeville, Mamelodi, Sebokeng, Limpopo, Heidelberg and Namibia. Head office, Lynnwood and Soweto form part of the reconciliation.

Segment results and net assets include items that can be directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Atteridgeville R'000	Mamelodi R'000	Sebokeng R'000	Heidelberg R'000	Limpopo R'000	Namibia R'000	Reconciliation R'000	Total R'000
<b>As at 31 March 2024</b>								
Property revenue	167 406	126 015	101 965	33 463	33 009	36 304	1 076	499 238
Straight-line lease adjustment	6 840	(1 029)	22 044	(3 866)	(471)	(5 497)	159	18 180
Revenue from the sale of inventory	–	–	–	–	–	19 590	–	19 590
Revenue from the sale of land	–	–	–	–	–	–	–	–
<b>Turnover (external)</b>	<b>174 246</b>	<b>124 986</b>	<b>124 009</b>	<b>29 597</b>	<b>32 538</b>	<b>50 397</b>	<b>1 235</b>	<b>537 008</b>
Reportable segment profit before investment revenue, fair value adjustments and finance costs	125 331	88 045	80 305	15 383	22 725	6 007	–	337 796
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	–	–	–	–	–	–	(35 233)	(35 233)
<b>Profit before investment revenue, fair value adjustments and finance costs</b>	<b>125 331</b>	<b>88 045</b>	<b>80 305</b>	<b>15 383</b>	<b>22 725</b>	<b>6 007</b>	<b>(35 233)</b>	<b>302 563</b>
<b>Other segment items</b>								
Interest revenue (external)	308	121	34	7	24	382	–	876
Unallocated interest revenue	–	–	–	–	–	–	787	787
<b>Investment revenue</b>	<b>308</b>	<b>121</b>	<b>34</b>	<b>7</b>	<b>24</b>	<b>382</b>	<b>787</b>	<b>1 663</b>
<b>Fair value adjustments*</b>	<b>86 096</b>	<b>59 001</b>	<b>6 665</b>	<b>10 916</b>	<b>4 184</b>	<b>21 126</b>	<b>(7 252)</b>	<b>180 736</b>
Interest expense	–	–	20	–	50	–	–	70
Unallocated interest expense	–	–	–	–	–	–	134 587	134 587
<b>Finance costs</b>	<b>–</b>	<b>–</b>	<b>20</b>	<b>–</b>	<b>50</b>	<b>–</b>	<b>134 587</b>	<b>134 657</b>
<b>Segment assets and liabilities</b>								
Segment assets	1 472 323	1 053 235	706 477	231 038	246 845	290 510	–	4 000 428
Unallocated assets	–	–	–	–	–	–	65 190	65 190
<b>Total assets</b>	<b>1 472 323</b>	<b>1 053 235</b>	<b>706 477</b>	<b>231 038</b>	<b>246 845</b>	<b>290 510</b>	<b>65 190</b>	<b>4 065 618</b>
Segment liabilities	18 177	11 618	9 543	2 008	2 506	5 374	–	49 226
Unallocated liabilities	–	–	–	–	–	–	38 770	38 770
Interest-bearing borrowings	165	71	5	19	10	–	1 382 975	1 383 245
<b>Total liabilities</b>	<b>18 342</b>	<b>11 689</b>	<b>9 548</b>	<b>2 027</b>	<b>2 516</b>	<b>5 374</b>	<b>1 421 745</b>	<b>1 471 241</b>

\* Includes the adjustment of the straight-lining lease accrual amounting to R18 180 000 recognised in the current reporting period.

### Entity-wide disclosure

The Group predominantly trades within South Africa, with the only foreign-held investment property being Platz am Meer in Namibia from which the Group generates foreign rental income. During the reporting period, no single tenant's revenue exceeded 10% of the total rental income.

