SAFARI
INVESTMENTS RSA LTD

2021 INTEGRATED ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH

WHO WE ARE

Safari Investments RSA Limited is a property investment company listed on the JSE as a Real Estate Investment Trust ("REIT"). Through selective investments in property, especially convenience and small regional shopping centres, we create value for our stakeholders as we strive for sustainable growth and earnings.

At Safari, we work to unlock value through prudent asset management, yield-enhancing acquisitions and sensible development or redevelopment opportunities while maintaining a clear and focused investment strategy in line with our risk appetite and company culture.

OUR MISSION

Building a property portfolio which offers:

- **To our investors/**
  Investments that deliver long-term income and capital growth
- **To our communities/**
  Social and environmental sustainability
- **To our tenants and their clients/**
  Highly sought-after spaces
- **To our employees/**
  A secure and sustainable future

OUR VALUES

- **Quality/**
  Unlocking and delivering high-quality assets
- **Innovation/**
  Finding opportunities in the market through creative thinking
- **Improvement/**
  Making a difference for the better of our stakeholders
- **Integrity/**
  Acting honestly and ethically in all we do

99%	<1%	<1%	<1%
Retail	Medical	Office	Living

ATLYN
Atteridgeville (cnr Phudufufu and Khoza Streets)

DENLYN
Mamelodi (cnr Stormvoël and Maphalla Roads)

MNANDI
Atteridgeville (Maunde Street)

THABONG
Sebokeng (Moshoeshoe Street)

THE VICTORIAN
Heidelberg (cnr Voortrekker and Jordaan Streets)

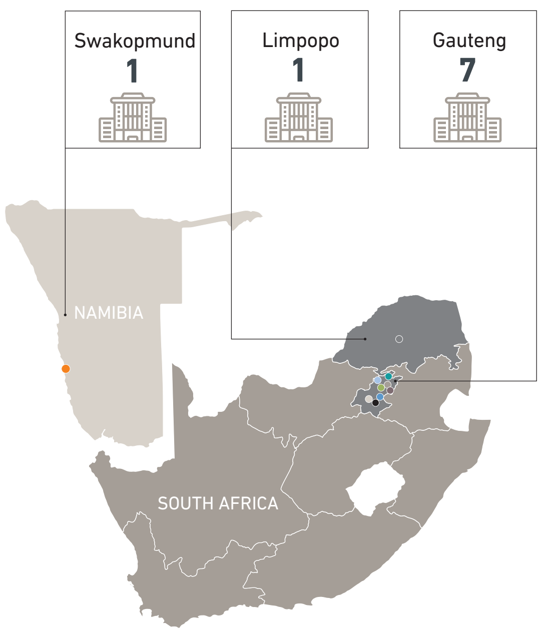
PLATZ AM MEER
Swakopmund, Namibia (cnr Albatros and Tsavorite Streets)

SOWETO DAY HOSPITAL
Soweto (R558, Protea Glen)

NKOMO VILLAGE
Atteridgeville (49 Tlou Street)

THORNHILL
Polokwane (cnr Veldspaat Street and Munnik Avenue)

LYNNWOOD
Pretoria (cnr Lynnwood Road and Rodericks)



9
Income-generating assets

27
Residential units

5
Vacant stands

13 000m²
Total area of Lynnwood property

CONTENTS

ABOUT THIS REPORT

About this report

This Integrated Annual Report presents the financial, operational, social and environmental performance of Safari Investments RSA Limited and its subsidiary (hereinafter referred to as "Safari" or "the Group" or "the Company") to stakeholders for the period 1 April 2020 to 31 March 2021. In order to provide a concise overview of the business, business model and strategy, it includes a range of financial and non-financial disclosures, performance measures and reviews over the year. This will enable stakeholders to objectively assess the Group's ability to create and sustain value in the future.

The Integrated Annual Report provides information on the Group and highlights the Group's corporate governance principles, growth strategy and financial performance, and the social, environmental and economic sphere in which the Group operates. The Group has continued to build on its commitment to provide stakeholders with information to maintain their trust and confidence in Safari.

The content is intended to enhance your understanding and appraisal of the Company and its prospects and we remain committed to improving our reporting to our stakeholders. Any feedback to improve reporting in future will be welcomed. Comments can be sent to **info@safari-investments.com**.

Framework applied

The framework is in accordance with best practice and applies the principles of the following:

- King IV™ Report on Corporate Governance[1] for South Africa 2016 ("King IV™");
- JSE Limited ("JSE") Listings Requirements;
- Companies Act 71 of 2008, as amended ("Companies Act"); and
- International Integrated Reporting Council <IR> Framework.

The financial information provided in the consolidated annual financial statements commencing on page 49 has been prepared in accordance with International Financial Reporting Standards ("IFRS"), SAICA's Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, Financial Pronouncements as issued by the Financial Reporting Council and the Companies Act. Detailed statements on how Safari has applied the principles contained in King IV™ can be viewed on our website: **www.safari-investments.com**.

Report published: 30 June 2021.

Vacancy rate

2,4%

(2020: 3,3%)

National tenants (rentable area)

87%

(2020: 87%)

Total rental area m^2 of retail portfolio

175 123m^2

(2020: 175 136m^2)

Monthly weighted average gross rental/m^2

R149/m^2*

(2020: R149/m^2)

Weighted average annual rental escalation achieved

-0,77%*

Total portfolio

(2020: 2,93%)

Average annualised property yield

7,72%*

(2020: 8,15%)

* Including the impact of temporary COVID-19 relief.

Assurance and Board responsibility statement

Safari continues to develop and apply a combined assurance model, providing management and the Board with confidence regarding the information disclosed. The Group strives to achieve high standards in all disclosures and management reviews. The consolidated annual financial statements were independently audited by BDO South Africa Incorporated and the Board of the Company, supported by the Audit and Risk Committee, has approved this Integrated Annual Report.

The Safari Board acknowledges its responsibility to ensure the integrity of this Integrated Annual Report for the 2021 financial year. The Board has accordingly applied its judgement and in its opinion, this Integrated Annual Report addresses all material matters and offers a holistic view of the performance of Safari and its impacts.

The Board authorised the publication of the Integrated Annual Report on 23 June 2021.

GJ Heron
Chairperson

DC Engelbrecht
Chief Executive Officer ("CEO")

WL Venter
Chief Financial Officer ("CFO")

Dr MT Matshoba-Ramuedzisi
Lead Independent Non-executive

MH Muller
Independent Non-executive

Dr PA Pienaar
Independent Non-executive

Weighted average trading density for the portfolio
R36 115/m²
(2020: R33 669/m²)

Valuation of property portfolio
R3,46 billion
(2020: R3,27 billion)

Market capitalisation as at 31 March
R1,18 billion
(2020: R1,03 billion)

Group total assets
R3,55 billion
(2020: R3,37 billion)

Operating profit
R215 million*
(2020: R225 million)

Loan-to-value
38%
(2020: 33%)

Rental reversion
-2,5%
(2020: +3,04%)

Growth in property revenue
0%*
(2020: 16%)

Value of shares traded
R76,8 million
(2020: R201,1 million)

Net asset value per share
R8,34
(2020: R7,69)

Dividend per share
42 cents
(2020: 46 cents)

* Including the impact of temporary COVID-19 relief.

OUR BUSINESS MODEL

CAPITAL INPUTS

Intellectual resources

- Asset management and facilities management expertise is applied throughout the portfolio with internal managers; no outsourcing to brokers
- MDA Property Systems software is used for financial reporting. This is a single integrated property and financial software management system simplifying the flow of information for management reporting, data collection, analysis, invoicing and decision-making. MDA is the leading provider of software for property and facilities managers in the market
- Internet fibre infrastructure is in place at most centres running on a three-tier system that simplifies internet connection and availability of service for tenants and shoppers
- Free Wi-Fi is available at centres for shopper convenience and collection of valuable customer behaviour data gaining insight into preferences, demographics, dwell time and more
- Intelligent video analytics through on-site cameras assists with foot count and shopper behaviour data
- Market research is conducted through specialist studies including spatial planning and property market analysis to best understand local and surrounding market dynamics

Manufactured resources

- Nine income-producing investment properties
- Primary focus is on the retail sector
- Potential ancillary or value-adding assets incorporated through acquisitions or expansions
- Development of bulk reserve at appropriate time intervals
- Consideration of property acquisitions that fit our portfolio and investment criteria

Human resources

- An internalised asset and property management team and portfolio leasing staff as well as on-site centre managers overseeing daily operations at all retail properties
- Board of six members comprising a healthy spread of professionals in the property and business industry
- Five Board Subcommittees
- Internal Company Secretary function
- Continuous investment in training and employee development

INVESTMENT PROPOSITION

Listed on the JSE in April 2014	Retail-focused portfolio of nine premium properties	Focused on convenience and small regional shopping centres	A balanced and carefully selected tenant mix with a high percentage national tenancy	Simple corporate structure with lean, highly experienced management team

CAPITAL OUTCOMES

- Effective and innovative operation of Safari business functions that improve the performance and ultimately the quality of our properties
- Reliable data and transparency across the business
- Enhancing shopper experience by providing free Wi-Fi services

- Realising potential through selective property development, redevelopment and acquisition opportunities that extract maximum value

- Better alignment and integration of Company strategic goals through engaged and competent employees and leadership resulting in an empowered organisation with competitive strength in the market. Objectives at managerial level are known and integrated at operational level
- Employee loyalty and satisfaction

Natural resources

- Environmental impact is carefully considered with new acquisitions, expansions and refurbishments
- Green building initiatives are considered and incorporated where feasible
- Solar power systems at retail centres and adding or expanding solar systems to optimal capacity where feasible
- Natural light and ventilation maximised inside buildings
- Recycling of waste material and professional waste sorting

Social and relationship resources

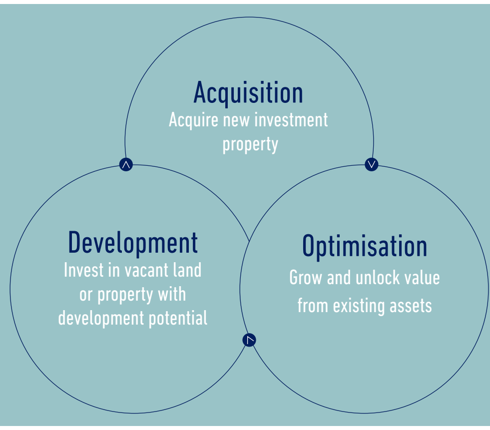
- Strong geographic concentration of assets in emerging sector
- Transformation manager appointed and BBBEE targets set
- Relationships and engagement with our communities are prioritised
- In an ideal position to enhance consumer experience through the development of holistic business nodes
- Safari's balanced and combined service offerings serve communities well
- Retail centres are linked to public transport networks
- Health, safety and security measures are in place at all sites
- Involved in and initiating many social and philanthropic projects within the communities residing around our centres
- Internship and learnership programmes

Financial resources

- Capital growth and dividend income to shareholders
- Disciplined cost management
- Tax contributions to authorities
- Credit rating strength and access to funding
- Centres have economic impact offering business and employment opportunities

ACTIVITIES

The aim is to create value for all our stakeholders through selective income-generating assets and by optimising these assets to full potential. Our activities include a combination of:



- Responsible delivery of buildings, products and activities resulting in reduced impact on the environment and on natural resources

- Economic growth and employment opportunities
- Black economic empowerment and transformation
- Strong community cohesion and support in fostering relationships, loyalty and trust
- Safari environment known for mentorship, learning and development of skills

- Economic prosperity of organisations and communities and increased investor interest
- Strong cash flow and healthy gearing ratio

OUR STRATEGY AT A GLANCE

To achieve our vision and mission, we leverage our business model and focus on growth, efficiency and our brand.

OUR VISION

To become a leading retail-focused REIT on the JSE through selective property investments while driving sustainable growth and materialising shareholder return above the market average.

OUR MISSION

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  Highly sought-after spaces
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Strategic growth with a specialised focus ...

Why?

Grow Safari's asset value to unlock funding opportunities for developments and acquisitions. Through growth we can increase income distribution and stimulate share liquidity.

How?

By working intentionally on unlocking value through yield-enhancing acquisitions, prudent asset management and pursuing development opportunities while maintaining a clear and focused investment strategy in line with our risk appetite and company culture supported by our shareholders.

Progress

- Resolved to stay focused on quality assets in the South African retail sector and narrowed our focus to convenience and small regional retail assets
- Defined and formulated our parameters and criteria for new assets in order to deliver solid and yield-accretive growth
- Currently, there are multiple development and acquisition opportunities in line with our investment guidelines

Future outlook

- Look for opportunities to expand existing assets where we have available bulk reserve for optimisation of assets
- Continue to explore potential ancillary assets such as the addition of filling stations
- Stay focused and competitive in terms of Safari's offering
- Continue to consider yield-accretive acquisitions and redevelopments

Property portfolio increased by	Net asset value per share increased by	Dividend per share
5,7% to R3,46 billion	**8,5%**	**42 cents**

OUR CORPORATE STRATEGY

Growth	Efficiency	Brand
Strategically grow a specialised portfolio of premium retail assets through investing in convenience or small regional shopping centers and potential ancillary or value-adding assets, either through new acquisitions or expansion of existing assets, within South Africa	Maintain a defensive income stream by focusing on long-term sustainability through effective property management and enhancing the dominance of our assets in our target market	Strengthen the Safari brand through focusing on transformation, talent management, investor relations and continued good corporate governance

Efficiency, sustainability, dominance ...

Why?
Optimum efficiencies in our core business will strengthen distributable income streams and positively impact our share liquidity and market cap and unlock faster growth.

How?
Through effective operational management of assets with a focus on efficiency at all levels as we aim for dominance of our assets in our target market.

Progress
- A focused leasing strategy followed aiming for positive reversion, tenant retention and the right tenant mix
- Maintained healthy tenant occupancy rates
- Maintained net operating expenses at an acceptable level
- Efficient management of capital structures and debt
- Solar installations provide significant electricity cost savings

Future outlook
- Use tenant lease expiries as opportunities to improve tenant mix
- Continue to explore and extract sources of non-gross lettable area ("GLA") revenue
- Retain dominance and appeal through a proactive approach to repairs and maintenance
- Unlock value-added services crucial to emerging markets

97,6% occupancy	Tenant retention **84%**	**R321 million** property revenue

Inclusivity, transformation, relations and governance ...

Why?
The Safari brand must stand out as an attractive investment in a highly competitive environment. A positive brand reputation, well known in the market, will support our strategic goals.

How?
By focusing on transformation, talent management, investor relations and continued good corporate governance.

Progress
- Newly constituted Board and independence strengthened
- Transformation targets set
- SETA-accredited learnership course introduced during 2021 relating to general business administration, project management and business management
- Detailed investor relations programme whereby regular interaction and communication is planned for
- Continued supporting various social projects in our communities that have a far-reaching impact on loyalty to the Safari brand
- Renewed focus on non-financial factors such as environmental, social and governance that are central in measuring the societal impact of a business

Future outlook
- Continue to pursue sustainable and worthy corporate social investment ("CSI") projects
- Refine marketing campaigns for the Safari brand to reach a wider network of businesses, professionals and potential future investors
- Cultivate learning, mentorship and training
- During the COVID-19 crisis, embrace challenges as opportunities to strengthen the portfolio's position and brand in the market, and be innovative with solutions for the benefit of all stakeholders

Four internship and learnership programmes	**Nine** active Safari CSI initiatives	**67%** Independent Non-Executive Board representation

CHAIRPERSON'S REPORT

"While the pandemic saw the larger regional and super-regional malls under pressure, the convenience retail nature of Safari's assets showed resilience in unprecedented circumstances."

With the national lockdown commencing on 26 March 2020, the year under review is one that has felt the full impact of the COVID-19 pandemic. The impact of the pandemic has been terrible. For those who have suffered loss, we extend our deepest sympathies.

The Safari team has done an outstanding job in ensuring the safety of all those whose lives Safari touches – our staff, our tenants, their customers and our service providers – and will continue to do so.

COVID-19 has proven the resilience and defensiveness of the Safari portfolio. While the pandemic saw the larger regional and super-regional malls under pressure, the convenience retail nature of Safari's assets showed resilience in unprecedented circumstances. The focus on convenience retail in the peri-urban areas in the large economic hubs of South Africa remains Safari's core strategy.

The year was one in which cash flow management, liquidity and funding were under intense focus. Support was offered in the form of rental relief and deferments to those of our tenants who were impacted by the pandemic – this came at a cost to the business of some R30 million – a necessary expense under the circumstances. The lower interest rate environment provided some relief given that only approximately 50% of our borrowings were hedged. The position will continue to be monitored although the expectation is that the interest rate environment will remain subdued for some time.

The difficult conditions saw a decline in Safari's earnings, however, a total dividend (interim and final) equivalent to approximately 90% of distributable earnings has been proposed. While the total dividend for the year is below that of the previous year, the fact that Safari was able to pay dividends is a notable achievement in an environment where many have either not paid dividends or have done so at far lower levels than Safari. We are confident that more normalised dividends, assuming no material further deterioration in the economy, will resume in the 2021/22 year.

The year saw a complete change in the Non-executive Director component of the Board. To those Non-executives who relinquished their positions, Safari extends its thanks for the time and effort devoted to its affairs. The new Independent Non-executives, Dr Tumeka Matshoba-Ramuedzisi, Marius Muller and Dr Pine Pienaar provide a broad and diverse skill set that will serve the Company well in the future.

It is true that employees are an organisation's most valuable asset and the implementation of an appropriate Long-term Incentive Plan will be tabled for approval at a Special General Meeting to be held on 30 June 2021. We encourage our shareholders to provide the necessary support for the plan.

The outstanding matter with Southern Palace also remains a key priority and we can assure our shareholders that we are actively working towards a final resolution which will be in the best interest of the Company and its stakeholders.

To my fellow Directors, members of the executive management team and all at Safari, I extend my appreciation for your efforts in a tumultuous year. Safari has proved its resilience and is well positioned to take advantage of opportunities either via acquisitions or development of its existing assets. To our capital and service providers, our tenants and their customers and to our shareholders, thank you too for your continued support.

GJ Heron
Chairperson

23 June 2021

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ANNUAL PERFORMANCE REVIEW

PROPERTY PORTFOLIO

The Safari portfolio primarily comprises of dominant well-located convenience retail centres, largely underpinned by national lessees on long-term contractual leases.

Immediate development opportunities

MNANDI FILLING STATION

Investment value:
Approximately **R13 million**

Expected opening:
Q4 2022

LYNNWOOD DEVELOPMENT

Rezoning in process:
Retail

Planned:
4 000m^2 convenience retail

THE VICTORIAN REVAMP

Capex:
Approximately **R68 million**

Opening:
Q1 2022

ATLYN

Atteridgeville
(cnr Phudufufu and Khoza Streets)

Trading since	2006
Number of shops	99
Total rentable area	31 239m^2
Investment value	R627 500 000
Trading density	R31 954/m^2 per annum
National tenants	89%
Anchor tenant	Shoprite
Occupancy levels	100%

DENLYN

Mamelodi
(cnr Stormvoël and Maphalla Roads)

Trading since	2003
Number of shops	121
Total rentable area	34 470m^2
Investment value	R889 000 000
Trading density	R38 235/m^2 per annum
National tenants	89%
Anchor tenants	Shoprite, SuperSpar
Occupancy levels	99,76%

MNANDI

Atteridgeville
(Maunde Street)

Trading since	2015
Number of shops	30
Total rentable area	8 717m^2
Investment value	R148 400 000
Trading density	R27 301/m^2 per annum
National tenants	79%
Anchor tenant	Pick n Pay
Occupancy levels	99,94%

Sector

Retail Living Medical Office

THABONG

Sebokeng
(Moshoeshoe Street)

Trading since	2007
Number of shops	99
Total rentable area	34 611m^2
Investment value	R561 300 000*
Trading density	R38 347/m^2 per annum
National tenants	86%
Anchor tenants	Boxer, Pick n Pay, SuperSpar
Occupancy levels	100%

** Includes additional bulk.*

THE VICTORIAN

Heidelberg
(cnr Voortrekker and Jordaan Streets)

Trading since	1997
Number of shops	38
Total rentable area	11 777m^2
Investment value	R188 700 000
Trading density	R57 573/m^2 per annum
National tenants	98%
Anchor tenant	Pick n Pay
Occupancy levels	89,78%

PLATZ AM MEER

Swakopmund, Namibia
(cnr Albatros and Tsavorite Streets)

Trading since	2016
Number of shops	72
Total rentable area	21 228m^2
Investment value	R270 862 400*
Trading density	R23 016/m^2 per annum
National tenants	77%
Anchor tenant	Checkers
Occupancy levels	90,63%

** Includes additional bulk.*

SOWETO DAY HOSPITAL

Soweto
(R558, Protea Glen)

Trading since	2016
Number of shops	20
Total rentable area	1 379m^2
Investment value	R35 000 000
National tenant	100%
Anchor tenant	Advanced Health
Occupancy level	100%

NKOMO VILLAGE

Atteridgeville
(49 Tlou Street)

Trading since	2018
Number of shops	60
Total rentable area	19 312m^2
Investment value	R357 700 000*
Trading density	R39 180/m^2 per annum
National tenants	85%
Anchor tenants	Boxer, Pick n Pay
Occupancy levels	95,19%

** Includes additional bulk.*

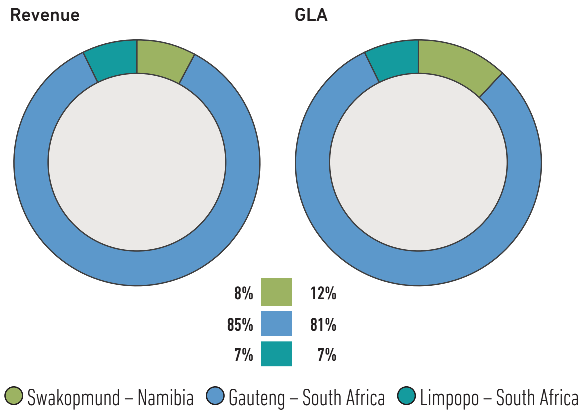
THORNHILL

Polokwane
(cnr Veldspaat Street and Munnik Avenue)

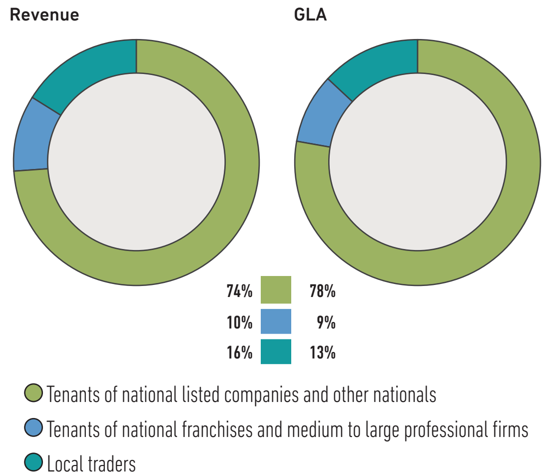
Trading since	2009
Number of shops	36
Total rentable area	12 390m^2
Investment value	R243 300 000
Trading density	R37 941/m^2 per annum
National tenants	93%
Anchor tenants	SuperSpar, Food Lover's Market
Occupancy levels	99,80%

2021 PERFORMANCE OVERVIEW

Geographical spread



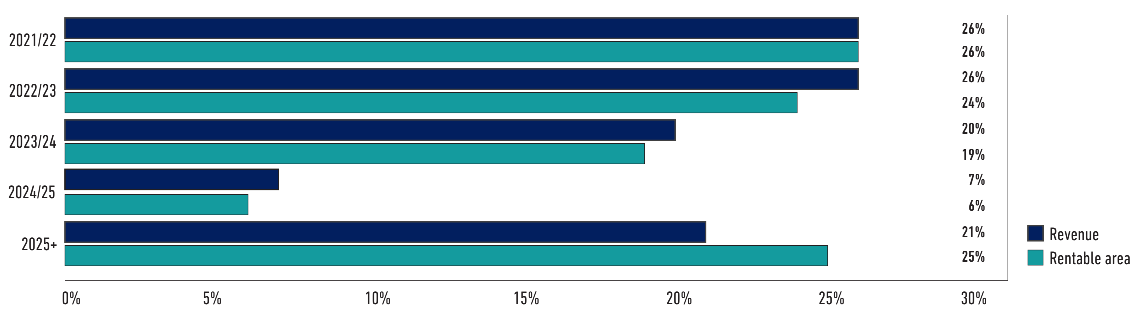
Total tenant mix



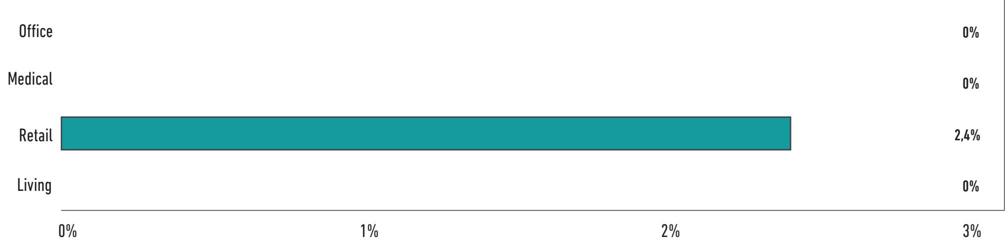
Contracted versus uncontracted

Sectoral spread

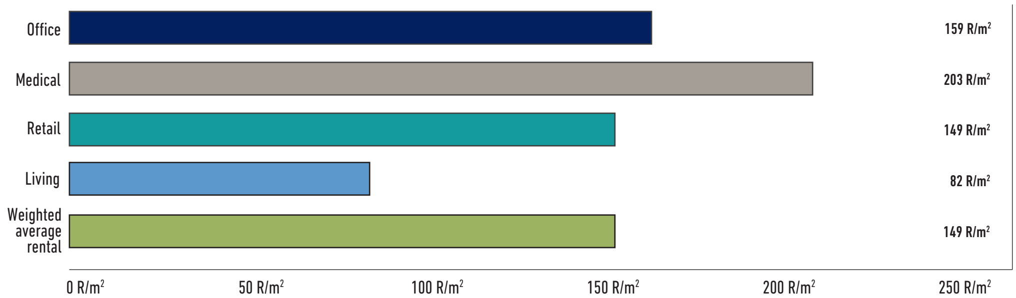
Lease expiry profile of the portfolio



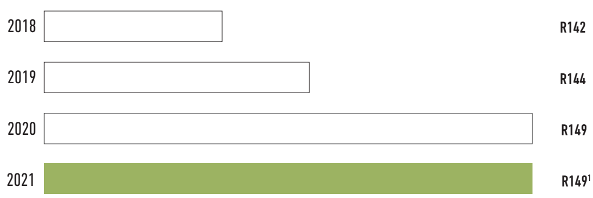
Vacancy profile by sector by rentable area



Average rental for portfolio by rentable area

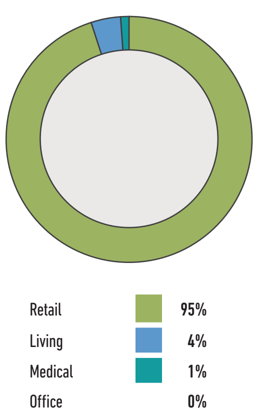


Weighted average gross rent per m^2 achieved

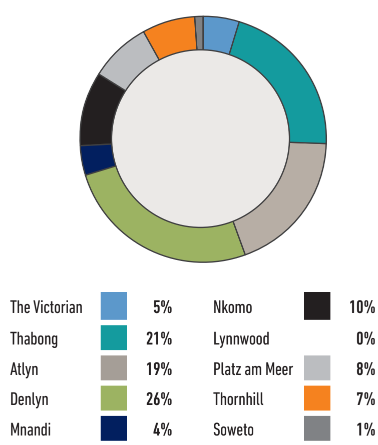


[1] *Including the impact of temporary COVID-19 relief.*

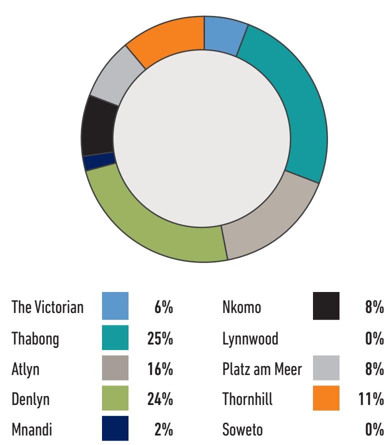
Portfolio value



Property income



Property expenses

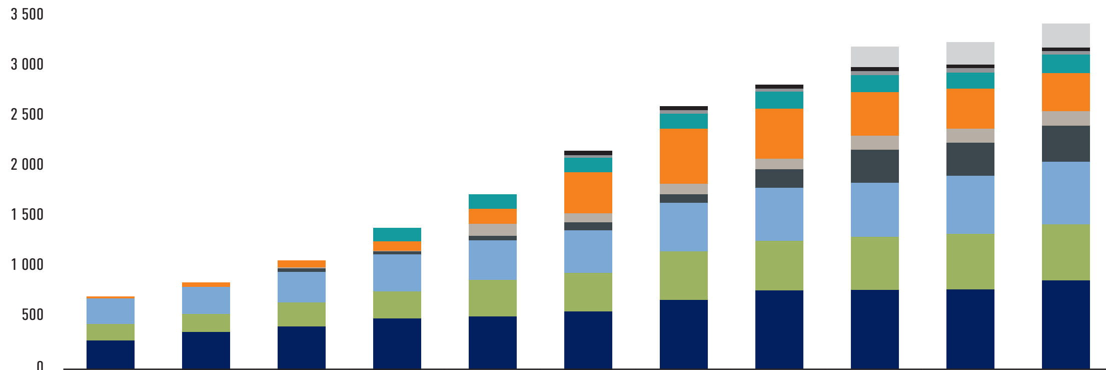


FIVE-YEAR FINANCIAL REVIEW

	2021 R	2020 R	2019 R	2018 R	2017 R
Property revenue	**320 898 551**	320 786 920	275 978 654	240 998 870	203 426 979
Property revenue year-on-year	**0%**	16%	15%	18%	20%
Operating expenses	**116 993 085**	114 830 672	104 321 828	70 890 780	61 471 158
Operating expenses year-on-year	**2%**	10%	47%	15%	27%
Property expenses as % of property revenue	**27%**	24%	26%	25%	30%
Investment property	**3 245 809 596**	3 058 198 009	3 009 003 845	2 638 537 718	2 421 549 684
Investment property year-on-year	**6%**	2%	14%	9%	18%
Total asset value	**3 554 149 000**	3 372 719 000	3 320 511 000	2 939 779 000	2 650 701 000
Total asset value year-on-year	**5%**	2%	13%	11%	19%
Inventory[1]	**106 000 000**	122 684 400	153 438 300	169 648 600	175 003 438
Inventory year-on-year	**(14%)**	(20%)	(10%)	(3%)	81%
Vacancy	**2,4%**	3,3%	2,6%	2%	2%
Total rentable area (m^2)	**175 123**	175 135	174 583	134 823	
Rentable area year-on-year	**(0,01%)**	0,3%	29%		

[1] *Note that inventory units are sold off over time thus value should be decreasing.*

Property portfolio value – R3,459 billion

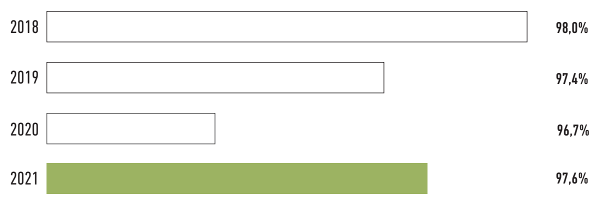


Property	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Denlyn	289 823 223	375 500 000	431 500 000	511 700 000	530 400 000	581 700 000	693 800 000	788 800 000	792 800 000	798 900 000	**889 000 000**
Thabong	164 100 000	176 000 000	237 900 000	265 700 000	368 000 000	382 100 000	488 900 000	497 600 000	534 500 000	559 400 000	**561 300 000**
Atlyn	260 000 000	274 900 000	307 400 000	373 100 000	395 100 000	428 500 000	484 400 000	527 200 000	538 300 000	577 600 000	**627 500 000**
Nkomo			32 400 000	28 330 000	44 500 000	75 921 982	86 248 436	188 479 821	331 600 000	333 600 000	**357 700 000**
Mnandi			13 100 000	9 150 000	117 400 000	92 000 000	103 500 000	107 300 000	136 600 000	136 900 000	**148 400 000**
Platz am Meer	16 166 139	43 000 000	67 121 634	92 804 651	156 900 000	412 571 973	547 816 479	500 790 100	436 798 800	400 276 000	**376 862 400**
The Victorian				135 000 000	142 500 000	143 500 000	154 600 000	166 200 000	172 000 000	161 900 000	**188 700 000**
Soweto						28 400 000	33 900 000	35 506 190	39 400 000	41 000 000	**35 000 000**
Lynnwood						40 795 247	39 200 000	39 400 000	41 700 000	36 500 000	**32 000 000**
Thornhill									205 100 000	226 000 000	**243 300 000**

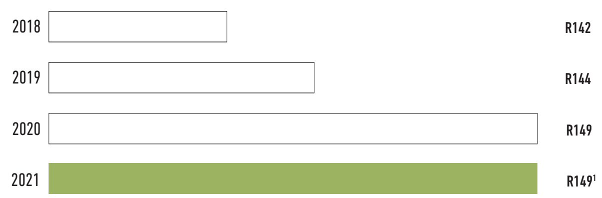
MONITORING OUR PERFORMANCE

Our progress is measured against our strategic objectives using financial and non-financial indicators.

