SA CORPORATE
REAL ESTATE

INDUSTRIAL | RETAIL | RESIDENTIAL | REST OF AFRICA

SA Corporate 2024 Year End Pre-Close Update Presentation

13 December 2024

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LFL NPI PORTFOLIO PERFORMANCE

Sector	Forecast FY 2024 vs FY 2023 LFL NPI Growth	Commentary
Industrial	6.9%	The above inflation growth is largely attributed to strong contracted rental escalations and proactive letting efforts resulting in limited re-tenanting downtime, with almost full occupancy in 2024.
Retail	4.4%	6.8% revenue growth due to strong contracted rental escalations, improved utility recoveries and financial gains realised from additional take-up of space in Morning Glen, Hayfields Mall, Umlazi Mega City and Willow Way Centre. The top line growth was dampened by operating expense growth of 9.7% stemming from increased security costs during the national election period and above inflation municipal expenses of 13.5%.
Afhco	7.4%	The above-inflation growth in the Afhco portfolio is primarily driven by solid residential rental increases, improved utility recoveries and benefits of solar and borehole installations.
Total	**6.0%**	

- Indluplace NPI > acquisition model by 13.0%

RETAIL PORTFOLIO PERFORMANCE

Sector	Vacancy 31-Dec-23	Vacancy 31-Oct-24	Anticipated Vacancy 31-Dec-24	Comments
Retail	2.7%	2.6%	2.4%	Vacancies have been reduced from a low base, largely aided by increased leasing efforts towards Morning Glen Mall, which saw the opening of lifestyle and entertainment tenants and primarily national tenants at Umlazi Mega City, Willow Way and Hayfields Mall

Sector	Retention Rate 31-Dec-23	Retention Rate YTD 31-Oct-24	Anticipated Retention Rate 31-Dec-24	Comments
Retail	87.7%	83.6%	83.5%	Replaced several under-performing tenants with national and convenience orientated tenants to enhance the tenant mix and ensure sustainable income growth.

Sector	Renewal Reversion 31-Dec-23	Renewal Reversion YTD 31-Oct-24	Anticipated Renewal Reversion 31-Dec-24	Comments
Retail	2.6%	0.6%	0.4%	43% of lease renewals achieved an average 8% growth, whilst 33% of long-term leases escalating above market were renewed at an average of 10% negative reversion, with the remainder of leases having flat renewals, resulting in an overall marginally positive reversion.

RETAIL PORTFOLIO PERFORMANCE (continued)

Sector	Trading Density Growth 12 month rolling to 31-Dec-23	Trading Density Growth 12 month rolling to 31-Oct-24	Comments
Retail	6.3%	4.7%	60% of the centres achieved trading density growth exceeding 6%, however, the growth was muted by lower trading density growth at Musgrave Shopping Centre due to redevelopment in H1'24. Post construction, Musgrave Shopping Centre has achieved trading density growth of 23% in the last quarter (August'24 – October'24). One of the grocers in the portfolio has had below average trading density growth and strategic interventions are being implemented.

RETAIL STRATEGIC LEASING UPDATE

Centre	Description	GLA (m^2)
Musgrave Shopping Centre	Redeveloped ex-Ster-Kinekor space and introduced Checkers emporium (incl Checkers Fresh-X, Pet Science and Checkers Liquor) and First National Bank from 1 July 2024.	3 274m^2
East Point	Concluded renewal of Game store.	6 075m^2
Montana Crossing	Pick n Pay supermarket to be replaced with Checkers emporium including Checkers Fresh-X, Pet Science, Checkers Liquor and Checkers Outdoor in Q3 2025.	3 136m^2
	Co-anchored the DIY value offering with Build It which commenced trading 1 October 2024.	985m^2
Springfield Value Centre	Pick n Pay QualiSave to be replaced with Shoprite in Q2 2025.	2 970m^2
Coachman’s Crossing	Bespoke butchery and deli to replace Pick n Pay and complement the Woolworths Food anchored redevelopment.	1 000m^2

- ***National tenancy = 70.1% and convenience orientated tenants = 63.9% of tenant base***

INDUSTRIAL PORTFOLIO PERFORMANCE

Sector	Vacancy 31-Dec-23	Vacancy 31-Oct-24	Anticipated Vacancy 31-Dec-24	Comments
Industrial	0.2%	0%	0%	Zero vacancy anticipated at year end.

Sector	Retention Rate 31-Dec-23	Retention Rate YTD 31-Oct-24	Anticipated Retention Rate 31-Dec-24	Comments
Industrial	78.0%	98.7%	96.3%	2024 lease expiries = 120 648m^2 representing 31.6% of GLA. Tenants at 148 Fleming (1 417m^2), Suffert Street (2 229m^2) and 33/37 Aloefield Crescent (778m^2) not retained, space has been relet.

