



INDUSTRIAL | RETAIL | RESIDENTIAL | REST OF AFRICA



SA Corporate
2024 Interim Results Presentation
13 September 2024



AGENDA

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Introduction & Overview

Rory Mackey

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Rory Mackey

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INTRODUCTION & OVERVIEW RORY MACKEY



2024 H1 OVERVIEW

DISTRIBUTION

DISTRIBUTABLE INCOME



6.3%
vs 2023 H1

R338.4 million or 13.46 cps

(2023 H1: R318.2 million or 12.65 cps)

DISTRIBUTION

**Declared 12.11 cps
at 90% payout ratio**

(2023 H1: 11.39 cps at 90% payout ratio)

2024 H1 OVERVIEW

PORTFOLIO PERFORMANCE

TOTAL NET PROPERTY INCOME ("NPI")

R734.5 million

(2023 H1: R592.6 million)

TRADITIONAL PORTFOLIO VACANCIES

% of gross lettable area ("GLA")

1.6%

(31 December 2023: 2.0%)

TOTAL LIKE-FOR-LIKE NPI INCREASED BY

4.8% to R543.7 million

(2023 H1: R518.7 million)

RESIDENTIAL PORTFOLIO VACANCIES

% of total units

Afhco excluding

Indluplace

3.4%

(31 December 2023: 4.2%)

Indluplace

4.5%

(31 December 2023: 4.5%)

INDLUPLACE NPI > ACQUISITION MODEL

13.4% or R17.1 million

(for 12 months)

Total 4.0%

(31 December 2023: 4.4%)

2024 H1 OVERVIEW

PROPERTY ACTIVITY

DISPOSAL PIPELINE
SINCE 1 JANUARY 2024 TO 30 JUNE 2024

R224.7 million

(R52.0 million transferred to 30 June 2024; R172.7 million contracted not yet transferred, of which R12.4 million has transferred after 30 June 2024)

CONTRACTED FOR SALE POST 30 JUNE 2024

R530.0 million

ASSETS UNDER MANAGEMENT

R19.3 billion

(31 December 2023: R19.0 billion)

CAPITAL STRUCTURE

LOAN TO VALUE ("LTV") RATIO

41.9%*

(31 December 2023: 41.9%)

** Net debt LTV excluding derivatives, which if included would be 41.7% (31 December 2023: 41.6%)*

WEIGHTED AVERAGE COST OF FUNDING

9.4%

(31 December 2023: 9.4%)

inclusive of swaps

10.2%

(31 December 2023: 10.2%)

exclusive of swaps

EFFECTIVE FIXED
DEBT

74.9%

(31 December 2023: 70.1%)

WEIGHTED AVERAGE
SWAP TENOR

1.1 years

(31 December 2023: 1.5 years)

DISPOSAL PIPELINE (Transferred & Contracted)

Transferred disposals:

Property	Transfer date	Gross selling price (Rm)	Region	Sector
Residential apartments ⁽¹⁾	Jan 24 - Jun 24	52.0	Gauteng	Residential
Total		52.0		

Contracted and unconditional disposals:

Property	Expected transfer date	Gross selling price (Rm)	Region	Sector
Portion of 11 Wankel Street, Jet Park	Oct 24	30.0	Gauteng	Industrial
Chapel Court, Johannesburg Inner City	Oct 24	38.0	Gauteng	Inner City Retail
Residential apartments ⁽²⁾	Jul 24 - Dec 24	27.6	Gauteng	Residential
Total		95.6		

Contracted and conditional disposals:

Property	Expected transfer date	Gross selling price (Rm)	Region	Sector
Villakazi, Johannesburg ⁽³⁾	Oct 24	1.1	Gauteng	Residential
No. One Eloff, Johannesburg ⁽³⁾	Oct 24	42.0	Gauteng	Residential
Pomegranate, Johannesburg ⁽³⁾	Oct 24	8.2	Gauteng	Residential
Empire Gardens, Johannesburg ⁽³⁾	Oct 24	19.5	Gauteng	Residential
Hotel at Cullinan Jewel Shopping Centre, Pretoria	Dec 24	2.7	Gauteng	Retail
Multi Glass, Johannesburg	Dec 24	3.6	Gauteng	Inner City Retail
Total		77.1		

⁽¹⁾ Includes retail space at Bridgeport sold for R2.4 million.

⁽²⁾ R12.4 million transferred subsequent to 30 June 2024.

⁽³⁾ Indluplace properties.

DISPOSAL PIPELINE (Contracted Post 30 June 2024)

Property	Expected transfer date	Gross selling price (Rm)	Region	Sector
155 Old Main Road, Pinetown	Nov-24	68.0	KwaZulu-Natal	Industrial
Nobel Street Office Park, Bloemfontein	Nov-24	39.0	Free State	Commercial
Forest Road Design & Décor Centre Extension, Johannesburg	Dec-24	55.0	Gauteng	Retail
320 Bree Street, Johannesburg ⁽³⁾	Dec-24	8.0	Gauteng	Residential
Curzon Court, Johannesburg ⁽³⁾	Dec-24	6.5	Gauteng	Residential
Morgenster, Johannesburg ⁽³⁾	Dec-24	8.7	Gauteng	Residential
Park Mews, Johannesburg ⁽³⁾	Dec-24	10.5	Gauteng	Residential
Seswick Court, Johannesburg ⁽³⁾	Dec-24	5.7	Gauteng	Residential
Parnon Court, Bloemfontein ⁽³⁾	Dec-24	27.0	Free State	Residential
Balnagask, Johannesburg ⁽³⁾	Feb-25	46.7	Gauteng	Residential
Monsmeg, Johannesburg ⁽³⁾	Feb-25	9.0	Gauteng	Residential
The Sentinel, Johannesburg ⁽³⁾	Feb-25	73.3	Gauteng	Residential
Geraldine Court, Johannesburg ⁽³⁾	Feb-25	14.0	Gauteng	Residential
Bree Street Retail, Johannesburg ⁽³⁾	Feb-25	14.9	Gauteng	Inner City Retail
Arvin Court, Johannesburg ⁽³⁾	Feb-25	2.8	Gauteng	Residential
Midhill Gardens, Johannesburg ⁽³⁾	Feb-25	21.5	Gauteng	Residential
Northways, Johannesburg ⁽³⁾	Feb-25	8.9	Gauteng	Residential
Sefton Court, Johannesburg ⁽³⁾	Feb-25	12.5	Gauteng	Residential
Sue Mark Court, Johannesburg ⁽³⁾	Feb-25	10.4	Gauteng	Residential
Kings Ransom, Johannesburg ⁽³⁾	Mar-25	87.6	Gauteng	Residential
Total		530.0		

⁽³⁾ Indluplace properties.

REAFFIRMING OUR STRATEGY SAMSON MOJALEFA

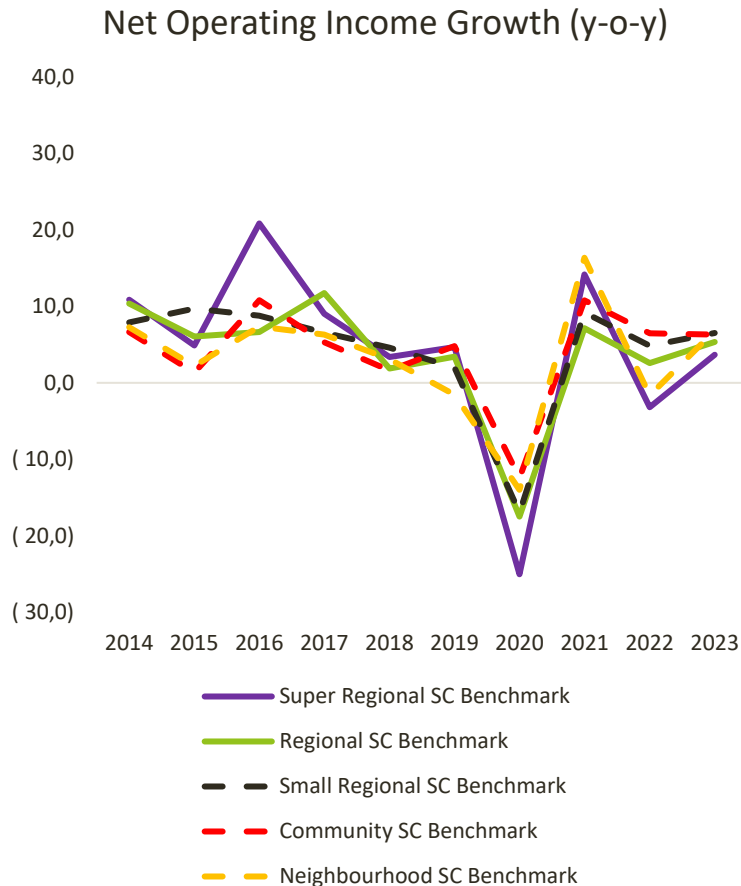


SA CORPORATE STRATEGY



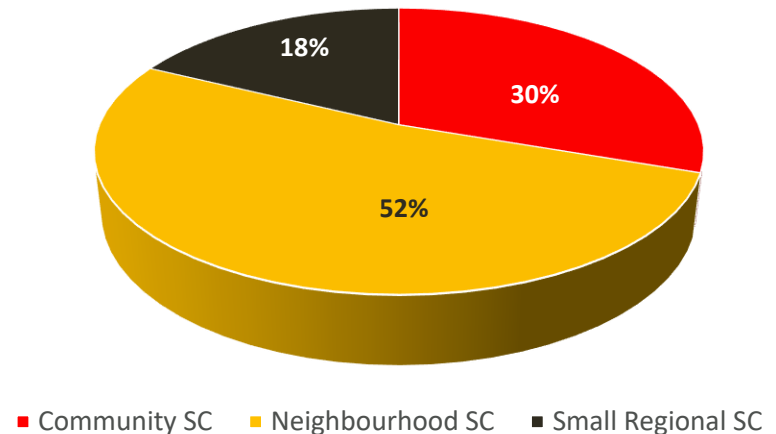
SA CORPORATE STRATEGY – CONVENIENCE ORIENTATED RETAIL PORTFOLIO

Robust retail property portfolio focussed on convenience-orientated shopping centres which dominate their catchment areas



Source: MSCI South Africa Annual Property Index Results, 2023

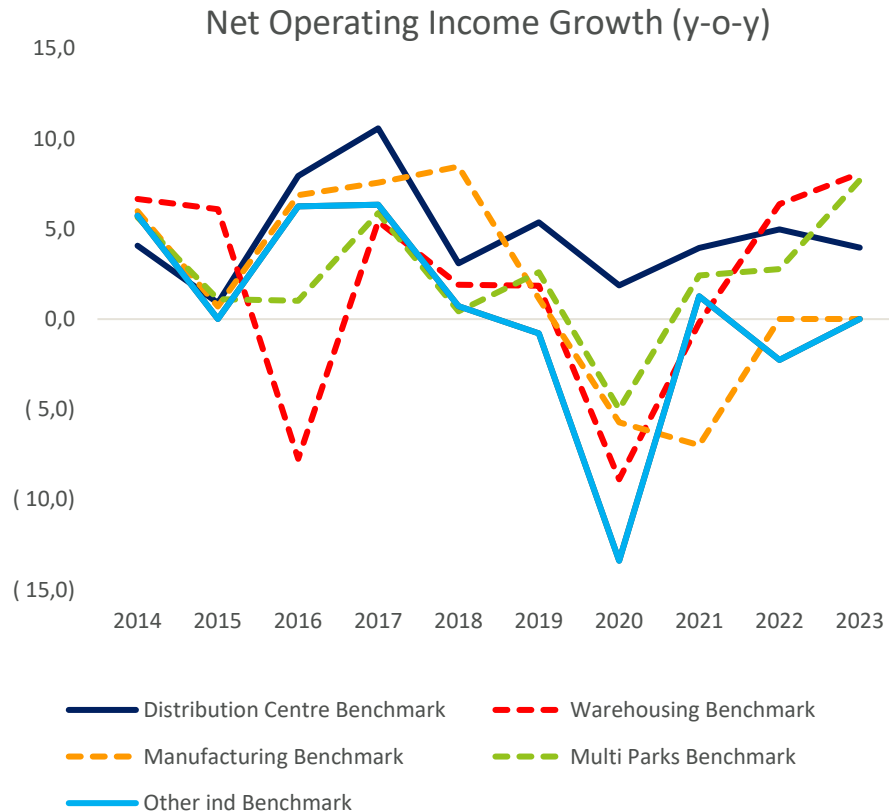
SAC Retail Property Split by Property Type



- Community Centres have produced the strongest y-o-y growth in NOI since the COVID pandemic, followed closely by the Small Regional Centres.
- Super Regional Centres have been the worst performing since COVID, albeit they have shown robust y-o-y income growth in 2023.
- Neighbourhood Centres have closely tracked Super Regional Centres and managed to report annualised trading density growth of 10.9% in the 2023 period under review.

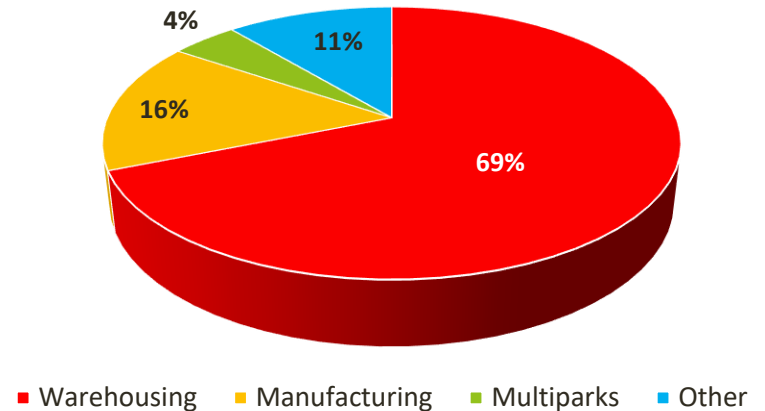
SA CORPORATE STRATEGY – LOGISTICS FOCUSSED INDUSTRIAL PORTFOLIO

Quality logistics portfolio offering competitive rentals and that invests in established logistics precincts and properties optimised to meet tenant needs



Source: MSCI South Africa Annual Property Index Results, 2023

SAC Industrial Portfolio Split by Property Type



- Industrial sector was MSCI 2023 top performer in SA with a total return of 11.2%, growth in NOI of 5.3% and sector vacancy being the lowest since 2007.
- Warehousing/logistics has shown the strongest growth in NOI since 2021, validating SAC's strategy to focus on logistics warehousing which now forms 82% of SAC's Industrial portfolio by GLA.