Occupancy



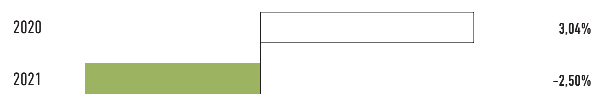
Weighted average gross rent per m² achieved



[1] *Including the impact of temporary COVID-19 relief.*

Tenant retention

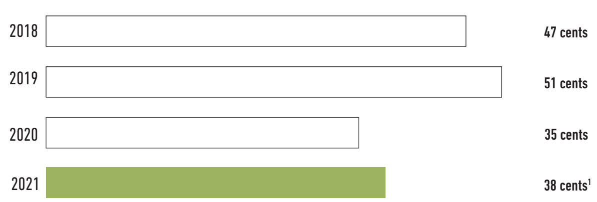
Reversion ratio



Cost-to-income

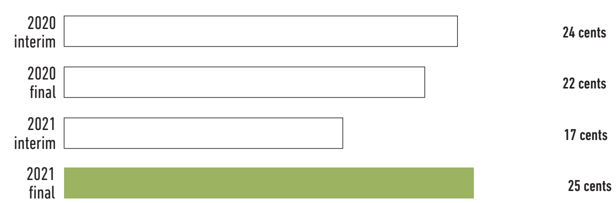
Loan-to-value

Basic headline earning per share



[1] *Including the impact of temporary COVID-19 relief.*

Distribution



CEO'S REVIEW

"It is with gratitude that I can report today that, amid the challenging circumstances, Safari remained steadfast and achieved solid results showing the resilience of our assets and the dedication and expertise of our team."

We look back over an extraordinary year of significant market uncertainty and challenging trading conditions. Against the backdrop of an unprecedented global shock, all sectors have evidenced significant weakness. The severe impact of the pandemic has, however, caused Safari, as with many other companies across the globe, to reinforce and improve our business on many levels. It is with gratitude that I can report today that, amid the challenging circumstances, Safari remained steadfast and achieved solid results showing the resilience of our assets and the dedication and expertise of our team.

I am convinced, more than ever, that Safari's strength lies in its uncomplicated structure, lean management team and its robust assets in the right locations. For Safari, basic principles within a simplified structure have been our core business model since inception.

With an entirely new Non-executive Board we also stand strengthened in terms of independence and corporate governance. Together, we have looked carefully at our strategy and refined our goals, agreeing to take a proactive approach to position the business for growth as the market recovers. The Safari strategy remains to strategically grow a specialised portfolio of premium retail assets through investing in convenience and small regional shopping centres and the optimisation of these assets, while complementary opportunities on or near our centres remain on our radar.

With dominant convenience centres, largely underpinned by national lessees who were considered essential services that could trade even during the initial hard lockdown, our portfolio stood firm. The South African Council of Shopping Centres ("SACSC") reported in March 2021 that such community centres have indeed taken market share from the larger malls as their monthly trading density growth has been positive since July 2020. Neighbourhood centres also outperformed the large format segments according to SACSC statistics. We are of the view that our performance will thus remain largely defensive in comparison to some larger retail-focused peers.

Operational review

On the operational side, we continued to apply the basics and focused on ensuring that our assets remain dominant in the market so that trading densities can recover.

Our team has been proactive in filling vacancies, concluding renewals and flagging tenants to be replaced or concluding settlement agreements with distressed tenants. The Group successfully retained 90% of its 2020/21 expiring leases based on GLA. Our exposure to tenants in the leisure and entertainment sectors, those affected worst during the pandemic, is limited to 8% of occupied area. Almost 40% of our portfolio is occupied by grocers, pharmacies and tenants functioning as essential services. Safari is therefore anticipated to sustain its low vacancy rates and a reasonable lease maturity profile, with the latter somewhat impacted by shorter lease tenures on renewal to ride out the current turbulent conditions requiring lower base rentals.

Denlyn Shopping Centre in Mamelodi continued to deliver pleasing results and trading figures despite new competition in its immediate node. An additional anchor, SuperSpar, opened successfully in April 2021, just after our financial year-end, with huge support from the community. Resizing of the banking sector tenants took place and a number of new tenants signed up which we believe will strengthen the nodal dominance and popularity of Denlyn.

Refurbishment of the 21-year-old Victorian Shopping Centre in Heidelberg is well underway. This is a necessary redevelopment that will enhance its dominance in the area. We look forward to its refreshed new look and enhanced offering of services.

We relaunched the residential apartments at our Namibian development with its new name "The Pier" and sales are gaining momentum.

Cost-saving initiatives over the year include the successful expansion of a number of solar photovoltaic installations. Total investment in new or additional solar was R23,1 million with an average expected return of 24%, increasing the total solar capacity of the portfolio from 2,5MVA to 5,85MVA.

Considering that Safari's assets are mainly neighbourhood peri-urban centres with a loyal community base, we continued to be well positioned against and less susceptible to an increasing e-commerce market. We, however, recognise that as the growth of online retail accelerates, our centres must remain relevant and complementary to the e-commerce process rather than being an alternative to it. We will therefore not compromise on customer experience and convenience.

Financial performance

Despite a challenging trading environment, we have seen an upward valuation of approximately R170 million on our investment property which reaffirms Safari's robust and defensive portfolio. Detail on the valuations is found in note 4 to the annual financial statements.

Due to retail restrictions during the hard lockdown phases, approximately 8% of rental income was granted in discounts to tenants as COVID-19 relief over the year. A business interruption insurance claim is in process for this loss in income and we remain optimistic about the merits of the claim considering the

Vacancy rate

2,4%

(2020: 3,3%)

Collection rate

98,5%

(excluding deferrals and COVID-19 relief)
(2020: 97%)

litigation outcome of recent similar cases in the South African Supreme Court of Appeal. Our annual figures, however, do not factor in this claim amount and collectable arrears at year-end were maintained well below 2% of gross income.

With current conditions requiring lower base rentals, rental escalation for the portfolio remained flat with a rental reversion ratio of -2,5%. A negative effect on tenant cost of occupancy remains the high escalations in municipal costs, in particular electricity and rates, which remain at levels higher than achievable retail sales growth and inflation. A national tenant component of 87% was still maintained on the back of a very low vacancy rate of 2,4% for the portfolio indicating the strength of our tenant base.

We maintained our cost-to-income ratio at 36% due to the team's dedication to cost-saving initiatives. Operating profit decreased by 4,5%, while property expenses increased from 24% to 27% as a percentage of property revenue mainly due to COVID-19 relief granted to tenants.

We maintained a conservative approach to gearing and net debt levels. The SA-REIT loan-to-value percentage of 39% and interest cover ratio are well within the required debt parameters, and it is expected that covenants will continue to be comfortably met. Liquidity remains sound with unutilised credit facilities of approximately R120 million in place as at the date of this report. R800 million in debt facilities maturing in the 2022 financial year was successfully refinanced subsequent to year-end.

The Group's net asset value per share increased by 8,5% to 834 cents (March 2020: 769 cents) and a final distribution of 25 cents per share has been declared for the year. This amounts to a 14% increase compared to our final distribution of 22 cents in the comparative 2020 period.

Looking ahead

Although we expect that we will continue to operate in fragile South African and Namibian economies, we are encouraged by the signs of recovery in the market. I am especially confident in the future and long-term value of Safari's unique assets. We will continue to seek efficiencies across the business and remain disciplined in the allocation of our capital. We will continue to focus on responsible stewardship and reaching our transformation targets.

We will also continue to calibrate our leasing strategies to meet potential shifts in occupier and consumer demand. We have seen that proactive engagement with our tenants to better understand their requirements allows us to develop mutually beneficial outcomes as retailers also have to rethink their business models. Lease expiries, for example, present opportunities for rightsizing. We will therefore continue to work closely with tenants across our portfolio to identify and implement the appropriate measures to mitigate prolonged operational and financial challenges.

Ultimately, we want to position the business for growth as the market recovers. This incorporates refining and improving the size and quality of our assets. We know there is still room to optimise our portfolio and enhance capital efficiency through refurbishments, solar investments and incorporating ancillary services. We have identified good opportunities both in the South African market as well as within our existing portfolio including the expansion of Nkomo Village Shopping Centre, the addition of a filling station at Mnandi Shopping Centre and the potential development of a small neighbourhood shopping centre on our Lynnwood property. It is imperative to pursue yield-accretive acquisitions and new developments and we will assess and actively pursue such opportunities as an integral part of our strategy. Assets that do not fit our strategy have been identified and will, at the appropriate price, be disposed of and the capital recycled.

With the new Non-executive Director component, an ambitious and creative culture is evident on our Board that encourages value creation while maintaining cost and capital discipline. I am confident that we have the appropriate strategy together with core competencies in our team to pursue valuable opportunities ahead.

Appreciation

I am proud and highly appreciative of the continued commitment and determination of the Safari team. I have seen you manage countless challenges with agility and grace. I also extend my gratitude to our business partners and to every single tenant in our portfolio; you have been instrumental in keeping us on track. It is during times like this that we should stand together, do our best work, gain strength and improve.

I would also like to express my sincere appreciation to the Safari Board for your guidance, insight and unwavering support extended to my team and me during the year. It is an honour to lead Safari with you. Finally, thank you to each Safari shareholder for your continued support to see us succeed and grow.

DC Engelbrecht
Chief Executive Officer

Pretoria
23 June 2021

RISK MANAGEMENT

The objective of risk management is to identify, assess, manage and monitor the risks to which Safari is exposed. The Board, together with senior management, have set a risk management policy and procedures. A comprehensive risk register is in place, which is supported by a policy and procedures reviewed by the Board.

Safari's overarching risk appetite is defined within the context of focusing on the business that we know – quality retail property investments. Safari has a disciplined approach towards managing our operational risks, as well as regarding new acquisitions. We take cognisance of market conditions while maintaining a low financial risk approach with conservative financial leverage.

The Board has delegated to the Audit and Risk Committee the responsibility to design, implement and monitor a risk management programme and to identify, assess and manage risks appropriately (refer to the Audit and Risk Committee report on page 56). In order to measure, review and assess the Company's risk profile, the Audit and Risk Committee sets out parameters which consider, among others, operational functions, financial gearing, interest cover, level of development and acquisition exposure and macroeconomic and microeconomic climates. These parameters are assessed quarterly by the Committee and any risks identified are reported at quarterly Board meetings. Furthermore, Dr PA Pienaar has been appointed as the Chief Risk Officer with the task to ensure that mitigating controls and implementation measures are adhered to.

Our approach to risk management involves:

- aligning risk appetite and the Company's strategy to improve the active monitoring of risks;
- enhancing risk response decisions through proactive management of identified risks;
- reducing operational losses by gaining enhanced capabilities to identify potential risk events and establish appropriate responses;
- identifying and managing multiple cross-enterprise risks; and
- seizing opportunities by identifying a full range of potential risk events.

During the year ended on 31 March 2021, the Board, together with the applicable Board Committees, carried out regular assessments of the risks facing the Group, including those that present potential threats to our business model, future performance and solvency and liquidity position. Safari is a member of The Global Platform and utilises its REIT Risk Instrument to manage the risk process on a continuous basis. The necessary controls are in place to mitigate risks.

The Board has established Safari's risk appetite and risk tolerance levels and is committed to reporting on instances where risks fall outside these limits.

The Board is satisfied with the effectiveness of its risk management policy and procedures that are in place.

No material deviations from the risk tolerance limits have occurred during the reporting period. Furthermore, the Board is not aware of any current, imminent or envisaged risk that may threaten Safari's long-term sustainability.

Key risks	Description	Stakeholders affected	Mitigating controls
COVID-19	The impact of the COVID-19 pandemic on the industry	▪ Employees ▪ Shoppers ▪ Investors and financiers ▪ Local community ▪ Tenants	All shopping centres, both in South Africa and Namibia, operated in compliance with the imposed levels of restrictions. These included, but were not limited to, social distancing measures, rigorous hygienic cleaning efforts, sanitisers and disinfectants readily available throughout centres and information on COVID-19 distributed to communities through awareness campaigns. The Company dealt with tenant concerns and requests on a case-by-case basis with a continued focus on supporting tenants through these challenging times.
Capital availability risk	The risk of inability to raise funding for capital and operational requirements	▪ Investors and financiers	Managing cash flow forecasts in order to identify the appropriate time to raise funds from the market. The Investment Committee continually monitors capital requirements. There is an open communication line with existing and prospective lenders in this regard. We make sure we stay within the limits set by the financial covenants and consider when necessary the disposal of non-core assets to improve gearing levels and to align with Safari's core strategy.
Expense-to-income ratio	The risk of costs consistently rising at a higher rate than income	▪ Investors and financiers	Before presenting the annual budget to the Board for their approval, the asset managers, together with the CEO and CFO, consider all the expense items in detail. The appointment of service providers and service level agreements are also reviewed regularly. Lease agreements which are due for renewal are considered well in advance to enable management to negotiate optimum rental rates and escalations.
Ability to maintain distribution growth	The risk of distributable income not growing	▪ Investors and financiers	We have a high-quality income stream that is sustainable in the long term. Optimal management of investment properties is a key focus area. Specific measures to improve efficiencies are continuously identified and implemented by the Investment and Management Committees.
Increased competition and tenant retention risk	The risk of competitive forces reducing revenue, tenancy and new opportunities	▪ Investors and financiers	Strong relationships with tenants are in place, especially national tenants, to understand their needs. We are aware of competing nodes and property earmarked for new developments in our vicinities, and an active rather than reactive approach to competing schemes is adopted. Constant effort is needed to establish our nodes as "preferred" destinations in an area. Social projects and initiatives create tremendous loyalty and a sense of partnership with the immediate communities.

RISK MANAGEMENT
continued

Key risks	Description	Stakeholders affected	Mitigating controls
Energy and municipal services risk	Include, inter alia, the risk of large increases in the cost of utility services, the risk that provision of utility services may become unreliable, and the risk of drastic increases in rates and taxes	▪ Investors and financiers ▪ Local community ▪ Tenants ▪ Shoppers	The necessary backup power generation facilities are provided at all centres and solar panels have been installed at most centres. Utility management is outsourced to entities who invoice and recover utilities usage from tenants directly at their risk. Energy-saving initiatives through solar projects are undertaken. Monitoring of utilities per building with auto-flagging mechanisms indicating high usage is in place. We engage with other landlords to determine the general approach and solutions in the market.
Volatility in interest rate risk	The risk of a rise in interest rates	▪ Investors and financiers	A hedging policy is in place; approximately 50% of our interest-bearing debt is hedged by way of interest rate swaps. New facilities were implemented on 1 June 2021 to replace facilities maturing within 12 months from the reporting date resulting in an improved debt expiry profile.
Property damage risk	The risk of deterioration, damage or loss of property assets	▪ Investors and financiers ▪ Local community ▪ Tenants ▪ Shoppers	We have a proactive approach towards repairs and maintenance, as to ensure that property damage is addressed. Regarding riots and political unrest, we have dedicated centre managers at all our centres who liaise with our security service providers and the SAPS on a regular basis as to assess risk. We have emergency plans to deal with unrest in place at all our centres. As an additional measure appropriate insurance cover is in place.
Capital structure risk	The risk that the capital structure of the business is inappropriate for its requirements	▪ Investors and financiers	We maintain gearing levels within the acceptable range for REITs in South Africa and consider capital raising options when necessary.
Credit risk	The risk of default by tenants, or even business rescue or liquidation	▪ Investors and financiers	Authorised background/credit checks are performed on new tenants before contracts are signed. Daily monitoring of debtors lists is undertaken. Lease administrator follow-ups in the case of default are carried out on a daily basis and the necessary action is then taken accordingly.
Macroeconomic risk	Slower consumer spending that may result in arrears and vacancies	▪ Investors and financiers ▪ Local community ▪ Tenants	Monthly property management meetings are held where performance and arrears are considered and discussed. There is a strong focus on tenant retention in the midst of the current challenging economic climate.

STAKEHOLDER ENGAGEMENT

Stakeholder relationships

With our stakeholders being key to fulfilling our purpose and executing our strategy, we acknowledge our responsibility and role in protecting their interests. We keep engagement with our stakeholders relevant and foster good relationships with them. They include **tenants and shoppers, the local communities in which we operate, our investors and funders, suppliers and employees.**

Tenants and shoppers

Their expectations	Our strategic response
▪ Clean and secure spaces ▪ Value for money ▪ Positive branding and promotion of centres ▪ A shopping environment that encompasses the necessary safety measures during the COVID-19 crisis	Tenant space and business requirements should be met and catered for, as best as possible, as their business evolves or expands
How we engage	**Value is created through**
▪ Strong lines of communication and relations between tenants and our internal leasing and tenant coordinating staff ▪ Maintaining strong relationships with retailer brands ▪ Providing superior spaces and finishes ▪ Active marketing, branding and promotion of centres ▪ Strict new health and safety measures introduced at centres during the COVID-19 pandemic ▪ Careful consideration of tenant space requirements ▪ Promotions and social events ▪ Mall branding and awareness ▪ Shopping centre websites and social media platforms ▪ Dedicated on-site centre managers ▪ Micromanagement of security and cleaning service providers ▪ Property maintenance and refurbishments on an ongoing basis ▪ Regular centre visits by asset managers ▪ Review and discuss tenant performance and trading densities ▪ Customer satisfaction and shopper surveys ▪ Free Wi-Fi at centres ▪ Regular communication through print, web, social media and events	▪ Good tenant-landlord communication ▪ Regular building maintenance and care ▪ Initiatives to enhance the shopping experience and attract shoppers ▪ Tenant mix improvement to enhance shopping experience ▪ Considering the impact of competing centres ▪ Safe, secure and clean shopping environment ▪ Easy access to centres with links to public transport networks ▪ Competitive rental rates ▪ Cost-saving initiatives in respect of waste, solar power, fibre networks ▪ Environmentally sensitive and eco-efficient building designs and finishes

STAKEHOLDER ENGAGEMENT
continued

Local communities

Their expectations	Our strategic response
▪ Business and employment opportunities for locals ▪ Quality buildings that provide a safe and pleasant environment focused on the entire shopper experience ▪ Community involvement and enrichment ▪ Affordability of services and access to public transport ▪ A retail environment that encompasses the necessary safety measures during the COVID-19 crisis and conveys support to its community	The Safari portfolio should stimulate employment opportunities and bring one-stop shopping destinations close to home thereby reducing transport costs, with consideration to community needs and preferences
How we engage	**Value is created through**
▪ Initiation of various successful CSI projects in our communities ▪ Launching of competitions and campaigns to involve and promote local community members such as our Denlyn Stars and Atlyn Arts campaigns focusing on the youth and education ▪ Partnerships with local schools ▪ Sponsorship and promotion of community events and organisations including support of local charity projects ▪ Contributions to city rates and taxes ▪ Engagement through social media and regular feedback from our building managers and tenants on community and local market requirements ▪ Promotional activities and marketing initiatives are aimed at local community members and schools ▪ Partnership with government departments for synergy in approach and outcomes to make a lasting difference in communities ▪ Strict new health and safety measures introduced at all shopping centres during the COVID-19 pandemic for the safety and well-being of the community ▪ Prioritised support during the pandemic to our immediate communities through food supplies and donations. A number of charities, orphanages and vulnerable shelters that are directly located in the suburbs and communities where our shopping centres are located are receiving support	▪ Economic stimulus created for local businesses and suppliers ▪ Positive impact on community development and upliftment ▪ Responsible corporate citizenship ▪ Security and safety is a priority

Investors and funders

Their expectations	Our strategic response
▪ Delivery on strategy ▪ Strong investor relations and transparent communication	A focus on investor relations with an emphasis on good communication and transparency and regular interaction with our finance providers to assess needs, contractual obligations and funding requirements
How we engage	**Value is created through**
▪ Good relationships maintained with funding institutions ▪ Interim and annual results announcements ▪ Press announcements and JSE SENS announcements ▪ Executive Directors and the Group Company Secretary are available to answer queries ▪ One-on-one meetings ▪ Website ▪ Site visits	▪ Capital appreciation ▪ Solvency and liquidity ▪ Timely servicing of debt ▪ Credit quality of tenants ▪ Portfolio value and growth ▪ Credit rating ▪ Low property vacancy levels ▪ Transparency of financial results and position ▪ Calibre of management ▪ Strategy execution ▪ Accessibility of management

Suppliers

Their expectations	Our strategic response
▪ Business opportunities and local representation	Our centre and facility managers are in close contact with service providers ensuring mutual satisfaction relating to services, and stay ahead of evolving needs and services required on an operational level
How we engage	**Value is created through**
▪ Fair procurement and tender processes followed ▪ Business opportunities unlocked and provided for suppliers ▪ Service agreements are mutually beneficial, transparent and equitable ▪ Involvement of local contractors from the surrounding community encouraged ▪ Tenants encouraged to appoint staff from local communities ▪ Several maintenance and service contracts entered into with local suppliers and small service providers ▪ Skills development opportunities exist in construction and renovation phases ▪ Communication via on-site centre managers	▪ Quality of services ▪ Good supplier relationships ▪ Services that enhance the portfolio's performance

STAKEHOLDER ENGAGEMENT
continued

Employees

Their expectations	Our strategic response
▪ To be part of a high-performing organisation where individual and team contribution is recognised and appreciated ▪ Developmental conversations and reflection sessions to ensure potential is unlocked and energy ignited to continuously improve skills and capabilities ▪ To be employed by a company where the strategic priorities provide hope for the future and employees are treated with respect and dignity ▪ Fair and market-related remuneration and incentives ▪ An adjusted work environment that encompasses safety measures during the COVID-19 crisis	Streamlined cross-functional alignment and communication with an emphasis on fair remuneration, incentives, career development and training and a work environment that is designed to encourage teamwork, collaboration, connectedness and innovation
How we engage	**Value is created through**
▪ A culture of collaboration and an engaged leadership style ▪ Agile, flexible interactive systems and processes are in place that allow for effective decision-making ▪ Shared leadership is applied in different areas of expertise to ensure dynamic growth and development of leaders, building synergy and ensuring optimum solutions when solving problems ▪ Lean, effective structures that require high levels of collaboration and foster teamwork ▪ A culture of trust, openness and integrity – we do what we say we will do ▪ A pleasant and welcoming work environment ▪ Remuneration strategy designed to assist the organisation in achieving its strategic goals and objectives ▪ Formal performance evaluations with feedback and development conversations ▪ Regular staff alignment meetings ▪ New health and safety measures introduced at the workplace during the COVID-19 pandemic	▪ A lean team of competent, skilled employees ▪ A high level of personal engagement and commitment ▪ Loyalty toward the business, what we stand for and how we do things ▪ Consistent reflection and evaluation of how things can be improved through better innovation, technology, systems or ways of work

SUSTAINABILITY REPORT

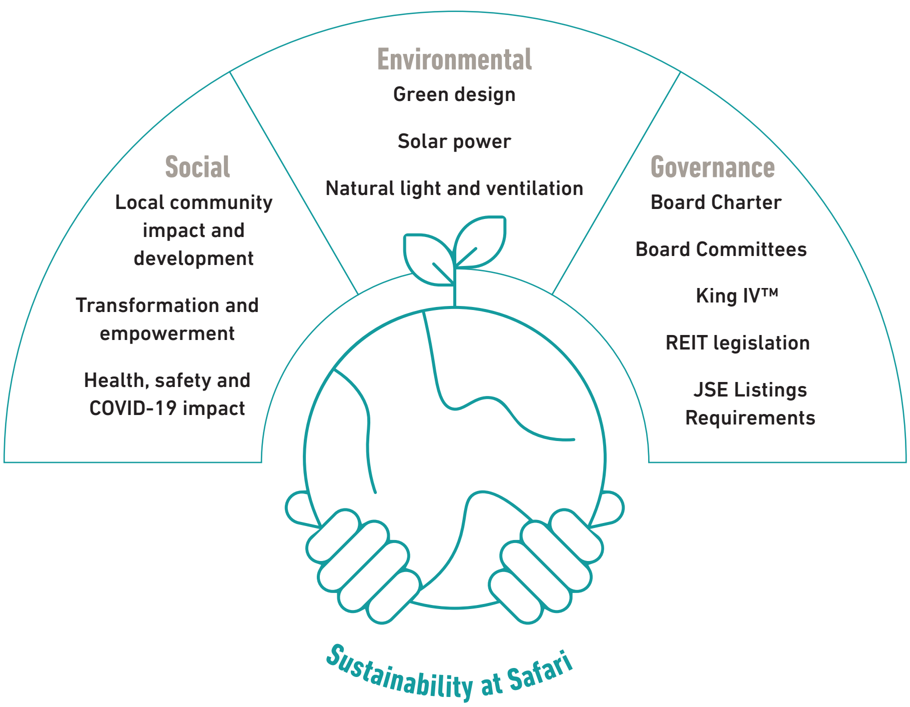
This sustainability report conveys our organisation's non-financial performance information, incorporating environmental, social and governance aspects.

Generating positive returns for Safari shareholders should be balanced with our wider obligations to society and the environment as a whole

In a sustainable business, **economic prosperity** cannot be separated from **social responsibility** and **environmental protection**, driven by good **corporate governance**

Integrating these non-financial aspects is fundamental for the healthy growth of our business and for broad-based stakeholder value creation over the long term

While Safari is a relatively small REIT in the market, we are aware of these broader impacts. Sustainability must always guide our decision-making which will build stakeholder trust.



SUSTAINABILITY REPORT
continued

Social responsibility

Local community impact and development

The economic development and welfare of our communities underpins our business' own stability and sustainability. Retail centres provide one-stop destinations of services and goods for the community at large. Community members no longer have to travel long distances for these services and facilities. Money, which would otherwise be spent on transport to alternative nodes, now remains in the pockets of community residents.

Our retail centres also stimulate and create employment within the community. Each Safari asset grants a number of ongoing employment and business opportunities to local residents. Retailers are encouraged to first consider appointing local residents when filling job vacancies and if not possible, to upskill and train local residents through temporary employment positions. We also encourage our service providers, such as cleaning and security contractors, to employ suitable candidates from local communities. During construction or revamp phases, building contractors are required to employ local subcontractors, to transfer skills and to promote the development of local businesses. This has, over time, created good relationships with local communities and we experience a positive attitude and sense of common interest and loyalty towards Safari's centres.

Safari also implemented a number of innovative social support projects and campaigns in cooperation with local schools, focused on the youth and on skills development on community level. A number of internship and learnership programmes were launched in the 2021 financial year, aimed at cultivating an environment of mentorship, learning and the development of skills.

Transformation and empowerment

Safari recognises that integrating transformation into our business practices and organisation is crucial for the sustainability of our Company. Considering the peri-urban areas where Safari assets are located, and being a role player in the property industry in particular, opportunities are manifold for the Company to show commitment to transformation and black economic empowerment in South Africa. Safari introduced a formal Preferential Procurement Policy in 2021, aimed at promoting local procurement across its operations and supporting the development of black businesses. The Social and Ethics Committee monitors our progress while a BBBEE audit is done annually. Honeycomb BEE Ratings, an independent, nationally-based SANAS-accredited verification agency, is Safari's newly appointed agent. Safari's 2021 BBBEE scoring level will be released shortly and will be communicated via SENS.

Health, safety and COVID-19 impact

It has always been a Company commitment to ensure that our properties are safe for the public, our tenants and our staff. With the COVID-19 pandemic having such a severe impact on businesses, Safari continued to prioritise the safety and well-being of its stakeholders by introducing strict safety measures and sanitisation measures at our retail assets and at workplaces. In the interest of all stakeholders that are affected by the crisis, Safari has become part of the cooperation that exists between REITs and property industry bodies such as the SA REIT Association, the South African Property Owners Association ("SAPOA") and the SACSC. These bodies collectively work together in order to provide guidance and understanding of the impact of COVID-19 on our industry's operations in order to ultimately formulate appropriate responses and sustainable solutions for all.

Environmental protection

Green design

During the design and construction phases of building infrastructure, environmentally sensitive and eco-efficient options are considered. Safari takes care in selecting materials and building techniques suitable for the environment. Sulphur-rich mist in Swakopmund, for example, causes aggressive and corrosive conditions. Innovative installations were therefore crucial here. Self-adhesive roof tiles that contain no metal were imported for the project. Such finishes enhance the lifespan of the building infrastructure, reducing the need for costly maintenance work and frequent improvements to finishes. The Platz am Meer building was awarded an SACSC International Shopping Centre Award for excellent design resolution and achieving innovative construction solutions.

Solar power, natural light and ventilation

Large-roofed buildings such as retail centres are ideal for photovoltaic electricity generation. Solar power systems operate at most of our centres and the Company continues to expand existing systems to full capacity where feasible. Safari increased its solar installations by 3,5MVA during the year bringing our combined total solar capacity to 5,85MVA.

Safari properties are also designed to make optimal use of natural light and ventilation in public areas. Unlike traditional closed malls which are sealed off from the environment by air-conditioned corridors, Safari's centres breathe through naturally ventilated open walkways. Furthermore, roofs allow natural light to filter through, illuminating walkways during daytime and saving precious energy by reducing the centres' dependence on the electricity grid.

Governance

For our governance review, refer to section 3 of this report.

03

GOVERNANCE REVIEW

SAFARI BOARD

1 GREGORY JAMES HERON (“Greg”) (55)

Independent Non-executive Chairperson

Greg is a qualified chartered accountant with more than 25 years' experience in corporate, structured and property finance as well as significant operational exposure to a variety of businesses. Greg is currently CEO of Infinitus Holdings Proprietary Limited, an investment company with a portfolio primarily invested in the FMCG and retail sectors. Prior to that, he was head of Leaf Property Fund, a significant unlisted property fund focused on the office and commercial sector of the property market. During his time at Leaf Property Fund, he led the repositioning of the fund which included the disposal of a large portfolio of assets as part of this process. On 17 July 2020, Greg was appointed as an Independent Non-executive Director. On 14 September 2020, Greg was appointed as the Independent Non-executive Chairperson of the Board.

Committees
Nomination and Remuneration; Investment *(Chairperson)*

2 DIRK CORNELIUS ENGELBRECHT (“Dirk”) (35)

Chief Executive Officer

Dirk obtained his BCom Law and LLB degrees from the University of Pretoria and subsequently completed his articles at Weavind & Weavind Incorporated where he remained as practising attorney focusing on general litigation until 2011. During 2011, he was appointed by G4S Secure Solutions as the national legal adviser tasked with the general legal and statutory duties and governance of one of the largest security firms in South Africa. Dirk joined Safari in January 2014 as the Group Company Secretary and legal adviser and was appointed as an Executive Director in February 2018. On 7 November 2018, Dirk was appointed as CEO.

Committees
Investment; Management *(Chairperson)*

3 WILLEM LINSTROM VENTER **("Willem")** (37)

Chief Financial Officer

Willem obtained a BCom Accounting and Honours degree at the University of Pretoria in 2006 and completed his articles at Deloitte Pretoria. He qualified as a CA(SA) in 2009. In 2010, Willem joined Safari to oversee the bookkeeping and operational functions of the Company and was appointed as the CFO for the Safari Group with effect from 1 April 2017.

Committees
Social and Ethics; Management

4 DR MANDISA TUMEKA MATSHOBA-RAMUEDZISI **("Tumeka")** (40)

Lead Independent Non-executive Director

Tumeka is a qualified chartered accountant and a registered auditor. Along with a Doctor of Philosophy (with a specialisation in leadership) from the University of Pretoria, she also holds a Bachelor of Business Science (Finance Honours) from the University of Cape Town, a Higher Diploma in Accounting from the University of the Witwatersrand, a Master of Commerce (Computer Auditing) from the University of Johannesburg and an Advanced Certificate in Company Law from the University of the Witwatersrand. She is also an associate member of the Institute of Internal Auditors South Africa. She currently serves on a number of boards and committees, including Reunert Limited and Ditikeni Investment Company Limited. Her experience on these boards has broadened her knowledge and understanding on matters of governance. On 14 September 2020, Tumeka was appointed as the Lead Independent Non-executive Director.

Committees
Audit and Risk *(Chairperson)*; Social and Ethics

5 MARIUS HOFF MULLER **("Marius")** (51)

Independent Non-executive Director

Marius is currently the Managing Director and co-founder of SoHo Properties. He currently serves as an Independent Non-executive Director of Oryx Properties which is a Namibian-listed property company. He has been in the property industry since 1992 and has held various high-profile roles at JSE-listed companies. These have included being the Managing Director of iFour Properties and the CEO of Texton Property Fund. Other roles have included directorships at Resilient REIT, Pangbourne Properties, Diversified Property Fund and Monyetla Properties. He also headed up Pareto Limited which is an unlisted regional shopping centre investment vehicle. Marius has served on the boards of various property sector bodies such as the SAPOA, the SACSC and the Green Building Council of South Africa. He currently holds BSc (QS) and MBA degrees and is a Fellow of the Royal Institution of Chartered Surveyors and a Chartered Director of the Institute of Directors of South Africa. On 14 September 2020, Marius was appointed as an Independent Non-executive Director.

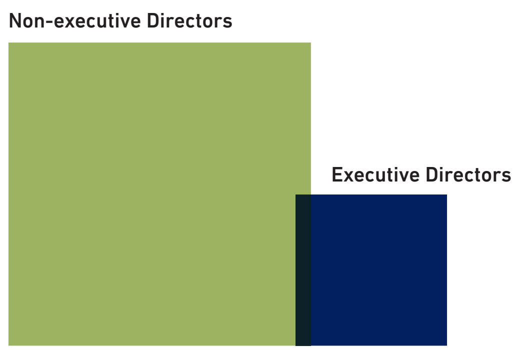
Committees
Nomination and Remuneration *(Chairperson)*; Audit and Risk; Investment

6 DR PETRUS ARNOLDUS PIENAAR **("Pine")** (63)

Independent Non-executive Director

Pine has a doctorate in engineering, is a registered professional engineer and has over 30 years of experience in the consulting engineering field. Pine's initial exposure was in construction. This was followed by a period of specialisation in the roads and transportation field, including road network planning, economic project evaluation, traffic and transportation engineering, road design, public transport planning, Bus Rapid Transit and urban renewal. In recent years, Pine headed a multidisciplinary team responsible for the planning, design and construction supervision of various industrial buildings. He also had exposure to public-private partnership projects. Pine is a founding member of Nyeleti Consulting, a multidisciplinary firm of consulting engineers. Pine was a Director of Safari Investments from November 2013 to August 2015. Pine has a keen interest in the property market and has over the years invested in property, as well as the REIT sector on the stock exchange. On 17 July 2020, Pine was appointed as an Independent Non-executive Director.

Committees
Social and Ethics *(Chairperson)*; Audit and Risk; Nomination and Remuneration



SAFARI BOARD
continued

Safari is driven by a Board of business professionals with a passion for excellence and a preference for a hands-on management approach.

The Board and management team are committed to the promotion of good corporate governance by following the principles of fairness, accountability, responsibility and transparency as depicted in King IV™.

