

CONDENSED
CONSOLIDATED
UNAUDITED
INTERIM FINANCIAL
RESULTS AND
INTERIM DIVIDEND
DISTRIBUTION
DECLARATION

FOR THE
PERIOD ENDED
30 SEPTEMBER

2023

The Chief Financial Officer, Mr WL Venter CA(SA), was responsible for the preparation of these unaudited financial statements, executed by the Financial Manager, Mr T Pothraju.

AT A GLANCE

SAFARI INVESTMENTS RSA LIMITED, REFERRED TO AS "SAFARI" OR "THE COMPANY" OR "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

- Defensive portfolio which supports resilient earnings
- High-quality tenant base
- Low arrear profile and vacancy rates
- Sound liquidity management including proactive refinancing and covenant risk management

TOTAL GROSS LETTABLE AREA ("GLA") OF PROPERTY PORTFOLIO

177 445 m²

PORTFOLIO OCCUPANCY RATE

97,8%
(Sep 2022: 97,09%)

PORTFOLIO NATIONAL TENANCY % (GLA)

90%
(Sep 2022: 87%)

WEIGHTED AVERAGE TRADING DENSITY FOR THE PORTFOLIO

R39 915/m²
(Sep 2022: R38 708 m²)

RENTAL REVERSION

+6,68%
(Sep 2022: -0,08%)

INTERIM DISTRIBUTION PER SHARE

30 cents
(Sep 2022: 33 cents)

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

R9,20
(Sep 2022: R8,56)

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

36%
(Sep 2022: 36%)

SA REIT FUNDS FROM OPERATIONS PER SHARE

30 cents
(Sep 2022: 33 cents)

SA REIT COST-TO-INCOME RATIO

41%*
(Sep 2022: 38%)

HIGHLIGHTS

* Refer to note 9 on page 17.

COMMENTARY

PROFILE

Safari is a retail-focused REIT listed on the JSE main board with a property portfolio valued at approximately R3,7 billion. The Company adopts a simplified and focused approach to quality property assets in the retail sector to generate sustainable rental income and create long-term shareholder value. There have been no significant changes to the nature of the business during the financial period under review.

ESG

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. For an overview of how ESG practices and commitments are integrated into the Group's business and culture, refer to the full ESG report in section 3 of the Integrated Annual Report for the year ended 31 March 2023.

PROPERTY PORTFOLIO

The Safari portfolio primarily comprises dominant, well-located shopping centres, largely underpinned by national tenants with long-term contractual leases. The Company's eight established income-generating retail centres include **Denlyn** in Mamelodi, Pretoria; **Attlyn**, **Mnandi** and **Nkomo Village** in Atteridgeville, Pretoria; **Thabong** in Sebokeng, Johannesburg; **Victorian Village** in Heidelberg; **Thornhill** in Polokwane and **Platz am Meer** in Swakopmund, Namibia. Safari also owns bulk reserve 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 2,23% as at 30 September 2023 (2022: 2,91%). With a reversion ratio of +6,68% 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.

FINANCIAL PERFORMANCE

Operating profit increased by 8,2%. Investment income decreased significantly after the WDB Investment Holdings shareholder loan was settled in the second half of the prior financial year. Finance costs increased by 26% due to the significant interest rate hikes experienced over the past 12 months. We also saw a pause/reversal of fair value profits on hedging instruments as we reached a pause in interest rate fluctuation. Earnings per share was affected by the aforementioned factors and some once-off events like the insurance payout in the comparative prior period (refer to note 15). The SA REIT NAV per share is R9,20 (2022: R8,56).

OPERATIONAL

Despite the challenges posed by a higher interest rate environment and severe load shedding, management remains confident in its ability to drive sustainable value creation for shareholders driven by a quality property portfolio. A key strategic focus area remains portfolio optimisation. This is achieved through refurbishing and ensuring that retail space is filled with optimal tenants. 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 has secured loan facilities totalling R1,45 billion, with 28% of interest-bearing debt currently hedged through interest rate swaps. The SA REIT LTV for the Group remained at 36% compared to the corresponding prior period. As of the reporting date, Safari's SA REIT cost of debt is 10,2%, measuring the all-in weighted average cost of Safari's interest-bearing borrowings.

DISTRIBUTABLE EARNINGS

Refer to note 13 for the disclosure of distributable earnings. The Board acknowledges that high interest rates combined with severe levels of load shedding and the high diesel expenditure are putting pressure on distributable income. The Board, however, remains confident that the Group will perform in line with initial guidance provided in June 2023 and that a distribution per share ranging from 60 cents to 62 cents for the 2024 financial year is achievable provided there is no further deterioration in the economic environment in which we operate. This forecast is the responsibility of the Safari Board and has not been reviewed or reported on by the auditor.

SOUTHERN PALACE REPURCHASE SHARES

Announcements were released on the Stock Exchange News Service ("SENS") in April 2023 in relation to the finalisation of a repurchase of Safari shares held by Southern Palace confirming the fulfilment of all conditions and the subsequent delisting and cancellation of the repurchase shares on 26 April 2023.