CONSOLIDATED SEGMENT REPORT continued

	Atteridgeville R'000	Mamelodi R'000	Sebokeng R'000	Heidelberg R'000	Limpopo R'000	Namibia R'000	Reconciliation R'000	Total R'000
<b>As at 31 March 2023</b>								
Property revenue	134 433	101 235	73 359	23 395	33 273	25 311	1 556	392 562
Straight-line lease adjustment	11 318	343	3 462	1 045	(115)	(459)	7	15 601
Revenue from the sale of inventory	–	–	–	–	–	36 736	–	36 736
Revenue from the sale of land	–	–	–	–	–	12 000	–	12 000
<b>Turnover (external)</b>	145 751	101 578	76 821	24 440	33 158	73 588	1 563	456 899
Reportable segment profit before investment revenue, fair value adjustments and finance costs	114 663	77 205	62 437	18 297	21 910	9 410	–	303 923
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	–	–	–	–	–	–	(25 949)	(25 949)
<b>Profit before investment revenue, fair value adjustments and finance costs</b>	114 663	77 205	62 437	18 297	21 910	9 410	(25 949)	277 974
Other segment items								
Interest revenue (external)	212	(20)	24	2	10	165	–	393
Unallocated interest revenue	–	–	–	–	–	–	3 095	3 095
<b>Investment revenue</b>	212	(20)	24	2	10	165	3 095	3 488
<b>Fair value adjustments*</b>	72 465	47 436	29 259	(773)	4 955	5 218	1 719	160 279
Interest expense	–	–	–	–	46	–	–	46
Unallocated interest expense	–	–	–	–	–	–	107 367	107 367
<b>Finance costs</b>	–	–	–	–	46	–	107 367	107 413
<b>Segment assets and liabilities</b>								
Segment assets	1 360 256	965 844	653 530	215 089	238 710	294 705	–	3 728 134
Unallocated assets	–	–	–	–	–	–	79 064	79 064
<b>Total assets</b>	1 360 256	965 844	653 530	215 089	238 710	294 705	79 064	3 807 198
Segment liabilities	10 927	5 738	6 172	1 051	2 788	3 048	2 240	31 964
Unallocated liabilities	–	–	–	–	–	–	32 635	32 635
Interest-bearing borrowings	–	–	–	–	–	–	1 313 530	1 313 530
<b>Total liabilities</b>	10 927	5 738	6 172	1 051	2 788	3 048	1 348 405	1 378 129

\* Includes the adjustment of the straight-lining lease accrual amounting to R15 601 000 recognised in the 2023 financial year.

# INTERIM DIVIDEND DISTRIBUTION DECLARATION

## INTERIM DIVIDEND DISTRIBUTION DECLARATION

Shareholders are advised that, after careful consideration and adherence to the solvency and liquidity requirements as stated in the Companies Act, the Safari Board has approved and declared a gross cash interim dividend distribution of 31 cents per ordinary share from income reserves for the 12 months ended 31 March 2024 to be paid during July 2024. The distribution is based on revenue as per the disclosed distribution statement. Refer to note 14.

## SALIENT DATES AND TIMES

The following salient dates and times are applicable to the interim distribution:

Declaration date	Wednesday, 19 June 2024
Last day to trade cum dividend	Tuesday, 9 July 2024
Trading ex-dividend commences	Wednesday, 10 July 2024
Record date	Friday, 12 July 2024
Payment date	Monday, 15 July 2024

Shares may not be dematerialised or rematerialised between Wednesday, 10 July 2024, and Friday, 12 July 2024, both days inclusive.

In terms of REIT legislation, at least 75% of the distributable earnings must be distributed in every financial year. The total distribution for the reporting period consists of an interim cash dividend of 30 cents that was paid in December 2023 and an interim cash dividend of 31 cents per share to be paid in July 2024.

## TAX IMPLICATIONS

In accordance with Safari's status as a REIT, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of Section 25BB of the Income Tax Act 58 of 1962 ("Income Tax Act"). The dividends on the shares will be deemed to be dividends for South African tax purposes in terms of Section 25BB of the Income Tax Act. The income tax number of the Company is 9012/264/14/0.

## TAX IMPLICATIONS FOR SOUTH AFRICAN RESIDENT SHAREHOLDERS

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of Section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT.

This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that such shareholders provide the following forms to their Central Securities Depository Participant ("CSDP") or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- a declaration that the dividend is exempt from dividends tax; and
- a written undertaking to inform the CSDP, broker or the Company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

## TAX IMPLICATIONS FOR NON-RESIDENT SHAREHOLDERS

Dividends received by non-resident shareholders from a REIT will not be taxable as income and instead 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. With effect from 1 January 2014, any dividend received by a non-resident from a REIT will be subject to dividend 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 non-resident shareholder.