SA CORPORATE STRATEGY – LOGISTICS FOCUSSED INDUSTRIAL PORTFOLIO

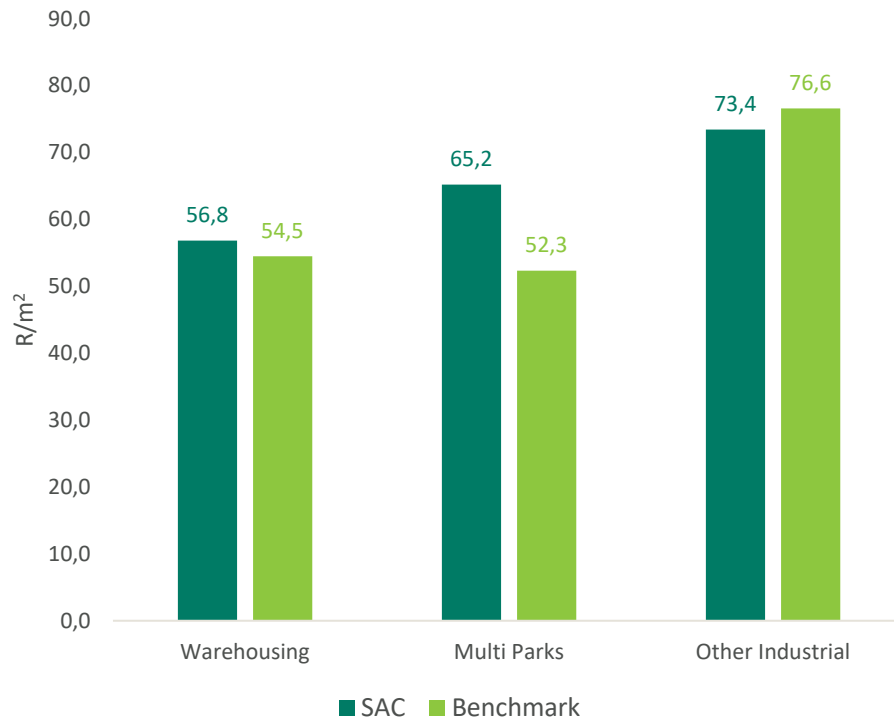
SAC industrial portfolio has yielded an annualised total return above benchmark over the 10-year period



Source: MSCI South Africa Annual Property Index Results, 2023

SA CORPORATE STRATEGY – LOGISTICS FOCUSSED INDUSTRIAL PORTFOLIO

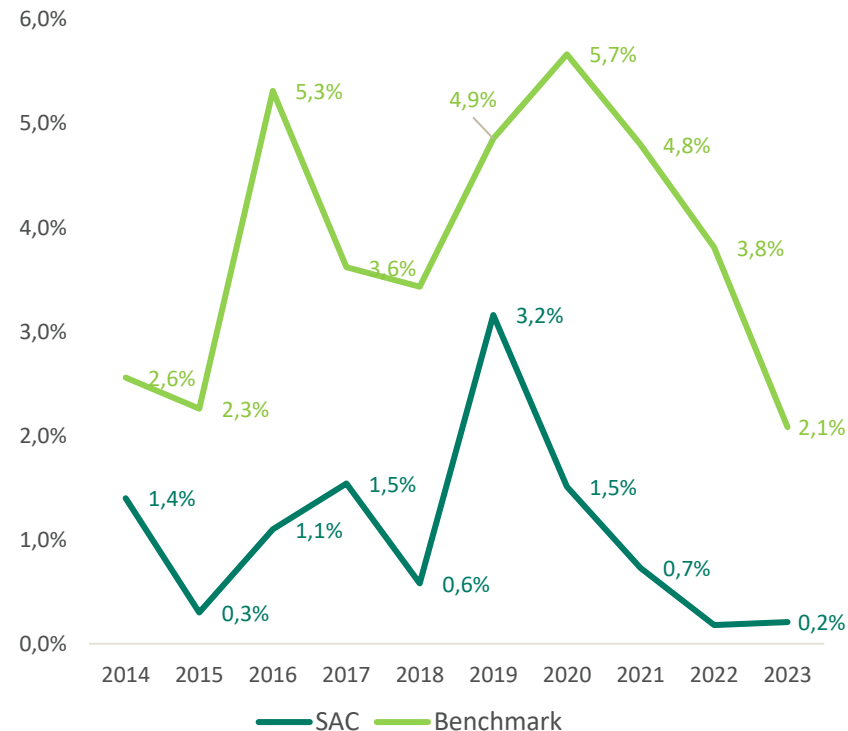
Average Monthly Base Rent Receivable per m²



Source: MSCI South Africa Annual Property Index Results, 2023

- Average monthly base rental on warehousing and multi manufacturing parks are currently above market due to strong letting demand for the properties in established nodes and rental escalations on previously long-term leases.

Vacancy (%GLA)

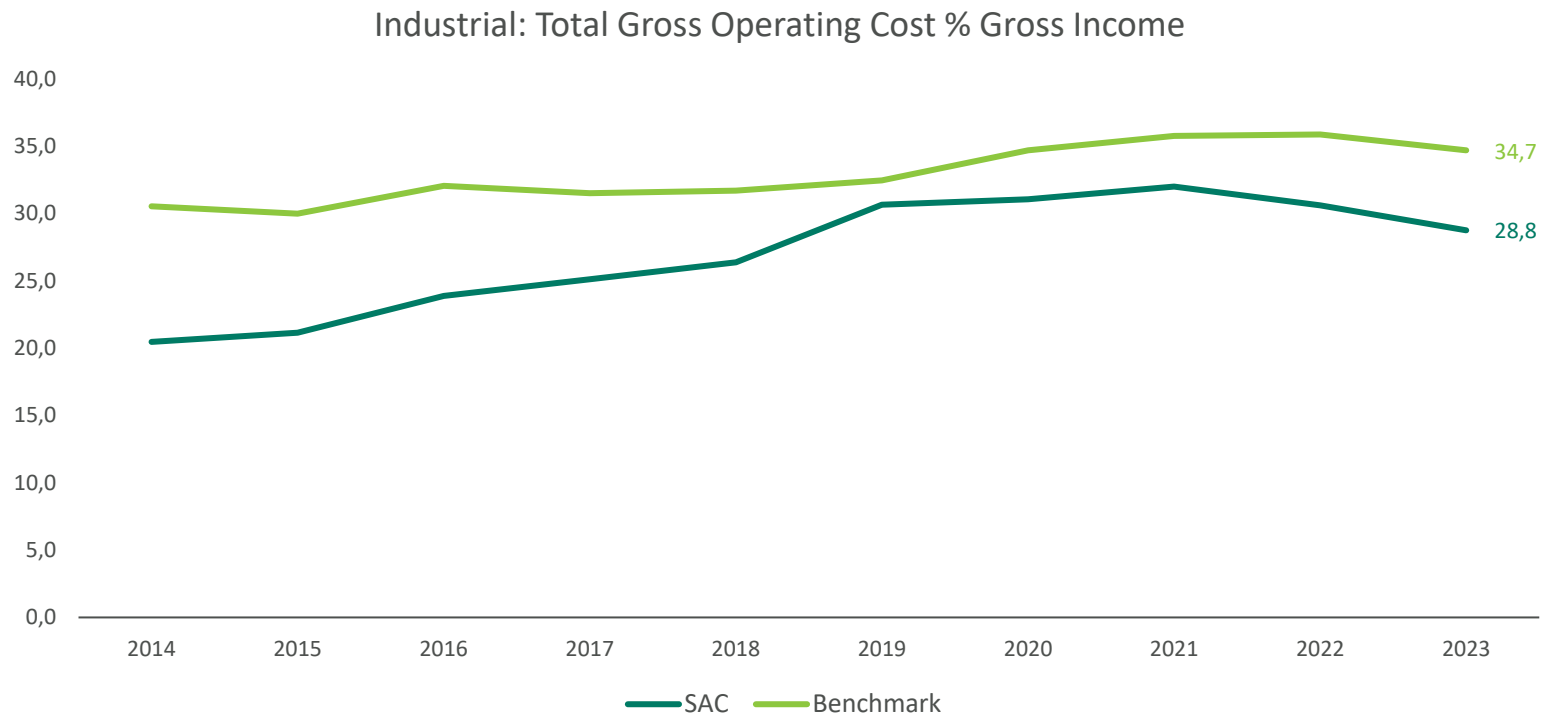


Source: MSCI South Africa Annual Property Index Results, 2023

- Vacancies achieved at lower levels due to focus on strong nodes and portfolio refinement.

SA CORPORATE STRATEGY – LOGISTICS FOCUSSED INDUSTRIAL PORTFOLIO

- SAC operating cost growth is slower than peers, reducing the cost to income ratio even further below the benchmark.
- Competitive advantage of contracted triple net leases on the majority of logistics focussed properties.



Source: MSCI South Africa Annual Property Index Results, 2023

SA CORPORATE STRATEGY – LOGISTICS FOCUSSED INDUSTRIAL PORTFOLIO

Strategic Intent

- Remain invested in logistics warehousing industrial segment and grow investment exposure on a phased basis, improve the quality and relevance of the properties, consequently strengthening rentals.
 - Upgrade properties identified to have lower height to eaves warehousing space.
 - Refurbish food grade warehouse flooring and hardstands.
- Disposal of remaining 2 motor show rooms in progress.
- Explore re-development opportunities within portfolio. Opportunities at 3 properties in close proximity to N3 highway being a primary logistics route.

SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

A “best in class” residential rental portfolio in inner city precincts and suburban estates

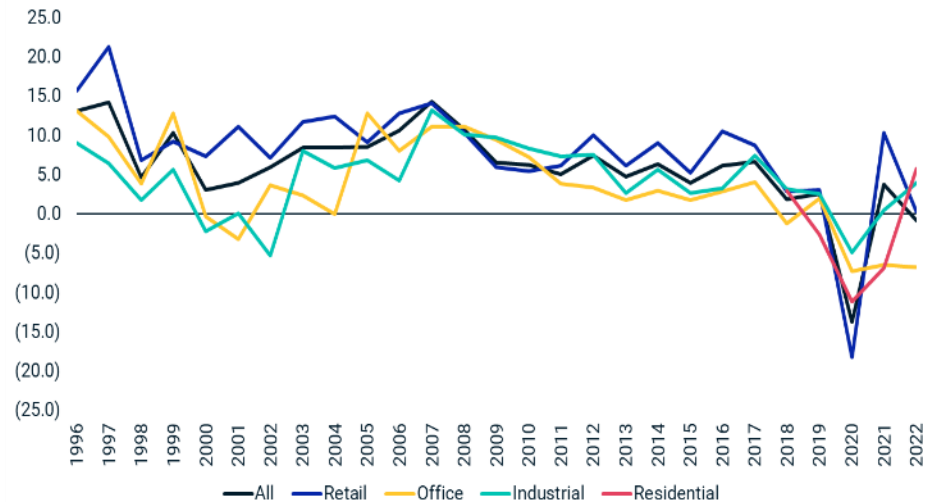
Global real estate returns by sector



Source: MSCI Real Assets

- Residential real estate is the largest asset class in the world, accounting for roughly 40% of all fixed capital globally.
- In 2022, residential assets accounted for 21% of global investment property by value equal in size to industrial property. Both asset classes were only second to offices at 35% of overall capital value.
- Since the index's inception in 2001, although Industrial property has been the top performer globally, residential property has consistently been second only to it.
- Residential asset class only accounts for 2% of the REIT sector in South Africa.

South Africa: Net operating income growth of residential property against other sectors



Source: MSCI Real Assets

- Residential property NOI did not drop as much during the COVID pandemic when compared against retail, and has recovered faster than office, outstripping industrial and retail in the 2022 period.
- During the significant financial storms of GFC in 2008-2009 and COVID in 2020 – 2021, multifamily residential property proved resilient, providing stable income returns at or above real GDP growth.
- Per the MSCI SA bi-annual property index to June 2023, NOI in the residential sector grew by 19.0% y-o-y, only 5% below where it was in December 2019.

SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

PORTFOLIO INFORMATION



182
Total buildings



16 305
Total residential units



4 291
Total student beds



76 125m²
Total retail size



821 986
Total residential size

RESIDENTIAL UNIT LOCATION

7 380

INNER CITY

8 925

SUBURBAN

RESIDENTIAL UNIT TYPES

766
UNITS

Room

1 192
UNITS

Studio

2 684
UNITS

Bachelor

3 407
UNITS

1 bedroom

7 283
UNITS

2 bedroom

833
UNITS

3 bedroom

140
UNITS

4 bedroom

RENTAL INCOME SPLIT

PER CATEGORY



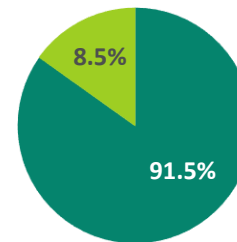
PER REGION



■ Residential 70.0% ■ Retail 16.0% ■ Student 14.0%

■ Gauteng 98.0% ■ Other 2.0%

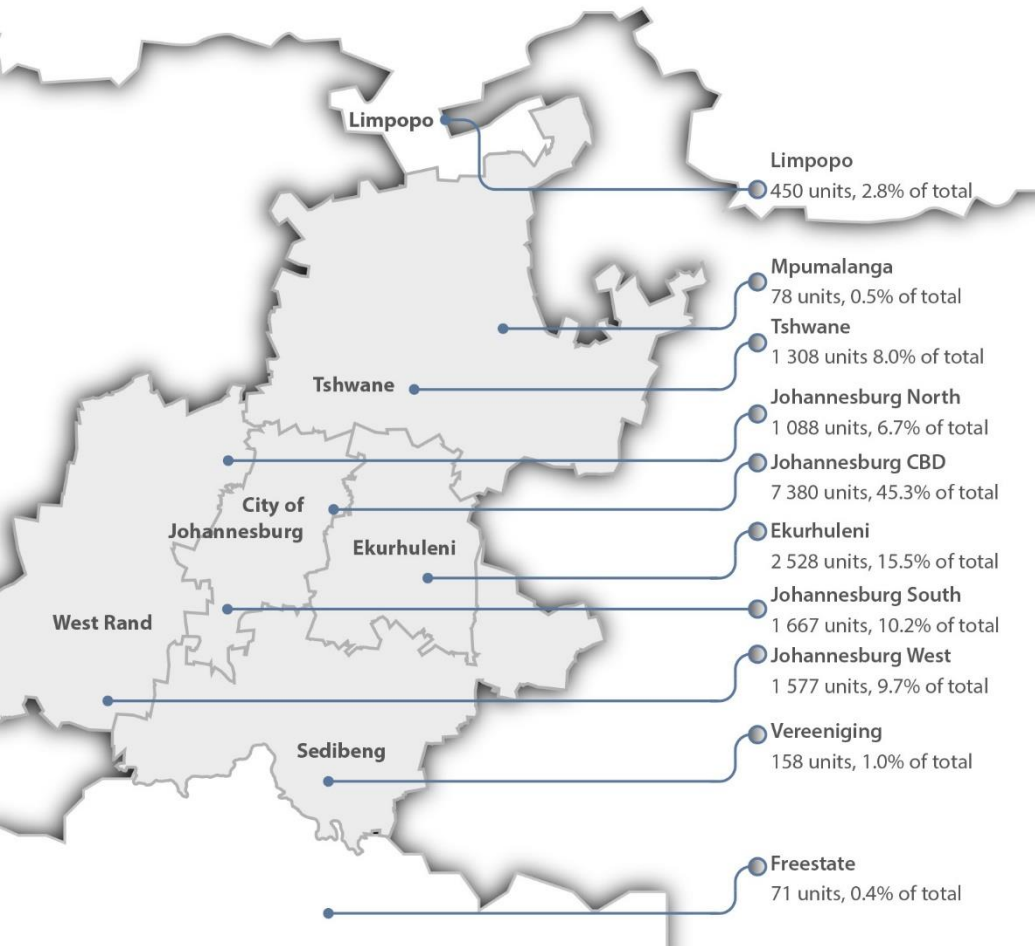
By GLA



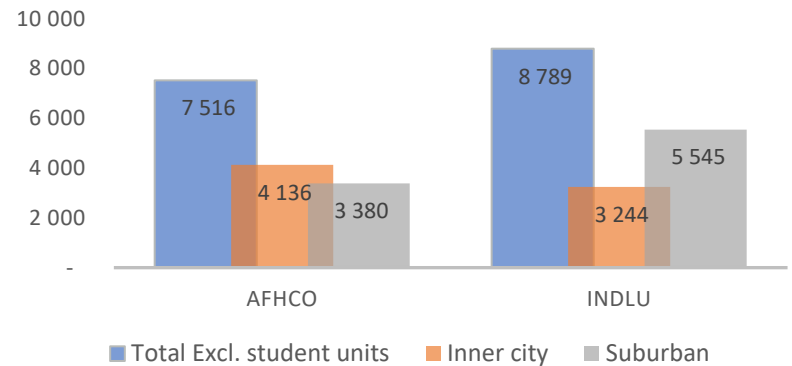
■ Residential ■ Retail / Commercial

SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO FOOTPRINT

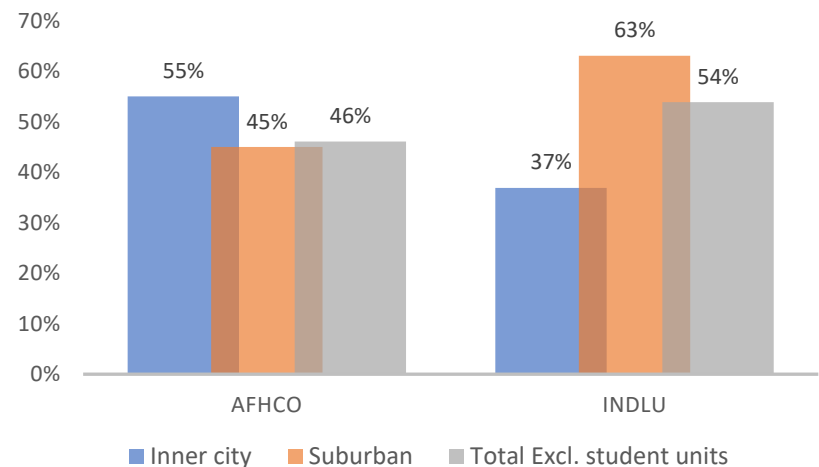
Residential Footprint



Unit Split by Area - units



Unit Split by Area - %



SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

- Residential vacancies of 4.4% at year end was below the National and Gauteng averages of 6.7% and 8.1% demonstrating robust performance. This improved further to 4.0% at 30 June 2024.
- Low vacancies an indicator of strong residential rental sector performance.

Residential Vacancy Rate by Province: Gauteng

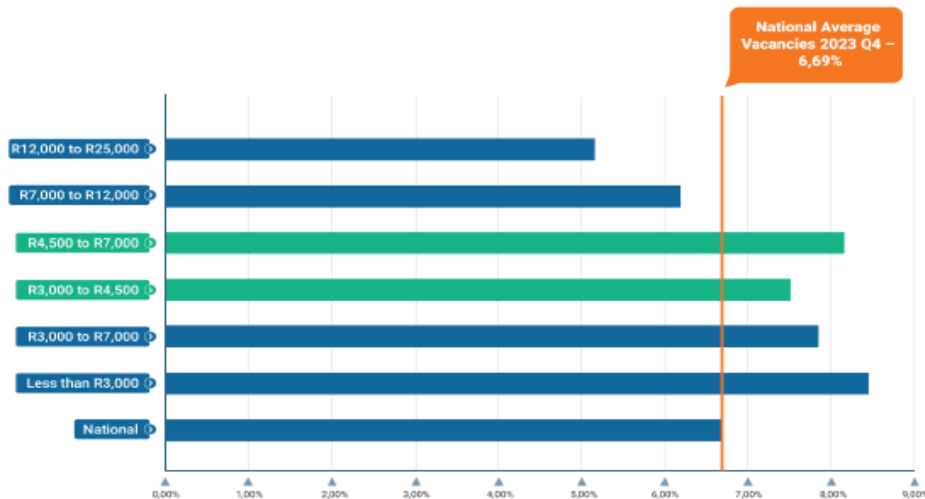


Source: TPN Reports

SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

- Rental properties priced from below R3 000 and between R3 000 and R7 000 all remained above the national and Gauteng averages.
- Afhco's average vacancies of 4.4% at year end (4.0% at 30 June 2024) starkly contrast to this, demonstrating the popularity of brand offering.
- Afhco and Indluplace's rental growth of 3.9% at year end 2023 was above the National and Gauteng averages of 3.8% and 3.5% respectively.
- Afhco rental growth at 30 June 2024 was 4.3%. Indluplace increases are implemented annually in October however this will align to Afhco from 2025.

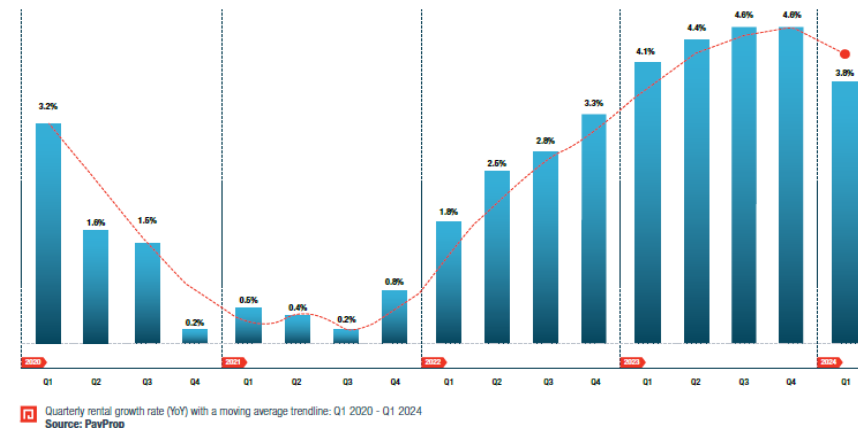
Residential Vacancies by Rental Value Q4 2023



Source: TPN Reports

NATIONAL RENTAL GROWTH

Quarterly trends

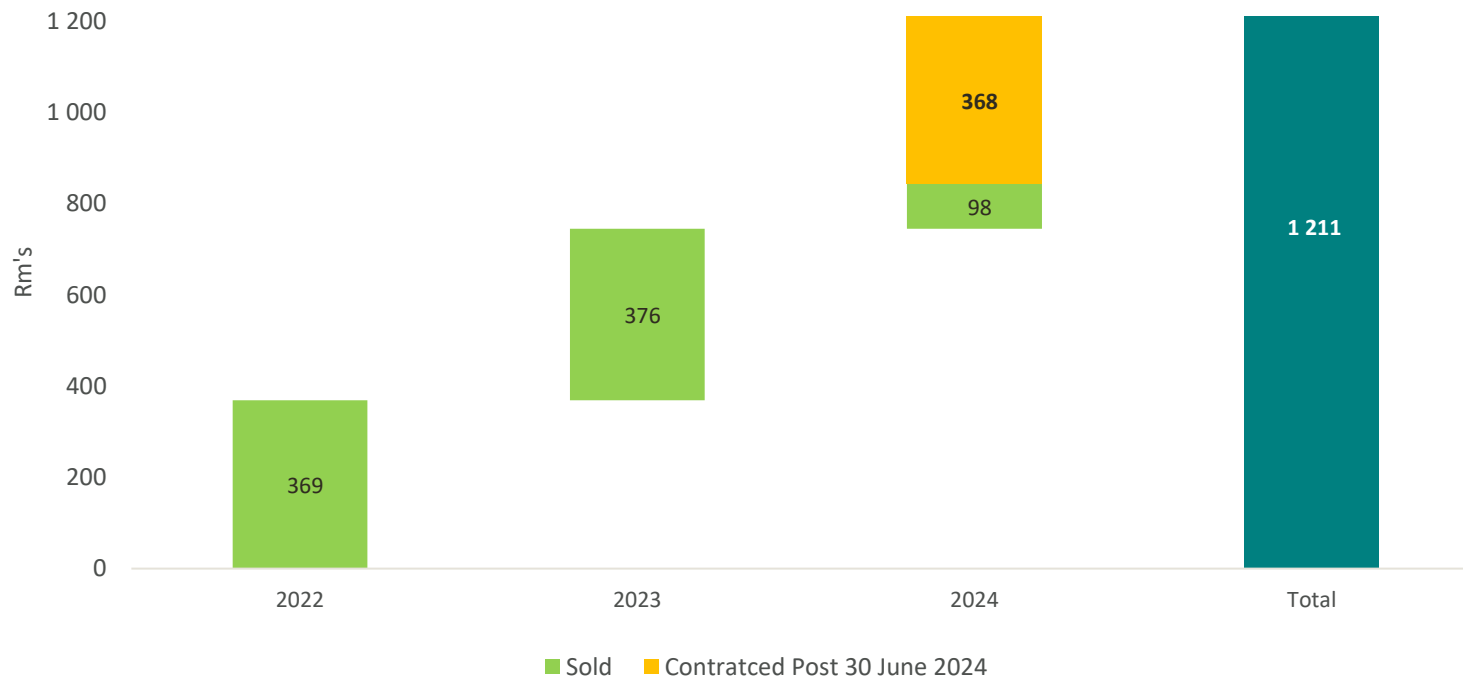


SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

Disposals and acquisitions over the past 3 years of:

- Poorer quality properties in precincts not dominated by Afhco.
- Poorer quality apartments in suburban estates with poor property and financial fundamentals.
- Retail properties where tenanting risk and negative rental reversions were likely.
- Replaced with high quality acquisition of The Falls 1 and 2 and selected high quality Indluplace.

Residential Non-Core Properties Sold



SA CORPORATE STRATEGY – RECAP

SAC Retail portfolio comprises mainly smaller format open-air stores with a convenience offering (52% - Neighbourhood; 30% - Community; 18% - Small regional)

- Post-COVID-19 Pandemic, smaller format stores have generated better income returns than larger format stores.

SAC Industrial portfolio comprises 82% logistics warehousing by GLA

- Post-COVID-19 Pandemic – Warehousing has been the best-performing property type outstripping DCs and Multiparks.
- SAC to remain invested in the industrial sector and is exploring redevelopment opportunities in the portfolio.

Residential real estate is a nascent opportunity as an investable asset class in SA Context – 2% of REIT sector in SA vs 40% of all fixed capital globally

- Afhco is outperforming industry benchmark in terms of vacancy and rental growth.
- Residential portfolio to achieve scale using the Unlisted Residential Fund as a platform for growth.

3

FINANCIAL PERFORMANCE SAM MOODLEY



FINANCIAL SUSTAINABILITY



Debt Refinancing

The Group has R602.3 million of facilities expiring in 2024 that are being refinanced.

Hedging

R1.25 billion of swap contracts entered into in 2024:

- R500 million 2 year swap in H1'24 to ensure hedging is >70%.
- 74.9% hedged with tenor of 1.1 years as at 30 June 2024.
- Additional R750 million of swaps at a tenor of 3 years between 65 and 102 bps below 3-month JIBAR which increased the hedging % and tenor to 79.1% and 1.2 years respectively post the period end.

Debt Covenants

- Loan to value ("LTV") ratio as at 30 June 2024 41.9% (41.9% as at 31 December 2023).
- Notwithstanding temporary relaxation of ICR covenants obtained from lenders.
 - Equity investments from investors expected in H2 will alleviate pressure on debt covenants resulting from the Indluplace transaction and the impact of the high-interest rate hiking cycle.
 - R2.1 billion of assets available for sale, of which:
 - R64.4 million transferred, R690.3 million contracted and under offer.
 - R1.3 billion of non-core residential assets identified as available for sale, largely through sectionalised apartment sales.

2024 INTERIM DISTRIBUTABLE INCOME ANALYSIS



Like-For-Like NPI

4.8%

or

R25.0m



Total NPI

24.0%

or

141.9m



Distributable Income

6.3%

or

R20.2m

Like-for-like NPI

- Improved rental largely due to reduced vacancies, positive reversions and escalations \uparrow R40.9m.
- Improved recoveries due to reduced vacancies and municipal expense increases \uparrow R26.2m.
- Improved parking and other income \uparrow R3.2m.
- Property Expenses increased \uparrow 11.4% (R45.3m)
 - Municipal expenses \uparrow 12.0% (R26.4m).
 - ECL charges \uparrow (R7.6m) resulting from specific provisions raised.

Developments, Acquisitions & Disposals

- NPI from developments increased \uparrow R0.4m.
- NPI on acquisition \uparrow R144.2m (Indluplace).
- NPI from held for sale buildings \downarrow R2.8m.
- NPI lost from divestments \downarrow R24.9m.

Investments (Listed, Unlisted) & JV Income

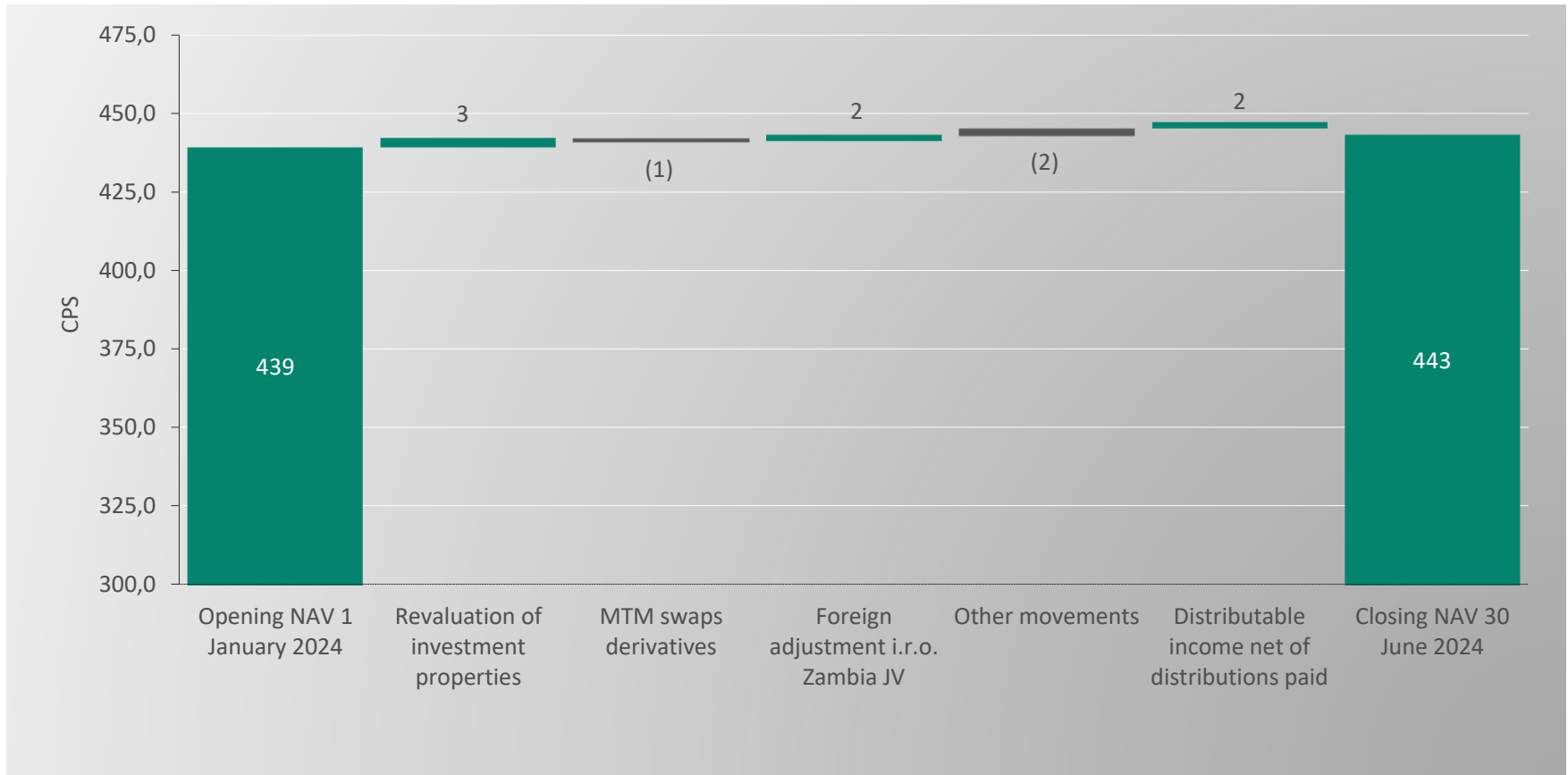
- Income from the Zambia JV was \downarrow R1.4m.
- Dividends from listed Investments was Nil as a result of divestment.