HERIOT BENEFICIAL INTEREST

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

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 condensed consolidated unaudited interim financial statements have been prepared on a going concern basis. Interest-bearing borrowings included as part of current liabilities at the end of the reporting period relate to facilities maturing during the next 12 months. The Company has already engaged with lenders on refinancing these facilities and is confident that they will be refinanced on favourable terms. 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.

INCOME-GENERATING RETAIL PORTFOLIO

for the period ended 30 September 2023

	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 ²	34 790	34 252	31 222		22 743	12 390	11 962	8 717	21 369
Trading since	2003	2007	2006		2018	2009	1997	2015	2016
Number of shops	112	104	93		68	32	33	30	68
Fair value 31 March 023	R960 000 000	R651 800 000*	R696 000 000		R492 000 000	R238 000 000	R215 000 000	R166 000 000	R249 000 000*
Annual trading density/m ² : September 2023	R39 711	R43 486	R35 601		R45 701	R40 177	R53 151	R24 536	R33 384
National tenancy	91%	90%	89%		90%	95%	98%	85%	86%
Occupancy level	100%	100%	99,6%		100%	98,9%	99,9%	89,3%	87,3%

* Including additional bulk.

DEVELOPMENT PROJECTS

Safari continues to pursue yield-accretive expansions, redevelopment opportunities and new developments.

Victorian Village refurbishment

Phase 3 of the refurbishment of Victorian Village in Heidelberg has been completed and showcases an enhanced tenant mix on the upper level that now accommodates a brand-new Cappuccinos to complement the existing Spur. The project value for phases 2 and 3 of the centre revamp was R56 million.

Denlyn refurbishment

The refurbishment and water project at Denlyn to the value of R43,9 million is now in the final stages of completion and has been received well by the market. Improvements include upgraded restrooms, a beautified recreation area for children, better flow of foot traffic via an open walkway from SuperSpar to Shoprite and new retailers added to the tenant mix.

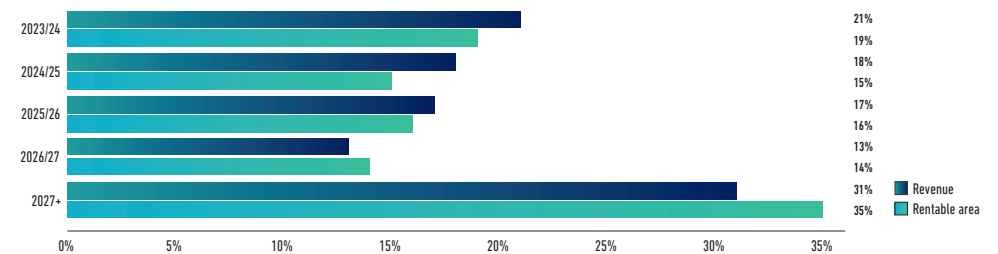
Thabong tenant replacements

SuperSpar was replaced with a new Shoprite and Shoprite Liquor together with some complementary line shops. A new drive-through is also being considered for the centre. Subject to an application at Eskom being successful, the installation of a solar power system is planned for the centre.

Lynnwood erven – new development

A new mixed-use development for the popular Lynnwood precinct in the east of Pretoria is in the planning phase. Safari owns this 13 000m² property on Lynnwood Road, and there is strong interest from major national tenants for this node. Letters of intent have been received from all the large anchor food retailers.

Lease expiry profile of the portfolio



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2023

	Notes	Unaudited 30 September 2023 R'000	Unaudited 30 September 2022 R'000	Audited 31 March 2023 R'000
ASSETS				
Non-current assets				
Property, plant and equipment		531	632	603
Right-of-use assets		3 097	4 487	3 997
Investment property	2	3 494 194	3 254 931	3 429 996
Fair value of investment property		3 610 979	3 354 809	3 535 800
Straight-lining lease asset	3	(116 785)	(99 878)	(105 804)
Loans to shareholders		–	37 873	–
Investment in joint venture		1 500	1 500	1 500
Derivatives	18	–	2 396	1 017
Straight-lining lease asset	3	116 482	99 826	105 507
Deferred tax asset		10 693	19 054	13 857
		3 626 497	3 420 699	3 556 477
Current assets				
Inventories	4	15 476	38 907	29 869
Loans to shareholders		–	7 287	–
Trade and other receivables	6	31 389	17 410	23 126
Derivatives	18	2 523	–	1 615
Straight-lining lease asset	3	303	52	297
Cash and cash equivalents		24 102	13 464	10 914
		73 793	77 120	65 821
Investment property held for sale	17	184 900	175 900	184 900
Total assets		3 885 190	3 673 719	3 807 198

	Notes	Unaudited 30 September 2023 R'000	Unaudited 30 September 2022 R'000	Audited 31 March 2023 R'000
EQUITY AND LIABILITIES				
Equity and reserves				
Stated capital	5	1 601 718	1 606 452	1 604 616
Retained income		824 476	682 839	822 885
Share-based payment reserve	16	2 383	1 077	1 568
Total equity and reserves		2 428 577	2 290 368	2 429 069
Liabilities				
Non-current liabilities				
Interest-bearing borrowings	7	829 794	865 390	954 604
Deferred tax liability		26 240	24 130	27 106
Lease liabilities		2 807	5 044	4 531
		858 841	894 564	986 241
Current liabilities				
Interest-bearing borrowings	7	559 566	457 126	358 926
Trade and other payables	6	37 481	30 763	31 968
Lease liabilities		725	898	994
		597 772	488 787	391 888
Total liabilities		1 456 613	1 383 351	1 378 129
Total equity and liabilities		3 885 190	3 673 719	3 807 198

