



Annual results

for the year ended 30 June **2023**

A decade of development, growth and value creation

X 10 YEARS LISTED
ATTACQ



ANNUAL RESULTS

for the year ended 30 June 2023

10 YEARS LISTED
ATTACQ

A decade of development, growth and value creation

Notes

ATTACQ | ANNUAL RESULTS PRESENTATION FOR THE YEAR ENDED 30 JUNE 2023

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Nexus Waterfall, Nexus 1, Waterfall City

AGENDA

10 YEARS LISTED
ATTACQ

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PERFORMANCE HIGHLIGHTS



STRATEGIC PARTNERSHIP
R2.7 billion investment in Waterfall City by strategic investment partner, **Government Employees Pension Fund** is unconditional



DISTRIBUTABLE INCOME PER SHARE increased by **14.5%** to **71.9 cents**



FULL YEAR DIVIDEND PER SHARE increased by **16.0%** to **58.0 cents**



INTEREST COVER RATIO improving to **1.69 times** from 1.58 times



WEIGHTED AVERAGE ANNUAL TRADING DENSITY GROWTH of **12.7%**



OCCUPANCY, 92.5% and **COLLECTIONS, 100.7%**



DEVELOPMENTS COMPLETED AT WATERFALL CITY[^] totalling **30 586m²** of GLA



ATTACQ ENERGY **1.8MWp** of additional **roof-top PV systems** installed, generating **5.3%** of our **total energy** requirements

[^] Total not effective share

Notes

A DECADE OF DEVELOPMENT, GROWTH AND VALUE CREATION



Mall of Africa under construction, Waterfall City (2014)

www.attacq.co.za



Notes

A DECADE OF DEVELOPMENT, GROWTH AND VALUE CREATION



Financial years



2008
Acquired 75% of the Waterfall City development rights

2016
Mall of Africa opened as the largest retail development constructed in a single phase in Africa (Attacq has an 80% interest)

2018
Converted to a REIT on 29 May 2018
Declared and paid maiden dividend
Completion of PwC Tower, in which Attacq has a 75.0% interest

2022
Completed Nexus Waterfall, building 1 - First Net Zero Carbon Level 1 building (SBCSA)

Signed our first power purchase agreement (PPA)

Completed Vantage data centre phase 1

Achieved B-BBEE* Level 1

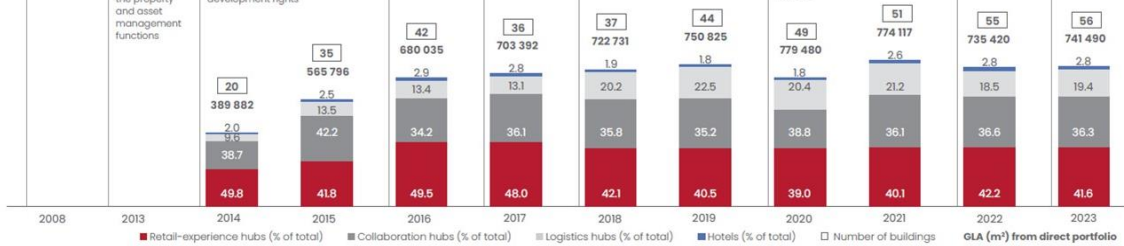
2013
Listed on the JSE as a capital growth property company and internalised the property and asset management functions

2014
Acquired the minority interest (25.0%) in Attacq Waterfall Investment Company (Pty) Ltd (AWIC), the holding company of all our assets in Waterfall City including 100% of the future development rights

2017
Internalised the development management function

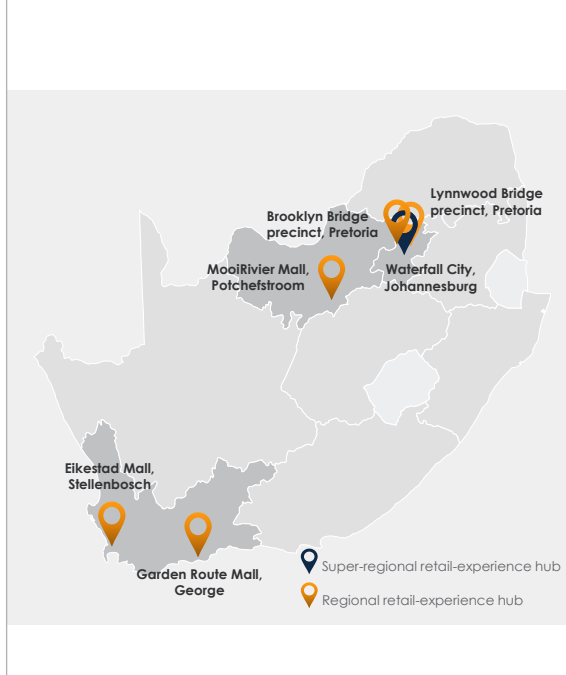
2020
Commenced our first residential development in Waterfall City, Ellipse Waterfall
Completed the Deloitte head office, in which Attacq had a 50.0% interest

2023
Introduced GEPF as a strategic investment partner in our Waterfall City development



Notes

ATTACQ'S FOCUS AREAS



Area	DIPS	Value of portfolio	% of group DIPS	% of total assets
TOTAL	71.9cps FY22: 62.8cps	R21.8 billion FY22: R21.6 billion	100.0% FY22: 100.0%	100.0% FY22: 100.0%
WATERFALL CITY	41.2cps FY22: 32.3cps	R13.6 billion FY22: R13.3 billion	57.3% FY22: 51.4%	62.4% FY22: 61.6%
REST OF SOUTH AFRICA	21.2cps FY22: 20.7cps	R6.6 billion FY22: R6.9 billion	29.5% FY22: 33.0%	30.3% FY22: 31.7%
OTHER INVESTMENTS	9.5cps FY22: 9.8cps	R1.6 billion FY22: R1.4 billion	13.2% FY22: 15.6%	7.3% FY22: 6.7%

Notes

7 **ATTACQ ESG**



Environment

Annually improve our carbon emissions



- Carbon footprint reduced by 10.4%
- Energy efficiency and resilience projects well under way
- Required **EPC certificates completed**
- Proactive **water demand management** strategy results in overall water consumption decreased

Our communities

Contribute meaningfully to the communities in which we operate



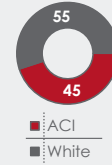
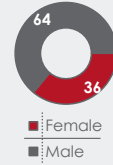
- **Employee Engagement and Satisfaction survey** conducted with the following results:
 - › Employee wellness score of 72%
 - › Employee satisfaction score of 78%
 - › Employee engagement score of 83%
- **Packed 273 522 meals** during our Rise Against Hunger campaign on Mandela Day 2023

Governance

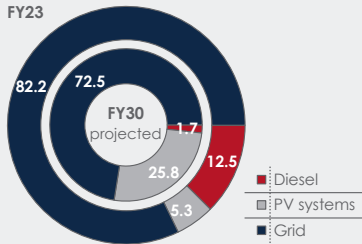
Act to protect the interest of the company and all stakeholders



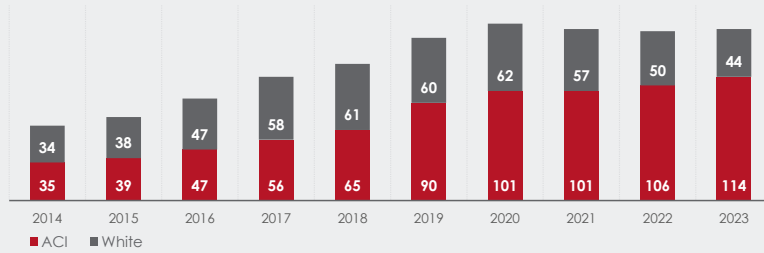
Board demographics achieved



Energy mix FY23



Employee demographics



Notes

8



Eikestad Mall, Stellenbosch

COMPLETED SOUTH AFRICAN PORTFOLIO

Waterfall City and Rest of South Africa



Notes

9

SOUTH AFRICAN PORTFOLIO

01

Like-for-like value change

0.3% increase

Jun 2022: 3.4% increase

02

Collection rate

100.7%

Jun 2022: 97.8%

03

Occupancy rate

92.5%

Jun 2022: 92.1%

04

WALE[#]
4.5 years

Jun 2022: 3.4 years

05

Client retention rate

82.2%

Jun 2022: 42.9%

06

Reversion rate^{*}
6.3% negative

Jun 2022: 3.1% negative

07

Lease escalation rate[^]
6.8%

Jun 2022: 6.8%

08

Trading density change

12.7%

Jun 2022: 12.6%

[#] Weighted average lease expiry on GLA
^{*} New and renewed leases
[^] Weighted average for the portfolio

