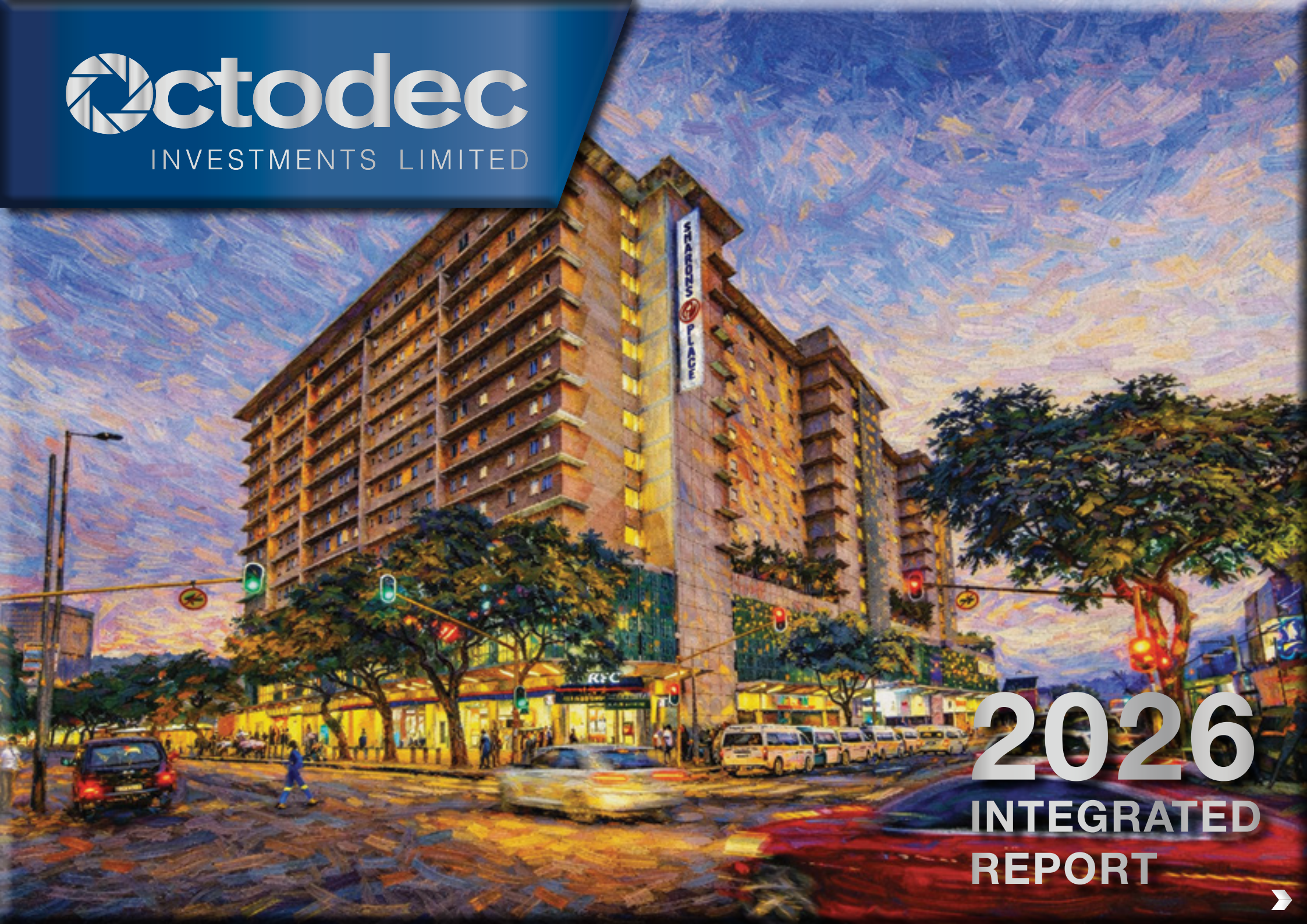
Octodec

INVESTMENTS LIMITED



2026 INTEGRATED REPORT

WELCOME TO OUR INTEGRATED REPORT

This integrated report presents an opportunity for Octodec to share insights on its strategy, performance for the year ended 31 August 2026, and future prospects.

Material events occurring between the reporting date and the date of board approval are included where relevant. The report outlines how the group creates, preserves and protects value over the short, medium and long term.

Octodec Investments Limited (Octodec or the company), together with its subsidiaries and associated company (collectively, the group), is a Real Estate Investment Trust (REIT). Established in 1956, Octodec was listed on the Johannesburg Stock Exchange (JSE) in 1990, on A2X (South Africa) in 2023 and acquired REIT status in 2013.

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Central Towers

OUR REPORTING SUITE

The 2026 suite includes the following elements and is available on our website at https://octodec.co.za/investor-information/.

This integrated report

Directed at financial capital providers and interested stakeholders, reporting on strategy, performance and prospects impacting enterprise value. This report includes our governance and remuneration review.



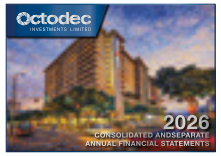
Sustainability report

Provides additional information on our sustainability strategy, environmental impact, social initiatives and progress towards our long-term objectives.



Annual financial statements (AFS) and results presentations

Primarily directed at shareholders, the investment community and analysts, reporting on the group's financial position and performance.



Summarised annual financial statements and notice of annual general meeting and proxy form

Provides shareholders and investors with the information required to participate in and vote at the AGM.



REPORTING SCOPE AND BOUNDARY

INTEGRATED REPORTING BOUNDARY

FINANCIAL REPORTING BOUNDARY

This report encompasses the comprehensive performance of the Octodec property portfolio.

Where you see this logo, Octodec executes most of the activities in that section.

Asset and property management, and certain specialist services, are outsourced to City Property.

Where you see this logo, City Property executes most of the activities described in that section.

Refer to page 5 for the group structure and details of the management agreement.

This report does not always distinguish between Octodec's activities and the services provided by City Property under the management agreement, as these are performed under Octodec's direction.

The content of this report is comparable with previous years, and material performance information is presented on a like-for-like basis, excluding the impact of property disposals. Unless specifically indicated, comparative information has not been restated. There were no significant changes to the group's size, structure, or key functions during the reporting period.

During the period, Emira Property Fund acquired approximately 23.9% of the issued share capital from existing institutional shareholders, resulting in it now being the second largest shareholder in Octodec.

This integrated report has been prepared in accordance with the principles, requirements, standards and guidance of the:

- Companies Act, No 71 of 2008 (Companies Act).
- Listings Requirements of the JSE Ltd (JSE Listings Requirements).
- Integrated Reporting Framework.
- King Report on Corporate Governance for South Africa, 2016™ (King IV™)[1].
- King V™, launched by the Institute of Directors South Africa (IoDSA) and the King Committee on Corporate Governance in South Africa on 31 October 2025, is effective for financial years commencing on or after 1 January 2026. Octodec applied the principles and practices of King IV™ for the 2026 financial year.

Our audited AFS comply with International Financial Reporting Standards (IFRS) and were audited by Ernst & Young Incorporated. The non-financial information in this report has not been externally assured. However, executive management applies internal review and approval processes to support the integrity of the non-financial information presented in this report.

[1] Copyright and trademarks are owned by the Institute of Directors in South Africa NPC, and all its rights are reserved

MATERIALITY

In preparing this report, the board, the executive and management teams applied the principle of materiality as defined in the Integrated Reporting Framework, focusing on the matters that could significantly affect the group's ability to create, preserve and protect value over time. Read more about our material matters on page 14.

Forward-looking statements

This report contains forward-looking statements that are subject to factors beyond our control and may cause actual results to differ from anticipated outcomes. Changes in the economic environment and market conditions may affect Octodec's performance and should be considered when reviewing this report.

Time horizons

For the purposes of this report, Octodec has defined the following time horizons:

- Short term: one to 1.5 years
- Medium term: 1.5 to 3.0 years
- Long term: more than 3.0 years

This is an interactive report with features designed to enhance your reading experience. Use the navigation items and hyperlinks to move between sections, access additional information or return to the contents page. For the best experience, view in a full-feature PDF reader such as Adobe Acrobat.

REPORTING PROCESS AND BOARD APPROVAL

The board is responsible for the integrity of the information contained in this integrated report, the Notice of AGM, the website and other communications directed at stakeholders.

The directors confirm that they have reviewed the integrated report and supplementary documents and are satisfied that they present a balanced view of Octodec's material matters, strategy, performance and prospects in accordance with the Integrated Reporting Framework.

The board approved this report on 20 November 2026.

Relevant board committees

The Group audit and risk committees, nomination and remuneration committee and social, ethics and transformation committee review the report and information relevant to their respective areas of responsibility, including financial and non-financial data, and recommend it to the board for approval.

Executive management

Reviews and validates information within their respective functional areas to ensure its accuracy, completeness and reliability, and recommends the full report to the relevant board committees for review.

The report is prepared through a structured process, led by a cross-functional team and supported by external reporting advisers. It is based on:

- Internal management and board reports
- Interviews with board members, executive and management teams
- Engagements with stakeholders

For more information or feedback on this report or any other elements listed above, contact investorrelations@octodec.co.za.

A SNAPSHOT OF OUR PERFORMANCE IN 2026

Rental income increase of **2.1%** to **R1 613 million**

Like-for-like rental growth of **3.7%**

Cash generated from operating activities before dividend payment of **R510.7 million**

Distributable income after tax (REIT funds from operations) of **R512.1 million**

All-in weighted average cost of funding of **9.0%**

Loan-to-value (LTV) of **36.1%**

Distributable income per share of **192.36 cents**

Dividend per share of **149.97 cents**

Net asset value (NAV) per share of **R25.74**

Disposal of **20** properties for **R202.0 million** At an exit yield of **9.1%**

Capital expenditure of **R151.6 million** to maintain and improve our buildings

5 504 MWh solar power generated at **16** sites

Borehole water is being used at **29** properties to support continuity of water supply during municipal water interruptions

Octodec leased affordable apartments with play areas for children, entertainment areas for family and friends, laundry facilities and free Wi-Fi to **16 080 people**

R292 million spent on procurement from black-owned companies, which represents 24% of total procurement

Octodec is an official partner in a nationwide initiative dedicated to providing **1.1 million meals** over a decade to preschool children in need

Read more about the portfolio's performance from page 46.

THIS IS OCTODEC



The Fields

WHO WE ARE

We create the cities of tomorrow, today. Through purposeful investment in urban real estate, we create vibrant, inclusive places where communities can live, work, shop and play.

Octodec was founded by Alec Wapnick in 1956 and takes its name from Octodecim, the Latin word for 18, representing its original 18 shareholders, including the Wapnick family who remain core shareholders. Alec Wapnick established City Property in 1968 as a private, specialist property and asset management company to manage the Wapnick family's assets and those of other clients.

Over the decades, Octodec has acquired and transformed properties across Gauteng, initially with a strong focus on the inner city and subsequently expanding into established urban areas, to meet the evolving needs of our tenants. Our first inner-city conversion, completed in 1998, marked the beginning of our commitment to delivering quality, affordable residential and commercial properties.

Today, we continue to develop and manage mixed-use spaces that create vibrant communities where residents, students, office workers, retailers and entrepreneurs can thrive.

OUR PURPOSE

To invest in, manage and innovate urban real estate to revitalise communities, deliver sustainable income and create long-term value for our shareholders and society.

OUR MISSION

To manage and enhance a multi-sector portfolio of urban properties to deliver dependable income, elevate tenant experiences and contribute to vibrant, inclusive communities.

OUR CORE VALUES

- Honesty and integrity are our foundation
- Quality is our cornerstone
- We dare to pave the way
- We paint our cities with passion
- We make it happen

OUR VISION

To innovate and create sustainable economic value through our investment in a multi-sector property portfolio.

We are deeply committed to the communities we serve, partnering with them to shape a forward-looking, inclusive future. By reimagining and transforming buildings, we cultivate vibrant urban ecosystems where people can live, work, shop and play.

Our contemporary, sustainable assets – with our portfolio increasingly focused on industrial, retail and residential spaces – are purpose-built to meet evolving market needs and support long-term growth.

We strive to be the most trusted steward of inclusive, income-generating spaces that uplift everyday life and support vibrant urban ecosystems.

OUR GROUP STRUCTURE

City Property, a specialist property management company, provides property and asset management services under a management agreement with Octodec. Its expertise supports our tenant-centric approach and sustainable growth, while the Octodec board oversees its performance.

This report does not always distinguish between Octodec's activities and the services provided by City Property, as these are performed under Octodec's direction.

Octodec INVESTMENTS LIMITED

Employs 171 people

- Deputy chief executive officer *and* financial director (deputy CEO *and* FD)
- Group company secretary and assistant company secretary
- Head of compliance
- Building managers
- Cleaners and handymen

Listed as a REIT on the JSE

Other shareholders
38.4% of shares (see page 110)

Emira Property Fund
23.9% of shares

The Wapnick family
37.7% of shares

Holding 100% in each of its subsidiaries:

- Octprop (Pty) Ltd
- Presmooi (Pty) Ltd
- Tribeca Properties (Pty) Ltd
- Premium Properties (Pty) Ltd and three subsidiaries
- Killarney Mall Properties (Pty) Ltd (sold post year-end)
- IPS Investments (Pty) Ltd with four subsidiaries and an associate

The CEO (Jeffrey Wapnick) and deputy CEO *and* FD (Riaan Erasmus) of Octodec formulate the group strategy for approval by the Octodec board and, together with City Property, drive its execution, supported by the City Property executive and management teams.

CITY PROPERTY
Addressing the Future

Employs 442 people

The executive team, supported by the management team, is responsible for:

- Proposing the strategy to the Octodec board for approval
- Driving execution of the strategy to achieve strategic objectives
- Financial management
- Risk management
- Internal audit
- Managing and implementing environmental, social and governance matters
- Occupational health and safety
- Specialist property portfolio management
- Leasing
- Administration
- Marketing
- Customer service

Related party to Octodec

- Controlled by the Wapnick family.
- Sharon Wapnick and Jeffrey Wapnick are directors.
- Jeffrey Wapnick is the CEO of Octodec and, under the current management agreement, serves in this capacity as the managing director of City Property. He is employed and remunerated by City Property.

OUR BUSINESS MODEL

This report is structured around our business model, which underpins our approach to value creation. This overview provides a high-level snapshot of the business model, with outcomes presented in the relevant chapters throughout the report. The structure below illustrates how the key components fit together

OUR VALUE CREATION

An integrated view of how we use, transform and grow our resources and relationships to deliver long-term value.

An introduction to Octodec, what we do and the material matters that shape our ability to create value.

INPUTS	BUSINESS ACTIVITIES	PERFORMANCE OUTPUTS	VALUE CREATION OUTCOMES
The resources and relationships used.	What we do to convert inputs into outputs.	The products, services and by-products we deliver.	The effects of outputs and activities on Octodec and our stakeholders.

Capitals

- Financial
- Manufactured
- Intellectual
- Human
- Social and relationship
- Natural

OUR BUSINESS ACTIVITIES



CAPITAL INPUTS OVERVIEW

FINANCIAL CAPITAL

Our financial resources and disciplined management provide a strong foundation.

We have equity of R6.7 billion, debt funding of R4.1 billion and access to unutilised facilities of R1.2 billion. These resources support operations and strategic initiatives.

Refer to the deputy CEO *and* FD's review on page 57.

Key accountability:

MANUFACTURED CAPITAL

Our well-located portfolio of residential, commercial and mixed-use properties is valued at R11.1 billion with total GLA of 1 396 805 sqm.

We invested R151.6 million in our portfolio and spent an average of R9.9 million per month on repairs and maintenance.

Refer to the operational performance review on page 48.

Key accountability:

INTELLECTUAL CAPITAL

City Property's brand and expertise provide a strategic edge.

We leverage its financial, property and asset management capabilities to strengthen performance.

The innovations team develops solutions that keep us relevant and responsive to tenant needs.

Key accountability:

HUMAN CAPITAL

Our 171 employees bring broad expertise.

Building managers, cleaning employees and handymen play a vital role in managing the portfolio and supporting tenants.

They are backed by City Property's teams and a skilled Octodec board, an experienced deputy CEO *and* FD, supported by a qualified company secretary and compliance officer.

Key accountability:

SOCIAL AND RELATIONSHIP CAPITAL

We build strong ties with local communities and contribute to their development.

We invested:

- R18.8 million in our enterprise and supplier development programme
- R2.4 million in social upliftment initiatives

Refer to our sustainability report.

Key accountability:

NATURAL CAPITAL

We promote responsible use of natural resources across our operations.

We manage water, electricity and waste, supporting efficiency and minimising impact.

Refer to our sustainability report.

Key accountability:

OUR PORTFOLIO

We own a balanced portfolio of quality residential and commercial properties in strategic locations, valued at R11.1 billion.

Residential

36.5% of our portfolio rental income.

Octodec's residential apartments offer accommodation for young professionals, families and students, with access to:

- An array of retail offerings
- Reduced commute time for tenants
- Affordable, secure housing options
- Secure play and recreation areas

We house 16 080 residential occupants in 9 237 units.

Commercial

63.5% of our portfolio rental income.

Our commercial portfolio caters to retail, office and industrial tenants, offering access to:

- Retail spaces with high foot traffic
- Pockets of affordable space for small businesses
- Security and controlled access for mini factories

We provide places of work for 3 080 retail, office and industrial tenants.

We manage our portfolio by maintaining strong property fundamentals; we focus on the urban renewal of Gauteng, with a particular focus on Tshwane and Johannesburg. Our geographic concentration generates economies of scale and efficiencies. We continue to look for ways to unlock the value of the properties in our portfolios.

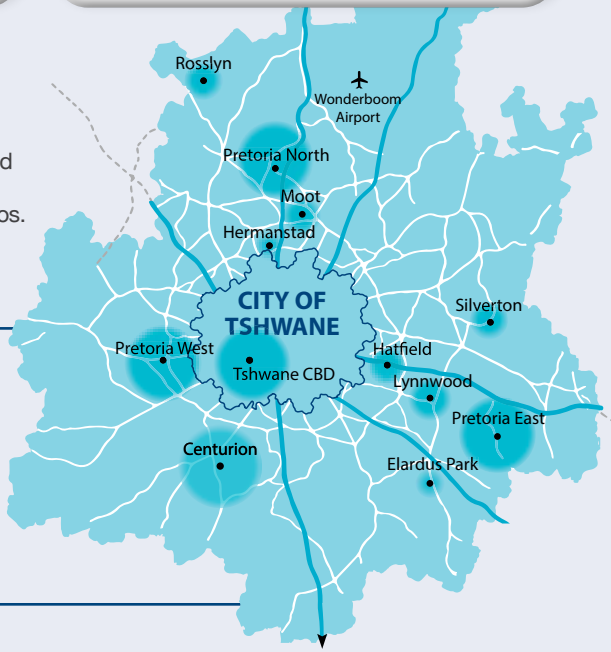
TSHWANE

Tshwane CBD – **36.6%** of our rental income

Tshwane surrounds – **34.4%** of our rental income

Tshwane CBD – **R4.0 billion** portfolio value

Tshwane surrounds – **R4.1 billion** portfolio value



Gauteng remains a vibrant and diverse province with a growing population of professionals, entrepreneurs, small business owners, manufacturers and national retailers. It is the largest contributor to South Africa's gross domestic product (GDP), accounting for approximately 33% at the last assessment.

Tshwane and Johannesburg attract young people and families seeking the convenience of city living. They also house established government departments and various office and retail tenants.

Read more about our top 10 properties from page 36.



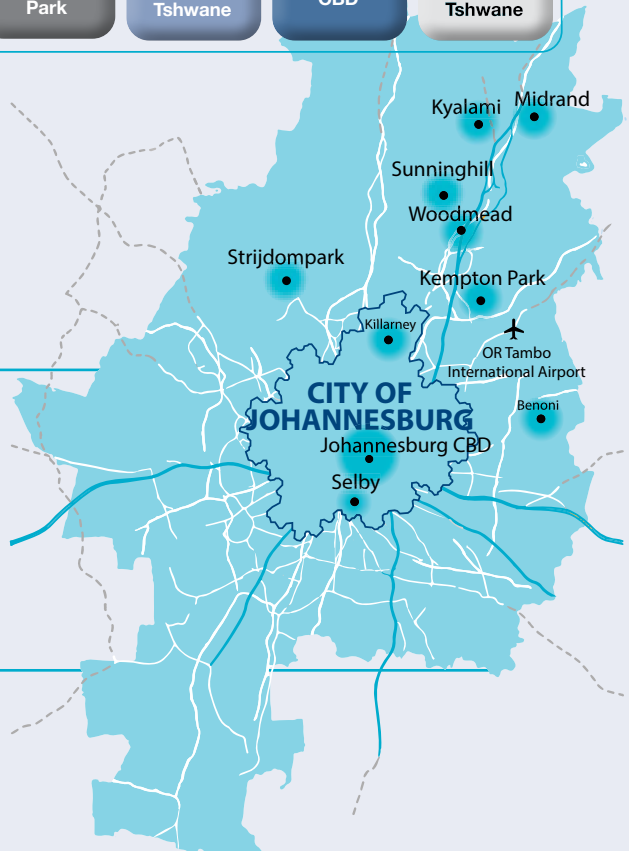
JOHANNESBURG

Johannesburg CBD – **16.2%** of our rental income

Johannesburg surrounds – **12.8%** of our rental income

Johannesburg CBD – **R1.6 billion** portfolio value

Johannesburg surrounds – **R1.4 billion** portfolio value



OUR STRATEGY

Our strategy guides our business activities in pursuit of our vision. Our strategic objectives are:

Transform our property portfolio

We are simplifying and strengthening our portfolio into a more focused portfolio of industrial, retail and residential assets, supported by disciplined disposals, capital recycling and selective investment in higher-quality assets to support sustainable long-term growth.

Manage our balance sheet and funding structure

We maintain a resilient balance sheet through disciplined capital allocation, diversified funding, prudent gearing and active interest rate management.

Enhance the value of our human capital contributions

We attract, retain and develop skilled people while embedding a culture of performance, transformation, compliance and accountability.

Create sustainable value for all our stakeholders

We create sustainable value by enhancing the tenant experience, reducing vacancies, managing costs and strengthening stakeholder relationships.

Read more about our strategy from page 29.

CAPITAL OUTCOMES OVERVIEW

FINANCIAL CAPITAL

Responsible financial and liquidity management practices have enabled us to increase the group's financial capital, achieving distributable income of R512.1 million.

Refer to the financial performance review on page 59.

Key accountability:

MANUFACTURED CAPITAL

The operating context, tenant preferences and affordability required a strategic approach to our portfolio. We explore innovative uses for existing properties.

Our property portfolio decreased by R19.3 million with developments and refurbishments of R151.6 million, disposals of R202.0 million and a net valuation change of (0.1%) to R11.1 billion.

Refer to the operational performance review on page 48.

Key accountability:

INTELLECTUAL CAPITAL

Intellectual capital is a scarce resource that sets companies apart, and innovative thinking has become a key differentiator.

We have increased our intellectual capital by focusing on innovation and adopting a future-ready mindset.

Refer to the operational performance review on page 48.

Key accountability:

HUMAN CAPITAL

Experienced property skills and talent are scarce.

Both Octodec and City Property retain their quality skills and talent pools through fair remuneration, on-the-job training and supporting employee wellness.

For more details, refer to our remuneration report on page 100.

Key accountability:

SOCIAL AND RELATIONSHIP CAPITAL

Managing stakeholder relationships and earning trust is crucial in our industry.

We consistently work to increase our social and relationship capital. As reflected in our vision, we are committed to social investment and development, with a strong focus on urban regeneration and community upliftment.

Refer to our sustainability report.

Key accountability:

NATURAL CAPITAL

With the depletion of natural capital, particularly the costly and constrained availability of water and electricity, our investments in solar energy, water availability as well as electricity and water efficiency are essential.

We are committed to providing our tenants with access to water and electricity and creating a future-ready business.

Refer to our sustainability report.

Key accountability:

THE INPUTS INTO OUR BUSINESS MODEL



Sharon Wapnick
Chairman

A renewed focus on the performance of Octodec's property portfolio is starting to deliver results. Management's efforts to extract maximum value from every asset are strengthening the group's performance and creating opportunities for further value creation.

CHAIRMAN'S REVIEW

OPERATING ENVIRONMENT AND PERFORMANCE

The board is pleased with Octodec's improved performance and management's ongoing efforts to extract maximum returns from the property portfolio. Distributable income grew by 12.2% year-on-year, and distribution per share increased by 11.5% in the same period. Total dividends for the year amounted to R399.3 million (149.97 cents per share), compared with R358.0 million (134.50 cents per share) in 2025. These results were supported by the group's lower gearing and the refinancing of debt at better margins. This has strengthened the Group's financial position and its ability to execute on its strategy.

The external environment continues to present uncertainty with lower than anticipated investor confidence; the broader economy is facing ongoing pressures with constrained public finances, persistent infrastructure backlogs and the recent hike in interest rates is testing the resilience of businesses and communities.

Octodec has maintained good engagement with the City of Tshwane Metropolitan Municipality – in my view, a change in Johannesburg's political leadership should bring about positive change. Performance needs to improve. Historically, the challenges to governing parties differ between Tshwane and Johannesburg. However, Octodec's approach and engagement are similar in both environments and is built around doing the right thing. Striving to keep these communities enriched and uplifted is top of mind for us.

The City of Johannesburg's recent settlement of its outstanding R5.25 billion electricity debt to Eskom is a welcome development. We look forward to seeing sustained progress that will drive lasting improvements in the environment in the short to medium term.

Coalition governance can be challenging, as differing priorities and approaches can complicate the execution of lasting change. Octodec is ready to work constructively with any council to support outcomes that help our cities grow and thrive. This has always been and will always be part of our ethos and our business DNA.

We are working with other property owners and stakeholders in the REIT sector to strengthen the industry's collective voice through *fora* such as the South African Property Owners Association (SAPOA), Jozi My Jozi, city improvement districts (CIDs) and the South African Multifamily Residential Rental Association (SAMRRA). The industry is engaging with local councils and government through these platforms to address issues affecting the operating environment, including local nodal challenges.

On the broader economy, South Africa's forecast for marginal real GDP growth in 2026 is 1.2%, increasing to 1.6% in 2027. The hope is that this forecast and more will be achieved, with support from encouraging structural reforms. Some of these include energy (a long–standing challenge in South Africa despite issues such as loadshedding improving dramatically), transport, port infrastructure, logistics and governance, to name a few. This improvement should specifically support industries such as manufacturing and industrials, who will be able to operate increasingly successfully on the back of these reforms.

Operation Vulindlela, for example, is a major undertaking that we anticipate will lift business sentiment and international investment. This kind of inherently systemic initiative should have an impact on job creation for a growing population. Growing employment supports broader economic growth, and the impact on companies such as Octodec would be an increased demand for quality rental space. It should also provide a more stable environment to reduce vacancies and bad debts.

Further detail on the economic and operational environment and the group's relationships with municipalities is provided in the leadership reports on pages 46 and 56.

The board supports management's continued focus on driving income growth and disciplined cost management, while preserving the long-term sustainability and resilience of the portfolio.

OVERSIGHT OF STRATEGY

A large part of the board's focus has been on overseeing the implementation of Octodec's strategy.

Portfolio optimisation has been a key priority since FY2025. Management is making good progress in disposing of non-core and underperforming properties to create value in the long term.

Management achieved its disposal target, generating R202 million in proceeds from the sale of 20 properties. This exceeded the 17 properties sold in 2025 and represents a significant increase on disposal activity in earlier years.

Refer to the note on our strategic direction from the deputy CEO *and* FD on page 57 for more detail on disposals.

As mentioned last year, the most notable transaction is the sale of Killarney Mall. Killarney Mall had been part of the Octodec stable since 2001 and was considered one of our flagship properties at that time. The parties concluded an agreement of sale in February and thereafter fulfilled all the conditions precedent. This includes completing the due diligence and delivering financial guarantees. Competition Commission approval was announced on 8 October 2026, and Killarney Mall was successfully transferred on 2 November 2026.

The board is overseeing the selective divestment from certain assets within the Johannesburg portfolio to align with Octodec's long-term strategic objectives. Management is implementing this strategy with appropriate governance, oversight and resources. In this process, the board remains mindful of Octodec's longstanding role in supporting Johannesburg's communities and contributing to their upliftment. Octodec continues to own and manage a substantial portfolio in Johannesburg and remains committed to the city's growth and success.

The focus for the properties that we retain is on unlocking further value through redevelopment, particularly by converting suitable properties into residential assets. The board approved the 18-month redevelopment of the Capitol Towers North building into a second Yethu City development. This will start in 2027 and is subject to applicable governance requirements and the finalisation of the detailed design. The board has authorised management to explore appropriate funding sources and financing structures.

As the strategy takes shape and is refined, Octodec intends to re-deploy the capital released through disposals and the financial value created through redevelopment to strengthen the portfolio. Where appropriate, we will pursue acquisitions in the sectors where Octodec has demonstrated strong performance, such as industrial, convenience retail and residential properties.

The discount to NAV has narrowed from 55.8% in 2025 to 32.4% at year-end. Ideally, the board would like to see this gap close completely and, dare I say it, with Octodec ultimately trading at a premium to NAV. The initiatives we are undertaking support this objective. We are cognisant of the fact that there is still work to do to achieve this, but the progress to date is encouraging. The board believes this may be possible in the medium to long term.

SUSTAINABILITY

Sustainability is embedded in how Octodec manages properties, allocates resources and makes decisions that support resilient buildings and long-term value.

The board plays an active role by guiding and monitoring progress in this area, oversees regulatory developments and advises on the group's response. We are supported by the social, ethics and transformation (SET) committee, which oversees sustainability matters and ethical conduct across the group.

We approved the sustainability strategy on 21 December 2025. At that time, we incorporated climate risk, as well as diversity, equity, inclusion and belonging, into the risk register and relevant human resources policies. We also set targets for waste recycling and renewable energy. The sustainability report provides further detail on the progress made in 2026.

We approved the Sustainability Finance Framework and obtained a Second-Party Opinion in January 2026, enabling Octodec to issue sustainability-linked corporate bonds. As a result, one option for consideration is to issue a sustainability-linked bond to support the growth and development of a second Yethu City.

Management has identified potential partners and funders and is engaging with them at this time. The board will assess these opportunities against the group's strategic objectives. When selecting potential joint-venture partners and funders, the board looks for a match relating to sound governance, a strong reputation and a long-term orientation. The board also considers the opportunities that each relationship could create.

We see scope to convert more underutilised assets into affordable accommodation given the scale of Octodec's residential portfolio. We are also considering the potential to issue social bonds to support this. We believe Octodec already meets many of the requirements sought by institutional impact investors, and we do not expect the associated KPIs to present significant obstacles.

GOVERNANCE MATTERS

The board made two new appointments and several governance changes to refresh and update responsibilities and we believe that this will support the next phase of Octodec's strategic execution.

Sanjay Bhikha and Robin Lockhart-Ross were appointed to the board on 1 September 2025, and I provided details of their experience and curricula vitae in my chairman's report last year. Pieter Strydom retired as a director at Octodec's annual general meeting on 4 February 2026 after 14 years of loyal and devoted service to Octodec. Sanjay and Robin bring fresh perspectives to our decision-making ability and have quickly found their feet. Both are making an enthusiastic and substantive contribution to the board. Richard Buchholz was appointed lead independent non-executive director and chairman of the independent sub-committee after Pieter Strydom's retirement. We thank Pieter for his valuable contributions to the board over the years and welcome Richard to his new role.

We have also refreshed the composition and structure of several committees:

- We transferred remuneration responsibilities from the SERT committee to the nominations committee, which we renamed the nominations and remuneration committee. The SERT committee was renamed the social, ethics and transformation (SET) committee.
- We formalised the ad hoc independent sub-committee as a permanent standing committee (the independent sub-committee), giving it dedicated oversight of internalisation activities and related-party matters.

The independent sub-committee is assessing the merits of internalising the City Property management function, including the potential strategic and operational benefits for Octodec. No decision or implementation timeline has yet been set. The board will consider the independent sub-committee's findings before reaching a view on its feasibility and the appropriate approach.

Leadership and succession have received considerable attention. Riaan Erasmus is the deputy CEO *and* FD and is positioned to take over as CEO. Riaan led the formulation of the group's revised strategy and supports the CEO in its implementation, and his appointment has strengthened the leadership structure. The board recognises that a potential CEO transition would also require succession planning for the FD role and is addressing both roles as part of its broader succession planning.

The board approved a long-term incentive (LTI) scheme to align executive interests with those of shareholders and updated the remuneration policy to incorporate amendments to the Companies Act and provide for LTI remuneration for the deputy CEO *and* FD.

The board has also engaged with Emira Property Fund following its acquisition of a significant minority stake in Octodec. We recognise Emira as an important minority shareholder and will maintain an open and constructive relationship with it as we do with all our shareholders.

Further detail on the group's governance structures, committee responsibilities and activities is provided in the governance report.

OUTLOOK AND APPRECIATION

The board's focus over the next few years will be on executing the strategy with discipline and ensuring that Octodec's capital and resources are directed to areas that can generate stronger returns.

I extend my thanks and appreciation to my fellow non-executive directors, the CEO, deputy CEO *and* FD and the company secretariat for their ongoing commitment and support. I acknowledge the employees of Octodec and the management and employees of City Property; their tireless efforts promote and uphold the interests of Octodec and its stakeholders. Finally, I thank our shareholders and funders for their ongoing support and engagement.

Sharon Wapnick
Chairman

OUR MACROECONOMIC CONTEXT

Global economic outlook

The International Monetary Fund (IMF) forecasts global growth of 3.4% in 2027, reflecting persistent uncertainty arising from geopolitical tensions and trade fragmentation. While inflation has moderated in many economies and monetary policy is gradually easing, downside risks to the global outlook remain. Growth is expected to stay below historical averages over the medium term.[1]

South Africa's challenges

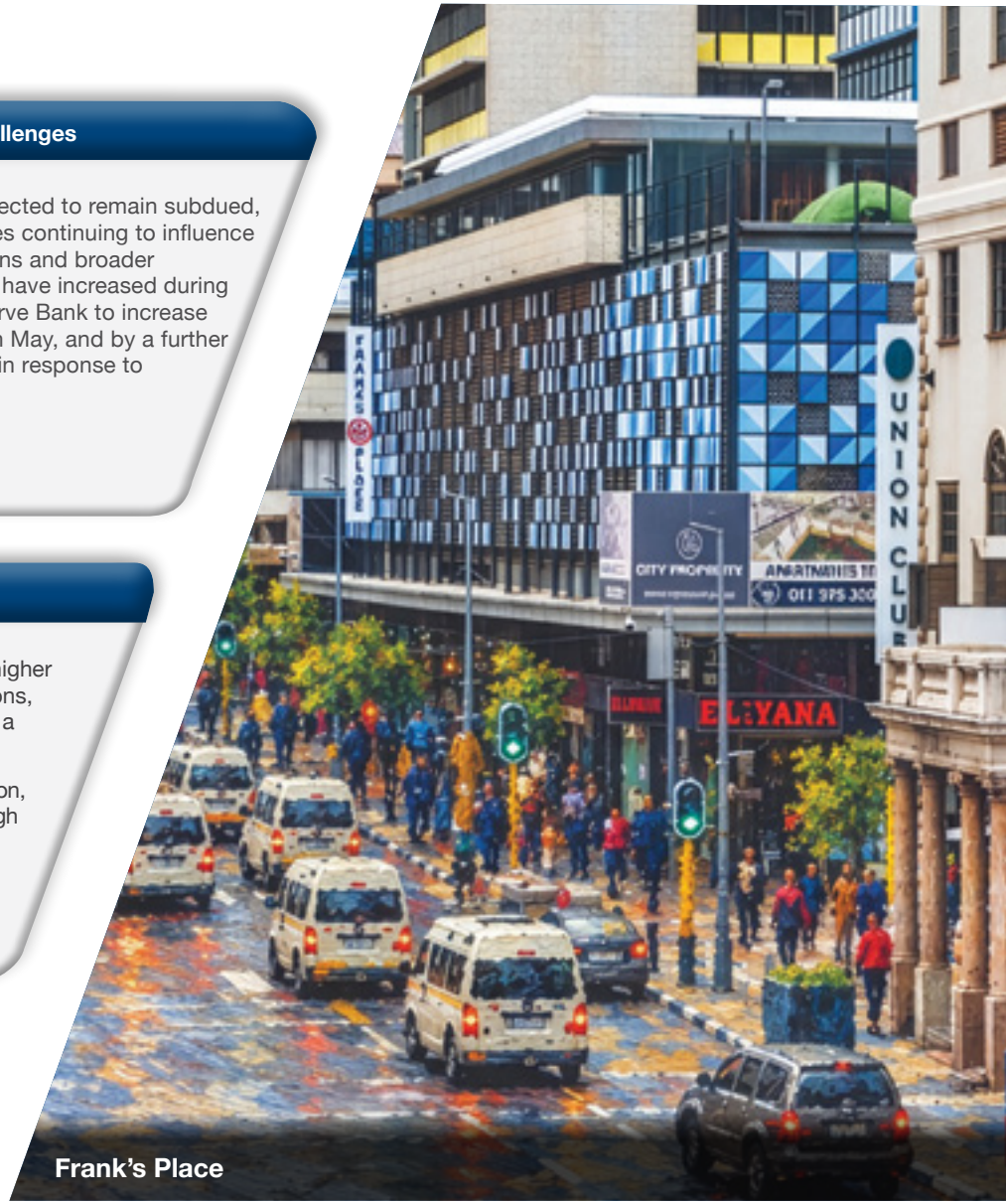
South Africa's economic recovery is expected to remain subdued, with volatility in inflation and interest rates continuing to influence household spending, investment decisions and broader economic activity. Inflationary pressures have increased during 2026, prompting the South African Reserve Bank to increase the repo rate by 25 basis points to 7% in May, and by a further 25 basis points to 7.25% in September, in response to heightened inflation risks.