Gearing Impact

- Interest expense \uparrow (R100.8m) and net finance cost \uparrow (R96.9m) or 37.3%.
- Increase in Interest expense due to higher average debt \uparrow (R90.4m).
- Increase in Interest expense due to rate increases \uparrow (R12.4m).
- Interest received and other movements \uparrow R5.9m.

Distributable income 13.46 cps (June 2023: 12.65 cps)

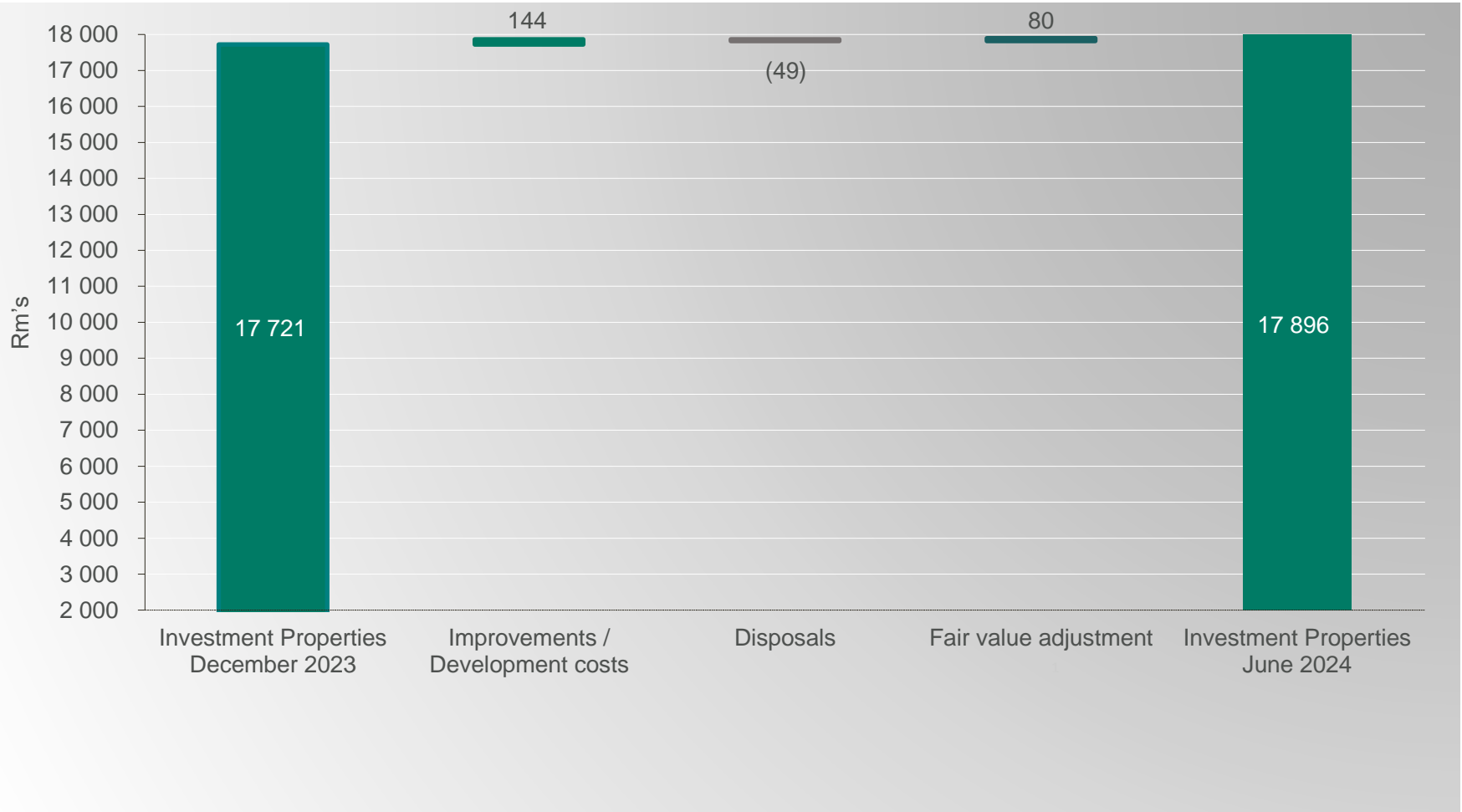
NET ASSET VALUE (CPS)¹



¹ Based on IFRS and shares in issue

The SA REIT defined NAV is calculated as NAV per the Unaudited Condensed Consolidated Interim Statement of Financial Position, less goodwill and intangible assets, deferred taxation and the interim dividend declared, which is still to be paid in respect of the reporting period. The SA REIT NAV per share was 428 cps as at 30 June 2024 (December 2023: 424 cps).

INVESTMENT PROPERTY ANALYSIS



DEBT & INTEREST RATE SWAP FACILITIES

Debt Facilities

Term debt	Unutilised revolving credit facilities ("RCF")	Average tenor	Weighted average rate ("WAR") excluding swaps
R8.8bn (Dec 2023: R8.8bn)	R503.1m (Dec 2023: R640.0m)	2.1 years (Dec 2023: 2.6 years)	10.2% (Dec 2023: 10.2%)

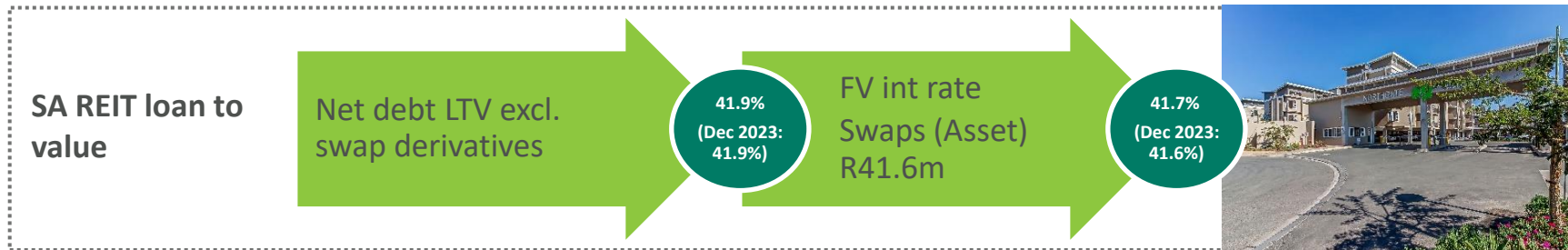
Swap profile


Hedged %		Swap margin		Average tenor		WAR including swaps	
30 June 2024	31 August 2024	30 June 2024	31 August 2024	30 June 2024	31 August 2024	30 June 2024	31 August 2024
74.9% (Dec 2023: 70.1%)	79.1%	(0.9%) (Dec 2023: -0.9%)	(0.9%)	1.1 years (Dec 2023: 1.5 years)	1.2 years	9.3% (Dec 2023: 9.3%)	9.3%

Debt metrics

LTV	ICR (Net Interest)	Debt maturity profile		Swap maturity profile	
41.9% (Dec 2023: 41.9%)	2.0x (Dec 2023: 2.1x)	2024	7%	30 June 2024	31 August 2024
		2025	34%	2024	2024 26%
		2026	26%	2025	2025 20%
		2027	20%	2026	2026 42%
		2028	13%		2027 12%

SA REIT LOAN TO VALUE AND NET INTEREST COVER



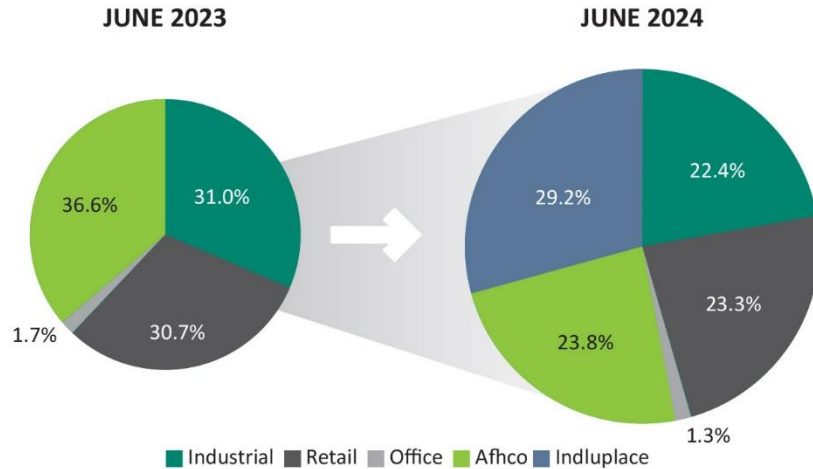
		June 2024	June 2023	Variance
Net interest cover 	Distributable income before interest (R'000)	699 274	578 536	120 738
	Net Finance cost (R'000)	356 876	259 955	96 921
	Net Interest cover	2.0	2.2	(0.2)

**PORTFOLIO
PERFORMANCE**
NOMZAMO RADEBE
RORY MACKEY

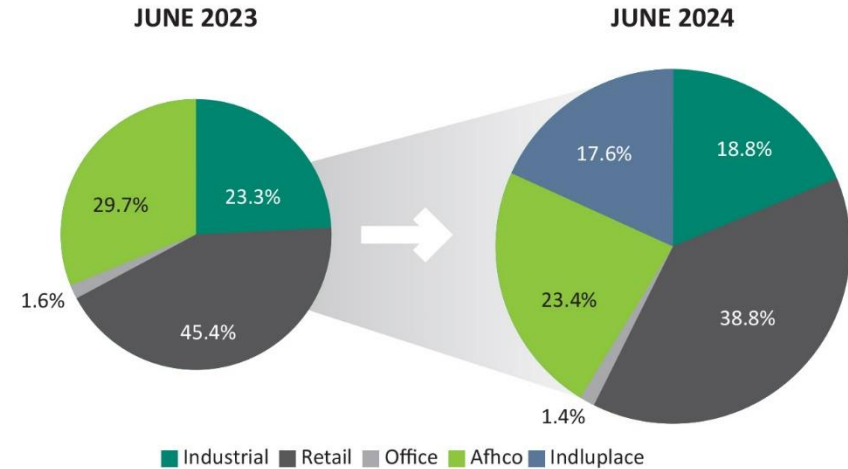


OVERVIEW – SECTORAL ANALYSIS OF SOUTH AFRICAN PORTFOLIO

Sectoral Profile of SA Portfolio (% of GLA)



Sectoral Profile of SA Portfolio (% of Market Value)



Market Value per m²



SA PORTFOLIO: RETAIL

VALUE OF SOUTH AFRICAN PORTFOLIO

38.8%

(Jun 2023: 45.4%; Dec 2023: 38.7%)

LIKE-FOR-LIKE
NPI GROWTH¹

2.9%

(2023 H1: 1.2%
2023 FY: 5.3%)

COLLECTIONS

97.9%

(2023 H1: 97.2%
2023 FY: 97.4%)

VACANCY¹

2.8%

(Jun 2023: 3.1%
Dec 2023: 2.7%)

ARREARS

5.4%

(Jun 2023: 5.1%
Dec 2023: 5.8%)

RENTAL
ESCALATION

6.1%

(2023 H1: 6.4%
2023 FY: 6.4%)

WALE²

3.7 years

(Jun 2023: 4.1 years
Dec 2023: 4.0 years)

RENTAL
REVERSION

0.2%

(2023 H1: -0.8%
2023 FY: 2.6%)

TENANT GRADE
A & B

84.7%

(June 2023: 83.8%
Dec 2023: 85.2%)

TRADING DENSITY
GROWTH

5.4%

(2023 H1: 5.1%
2023 FY: 6.3%)