Notes

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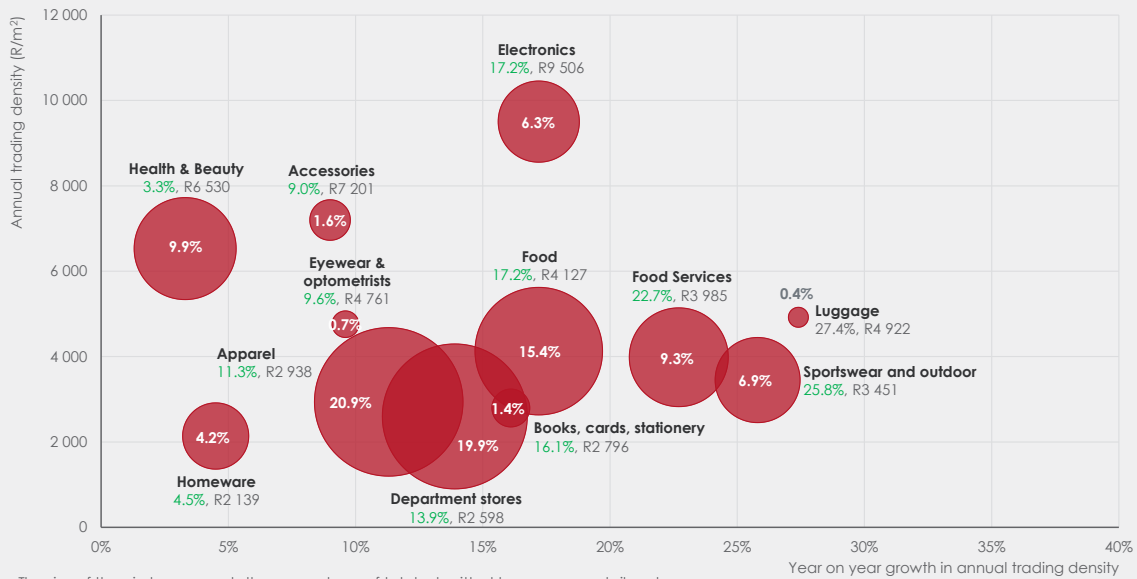
RETAIL-EXPERIENCE HUB PERFORMANCE

CENTRE	12-MONTH AVERAGE TRADING DENSITY*			JUN 2023				
	Jun 2023 (R/m ²)	Jun 2022 (R/m ²)	Growth (%)	12-months average rent to turnover [#] (%)	12-months average effort ratio [^] (%)	New brands introduced (number)	Upgraded stores (number)	Renewed leases (number)
Super-regional	4 244	3 617	17.3					
Mall of Africa	4 244	3 617	17.3	7.6	9.2	21	16	33
Regional	3 141	2 878	9.1					
Brooklyn Mall	3 177	2 904	9.4	8.2	n/a	7	13	58
Eikestad Mall	2 947	2 605	13.1	6.2	8.0	14	12	34
Garden Route Mall	3 422	3 157	8.4	5.8	7.2	10	10	18
MooiRivier Mall	2 917	2 708	7.7	6.7	8.3	7	5	37
Convenience	5 875	5 434	8.1					
Glenfair Boulevard	5 117	4 885	4.7	4.9	6.2	1	-	10
Lynnwood Bridge	6 836	6 166	10.9	3.3	4.6	3	-	6
Neighbourhood	5 319	4 459	19.3					
Waterfall Corner	5 319	4 459	19.3	4.1	5.6	3	-	4
Portfolio (weighted average)	3 823	3 392	12.7					

^{*} Reported tenant turnover divided by GLA based on a 12-month average
[#] Gross rental including operating costs and rates divided by reported turnover based on a 12-month average
[^] Total client cost (rental, operational cost, rates, utility, diesel)

Notes

11 RETAIL CATEGORY PERFORMANCE



The size of the circle represents the percentage of total submitted turnover per retail sector
 Excluded above: Entertainment: year-on-year growth 73.2%, annual trading density R418/m², percentage of submitted turnover 0.7%
 Speciality: year-on-year growth -17.1%, annual trading density R4 922/m², percentage of submitted turnover 2.2%

Notes

12 WATERFALL CITY PORTFOLIO OVERVIEW



	Retail-experience hubs		Collaboration hubs		Logistics hubs		Hotel					
	Jun 2023	Jun 2022	Jun 2023	Jun 2022	Jun 2023	Jun 2022	Jun 2023	Jun 2022				
Number of buildings	3	3	25	25	14	13	2	2				
Occupancy (%)	95.6	95.0	82.8	80.8	100.0	100.0	100.0	100.0				
WALE# (years)	3.7	4.2	4.5	5.1	6.6	7.1	7.4	8.4				
Reversion* (%)	(0.4)	(0.6)	(28.3)	(10.0)	6.9	-	-	-				
Valuation movement (% of buildings)^	66.7% increased	0.0% stable	33.3% decreased	32.0% increased	0.0% stable	68.0% decreased	85.8% increased	7.1% stable	7.1% decreased	0.0% increased	50.0% stable	50.0% decreased
Like-for-like valuation movement based on value (%)	Increased by 7.7%		Decreased by 4.0%		Increased by 4.9%		Decreased by 0.3%					

Weighted average lease expiry on GLA | * New and renewed leases signed during the year | ^ On a like-for-like basis, ≤1.0% valuation movement is classified as stable

Notes

13 REST OF SOUTH AFRICA PORTFOLIO OVERVIEW



	Retail-experience hubs		Collaboration hubs		Hotel	
	Jun 2023	Jun 2022	Jun 2023	Jun 2022	Jun 2023	Jun 2022
Number of buildings	6	6	5	5	1	1
Occupancy (%)	96.1	97.4	87.3	87.0	100.0	100.0
WALE# (years)	3.6	3.0	3.3	4.0	6.9	7.9
Reversion* (%)	(4.1)	(4.5)	(16.4)	(0.0)	-	-
Valuation movement (% of buildings)^	66.7% increased ▲	0.0% stable ▶	33.3% decreased ▼	0.0% increased ▲	0.0% stable ▶	100.0% decreased ▼
Like-for-like valuation movement based on value (%)	Increased by 0.4%		Decreased by 10.6%		Decreased by 6.9%	

Weighted average lease expiry on GLA | * New and renewed leases signed during the year | ^ On a like-for-like basis, ≤1.0% valuation movement is classified as stable

Notes

14 WORLD CLASS CITY



International clients, 64.6%

Local clients, 35.40%

Technology	Health and pharmaceuticals	Other

Notes

ATTACQ ENERGY STRATEGY



Improvements plan

Implementation progress

Projected saving

Next step

Lighting:
Retrofit lights at retail-experience hubs to energy saving LED lights

Controllers:
Automated generator controllers to shut down generators after hours for entire portfolio

PV systems:
Install additional rooftop PV systems, focusing on our retail-experience hubs, to the existing 8.5MWp rooftop PV systems

Batteries:
Planning battery backups for buildings and precincts

Successfully completed retrofit projects at our retail-experience hubs

91.5% of our generators have been fitted with automated generator controllers

Completed 1.8MWp of additional rooftop PV systems

Investigation the viability and ownership structure

Projected annual saving of 1.7MWh

In process of accurately calculating savings, although initial reduction in diesel usage was reported

9.0% of total energy requirement generated by rooftop PV systems projected for FY24

Investigation the viability and ownership structure

Complete

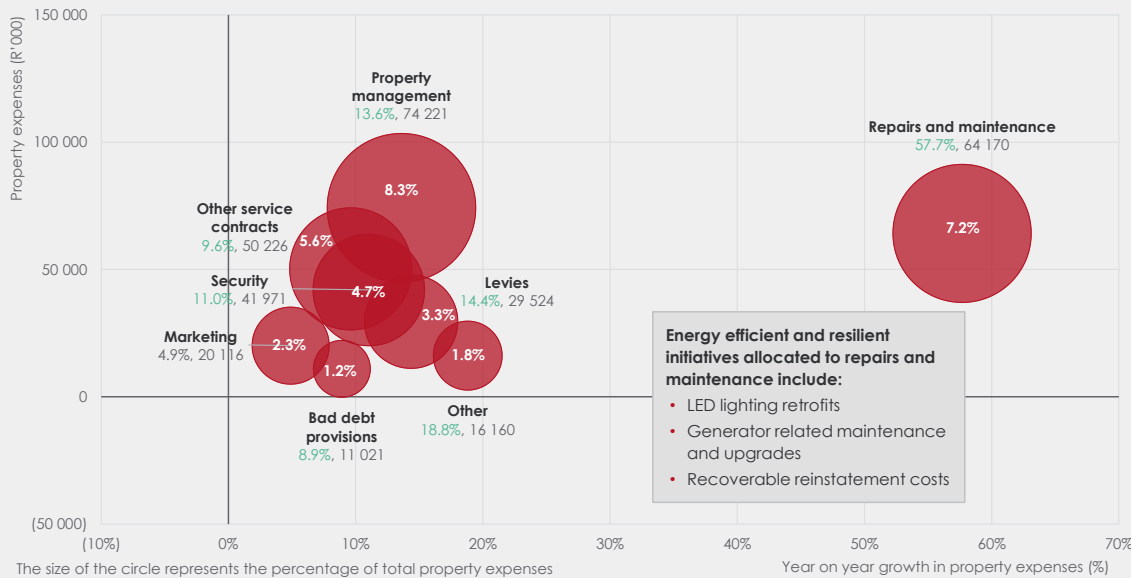
Continue with the roll-out of automated generator controllers at our collaboration hubs
Integrate generators with solar installations

Continue with the targeted 7MWp roll-out of rooftop PV systems with the remaining 5.2MWp

Continue to investigate battery energy storage solutions at our retail-experience hubs

Notes

SA PORTFOLIO PROPERTY EXPENSE ANALYSIS



Notes



Areal view of Waterfall City

DEVELOPING WATERFALL CITY

Where living works



Notes

DEVELOPMENTS AT WATERFALL CITY

01

Total GLA completed

30 586m²

Jun 2022: 47 623m²

02

Total development activity[^]