The impact on Octodec and our strategic response

The current economic environment is placing pressure on Octodec through increased tenant failure risk, higher funding costs, rising property costs and pressure on distributions. These factors can affect rental collections, operating margins and the cash available for distributions, while increasing the importance of maintaining a resilient balance sheet and disciplined capital allocation.

Our strategic focus is on enhancing portfolio quality and earnings resilience through disciplined capital allocation, targeted disposals, redevelopment initiatives and selective investment in yield-enhancing opportunities. Through these efforts, we strengthen the portfolio, support sustainable distributions and create long-term shareholder value.

Refer to our growth strategy on pages 29 to 32.



Frank's Place

1 International Monetary Fund, World Economic Outlook Update, July 2026
2 Statistics South Africa, Consumer Price Index, June 2026, and South African Reserve Bank, Monetary Policy Committee Statement, May 2026

THE MATERIAL MATTERS IMPACTING VALUE CREATION

Our reporting is guided by the principle of materiality. This ensures we focus on the issues most critical to value creation for the group and our stakeholders.

Our integrated report is aligned with the Integrated Reporting Framework, which defines a material matter as one that could substantively affect Octodec's ability to create value over the short, medium or long term. Material matters are assessed based on their potential impact on enterprise value and are intended primarily to inform providers of financial capital, including shareholders and lenders.

We align our sustainability reporting with the JSE Sustainability and Climate Disclosure Guidance and continue progressing towards adopting a double materiality approach over the short to medium term. As a first step in this journey, we assessed each material matter through two lenses:

- Its impact on Octodec's financial performance (inward focus)
- Its impact on the economy, society and the environment (outward focus)

While this report focuses on matters that affect enterprise value, we recognise the importance of understanding and disclosing our broader impacts on society and the environment. Matters identified as financially material are discussed in this report. Our sustainability report covers those matters with external impacts and is available at www.octodec.co.za.

OUR 2026 REVIEW

Executive management reviewed the group's material matters to confirm that they remain relevant in the current operating environment, given strategic priorities, principal risks and stakeholder expectations. The review concluded that the existing material matters as identified in 2025 remain appropriate, with updates made to reflect developments during the year.

The review also identified two additional material matters:

- Rationalisation of the property portfolio, reflecting the group's strategic focus on disposals and repositioning of the portfolio
- Concentrated shareholder base, following a significant change in the group's shareholding structure

The board approved the material matters on 6 August 2026.

OUR MATERIAL MATTERS

- M1 The global and local political landscape
- M2 Challenging local economic climate influenced by global and local political factors
- M3 Systemic infrastructure and municipal service challenges
- M4 Rationalisation of the property portfolio
- M5 Dynamic tenant needs
- M6 Concentrated shareholder base
- M7 Sustainability integration
- M8 The Octodec and City Property relationship
- M9 Community upliftment in our nodes

Financial material matters discussed in this report.

Financial and impact material matters discussed in the sustainability report and in this report.

An *impact* material matter discussed in the sustainability report.

M1 The global and local political landscape

South Africa's political landscape, particularly changes in local government administration, creates uncertainty around policy implementation and established stakeholder relationships. Challenges at the provincial and local government levels, particularly in service delivery and infrastructure, constrain economic growth and investment. Globally, ongoing geopolitical tensions and regional conflicts influence fuel and food prices, inflation and the cost of living.

The GNU has provided a relatively stable political environment at national level. The 4 November 2026 local government elections have extended coalition governance to most major metros, including Johannesburg, where no party secured an outright majority. Policy continuity and service delivery will depend on whether these municipal coalitions also prove stable.

Material matter: Financial

Level of control: Low

Year-on-year change:

Key accountability:

M2 Challenging local economic climate influenced by global and local political factors

As mentioned under our macroeconomic context (page 13), subdued economic conditions, structural challenges and an uncertain global environment persist. Although inflation and interest rates fluctuated during the year, high levels of household debt and pressure on disposable income constrain tenant affordability, contributing to vacancies and limiting rental growth. Rising construction costs also place pressure on investment yields.

Material matter: Financial

Level of control: Medium

Year-on-year change:

Key accountability:

M3 Systemic infrastructure and municipal service challenges

Ageing infrastructure and inconsistent municipal service delivery severely disrupt our operations and those of our tenants, particularly in the CBDs, where 58.1% (by GLA) of our portfolio is located. Service delivery challenges also affect our properties outside of the CBDs, although to a lesser extent. These issues impact the people who live, work and trade in our buildings. Although some sections of Lilian Ngoyi Street reopened earlier in the year, the remaining sections only reopened on 2 November. As a result, upgrade works and road closures affected footfall, traffic flow and retail tenant performance for the greater part of the financial year.

Material matter: Financial

Level of control: Medium

Year-on-year change:

Key accountability:

Our response

- Assess each investment opportunity to determine its potential to unlock value and enhance investment yields.
- Continuously assess whether each location and asset is strategically appropriate, considering infrastructure deterioration, municipal dysfunction and shifting tenant demand.
- Dispose of non-performing and non-core assets in existing nodes that are no longer sustainable. Reinvest in higher-yielding, earnings-enhancing properties in growth areas to support organic growth.
- Redevelop or convert well-located assets to keep the business model relevant and adaptable.
- Balance refurbishment and redevelopment needs while protecting the balance sheet and prioritising projects with long-term value.
- Focus on tenant mix, refurbishments and value-adding initiatives to retain and attract tenants. Offer affordable options such as the Yethu City concept to serve our tenant profile and support rental affordability.
- Repurpose office buildings into service-oriented retail offerings, such as hair and beauty, to enhance asset performance.
- Collaborate with the City of Tshwane, the City of Johannesburg and other stakeholders to address service delivery issues and support urban revitalisation.
- Invest in off-grid and self-sufficient systems to reduce reliance on municipal infrastructure and ensure service continuity.
- Create mini precincts where Octodec has a concentration of core properties.

Read more: page 46

High control: Octodec has direct decision-making authority. **Medium control:** Octodec can influence but not fully control outcomes. **Low control:** Octodec has little or no influence

M4 Rationalisation of the property portfolio

Our portfolio is continuously assessed to ensure it remains aligned with our long-term strategy and delivers sustainable returns. Changing tenant demand, ageing assets, infrastructure challenges and varying performance across nodes require active portfolio management. Selectively divesting from non-core and underperforming assets while reinvesting in strategically aligned properties supports capital recycling and enhances portfolio quality.

Material matter: Financial

Level of control: High

Year-on-year change: ▲

Key accountability:

Our response

- Assess portfolio performance on an ongoing basis to identify opportunities to unlock value and improve investment returns
- Dispose of non-core and underperforming assets that no longer align with our strategic objectives
- Recycle capital into strategically aligned assets and redevelopment opportunities that support long-term growth
- Prioritise investment in high-potential properties and nodes with stronger long-term growth prospects
- Repurpose and convert well-located properties where this enhances asset performance and responds to changing market demand

Read more: pages 10 and 29

M5 Dynamic tenant needs

Tenant needs are constantly evolving, driven by technology and rising expectations. Meeting demands for quality, affordability and reliable service requires innovation and adaptability. However, service delivery failures make this challenging, as tenants expect landlords to resolve issues that fall outside their responsibility or control.

Material matter: Financial

Level of control: High

Year-on-year change: ▲

Key accountability:

Our response

- Engage with tenants to understand evolving needs, gather feedback through CRM surveys and implement improvements to customer service and satisfaction
- Anticipate and respond to evolving tenant needs by offering adaptable, innovative solutions that strengthen our value proposition
- Invest in long-term renewable energy and alternative water solutions to support operational continuity, meet sustainability expectations and protect tenants from unreliable municipal services, even where these fall outside our direct responsibility
- Maintain above-average customer service standards to differentiate Octodec in a competitive market
- Balance the cost of meeting tenant expectations with maintaining affordability and long-term sustainability
- Monitor evolving compliance requirements arising from property repurposing and communicate the implications to affected tenants and other relevant stakeholders

Read more: pages 46 and 54

M6 Concentrated shareholder base

Octodec's shareholder base has become more concentrated following changes in our shareholding structure.

While a concentrated ownership profile can provide strategic support and long-term stability, it also increases the importance of robust governance, effective management of related party matters and equitable treatment of all shareholders.

Material matter: Financial

Level of control: Medium

Year-on-year change: ▲

Key accountability:

Our response

- Treat all shareholders equitably, regardless of the size of their shareholding
- Strengthen governance to ensure appropriate oversight of related party matters and potential conflicts of interest
- Maintain independent executive and company secretarial functions to support effective governance and decision-making
- Provide robust board oversight, supported by independent board committees, to safeguard accountability and transparency
- Apply disciplined cash flow and capital allocation practices to maintain funding capacity, recycle capital effectively and support long-term sustainable growth

Read more: pages 10 and 67

M7 Sustainability integration

Power supply, municipal water issues and rising costs are key challenges. Tenants expect reliable services, and disruptions lead to vacancies. Environmental sustainability initiatives present opportunities to strengthen our market position and improve tenant satisfaction. Our social impact is integral to our operations and is therefore treated as a distinct material matter.

Material matter: Financial and Impact

Level of control: High

Year-on-year change:

Key accountability:

Our response

- Expand the use of alternative energy sources, including solar installations, to strengthen long-term energy resilience and reduce costs
- Equip buildings vulnerable to water disruptions with emergency water supply access and storage
- Investigate and implement sustainable water sources, including borehole water where feasible, and develop a comprehensive water management plan
- Support employees with the tools and training needed to implement sustainability measures and manage day-to-day operational challenges
- Provide generators as part of a holistic power solution across residential and commercial buildings to support operations, maintain service continuity during power outages and reduce reliance on municipal services

Read more: page 65 and in our sustainability report

M8 The Octodec and City Property relationship

City Property's performance directly influences Octodec's success, as it manages the portfolio under a management agreement. Shareholders are concerned that key management responsibilities are outsourced to City Property.

Material matter: Financial and Impact

Level of control: High

Year-on-year change:

Key accountability:

Our response

- Strengthen governance of the City Property relationship to ensure alignment with Octodec, transparency and delivery of service expectations, supported by ongoing risk oversight
- Maintain open and transparent communication, addressing shareholder feedback on the potential internalisation of management functions
- Ensure rigorous board oversight of culture, leadership and succession to safeguard long-term performance and sustainability
- Internalise the CEO *and* FD role, with an independent board sub-committee assessing the merits of internalising the management company
- Oversee the effective management of assets throughout their life cycle, including key operational functions such as health and safety, facilities management, technology and tenant-facing services

Read more: pages 5 and 69

M9 Community upliftment in our nodes

We operate in an integrated manner with the communities surrounding our properties. We recognise that confidence in CBDs depends on strong local ecosystems. Economic constraints make community support and upliftment essential, with stakeholder engagement critical to the long-term sustainability of our business and our tenants.

Material matter: Impact

Level of control: Medium

Year-on-year change:

Key accountability:

Our response

- Strengthen on-site security to ensure tenant safety and support a stable living and working environment
- Maintain and improve cleanliness in and around our properties, with or without collaboration from municipalities or city improvement districts City Improvement Districts (CIDs)
- Innovate residential offerings to maintain affordability while meeting tenant expectations for quality and convenience
- Collaborate with stakeholders to enhance quality of life in our communities and support urban resilience
- Provide free premises to strategic partners delivering community support services, including affordable healthcare, education and women's programmes
- Align initiatives with the United Nations (UN) Sustainable Development Goals (SDGs), particularly those aimed at reducing urban poverty and improving living conditions

Read more: page 46 and in our sustainability report

OUR RISKS AND OPPORTUNITIES

Our enterprise risk management (ERM) framework provides a comprehensive and integrated approach to risk management. It aligns our strategy, processes, people, technology and expertise, enabling executive management and the board to manage uncertainty while protecting and creating stakeholder value.

Octodec's risks are monitored in line with its ERM policy and framework through comprehensive registers. It allows the group to identify, monitor and manage the risks and opportunities to the business.

Oversight

The board provides oversight to ensure the effective governance and performance of Octodec.

Independent assurance

External assurance providers, such as external auditors, are independent and provide robust assurance.

Internal audit

Internal audit provides reasonable assurance of the overall effectiveness of governance, risk management and internal controls.

Executive management

Management is responsible and accountable for developing appropriate processes and systems to support a culture of performance and compliance monitoring.

Internal controls

Internal controls are established by various control owners and regularly tested for effectiveness by the first line of defence and our assurance providers.

RISK APPETITE AND TOLERANCE

Our ERM framework establishes clear risk appetite and tolerance levels, supported by robust governance, management processes and approval structures. Ongoing monitoring enables effective controls and informed decision-making.

Executive management, the audit and risk committees and the board regularly review significant residual risks to ensure that they are within the established risk appetites. High and significant residual risks receive heightened oversight to limit the group's exposure.

RISK UPDATES

In collaboration with risk owners and the risk working committee, we updated our risk assessments during the year, including:

- Refining risk assessments to reflect changing economic conditions, affordability pressures and municipal infrastructure challenges
- Introducing risk factors relating to changes in the shareholder base and the potential impact on strategic alignment and governance continuity
- Ongoing operational risk assessments to consider changes in the internal and external operating environment
- Expanding technology-related risks to include artificial intelligence (AI) governance and updating ICT, cybersecurity and systems management risk frameworks

OCTODEC'S TOP EIGHT RISKS

Increased | Decreased | Remained stable

FAILURE TO ACHIEVE TARGETED NET RENTAL GROWTH ACROSS THE PORTFOLIO

Risk factors

- Rising municipal rates and utility tariffs
- Low economic growth
- Elevated consumer indebtedness
- Pressure on disposable income
- High unemployment and limited job creation
- Weak currency, rising inflation and interest rates

Our response

- Diversify our portfolio to reduce single-tenant exposure
- Enhance tenant retention and value-added services
- Expand affordable accommodation offerings, including the Yethu City concept, to support tenant affordability
- Maintain robust credit control, tenant vetting processes and tracking rental growth achieved on new leases and renewals relative to prior rental levels

FAILURE OF CRITICAL PUBLIC, MUNICIPAL INFRASTRUCTURE AND DIMINISHING SERVICE DELIVERY

Risk factors

- Weakening municipal capacity and service delivery
- Ageing and deteriorating public infrastructure
- Electricity supply interruptions and power quality issues
- Water supply, pressure and quality concerns
- Rising municipal rates and utility tariffs
- Political instability and governance challenges affecting public institutions
- Skills shortages and capability constraints within municipalities and state-owned entities

Our response

- Engage with municipalities, SOEs and other key stakeholders regarding infrastructure and service delivery matters
- Advocate for constructive change through industry bodies and business forums
- Continue the roll-out of alternative energy, water and waste solutions
- Monitor utility consumption and optimise recoveries
- Assess opportunities for precinct improvement and collaborative urban regeneration projects

INABILITY TO OPTIMISE THE PROPERTY PORTFOLIO AT THE REQUIRED PACE

Risk factors

- Limited buyer demand for non-core assets
- Challenging financing conditions for prospective purchasers
- Hardening insurance market affecting insurability
- Property location-specific market constraints
- Limited availability of appropriately priced, high-quality assets

Our response

- Execute the strategic disposal programme of non-core and non-performing assets
- Continuously review portfolio performance and explore alternative uses for underperforming properties
- Prioritise capital allocation to higher-growth, higher-quality and strategic assets

RELIANCE ON CITY PROPERTY TO PROVIDE MANAGEMENT SERVICES TO OCTODEC

Risk factors	Our response
• Asset, property management and corporate services are outsourced to City Property • Uncertainty over future management arrangements following changes in the shareholding structure	• The board oversees and monitors City Property's performance under the management agreement • An independent board sub-committee has been established to oversee and consider the merits of internalisation of all functions, partially or completely within Octodec • Continue engaging stakeholders on the future relationship between City Property and Octodec

IMPACT OF NON-COMPLIANCE WITH THE REGULATIONS, LEGISLATION AND GUIDELINES IMPACTING ON OCTODEC

Risk factors	Our response
• Increasingly onerous regulatory obligations and associated costs • Evolving occupational health and safety requirements and building regulations • Tenant and contractor non-compliance • Ageing buildings and infrastructure	• Monitor regulatory developments • Require tenant compliance with applicable regulations through lease agreements • Strengthen tenants and contractor compliance oversight • The Risk Committee oversees the compliance management strategy and implementation plan

FAILURE OR UNAVAILABILITY OF CRITICAL BUSINESS SYSTEMS, ICT PLATFORMS AND THIRD-PARTY SERVICE PROVIDERS

Risk factors	Our response
• Increasingly sophisticated cyber threats, including AI-enabled attacks • System outages, infrastructure failures and connectivity disruptions • Weaknesses in disaster recovery and business continuity arrangements • Dependence on critical ICT platforms, systems and third-party service providers • Data integrity, confidentiality and privacy breaches • Rapid technology enhancements outpace organisational readiness	• Maintain robust cybersecurity controls and monitoring capabilities, including enhanced employee awareness and training regarding cyber security risks • Strengthen resilience of critical ICT platforms and infrastructure • Regularly test disaster recovery and business continuity arrangements • Maintain robust service level agreements with ICT service providers • Actively monitor and manage ICT service providers risks and performance • Maintain appropriate access control and data protection measures • Continuously assess emerging technology and AI-related risks or opportunities


Odirile Moteane Residential Leasing Agent

FAILURE TO ATTRACT, RETAIN AND DEVELOP THE REQUIRED HUMAN CAPITAL SKILLS, LEADERSHIP AND ORGANISATIONAL KNOWLEDGE

Risk factors

- Difficulty attracting and retaining critical, scarce or specialised skills
- Inadequate talent identification and development programmes
- Loss of institutional knowledge and key-person dependency
- Organisational transformation not in line with strategic requirements and future business needs
- Succession planning and leadership continuity
- Rapid technology change, including AI and automation

Our response

- Invest in employee development, talent management and competitive remuneration
- Maintain the employee value proposition
- Strengthen employee retention and engagement initiatives
- Promote knowledge sharing and building of leadership capability
- Regularly review organisational design and workforce planning
- Leverage AI and automation to enhance workforce productivity

INABILITY TO ACHIEVE TARGETED EARNINGS AND DISTRIBUTION GROWTH

Risk factors

- Revenue growth below target
- Rising operating costs
- Vacancy pressures
- Consequential impact on property valuations

Our response

- Maintain disciplined capital allocation
- Execute portfolio optimisation initiatives and strategic objectives
- Maintain prudent debt metrics
- Drive effective cost management
- Recycle properties that have reached growth maturity
- Grow alternative income opportunities

OUR MATERIAL OPPORTUNITIES

We identify and pursue opportunities within our risk management framework to create and sustain value for Octodec and our stakeholders:

STRATEGIC OPPORTUNITIES

- Accelerate portfolio optimisation by recycling capital from non-core assets into industrial, neighbourhood shopping centres and residential properties.
- Expand adaptive re-use initiatives, including the Yethu City concept and l'Stayela Studios (see page 51), to unlock value from underutilised buildings.
- Capture demand from SMEs, entrepreneurs and emerging businesses through flexible leasing models and purpose-designed spaces.
- Pursue selective acquisitions that strengthen the long-term strategic portfolio while continuing to dispose of non-core assets.

OPERATIONAL OPPORTUNITIES

- Scale proven digital solutions, including a new leasing platform, to streamline leasing, tenant onboarding and customer engagement.
- Use operational and tenant data to improve leasing decisions, building design, maintenance planning and service delivery.
- Strengthen customer service and tenant retention through proactive engagement, digital platforms and tailored building solutions.
- Extend lease tenures, where appropriate, while maintaining flexible solutions that respond to changing tenant needs.

SUSTAINABILITY OPPORTUNITIES

- Expand investment in solar, boreholes, backup power and water infrastructure to strengthen operational resilience and improve tenant experience.
- Improve resource efficiency through smart metering, energy-efficient technologies and data-driven utility management.
- Support precinct renewal through collaboration with municipalities, city improvement initiatives and local partnerships.
- Incorporate sustainability and operational insights into future developments, including those from the second Yethu City development and other adaptive re-use projects.

OUR STAKEHOLDERS

Stakeholder feedback informs our decision-making and strategic priorities. We integrate stakeholder engagement into our value creation process through open, transparent communication that enables us to understand stakeholder expectations, respond to concerns and identify opportunities.

MANAGING AND GOVERNING STAKEHOLDER RELATIONSHIPS

We have established processes to monitor and assess the effectiveness of stakeholder engagement. The board, supported by the SET committee, oversees stakeholder relationships to promote meaningful engagement, transparency and accountability.

For more information on stakeholder engagement, refer to the governance report on page 95.

OCTODEC'S KEY STAKEHOLDERS

Tenants and potential tenants
- Residential tenants
- Commercial tenants (including Parastatal tenants)
- National tenants

Investors and potential investors

Financial market participants

Employees

City Property

Metro councils
- Tshwane
- Johannesburg

Suppliers and service providers

TENANTS AND POTENTIAL TENANTS[1]

Key accountability:

Residential tenants

Our engagement methods
- Daily engagement by building managers, the contact centre, customer service teams, property managers and leasing agents
- Telephone, e-mail, WhatsApp and social media communication channels
- Social media updates on community activities, property information and important announcements

Their needs and concerns
- Affordable, high-quality, secure and well-maintained accommodation
- Competitive and transparent rental pricing
- Strong community environments
- Lifestyle amenities
- User-friendly leasing process
- Responsive customer service
- Security
- Reliable electricity and water supply
- Traffic flow and the location of public transport routes

Our actions
- Strengthening tenant engagement through ongoing employee training and enhanced digital tools for tenant-facing teams
- Implementing technology to simplify leasing process
- Regularly collect and analyse tenant feedback to improve customer service responsiveness and quality
- Invest in solar energy, generators, water tank inlets, boreholes and other water management initiatives to minimise the impact of municipal service interruptions
- Engage with local metro police services, South African Police Service (SAPS) and taxi associations amongst others, where required, to address community concerns

Engagement quality

Surveys are conducted after interactions with tenants and prospective tenants to assess the quality of services and products. This year, we achieved a net promoter score of 53, exceeding our target of 30. During the year we launched a customer service outreach programme whereby customer service representatives visit our buildings monthly, providing tenants with an opportunity to engage with them directly on customer service matters. The programme has been well received, strengthening direct engagement with tenants and providing valuable insight into their needs and experiences.

[1] Including the communities in which we operate and inner-city stakeholders

TENANTS AND POTENTIAL TENANTS[1]

Key accountability:

Commercial tenants (including Parastatal tenants)

Our engagement methods

- Daily access to building managers
- Regular visits by property and portfolio managers
- Telephone, e-mail, WhatsApp and social media communication channels

Their needs and concerns

- Affordable, high-quality, secure and well-maintained premises
- Consumer demand and footfall in specific nodes affecting business performance
- Municipal service delivery
- Security, including the existence of organised crime

Our actions

- Assist tenants in managing occupancy costs
- Engage with municipalities to address service delivery issues
- Investment in cleaning and maintenance of urban environments surrounding our properties
- Collaborate with security providers, SAPS and City Improvement Districts (CIDs) amongst others to improve security

Engagement quality

Frequent visits to commercial tenants support ongoing engagement and strengthening of relationships. During the year, we conducted a portfolio-wide tenant survey. Commercial tenants responded positively to the quality of our premises and service offering. Areas of concern related primarily to challenges within the broader operating environment.

National retail tenants

Our engagement methods

- Dedicated leasing agents responsible for tenant relationships
- Regular meetings to address operational matters

Their needs and concerns

- Attractive locations with high pedestrian traffic
- Well-managed premises supported by excellent customer service
- Consumer demand affecting business performance
- Security and trading conditions

Our actions

- Repurpose and optimise space to attract national tenants beyond established trading areas
- Collaborate with security providers, SAPS and CIDs amongst others to improve security

Engagement quality

Regular engagement confirms positive relationships and provides ongoing insight into tenant requirements.

[1] Including the communities in which we operate and inner-city stakeholders

INVESTORS AND POTENTIAL INVESTORS

Key accountability:

Our engagement methods

- Annual and interim reports, results presentations and investor roadshows
- One-on-one meetings with major shareholders, potential shareholders and analysts
- Trading updates, SENS announcements and press releases
- Responding to shareholder queries
- Guided site visits to our property portfolio
- Comprehensive and easy-to-navigate website
- Integrated Annual Report and Sustainability Report
- Perception surveys

Their needs and concerns

- Sustainable long-term growth, financial performance and distributions
- Clear communication of the group's strategy, performance and progress
- Consistent execution of strategic priorities
- Transparent reporting and disclosures
- Strong financial discipline, governance and ethical leadership
- Progress with portfolio optimisation and the disposal of non-core assets
- Limited liquidity of Octodec shares
- Discount of the share price to NAV per share
- Internalisation of the management function
- Capital allocation priorities, including share buy-backs

Our actions

- Focus on growing rental income while maintaining disciplined cost management to support sustainable distributions
- Execute the portfolio optimisation strategy through the disposal of non-core and underperforming assets and selective investment in yield-enhancing opportunities
- Maintain transparent reporting and disclosures in line with reporting standards and internal governance requirements
- Preserve a strong balance sheet and prudent capital management
- Maintain a robust governance framework to manage potential conflicts of interest

Engagement quality

Stakeholder engagement is constructive. Executive management provides regular updates on strategic priorities.

FINANCIAL MARKET PARTICIPANTS[1]

Key accountability:

Our engagement methods

- Regular meetings to maintain long-standing professional relationships and provide business updates
- Regular reporting on covenant compliance, funding requirements, risk appetite and tolerance levels
- Guided site visits to our properties
- Ongoing engagement with existing and prospective lenders

Their needs and concerns

- Proactive management of debt covenant compliance
- Regular updates on portfolio performance and financial results
- Prudent liquidity and capital management
- The group's ability to meet covenant and debt repayment obligations

Our actions

- Maintain regular engagement with lenders, providing operational and financial updates
- Engage funders early on facility renewals and additional funding requirements
- Broaden participation in the Domestic Medium-Term Note (DMTN) Programme
- Actively manage finance costs through interest rate derivative instruments

Engagement quality

Relationships with debt funders are strong, supported by regular engagement and transparent communication.

[1] Including debt funders

EMPLOYEES

Key accountability:

Our engagement methods

- Employee engagement is enabled by various factors including leadership impact, communication flow, employee lifecycle practices and interpersonal relationships
- To maintain a high level of transparency we regularly communicate through various communication channels, e.g. digital screens, WhatsApp, the SharePoint intranet, internal podcasts and face to face engagements
- Leadership remains responsible for ongoing engagement with employees in relation to their roles and responsibilities, serving as the conduit for the employer-employee relationship

Their needs and concerns

- Opportunities for growth, development and career progression
- Competitive and equitable remuneration and benefits
- A clear vision and understanding of strategic priorities
- An inclusive, safe and supportive workplace
- Flexibility and support for employee wellbeing
- Career development opportunities
- Job security considering portfolio optimisation

Our actions

- Support career development through personal development plans and learning opportunities through newly established Employee Bursary programme
- Strategic priorities are communicated through focused podcasts shared throughout the business in addition to leadership engagement on strategic priorities
- Apply sound remuneration management practices to align remuneration to market, based on internal role value
- Flexible working policy has been implemented to drive work/life balance
- Clear communication of the long-term strategic vision and objectives
- Promoting internal career progression and cross skilling opportunities to support employee retention, enhance job security where possible and strategically manage talent through a talent management framework
- Maintain regular employee communication and engagement initiatives, promoting employee wellness

Engagement quality

Employee feedback indicates improved engagement and greater understanding of strategic priorities. Internal promotions have increased, while voluntary resignations and disciplinary cases have declined. Year on Year there was an improvement in the overall engagement levels of employees, showcasing a positive relationship to our Employee Value Proposition (EVP), with an overall improvement in the Engagement Score.

CITY PROPERTY

Key accountability:

Our engagement methods

- Regular meetings between the board, board committees and executive management
- Annual review of performance against agreed KPIs
- Ongoing engagement between Octodec's executive leadership and City Property management on operational and strategic matters

Their needs and concerns

- Clear strategic direction and regular communication on Octodec's priorities
- Octodec's long-term sustainability and growth
- Strategic direction and governance
- Future management arrangements
- Rationalisation of Octodec portfolio impacts the financial sustainability of City Property

Our actions

- Maintain regular engagement between the board, executive management and City Property
- Clearly communicate strategic priorities, expectations and performance requirements
- Provide direct access to the board for the City Property executive team, internal audit and the chief risk officer

Engagement quality

The relationship is constructive and is supported by transparent reporting and ongoing oversight of the management agreement.

METRO COUNCILS

Key accountability:

Tshwane

Our engagement methods

- Ongoing engagement to resolve billing and service delivery issues
- Meetings with executive mayoral committee members, where possible
- Building visits with the Executive Mayor and key municipal officials
- Active participation in the Community Upliftment Precinct to strengthen collaboration and improve service delivery

Their needs and concerns

- Expand the city's revenue base by attracting businesses back to the CBD
- Maintain strong, collaborative relationships with property owners
- Infrastructure maintenance and service delivery
- Safety
- Credit control
- Building compliance by property owners

Our actions

- Engage regularly with municipal stakeholders to support service delivery improvements and urban revitalisation
- Settle municipal accounts promptly
- Participate in SAPS forums to escalate safety concerns
- Identify buildings that require specific compliance improvement and allocate the necessary capital to address these requirements

Engagement quality

We maintain a constructive relationship with the Executive Mayor's office of the City of Tshwane, while our dedicated council liaison teams continue to work closely with the municipality to address operational challenges and strengthen collaboration.

Johannesburg

Our engagement methods

- Engagement through industry bodies
- Ongoing engagement with municipal officials to address service delivery issues
- Collaboration with urban renewal initiatives and other stakeholders

Their needs and concerns

- Expand the city's revenue base by attracting businesses back to the CBD
- CBD revitalisation
- Infrastructure maintenance and service delivery
- Safety and urban management
- Credit control
- Building compliance by property owners

Our actions

- Engage through industry forums and stakeholder platforms like the CIDs to address municipal challenges and improve urban environments
- Support precinct improvement initiatives, including Jozi My Jozi
- Settle municipal accounts promptly
- Identify buildings that require specific compliance improvement and allocate the necessary capital to address these requirements

Engagement quality

Engagement with the City of Johannesburg is challenging. We continue to work through industry associations and collaborative initiatives to strengthen engagement and support improvements in the CBD.

SUPPLIERS AND SERVICE PROVIDERS

Key accountability:

Our engagement methods

- Regular supplier surveys
- Ongoing communication through various channels
- In-person meetings to discuss operational matters and strengthen relationships

Their needs and concerns

- A reliable source of work
- Prompt payment
- Clear policies, procedures and work requirements
- Long-term partnerships
- Maintaining preferred supplier status
- Increased cost of compliance for small businesses

Our actions

- Maintain open, transparent engagement with suppliers
- Provide access to the Ethics Hotline
- Build long-term supplier relationships
- Pay suppliers in accordance with agreed terms
- Apply B-BBEE-compliant preferential procurement practices

Engagement quality

Our engagement with suppliers and service providers is positive, supported by fair procurement practices and collaborative relationships.



Java with Jeffrey

OUR BUSINESS ACTIVITIES

At the heart of Octodec's strategy is a commitment to creating vibrant, inclusive urban environments where people can live, work, shop and thrive. Delivering on this ambition requires disciplined capital allocation and a deliberate focus on investing in assets and locations that offer the greatest potential for sustainable growth. Through proactive portfolio optimisation and strategic investment decisions, we are positioning Octodec to enhance long-term financial performance, build a more resilient portfolio and create lasting value for our stakeholders and the communities we serve.



Riaan Erasmus
Deputy CEO *and* FD

A STRATEGY FOR GROWTH

A NOTE ON OUR STRATEGIC DIRECTION FROM THE DEPUTY CEO *AND* FD

Over the past year, we have sharpened our strategic focus to ensure Octodec is well positioned to deliver sustainable long-term growth. Following the annual strategic review, the board approved our refined strategy on 27 May 2026.

Octodec's strategy provides clarity on where we will allocate capital, how we will reshape the portfolio and where we see the strongest opportunities. It builds on the direction established last year but places greater emphasis on disciplined execution.

We have noted shareholder feedback carefully and are focused on clearly demonstrating how our strategy will improve portfolio quality and strengthen earnings resilience, thereby creating sustainable long-term shareholder value.

At the centre of our revised strategy is the transformation of our portfolio into three core sectors: industrial, convenience retail and residential properties. These sectors provide strong long-term growth prospects and resilient income streams. At the same time, we are simplifying the portfolio by accelerating the disposal of non-core and underperforming assets, reducing exposure to smaller properties and sectors that no longer align with our long-term objectives.

Executing this strategy requires disciplined focus and financial flexibility so that Octodec is well positioned to perform across market cycles. Capital allocation and disciplined balance sheet management are fundamental to this transformation. When assessing disposals, we look beyond book value to consider how each transaction will contribute to the long-term performance and sustainability of Octodec. We are actively recycling capital from mature and non-core assets into larger, higher-quality properties that strengthen the portfolio and improve earnings quality. We are also expanding our exposure beyond our traditional CBD markets where appropriate, while building on our established strengths in locations that continue to deliver attractive long-term returns.

DISPOSALS

The disposal programme accelerated during the year, with 20 properties disposed of, bringing the total number of disposals since late 2024 to 37. As part of our strategy to streamline the portfolio, we remain committed to divesting all non-strategic buildings and those valued under R25 million, ultimately streamlining the portfolio to between 100 and 150 high-value properties over the medium to long term. This creates capacity for management to focus attention and capital on a smaller portfolio of higher-quality assets, while funding reinvestment in industrial, neighbourhood shopping centres, residential properties and adaptive re-use initiatives such as a second Yethu City development.

On 2 November 2026, we disposed of the Killarney Mall property for R397.5 million. The proceeds will be utilised to reduce our gearing and strengthening our financial position. In the long-term it is our objective to redeploy the proceeds into strategically aligned properties.

Every investment decision is assessed against its ability to improve portfolio resilience, thereby supporting sustainable distributions and enhancing long-term value.

In addition to this portfolio transformation, we are investing in opportunities that address changing tenant needs and strengthen our competitive position. This includes expanding the Yethu City concept, which enables us to reposition suitable buildings into affordable, high-quality residential accommodation while unlocking additional value from our portfolio.

MOTHBALLED PROPERTIES

We retain several mothballed or partially mothballed properties in the CBDs.

Many of these were acquired in the 1990s as businesses moved to the northern suburbs of Johannesburg and the eastern suburbs of Tshwane, leaving vacant buildings behind. They were acquired primarily for their retail potential. From the outset, many office spaces remained unoccupied. As opportunities for residential conversions emerged, we gradually converted suitable buildings, laying the foundation for our residential portfolio, though not all potential conversions have been realised.

Mothballed space decreased by 29 088m² to 66 052m² (2025: 95 140m²). The portfolio includes two fully mothballed properties (23 201m²) with a carrying value of R27.9 million and four partially mothballed properties of 34 411m² valued at R48.0 million, which are being held for possible residential conversion or disposal. The remaining space comprises areas that have become redundant due to reconfiguration or that require substantial refurbishment.

Well-located buildings remain under consideration for residential conversion or alternative uses where these offer attractive long-term returns. Buildings that no longer align with the strategic direction of the portfolio continue to be evaluated for disposal, like the recent sale of the iconic Shoprite Eloff in the Johannesburg CBD (GLA: 30 939m²), allowing capital to be redeployed into higher-quality opportunities.