EAST
POINT

BLUFF
TOWERS



VC
VALUE CENTRE

MORNING GLEN
MALL

MLAZI
MEGA CITY

DAVENPORT
SQUARE

Willow Way

COMARO
CROSSING

TOWN
SQUARE

Hayfields
Mall

COACHMAN'S
CROSSING

NORTH
park

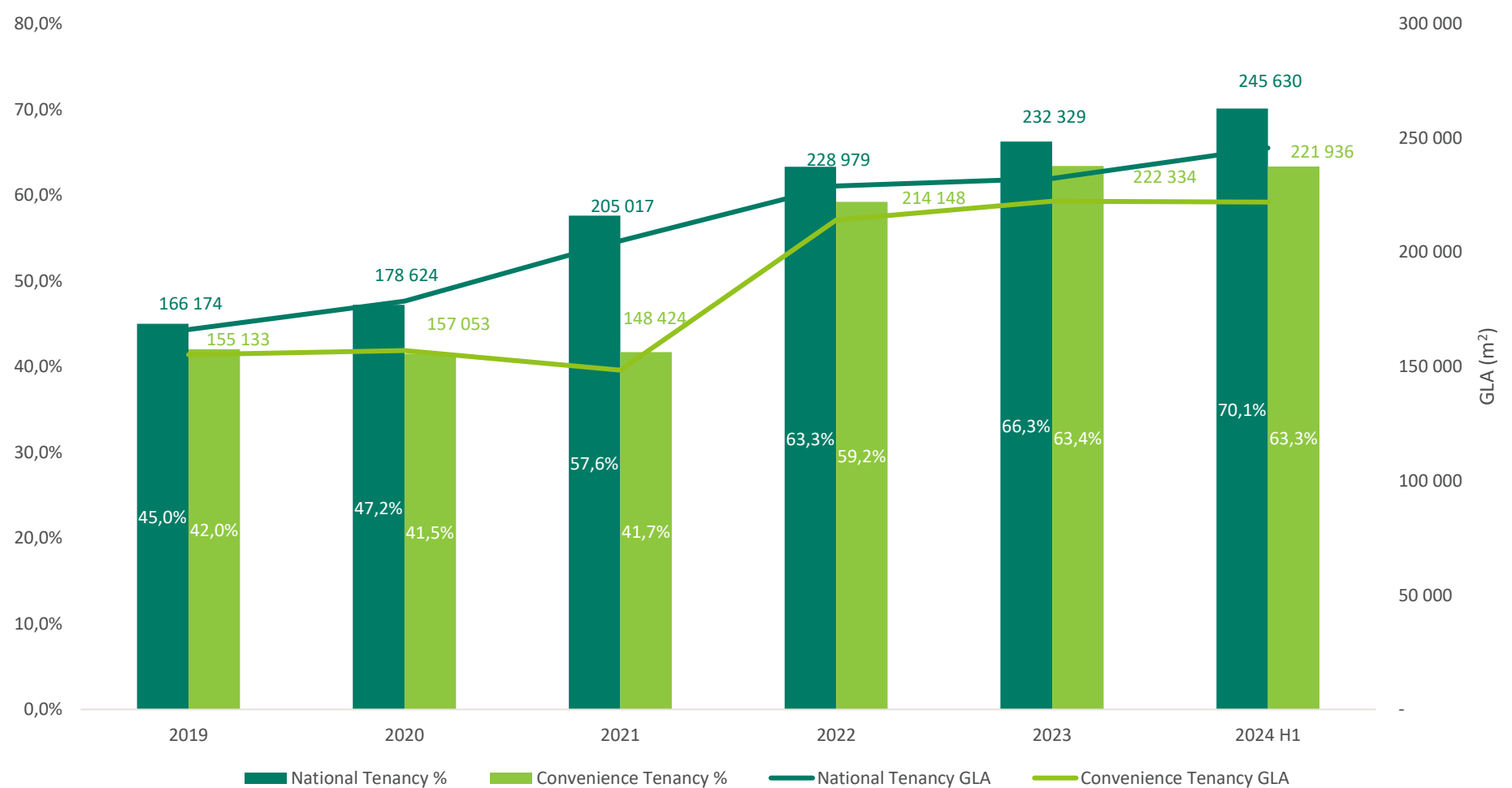
pine walk
CENTRE

¹ Excludes Storage as only significant sectors reflected

² Weighted average lease term

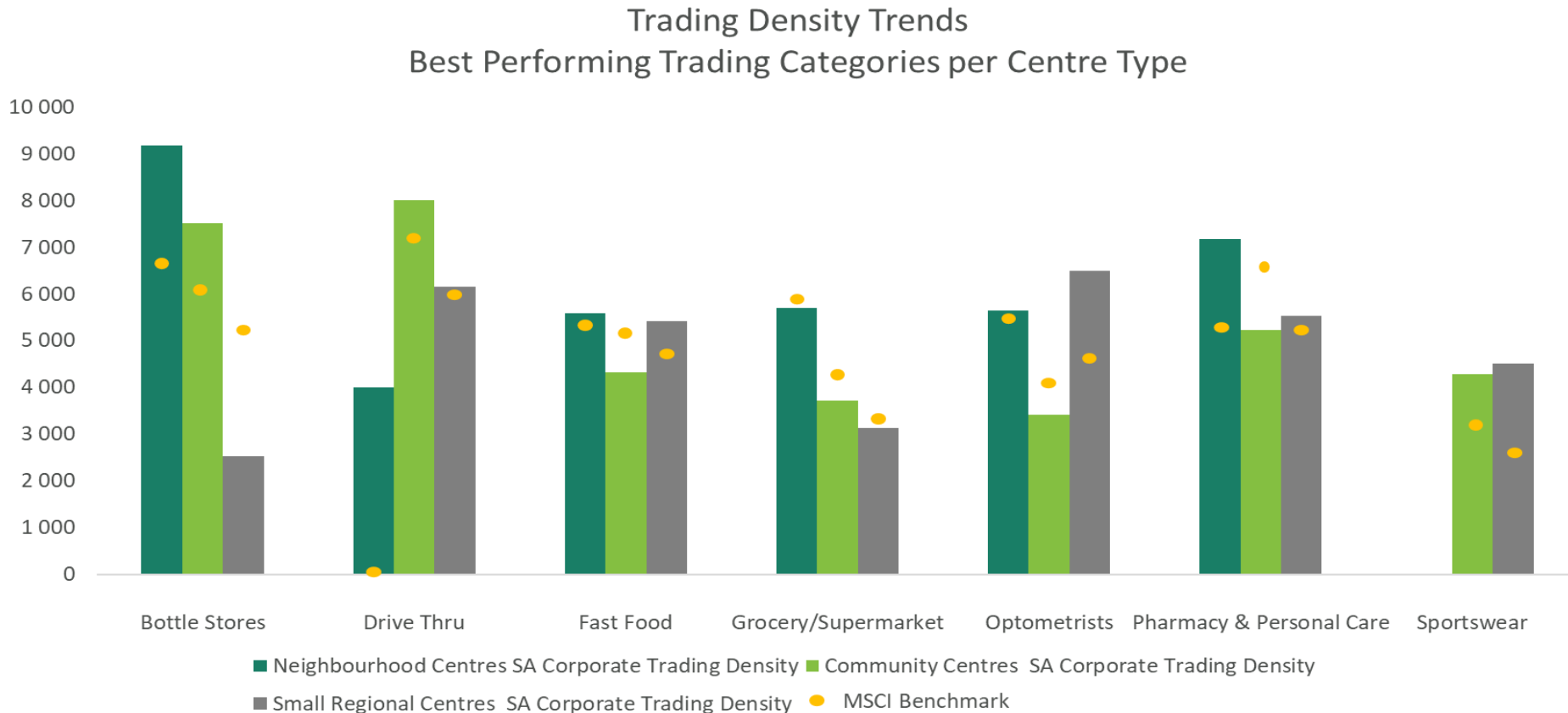
RETAIL LEASING

National and Convenience Tenancy Growth In The Retail Portfolio



TRADING DENSITY TRENDS

BEST PERFORMING TRADING CATEGORIES PER CENTRE TYPE



SA PORTFOLIO: INDUSTRIAL

VALUE OF SOUTH AFRICAN PORTFOLIO

18.8%

(Jun 2023: 23.3%; Dec 2023: 18.5%)

LIKE-FOR-LIKE
NPI GROWTH

6.3%

(2023 H1: 2.5%
2023 FY: 5.3%)

COLLECTIONS

100.1%

(2023 H1: 101.5%
2023 FY: 101.5%)

VACANCY

0.0%

(Jun 2023: 0.0%
Dec 2023: 0.2%)

ARREARS

2.5%

(Jun 2023: 3.0%
Dec 2023: 2.4%)

RENTAL
ESCALATION

6.3%

(2023 H1: 6.4%
2023 FY: 6.4%)

WALE

2.3 years

(Jun 2023: 2.4 years
Dec 2023: 2.3 years)

RENTAL
REVERSION

0.2%

(2023 H1: 3.7%
2023 FY: -0.9%)

TENANT GRADE
A & B

99.9%

(Jun 2023: 88.7%
Dec 2023: 99.9%)

LOGISTICS

82.2%

(2022: 79.4%
2023 FY: 82.0%)

SA PORTFOLIO: AFHCO

VALUE OF SOUTH AFRICAN PORTFOLIO

41.0%

(Jun 2023: 29.7%; Dec 2023: 41.3%)

TOTAL

NPI GROWTH

AFHCO LIKE-FOR-LIKE
7.0%

(2023 H1: 4.5%; 2023 FY: 3.3%)

INDLUPLACE NPI > ACQUISITION
MODEL BY 13.4%

RESIDENTIAL COLLECTIONS
(EXCL. STUDENTS)

AFHCO
97.3%

(2023 H1: 97.0%;
2023 FY: 97.6%)

INDLUPLACE
97.2%
(2023 FY: 97.8)

RESIDENTIAL

(91.5% of portfolio)

VACANCY
RESIDENTIAL ¹

AFHCO
3.4%

(Jun 2023: 3.1%; Dec 2023: 4.2%)

INDLUPLACE
4.5%

(Dec 2023: 4.5%)

RENTAL INCREASE ON
EXPIRING LEASES

AFHCO
4.3%

(2023 H1: 4.5%; 2023 FY: 3.9%)

INDLUPLACE
n/a

(2023 FY: 3.9%)

INNER CITY RETAIL

(8.5% of portfolio)

VACANCY
RETAIL

AFHCO
4.9%

(Jun 2023: 5.5%;
Dec 2023: 4.4%)

INDLUPLACE
10.6%

(Dec 2023: 10.3%)

RENTAL
REVERSION

Afhco
3.7%

(2023 H1: 0.0%;
2023 FY: 0.7%)

Indluplace
14.2%

(2023 FY: 0.0%)

RENTAL
ESCALATION

AFHCO
6.5%

(2023 H1: 6.7%;
2023 FY: 6.5%)

INDLUPLACE
6.4%

(Dec 2023: 4.4%)

TENANT
RETENTION

Afhco
53.4%

(2023 H1: 31.9%;
2023 FY: 45.6%)

Indluplace
100%

(2023 FY: 100%)

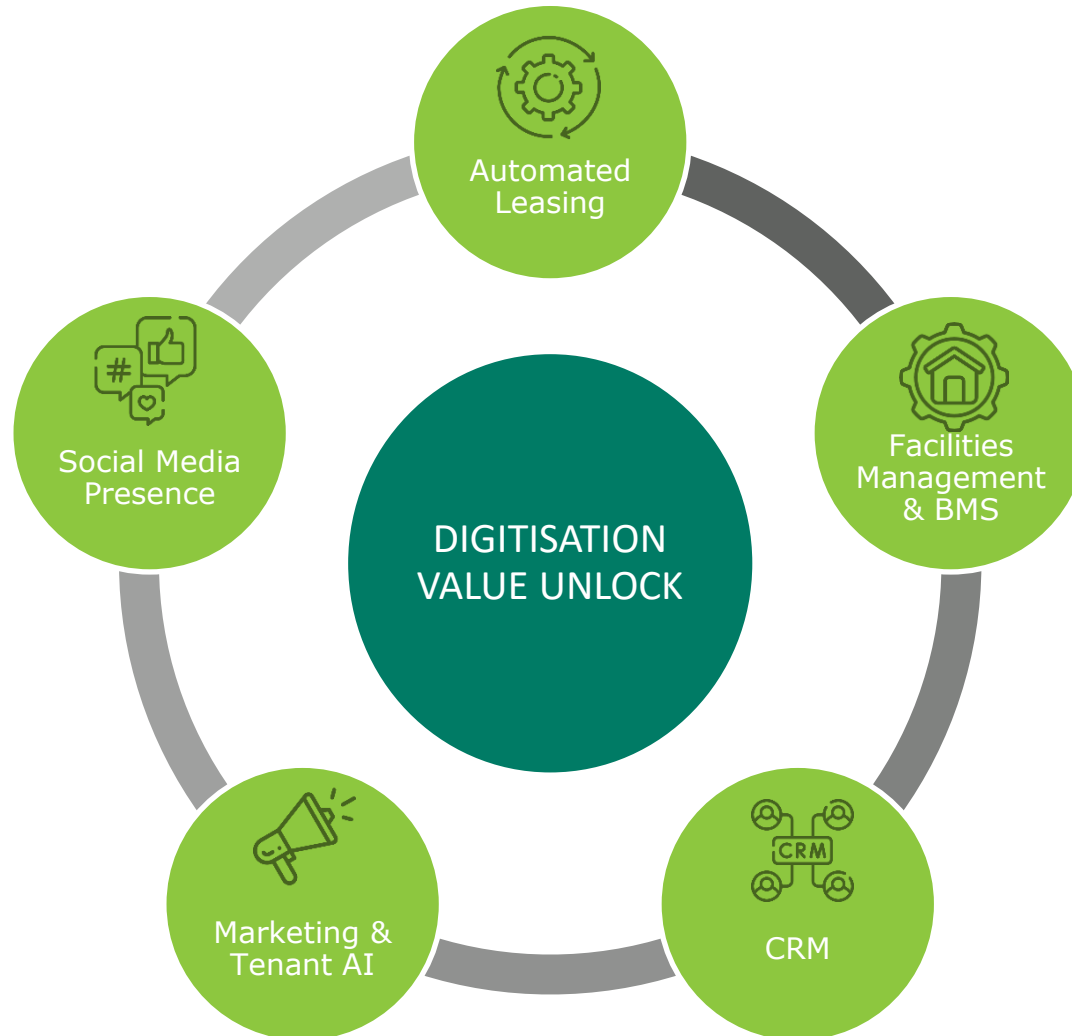
SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

Improving Portfolio Quality Through Amenity Upgrades

- Amenity upgrade programme continued.
 - South Hills walking trail and external painting – complete.
 - Jeppe Post Office gym – complete.
 - Newgate recreational area – in progress.
 - Montere external renovations – complete.
 - Fasser House lift upgrade – complete.
 - 120 End Street additional lift – in progress.
- 24 properties with boreholes installed with further 8 to be installed by end 2024.



RESIDENTIAL DIGITISATION STRATEGY



Automated Leasing

Capture your application details

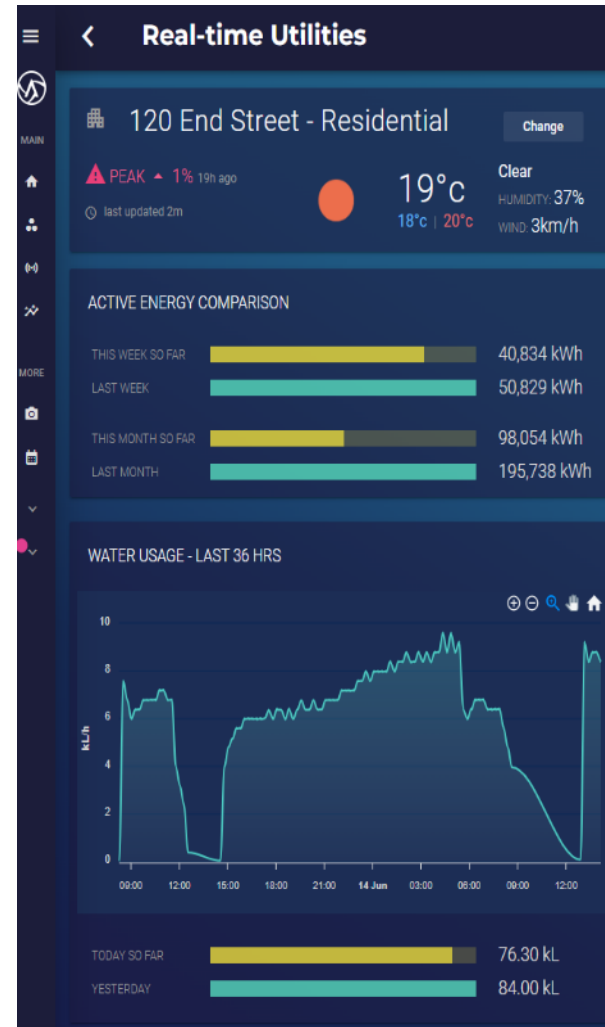
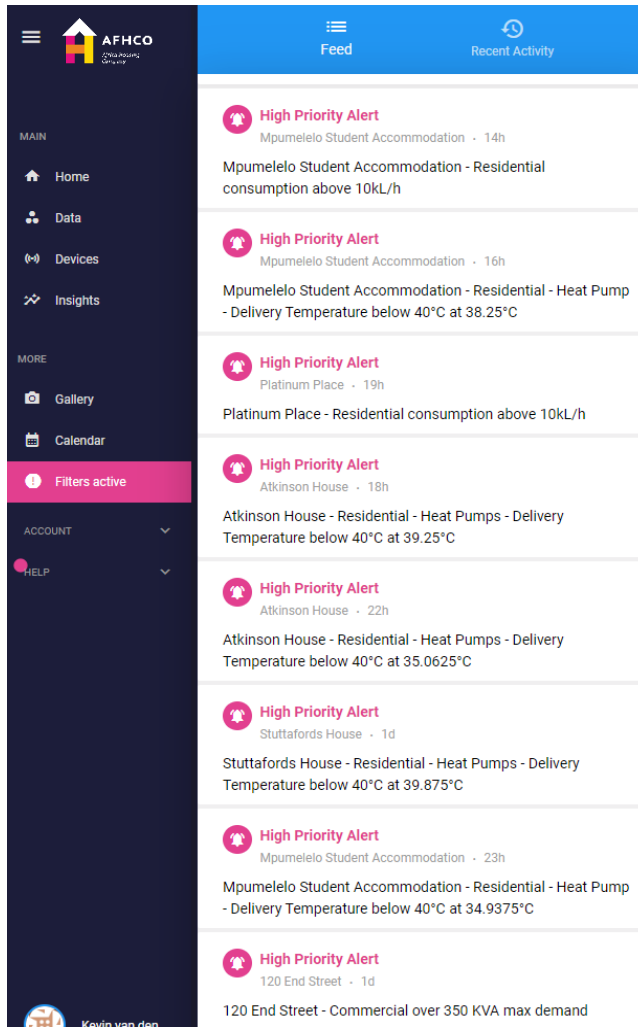
The image shows a smartphone screen displaying the 'Tenant Dashboard' for the website 'rentals.afhco.co.za'. The user is logged in as 'afhcbm@gmail.com'. A progress bar at the top shows steps 1 through 9, with step 1 highlighted. The form is titled 'Personal Information' and has two options: '1 Applicant' (selected) and '2 Applicants'. Under '1 Applicant', there is a dropdown menu for 'Will you occupy the unit?'. Below this are input fields for 'First Name (Please enter as per ID)*', 'Last Name (Please enter as per ID)*', and three lines for 'Address: Line 1*', 'Address: Line 2*', and 'Address: Line 3'. There is also a field for 'Address: Suburb*' and a 'Code*' field.