R1.3 billion

Jun 2022: 915.4 million

03

Developments under construction**

36 706m²

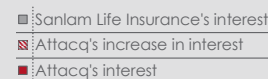
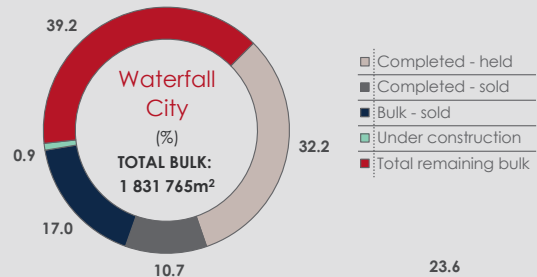
Jun 2022: 30 377m²

04

Total bankable sales*

76 units

Jun 2022: 82 units



* Based on bankable sales of Ellipse Waterfall, phase 1,2 and 3 ** m² of gross lettable area and gross saleable area
[^] Consisting of R543.2 million of developments completed during FY23 and R741.6 million still under construction

Notes

COMPLETED DEVELOPMENTS RESIDENTIAL



Ellipse Waterfall, Waterfall City

Ellipse Waterfall

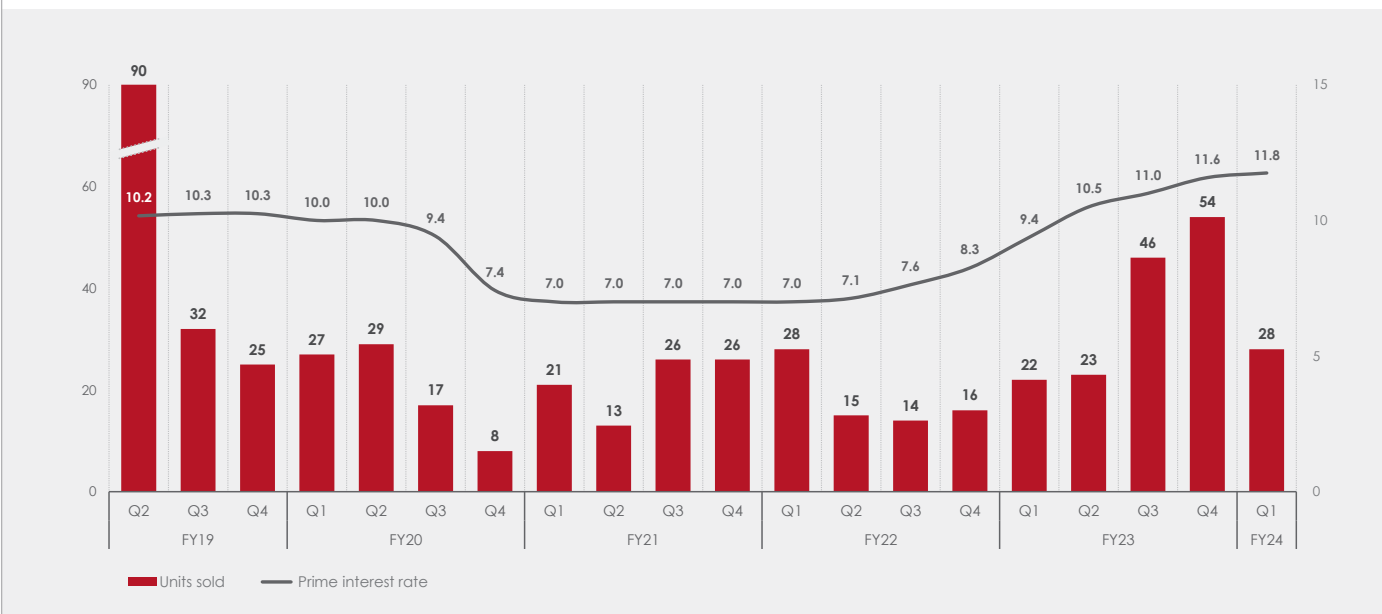
- Gross sellable area (GSA) on completion: ±45 864m²
- Land Parcel: 10
- Sector: Residential

Completed

- **Phase 1, Newton and Kepler towers** (270 units, GSA: 17 044m²)
 - 50.0% JV with Tricolt
 - 264 transferred units to date amounting to R676.2m (98.0% of units)
- **Phase 2, Cassini tower** (182 units, GSA: 15 434m²)
 - 20.0% JV with Tricolt
 - 16 stories including the Luna Club, Trifit Gym, Olives and Plates and Life Day Spa
 - 4-star GBCSA Green Building Certification achieved (by design)
 - Sustainable and cost reduction features include:
 - › Re-reinforced concrete consisting of 90% recycled steel
 - › 20% of project materials is sourced within 400km
 - › Thermal comfort modelling
 - 169 units transferred and 174 units bankable sales to date amounting to R523.9m (95.6% of units)
 - 45% cash sales
 - Practical completion date achieved: Q4 FY23

Notes

ROBUST ELLIPSE SALES IN A RISING INTEREST CYCLE



Notes

COMPLETED DEVELOPMENTS LOGISTICS HUBS



Plumblink head office and distribution centre, Waterfall City

Plumblink head office and distribution centre

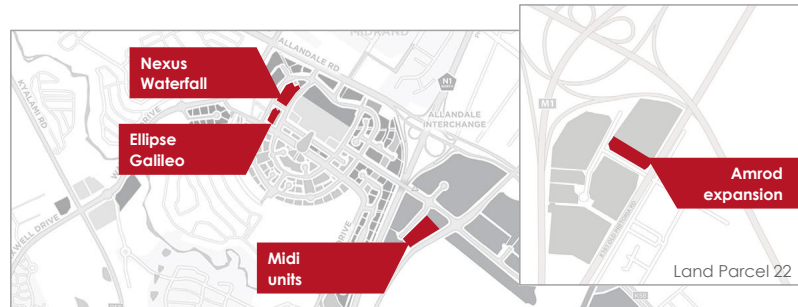
- GLA on completion: ±15 152m²
- Land Parcel: 22
- Sector: Logistics hub
- 50.0% JV with Bidvest Properties
- Consolidation of two separate Plumblink buildings
 - › Improved efficiencies and cost reduction
- Sustainability and cost efficiency initiatives
 - › In process of applying for a 4-star GBCSA (by design and as built) rating
 - › Provision for 250kWp rooftop PV system
 - › 15m eaves height
 - › 35m turning circle in the yard
- Practical completion date achieved: Q4 FY23

Notes

DEVELOPMENTS UNDER CONSTRUCTION



Nexus Waterfall, building 2 (DP World)



PROPERTY NAME	Total GSA / GLA* m ²	Effective GSA / GLA* m ²	% pre-let/ pre-sold	% completed Jun 2023 (excl land)	Estimated practical completion date	Effective estimated capital cost R'000	Effective estimated value on completion R'000	Book value at Jun 2023 R'000
Waterfall City – Residential								
Ellipse Waterfall, phase 3 – Galileo**	13 386	2 677	>40.0	0.6	Q2 FY25	71 911	90 154	24 782
Waterfall City – Collaboration hub								
Nexus Waterfall, building 2 (DP World) [^]	5 244	-	100.0	64.9	Q2 FY24	-	-	-
Waterfall City – Logistics hub								
Amrod head office and distribution centre** expansion	3 435	1 718	100.0	45.3	Q1 FY24	23 867	**	**
Midi-units logistics development	14 641	14 641	-	20.8	Q3 FY24	178 694	\$	43 140
TOTAL	36 706	19 036				274 472		67 922

* Estimated GSA / GLA of development, subject to change on final re-measurement post completion
[^] Attacq has an undivided share in the development of 20.0%; Based on number of units of bankable pre-sales; sectional-title units

[^] Land sold and developing on behalf of client
[§] Newly commenced development, no valuation performed at June 2023
^{**} Attacq holds a 50.0% undivided share; included in Amrod head office and distribution centre valuation

Notes

DEVELOPMENTS HOTEL AND COLLABORATION HUBS



Nexus Waterfall, Waterfall City

Nexus Waterfall

- GLA on completion: ±32 550m²
- Land parcel: 10
- Sector: Hotel and collaboration hubs
- Development consists of Courtyard Hotel and three collaboration hubs
- Sustainability and cost reduction initiatives
 - › Net Zero Level 1 certification Building 1 achieved

Completed

- Courtyard Hotel (GLA: 6 715m²)
- Building 1 (72.1% let, GLA: 7 252m²)
 - › Attacq's new head office (1 400m²), move management and change management demonstrated

Developments under construction

- Building 2 (GLA: ±5 244m²)
- Sold to DP World as owner occupier
- GBCSA 5 Star
- 240kWp rooftop PV system
- 72 hours back up water, ventilated facades, water-wise landscaping
- The Nexus Piazza will be completed in conjunction with Building 2 which will complete Phase 1 of Nexus
- Practical completion date: Q2 FY24

Pipeline

- Buildings 3 (GLA: ±5 000m²) and Building 4 (GLA: ±4 000m²)



Nexus Waterfall, DP World, Waterfall City

Notes

DEVELOPMENTS LOGISTICS HUBS | CONTINUED



Amrod head office and distribution centre, Waterfall City

Amrod head office and distribution centre expansion

- Original building GLA: 37 938m²
- Expansion GLA: ±3 435m²
- Total GLA on completion: ±41 373m²
- Land Parcel: 22
- Sector: Logistics hub
- 50.0% JV with Equites Ltd
- Expansion of the warehouse for use as embroidery and steaming workshop
- Practical completion date: Q1 FY24