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 30 September 2023

	Notes	Unaudited Six months ended 30 September 2023 R'000	Unaudited Six months ended 30 September 2022 R'000	Audited Year ended 31 March 2023 R'000
Revenue		254 294	221 851	456 899
Property revenue	8	227 943	192 086	392 562
Straight-line lease adjustment	3	10 981	4 801	15 601
Revenue from sale of inventory	4	15 370	24 964	36 736
Revenue from sale of land		–	–	12 000
Other income	15	5 410	14 206	33 007
Cost of inventory sold		(16 216)	(23 493)	(39 524)
Cost of land sold		–	–	(13 026)
Impairment reversal of inventory		–	–	111
Operating expenses	9	(93 543)	(73 986)	(154 620)
Operating profit		149 945	138 578	282 847
Investment income		433	2 309	3 488
Fair value adjustments	2	–	–	144 677
Finance costs		(63 981)	(50 700)	(107 413)
Fair value profit/(loss) on derivatives		(109)	15 204	15 481
Profit before taxation		86 288	105 391	339 080
Taxation		(2 298)	(7 608)	(16 168)
Profit for the period		83 990	97 783	322 912
Other comprehensive income		–	–	–
Total comprehensive income for the period		83 990	97 783	322 912
Basic earnings per share (cents)	12	32,68	37,93	125,40
Diluted earnings per share (cents)	12	32,63	37,89	125,22

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 September 2023

	Stated capital R'000	Share-based payment reserve R'000	Retained income R'000	Total equity R'000
Balance as at 1 April 2022 (Audited)	1 606 452	465	667 560	2 274 477
Profit for the period	–	–	97 783	97 783
Other comprehensive income	–	–	–	–
Total comprehensive income for the period	–	–	97 783	97 783
Share-based payment expense	–	612	–	612
REIT distribution paid	–	–	(82 504)	(82 504)
Balance as at 30 September 2022 (Unaudited)	1 606 452	1 077	682 839	2 290 368
Profit for the period	–	–	225 129	225 129
Other comprehensive income	–	–	–	–
Total comprehensive income for the period	–	–	225 129	225 129
Share buy-back	(1 836)	–	–	(1 836)
Share-based payment expense	–	491	–	491
REIT distribution paid	–	–	(85 083)	(85 083)
Balance as at 31 March 2023 (Audited)	1 604 616	1 568	822 885	2 429 069
Profit for the period	–	–	83 990	83 990
Other comprehensive income	–	–	–	–
Total comprehensive income for the period	–	–	83 990	83 990
Share buy-back	(2 898)	–	–	(2 898)
Share-based payment expense	–	815	–	815
REIT distribution paid	–	–	(82 399)	(82 399)
Balance as at 30 September 2023 (Unaudited)	1 601 718	2 383	824 476	2 428 577

Note

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 September 2023

Note	Unaudited Six months ended 30 September 2023 R'000	Unaudited Six months ended 30 September 2022 R'000	Audited Year ended 31 March 2023 R'000
Cash flows from operating activities			
Cash generated from operations	155 082	158 157	297 161
Investment income received	433	2 457	3 488
Finance costs paid	(64 172)	(52 316)	(104 369)
REIT distribution paid	(82 399)	(82 504)	(167 587)
Tax paid	–	(344)	(729)
Net cash from operating activities	8 944	25 450	27 964
Cash flows from investing activities			
Purchase of property, plant and equipment	(82)	(35)	(145)
Development of investment property	(64 198)	(42 245)	(88 215)
Proceeds from disposal of investment property	–	–	12 000
Proceeds from shareholders' loan	–	2 188	47 495
Net cash used in investing activities	(64 280)	(40 092)	(28 865)
Cash flows from financing activities			
Share buy-back	(2 898)	–	(1 836)
Proceeds from interest-bearing borrowings	241 754	265 980	492 650
Repayment of interest-bearing borrowings	(169 965)	(244 615)	(485 323)
Payment of lease liabilities	(367)	(390)	(807)
Net cash from financing activities	68 524	20 975	4 684
Total cash movement for the period	13 188	6 333	3 783
Cash at the beginning of the period	10 914	7 131	7 131
Total cash and cash equivalents at the end of the period	24 102	13 464	10 914

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 September 2023

1. BASIS OF PREPARATION

The condensed consolidated unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 *Interim Financial Reporting*, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and 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 and are consistent with those applied in the previous audited consolidated annual financial statements. These interim results have neither been reviewed nor audited 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 six months ended 30 September 2023.

The condensed consolidated unaudited interim financial statements were approved by the Board on 15 November 2023.