Sign your lease

The image shows a smartphone screen displaying the 'Residential Lease Agreement' for the website 'docuseal.co/s/ufi'. The page has 'DECLINE' and 'DOWNLOAD' buttons at the top. The AFHCO logo is present, along with the text 'RESIDENTIAL LEASE AGREEMENT'. Below this, it says 'Between:' followed by a table with details for the Landlord and the Property Practitioner. A red circle highlights the 'TENANT_SIGNATURE' field with a 'Tr' icon next to it. At the bottom, there is a 'SUBMIT' button and a note: 'By clicking "Submit", you agree to the eSignature Disclosure'.

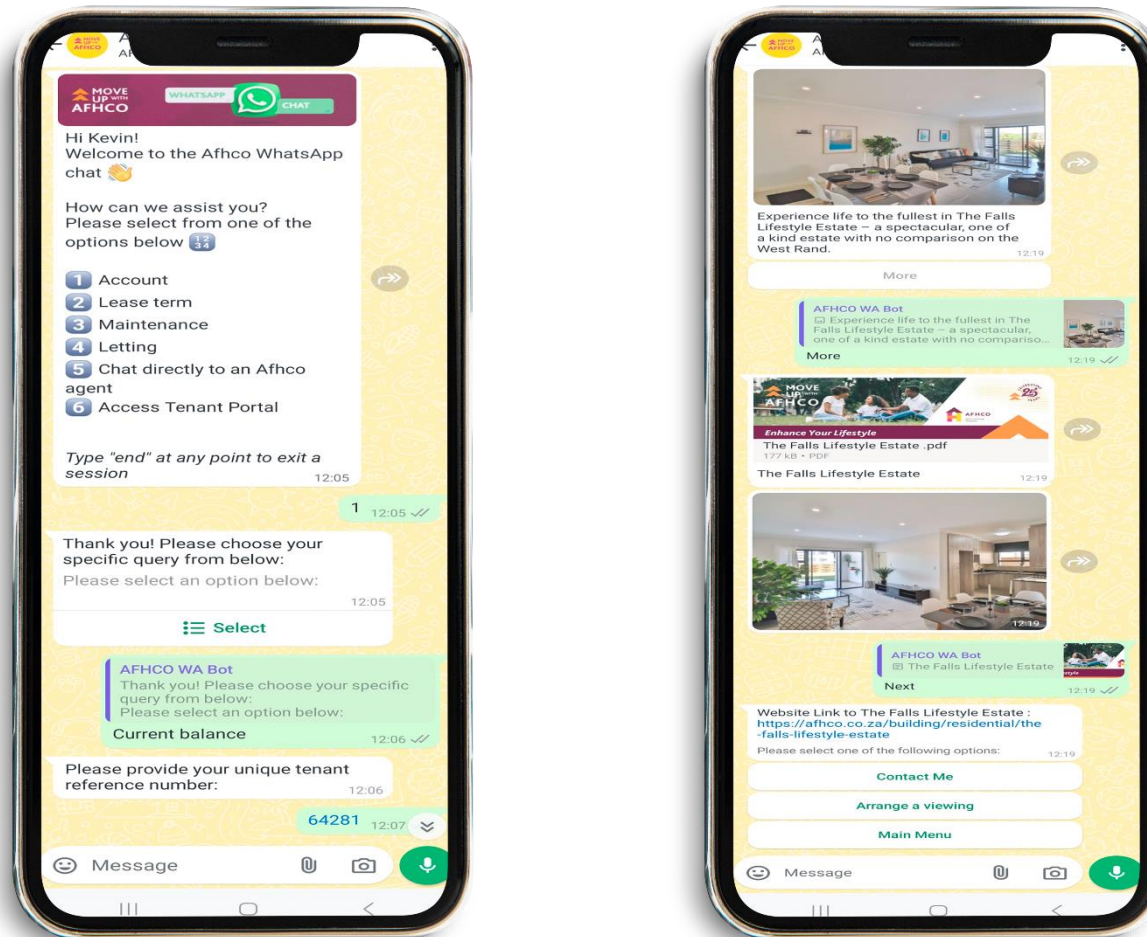
SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

Facilities Management and Building Management Systems



SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

Customer Relationship Management (CRM)



Marketing & Tenant AI Deliverables

- Focussed marketing.
- Predict tenant behaviour i.r.o. credit worthiness, occupancy period & future apartment sale propensity during tenanting vetting.

Social Media Presence



- Annual follower growth target = 2X followers.

ZAMBIA INVESTMENT UPDATE

LFL NPI (USD) : ↑ 1.82% y-o-y

SAC SHARE PROPERTY VALUE

R1.8 bn

(Jun 2023: R1.6 bn;
Dec 2023: R1.8 bn)

PROPERTY PERFORMANCE

- East Park Mall (50% exposure valued @ USD 68.8m)

Vacancy	Rental Escalation (USD)	Expiry Renewals	Renewal Reversions (USD)
2.7%	2.7%	100%	0.8%

- Acacia Office Park (50% exposure valued @ USD 12.4m)

Vacancy	Rental Escalation (USD)	Expiry Renewals	Renewal Reversions (USD)
0.0%	1.9%	100%	3.0%

- Jacaranda Mall, Ndola (50% exposure valued @ USD 7.1m)

Vacancy	Rental Escalation (USD)	Expiry Renewals	Renewal Reversions (USD)
14.0%	2.7%	100%	-10.4%

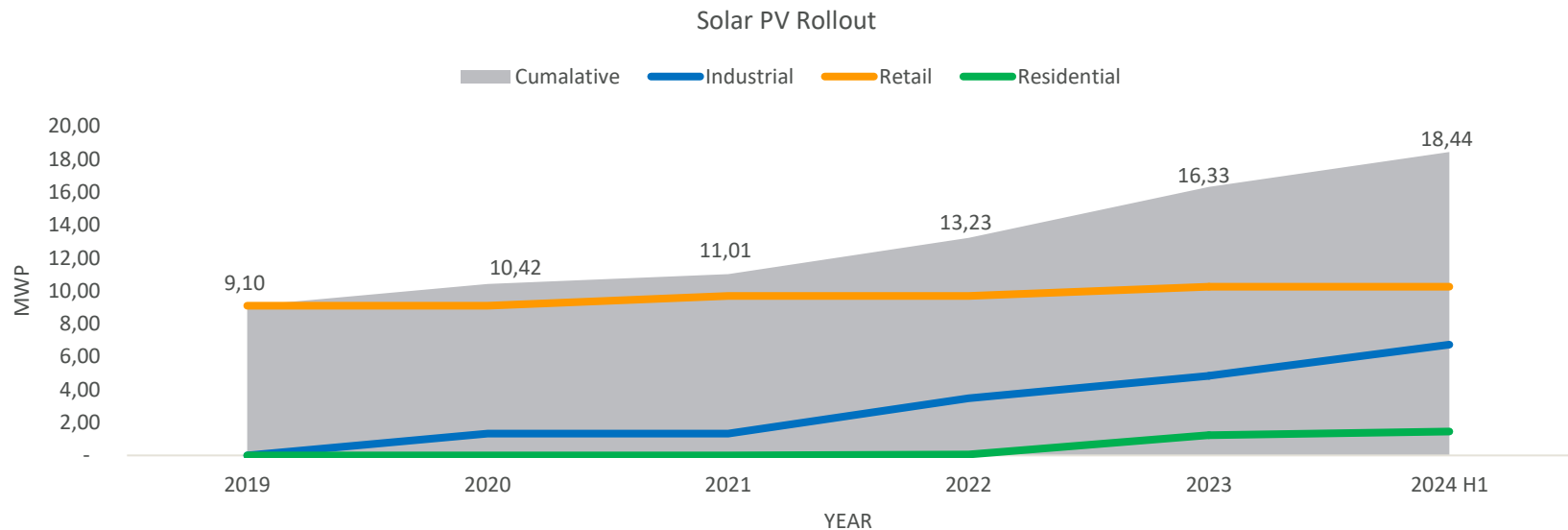
REIZ (LuSE LISTED)

- Portfolio (SAC 29.9% exposure valued @ USD9.38m - Nov 2022 acquisition cost USD3.764m funded from non-recourse debt).
- Sale of non-core properties (USD1.2m transferred; USD1.0m contracted unconditional, USD4.4m under negotiation; total SAC equivalent = USD2.0m).
- Redevelopment of Arcades Mall being part of greater East Park Mall node.

MAXIMISING INVESTMENT RETURNS THROUGH TAX & CAPITAL EFFICIENT STRUCTURES

- REIZ obtained REIT status in May 2024 – eliminates 12.5% property revenue tax.
- Acacia Office Park & Jacaranda Mall transferred into REIZ on 1 July 2024.
- East Park Mall anticipated to be transferred into REIZ in December 2024.
- SAC forecast to hold 40.39% of REIZ (Partners 54.90%).
- Exploring raising capital to create liquidity.

ENERGY SUSTAINABILITY UPDATE



1st residential suburban estate with “off-grid” capability to be completed by 30 September 2024

- South Hills – 740 apartments.
- 1 720 panels.
- Full battery backup to solar PV complementing gas geysers and stoves.



5

UNLISTED RESIDENTIAL FUND RORY MACKEY



SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

UNLISTED RESIDENTIAL FUND UPDATE

Investor 1

- Equity investment appetite = R1.25 billion.
- Due diligence completed.
- Anticipated internal approvals in week of 30 September 2024.
- Flow of funds expected in December 2024.

Investor 2

- Equity investment appetite = R300 million.
- Due diligence in progress.
- Flow of funds expected in December 2024.

Associated Processes

- Posting of circular to shareholders – November 2024.
- Corporate restructuring to accommodate portfolio allocation – ongoing.
- Debt restructuring – lender engagement commenced with completion in December 2024.

SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

PORTFOLIO REFINEMENT

Total Residential	R 7.08 billion
Unlisted Residential Fund	R 5.29 billion
Portfolio to be Disposed	R 1.79 billion
Properties to be Disposed	R 1.79 billion
Property Sales	R 670.4 million
Sales of above contracted	R 438.8 million
Sectional Title Apartments to be Disposed	R 1.11 billion
No. of sectional title apartments	3 345
Current value per apartment & valuation cap rate (weighted average)	R332k @ 10.6% cap rate
Forecast sale price premium to book	20% to 30%
Estimated exit period	3 years

SA CORPORATE STRATEGY – QUALITY RESIDENTIAL PORTFOLIO

PORTFOLIO REFINEMENT – SECTIONAL SALES CASE STUDIES

Property	No. of Apartments Sold	Average Price	Total Sales Value	Premium to Valuation %	Average Exit Yield %	Sales Timeframe
North Park Mall (ex Afhco)	123	R 345 000	R 42 500 000	31%	8.4%	3 Years from March 21
Komati (ex Afhco)	56	R 368 000	R 20 700 000	17%	8.4%	2 Years from March 22
Lethabong (ex Afhco)	84	R 364 000	R 30 600 000	14%	8.5%	2 Years from March 22
Indlovu (ex Afhco)	123	R 400 000	R 45 900 000	14%	8.5%	2 Years from March 22
Rosewood (ex Afhco)	45	R 400 000	R 18 000 000	40%	9.3%	1 Year from April 23
Annlin Place (ex Indluplace)	31	R 640 000	R 19 840 000	28%	7.5%	3 months from May 24

Learnings

- Scoping improvements preparing for sale.
- Expediting sectionalisation when required.
- Broker local network.
- First Home Finance bond origination enablement.

Apartment Sales “Sweet Spot”

- R400 000 apartment to First Home Finance owner.
- R8 600 household income will receive 1/3 of purchase price as grant & bond repayment represents 9% of purchase price.

OUTLOOK

RORY MACKEY



2024 YEAR END OUTLOOK

Retail

- Vacancy anticipated to remain low.
- Lease escalations are expected to be above current inflation levels.
- Renewals forecast to be flat to marginally positive.

Industrial

- Negligible vacancy.
- Lease escalations expected to be above inflation.
- Renewal reversion leases are projected to be slightly positive.

Residential – Afhco & Indluplace

- Strong performance in H1 to persist to YE with low vacancy & steady improvement in rental increases.
- Historic seasonal trend of increased vacancy over festive season expected.
- Objecting to CoJ intended removal of rates exclusion for R285k of a property's value if owner has multiple properties (not provided for in forecasts).

Distributable Income Growth Guidance

- To exceed inflation as @ 31 December 2024.