Notes

25 DEVELOPMENTS LOGISTICS HUBS | CONTINUED




Midi units logistics development, Waterfall City

**Midi units
logistics development**

- GLA on completion: ±14 641m²
- Land Parcel: 9 South
- Sector: Logistics hub
- Consisting of 3 buildings on a speculative basis
 - › Building 1 GLA: ±4 419m²
 - › Building 2 GLA: ±4 883m²
 - › Building 3 GLA: ±5 319m²
- Sustainability and cost reduction initiatives
 - › Energy efficient LED lights
 - › Performance glass
 - › Low flow sanitary fittings
 - › Warehouse roof designed to carry PV
 - › Low volatile organic compounds
 - › Re-cycled steel for re-enforcing of concrete
 - › Rainwater harvesting compatible
 - › 4-day back-up water
- Generic, flexible and best in class warehouse solution
 - › 10m eave height for flexible racking solutions
 - › Ample yard space with 30m turning circles
 - › ASIB compliant fire specification
- Practical completion date: Q2 FY24



Notes

26 DEVELOPMENTS RESIDENTIAL




Ellipse Waterfall, Waterfall City

Ellipse Waterfall
Development under construction
Phase 3, Galileo tower (196, GSA 13 386m²)

- 20.0% JV with Tricolt
- Sales and marketing launched November 2022
- Sustainability and cost reduction initiatives
 - › 4-star GBCSA Green Building Certification achieved (by design)
- 13 stories and will include a private residents lounge (Apollo Lounge)
- Reconfigured scheme to increase to 196 units from 145 by converting the penthouses with 1 and 2 bed units for improved saleability
- 124 sales with a total value of R280.3million (63.2% of units)
- 82 bankable sales to date amounting to R178.9 million (41.8% of units)
- Like-for-like gross sellable rate increase from Phase 1 to Phase 3
 - › 10.0% for executive suite
 - › 18.6% for one beds
 - › 16.2% for two beds
- Practical Completion Q2 FY25

OLIVES & PLATES

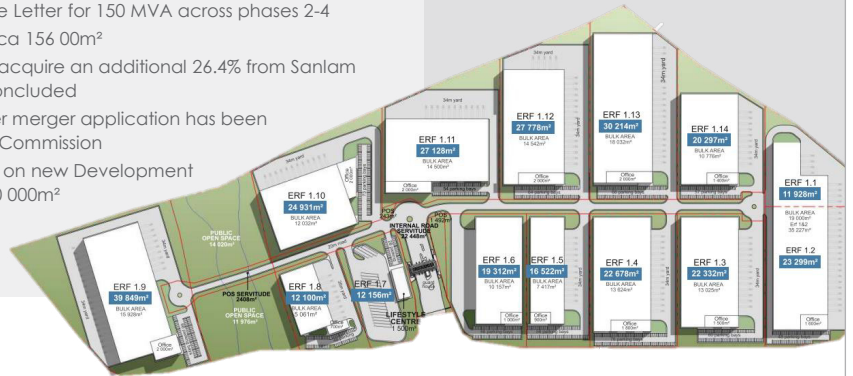


Notes

LOGISTICS HUB – WATERFALL JUNCTION



- JV with Sanlam Properties
- 6 Phases totaling 600 000m² of bulk
- Situated on the K113 which is the new North/South logistics arterial
- Phase 1 infrastructure completion in November 2023 with completion of the water connection
- Received Cost Estimate Letter for 150 MVA across phases 2-4
- Phase 1 bulk will be circa 156 00m²
- The purchase price to acquire an additional 26.4% from Sanlam Properties has been concluded
- Submission of the larger merger application has been made to Competition Commission
- Currently in discussions on new Development proposals totaling ±100 000m²



Waterfall Junction masterplan, Waterfall City

Notes



Stara-Zagora, Bulgaria – MAS P.L.C.

OTHER INVESTMENTS

Notes

OTHER INVESTMENTS

MAS P.L.C. (MAS)

- Number of shares held in MAS 46 157 934 (6.5% interest)
- Market value of R978.6 million (30 June 2022: R916.2 million) based on MAS closing share price of R21.20 per share (30 June 2022: R19.85)
- MAS shares are unencumbered and held for total return
- MAS results announced 4 September 2023. Please refer to www.masrei.com for more information
- No final dividend declared for FY23, no dividend guidance provided or definite timing to resumption of dividend

Rest of Africa retail investments

R'000	Jun 2023*	%	Jun 2022**	%
Attacq offshore cash on hand	3 547	0.6	896	0.2
AttAfrica Limited (AttAfrica)	327 079	58.7	257 319	53.3
Ikeja City Mall, Gruppo Investment Limited	226 532	40.7	224 586	46.5
Rest of Africa retail investments	557 158	100.0	482 801	100.0

- Increase due to additional funding of R81.1m extended to AttAfrica to settle external debt, change in building valuations and forex movement
- No firm suitors for AttAfrica assets at present
- Ikeja City Mall's disposal is still subject to conditions precedent, USD liquidity remains poor

* Jun 2023: USD ZAR spot 18.74 | ** Jun 2022: USD ZAR spot 16.25

Notes



Gateway Building, Waterfall City

FINANCIAL RESULTS

Notes

31 **FINANCIAL OVERVIEW**01
DIPS**14.5%** increase

Jun 2022: 34.2 increase

02
DPS**16.0%** increase

Jun 2022: not applicable

03

Debt refinancing activities

R1.1bn

At a weighted average reduction in margin of 64.0bps

04

Interest cover ratio

1.69 times

Jun 2022: 1.58 times

05
NAVPS**R17.65**

Jun 2022: R17.49

06

Finance cost

1.5% decrease

Jun 2022: 13.9% decrease

07

Gearing

37.3%

Jun 2022: 37.2%

08

Available liquidity

R1.4bn

Jun 2022: R1.9bn

Notes

32 **DISTRIBUTABLE INCOME PER FOCUS AREA**

R'000	Jun 2023	Jun 2022	% change
Waterfall City	290 585	227 892	27.5
Rest of South Africa	149 767	146 128	2.5
Other investments	66 477	68 567	(3.0)
Distributable income	506 829	442 587	14.5
Profit on sale of sectional-title units	26 414	68 101	nmf
Total income	533 243	510 688	4.4

CENTS PER SHARE	Jun 2023	Jun 2022	% change
Waterfall City	41.2	32.3	27.6
Rest of South Africa	21.2	20.7	2.4
Other investments	9.5	9.8	(3.1)
Distributable income per share	71.9	62.8	14.5
Profit on sale of sectional-title units	3.7	9.7	nmf
Total income per share	75.6	72.5	4.3

Increase due to higher NOI, lower finance costs, offset by a higher share-based payment expense. The prior period included rental discounts and once-off debt settlement costs

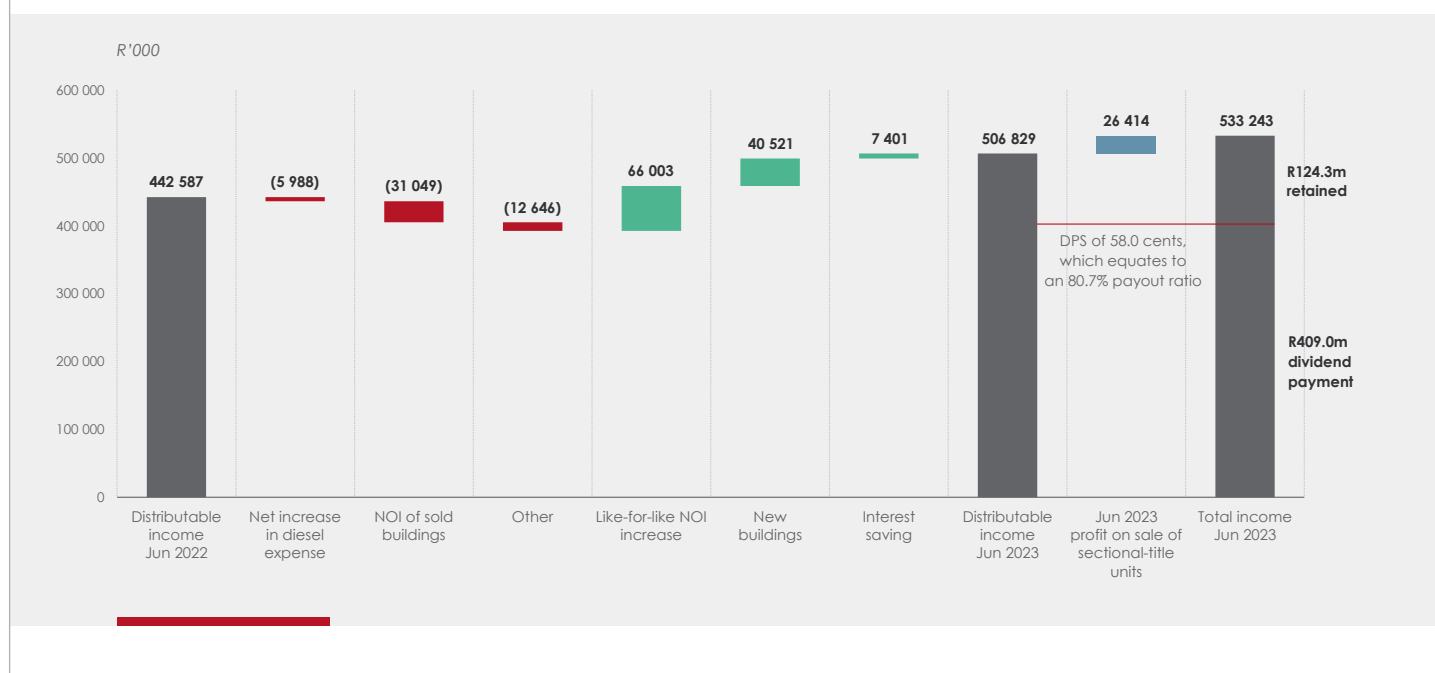
Increase due to higher rental income off-set by a higher share-based payment expense