2. INVESTMENT PROPERTY

The Group's investment properties are valued at the end of each financial year by way of independent valuation.

The most recent external valuation was performed on 31 March 2023 with the effective date of the next revaluation expected to be 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 sensitivity to key unobservable inputs in determining the valuation of investment property (for those properties valued on 31 March 2023) 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 R185 942 094, and if the valuer decreased both the terminal capitalisation and discount rates by 0,50%, the total valuation would increase by R206 932 218. Additionally, if the valuer increased the long-term vacancy provision by 1,00%, the total valuation would decrease by R66 410 295 and, if the valuer decreased the long-term vacancy provision by 1,00%, the total valuation would increase by R66 410 295.

NOTES TO THE FINANCIAL STATEMENTS continued
for the period ended 30 September 2023

3. STRAIGHT-LINING LEASE ASSET

Lease terms range from three to 10 years with the weighted average lease escalation being 6% for the six months ended 30 September 2023.

	Unaudited Six months ended 30 September 2023 R'000	Unaudited Six months ended 30 September 2022 R'000	Audited Year ended 31 March 2023 R'000
Non-current assets	116 482	99 826	105 507
Current assets	303	52	297
	116 785	99 878	105 804
Movement can be reconciled as follows:			
Balance at the beginning of the period	105 804	95 076	95 076
Movement during the period*	10 981	4 802	10 728
	116 785	99 878	105 804
Maturity analysis of lease payment receivable			
The future minimum lease payments receivable under non-cancellable leases are as follows:			
Future minimum lease payments receivable:			
No later than one year	315 383	253 672	284 623
Between one and two years	271 099	172 542	235 872
Between two and three years	223 719	128 904	189 338
Between three and four years	163 788	103 297	142 281
Between four and five years	117 727	61 293	98 666
Later than five years	774 860	693 074	722 764
	1 866 576	1 412 782	1 673 544

* Excluding investment property held for sale.

4. INVENTORIES

Safari Investments Namibia Proprietary Limited, a wholly owned subsidiary of Safari, developed 36 luxury sea-front apartments (classified as inventory) and offices together with a shopping centre. The entire development has been incorporated into a sectional title scheme with 39 units consisting of 36 apartments, one office unit and two commercial units currently trading as the Platz am Meer Shopping Centre.

In this regard, 36 close corporations (one for each apartment) and one additional private company for the offices were incorporated in which these units vest. A proportionate allocation of the development cost of the land was transferred to these close corporations and private company. The person/s acquiring the apartments or office units will then acquire the membership or shares in the close corporation or private company, respectively. Currently, Safari Investments Namibia Proprietary Limited holds 100% of the shares in the private company known as Platz am Meer Property One Proprietary Limited and, through its nominee, Mr DC Engelbrecht, the Group Chief Executive Officer, the membership in the remaining unsold close corporations.

During the six-month period ended 30 September 2023, the Group had disposed of four additional units. The transfer of the remaining two units is expected to be concluded within the next two months then all units will be disposed of.

5. STATED CAPITAL

In the 2023 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.

	Unaudited Six months ended 30 September 2023	Unaudited Six months ended 30 September 2022	Audited Year ended 31 March 2023
Reconciliation of number of shares in issue			
Shares issued (legal)*	257 826 016	310 826 016	310 826 016
Southern Palace shares treated as treasury shares*	–	(53 000 000)	(53 000 000)
Repurchased shares held as treasury shares#	(853 070)	–	(329 847)
At the end of the period – shares in issue	256 972 946	257 826 016	257 496 169
Issued			
At the beginning of the period (R'000)	1 604 616	1 606 452	1 606 452
Movements during the period (R'000)	(2 898)	–	(1 836)
Stated capital (R'000)	1 601 718	1 606 452	1 604 616

* Safari held a pledge in the prior period over 53 million shares as security for the claim against Southern Palace. After the repurchase of these 53 million shares, these shares were delisted and cancelled in April 2023.

During the current reporting period, 523 223 shares were repurchased at an average price of R5,60 per share. To date, the Group has repurchased 853 070 shares in the open market for a total value of R4,73 million.

NOTES TO THE FINANCIAL STATEMENTS continued

for the period ended 30 September 2023

6. TRADE AND OTHER RECEIVABLES/PAYABLES

Trade and other receivables include R13 million (2022: R11 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.

7. INTEREST-BEARING BORROWINGS

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

Debt covenants – LTV and interest cover ratio ("ICR")	Actual ratios as at 30 September 2023	Covenant ratios applicable as at 30 September 2023
Transactional LTV (including mark-to-market value)	37,7%	<55%
Transactional LTV (excluding mark-to-market value)	37,7%	<50%
Transactional ICR	2,54	>1,85
Corporate ICR	2,34	>2,00
Corporate LTV	39,0%	<50%
Hedging covenant (pursuant to facility B only)	100%	>75%
Hedging agreement covenant	0,28	<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. Currently, 28% of debt is hedged. 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 facility. The Group is in discussion with lenders to restructure and refinance the facilities that will mature in the next 12 to 24 months and is confident that new facilities with more favorable terms will be concluded before the end of this financial year.

