

SA Corporate Real Estate Limited

(Incorporated in the Republic of South Africa)

(Registration number 2015/015578/06)

Share code: SAC ISIN: ZAE000203238

(Approved as a REIT by the JSE)

("SA Corporate" or "the Company")

TRADING STATEMENT, UPDATE ON DISPOSALS AND RELEASE OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020**Trading Statement**

In terms of paragraph 3.4(b)(vii) of the JSE Listings Requirements, property entities which have adopted distribution per share as their financial results measurement for trading statement purposes, are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results to be reported upon next will differ by at least 15% from the financial results of the previous corresponding period.

The COVID-19 global pandemic has had a significant impact on the real estate sector and in particular has required landlords to provide rental relief to their tenants and to endure increased arrear rentals. Notwithstanding the Company having been similarly affected by the crisis, its strategy to focus on investing in defensive logistics warehousing, shopping centres with a dominant convenience retail offering and residential rental accommodation has ensured that its portfolio has continued to generate robust net property income, albeit decreased from that realised prior to the pandemic.

The Company is mindful of the need in the current environment to strengthen its balance sheet to provide a foundation for future sustainable optimal performance and to divest from properties that are not of a quality to meet the Group's more stringent investment criteria in uncertain times. Further details of these divestments are furnished later in this announcement but they, together with the performance of the Company despite challenging trading conditions, have placed SA Corporate in a position wherein it expects to be able to make a distribution for the year ended 31 December 2020. In making this distribution, the Board will be cognisant of the importance of preserving capital in the distressed economic times brought upon by the COVID-19 pandemic, the meeting of the distribution requirements pertaining to a REIT in terms of the JSE Listings Requirements, and to limit any tax leakages.

The Company anticipates that for the year ended 31 December 2020:

- distributable income will be between R580 million and R620 million, representing a decrease of between 35% to 40%, compared to R960 million for the prior year ended 31 December 2019 ("Prior Year"); and
- paying 75% of distributable income compared to 100% in the Prior Year, being a distribution per share of between 17.00 and 18.50 cents, representing a decrease of between 51% and 55% compared to the Prior Year distribution per share of 38.04 cents.

Update on disposals

Since the beginning of 2020, disposals totalling R1 484.8 million have been contracted, of which R379.7 million have been transferred. R663.1 million contracted disposals are unconditional, whilst R442.0

million still require conditions precedent to be fulfilled. The aforementioned sale of properties is at a weighted average discount to book value of 3.3% and at an exit yield of 9.3%.

Release of results for the year ended 31 December 2020

The Company intends releasing its results for the year ended 31 December 2020 on 29 March 2021.

The financial information in this announcement has not been reviewed or reported on by SA Corporate's auditors.

9 March 2021

Cape Town

Sponsor: Nedbank Corporate and Investment Banking