

SAFARI INVESTMENTS RSA LIMITED

Approved as a REIT by the JSE Limited
(Incorporated in the Republic of South Africa)

(Registration number: 2000/015002/06)

Share code: SAR ISIN: ZAE000188280

("Safari" or "the company")



CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL RESULTS AND INTERIM DIVIDEND DISTRIBUTION DECLARATION FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2020

1. SALIENT FEATURES

The company's financial results for the six months ended 30 September 2020 reflect that of a defensive portfolio, though heavily impacted by the global COVID-19 pandemic. The six-month period under review fell concurrent with the lockdown period and the tight restrictions implemented by the South African government. The retail industry experienced weeks of forced closure of non-essential service retailers and as a result, once-off rental relief of R23.5 million was granted to Safari tenants. This equated to 13.8% of pre-rent relief adjusted property income for the six months under review.

The company's focus on food-anchored shopping centres in mainly peri-urban areas has proven to be a key factor in the defensive nature of the Safari portfolio. Across the portfolio, recovery of rental income has already returned to near normal levels with 97% of income-generating space fully occupied and operational, while no significant tenant failures occurred during the lockdown period. The reversion rate on renewals remained positive at 1.3% for the six months. 95.3% of total billings for the period were collected with arrears including tenant turnover rentals and other recoveries invoiced on an ad hoc basis which we regard as being recoverable.

Due to rent relief provided to tenants from April 2020 to September 2020, property revenue decreased by 7% to R147 million, from R159 million in the prior corresponding period, while property expenses as a percentage of property revenue was 27% compared to 23% in the prior corresponding period. We expect these figures to normalise during the remainder of the financial year.

The portfolio vacancy rate remained low at 3% (2019:3%). Vacant space is mainly attributed to the current redevelopment project underway at The Victorian Shopping Centre and reconfiguration of its tenancy.

Earnings per share and headline earnings per share decreased by 80% to 5.70 cents per share, from 27.92 cents per share in the prior corresponding period. While COVID-19 rent relief granted during the reporting period had a negative impact on earnings, a major contributor to the reduced earnings per share were the significant interest rate cuts during the reporting period which resulted in a notable fair value loss on hedging instruments directly through profit or loss.

Distribution per share decreased by 29% to 17 cents per share, from 24 cents per share in the prior corresponding period. We are confident that, on the assumption of normalised trading conditions, the remaining six months of the 2021 financial year should see

significantly better results compared to the first six months of the 2021 financial year. This forecast is the responsibility of the board of directors of Safari and has not been reviewed or reported on by the auditor.

Net asset value per share increased by 4% to 753 cents per share, from 721 cents per share in the prior corresponding period. Note that in the current reporting period, the 53 million Safari shares held by Southern Palace currently pledged to Safari as security for the claim against Southern Palace are excluded from the number of ordinary shares in issue as they are seen as treasury shares. These shares were still included in the number of ordinary shares in issue in the net asset value per share calculation at the end of the corresponding period in the prior financial year.

Despite stressed market conditions, business activities during the period continued. Highlights included the restructuring and renewal of maturing debt facilities; progress with the planning of the refurbishment of The Victorian Shopping Centre; the addition of national food retailer Spar at Denlyn Shopping Centre in response to market demand; and approval of the expansion of solar power systems at most retail centres to strengthen our solar investment.

With the SA REIT Association's second edition best practice recommendations being effective for the company's financial year ending 31 March 2021, the new SA REIT metrics were included for the six months under review in an annexure to the interim results for transparency and comparability.

2. DIVIDEND DECLARATION

The board has resolved to declare an interim gross dividend of 17 cents (2019: 24 cents) per share from income reserves in respect of the six months ended 30 September 2020. The dividend amount, net of South African dividend tax of 20%, is 13.6 cents (2019: 19.2 cents) per share for those shareholders who are not exempt from dividend tax. The number of ordinary shares in issue at the declaration date is 310 826 016 and the income tax number of the company is 9012/264/14/0.

The salient dates of the dividend declaration are:

Declaration date	Monday, 23 November 2020
Last day to trade cum dividend	Tuesday, 8 December 2020
Trading ex-dividend commences	Wednesday, 9 December 2020
Record date	Friday, 11 December 2020
Date of payment	Monday, 14 December 2020

Shares may not be dematerialised or rematerialised between Wednesday, 9 December 2020 and Friday, 11 December 2020, both days inclusive.

3. SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the company. It contains only a summary of the information in the full announcement and does not contain full or complete details. The full announcement can be found at:

<https://senspdf.jse.co.za/documents/2020/JSE/ISSE/SAR/Interim20.pdf>

Copies of the full announcement are also available for viewing on the company's website at <https://www.safari-investments.com/investor-relations> or may be requested in person, at the company's registered office or the office of the sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement as a whole.

These interim results have neither been reviewed nor audited by the company's auditor.

Pretoria
23 November 2020

Sponsor
PSG Capital



PSG CAPITAL