8. PROPERTY REVENUE

Interim property revenue increased by 18,7% compared to the comparative interim 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 from April 2023.

9. OPERATING EXPENSES

Operating expenses shows a significant increase with the SA REIT cost-to-income ratio increasing from 38% to 41%. This is due to a number of factors as detailed hereafter. Electricity billing was internalised during the reporting period changing the categorisation of electricity expenses and its corresponding recoveries from tenants (also refer to note 8). Municipal electricity invoices are categorised under expenses while the recovery of these costs from tenants is contained in revenue, leading to a skewed reflection should the two periods be compared line by line. Also having an impact was the high international insurance cover Safari took out from 1 October 2022 until 30 September 2023 after SASRIA insurance cover was limited to R500 million per one insured entity (previously cover was limited to R1,5 billion per one insured entity). A subsidiary structure was put in place from October 2023 which reduced insurance costs, and the insurance expense will therefore be lower in the next reporting period. The increase can also be attributed to the high diesel expenditure and generator maintenance cost because of severe levels of load shedding during the reporting period as not all diesel-related costs are recoverable from tenants.

10. 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 and related parties, advising that it has acquired a beneficial interest in the securities of the Company, such that the total of the beneficial interest held by it 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.

An announcement was released on SENS on 1 June 2023 in relation to the change of the Company's 2024 financial year-end date.

At the Board meeting held 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.

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

On 28 August 2023 Safari concluded a new facility agreement, in line with its growth and lender diversification strategy, for R150 million with Standard Bank of South Africa Limited. This new facility was implemented on 1 September 2023 with a 4-year term and replaced a maturing R150 million Absa facility. Salient terms of the new facility: Facility M: R150 000 000 – quarterly repayments of interest at the three-month JIBAR rate plus a margin of 1,7% with the capital due on maturity in August 2027.

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the period ended 30 September 2023

11. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Effective 1 October 2023 two assets (Atlyn Shopping Centre and Thabong Shopping Centre) were moved into subsidiaries for the purpose of more efficiently implementing SASRIA cover over these two assets.

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 therefore the resolution for his re-election was withdrawn.

At the board meeting held on 15 November 2023, the Board approved a gross cash interim distribution of 30 cents per ordinary share to be paid during December 2023.

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

12. EARNINGS PER SHARE

	Unaudited Six months ended 30 September 2023	Unaudited Six months ended 30 September 2022	Audited Year ended 31 March 2023
Earnings used in the calculation of basic earnings per share (profit after tax R'000)	83 990	97 783	322 912
Number of ordinary shares in issue at period end*	256 972 946	257 826 016	257 496 169
Diluted weighted average number of ordinary shares	257 419 224	258 043 679	257 885 129
Weighted average number of ordinary shares in issue at period end	257 399 979	257 826 016	257 820 609
Add: Weighted potential dilutive impact of Long-term Incentive ("LTI") Plan	19 245	217 663	64 520
Headline earnings (R'000)	83 990	97 783	178 235
Basic earnings per share (cents)	32,68	37,93	125,40
Diluted earnings per share (cents)	32,63	37,89	125,22
Basic headline earnings per share (cents)	32,68	37,93	69,22
Diluted headline earnings per share (cents)	32,63	37,89	69,11
Headline earnings reconciliation			
Basic earnings (profit after tax R'000)	83 990	97 783	322 912
Fair value adjustments to investment properties (R'000)	–	–	(144 677)
Headline earnings (R'000)	83 990	97 783	178 235

* Excluding treasury shares.

13. DISTRIBUTABLE EARNINGS

	Unaudited Six months ended 30 September 2023 R'000	Unaudited Six months ended 30 September 2022 R'000	Audited Year ended 31 March 2023 R'000
Revenue (including recoveries and other income, excluding sale of apartments/land)	244 334	211 093	441 170
Less: Lease smoothing effect	(10 981)	(4 801)	(15 601)
Less: Expenses	(93 543)	(73 986)	(154 620)
Less: Net interest	(63 548)	(48 391)	(103 925)
Interest income	433	2 309	3 488
Interest expense	(63 981)	(50 700)	(107 413)
Distributable earnings*	76 262	83 915	167 024
Number of shares excluding treasury shares	256 972 946	257 826 016	257 496 169
Distributable income per share (cents)	30	33	65
Distribution per share declared (cents)	30	33	65
Percentage of distributable income declared (%)	100	100	100

* Despite the increase in revenue, distributable earnings decreased compared to the comparative interim period due to a substantial non-recurring insurance pay-out received in the prior period; the surge in interest rates; as well as other irregular expense items. If the non-recurring insurance event is excluded, the core distribution shows an increase compared to the comparative prior reporting period. Refer to notes 9 and 15.