LOOKING AHEAD

Our strategy is now well defined, and our priority in 2027 is execution. We will continue to aggressively sell non-core assets and deploy capital into yield-enhancing acquisitions, focusing on opportunities that exceed R100 million. We will also reduce our cost of funding through margin improvements and drive distributable profit growth at above-inflationary levels. We are confident in our ability to deliver a stronger, more focused business that rewards our shareholders with growing, resilient returns.

Riaan Erasmus
Deputy CEO and *FD*



Cuthchurch

OUR STRATEGY

Octodec's strategy guides our business activities in pursuit of our vision.

We review our strategic objectives annually to ensure they align with our operational priorities and respond to changes in our operating environment. Our strategy is also informed by our risk profile, material matters, stakeholder insights and emerging trends. It supports sustainable distribution growth and long-term shareholder value through disciplined capital allocation and execution.

OUR MEDIUM- TO LONG-TERM STRATEGIC OBJECTIVES

TRANSFORM OUR PROPERTY PORTFOLIO

- Accelerate the disposal of non-core and underperforming assets to simplify the portfolio and recycle capital into higher-quality, value-accretive assets
- Transition to a focused three-pillar portfolio comprising industrial, convenience retail and residential properties
- Prioritise investment in scalable assets that strengthen portfolio quality, enhance long-term earnings resilience and support sustainable value creation
- Acquire properties exceeding R100 million where they strengthen the portfolio, unless a smaller acquisition presents a compelling strategic or turnaround opportunity
- Improve capital allocation by reducing exposure to smaller assets and increasing portfolio quality
- Expand the Yethu City concept by repurposing suitable buildings into quality affordable residential accommodation, supported by strategic funding partnerships
- Enhance community-focused precincts to support urban regeneration
- Identify high-potential nodes and reposition existing buildings to improve long-term returns
- Invest in renewable energy, alternative water solutions and resource efficiency to strengthen operational resilience
- Expand our geographic footprint beyond traditional CBD markets where appropriate

MANAGE OUR BALANCE SHEET AND FUNDING STRUCTURE

- Maintain diverse funding sources through borrowings from multiple lenders
- Maintain a long-term weighted average borrowings maturity profile
- Maintain gearing below 40%, with a long-term target of 35%
- Increase the interest cover ratio to above 2.5 times over the medium term
- Manage interest rate risk through an appropriate hedging strategy aligned with market conditions
- Allocate capital selectively to strengthen earnings resilience, improve portfolio quality and support sustainable long-term growth

CREATE SUSTAINABLE VALUE FOR ALL OUR STAKEHOLDERS

- Reduce vacancies through active leasing and property management
- Dispose of properties with high vacancies that cannot be repositioned effectively
- Enhance our tenant offering through value-added services and innovation
- Improve tenant retention
- Manage rising operating costs to support sustainable distributions
- Strengthen engagement with municipalities to improve service delivery and manage administered costs

ENHANCE THE VALUE OF OUR HUMAN CAPITAL CONTRIBUTIONS

- Attract, retain and develop appropriately skilled people operating in an inspiring environment
- Embed a culture that translates our vision and values into everyday behaviours
- Create and maintain an environment that promotes performance, transformation and compliance

STRATEGY IMPLEMENTATION ROADMAP

Our strategy is supported by a phased execution roadmap that translates our strategy into clear priorities to simplify the portfolio and enhance portfolio quality in support of sustainable long-term returns.

12 TO 18 MONTHS

- Accelerate the disposal of non-core assets to simplify the portfolio
- Improve asset concentration by reducing exposure to smaller properties
- Sustain strong operational performance despite macroeconomic and sector pressures
- Advance the Yethu City concept through funding initiatives and commence development

18 TO 24 MONTHS

- Recycle capital into higher-yielding industrial, convenience retail and residential assets
- Progress the Yethu City concept and expand its possible application in the portfolio
- Deliver sustainable earnings and distribution growth
- Reinvest in higher-quality, value-accretive assets while reducing the overall asset count, to drive earnings growth and improve portfolio returns

24 TO 36 MONTHS

- Transition to a focused three-pillar portfolio comprising midi-warehouse industrial, convenience retail and residential properties
- Improve capital allocation efficiency and portfolio quality
- Increase exposure to defensive, high-demand segments, including affordable housing and urban nodes

A PROPERTY PORTFOLIO THAT DIFFERENTIATES US[1]

A VIEW OF OUR RESIDENTIAL SECTOR

We maintain our competitive advantage by providing quality accommodation at affordable prices.



Kempton Place

- Traditional apartment blocks
- Mixed-use spaces
- Student accommodation
- Shared accommodation and communal living spaces

GLA: **417 863m²**

Rental income (R'million): **R594.7**

36.5% of Octodec's portfolio income

70.3% rental income from Tshwane and surrounds

29.7% rental income from Johannesburg and surrounds

9 321 tenants across **199** properties

Occupancy rate of **93.2%**

9.6% of tenants are students*

27.8% of residential applications are from Government employees*

R23 331 average net monthly salary per applicant*

* These numbers exclude the Hatfield portfolio

OUR RESIDENTIAL VALUE PROPOSITION

Secure, well-managed communities

Well-maintained, secure buildings with dedicated on-site building managers, 24/7 security and communal amenities, creating attractive places to live.

Seamless digital experience

Our digital platforms simplify the tenant journey by supporting faster leasing, digital applications, communication and service requests. The phased rollout of a new digital leasing platform has enhanced convenience and tenant experience.

Responsive on-site management

Dedicated on-site teams engage with tenants daily, respond quickly to service requests and work proactively to retain tenants through building or apartment transfers, lease renewals and tailored accommodation solutions where appropriate.

Flexible, affordable accommodation

A range of affordable accommodation options, including fully and semi-furnished shared apartments that help students and other tenants to access safe, quality accommodation while managing affordability constraints.

Value-adds for our tenants

Solar installations, boreholes and backup power solutions at selected buildings help improve service resilience during municipal disruptions.

We have cashless laundry facilities at 13 residential buildings, providing tenants with a convenient 24/7 on-site service. Pick-up and drop-off points for parcels make it easier for tenants to shop online.

We provide an average of 598 700 gigabytes of free Wi-Fi per month across our residential properties.

Rewarding loyalty

Our Residential Rewards Programme offers lease renewal vouchers and rewards loyal, high-quality tenants for their continued commitment.

1 All information on rental income and properties disclosed in this report includes the 50% equity-accounted joint venture

A LOOK INTO OUR COMMERCIAL SECTOR

Our commercial portfolio offers well-located, secure spaces for retail, office and industrial tenants.

63.5% of Octodec's portfolio income

34.0% rental income from retail shops and shopping centres

17.7% rental income from office spaces

7.3% rental income from industrial spaces

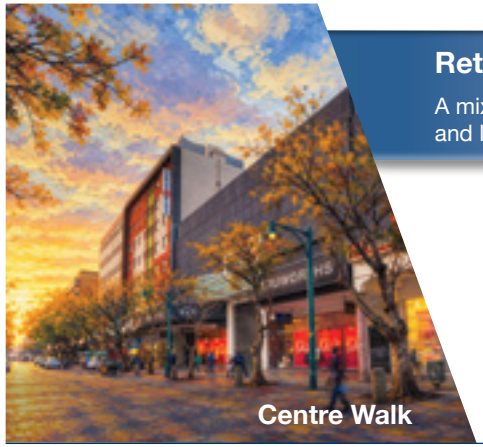
4.5% rental income from parking spaces at our buildings



Retail shopping centres

Neighbourhood community shopping centres

GLA: **80 799m²**
Rental income (R'million): **R196.2**
212 tenant leases



Retail street shops

A mix of local, small-scale retail options and larger-scale national retailers

GLA: **305 010m²**
Rental income (R'million): **R358.7**
946 tenant leases



Offices

- Government office space
- Small office space
- Hybrid office-retail
- Small business and service space

GLA: **403 743m²**
Rental income (R'million): **R288.1**
1 642 tenant leases



Industrial

- Workshops
- Mini factories
- Small industrial operators

GLA: **189 391m²**
Rental income (R'million): **R118.3**
280 tenant leases



28 Church Street

Parking

- Structured
- Covered
- Open

Rental income (R'million): **R75.4**

A total of **18 083** structured, covered and open parking bays at our buildings


The Fields

Our commercial value proposition

Strategic locations

We offer a diverse range of commercial spaces across retail, office, industrial, healthcare and hospitality properties. Our assets are in established commuter routes, urban activity nodes and neighbourhood centres.

Flexible business spaces

We adapt our properties to meet changing tenant needs through flexible leasing solutions, adaptive re-use and fit-for-purpose spaces. This includes specialist concepts such as beauty and wellness hubs and flexible healthcare consulting rooms.

Hands-on property management

Dedicated property managers and on-site teams work closely with tenants to provide responsive service, resolve operational issues quickly and support long-term tenant retention.

Reliable operating environments

Alternative energy and water solutions, security measures and proactive building maintenance, help reduce disruptions caused by municipal service failures and support business continuity.

Supporting business growth

Our commercial spaces provide quality environments where businesses can grow. Shared facilities, convenient parking, meeting spaces and technology-enabled services enhance the tenant experience.

Long-term partnerships

We work closely with our tenants to understand their evolving business needs and offer practical solutions that support affordability and operational efficiency.

A SHOWCASE OF OUR TOP 10 PROPERTIES BY VALUE

Mixed-use consisting of residential, retail and offices

The Fields offers off-campus student accommodation, retail shops, quality office spaces, restaurants and a hotel.

- 737 apartments with 565 apartments converted into furnished accommodation to meet NSFAS demand
- 1 112 basement parking bays
- 10 433m² office space
- 18 072m² retail space
- City Lodge hotel
- Virgin Active gym in the precinct
- An integrated energy system including solar, generators, batteries and municipal electricity sources
- Supported by water storage and a borehole for water sustainability

Property value

2026	R795.7 million
2025	R770.0 million

Value
R795.7 million

Percentage of portfolio value **7.2%**	Residential occupancy **97.6%**	Commercial occupancy **87.5%**
Size **60 704m²**	Residential rental income **68.8%**	Commercial rental income **31.2%**



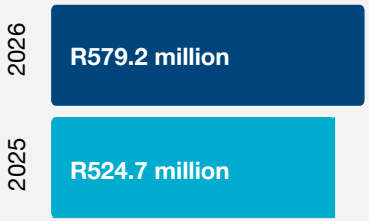
THE FIELDS,
TSHWANE

Shopping centre

Woodmead Value Mart is an upscale open-air shopping centre that prioritises value-for-money offerings and houses a selection of quality retail shops.

- 44 retail stores
- 609 free open parking bays
- An integrated energy system including solar, a generator and municipal electricity sources

Property value



Value
R579.2 million

Percentage of portfolio value
5.2%

Commercial occupancy
92.5%

Size
17 081m²

Commercial rental income
100%



WOODMEAD VALUE MART, JOHANNESBURG

Offices and retail

Louis Pasteur Precinct comprises three buildings, two of which are connected by an interleading bridge. The precinct provides a range of specialised healthcare services, including a hospital, day clinic and medical suites. The third building is occupied by a government tenant and is used for document storage and archiving purposes.

- Hospital and 256 medical suites
- Seven floors of office space in government tenanted building
- Four levels of parking bays
- Supported by a generator for back-up power as well as water storage and a borehole for water sustainability
- Storage

Property value



Value
R398.4 million

Percentage of portfolio value
3.6%

Commercial occupancy
92.9%

Size
33 029m²

Commercial rental income
100%



LOUIS PASTEUR PRECINCT,
TSHWANE CBD

Shopping centre

Waverley Plaza is a conveniently located community shopping centre that offers everything from essentials to entertainment.

- 50 retail shops, restaurants and a drive-thru KFC
- Ample free parking
- An integrated energy system including solar, a generator and municipal electricity sources
- Supported by water storage and a borehole for water sustainability

Property value



Value
R273.4 million

Percentage of portfolio value
2.5%

Commercial occupancy
97.3%

Size
11 845m²

Commercial rental income
100%



WAVERLEY PLAZA, TSHWANE

Mixed-use consisting of residential and retail

Sharon's Place is a central hub in the CBD, offering comfortable living options with convenient access to shopping, public transport and other amenities for young professionals and families.

- 399 residential units
- National tenants include Shoprite, Clicks, Hungry Lion and KFC
- Leisure area with ball sports facilities and a secure play area for children
- A landscaped inner-city garden
- Access to the *A Re Yeng* bus service
- 288 parking bays
- Supported by a generator for back-up power and a solar installation to enable energy cost efficiencies
- Water storage and a borehole provide water sustainability

Property value

2026 **R269.0 million**

2025 **R253.7 million**

Value
R269.0 million

Percentage of portfolio value
2.4%

Residential occupancy
94.0%

Commercial occupancy
99.0%

Size
21 241m²

Residential rental income
66.8%

Commercial rental income
33.2%



SHARON'S PLACE,
TSHWANE CBD

Shopping Centre and two small office blocks

The Park Shopping Centre is a contemporary community hub that combines retail spaces and offices.

- 35 shops and restaurants and 25 offices
- Ample free parking and security with 24-hour CCTV cameras
- Supported by a generator for back-up power, a borehole for sustainable water supply and a solar installation to enable energy cost efficiencies

Property value



Value
R253.3 million

Percentage of portfolio value
2.3%

Commercial occupancy
98.6%

Size
11 914m²

Commercial rental income
100%



THE PARK SHOPPING CENTRE, TSHWANE

Offices and retail

Centre Walk comprises two office towers accommodating government departments, ample parking facilities and an inviting retail arcade. It is conveniently located close to bus routes.

- 23 shops and 18 offices
- 377 undercover parking bays
- Supported by a generator for back-up power

Property value



Value
R250.8 million

Percentage of portfolio value
2.3%

Commercial occupancy
97.2%

Size
25 744m²

Commercial rental income
100%



CENTRE WALK,
TSHWANE CBD

Mixed-use consisting of residential and retail

Kempton Place is a centrally located, vibrant and secure residential and retail space in Ekurhuleni.

- 469 residential units
- 29 retail shops
- Landscaped garden with courtyards and leisure areas
- Soccer field, basketball court, jungle gym and entertainment area
- Easy access to O.R. Tambo International Airport and Gautrain bus route
- Supported by a generator for back-up power and a solar installation to enable energy cost efficiencies
- Water storage and a borehole provide water sustainability

Property value

2026	R239.9 million
2025	R247.8 million

Value
R239.9 million

Percentage of portfolio value **2.2%**	Residential occupancy **96.8%**	Commercial occupancy **59.0%**
Size **35 492m²**	Residential rental income **84.1%**	Commercial rental income **15.9%**



KEMPTON PLACE, KEMPTON PARK

Industrial

The Tannery Industrial Park, located in the Silverton area, offers mini-factory and warehouse spaces to our tenants.

- 103 warehouses with an average space of 341m²
- 13 offices and nine shops
- Safe and secure parking with 24-hour CCTV cameras
- Supported by a generator for back-up power, a borehole for sustainable water supply and a solar installation to enable energy cost efficiencies

Property value



Value
R218.4 million

Percentage of portfolio value
2.0%

Commercial occupancy
98.2%

Size
37 381m²

Commercial rental income
100.0%



THE TANNERY INDUSTRIAL PARK, TSHWANE

Residential

Jeff's Place is a residential building in the Tshwane CBD conveniently located close to the courts with amenities suitable for families, a cashless laundry facility and ample parking.

- 384 residential units
- 275 undercover parking bays
- Children's play area and braai facilities
- Supported by a generator for back-up power
- Water storage and a borehole provide water sustainability

Property value



Value
R205.5 million

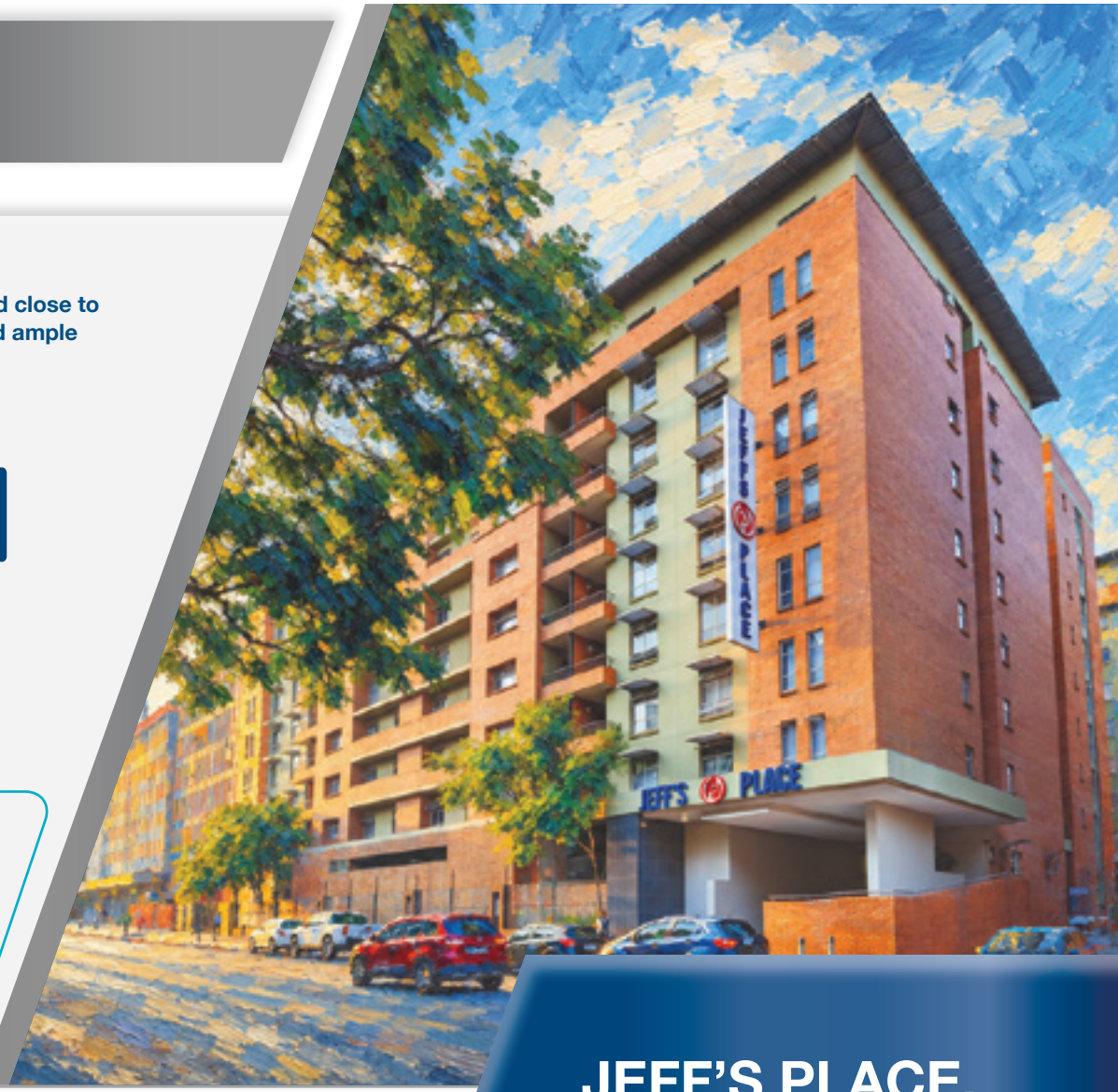
Percentage of portfolio value
1.9%

Residential occupancy
95.2%

Size
14 809m²

Residential rental income
86.2%

Parking rental income
13.8%



JEFF'S PLACE,
TSHWANE CBD

THE PERFORMANCE OUTPUTS OF OUR BUSINESS MODEL



Rob Gibson
Chief Operating Officer: City Property

Executing Octodec's strategy has been the defining focus of the year. As the Group accelerates the repositioning of the portfolio, our role is to ensure that every operational decision supports this direction.

CHIEF OPERATING OFFICER'S REFLECTIONS ON 2026

As incoming COO, one of my first priorities was to shift our thinking beyond the traditional management of buildings towards active asset management. This means looking beyond day-to-day operations and asking how every asset can create greater long-term value.

As we simplify the portfolio by disposing of non-core assets, we are also taking a more deliberate approach to the assets we retain. Active asset management means understanding where demand is changing, repositioning space where appropriate and investing where we can create the greatest value. This includes adapting properties to changing tenant needs.

Innovation is helping us achieve this. By listening closely to tenants and understanding how their expectations are evolving, we are identifying opportunities to reposition existing space and introduce concepts that better meet market demand. For example, we have responded to strong demand from the beauty sector by adapting existing office units for use by beauty businesses, including the installation of water points and other requirements specific to this market. Building on this demand, we have also begun developing a previously longstanding vacant office block specifically for beauty-sector businesses.

Technology is equally important. The phased rollout of a new digital leasing platform is simplifying the leasing journey, improving communication with tenants and integrating key property management processes into a single digital environment, creating a more seamless tenant experience.

Retaining tenants requires responsiveness and a consistently high standard of customer service throughout the tenant journey. The same discipline applies to how we manage our assets. Through proactive inspections, lifecycle planning and preventative maintenance, we identify issues earlier and prioritise investment where it will have the greatest impact.

We have also challenged our approach to leasing. Rather than pursuing occupancy at any cost, we are adopting a more disciplined, market-led approach that supports sustainable rental growth and improves the quality of our income over time. This is supported by streamlined processes and closer coordination between property management and leasing, enabling us to respond more quickly to vacancies and changing market demand.

DELIVERING THROUGH A CHALLENGING ENVIRONMENT

These initiatives have strengthened the portfolio's ability to respond to a demanding operating environment.

Johannesburg continues to present significant challenges, with deteriorating municipal infrastructure and service delivery constraints placing continued pressure on our operations and tenants. In Pretoria, service delivery has been more stable, although changes in the municipal administration have required us to rebuild relationships and establish new channels of engagement. For both cities, collaboration with municipalities and other stakeholders has become increasingly important. While the private sector cannot replace the role of local government, active engagement is essential to protecting the quality of the urban environments in which we operate.

Against this backdrop, the portfolio delivered a resilient performance.

Demand remained strongest for industrial parks, neighbourhood shopping centres and residential accommodation. Residential, in particular, benefited from strong underlying demand, supported by initiatives such as furnishing of units at Block D at The Fields and the rollout of a new digital leasing platform.

Across the portfolio, quality assets in strong locations continued to perform well. Industrial properties delivered high occupancy and retail benefited from disciplined leasing and targeted repositioning.

The office segment remained under pressure, but proactive leasing and adaptive re-use continued to reposition underutilised assets. Demand favoured smaller, affordable spaces and non-traditional occupiers, accelerating the conversion of selected office space into beauty destinations. We are also piloting sessional rooms at Health Connect in response to demand for flexible, short-term space. The learnings from this pilot will inform the development of flexible office and meeting-room offerings at other properties. Building on the success of the Yethu City concept, the group has advanced plans for a second Yethu City development, which will involve converting another office building into affordable co- living accommodation.

A comprehensive commercial market rental review was undertaken across 196 properties to establish consistent market-based rental rates and strengthen renewal negotiations. Leasing teams also placed greater emphasis on securing longer commercial lease terms, while retaining the flexibility needed to accommodate SMEs and entrepreneurial businesses that continue to underpin demand.

LOOKING AHEAD

Our priorities are clear: maintain and improve tenant relationships and retention, and create greater value from the assets we retain. By combining disciplined asset management with innovation, we are positioning the portfolio to deliver sustainable long-term returns despite an operating environment that is likely to remain challenging.

Rob Gibson
Chief Operating Officer: City Property



A BUILDING MANAGER'S PERSPECTIVE

For Andries Mafojane, active building management starts with being close to the building and the people who use it. After 17 years with Octodec, Andries manages a few buildings in Pretoria's CBD, including the historic Standard Bank Chambers and Protea Towers. His work illustrates how operational excellence and strong tenant relationships can translate into better asset performance.

When Andries took over one of his buildings, it was almost empty. Rather than waiting for the market to change, he focused on improving the experience within the building, proactively addressing maintenance issues, personally repainting spaces and showing prospective tenants around. The building is now 85.5% let.

His focus on tenants extends beyond securing a lease. In 2010, a newly qualified lawyer approached Andries for help finding an office close to the courts, as well as accommodation. More than a decade later, after working in Cape Town, the client returned to Pretoria and contacted Andries directly. He has since leased additional offices in Octodec buildings, which is testament to the value of trusted relationships and understanding tenants' needs.

Andries also sees operational excellence as a team effort. Cleaners, security officers and handymen use a dedicated WhatsApp group to flag issues as they arise, allowing problems to be addressed quickly. Feedback from the frontline has also informed wider operational improvements, including the mobile smart phones used by building managers for daily inspections and vending machines in reception areas to improve convenience for tenants.

For Andries, maintaining a well-managed building also means contributing to an environment in which tenants feel safe and supported beyond the property boundary. He and his team also volunteer time to clean shared public spaces in the surrounding CBD and engage with local traders and tenants at neighbouring properties.

Andries' experience demonstrates that active building management extends beyond physical improvements and leasing performance. It requires understanding tenant needs, responding quickly to issues and using insights from the people closest to the buildings to enhance tenant experience.

Pule M 24/08/2026 08:18
★★★★★ via Organic
Excellent service
I was assisted by three people, Andries, Mercy and Marumo all of them are very excellent service providers and highly efficient.

OPERATIONAL PERFORMANCE

TENANTS AND LEASING

OUR TENANCY GRADING PROFILE BY GLA M²

Large national, listed tenants, government and major franchises account for 21.5% of our tenants by rentable area.

Residential tenants

34.3%
(2025: 32.5%)

+

Commercial tenants

Large national tenants, listed tenants, Government and major franchises

21.5%
(2025: 23.1%)

National tenants, other franchises and medium-sized professional firms

6.0%
(2025: 5.5%)

All other commercial tenants

38.2%
(2025: 38.9%)

=

100.0%

LEASE EXPIRY PROFILE

Our tenant and leasing profiles align with historical trends and expectations. Most of our leases are short-term, with 12-month terms, typical for residential and small- to medium-sized enterprises. National tenants' leases are typically on a three- to five-year term.

Expiries by rental income and GLA

	Aug 2027	Aug 2028	Aug 2029	Aug 2030	Aug 2031 and beyond	Vacancies
Expiries (%) by GLA						
Residential	92.7	0.5	–	–	–	6.8
Commercial	41.8	16.7	8.9	4.8	4.1	23.7
Total	57.0	11.9	6.2	3.4	2.9	18.6
Expiries (%) by rental income						
Residential	99.8	0.2	–	–	–	
Commercial	52.3	21.2	12.2	8.5	5.8	
Total	70.3	13.2	7.6	5.2	3.7	

Refer to the annual financial statements for our full lease expiry profile.

LENGTH OF STAY

The average stay of a residential tenant is 26.5 months. This excludes Hatfield tenants, who are traditionally students leasing for 10 months during the academic year.

The average length of stay of commercial tenants, measured by those tenants that have vacated in the current year, is as follows:

Retail shopping centres
59.6 months

Retail shops
58.2 months

Offices
39.6 months

Industrial
45.6 months

VACANCIES

Vacancies in the residential and retail-street shop sectors improved, with occupancy levels increasing most notably within the Johannesburg portfolio. This positive trend is largely attributable to the progressive reopening of Lilian Ngoyi Street in the Johannesburg CBD, which enabled businesses to resume trading. Although some sections reopened earlier in the year, construction activity continued to affect footfall and traffic flow for the largest part of the financial year, which limited the recovery of retail and residential performance in the area. The remaining sections of the street reopened on 2 November. Leasing activity has already improved, but trading levels are expected to normalise only gradually.

Residential vacancies decreased as occupancy strengthened in Hatfield and Tshwane. The Fields reached 100% occupancy, mainly due to the introduction of additional furnished accommodation to meet NSFAS accommodation requirements and a new leasing platform that streamlined and enhanced the student take-on process.

Shopping centres continue to benefit from strong tenant demand, especially at convenience-based centres. The slight increase in vacancies was attributable to a temporary vacancy at Woodmead. Following year-end, this space was successfully let to two tenants at a higher combined rental, which has strengthened both the income profile and tenant mix of the centre.

Industrial vacancies remained stable, with most industrial parks operating at near full occupancy throughout the year. The exception was the Talkar property in Hermanstad (Tshwane), which was vacated towards the end of 2025, contributing to a slight increase in industrial vacancy levels.

Office vacancies remain elevated following several large tenant departures and changes in occupier requirements, with some tenants downsizing their office space. The Group continues to address this through selective disposals, residential conversions and the introduction of new leasing concepts that broaden the tenant base and improve long-term asset performance.

Vacancy profile by sector

Sector	Total GLA (m^2)	Total vacancies (%)	% held for redevelopment or disposal (incl. mothballed)	Core vacancies (%)	Core vacancies as % of lettable GLA
31 August 2026					
Residential	**417 863**	**6.8**	**–**	**6.8**	**6.8**
Commercial					
– Street shops	**305 010**	**18.6**	**(7.6)**	**11.0**	**11.9**
– Shopping centres	**80 799**	**9.7**	**–**	**9.7**	**9.7**
– Offices	**403 743**	**37.0**	**(11.5)**	**25.5**	**28.8**
– Industrial	**189 390**	**9.3**	**–**	**9.3**	**9.3**
Total	**1 396 805**	**18.6**	**(5.0)**	**13.6**	**14.4**
31 August 2025					
Residential	422 558	8.0	–	8.0	8.0
Commercial					
– Street shops	326 048	20.1	(8.1)	12.0	13.1
– Shopping centres	97 271	6.9	–	6.9	6.9
– Offices	437 837	36.3	(15.4)	20.8	24.6
– Industrial	189 513	6.1	(0.6)	5.6	5.6
Total	1 473 227	18.8	(6.5)	12.3	13.2

Vacancy profile by location

Location	Total GLA (m^2)	% of total vacancies	Total vacancies (%)	% held for redevelopment or disposal (incl. mothballed)	Core vacancies (%)
31 August 2026					
Tshwane CBD	**487 247**	**40.1**	**21.4**	**(7.0)**	**14.4**
Tshwane and surrounding areas	**447 573**	**13.4**	**7.8**	**(0.2)**	**7.5**
Johannesburg CBD	**324 809**	**40.3**	**32.3**	**(9.7)**	**22.6**
Johannesburg and surrounding areas	**137 176**	**6.2**	**11.7**	**(2.0)**	**9.7**
Total	**1 396 805**	**100.0**	**18.6**	**(5.0)**	**13.6**
31 August 2025					
Tshwane CBD	494 705	34.6	19.3	(6.8)	12.5
Tshwane and surrounding areas	481 742	11.1	6.4	–	6.4
Johannesburg CBD	359 525	47.6	36.6	(17.0)	19.6
Johannesburg and surrounding areas	137 255	6.7	13.5	(0.2)	13.3
Total	1 473 227	100.0	18.8	(6.5)	12.3

SECTOR PERFORMANCE SUMMARY

RESIDENTIAL SECTOR

Residential unit information

	Number of units		Average monthly rentals	
Unit type	**2026**	2025	**2026**	2025
Bachelor unit	**3 063**	3 104	**R4 370**	R4 150
One-bedroom unit	**3 265**	3 284	**R5 170**	R4 900
Two-bedroom unit	**1 491**	1 490	**R6 580**	R6 300
Three-bedroom and other unit	**505**	529	**R6 200 – R7 470**	R5 900 – R7 200
Sharing unit	**779**	779	**R5 870**	R4 650
Private room	**71**	72	**R3 860**	R3 550
Sharing room	**63**	62	**R2 950**	R2 800

Residential again delivered strong performance across the portfolio, with occupancy improving despite continued affordability pressures within the middle-income market.

The Fields achieved full occupancy during the year, while vacancies in Tshwane also improved. Johannesburg remained the most challenging market, with unreliable municipal water and electricity infrastructure continuing to affect tenant retention in certain buildings. Investment in generators, boreholes and other resilience measures helped minimise service interruptions and improve the tenant experience.

Affordability continues to influence tenant behaviour, particularly as many households remain highly indebted. Rather than reflecting weakening demand, this has increased pressure on credit quality and bad debts. Leasing teams therefore continued to focus on retaining quality tenants through proactive engagement ahead of lease expiries and, where appropriate, facilitating transfers to more suitable units.

Operational improvements included additional furnishing of student accommodation at The Fields, which complies with NSFAS accommodation standards and was successfully absorbed into the market. Wi-Fi capacity was upgraded, common areas were refurbished, parcel drop-off locker facilities and laundry facilities were expanded where practical. Solar installations and boreholes improved operational resilience.

The phased rollout of a new digital leasing platform represents another significant development. Initially implemented at Yethu City and The Fields, the system is streamlining the entire leasing process, from applications and digital lease signing to inspections, tenant communication and access control, while laying the foundation for improved customer service across the residential portfolio.

Residential sector performance

Unit type	**2026**	2025
Number of properties	**61**	64
Number of tenant leases (incl. shared units)	**9 321**	9 297
Number of residential units	**9 237**	9 320
Johannesburg (%)	**36**	36
Tshwane (%)	**64**	64
GLA (m²)	**417 863**	422 558
Rental income (R'million)	**594.7**	558.3
Rental income growth (%)	**6.5**	5.4
Rental income growth (like for like) (%)	**6.7**	5.7
Total vacancies at year-end (% of GLA)	**6.8**	8.0
Tshwane (excl. Hatfield)	**6.6**	8.3
Johannesburg	**9.1**	8.9
Hatfield	**2.6**	7.0
Kempton Place	**3.2**	2.0

From pilot to portfolio: scaling innovation across the residential portfolio

Successful innovation does not end with a pilot; it creates solutions that can be applied more broadly.

Following the successful implementation of a new leasing platform at Yethu City, the digital leasing and onboarding solution was introduced at The Fields to test its ability to manage high volumes of student applications. Its success demonstrated how technology can simplify leasing, improve operational efficiency and enhance the tenant experience.

The platform has now been approved for phased rollout across the residential portfolio, streamlining applications, digital lease signing, inspections, tenant communication and access management while creating a more seamless customer journey.

Priorities for 2027

We will focus on improving and accelerating the conversion of leasing leads, supported by sound credit control processes to manage arrears within acceptable levels. The phased rollout of the new digital leasing platform will continue across additional residential buildings, unlocking further digital functionality for leasing, tenant communication and building management.

COMMERCIAL SECTOR

Offices

The office market remained under pressure as tenants continued to reduce space and demand concentrated in smaller, more affordable premises. Several large vacancies, including government and education-related space, affected occupancy during the year.

Rather than relying solely on conventional leasing, we continued adapting office buildings to meet changing market demand. Portions of selected buildings were adapted to accommodate tenants in the beauty sector, in response to strong demand from entrepreneurs in this market. Building on this demand, we are developing I'Stayela Studios, a dedicated beauty hub which opened in October 2026.

Government is an important tenant segment. Engagement with the Department of Public Works and other public-sector tenants focused on securing longer lease terms while maintaining strong relationships and customer service standards.

Top 10 office tenants by lettable area

Lessee	GLA (m²)
Louis Pasteur Private Hospital	14 485
Special Investigating Unit	12 568
Basa Freedom School	10 438
Department of Rural Development and Land Reform	9 528
City Property Administration	7 426
South African Police Service	7 226
National Department of Public Works	7 073
Small Enterprise Development and Finance Agency	6 382
Department of Justice and Constitutional Development – national office	5 868
Commission for Conciliation, Mediation and Arbitration	5 528
Total	**86 522**

Office space renewals and new leases

	Number of deals	GLA (m²)	Rental per month
New deals			
Government	–	–	–
Non-government	647	42 756	2 685 476
Total	647	42 756	2 685 476
Renewals			
Government	27	57 648	7 312 994
Non-government	571	31 419	2 825 627
Total	598	89 067	10 138 621

Performance

	2026	2025
Number of tenants	1 642	1 572
Let to Government (by % of total rental income from offices)	54.7	56.7
Other (by % of total rental income from offices)	45.3	43.3
GLA (m²)	403 743	437 837
Mothballed office space (GLA m²)	46 402	67 623
Mothballed office space (%)	11.5	15.5
Rental income (R'million)	288.1	294.5
Rental income growth (%)	(2.2)	4.9
Rental income growth (like for like) (%)	(2.1)	8.0
Total vacancies at year-end (% of GLA)	37.0	36.3
Core vacancies at year-end (% of GLA)	25.5	20.8

Reimagining office space: responding to changing market demand

Changing tenant demand is reshaping how office space is used, creating opportunities to reposition vacant and underutilised space for new and emerging uses.

Rather than relying solely on traditional office leasing, Octodec is responding to market signals by adapting selected spaces to meet evolving tenant needs. One example is I'Stayela Studios, where an entire building is being repositioned as a dedicated beauty and wellness destination for entrepreneurs and growing small businesses. The project is being piloted as a new approach to addressing office vacancies and unlocking value from existing assets.