Decrease in Other investments due to higher expenses in AIH International, offset by the higher dividend received from MAS of R69.6m compared to prior year (R68.5m)

156 Ellipse Waterfall and one Waterfall Point sectional-title units transferred

Notes

DISTRIBUTABLE INCOME AND DIVIDEND



Notes

BALANCE SHEET PER FOCUS AREA

R'000	Jun 2023	Jun 2022	% change	
Waterfall City	13 196 770	12 924 255	2.1	Increase due to the newly completed Plumbink head office and distribution centre, as well as net positive fair value adjustments on investment properties
Rest of South Africa	6 401 633	6 647 229	(3.7)	Reduction due to net negative fair value adjustments on investment properties
Head office - South Africa	696 293	654 785	6.3	Increase due to MAS' share price increased to R21.20 from R19.85, additional funding of R81.1m extended to AttAfrica to settle external debt and forex movement, offset against the change in AttAfrica building valuations
Other investments	1 545 171	1 400 013	10.4	
Total assets	21 839 867	21 626 282	1.0	
Total liabilities	(9 396 707)	(9 297 147)	1.1	Increase due to movement in RCF facilities, netted off by the settlement of two facilities
Total equity	12 443 160	12 329 135	0.9	
Net asset value per share	R17.65	R17.49	0.9	

Notes

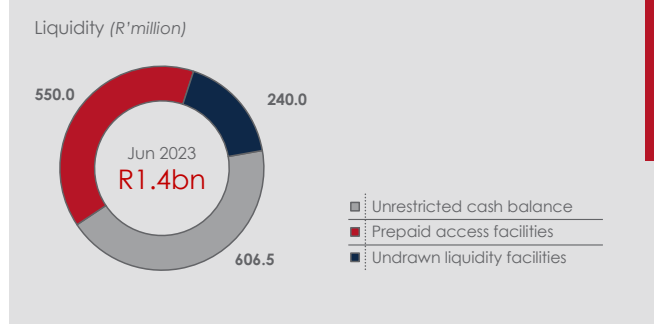
35 **INTEREST-BEARING BORROWINGS**



	Jun 2023	Jun 2022
Gross interest-bearing borrowings (R'000)	8 384 893	8 281 402
Weighted average loan term (years)	2.9	3.6
Gearing^A (%)	37.3	37.2
Hedged as a percentage of total committed facilities (%)	56.3	83.0
Weighted average term of hedges (years)	2.7	2.6
Weighted average cost of debt (%)	10.3	9.4
Interest cover ratio (times)	1.69	1.58

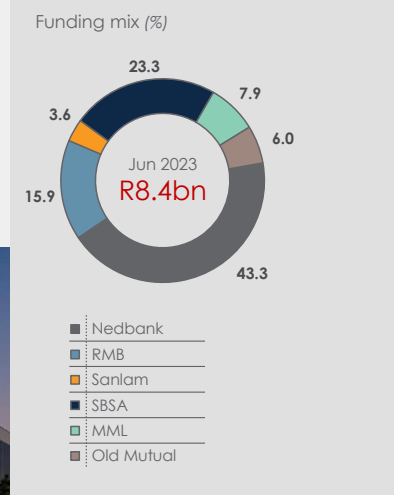
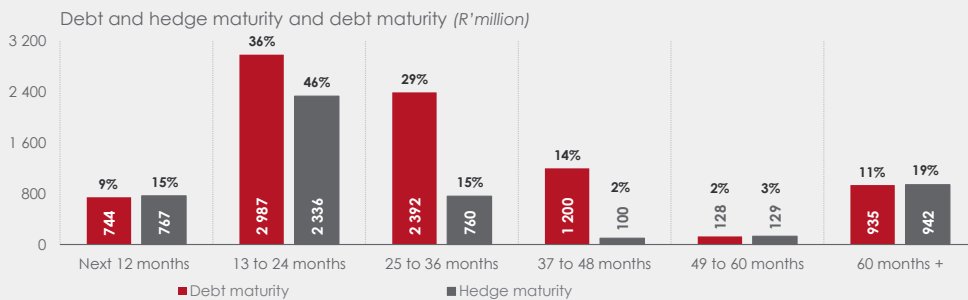
GROUP LEVEL BANK COVENANTS	Covenant	Actual**
Gearing ratio* (%)	60.0	37.0
Interest cover ratio (times)	None	None
Minimum net asset value (R'billion)	7.0	12.4

^A Calculated as (total interest-bearing debt - unrestricted cash on hand) / (total assets - cash on hand - right of use asset recognised as a result of IFRS 16: Leases)
^{*} Calculated as (total interest-bearing debt + mark-to-market liability on hedging transactions + nominal value of guarantees - unrestricted cash and cash equivalents) / (total assets - goodwill - intangible assets - deferred tax asset - deferred initial lease expenditure - unrestricted cash and cash equivalents - receivables)
^{**} Covenants are only measured on December and June numbers



Notes

36 **INTEREST-BEARING BORROWINGS CONTINUED**



Notes

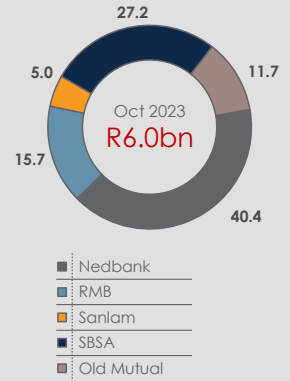
37 POST-GEPF REFINANCING



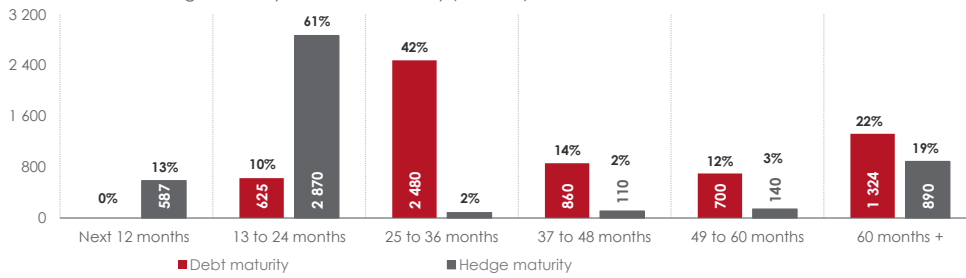
Post-GEPF implementation
- pro forma metrics

Gross interest-bearing borrowings (R'000)	5 988 890
Weighted average loan term (years)	4.0
Gearing^A (%)	25.8
Hedged as a percentage of total committed facilities (%)	78.1
Weighted average term of hedges (years)	2.9
Weighted average cost of debt (%)	10.0
Interest cover ratio (times)	2.4

Funding mix (%)



Debt and hedge maturity and debt maturity (R'million)



^A Calculated as (total interest-bearing debt - unrestricted cash on hand) / (total assets - cash on hand - right of use asset recognised as a result of IFRS 16: Leases)

Notes

38



Lynnwood Bridge, Pretoria

PROSPECTS

Notes

GUIDANCE REMAINS UNCHANGED



DIPS full year guidance

8.0% - 10.0% growth

Dividend payout ratio

80.0%

Attacq delivering on our strategy

Precinct focused South African portfolio, offering sustainable community spaces in established nodes

Develop Waterfall City into a smart, safe, sustainable city through sustainable partnerships

Manage and **optimise a sustainable capital structure**

Drive **business diversification** through integrating ESG, business innovation and technology

Assumptions

- No contribution to the group's distributable income from MAS dividends
- No material impact on distributable income due to any new developments, acquisitions or disposals
- Forecasted rental income being achieved based on contractual terms and anticipated market-related renewals
- No major changes in vacancy rates
- No unforeseen circumstances such as major corporate tenant failures or further deterioration of the macro-economic environment

Notes



Garden Route Mall, George

QUESTIONS AND ANSWERS

Notes



Waterfall Corner, Waterfall City

APPENDICES

Notes

STRATEGIC BUSINESS ALIGNMENT THROUGH OUR PURPOSE AND VISION

We are **purposed** to create smart, safe and sustainable community spaces providing remarkable experiences

Our **vision** is to create sustainable value for all stakeholders through our **value-based strategy**, ensuring positive impact in our communities and environment we operate in

STRATEGIC FOCUS

Waterfall City, Rest of South Africa and Other investments
(completed buildings, developments under construction and leasehold land)

Enabled by

Capital structure

Our employees

Business diversification
(Innovation)

Underpinned by

Environment

Social

Governance

Technology

Sustainable stakeholder value

We think differently about real estate through our **quality precinct focused hubs**, including the development of Waterfall City into a smart, safe and sustainable city

We drive the enhancement of what we do by putting **people first** and embracing business disruptions by **finding the opportunity** therein