NOTES TO THE FINANCIAL STATEMENTS continued
for the period ended 30 September 2023

14. NET ASSET VALUE PER SHARE

	Unaudited Six months ended 30 September 2023	Unaudited Six months ended 30 September 2022	Audited Year ended 31 March 2023
Total assets (R'000)	3 885 190	3 673 719	3 807 198
Total liabilities (R'000)	(1 456 613)	(1 383 351)	(1 378 129)
Reported NAV (R'000)	2 428 577	2 290 368	2 429 069
Ordinary shares in issue excluding treasury shares	256 972 946	257 826 016	257 496 169
Net asset value per share (Rand per share)	9,45	8,88	9,43
Tangible net asset value (Rand per share)	9,45	8,88	9,43
Reported net asset value adjusted for:			
Dividend declared (R'000)	(77 092)	(85 083)	(82 399)
Fair value of derivative financial instruments (R'000)	(2 523)	(2 396)	(2 632)
Deferred tax (R'000)	15 547	5 076	13 249
SA REIT NAV (R'000)	2 364 509	2 207 965	2 357 287
Ordinary shares in issue excluding treasury shares	256 972 946	257 826 016	257 496 169
SA REIT NAV (Rand per share)	9,20	8,56	9,15

15. OTHER INCOME

Other income shows a significant decrease from R14,2 million in the September 2022 interim period to R5,4 million in the current interim period. This can be attributed to an insurance payout of R10,4 million received in the comparative period for the Company's losses experienced during the July 2021 unrest and settled by the insurer.

16. 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 five- and three-year period, mandating that the participant remains employed by the Group until the conclusion of the measurement period.

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.

	Shares granted July 2021	Shares granted July 2022	Shares granted July 2023
Assumptions and estimates			
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 period ended 30 September 2023

16. SHARE-BASED PAYMENT RESERVE continued

	Unaudited Six months ended 30 September 2023 R'000	Unaudited Six months ended 30 September 2022 R'000	Audited Year ended 31 March 2023 R'000
Movement summary for share-based payment reserve			
At the beginning of the period	1 568	465	1 077
Expense recognised in profit or loss	815	612	491
Shares issued during the period	–	–	–
At the end of the period	2 383	1 077	1 568

17. 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 disposals are 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 Mnandi 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 and, accordingly, no impairment losses have been recognised on the classification of these assets as held for sale. The current assets classified as held for sale are as follows:

	Unaudited Six months ended 30 September 2023 R'000	Unaudited Six months ended 30 September 2022 R'000	Audited Year ended 31 March 2023 R'000
Investment property (excluding straight-line income accrual)	150 425	153 864	157 990
Straight-lining lease asset	34 475	22 036	26 910
Fair value of investment property held for sale	184 900	175 900	184 900

18. DERIVATIVES

	Unaudited Six months ended 30 September 2023 R'000	Unaudited Six months ended 30 September 2022 R'000	Audited Year ended 31 March 2023 R'000
Hedging derivatives			
Interest rate derivatives asset	2 523	2 396	2 632
JIBAR-linked interest rate swaps			
In line with an internal hedging policy adopted by the Board, as well as requirements of the Absa facility agreements, a portion of the debt has been fixed by way of interest rate swaps. At the reporting date, the Group has hedged its exposure to interest rate fluctuations to 28% of its interest-bearing borrowings.			
	2 523	2 396	2 632
Split between non-current and current portions			
Non-current assets		2 396	1 017
Current assets	2 523		1 615
	2 523	2 396	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 30 September 2023. 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).

CONDENSED CONSOLIDATED SEGMENT REPORT

for the period ended 30 September 2023

The Group classifies the following segments, which is consistent with the way the Group reports internally: Atteridgeville (comprising three properties), 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
As at 30 September 2023									
Property revenue	71 510	57 559		50 038	16 702	16 859	14 772	503	227 943
Straight-line lease adjustment	3 439	971		5 984	465	19	113	(10)	10 981
Revenue from the sale of inventory	–	–		–	–	–	15 370	–	15 370
Revenue from the sale of land	–	–		–	–	–	–	–	–
Turnover (external)	74 949	58 530		56 022	17 167	16 878	30 255	493	254 294
Reportable segment profit before investment revenue, fair value adjustments and finance costs	61 825	42 967		36 044	10 197	11 661	7 885	–	170 579
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	–	–		–	–	–	–	(20 634)	(20 634)
Profit before investment revenue, fair value adjustments and finance costs	61 825	42 967		36 044	10 197	11 661	7 885	(20 634)	149 945
Segment assets and liabilities									
Segment assets	1 374 100	992 801		682 906	223 896	239 639	298 204		3 811 546
Unallocated assets	–	–		–	–	–	–	73 644	73 644
Total assets	1 374 100	992 801		682 906	223 896	239 639	298 204	73 644	3 885 190
Segment liabilities	10 942	7 314		7 738	2 080	3 911	1 617	3 879	37 481
Unallocated liabilities	–	–		–	–	–	–	29 772	29 772
Interest-bearing borrowings	–	–		–	–	–	–	1 389 360	1 389 360
Total liabilities	10 942	7 314		7 738	2 080	3 911	1 617	1 423 011	1 456 613
Other segment items									
Interest revenue (external)	67	38		12	4	7	200	–	328
Unallocated interest revenue	–	–		–	–	–	–	105	105
Investment revenue	67	38		12	4	7	200	105	433
Fair value adjustments	–	–		–	–	–	–	–	–
Interest expense	–	–		–	–	32	–	–	32
Unallocated interest expense	–	–		–	–	–	–	63 949	63 949
Finance costs	–	–		–	–	32	–	63 949	63 981

Entity-wide disclosure

The Group predominantly trades within South Africa, with the only foreign-held investment property being 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.