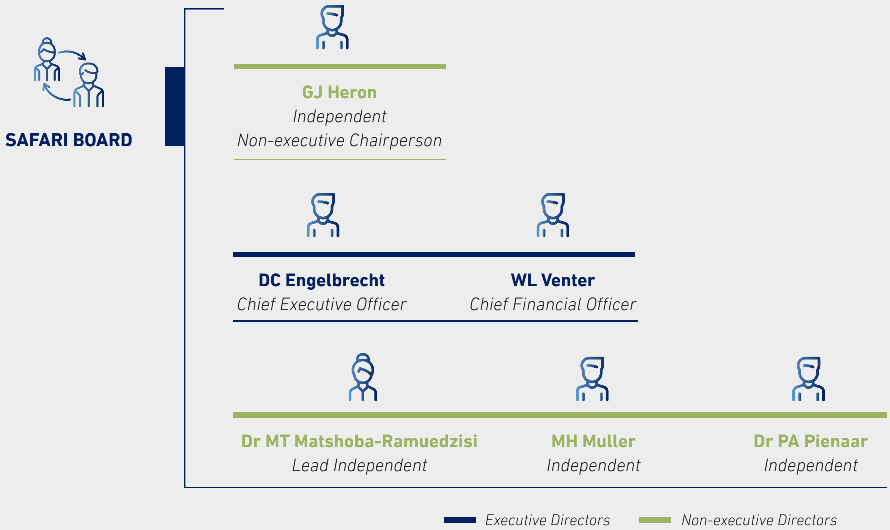
The Board consists of six Directors, four of whom are Independent Non-executives and two Executive Directors.

Name, age and nationality[1]	Qualifications	Capacity	Directors' aggregate indirect and direct shareholding in Safari 31 March 2021	Directors' aggregate indirect and direct shareholding in Safari 31 March 2020
Gregory James Heron (55)	CA(SA)	*Independent Non-executive Chairperson*	–	–
Dirk Cornelius Engelbrecht (35)	BCom Law, LLB	*Chief Executive Officer*	43 694	2 900
Willem Linström Venter (37)	CA(SA)	*Chief Financial Officer*	4 096	4 096
Dr Mandisa Tumeka Matshoba-Ramuedzisi (40)	PhD (UP), MCom (UJ), Higher Diploma in Accounting (Wits), Bachelor of Business Science (Hons) (UCT), CA(SA) and Registered Auditor (IRBA)	*Lead Independent Non-executive Director*	–	–
Faith Nondumiso Khanyile (54)[2, 3]	BA (Hons), MBA, MCom, HDip Tax	*Independent Non-executive Director*	14 232 550	14 232 550
Dr Mark Minnaar (54)[3]	MBChB, DA(SA), FCS(SA) Ophth	*Independent Non-executive Director*	1 253 055	1 253 055
Marius Hoff Muller (51)	BSc(QS), MBA, CD(SA)	*Independent Non-executive Director*	–	–
Kyriacos Pashiou (66)[2, 3]	National Diploma in Construction Management	*Independent Non-executive Director*	9 655 356	9 292 007
Dr Petrus Arnoldus Pienaar (63)[2]	Pr Eng, PhD	*Independent Non-executive Director*	4 049 093	–
Christopher Russell Roberts (64)[2, 3]	Diploma in Business Management	*Independent Non-executive Director*	100 000	60 000
Adriaan Martinus Slabber (64)[3]	BCom LLB	*Independent Non-executive Director*	–	–
Etienne Rhoderic Swanepoel (60)[3]	BA LLB LLM (Tax) (UCT)	*Independent Non-executive Director*	–	–
Allan Edward Wentzel (82)[3]	CA(SA)	*Independent Non-executive Director*	–	–
Marthinus Cornelius Basson (34)		*Prescribed Officer (Non-director)*	250	250
Henrike Pienaar (39)		*Prescribed Officer (Non-director)*	37 253	37 253

[1] *All of the Directors are South African.*
[2] *May include indirect beneficial interest held through a related party.*
[3] *Resigned.*

The interests of the Directors and Prescribed Officers as stated in the table above, have remained unchanged from 31 March 2021 up to the date of publication of this report. All the interests held by the current Directors (as at 31 March 2021) and past Directors are indirect, save for Dr PA Pienaar's holding, Mr WL Venter's holding, Mr DC Engelbrecht's holding and Dr M Minnaar's holding of the interests in their personal capacity. In this regard, Dr PA Pienaar's direct holding is 87 000 shares, and indirect holding is 3 962 093 shares.

BOARD CHARTER



Corporate governance statement

Safari is fully committed to applying each and every recommendation contained in King IV™, the Companies Act, the Financial Markets Act and the JSE Listings Requirements. Full details of the Company's application of the principles of corporate governance can be found at **www.safari-investments.com/the-company/corporate-governance**.

The Board endeavours to maintain the highest level of corporate governance and, as such, the principles set out in King IV™ are applied. The full details on the application of the King IV™ principles are set out on pages 43 to 47.

The Board is collectively responsible to the stakeholders for the long-term success of the Group and for the overall strategic direction and control of the Company. This responsibility is explicitly assigned to the Board in its charter and, to some extent, in the Company's Memorandum of Incorporation.

The Directors have, accordingly, established mechanisms and policies appropriate to the Company's business, according to its commitment to best practices in corporate governance, in order to ensure the application of King IV™ principles. The Board reviews these mechanisms and policies from time to time.

Summary of the Board Charter

The main functions of the Board, as set out in the Board Charter, are:

- determining the Group's purpose and values, identifying its stakeholders and developing strategies in relation thereto;
- being the focal point for and custodian of good corporate governance by managing the Board's relationship with management, the shareholders and other stakeholders of Safari;
- providing strategic direction and leadership that is aligned with the Group's value system by reviewing and approving budgets, plans and strategies for Safari and monitoring the implementation of such strategic plans and approving the funding for such plans;
- ensuring that Safari's business is conducted ethically and monitoring the ethical performance of Safari;
- approving business plans, budgets and strategies that are aimed at achieving Safari's long-term strategy and vision;
- annually reviewing the Board's work plan;
- ensuring the sustainability of Safari's business;
- reporting in Safari's Integrated Annual Report on the going concern status of Safari and whether Safari will continue to be a going concern in the next financial year;
- determining, implementing and monitoring policies, procedures, practices and systems to ensure the integrity of risk management and internal controls in order to protect Safari's assets and reputation;

BOARD CHARTER
continued

- identifying and monitoring key performance indicators of Safari's business and evaluating the integrity of the systems used to determine and monitor such performance;
- monitoring and ensuring application of the Group's policies, codes of best business practice, the recommendations of King IV™ and all applicable laws and regulations;
- adopting and annually reviewing the information technology ("IT") governance framework and receiving independent assurance on such framework;
- considering, through the Audit and Risk Committee, specific limits for the levels of risk tolerance;
- defining levels of materiality, thereby reserving certain powers for itself and delegating other matters to management of the Group;
- ensuring that the consolidated annual financial statements are prepared and are laid before a duly convened Annual General Meeting of the Group;
- considering recommendations made to the Board by the Nomination and Remuneration Committee with regard to the nomination of new Directors and the reappointment of retiring Directors, both as Executive Directors and Non-executive Directors;
- ensuring that the competency and other attributes of the Directors are suitable for their appointment as Directors and the roles that they are intended to perform on the Board, and that they are not disqualified in any way from being appointed as Directors;
- ensuring that appointments to the Board are formal and transparent and comply with all prescribed procedures;
- ensuring that a succession plan for the Executive Directors and senior management is implemented;
- ensuring the appointment and removal of the Group Company Secretary;
- reviewing the competence, qualifications and experience of the Group Company Secretary annually; and
- selecting and appointing suitable candidates as members of Committees of the Board and the Chairperson of such Committees.

Composition of the Board

The Board comprises six Directors, of which two are Executive Directors and four are Independent Non-executives.

Chairperson

The roles of the Chairperson and CEO are separate. On 14 September 2020, Mr AE Wentzel resigned and Mr GJ Heron was appointed as Independent Non-executive Chairperson.

Chief Executive Officer

The Board has established a framework for delegation of authority and ensured that the role and function of the CEO have been formalised and that the CEO's performance is evaluated against specified criteria on an annual basis. On 7 November 2018, Mr DC Engelbrecht was appointed as the CEO of Safari.

Balance of power

The Group's Executive Directors are involved in the day-to-day business activities of the Group and are responsible for ensuring that the decisions of the Safari Board are implemented in accordance with the mandates given by the Board.

The Board has ensured that there is an appropriate balance of power and authority at Board level, such that no one individual or block of individuals dominates the Board's decision-making. The Non-executive Directors are individuals of calibre and credibility and have the necessary skills and experience to bring independent judgement on issues of strategy, performance, resources and standards of conduct and evaluation of performance.

Code of ethics

The Board is responsible for the strategic direction of the Group. It sets the values that the Group adheres to and has adopted a code of ethics which is applied throughout the Group.

The current board's diversity of professional expertise and demographics makes it highly effective with regard to Safari's current strategies. The Board shall ensure that, in appointing successive Board members, the Board as a whole will continue to reflect, whenever possible, a diverse set of professional and personal backgrounds.

Information and other professional advice

The Directors have unrestricted access to all Group information, records, documents and property to enable them to discharge their responsibilities efficiently. Effective and timely methods of informing and briefing Board members prior to Board meetings are established. In this regard, steps have been taken to identify and monitor key risk areas, key performance areas and non-financial aspects relevant to Safari. In this context, the Directors are continually provided with information in respect of key performance indicators, variance reports and industry trends.

The Board established, through the Group Company Secretary, a formal induction programme to familiarise incoming Directors with the Group's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities. The Directors receive further briefings from time to time on relevant new laws and regulations, as well as on changing economic risks.

The Directors ensure that they have a working understanding of applicable laws. The Board has ensured that the Company complies with applicable laws and the Company's Memorandum of Incorporation and considers adherence to non-binding industry rules and codes and standards. In deciding whether or not non-binding rules should be complied with, the Board factors in the appropriate and ethical considerations that must be taken into account. New Directors with limited or no board experience will receive appropriate training to inform them of their duties, responsibilities, powers and potential liabilities.

The Board has established a procedure for Directors, in furtherance of their duties, to take independent professional advice, if necessary, at the Group's expense. All Directors have access to the advice and services of the Group Company Secretary.

Board evaluation

The Board discloses details in its Directors' report on how it has discharged its responsibilities to establish an effective compliance framework and process.

The Board, as a whole, was assessed on its overall performance in order to identify areas for improvement in the discharge of functions of individual Directors and the Board. This review was undertaken by the Nomination and Remuneration Committee and Group Company Secretary.

Attendance of Board meetings

Director	1 Apr 2020	3 Jul 2020	4 Sep 2020	**18 Nov 2020**
GJ Heron	–	–	√	√
DC Engelbrecht	√	√	√	√
WL Venter	√	√	√	√
Dr MT Matshoba-Ramuedzisi	–	–	–	√
MH Muller	–	–	–	√
Dr PA Pienaar	–	–	√	√
FN Khanyile	√	√	√	+
Dr M Minnaar	√	√	√	+
K Pashiou	√	√	√	+
CR Roberts	√	√	√	+
AM Slabber	√	+	+	+
ER Swanepoel	√	+	+	+
AE Wentzel	√	√	√	+
Attendance	**100%**	**100%**	**100%**	**100%**

√ Attended *+ Resigned* *– Not a member*

Board meetings

During the financial year, the Board held four formal board meetings, at which an attendance record of 100% was achieved (refer to the table above). The Board set the strategic objectives of the Group and determined investment and performance criteria. Furthermore, the Board effectively managed the sustainability, property management, control, compliance and ethical behaviour of the businesses under its direction. The Board has established a number of committees in order to give detailed attention to certain of its responsibilities. These committees operate within defined, written terms of reference. During March 2021, the Board also held its annual strategic planning session at which the medium- and long-term strategy of Safari was reviewed and confirmed.

Directors' declarations and conflicts of interest

The Board approved a policy for detailing the manner in which a Director's interest in a transaction must be determined and the interested Director's involvement in the decision-making process. Real or perceived conflicts in the Board are managed in accordance with the predetermined policy used to assess a Director's interest in transactions.

Board size
4 Non-executive Directors
2 Executive Directors

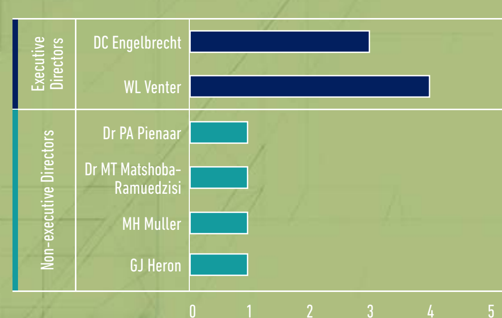
Gender
17% female
83% male

Race
17% African
17% Coloured
66% White

Average age
50% 30-40 years
0% 41-50 years
33% 51-60 years
17% 61-70 years

Average tenure
1,8 years

Directors' tenure as at 31 March 2021



BOARD CHARTER
continued

Dealing in securities

Directors and Prescribed Officers are prohibited from dealing in Safari securities during certain prescribed restricted periods. A formal securities-dealings policy has been developed to ensure Directors' and Prescribed Officers' compliance with the JSE Listings Requirements and the insider trading legislation in terms of the Financial Markets Act.

Procedures for Board appointments

The Board has detailed procedures for new appointments to the Board. Such appointments are to be formal and transparent and a matter for the Board as a whole, assisted, where appropriate, by the Nomination and Remuneration Committee.

Rotation of Directors

No Director shall be appointed for life or for an indefinite period. The Directors shall rotate in accordance with the following provisions:

- At each Annual General Meeting, one-third of the Non-executive Directors for the time being shall retire from office, by rotation, provided only that if a Director is an Executive or the CEO, or an employee of the Group in any other capacity, he/she shall not, while he/she continues to hold that position or office, be subject to retirement by rotation, and he/she shall not, in such case, be taken into account in determining the rotation or retirement of Directors; and
- The appointment of Executive Directors shall be terminable in terms of Board resolutions.

Group Company Secretary

A suitably qualified and competent Group Company Secretary has been appointed and is appropriately empowered to fulfil his duties with regard to assistance to the Board. His name, business address and qualifications are set out in the "corporate information" section.

The Group Company Secretary assists the Nomination and Remuneration Committee in the appointment, induction and training of Directors. He provides guidance to the Safari Board with reference to their duties and good governance. The Group Company Secretary prepares and circulates board papers and assists with obtaining responses, input and feedback for Board and Board Committee meetings.

Assistance is also provided with regard to the preparation and finalisation of Board and Board Committee agendas based on annual work plan requirements.

The Group Company Secretary ensures that the minutes of Board meetings and Board Committee meetings are prepared and circulated and also assists with the annual evaluations of the Board, Board Committees and individual Directors. The Group Company Secretary reports directly to the Chairperson.

The Safari Board considered and satisfied itself on the competence, qualifications and experience of the Group Company Secretary. The Group Company Secretary effectively enhances his abilities as the gatekeeper of good corporate governance through regularly attending skills development programmes.

Pieter Wynand Le Roux van Niekerk, LLB (UP) ("Pieter")

Pieter obtained his LLB degree from the University of Pretoria and subsequently completed his articles at Le Roux van Niekerk Attorneys where he remained as practising attorney focusing on general litigation, property law and conveyancing. He is admitted as a conveyancer and notary of the High Court. Pieter joined Safari during May 2017 as legal adviser and Property Development Manager assisting with the legal aspects and requirements of greenfield projects, from implementation through to fruition. On 14 November 2018, Pieter was appointed as the Group Company Secretary and legal counsel of Safari dealing with all statutory compliance and corporate governance aspects for the Group.

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pieter@safari-investments.com

BOARD COMMITTEES

Members	13 May 2020	29 Jul 2020	29 Sep 2020	4 Nov 2020	9 Dec 2020	**28 Jan 2021**	**26 Feb 2021**	**29 Mar 2021**
DC Engelbrecht	√	√	√	√	√	√	√	√
M Basson	√	√	√	√	√	√	√	√
F Joubert	√	√	√	√	√	√	√	√
T Smith	√	√	X	√	√	√	X	√
PWL van Niekerk	√	√	√	√	√	√	√	√
WL Venter	√	√	X	√	√	√	√	√
Attendance	100%	100%	66%	100%	100%	**100%**	**83%**	**100%**

√ Attended   X Absent

MANAGEMENT COMMITTEE REPORT

The Management Committee is chaired by Safari's CEO, Mr DC Engelbrecht, and comprises two Executive Directors together with members of senior management. The Management Committee convenes on a regular basis and ensures that the Company's strategy, through business plans, policies, procedures and the sourcing of new business opportunities and budgets, as delegated by the Board, is implemented.

The Committee satisfied itself that it has maintained the high integrity standards of Safari's operations and optimised all business resources. Safari has delivered on the Group's strategy in recent years and is satisfied that the quality of the investment portfolio has improved, as most centres currently have above-market average trading densities.

The Committee conducted eight meetings and maintained 94% attendance by the Committee members.

On behalf of the Management Committee

DC Engelbrecht
Chairperson: Management Committee

Pretoria
23 June 2021

The duties of the Committee include:

- Managing the approved day-to-day operational budget in terms of the delegation of authority;
- The monitoring of operational and financial performance;
- The prioritisation and allocation of investment resources within its mandate; and
- Sourcing, reviewing and making formal recommendations to the Investment Committee and the Board of new business development projects.

BOARD COMMITTEES
continued

NOMINATION AND REMUNERATION COMMITTEE REPORT

Members	29 May 2020	6 Aug 2020	3 Sep 2020	28 Sep 2020	3 Mar 2021
MH Muller	–	–	–	√	√
GJ Heron	–	√	√	√	√
Dr M Minnaar	√	√	√	+	+
Dr PA Pienaar	–	–	√	√	√
AM Slabber	√	+	+	+	+
ER Swanepoel	√	+	+	+	+
AE Wentzel	√	√	√	+	+
Attendance	100%	100%	100%	100%	100%

√ Attended *+ Resigned* *– Not a member*

The Nomination and Remuneration Committee currently comprises Mr MH Muller as Chairperson of the Committee together with two additional Board members, all of whom are independent Non-executive Directors. The CEO and other members of the Board may attend meetings of the Committee by invitation, but do not participate in discussions regarding their own remuneration and benefits.

Duties of the Nomination and Remuneration Committee

The Committee:

- reviews the remuneration philosophy and Remuneration Policy on a regular basis;
- reviews the recommendations of management on fee proposals for the Chairperson and Non-executive Directors and determines, in conjunction with the Board, the final proposals to be submitted to shareholders for approval;
- determines all the remuneration parameters for the Executive Directors and agrees the principles for senior management increases and incentives to be recommended to the Board for final approval;
- ensures that Safari conducts independent benchmarking surveys on a regular basis through an independent remuneration specialist to compare the remuneration strategy against similar-size companies in the same industry and with similar complexity. These benchmarking results serve as guidelines to determine the remuneration of Executive Directors and Non-executive Directors and certain senior management roles. The Committee applies its mind in terms of experience, knowledge and skills of every person and how to adjust for these variables; and
- considers peer performance and biannual performance evaluations when reviewing salaries.

Report by the Nomination and Remuneration Committee

Safari has a policy on the promotion of broader diversity at Board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The Committee will continue to discuss and annually agree all measurable targets for achieving higher levels of diversity on the Board, with the aim of improving diversity should any new Board appointments be considered. The Committee assists in identifying and nominating new Directors for approval by the Board. It considers and approves the classification of Directors as independent non-executives, oversees induction and training of directors and conducts annual performance reviews of the Board and various Board Committees in conjunction with the Group Company Secretary.

The Committee, with the assistance of the Group Company Secretary and under the direction of the Chairperson of the Committee, conducted the annual Board assessment. This assessment was reviewed and processed, and formal feedback was conveyed to the Board.

The Committee has the responsibility to consider and make recommendations to the Board on, inter alia, the Remuneration Policy of the Group, payment of performance bonuses, executive remuneration, short- and long-term incentive plans and employee retention schemes. Safari's remuneration philosophy is to structure packages in such a way that short- and long-term incentives are aimed at achieving business objectives and the delivery of shareholder value.

Safari always strives to remunerate fairly, responsibly and transparently.

During this financial year, Mr AM Slabber, Mr ER Swanepoel, Ms FN Khanyile, Dr M Minnaar, Mr CR Roberts and Mr AE Wentzel stepped down as Non-executive Directors of Safari. At the Annual General Meeting held on 14 September 2020, the appointments of Mr GJ Heron and Dr PA Pienaar were confirmed and, furthermore, Mr MH Muller and Dr MT Matshoba-Ramuedzisi were formally appointed as Non-executive Directors. Mr K Pashiou, standing for re-election on a rotational basis, was not re-elected at the 2020 Annual General Meeting and has subsequently resigned.

The Non-executive Directors' remuneration for the period 1 April 2020 to 30 March 2022 will be tabled at the Special General Meeting to be held on 30 June 2021 since this resolution failed to pass at the 2020 Annual General Meeting. The Company engaged with shareholders who voted against this resolution, discussed reasonable concerns raised and implemented corrective measures to address these concerns. Furthermore, the Committee recommended a Long-term Incentive Plan which was approved by the Board, subject to shareholder approval, which will also be tabled at the Special General Meeting whereby Executive Directors and senior management will be incentivised through the issue of shares in the Company.

During this financial year, the Committee conducted five meetings with 100% attendance by members.

On behalf of the Nomination and Remuneration Committee

MH Muller
Chairperson: Nomination and Remuneration Committee

Pretoria
23 June 2021

REMUNERATION POLICY

Philosophy

The Company's Remuneration Policy is aligned to the Company's strategic objectives to encourage individual performance and reward sustainable value creation. Safari is committed to best practices with regard to remuneration and the management of its human capital. The Remuneration Policy strives to ensure a healthy balance between fair and responsible remuneration of its employees and shareholder interests.

The key principles behind the Remuneration Policy are designed to ensure the attraction and retention of talented, experienced and motivated employees and are as follows:

- Competitive remuneration packages that are realistic in comparison to similar industries and markets in which the Company operates;
- Key performance deliverables ("KPDs") are based on financial, social and environmental targets;
- Linked remuneration structures to performance objectives that support value creation over the short, medium and long term;
- Manage the total cost to company (guaranteed salary) for every employee;
- Incentives to reward both Company and individual/team/project performance;
- Principles are reviewed regularly to ensure that Safari keeps pace with the continually changing market;
- Reward employees fairly, reasonably and responsibly for their contribution to the operating and financial performance of the Company; and
- Align business and strategic objectives with shareholder value creation.

The Remuneration Policy was amended during the 2021 financial year to:

- incorporate a Long-term Incentive Plan (to be adopted by the shareholders of Safari) in order to:
  - act as an incentive to employees to more closely align themselves with the activities of the Group;
  - facilitate the ability of the Group to attract and recruit employees with the necessary skills and experience to add value to the Group;
  - act as a mechanism to facilitate the retention of employees by the Group and to encourage a longer-term horizon for decision-making;
  - encourage the ownership of equity in the Company by employees; and
- include a policy on ad hoc deliverables and remuneration for such deliverables to Non-executive Directors.

Overview of the Remuneration Policy

A competitive remuneration strategy allows Safari to attract and retain quality talent with a high level of competence. This remuneration approach coupled with fostering a culture of collaboration and recognition for superior contribution allows the different functions in the business to function in unison. Our company values are foundational and our recruitment process focuses on recruiting both competent employees who believe in, and live by our values and principles. This results in consistency and predictability in highly changing ambiguous economic conditions.

BOARD COMMITTEES
continued

All Board members except for the CEO and CFO receive board fees as per the Non-executive Director fee schedule approved by shareholders annually. The CEO and CFO receive a basic salary and may be awarded short- and/or long-term incentive bonuses dependent on Company and individual performance for the previous financial year and subject to shareholder approval of the long-term incentive scheme. Short-term incentive bonuses are accounted for on a cash-paid basis in the year following the financial year in which he/she was measured.

Executives and full-time employed staff

The integrated remuneration structure for full-time employees comprises the following:

- Total cost to company incorporating base salary, retirement savings, funeral cover and life and disability insurance contributions.
- Short-term incentives (performance-based) may be awarded based on KPDs for Company and individual performance for the previous financial year and are accounted for on a cash-paid basis in the current financial year. All full-time employees participate in this element. This aligns individual and Group performance with the short-term objectives of the Company and keeps employees focused on achieving their targets in their critical performance areas.
- A Long-term Incentive Plan for Executive Directors and senior management (subject to shareholder approval – please refer to the SENS announcement published on 31 May 2021) aimed at incentivising management to achieve the long-term objectives and medium- to long-term strategic goals of the Company. The Long-term Incentive Plan is based on the award of Safari shares which vest on a three-year rolling period. Long-term incentive awards will be based on KPDs measuring performance conditions which include, but are not limited to, distribution growth, net asset value growth and strategic elements.

Executive Directors are full-time employees and each Executive Director has an employment contract which is governed by South African labour legislation. Executive Directors' annual increases on total cost to company, short- and long-term incentive awards are reviewed, assessed and recommended for Board approval by this Committee based on the Company KPDs and individual performances which reflect their individual contribution to growth and development of the business.

Key performance deliverables

Full-time employees (including Executive Directors) are measured on an annual basis in terms of KPDs. The weighting split between Company and personal performance conditions is dependent on the seniority of the employee with more weighting towards Company performance at more senior levels.

Executive Directors' KPDs comprise strategic, financial, environmental, social and operational measures aligned with the Company's strategy. Key financial and operational performance measures are set annually and performance is benchmarked against market norms and prevailing conditions which include, but are not limited to, publications by SAPOA and other market research institutions.

The Company believes that senior executives should be encouraged to build up a shareholding in Safari to align their interests to those of shareholders. Accordingly, a minimum shareholding condition has been implemented by the Company at levels which are appropriate for each senior executive. The Executive Directors are required to build up a personal shareholding in the Company over a five-year period from shares vested through the Company's Long-term Incentive Plan to the extent that this can be achieved from the holding of 50% of post-tax vested share awards.

Non-executive Directors

Non-executive Directors are not full-time employees of the Company nor do they participate in any of the Company incentive plans. Non-executive Directors are subject to retirement by rotation and may be re-elected by shareholders in accordance with the Company's Memorandum of Incorporation. The remuneration of Non-executive Directors is based on an independently benchmarked survey done on a biannual basis by the Nomination and Remuneration Committee, from which a formal proposal is submitted to the Board for final approval by way of a special resolution by shareholders on an annual basis at the Annual General Meeting. The Remuneration Policy and Implementation Report are also presented for approval by way of a non-binding advisory resolution at each Annual General Meeting of shareholders.

The reason for the non-binding advisory vote by shareholders is that King IV™ recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each Annual General Meeting of the Company. This enables shareholders to express their views on the remuneration policy adopted.

Ad hoc hours policy

The Board may from time to time resolve that an ad hoc committee be constituted or that a Non-executive Director on an individual basis attend to a specific instruction on behalf of the Board. Remuneration for ad hoc work done by any Non-executive Director or ad hoc committee will be in accordance with the remuneration approved by shareholders on an annual basis.

IMPLEMENTATION REPORT

Safari complied with the Remuneration Policy to the fullest extent possible for the year ended 31 March 2021. All components of remuneration paid or accrued to Safari's Executive Directors, Non-executive Directors and employees in accordance with Safari's Remuneration Policy are comprehensively disclosed and reported on herein.

The Nomination and Remuneration Committee reviewed and assessed salary adjustments of Executive Directors and made formal recommendations to the Board who approved and implemented all adjustments. All Board members except for the Executive Directors receive board fees subject to the below-mentioned approval.

Non-executive Directors' remuneration

At the 2020 Annual General Meeting, the special resolution pertaining to Non-executive Director's fees failed to pass.

Furthermore, the non-binding advisory vote on the Remuneration Policy and Implementation Report was approved by shareholders but 41,33% of shareholders voted against the Remuneration Policy and 38,46% against the Implementation Report.

The Company engaged with shareholders who voted against the aforementioned resolutions subsequent to the 2020 Annual General Meeting and discussed the legitimate and reasonable objections raised. As much as the Remuneration Policy has been improved over the years, the Company believes that the Remuneration Policy should continuously evolve to ensure that it best meets the needs of staff, the Company and those of its stakeholders.

The reason for the non-binding advisory vote by shareholders is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report of a company be tabled for a non-binding advisory vote by shareholders at each Annual General Meeting of the Company. This enables shareholders to express their views on the remuneration policy adopted.

A Special General Meeting has been called (see SENS announcement dated 31 May 2021) where the Non-executive Directors' fees will again be tabled for approval (see the proposed fees in the table below).

Non-executive Directors' remuneration proposed for approval effective 1 April 2020 to 31 March 2022:

	1 April 2020 – 31 March 2022
Board retainer fee (quarterly)	
Board Chairperson	R45 000
Member	R26 250
Board meeting (per attendance)	
Board Chairperson	R45 000
Member	R26 250
Audit and Risk Committee meeting (per attendance)	
Committee Chairperson	R25 000
Member	R20 000
Nomination and Remuneration Committee meeting (per attendance)	
Committee Chairperson	R15 750
Member	R14 175
Social and Ethics Committee meeting (per attendance)	
Committee Chairperson	R15 750
Member	R10 000
Investment Committee meeting (per attendance)	
Committee Chairperson	R20 000
Member	R15 000
Ad hoc committee meeting (per attendance)	
Committee Chairperson	R15 750
Member	R10 000
Ad hoc/hour	R2 500

Safari will implement the aforementioned Non-executive Directors' remuneration if approved by shareholders at the Special General Meeting to be held on 30 June 2021.

BOARD COMMITTEES
continued

IMPLEMENTATION REPORT continued

Directors' transparency and remuneration report

Subject to the aforementioned approval, the remuneration of the Non-executive Directors for the financial year ended 31 March 2020 and 2021 is set out in the table below:

2021		Directors' fees R	Committee fees R	Independent Committee/ ad hoc R	Total R
Non-executive Directors	GJ Heron	186 196	76 700	15 750	278 646
	Dr MT Matshoba-Ramuedzisi	83 315	45 000	10 000	138 315
	MH Muller	83 315	66 500	10 000	159 815
	Dr PA Pienaar	126 685	94 025	10 000	230 710
Resigned	FN Khanyile	126 970	50 000	–	176 970
	Dr M Minnaar	126 970	112 525	–	239 495
	K Pashiou	126 970	30 000	18 750	175 720
	CR Roberts	127 541	30 000	52 500	210 041
	AM Slabber	85 055	14 175	202 807	302 037
	ER Swanepoel	49 615	24 175	222 048	295 838
	AE Wentzel	182 017	113 000	–	295 017
	Total	**1 304 649**	**656 100**	**541 855**	**2 502 604**

Fees are subject to approval at the Special General Meeting.
There are no benefits such as pension or medical benefits for non-executive members.

2020		Directors' fees R	Committee fees R	Independent Committee/ ad hoc R	Total R
Non-executive Directors	FN Khanyile[1]	300 000	128 250	5 000	433 250
	LL Letlape[2]	202 664	27 000	–	229 664
	FJJ Marais[2]	–	–	–	–
	Dr M Minnaar	350 000	243 000	–	593 000
	CR Roberts	325 000	202 500	337 500	865 000
	AM Slabber	83 402	–	670 000	753 402
	Dr JP Snyman[2]	450 000	40 500	–	490 500
	ER Swanepoel	58 402	13 500	903 098	975 000
	AE Wentzel	350 000	285 000	21 527	656 527
	Total	**2 119 468**	**939 750**	**1 937 125**	**4 996 343**

There are no benefits such as pension or medical benefits for non-executive members.
[1] Invoiced by WDB Investment Holdings.
[2] Resigned.

Executive Directors and other remuneration

The CEO, CFO, Group Company Secretary and other full-time employees earned a base salary on guaranteed annual pay on a cost-to-company basis. It is subject to annual review and adjustments are effective on 1 April of each year, coinciding with the commencement of Safari's financial year.

Base salary increases are determined with reference to the South African inflation rate and other generally accepted benchmarks, always with due regard for market-comparable remuneration. Role, responsibilities, qualifications, tenure, complexity and ambiguity are among the factors that are considered in the grading of roles. Salary ranges are also compared to industry norms and considered when any adjustments are proposed. The increases applied were in line with the industry.

Short-term incentives (performance-based) were awarded based on KPDs for Company and individual performance for the previous financial year and accounted for on a cash-paid basis this financial year. The weighting split between Company and personal performance conditions is dependent on the seniority of the employee with more weighting towards Company performance at more senior levels.

In our commitment to ensure competitive remuneration packages that are realistic in comparison to similar industries and markets, adjustments were approved to incorporate employee benefits (life and disability cover, funeral cover and retirement savings) from 1 April 2020.

2021		Total base pay R	Short-term incentive R	Benefits[1] R	Total R
Executive Directors	DC Engelbrecht[2]	2 646 988	213 000	79 410	2 939 398
	WL Venter[2]	2 556 000	213 000	76 680	2 845 680
	Total	5 202 988	426 000	156 090	5 785 078

[1] Benefits include retirement savings contributions, life insurance, disability and funeral cover.
[2] Remuneration is a fixed total base pay in terms of an employment agreement and a cash bonus based on a performance appraisal.

2020		Total base pay R	Short-term incentive R	Director's fees R	Committee fees R	Independent Committee/ ad hoc R	Total R
Executive Directors	DC Engelbrecht[1]	2 209 390	170 000	–	–	–	2 379 390
	K Pashiou[2]	–	–	350 000	40 500	85 000	475 500
	WL Venter[1]	2 079 390	180 000	–	–	–	2 259 390
	Total	**4 288 780**	**350 000**	**350 000**	**40 500**	**85 000**	**5 114 280**

[1] Remuneration is a fixed annual salary plus performance bonus in terms of employment agreements and a cash bonus based on a performance appraisal.
[2] On 14 August 2020, Mr K Pashiou was reclassified as a Non-executive Director.

Executive Directors' KPDs

Performance against KPDs is measured to ensure that Executive Directors are aligned to strategic priorities and deliver value for stakeholders. KPD targets for the 2021 financial year were approved by the Committee and scores against targets relating to the 2021 financial year will be used in determining 2021 short-term incentives.