Other initiatives are being tested in response to specific areas of demand. At Health Connect, for example, Octodec is piloting flexible, sessional rooms to cater to demand for short-term space. The learnings from these pilots will help inform how similar opportunities can be applied across the portfolio.

Priorities for 2027

We will continue to reposition underperforming office space through adaptive re-use. Securing longer-term government leases remains a priority, as does improving tenant experience through customer service delivery.

Retail

Neighbourhood shopping centres delivered a strong performance, achieving rental income growth of 6.0% and remain a key component of the Group's long-term strategy. Demand for well-located convenience retail remains resilient, with vacancies generally absorbed quickly and rental growth supported by ongoing tenant mix optimisation.

Woodmead Value Mart delivered an exceptional performance, achieving rental growth of 11.4%. Waverley Plaza and Blaauw Village also performed well, recording rental growth of 7.3% and 8.3%, respectively.

Street retail performance varied by location. High-footfall nodes continued to attract healthy demand from food operators, independent retailers and entrepreneurial businesses, while some national retailers continued to rationalise their store networks. Leasing strategies are highly location-specific, with stronger-performing nodes benefiting from active tenant replacement, while weaker locations are increasingly managed in line with our portfolio optimisation strategy.

Occupancy levels in Johannesburg's retail street-shop sector have improved following the progressive reopening of Lilian Ngoyi Street. Some sections reopened earlier in the year, and the remaining sections reopened on 2 November, so the disruption affected the greater part of the financial year. Leasing demand is expected to recover further now that the street is fully accessible and traffic flows normalise.

Top 10 retailers by lettable area

Lessee	GLA (m²)
Shoprite Checkers (Pty) Ltd	22 544
Pepkor Trading (Pty) Ltd	17 000
Pick n Pay Retailers (Pty) Ltd	13 283
City Lodge Hotels Limited	9 709
Foschini Retail Group (Pty) Ltd	8 228
Mr Price Group Limited	6 308
Woolworths (Pty) Ltd	5 268
Dullington House (Pty) Ltd	5 111
McCarthy (Pty) Ltd	4 705
Tshwane University of Technology	4 117
Total	96 273

Shopping centres

Centre	GLA (m²) occupied by a national tenant	% of total
Blaauw Village	6 387	87.8%
Killarney Mall	30 936	79.2%
The Park Shopping Centre	9 297	79.2%
Waverley Plaza	8 969	77.8%
Woodmead Value Mart	12 717	80.5%

Shopping centre performance

	2026	2025
Number of tenants	212	214
GLA (m²)	80 799	97 271
Rental income (R'million)*	196.2	201.0
Rental income growth (%)*	6.0	6.2
Rental income growth (like for like) (%)*	6.0	6.2
Total vacancies at year-end (% of GLA)	9.7	6.9
Core vacancies at year-end (% of GLA)	9.7	6.9

* The current year rental income takes into account the reclassification of Gezina City as an industrial property (The prior year has not been restated)

Street shop performance

	2026	2025
Number of tenants	946	978
GLA (m²)	305 010	326 048
Rental income (R'million)	358.7	361.3
Rental income growth/reduction (%)	(0.7)	1.2
Rental income growth (like for like) (%)	4.1	2.0
Total vacancies at year-end (% of GLA)	18.6	20.1
Core vacancies at year-end (% of GLA)	11.0	12.0

Priorities for 2027

We will continue refining tenant mix across our retail portfolio by replacing underperforming tenants with convenience retailers, food operators and entrepreneurial businesses that better reflect local customer demand. Following the completion of the Lilian Ngoyi Street improvements, leasing efforts in Johannesburg will focus on rebuilding occupancy and trading activity in the surrounding precinct while continuing to strengthen our presence in well-performing neighbourhood shopping centres.

Industrial

The industrial portfolio remains resilient and is supported by demand for secure industrial parks with onsite management and reliable municipal services.

Most industrial parks operated close to full occupancy throughout the year, with vacancies generally limited to normal tenant turnover. Excluding one large vacancy at Talkar building in Hermanstad (Tshwane), leasing activity remained strong and rental growth exceeded expectations in several nodes. Overall the rental income in this sector decreased with 6.8% as a result of the 6 873 sqm vacancy at Talkar building.

Investment focused on practical operational improvements that support tenant retention, including boreholes, ongoing maintenance and enhancements to security and property management. Properties that no longer align with the Group's long-term industrial strategy continue to be assessed for disposal, with capital recycled into higher-quality opportunities.

Top 10 industrial tenants by lettable area

Lessee	GLA (m²)
Medipost	**16 658**
African Food Industries	**3 729**
Salvage Car Dealers	**3 322**
Sizwe Foods	**3 088**
Le Petit Pain	**2 887**
Sterlings	**2 600**
Iso Foods	**2 560**
South African Revenue Service	**2 557**
MIDA Bakery Supplies	**2 360**
Impilo Products	**2 291**
Total	**42 052**

Industrial performance

	2026	2025
Number of tenants	**280**	309
GLA (m²)	**189 391**	189 514
Rental income (R'million)*	**118.3**	111.2
Rental income growth (%)*	**(6.8)**	2.4
Rental income growth (like for like) (%)*	**(2.6)**	6.1
Total and core vacancies at year-end (% of GLA)	**9.3**	6.1
Core vacancies at year-end (% of GLA)	**9.3**	5.6

* The current year rental income takes into account the reclassification of Gezina City as an industrial property (The prior year has not been restated)

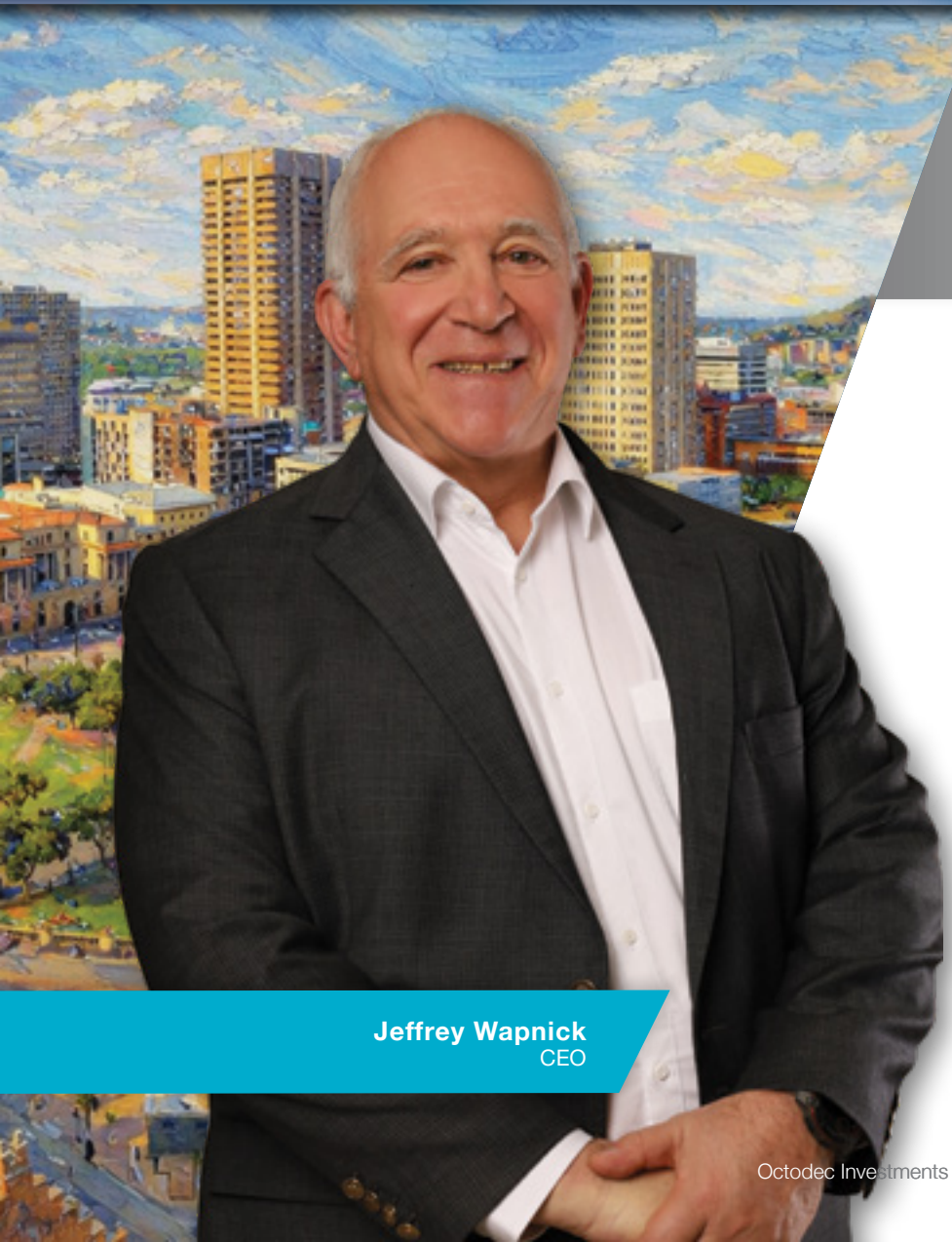
Priorities for 2027

We will seek opportunities to expand our exposure to modern industrial parks while disposing of properties that no longer align with our long-term strategy. Investment will remain focused on operational improvements that support manufacturing tenants, including water security, enhanced security measures and proactive property management, while leasing teams continue to drive high occupancy levels and secure longer lease terms across the portfolio.



Sildale Park

THE VALUE CREATION OUTCOMES OF OUR BUSINESS MODEL



Jeffrey Wapnick
CEO

I am pleased with Octodec's improved performance for the year. Despite a challenging operating environment, with no meaningful improvement in market conditions, Octodec is delivering growth because we are embracing innovative thinking and executing on new strategies. We are challenging some of the old assumptions and becoming more deliberate about where we deploy our financial and intellectual capital.

INSIGHTS FROM OUR CEO

Performance was varied across our balanced portfolio of quality commercial and residential properties. Industrial properties remains resilient and supported by strong demand, while our shopping centres continued to perform well. Offices and street retail are also evolving in nature. As fewer South Africans rely on stable corporate employment, more are approaching us directly as independent, self-employed operators. At the same time, pressure on traditional national fashion retailers is creating opportunities for smaller, owner-run businesses to take their place.

In residential, affordability is undoubtedly a consideration, but it does not tell the whole story. Our data indicates that we have strong credit control measures, and collection rates remain consistently high. If there was a general trend of weak collections given the appropriate credit control measures, it would have indicated an affordability challenge or crisis. As in any business there are tenants that vacate due to affordability concerns, but these are the exception as opposed to the general experience within our portfolio.

We believe there is significantly more demand for quality accommodation than what we are currently able to reach.

Internal review of our leasing processes has indicated friction in the leasing process itself, as application procedures can be too cumbersome, resulting in potential tenants not being converted. For this reason, we are adopting new technology to make the first interaction a conversation rather than a call centre or an application form. This is expected to meaningfully improve conversion from tenant interest to occupancy.

The same principle applies across the broader portfolio. We need to understand our customers better and remove the engagement and application barriers that stand between the tenant and our properties.

A DIFFERENT APPROACH TO THE PORTFOLIO

In this industry, the fundamentals of property have long been distilled into a single principle: location, location, location. Those fundamentals remain true, but locations change and the value they offer shifts accordingly over time.

Octodec's market has in part evolved significantly over time. Some locations that served us well for the last two to three decades no longer offer the same growth potential. This means we need to be more deliberate about where we focus our skills, capabilities, financial capital and management attention.

This type of change starts with being disciplined about the assets we retain and those we dispose. We have several smaller properties that are underperforming and are not an efficient use of either financial or intellectual capital. Managing several small assets also requires significant resources. We therefore need to accelerate the disposal of these non-core, underperforming properties and shift resources to value-creation assets.

Our focus is therefore twofold: accelerating the disposal of non-core and underperforming assets, while increasing revenue from the assets that remain in the portfolio. We are pursuing both with greater intensity. The funds derived from the disposal of assets need to be deployed in those areas where we see a better future in terms of rental growth.

Historically, the priority was largely to reduce vacancies and fill available space as opposed to growing rental rates per m^2. That has changed. The team has developed new reporting indicators that highlight where rental rates have decreased or increased providing greater visibility of the quality of our rental growth. This is a mindset shift as the team now focuses on achieving longer leases and rates per m^2. We need to be fair to our tenants while also being commercially disciplined. We are actively addressing these opportunities, and since reporting includes a rolling 12-month view, we are only now starting to see the benefits of higher rental rates.

INNOVATION THAT SOLVES REAL PROBLEMS

We have begun approaching underutilised buildings differently. Where these assets are retained, we need to find new uses for them and develop products that respond to changing tenant needs. The objective is to unlock value from assets that are currently underperforming and not realising their full potential.

The Yethu City concept is one example. We developed a new product based on co-living accommodation and shared facilities. It provides affordable, quality accommodation while making better use of buildings that would otherwise be difficult to reposition. Technology helps us to manage costs, while the communal environment creates a sense of community for people arriving in a new city without an existing support network.

At The Fields, we introduced new leasing software and set the team a target to let the building in full by the end of the student intake period during February. At the end of February 2026, we had reached 100% occupancy, exceeding all our expectations. The team has seen what is possible and is now applying the same approach across other buildings.

We are adapting commercial buildings to meet changing market needs, for example converting selected buildings into specialist beauty destinations to meet growing demand from entrepreneurs in this sector. These initiatives have already meaningfully reduced vacancy, with I'Stayela Studios, a dedicated beauty hub, opening in October 2026.

I am proud of the innovation we are seeing across the business, but we remain a commercial enterprise. Innovation must ultimately result in solutions and products that meet our customers' needs and generate sustainable long-term revenue growth.

THE SHARE PRICE MATTERS

Octodec is a listed company, and in a listed market shareholders are free to trade shares at the price they consider fair. Recent activity in our shareholding is a reminder of that reality and of the importance of creating value for all shareholders.

It is gratifying to see that the market recognises the progress being made through a rising share price. One of the benefits of being a shareholder myself is that it reinforces accountability. When the share price comes under pressure, you must ask yourself what can be done to create value and improve performance.

For Octodec, increasing rental income is central to the value we create. It needs to translate into earnings, distributions and, ultimately, a share price that reflects the value of the business. That is the commercial discipline we are applying across the business.

PRIORITIES FOR THE YEAR AHEAD

I have been quite bullish in this message, but we are very mindful of where the country is. Security and municipal service delivery continue to present challenges, while rising municipal costs are placing pressure on rental growth, limiting our ability to keep pace with cost increases.

We have also had to invest in infrastructure to maintain services across parts of our portfolio. These are not easy operating conditions, and we need to manage these pressures while protecting the quality of our portfolio and our tenants' experience.

Going into next year, the priorities remain largely unchanged, but with an even sharper focus on execution. We need to continue the portfolio changes we have identified; accelerate the disposal of non-core and underperforming assets, drive rental growth across the assets we retain, keep looking for ways to use our properties differently and actively search for new investment opportunities.

APPRECIATION

In closing, I would like to recognise the people behind the performance.

Riaan has been a great support to the board and me and takes on significant responsibility as deputy CEO *and* FD.

I also want to thank the employees of both Octodec and City Property. This portfolio requires hard work and commitment, and their dedication and contribution are evident in everything they do. It is not just about the financial performance of the portfolio; it is about the people who make the business work. I am very grateful to them.

To our board, thank you for challenging us and holding us to account.

If I can leave you with one thought, it is this: Ultimately, it is the people who use our properties who tell us whether we are meeting their needs and delivering value. A retailer willing to pay more to stay, or a resident who loves where they live and pays their rent in full, is the clearest vote of confidence we can get.

That is what matters. Everything else is noise.

Jeffrey Wapnick
CEO



Yethu City – *on Sisulu*



Riaan Erasmus
Deputy CEO *and* FD

We executed our board-approved strategy with discipline and resolve, improving shareholder returns and strengthening the balance sheet to support long-term growth and sustainability. We did so amid prolonged subdued economic growth and high interest rates, which continue to constrain job creation and new business formation. The outbreak of war in the Middle East between Iran and the United States added to economic pressures, driving up oil prices, living and input costs.

DEPUTY CEO *AND* FD'S REVIEW

CONTEXT TO OUR FINANCIAL PERFORMANCE

Octodec operates in Gauteng, with 52.8% of rental income generated within the CBDs of Pretoria and Johannesburg. Octodec's market is particularly sensitive to high inflation and high interest rates, especially in the residential portfolio, which contributes 36.5% to total rental income, making the management of vacancies a key lever to grow rental income from this segment.

The failure of municipal infrastructure and service delivery continues to disrupt our tenants, and management remains focused on enabling water and electricity backup solutions across our portfolio. The solutions include the installation of generators, water inlets and storage capacity, solar systems and boreholes. Although these actions mitigate the disruptions to tenants, they do result in additional costs being carried by the landlord.

STRATEGY AND HOW WE HAVE PERFORMED

The refreshed strategy, approved by the board in 2025, has begun to take effect this year, with a particular focus on reducing vacancies, improving the weighted average lease expiry profile, increasing income generated per m^2 and disposing of non-core assets. In addition, several investor media initiatives were undertaken to build brand awareness for Octodec and to drive the investment case for the group and its initiatives, such as Yethu City.

Clear objectives are in place and centre around the overall improvement in the quality of the portfolio by proactively disposing of small non-core assets (understanding that selective discounts may be necessary in order to implement these disposals), strengthening the balance sheet in the short- to medium term to enable Octodec to invest in higher-value properties, preferably exceeding R100 million in the medium- to longer term.

Responsible capital allocation is critical in delivering sustainable income and value to shareholders and capital investments will therefore focus on underweight sectors in the portfolio – industrial, convenience or community shopping centres and selected residential assets. Management continues to take a balanced approach between reducing gearing levels and investing in higher-value properties, with the ultimate objective of owning fewer, higher-value properties.

These actions will enhance Octodec's investment case and contribute to revitalisation and growth of the urban areas at the heart of our portfolio.

Management set an ambitious target to dispose of non-core assets, including properties considered too small, having reached maturity or underperforming. In the last two years, 37 properties have been disposed of in line with our strategy and management is resolute in our objective of reducing the number of low-value assets and improving the quality of the portfolio. The total gross proceeds from these disposals amounted to R358.7 million, with an average property value of R10.1 million. In FY2026, 20 properties were disposed of for a total consideration of R202.0 million, with the average carrying value of R10.4 million. Although these assets were sold at a discount of 2.9% (selling price to carrying value), Octodec considers this to be a reasonable trade-off to rationalise and enhance the portfolio in line with the strategy.

Proceeds from the disposals were used to reduce borrowings and lower the cost of debt which, together with the changes in fair value, resulted in a covenant-calculated loan to value (LTV) of 36.8% and an SA REIT-calculated LTV of 36.1%. As previously indicated, it is Octodec's objective to reduce the LTV ratio to approximately 35%, while improving the ICR to a sustained 2.50 times in the long term. The achieved ICR for the 12 months to 31 August 2026 was 2.51 times.

Subsequent to year-end, Octodec successfully concluded the sale and transfer of its interest in Killarney Mall for R397.5 million. The completion of this transaction marks the achievement of a longstanding strategic objective of the Board, reinforcing the group's focus on active portfolio management, value realisation and the recycling of capital into opportunities that support sustainable growth.

All debt maturities in FY2026 were successfully refinanced at improved margins, with the overall weighted average margin on utilised facilities reducing from 2.00% in the prior year to 1.96% as at 31 August 2026. As we deliver on the new refreshed strategy with improved performance and credit metrics, management will continue to seek opportunities to improve the weighted average cost of debt.

Octodec's policy remains to hedge between 70% and 80% of outstanding borrowings, and as at 31 August 2026, 77.3% of utilised borrowings were hedged with a weighted average maturity of 12 months.

In summary, in line with our strategy, we achieved the following key objectives for the year:

- Disposed of 20 properties for R202.0 million, bringing the number of sales to 37 in the last two years
- Successfully disposed of Killarney Mall for R397.5 million (post year-end)
- Increased the distributable income by 12.2% to R512.1 million for FY2026
- Increased the full-year distribution per share by 11.5% to 149.97 cents per share
- Improved the LTV to 36.8% from 38.9% in the prior year
- Improved the interest cover ratio from 2.2 times in FY2025 to 2.5 times for FY2026

CONCLUSION

Despite the challenging environment, such as increased inflation, the risk of further increases in interest rates, failing municipal infrastructure in certain regions and the local political risks, opportunities remain, and Octodec is confident of its strategy to reposition Octodec over the medium to long term, as an investment of choice.

Riaan Erasmus
Deputy CEO and Financial Director

20 November 2026

OVERVIEW OF FINANCIAL PERFORMANCE

DISTRIBUTABLE INCOME (SA REIT FFO)

Although the current year had its own challenges, Octodec delivered a pleasing growth in distributable income before and after tax of 14.9% and 12.2%, respectively. On a like-for-like basis, distributable income increased 14.8% before tax and 12.1% after tax.

	% change	**31 August 2026 R'000**	31 August 2025 R'000
Revenue	2.6	**2 228 836**	2 172 844
Sundry income	449.8	**14 537**	2 645
Property operating expenses	2.3	**(1 236 718)**	(1 209 000)
Net property income	4.2	**1 006 655**	966 489
Administrative and corporate expenses	5.6	**(123 313)**	(116 825)
Net operating profit	4.0	**883 342**	849 664
Share of income from joint venture	(31.8)	**5 741**	8 416
Distributable profit before finance costs	3.6	**889 083**	858 080
Net finance costs	(9.4)	**(360 375)**	(397 747)
Distributable profit before tax	14.9	**528 708**	460 333
Current tax	339.6	**(16 647)**	(3 787)
Distributable income attributable to shareholders	12.2	**512 061**	456 546
Weighted average number of shares	–	**266 197 535**	266 197 535
Distributable income per share	12.2	**192.36**	171.51

DIVIDEND POLICY

Octodec's dividend policy provides for the retention of sufficient funds for maintenance capital expenditures, while enabling the group to pursue development and acquisition initiatives that support long-term value creation.

In addition, our policy is underpinned by the need to maintain a strong balance sheet with an acceptable LTV ratio, while taking into account our shareholders' expectations regarding distributions.

In determining the distribution, we use distributable income (SA REIT funds from operations) and deduct the anticipated amount for refurbishments and developments, while ensuring that the distribution complies with the JSE Listings Requirements of a minimum distribution of 75% of distributable income (taxable income), taking into account the solvency and liquidity of the underlying property-controlled subsidiaries.

The board has considered the group's solvency and liquidity and is satisfied that the group has adequate cash resources and funding facilities. The distribution for FY2026, as a percentage of distributable income, is 78.0% at the group level, in line with Octodec's prior year payout ratio of 78.4%, and 100% at the company level, ensuring that the group remains a REIT.

Based on the above policy, the board of Octodec declared a final dividend of 85.5 cents per share on 20 November 2026, payable to shareholders on Monday, 14 December 2026. The total dividend for the year is 149.97 cents per share (FY2025: 134.5 cents), a 11.5% increase over the prior year.

PERFORMANCE REVIEW

At a group level, revenue increased by 2.6%. Rental income, excluding recoveries, increased by 2.1%; on a like-for-like basis, excluding the impact of the disposal of properties, it increased by 3.7%.

Rental income was generated from the following geographical areas:

Geographical area	**FY2026 (R'm)**	FY2025 (R'm)	% change	Like-for-like % change
Arcadia	**84.9**	82.6	2.7	5.4
Hatfield	**132.8**	120.0	10.7	10.7
Silverton and surrounding areas	**75.4**	71.9	4.9	6.5
Tshwane – CBD	**597.7**	586.4	1.9	2.3
Tshwane – other	**179.1**	192.2	(6.8)	(0.7)
Waverley, Gezina and Moot areas	**70.4**	66.7	5.5	5.5
Tshwane	**1 140.3**	1 119.8	1.8	3.5
Johannesburg surrounding areas	**208.8**	195.9	6.6	6.6
Johannesburg CBD	**264.1**	264.3	(0.1)	2.7
Johannesburg	**472.9**	460.2	2.8	4.4
Total	**1 613.2**	1 580.0	2.1	3.7

Year-on-year, the non-CBD portfolio performed well, outperforming the CBD portfolio with rental income growth of 3.0% and 5.3% on a like-for-like basis. The Johannesburg CBD portfolio remained flat, with rental income decrease of 0.1%, while growing rental income by 2.7% on a like-for-like basis. The Tshwane CBD portfolio was negatively impacted by vacancies left by the City of Tshwane at Capitol Towers North (12 086m^2) and the Department of Justice at Locarno House (3 171m^2), whereas the Tshwane – other portfolio was negatively impacted by a vacancy at Talker (6 873m^2).

In terms of sector performance, Octodec's retail shopping centres were the strongest-performing commercial asset class, whereas the residential portfolio outperformed the commercial asset class due to improved occupancy. Retail street shops saw subdued rental growth, decreasing by (0.7%) year-on-year, however, increased by 4.1% on a like-for-like basis.

Sector	**FY2026 (R'm)**	FY2025 (R'm)	% change	Like-for-like % change
Residential	**594.7**	558.3	6.5	6.7
Retail – street shops	**358.7**	361.3	(0.7)	4.1
Retail – shopping centres	**178.1**	168.4	5.7	5.7
Offices	**288.1**	294.5	(2.2)	(2.1)
Industrial	**118.3**	127.0	(6.8)	(2.6)
Parking	**75.3**	70.4	7.0	8.3
Total	**1 613.2**	1 580.0	2.1	3.7
Residential	**594.7**	558.3	6.5	6.7
Commercial	**1 081.5**	1 021.6	(0.3)	2.0

Despite the weak operating environment, letting activity improved during the year, with a focus on driving the achieved rental income per m^2. Due to vacancies at the Capitol Towers North, Talkar and Wits Technikon properties, core vacancies increased to 13.6% from 12.3% reported in the prior year.

Management continues to focus on containing costs below or in line with inflation, with property operating expenses increasing by 2.3% to R1 236.7 million (FY2025: R1 209.0 million). Although gross property expenses increased by 2.3%, net property expenses (net of recovered costs) increased by only 0.8%. The year-on-year increase was limited to below inflationary levels. This outcome reflects the successful resolution of municipal valuation objections at two properties, which reduced assessment rate costs by 5.0% to R160.1 million, and the containment of utility cost growth to 0.1% (R396.1 million), supported by solar energy generation and other efficiency measures.

Net property income increased by 4.2% from R966.5 million to R1 006.7 million, and 4.2% on a like-for-like basis. The increase is attributable to the growth in rental income, together with the settlement, net of claims cost and insurance payout for the business interruption claim relating to the Lilian Ngoyi Street matter.

Income from the joint venture, which is represented by our 50% interest in Blaauw Village, a neighbourhood shopping centre in Pretoria North, decreased by 31.8% from the prior year, mainly due to higher income taxes, as the prior year included a one-off tax allowance for the solar installation.

Administrative and corporate expenses increased by 5.6% to R123.3 million (FY2025: R116.8 million), largely due to higher asset management fees, which increased by 9.4%. The asset management fee increases annually at inflationary levels, however, due to the increase in the share price, offset by lower borrowings, the top-up fee paid to City Property amounted to R6.4 million (FY2025: R0.8 million). Directors' remuneration decreased by 6.5% following executive directors' agreement to forgo the past practice of receiving directors' fees.

Net finance costs decreased by 9.4% from R397.7 million to R360.4 million, which was primarily due to lower interest rates and improved margins on refinanced borrowings.

Income tax increased from R3.8 million in the prior year to R16.6 million, which relates to the income tax on distributable profits retained to fund part of the FY2027 capital expenditure programme.

The above factors contributed to an increase in distributable income before tax of 14.9%, from R460.3 million to R528.7 million, and distributable income after tax of 12.2%, from R456.5 million to R512.1 million.

LILIAN NGOYI STREET CLAIM

During the year, the insurance claim for loss of income on the now-repaired Lilian Ngoyi Street in the Johannesburg CBD was settled. Fourteen properties were impacted, though not damaged, by the gas explosion. Although some sections of Lilian Ngoyi Street reopened earlier in the year, the remaining sections only reopened on 2 November and road works affected trade for virtually the entire financial year. As a consequence, trading levels have not yet returned to pre-explosion levels, although trade is expected to improve now that the street is fully accessible.

The current year's sundry income of R14.5 million includes the final settlement, net of claims preparation costs and value added tax, relating to the above insurance claim.

COLLECTIONS

The table below illustrates the collections as a percentage of total billings for the year:

	Total %	Commercial %	Residential %
30 September 2025	**98.3**	**98.0**	**99.2**
31 October 2025	**104.0**	**105.2**	**100.5**
30 November 2025	**99.8**	**100.3**	**98.1**
31 December 2025	**96.0**	**95.5**	**97.6**
31 January 2026	**93.0**	**92.0**	**96.3**
28 February 2026	**98.2**	**101.5**	**89.7**
31 March 2026	**101.8**	**100.1**	**106.4**
30 April 2026	**98.4**	**97.6**	**100.4**
31 May 2026	**97.7**	**97.9**	**97.0**
30 June 2026	**98.4**	**98.5**	**98.1**
31 July 2026	**106.0**	**108.6**	**99.7**
31 August 2026	**103.6**	**104.8**	**100.4**
Average	**100.0**	**100.3**	**99.0**

The collections for FY2026 were pleasing, meeting our expectations, and reflective of the excellent work performed by the credit controllers, especially in a difficult credit environment.

ARREARS

Tenant arrears increased from August 2025 and are currently at 4.7% of rental income (FY2025: 4.5%) or 17.3 days (FY2025: 16.5 days). Tenant arrears and the expected credit loss are as follows:

	Commercial tenants R'000	Residential tenants R'000	Total R'000
August 2026			
Amount owing	**88 511**	**26 589**	**115 100**
Expected credit loss (ECL)	**56 849**	**19 201**	**76 050**
% ECL on amount owing	**64.2%**	**72.2%**	**66.1%**
August 2025			
Amount owing	87 067	17 698	104 764
Expected credit loss (ECL)	49 963	12 165	62 127
% ECL on amount owing	57.4%	68.7%	59.3%

Total arrears increased from R104.8 million to R115.1 million and the ECL% increased from 59.3% to 66.1%. The increase in provision for commercial tenant arrears is largely attributable to one major tenant that is currently under business rescue. Excluding this tenant, the % ECL on the total commercial arrears is in line with the prior year. It is Octodec's policy to provide for 100% as bad debt where a tenant is operating under legal terms.

There have been no major changes to the assumptions used in calculating ECL compared with FY2025. Although the provision for commercial ECL is outside the board's risk tolerance level, this is expected to be temporary and is being closely monitored.

INVESTMENT PROPERTY

Octodec has a diversified portfolio of 199 industrial, retail, office and, residential properties with a GLA of 1 396 805 m^2, including 100% of the joint venture.

RECONCILIATION OF GLA M^2

	m^2
GLA at the beginning of the year	**1 473 227**
Disposal of 20 properties, including sectional title sections in one property	**(76 215)**
Remeasurements	**207**
GLA at the end of the year	**1 396 805**

Octodec retained a portion of its distributable income for 2025 to fund capital projects and tenant installations. In FY2026, we invested R151.6 million (FY2025: R102.5 million) in developments, improvements and larger tenant installations, which will contribute to increased earnings. During the year under review, Octodec undertook the following projects:

RESIDENTIAL

Octodec remains committed to the ongoing enhancement of its residential portfolio and continues to identify opportunities to improve asset quality, respond to evolving tenant needs and maintain a competitive advantage in the market. Management also continues to explore innovative means to convert vacant office buildings into residential offerings, largely on the back of the successful and award-winning Yethu City concept that was introduced in 2025.

During the year, several projects were completed, including the conversion of 88 residential apartments in the Block D building at The Fields into furnished units (at a cost of R5.6 million) and an upgrade to the access control system. This has proven very successful during the leasing process in January and February 2026, resulting in the residential component being almost fully let.

Other notable projects undertaken during the year include the R2.0 million upgrade of the common area flooring at Kempton Place, which has refreshed the property's look and feel, and the ongoing enhancement of the common areas at Steyn's Place in the Tshwane CBD. An amount of R2.9 million was invested in the Steyn's Place project during the current year, with completion expected in FY2027.

COMMERCIAL

Octodec is progressing several strategic projects, including a number carried over from the prior year. The most significant investment during the year was the R30.5 million redevelopment of Gezina City, which includes the installation of a solar plant and generator backup to enhance operational resilience. At Killarney Mall, R4.2 million was invested to introduce shared office space in partnership with Regus. Office upgrades at Rentmeester Office Park and Dynamech Office Park amounted to R15.5 million and included fire-compliance enhancements to meet regulatory standards, as well as improvements aimed at strengthening the quality and competitiveness of these assets.

Additional projects focused on tenant-driven improvements across the portfolio to enhance occupier appeal and support leasing activity.

R11.5 million was invested in solar plant installations, with two projects completed at Kempton Place and Sharon's Place. Two more projects are in progress: a new installation at Rentmeester Office Park and the extension of the solar plant at The Parks Shopping Centre.

Other notable outlay included approximately R13.6 million on compliance projects to address new building regulations such as fire compliance and energy management.

ACQUISITIONS AND DISPOSALS

The refreshed board-approved strategy includes a determined rationalisation of the property portfolio, to achieve a more select portfolio composition. The long-term strategy focuses on three primary property categories: mini-warehouse industrial parks, neighbourhood convenience shopping centres and residential.

During the year ended 31 August 2026, the group sold 20 non-core properties for total proceeds of R202.0 million at a weighted average exit yield of 9.1%, resulting in a loss of R5.9 million before taking into account commissions of R9.2 million. The average carrying value of the sold properties was R10.4 million. The board had resolved that these properties be sold as part of Octodec's exit strategy from certain non-core properties to redeploy capital more advantageously. The estimated annual net property income contribution from these disposals approximates the annual interest savings that Octodec will achieve at the current weighted average cost of debt. Although these disposals are earnings-neutral, they will help strengthen the lender covenant metrics.

As announced on 24 February 2026, Octodec concluded an agreement to dispose of Killarney Mall Proprietary Limited, which owns the Killarney Mall property, for a gross consideration of R397.5 million. Several conditions were required to be met to conclude this transaction. The due diligence process was successfully completed and approval from the Competition Commission was announced on 8 October 2026.

The Closing Date was 2 November 2026 and proceeds from the transaction will be utilised to reduce borrowings in the short term, with a long-term objective of acquiring yield-enhancing industrial or retail assets as outlined in our strategy.

In line with our new strategy, Octodec has now disposed of 37 properties in the 24 months to August 2026, generating proceeds before commissions of R358.7 million.

Although no acquisitions were undertaken during FY2026, management has investigated the acquisition of several properties, which have not yet resulted in a successful transaction. Management is focused on remaining disciplined in its approach to property acquisitions, in line with Octodec's strategic objectives, taking into account factors such as the economic cycle, the cost of capital and the long-term sustainability of each investment.

INVESTMENT PROPERTY VALUATIONS

The property portfolio consisting of 199 properties, including the joint venture, was valued at R11.1 billion (FY2025: R11.2 billion), with 34.8% of the properties classified as single-use properties and 65.2% classified as mixed-use properties using the following inputs:

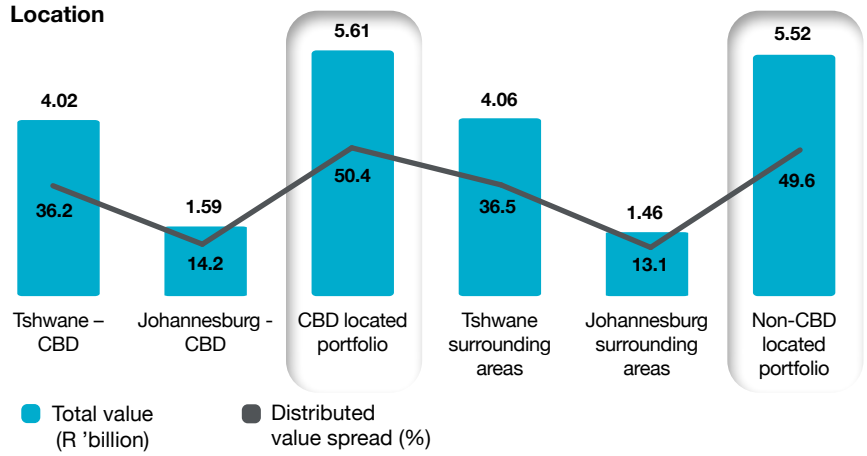
	FY2026	FY2025
Average value per m^2	**R8 030**	R7 824
Weighted average capitalisation rate (%)	**10.1**	10.0
Weighted average long range vacancy factor (%)	**8.9**	8.4
Weighted average expense ratio (%)	**31.0**	30.9

In line with the group accounting policy, all properties were valued by external independent valuers at least once over a rolling three-year period, with approximately one-third of the portfolio valued externally each year. The carrying value of investment property was based on the internal valuations and there were no significant differences between the values derived by the external valuers and the values determined internally. As a result of changes to the JSE regulations that previously required property valuations at least once every three years, a new valuation policy will be adopted in 2027. The new policy will focus on the valuation of material properties by an independent valuation expert.