CONDENSED CONSOLIDATED SEGMENT REPORT continued

for the period ended 30 September 2023

	Atteridgeville R'000	Mamelodi R'000		Sebokeng R'000	Heidelberg R'000	Limpopo R'000	Namibia R'000	Reconciliation R'000	Total R'000
As at 30 September 2022									
Property revenue*	64 659	50 288		36 218	11 461	17 098	11 980	382	192 086
Straight-line lease adjustment*	2 996	505		1 198	572	(352)	(121)	3	4 801
Revenue from the sale of inventory*	–	–		–	–	–	24 964	–	24 964
Turnover (external)	67 655	50 793		37 416	12 033	16 746	36 823	385	221 851
Reportable segment profit before investment revenue, fair value adjustments and finance costs	55 882	39 322		33 929	9 236	11 795	8 679	–	158 843
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	–	–		–	–	–	–	(20 265)	(20 265)
Profit before investment revenue, fair value adjustments and finance costs	55 882	39 322		33 929	9 236	11 795	8 679	(20 265)	138 578
Segment assets and liabilities									
Segment assets	1 269 494	900 733		626 173	209 536	234 435	295 509	–	3 535 880
Unallocated assets	–	–		–	–	–	–	137 839	137 839
Total assets	1 269 494	900 733		626 173	209 536	234 435	295 509	137 839	3 673 719
Segment liabilities	11 853	5 581		5 907	997	2 151	1 278	–	27 767
Unallocated liabilities	–	–		–	–	–	–	33 068	33 068
Interest-bearing borrowings	–	–		–	–	–	–	1 322 516	1 322 516
Total liabilities	11 853	5 581		5 907	997	2 151	1 278	1 355 584	1 383 351
Other segment items									
Interest revenue (external)	118	–		17	–	8	60	–	203
Unallocated interest revenue	–	–		–	–	–	–	2 106	2 106
Investment revenue	118	–		17	–	8	60	2 106	2 309
Fair value adjustments	72 465	47 436		29 259	(773)	4 955	5 218	1 719	16 278
Interest expense	–	–		–	–	20	–	–	20
Unallocated interest expense	–	–		–	–	–	–	50 680	50 680
Finance costs	–	–		–	–	20	–	50 680	50 700

* Revenue disaggregation to enhance disclosure.

CONDENSED CONSOLIDATED SEGMENT REPORT continued
for the period ended 30 September 2023

	Atteridgeville R'000	Mamelodi R'000		Sebokeng R'000	Heidelberg R'000	Limpopo R'000	Namibia R'000	Reconciliation R'000	Total R'000
As at 31 March 2023									
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
Turnover (external)	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)
Profit before investment revenue, fair value adjustments and finance costs	114 663	77 205		62 437	18 297	21 910	9 410	(25 949)	277 974
Segment assets and liabilities									
Segment assets	1 360 256	965 844		653 530	215 089	238 710	294 705	–	3 728 134
Unallocated assets	–	–		–	–	–	–	79 064	79 064
Total assets	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
Total liabilities	10 927	5 738		6 172	1 051	2 788	3 048	1 348 405	1 378 129
Other segment items									
Interest revenue (external)	212	(20)		24	2	10	165	–	393
Unallocated interest revenue	–	–		–	–	–	–	3 095	3 095
Investment revenue	212	(20)		24	2	10	165	3 095	3 488
Fair value adjustments*	72 465	47 436		29 259	(773)	4 955	5 218	1 719	16 278
Interest expense	–	–		–	–	46	–	–	46
Unallocated interest expense	–	–		–	–	–	–	107 367	107 367
Finance costs	–	–		–	–	46	–	107 367	107 413

* 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 30 cents per ordinary share from income reserves for the period ended 30 September 2023 to be paid during December 2023. Shareholders will not be able to elect to reinvest the cash distribution in return for ordinary shares. The distribution is based on revenue as per the disclosed distribution statement. Refer to note 13.

SALIENT DATES AND TIMES

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

Declaration date	Thursday, 16 November 2023
Last day to trade cum dividend	Tuesday, 5 December 2023
Trading ex-dividend commences	Wednesday, 6 December 2023
Record date	Friday, 8 December 2023
Date of payment	Monday, 11 December 2023

Shares may not be dematerialised or rematerialised between Wednesday, 6 December 2023 and Friday, 8 December 2023, 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 financial year consists of this interim cash dividend distribution of 30 cents per share to be paid in December 2023 and a final cash dividend distribution to be declared after the financial year-end.

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 amount, net of South African dividend tax of 20%, is 24 cents (2022: 26,4 cents) per share for those shareholders who are not exempt from dividend tax. If resident shareholders have not submitted the required documentation to confirm their status as South African residents, they are advised to contact their Central Securities Depository Participant ("CSDP") or broker, as the case may be, to arrange for the documents to be submitted prior to the payment of the dividend.