QUESTIONS



APPENDICES

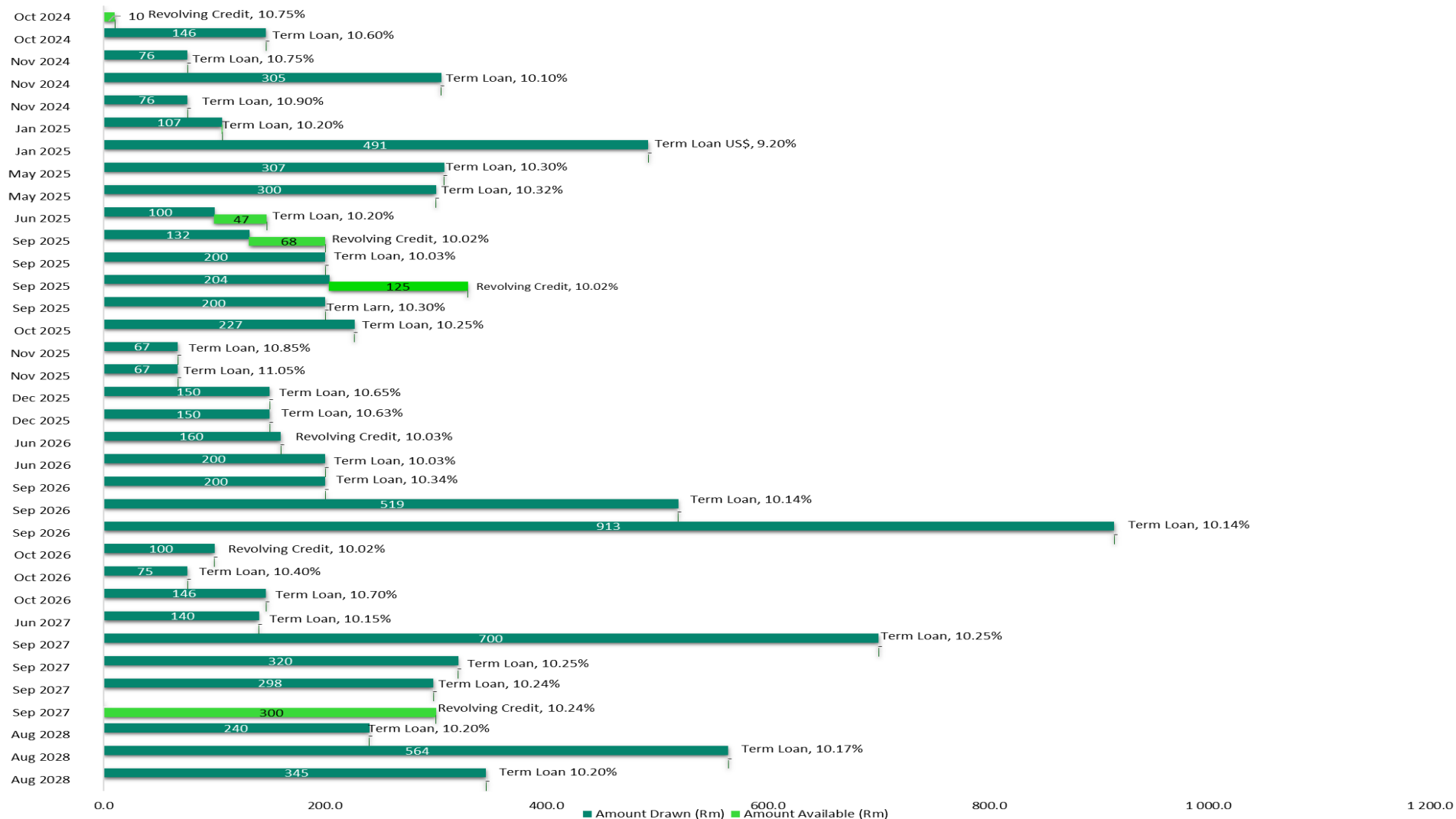


DISTRIBUTABLE INCOME AT A GLANCE

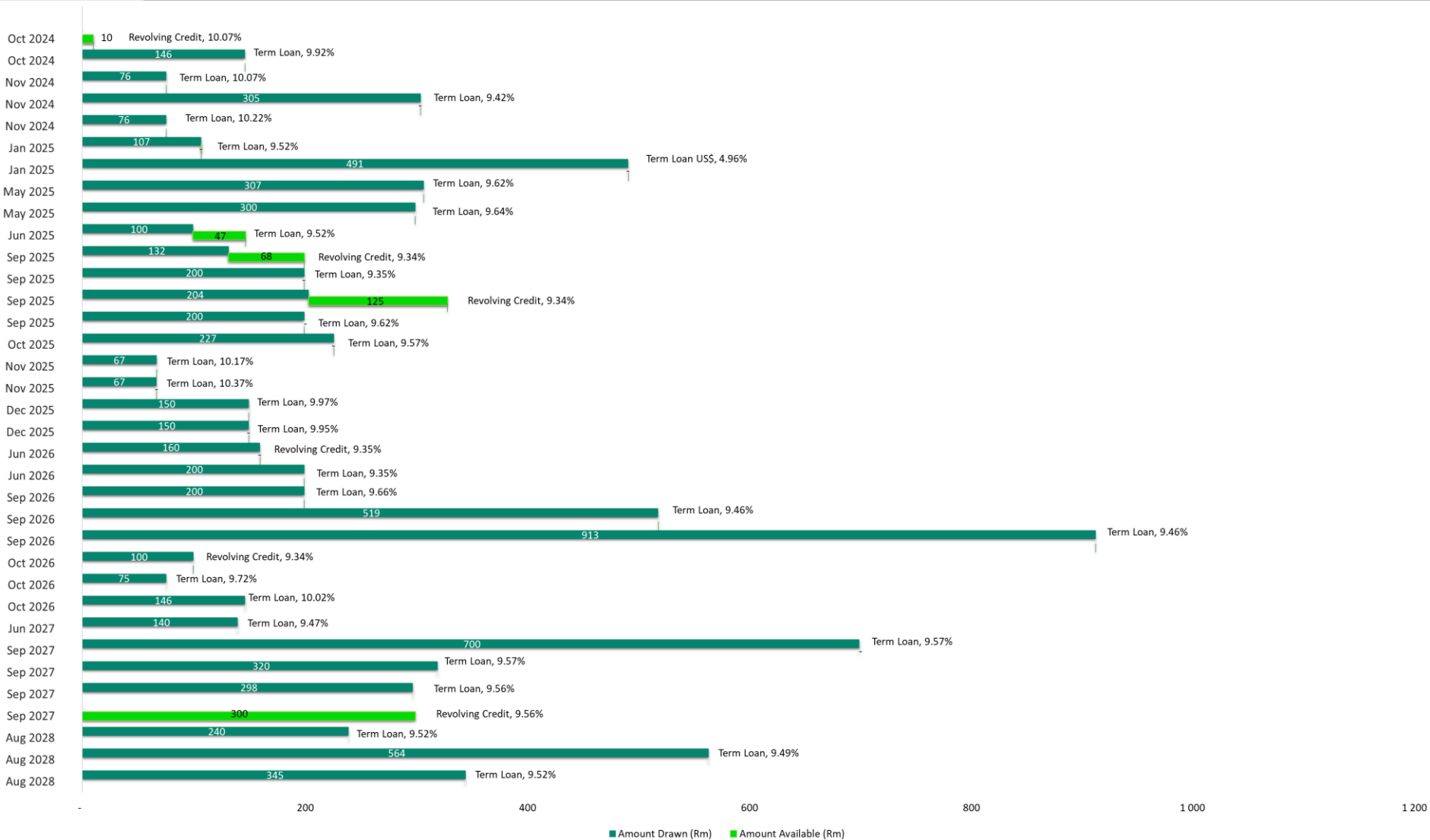
FOR THE INTERIM PERIOD ENDED 30 JUNE 2024

	June 2024 Rm	June 2023 Rm	% Variance
Net Property Income – Like-for-like	543.671	518.690	4.8
Net Property Income – Developments	44.418	44.016	0.9
Net Property Income – Acquisitions	144.205	-	100.0
Net Property Income – Held for sale	3.377	6.167	(45.2)
Net Property Income – Buildings sold	(1.154)	23.696	(104.9)
Net Property Income	734.516	592.570	24.0
Income from investment in joint ventures	28.724	30.099	(4.6)
Net finance costs	(356.876)	(259.955)	37.3
Distribution-related expenses	(63.967)	(46.537)	37.5
Dividends from investment in listed shares	-	2.403	(100.0)
Distributable Income before tax	342.397	318.580	7.5
Taxation on distributable income	(3.999)	(0.352)	1 034.5
Distributable Income before tax	338.398	318.228	6.3
Distributable income per share (cents)	13.46	12.65	6.3

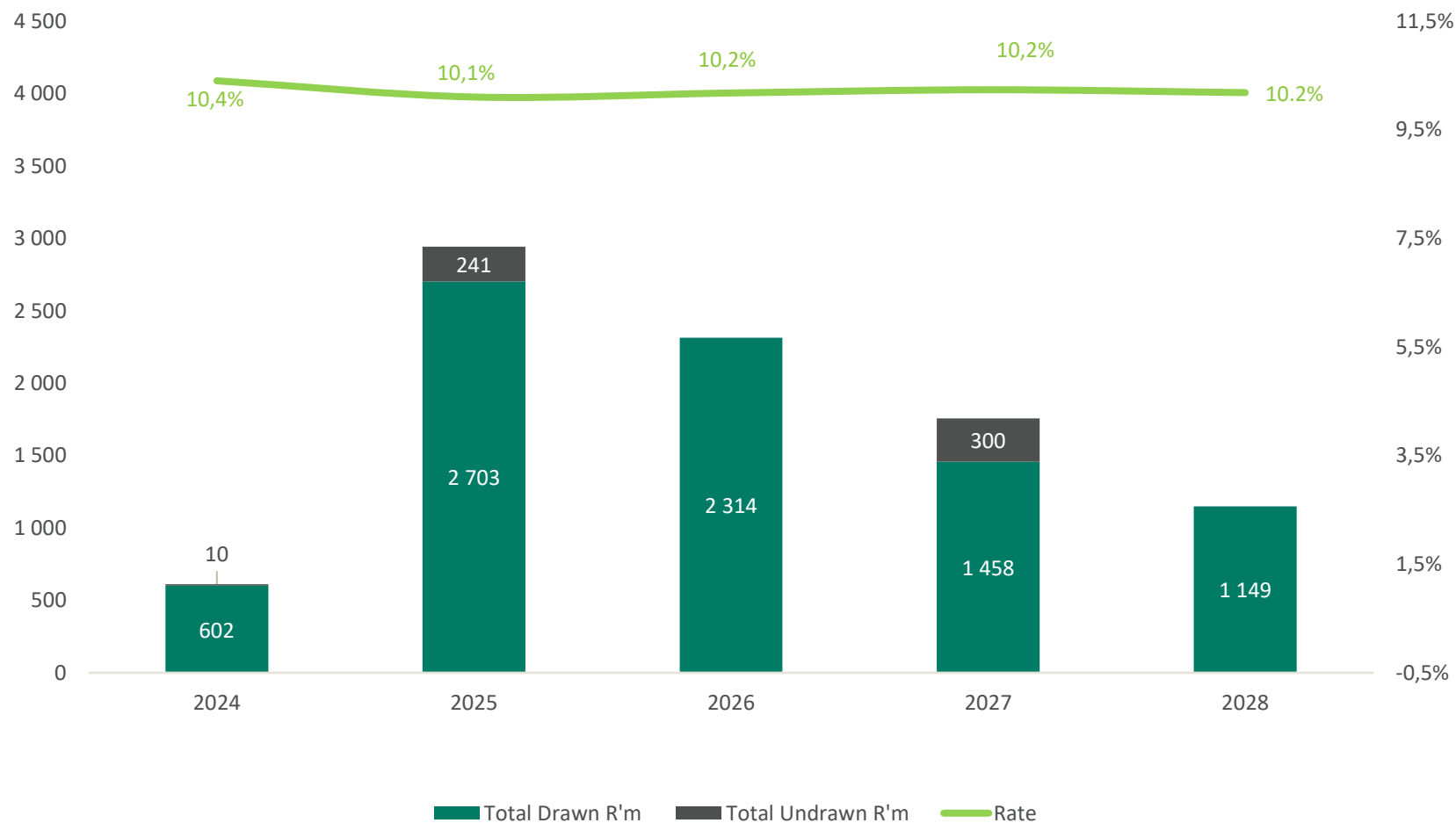
GROUP DEBT STRUCTURE – AT 30 JUNE 2024 (EXCL FIXES)



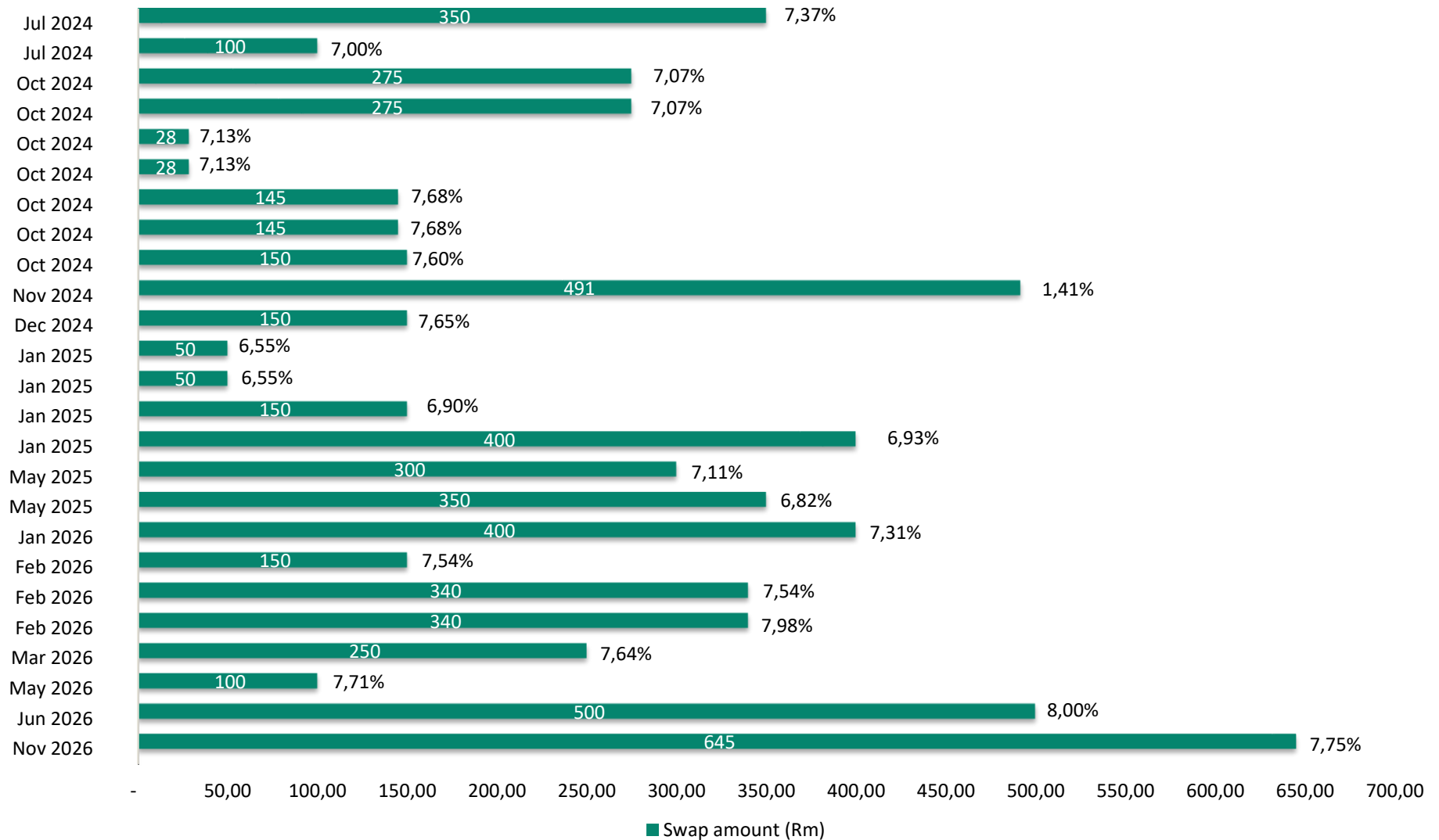
GROUP DEBT STRUCTURE – AT 30 JUNE 2024 (INCL FIXES)