Financial measures

- Budget management: Control of corporate administrative and other expenditure (cost-to-income ratio relative to peer group);
- Distributable income: Growth to be in line with set targets and relative to peer group performance;
- Balance sheet management: Gearing withing set target, hedging to be in line with approved strategy and debt expiry profile managed within acceptable risk parameters; and
- Financial reporting and management of the finance function: Timeous delivery of internal and external financial reporting and effective implementation of auditor's recommendations.

Operational measures

- Trading performance: Trading density growth in line with peer group performance, management of the cost-to-income ratio within set targets and growth of weighted net operating income/m^2;
- Leasing strategy: Ensure occupancy is above 95%, rentals achieved in line with budget, reversion rate relative to market norm and 95% of lease renewals concluded on expired leases; and
- Tenant arrears: Collection rate at 97% (funds received as a percentage of total rent invoiced).

Non-financial measures

- Human capital: Ensure fully committed and motivated team and staff turnover within preapproved limits; and
- Transformation: To achieve BBBEE targets as set out in Company strategy.

Benchmarking

Benchmarking of guaranteed packages is vital to ensure fair and competitive remuneration. Remuneration benchmarking is performed biannually with reference to peer group data from the JSE-listed property sector and other REITs comparable in size, industry and business complexity. Benchmarking is done through an independent remuneration consultant assisting the Committee to ensure that remuneration is market-related. The Committee aims to set remuneration at median levels although it may exceed such levels where required to attract and retain specialist skills.

BOARD COMMITTEES
continued

INVESTMENT COMMITTEE REPORT

Members	22 May 2020	28 Aug 2020	18 Mar 2021
GJ Heron	–	–	√
DC Engelbrecht	√	X	√
Dr M Minnaar	√	√	+
MH Muller	–	–	√
K Pashiou	√	√	+
CR Roberts	√	√	+
WL Venter	√	√	–
Attendance	100%	80%	**100%**

√ Attended X Absent + Resigned – Not a member

The Investment Committee is chaired by Safari's Chairperson, Mr GJ Heron, and comprises one Executive Director and two Non-executive Directors. Other Board members and members of senior management attend meetings by invitation. The Committee meets when decisions are required to acquire, dispose of or significantly redevelop property assets.

The Committee oversees the Group's investment strategy which is focused on convenience and small regional retail centres in peri-urban and rural areas and with growth being targeted through yield-accretive acquisitions, redevelopment or development opportunities as well as expansion or value-accretive additions to existing assets.

The Committee has recommended, and subsequently implemented, a more proactive approach with regard to repairs and maintenance of buildings, thereby keeping the assets in Safari's portfolio attractive, defensive and resilient in line with the Company's strategy to ensure sustainable income for the future.

The duties of the Investment Committee include, but are not limited to:

- the prioritisation and allocation of capital resources in terms of the Company strategy;
- monitoring of operational and financial performance as reported by the Management Committee;
- considering recommendations from management for acquisitions, capital expenditure or disposals;
- authorising and approving such transactions and capital expenditure within its approval mandate;
- making recommendations to the Board for approval regarding transactions and capital expenditure outside its approval mandate;
- overseeing the development and implementation of business plans, policies, procedures and strategy for growth by the Management Committee; and
- the development and implementation of Safari's investment policy and, more specifically:
  - presenting Safari's investment policy and corporate strategy to the Board annually for approval;
  - considering economic and business conditions affecting Safari, and reviewing and adapting the policy accordingly; and
  - approving internal processes relating to investment transactions, including all documentation required to be completed and maintenance of records.

Investment activity

The Victorian redevelopment

The redevelopment of the 23-year-old Victorian Shopping Centre in Heidelberg, Gauteng, was approved by the Board in September 2020. This defensive redevelopment strategy will ensure that this convenience shopping centre remains relevant, dominant and resilient.

The leasing team has made good progress despite the very difficult leasing environment associated with COVID-19. Vacancies have been reduced to below 3%, thereby meeting the pre-let requirement to proceed with the project. The value of this capital project is R68,7 million and will be completed in phases, with phase 1 being the roof upgrades and the solar installation which has already been completed. Phase 2 construction commenced in May 2021 and is set to be completed in Q1 2022.

The redeveloped Victorian Village Shopping Centre will soon be providing new tenancies including West Pack, Petzone and Jonsson Workwear. Relocations and store upgrades include the expansion of Dis-Chem, Pick n Pay Liquor, Total Sports, Wimpy, Postnet and Pep. Further possible new tenancies include a Famous Brands' drive-through, Sheet Street and PNA. Although the Board has approved phase 3, which includes the reconfiguration of the food court, the phase has been placed on hold until the medium- to long-term effect of COVID-19 on restaurants is better known. The Victorian Village Shopping Centre will continue to serve the community of Heidelberg by providing convenient and relevant shopping as it has done for the past 23 years.

Solar power

Safari invested a further R23,1 million in solar during the 2021 financial year. This includes the new installation at Victorian Village Shopping Centre and the expansion of existing systems at Denlyn, Atlyn, Mnandi and Nkomo Village Shopping Centres. The new solar installations total 2,7MVA which now brings Safari's combined total solar plants to 5,85MVA.

Tenant upgrades at Denlyn

At Denlyn Shopping Centre in Mamelodi, Pretoria, we have successfully replaced Edgars by accommodating SuperSpar and Tops as a well-received second anchor. This will further strengthen Denlyn by attracting a new target market in our node and allow for complementary trade within the centre. In addition, we have also included seven new national tenants, being; Ackermans Women, Code, Side Step, Sneaker Factory, RFO, Fuel and Nandos.

Mnandi filling station

Mnandi Shopping Centre is conveniently located on the very busy main carriageway, Maunde Road into Atteridgeville. The rezoning and all other applications have been completed. The development of a filling station is considered an attractive investment opportunity which will not only enhance the Safari portfolio but ensure that Mnandi Shopping Centre will become a destination for the greater Atteridgeville community. The Committee reviewed various offers received from oil companies and has approved a capital project for the development of a filling station to the value of R13 million. The process of obtaining a site licence, plan approval from council and construction of the filling station is anticipated to be completed in Q4 2022.

Nkomo Village Shopping Centre

Nkomo Village commenced trading in November 2018. The centre is approximately 20 000m^2 (GLA) and is anchored by Boxer Superstore and Pick n Pay. The retail trading area is fully let with a small component office space on the first floor vacant. Trading densities have been increasing since trading commenced and the centre has established itself as the dominant convenience retail centre in the area. Safari's leasing team has received various expressions of interest from national retailers for additional space and is currently planning an expansion of approximately 6 000m^2 (GLA).

Lynnwood erven

Safari owns 13 133m^2 of land in Lynnwood. There is currently a pending rezoning application on the Lynnwood erven for "Business 4" for mainly office use. Safari initially requested that the City of Tshwane Metropolitan Municipality provide the Company with clarity on the viability of a retail component and was informed that same could not be accommodated on the erven. Since the COVID-19 pandemic it has, however, become a reality that office space is no longer in such high demand, hence the municipality is willing to reconsider its original decision. Safari is making progress in applying for retail rights on these premises, however, the timing remains uncertain.

Keen interest from various retailers has been received should Safari successfully obtain the rights to develop a small convenience centre here.

The Investment Committee conducted three meetings during the year, with 92% attendance by the Committee members.

The Committee is satisfied that Safari has continued to operate within the Group's strategy and its investment mandate.

On behalf of the Investment Committee

GJ Heron
Chairperson: Investment Committee

Pretoria
23 June 2021

Bulk reserves or stands available for future investments

Name	Location	Cost at Acquisition R	Market Value R	Size m^2	Ownership
Sebokeng Erf 77666	Moshoeshoe Street, Sebokeng	4 050 000	1 866 648	2 200	Freehold
Lynnwood Erven 582, 1064, 585 and remaining extent of Erf 586	Cnr Lynnwood and Roderick Streets, Lynnwood, Pretoria	40 795 000	32 000 000	13 133	Freehold
Nkomo Village remaining bulk	49 Tlou Street, Atteridgeville	–	5 984 305	7 053	–
Swakopmund	Cnr Albatros and Tsavorite Streets, Swakopmund, Namibia	–	31 762 400	8 500	Freehold

BOARD COMMITTEES
continued

SOCIAL AND ETHICS COMMITTEE REPORT

Members	22 May 2020	28 Aug 2020	18 Mar 2021
Dr PA Pienaar	–	√	√
FN Khanyile	√	+	+
Dr MT Matshoba-Ramuedzisi	–	√	√
ER Swanepoel	√	+	+
WL Venter	–	√	√
AE Wentzel	√	+	+
Attendance	100%	100%	**100%**

√ Attended *+ Resigned* *– Not a member*

The Social and Ethics Committee currently comprises Dr PA Pienaar as Chairperson of the Committee, together with Dr MT Matshoba-Ramuedzisi and Mr WL Venter. During this financial year, the Committee conducted three meetings with 100% attendance by the members.

The Committee's function is to ensure that Safari carries out its business in an ethical and socially responsible manner to the benefit of the community and the environment in which the Company operates. The Committee monitors the Company's business practices in order to ensure that the above objectives are achieved. The statutory duties of the Committee are discharged in terms of Sections 72(4) and (5) of the Companies Act, read with Regulation 43 of the Companies Regulations.

The policy on race, gender, culture, age, field of knowledge, skills and diversification for the Board and staff is reviewed annually and formal recommendations or amendments are made if necessary. The Company is mindful of transformation targets and the Social and Ethics Committee is responsible for the monitoring of progress in complying with the BBBEE scorecard. Furthermore, the Employment Equity and BBBEE Committees are in place and report to the Social and Ethics Committee on a regular basis. Regarding the BBBEE scorecard and progress made, refer to the sustainability report on pages 23 and 24.

Safari is committed to being a good corporate citizen. In this regard, the Board's strategy is to focus on the social upliftment within the communities where the Company operates, with specific focus on sustainable programmes to enhance education of the youth. Over the years, we have built relationships with local educational authorities who have adopted the shopping centres being operated by Safari as a critical part of their societies.

Safari strives to maintain an ethical culture and adheres to a code of conduct and whistle-blowing policy adopted by the Board. The policy is reviewed annually in order to ensure that it stays relevant and compliant.

The Committee is dedicated to ensuring that the business operations of Safari not only improve the quality of life of the people living within the catchment area of its shopping centres by creating easy access to a first-class shopping experience, but also by creating local employment opportunities and assisting with the upskilling of the local communities.

Examples of involvement during the 2021 financial year are as follows:

- **Education is our Future** – This programme assists teachers and learners at the Umthombo Primary School in Mamelodi with literacy, maths and other valuable learning programmes. Safari also contributed to the upgrading of the school's Grade R classrooms.
- **Denlyn Star initiative** – An ongoing Safari initiative that focuses on entrepreneurial development of the youth and the recognition of young achievers in the Mamelodi community.
- **Denlyn Little Star initiative** – An ongoing Safari initiative that creates and encourages a love for the written word and supports future authors within the Mamelodi community.
- **Jewels of Atteridgeville** – An ongoing Safari initiative that aspires to empower young artists and to identify and develop fresh creative talent in the Atteridgeville community and surrounding areas. Projects include art competitions and workshops and sponsoring various art and cultural projects in Atteridgeville.
- **Tshepong Care Centre** – We collaborated with our Thabong tenants and residents in the Sebokeng area in order to assist this orphanage with basic food necessities. We also assisted with structural and electrical construction work needed at the care centre.
- **Mpho's Dream Centre** – A child healthcare centre in the Mamelodi community where Safari provides regular assistance, support and donations.

The Committee confirms that it has fulfilled its mandate and there are no instances of material non-compliance to disclose.

Dr PA Pienaar
Chairperson: Social and Ethics Committee

Pretoria
23 June 2021

APPLICATION OF THE KING IV™ REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA

Safari is committed to the highest standards of ethics and corporate governance. Being listed on the Johannesburg Stock Exchange operated by the JSE, the Company complies with the principles of King IV™ and the mandatory corporate governance requirements of the JSE Listings Requirements.

The Companies Act places certain duties on directors and determines that they should apply the necessary care, skill and diligence in fulfilling their duties. To ensure that this is achieved, the Board applies best practice principles as contained in King IV™.

Paragraph 8.63 (a)(i) of the JSE Listings Requirements stipulates that issuers are required to disclose the implementation of King IV™ through the application of the King IV™ disclosure and application regime. For the period ended 31 March 2021, Safari applied all the principles of King IV™ as disclosed below.

King IV™ advocates an outcome-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of four governance outcomes. The desired outcomes are listed below, together with the practice implemented and progress made towards achieving the 17 principles in meeting the outcomes.

Governance outcome one: Ethical culture

Principle 1

Leadership: The Board should lead ethically and effectively

The Safari Board is the governing body and is committed to the good corporate governance principles as set out in King IV™. Safari's values of quality, integrity, improvement and innovation guide the behaviour on how the Board must discharge its duties and responsibilities.

The Directors hold one another accountable for decision-making. Board members are under a legal duty to prevent conflicts of interest with the Company and are obliged to make full disclosure of any areas of conflict prior to any consideration or discussion by the Board of such matters, and may not take part in any discussion and must recuse themselves from voting on such matters. Furthermore, the Board has formally approved a conflict of interest policy in this regard.

The Chairperson is tasked to monitor this as part of his duties and the annual Board assessment is managed by the Nomination and Remuneration Committee for and on behalf of the Chairperson. The Board will make ongoing assessments to ensure that the ethical characteristics demonstrated by the individual Directors are continued.

In order to ensure effective appointments of Board members, Committee members and executives are proposed by the Nomination and Remuneration Committee to enhance the appropriate mix of skills and independence of thought. New Board members appointed from time to time are given a detailed and appropriate induction into the business and affairs of the Group.

The Board has adopted a stakeholder-inclusive approach in the execution of their governance role and responsibilities.

Principle 2

Organisational ethics: The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

The Board determines and sets the tone for Safari's values and the requirements of being a responsible corporate citizen. The Board has a fiduciary duty to act in good faith, with due care and diligence and in the best interest of all stakeholders. While control of the day-to-day management is delegated to management, the Board retains full and effective control over the Group. The responsibility for monitoring the overall responsible corporate citizenship performance of the organisation was delegated to the Social and Ethics Committee by the Board.

A whistle-blowing policy has been implemented where employees can report any unethical practice or fraud anonymously and free from victimisation. The whistle-blowing policy and reviewed code of ethics are part of a variety of initiatives that are in place to create awareness of ethical conduct requirements.

Safari's code of ethics ("the code"), as adopted by the Board, guides the ethical behaviour of all Safari employees and Directors to ensure that Safari maintains the highest level of integrity and ethical conduct and, among others, regulates aspects of confidentiality, non-discrimination, bribes and political contributions. The code deals with duties of care and skill as well as those of good faith, including honesty, integrity and the need to always act in the best interest of the Company. The code is published on the Company's website and incorporated as an addendum in employee contracts, as well as in employee induction and training programmes.

Principle 3

Responsible corporate citizenship: The Board should ensure that the organisation is, and is seen to be, a responsible citizen

As guardian over the values and ethics of the Company, the Board annually emphasises its responsibility at its strategy session in March. Here the business strategy and priorities are assessed,

APPLICATION OF THE KING IV™ REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA
continued

reviewed, formalised and approved in accordance with the Board's role of overseeing the Company's conduct as a good corporate citizen. It is imperative for the Safari Board to ensure that the consequences of the Group's activities do not adversely affect its status of a responsible corporate citizen in the areas of the workplace and the economies of the geographical areas within which it operates, with due regard to social and environmental issues.

The Board, with the support of the executive team, oversees and monitors how the operations and activities of the Company affect its status as a responsible corporate citizen. This is measured against agreed performance targets that are in support of Safari's strategic imperatives.

The performance targets contain financial and non-financial measures. Non-financial measures encompass the areas of workplace, economy, society and environment so that the Company's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen.

Going forward, the Company will holistically consider its responsibilities in the areas of workplace, society in general and the environment, all being key inter-related factors in ensuring the sustainability of the Group's business.

Governance outcome two: Performance and value creation

Principle 4

Strategy and performance: The Board should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process

The Board's paramount responsibility is to ensure that it creates value for its shareholders while taking into account the interest and expectations of its stakeholders. The Directors individually and collectively assist the Group to realise its strategic objectives; to manage risk and opportunities that could threaten or enhance the Group's ability to provide sustainable long-term growth; to maintain and enhance efficiencies within the Group's businesses and to support the people who rely on the businesses.

Safari's ability to create value in a sustainable manner can be found on pages 23 and 24 of the sustainability report. Material information is presented in an integrated manner to provide users with a clear, concise and understandable presentation of Safari's performance in terms of sustainable value creation in the economic, social and environmental context within which it operates.

Safari aligns its strategic objectives with reference to its risks and opportunities. The Board continuously assesses both the positive and negative outcomes resulting from its business model and responds to it.

Principle 5

Reporting: The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects

The Board ensures that communication is done effectively in a transparent, clear, balanced and truthful manner with the highest regard to integrity and ethical standards.

Safari circulates and publishes its interim and Integrated Annual Reports both online and in printed form. The reports connect the more detailed information at a high level and in a complete, concise way, with respect to matters that could significantly affect or improve the Company's ability to create sustainable value. The report also includes the consolidated annual financial statements and complies with legal requirements and all required disclosures.

Information is also made available to stakeholders via investor presentations, roadshows and on the Company's website at **www.safari-investments.com**.

Governance outcome three: Adequate and effective control

Principle 6

Primary role and responsibilities of the Board: The Board should serve as the focal point and custodian of corporate governance in the organisation

The Board's role, responsibilities and procedural conduct are documented in the Board Charter to guide effective functioning. The Board serves as the focal point and custodian of corporate governance of Safari. The Board meets quarterly to attend to general matters and once annually to assess, review and approve its ongoing short- and medium-term strategies. Additional meetings may be convened should important matters arise between meetings.

Information on the performance of the Group for the year to date, and any other matters for discussion at the Board meetings, are circulated well in advance of every meeting. At Board meetings, both financial as well as non-financial and qualitative information that might have an impact on stakeholders are considered. Refer to pages 31 and 33 to 42 for details on Board and Board Subcommittee meetings.

An appropriate governance framework and the necessary policies and processes are in place to ensure that the Company and its subsidiaries adhere to governance standards.

Principle 7

Composition of the Board: The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

On 14 September 2020, Mr AE Wentzel resigned as Director and Chairperson of the Board, and Mr GJ Heron was appointed as Independent Non-executive Chairperson.

The Board, with the assistance of the Nomination and Remuneration Committee, considers, on an annual basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge, and whether this enables it to effectively discharge its role and responsibilities. The Board is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to perform its role and responsibilities. The Board has strengthened its succession plan to also include an emergency succession plan in the event of an unforeseen event.

Safari has a Board of six members and, in accordance with King IV™, the majority of the Directors are Non-executive Directors of which the majority of the Non-executive Directors are independent. The Board comprises of two executive members and four Independent Non-executive members. The Chairperson is an Independent Non-executive Director. The roles of Chairperson and CEO are separate. All Board members are suitably qualified to act in the best interest of stakeholders.

The independence of Directors is reviewed on an annual basis against criteria stipulated in King IV™, and arrangements for the periodic, staggered rotation of Board members are contained within the Company's Memorandum of Incorporation and are duly applied.

Refer to pages 26 and 27 reflecting the skills and experience of the Board.

Principle 8

Committees of the Board: The Board should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of duties

The Board has established five Board Subcommittees to assist the Directors in fulfilling its duties and responsibilities. Each committee has formal terms of reference and reports to the Board at regular intervals. The terms of reference set out the objectives, authority, composition and responsibilities of each committee and have been approved by the Board. All the Committees are free to take independent external professional advice as and when required at the Company's expense.

Membership of the Committees is as recommended by King IV™.

The composition of the Committees of the Board is balanced as well as the distribution of authority between the Chairperson and the rest of the Directors. It should not lead to instances where individual(s) dominate decision-making within governance structures or where undue dependency is caused.

The Audit and Risk Committee is satisfied that the auditor is independent and the auditing firm was appointed with the designated partner having oversight of the audit. The CFO is the head of the finance function and he has one senior Financial Manager reporting to him. Internal audit is fully outsourced and the CFO is responsible for overseeing and coordinating the effective functioning of the outsourcing arrangement. An assessment of the effectiveness of the CFO function is performed annually by the Audit and Risk Committee.

The Board has also constituted a Social and Ethics Committee which operates in line with King IV™ and the Companies Act as well as a Management Committee which reports directly to the Board and other Board Subcommittees on the day-to-day management of the Company.

In addition to the above, ad hoc committees are formed from time to time to assist the Board in discharging its duties.

Refer to pages 33 to 42 and 56 to 58 of the Integrated Annual Report for reports by each committee.

Principle 9

Evaluations of the performance of the Board: The Board should ensure that evaluation of its own performance and that of its Committees, its Chair and its individual members, support continued improvement in performance and effectiveness

A performance evaluation of the Board, its Committees, the Chairperson and the Group Company Secretary was conducted formally and, although not externally facilitated, it was done in accordance with the methodology approved by the Board. The overview of the evaluation results is that there were no issues raised and contribution, value and participation were considered satisfactory and positive. Items identified for improvement are discussed and followed up to ensure recommended actions. The skills represented on the Board were also assessed as well balanced.

Each committee undertakes an annual committee self-evaluation in order to assess whether the Committee has the required skills within its membership and is effective in performing in line with its objectives and is discharging its responsibilities as delegated by the Board.

APPLICATION OF THE KING IV™ REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA continued

The Group Company Secretary's performance is also evaluated to ensure that there is an arm's-length relationship between the Board and the Group Company Secretary in that the objectivity and independence of the Group Company Secretary is not unduly influenced. Safari's Group Company Secretary was appointed in November 2018, and the Board is confident that his objectivity and independence is in no way compromised. The Group Company Secretary's performance is assessed annually and no major issues or concerns have been identified. The Board is satisfied that the Group Company Secretary is performing well in executing the functions that he oversees.

Principle 10

Appointment and delegation to management: The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities

In this regard, the Board has established a Management Committee which is chaired by the CEO and includes various members of senior management and the CFO. The Management Committee convenes on a regular basis and reports to the Investment Committee and various other committees regarding the day-to-day management of Safari.

In terms of the Board Charter, the Board's responsibilities include the appointment of a CEO, approval of a corporate strategy, risk management and corporate governance. The Board must review and approve its business plan and must monitor the financial performance of the Group and implementation of strategies.

Board members have full and unrestricted access to management and all Group information and property. Directors may meet separately with members of the management team without executives present.

A detailed delegation of authority policy and framework indicates matters reserved for the Board and those delegated to management. The Board is satisfied that Safari is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. In instances where delegation has taken place to management or committees, preapproved materiality levels and terms of reference apply, respectively.

The CEO does not have any work commitments outside the Safari Group and/or associated business partners. To provide continuity of executive leadership, succession planning is in place and is regularly reviewed to provide succession in both emergency situations and over the longer term.

Principle 11

Risk governance: The Board should govern risk in a way that supports the organisation in setting and achieving its strategic objectives

The Audit and Risk Committee assists the Board with the responsibility for governing risk by setting the direction for how risk is to be approached and addressed across the Group in order to achieve its strategic objectives. The Board is aware of the importance of the governance of risk management as it is critical to the strategy, performance and sustainability of Safari.

The Audit and Risk Committee implements a process whereby risks to the sustainability of the Company's business are identified, monitored and managed within acceptable parameters. The Audit and Risk Committee delegates to management the task to continuously identify, assess, mitigate and manage risks within the existing but stable risk profile of Safari's operating environment. Mitigating controls are formulated to address the risks and the Board is kept up to date on the status of the risk management plan.

Further oversight of risk exercises includes the receipt and review of internal audit reports, due diligence processes to evaluate and understand risks and opportunities that acquisitions may contain and an annual review and assessment of the Group's insurance portfolio.

Responsibility for effective risk management is spread across the Group's workforce and management.

Refer to pages 16 to 18 for an overview on Safari's risk management.

Principle 12

Technology and information governance: The Board should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives

The Board is aware of the importance of technology and information as it is inter-related to the strategy, performance and sustainability of Safari. The Group Company Secretary and IT service providers are consulted on a regular basis with reference to applicable legislation and the protection and management of technology and information principles, respectively.

Principle 13

Compliance governance: The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

Responsibility for the implementation and execution of effective compliance management is delegated by the Board to management. The Group Company Secretary ensures compliance with all applicable laws, rules, codes and standards at the highest ethical standards. The Board, however, retains ultimate responsibility for compliance in this regard.

During the review period, there were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations imposed on the Company, members of the Board or officers. There were no findings of non-compliance with environmental laws or criminal sanctions and prosecutions for non-compliance.

Principle 14

Remuneration governance: The Board should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term

The Board assumes responsibility for the governance of remuneration and sets the direction across the Group. Annual assessments are done by the Nomination and Remuneration Committee and this Committee is free to obtain independent external professional advice on fair and market-related remuneration. The Committee undertakes frequent benchmarking exercises in order to ensure fair and responsible remuneration of employees and executives. Refer to page 37 of the Integrated Annual Report where Directors' remuneration is disclosed comprehensively. Safari's Board remunerates fairly, responsibly and transparently so as to promote the creation of value in a sustainable manner.

Principle 15

Assurance: The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports

The Board sets the direction for assurance services and functions, but the responsibility for overseeing such arrangements is delegated to the Audit and Risk Committee which is charged with supporting the integrity of information for internal decision-making purposes and external reports.

A combined assurance model has been developed and formally implemented across the Company to effectively cover the Group's significant risks and material matters. The model includes, but is not limited to, the Group's established outsourced internal audit functions, the external auditor, the risk management and compliance functions, and regulatory inspectors, together with such other external assurance providers as may be appropriate or deemed necessary from time to time. The Group Company Secretary provides assurance on aspects of corporate governance and the JSE sponsor advises on the JSE Listings Requirements.

Safari is satisfied that assurance results in an adequate and effective control environment and integrity of reports for better decision-making.

Governance outcome four: Trust, good reputation and legitimacy

Principle 16

Stakeholders: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time

The Board assumes responsibility for the direction on stakeholder relationships and delegates to management the responsibility for the implementation and execution thereof. Stakeholders are kept apprised of the Company's performance by publication of the interim results and Integrated Annual Reports. Safari has identified its stakeholder groups and is active in balancing their legitimate and reasonable needs, interests and expectations. Refer to pages 19 to 22 for Safari's stakeholder engagement.

Principle 17

Responsible investment: The Board ensures that responsible investment is practised to promote good governance and the creation of value by the companies in which it invests

Safari is not an institutional investor and this principle is therefore not applicable.

REIT AND REIT TAXATION LEGISLATION

REIT legislation in South Africa came into effect on 1 April 2013. Safari confirms that it continues to hold REIT status recognised by the JSE and meets the qualification requirements as stipulated by the JSE and applicable legislation.

SA REIT Association – Best Practice Recommendations ("BPR")

The SA REIT Association issued a second edition BPR, which deals with best practice reporting for South African REITs. The second edition BPR is effective for financial years commencing on or after 1 January 2020. Refer to Annexure 1 on page 103.

REIT legislation

The following achievements from a REIT point of view are noteworthy:

- The Group currently has gross assets of approximately R3,55 billion, as reflected in the annual financial statements for the period ended 31 March 2021;
- The Group is a property investment fund focusing mainly on retail centres and currently has four regional shopping centres, of which three are located in under-developed urban areas in Gauteng, South Africa and one in Swakopmund, Namibia. Furthermore, Safari has four community shopping centres in Heidelberg, Polokwane and Atteridgeville and a 20-bed private day hospital in Soweto. The total property portfolio comprises a total of 175 123m^2 rentable area;
- The Group is currently deriving 95% of its revenue from rental income;
- The Group complies with the minimum income and shareholder spread requirements of the Main Board of the JSE and currently has over 825 shareholders as at the financial year ended 31 March 2021;
- The Group will, to the best of the Directors' knowledge, qualify for a tax deduction of distributions under section 25BB(2) of the Income Tax Act for the current financial year;
- The Group's borrowing (loan-to-value) remained below the 60% requirement in terms of REIT legislation;
- The Audit and Risk Committee has confirmed to the JSE that, as part of its terms of reference, it has adopted the policy referred to in paragraph 13.46(h)(i) of the JSE Listings Requirements and that the Group complies with the following provisions set out in the JSE Listings Requirements:
  - Adopting and implementing an appropriate Risk Management Policy, which policy as a minimum is in accordance with industry practice and specifically prohibits Safari from entering into any derivative transactions that are not in the normal course of Safari's business;
  - Reporting in the Integrated Annual Report each year that the Audit and Risk Committee has monitored compliance with the policy and that Safari has, in all material respects, complied with the policy during the year concerned; and
  - Reporting to the JSE, in the annual compliance declaration referred to in paragraph 13.49(d) of the JSE Listings Requirements, that the Audit and Risk Committee has monitored compliance with the policy and that Safari has, in all material respects, complied with the policy during the year concerned;
- The Group will comply with the general continuing obligations as determined by the JSE and, more specifically, those set out in section 13.49 of the JSE Listings Requirements, as amended from time to time; and
- The Board confirms that Safari has, during the past financial year, complied with, and will continue to comply with, the following provisions, as set out in section 13.49 of the JSE Listings Requirements:
  - Safari will distribute at least 75% of its total distributable profits as a distribution to the holders of its listed securities by no later than six months after its financial year-end, subject to the relevant solvency and liquidity test as defined in sections 4 and 46 of the Companies Act. The next distribution of 25 cents per share was approved and will accordingly be paid out on Monday, 26 July 2021;
  - If relevant, Safari will ensure that, subject to the solvency and liquidity test and the provisions of section 46 of the Companies Act, the subsidiaries of Safari that are property entities incorporated in South Africa will distribute at least 75% of their total distributable profits as a distribution by no later than six months after their financial year-end; and
  - Interim distributions may occur before the end of a financial year. The total distribution declared for the 2021 financial year was R130 546 926 (2020: R142 979 967). The distribution consisted of an interim cash dividend of 17 cents per share in December 2020 and the aforementioned final cash dividend of 25 cents per share approved at the Board meeting held on 23 June 2021 which will be paid out on Monday, 26 July 2021.

REIT taxation status

The Group's status as a REIT entails, among others, the following tax consequences:

- The Group will not pay capital gains tax on the disposal of immovable property, the disposal of shares in other REITs or the disposal of shares in property companies;
- The Group may claim a tax deduction for qualifying dividends to its shareholders;
- Dividends distributed by the Group to its resident shareholders are subject to normal tax (and exempt from dividends tax); and
- Dividends distributed to foreign shareholders are subject to dividends tax.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

04

Safari Investments RSA Limited and Subsidiary
(Registration number: 2000/015002/06)

The consolidated annual financial statements have been audited by BDO South Africa Incorporated. The Chief Financial Officer, Mr WL Venter CA(SA), was responsible for the preparation of these audited annual financial statements, executed by the Financial Manager, Mr T Pothraju.

Published: 30 June 2021

DIRECTORS' RESPONSIBILITY AND APPROVAL

The Directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ("IFRS"), SAICA's Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act. The external auditor is engaged to express an independent opinion on the annual financial statements.

The consolidated annual financial statements are prepared in accordance with IFRS, SAICA's Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly-defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and management is required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. Any system of internal financial control, however, can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group's cash flow forecast for the year to 31 March 2022 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the Group's external auditor and their report is presented on pages 59 to 61.

The consolidated annual financial statements which have been prepared on the going concern basis, were approved by the Board on 23 June 2021.

Signed on behalf of the Safari Board by:

DC Engelbrecht
Chief Executive Officer

WL Venter
Chief Financial Officer

Pretoria

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

In line with paragraph 3.84(k) of the JSE Listings Requirements, the CEO and CFO hereby confirm that:

- the annual financial statements set out on pages 62 to 103 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- no facts have been omitted, or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of the issuer; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of King IV™. Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves Directors and have taken the necessary remedial action.

DC Engelbrecht
Chief Executive Officer

WL Venter
Chief Financial Officer

Pretoria
23 June 2021

CERTIFICATE BY THE GROUP COMPANY SECRETARY

The Group Company Secretary hereby certifies, in accordance with Section 82(2)(e) of the South African Companies Act 71 of 2008, that the Group has lodged with the Commissioner of the Companies and Intellectual Property Commission all such returns as are required for a listed company and that all such returns are true, correct and up to date in respect of the financial year reported.

PWL van Niekerk
Group Company Secretary

Pretoria
23 June 2021

DIRECTORS' REPORT

as at 31 March 2021

The Directors have pleasure in submitting their report on the consolidated annual financial statements of Safari Investments RSA Limited and subsidiary for the year ended 31 March 2021.

Nature of the business

Safari invests in quality income-generating property mainly focused on the retail sector. There was no material change in the nature of the business during the financial year.

Events during and subsequent to the reporting period

Events during the financial period

The Group is continuously monitoring the impact of COVID-19 and engaged with all stakeholders to mitigate the risks that have become apparent. Refer to the SENS announcements published on 9 April 2020, 10 June 2020 and 30 March 2021 for further details.

Shareholders are referred to the SENS announcement published on 4 May 2020 relating to the Southern Palace transaction.

Mr AM Slabber and Mr ER Swanepoel resigned with effect from 21 June 2020. Mr AE Wentzel then assumed the Chairpersonship of the Board on an interim basis, pending appointment of further Directors to the Board.

On 10 July 2020, a final cash distribution for the previous financial year of 22 cents per share was declared and paid to shareholders on 3 August 2020.

On 17 July 2020, Mr GJ Heron and Dr PA Pienaar were appointed as Independent Non-executive Directors.

On 14 August 2020, Dr M Minnaar and Mr AE Wentzel resigned with the effective date being 14 September 2020.

At the Board meeting held on 4 September 2020, a capital project for the redevelopment of The Victorian Shopping Centre in Heidelberg was approved to the amount of R68,7 million. At the date of this report, the redevelopment is in phase 2 of 3. Phase 3 will only commence once certain conditions precedent are met.

At the Annual General Meeting held on 14 September 2020, all resolutions were passed except for ordinary resolutions numbers 5 and 13 being the re-election of Mr K Pashiou as a Non-executive Director and the general authority to issue shares for cash, respectively, and special resolutions 1, 2 and 4 being the remuneration of Non-executive Directors, the general authority to repurchase shares and financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company. The appointment of Mr GJ Heron and Dr PA Pienaar on 17 July 2020 as Independent Non-executive Directors was confirmed. Mr GJ Heron also assumed Chairpersonship of the Board. Furthermore, Mr MH Muller and Dr MT Matshoba-Ramuedzisi were appointed as Independent Non-executive Directors.