Assuming dividend tax will be withheld at a rate of 20%, the net distribution amount due to non-resident shareholders is 24,8 cents per share. 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 their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- a written undertaking to inform the CSDP, broker or the Company, 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. If applicable, non-resident shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted.

## OTHER INFORMATION

The ordinary issued share capital excluding treasury shares held by the Company is 256 530 819 ordinary shares of no par value as at the declaration date.



## ANNEXURE 1: SA REIT DISCLOSURE

The principles encompassed in the calculations in this annexure are aligned with the Best Practice Recommendations of the SA REIT Association.

## SA REIT FUNDS FROM OPERATIONS ("FFO")

	12 months ended 31 March 2024 R'000	Year ended 31 March 2023 R'000
Profit for the period	328 222	322 912
<i>Adjusted for:</i>		
<i>Accounting/specific adjustments:</i>		
Fair value adjustments to investment property and impairment of properties held for sale	(181 428)	(144 788)
Deferred tax movement recognised in profit or loss	21 825	15 438
Straight-lining operating lease adjustment	(18 180)	(15 601)
<i>Adjustments arising from investment activities</i>		
Gains on disposal of inventory (in relation to gross margin earned)	4 524	3 814
<i>Foreign exchange and hedging items</i>		
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	2 283	(15 481)
<b>SA REIT FFO</b>	<b>157 246</b>	<b>166 294</b>
Number of shares outstanding at the end of the period, excluding treasury shares	256 530 819	257 496 169
SA REIT FFO per share (cents)	61	66

## SA REIT COST-TO-INCOME RATIO

	12 months ended 31 March 2024 R'000	Year ended 31 March 2023 R'000
<i>Expenses</i>		
Operating expenses per IFRS income statement (includes municipal expenses and administrative expenses)	216 189	154 620
<i>Exclude:</i>		
Depreciation expense in relation to property, plant and equipment of an administrative nature	(310)	(281)
<b>Operating costs</b>	<b>215 879</b>	<b>154 339</b>
<i>Rental income</i>		
Contractual rental income and utility and operating recoveries per IFRS income statement (excluding straight-lining)	499 238	392 562
<b>Gross rental income</b>	<b>499 238</b>	<b>392 562</b>
<b>SA REIT cost-to-income ratio</b>	<b>43%</b>	<b>39%</b>

## SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO

	12 months ended 31 March 2024 R'000	Year ended 31 March 2023 R'000
<i>Expenses</i>		
Administrative expenses per IFRS income statement	37 600	39 685
<b>Operating costs</b>	<b>37 600</b>	<b>39 685</b>
<i>Rental income</i>		
Contractual rental income and utility and operating recoveries per IFRS income statement (excluding straight-lining)	499 238	392 562
<b>Gross rental income</b>	<b>499 238</b>	<b>392 562</b>
<b>SA REIT cost-to-income ratio</b>	<b>8%</b>	<b>10%</b>

ANNEXURE 1: SA REIT DISCLOSURE continued

SA REIT GROSS LETTABLE AREA ("GLA") VACANCY RATE

	12 months ended 31 March 2024	Year ended 31 March 2023
GLA of vacant areas (m <sup>2</sup> )	4 238	5 799
GLA of property portfolio (m <sup>2</sup> )	177 866	178 460
<b>SA REIT GLA vacancy rate (%)*</b>	<b>2,38</b>	3,25

\* Excluding Soweto Day Hospital property held for sale.

SA REIT COST OF DEBT

	Three-month JIBAR-linked loans %	Prime- linked loans %	Weighted combined SA REIT cost of debt %
<b>Variable interest rate borrowings</b>			
Floating reference rate plus weighted average margin	10,25	10,21	10,25
<b>Fixed interest rate borrowings</b>			
Weighted average fixed rate	–	–	–
<b>Pre-adjusted weighted average cost of debt:</b>	<b>10,25</b>	<b>10,21</b>	<b>10,25</b>
<i>Adjustments:</i>			
Impact of interest rate derivatives	(0,30)	–	(0,27)
Impact of cross-currency interest rate swaps (no cross-currency swaps)	–	–	–
Amortised transaction costs imputed in the effective interest rate	0,44	0,11	0,41
<b>All-in weighted average cost of debt</b>	<b>10,39</b>	<b>10,31</b>	<b>10,38</b>