The valuation methodology, which is based on the capitalisation of income, has remained unchanged from the prior year, with minimal changes to the valuation inputs such as expense ratios, vacancy factors and the capitalisation rates. The fair value of the property portfolio decreased by 0.1%, or R14.1 million, including the joint venture-held property, while the average value per property increased by 9.2% to R55.9 million on a like-for-like basis.

The portfolio is located in Gauteng, predominantly in Tshwane and the City of Johannesburg. By value, R5.5 billion (49.6%) of the portfolio is in the surrounding areas outside the CBDs, while R5.6 billion (50.4%) is in the CBDs of Tshwane and Johannesburg.

Geographically, the value of Octodec's portfolio is distributed as follows:



Mothballed space, as a total of Octodec's portfolio, decreased by 29 088m² to 66 052m² (2025: 95 140m²), mainly due to the disposal of Shoprite Eloff (30 939m²), with some additional spaces identified and classified as such. The mothballed space includes two properties amounting to 23 201m² (FY2025: 54 140m²) with a carrying value of R27.9 million (2025: R44.4 million), which are fully mothballed. The total value of these mothballed assets is 0.5% of the investment portfolio's total valuation.

Further information on the valuation of the portfolio can be found on pages 23 to 26 of the AFS on Octodec's website at www.octodec.co.za.

BORROWINGS AND CASH FLOW MANAGEMENT

	31 August 2026 R'000	Weighted average interest rate per annum %	31 August 2025 R'000	Weighted average interest rate per annum %
Bank loans – secured	**3 516**	**9.0**	3 998.6	9.0
DMTN Programme – unsecured	**557.4**	**8.8**	334.9	9.0
Total borrowings	**4 073.0**	**9.0**	4 333.5	9.0
Cost of swaps		**0.0**		0.1
Total cost of borrowings	**4 073.0**	**9.0**	4 333.5	9.1

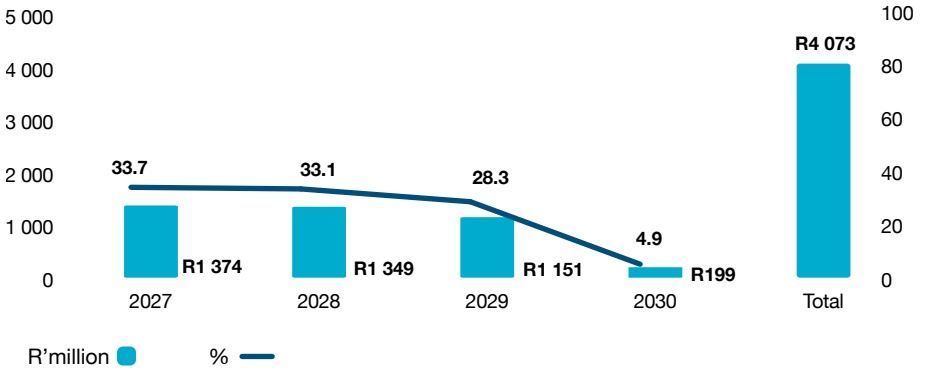
During the year, Octodec issued two 3-year unsecured corporate bonds for a combined amount of R300 million at a weighted average margin of 1.74%, increasing the total bonds issued through the DMTN Programme to R555.0 million, in line with the long-term strategy.

Two secured bank funding facilities totalling R774.0 million were successfully refinanced for tenors of four and five years at a weighted average margin of 1.75%. The weighted average expiry of our facilities as at 31 August 2026, was 24 months.

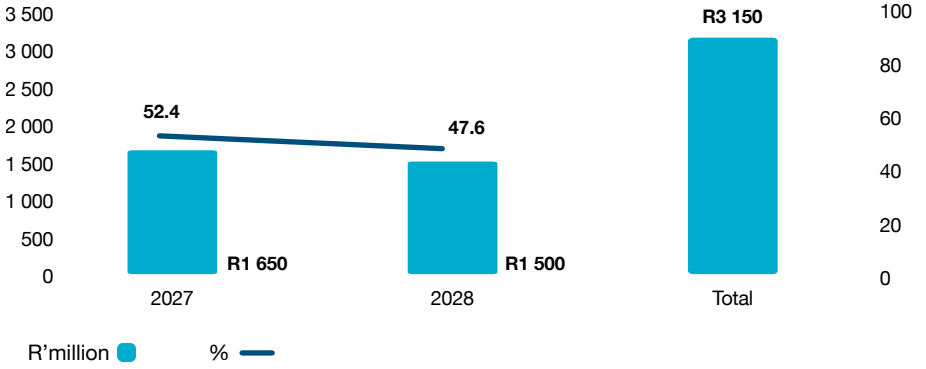
The weighted average term to expiry of the facilities is 2.0 years (FY2025: 2.3 years) and the group's LTV decreased from 38.2% at 31 August 2025 to 36.2% at 31 August 2026. The decrease was largely due to the utilisation of proceeds from disposals to reduce borrowings from R4.3 billion to R4.1 billion. Although Octodec's LTV remains well within our guided range and our covenant levels are at 50%, our objective is to reduce this to 35% over the medium to long term.

As at 31 August 2026, 77.3% of Octodec's borrowings were hedged (FY2025: 71.9%) with a weighted average term of 1.0 year (FY2025: 1.3 years). The all-in weighted average cost of borrowings was 9.0% per annum (FY2025: 9.1%).

Loan expiry profile



Interest rate derivatives expiry profile



Global Credit Rating's (GCR) kept Octodec's long- and short-term national scale ratings unchanged at A-(ZA) and A2(ZA) respectively, revising the outlook to stable.

LOAN COVENANTS

All covenant requirements for the current year were met, with improvements in both the LTV and ICR metrics.

		Actual		
	Required	Lender 1	Lender 2	Lender 3
Group interest cover ratio – total portfolio (times)	Minimum – 2.0		2.51	
Interest cover ratio by secured property to lender (times)	Minimum – 1.8 to 2.0	2.7	2.7	2.9
LTV ratio – total portfolio (%)	Maximum – 50		36.2	
LTV ratio by secured property to lender (%)	Maximum – 50 to 55	38.1	36.2	30.3

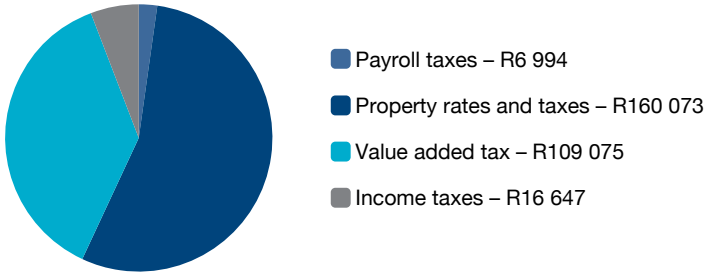
* Calculated in accordance with the loan agreements

TAX TRANSPARENCY

Octodec is a committed, socially responsible corporate citizen which continues to pay its equitable share of taxes on time. The taxes we pay have a positive economic impact on the communities where we operate.

The group's tax contributions for the 2026 financial year are set out below.

Group's Tax Contributions (R'000)



1 PAYE deducted from employees and directors, where applicable, and paid to the South African Revenue Services
2 Rates and taxes paid to local municipalities
3 Value added tax collected less claimed from SARS

PROSPECTS

Octodec has continued to experience an increase in leasing activities during the year under review. Although core vacancies increased, this was mostly as a result of three large tenants vacating: CTN, Talkar and Basa Tutorial Institute at Wits Technikon, with the latter being an unforeseen vacancy.

General consumer confidence in South Africa reflected an improved sentiment in the first half of the financial year, with the second half being negatively impacted by the outbreak of the war between the US and Iran in the Middle East. The consequence of this war, and the ongoing war between Russia and Ukraine, has resulted in higher oil prices and, consequently, fuel prices, driving inflation and interest rates higher by 50 basis points since May 2026. This will no doubt have a negative impact on the general consumer and corporate businesses, increasing tenancy risk due to affordability pressures.

The 20 properties disposed of during FY2026, together with the sale and transfer subsequent to year end of the Killarney Mall property, will provide significant support in strengthening the financial position of Octodec in these uncertain times. These proceeds, together with proceeds from targeted disposals for FY2027, will create funding capacity for Octodec to invest in potential acquisitions and redevelopments in line with its strategy. Octodec will remain disciplined in its approach of preserving capital and investing in high-value properties, which is expected to generate accretive returns in the long term.

It is expected that the higher inflation environment will continue well into 2027, with interest rates remaining elevated for longer.

Taking into account the inflationary and interest rate risks, and the assumptions noted below, Octodec expects to achieve a growth in its FY2027 distributable income and distribution per share of between 4% and 6%.

This guidance is based on forecast distributable earnings, compiled in terms of International Financial Reporting Standards but adjusted in terms of the funds from operations measure as per the SA REIT Best Practice Recommendations.

The principles applied in the preparation of this guidance remain consistent with the group's accounting policies as disclosed in the annual financial statements.

Assumptions under the influence of directors:

- Achievement of the forecast letting and lease renewals
- Management of the property expenses required to maintain the property portfolio appropriately
- Completion of capital projects within projected timelines
- Maintenance of a payout ratio of at least 77.5% of distributable earnings

Factors outside of the group's control:

- Major corporate or tenant failures
- Continued infrastructural failings in power, water and municipal services
- Movements in interest rates
- Ability of tenants to absorb the rising utility costs
- Deterioration of the macroeconomic environment
- Impact of water shortages

This forecast and outlook are the responsibility of the board and have not been audited, reviewed or reported on by Octodec's auditor.

SUSTAINABILITY

Sustainability is embedded in how we manage our properties, allocate resources and make decisions that support resilient buildings and long-term value.

SUSTAINABILITY COMMITMENT AND OVERSIGHT

Our sustainability priorities are integrated into investment decisions and the management of its properties, with a focus on:

- Keeping buildings relevant, affordable, financially sustainable and resilient
- Providing safe and well-maintained spaces for tenants
- Using water, energy and other resources more efficiently
- Supporting people, suppliers and communities connected to our portfolio

We assess investment decisions and operational initiatives against the needs of individual properties and the areas in which they operate. This includes strengthening water and energy resilience, improving resource monitoring, adapting underused buildings to changing tenant demand, maintaining safe premises and directing social and supplier-development support toward practical needs. These activities support operational continuity while strengthening the long-term relevance and resilience of the portfolio.



For more information on how we manage the environmental and social matters most relevant to our properties, tenants, employees, suppliers and surrounding communities, read our sustainability report.

SUSTAINABILITY ROLES AND RESPONSIBILITIES

Octodec board

Supported by the SET committee, the board oversees all sustainability matters and ensures high standards of ethical conduct and performance across the group.

SET committee

Promotes ethical conduct, responsible corporate citizenship and societal value creation. Oversees environmental and social responsibility, health and safety, transformation and stakeholder engagement.

Risk committee

Supports the board in setting risk exposure and opportunity. Oversees risk management strategies and policies, and compliance and governance-related risks, within board-approved tolerable levels.

Octodec CEO

Jeffrey Wapnick is accountable to the board for group performance and management, including all sustainability matters.

Deputy CEO *and* FD

Riaan Erasmus oversees strategy for investments, disposals and portfolio construct, as well as financial performance, budgeting, internal controls and funding.

City Property executive management

Sustainability is delegated to City Property under the management agreement and integrated into operations and performance reviews.

City Property Sustainability Committee

A task team led by the Executive: Special Projects drives the sustainability agenda, meets quarterly and reports to the SET committee.

City Property head of sustainability

Ensures material sustainability issues are managed across the group, including policy, stakeholder engagement and responsible procurement.

Octodec and City Property employees

Follow applicable sustainability policies and integrate environmental, social and governance practices into daily work.

Read more about the SET committee's oversight, focus areas and activities in the SET committee report on pages 93 to 96.

OUR SUSTAINABILITY STRATEGY

Our Sustainability Strategy, approved by the Board on 21 December 2025, sets out Octodec's environmental and social priorities, which align with Octodec's corporate strategy (page 31) and help guide investment decisions, property operations and risk management to support portfolio performance and long-term resilience.

Connecting Octodec's corporate strategic objectives to our sustainability strategy

Strategic objective	Sustainability strategy focus areas
Enhance the value of human capital contributions	**Social value-add** We provide meaningful employment and develop future fit skills for Octodec employees. We cultivate a high-performance, values-driven culture and invest in people development. This supports decent work opportunities, transformation and inclusive growth.
Enhance our property portfolio	**Efficiency for resilience** We improve resource efficiency and manage service disruptions to maintain operations and support tenants. Investments in energy, water and waste solutions to improve operational resilience. We develop sustainable buildings and precincts that reduce vacancies and attract long-term tenants.
Create sustainable value for our stakeholders	**Social value-add** We improve access to safer and more affordable spaces, and create connected mixed-use urban environments. **Building communities and partnerships** We support urban renewal through partnerships with CIDs, taxi associations and municipalities, and invest in targeted corporate social investment. We engage tenants and communities to create safer, thriving urban environments. Purposeful design enhances quality of life and builds social trust.
Manage our balance sheet and funding structure	Addressing the priorities above Managing financial risk supports long-term business viability. We align sustainability outcomes with SDGs to attract responsible capital and meet stakeholder expectations.

ALIGNMENT WITH THE UN SDGS

We have identified the SDGs most relevant to our sustainability strategy and business operations and impacts.

Our core SDGs are:

SDG	Sub-targets
SDG 6	6.4: Increase water-use efficiency and ensure sustainable supply to address water scarcity.
SDG 7	7.2: Increase the share of renewable energy. 7.3: Improve energy efficiency.
SDG 8	8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation. 8.5: Achieve full and productive employment and decent work for all, including equal pay for work of equal value.
SDG 9	9.4: Upgrade infrastructure and retrofit industries to improve resource efficiency and increase use of clean technologies.
SDG 11	11.3: Enhance inclusive and sustainable urbanisation and planning. 11.6: Reduce the environmental impact of cities, focusing on air quality and waste management.

Sustainability performance highlights

Resilient investment

16 buildings with solar installations (FY2025: 11)

Geographic split:

- **Tshwane – 13** buildings
- **Johannesburg – 3** buildings

Operational boreholes

Tshwane buildings – 18

Johannesburg buildings – 11

Community and precinct investment

R1.489 million in free rental space for non-profit organisations

Split by location:

- Tshwane – **R1 082 016**
- Johannesburg – **R407 739**

R1.883 million invested in community guarding project

R782 427 contributed, in partnership with the City of Tshwane's Community Upliftment Precinct Initiative, to clean the CBD, fix potholes and clear stormwater drains

Jozi My Jozi partnership supporting sustainable urban regeneration

GOVERNANCE AND REMUNERATION

The Octodec board remains committed to entrenching good corporate governance as an enduring practice and a strategic enabler of sustainable performance.



Richard Buchholz
Lead independent director

GOVERNANCE AT OCTODEC

LEAD INDEPENDENT DIRECTOR'S REPORT

As the lead independent director, I am pleased to present this governance report, which outlines how the board discharged its stewardship responsibilities during the year, and how our governance structures and practices supported Octodec's strategic direction and long-term sustainability objectives.

In a governance environment shaped by evolving regulatory expectations, heightened stakeholder scrutiny and a complex risk landscape, strong governance remains a strategic advantage. It strengthens accountability, promotes ethical leadership and enables decision-making, supporting Octodec's ability to create sustainable value with integrity.

Against this backdrop, the board maintained a clear focus on the matters most critical to the group's resilience, performance and strategic progress. The key focus areas for the year are outlined below.

BOARD FOCUS AREAS FOR 2026

Building on the board priorities outlined in our 2025 integrated report, and responding to developments in the operating environment, the board's key focus areas for 2026 included:

Portfolio optimisation

During the year, the board oversaw management's disposal of non-core and underperforming properties identified in the group's strategy, while monitoring potential acquisition opportunities, including larger transactions above R100 million where appropriate. Management progressed the disposal programme, with 20 properties sold for R202.0 million, at an average carrying value of approximately R10.1 million per property. Based on the concluded sales agreements, the group remains on track to meet its disposal target. These disposals are creating capacity to pursue acquisition opportunities aligned with the approved strategy.



Redevelopment opportunities

The board oversaw the identification of redevelopment opportunities, with a focus on converting suitable properties into residential assets. Potential joint venture partners are also considered for selected redevelopment and investment opportunities. A feasibility study for the conversion of Capitol Towers North to the next Yethu City development was undertaken, and management has engaged potential funders in this regard.

M2 M4 M5 M9

Sustainability financing

The board oversaw progress on sustainability finance initiatives aligned with Octodec's long-term objectives. The Sustainability Finance Framework was approved, with a Second Party Opinion issued on 15 January 2026, enabling Octodec to issue sustainability-linked corporate bonds. Management also identified and engaged potential partners and funders for redevelopment opportunities, supporting the group's broader sustainability and growth strategy.

M3 M7

Disposal of Killarney Mall

The parties signed the sale agreement and fulfilled key conditions precedent, including due diligence and the delivery of financial guarantees. Following Competition Commission approval, announced on 8 October 2026, Killarney Mall successfully transferred on 2 November 2026.

M3 M3

Embedding sustainability

The board strengthened the integration of sustainability into strategy, operations, risk management and reporting and by monitoring progress against defined goals. Climate risk and diversity, equity, inclusion and belonging were incorporated into Octodec's risk register and relevant human capital policies, supported by ongoing risk workshops and assessments. The Sustainability Strategy was approved by the board on 21 December 2025, with targets for waste recycling and renewable energy set and tabled with the SET committee. Management also continued to monitor regulatory developments and assess their implications for Octodec, with actions escalated to management and the board where required. Stakeholder engagements are being rolled out to build awareness of the strategy and clarify stakeholders' roles in its implementation.

M7 M9

Leadership succession and strategic continuity

Throughout the year, the board has actively reinforced leadership continuity and addressed investor feedback on the group's external management model and CEO succession. Riaan Erasmus was appointed as deputy CEO *and* FD, effective 30 November 2024, and thereby designated as the CEO's successor. Working closely with the CEO, he has played a pivotal role in shaping and executing the group's reinvented strategy. The strategy was first approved on 6 August 2025, further refined during a strategic session on 27 May 2026, and subsequently endorsed by the board on 6 August 2026. This strengthened leadership structure provides greater continuity, strategic focus and alignment with the group's evolving investment approach.

M6 M8

Downsizing of Johannesburg portfolio

Octodec progressed its orderly downsizing in the Johannesburg portfolio, with disposals planned over an appropriate timeframe, as many of the assets no longer align with the group's strategy and core focus. Management, supported by appropriate governance, oversight and resources, is driving this strategy.

M2 M3 M4

Redevelopment programme

During the year, the board approved the 18-month redevelopment of Yethu City 2.0, subject to the required governance approvals, detailed design and implementation controls. Management was authorised to progress the project, including engaging potential funders and evaluating appropriate financing structures. Management also refined the CAPEX assumptions, assessed alternative redevelopment opportunities and suitable replacement sites, and was mandated to identify and evaluate potential redevelopment opportunities for Yethu City 3.0 and beyond.

M2 M4 M5 M9

KEY FOCUS AREAS FOR 2027

Building on the board's priorities and lessons from the year, and responding to the evolving operating environment, the board's key focus areas for 2027 will include:

Optimise the portfolio

Maintain a resolute focus on disposing of identified non-core and underperforming properties in line with the approved strategy.

M2 M3 M4

Pursue strategic acquisitions

Target acquisitions aligned with the approved strategy, with a preference for transactions above R100 million where appropriate.

M2 M4

Unlock redevelopment value

Accelerate value creation by prioritising redevelopment opportunities that enable residential conversions.

M2 M4 M5 M8

Review the external management model

Finalise the assessment of the City Property management structure, including internalisation versus external management, and/or the renewal of the asset and property management agreement.

M6 M8

Strengthen leadership succession

Progress CEO succession planning with clear milestones, timing and a defined transition pathway.

M6 M8

Strengthening governance through King V™ readiness

The board, along with its committees, will evaluate the governance framework by using the King V™ principles. This evaluation will include a review of the board charter and relevant governance policies. The goal is to ensure ongoing alignment with King V™, while enhancing clarity of accountability, effective oversight and governance resilience.

M6 M8

CITY PROPERTY MANAGEMENT AGREEMENT AND PERFORMANCE

Given the materiality of this outsourced arrangement and its significance to Octodec's operations and performance, disclosure is included in this report in accordance with the applicable JSE Listings Requirements.

Fees payable to City Property per management agreement

Under the asset and property management agreement (management agreement) approved in June 2023, City Property is responsible for the effective management of the day-to-day operations of Octodec and the asset management of its property portfolio. The management agreement is available on Octodec's website under Circulars at www.octodec.co.za/investor-information/#circulars.

City Property's fees for providing asset and property management fees to Octodec are determined as follows:

- **Base fee:** This is calculated with reference to Octodec's enterprise value, being the sum of its average daily market capitalisation and aggregate indebtedness.
- **Minimum fee:** Where the calculated base fee falls below the agreed minimum, the minimum fee applies. The minimum fee was set at R5.2 million per month for the period from 1 September 2025 to 31 August 2026. This minimum fee escalates annually in line with CPI.
- **Incentive fee:** An additional fee is payable linked to growth in Octodec's annual distributable income, before net finance costs. This fee escalates annually in line with CPI, compounded on each financial year-end anniversary.

	Growth above the hurdle rate %	Related incentive fee at 31 August 2026 R
In respect of FY2026, this incentive fee is to be paid where Octodec's year-on-year increase in distributable income, before net finance costs, exceeded the specified hurdle rate as follows:	0.50	706 017
	0.75	1 086 180
	1.00	1 520 652
	1.50	2 172 360
	2.00	3 258 540

The year-on-year growth in Octodec's distributable income, before net finance cost, was 3.6%, 1.9 percentage points below the FY2026 stipulated hurdle rate of 5.5%, resulting in City Property not qualifying for any incentive fee payment.

City Property's key performance criteria FY2026

Clause 14 of the management agreement provides that, on an annual basis, City Property must submit proposed KPIs to the Nominations and Remuneration (previously SERT) Committee (NRC), which recommends the approval of these KPIs to the board.

In approving the KPIs, the board considers them in conjunction with the annual budget for the financial year in question and in the context of the company's strategic priorities and material matters for the year ahead, applying the following framework of relevant criteria and deliverables:

- Sustainability of short- and long-term pre- and post-tax returns for shareholders
- Optimisation of returns from Octodec's property portfolio
- Effective management of current and future property developments and capital projects
- Achievement of high levels of customer/tenant satisfaction
- Attraction, retention, development and motivation of high-performing employees
- Continuous improvement in ESG and sustainability performance
- Establishing succession plans for senior executives and key management
- Implementation of the plan to achieve the targeted level of B-BBEE compliance

The agreed KPA's and targets are captured in a scorecard, which provides a formal measure of performance and accountability for City Property, ensuring the effective operation of the group. The NRC reviewed and assessed the actual results of each of these KPIs, which were presented to the Board for consideration and approval.

Asset management fees paid to City Property

Total asset management fees paid to City Property amounted to R68.2 million (2025: R62.4 million), excluding VAT, calculated using the applicable minimum fee or, where higher, the enterprise-value-based fee. The resultant portion that exceeded the minimum fee payable amounted to R6.4 million (2025: R0.8 million).

The total fees paid to City Property in terms of the management agreement for the services delivered are tabled below:

Fees	**2026 R' million**	2025 R' million
Asset management fees	**72.2**	66.0
Collection fees	**145.4**	140.1
Letting commissions	**19.4**	19.9
Commissions paid on sales, refurbishments, developments and repairs	**14.1**	13.0
Fees in respect of shared resources and supervisory fees	**8.6**	8.0
	259.7	247.0

The above includes the VAT apportioned to the extent that VAT was not claimed.



Silver Place

The table below reflects the KPIs approved by the board for FY2026, together with the NRC's assessment of City Property's performance against the agreed targets.

Strategic pillars	Area	Target – required outcome	Weight (%)	Sub weight (%)	Outcome	Score/ rating (%)
Create sustainable value for our stakeholders	Vacancy management	Reduce core commercial vacancies to 15%	30.00%	5.00%	**16.6%**	**3.16**
		Maintain residential vacancies at 7.0% and below, excluding Hatfield		5.00%	**7.85%**	**4.15**
		Reduce residential vacancies at Hatfield to 7.0% over the academic period		3.00%	**3.40%**	**3.75**
	Manage tenant retention	Improve residential tenant retention (excluding Hatfield) to 60%		2.00%	**50%**	**1.00**
		Improve commercial tenant retention to 90%		2.00%	**88.5%**	**1.76**
		Improve the industrial and retail WALE – more than 50% of the GLA to expire by no less than 12 months		3.00%	**50.5% of leases expire after 12 months**	**1.95**
	Operating cost management	Maintain net property expenses below 39%		10.00%	**38.5%**	**11.00**
Enhance our property portfolio	Disposal of non-performing assets	Dispose of assets of R200 million	30.00%	10.00%	**Disposed of 20 properties at R202.0 million**	**10.10**
	Disposal of Killarney Mall	Sale of Killarney Mall at book value		7.00%	**Disposal at R397.5 million**	**7.00**
	Investigate the acquisition or development of a property portfolio to grow the portfolio	Actively invest the proceeds of disposals of assets into the acquisition or development of yield-enhancing assets (feasibility permitting) – total of R200 million		10.00%	**R60 million invested**	**0.00**
	Invest in long-term renewable energy solutions	Install solar systems in five buildings or R25 million project costs		3.00%	**2 buildings complete and 2 practically complete**	**2.40**
Manage our balance sheet and funding structure	Increase rental income	Achieve normalised budget rental income	30.00%	7.50%	**Achieved**	**7.57**
	Increase distributable income	Achieve normalised budget distributable income		10.00%	**Expectation exceeded by 11.7%**	**12.50**
	Increase net property income	Achieve normalised net property income		7.50%	**Expectation exceeded by 1.8%**	**8.44**
	Maintain acceptable gearing levels taking into account the cost of borrowing	LTV below 38%		5.00%	**36.8%**	**5.65**

Strategic pillars	Area	Target – required outcome	Weight (%)	Sub weight (%)	Outcome	Score/ rating (%)
Enhance the value of human capital contribution	Succession planning: develop strength in key management positions	Ensure succession planning for each of the senior roles and critical business activities			**On track as planned**	
		MD FD COO HOD – Property management HOD – Leasing HOD – Utilities		2.50%	**Achieved**	**2.50**
	Cultivate a workplace atmosphere that promotes a sense of belonging, purpose and loyalty, contributing to higher morale and a strong organisational identity	Employment surveys with an achieved score of at least 77%	10.00%	2.50%	**80.0%**	**3.13**
		Retention of critical staff – staff turnover of below 7.50%		2.50%	**Voluntary staff turnover of 2.3%**	**3.13**
	Manage the B-BBEE elements that relate to skills development in order to ensure that the B-BBEE level is maintained	Maintain or improve the B-BBEE level for 2026		2.50%	**Maintained at level 5**	**2.50**
			100.00%	100.00%		**91.68**

The Board has reviewed the 91.68% score of City Property's performance against its FY2026 KPIs, noting that its achievement of the short-term operational targets has resulted in the group reporting year-on-year distributable income growth of 12.2% in FY2026, and that its progress against medium-term strategic KPIs has laid the platform for FY2027.

On balance, the board was of the view that City Property's overall performance against its agreed KPIs led to an eminently satisfactory outcome for Octodec and its shareholders in FY2026.

In terms of clause 14 of the Management Agreement, City Property and the board must agree on appropriate penalties to be applied in the event of non-achievement of the agreed KPIs in respect of any financial year. Given the score of 91,68% achieved by City Property, the board was of the firm view that this clause was not applicable in respect of FY2026.

City Property's performance criteria FY2027

The table below reflects the KPIs presented by City Property for FY2027, as reviewed and approved by the Board.

Strategic pillars	Strategic objectives	Activities	Target measure	Weight (%)	Sub weight (%)	Target
Create sustainable value for our stakeholders	Reduce core vacancies through active property management (vacancy %)	Ensuring the right tenant mix and repurposing property for potential occupation	Reduce core vacancies as a % of total GLA (Commercial)	**30.00%**	**5.00%**	**16.0%**
			Maintain residential vacancies at 7.0% and below, excluding Hatfield		**5.00%**	**7.0%**
			Maintain residential vacancies at Hatfield to 5.0% or below over the academic period		**5.00%**	**5.0%**
	Manage tenant retention	Ensuring high levels of customer satisfaction	Improve residential tenant retention (excluding Hatfield) to 60%		**3.00%**	**60%**
			Improve commercial tenant retention to 90%		**3.00%**	**90%**
			Increase the commercial (industrial and retail) WALE by GLA%		**4.00%**	**< 12 months < 49% & > 12 months > 51%**
	Innovation – usage of advanced technology	Rollout of digitalised leasing platform	Rollout of new leasing platform to three additional assets		**5.00%**	**3 properties**
Enhance our property portfolio	Aggressively identify and dispose of non-performing assets and recycle capital proceeds into earnings-enhancing assets to grow organically	Actively pursue the sale of non-core properties	Disposal of assets of R250 million	**25.00%**	**10.00%**	**R250 million**
	Investigate the acquisition of a property portfolio to grow the portfolio	Actively pursue the acquisition of yield-enhancing assets, feasibility permitting	Actively invest the proceeds from disposals in the acquisition of earnings-generating properties		**5.00%**	**R150 million**
	Redevelopment/Conversion	Conversion (break ground) in converting Capitol Towers North (or alternative) into Yethu City number 2	Complete 50% of conversion of property into a 2nd Yethu City development		**5.00%**	**50% completion**
	Capital investment in strategic assets	Gezina City redevelopment and upgrade of the Louis Pasteur façade	Completion of the projects		**5.00%**	**100% completion**

Strategic pillars	Strategic objectives	Activities	Target measure	Weight (%)	Sub weight (%)	Target
Manage our profitability and balance sheet	Driving sustainable increased revenue to cover the increased cost of business	Rental income	Normalised budget rental income	**35.00%**	**10.00%**	**Budget**
	Delivery of sustainable short-term and long-term (pre-/post-tax) shareholder returns	Net Property Income	Normalised budget net property income		**7.50%**	**Budget**
	Optimisation of the returns from the property portfolio	Distributable income	Normalised budget distributable income		**10.00%**	**Budget**
	Improvement of gearing levels	To improve the LTV on the prior year (outstanding borrowings/ property portfolio)	LTV to be at or below 37%		**5.00%**	**37.00%**
	Manage the impact of a rising cost base to maintain and grow our distributable income	Overall management of expenses	Maintain net property expenses at below 38.5%		**2.50%**	**38.50%**
Sustainability	Invest in long-term renewable energy	Installation of solar plants	Four buildings or R20 million	**2.50%**	**2.50%**	**Four buildings**
Enhance the value of human capital contribution	Succession planning: develop bench strength in key management positions	Maintain back-up staff for the executive committee (EXCO) of City Property	Quarterly list provided by CEO and Deputy CEO for discussion and confirmation	**7.50%**	**2.50%**	**Adequate succession in place for EXCO**
	Cultivate a workplace atmosphere that promotes higher workforce morale	Retention of critical staff	Voluntary staff turnover below 4.00%		**2.50%**	**4.0%**
	HC practices that adhere to labour laws, codes of conduct and ethical standards, protecting the organisation and its employees	Manage the B-BBEE elements that relate to skills development in order to ensure that the B-BBEE level is maintained	Maintain or improve the B-BBEE level for 2026		**2.50%**	**Level 5**
				100.00%	**100.00%**	

IN CLOSING

As lead independent director, my role is to support the board's effectiveness by strengthening independent oversight, facilitating constructive board engagement, ensuring that governance practices enable directors to discharge their duties effectively and ensuring that the group maintains high standards of corporate governance. This includes proactively identifying and managing potential conflicts of interest and ensuring that decisions are taken objectively and in the best interests of the group and its stakeholders.

I want to acknowledge the continued commitment of the board and management for their diligence, independence and commitment to their fiduciary responsibilities. Their contribution remains fundamental to maintaining an effective board and building stakeholder confidence in Octodec's governance.

Richard Buchholz
Lead independent director

20 November 2026

OUR GOVERNANCE APPROACH AND FRAMEWORK

The Octodec group is committed to exemplary governance, ethics and integrity, underpinned by clear business principles and non-negotiable standards.

GOVERNANCE PHILOSOPHY

Octodec's governance starts with the tone at the top. Purpose-driven leadership by the board and management, together with clear values and expected behaviours, sets the standard across the group. Our leadership continues to strengthen the mindsets and capabilities needed to govern in an agile, digital and rapidly changing environment.

We hold ourselves to the highest standards of governance, ethics and integrity, recognising that these are fundamental to sustainable value creation and protecting stakeholder interests. Our governance approach is anchored in accountability, effective risk and performance management, transparency and ethical leadership.

The board is satisfied that its members, individually and collectively, cultivate and exemplify the characteristics of integrity, competence, responsibility, accountability, fairness and transparency in the discharge of their duties. These characteristics underpin the board's ethical leadership, decision-making and oversight responsibilities.

Our governance philosophy is brought to life through a clear, outcomes-focused governance framework that strengthens accountability, enables timely and disciplined decision-making and builds stakeholder trust. Supported by board committees, robust controls and compliance mechanisms, it reinforces:

- Ethical and effective leadership
- Accountability and stakeholder trust
- Regulatory compliance
- Robust risk management
- Transparent reporting

Regular review keeps the framework fit for purpose and aligned with our strategy, responsible corporate citizenship and long-term value creation.

The board is satisfied that the group's purpose, values and activities align with responsible corporate citizenship and support the creation of long-term social and economic value.

The board remains steadfastly committed to the highest standards of corporate governance, transparency and value creation.

Our impact as a responsible corporate citizen is demonstrated in the following sections of the sustainability report 2026:

Sustainability, governance and risk	page 6
Our ethical culture	page 26
Human capital enablement	page 24
Social and environmental performance	page 18
Our value creation	page 16

GOVERNANCE OBJECTIVES

Aligned with King IV™, our governance objectives are to promote ethical and effective leadership that delivers an ethical culture, strong performance and sustainable value creation, effective control and legitimacy.

Ethical culture

The board sets the tone for ethical leadership and high governance standards, holding executive management and City Property, which frequently acts on the group's behalf, to the same expectations and standards. This consistent approach strengthens trust and confidence among stakeholders.

Supported by the SET committee, the board regularly reviews the code of ethics and reinforces ethical behaviour through ongoing training and communication. This strong ethical culture underpins our purpose, values and strategy.

Effective control

The board regularly reviews its governance structures to ensure that they remain fit for purpose, support operational sustainability, reflect best practice and respond to regulatory developments.

Clear delegation to board committees strengthens accountability, while well-defined roles and responsibilities support effective oversight.

Drawing on diverse skills and perspectives, the board challenges constructively, makes informed decisions that drive long-term resilience and sustainable, responsible growth.

Legitimacy

The board applies integrated thinking, aligned with King IV™, to promote responsible corporate citizenship, stakeholder inclusivity, sustainable development and integrated reporting.

The nominations and remuneration committee regularly reviews the composition of the board and its committees to align skills and experience with strategic needs, strengthen diversity and support effective succession planning.

Our reporting provides stakeholders with a clear, balanced and transparent view of Octodec's performance, strategy and long-term prospects.

Good performance

The board maintains robust oversight of strategy and operational performance through established governance structures.

Regular board reviews of strategy, performance, governance and risk drive accountability and informed decision-making, with key actions and outcomes captured in this integrated report.

KING V™ TRANSITION

As a forward-looking JSE-listed REIT, the board is committed to exemplary corporate governance, transparency and sustainable value creation. King V™, launched by the Institute of Directors South Africa (IoDSA) on 31 October 2025, applies to financial years commencing on or after 1 January 2026.

Octodec applied King IV™ for the 2026 financial year and has undertaken a structured transition to King V™, which will be applied from 1 September 2026. During the year, the board and management commenced preparations for King V™, laying the groundwork for its effective implementation from 1 September 2026.

The financial year ended 31 August 2026 is formally benchmarked against King IV™ through our standalone King IV™ application register, available on our website.

The board remains satisfied that Octodec's governance practices are proportionate to the group's nature, size, complexity and risk profile and support the outcomes of an ethical culture, effective performance and value creation, conformance and prudent control and legitimacy. As we transition to King V™, we will continue to strengthen these practices and embed the framework across the group.