- Retail-experience hubs
- Collaboration hubs
- Logistics hubs

Notes

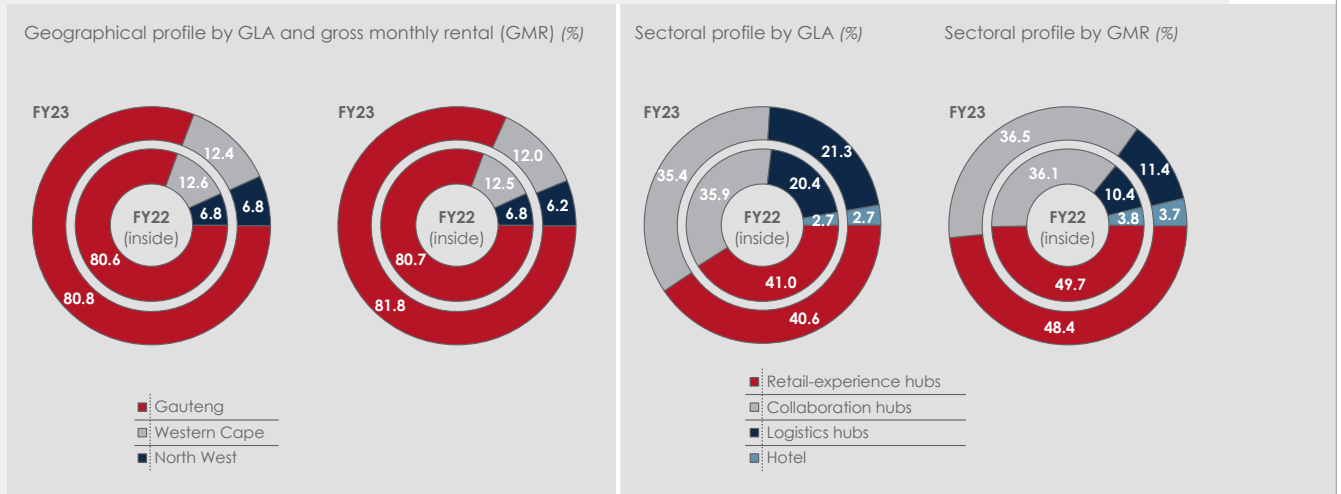
ASSET MANAGEMENT LOOKING FORWARD



Our precinct hubs are smart, safe and sustainable community spaces			Operational sustainability	Community focus	Integrated digital platform	Client experience
Retail-experience hubs		Trading density growth of 12.7% Shoppers return to regional and Super-regional malls	Backup water installations	Launching first Sook in Africa	Data Leasing Tool for all retail assets	Eikestad Mall ramp
Collaboration hubs		Employees returning to office environment Over supply, creating vacancies	Traffic lights on during loadshedding	Rise Against Hunger	Digital Customer Relationship Management	Stakeholder engagements
Logistics hubs		Waterfall City location – a key node in South Africa	Energy and water resilience	World class amenities	Targeted digital canvassing	Clean, sustainable and safe logistics hubs integrated into Waterfall City
			1	2	3	4

Notes

SOUTH AFRICAN PORTFOLIO BUILDING PROFILE

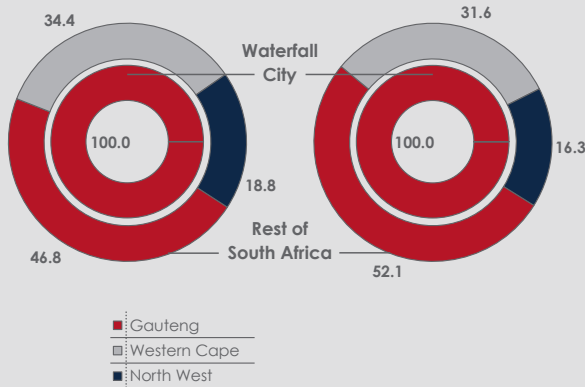


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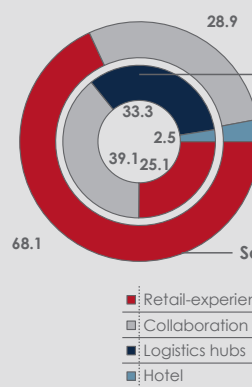
SOUTH AFRICAN PORTFOLIO BUILDING PROFILE



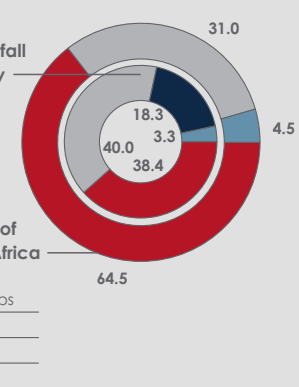
Geographical profile by GLA and gross monthly rental (GMR)



Sectoral profile by GLA



Sectoral profile by GMR

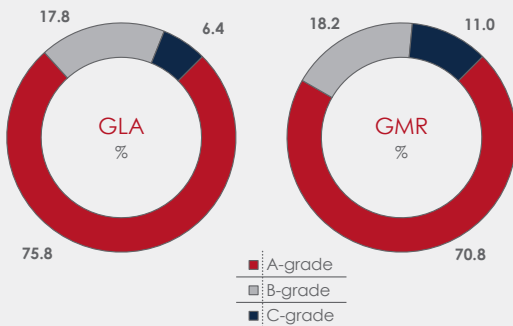


Notes

SOUTH AFRICAN PORTFOLIO CLIENT PROFILE

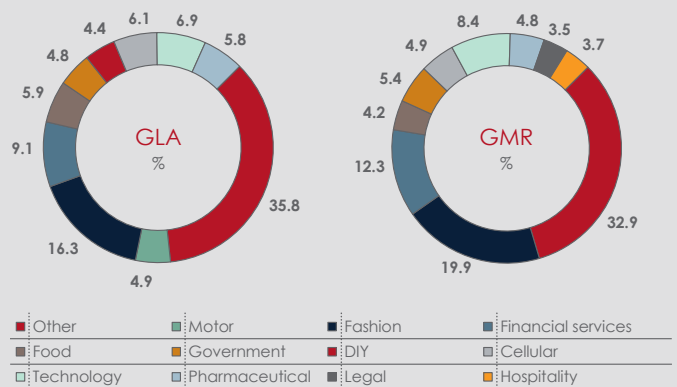


Client profile



- Clients are graded A, B or C
- The credit quality of clients in our portfolio is reflected in the high percentage of A-grade clients
- A-grade: large international and national clients, large listed entities, and government or major franchises
- B-grade: smaller international and national clients, listed clients, franchisees, medium to large professional firms
- C-grade: smaller clients and sole proprietors

Sectoral profile



Notes

SOUTH AFRICAN PORTFOLIO TOP 5 TENANTS PER SECTOR



TOP 5 CLIENTS	Attributable GLA as a % of total GLA %
Retail-experience hubs	
Woolworths	3.7
Shoprite Checkers	3.1
Massmart	2.7
The Foschini Group	2.5
Retailability	2.3
Collaboration hubs	
PriceWaterhouseCoopers	4.9
Cell C	3.4
Auditor General of South Africa	2.6
Adams and Adams	1.5
Novartis	1.1
Logistics hubs	
BMW	4.3
Massbuild	3.4
Amrod	2.6
Global mobile distribution	1.9
Cotton On	1.4

TOP 5 CLIENTS	Attributable gross rental as a % of total gross rent %
Retail-experience hubs	
The Foschini Group	3.4
Mr Price	2.6
Shoprite Checkers	2.2
Woolworths	2.1
Pepkor	2.0
Collaboration hubs	
PriceWaterhouseCoopers	6.8
Cell C	3.8
Auditor General of South Africa	3.5
Adams and Adams	2.9
Novartis	1.4
Logistics hubs	
BMW	2.4
Massbuild	1.3
Vantage	1.3
Amrod	1.1
Global mobile distribution	0.8

Notes

SOUTH AFRICAN PORTFOLIO OCCUPANCY REPORT



OCCUPANCY - SECTOR	JUN 2023				JUN 2022			
	Waterfall City %	Rest of South Africa %	Total %	Occupied GLA m ²	Waterfall City %	Rest of South Africa %	Total %	Occupied GLA m ²
Retail-experience hubs	95.6	96.1	95.9	295 901	95.0	97.4	96.5	299 114
Collaboration hubs	82.8	87.3	83.9	225 789	80.8	87.0	82.4	221 659
Logistics hubs	100.0	-	100.0	143 603	100.0	-	100.0	136 027
Hotel	100.0	100.0	100.0	20 405	100.0	100.0	100.0	20 405
Period end portfolio occupancy	91.7	93.9	92.5	685 698	90.5	94.8	92.1	677 205
Add: occupied post period end	2.4	1.9	2.2	16 607	1.8	0.7	1.4	9 995
Portfolio occupancy post period end	94.1	95.8	94.7	702 305	92.3	95.5	93.5	687 200

Notes

SOUTH AFRICAN PORTFOLIO



RENEWALS - SECTOR	Expired GLA m ²	Client retention rate %	Gross reversion rate* %	Escalation rate* %
Retail-experience hubs	64 124	86.2	(3.2)	6.4
Collaboration hubs	15 453	54.3	(23.1)	6.7
Logistics hubs	8 518	100.0	6.9	-
Total portfolio	88 095	82.0	(6.3)	6.5

* Based on new and renewed leases pertaining to leases that expired during the period