Even though shareholders also passed a non-binding advisory vote on the Company's Remuneration Policy as well as the 2020 Implementation Report on the Company's Remuneration Policy, which are available for inspection on the Company's website, the Company engaged with shareholders who voted against the Remuneration Policy and Implementation Report in order to address shareholder concerns.

On 15 September 2020, Ms FN Khanyile resigned as an Independent Non-executive Director with immediate effect. On 17 September 2020, Mr CR Roberts resigned as an Independent Non-executive Director.

Capital expenditure for the expansion of the solar installations at Atlyn, Nkomo Village, Mnandi and Denlyn shopping centres to the amount of R17 million was approved by the Board in November 2020. As at the date of this report, all of the aforementioned projects have been finalised.

During November 2020, an interim cash distribution of 17 cents per ordinary share was declared and paid to shareholders during December 2020.

Events subsequent to the financial period

On 31 May 2021, Safari published a circular on SENS notifying shareholders of a Special General Meeting to be held on 30 June 2021 proposing approval of Non-executive Directors' remuneration and a Long-term Share Incentive Plan. Further updates in this regard will be published on SENS.

The Group entered into new facility agreements with its current lender, Absa, to refinance facilities A, C and D as per note 13 to the annual financial statements which are classified as "current liabilities" due to the fact that they will mature within 12 months from the reporting date. The new facilities were concluded and implemented on 1 June 2021.

Salient terms of the new facilities:

- **Facility H**: R300 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 2,05% with the capital due on maturity in June 2023.
- **Facility I**: R250 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 2,35% with the capital due on maturity in June 2024.
- **Facility J**: R250 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 2,50% with the capital due on maturity in June 2025.

The Group continues to monitor and react to the impact of COVID-19 and lockdown restrictions imposed by government.

Matters approved by the Board at the Board meeting held on 23 June 2021:

- A final cash distribution of 25 cents per Safari share will be paid to shareholders during July 2021.
- Capital project approved: The development of a filling station at Mnandi Shopping Centre of approximately R13 million was approved. Estimated completion Q4 2022.

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

DIRECTORS' REPORT continued

as at 31 March 2021

Accounting policies

The consolidated annual financial statements have been prepared in accordance with IFRS and the requirements of the Companies Act, SAICA's Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements.

The accounting policies have been applied consistently compared to those of the prior year and, save for new and revised accounting standards per note 2 to the annual financial statements, had no material impact on the results.

Financial results and activities

The operating results and state of affairs of the Group are fully set out in the attached consolidated annual financial statements.

The Group recorded an operating profit, before investment revenue, fair value adjustments and finance costs for the year ended 31 March 2021, of R215 230 760 (2020: R225 389 579).

The Group's revenue, excluding the sale of apartments, decreased by 2% to R337 657 164 compared with the previous year's R345 443 456. The weighted average gross rental per m^2 of the portfolio remained flat at R149/m^2 after taking into account the effect of temporary COVID-19 relief granted during the 2021 financial year. Property expenses as a percentage of property revenue was 27% (2020: 24%).

The Safari Group's gearing (SA-REIT loan-to-value) ratio increased from 33% to 39%.

The fair value of the Group's investment property increased by 6% to R3 353 762 400. Refer to note 4 to the consolidated annual financial statements for detailed disclosure. The income-generating properties were valued on the discounted cash flow method and are supported by Safari's maintained low vacancy rate of 2,4%, the 87% national tenants' occupation level and a healthy lease expiry profile together with some strategic tenant replacements. The Group has recorded a net asset value per share of 834 cents (2020: 769 cents).

Stated capital

Details of the stated capital are disclosed in note 11 to the consolidated annual financial statements.

Capital commitments

Refer to note 36 to the consolidated annual financial statements, where details of the capital commitments can be found.

Dividends

In terms of REIT legislation, at least 75% of the distributable earnings must be distributed in every financial year. During 2021, Safari declared a total distribution of R121 222 146 being the final distribution of the 2020 financial year of 22 cents per share and the interim distribution of the 2021 financial year of 17 cents per share (2020: R149 196 488).

Going concern

The Directors are of the opinion that the Group has adequate financial resources to continue its operations for the foreseeable future and, accordingly, the consolidated annual financial statements have been prepared on a going concern basis.

The Group 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 as disclosed in note 36 to the consolidated annual financial statements. The Directors are not aware of any material changes that may have an adverse impact on the Group, nor of any material non-compliance with statutory or regulatory requirements nor of any pending changes to legislation which may affect the Group.

Litigation statement

In terms of Section 11.26 of the JSE Listings Requirements, the Directors are not aware of any legal or arbitration procedures that are pending or threatening, that might have had, in the previous 12 months, a material effect on the Group's financial position.

Auditor

BDO South Africa Incorporated was reappointed at the Annual General Meeting on 14 September 2020 as external auditor for the Group for 2021.

For the 2021 financial year, Mr Paul Badrick was the designated audit partner for the Safari Group.

Performance measures

In compliance with Sections 3.4(b)(vi) and 3.4(b)(vii) of the JSE Listings Requirements, and owing to the nature of the business conducted by Safari, being that of a REIT, the Safari Board has decided to adopt the distribution per share and net asset value per share measures for future trading statement purposes, as this is considered to be a more appropriate yardstick to measure Safari's performance than headline earnings per share and earnings per share.

Directors

The Directors in office at the date of this report are as follows:

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

At least one-third of the Non-executive Directors stand for re-election at the Annual General Meeting on a rotation basis as stipulated in the Company's Memorandum of Incorporation. No person holds any preferential rights other than normal shareholder rights relating to the appointment of any particular Director or number of Directors.

Directors' remuneration

The Directors refer you to pages 38 and 39 and note 32 of the consolidated annual financial statements, where details of the Directors' remuneration can be found.

The Group Company Secretary is Mr PWL van Niekerk who was appointed with effect from 14 November 2018.

Business address

The Corner Office
410 Lynnwood Road
Lynnwood
Pretoria 0081

Resolutions

The special resolution approving the financial assistance in terms of Section 45 of the Companies Act: Inter-company financial assistance was approved at the Annual General Meeting held on 14 September 2020.

DISTRIBUTABLE EARNINGS

	Audited year ended 31 March 2021 R'000	Audited year ended 31 March 2020 R'000
Revenue (including recoveries and other income, excluding sale of apartments)	**344 033**	350 888
Less: Lease smoothing effect	**(16 759)**	(24 656)
Less: Expenses	**(116 993)**	(114 831)
Less: Net interest	**(93 236)**	(85 390)
Interest income	**4 426**	5 605
Interest expense	**(97 662)**	(90 995)
Plus: Transaction costs expensed[1]	**1 930**	13 924
Distributable earnings	**118 975**	139 935
Less: Interim distribution paid	**(43 830)**	(74 598)
Interim distribution per share (cents)	**17**	24
Available for distribution at year-end	**75 145**	65 337
Actual number of shares excluding 53 million Safari shares held by Southern Palace[2]	**257 826 016**	257 826 016
Final distributable income per share (cents) available	**29**	25
Percentage of distributable income distributed for the financial year	**91%**	94%
Final distribution per share (cents) declared	**25**	22

[1] *Transaction cost added back mostly relates to corporate action expenses incurred during the financial year as disclosed in the various SENS announcements.*

[2] *Safari holds these shares as security and also receives all distributions paid to these shares. The shares are effectively seen as treasury shares.*

The 12-month period under review (1 April 2020 to 31 March 2021) has been impacted by the full extent of the COVID-19 lockdown regulations instituted at various levels since 26 March 2020. The effect of the lockdown and subsequent rent relief granted by Safari and reduced turnover rental is clear in the lack of growth in property revenue which remained flat year-on-year. Furthermore, the final settlement paid to Sanlam during May 2020 on the guarantee provided on the Southern Palace transaction resulted in an increased interest expense in the 12-month period under review. In our interim results for the six-month period ending 30 September 2020, we reported that we expected the metrics to improve significantly for the second half of the 2021 financial year. The easing of lockdown restrictions during the second half of the financial year, tenant retention and improved trade at all our retail assets certainly resulted in a much-improved second half of the 2021 financial year compared to the preceding six months.

Although it remains difficult to provide guidance with certainty on expected distributable earnings for the 2022 financial year, given the continued effect of COVID-19 on the economy and on the property industry, we are confident that, based on current forecasts and information available, and on the assumption of normalised trading conditions, we will see distributable earnings per share increase by between 25% and 29% compared to the 2021 financial year. The main reason for this expected increase is the fact that in the 2021 financial year, COVID-19 rent relief of approximately R27,5 million was granted to tenants and in our current forecasts we are not making provision for further COVID-19 rent relief in the 2022 financial year. This forecast is the responsibility of the Safari Board and has not been reviewed or reported on by the auditor.

AUDIT AND RISK COMMITTEE REPORT

All the members of the Committee are financially literate and the Board will ensure that any future appointees are financially literate.

The members of the Audit and Risk Committee are Dr MT Matshoba-Ramuedzisi CA(SA), the Lead Independent Non-executive Director, who chairs this Committee, Dr PA Pienaar and Mr MH Muller all of whom are Independent Non-executive Directors. The external auditor, CEO and CFO attend meetings by invitation.

The Committee's report on audit-related matters

The Committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act and Regulation 42 of the Companies Regulations, 2011.

The Committee is responsible for performing the functions required by it in terms of Section 94(7) of the Companies Act. These functions include nominating and appointing the Group's auditor and ensuring that such auditor is independent of the Group, determining the fees to be paid to the auditor and the auditor's terms of engagement, ensuring that the appointment of the auditor complies with the provisions of the Companies Act and any other relevant legislation dealing with any complaints (whether from within or outside the Group) relating to accounting practices or the content of the Group's consolidated annual financial statements and related matters.

The non-statutory functions of this Committee are to assist the Board in fulfilling its responsibilities by reviewing the effectiveness of internal control systems in the Group with reference to the findings of the external and internal auditors, and reviewing and recommending, for approval by the Board, the annual financial statements and interim reports of the Group, as well as other public communications of a financial nature.

Other functions include considering accounting issues, reviewing audit recommendations and ensuring that the Group complies with relevant legislation and sound corporate governance principles. The members of this Committee are appointed every year at the Annual General Meeting.

Responsibilities of the Committee include:

- adopting and implementing an appropriate Financial Risk Management Policy in accordance with industry practice;
- reporting in the Integrated Annual Report that it has monitored compliance with the Risk Management Policy and that the Group has, in all material respects, complied with the policy during the year concerned;
- reporting to the JSE in the annual compliance declaration (as referred to in paragraph 13.49(d) of the JSE Listings Requirements) that it has monitored compliance with the policy and that the Group has, in all material respects, complied with the policy during the year concerned; and
- at the time of listing, confirming to the JSE and disclosing in the prelisting statement that it has adopted the policy referred to in paragraph 13.46(h)(i) of the JSE Listings Requirements.

Internal auditor

Safari appointed an internal auditor as per the recommendation by the Audit and Risk Committee and in line with King IV™. The Committee satisfied itself through enquiry that the internal auditor is independent as defined by the Companies Act and as per the standards stipulated by the auditing profession.

The Committee, in consultation with executive management, agreed to the terms of the engagement. The fee for the internal audit has been considered and was approved by the Board. The Committee satisfied itself of the scope and quality of work performed by the internal auditor.

During this financial year, the Committee conducted three meetings with 100% attendance by the members (refer to the table below):

Members	3 Apr 2020	19 Jun 2020	**11 Nov 2020**
Dr MT Matshoba-Ramuedzisi	–	–	√
AE Wentzel	√	√	+
FN Khanyile	√	√	+
Dr M Minnaar	√	√	+
MH Muller	–	–	√
Dr PA Pienaar	–	–	√
Attendance	**100%**	**100%**	**100%**

√ Attended + Resigned – Not a member

External auditor

The Committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies Act and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act that internal governance processes within the firm support and demonstrate the claim to independence. The Committee also reviewed the performance of the external auditor and confirmed that the external auditor, the partner and the firm, have complied with the suitability requirements of the JSE as detailed in paragraph 22.15(h) of the JSE Listings Requirements.

The Committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved, taking into consideration such factors as the timing of the audit, the extent of the work required and the scope. For non-audit services, the Committee satisfies itself that the service provider is independent in relation to the external audit function. The service provider submits an engagement letter pertaining to the scope of work and fee which are considered by the Committee and recommended to the Board for approval. Based on written reports submitted and key audit matters addressed as per the auditor's report, the Committee reviewed, with the external auditor, the findings of their work and confirmed that all significant matters had been satisfactorily resolved. The Committee is satisfied that the 2021 audit was completed without any restrictions on its scope.

The Committee satisfied itself with the appointment of the external auditor as per the JSE Listings Requirements and the Companies Act. Subsequently, the Committee recommended the appointment of BDO South Africa Incorporated as external auditor for the 2021 financial year and Mr Paul Badrick as the designated lead auditor. The 2022 financial year will be the third year of the firm as auditor of the Company and Group. The following factors were considered when the appointment was made: the annual fee charged; independence; the promotion of transformation regarding race and gender; experience; and track record of auditing REITs and the availability of a Pretoria-based audit team.

Annual financial statements and reports

Following the review of:

- the unaudited interim financial statements as at 30 September 2020; and
- the consolidated annual financial statements as at 31 March 2021,

the Audit and Risk Committee recommended Board approval of the annual financial statements listed above.

Accounting practices and internal control

The Audit and Risk Committee closely monitors the internal control systems. In addition, the Committee monitors the corporate governance of the Company to ensure it complies with the Companies Act, the JSE Listings Requirements and King IV™. The Committee ensured that appropriate financial reporting procedures exist and are working, which include consideration of all entities included in the consolidated Group IFRS financial statements. The Committee has access to all the financial information of the Company to allow the Company to effectively prepare and report on the financial statements. No significant accounting practices or internal control measurement changes occurred during the year that required the attention of the Audit and Risk Committee.

Chief Financial Officer

This Committee reviewed the expertise, experience and performance of Safari's CFO, Mr WL Venter, and was satisfied therewith. In addition, the Committee reviewed and reported on the expertise, resources and experience of the Group's finance functions.

Group Company Secretary assessment

The Committee also reviewed and assessed the Group Company Secretary's competence, qualifications and experience. The Committee interviews and assesses Mr PWL van Niekerk on a continual basis and is satisfied that he is qualified and competent to act as the Group Company Secretary. A written assessment has been done in this regard and was submitted to the Board in order to discharge its duties in terms of the JSE Listings Requirement 3.84(h).

JSE proactive monitoring process

The Audit and Risk Committee has considered correspondence received on 29 March 2021 and 3 June 2021 from the JSE in terms of the proactive monitoring process and responded accordingly. This is a process where the JSE randomly selects companies on a rotational basis as part of their proactive monitoring process. This year, Safari was selected and the JSE requested the Company to provide them with certain information and clarifications, with reference to Safari's audited 2020 annual financial statements and unaudited 2020 interim financial statements. This is still in process and has not been concluded at the time of this report.

The Committee's report on risk-related matters

Safari is of the view that effective risk governance is essential to its sustainable business performance and the realisation of strategic management and operational objectives. Safari's approach ensures that any changes in risks and the impact thereof are identified and managed appropriately.

The Board has the overall responsibility of risk governance within the Company and oversees that risks are being managed and reported appropriately. This includes the determination of risk appetite and tolerance levels and the approval of the risk strategy – in this regard, refer to the risk management section on pages 16 to 18.

The Audit and Risk Committee is further charged with the duty to identify, review and effectively monitor any financial risks and for overseeing that the executives and senior management have identified and assessed all the significant risks the organisation faces. Dr PA Pienaar has been appointed as the Chief Risk Officer ensuring that mitigating controls and implementation measures are adhered to.

The Audit and Risk and Strategy Committees report to the Board to attest that all potential and emerging risks have been identified and recorded and that

AUDIT AND RISK COMMITTEE REPORT continued

appropriate actions have been taken to mitigate the risks to acceptable levels.

Safari's Board appreciates the fact that risk management is an integral part of the Group's strategy to ensure that the value of the business is protected and to enable business and growth. Safari is committed to continuously improving its risk strategy and management processes to ensure that the business remains risk resistant. Risk management does not necessarily eliminate risks completely, but rather provides a process and structure to manage and mitigate the possible consequences of the risks identified.

The Audit and Risk Committee duties in 2020/21

The duties of the Committee include, but are not limited to:

- monitoring the integrity of the annual financial statements of Safari including the Integrated Annual Report and interim reports and formal announcements relating to its financial performance;
- overseeing integrated reporting and signing off the Integrated Annual Report;
- reviewing the expertise, resources and experience of Safari's financial function;
- reviewing and reporting risk-related matters and overseeing the development and review of a policy and plan for risk management;
- keeping under review the effectiveness of Safari's internal controls and risk management systems;
- reviewing Safari's arrangements for its employees to raise concerns about possible wrongdoing in financial reporting or other matters and ensuring that these arrangements allow independent investigation and appropriate follow-up action;
- considering the appointment, reappointment and removal of Safari's auditor and overseeing the relationship with the auditor;
- assessing annually if the Group requires an internal audit function; and
- ensuring that a combined assurance model is applied to provide a coordinated approach to all assurance activities.

Accounting treatment of the Southern Palace transaction

In the 2020 annual financial statements, it was disclosed that it had become probable at the reporting date that Sanlam would make a further guarantee call against Safari. This was considered as the addition of a further cash-settled provision to the original share-based payment arrangement, and a share-based payment liability was recognised and valued using similar principles as applied in the 2019 financial year. The related debit was also accounted for consistently with the previous treatment i.e. recorded as a reduction in stated capital/equity.

During the current financial year, the remaining outstanding Sanlam facility was settled by Safari after Sanlam called on the guarantee provided by Safari. Safari now holds a pledge over the 53 million Safari shares as security for the claim against Southern Palace and would recover, as a minimum for the debt owed by Southern Palace, the value of the shares upon realisation or cancellation. The 53 million shares are treated as treasury shares for accounting purposes.

The minimum recovery for Safari in respect of the debt owed by Southern Palace will therefore be the value of the shares, either on cancellation or on realisation. Cancellation of all or some of the shares may have additional consequences for shareholders which will be evaluated as part of the Board's considerations. See note 14 on page 88 for further discussions in this regard.

On behalf of the Audit and Risk Committee

Dr MT Matshoba-Ramuedzisi
Chairperson: Audit and Risk Committee

Pretoria
23 June 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Safari Investments RSA Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Safari Investments RSA Limited and its subsidiary ("the group") set out on pages 62 to 103, which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Safari Investments RSA Limited and its subsidiary as at 31 March 2021, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Investment property The valuation of investment property is considered to be a matter of most significance due to the magnitude of the balance, the significant judgements and estimates associated with determining their fair values and the sensitivity of the valuations to changes in assumptions. The valuations are based on discounted cash flow models and direct comparable methods, which are valued annually by an external independent valuator. Judgement is required in determining vacancy levels, discount and terminal capitalisation rates. Note 4 (Investment property) sets out the most significant inputs and assumptions into the valuations.	We performed the following procedures amongst others: ▪ assessed the design and tested the implementation of the key controls over the valuation process; ▪ evaluated the capabilities, competency, and objectivity of the external valuator. This included verifying professional qualifications and registrations and making an assessment of the independence and appropriateness of the valuator used; ▪ through discussions with the external valuator, obtained an understanding of the work performed, which included, the valuation methodology adopted, the significant assumptions used, and critical judgement areas applied, such as vacancy levels, discount rates and terminal capitalisation rates; ▪ with the assistance of our internal corporate finance specialist, ensured that the valuation methodology was appropriate, compared for reasonability, the significant assumptions and judgements used by the valuator against historical inputs and market data, where available, and investigated unexpected movements; ▪ for all properties, we verified the mathematical accuracy of the models applied, evaluated the reasonability of the inputs, and assessed the reasonability of management's forecast by comparing the forecast to the actual historical results for reasonability, assessed reasonableness of the growth rates used to the SAPOA capitalisation and discount rate report; and ▪ we reviewed the completeness and adequacy of the disclosure in the financial statements for compliance with International Financial Reporting Standards, including disclosure on significant inputs and sensitivity analysis.

INDEPENDENT AUDITOR'S REPORT continued

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Safari Investments RSA Limited Integrated Report 31 March 2021", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Safari Investments RSA Limited for 2 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Paul Badrick
Director
Registered Auditor

30 June 2021

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: ME Stewart

A full list of all company directors is available on **www.bdo.co.za**

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	Note	2021 R'000	2020 R'000
Assets			
Non-current assets			
Property, plant and equipment	3	920	912
Right-of-use assets	16	5 955	6 934
Investment property	4	3 245 810	3 058 199
Fair value of investment property		3 353 762	3 149 392
Operating lease asset		(107 952)	(91 193)
Loans to shareholders	5	43 077	44 399
Operating lease asset	6	104 591	87 637
Deferred tax	7	20 038	24 234
		3 420 391	3 222 315
Current assets			
Inventories	8	106 000	122 684
Loans to shareholders	5	6 262	5 465
Trade and other receivables	9	13 050	12 593
Operating lease asset	6	3 361	3 557
Cash and cash equivalents	10	5 085	6 105
		133 758	150 404
Total assets		3 554 149	3 372 719
Equity and liabilities			
Equity			
Stated capital	11	1 606 452	1 606 452
Retained income		542 738	375 711
		2 149 190	1 982 163
Liabilities			
Non-current liabilities			
Interest-bearing borrowings	13	516 065	500 000
Derivatives	12	35 540	23 875
Lease liabilities	16	6 332	6 975
Deferred tax	7	9 361	19 206
		567 298	550 056
Current liabilities			
Trade and other payables	17	29 756	32 089
Interest-bearing borrowings	13	804 386	587 240
Derivatives	12	2 875	252
Lease liabilities	16	644	502
Share-based payment liability	14	–	220 417
		837 661	840 500
Total liabilities		1 404 959	1 390 556
Total equity and liabilities		3 554 149	3 372 719

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2021

	Note	2021 R'000	Restated 2020 R'000
Revenue	18	342 712	366 784
Property revenue		320 898	320 788
Straight-line lease adjustment		16 759	24 656
Revenue from sale of inventory	38	5 055	21 340
Other income	20	6 376	5 444
Cost of inventory sold		(5 356)	(20 774)
Impairment of inventory	19	(11 508)	(11 233)
Operating expenses		(116 993)	(114 831)
Operating profit		215 231	225 390
Investment income	23	4 426	5 605
Fair value adjustments	21	153 058	(8 179)
Gross fair value adjustments		169 817	16 477
Straight-line lease adjustment		(16 759)	(24 656)
Finance costs	24	(97 662)	(90 995)
Fair value loss on hedging instruments	25	(12 835)	(21 870)
Profit before taxation		262 218	109 951
Taxation	26	5 361	(2 289)
Profit for the year		267 579	107 662
Other comprehensive income		–	–
Total comprehensive income for the year		267 579	107 662
Basic earnings per share (cents)	30	104	42
Diluted earnings per share (cents)	30	104	42

Refer to restatement and reclassification of comparatives – note 38.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Stated capital R'000	Retained income R'000	Total equity R'000
Balance as at 1 April 2019	1 828 902	417 245	2 246 147
Profit for the year	–	107 662	107 662
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	107 662	107 662
Share-based payment	(2 033)	–	(2 033)
Share-based payment liability (note 14)	(220 417)	–	(220 417)
REIT distribution paid	–	(149 196)	(149 196)
Total contributions by and distributions to owners of the Company recognised directly in equity	(222 450)	(149 196)	(371 646)
Balance as at 1 April 2020	1 606 452	375 711	1 982 163
Profit for the year	**–**	**267 579**	**267 579**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**267 579**	**267 579**
REIT distribution paid	**–**	**(100 552)**	**(100 552)**
Total contributions by and distributions to owners of the Company recognised directly in equity	**–**	**(100 552)**	**(100 552)**
Balance as at 31 March 2021	**1 606 452**	**542 738**	**2 149 190**
Note	11		

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

	Note	2021 R'000	Restated 2020 R'000
Net cash generated from/(used in) operating activities			
Cash generated from operations	27	**213 595**	238 047
Investment income		**4 646**	5 759
Finance costs		**(98 424)**	(90 911)
REIT distribution paid		**(100 552)**	(149 197)
Tax paid	28	**(288)**	(495)
Net cash from operating activities		**18 977**	3 203
Cash from/(used in) investing activities			
Purchase of property, plant and equipment	3	**(258)**	(1 060)
Purchase and development of investment property	4	**(34 553)**	(57 374)
Proceeds from shareholders' loan	38	**321**	1 289
Net cash used in investing activities		**(34 490)**	(57 145)
Cash flows from financing activities			
Payment of share-based payment liability	11	**(220 417)**	(252 033)
Proceeds from interest-bearing borrowings	13	**946 259**	564 983
Repayment of interest-bearing borrowings	13	**(710 847)**	(259 782)
Payment of lease liabilities (lessee)	38	**(502)**	(354)
Net cash from financing activities		**14 493**	52 814
Total cash movement for the year		**(1 020)**	(1 128)
Cash at the beginning of the year		**6 105**	7 233
Total cash and cash equivalents at the end of the year	10	**5 085**	6 105

Refer to restatement and reclassification of comparatives – note 38.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

Accounting policies

Presentation of the financial statements

These consolidated annual financial statements of Safari Investments RSA Limited and its subsidiary ("the Group") have been prepared in accordance with IFRS, SAICA's Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act. The consolidated annual financial statements have been prepared on the historical cost basis, except for investment properties and derivatives measured at fair value, and which incorporate the principle accounting policies set out below. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1. Significant accounting policies

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements comprise the financial statements of the Group as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The results of the subsidiary are included in the consolidated annual financial statements from the effective date that control was acquired to the effective date that control is disposed of or lost.

All intra-group transactions, assets and liabilities, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, the Group is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may have an impact on the consolidated annual financial statements. Significant judgements included:

Significant judgements

Trade receivables

Trade receivables are considered to be financial assets which are recognised at amortised cost. Trade receivables are amounts due from customers mainly relating to rental income and tenant recoveries. They are generally due for settlement within 30 days and therefore are all classified as current. The Group applies the IFRS 9 general approach to the trade receivables and measures the loss allowance at an amount equal to a 12-month expected credit loss i.e. default events that are possible within 12 months if there has not been any significant increase in credit risk since initial recognition. This is determined on a probability of default weighting being the difference between contractual cash flows due to the Group and the amount the Group expects to receive discounted at the credit loss rate; defaults do not occur later than when a financial asset is 30 days past due. Inherently, the Group's assessment of expected credit loss allowances utilised forward-looking scenarios of all individual debtors that are past due taking into account the following factors:

- Multinational, national or local tenants;
- History of the tenant's occupancy at the property;
- Whether the tenant is likely to pay their future rental considering the market they operate within and their payment history;
- Deposits and bank guarantees being held as collateral for arrear rental;
- Individual circumstances that may have arisen due to occupancy i.e. maintenance; and
- Rental relief provided.

Expected credit losses are updated at each reporting date utilising a three-stage model to evaluate for impairment based on changes in credit quality and risk since initial recognition.

Stage 1 – Financial assets that have a low credit risk at the reporting date; 12-month expected credit losses are recognised.

Stage 2 – Assess if there has been a significant increase in credit risk and quality of the financial asset since initial recognition but does not show an objective evidence of impairment; lifetime expected credit losses are recognised.

Stage 3 – If there is objective evidence of impairment at the reporting date, lifetime expected credit losses are recognised. Significant increases in credit risk and quality for trade receivables relate to tenants that remain further in default in respect to days past due at the reporting date and where litigation has commenced against the tenant for arrear rental.

The write-off policy of the Group takes into consideration the tenant's ability to engage with the Group on a repayment proposal and a cost versus benefit assessment of the receivable.

Recognition of loans to shareholders as a financial asset

IAS 32.11 defines a financial asset as cash, or a contractual right to receive cash or other financial assets from another entity. The loans to shareholders relate to the vendor loan with WDB Investment Holdings. Judgement was applied in concluding that these loans meet the definition of a financial asset. Although the loan is partly repayable from dividends on Safari shares, it is not recourse solely to Safari shares.

Furthermore, the loan does have a fixed maturity. On this basis, the Group has concluded that the loan should be recognised as a financial asset.

Deferred tax

Deferred tax is provided for on the fair value adjustment of investment properties based on the expected manner of recovery i.e. sale of use. This manner of recovery affects the rate used to determine the deferred tax liability. Refer to note 26. Safari Investments RSA Limited was listed as a REIT on the JSE on 7 April 2014 and the manner of the realisation of deferred tax has been taken into account accordingly. Safari Investments RSA Limited as a REIT does not have a formal distribution policy for the foreseeable future. As such, assumptions cannot be made that the distributions made to the shareholders of the Company will exceed the taxable income of the Company. Therefore, the deferred tax has been provided on the following in accordance with IAS 12 *Income Taxes*:

- Straight-lining of operating leases;
- Income received in advance; and
- Capital allowances previously deducted before listing as a REIT on the JSE and therefore a future recoupment for tax purposes on sale of investment properties.

After converting to a REIT, capital gains taxation is no longer applicable on the sale of investment property in terms of Section 25BB of the Income Tax Act. The deferred tax rate applied to investment property at the sale rate will therefore be 0%. Consequently, no deferred tax was raised on the fair value adjustment on investment properties within South Africa. The deferred tax asset for Namibia is a result of the downward fair valuation of the Platz am Meer property. Management's judgement is that the current economic climate together with certain property-specific matters, which are being addressed, resulted in the downward valuation and should be reversed once there is a turnaround. The valuation of the asset will be assessed at each reporting period.

IFRIC 23 *Uncertainty over Income Tax Treatments*

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made.

Sources of estimation uncertainties

Fair value of investment property

Refer to note 1.3.

Operating lease straight-lining

Included in the lease smoothing calculations are lease agreements with escalation terms linked to the Consumer Price Index ("CPI"). The escalation terms state that the annual escalation will be equal to the CPI percentage, but limited to 7% per annum.

Inventory

A percentage of Erf 71 Swakopmund and the development thereon is recognised as inventory. The reason for the classification as inventory is that the development on this part of the property will be sold as residential units.

The net realisable value of inventory has been valued by an independent external valuer, who has considered all aspects of the inventory, including:

- the current economy;
- nature of the property;
- location;
- risk profile; and
- cost to sell inventory.

The inventory has been valued using the "direct comparable method" and recognised at the lower of cost and net realisable value in terms of IAS 2 *Inventories*.

1.3 Fair value investment property

The valuation of the property has been carried out by an external valuer who has considered all aspects of all the properties, including:

- the current economy;
- nature of the property;
- location;
- tenancy;
- risk profile;
- forward rent and earning capability;
- exposure to future expenses and property risk;
- tenancy income capability; and
- property expenditure.

The value thus indicates the fair market values for the properties. The Company accordingly applied the fair value model. The calculation of the market values of the properties has been based on income capitalisation, making use of market rental rates and capitalisation rates.

The vacant land has been valued on the "direct comparable basis".

The discounted cash flow has, however, been calculated for developed property as the only method of valuation in order for the capitalised value to be calculated and is consistent with market norms and expectations.

The "highest and best use" has been considered when determining the market value of the existing buildings; those in the "process of development" as well as the "vacant land".

The considerations for the capitalised valuations are as follows:

- Calculating the forward cash flow of all contractual and other income from the property;
- Calculating the forward contractual and other expenditure as well as provisions for various expenses in order to provide for future capital expenditure to which the property may be exposed; and
- The current area vacancy as a percentage of the leasable area.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

1. Significant accounting policies continued

1.3 Fair value investment property continued

The valuer has also deducted percentages of the net annual income as a provision for rental that may not be collected as a consequence of vacancy, tenant failure or tenant refitting.

The valuation reports were reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it has been recommended that property valuations remain under frequent review.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	**Average useful life**
Furniture and fixtures	Straight-line	6 years
IT equipment	Straight-line	3 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Financial instruments

Classification

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party of the contractual provisions of the instrument. The Group classifies financial assets and financial liabilities into one of the following categories, depending on the purpose for which the financial instrument was acquired:

- Financial assets at amortised cost – trade and other receivable and loans to shareholders;
- Financial liabilities at amortised cost – trade and other payables, cash and cash equivalents and interest-bearing borrowings; and
- Financial liabilities at fair value through profit or loss – derivative financial instruments i.e. interest rate swaps.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value through profit or loss or at amortised cost depending on the Group's business model for managing the assets or liabilities, and the contractual terms of the cash flows.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

Financial assets and financial liabilities at amortised cost are subsequently carried at amortised cost using the effective interest rate method. This method exactly discounts estimated future cash receipts or payments to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Gains or losses arising from derecognition, reclassification, impairment or in the case of a financial asset, the amortisation process, will be recognised in profit or loss

When the contractual cash flows of a financial asset are renegotiated or modified, the entity will recalculate the present value using the financial asset's original effective interest rate. The modification gain or loss is recognised in profit or loss.

All financial assets and financial liabilities at fair value through profit or loss are carried at fair value subsequent to initial recognition. Fair value gains or losses (realised and unrealised) calculated on the subsequent measurement are recognised in profit or loss

Financial assets and liabilities are not reclassified unless the Group amends its business model for managing these financial assets and liabilities.

Derecognition

The Group shall derecognise a financial asset only when the contractual rights to the cash flows expire or it transfers the financial asset and that transfer qualifies for derecognition

The Group shall derecognise a financial liability only when it is extinguished i.e. when the obligation specified in the contract is discharged or cancels or expires

An exchange of debt instruments with substantially different terms between an existing borrower and lender of debt, or a substantial modification to the terms of an existing financial liability shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability extinguished or transferred and the amount paid will be recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on lease receivables, trade receivables and financial guarantee contracts.

Safari has adopted the general approach which measures the loss allowance at an amount equal to a 12-month expected credit losses on a probability weighted estimate if there has not been a significant increase in risk since initial recognition of the financial asset. If there has been a significant increase in credit risk since initial recognition of the financial instrument, the Group recognises a lifetime expected credit losses. Expected credit losses under the "general approach" for each forward-looking scenario of the Group can be developed using the equation: probability of default multiplied by the loss of the given default multiplied by the exposure at the date of default.