GOVERNANCE THAT ENABLES EXECUTION

Our governance structures and processes provide robust oversight, keeping the group aligned with its strategic vision. A clear governance framework defines decision-making authority and protocols supporting timely, outcomes-focused decisions while ensuring compliance with legal and regulatory requirements. Our governance policies reinforce accountability by clearly defining delegated authorities, roles and responsibilities across the group.

Our board charter and MOI are available here and here respectively. The board confirms that the company operated in conformity with its MOI during the reporting period.

Board of directors

Chairman | Lead independent director | CEO | Deputy CEO *and* FD

Board of directors

The board is the group's highest governing authority and custodian of corporate governance. It sets the tone at the top, and steers the group's short-, medium- and long-term direction, anchored in its purpose and values. The board oversees management's execution of strategy and approves the policies, frameworks, budgets and plans required to deliver it.

The board holds management accountable for performance and promotes transparency through robust reporting and disclosure. Independent non-executive directors provide objective oversight and constructive challenge, while directors are required to disclose and manage actual or potential conflicts of interest.

The board charter, aligned with King IV™, defines the board's composition, responsibilities and operating procedures, while the Memorandum of Incorporation sets out the company's and board powers.

No material conflicts involving directors or management exist, other than those disclosed in this report.

City Property, controlled by the Wapnick family, is a related party to Octodec. Under a management agreement, City Property provides asset and property management services to Octodec. Sharon and Jeffrey Wapnick serve as directors of City Property, with Jeffrey Wapnick exercising significant influence over the company.

Group company secretary

Board committees

Group audit committee | Nominations and remuneration committee | Risk committee | SET committee | Independent subcommittee

Board committees

Board committees support the board through focused oversight, independent judgement and informed decision-making, while the board retains overall accountability.

The board appoints the committee members and chairmen, on the recommendation of the nominations and remuneration committee, except for the group audit and SET committee members, who are elected annually by shareholders. Each committee is chaired by an independent non-executive director.

Board-approved terms of reference, aligned with King IV™, define each committee's responsibilities and authority and are regularly reviewed to reflect regulatory developments, best practice and strategic priorities.

Committee chairmen report to the board on matters and decisions, reinforcing transparency, accountability and effective oversight.

The board is satisfied that its delegation to committees, executives and designated individuals enables effective, accountable and efficient discharge of its governance responsibilities.

Governance outcomes

- Ethical culture
- Effective control
- Legitimacy
- Good performance

Refer to board committee reports, from page 86.

Chairman

The chairman sets the ethical tone for the board and the group, championing high standards of governance with the group company secretary.

Sharon Wapnick was re-appointed on 4 February 2026. While not independent due to her shareholding, her extensive knowledge and experience of the group provide valuable insight and support its strategic direction.

The roles of chairman and CEO are clearly separated in the board charter, which defines their distinct responsibilities and ensures appropriate balance of power and authority, with no director having unfettered decision-making powers.

Lead independent director

To mitigate potential conflicts between the Wapnick family and other shareholders, the board annually appoints an independent non-executive director as lead independent director. Richard Buchholz currently serves in this role.

The lead independent director provides independent leadership where the chairman may have a conflict of interest and serves as a channel for investor and stakeholder concerns.

The role also supports effective communication between the chairman and non-executive directors, advises on governance matters and leads the biennial board effectiveness review.

CEO

Jeffrey Wapnick is accountable to the board for the group's overall performance and management. He leads the development and execution of the board-approved medium- and long-term strategy, translating the group's purpose and values into sustainable value creation while maintaining effective risk management.

As the key link between the board and management, Jeffrey ensures board decisions are clearly communicated and effectively implemented across the group.

The duration of the CEO's current term of appointment is coterminous with, and dependent upon, the term of the management agreement. Jeffrey is employed by City Property and does not have an employment contract with Octodec and is not remunerated by Octodec as a director or employee.

Deputy CEO *and* FD

Riaan Erasmus oversees the group's financial performance, reporting, budgeting, cash flow, internal controls, financial analysis and scenario planning, while maintaining a strong balance sheet and securing appropriate funding.

Working closely with the CEO, he plays a key role in executing the group's strategy, with a focus on asset management, asset recycling and portfolio optimisation. Riaan has also played a crucial role in shaping and implementing the group's reinvented strategy, strengthening its strategic direction and positioning the portfolio for sustainable growth.

Group company secretary

Elize Greeff supports the board and its committees in fulfilling their governance and regulatory responsibilities in line with King IV™. As an independent governance resource and gatekeeper, she oversees board and group affairs, promotes compliance with applicable laws and best practice and upholds the group's governance standards.

The board is satisfied that Elize has the requisite knowledge, skills and experience to fulfil her role as group company secretary. The board remains confident in her performance, competence, integrity, independence and objectivity and values her sound guidance on governance throughout the financial year.



One on Mutual

The board is satisfied that it has fully discharged its responsibilities in accordance with its charter.

OUR BOARD OF DIRECTORS AND LEADERSHIP

As at 31 August 2026

INDEPENDENT AND NON-EXECUTIVE DIRECTORS



Sharon Wapnick (63)
Non-executive chairman

Qualifications: BA LLB (cum laude)

Date of original appointment as chairman: 1 October 2011

Date of appointment: 4 October 1994

Years on board: 31 years, 11 months

Nationality: South African

Significant other public company directorships: None

Sharon previously served as a non-executive director and chairman of the remuneration and nominations committee at Nutun Ltd and has considerable experience in the property sector, including in legal-related property, commercial and corporate matters.

Sharon is an attorney and a senior partner of Tugendhaft Wapnick Banchetti and Partners. She is a non-executive director of City Property.

Committees: Nominations and remuneration committee; Risk committee; SET committee



Sanjay Bhikha (62)
Independent non-executive director

Qualifications: CA(SA)

Date of appointment: 1 September 2025

Years on board: 1 year

Nationality: South African

Significant other public company directorships: Lesaka Life Ltd

Sanjay has more than 20 years' experience in private equity. He is an experienced non-executive director, having served on several boards and board committees of unlisted companies with a diverse exposure to various sectors. Sanjay is currently a non-executive director of Pan African Capital Holdings (Pty) Ltd, Lemon Trees Toilet Hire (Pty) Ltd, Lesaka Life Ltd, Helikaon Investments (Pty) Ltd and Agri Finance Facility (Pty) Ltd.

Committees: Group audit committee; Independent subcommittee; Risk committee; SET committee



Richard Buchholz (68)
Lead independent director (LID)

Qualifications: CA(SA)

Date of appointment: 1 October 2021

Years on board: 4 years, 11 months

Nationality: South African

Significant other public company directorships: None

Richard has 28 years' experience in the financial services industry, mostly in banking, as well as senior executive roles in audit, commercial banking and risk management.

In addition, he has served as a non-executive director on the boards of several banks in Southern Africa, including in roles as a member and/or chairman of various board committees. He is currently an independent non-executive director of Otto1890, an investment management company.

Committees: Group audit committee; Independent subcommittee; Nominations and remuneration committee; Risk committee

INDEPENDENT AND NON-EXECUTIVE DIRECTORS (continued)



Robin Lockhart-Ross (68)
Independent non-executive director

Qualifications: CA(SA), BComm Hons., MAcc (Tax)

Date of appointment: 1 September 2025

Years on board: 1 year

Nationality: South African

Significant other public company directorships: Trematon Capital Investments Ltd and Heriot REIT Ltd

Robin serves as an independent non-executive director and chairman of Trematon Capital Investments Ltd and as an independent non-executive director of Heriot REIT Ltd. Robin served on the board of Fortress Real Estate Investments Ltd from July 2018 to June 2025, including five years as the independent non-executive chairman. Prior to his retirement in June 2018, he held the position of managing executive of Nedbank CIB: Commercial Property Finance.

Committees: Group audit committee; Independent subcommittee; Nominations and remuneration committee



Nyimpini Mabunda (49)
Independent non-executive director

Qualifications: BSocSci, AMP (INSEAD), Post-Graduate Diploma (Marketing Management), MBA

Date of appointment: 11 February 2019

Years on board: 7 years, 7 months

Nationality: South African

Significant other public company directorships: Lombard Insurance Company Ltd

Nyimpini is the chairman of Schindler Lifts (SA) (Pty) Ltd and a director of several listed and private companies.

He is the former CEO of General Electric Southern Africa (Pty) Ltd. He is an accomplished CEO and Managing Director with over 25 years of proven success across FMCG, telecoms and financial services in Africa and the United Kingdom. Nyimpini is the author of the best-selling business book *Take Charge*.

Committees: Independent subcommittee; SET committee



Maggie Mojapelo (61)
Independent non-executive director

Qualifications: BA (Hons)(Education), Dip HR, MAP, MBA (Henley)

Date of appointment: 1 March 2020

Years on board: 6 years, 6 months

Nationality: South African

Significant other public company directorships: The Rand Mutual Assurance Company Ltd and RMA Life Assurance Company Ltd

Maggie has extensive experience in senior executive roles with local and global companies, IBM SA, Avon Justine, Nedbank and Coca-Cola. She is also the founder and executive director of The HT Group (Pty) Ltd, an HR consulting and business management company. Her business management, corporate governance and leadership experience covers a variety of companies and industries, including roles as a member and chairman of various boards and board committees. Maggie chaired the board of Edge Growth Business Development (Pty) Ltd and currently serves as the interim chairman of ESCAP Insurance (Pty) Ltd. She also chairs the remuneration committee of Rand Mutual Assurance Company Ltd.

Committees: Independent subcommittee; Nominations and remuneration committee; SET committee

Rotation: Maggie is due to retire by rotation at the forthcoming AGM.

INDEPENDENT AND NON-EXECUTIVE DIRECTORS (continued)



Myron Pollack (78)
Non-executive director

Qualifications: CA(SA)

Date of appointment: 14 October 1994

Years on board: 31 years, 11 months

Nationality: South African

Significant other public company directorships:
None

Myron practised as a chartered accountant for more than 30 years and successfully managed a privately owned, diversified property portfolio.

Due to his shareholding in Octodec, he is not considered independent under King IV™.

Committees: Risk committee



Louis van Breda (70)
Independent non-executive director

Qualifications: CA(SA)

Date of appointment: 1 March 2020

Years on board: 6 years, 6 months

Nationality: South African

Significant other public company directorships:
None

Louis has sector knowledge and experience in construction, real estate and various other sectors.

He is the independent chairman of the audit committees of Nkomati Nickel, a division of African Rainbow Minerals Ltd, and ARM Coal (Pty) Ltd, a joint venture between African Rainbow Minerals Ltd and Glencore South Africa (Pty) Ltd. Louis was a senior assurance partner at Ernst & Young.

Committees: Group audit committee; Independent subcommittee; Nominations and remuneration committee; Risk committee

Rotation: Louis is due to retire by rotation at the forthcoming AGM.

EXECUTIVE DIRECTORS



Jeffrey Wapnick (65)
CEO

Qualifications: BCom

Date of appointment: 2 October 1998

Years on board: 27 years, 11 months

Nationality: South African

Significant other public company directorships:
None

Jeffrey has a depth of experience in management, the property industry and property upgrading and development.

Jeffrey is the managing director of City Property.



Riaan Erasmus (43)
Deputy CEO *and* FD

Qualifications: CA(SA)

Date of appointment: 30 November 2024

Years on board: 1 year, 9 months

Nationality: South African

Significant other public company directorships:
None

Riaan joined City Property in January 2022. He has extensive experience serving as an executive director, having previously held positions including group financial manager, treasury manager and later, debt officer and financial director of Hospitality Property Fund Ltd between 2010 and 2021, a REIT listed on the JSE until 2021.

In addition, Riaan served as the group treasurer, managing the debt portfolio and other treasury-related transactions for the Tsogo Sun and Southern Sun group of companies from 2017 until 2022.

GROUP COMPANY SECRETARY



Elize Greeff (54)
Group company secretary

Qualifications: B.Iur. LLB

Nationality: South African

Significant other public company directorships:
None

Elize was appointed group company secretary on 1 July 2018, succeeding City Property in the role. Before joining Octodec, she served as company secretary to Octodec, City Property and their respective portfolio of companies from 1 June 2013.

With more than 30 years' experience as a company secretary and corporate lawyer, Elize has advised numerous listed and unlisted companies across South Africa's public and private sectors. Her expertise spans corporate governance, regulatory compliance and corporate law.

BOARD AND BOARD COMMITTEE CHANGES – STRENGTHENING SUCCESSION AND CONTINUITY

During the year, the board strengthened its governance structure and clarified committee responsibilities to enhance oversight, efficiency and continuity. Key changes included:

Remuneration oversight

Remuneration responsibilities were transferred from the social, ethics, remuneration and transformation (SERT) committee, which was renamed, to the nominations and remuneration committee. Its terms of reference were updated accordingly.

SERT committee renamed

The SERT committee was renamed the SET committee, reflecting its revised mandate and responsibilities.

Independent subcommittee

The *ad hoc* independent subcommittee was formalised as a permanent board committee providing dedicated oversight of the internalisation activities and the review and allocation of costs associated with City Property. This strengthens continuity and governance oversight of these complex related party matters and supports the progression of CPA's internalisation.

Board leadership

Richard Buchholz was appointed lead independent director following Pieter Strydom's retirement at the AGM on 4 February 2026.

Nominations and remuneration committee

Robin Lockhart-Ross was appointed chairman, with Richard Buchholz and Louis van Breda joining the committee. Sharon Wapnick and Maggie Mojapelo remain members.

SET committee

Maggie Mojapelo was appointed chairman, while Robin Lockhart-Ross, Myron Pollack and Louis van Breda stepped down as members. Sanjay Bhikha joined the committee, while Sharon Wapnick and Nyimpini Mabunda retained their membership.

Independent subcommittee

Richard Buchholz was appointed chairman.

BOARD AND BOARD COMMITTEE PARTICIPATION

99.5% attendance across board and board committee meetings demonstrated strong commitment to effective governance, rigorous oversight and active participation.

	Board	Audit	Nominations and remuneration	Risk	SET	Independent subcommittee
Board chairman (non-executive)						
Sharon Wapnick	*7/7	6/6	1/1	4/4	3/3	
Independent non-executive directors						
Sanjay Bhikha	7/7	6/6		4/4	2/2	2/2
Richard Buchholz	7/7	6/6		*4/4		*2/2
Robin Lockhart-Ross	7/7	6/6			2/2	2/2
Nyimpini Mabunda	7/7	1/1			3/3	2/2
Maggie Mojapelo	7/7	1/1	1/1		*3/3	1/2
Pieter Strydom^	3/3	2/2	*1/1	1/1	1/1	
Louis van Breda	7/7	*6/6		4/4	1/1	2/2
Non-executive director						
Myron Pollack	7/7	6/6		4/4	1/1	
Executive directors						
Riaan Erasmus	7/7	6/6		4/4	3/3	
Jeffrey Wapnick	7/7	6/6	1/1	4/4	3/3	

* Chairman
● By invitation
● Permanent invitee
^ Pieter Strydom retired at the AGM on 4 February 2026

BOARD SKILLS AND EXPERIENCE

The board draws on the collective skills, expertise and industry experience of its members to provide effective oversight and strategic guidance. A skills and experience matrix, maintained by the group company secretary, identifies strengths and gaps and informs board development, succession planning and nominations.

Director selection considers expertise, diversity and alignment with the group's purpose and strategy, with specialist capabilities supplemented by management and external advisers where required. The board is satisfied that its composition provides an appropriate balance of knowledge, experience, diversity and independence to discharge its responsibilities effectively.

Octodec strategic objective	Board skill	Sanjay Bhikha	Richard Buchholz	Riaan Erasmus	Robin Lockhart-Ross	Nyimpini Mabunda	Maggie Mojapelo	Myron Pollack	Louis van Breda	Jeffrey Wapnick	Sharon Wapnick
Enhance the value of our human capital contributions	Leadership for growth and sustainable business operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Remuneration, HR and talent management expertise			✓	✓		✓			✓	✓
	Integrated thinking and transparent reporting aligned to frameworks and standards	✓	✓	✓	✓		✓	✓	✓		✓
Enhance our property portfolio	Property industry expertise for governance		✓	✓	✓	✓	✓	✓	✓	✓	✓
	Consumer marketing to align with tenant expectations					✓	✓			✓	✓
	Technology and information governance for efficiency and innovation	✓	✓	✓		✓	✓		✓	✓	
Create sustainable value for all stakeholders	Stakeholder relations and corporate and social affairs		✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability and ESG for value and resilience	✓		✓		✓	✓			✓	✓
	Legal, regulatory and corporate governance oversight	✓	✓	✓	✓		✓	✓	✓		✓
	Governance for clear strategy development and direction	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Manage our balance sheet and funding structure	Finance for governance and oversight	✓	✓	✓	✓	✓		✓	✓	✓	
	Risk and opportunity management for stability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

CONTINUOUS BOARD DEVELOPMENT

The board stays ahead of industry trends, regulatory developments and evolving best practice to strengthen its contribution and support sustainable value creation. Continuing professional development remains a priority. Regular governance, industry, research and regulatory insights, as well as tailored sessions and targeted training, are integrated into the board cycle. Directors also receive relevant external insights and strategic perspectives to support informed, forward-looking decision-making.

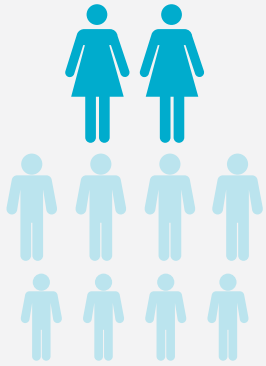
During the year, the board undertook a focused development programme to strengthen its oversight capabilities in line with King V™ and the simplified JSE Listings Requirements. The programme included attendance at the SA REIT Conference, a dedicated board session on the transition to King V™, with specific emphasis on the board's accountability for artificial intelligence (AI) and other emerging technologies, and targeted webinars on the JSE Listings Requirements and Simplification Rules update. These activities supported the board's readiness for the group's planned adoption of King V™ and reinforced its ability to discharge its responsibilities under the JSE Listings Requirements, including timely and accurate governance and sustainability related disclosures in the integrated report.

DIVERSITY AND INCLUSIVENESS

Gender diversity

In terms of Octodec's Policy on the Promotion of Race and Gender Diversity at board level, the board-approved voluntary targets for achieving gender diversity are:

Female representation – Female directors



Achieved: 02/10

Target: 02/10

(FY2025: 02/09 directors)

Race diversity

Black representation – Black directors



Achieved: 02/10

Target: 02/10

(FY2025: 02/09 directors)

Independence

Independent directors



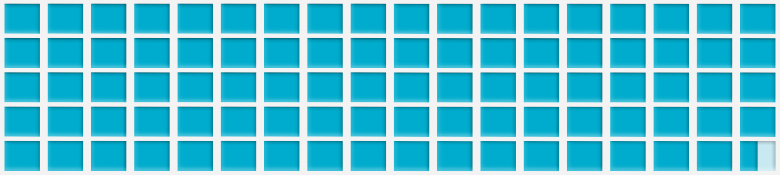
Achieved: 06/10

Target: 06/10

(FY2025: 05/09 directors)

Commitment

Directors' attendance (%)



Achieved: 99.5%

Not attended: 0.5%

Target: 100%

(FY2025: 100%)

Our long-serving non-executive directors contribute valuable experience and sector knowledge, particularly in the South African property and financial sectors.

In line with King IV™, the board assesses independence holistically and does not rely on tenure alone.

Board tenure and age

	Average service length	Average age
Executive directors	14.8 years *(FY2025: 10.4)*	54 years *(FY2025: 57.0)*
Non-executive directors	31.9 years *(FY2025: 30.9)*	70.5 years *(FY2025: 69.5)*
Independent non-executive directors	5.9 years[1] *(FY2025: 8.4)*	64.5 years[2] *(FY2025: 65.5)*
All directors	12.3 years[1] *(FY2025: 13.0)*	64.0 years[2] *(FY2025: 61.2)*

1 The average service length for non-executive, independent and all directors encompasses Pieter Strydom, who retired on 4 February 2026, after serving for a period of 14 years

2 The average age for the independent non-executive and all directors encompasses Pieter Strydom, who retired on 4 February 2026 at the age of 77

BOARD, BOARD COMMITTEES AND DIRECTORS' EVALUATION

The board, supported by the nominations and remuneration committee, conducts formal assessments of the board, its committees and individual directors every second year, in line with King IV™. An independent external evaluation was completed in October 2025, covering the board, committees and the directors. No material concerns were identified.

The board has nevertheless recognised opportunities to strengthen its effectiveness further, with improvement actions being implemented. The board's key priorities for the year ahead are set out on page 69.

Annually, the nominations and remuneration committee also assesses the performance of the chairman, lead independent director, CEO, deputy CEO and FD, non-executive directors retiring by rotation and group company secretary.

The board is satisfied that the processes implemented to evaluate and improve its performance are contributing to the ongoing enhancement of the board's effectiveness. The outcomes of these processes inform the board's continuous improvement initiatives and governance practices.

Board evaluation drives stronger governance and continuous improvement.

OUR BOARD COMMITTEES

The five board committees (two of which are statutory board committees) assist the board in the discharge of its duties and responsibilities. Annual work plans guide each board committee's activities and ensure that key responsibilities and reviews are addressed throughout the year. Each committee's detailed mandate and responsibilities are set out in its respective terms of reference.

Our board committees' terms of reference are available here.



HealthConnect



Louis van Breda
Independent chairman

GROUP AUDIT COMMITTEE

Octodec's independent group audit committee's (the committee) report for the year ended 31 August 2026 complies with the requirements of the Companies Act, the JSE Listings Requirements, King IV™, JSE Debt and Specialist Securities Listings Requirements and other applicable regulatory requirements.

Composition, meetings and attendance

Louis van Breda (independent chairman)	6/6
Sanjay Bhikha	6/6
Richard Buchholz	6/6
Robin Lockhart-Ross	6/6
Pieter Strydom*	2/2

* Pieter Strydom retired at the AGM on 4 February 2026

The committee maintains direct and independent engagement with the external and internal auditors through separate sessions without management present.



Purpose and role of the committee

The committee is an independent statutory committee in terms of section 94(2) of the Companies Act. Its primary responsibility is as an audit committee for Octodec. It also fulfils the role of a group audit committee for its subsidiaries, as permitted by section 94(2)(a) of the Companies Act.

TERMS OF REFERENCE

The committee has adopted formal terms of reference, as approved by Octodec's board of directors. King V™ is effective for financial years beginning on or after 1 January 2026. Although Octodec has not early adopted King V™, the committee is at an advanced stage of finalising new terms of reference to reflect its adoption.

The detailed duties and responsibilities of the committee are set out in its terms of reference, which are available on Octodec's website at www.octodec.co.za.

The committee provides independent oversight of Octodec's internal financial controls, assurance functions and the integrity of its financial reporting. It also supports the board in overseeing ICT governance and monitors financial and other risks that could affect the integrity of financial reporting. Overall risk governance remains the responsibility of the risk committee.

The committee comprises four independent non-executive directors who meet the requirements of section 94(4) of the Companies Act and King IV™. Collectively, they bring financial and risk expertise, skills and experience required to effectively oversee the group's financial reporting, controls and assurance environment.

Details of the committee's members' qualifications and experience are set out on pages 78 to 84.

The committee maintains direct and independent engagement with the external and internal auditors through separate sessions without management present. The committee chairman also meets separately with both assurance providers between committee meetings. No material matters of concern were raised in these engagements in the year.

Overlapping membership with the risk committee strengthens the committee's integrated oversight of risks affecting the integrity of external reporting, including financial reporting, internal financial controls, fraud and information and technology risks. It also provides valuable insight into the group's enterprise risk management and compliance environment.

The committee chairman reports to the board at each quarterly meeting on the committee's activities, key matters considered and issues requiring board attention, supporting effective oversight and timely escalation.

SIGNIFICANT MATTERS

The committee closely considered the Key Audit Matters (KAMs) identified by the external auditor's report on page 11 of the AFS. In addition, the committee focused on significant matters arising during the year, particularly those requiring significant, heightened oversight or enhanced assurance. These included:

Valuation of investment property

The committee exercised robust oversight of the group's investment property valuations, including assessing the competence and independence of the external valuers and the competence of the internal valuation team. It critically evaluated and challenged the significant assumptions, judgements, valuation methodologies and supporting evidence applied by both the external and internal valuers, with particular focus on matters that could materially influence the valuation outcomes.

Detailed valuation assumptions and results are set out on pages 25 to 27 of the consolidated financial statements.

Based on its review and the assurance obtained, the committee concluded that the investment property portfolio was fairly stated in accordance with the group's accounting policy and the applicable financial reporting requirements.

JSE Listings Requirements on attestation

The JSE Listings Requirements relating to the sign-off by the CEO and deputy CEO *and* FD on the effectiveness of internal controls over financial reporting for the group can be found on page 9.

External auditor quality and independence

The committee satisfied itself as to the audit quality, independence and suitability of Ernst & Young Inc. and Cornelius Els, in their respective capacities as external auditor and designated engagement partner, in accordance with paragraph 5.7(h)(iii) of the JSE Listings Requirements. This is the fifth year of Ernst & Young Inc.'s appointment as the group's external auditor and the third year of Cornelius Els's tenure as designated engagement partner.

The committee confirmed that the non-audit services were provided in accordance with Octodec's non-audit services policy and did not impair the auditor's independence.

The committee approved the terms of engagement, audit scope and fee for the 2026 financial year, in consultation with executive management, and considered the fee appropriate to the scope of the audit. The audit fees are disclosed in note 22 to the financial statements.

Risk management policy

The ERM policy prohibits Octodec from entering into derivative transactions outside the ordinary course of business. The committee monitored compliance and is satisfied that Octodec has complied with the policy during the year.

Evaluation of the expertise and experience of the financial director and the finance function

The committee satisfied itself as to the competence of the financial director, Riaan Erasmus, and the adequacy of the City Property finance team's expertise, experience, resources and financial reporting processes supporting the preparation of financial statements.

Solvency and liquidity

Based on the quarterly solvency and liquidity assessments, the committee satisfied itself that the company and group remain going concerns and recommended this conclusion to the board. The board's statement on the going concern, supported by the committee, is included in the directors' responsibility for the financial reporting section of the annual financial statements.

Effectiveness of internal financial controls

The committee reviewed the internal audit assessment of the design, implementation and effectiveness of the group's internal financial controls. Having considered the internal audit findings, management's input, the risk management process and the work of the independent assurance providers, the committee is satisfied that the controls are adequate and effective and provide a sound basis for reliable financial reporting.

Internal audit

The committee oversees the independence, resourcing and effectiveness of the internal audit function and facilitates cooperation between internal and external audit. Internal audit operates under an approved charter, reviewed during the year, and has unrestricted access to the committee. The committee reviewed the results of audits performed against the approved plan and is satisfied with the independence, authority, quality and performance of internal audit.

The committee noted the progress on the implementation of internal audit's strategic objectives and action plans arising from the gap assessment against the Global Internal Audit Standards™. The committee approved the implementation of the quality assurance and improvement programme, subject to its proactive application and ensuring that available resources remain focused on internal audit's core responsibilities.

Combined assurance

In overseeing the coordination of assurance activities, the committee:

- Considered and coordinated the assurance activities and results across the first, second and third line of defence, satisfying itself that significant risks and material matters within the group's risk universe were adequately addressed through the combined assurance model
- Reviewed the group's risk appetite and tolerance statements underpinning the combined assurance model
- Monitored the key risk indicators and their ongoing refinement
- Evaluated the effectiveness of the combined assurance model
- Monitored progress against initiatives to enhance second-line reporting, including anticipated completion dates
- Approved the amendments to the combined assurance policy and framework

The committee is satisfied that the combined assurance model meets the group's assurance needs and continues to be enhanced.

JSE's proactive monitoring initiative

In finalising the consolidated financial statements for the year ended 31 August 2026, the committee considered applicable JSE reports and addressed relevant findings and focus areas where required.

OTHER ITEMS OF FOCUS

In terms of the three-year rolling plan, the following independent reviews were conducted:

Risk management review

The review assessed the following elements of risk management: Framework, Processes, Insurance and Capacity. The assessment concluded that:

- The company has established an appropriate Enterprise Risk Management Framework which is supported by formally approved policies that articulate the company's risk appetite and tolerance statements
- The framework is considered suitably designed and operating effectively to support the company's governance objectives and risk management responsibilities

Ethics review

The review considered ethics governance, risk management and controls. The areas reviewed were concluded to be adequate and effective.

CONSOLIDATED FINANCIAL STATEMENTS, RESULTS AND INTEGRATED REPORT

The committee reviewed the group's financial reporting procedures and the consolidated and company financial statements for the year ended 31 August 2026. It satisfied itself that appropriate financial reporting procedures and internal financial controls are in place and operational across the group, supporting the fair presentation of the financial statements.

The committee is satisfied that, in all material respects, the financial statements and the related results announcements comply with the provisions of the Companies Act, IFRS Accounting Standards as issued by the International Accounting Standards Board, the JSE Listings Requirements and the JSE Debt and Specialist Securities Listings Requirements.

The external auditors expressed an unmodified independent opinion on the financial statements as set out on pages 10 to 14 of the consolidated annual financial statements.

No complaints were received relating to accounting practices, internal audit, financial reporting, internal financial controls, or related matters.

RECOMMENDATION AND APPROVAL

The committee recommended the consolidated and company financial statements, results announcements and integrated report for the year ended 31 August 2026 to the board for approval on 20 November 2026.

FY2026 key focus areas

In addition to its responsibilities under its terms of reference, the committee focused on the key areas identified in the 2025 integrated report:

The integrated combined assurance framework continued to mature, with improvements in the coordination and monitoring of assurance activities and internal controls: The second-line-of-defence reporting was enhanced through additional action plans to improve the identification, escalation and reporting of key vulnerabilities and exposures. Implementation progress continues to be monitored by the committee.

Monitored debt maturities, interest-rate hedging, LTV ratio and ICR covenants and liquidity, with a focus on reducing LTV and strengthening ICR. Optimised funding costs and interest-rate hedging – all FY2026 debt maturities were refinanced with a focus on improved funding margins and increased tenor to support longer term liquidity. The interest-rate swap curve continues to be assessed for opportunities to optimise the group's hedging profile. Liquidity facilities and covenant headroom were proactively managed.

Focused on property valuations to ensure that the property portfolio is appropriately valued – Interim and year end valuations were reviewed and challenged by the committee.

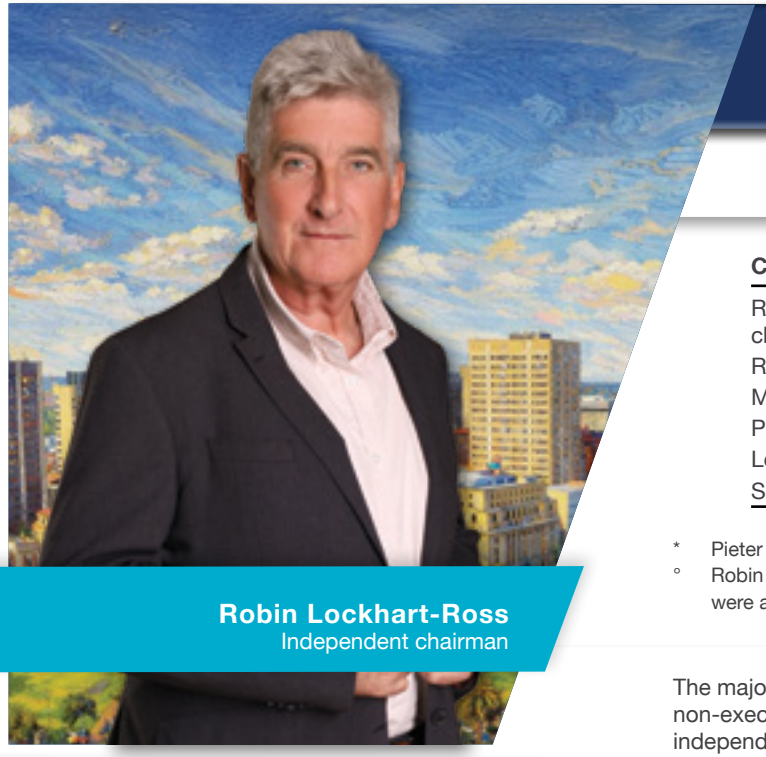
FY2027 key focus areas, which include continuing items from the year under review:

- Strengthening governance through King V™ readiness. The committee will review and update its terms of reference and relevant governance policies to ensure full alignment with King V™ principles and recommended practices.
- Monitor the adoption of new accounting reporting standards.
- Review the progress made strengthening the combined assurance process.
- Robust review of property valuations and inputs.
- Overseeing the adequacy and effectiveness of the updated internal valuation policy due to the JSE's listing requirements amendment to Section 13: Property Entities.
- Continue to review the weighted loan and interest hedging expiry profiles, the LTV ratio and ICR debt covenants and liquidity.
- Monitoring the City Property ICT control environment including Cyber resilience and that AI opportunities and digitisation are implemented in a structured way supported by appropriate policies.

The committee is satisfied that it discharged its statutory duties in accordance with section 94(7) of the Companies Act and the JSE Listings Requirements, as well as the functions and responsibilities assigned to it under its terms of reference and mandate, for the 2026 financial year.



Corner Place



Robin Lockhart-Ross
Independent chairman

NOMINATIONS AND REMUNERATION COMMITTEE

The committee is pleased to present its report for the financial year ended 31 August 2026.

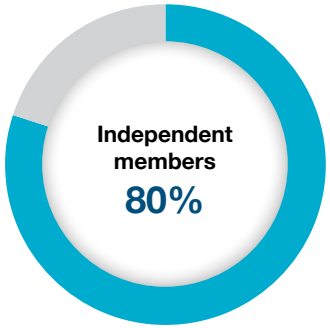
Strong succession planning supports board continuity, diversity and effective leadership.

Composition, meetings and attendance

Robin Lockhart-Ross (independent chairman)°	–
Richard Buchholz°	–
Maggie Mojapelo	1/1
Pieter Strydom*	1/1
Louis van Breda°	–
Sharon Wapnick	1/1

* Pieter Strydom retired at the AGM on 4 February 2026
° Robin Lockhart-Ross, Richard Buchholz and Louis van Breda were appointed on 4 February 2026

The majority of committee members are independent non-executive directors, with the committee chaired by an independent non-executive director.



Purpose and role of the committee

The committee supports board continuity and effectiveness through annual reviews of leadership and succession needs. It advises the board on director nominations, elections and appointments, promoting transparent, accountable processes and an appropriately diverse board and committee composition.

The committee also recommends changes to board composition and, where required, oversees succession planning for both the board and executive management.

Since February 2026, the committee has overseen the application of remuneration policy to ensure that director and employee compensation is fair, responsible, and aligned with Octodec's overall remuneration framework. It holds management accountable for ensuring that total employee remuneration is distributed fairly and equitably.

The committee is satisfied that it fulfilled its mandate and discharged its responsibilities in accordance with its terms of reference during the year.

Addressing FY2026 key focus areas

Enhance performance and capability: Individual and team performance was strengthened through targeted training, clear objectives and expanded development opportunities, improving productivity, supporting stronger results and aligning employee behaviour with Octodec's strategic priorities.

Embed performance-based rewards: The implementation of short- and long-term incentives for senior employees remained a key priority, with a long-term incentive scheme being introduced for the Deputy CEO and Financial Director in November 2025, as was signalled in the 2025 integrated report.

Strengthen committee effectiveness: Effective 4 February 2026, remuneration oversight was transferred to the renamed nominations and remuneration committee, and its terms of reference were updated with the SERT committee being renamed the SET committee to reflect its revised mandate.

Integrate newly appointed directors: Newly appointed directors completed an induction process covering the group's business, strategy, governance framework, key risks and operating environment, which accelerated their integration and enabled their meaningful participation in board deliberations and oversight.