SECTOR	Total portfolio by value R	Discount rates %	Exit cap rates %	Cap rates %	Average value R/m ²	Like-for-like value change# %
Retail-experience hubs	9 293 020	12.07	7.63	7.30	30 123	4.0
Collaboration hubs	6 011 217	12.94	8.59	8.10	22 349	(5.8)
Logistics hubs	1 744 412	13.00	8.41	8.00	12 147	4.9
Hotel	576 080	13.00	8.75	8.00	28 232	(3.3)
Total portfolio	17 624 729	12.49	8.07	7.67	23 769	0.3

^ Weighted average based on GLA
Compared to 30 June 2022 valuations

Notes

SOUTH AFRICAN PORTFOLIO RETAIL PER SECTOR



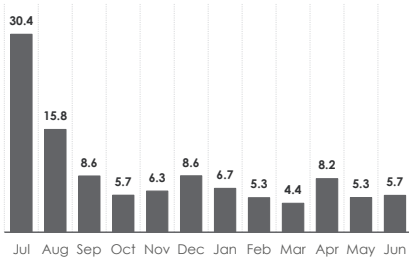
RETAIL CATEGORY	% of area (GLA)	% of total turnover	% trading density growth
Accessories, jewellery and watches	0.8	1.6	9.0
Apparel	24.4	20.9	11.3
Books, cards and stationery	1.7	1.4	16.1
Department stores	25.6	19.9	13.9
Electronics	2.2	6.3	17.2
Entertainment	3.6	0.7	73.2
Eyewear and optometrists	0.5	0.7	9.6
Food	12.1	15.4	17.2
Food services	7.3	9.3	22.7
Health and beauty	5.6	9.9	3.3
Homeware, furniture and interior	7.2	4.2	4.5
Luggage	0.3	0.4	27.4
Services	0.2	0.2	61.2
Speciality	2.4	2.2	(17.1)
Sportswear and outdoor	6.1	6.9	25.8
Portfolio total (weighted average)	100.0	100.0	12.8

Notes

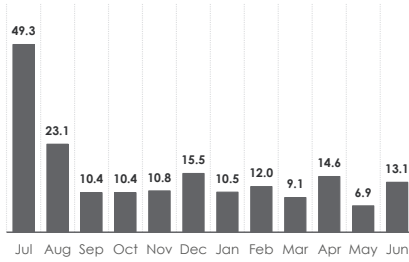
SUPER- AND REGIONAL MALL FOOTCOUNT



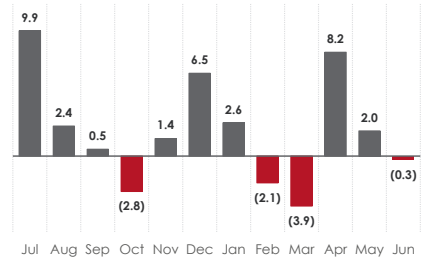
Total - 2023 vs 2022 (%)



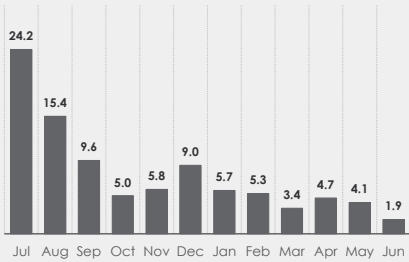
Mall of Africa - 2023 vs 2022 (%)



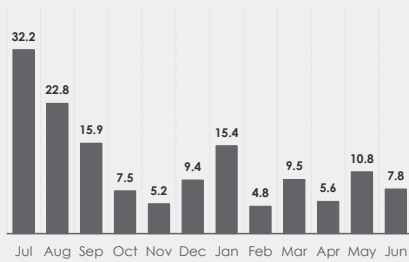
Garden Route Mall - 2023 vs 2022 (%)



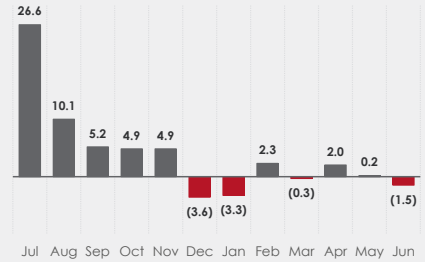
MooiRivier Mall - 2023 vs 2022 (%)



Eikestad Mall - 2023 vs 2022 (%)



Brooklyn Mall - 2023 vs 2022 (%)

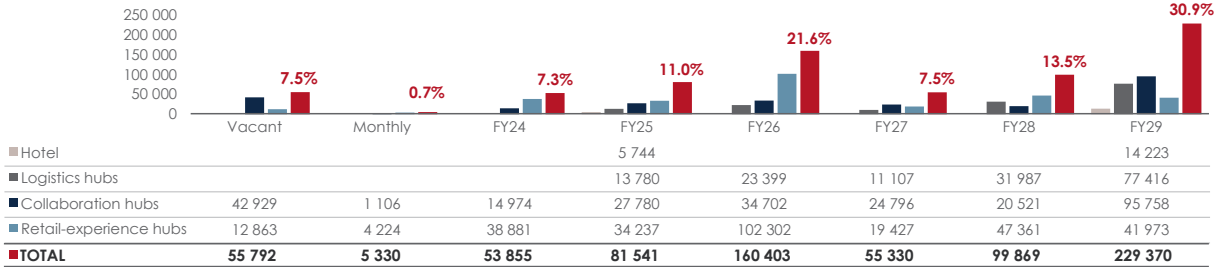


Notes

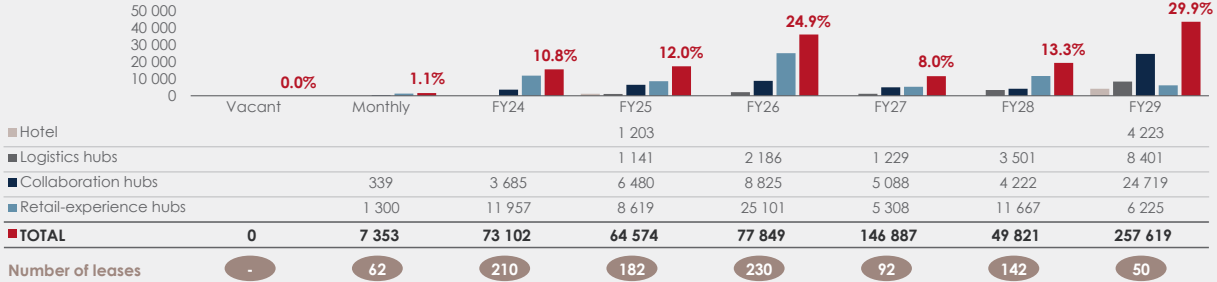
SOUTH AFRICAN PORTFOLIO LEASE EXPIRY PROFILE



Lease expiry profile - GLA (m²)



Lease expiry profile - Gross monthly revenue (R'000)



Notes

SOUTH AFRICAN PORTFOLIO OVERVIEW



Waterfall City - Retail-experience hubs

PROPERTY NAME	Key clients	GLA m ²	Valuation R'000	Value R/m ²
Mall of Africa**	Checkers Hyper, Edgars, Game, Pick n Pay, Woolworths	103 958	4 480 441	43 099
Waterfall Corner	Checkers, Woolworths	10 008	230 506	23 032
Waterfall Lifestyle [^]	Virgin Active	4 279	103 233	24 125
TOTAL		118 245	4 814 180	40 714

Rest of South Africa - Retail-experience hubs

PROPERTY NAME	Location	Key clients	GLA m ²	Valuation R'000	Value R/m ²
Brooklyn Mall*	Pretoria	Checkers, Dis-Chem, Game, Woolworths	18 813	443 093	23 553
Eikestad Mall**	Stellenbosch	Checkers, Game, Food Lover's Market, Woolworths	38 279	843 050	22 024
Garden Route Mall	George	Dis-Chem, Edgars, Game, Pick n Pay, Woolworths	53 970	1 358 843	25 178
Glenfair Boulevard	Pretoria	Dis-Chem, Checkers, SuperSpar	16 521	395 311	23 928
Lynnwood Bridge, Retail	Pretoria	Planet Fitness, Safari and Outdoor Warehouse, Woolworths	12 241	256 599	20 962
MooiRivier Mall	Potchefstroom	Checkers, Dis-Chem, Edgars, Game, Woolworths	50 438	1 181 944	23 434
TOTAL			190 262	4 478 840	23 540
TOTAL RETAIL-EXPERIENCE HUBS			308 507	9 293 020	30 123

Values provided above reflect Attacq's undivided share in the building: *25.0%; **80.0%
[^] Portion of Waterfall Lifestyle was sold during the year to Hirsch

Notes

SOUTH AFRICAN PORTFOLIO OVERVIEW | CONTINUED



Waterfall City - Collaboration hubs

PROPERTY NAME	Key clients	GLA m ²	Valuation R'000	Value R/m ²
Allandale building	Wisetech Global, Reckitt Benckiser	15 476	264 064	17 063
Cell C Campus	Cell C, Global Mobile Distribution	43 962	723 614	16 460
Gateway West	Sage South Africa, Spaces, FNB, Insight Actuaries	13 803	317 396	22 995
The Ingress - Building 2	Cisco, NIL Data	4 395	76 535	17 414
The Ingress - PSG Wealth	PSG Wealth	4 311	112 839	26 175
Maxwell Office Park*	Cipla, Pfizer, Colgate, WSP, Premier Foods, Pirelli, Honda, Estée Lauder	18 492	395 651	21 396
Nexus Waterfall, Nexus 1	AWS, Attacq	7 252	140 236	19 338
Novartis	Novartis	7 982	166 444	20 852
PwC Tower [#]	PwC	36 461	1 404 153	38 511
Waterfall Circle	-	24 354	304 247	12 493
Waterfall Corporate Campus*	Accenture, Continuity SA, Ericsson, Wood, Boehringer Ingelheim, AbbVie	17 458	418 729	23 985
Waterfall Point - Building 2	RSR, Novo Energy, Teleforge	2 585	54 912	21 243
Waterfall Point - Building 4	RSR	2 585	68 199	26 383
TOTAL		199 116	4 447 019	22 334