Lease receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a tenant to engage in a repayment plan, vacated tenants not honouring payment plans, the inability to locate tenants and the recovery cost and efforts are not justified relative to the amount receivable. Write-offs are recognised under "operating expenses" in profit or loss.

Subsequent recoveries of amounts previously written off are credited against operating expenses. Further details about the Group's impairment policies are set out in note 1.2.

Loans to shareholders

These financial assets are measured at amortised cost. Refer to note 1.2 in respect of the Group's impairment policies.

Trade and other receivables

Safari makes use of the general approach in accounting for trade and other receivables and records the loss allowance as part of a 12-month expected credit loss.

These are the expected shortfalls in contractual cash flows, and the cash flows that it actually expects to receive ("cash shortfalls").

The Group assesses impairment of trade receivables on a collective and individual basis; tenants that possess shared credit risk characteristics and have been grouped based on the days past due.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Borrowings

Borrowings are classified as financial liabilities at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Effective interest rate

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the interest on the instrument over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the instrument.

Derivative financial instruments

As part of the Company's risk management strategies, derivatives have been utilised to hedge against interest rate risks arising from its financing arrangements. Even though the derivatives meet the hedge accounting criteria, we have elected not to apply hedge accounting and therefore these are classified as "held for trading" for accounting purposes which are accounted for at fair value through profit or loss. They are presented as non-current assets or liabilities to the extent they are expected to be settled 12 months after the end of the reporting period.

The derivative financial instruments held relate to interest rate swaps measured at fair value as at the reporting date. This is calculated using the net present value the Group would pay or receive from the swap counterparty based on current interest rates.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

1. Significant accounting policies continued

1.6 Tax continued

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting or taxable profit, and
- investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

In respect of deferred tax assets arising from the Namibian investment property measured at fair value, the presumption that recovery will be through sale rather than use has been rebutted.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on the same taxable group company.

The deferred tax assets and liabilities for the Group have not been offset as they are levied by different tax authorities (note 7).

IFRIC 23 *Uncertainty over Income Tax Treatments*

When there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, the Group then:

- considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. The required measurement is based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

All leases with tenants are classified as operating leases.

Operating leases – lessor

Operating lease income is recognised as income on a straight-line basis over the lease term.

The accrued operating lease income straight-lining adjustment is recognised as an asset in the statement of financial position. The current portion of the operating lease asset is the portion of the accrued operating lease income straight-lining adjustment that will reverse in the next financial year.

Income from leases is disclosed within revenue in profit or loss.

Contingent rentals

Where applicable turnover rent is negotiated with tenants on an individual basis. Turnover rent is recognised when it is due in terms of the lease agreement.

Leases – Group as lessee

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the Company under residual value guarantees;
- The exercise price of purchase options if the Company is reasonably certain to exercise the option;
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 16).

The lease liability is presented as a separate line item on the consolidated statement of financial position.

The Group would remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset), even though this is not applicable in the current financial year, when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the consolidated statement of financial position. Right-of-use assets are usually measured at cost at the commencement date which comprises the following:

- The initial amount of the corresponding lease liability;
- Any lease payments made at or before the commencement date;
- Any initial direct costs incurred;
- Any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- Less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the construction process.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of assets

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

1. Significant accounting policies continued

1.10 Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity and those paid for and issued are recognised as stated capital. The ordinary shares fully paid for but not yet issued are classified within the statement of changes in equity.

1.11 Earnings per share

The Group presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

The calculation of headline earnings per share is based on the net profit attributable to equity holders of the Parent, after excluding all items of a non-trading nature, divided by the weighted average number of ordinary shares in issue during the year.

The presentation of headline earnings is not an IFRS requirement, but is required by the JSE and Circular 1 of 2021.

1.12 Revenue

The Group earns revenue from the leasing of investment property and recoveries of property expenses. Revenue from rental agreements is recognised in accordance with the accounting policy for operating leases.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for apartment sales and leasing services provided in the normal course of business, net of value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

The contracts impacted by this standard are limited to the sale of inventory which is recognised at the point when the purchaser obtains control i.e. legal title of the inventory (apartment), which coincides with the point in time when cash is received. This is not considered a significant and recurring revenue stream for the Group and no financing is provided in connection with the sale of apartments. The majority of the Group's revenue contracts relate to lease agreements held to earn rental income which are covered under IFRS 16.

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

1.14 Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues or incur expenses for which discrete financial information is available and whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker. The segment's assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

The Group's operating segments are reported on based on the location of every property within the Company.

The measurement policies the Company uses for segment reporting under IFRS 8 *Operating Segments* are the same as those used in the annual financial statements.

The Group classifies the following main segments (shopping centres), which is consistent with the way in which the Company reports internally:

- Atlyn, Mnandi and Nkomo (Atteridgeville);
- Denlyn (Mamelodi);
- Thabong (Sebokeng);
- The Victorian (Heidelberg);
- Thornhill (Polokwane); and
- Platz Am Meer (Namibia).

1.15 Related parties

The related parties of the Group consist of companies with common directorship, trusts with Directors acting as trustees, close corporations with Directors acting as members and a wholly-owned subsidiary of such entities.

1.16 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any impairment of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the impairment or loss occurs. The amount of any reversal of any impairment of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. New standards, interpretations and amendments adopted

IFRS 3 *Business Combinations* (Amendment – Definition of a Business)

As a result of the post-implementation review of IFRS 3, these amendments modify the definition of a business. These changes will result in fewer acquisitions being accounted for as a business combination within the scope of IFRS 3. The amendments also introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is a business. These amendments in IFRS 3 did not have any impact on the amounts recognised in the Group's current and prior periods.

IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors:* Disclosure initiative

Definition of material: The amendments clarify and align the definition of "material" and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS. The impact of this amendment was not material on the Group.

IFRS 16 *Leases* COVID-19-related rent concessions

In response to the COVID-19 pandemic, in May 2020, the IASB issued amendments to IFRS 16, which permit lessees not to assess whether a rent concession received meets the definition of a lease modification if certain criteria are satisfied. Instead, lessees apply other applicable IFRS standards, which will often result in a concession being recorded as a negative variable payment (e.g. DR lease liability, CR profit or loss).

The amendments were adopted during the financial year under review and do not result in any changes to the Group's accounting policies and have no material effect on the disclosures or on the amounts reported for the current or prior years.

2.1 New standards, interpretations and amendments not yet effective

The Group has elected not to early adopt the following standards, amendments to standards and interpretations which have been issued by the IASB and are effective in future reporting periods:

- **Classification of liabilities as current or non-current (amendments to IAS 1)** – effective for annual periods on or after 1 January 2023;
- **Amendments to IFRS 3 – reference to the Conceptual Framework** – effective for annual periods beginning on or after 1 January 2022; and
- **Amendments to IAS 16 *Property, Plant and Equipment*: Proceeds before Intended Use** – effective for annual periods beginning on or after 1 January 2022.

The above-mentioned amendments to the standards issued by the IASB, which are not yet effective, are currently being assessed by the Group with the expectation that the impact of these amendments is likely to be immaterial

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3. Property, plant and equipment

	2021			2020		
	Cost or revaluation R'000	**Accumulated depreciation R'000**	**Carrying value R'000**	Cost or revaluation R'000	Accumulated depreciation R'000	Carrying value R'000
Furniture and fixtures	**927**	**(255)**	**672**	766	(119)	647
IT equipment	**439**	**(191)**	**248**	342	(77)	265
Total	**1 366**	**(446)**	**920**	1 108	(196)	912

Reconciliation of property, plant and equipment

	Opening balance R'000	**Additions R'000**	**Depreciation R'000**	**Total R'000**
2021				
Furniture and fixtures	**647**	**161**	**(136)**	**672**
IT equipment	**265**	**97**	**(114)**	**248**
	912	**258**	**(250)**	**920**
2020				
Furniture and fixtures	–	766	(119)	647
IT equipment	23	319	(77)	265
	23	1 085	(196)	912

4. Fair value investment property

	Carrying value	
	2021 R'000	2020 R'000
Investment property	**3 245 810**	3 058 199

Reconciliation of fair value investment property

	Opening balance R'000	**Additions R'000**	**Operating lease straight-lining asset R'000**	**Fair value adjustments R'000**	**Total R'000**
2021					
Investment property	**3 058 199**	**34 553**	**(16 759)**	**169 817**	**3 245 810**
2020					
Investment property	3 009 004	57 374	(24 656)	16 477	3 058 199

4. Fair value investment property continued

Details of property

The fair values as disclosed per property are inclusive of the operating lease asset. The operating lease asset is presented separately as required by IAS 40 and the value of investment property is reduced to avoid double counting.

	2021 R'000	2020 R'000
Sebokeng – Thabong Shopping Centre		
Erf 103 measuring 9 643m^2		
Erf 104 measuring 9 643m^2		
Erf 105 measuring 10 000m^2		
Erf 106 measuring 9 643m^2		
Erf 74995 measuring 51 061m^2		
Erf 77666 (consolidated 86, 87, 94 and 95) measuring 5 502m^2		
Sebokeng Unit 10 Ext 1: Retail shopping centre		
– Purchase price: Land	7 739	7 739
– Purchase price: Buildings	1 637	1 637
– Capital movement since purchase or valuation	415 685	417 741
– Fair value adjustments	136 239	132 283
	561 300	559 400
Mamelodi – Denlyn Shopping Centre		
Erf 19265 Mamelodi measuring 4 849m^2		
Erf 40827 Mamelodi Ext 13 measuring 75 539m^2		
Erf 40827 is a consolidated property made up of previous erven measuring 35 380m^2, 40 327m^2 and 40 326m^2 (portion 1) Mamelodi Ext 1: Retail shopping centre		
– Purchase price: Land	18 525	18 525
– Purchase price: Buildings	173 985	173 985
– Capital movement since purchase or valuation	273 948	258 539
– Fair value adjustments	422 542	347 851
	889 000	798 900
Atteridgeville – Atlyn Shopping Centre		
Erf 16248 Atteridgeville Ext 25 measuring 64 926m^2		
Erf 16248 is a consolidated property made up of erven 15232, 15233 and 15234, Atteridgeville Ext 25: Retail shopping centre		
– Purchase price: Land	11 379	11 379
– Purchase price: Buildings	194 735	194 735
– Capital movement since purchase or valuation	140 017	134 594
– Fair value adjustments	281 369	236 892
	627 500	577 600

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

4. Fair value investment property continued

Details of property continued

	2021 R'000	2020 R'000
Atteridgeville – Nkomo Village Shopping Centre		
Erf 9043 measuring 69 068m^2		
Erf 9044 measuring 8 401m^2		
Erf 9045 measuring 3 472m^2		
Atteridgeville Ext 5: Retail shopping centre		
– Purchase price: Land	12 562	12 562
– Capital movement since purchase or valuation	366 990	364 380
– Fair value adjustments	(21 852)	(43 342)
	357 700	333 600
Atteridgeville – Mnandi Shopping Centre		
Remainder of Portion 294, Farm Pretoria Town and Townlands 351, Maunde Street		
Atteridgeville Ext 45, Stands 16249 and 16250, measuring 26 141m^2: Retail shopping centre		
– Purchase price: Land	4 000	4 000
– Capital movement since purchase or valuation	143 514	140 384
– Fair value adjustments	886	(7 484)
	148 400	136 900
Heidelberg – The Victorian Shopping Centre		
Portion 1 and portion 3 of Erf 3523 measuring 34 000m^2		
Ext 19 Heidelberg Township: Retail shopping centre		
– Acquisition through business combination	132 414	132 414
– Additions to business combination	2 388	2 388
– Capital movement since purchase or valuation	31 408	21 192
– Fair value adjustments	22 490	5 906
	188 700	161 900
Soweto Day Hospital		
Stand 14475 Protea Glen Ext 6, Johannesburg, Gauteng: Day hospital		
– Purchase price: Development	1 300	1 300
– Capital movement of project under development	26 291	26 291
– Fair value adjustments	7 409	13 409
	35 000	41 000
Lynnwood		
Stands 582-585 (inclusive), Portion 1 of Stand 586		
(Sections 1 and 2 of Lynnwood 586 Een) and remaining extent of Stand 586		
Lynnwood, Tshwane, Gauteng: Residential property		
– Purchase price: Land and buildings	40 795	40 795
– Capital movement since purchase or valuation	602	595
– Fair value adjustments	(9 397)	(4 890)
	32 000	36 500

4. Fair value investment property continued

Details of property continued

	2021 R'000	2020 R'000
Polokwane – Thornhill Shopping Centre		
Portion 1 of Erf 5665 Bendor Extension 87, Polokwane, Limpopo and remainder of Erf 5665 Bendor Extension 87, Polokwane, Limpopo		
– Acquisition of land and buildings	**172 660**	172 660
– Capital movement since purchase or valuation	**8 169**	8 513
– Fair value adjustments	**62 471**	44 827
	243 300	226 000
Subsidiary property		
Swakopmund, Namibia		
Platz am Meer Waterfront		
Erf 14 measuring 1 636m^2		
Erf 15 measuring 1 529m^2		
Erf 16 measuring 1 866m^2		
Erf 67 measuring 1 910m^2		
Erf 68 measuring 3 469m^2		
Erf 69 measuring 522m^2		
Erf 71 measuring 20 239m^2 (being 70% of total square metres of 29 041)		
Swakopmund, Erongo Region, Registration Division G: Retail shopping centre		
– Purchase price: Land and buildings	**16 000**	16 000
– Capital movement since purchase or valuation	**669 428**	669 269
– Transferred to inventory	**(174 684)**	(174 684)
– Fair value adjustments	**(239 882)**	(232 993)
	270 862	277 592

Direct operating costs (including employee costs, repairs and maintenance) relating to the investment property that generated rental income during the period of R87 342 341 (2020: R75 060 645) are included in profit or loss.

Certain investment property is held as security for mortgage bonds and the bank facilities. The value of encumbered property is as follows:

Thabong – Sebokeng Shopping Centre

- Erf 103 Sebokeng Unit 10 Extension 1 Township Registration Division I.Q., Gauteng Measuring: 9 643 (nine thousand six hundred and forty-three) square metres;
- Erf 104 Sebokeng Unit 10 Extension 1 Township Registration Division I.Q., Gauteng Measuring: 9 643 (nine thousand six hundred and forty-three) square metres;
- Erf 105 Sebokeng Unit 10 Extension 1 Township Registration Division I.Q., Gauteng Measuring: 10 000 (ten thousand) square metres;
- Erf 106 Sebokeng Unit 10 Extension 1 Township Registration Division I.Q., Gauteng Measuring: 9 643 (nine thousand six hundred and forty-three) square metres;
- Erf 74995 Sebokeng Unit 10 Extension 1 Township, Registration Division I.Q., Gauteng Measuring: 5,1061 (five comma one zero six one) hectares; and
- Erf 77666 (consolidated 86, 87, 94 and 95) Sebokeng Unit 10 Extension 1 Township, Registration Division I.Q., Gauteng Measuring 5 502 (five thousand five hundred and two) square metres.

Initial valuation amount: R497 600 000 (four hundred and ninety-seven million six hundred thousand Rand)

Mortgage bond amount: R1 000 000 000 (one billion Rand)

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

4. Fair value investment property continued

Details of property continued

Atteridgeville – Nkomo Village Shopping Centre

- Erf 9043 Atteridgeville Extension 5 Township Registration Division J.R., Gauteng
  Measuring: 6,9068 (six comma nine zero six eight) hectares; and
- Erf 9044 Atteridgeville Extension 5 Township, Registration Division J.R., Gauteng
  Measuring: 8 401,00 (eight thousand four hundred and one) square metres.

Initial valuation amount: R304 000 000 (three hundred and four million Rand)

Mortgage bond amount: R610 000 000 (six hundred and ten million Rand)

Polokwane – Thornhill Shopping Centre

- Portion 1 of Erf 5665 Bendor Extension 87 Township, Registration Division L.S., Limpopo
  Measuring: 2,5474 (two comma five four seven four) hectares; and
- Remaining extent of Erf 5665 Bendor Extension 87 Township, Registration Division L.S., Limpopo
  Measuring: 8 272 (eight thousand two hundred and seventy-two) square metres.

Initial valuation amount: RI74 000 000 (one hundred and seventy-four million Rand)

Mortgage bond amount: R348 000 000 (three hundred and forty-eight million Rand)

Atteridgeville – Atlyn Shopping Centre

- Erf 16248 Atteridgeville Extension 25 Township Registration Division J.R., Gauteng
  Measuring: 6,4926 (six comma four nine two six) hectares.

Initial valuation amount: R527 200 000 (five hundred and twenty-seven million two hundred thousand Rand)

Mortgage bond amount: R1 055 000 000 (one billion fifty-five million Rand)

Atteridgeville – Mnandi Shopping Centre

- Erf 16251 Atteridgeville Extension 45 Township Registration Division J.R., Gauteng
  Measuring: 2,6141 (two comma six one four one) hectares.

Initial valuation amount: R107 300 000 (one hundred and seven million three hundred thousand Rand)

Mortgage bond amount: R215 000 000 (two hundred and fifteen million Rand)

Heidelberg – The Victorian Shopping Centre

- Portion 3 of Erf 3523 Heidelberg Extension 19 Township, Registration Division J.R., Gauteng
  Measuring: 3,4000 (three comma four zero zero zero) hectares.

Initial valuation amount: R166 200 000 (one hundred and sixty-six million two hundred thousand Rand)

Mortgage bond amount: R333 000 000 (three hundred and thirty-three million Rand)

Mamelodi – Denlyn Shopping Centre

- Erf 40827 Mamelodi Extension 13 Township, Registration Division J.R., Gauteng
  Measuring: 7,5539 (seven comma five five three nine) hectares; and
- Erf 19265 Mamelodi Township, Registration Division J.R., Gauteng
  Measuring: 4 849 (four thousand eight hundred and forty-nine) square metres.

Initial valuation amount: R788 000 000 (seven hundred and eighty-eight million Rand)

Mortgage bond amount: R1 576 000 000 (one billion five hundred and seventy-six million Rand)

Soweto Day Hospital

- Erf 14475 Protea Glen Extension 6 Township, Registration Division I.Q., Gauteng
  Measuring: 1 912 (one thousand nine hundred and twelve) square metres.

Initial valuation amount: R35 506 000 (thirty-five million five hundred and six thousand Rand)

Mortgage bond amount: R71 000 000 (seventy-one million Rand)

4. Fair value investment property continued

Details of valuation

The effective date of the revaluations was 31 March 2021. Revaluations were performed by independent valuer, Mr WJ Hewitt (Professional Valuer NDPV, MIEA, FIVSA, RICS Registered Valuer, Appraiser).

The valuation of investment property (except for the property valuations based on the direct comparable method as detailed below) totalling R3 282 149 000 (2020: R3 061 727 000) was based on the discounted cash flow method.

The valuation of investment property (Lynnwood and other vacant stands/remaining bulk), totalling R71 613 000 (2020: R87 665 000) was based on the direct comparable method, plus development cost. This method was used as the aforementioned portions are not yet income earning (not yet generating cash flow).

These assumptions are based on current market conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

See note 1.2 – Significant judgements and sources of estimation uncertainty and note 1.3 – Fair value of investment property for the basis of valuations used.

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a "fair value hierarchy". The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

These valuations are considered to be Level 3 on the fair value hierarchy as per IFRS 13. There have been no movements of inputs between fair value hierarchy levels nor have there been any changes in the methods of valuation as mentioned above.

Information about fair value measurements using significant unobservable inputs

If the valuer were to increase both the terminal capitalisation and discount rates by 0,50%, the total valuation would decrease by R165 493 976. If the valuer were to decrease both the terminal capitalisation and discount rates by 0,50%, the total valuation would increase by R185 204 240.

If the valuer were to increase the long-term vacancy provision by 1,00%, the total valuation would decrease by R16 012 000. If the valuer were to decrease the long-term vacancy provision by 1,00%, the total valuation would increase by R16 068 000.

Due to COVID-19, these valuations are reported based on "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

Given the unknown future impact that COVID-19 might have on the real estate market, it has been recommended that property valuations remain under frequent review.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

4. Fair value investment property continued

Details of valuation continued

Description	Fair value as at 31 March 2021 R'000	2020 R'000	Valuation techniques
Erf 16248, Atteridgeville Ext 25	627 500	577 600	Discounted cash flow
Erf 19265 and Erf 40827, Mamelodi Ext 13	889 000	798 900	Discounted cash flow
Erf 103, Erf 104, Erf 105, Erf 106 and Erf 74995, Sebokeng Unit 10 Ext 1	559 433	557 484	Discounted cash flow
Additional bulk – Erf 77666, Sebokeng Unit 10 Ext 1	1 867	1 916	Direct comparable method
Portion 1 and portion 3 of Erf 3523, Heidelberg Ext 19	188 700	161 900	Discounted cash flow
Erf 9043, Erf 9044 and Erf 9045, Atteridgeville Ext 5	351 716	316 113	Discounted cash flow
Additional bulk – Nkomo, Atteridgeville Ext 5 (rezoning resulted in reduced bulk)	5 984	17 487	Direct comparable method
Remainder of Portion 294, Farm Pretoria Town and Townlands, Maunde Street, Atteridgeville Ext 45	148 400	136 900	Discounted cash flow
Portion 1 of Erf 5665 Bendor Extension 87, Polokwane, Limpopo and remainder of Erf 5665 Bendor Extension 87, Polokwane, Limpopo	243 300	226 000	Discounted cash flow
Erf 69, Erf 70 and Erf 71, Swakopmund	239 100	245 830	Discounted cash flow
Erf 14, Erf 15 and Erf 16, Swakopmund	19 620	19 620	Direct comparable method
Erf 68, Swakopmund	12 142	12 142	Direct comparable method
Lynnwood	32 000	36 500	Direct comparable method
Soweto	35 000	41 000	Discounted cash flow
	3 353 762	3 149 392	

	Erf 16248, Atteridgeville Ext 25 R'000	Erf 19265 and Erf 40827, Mamelodi Ext 13 R'000	Erf 103, Erf 104, Erf 105, Erf 106 and Erf 74995, Sebokeng Unit 10 Ext 1 R'000	Portion 1 and Portion 3 of Erf 3523, Heidelberg Ext 19 R'000
Fair value adjustment opening balance	236 892	347 851	132 283	5 906
Fair value adjustment in 2021	44 477	74 691	3 956	16 584
Fair value adjustment closing balance	**281 369**	**422 542**	**136 239**	**22 490**

Unobservable inputs	Discount rate/price per m² 2021 %	2020 %	Capitalisation rate 2021 %	2020 %	Relationship of unobservable inputs to fair value
Capitalisation rate	**13,25%**	14,25%	**8,25%**	8,25%	The lower the capitalisation rate the higher the value.
Capitalisation rate	**13,25%**	14,25%	**8,25%**	8,25%	The lower the capitalisation rate the higher the value.
Capitalisation rate	**13,25%**	14,25%	**8,25%**	8,25%	The lower the capitalisation rate the higher the value.
Price per m^2	**R848,48/m^2**	R870,75/m^2	**N/A**	N/A	
Capitalisation rate	**13,50%**	13,25%	**8,50%**	8,25%	The lower the capitalisation rate the higher the value.
Capitalisation rate	**13,50%**	14,25%	**8,50%**	8,25%	The lower the capitalisation rate the higher the value.
Price per m^2	**R848,48/m^2**	R756,94/m^2	**N/A**	N/A	
Capitalisation rate	**13,75%**	14,50%	**8,75%**	8,50%	The lower the capitalisation rate the higher the value.
Capitalisation rate	**13,50%**	13,50%	**8,50%**	8,50%	The lower the capitalisation rate the higher the value.
Capitalisation rate	**13,75%**	13,25%	**8,75%**	8,25%	The lower the capitalisation rate the higher the value.
Price per m^2	**R3 900/m^2**	R3 900/m^2	**N/A**	N/A	The higher the rate/m^2 the higher the value.
Price per m^2	**R3 500/m^2**	R3 500/m^2	**N/A**	N/A	The higher the rate/m^2 the higher the value.
Price per m^2	**R3 049,27/m^2**	R3 479/m^2	**N/A**	N/A	The higher the rate/m^2 the higher the value.
Capitalisation rate	**14,25%**	15,00%	**9,25%**	9,00%	The lower the capitalisation rate the higher the value.

Erf 14, Erf 15, Erf 16, Erf 69, Erf 70 and Erf 71, Swakopmund R'000	**Erf 9043, Erf 9044 and Erf 9045, Atteridgeville Ext 5 R'000**	**Remainder of Portion 294, Farm Pretoria Town and Townlands, Maunde Street, Atteridgeville Ext 45 R'000**	**Portion 1 of Erf 5665 Bendor Extension 87, Polokwane, Limpopo and remainder of Erf 5665 Bendor Extension 87, Polokwane, Limpopo R'000**	**Stand 14475 Protea Glen Extension 6, Johannesburg, Gauteng R'000**	**Lynnwood R'000**	**Total R'000**
(242 992)	(43 342)	(7 484)	44 826	13 409	(4 890)	482 459
(6 889)	21 490	8 370	17 645	(6 000)	(4 507)	169 817
(249 881)	**(21 852)**	**886**	**62 471**	**7 409**	**(9 397)**	**652 276**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

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5. Loans to shareholders

	2021 R'000	2020 R'000
WDB Investment Holdings Limited	**49 339**	49 864

In terms of the WDB Investment Holdings limited subscription, WDB Investment Holdings subscribed, during August 2017, for 6 578 948 Safari Investments RSA Limited shares at a price of R7,60 for a total subscription price of R50 000 005.

Financial assistance was provided to WDB Investment Holdings by way of a vendor loan by Safari Investments RSA Limited to WDB Investment Holdings. The salient terms of the vendor loan are:

- Seven-year loan, which outstanding amount thereafter to be settled by way of a cash payment or refinancing of the loan;
- The loan will be repaid in instalments equal to a minimum of 80% of the full dividend declared on WDB Investment Holdings' total shareholding in Safari Investments RSA Limited;
- Interest rate of prime plus 0,5%;
- WDB Investment Holdings to provide Safari Investments RSA Limited with 13 923 314 Safari Investments RSA Limed shares as security against the vendor loan;
- WDB Investment Holdings shall not be entitled to sell any shares in Safari Investments RSA Limited until such time as the vendor loan is repaid in full; and
- WDB Investment Holdings may find alternative finance for the vendor loan after 36 months and settle the full outstanding amount to Safari Investments RSA Limited. Safari Investments RSA Limited will have the option to meet any refinancing terms.

In addition to the 6 578 948 Safari shares, WDB Investment Holdings pledged a further 7 344 371 Safari shares as security for the vendor financing. There has not been a significant increase in credit risk since the initial recognition of this loan, therefore the expected credit loss allowance is based on 12-month expected credit loss. Factors that were considered in the assessment for an expected credit loss allowance on the vendor loan included the external valuation of Safari Investments RSA Limited shares during December 2020 utilising a 30-day volume-weighted average price as a reasonable metric, given that there would be no apparent urgency from Safari to trade these shares currently held as security and that the expected increase in future distributions would advance the rate at which capital is repaid. As a result, the Group does not foresee the provision for an expected credit loss allowance being established.

Split between non-current and current portions

	2021 R'000	2020 R'000
Non-current assets	**43 077**	44 399
Current assets	**6 262**	5 465
	49 339	49 864

6. Operating lease asset

	2021 R'000	2020 R'000
Non-current assets	**104 591**	87 637
Current assets	**3 361**	3 557
	107 952	91 194
Movement can be reconciled as follows:		
Balance at the beginning of the year	**91 194**	66 537
Movement during the year	**16 759**	24 657
	107 953	91 194

6. Operating lease asset continued

	2021 R'000	2020 R'000
Maturity analysis of lease receivables		
The future minimum lease payments receivable under non-cancellable leases are as follows:		
Future minimum lease payments receivable:		
– No later than one year	273 172	266 404
– Between one and two years	208 164	224 354
– Between two and three years	131 086	156 000
– Between three and four years	90 806	92 075
– Between four and five years	74 157	65 195
– Later than five years	756 918	755 051
	1 534 303	1 559 079

The average lease terms are for three to 10 years and the average effective escalation rate is from 6% to 8% per annum.

7. Deferred tax

	2021 R'000	2020 R'000
Deferred tax liability	(9 361)	(19 206)
Deferred tax asset	20 038	24 234
The balances comprise:		
Deferred tax liability		
Investment property	(22 036)	(19 206)
Expected credit loss allowance	159	–
Prepaid expenses	(450)	–
Income received in advance	1 925	–
Derivatives	10 756	–
Right-of-use asset and lease liability	285	–
	(9 361)	(19 206)
Deferred tax asset		
Income received in advance	102	(151)
Operating lease asset	(3 020)	(2 541)
Investment property	22 956	26 921
	20 038	24 234

Deferred tax is no longer calculated on the operating lease asset arising in South Africa and will form part of the Group's distribution in the future. Given the conversion to a REIT, such distributions are fully deductible for tax purposes and hence no tax liability will arise on operating lease assets. Safari Investments Namibia Proprietary Limited will, however, still incur deferred tax on the above as this subsidiary company is not a REIT.

The unused tax loss in Namibia as at 31 March 2021 is R108 566 883 (2020: R104 197 430). In the current year, no deferred tax asset has been recognised in respect of the unused tax losses in Namibia as it is not probable that it will be possible to utilise the tax losses in the foreseeable future.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

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7. Deferred tax continued

	2021 R'000	2020 R'000
Movement summary		
At the beginning of the year	5 028	6 822
Per statement of comprehensive income	5 649	(1 794)
Investment property	(6 800)	(1 118)
Expected credit loss allowance	159	–
Prepaid expenses	(450)	–
Income received in advance	2 178	(254)
Derivatives	10 756	–
Right-of-use asset and lease liability	285	–
Operating lease asset	(479)	(422)
At the end of the year	10 677	5 028

8. Inventories

	2021 R'000	2020 R'000
Inventory at the beginning of the year	122 684	153 438
Impairment	(11 508)	(11 233)
Cost of inventory sold	(5 176)	(19 521)
	106 000	122 684

As part of the Platz am Meer mixed-used development, Safari Investments Namibia Proprietary Limited developed 36 luxury seafront apartments 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 which are trading as the Platz am Meer Shopping Centre.

In this regard, 36 close corporations and one additional private company 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 CEO, the membership in the remaining unsold close corporations.

Inventories are measured at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the construction process.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The 27 unsold units were valued by independent valuer, Mr WJ Hewitt (Professional Valuer NDPV, MIEA, FIVSA, RICS Registered Valuer, Appraiser) of Messrs Mills Fitchet on the effective date being 31 March 2021 with a net realisable value of R106 000 000.
An impairment of R11 508 000 had been recognised as a result of the net realisable value noted previously.

9. Trade and other receivables

	2021 R'000	2020 R'000
Financial instruments		
Trade receivables	11 002	10 440
Deposits paid	999	891
Other receivables	5	5
Expected credit loss allowance	(922)	(682)
Non-financial instruments		
Prepayments	1 966	1 939
Total trade and other receivables	13 050	12 593
Split between non-current and current portions		
Current assets	13 050	12 593

Trade and other receivables pledged as security

No trade and other receivables balances were pledged as security for any of the Group's liabilities.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired is determined to be fully recoverable and is assessed with reference to:

- historical information relating to legal proceedings;
- occupancy of the trade debtor within the Safari portfolio; and
- probability that future rental will be paid considering the payment history, collateral held and the economic impact of the trade debtors market. Refer to note 17 in respect to tenant deposits held.

Credit checks are performed on tenants prior to the Group entering into lease agreements.

Trade and other receivables

Trade receivables – General approach

Under this approach, a loss allowance for lifetime expected credit losses is recognised for a financial instrument if there has been a significant increase in credit risk since initial recognition of the financial instrument. If, at the reporting date, the credit risk has not increased significantly, a loss allowance for the 12-month expected credit loss is recognised.

Trade receivables are assessed for estimated credit losses using the general approach. A three-stage approach based on the deterioration in the credit risk of a financial asset is applied. Trade receivables are categorised by tenant type to determine the risk factor of a receivable, and therefore the probability of default. Tenant collateral i.e. tenant deposits or bank guarantees have also been taken into account in the expected credit loss assessment, with the expected proceeds reducing the arrears balance.

The table below presents the expected credit loss rates applied to each ageing category for the current financial year and the ageing of trade receivables. An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in the credit loss allowance.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

9. Trade and other receivables continued

Trade and other receivables continued

Trade receivables – General approach continued

	2021 R'000	2020 R'000
Loss allowance (12-month expected credit loss)		
Expected credit loss rate:		
30 days past due: 5% (2020: 5%)	23	18
60 days past due: 10% (2020: 10%)	40	25
90 days past due: 20% (2020: 20%)	55	31
120 days past due: 30% (2020: 30%)	86	104
150 days past due: 40% (2020: 40%)	117	81
180 days past due: 50% (2020: 50%)	601	423
Total	922	682
Movement summary in expected credit loss allowance		
At the beginning of the year	682	1 042
Increase/(decrease) in expected credit loss allowance	240	(360)
At the end of the year	922	682
Ageing of trade receivables		
Current	8 973	8 496
30 days past due	432	549
60 days past due	366	341
90 days past due	220	174
120 days past due	201	211
150 days past due	175	142
180 days past due	635	527
Total	11 002	10 440

Other receivables

Other receivables are subsequently measured at amortised cost and mainly comprise deposits paid and pre-payments.

10. Cash and cash equivalents

	2021 R'000	2020 R'000
Cash and cash equivalents consists of:		
Bank balances	4 296	5 408
Listing funds' bank account[1]	789	697
	5 085	6 105

[1] *The listing funds' bank account is exclusively for shareholders' deposits for the funds raised during the listing process or subsequent share issues. The balance in the account is due to unpaid cheques on the REIT distribution for certificated shareholders and the account requires a minimum account balance of R25 000.*

Due to the short-term nature of cash and cash equivalents, the carrying amount is deemed to approximate the fair value.

