

SA Corporate Real Estate Limited (SA Corporate or the Company) (Incorporated in the Republic of South Africa)
(Registration number 2015/015578/06) Approved as a REIT by the JSE Share code: SAC
ISIN code: ZAE000203238

Introduction

SA Corporate is a JSE-listed Real Estate Investment Trust (REIT) and together with all its subsidiaries (the Group) owns a focused portfolio of quality industrial, retail and residential buildings located primarily in the major metropolitan areas of South Africa with a secondary node in Zambia. As at 31 December 2023, the property portfolio consisted of 267 properties, with 1 709 651 m² of gross lettable area (GLA), valued at R17.7 billion, as well as a 50% joint venture interest in three Zambian entities, including a minority shareholding in Zambia's only listed property company, valued at R1.8 billion.



Overview

▶ Distributable income

↑ 5.5% vs six months to 31 December 2022 (H2 2022)

↓ 4.0% vs twelve months to 31 December 2022 (FY 2022)

R647.8 million or 25.76 cps (2022: R674.8 million or 26.83 cps)

▶ Total net property income (NPI) of R1.3 billion (2022: R1.2 billion)

▶ Total like-for-like NPI increased by 4.6% to R1.01 billion (2022: R0.96 billion)

▶ Disposal pipeline contracted and still to transfer and divestments transferred since January 2023 of R1.4 billion

(Transferred to 31 December 2023: R1 013.8 million; Contracted not yet transferred: R192.2 million, of which R13.2 million has transferred after 31 December 2023, and under offer: R225.3 million)

▶ Traditional portfolio vacancies of 2.0% of GLA (2022: 2.3%)

▶ Afhco residential portfolio vacancies of 4.2% of total units (2022: 2.9%)

▶ Indluplace residential portfolio vacancies of 4.5% (at 30 September 2022, Indluplace's last year-end reported, 8.5%)

▶ Total residential portfolio vacancies of 4.4%

Salient features

The salient features of the Group annual financial results for the year ended 31 December 2023, as compared to the year ended 31 December 2022, are set out below:

Revenue of R2 480.5 million
(2022: R2 042.5 million)

Operating profit of R1 776.1 million
(2022: R1 037.9 million)

Headline earnings per share of 22.98 cents
(2022 restated: 30.96 cents)

Basic earnings per share of 48.54 cents
(2022 restated: 32.91 cents)

Net asset value per share of 439 cents
(2022: 410 cents)

Distribution declared of 23.18 cps at 90% payout ratio
(2022: 24.15 cps at 90% payout ratio)

Distribution declaration and important dates

Notice is hereby given of the declaration of distribution number 17 in respect of the income distribution period 1 July 2023 to 31 December 2023. The distribution amounts to 11.79481 cps (December 2022: 11.17938 cps). The source of the distribution comprises net income from property rentals. Please refer to the Consolidated Statement of Comprehensive Income for further details. 2 514 732 095 of the Company's shares are in issue at the date of this distribution declaration and the Company's income tax reference number is 9179743191.

Last date to trade cum distribution Tuesday, 16 April 2024

Shares will trade ex-distribution Wednesday, 17 April 2024

Record date to participate in the distribution Friday, 19 April 2024

Payment of distribution Monday, 22 April 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 April 2024 and Friday, 19 April 2024, both days inclusive.

Tax implications

In accordance with the Company's REIT status, shareholders are advised that the distribution meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No 58 of 1962 (Income Tax Act). The distributions on the Company's shares will be deemed to be dividends, for South African tax purposes, in terms of section 25BB of the Income Tax Act. The distributions received by or accrued to South African tax residents must be included in the gross income of such shareholders and are not exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because they are dividends distributed by a REIT, with the effect that the distribution is taxable in the hands of the shareholder.

These distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders have provided the following forms to their Central Securities Depository Participants (CSDP) or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, in respect of certificated shares:

- a declaration that the distribution is exempt from dividends tax; and
- a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service.

The Company's shareholders are advised to contact the CSDP, broker or transfer secretaries, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

Notice to non-resident shareholders

Distributions received by non-resident shareholders 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. Distributions received by a non-resident from a REIT are subject to dividend withholding 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 shareholder.

Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 9.43585 cents per SA Corporate 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 the CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, 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 transfer secretaries, 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.

Non-resident shareholders are advised to contact the CSDP, broker or the transfer secretaries, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable.

Short-form announcement

The Company's auditors, PricewaterhouseCoopers Inc. have issued an unqualified audit opinion on the Group audited annual financial statements for the year ended 31 December 2023. The contents of this short-form announcement are the responsibility of the board of directors of the Company. Shareholders are advised that this short-form announcement represents a brief summary of the information contained in the Group annual financial statements for the year ended 31 December 2023, which is available on <https://senspdf.jse.co.za/documents/2024/jse/isse/SACE/ye2023.pdf>, and on SA Corporate's website <https://www.sacorporatefund.co.za>. Any investment decisions by investors and/or shareholders should be based on a consideration of the full announcement as a whole and shareholders are encouraged to review the full announcement as directed above. Furthermore, investors are advised that the audited summary consolidated financial statements, which have been audited by PwC who issued an [unqualified] opinion thereon, are available at <https://www.sacorporatefund.co.za>. Investors and/or shareholders may request copies of the full announcement by contacting the registered office, details of which are set out below.

For a more comprehensive analysis of SA Corporate's results and outlook, please refer to <https://www.sacorporatefund.co.za/>

Johannesburg

27 March 2024

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited

DIRECTORATE AND STATUTORY INFORMATION

Registered office	Registered auditors	Transfer secretaries	Sponsor	Directors	N Ford-Hoon(Fok)
GreenPark Corner 16th Floor Corner Lower Road and West Road South Morningside 2196 Tel 010 020 2530	PricewaterhouseCoopers Inc. 5 Silo Square V&A Waterfront Cape Town 8002	Computershare Investor Services (Pty) Ltd Rosebank Towers 15 Biermann Avenue Rosebank 2196	Nedbank Corporate and Investment Banking, a division of Nedbank Limited 135 Rivonia Road Sandton 2196	MA Moloto (Chairman) OR Moselehi (Lead Independent Director) TR Mackey (Chief Executive Officer)* SY Moodley (Chief Financial Officer)*	EM Hendricks GJ Heron SS Mafoyan NNN Radebe (Chief Operating Officer)* (appointed 1 February 2023) GZN Khumalo (appointed 1 February 2023) <i>* Executive</i>