Sector	Renewal Reversion 31-Dec-23	Renewal Reversion YTD 31-Oct-24	Anticipated Renewal Reversion 31-Dec-24	Comments
Industrial	-0.9%	0.2%	0.7%	92% of the leases renewed achieved flat to positive growth of up to 12.8%, whilst 8% of leases renewed at negative reversions (range -1.3% to -15.28%) coming off above-inflation historic escalations, resulting in overall marginally positive reversions.

AFHCO / INDLUPLACE ("ILU") PORTFOLIO PERFORMANCE

Sector	Vacancy 31-Dec-23	Vacancy 31-Oct-24	Anticipated Vacancy 31-Dec-24	Comments
Residential - Afhco	4.2%	4.3%	3.8%	Inner-city vacancies have decreased to 2.7%, reflecting a strong and continued improvement, while suburban vacancies stand at 5.0%, showcasing steady performance.
Residential - ILU	4.5%	4.9%	4.8%	Suburban vacancies have improved to 3.2%, demonstrating a strong and healthy demand, while inner-city vacancies are currently at 7.5%, mainly impacted by two assets.
Retail - Afhco	4.4%	5.0%	4.1%	Vacancies continue to be well managed.
Retail - ILU	10.3%	7.3%	5.9%	Deals in the 2nd half of the year have led to a decrease in vacancies. The notable tenants are Hungry Lion of 270m^2 and Jam Clothing of 282m^2 at Jozi House.
Sector	**Rental Increase on Expiring Leases 31-Dec-23**	**Rental Increase on Expiring Leases 31-Oct-24**	**Anticipated Rental Increase 31-Dec-24**	**Comments**
Residential - Afhco	3.9%	3.9%	3.9%	Increase in line with prior year.
Residential - ILU	3.9%	4.2%	n/a	Achieving a 4.2% rental escalation, effective annually in October, highlights the ability to balance sustainable revenue growth with tenant affordability. This measured increase aligns with market trends in the affordable housing sector, ensuring competitive pricing while maintaining good tenant retention.

ZAMBIA INVESTMENT PERFORMANCE

East Park Mall	31-Dec-23	31-Oct-24	31 Dec 24 Forecast
Vacancy[1]	0.7%	2.4%	2.4%
Retention of expiring leases	100%	100%	100%
Renewal Reversion (US$)	2.3%	-0.31%	0.7%

NPI / Distributable Income	SAC Share	2024 forecast growth versus 2023 actual	Comments
East Park Mall NPI Contribution	50%	1.4%	US Dollar growth.
Other Properties NPI Contribution[2]		-2.3%	Downtime associated with redevelopment of Arcades Mall.
Total NPI Contribution		**0.3%**	
JV Distributable Income		**8.2%**	Mitigation of property revenue tax of assets transferred to REIZ.

[1] *Tenants in arrears were evicted and in the process of being replaced.*
[2] *SAC currently owns an effective 29.5% shareholding in properties that are owned by the only listed REIT in Zambia, Real Estate Investments Zambia Plc ("REIZ").*

UNLISTED RESIDENTIAL FUND UPDATE

1st cornerstone investor's investment committee approved R1.25 billion equity investment in Unlisted Residential Fund on 18 November 2024

First R1.25 Billion Investment Expected Timeline

		Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25
MILESTONES & SPECIFIC TASK DESCRIPTION	**End Plan (2025)**	1	2	3	4	5	6	7
JSE Process								
Signature of Transaction Agreements								
Posting of circular								
Negotiation with debt providers								
Finalisation of debt agreements								
GM for SAC shareholders								
Fulfilment of CPs by								
Funds flow								

Due diligence of negotiation proceeding in respect of c. R1.4 billion acquisition of quality residential rental properties.

FINANCIAL SUSTAINABILITY

Strategic Focus	Financial Sustainability

Disposals Update

2024 Disposals Pipeline	**R772.1 million**
Previously Contracted	**R772.1 million**
Transferred	R151.6 million
Unconditional	R308.6 million
Conditional	R311.9 million

Apartment Sales

Total Apartment Sales Quantum	3 504 Apartments	R1 150 million
Sold and Transferred	48 Apartments	R25.9 million
Contracted	201 Apartments	R98.8 million
October 2024 Offers to Purchase	114 Apartments	R59.2 million

Debt Covenant Forecasts

	LTV	**ICR**
31 December 2024	42.6%	1.84x
31 December 2025 [1]	33.7%	2.19x

[1] Assumes R1.25 billion equity investment in the Unlisted Residential Fund, 2025 forecast transferred divestments and no acquisitions.

DISTRIBUTION GUIDANCE

2024 YE:

- At least 5% > 2023.

2025 YE:

- Above inflation > 2024 YE.

Q & A