11. Stated capital

	2021 R'000	2020 R'000
Authorised		
2 000 000 000 no par value ordinary shares	–	–
Reconciliation of number of shares issued		
Shares issued (legal)	310 826	310 826
Southern Palace shares treated as treasury shares	(53 000)	(53 000)
Shares issued (accounting)	257 826	257 826
Issued		
At the beginning of the year	1 606 452	1 828 902
Movements during the year	–	(222 450)
At the end of the year – 310 826 016 (2020: 310 826 016) no par value ordinary shares	1 606 452	1 606 452

During the previous financial year, Safari had settled Sanlam's claim and now holds the 53 million Southern Palace shares as security. These shares have been excluded in the calculation of earnings per share (note 30) and excluded in the net asset value per share calculation per note 34. One of various options Safari's Board is considering is to, subject to shareholder approval, buy back by way of settlement of the claim Safari has against Southern Palace and cancel the 53 million shares held by Southern Palace.

12. Derivatives

	2021 R'000	2020 R'000
Hedging derivatives		
Interest rate swaps	(38 415)	(24 127)

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. To date, Safari has hedged its exposure to interest rates for approximately 50% of its interest-bearing debt.

	2021 R'000	2020 R'000
Split between non-current and current portions		
Non-current liabilities	(35 540)	(23 875)
Current liabilities	(2 875)	(252)
	(38 415)	(24 127)

13. Interest-bearing borrowings

	2021 R'000	2020 R'000
Held at amortised cost		
Facilities – Absa Bank Limited	1 320 451	1 087 240

During the 2019 financial year, Safari successfully implemented a security special purpose vehicle ("SPV") whereby bonds have been registered over most of Safari's investment properties in the security SPV structure to provide pooled security to lenders. The structure is regulated by a Common Terms Agreement, cession of security, counter indemnity agreements as well as debt guarantees. Absa is currently Safari's sole financier.

Secured by certain investment property as per note 4.

Facility A: R300 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 1,75% with the capital due upon maturity in January 2022.

Facility B: R200 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 1,95% with the capital due upon maturity in January 2024.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

13. Interest-bearing borrowings continued

Facilities C and D: R500 000 000 – monthly repayment of interest only at the prime bank overdraft rate less 1,05% (prime: 7% (2020: 8,75%), at year-end with the capital due on both facilities upon maturity in August 2021. Negotiations with the lender for new facilities to replace the maturing facilities are at an advanced stage with lender credit approval already in place by the date of publication of this report. Their implementation of the new facilities remains subject to conditions precedent usual and customary for facilities of this nature.

Facility E: R150 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 2,2% with the capital due upon maturity in August 2023.

Facility F: R100 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 2,3% with the capital due upon maturity in August 2024.

Facility G: R150 000 000 – monthly repayment of interest only at the prime bank overdraft rate less 1,15% (prime: 7% (2020: 8,75%), at year-end with the capital due upon maturity in August 2022.

Total facility: R1 400 000 000 (2020: R1 400 000 000).

Proceeds from interest-bearing borrowings: R946 259 000 (2020: R564 983 000).
Repayment of interest-bearing borrowings: R710 847 000 (2020: R259 782 000).
Absa Credit Card Facility: R30 000.

Debt covenants – loan-to-value ("LTV") and interest cover ratio ("ICR")	Actual ratios as at 31 March 2021	Covenant ratios applicable as at 31 March 2021
Transactional LTV (including mark-to-market value)	41%	<55%
Transactional LTV (excluding mark-to-market value)	40%	<50%
Transactional ICR	2,50	>1,85
Corporate ICR	2,39	>2,00
Corporate LTV	41%	<50%
Hedging covenant (of facilities A and B)	100%	>75%
Hedging agreement covenant	0,49	<1,25

Safari remains within the parameters of compliance for debt covenants and does not foresee any breaching of covenant triggers.

The Group is engaging with its bankers on a proactive basis regarding the possible impact of COVID-19 on its covenant levels. If necessary, covenant waivers will be negotiated in the short term.

	2021 R'000	2020 R'000
Split between non-current and current portions		
Non-current liabilities	**516 065**	500 000
Current liabilities	**804 386**	587 240
	1 320 451	1 087 240
Reconciliation of movement		
Carrying amount at the beginning of the period	**1 087 240**	782 123
Proceeds during the period	**946 259**	564 983
Repayments during the period	**(710 847)**	(259 782)
Transaction and finance costs accrued	**(2 201)**	(84)
	1 320 451	1 087 240

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. Currently, 50% of debt is hedged. R800 million of the total facilities of R1,4 billion will mature during the next 12 months. The Group, however, entered into new facility agreements with its current lender, Absa, to refinance facilities A, C and D which are classified as current liabilities. The new facilities were concluded and implemented on 1 June 2021. Refer to note 33 for further information on these facilities. The Group's forecast LTV position, forecast profit, solvency and liquidity was considered, which indicates that the Group will remain well within financial covenant limits and that maturing facilities will be successfully refinanced in time. To date, the Group has been successful in securing new and/or rolling existing facilities with Absa.

14. Share-based payment liability

	2021 R'000	2020 R'000
Share-based payment liability	–	220 417

The Group issued 66 million shares to Southern Palace in August 2017, raising R501,6 million in capital proceeds. A significant portion of Southern Palace's subscription of the Safari shares (59,2 million shares) was funded by loans secured by Southern Palace from Sanlam capital markets ("Sanlam"). Safari shares were pledged to Sanlam as security for these loans.

In addition to the pledge of shares to Sanlam, Sanlam required Safari to provide interest and capital guarantees in favour of Sanlam, which Safari provided. For accounting purposes, the initial transaction, viewed as a whole was thus treated as, in substance, the issue of an option to Southern Palace as Southern Palace did not have any exposure to downside with respect to the share subscription and had unlimited upside. The Group recognised an IFRS 2 share-based payment expense with respect to this option in the 2018 financial year. Subsequently, during 2019 and 2020, Southern Palace defaulted on their loans which resulted in Sanlam calling on the Safari guarantees and Safari holding the 53 million Southern Palace shares as security upon settlement of the final amount to Sanlam. The Group recognised a share-based payment liability for the amounts owing to Sanlam under the guarantees as they were linked to the original issuance of shares in a BBBEE transaction. The debit related to this transaction was recognised in stated capital as this transaction was effectively considered to be a share buy-back. The amount of R220 417 000 owing at the previous financial year-end was settled on 6 May 2020.

15. Financial liabilities by category

	2021 R'000	2020 R'000
Financial liabilities at amortised cost		
Interest-bearing borrowings	1 320 451	1 087 240
Trade and other payables	29 756	32 089
Deferred tax	9 361	19 206
Lease liabilities	6 976	7 477
Share-based payment liability	–	220 417
	1 366 544	1 366 429
Financial liabilities at fair value		
Derivatives	38 415	24 127

16. Leases (Group as lessee)

The Group is a lessee in respect of its corporate head office premises in Pretoria. This five-year non-cancellable lease with Wealthgate Investments 45 Proprietary Limited has a renewable option period of three years. The Group applied judgement in concluding that it was probable that the option to renew would be exercised. This is reflected on the statement of financial position as a right-of-use asset of R5 955 240 and lease liability of R6 975 472. The present value of all lease payments at the commencement date of the lease, 1 May 2019, is R7 831 145 with variable lease payments which do not depend on an index or rate being excluded from the initial measurement of the lease liability and asset.

Net carrying amounts of right-of-use assets

	2021 R'000	2020 R'000
The carrying amounts of right-of-use assets are as follows:		
Right-of-use asset (lessee)	6 934	7 831
Depreciation	(979)	(897)
	5 955	6 934

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

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16. Leases (Group as lessee) continued

Lease liabilities

	2021 R'000	2020 R'000
The maturity analysis of lease liabilities is as follows:		
Current year	502	354
Within one year	644	502
Two to five years	6 332	3 651
More than five years	–	3 324
	7 478	7 831
Lease payments (cash flows)	(1 160)	(993)
Add back: Interest expense	658	639
	6 976	7 477
Non-current liabilities	6 332	6 975
Current liabilities	644	502
	6 976	7 477

17. Trade and other payables

	2021 R'000	2020 R'000
Financial instruments		
Trade payables	5 742	10 212
Tenants' deposits received	13 657	12 525
Non-financial instruments		
Income received in advance	7 195	5 277
VAT	3 162	4 075
	29 756	32 089

18. Revenue

	2021 R'000	2020 R'000
Rental Income	282 309	294 990
Straight-line lease income adjustment	16 759	24 657
Tenant recoveries	38 589	25 797
Revenue from the sale of inventory	5 055	21 340
	342 712	366 784

Certain tenants are also invoiced for turnover rental which is based on a percentage of their audited annual turnover. Total turnover rental recognised as income in the period is R6 217 673 (2020: R5 825 866).

19. Impairment of inventory

	2021 R'000	2020 R'000
Impairment of apartments to net realisable value	11 508	11 233

As part of the Platz am Meer mixed-use development, 36 residential apartments were developed. Units are being held as inventory for sale in the market, with an additional two units sold in the current financial year.

20. Other operating income

	2021 R'000	2020 R'000
Recovery bank charges, contract fees and signage	1 164	1 372
Other income	5 212	4 072
	6 376	5 444

21. Fair value adjustment

	Note	2021 R'000	2020 R'000
Fair value gains/(losses)			
Investment property	4	169 817	16 477
Operating lease straight-lining asset	4	(16 759)	(24 656)
		153 058	(8 179)

22. Employee costs

	2021 R'000	2020 R'000
Basic	19 427	21 275

Refer to note 32 for detail regarding Directors' emoluments.

23. Investment income

	2021 R'000	2020 R'000
Interest income		
Interest charged	4 426	5 605

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

24. Finance costs

	2021 R'000	2020 R'000
Interest-bearing borrowings	**97 004**	90 356
Interest – lease payments	**658**	639
Total finance costs	**97 662**	90 995

The prime lending rate decreased by 1,75% year-on-year (2021: 7%/2020: 8,75%). Finance costs relate to the utilisation of the Absa facilities and the interest expense implicit in lease payments.

25. Other non-operating gains/(losses)

	2021 R'000	2020 R'000
Fair value gains/(losses)		
Net loss on interest rate swaps (refer to note 12)	**(12 835)**	(21 870)

26. Taxation

	2021 R'000	2020 R'000
Major components of the tax expense		
Current		
Foreign income tax or withholding tax – current period	**288**	495
Deferred		
Originating and reversing temporary differences – current period	**2 670**	1 794
Prior period under/over provision of deferred tax	**(8 319)**	–
	(5 649)	1 794
	(5 361)	2 289
Reconciliation of the tax expense		
Reconciliation between the applicable tax rate and average effective tax rate		
Applicable tax rate	**28,00%**	28,00%
Non-taxable fair value adjustments	**(20,50%)**	(0,73%)
Impact of different Namibian tax rate (32%)	**0,20%**	(0,06%)
Deferred tax asset on Namibian assessed loss not recognised	**0,47%**	1,11%
Permanent difference – Section 25BB	**(7,07%)**	(26,24%)
Prior period under/over provision of deferred tax	**(3,14%)**	–
Effective tax rate	**(2,04%)**	2,08%

Fair value adjustments that relate to the South African properties are non-taxable with Safari Investments RSA Limited being a listed REIT. Comparative disclosures in the tax rate reconciliation have been restated to reflect the impact of the difference in the Namibian tax rate and the assessed losses in Namibia. The Namibian entity did not generate any taxable income in the current and prior year, maintaining its assessed loss position and as such, the difference in tax rate in the prior year did not have a material impact on the tax rate reconciliation disclosure.

27. Cash generated from operations

	2021 R'000	2020 R'000
Profit before taxation	**262 218**	109 951
Adjustments for:		
Depreciation	**1 229**	1 093
Interest income	**(4 426)**	(5 605)
Finance costs	**97 662**	90 995
Impairment of inventory	**11 508**	11 233
Fair value adjustments	**(140 223)**	30 049
Movements in operating lease assets	**(16 759)**	(24 657)
Changes in working capital		
Inventories	**5 176**	19 521
Trade and other receivables	**(457)**	(3 408)
Trade and other payables	**(2 333)**	8 875
	213 595	238 047

28. Tax paid

	2021 R'000	2020 R'000
Current tax for the year recognised in profit or loss	**(288)**	(495)

29. REIT distribution paid

	2021 R'000	2020 R'000
Prior year final distribution (22 cents per share) (2020: 24 cents per share)	**(68 382)**	(74 598)
Interim distribution (17 cents per share) (2020: 24 cents per share)	**(52 840)**	(74 598)
	(121 222)	(149 196)

Refer to the distribution statement within the Directors' report.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

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30. Earnings per share

	Note	2021	2020
Earnings used in the calculation of basic earnings per share (profit after tax) (R'000)	11	**267 579**	107 662
Ordinary shares in issue (for accounting purposes) at year-end	11	**257 826 016**	257 826 016
Weighted average number of ordinary shares		**257 826 016**	257 826 016
Diluted weighted average number of ordinary shares		**257 826 016**	257 826 016
Headline earnings (R'000)		**97 762**	91 185
Basic earnings per share (cents)		**103,78**	41,76
Diluted earnings per share (cents)		**103,78**	41,76
Basic headline earnings per share (cents)		**37,92**	35,37
Diluted headline earnings per share (cents)		**37,92**	35,37
Headline earnings reconciliation			
Basic earnings (profit after tax) (R'000)		**267 579**	107 662
Gains and losses from the adjustment to the fair value of non-current assets (R'000)		**(169 817)**	(16 477)
Headline earnings (R'000)		**97 762**	91 185

31. Related parties

Relationships

Subsidiaries	Safari Investments Namibia Proprietary Limited (100% owned)
Common directorship	Safari Developments Pretoria Proprietary Limited Safari Developments Swakopmund Proprietary Limited Wealthgate Investments 45 Proprietary Limited

31. Related parties continued

Related party transactions

	2021 R'000	2020 R'000
Services rendered by/purchases from related parties		
Safari Developments Pretoria Limited	–	43 549
Safari Developments Swakopmund Proprietary Limited	–	2 748
Wealthgate Investments 45 Proprietary Limited	1 455	1 548
Compensation to Directors and head office staff (cost to Company)	16 312	17 929

Common directorship, membership and shareholding related to related parties' balances and transactions

Common directorship and shareholding

2021

Wealthgate Investments 45 Proprietary Limited

- CR Roberts

2020

Safari Developments Pretoria Proprietary Limited and Safari Developments Swakopmund Proprietary Limited

- K Pashiou (25%)

Services provided by related parties

2021

Wealthgate Investments 45 Proprietary Limited

The Group is a lessee of Wealthgate Investments 45 Proprietary Limited in respect of its corporate head office premises in Pretoria.

2020

Safari Developments Pretoria Proprietary Limited and Safari Developments Swakopmund Proprietary Limited

Development agreements existed between Safari Investments RSA Limited and Safari Developments Pretoria Proprietary Limited, and in Namibia, Safari Developments Swakopmund Proprietary Limited.

As at the reporting date, no related party relationship exists for any of the entities mentioned above as agreements or directorships were terminated.

Safari Investments Namibia Proprietary Limited continues as the 100% owned subsidiary to Safari Investments RSA Limited.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

32. Directors' emoluments

	Directors' fees R'000	Committee fees R'000	Independent Committee and ad hoc commission R'000	Total R'000
2021				
AE Wentzel	**182**	**113**	**–**	**295**
AM Slabber	**85**	**14**	**203**	**302**
CR Roberts	**128**	**30**	**52**	**210**
DC Engelbrecht[1]	**2 939**	**–**	**–**	**2 939**
ER Swanepoel	**50**	**24**	**222**	**296**
FN Khanyile	**127**	**50**	**–**	**177**
GJ Heron	**186**	**77**	**16**	**279**
K Pashiou	**127**	**30**	**19**	**176**
MH Muller	**83**	**67**	**10**	**160**
Dr MT Matshoba-Ramuedzisi	**83**	**45**	**10**	**138**
Dr M Minnaar	**127**	**112**	**–**	**239**
Dr PA Pienaar	**127**	**94**	**10**	**231**
WL Venter[1]	**2 846**	**–**	**–**	**2 846**
	7 090	**656**	**542**	**8 288**
2020				
AE Wentzel	350	285	22	657
AM Slabber	83	–	670	753
CR Roberts	325	203	337	865
DC Engelbrecht[1]	2 379	–	–	2 379
ER Swanepoel	58	14	903	975
FN Khanyile	300	128	5	433
Dr JP Snyman	450	40	–	490
LL Letlape	202	27	–	229
K Pashiou[1]	350	41	85	476
Dr M Minnaar	350	243	–	593
WL Venter[1]	2 259	–	–	2 259
	7 106	981	2 022	10 109

[1] *Executive Director. Refer to executive remuneration below.*

Executive remuneration

	Total base pay R'000	Short-term incentive R'000	Benefits[2] R'000	Total R'000
2021				
DC Engelbrecht[3]	**2 647**	**213**	**79**	**2 939**
WL Venter[3]	**2 556**	**213**	**77**	**2 846**
	5 203	**426**	**156**	**5 785**

[2] *Benefits include retirement savings contributions, life insurance, disability and funeral cover.*
[3] *Remuneration is a fixed total base pay in terms of an employment agreement and a cash bonus based on a performance appraisal.*

32. Directors' emoluments continued

Executive remuneration continued

	Total base pay R'000	Short-term incentive R'000	Director's fees R'000	Committee fees R'000	Independent Committee/ ad hoc R'000	Total R'000
2020						
DC Engelbrecht[4]	2 209	170	–	–	–	2 379
K Pashiou[5]	–	–	350	41	85	476
WL Venter[4]	2 079	180	–	–	–	2 259
	4 288	350	350	41	85	5 114

[4] *Remuneration is a fixed annual salary plus performance bonus in terms of an employment agreement and a cash bonus based on a performance appraisal.*
[5] *On 14 August 2020, Mr K Pashiou was reclassified as a Non-executive Director.*

33. Subsequent events

The Group entered into new facility agreements with its current lender, Absa, to refinance the facilities A, C and D as per note 13 which are classified as "current liabilities" due to the fact that they will mature within 12 months from the reporting date. The new facilities were concluded and implemented on 1 June 2021.

Salient terms of the new facilities:

- **Facility H**: R300 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 2,05% with the capital due on maturity in June 2023.
- **Facility I**: R250 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 2,35% with the capital due on maturity in June 2024.
- **Facility J**: R250 000 000 – quarterly repayments of interest only at the three-month JIBAR rate plus 2,50% with the capital due on maturity in June 2025.

Matters approved by the Board at the Board meeting held on 23 June 2021 include a final cash distribution of 25 cents per Safari share which will be paid to shareholders during July 2021.

Capital project approved: The development of a filling station at Mnandi Shopping Centre of approximately R13 million was approved. Estimated completion Q4 2022.

34. Net asset value per share

	Note	2021 R'000	2020 R'000
Total assets		3 554 149	3 372 719
Total liabilities		(1 404 959)	(1 390 556)
		2 149 190	1 982 163
Ordinary shares in issue	11	257 826 016	257 826 016
Net asset value per share (cents)		834	769
Tangible net asset value (cents)		834	769

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35. Segment report

The Group classifies the following main segments, which is consistent with the way the Group reports internally: Atteridgeville, 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.

	Atteridge-ville R'000	Mamelodi R'000	Sebokeng R'000	Heidelberg R'000	Limpopo R'000	Namibia R'000	Recon-ciliation R'000	Total R'000
As at 31 March 2021								
Turnover (external)	115 346	79 907	71 478	16 488	23 882	31 117	4 494	342 712
Reportable segment profit before investment revenue, fair value adjustments and finance costs	94 883	61 660	51 106	11 991	14 753	5 973	–	240 366
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	–	–	–	–	–	–	(25 134)	(25 134)
Profit before investment revenue, fair value adjustments and finance costs	94 883	61 660	51 106	11 991	14 753	5 973	(25 134)	215 231
Segment assets and liabilities								
Segment assets	1 136 809	889 833	562 579	188 806	244 652	379 308	–	3 401 987
Unallocated assets	–	–	–	–	–	–	152 162	152 162
Total assets	1 136 809	889 833	562 579	188 806	244 652	379 308	152 162	3 554 149
Segment liabilities	9 580	4 069	5 503	795	2 090	2 190	–	24 227
Unallocated liabilities	–	–	–	–	–	–	60 281	60 281
Interest-bearing borrowings	–	–	–	–	–	–	1 320 451	1 320 451
Total	9 580	4 069	5 503	795	2 090	2 190	1 380 732	1 404 959
Other segment items								
Interest revenue (external)	184	96	75	28	106	85	–	574
Unallocated interest revenue	–	–	–	–	–	–	3 852	3 852
Investment revenue	184	96	75	28	106	85	3 852	4 426
Fair value adjustments	74 337	74 691	3 956	16 584	17 645	(6 889)	(10 507)	169 817
Interest expense	–	–	–	–	–	–	–	–
Unallocated interest expense	–	–	–	–	33	–	97 629	97 662
Finance costs	–	–	–	–	33	–	97 629	97 662

35. Segment report continued

	Atteridge-ville R'000	Mamelodi R'000	Sebokeng R'000	Heidelberg R'000	Limpopo R'000	Namibia R'000	Recon-ciliation R'000	Total R'000
As at 31 March 2020								
Turnover (external)	113 042	80 681	71 354	18 081	30 510	48 783	4 333	366 784
Reportable segment profit before investment revenue, fair value adjustments and finance costs	97 721	70 469	50 811	12 739	20 342	8 723	–	260 806
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	–	–	–	–	–	–	(35 416)	(35 416)
Profit before investment revenue, fair value adjustments and finance costs	97 721	70 469	50 811	12 739	20 342	8 723	(35 416)	225 390
Segment assets and liabilities								
Segment assets	1 051 238	799 254	559 712	162 919	227 204	404 367	–	3 204 694
Unallocated assets	–	–	–	–	–	–	168 024	168 024
Total assets	1 051 238	799 254	559 712	162 919	227 204	404 367	168 024	3 372 719
Segment liabilities	6 629	3 234	4 234	753	1 683	3 687	–	20 220
Unallocated liabilities	–	–	–	–	–	–	283 097	283 097
Interest-bearing borrowings	–	–	–	–	–	–	1 087 240	1 087 240
Total liabilities	6 629	3 234	4 234	753	1 683	3 687	1 370 337	1 390 556
Other segment items								
Interest revenue (external)	–	–	–	–	–	216	–	216
Unallocated interest revenue	–	–	–	–	–	–	5 389	5 389
Investment revenue	–	–	–	–	–	216	5 389	5 605
Fair value adjustments	(3 439)	2 391	26 411	(9 962)	14 507	(9 728)	(3 704)	16 477
Interest expense	–	–	–	–	–	–	–	–
Unallocated interest expense	–	–	–	–	79	–	90 916	90 995
Finance costs	–	–	–	–	79	–	90 916	90 995

Entity-wide disclosure

The Group predominantly trades within South Africa, with the only foreign-held investment property being Namibia from which the Group does generate foreign rental income.

During the reporting period, no single tenant's revenue exceeded 10% of the total rental income.

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36. Risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital by maintaining a good balance between debt and equity finance.

The capital structure of the Group consists of debt, which includes interest-bearing borrowings as disclosed in note 13, and equity as disclosed in the statement of financial position amounting to R3 469 641 000 (2020: R3 069 403 000).

REIT distribution of a minimum of 75% of taxable income will be distributed every year as per the REIT requirements and legislation.

The Company's strategy is to maintain a loan-to-value ratio of below 40%, except in high-growth periods or other unforeseen circumstances.

The loan-to-value ratios at 2021 and 2020, respectively, were as follows:

	Note	**2021 R'000**	2020 R'000
Interest-bearing borrowings	13	**1 320 451**	1 087 240
Cash and cash equivalents	10	**(5 085)**	(6 105)
Net debt		**1 315 366**	1 081 135
Fair value of investment property and net realisable value of inventory		**3 459 762**	3 272 076
Loan-to-value ratio		**38%**	33%

Financial risk management

Overview

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The Group is not exposed to foreign exchange risk. The only cross-border transactions which occur within the Group are with the Group's subsidiary located in Namibia.

The exchange rate is: 1 South African Rand = 1 Namibian Dollar.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Group only deposits cash with major banks with high-quality credit standing and limits exposure to any one counterparty.

The credit quality of tenants is assessed by taking into account their financial position, past experience and performing a credit verification before a property is let. The Group only lets property to tenants who are considered to be creditworthy. In addition, the trade receivables age analysis is reviewed on a weekly basis with the intention of minimising the Group's exposure to bad debts. Deposits or bank guarantees are also held in most instances to further minimise the Group's exposure to bad debts.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 30 days past due. Trade receivables that are neither past due nor impaired are considered to be of high credit quality accompanied by an insignificant default rate.

Loans to shareholders relate to the vendor loan with WDB Investment Holdings (note 5) which is partly repayable from dividends on Safari shares but is not recourse solely to Safari shares. Furthermore, the loan does have a fixed maturity and Safari has the right to demand repayment in cash at maturity. On this basis, the Group has concluded that the loan should be recognised as a financial asset.

There has not been a significant increase in credit risk since the initial recognition of this loan. Therefore the expected credit loss allowance is based on 12-month expected credit losses. After taking into account the financial position of WDB Investment Holdings and the value of the security held, any expected credit losses would be immaterial.

36. Risk management continued

Financial risk management continued

Credit risk continued

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		2021			2020		
	Note	**Gross carrying amount R'000**	**Credit loss allowance R'000**	**Amortised cost/fair value R'000**	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000
Trade and other receivables	9	**13 972**	**(922)**	**13 050**	13 275	(682)	12 593
Cash and cash equivalents	10	**5 085**	**–**	**5 085**	6 105	–	6 105
Loans to shareholders	5	**49 339**	**–**	**49 339**	49 864	–	49 864
		68 396	**(922)**	**67 474**	69 244	(682)	68 562

The use of forward-looking scenarios is inherent in our assessment of all individual debtors that are past due, where we take a forward-looking view of the repayment prospects given each debtors' individual circumstances.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Group's capital commitments are pertinent to the improvement of investment property to the value of R32 248 987, which have been authorised and committed to by the Board. At the reporting date, 92% of the capital commitment related to the refurbishment of The Victorian Shopping Centre.

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. The Group entered into new facility agreements with its current lender, Absa, to refinance facilities A, C and D which are classified as current liabilities. The new facilities were concluded and implemented on 1 June 2021. Refer to note 33 for further information on these facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Note	**Less than one year R'000**	**Two to five years R'000**	**Total R'000**
2021				
Interest-bearing borrowings		**873 100**	**562 600**	**1 435 700**[1]
Lease liabilities	16	**644**	**6 332**	**6 976**
Trade and other payables	17	**19 399**	**–**	**19 399**
		893 143	**568 932**	**1 462 075**

[1] *Includes estimated interest payments up to maturity of facilities including the effect of interest rate swaps.*

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36. Risk management continued

Liquidity risk continued

	Note	Less than one year R'000	Two to five years R'000	Total R'000
2020				
Interest-bearing borrowings		645 238	575 500	1 220 738[1]
Lease liabilities		502	6 975	7 477
Trade and other payables	17	22 737	–	22 737
		668 477	582 475	1 250 952

[1] *Includes estimated interest payments up to maturity of facilities including the effect of interest rate swaps.*

Interest rate risk

The Group's interest rate risk arises from long-term bank borrowings at variable interest rates (therefore cash flow risk). Borrowings issued at fixed rates expose the Group to fair value interest rate risk and borrowings issued at variable rates expose the Group to cash flow rate risk.

As at 31 March 2021, if interest rates on Rand-denominated borrowings had been 1% higher with all other variables held constant, post-tax profit and equity for the year would have been R6 848 213 (2020: R5 867 599) lower, mainly as a result of higher interest expense on floating rate borrowings.

As at 31 March 2021, if interest rates on Rand-denominated interest rate swaps had been 1% higher, the fair value of the derivative liability would decrease by R13 549 539 (2020: R18 532 987). If interest rates on Rand-denominated interest rate swaps had been 1% lower, the fair value of the derivative liability would increase by R13 945 272 (2020: R19 229 725).

As part of the Group's risk management strategies, derivatives have been utilised to hedge against interest rate risks arising from its financing engagements. The derivative financial instruments held relate to interest rate swaps measured at fair value as at the reporting date. This is calculated using the net present value the Group would pay or receive from the swap counterparty based on current interest rates. The Group's derivative financial instruments are only used for economic hedging purposes and not as speculative investments

36. Risk management continued

Fair value information

Financial assets and liabilities included in the Group's annual financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial liabilities 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; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

The Group measures its derivative financial instruments which relate to interest rate swaps at fair value on 31 March 2021. The fair value is based on a Level 2 fair value measurement hierarchy and is calculated using the net present value the Group would pay or receive from the swap counterparty based on current interest rates.

		Fair value of contract	
	Note	**2021 R'000**	2020 R'000
Interest rate swaps	12	**(38 415)**	(24 127)

37. Company annual financial statements

The separate annual financial statements of Safari Investments RSA Limited have not been presented with the consolidated annual financial statements in terms of Part 8.62(d) of the JSE Listings Requirements as they do not contain any significant additional information to what is disclosed in the consolidated annual financial statements. This is consistent with the prior year.

38. Restatement and reclassification of comparatives

Consolidated statement of profit or loss and other comprehensive income

In the prior year, revenue from the sale of inventory was not presented as part of revenue, but instead within a line item called gain or (loss) on sale of inventory. Given that these inventory sales meet the definition of revenue, they are now presented as part of revenue.

Consolidated statement of cash flows

Proceeds from shareholders' loans was incorrectly classified as a financing cash flow in the prior year. This has been reclassified as an investing cash flow in accordance with IAS 7.16(f).

Cash flows related to lease liabilities have been restated to remove the finance cost element out of financing activities and are presented within finance costs under operating activities.

	Previously presented R'000	Restated balance R'000
Net cash from operating activities	3 841	3 203
Net cash used in investing activities	(58 434)	(57 145)
Net cash from financing activities	53 465	52 814

ANALYSIS OF ORDINARY SHAREHOLDERS

as at 31 March 2021

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000	294	35,64%	49 342	0,02%
1 001 – 10 000	228	27,64%	864 251	0,28%
10 001 – 100 000	138	16,73%	4 893 517	1,57%
100 001– 1 000 000	121	14,67%	44 400 827	14,28%
Over 1 000 000	44	5,33%	260 618 079	83,85%
Total	**825**	**100,00%**	**310 826 016**	**100,00%**
Distribution of shareholders				
Assurance companies	1	0,12%	20 000	0,01%
Close corporations	22	2,67%	3 421 623	1,10%
Collective investment schemes	7	0,85%	55 282 658	17,79%
Control accounts	2	0,24%	55	0,00%
Foundations and charitable funds	1	0,12%	3 830	0,00%
Hedge funds	1	0,12%	36 652	0,01%
Investment partnerships	3	0,36%	255 000	0,08%
Organs of state	1	0,12%	4 147 857	1,33%
Private companies	45	5,45%	143 487 898	46,16%
Public companies	1	0,12%	20 000 000	6,43%
Retail shareholders	607	73,58%	14 174 388	4,56%
Retirement benefit funds	2	0,24%	1 094 997	0,35%
Scrip lending	1	0,12%	55 383	0,02%
Stockbrokers and nominees	3	0,36%	345 510	0,11%
Trusts	128	15,52%	68 500 165	22,04%
Total	**825**	**100,00%**	**310 826 016**	**100,00%**
Shareholder type				
Non-public shareholders	9	1,09%	94 514 773	30,41%
Directors, Associates and Prescribed Officers	7	0,85%	4 134 386	1,33%
Beneficial holders >10%	2	0,24%	90 380 387	29,08%
Public shareholders	816	98,91%	216 311 243	69,59%
Total	**825**	**100,00%**	**310 826 016**	**100,00%**

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Fund managers with a holding greater than 3% of the issued shares				
Bridge Fund Managers			55 136 367	17,74%
Total			**55 136 367**	**17,74%**
Beneficial shareholders with a holding greater than 3% of the issued shares				
Southern Palace Capital Proprietary Limited			53 000 000	17,05%
Heriot Investments Proprietary Limited			37 380 387	12,03%
Nedbank Group			31 082 288	10,00%
Bridge Fund Managers			24 175 370	7,78%
SA Corporate Real Estate Fund			20 000 000	6,43%
WDB Investment Holdings			14 232 550	4,58%
Total			**179 870 595**	**57,87%**
Total number of shareholdings	**825**			
Total number of shares in issue	**310 826 016**			

Share price performance

Opening price as at 1 April 2020	R3,30
Closing price as at 31 March 2021	R3,80
Closing high for the period	R4,24
Closing low for the period	R2,80
Number of shares in issue (including 53 million Southern Palace shares)	310 826 016
Volume traded during the period	21 850 487
Ratio of volume traded to shares issued	7,03%
Rand value traded during the period	R76 863 513
Price/earnings ratio as at 31 March 2021	29,12
Dividend yield as at 31 March 2021	10,26
Market capitalisation as at 31 March 2021	R1 181 138 861

PROPERTY PORTFOLIO

Name	Location	Property type	Region
Shopping centres			
Atteridgeville (Atlyn)	Cnr Phudufu and Khoza Streets, Atteridgeville	Retail	Gauteng
Atteridgeville (Mnandi)	Maunde Street, Atteridgeville	Retail	Gauteng
Mamelodi	Cnr Stormvoël and Maphalla Roads, Mamelodi	Retail	Gauteng
Sebokeng	Moshoeshoe Street, Sebokeng Unit 10, Ext 1, Sebokeng	Retail	Gauteng
Heidelberg	Cnr Voortrekker and Jordaan Streets, Heidelberg	Retail	Gauteng
Swakopmund	Swakopmund, Namibia (cnr Albatros and Tsavorite Streets)	Retail	Erongo
Polokwane	Cnr Veldspaat Street and Munnik Avenue	Retail	Polokwane
Atteridgeville (Nkomo)	Cnr Lengau, Thlou, Lepogo and Church Streets	Retail	Gauteng
Private day hospital			
Soweto		Healthcare	Gauteng
Stands for development			
Sebokeng	Erf 77666 Moshoeshoe Street, Sebokeng		Gauteng
Lynnwood	Cnr Lynnwood Road and Rodericks – Sussex and Rodericks, Lynnwood		Gauteng
Swakopmund	Swakopmund, Namibia (cnr Albatros and Tsavorite Streets)		Erongo
Nkomo Village remaining bulk	49 Thlou Street, Atteridgeville		Gauteng
Residential units held for sale			
Swakopmund	Albatros Street, Swakopmund, Namibia	Apartments	Namibia
Total			

The average annualised property yield for the income-generating property portfolio based on market values as at 1 April 2020 is 7,72% for the 2021 financial year. Included in revenue is gross rent, solar income, sundry income and turnover rent for all income-generating properties and all property expenses have been deducted.