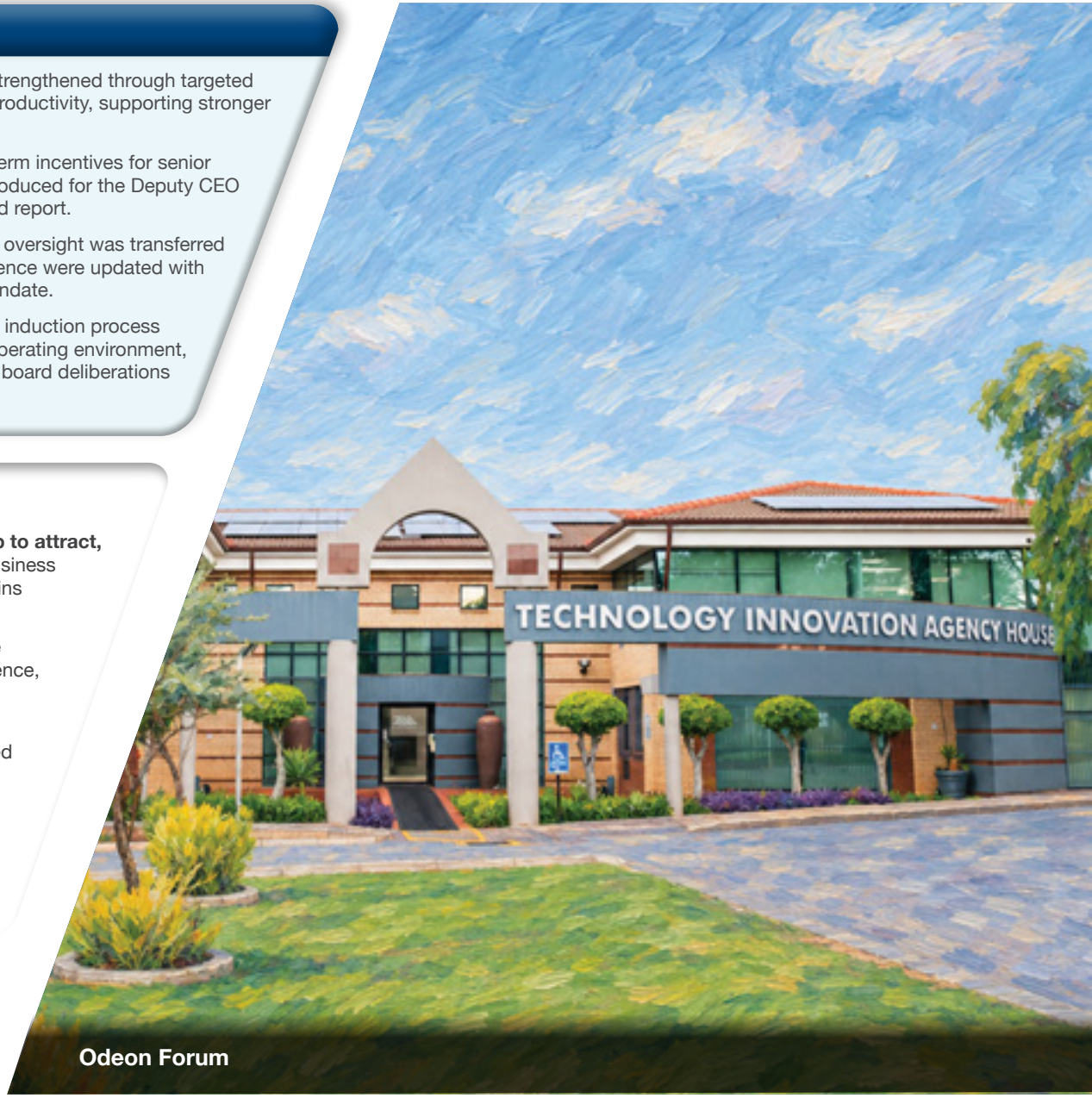
FY2027 key focus areas

Oversee the embedding of performance-based incentives across the group to attract, retain and motivate talent: Strengthen performance management as a core business practice that supports the remuneration framework, drives accountability, sustains performance and promotes focused execution of the group's strategy.

Board committee composition and effectiveness: Optimise board committee composition and effectiveness by maintaining the right balance of skills, experience, independence and diversity, while strengthening oversight.

Organisational succession and leadership pipeline: Strengthen the group's leadership pipeline, succession coverage and bench strength through disciplined succession planning and targeted talent development, safeguarding leadership continuity.

Strengthening governance through King V™ readiness: Advance King V™ readiness by reviewing and updating the nominations and remuneration committee's terms of reference, policies and practices in line with applicable principles and evolving governance expectations.



Odeon Forum



Richard Buchholz
Independent chairman

Balancing risk and opportunity the committee keeps the group resilient, assured and within tolerance.

RISK COMMITTEE

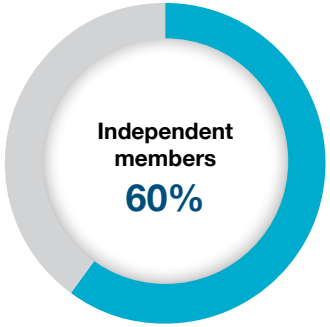
The committee is pleased to present its report for the financial year ended 31 August 2026.

Composition, meetings and attendance

Richard Buchholz (Independent Chairman)	4/4
Sanjay Bhikha	4/4
Myron Pollack	4/4
Pieter Strydom*	1/1
Louis van Breda	4/4
Sharon Wapnick	4/4

* Pieter Strydom retired at the AGM on 4 February 2026

The majority of the committee members are independent non-executive directors, and an independent non-executive director chairs the committee.



The committee is satisfied that it fulfilled its mandate and discharged its responsibilities in accordance with its terms of reference during the year.

Purpose and role of the committee

The committee supports the board in setting the group's risk exposure and opportunity, taking a stakeholder-inclusive view. It oversees the development and implementation of effective risk management strategies, policies and plans and monitors key exposures and controls.

The committee also oversees compliance and governance-related risks, ensuring exposures remain within board-approved tolerable levels.

Addressing FY2026 key focus areas

FY2026 focused on strengthening enterprise risk management, insurance oversight and assurance through:

Board approval of the reviewed ERM policy and framework, including updated financial-loss thresholds.

Completion of the internal audit review of risk management and combined assurance, with no material improvement areas identified.

Enhanced opportunity-risk management through an updated register and improved reporting to the risk committee.

Strengthened insurance oversight, including reporting on exclusions, mitigating controls and additional risk metrics such as claims frequency, severity, loss ratios and coverage gaps.

Continued investigation and group-wide adoption of AI tools and methodologies to enhance risk reporting, combined assurance and risk and group audit committees' oversight.

FY2027 key focus areas

Strengthen governance and oversight of artificial intelligence (AI) and other emerging technologies

Further embed a proactive, risk-aware culture and reinforce risk ownership at all levels of the group

Enhance opportunity risk management as a strategic decision-support capability

Continue to mature the combined assurance and risk management framework

Strengthen governance through readiness for King V™



Maggie Mojapelo
Independent chairman

Responsible business is about more than compliance. It is about building an ethical culture, creating inclusive opportunities and delivering sustainable long-term value for our stakeholders and society.

SOCIAL ETHICS AND TRANSFORMATION COMMITTEE

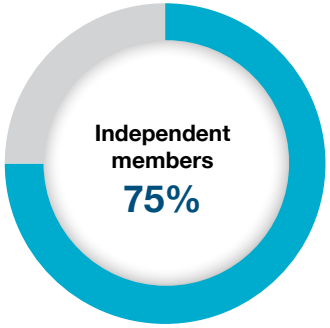
The committee is pleased to present its report for the financial year ended 31 August 2026.

Composition, meetings and attendance

Maggie Mojapelo (independent chairman)	3/3
Sanjay Bhikha^	2/2
Nyimpini Mabunda	3/3
Myron Pollack°	1/1
Pieter Strydom*	1/1
Louis van Breda°	1/1
Sharon Wapnick	3/3

* Pieter Strydom retired at the AGM on 4 February 2026
^ Sanjay Bhikha was appointed to the committee on 4 February 2026
° Myron Pollack and Louis van Breda resigned from the committee on 4 February 2026

Committee members are elected annually by shareholders at the AGM in terms of section 72(9A)(a) of the Companies Act. At the AGM held on 4 February 2026, shareholders elected Maggie Mojapelo, Sanjay Bhikha, Nyimpini Mabunda and Sharon Wapnick. Myron Pollack and Louis van Breda stepped down from the committee following the restructuring of the former SERT committee. The majority of members are non-executive directors who are not and have not in the previous three financial years been involved in the day-to-day management of the company, as required by section 72(7A)(a). The committee is chaired by an independent non-executive director.



Purpose and role of the committee

The committee operates under board-approved terms of reference, which the board reviews periodically to ensure its mandate remains appropriate and aligned with applicable legislative and regulatory requirements. In addition to its statutory responsibilities, the committee performs such further duties delegated to it by the board. The detailed duties and responsibilities of the committee are set out in its terms of reference, which are available on Octodec's website at www.octodec.co.za.

The committee provides oversight of the group's ethical culture, responsible business conduct and corporate citizenship. Its mandate encompasses social and economic development, environmental stewardship, occupational health and safety, transformation, sustainable development and stakeholder relationships. Through this oversight, the committee seeks to support long-term value creation, safeguarding the group's reputation and promoting responsible business practices.

The board delegates oversight of stakeholder relationships to the committee. Guided by the stakeholder management policy, the committee reviews reports on key engagements and how stakeholder needs, interests and expectations are addressed. These insights inform strategy, strengthen transparency and maintain trust.

In fulfilling its mandate, the committee considers applicable legislation, regulations and recognised standards and principles, including the anti-corruption principles of the Organisation for Economic Co-operation and Development (OECD), the Employment Equity Act (No. 55 of 1998), the Broad-Based Black Economic Empowerment Act (No. 53 of 2003), the principles of the United Nations Global Compact and the relevant elements of the JSE's sustainability disclosure guidance. The UN Sustainable Development Goals (SDGs) provide a recognised framework for considering the broader outcomes of our activities. The goals most relevant to Octodec's strategy and operations have been identified, which are directly linked to our business objectives and impacts. The FY2026 contributions to our core SDGs are disclosed on page 9 of the sustainability report.

The committee monitors the group's approach to compliance and performance in matters within its mandate, including corporate citizenship, social and economic development, environmental management, occupational health and public safety, consumer relations, labour practices and employment. This includes the group's standing in terms of the International Labour Organisation (ILO) Protocol on decent work and working conditions.

SIGNIFICANT MATTERS

The committee has considered the following significant matters:

Sustainability and environmental, social and governance (ESG) matters

Octodec incorporates the principles of the United Nations Global Compact into its values, code of ethics, policies and procedures. These principles support the group's approach to human rights, labour practices, environmental responsibility and anti-corruption, with a strong emphasis on social and environmental responsibility. The board, supported by the committee, oversees the ethical and responsible conduct of the group's business.

Under the Management Agreement, City Property manages and implements occupational health and safety (OHS) and environmental management across the group's property portfolio. The committee provides oversight through structured management reporting.

During the reporting period, the committee reviewed City Property's environmental and OHS reports, focusing on impacts and risks arising from the group's properties, operations and services.

OHS performance is monitored through a structured framework covering six areas:

- OHS governance and leadership
- People capability and preparedness
- OHS management systems
- Operational controls
- Building and infrastructure safety (technical compliance)
- Environmental health conditions

The framework provides a consolidated view of compliance status, key risks, improvement areas and corrective actions. Assessment outcomes and progress against identified gaps are reported to the committee and the risk committee, enabling coordinated oversight of material OHS matters across the group.

The board approved Octodec's sustainability strategy on 21 December 2025. Since then, the committee has overseen its implementation and monitored progress against the group's sustainability priorities and commitments. The strategy is built around three priorities:

- **Efficiency for resilience:** strengthening operational resilience by managing environmental risks, maintaining operational continuity and reducing exposure to water, electricity and waste-service disruptions.
- **Social value add:** providing meaningful employment, developing future-fit skills and improving quality of life through safer, more accessible and affordable spaces, particularly in underserved areas. This includes innovative mixed-use developments that respond to the evolving needs of connected urban communities.
- **Building communities and partnerships:** supporting thriving communities through partnerships with CIDs, taxi associations and municipalities, complemented by corporate social investment focused on urban upliftment and aligned initiatives.

It provides a clear framework for embedding environmental and social considerations into investment decisions, property operations, risk management and stakeholder engagement.

Aligned with Octodec's corporate strategy, it strengthens portfolio performance, stakeholder value and long-term resilience. The committee is satisfied with the group's progress against its FY2026 sustainability targets, reflecting meaningful momentum in advancing Octodec's sustainability objectives. The committee reviewed progress against the targets, including renewable energy and recycling, and considered the related performance outcomes and corrective measures, where applicable.

Details of the FY2026 sustainability targets, actual performance, areas of underperformance and corresponding corrective measures are presented in the sustainability report on 2026 sustainability performance.

Human rights

Octodec is committed to respecting human rights and protecting human dignity, in accordance with the Constitution of the Republic of South Africa, and upholds the ten principles of the United Nations Global Compact, with a focus on labour standards and working conditions.

The group does not tolerate child labour, forced labour, or any other significant adverse social impacts in its operations or supply chain. These principles are embedded in our values, code of ethics, policies and procedures, reinforcing Octodec's commitment to social and environmental responsibility. Employees are expected to comply with applicable laws and to uphold the group's standards of respect, dignity and ethical conduct in their interactions with colleagues, business partners, suppliers and the communities in which the group operates.

During the reporting period, no incidents of discrimination or human rights violations were reported or confirmed.

Labour and employment practices

Octodec promotes ethical employment practices and seeks to maintain a workplace characterised by integrity, accountability and respect. Its employment policies and procedures and applicable legislative frameworks address misconduct, including theft, fraud and conflicts of interest.

During the year, the committee monitored key human capital matters, including future-ready talent strategies, employment equity, workplace skills plans and training outcomes. These efforts support employee development, transformation and inclusive growth, while strengthening the capabilities and values-driven culture required to deliver the group's strategy. Further details of the group's workforce profile, skills development and training outcomes and employment equity performance are provided in the social value add section of the sustainability report.

Gender equity and inclusion

Octodec's property management operations include building managers, cleaners and handymen, with roles varying in physical and operational requirements. The group recognises the importance of promoting equal opportunity and broadening female participation across its workforce, including in operational and management positions.

The group's human capital policies support gender equity, fair remuneration, an inclusive working environment and the career development of women. Octodec also supports women-owned businesses through targeted procurement and supplier development initiatives. In addition, the group is committed to strengthening female representation and promoting employees' health and well-being through relevant workplace initiatives and programmes. The committee monitored the female representation across all occupational levels against the group's gender representation targets. Further details are provided in the social value add section of the sustainability report and the remuneration report's disclosure on material gender pay equity findings.

ILO core labour standards

Octodec recognises the importance of the ILO's fundamental principles and rights at work to its employees, investors and other stakeholders. The ILO Labour Standards Policy formalises its commitment to fair, safe and dignified working conditions.

The policy applies across all operations and establishes expectations for employees, contractors, suppliers and business partners, subject to its applicable scope and requirements. It addresses the prevention of child labour and forced labour and reinforces the principles of non-discrimination, fairness, respect and equality.

The principles underpinning the policy are reflected in the group's values, code of ethics and supporting policies and procedures. The committee oversees the group's approach to these matters as part of its broad mandate relating to ethical conduct, human rights and responsible employment practices.

Transformation, B-BBEE and socio-economic development

The committee monitored the group's B-BBEE performance and progress against its 2026 to 2030 transformation strategy and noted meaningful advancement during the reporting period. In particular, Octodec improved its ownership score by 6.69 points, addressing an area that has historically constrained the group's overall B-BBEE performance. As at the date of approval of this report, the annual B-BBEE verification process had not yet been finalised. Accordingly, the group's B-BBEE current Level 5 rating (FY2025: B-BBEE Level 5) remained subject to independent verification. Management expects the improved ownership performance to contribute to an enhanced overall B-BBEE contributor level.

Initiatives focused on controllable scorecard elements, including enterprise and supplier development, socio-economic development and economic development, continued to support the group's transformation objectives. The committee considered these outcomes indicative of positive progress against the longer-term transformation strategy, while recognising that sustained focus will be required to maintain momentum and further strengthen performance across the scorecard. Further details of Octodec's B-BBEE performance, scorecard outcomes, transformation priorities and related interventions are provided in the social value-add section of the sustainability report.

Octodec's commitment to community development is embedded in its corporate ethos. Through its Corporate Social Investment (CSI) and Socio-Economic Development (SED) programmes, Octodec seeks to generate lasting impact beyond financial contributions.

During the reporting period, strategic partnerships supported initiatives in education, food security, community development, youth empowerment and support for vulnerable communities. These programmes remained aligned with the group's sustainability objectives, community development commitments and SED requirements. Final expenditure was substantially in line with the approved budget, achieving a utilisation rate of 96.6%. The committee considered the outcomes and longer-term impact of the group's social investment initiatives. The committee reviewed the group’s FY2026 sponsorships, donations and charitable giving, with further details on beneficiaries reached, programme outcomes and social value generated across the group's communities of operation provided in the sustainability report (refer to page 31 onwards).

Further information on the group's supplier and enterprise development initiatives is provided on page 29 of the sustainability report.

Stakeholder engagement

Octodec's stakeholder management policy supports a structured, inclusive and responsive approach to engagement. It guides how the group identifies and addresses material topics, stakeholder expectations and legitimate interests, while reinforcing accountability, transparency and equality. The board is accountable for integrating stakeholder considerations into decision-making and balancing them with the need to maintain a sustainable business. Oversight is delegated to the committee, which monitors engagement performance, policies and practices, while management implements the policy and reports on relevant developments.

The group's key stakeholder matrix prioritises key stakeholder concerns and defines the value Octodec seeks to create through these relationships. Regular committee updates on engagement outcomes and emerging issues inform strategy, risk management and operations, enabling the group to anticipate change and support long-term value creation. The committee also considers material stakeholder concerns and the group's responses, including the outcomes of engagement and how stakeholder feedback informs decision-making.

Further details of key stakeholder matters, the group's responses and engagement outcomes, including any outstanding concerns, are provided in the stakeholder section of the integrated report (refer to page 23).

Ethical business conduct and whistle-blowing

The committee oversees organisational ethics on behalf of the board. Octodec's governance of ethics framework, approved by the committee in June 2026, establishes a structured approach to managing, monitoring and continuously improving ethics across the group.

The newly appointed ethics officer oversees day-to-day ethics initiatives, including policy implementation, training and awareness, employee conduct investigations and other measures that promote an ethical culture.

Employees and stakeholders can raise concerns through the confidential Be Heard® hotline, independently managed by Be Heard Now (Pty) Ltd. Reports are managed through established governance processes and escalated to the committee where appropriate. Other than one breach of the Code of Ethics recorded during FY2026, which is being managed in accordance with company policies, no breaches of the gift register policy were reported during the reporting period. In addition, no unethical or inappropriate behaviour was reported to the committee.

The committee considered enhancements to the code of ethics, which were approved by the board. Employee sessions were held to explain the updated requirements, after which employees formally acknowledged their understanding by signing the code.

An independent ethics risk assessment is conducted every three years. The latest assessment, conducted by Prozilog (Pty) Ltd in 2026, found Octodec's ethics governance to be adequate and effective.

The Ethics Management Maturity Assessment (EMMA), developed by the Ethics Institute of South Africa and facilitated by Prozilog (Pty) Ltd, yielded a score of 94 out of 100. Under the EMMA rating scale, this falls within the "good compliance" category and indicates that most key ethics management elements are in place and functioning effectively, with only minor opportunities for further improvement. No material improvement areas were identified, and three of the four improvement recommendations reported have been completed, with the artificial intelligence ethics statement remaining in progress. The committee oversees the resulting action plans and monitors the implementation of related interventions to support the continued development of the group's ethics governance arrangements. An independent ethics risk assessment is conducted every three years.

Consumer relationships

The committee oversaw matters relating to tenant relations, complaint handling, advertising and leasing practices and compliance with inter alia, the Consumer Protection Act, the Rental Housing Act and POPIA. No material complaints or regulatory findings were reported during the reporting period.

Regulatory developments

At the end of February 2026, Octodec received the Director-General's review of its previously submitted employment equity plan. In response, Octodec submitted revised EEA12 and EEA13 documentation in March 2026, which addressed the review findings and strengthening Octodec's compliance with the Employment Equity Act.

The committee monitored legislative and regulatory developments relevant to its mandate, including amendments to the Companies Act and developments in sustainability-related reporting requirements. The committee considered the implications of these developments for its mandate, governance arrangements and reporting responsibilities.

No changes to the committee's composition or processes were required. Its existing membership structure and election arrangements remain appropriate and continue to support the committee's effective functioning.

Addressing FY2026 key focus areas

Foster innovation and psychological safety: The group is strengthening a culture of innovation, constructive challenge and psychological safety. The Prosci change management methodology has been adopted to support the effective implementation and operationalisation of new initiatives. Leadership development and coaching will continue to equip leaders to sustain psychologically safe, growth-oriented workplaces.

Embed a sustainability culture: The sustainability strategy, approved on 21 December 2025, established FY2026 priorities to increase renewable energy capacity by at least 25% from the FY2025 baseline of 4,469 kWp and increase recycling to 21%-25% from 20.0%. A group-wide awareness campaign was implemented in August 2026 to strengthen employees' understanding of ESG priorities, responsibilities and the group's alignment with the United Nations Sustainable Development Goals.

Unlock the benefits of GenAI and agentic AI: The group is building digital dexterity and enabling responsible AI adoption through workforce training and empowerment. Microsoft Copilot has been implemented, with training provided to employees and the Pro version available to selected users. Mobile-enabled tools and employee self-service applications are also being rolled out.

Strengthen committee effectiveness: Effective 4 February 2026, the former SERT committee was separated into the SET committee, chaired by Maggie Mojapelo and the nominations and remuneration committee, chaired by Robin Lockhart-Ross. This sharper allocation of responsibilities strengthens oversight, accountability and committee effectiveness.

Based on the matters considered, management reporting and the information presented to it during the reporting period, the committee is satisfied that the group has established appropriate policies and governance frameworks covering ethical conduct, corporate citizenship, human rights, fair labour practices, transformation, stakeholder engagement and environmental and social responsibility. Through these oversight activities, the committee monitored the effectiveness of the relevant processes, with particular emphasis on accountability, regulatory compliance and progress towards the group's sustainability objectives. Maggie Mojapelo, as chairman, will report to shareholders on the matters within the committee's mandate at the AGM on 3 February 2027.

FY2027 key focus areas

Advance transformation and employment equity: The group will maintain a focused approach to transformation, identifying opportunities to accelerate progress against applicable sector targets and broader transformation objectives. The committee will oversee the implications of changes to the B-BBEE codes and employment equity legislation, including their impact on the group's transformation strategy, supplier ecosystem, workforce planning and succession pipelines.

Foster psychological safety, innovation and responsible AI adoption: The group will continue to create, promote, role-model and sustain psychologically safe workplaces that encourage innovation, constructive challenge and continuous learning. By placing people at the centre of AI adoption, the group will equip employees to work effectively and responsibly with AI through leadership, skills development and appropriate governance. This will support productivity, new ways of working and sustainable value creation for the group and its stakeholders.

Strengthen sustainability governance and reporting: In collaboration with the group audit committee, the committee will deepen its understanding of the evolving reporting landscape and oversee the progressive integration of the sustainability-related risks and opportunities into the group's governance, strategy, decision-making and reporting.

Prepare for King V™ readiness: The committee will review and update its terms of reference and relevant governance policies to support alignment with King V™. Particular focus will be placed on ethical governance and the values guiding the group's responsible use of AI as adoption increases.

The committee is satisfied that, during the 2026 financial year, it discharged its statutory duties in accordance with section 72 of the Companies Act read together with Regulation 43 of the Companies Regulations, 2011 and fulfilled the functions and responsibilities set out in its terms of reference and mandate.



Richard Buchholz
Independent chairman

2027 is a milestone year for the determination of the future Octodec/City Property relationship

INDEPENDENT SUBCOMMITTEE

The committee is pleased to present its report for the financial year ended 31 August 2026.

Composition, meetings and attendance

Richard Buchholz (Independent Chairman)	2/2
Sanjay Bhikha	2/2
Robin Lockhart-Ross	2/2
Nyimpini Mabunda	2/2
Maggie Mojapelo	1/2
Pieter Strydom*	-
Louis van Breda	2/2

* Pieter Strydom retired at the AGM on 4 February 2026

The subcommittee is composed entirely of independent non-executive directors, with its chairman also being an independent non-executive director.



Purpose and role of the committee

Established to oversee the renegotiation of the management agreement with City Property, the independent subcommittee continues to provide independent oversight, monitor compliance with the management agreement, and protect shareholders' interests in related-party transactions.

Addressing FY2026 key focus areas

Independently assessed the merits of the internalisation of the asset and property management services currently provided by City Property.

Continued to independently review all related party transactions between Octodec and City Property as and when they occur.

FY2027 key focus areas

Conduct an independent evaluation of the potential internalisation of the asset and property management services currently delivered by City Property

Maintain independent oversight and review of all related-party transactions between Octodec and City Property as they arise

GOVERNANCE OF OTHER KEY FUNCTIONAL AREAS

COMPLIANCE

The board, supported by the risk committee, retains ultimate accountability for compliance with applicable laws, non-binding rules, codes and standards.

Octodec's compliance model is led by the head of compliance, who monitors legal and regulatory developments, assesses their impact on the business and promotes adherence to applicable requirements and governance standards.

The compliance function supports the group's ERM framework by identifying, managing and monitoring regulatory risk and promoting a consistent, integrated approach to compliance. The head of compliance reports to executive management and the risk committee and engages with regulators where appropriate.

The group's compliance governance and oversight structures are set out below:

Octodec board

Oversees group-wide compliance, with the support of the risk committee, and maintains effective relationships with regulatory authorities.

Head of compliance in collaboration with City Property executive management

Manages compliance and regulatory services for Octodec, including monitoring the impact of legal and regulatory obligations on the group's operations, and ensuring compliance with statutory requirements and non-binding rules and standards.

Octodec and City Property employees

Employees are required to adhere to internal compliance policies, considering regulatory requirements, codes of conduct, corporate governance principles and ethical business practices for effective and appropriate implementation.

The board is satisfied that the group maintained a strong focus on compliance with applicable legislation and regulation during the year.

No material penalties were imposed on the group or any of its directors or officers for non-compliance. Any identified compliance matters, including those relating to building plans and certificates of occupation, are being appropriately addressed and monitored through the group's governance and risk management processes.

Addressing FY2026 key focus areas

Sharpened regulatory focus:

Refined and updated the compliance universe to enable effective risk prioritisation and non-compliance mitigation. Ensured all executive summaries of key regulatory requirements were clear, current and regularly reviewed. Completed review of all critical legislation and updated summaries by 31 August 2026.

Drove compliance awareness: Collaborated with compliance champions and managers to embed compliance culture and controls across all levels, and integrated compliance into regular business processes and meetings for consistent execution throughout the group.

Strengthened compliance risk management:

Identified and recorded compliance risks promptly in risk registers, and conducted bi-monthly risk reviews between the chief risk officer and head of compliance to address vulnerabilities and maintain robust oversight.

FY2027 key focus areas

Deepen the regulatory universe to sharpen risk prioritisation and reduce non-compliance risk.

Regularly review and update the compliance universe to keep it relevant to the business.

Ensure executive summaries of key regulatory requirements are always current and aligned with business obligations.

Work closely with compliance champions to raise awareness of regulatory obligations and embed effective controls into daily business processes.

Proactively identify compliance vulnerabilities and record risks in the business's risk registers for ongoing management.

TECHNOLOGY AND INFORMATION GOVERNANCE

The board is supported by the group audit committee in overseeing Octodec's ICT environment, with performance updates provided by City Property. We have prioritised digitalisation and cybersecurity, making significant progress in both areas.

City Property delivers ICT services to Octodec under the management agreement. The ICT executive of City Property reports to the audit committee on:

- Risk, compliance (including adherence to POPIA) and IT general controls
- Cyber and information security
- Alignment with the approved ICT strategy
- Implementation of evolving AI applications including the development of a structured framework for deployment

ICT is a critical component of Octodec's operations and is governed by board-approved policies aligned with industry best practices. City Property's ICT control framework encompasses digital asset and information security, business continuity, vulnerability and incident management, as well as vendor oversight. City Property remains committed to leveraging technology to enhance operational efficiency while proactively managing associated risks.

In 2023, the board approved a three-year ICT strategy aligned with the broader group strategy. The group audit committee has recommended a review of the ICT charter, policies and controls in light of heightened cyber risks to ensure ongoing alignment with King IV™.

Daily monitoring of privileged access, backup integrity and data completeness and integrity supports system resilience and ensures information integrity within acceptable timeframes.

Independent ICT audit

A follow-up comprehensive ICT review of City Property's ICT was conducted by an independent assurance provider during the year. The primary objective of the initial review was to assess the continued preparedness, processes and controls within City Property's ICT environment, to ensure cyber resilience and the continuity of critical ICT services during potential disruptive events. The scope of the engagement also included an assessment of ICT general controls to evaluate their adequacy and operational effectiveness. The review concluded that ICT governance is well established, with effective controls, clear accountability, proactive monitoring and timely remediation, aligned with business objectives and regulatory requirements. Further maturity is achievable through greater automation, benchmarking and optimisation to enhance IT effectiveness and business value.

Addressing FY2026 key focus areas

During the 2026 reporting period, the effectiveness of City Property's ICT control environment was monitored, with a focus on strengthening technology governance, enhancing cyber resilience and supporting operational efficiency. Key focus areas and achievements included:

Cyber resilience and information security: Strengthened cyber resilience and information security posture through enhanced threat detection capabilities, improved vulnerability management, tighter privileged access controls and strengthened endpoint protection.

Technology infrastructure and database modernisation: Completed the upgrade of the computer infrastructure, enhancements to database platforms and implementation of network segregation to strengthen the underlying technology environment.

Business application enhancement: Successfully implemented re-engineered applications to support the automation and management of City Property's business functions, thereby improving operational efficiency and better addressing evolving business management requirements.

Artificial intelligence (AI): Continued to assess AI adoption opportunities and their potential business value. A strategic AI plan is being developed to establish an appropriate framework for governance, oversight and risk management, while ensuring alignment with the Group's strategic priorities and business objectives.

FY2027 key focus areas

The key City Property ICT priorities for FY2027 are aimed at strengthening the technology environment, enabling digital innovation, enhancing cyber resilience and ensuring effective ICT governance in support of Octodec's strategic objectives. The focus areas include:

ICT infrastructure optimisation: Refresh and optimise the City Property ICT infrastructure, including network, database and application environments, to enhance system performance, reliability, scalability and business continuity.

Artificial intelligence and innovation: Identify and implement appropriate AI governance framework and solutions to drive automation, improve operational efficiencies and enhance business processes.

Cybersecurity and information security: Further strengthen cybersecurity capabilities, security controls and risk management practices to safeguard information assets, mitigate evolving cyber threats and enhance the organisation's overall security posture.

ICT governance and policy alignment: Review and update City Property ICT policies, standards and governance frameworks to ensure continued relevance, strengthen oversight and maintain alignment with Octodec's strategic priorities and business objectives.

REMUNERATION REPORT

CHAIRMAN'S FOREWORD

We are pleased to present our remuneration report for the financial year ended 31 August 2026.

This comprehensive remuneration report comprises three sections:

PART 1: Background statement, which contains an overview of the guiding philosophy and strategic rationale underlying the group's remuneration policy

PART 2: Remuneration policy, which outlines the key components of the group's remuneration policy as it applied in the 2026 financial year and will again apply in the forthcoming 2027 financial year

PART 3: Implementation report, which details the application of the group's remuneration policy over the past 2026 financial year

In accordance with the provisions of the Companies Act, this remuneration report, comprising parts 1 to 3 above, will be presented to shareholders for approval by way of binding ordinary resolutions at the company's AGM to be held on 3 February 2027. If the report is not approved, the committee will have to explain at the next following AGM how shareholders' concerns were addressed. Non-executive directors on the committee who have served for at least 12 months during the year under review will have to stand for re-election as members of the committee.

The committee is satisfied that it has duly executed its duties and responsibilities in accordance with its terms of reference, that the remuneration policy has been consistently applied during the past financial year, and that it has achieved its stated strategic objectives.

Robin Lockhart-Ross
Chairman: Nominations and Remuneration Committee

20 November 2026

PART 1: BACKGROUND STATEMENT

REMUNERATION POLICY CONTEXT

Octodec employs a small head office staff comprising the deputy CEO *and* FD, group company secretary, assistant company secretary and compliance officer, as well as a building staff complement of 167 building managers, handymen and cleaners, all of whom fall within the scope of this remuneration policy. All of the other staff involved and engaged in the day-to-day operations of the group, including the CEO, are employed and remunerated by City Property in terms of the management agreement between Octodec and City Property that was approved at a shareholders general meeting on 30 June 2023.

The board oversees the consistent application of remuneration practices and processes that are administered by City Property in terms of its responsibility under the management agreement to provide Octodec with a comprehensive human capital support service, including payroll administration.

REMUNERATION GOVERNANCE

Octodec's remuneration policy is the board's primary governance tool for managing remuneration across the group. It informs and guides all remuneration decisions, processes, practices and structures within the group.

During the past financial year the board reassigned responsibility for the oversight of remuneration from the SERT committee, which is now known as the SET committee, to the Nomination committee, which was reconstituted as the Nominations & Remuneration committee ("NRC" or "the committee"), in order to promote more focused attention on the formulation, implementation and monitoring of remuneration policies and practices.

The committee is constituted in accordance with King V principles and comprises five non-executive directors, with the chairman of the committee being an independent non-executive director. Details of the members of the committee and their attendance at committee meetings are provided in the Report on Corporate Governance on page 82 of this integrated report.

The committee's mandate is governed by its terms of reference, which was updated to include the duties and responsibilities in relation to remuneration that were taken over from the former SERT committee. This updated terms of reference was approved by the board and will be reviewed annually.

The duties and responsibilities of the committee include promoting fair, responsible and transparent remuneration practices that are aligned with the Group's strategic priorities and that promote long-term value creation, reviewing executive and non-executive remuneration, overseeing share-based incentive schemes and ensuring appropriate and transparent disclosure of remuneration matters in compliance with applicable statutory and regulatory requirements.

REMUNERATION PHILOSOPHY

The board recognises that total remuneration is a critical tool for ensuring that employees enable the group to create shareholder value on a sustainable basis, and accordingly the board utilises a total reward framework to attract, retain and motivate high-calibre and high-performing employees, managers and executives whose values, ethics and interests are aligned with those of the group and its stakeholders.

Our remuneration philosophy is founded on the following key principles:

- Remuneration policy should support and advance the successful implementation of the group's business strategy and should create a strong pay-for-performance culture and environment across the group
- Remuneration practices should promote fair, responsible and transparent remuneration that complies with relevant legislation, addresses diversity and advances non-discrimination in pay, benefits and employee value proposition ("EVP")
- Remuneration structures and mechanisms should ensure external competitiveness with peers in the market and internal parity through consistent, appropriate and responsible remuneration decisions
- Remuneration packages should be structured on a total reward basis, which includes all elements of remuneration (cash salary, benefits, allowances and short and long-term incentives), and that is affordable to Octodec
- Remuneration disclosures in the group's periodic reporting should adhere to the highest industry standards and market best practices in terms of being relevant, comprehensive and understandable

REMUNERATION POLICY ENGAGEMENT

Octodec is committed to developing and maintaining constructive long-term relationships with all key stakeholders, including its shareholders. Our approach is therefore to engage openly and inclusively with shareholders regarding the philosophy, principles, structures and mechanisms of our remuneration policy and regarding the consistent application of that policy and related practices.

The outcome of this approach can be seen in the record of voting on the remuneration reports at the company's annual general meetings over the past three years. At the last AGM held on 4 February 2026, the FY2025 implementation report received the support of 75.22% of shareholders who voted and the FY2026 remuneration policy received 83.00% of the vote.

Only one shareholder who voted against the remuneration resolutions provided reasons for doing so, which were addressed by the committee to the satisfaction of that shareholder as follows:

Short-term incentive scheme

Shareholder's comment

Where targets are described as being set by reference to budget, actual budget numbers should be disclosed.

Committee's response

It is market practice not to disclose actual budget or forecast numbers for the forthcoming year, given the sensitivity of making this competitive information publicly available.

Board rationale

Shareholders can test, albeit retrospectively in the STI scorecard outcome in following year's remuneration implementation report, whether budgets set are challenging but achievable.

Deferred share scheme

Shareholder's comment

This scheme is not really a long-term retention and incentive scheme, but more in the nature of a deferred STI scheme.

Committee's response

It is not economic for the board to introduce a fully-fledged long-term share-incentive plan while there is only one qualifying participant in the form of the deputy CEO and FD. The deferred share scheme is however based on performance in that it is linked directly to the STI.

Board rationale

The committee will look at implementing a conditional share plan or similar scheme should the board want to include more of the group's senior executives in such an arrangement.

In formulating this policy for application in FY2027 and ahead of compiling this report for the FY2026 integrated report, the committee has engaged with key shareholders to obtain their views and inputs.

PART 2: REMUNERATION POLICY REPORT FY2027

POLICY REVIEW

In accordance with its standing practice, the committee has again in FY2026 reviewed and updated the remuneration policy to ensure that the group's total reward framework, EVP offering and remuneration packages remain relevant and effective for continued application into FY2027 in light of both external market developments and internal group changes.

No material changes have been made to the remuneration policy that will apply in the current year, other than an increase in the level of deferred share awards under the executive long-term incentive scheme, as is more fully explained below.