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 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 the 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 of Safari excluding treasury shares held by the Company is 256 972 946 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")

	Six months ended 30 September 2023 R'000	Six months ended 30 September 2022 R'000
Profit/(loss) for the period	83 990	97 783
<i>Adjusted for:</i>		
<i>Accounting/specific adjustments:</i>		
Deferred tax movement recognised in profit or loss	2 298	7 608
Straight-lining operating lease adjustment	(10 981)	(4 801)
<i>Adjustments arising from investment activities:</i>		
Gains/losses on disposal of inventory (in relation to gross margin earned)	846	(1 471)
<i>Foreign exchange and hedging items:</i>		
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	109	(15 204)
SA REIT FFO	76 262	83 915
Number of shares outstanding at the end of the period, excluding treasury shares	256 972 946	257 826 016
SA REIT FFO per share (cents)	30	33

SA REIT COST-TO-INCOME RATIO

	Six months ended 30 September 2023 R'000	Six months ended 30 September 2022 R'000
<i>Expenses</i>		
Operating expenses per IFRS income statement (includes municipal expenses and administrative expenses)	93 543	73 986
<i>Exclude:</i>		
Depreciation expense in relation to property, plant and equipment of an administrative nature	(153)	(132)
Operating costs	93 390	73 854
<i>Rental income</i>		
Contractual rental income and utility and operating recoveries per IFRS income statement (excluding straight-lining)	227 943	192 086
Gross rental income	227 943	192 086
SA REIT cost-to-income ratio	41%	38%

SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO

	Six months ended 30 September 2023 R'000	Six months ended 30 September 2022 R'000
<i>Expenses</i>		
Administrative expenses as per IFRS income statement	21 129	20 651
Administrative costs	21 129	20 651
<i>Rental income</i>		
Contractual rental income and utility and operating recoveries per IFRS income statement (excluding straight-lining)	227 943	192 086
Gross rental income	227 943	192 086
SA REIT administrative cost-to-income ratio	9%	11%

ANNEXURE 1: SA REIT DISCLOSURE continued

SA REIT GROSS LETTABLE AREA VACANCY RATE

	Six months ended 30 September 2023 R'000	Six months ended 30 September 2022 R'000
GLA of vacant areas (m ²)	3 950	5 102
GLA of property portfolio (m ²)	177 445	175 167
SA REIT GLA vacancy rate	2,23%	2,91%

SA REIT COST OF DEBT

	Three-month JIBAR-linked loans %	Prime- linked loans %	Weighted combined SA REIT cost of debt %
Variable interest rate borrowings			
Floating reference rate plus weighted average margin	10,15	10,17	10,15
Fixed interest rate borrowings			
Weighted average fixed rate	–	–	–
Pre-adjusted weighted average cost of debt:	10,15	10,17	10,15
<i>Adjustments:</i>			
Impact of interest rate derivatives	(0,30)	–	(0,28)
Impact of cross-currency interest rate swaps: no cross- currency swaps	–	–	–
Amortised transaction costs imputed in the effective interest rate	0,34	0,11	0,32
All-in weighted average cost of debt	10,19	10,27	10,20

SA REIT LOAN-TO-VALUE

	Six months ended 30 September 2023 R'000	Six months ended 30 September 2022 R'000
Gross debt	1 389 360	1 322 516
<i>Less:</i>		
Cash and cash equivalents (including short-term deposits)	(24 102)	(13 464)
<i>Add:</i>		
Derivative financial instruments	–	–
Net debt	1 365 258	1 309 052
Total assets – per statement of financial position	3 885 190	3 673 719
<i>Less:</i>		
Cash and cash equivalents (including short-term deposits)	(24 102)	(13 464)
Derivative financial assets	(2 523)	(2 396)
Trade and other receivables	(31 389)	(62 570)
Carrying amount of property-related assets	3 827 176	3 595 289
SA REIT LTV	36%	36%

ANNEXURE 1: SA REIT DISCLOSURE continued

SA REIT NAV PER SHARE

	Six months ended 30 September 2023 R'000	Six months ended 30 September 2022 R'000
Reported NAV	2 428 577	2 290 368
Adjusted for:		
Dividend declared	(77 092)	(85 083)
Fair value of derivative financial instruments	(2 523)	(2 396)
Deferred tax	15 547	5 076
SA REIT NAV	2 364 509	2 207 965
Number of shares outstanding at the end of the period, excluding treasury shares	256 972 946	257 826 016
SA REIT NAV per share (Rand per share)	9,20	8,56

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

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AUDITOR

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

* MH Muller did not stand for re-election at the annual general meeting, his resignation being effective 24 October 2023.

INDEPENDENT VALUER

Quadrant Properties Proprietary Limited
(Registration number: CK 89/40464/23)
No 17 Tudor Park, 61 Hillcrest Avenue
Oerdr Park, Randburg 2115
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LEGAL ADVISER

Webber Wentzel
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(PO Box 1144, Johannesburg 2000)

SPONSOR

Valeo Capital
Unit 12, Paardevlei Specialist Centre
Somerset West 7130

TRANSFER SECRETARIES

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