Market value as attributed by independent valuer R'000	Rentable area/m²	Vacancy %	Weighted average rental/m²	Zoning	Freehold leasehold	Approximate age of building years
627 500	31 239	–	163	Special – various	Freehold	13
148 400	8 717	0,06%	111	Special – various	Freehold	5
889 000	34 470	0,24%	198	Special – various	Freehold	16
559 443	34 611	–	161	Special – various	Freehold	12
188 700	11 777	10,22%	106	Special – various	Freehold	21
239 100	21 228	9,37%	89	Special – various	Freehold	5
243 300	12 390	0,20%	157	Special – various	Freehold	12
351 666	19 312	4,81%	124	Special – various	Freehold	2,5
35 000	1 379	–	203	Special – various	Freehold	4,5
1 856	2 200	N/A	N/A	Special – various	Freehold	
32 000	13 133	N/A	N/A	Special – various	Freehold	
31 762	8 500	N/A	N/A	Special – various	Freehold	
6 033	7 053	N/A	N/A	Special – various	Freehold	
106 000	N/A	N/A	N/A	Special – various		
3 459 762						

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 published in 2020.

SA REIT funds from operations ("FFO") per share

	12 months ended 31 March 2021 R'000	12 months ended 31 March 2020 R'000
Profit or (loss) for the period	**267 579**	107 662
Adjusted for:		
Accounting/specific adjustments		
Fair value adjustment to investment property and impairment of properties held for sale	**(141 550)**	19 412
Deferred tax movement recognised in profit or loss	**(5 649)**	1 794
Straight-lining operating lease adjustment	**(16 759)**	(24 656)
Transaction costs expensed in accounting for a business combination	**1 930**	13 924
Adjustments arising from investment activities		
Gains/losses on disposal of inventory (in relation to gross margin earned)	**301**	(566)
Foreign exchange and hedging items		
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	**12 835**	21 870
SA REIT FFO	**118 687**	139 440
Number of shares outstanding at the end of the period	**257 826 016**	257 826 016[1]
SA REIT FFO per share (cents)	**46**	49

[1] *Note that for the first half of the prior financial year, 310 826 016 shares (including the 53 million Southern Palace shares) were used in the calculation.*

SA REIT cost-to-income ratio

	12 months ended 31 March 2021 R'000	12 months ended 31 March 2020 R'000
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses and administrative expenses)	**116 993**	114 831
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature	**(250)**	(196)
Operating costs	**116 743**	114 635
Rental income		
Contractual rental income and utility and operating recoveries per IFRS income statement (excluding straight-lining)	**320 898**	320 788
Gross rental income	**320 898**	320 788
SA REIT cost-to-income ratio	**36%**	36%

SA REIT administrative cost-to-income ratio

	12 months ended 31 March 2021 R'000	12 months ended 31 March 2020 R'000
Expenses		
Administrative expenses as per IFRS income statement	**29 651**	39 770
Administrative costs	**29 651**	39 770
Rental income		
Contractual rental income and utility and operating recoveries per IFRS income statement (excluding straight-lining)	**320 898**	320 788
Gross rental income	**320 898**	320 788
SA REIT administrative cost-to-income ratio	**9%**	12%

SA REIT GLA vacancy rate

	12 months ended 31 March 2021 R'000	12 months ended 31 March 2020 R'000
GLA of vacant areas	**4 238**	5 779
GLA of property portfolio	**175 123**	175 136
SA REIT GLA vacancy rate	**2,42%**	3,30%

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	5,64%	5,94%	5,77%
Fixed interest rate borrowings			
Weighted average fixed rate	–	–	–
Pre-adjusted weighted average cost of debt	5,64%	5,94%	5,77%
Adjustments:			
Impact of interest rate derivatives	2,39%	0,75%	1,68%
Amortised transaction costs imputed into the effective interest rate	0,14%	0,05%	0,10%
All-in weighted average cost of debt	8,17%	6,73%	7,55%

ANNEXURE 1: SA REIT DISCLOSURE continued

SA REIT LTV

	12 months ended 31 March 2021 R'000	12 months ended 31 March 2020 R'000
Gross debt	1 320 451	1 087 240
Less:		
Cash and cash equivalents (including short-term deposits)	(5 085)	(6 105)
Add:		
Derivative financial instruments	38 415	24 127
Net debt	1 353 781	1 105 262
Total assets – per statement of financial position	3 554 149	3 372 719
Less:		
Cash and cash equivalents (including short-term deposits)	(5 085)	(6 105)
Derivative financial assets	–	–
Trade and other receivables	(62 389)	(62 457)
Carrying amount of property-related assets	3 486 675	3 304 157
SA REIT LTV	39%	33%

SA REIT net asset value per share

	12 months ended 31 March 2021 R'000	12 months ended 31 March 2020 R'000
Reported net asset value	2 149 190	1 982 163
Adjusted for:		
Dividend to be declared	(64 457)	(56 722)
Fair value of derivative financial instruments	38 415	24 127
Deferred tax	(10 677)	(5 028)
SA REIT net asset value	2 112 471	1 944 540
Number of shares outstanding at the end of the period (2020 excludes Southern Palace "treasury" shares)	257 826 016	257 826 016
SA REIT net asset value per share (Rand per share)	8,19	7,54

05

SHAREHOLDERS' INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

Safari Investments RSA Limited
(Registration number: 2000/015002/06)
(Share code: SAR | ISIN: ZAE000188280)
("the Company" or "Safari")

The Safari Board, after considering the spread of COVID-19 in South Africa, and in the interest of maintaining social distancing, has decided that this year's Annual General Meeting will once again be held virtually. Notice is hereby given that the Annual General Meeting of shareholders of Safari will be held on Thursday, 19 August 2021 at 14:00 for the purpose of:

- dealing with such business as may lawfully be dealt with at the Annual General Meeting; and
- considering and, if deemed fit, adopting, with or without modification, the ordinary and special resolutions set out hereunder.

Notes on participating in the 2021 Annual General Meeting

Virtual meeting

In terms of Section 63(2)(a) of the Companies Act 71 of 2008 (the "Companies Act"), as amended, shareholders may participate electronically in a shareholder meeting. In this regard, the Company has appointed The Meeting Specialist Proprietary Limited ("TMS") for the purpose of hosting its Annual General Meeting entirely by way of electronic communication and, in particular, for TMS to provide the Company and its shareholders with access to its electronic communication platform (the "platform") for the purpose of enabling all of the shareholders, who are present at the Annual General Meeting, to communicate concurrently with each other, without an intermediary, and to participate reasonably effectively in the Annual General Meeting and exercise their voting rights at the Annual General Meeting.

Please note that in terms of Section 63(1) of the Companies Act, before any person may attend or participate in the Annual General Meeting: (a) that person must present reasonably satisfactory identification; and (b) the person presiding at the Annual General Meeting must be reasonably satisfied that the identity of the person to participate in and vote at the Annual General Meeting, either as a shareholder (or shareholder's representative), or as a proxy for a shareholder, has been reasonably verified. Acceptable forms of identification include a valid identity document, driver's licence or passport. Accordingly, the Company has appointed TMS to verify the identity of any shareholder who wishes to attend the Annual General Meeting and shareholders will only be granted access to the platform once they have been verified by TMS.

Please also note that in order to participate in the Annual General Meeting, shareholders are required to be granted access to the platform by TMS and any shareholder who wishes to participate in the Annual General Meeting must therefore contact TMS on **proxy@tmsmeetings.co.za** or +27 (0) 11 520 7950/1/2 or alternatively register for the meeting on **www.tmsmeetings.co.za** and is encouraged to do so as soon as possible and before 14:00 on Wednesday, 18 August 2021 to enable TMS to verify its/his/her identity and thereafter to grant that shareholder access to the platform. Notwithstanding the foregoing, any shareholder who wishes to attend the Annual General Meeting is entitled to contact TMS at any time prior to the conclusion of the Annual General Meeting, in order to be verified and provided with access to the platform by TMS. In order to avoid any delays in being provided with access to the platform by TMS, shareholders are encouraged to contact TMS at their earliest convenience.

Electronic voting will open at 11:30 on Thursday, 19 August 2021 and will be closed by the Chairperson during the course of the Annual General Meeting. The results of the voting will be announced at the Annual General Meeting, or as soon as they have been verified by the appointed scrutineers and will be published on the Company website as soon as possible after the meeting.

We highly recommend that members log in on the virtual platform at least 15 minutes before the meeting starts to ensure that our service provider can assist with any technical issues.

Kindly note further that in terms of Section 62(3)(e) of the Companies Act:

- A shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the meeting in the place of the shareholder; and
- A proxy need not be a shareholder of the Company but must be a natural person.

Shareholders are advised that the Company's Integrated Annual Report for the year ended 31 March 2021 was dispatched to shareholders on Wednesday, 30 June 2021 and is available on the Company's website.

Record dates, proxies and voting

In terms of Sections 59(1)(a) and (b) of the Companies Act, the Board of the Company has set the following record dates for the purpose of determining which shareholders are entitled to:

- receive notice of the Annual General Meeting (being the date on which a shareholder must be registered in the Company's securities register in order to receive notice of the Annual General Meeting) on Friday, 25 June 2021; and
- participate in and vote at the Annual General Meeting (being the date on which a shareholder must be registered in the Company's securities register in order to participate in and vote at the Annual General Meeting) on Friday, 13 August 2021, with the last day to trade being Tuesday, 10 August 2021.

Presentation of the audited consolidated annual financial statements

The annual financial statements of the Company and the Group, including the reports of the Directors, Group Audit and Risk Committee and the independent external auditor, for the year ended 31 March 2021, are presented to shareholders as required in terms of Section 30(3)(d) of the Companies Act.

The complete set of the audited annual financial statements, together with the abovementioned reports, are set out on pages 53 to 103 of the Company's 2021 Integrated Annual Report. The Company's 2021 Integrated Annual Report, together with the complete set of audited consolidated annual financial statements, are available on the Company's website at **https://www.safari-investments.com/investor-relations**, alternatively, it may be requested and obtained in person, at no charge, from the registered office of the Company during office hours.

The Audit and Risk Committee report is set out on page 56 of the Company's 2021 Integrated Annual Report.

Presentation of the Group Social and Ethics Committee report

The report by the Social and Ethics Committee for the year ended 31 March 2021, is included in the 2021 Integrated Annual Report on page 42 and is presented to the shareholders in terms of Regulation 43 of the Companies Regulations 2011.

Ordinary business

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions of the Company:

Note: For any of the ordinary resolutions numbered 1 to 9 (inclusive) to be adopted, more than 50% (fifty percent) of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 10 to be adopted, at least 75% (seventy-five percent) of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

1. Retirement and re-election of Directors

Ordinary resolution number 1

"Resolved that Mr GJ Heron, who retires by rotation in terms of the Memorandum of Incorporation and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

Ordinary resolution number 2

"Resolved that Dr PA Pienaar, who retires by rotation in terms of the Memorandum of Incorporation and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

The reason for ordinary resolutions numbers 1 and 2 (inclusive) is that the Memorandum of Incorporation of the Company, the JSE Listings Requirements and, to the extent applicable, the Companies Act, as amended, require that a component of the Non-executive Directors rotate at every Annual General Meeting of the Company and, being eligible, may offer themselves for re-election as Directors. Brief résumés of these Directors appear on pages 26 and 27 of the 2021 Integrated Annual Report.

2. Reappointment of the independent external auditor

Ordinary resolution number 3

"Resolved that BDO South Africa Incorporated be and is hereby appointed as the auditor of the Company for the ensuing financial year, on the recommendation of the Company's Audit and Risk Committee."

Shareholders are hereby advised that the Safari Board or its Audit and Risk Committee will undertake a detailed review of the cost, performance and scope of the audit function performed by the independent auditor of the Company.

In order to ensure good corporate governance, the Board may independently engage with a number of other service providers to assess the best value proposition that meets Safari's requirements in terms of good corporate governance, sustainability and the empowerment codes.

The reason for ordinary resolution number 3 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or reappointed each year at the Annual General Meeting of the Company as required by the Companies Act.

3. Appointment and reappointment of the Audit and Risk Committee members

To elect, by separate resolutions, an Audit and Risk Committee comprising independent Non-executive Directors, as provided in Section 94(4) of the Companies Act, and appointed in terms of Section 94(2) of that Act to hold office until the next Annual General Meeting to perform the duties and responsibilities stipulated in Section 94(7) of the Companies Act and the King IV™ Report on Corporate Governance for South Africa 2016 ("King IV™"), and to perform such other duties and responsibilities as may from time to time be assigned or delegated by the Safari Board, all subsidiary companies and controlled trusts.

NOTICE OF ANNUAL GENERAL MEETING continued

The Safari Board has assessed the performance of the Audit and Risk Committee members standing for re-election and has found them suitable for appointment. Brief résumés of these Directors appear on page 27 of the 2021 Integrated Annual Report.

Ordinary resolution number 4

"Resolved that Dr MT Matshoba-Ramuedzisi, being eligible, be and is hereby appointed as a member and Chairperson of the Audit and Risk Committee of the Company, as recommended by the Safari Board, until the next Annual General Meeting of the Company."

Ordinary resolution number 5

"Resolved that, subject to re-election under ordinary resolution 2, Dr PA Pienaar, being eligible, be and is hereby reappointed as a member of the Audit and Risk Committee of the Company, as recommended by the Safari Board, until the next Annual General Meeting of the Company."

Ordinary resolution number 6

"Resolved that, Mr MH Muller, being eligible, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Safari Board, until the next Annual General Meeting of the Company."

The reason for ordinary resolutions numbers 4 to 6 (inclusive) is that the Company, being a public listed company, must appoint an Audit and Risk Committee and the Companies Act requires that the members of such Audit and Risk Committee be appointed, or reappointed, as the case may be, at each Annual General Meeting of the Company.

4. Place the unissued ordinary shares under the control of the Directors

Ordinary resolution number 7

"It is resolved that, in accordance with the Memorandum of Incorporation, the authorised but unissued ordinary shares in the share capital of the Company be and are hereby placed under the control and authority of the Directors and that the Directors be and are hereby generally authorised and empowered to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as the Directors may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements, as applicable."

Shareholders are urged to note that the unissued ordinary stated capital of the Company represents approximately 84% of the entire authorised stated capital of the Company as at the date of the notice of this Annual General Meeting.

Shareholders' attention is also drawn to the fact that, where the issue is for cash pursuant to paragraphs 5.52 and/or 5.53 of the JSE Listings Requirements, this must be approved by a 75% majority, and is accordingly separately proposed for consideration under ordinary resolution number 10.

The reason for ordinary resolution number 7 is that in terms of the Memorandum of Incorporation, the shareholders must authorise that the unissued ordinary shares are placed under the control of the Directors before such shares may be issued by the Company.

5. Non-binding advisory vote on the Company's Remuneration Policy and Implementation Report

Ordinary resolution number 8

"Resolved that the shareholders endorse, by way of a non-binding advisory vote, the Company's Remuneration Policy as set out on pages 35 and 36 of the 2021 Integrated Annual Report."

The reason for ordinary resolution number 8 is that King IV™ recommends and the JSE Listings Requirements require that the remuneration policy of the Company be endorsed through a non-binding advisory vote by shareholders. This enables shareholders to express their views on the remuneration policy adopted. The effect of ordinary resolution number 8, if passed, will be to endorse the Company's Remuneration Policy.

Ordinary resolution number 8 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. The Board will, however, take the outcome of the vote into consideration when considering amendments to the Company's Remuneration Policy.

Ordinary resolution number 9

"Resolved that the Company's Implementation Report with regard to its Remuneration Policy, as set out pages 37 to 39 of the 2021 Integrated Annual Report, be and is hereby endorsed by way of a non-binding vote."

The reason for ordinary resolution number 9 is that King IV™ recommends that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each Annual General Meeting of the Company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution 9, if passed, will be to endorse the Company's Implementation Report in relation to its Remuneration Policy. Ordinary resolution 9 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. The Board will, however, take the outcome of the vote into consideration when considering amendments to the Company's Remuneration Policy and its implementation.

In the event that 25% or more of shareholders vote against either the Remuneration Policy or the Implementation Report at the meeting, Safari will engage with shareholders through dialogue, requesting written submissions or otherwise, in order to address shareholder concerns.

6. General authority to issue authorised but unissued ordinary shares for cash

Ordinary resolution number 10

"Resolved that the Directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue and grant options to acquire or subscribe for all or any of the authorised but unissued equity securities in the capital of the Company and/or shares held in treasury for cash on such terms and conditions as the Directors in their discretion deem fit, subject to the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements, as applicable."

The JSE Listings Requirements provide that:

- this authority shall be valid until the Company's next Annual General Meeting or for 15 months from the date that this resolution is passed, whichever period is shorter;
- the ordinary shares must be issued to public shareholders as defined in the JSE Listings Requirements and not to related parties;
- the equity securities which are the subject of the issue for cash must be of a class already in issue or must be limited to such securities or rights that are convertible into a class already in issue;
- the maximum discount at which the ordinary shares may be issued is 10% of the weighted average traded price of the Company's ordinary shares measured over 30 business days prior to the date that the price of the issue is determined or agreed by the Directors and the party subscribing for the securities (the JSE will be consulted for a ruling if the Company's securities have not traded in such 30-business-day period);
- an announcement, giving full details of such issue, will be published on SENS at the time of any issue representing, on a cumulative basis, 5% or more of the number of ordinary shares in issue prior to that issue in terms of the JSE Listings Requirements; and
- the general issues of shares for cash under this authority may not exceed, in the aggregate, 15% of the Company's issued share capital (comprising 310 826 016 shares) of that class as at the date of this notice of Annual General Meeting, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders or options granted by the share incentive trust in accordance with the JSE Listings Requirements shall not diminish the number of ordinary shares that comprise the 15% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of Annual General Meeting, 15% of the Company's issued ordinary share capital (net of treasury shares) amounts to 46 623 902 ordinary shares.

For listed entities wishing to issue or grant options over shares for cash other than issues by way of rights offers or dividends reinvested for shares, in consideration of acquisitions and/or share incentive schemes (which schemes have been duly approved by the JSE and by the shareholders of the Company), it is necessary for the Board of the Company to obtain the prior authority of the shareholders in accordance with the JSE Listings Requirements and the Memorandum of Incorporation of the Company. Accordingly, the reason for ordinary resolution number 10 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the Memorandum of Incorporation.

In order for ordinary resolution number 10 to be adopted, the support of at least 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Special business

In order for these special resolutions to be adopted, the support of at least 75% (seventy-five percent) of votes cast by shareholders present or represented by proxy at this meeting, is required.

To consider and, if deemed fit, to pass, with or without modification, the following special resolutions of the Company:

7. General authority to repurchase shares

Special resolution number 1

"Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Directors may from time to time determine, but subject to the provisions of Sections 46 and 48 of the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements, as applicable."

The aforegoing provisions provide, in summary, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next Annual General Meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the Safari Board approving the repurchase, that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Company and its subsidiaries;
- the general repurchase is authorised by the Company's Memorandum of Incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five-business-day period;

- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements.

Reason and effect

The reason for and effect of special resolution number 1 is to grant the Directors a general authority in terms of the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company.

In terms of Section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company. For the avoidance of doubt, a pro rata repurchase by the Company from its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

Information relating to the special resolution

The Directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company to the extent that the Directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:

- The Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of the general meeting and for a period of 12 months after the repurchase;
- The consolidated assets of the Group will at the time of the general meeting and at the time of making such determination be in excess of the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
- The ordinary capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the general meeting and after the date of the share repurchase; and
- The working capital available to the Group after the repurchase will be sufficient for the Group's requirements for a period of 12 months after the date of the notice of the general meeting.

8. Inter-company financial assistance

Inter-company financial assistance

Special resolution number 2

"Resolved, in terms of Section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in Section 45(1) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related ("related" or "inter-related" will herein have the meaning attributed to it in Section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

The reason for and effect of special resolution number 2 is to grant the Directors of the Company the authority, until the next Annual General Meeting of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company

Special resolution number 3

"Resolved, in terms of Section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in Sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related to the Company ("related" or "inter-related" will herein have the meaning attributed to it in Section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

The reason for and effect of special resolution number 3 is to grant the Directors the authority, until the next Annual General Meeting of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries.

A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares.

The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of Sections 44 and 45 of the Companies Act, the Directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 2 and 3 above:

- The assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- The Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- The terms under which any financial assistance is proposed to be provided will be fair and reasonable to the Company; and
- All relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's Memorandum of Incorporation have been met.

9. To transact such other business as may be transacted at an Annual General Meeting

Important notes regarding attendance at the Annual General Meeting

General

Shareholders wishing to attend the meeting have to ensure beforehand with the transfer secretaries of the Company that their shares are in fact registered in their name.

Certificated shareholders and own-name dematerialised shareholders

Shareholders who have not dematerialised their shares or who have dematerialised their shares with own-name registration are entitled to attend and vote at the Annual General Meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person appointed need not be a shareholder of the Company.

Proxy forms should be lodged with the transfer secretaries of the Company, being Computershare Investor Services at Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, South Africa, or posted to the transfer secretaries at Private Bag X9000, Saxonwold 2132, South Africa, or by email to **proxy@computershare.co.za** to be received by them not later than Tuesday, 17 August 2021, provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the Chairperson of the Annual General Meeting prior to the commencement of the Annual General Meeting, at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

Dematerialised shareholders other than with own-name registration

Dematerialised shareholders, other than own-name dematerialised shareholders, should contact their Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in the custody agreement entered into between such shareholders and the CSDP or broker:

- to furnish them with their voting instructions; and
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Voting will be by way of a poll and every shareholder of the Company present in person or represented by proxy shall have one vote for every share held in the Company by such shareholder.

Electronic participation

in the Safari Investments (RSA) Limited virtual Annual General Meeting to be held on Thursday, 19 August 2021

1. Shareholders or their proxies who wish to participate in the Annual General Meeting via electronic communication ("participants"), must arrange their relevant letter of representation and submit it to TMS via email to **proxy@tmsmeetings.co.za** or alternatively register for the meeting at **www.tmsmeetings.co.za**.
2. Participants will be able to vote during the Annual General Meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the Annual General Meeting, must provide TMS with their email address and cell number.
3. Each shareholder who has complied with the requirements will be contacted between 17 and 18 August 2021 via email/cell with a unique link to allow them to participate in the virtual Annual General Meeting.
4. The cost of the participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
5. The cut-off time, for administrative purposes, to participate in the Annual General Meeting will be 14:00 on Wednesday, 18 August 2021.
6. The participant's unique access credentials will be forwarded to the email/cell number provided by the participant.

NOTICE OF ANNUAL GENERAL MEETING continued

Summary of shareholder rights

In compliance with the provisions of Section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in Section 58 of the Companies Act, is as follows:

- A shareholder entitled to attend and vote at the Annual General Meeting may, at any time, appoint any individual (or two or more individuals) as a proxy or proxies to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not be a shareholder of the Company.
- A proxy appointment must be in writing, dated and signed by the shareholder appointing the proxy, and subject to the rights of a shareholder to revoke such appointment (as set out below). It remains valid only until the end of the meeting.
- A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
- The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any of his/her rights as shareholder.

The appointment of a proxy is revocable by the shareholder in question cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of: (a) the date stated in the revocation instrument, if any; or (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph, whichever is the later.

If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to: (a) the shareholder; or (b) the proxy or proxies, if the shareholder has: (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

Attention is also drawn to the notes on the proxy form.

By order of the Board

PWL van Niekerk
Group Company Secretary

Pretoria
23 June 2021

Registered office
410 Lynnwood Road
Lynnwood
Pretoria 0081

ELECTRONIC PARTICIPATION

in the Safari Investments (RSA) Limited virtual Annual General Meeting to be held on Thursday, 19 August 2021

1. Shareholders or their proxies who wish to participate in the Annual General Meeting via electronic communication ("participants"), must deliver the electronic participation registration form below to TMS via email to **proxy@tmsmeetings.co.za**.
2. Participants will be able to vote during the Annual General Meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the Annual General Meeting, must provide TMS with the information requested below.
3. Each shareholder, who has complied with the requirements below, will be contacted between 17 and 18 August 2021 via email/cell with a unique link to allow them to participate in the virtual Annual General Meeting.
4. The cost of the participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
5. The cut-off time, for administrative purposes, to participate in the meeting will be 14:00 on Wednesday, 18 August 2021.
6. The participant's unique access credentials will be forwarded to the email/cell number provided below.

Participation registration form

Name and surname of shareholder ______________________

Name and surname of shareholder representative ______________________
(If applicable)

ID number of shareholder or representative ______________________

Email address ______________________

Cell number ______________________

Telephone number ______________________

Name of CSDP or broker ______________________
(If shares are held in dematerialised format)

SCA number/broker account number or ______________________

Own-name account number ______________________

Number of shares ______________________

Signature ______________________ Date ______________________

By signing this form, I agree and consent to the processing of my personal information above for the purpose of participation in the Annual General Meeting.

ELECTRONIC PARTICIPATION continued

Terms and conditions for participation at the Safari Investments (RSA) Limited virtual Annual General Meeting to be held on Thursday, 19 August 2021

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the Annual General Meeting is for the expense of the participant and will be billed separately by the participant's own telephone/internet service provider.
- The participant acknowledges that the telecommunication lines/webcast/web-streaming and verification and meeting voting and participation services ("the services") are provided to the Company by a third party are (among others) dependent on technological and other functionality which cannot be guaranteed and that the participant thus uses such services entirely at its own risk. TMS is contracted solely to Safari, and neither Safari nor TMS provides shareholders any undertaking, warranty, promise or representation, whether expressed or implied, in connection with the services. Each participant using the services accordingly shall not have any claim against either Safari or TMS in connection with the services, and (subject to any non-waivable rights in law) waives any claim which it may otherwise have in this regard.
- Participants will be able to vote during the Annual General Meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the Annual General Meeting, must act in accordance with the requirements set out above.
- Once the participant has received the link, the onus to safeguard this information remains with the participant.

A participant will only be eligible to participate and/or vote electronically at the meeting if this registration form has been fully completed and signed by the participant, including the required supporting documents, and emailed to TMS at **proxy@tmsmeetings.co.za**, and such identification and related registration request is satisfactorily verified in accordance with the provisions set out in the section of the notice headed "Notes on participating in the 2021 Annual General Meeting".

Shareholder name ____

Signature ____________________ Date ____________________

Important: You are required to attach a copy of your identity document/driver's licence/passport when submitting the application.

FORM OF PROXY

Safari Investments RSA Limited
(Registration number: 2000/015002/06)
(Share code: SAR | ISIN: ZAE000188280)
("the Company" or "Safari")

Each share comprises one ordinary share. Certificated and own-name dematerialised shareholders are therefore advised that they must complete a form of proxy in order for their vote/s to be valid.

This form of proxy is for use by the holders of the Company's certificated shares ("certificated shareholders") and/or dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected own-name registration and who cannot attend but wish to be represented at the Annual General Meeting to be conducted entirely by electronic communication on Thursday, 19 August 2021 at 14:00 or any adjournment, if required. Additional forms of proxy are available at the Company's registered office.

This form of proxy is not for the use by holders of the Company's dematerialised shares who have not selected own-name registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the Annual General Meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the Annual General Meeting but wish to be represented thereat, in order for the CSDP or broker to vote in accordance with their instructions.

I/We ______________________________
(Name in BLOCK LETTERS)

of ______________________________
(Address)

Being the registered holder/s of ______________________________
(number) ordinary shares in Safari Investments RSA Limited

Hereby appoint ______________________________ of ______________________________ or failing him/her,

the Chairperson of the Annual General Meeting, as my/our proxy(ies) to vote for me/us on my/our behalf at the Annual General Meeting of the Company and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done, the proxy will vote as he/she thinks fit.

Resolutions	In favour of	Against	Abstain
Ordinary resolutions			
Retirement and re-election of Directors			
1. Mr GJ Heron			
2. Dr PA Pienaar			
Appointment of the independent external auditor			
3. Appointment of the independent external auditor: BDO South Africa Incorporated			
Appointment and reappointment of the Audit and Risk Committee members			
4. Dr MT Matshoba-Ramuedzisi (as Chairperson of the Committee)			
5. Dr PA Pienaar			
6. Mr MH Muller			

FORM OF PROXY CONTINUED

Resolutions	In favour of	Against	Abstain
Ordinary resolutions continued			
Place unissued ordinary shares under Board control			
7. Place unissued ordinary shares under Board control			
Remuneration Policy			
8. Non-binding advisory vote on the Company's Remuneration Policy			
9. Non-binding advisory vote on the Company's Implementation Report with regard to its Remuneration Policy			
General authority to issue shares for cash			
10. General authority to issue authorised but unissued shares for cash			
Special resolutions			
1. General authority to repurchase shares			
Financial assistance to Section 45			
2. Approval to provide financial assistance in terms of Section 45 of the Companies Act			
Financial assistance to Section 44			
3. Financial assistance in terms of Section 44 of the Companies Act			

Signed at ______________________ on ______________________ 2021

Signature ______________________

Assisted by (if applicable ______________________

NOTES TO THE FORM OF PROXY

1. Each of the shares comprises one ordinary share. Certificated and own-name dematerialised shareholders are therefore advised that they must complete a form of proxy for their vote/s to be valid.

2. This form of proxy is to be completed only by those shareholders who hold shares in certificated form or recorded in the sub-register in electronic form in their "own name".

3. Each shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the Annual General Meeting.

4. Shareholders who are certificated or own-name dematerialised shareholders may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space/s provided, with or without deleting "the Chairperson of the Annual General Meeting", but any such deletion must be initialled by the shareholders. The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the Chairperson shall be deemed to be appointed as the proxy.

5. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the Chairperson, to vote or abstain from voting as deemed fit, and in the case of the Chairperson, to vote in favour of any resolution.

6. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained from may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.

7. Forms of proxy must be lodged at, posted or emailed to the transfer secretaries, Computershare Investor Services Proprietary Limited (Private Bag X9000, Saxonwold 2132, fax number: +27 (0) 11 688 5238, email **proxy@computershare.co.za** or to the Group Company Secretary **pieter@safari-investments.com** to be received at least 48 hours prior to the Annual General Meeting.

8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote as determined by the order in which the names stand in the register of shareholders, will be accepted. In addition to the aforegoing, a shareholder may revoke the proxy appointment by:
   (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and
   (ii) delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered in the required manner.

9. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares needs to sign this form of proxy.

10. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received, otherwise than in accordance with these notes, provided that, in respect of acceptances, the Chairperson is satisfied as to the manner in which the shareholder concerned wishes to vote.

11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or waived by the Chairperson of the Annual General Meeting.

12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

13. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.

14. The aforegoing notes contain a summary of the relevant provisions of pa 58 of the Companies Act.

ABBREVIATIONS

BBBEE	Broad-based black economic empowerment
BPR	Best practice recommendations of the SA REIT Association
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Companies Act	Companies Act of South Africa 71 of 2008
COVID-19	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
CPI	Consumer Price Index
CSDP	Central Securities Depository Participant
CSI	Corporate social investment
FFO	Funds from operations
FMCG	Fast-moving consumer goods
GLA	Gross lettable area
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICR	Interest cover ratio
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IRBA Code	Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors
ISAs	International Standards on Auditing
IT	Information technology
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
King IV™	King IV™ Report on Corporate Governance for South Africa 2016
KPD	Key performance deliverable
LTV	Loan-to-value
REIT	Real Estate Investment Trust
SACSC	South African Council of Shopping Centres
SAICA	South African Institute of Chartered Accountants
SAPOA	South African Property Owners Association
SAPS	South African Police Service
SENS	Stock Exchange News Service
SETA	Sector Education and Training Authority
SPV	Special purpose vehicle
TMS	The Meeting Specialist Proprietary Limited

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
410 Lynnwood Road, Lynnwood, Pretoria 0081
+27 (0) 12 365 1889
info@safari-investments.com
www.safari-investments.com

Auditor
BDO South Africa Incorporated
Wanderers Office Park. 52 Corlett Drive
Illovo, Johannesburg 2196

Commercial banker
Absa Bank Limited
(Registration number: 1986/004794/06)
Absa Towers East
170 Main Street, Johannesburg 2001
PO Box 7735, Johannesburg 2000

Group Company Secretary
Pieter van Niekerk LLB
410 Lynnwood Road, Lynnwood, Pretoria 0081
Postal: As above

Directors of Safari Investments RSA Limited
GJ Heron *(Chairperson)*
DC Engelbrecht *(Chief Executive Officer)*
WL Venter *(Chief Financial Officer)*
Dr MT Matshoba-Ramuedzisi *(Lead Independent Non-executive)*
MH Muller *(Independent Non-executive)*
Dr PA Pienaar *(Independent Non-executive)*

Independent valuer
Mills Fitchet (Tvl) CC
(Registration number: CK 89/40464/23)
No 17 Tudor Park, 61 Hillcrest Avenue
Oerder Park, Randburg 2115
PO Box 35345, Northcliff 2115

Legal adviser
Webber Wentzel
90 Rivonia Road
Sandton
Johannesburg 2196
(PO Box 1144, Johannesburg 2000)

Sponsor
PSG Capital Proprietary Limited
(Registration number: 1951/002280/06)
1st Floor, Ou Kollege Building, 35 Kerk Street
Stellenbosch 7599
PO Box 7403, Stellenbosch 7599

Transfer secretaries
Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647)
Rosebank Towers
15 Biermann Avenue, Rosebank 2196
Private Bag X9000, Saxonwold 2132

SAFARI
INVESTMENTS RSA LTD

KEY CONTACTS

If interested in investing with us, or for more information on our investment opportunities, contact:

TALANA SMITH

Investor relations manager

+27 (0) 12 365 1889

talana@safari-investments.com

Or alternatively

DIRK ENGELBRECHT

Chief Executive Officer

Safari Investments RSA Limited

+27 (0) 12 365 1889

reception@safari-investments.com

Visit our investor relations link on our website for more information and financial updates, profiles and news.

www.safari-investments.com/investor-relations/