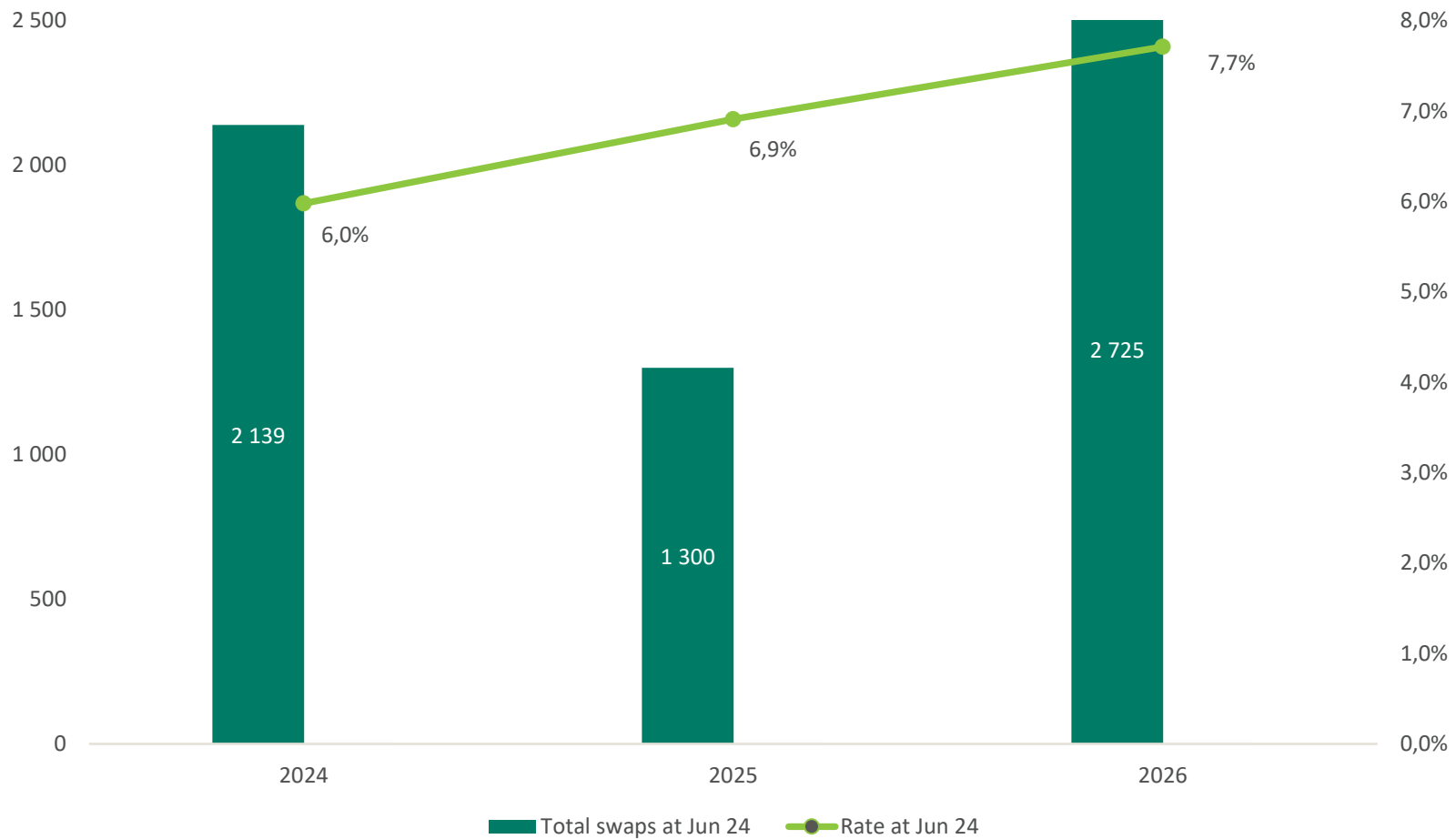
GROUP DEBT EXPIRY PROFILE AT 30 JUNE 2024



GROUP DEBT STRUCTURE SWAPS AT 30 JUNE 2024



INTEREST RATE SWAP EXPIRY AT 30 JUNE 2024



RETAIL PORTFOLIO

Portfolio^{1,2}

Portfolio value R6.9bn 40 Properties

GLA 371 275m² 22.2% Grocer GLA
of total

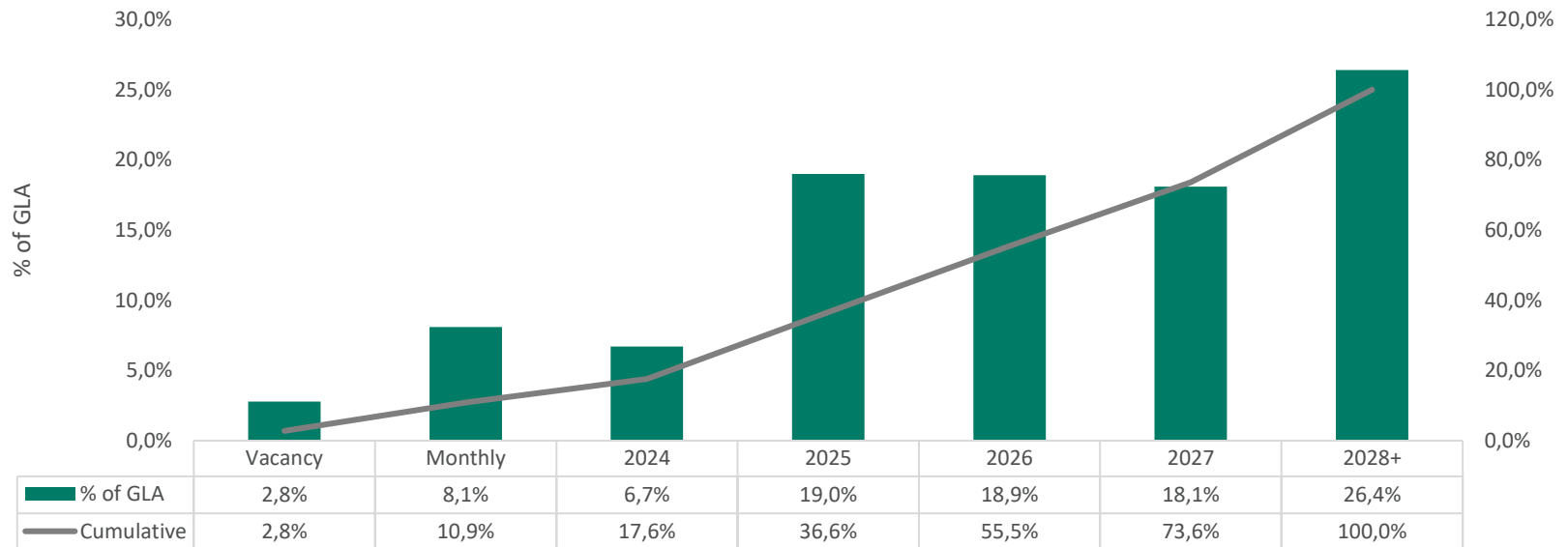
Cost to revenue (Like-for-like) 46.2%
(2023 H1 43.6%)

Top 10 tenants

GLA	37.6%	National exposure	70.1%
Rental	33.4%		72.1%

Tenant retention success rate 83.8%

Lease Expiries



INDUSTRIAL PORTFOLIO

Portfolio

Portfolio value R3.4bn

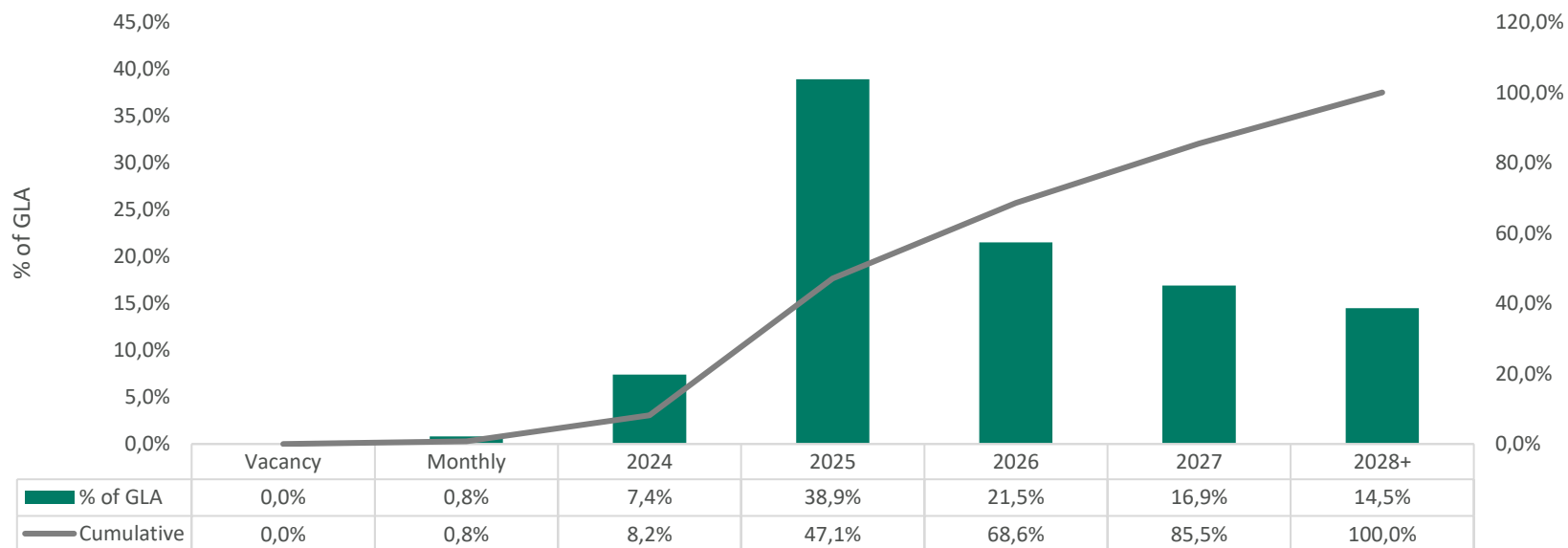
45 Properties

GLA 381 030m²

22.4% GLA of total portfolio

Cost to revenue (Like-for-like) 27.5% (2023 H1: 27.8%)

Lease Expiries



AFHCO PORTFOLIO

Afhco Portfolio¹

Portfolio value R4.2bn 53 Properties

GLA Apartments 338 215m² Retail 61 740m²

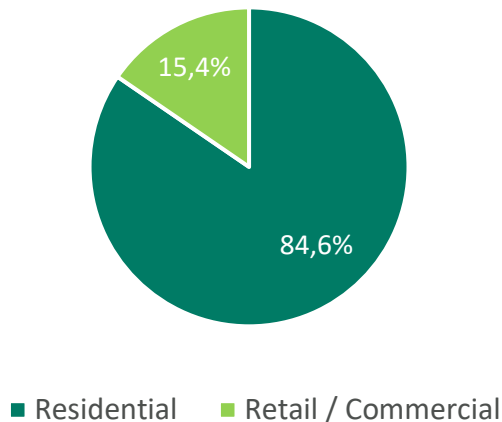
Cost to revenue (Like-for-like) 52.7% (2023 H1: 51.9%)

Indluplace Portfolio

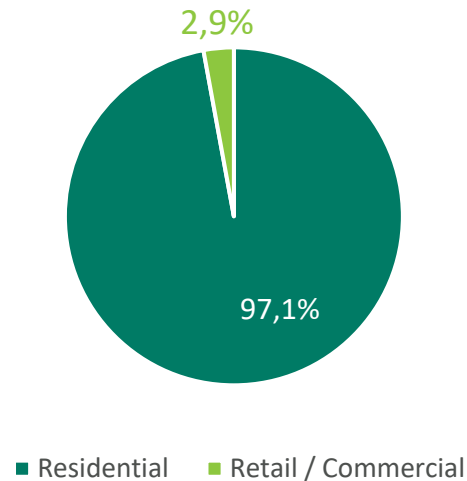
Portfolio value R3.1bn 127 Properties

GLA Apartments 483 771m² Retail 14 385m²

AFHCO by GLA



Indluplace by GLA



¹ Excludes bulk of 5 187m² being developed, valued at R16.1m.

COMMERCIAL PORTFOLIO

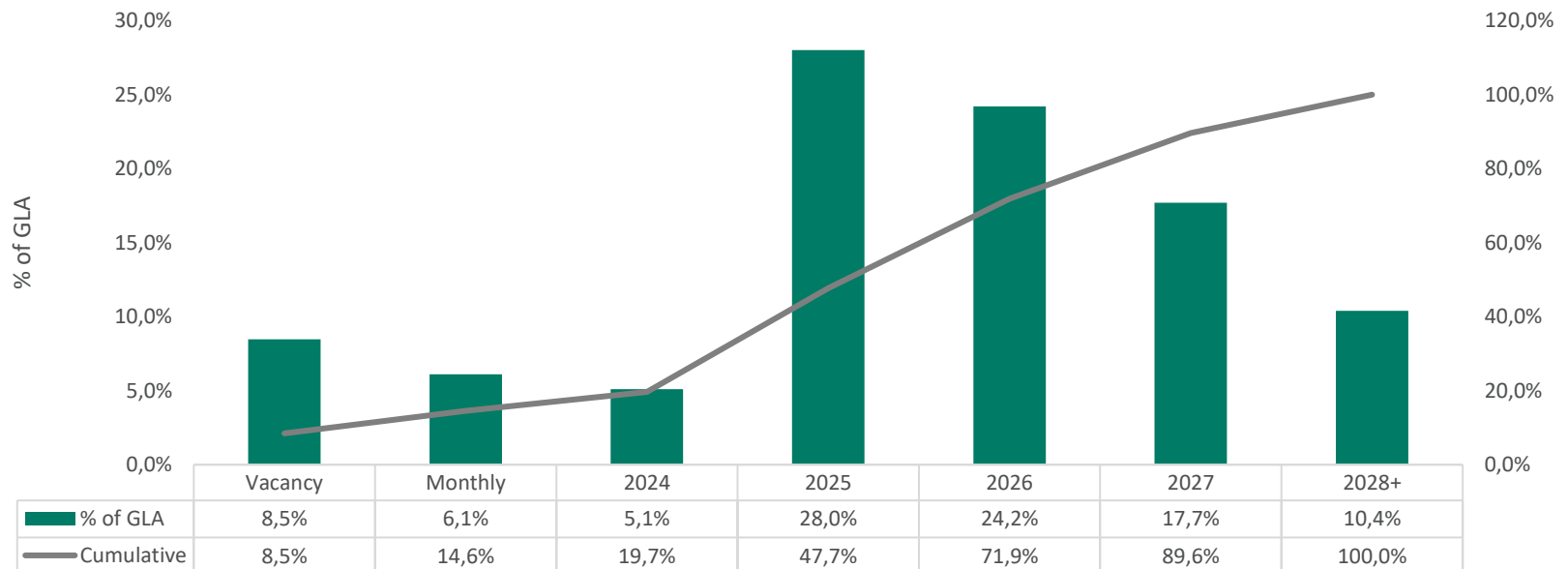
Portfolio

Portfolio value R246.0m 2 Properties

GLA 21 749m² 1.3% GLA of total portfolio

Cost to revenue (Like-for-like) 65.7% (2023 H1: 65.0%)

Lease Expiries



SA PORTFOLIO: COMMERCIAL

VALUE OF SOUTH AFRICAN PORTFOLIO

1.4%

(Jun 2023: 1.6%; Dec 2023: 1.5%)