SA REIT LOAN-TO-VALUE ("LTV")

	12 months ended 31 March 2024 R'000	Year ended 31 March 2023 R'000
Gross debt	1 383 245	1 313 530
<i>Less:</i>		
Cash and cash equivalents (including short-term deposits)	(9 136)	(10 914)
<i>Add:</i>		
Derivative financial instruments	–	–
<b>Net debt</b>	<b>1 374 109</b>	1 302 616
Total assets – per statement of financial position	4 065 618	3 807 198
<i>Less:</i>		
Cash and cash equivalents (including short-term deposits)	(9 136)	(10 914)
Derivative financial assets	(390)	(2 632)
Trade and other receivables	(35 137)	(23 126)
<b>Carrying amount of property-related assets</b>	<b>4 020 955</b>	3 770 526
<b>SA REIT LTV (%)</b>	<b>34</b>	35

## ANNEXURE 1: SA REIT DISCLOSURE continued

## SA REIT NET ASSET VALUE ("NAV") PER SHARE

	12 months ended 31 March 2024 R'000	Year ended 31 March 2023 R'000
Reported NAV	2 594 377	2 429 069
<i>Adjusted for:</i>		
Dividend to be declared	(79 525)	(82 399)
Fair value of derivative financial instruments	(390)	(2 632)
Deferred tax	35 074	13 249
<b>SA REIT NAV</b>	<b>2 549 536</b>	<b>2 357 287</b>
Ordinary shares in issue	256 530 819	257 496 169
<b>SA REIT NAV per share (Rand per share)</b>	<b>9,94</b>	<b>9,15</b>

## CORPORATE INFORMATION

## SAFARI INVESTMENTS RSA LIMITED

(Registration number: 2000/015002/06)  
JSE code: SAR  
ISIN: ZAE000188280  
Country of incorporation: Republic of South Africa  
(7 July 2000)

## REGISTERED ADDRESS AND PLACE OF BUSINESS

410 Lynnwood Road, Lynnwood, Pretoria 0081  
+27 (0) 12 365 1889  
✉ [info@safari-investments.com](mailto:info@safari-investments.com)  
🌐 [www.safari-investments.com](http://www.safari-investments.com)

## AUDITOR

## BDO South Africa Incorporated

Wanderers Office Park, 52 Corlett Drive  
Illovo, Johannesburg 2196

## BANKERS

## Absa Bank Limited

(Registration number: 1986/004794/06)  
Absa Towers East, 170 Main Street  
Johannesburg 2001  
PO Box 7735, Johannesburg 2000

## The Standard Bank of South Africa Limited

(Registration number: 1962/000738/06)  
9th Floor, Standard Bank Centre  
5 Simmonds Street  
Johannesburg 2001  
PO Box 7725, Johannesburg 2000

## GROUP COMPANY SECRETARY

## Pieter van Niekerk LLB

410 Lynnwood Road, Lynnwood, Pretoria 0081  
Postal: 410 Lynnwood Road, Lynnwood, Pretoria 0081

## DIRECTORS

SB Herring (*Chairperson*)  
Dr MT Matshoba-Ramuedzisi (*Lead Independent Non-executive*)  
DC Engelbrecht (*Chief Executive Officer*)  
WL Venter (*Chief Financial Officer*)  
GJ Heron (*Independent Non-executive*)  
Dr PA Pienaar (*Independent Non-executive*)

## INDEPENDENT VALUER

## Quadrant Properties Proprietary Limited

(Registration number: CK 89/40464/23)  
No 17 Tudor Park, 61 Hillcrest Avenue  
Oerder Park, Randburg 2115  
PO Box 35345, Northcliff 2115

## LEGAL ADVISER

## Webber Wentzel

90 Rivonia Road, Sandton, Johannesburg 2196  
(PO Box 1144, Johannesburg 2000)

## SPONSOR

## Valeo Capital Proprietary Limited

Unit 12, Paardevlei Specialist Centre  
Somerset West 7130

## TRANSFER SECRETARIES

## Computershare Investor Services

## Proprietary Limited

(Registration number: 2004/003647)  
Rosebank Towers  
15 Biermann Avenue, Rosebank 2196  
Private Bag X9000, Saxonwold 2132



## CONTACT US

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