COMPONENTS OF REMUNERATION

In accordance with the group's total reward approach, remuneration packages of all employees, including managers and executives, are structured on a cost-to-company basis and comprise a fixed pay component, made up of cash salary and benefits (total guaranteed package), and a variable pay component, made up of short-term incentives for all employees and, for the deputy CEO *and* FD, a long-term incentive in the form of a deferred share scheme.

TOTAL GUARANTEED PACKAGE (TGP)

Employees' fixed pay consists of a monthly-paid salary and compulsory, though flexible, benefits and allowances that are consolidated into a TGP structure, which is reviewed and adjusted annually.

Other than for the deputy CEO *and* FD and group company secretary, the group's remuneration cycle is aligned with the calendar year rather than the company's financial year. It is standing practice that employees' TGP's are reviewed in November/December each year and adjusted as appropriate for inflation, job or grading changes and other relevant factors, effective as from 1 January the following year.

Factors that will be taken into account in this annual review process include the following:

- The macroeconomic environment, which continues to be characterised by uncertainty and volatility
- The competitive labour market for scarce specialist skills in the property industry and listed sector
- The group's trading performance and delivery on its strategic objectives over the past financial year
- The projected inflation rate (CPI index) and expected market salary increases in the year ahead
- The remuneration increments granted across employee categories over the past two financial years
- The attractiveness of the group's total remuneration offering versus peer group of comparable REITs
- The affordability of the group's increased total remuneration bill under various salary increase scenarios
- The group's forecast performance, prospects and distribution guidance for the year ahead

Outside of this annual review, adjustments to total remuneration will be made on an out-of-cycle basis, where appropriate, to cater for internal promotions, appointments and job changes, and to align remuneration of employees with similar positions, qualifications and responsibilities. The Paterson system is used to grade all job positions across Octodec to ensure consistent application in practice of the group's commitment to the principle of equal pay for work of equal value.

BENEFITS AND ALLOWANCES

The core benefits available to all employees include membership of a defined contribution provident fund, a medical aid scheme and a group life assurance plan. The flexibility that employees enjoy through this comprehensive range of benefits reflects the group's commitment to continuous improvement of its total reward offering and employee value proposition.

For particular job categories, travel and cellphone allowances are made available to employees where regular travel and continuous availability are features of their jobs. Accommodation is provided to building managers who are required to reside on site.

SHORT-TERM INCENTIVES (STIs): STAFF AND MANAGEMENT

All employees are eligible to participate in the annual STI award that is paid in November following the financial year-end, and that is contingent on group performance, company affordability and individual achievement by employees of their KPIs as captured in their respective performance scorecards.

On-target STIs are determined as a percentage of an employee's monthly TGP. The percentages and amounts payable are at the discretion of management, subject to review by the committee for fairness and consistency of application of the agreed parameters and then approval by the board, subject to affordability of the aggregate STI expense.

SHORT-TERM INCENTIVE SCHEME: DEPUTY CEO *AND* FD

With effect from FY2025, the deputy CEO *and* FD is eligible, in terms of his overall employment package, to receive an annual STI which is calculated as a percentage of his TGP, based on achievement of stated organisational objectives and personal deliverables over the course of the financial year.

For the purposes of assessing the performance of the deputy CEO *and* FD, his key performance indicators (KPIs) are captured in a formal STI scorecard, which sets out his performance deliverables, related measurement metrics, applicable factor weightings, financial and non-financial targets and resultant reward levels.

The deputy CEO *and* FD's STI scorecard for the financial year ahead is agreed with him by the committee and approved by the board each year, so it may vary from year to year, but its composition will be determined in accordance with the following key parameters:

KPI Category	Weighting	Metrics	Measurement
Delivery of sustainable shareholder value and annual shareholder return	25% to 35%	• Gross rental income • Net property income • Property expense ratio • Income available for distribution	Measured against budget
Enhancement of property portfolio, recycling and reallocation of capital	20% to 30%	• Disposal of properties (number and value) • Property acquisitions and developments	Measured against budget
Treasury, balance sheet and risk management	30% to 40%	• Gearing level • Liquidity profile • Available facilities • Hedging ratio • Funding cost	Measured against budget and/or policy guidelines
Management of stakeholder relationships	10% to 15%	• Feedback from key external (shareholders, bankers etc) and internal constituencies (CPA, board and staff)	Measured against 5-point rating scale

The quantum of the deputy CEO *and* FD's STI will depend on his overall performance rating as generated by the scoring of his achievement of each of the component STIs in his scorecard on the following 5 point rating scale:

Performance Rating	Rating Definition	STI Earned
1 (not achieved)	Threshold achievement, typically defined as 75% to 87,5% of target, depending on KPI	**50%**
2 (below expectation)	Marginally below-target achievement, typically defined as 90% to 95% of target, depending on KPI	**80%**
3 (achieved)	On-target achievement, where 100% of the weighting attributable to that KPI will be scored	**100%**
4 (above expectation)	Marginally above-target achievement, typically defined as 105% to 110% of target, depending on KPI	**110%**
5 (exceptional)	Stretch achievement, typically defined as 112,5% to 125% of target, depending on KPI	**125%**

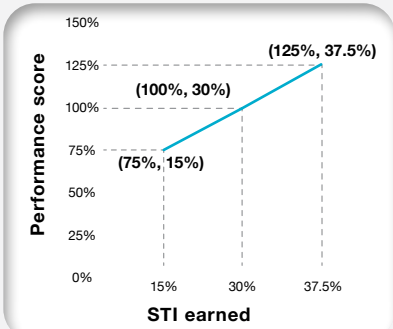
Where actual achievement of any KPI falls between these ranges, a linear scale will be applied to determine the scoring against that KPI.

The deputy CEO *and* FD's resultant STI, expressed as a percentage of his TGP, will be 30% at on-target performance, 15% at threshold and 37.5% at stretch. Below threshold performance will result in no STI being paid and above stretch performance is capped at 37.5% of TGP.

STI calculation

TGP (A) X STI % (B) = STI earned (C)

Level	Performance score	STI % (B)	STI earned (C)
Below threshold	< 75%	0%	0% of TGP
Threshold	75%	15.0%	15% of TGP
Target	100%	30.0%	30% of TGP
Stretch	125%	37.5%	37.5% of TGP



LONG-TERM INCENTIVE: DEPUTY CEO *AND* FD

With effect from FY2026, the board approved the introduction of a long-term share-based arrangement in the form of a deferred share scheme that is intended to align the interests of Octodec's executives with those of shareholders. In November 2025 the board approved the admission of the deputy CEO *and* FD as the first participant in the scheme.

The LTI scheme, which may in future be expanded to admit other Octodec executives and key staff, operates according to the following rules:

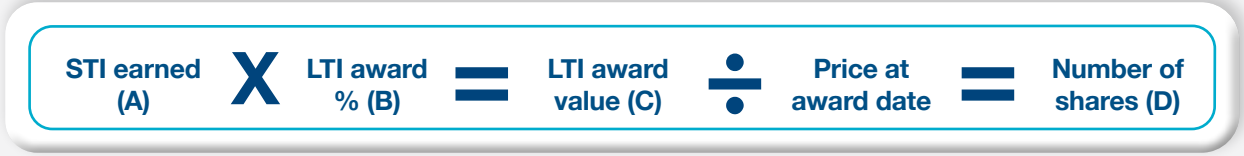
- The board will approve the categories of executives who may participate in the scheme, as well as the admission of individual executives as participants on the recommendation of the committee
- A participant will be awarded an annual deferred share incentive, which will be calculated in Rand terms as a percentage of his STI amount and which will be settled in the form of Octodec shares
- These shares will be acquired in the open market by the company at the ruling price and held in escrow in the name and on behalf of the participant for a period of 3-years from the date of the award
- During this 3-year period the shares will not be subject to any further performance-linked conditions, other than continued employment, but the participants will be restricted from trading in the shares
- Despite the prohibition on trading in the shares during the 3-year restricted period, the participant will be entitled to receive all dividends declared and paid on the shares held in his name

- At the end of the 3-year restriction period, provided that the participant is still an employee in good standing, the shares will be released from escrow and become available to the participant for trading
- Where the participant is a director of the company, he will still be subject to the policy on trading in the company's shares, including the requirement for express prior clearance for any trades
- Should the participant leave the group's employment before the release of any tranche of shares, all shares still under restriction at date of termination of employment will be forfeited by the participant
- The extent of forfeiture will be dependent on whether the participant's termination is considered to be on "good leaver" or on "bad leaver" grounds, as assessed by the committee in its discretion
- For purposes of the scheme, "good leaver' circumstances include death, retirement, retrenchment, medical boarding and corporate action, while "bad leaver" will be dismissal, discharge or resignation
- Where termination is on "good leaver" grounds, all tranches of deferred shares still held in escrow under restriction will, subject to the exercise of the committee discretion, be released to the participant
- In the case of termination on "bad leaver" grounds, any tranches of deferred shares held in escrow will be forfeited by the participant, unless the committee recommends and the board decides otherwise
- Malus and clawback provisions will apply to scheme awards: malus to shares awarded but still restricted and clawback to previously awarded shares released to participants in the last two years

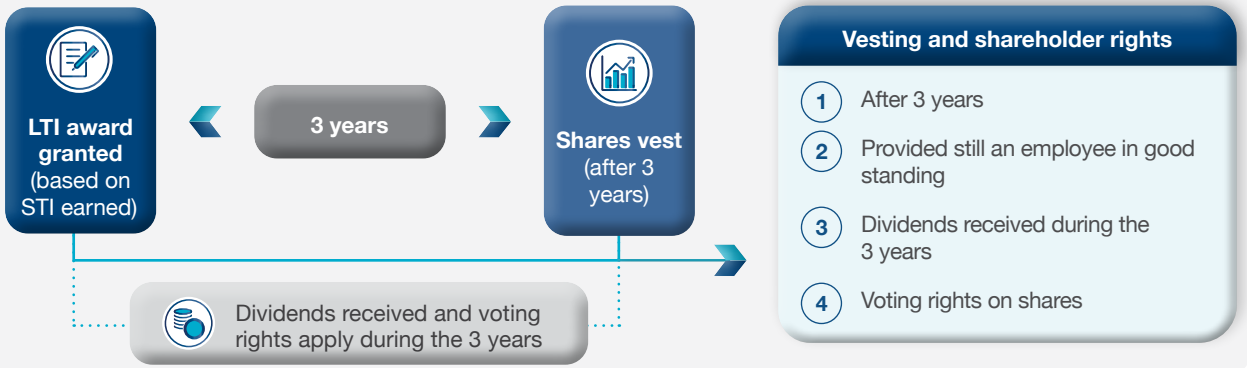
The first award of deferred shares under this LTI scheme the deputy CEO *and* FD was approved by the board during October 2026 in respect of FY2026 – refer to part 3 of this report for details – and it is anticipated that further awards will be determined by the committee for approval by the board in November each year, following the scoring of the deputy CEO *and* FD's annual performance outcome and the determination of his resultant STI.

In the annual renegotiation of the deputy CEO *and* FD's package, the committee will have discretion, in determining his LTI award for the forthcoming year, to set the percentage applied to his STI at between 100% and 150%.

LTI calculation



Annual LTI award	LTI award % (B)	LTI award value (C)	Number of shares (D)	Vesting
STI earned (A) Actual	Committee discretion	(A) x (B)	(C) + Price at award date	After 3 years



REMUNERATION BENCHMARKING

The TGP's of Octodec's staff and management are benchmarked against the market median on an annual basis as part of the annual salary review process, using comparable information through Remchannel.

The deputy CEO *and* FD's package on his appointment in November 2024 was determined following an external benchmarking exercise, which will be repeated every two to three years. In the intervening years, the committee performs its own internal market benchmarking exercise, applying the same methodology as is used by independent remuneration consultants and referencing to a peer group of 9 comparable mid-size REITs, namely:

Burstone Group Ltd
Castleview Property Fund Ltd
Dipula Properties Ltd
Emira Property Fund Ltd
Exemplar REITail Ltd
Heriot REIT Ltd
SA Corporate Real Estate Ltd
Spear REIT Ltd
Stor-Age REIT Ltd.

EMPLOYMENT TERMS AND CONDITIONS

All Octodec's employees, including managers and executives, are engaged in terms of written employment contracts with the company. These contracts set out the salary, benefits, working hours, leave entitlement, notice period and other relevant terms and conditions of employment.

There are no contractual provisions in the contracts of employees or the deputy CEO *and* FD that might give rise to payments on termination of service as compensation for loss of employment or office.

NON-EXECUTIVE DIRECTORS

Although the remuneration of non-executive directors (NEDs) is not governed by the Group Remuneration Policy but by a separate Policy on Non-executive Directors' Remuneration, a brief outline is provided below of the terms of appointment and remuneration of NEDs.

Non-executive directors are appointed by the board in terms of the company's memorandum of incorporation and their appointments are confirmed by shareholders at the first AGM following their appointment and thereafter on a 3-yearly basis, in terms of which they must retire by rotation and may, if eligible, offer themselves for re-election.

It is the company's policy, in order to attract individuals with the requisite qualifications, expertise, experience and independence to serve on the board, to remunerate non-executive directors on a competitive basis in relation to the market. To this end, the remuneration paid to non-executive directors is benchmarked by the committee every two to three years against the same peer group of comparable mid-size REITs, as detailed earlier in this report, that is used to benchmark the total remuneration of the deputy CEO *and* FD.

The remuneration paid to non-executive directors comprises an annual retainer and a fee for attending meetings of the board and of those committees of which they are formal members or standing invitees. Both the retainers and meeting fees are payable quarterly in arrears.

Non-executive directors do not have contracts of employment with the company that might give rise to payments for loss of office. They do not participate in the group's STI or LTI schemes nor is any remuneration paid to them that is linked to or contingent on the performance of the group.

The proposed fees payable to non-executive directors for the period 1 September 2027 to 31 August 2028 are set out in Special Resolution 2 in the Notice of AGM.

PART 3: REMUNERATION IMPLEMENTATION REPORT FY2026

TOTAL EMPLOYEE REMUNERATION

Most of the day-to-day operations of the company are outsourced to City Property in terms of the management agreement, so the employee complement of the company comprises only the following categories:

- Building staff: building managers, handymen and cleaners – 167
- Company secretariat: group company secretary, assistant company secretary and compliance officer
- Deputy CEO *and* FD

The table below reflects the total remuneration actually paid in cash by the company during FY2026 to all employees across all three categories:

Total remuneration paid by Octodec

Year ended	31 August 2026 Rand	Building & corporate staff	Group Company Secretary	Deputy CEO *and* Financial Director	31 August 2025
Basic salaries and benefits	**33 343 881**	26 972 392	1 810 879	4 560 610	32 842 449
Contributions to pension, provident and group life	**4 370 863**	3 710 807	220 662	439 394	3 913 195
Value of accommodation provided to building staff	**1 038 912**	1 038 912	–	–	6 349 464
Short-term incentives paid	**4 882 354**	2 373 675	196 179	2 312 500	2 666 336
	43 636 010	34 095 796	2 227 710	7 312 504	45 770 444

Details of the total remuneration of the deputy CEO *and* FD and the group company secretary are provided later in this report.

SECTION 30B REMUNERATION DISCLOSURES

Description	Measure	FY2026 Actual (171) Rand	FY2025 Actual (185) Rand
The highest annual salary cost paid to an employee during the reporting period	Highest total remuneration	**7 313 004**	4 039 176
The lowest annual salary cost paid to an employee during the reporting period	Lowest total remuneration	**104 391**	97 001
The average annual salary cost across all employees included in the analysis	Average total remuneration	**253 232**	229 208
The midpoint annual salary cost, with 50% of employees earning above and 50% earning below this amount	Median total remuneration	**191 645**	184 530
The average annual salary cost of employees within the highest-paid 5% of the workforce	Top 5% total remuneration	**1 799 556**	1 470 854
The average annual salary cost of employees within the lowest-paid 5% of the workforce	Bottom 5% total remuneration	**108 706**	103 546
The ratio of the average remuneration of the top 5% of employees to the average remuneration of the bottom 5%, indicating the level of pay disparity within the organisation	Ratio of top 5% to bottom 5% remuneration	**16.55 : 1**	14.20 : 1

The above remuneration differential reflects the company's workforce profile, in that it employs a high number of building-based semi-skilled and unskilled operational employees and a small number of highly skilled specialist managers.

ANNUAL REMUNERATION REVIEW

Following the annual remuneration review conducted in November 2025, an overall increase in the company's total remuneration bill of 5.0% was implemented with effect from 1 January 2026 (FY2025: 5% effective January 2025). This increase was differentiated as between 5.00% for building staff, 3.5% for managers, 4.0% for the company secretariat.

As was disclosed in the remuneration policy report last year's IAR (refer page 97), the remuneration package of the deputy CEO *and* FD was substantially restructured with effect from 1 September 2025, so as to increase the variable performance-linked component of his total remuneration and to introduce a long-term share-based component. Furthermore, the practice of remunerating executive directors through directors' fees was discontinued.

In November 2025 a performance-linked bonus calculated in the main as one-month's salary and amounting in total to R4 882 354 was paid to all employees in November 2025 (November 2024 R2 666 336). Details of the bonuses paid to the Deputy CEO *and* FD and to the group company secretary are provided later in this report.

SHORT-TERM INCENTIVE: DEPUTY CEO *AND* FD: FY2026

The outcome of the scoring of the deputy CEO *and* FD's achievement of his KPIs for FY2026 was as follows:

Category	KPI	Target	Outcome	Weighting (%)	Score
Sustainable value and shareholder annual return	Achieve budget rental income*	R1 590 million	R1 593 million	5.0	5.0
	Achieve budget net property income*	R972 million	R996 million	5.0	5.6
	Maintain property to expense margin	39.0%	38.5%	5.0	5.5
	Achieve budget distributable income*	R438 million	R498 million	15.0	18.8
Enhance the portfolio	Drive disposal of properties	R200 million	R202 million	7.5	7.6
	Drive disposal of Killarney Mall	R400 million	R397.5 million	7.5	7.5
	Drive acquisitions and developments	R150 million	R60 million	7.5	0.0
Treasury management	Maintain minimum loan maturity profile	18 months	24 months	5.0	6.3
	Improve the weighted average loan margin	1.98%	1.96%	10.0	10.3
	Maintain minimum hedging profile	70%	77%	5.0	5.5
	Maintain hedging maturity profile	12 months	12 months	5.0	5.0
	Maintain minimum level of available facilities	R500 million	R1.1 billion	2.5	3.1
	Maintain loan to value	< 38.0%	36.1%	10.0	11.0
Stakeholder management	Maintain positive relationship with board committees, shareholders, lenders, insurers and City Property	3	3.75	10.0	10.7
				100.0	101.9

* Both target and actual numbers normalised to achieve like-for-like comparison by excluding properties sold during the year

Based on the above scorecard outcome, the committee determined the deputy CEO and FD's final score for FY2026 at 101.9% and his FY2026 STI at R1 528 500, which will be paid to him as a cash bonus in November 2026 and was calculated as follows:

On-target STI of 30% of TGP of R5 000 000 = **R1 500 000** X **performance score of 101.9%** = **R1 528 500**

LONG-TERM INCENTIVE: DEPUTY CEO *AND* FD: FY2026

In terms of the annual renegotiation of deputy CEO *and* FD's package for FY2026, it was as agreed by the board that his deferred share award for FY2026 would be determined as 100% of his FY2026 STI, which amounted to **R1 528 500**, as determined above.

As was disclosed in last year's report, it was agreed by the committee that as a once-off transitional measure that would be applied to his first-time deferred share award in respect of FY2026, the Rand value of his LTI award would be adjusted to take into account the movement in the Octodec share price from **R11.15** at the start of the financial year to **R17.40** at year end date.

This rider has resulted in a final FY2026 award of **137 085** shares to the deputy CEO *and* FD which was determined by the committee as **R1 528 500** converted at **R11.15** and which was approved by the board in October 2026. Translated at the share price at year-end date, the award was valued at **R2 385 279**.

This award will be settled by the company's acquisition of Octodec shares in the open market, which can happen only after the end of the closed period relating to the release of the group's FY2026 results on **24 November 2026**, These shares will be held in escrow as deferred shares in the name and on behalf of the deputy CEO *and* FD for a period of three years running until October 2029 in accordance with and subject to the rules of the deferred share scheme.

SHORT-TERM INCENTIVE: DEPUTY CEO *AND* FD: FY2027

Following its completion of the deputy CEO *and* FD's performance scorecard for FY2026 and its review of his total remuneration package for FY2027, the committee has made no material changes to the structure of his performance scorecard for FY2027, which thus complies with the policy parameters as described earlier in this report.

The table below sets out the scorecard that will be utilised by the committee in assessing the deputy CEO *and* FD's performance and determining his STI for FY2027.

KPI category	Required outcome	Target	Weighting
Sustainable value and shareholder annual return	Achieve budgeted rental income	**Budget**	**5.0%**
	Achieve budgeted net property income	**Budget**	**5.0%**
	Improve operating cost ratio	**38.5%**	**5.0%**
	Achieve budgeted distributable income	**Budget**	**15.0%**
Enhance the portfolio	Drive disposal of properties	**R250m**	**15.0%**
	Drive acquisitions and/or redevelopments	**R150m**	**10.0%**
Treasury management	Maintain a minimum maturity profile	**18 months**	**5.0%**
	Improve weighted average loan margin	**1.93%**	**10.0%**
	Maintain a minimum hedging profile	**70%**	**5.0%**
	Maintain hedging maturity profile	**12 months**	**5.0%**
	Maintain minimum level of available facilities	**R500m**	**5.0%**
	Improve loan-to-value ratio	**< 38%**	**5.0%**
Stakeholder management	Maintain positive relationships with board, shareholders, lenders, auditors and City Property	**3**	**10.0%**
			100.0%

LONG-TERM INCENTIVE; DEPUTY CEO *AND* FD: FY2027

In terms of his total remuneration package for FY2027, the deputy CEO *and* FD will again become entitled to receive a deferred share award, depending on and linked to his performance against his FY2027 STI scorecard. This will be determined on the same basis as his FY2026 award, except that the multiple applied to his FY2027 STI to determine the Rand value of his FY2027 deferred share award will be increased from 100% to 120%, The rationale for this higher multiple is to increase the variable long-term performance- linked component of his total remuneration package, which has been shown by the recent internal benchmarking exercise to be low in comparison to his counterparts in the peer group.

TOTAL REMUNERATION OF EXECUTIVE DIRECTORS AND GROUP COMPANY SECRETARY

Rand	Basic salary	Benefits	TGP	STI#	LTI^	Total package	Board fees	Total
FY2026								
Directors								
Jeffrey Wapnick*	–	–	–	–	–	–	–	–
Riaan Erasmus (appointed 30 November 2024)	4 560 610	439 394	5 000 004	1 528 500	2 385 279	8 913 783	–	8 913 783
	4 560 610	439 394	5 000 004	1 528 500	–	8 913 783	–	8 913 783
Group company secretary								
Elize Greeff	2 227 710	220 602	2 448 312	204 026	–	2 652 338	–	2 652 338
	6 788 320	659 996	7 448 316	1 732 526	2 385 279	11 566 121	–	11 566 121

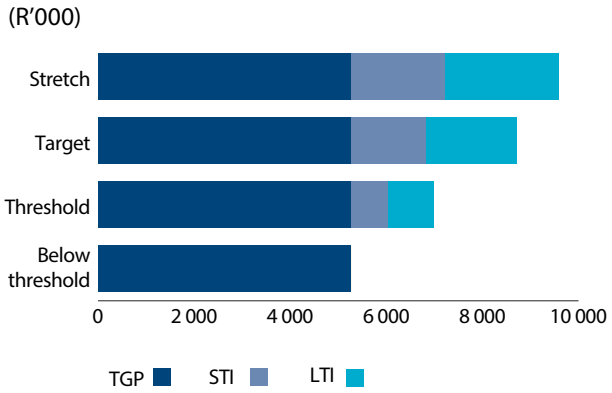
Rand	Basic salary	Benefits	TGP	STI	LTV^	Total package	Board fees	Total
FY2025								
Directors								
Jeffrey Wapnick*	–	–	–	–	–	–	463 223	463 223
Anabel Vieira (retired 30 November 2024)*	–	–	–	–	–	–	134 618	134 618
Riaan Erasmus (appointed 30 November 2024)	2 727 278	272 728	3 000 006	2 312 500*	–	5 312 506	328 615	5 641 121
	2 727 278	272 728	3 000 006	2 312 500	–	5 312 506	926 456	6 238 962
Group company secretary								
Elize Greeff	2 126 514	211 739	2 338 253	196 179	–	2 534 432	–	2 534 432
	4 853 792	484 466	5 338 259	2 508 679	–	7 846 938	926 456	8 773 394

Bonus relating to FY2026 determined post year-end but accrued at 31 August 2026
^ Deferred shares relating to FY2026 awarded post year-end and valued at R17.40 at 31 August 2026
* Jeffrey Wapnick is and Anabel Vieira was remunerated by City Property and not Octodec

REMUNERATION OF THE DEPUTY CEO AND FINANCIAL DIRECTOR – FY2027

In conclusion, the remuneration package of the Deputy CEO and Financial Director for FY2027 comprises a fixed component in the form of a TGP of R5.25 million and a variable component made of a STI in the form of an on-target cash bonus of 30% of his TGP and a LTI in the form of a deferred share award equal to 120% of his STI.

The value of this total remuneration package at threshold, target and stretch performance is illustrated in the below graphic:



REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS FY2026

The total fees payable to non-executive directors during FY2026 are set out in the table below:

Director	Annual retainer Rand	Meeting fees Rand	Total fees 2026 Rand	Total fees 2025 Rand
Sharon Wapnick	788 839	445 148	1 233 987	1 216 517
Richard Buchholz	366 220	375 612	741 832	680 604
Nyimpini Mabunda	328 391	236 541	564 932	553 165
Maggie Mojapelo	328 391	247 059	575 450	598 131
Myron Pollack	328 391	236 541	564 932	733 029
Pieter Strydom*	169 110	168 055	337 165	860 829
Louis van Breda	328 391	409 737	738 128	740 594
Derek Cohen	–	–	–	236 083
Sanjay Bhikha#	328 391	401 790	730 181	–
Robin Lockhart-Ross#	328 391	307 362	635 753	–
	3 294 515	2 827 845	6 122 360	5 618 952

* Retired on 4 February 2026

\# Appointed on 1 September 2025

NON-EXECUTIVE DIRECTORS' FEES FOR FY2027 AND FY2028

The non-executive directors' fees payable for FY2027 have already been approved by shareholders at the company's AGM on 4 February 2026.

	Fees approved for FY2027 (approved at AGM on 4 February 2026) Rand	Fees proposed for FY2028 (to be tabled at AGM on 3 February 2027) Rand
Annual retainer		
Board chairman	788 839	828 281
Lead independent director	394 591	414 321
Non-executive director	328 391	344 811
Fees per meeting		
AGM (payable to the chairman of the board)	19 751	20 739
Board meeting	19 751	20 739
Subcommittee meeting: committee member	23 607	24 787
Subcommittee meeting: committee chairman	28 866	30 309

Given that no increase in non-executive directors' fees was sought for FY2027 from shareholders at the last AGM, the committee has proposed and the board has recommended an inflation-linked increase of 5% for FY2028, which will be subject to shareholder approval in terms of special resolution no 2 to be presented at the AGM to be held on 3 February 2027.



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APPENDICES

ANALYSIS OF ORDINARY SHAREHOLDERS

as at 31 August 2026

Shareholder Spread	Number of shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
1 – 1 000	1 939	51.50%	339 647	0.13%
1 001 – 10 000	1 067	28.34%	4 498 420	1.69%
10 001 – 100 000	587	15.59%	19 251 576	7.23%
100 001 – 1 000 000	134	3.56%	42 212 976	15.86%
Over 1 000 000	38	1.01%	199 894 916	75.09%
Total	**3 765**	**100.00%**	**266 197 535**	**100.00%**
Distribution of Shareholders				
Assurance Companies	12	0.32%	393 810	0.15%
Close Corporations	44	1.17%	27 758 010	10.43%
Collective Investment Schemes	58	1.54%	20 885 053	7.85%
Custodians	13	0.35%	2 683 193	1.01%
Foundations & Charitable Funds	28	0.74%	2 796 786	1.05%
Investment Partnerships	6	0.16%	185 528	0.07%
Managed Funds	10	0.27%	1 797 689	0.68%
Medical Aid Funds	5	0.13%	1 017 094	0.38%
Organs of State	3	0.08%	11 192 239	4.20%
Private Companies	154	4.09%	137 324 149	51.59%
Public Companies	3	0.08%	1 058 630	0.40%
Retail Shareholders	3 168	84.14%	23 764 430	8.93%
Retirement Benefit Funds	39	1.04%	10 801 629	4.06%
Scrip Lending	1	0.03%	809	0.00%
Stockbrokers & Nominees	13	0.35%	333 526	0.13%
Trusts	208	5.52%	24 204 960	9.09%
Total	**3 765**	**100.00%**	**266 197 535**	**100.00%**

* Pursuant to the provisions of Section 56 of the Companies Act, 2008, disclosures from foreign nominee companies have been included in this analysis

Shareholder Type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-Public Shareholders	45	1.20%	104 513 496	39.26%
Directors and Associates	45	1.20%	104 513 496	39.26%
Public Shareholders	3 720	0.00%	161 684 039	60.74%
Total	**3 765**	**100.00%**	**266 197 535**	**100.00%**

Fund Managers With A Holding Greater Than 3% of The Issued Shares	Number of Shares	% of issued Capital
Catalyst Fund Managers	15 136 305	5.69%
Public Investment Corporation	8 085 155	3.04%
Total	**23 221 460**	**8.72%**

Beneficial Shareholders With A Holding Greater Than 3% Of The Issued Shares	Number of Shares	% of issued Capital
Freestone Property Investments (Pty) Ltd	63 179 732	23.73%
Lefkopaul CC	20 209 741	7.59%
Tomneff Investments (Pty) Ltd	18 331 418	6.89%
City Property Administration (Pty) Ltd	12 746 116	4.79%
Government Employees Pension Fund	11 192 239	4.20%
Alpiet Investments (Pty) Ltd	9 968 661	3.74%
Bosjacob (Pty) Ltd	8 395 911	3.15%
Total	**144 023 818**	**54.10%**

Total number of shareholdings	**3 765**
Total number of shares in issue	**266 197 535**

Share Price Performance	% of issued Capital
Opening Price 01 September 2025	R11.05
Closing Price 31 August 2026	R17.40
Closing high for period	R18.50
Closing low for period	R10.90
Number of shares in issue	266 197 535
Volume traded during period	86 243 499
Ratio of volume traded to shares issued (%)	32.40%
Rand value traded during the period	R1 399 725 038
Price/earnings ratio as at 31 August 2026	9.93
Earnings yield as at 31 August 2026	10.07
Dividend yield as at 31 August 2026	7.87
Market capitalisation at 31 August 2026	R4 631 837 109

SHAREHOLDER'S DIARY

The salient dates relating to the final dividend are as follows:

	2026
Last day to trade cum-dividend	Monday, 14 December
Shares trade ex-dividend	Tuesday, 15 December
Record date	Friday, 18 December
Payment date	Monday, 21 December
Share certificates may not be dematerialised or rematerialised between	Tuesday, 15 December 2026 and Friday, 18 December 2026, both days inclusive



Sharon's Place

GLOSSARY

AGM	Annual general meeting
B-BBEE	Broad-based black economic empowerment
Board	Board of directors of the company
CBD	Central business district
CID	City Improvement District
City Property	City Property Administration (Pty) Ltd
Companies Act	Companies Act, No 71 of 2008
Corporate citizenship	The recognition that the company is an integral part of the broader society in which it operates, affording the company standing as a juristic person in that society with rights but also responsibilities and obligations. It is also the recognition that the broader society is the licensor of the company.
CPI	Consumer Price Index
CRM	Client relationship management
CSI	Corporate social investment
DED	Department of Economic Development
DEIB	Diversity, equity, inclusion and belonging
DMTN	Domestic Medium-Term Note
ECD	Early Childhood Development
ECL	Expected credit loss
ERM	Enterprise risk management
ESG	Environmental, social and governance
EVP	Employee value proposition
FTE	Full-time equivalent
FVTPL	Fair value through profit or loss
GDP	Gross domestic product
GHG emissions	Greenhouse gas emissions
GLA	Gross lettable area
GRC	Governance, Risk and Compliance
Group	Octodec, its subsidiaries and associated company
HQLA	High-quality liquid asset
HR	Human resources
IAS	International Accounting Standard
ICAS	Independent Counselling and Advisory Services
ICR	Interest cover ratio
ICT	Information and communications technology
IFRS	International Financial Reporting Standards
International <IR> Framework	International Integrated Reporting Framework

IRBA	Independent Regulatory Board for Auditors
ISA	International Standards on Auditing
ICT	Information communication technology
JSE	Johannesburg Stock Exchange Ltd
JV	Joint venture
King IV™	IoDSA King IV Report on Corporate Governance for South Africa, 2016™
King V™	IoDSA King V Report on Corporate Governance for South Africa, 2025™
KPA	Key performance areas
KPI	Key performance indicator
LED	Light-emitting diode
LID	Lead independent director
LSM	Living Standards Measure
LTI	Long-term incentive
LTV	Loan-to-value
Management agreement	Asset and property management agreement entered into between Octodec and City Property
MOI	Memorandum of Incorporation
NAV	Net asset value
NAVPS	Net asset value per share
NPO	Non-profit organisation
NPS	Net promoter score
NSFAS	National Student Financial Aid Scheme
OECD	Organisation for Economic Co-operation and Development
Prime	Prime interest rate offered by Nedbank Ltd and Standard Bank of SA Ltd
PV	Photovoltaic
REIT	Real Estate Investment Trust as defined in section 1 of the Income Tax Act, No 58 of 1962
RID	Retail improvement district
SAICA	South African Institute of Chartered Accountants
SAPOA	South African Property Owners Association
SAPS	South African Police Service
SENS	Stock Exchange News Service
SET committee	Social, ethics and transformation committee
SME	Small, medium-sized entity
STI	Short-term incentive
VAT	Value-added tax
WALE	Weighted average lease expiry
Yethu City	Affordable co-living development concept that repurposes underused or vacant buildings into quality, technology-enabled accommodation

CORPORATE INFORMATION

Octodec Investments Limited

Incorporated in the Republic of South Africa
Registration number: 1956/002868/06
JSE Share code: OCT
JSE alpha code: OCTI
ISIN: ZAE000192258
LEI: 3789I36JI0BKTUSZ8813
(Approved as a REIT by the JSE)

Registered address

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E-mail: info@octodec.co.za

Directors

S Wapnick (chairman)[1], JP Wapnick (CEO)[2], R Erasmus (deputy CEO *and* FD)[2], SR Bhikha[4], RWR Buchholz[3], R Lockhart-Ross[4], NC Mabunda[4], EMS Mojapelo[4], MZ Pollack[1], LP van Breda[4]

1 Non-executive director
2 Executive director
3 Lead independent director
4 Independent non-executive director

Group company secretary

Elize Greeff
CPA House, 101 Du Toit Street, Tshwane, 0002
Tel: 012 357 1564
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Equity and Debt market

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E-mail: nedbanksponsor@nedbank.co.za/ debtsponsor@nedbank.co.za

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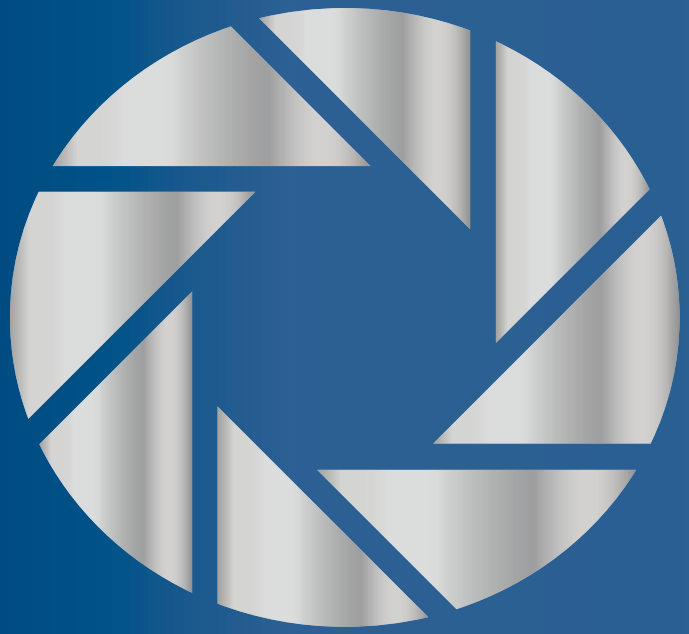

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