Values provided above reflect Attacq's undivided share in the building: *50.0%; [#]75.0%

Notes

SOUTH AFRICAN PORTFOLIO OVERVIEW | CONTINUED



Rest of South Africa - Collaboration hubs

PROPERTY NAME	Location	Key clients	GLA m ²	Valuation R'000	Value R/m ²
Brooklyn Bridge Office Park	Pretoria	Circle Chambers, SARS	23 528	297 581	12 648
Lynnwood Bridge - Auditor General of SA	Pretoria	Auditor General of South Africa	19 104	523 084	27 381
Lynnwood Bridge - Offices	Pretoria	Adams & Adams, Citadel, Sanlam, Water Research Commission, Spaces	27 227	743 533	27 309
TOTAL			69 859	1 564 198	22 391
TOTAL COLLABORATION HUBS			268 975	6 011 217	22 349

Notes

SOUTH AFRICAN PORTFOLIO OVERVIEW | CONTINUED



Waterfall City - Logistics hub

PROPERTY NAME	Key clients	GLA m ²	Valuation R'000	Value R/m ²
Amrod head office and distribution centre*	Amrod	18 969	210 902	11 118
BMW Group SA regional distribution centre	BMW	31 987	309 544	9 677
Cotton On head office and distribution centre*	Cotton On	10 374	106 706	10 286
Cummins SA Regional Office*	Cummins	7 649	123 053	16 087
Crick Clothing	Superga	4 710	55 696	11 825
Dimension Data	Dimension Data	8 291	105 971	12 781
Dis-Chem warehouse	Dis-Chem	8 518	92 243	10 829
GloTool	GloTool	5 262	56 773	10 789
Massbuild distribution centre*	Massbuild	25 017	229 768	9 184
Midi warehouse 4	Global Mining Company	4 603	55 151	11 982
Plumblink*	Plumblink	7 576	77 069	10 173
Pirtek	Pirtek	2 816	33 525	11 905
Vantage data centre, phase 1*	Vantage	5 781	252 981	43 761
Zimmer Biomet*	Zimmer Biomet	2 050	35 031	17 088
TOTAL		143 603	1 744 413	12 147
TOTAL LOGISTICS HUBS		143 603	1 744 413	12 147

Values provided above reflect Attacq's undivided share in the building: *50.0%

Notes

SOUTH AFRICAN PORTFOLIO OVERVIEW | CONTINUED



Waterfall City - Hotel portfolio

PROPERTY NAME	Key clients	GLA m ²	Valuation R'000	Value R/m ²
City Lodge Hotel, Waterfall City	City Lodge	5 744	105 643	18 392
Nexus Waterfall, Courtyard Hotel	City Lodge	6 715	216 685	32 269
TOTAL		12 459	322 328	25 871

Rest of South Africa - Hotel portfolio

PROPERTY NAME	Location	Key clients	GLA m ²	Valuation R'000	Value R/m ²
City Lodge Hotel, Lynnwood	Pretoria	City Lodge	7 946	253 753	31 935
TOTAL			7 946	253 753	31 935
TOTAL HOTEL PORTFOLIO			20 405	576 081	28 232

TOTAL WATERFALL CITY PORTFOLIO			473 423	11 327 940	23 958
TOTAL REST OF SOUTH AFRICA PORTFOLIO			268 067	6 296 791	23 490
TOTAL SOUTH AFRICA PORTFOLIO			741 490	17 624 731	23 788

Notes

DEVELOPMENT MANAGEMENT LOOKING FORWARD



Develop Waterfall City into a smart, safe, sustainable city through sustainable partnerships

		Operational sustainability	Infrastructure focus	Innovative development design	Transaction focus
Residential	Creating the "live" in Waterfall City's "work-live-play"	Prepaid water and electricity meters	Urban design adjustments to increase residential offerings	Combining a mixed-use component	Partnerships, land sales, roll-out tempo and variety
Collaboration hubs	Building opportunities for physical interaction and collaboration	Proactive decision making on live meter data	Bulk and land use - optimization of commercial development rights	Incorporated into mixed-use schemes to improve affordability	Client led developments within Nexus Waterfall and The Ingress hubs
Logistics hubs	Waterfall City location, including Waterfall Junction	Rooftop PV systems, water resilience and live meter data	Secured 230MVA across two sites	Active supply chain and cost management	Generic spec and client-led developments
		1	2	3	4

Notes

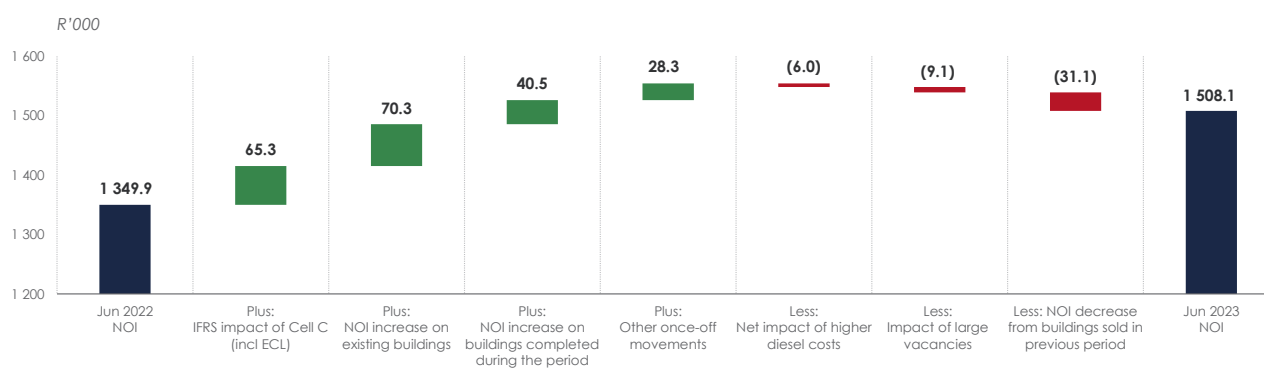
WATERFALL CITY LEASEHOLD LAND



LAND PARCEL NUMBER	Jun 2023		Jun 2022	
	m ²	%	m ²	%
Waterfall City				
LP 8 Distribution Campus (Logistics hubs)	24 905	3.5	24 905	3.3
LP 9 Logistics Precinct (Logistics hubs)	7 419	1.0	24 463	3.2
LP 10 Waterfall City (Retail-experience hubs, residential, collaboration hubs and hotel)	475 260	66.0	493 208	65.4
LP 10A Corporate City (Collaboration hubs)	150 000	20.9	150 000	19.9
LP 10B Corporate Campus (Collaboration hubs)	-	-	-	-
LP 12 Capital City (Collaboration hubs)	48 330	6.7	48 330	6.4
LP 21 Landmark Park (Collaboration hubs)	13 321	1.9	13 321	1.8
LP 22 Commercial District (Logistics hubs)	-	-	-	-
Total remaining undeveloped bulk	719 235	100.0	754 227	100.0
23.57% of Waterfall Junction land (Logistics hubs)	141 420		146 134	
Total remaining effective bulk including Waterfall Junction	860 655		900 361	

Notes

SOUTH AFRICAN PORTFOLIO NET OPERATING INCOME



LIKE-FOR-LIKE NET OPERATING INCOME PER SECTOR*

	% Change
Retail-experience hubs	6.7
Collaboration hubs	3.0
Logistics hubs	7.4
Hotel	7.8
Total	5.9

* Buildings included for 12 months in both periods

RI: Rental income
PE: Property expenses

Notes

CASH TO DISTRIBUTABLE INCOME RECONCILIATION

R'000	Jun 2023	Jun 2022
Net cash generated from operating activities	686 483	612 132
Working capital movements	(72 627)	(63 724)
Trade and other receivables	(14 400)	125 203
Inventory	(33 692)	(167 502)
Trade and other payables	(24 535)	(21 425)
Net cash generated from operating activities adjusted for working capital movements	613 856	548 408
Adjustments between distributable income and cash from operating activities	(107 027)	(105 821)
Bad debt written off and ECLs on trade and other receivables	56 647	(40 744)
Difference between interest accrued and interest paid	(108)	7 937
Share-based payments	(16 491)	11 161
Net proceeds from sale of sectional-title units	(26 354)	(65 996)
Lease cancellation fee	982	14 947
Prescribed utility accruals	(20 290)	-
Difference between taxation accrued and taxation paid	(2 101)	923
Finance cost capitalised	2 531	782
Amortisation of interest rate cap	(7 045)	(164)
Adjustment for Cell C, expected credit loss for rental not received in cash	(55 017)	(10 944)
Capital repayment of lease liability	(29 619)	(26 575)
Dividend income from associates	(11 708)	-
Net income from property owners' association not distributable	2 006	2 624
Other movements	(460)	228
Distributable income	506 829	442 587

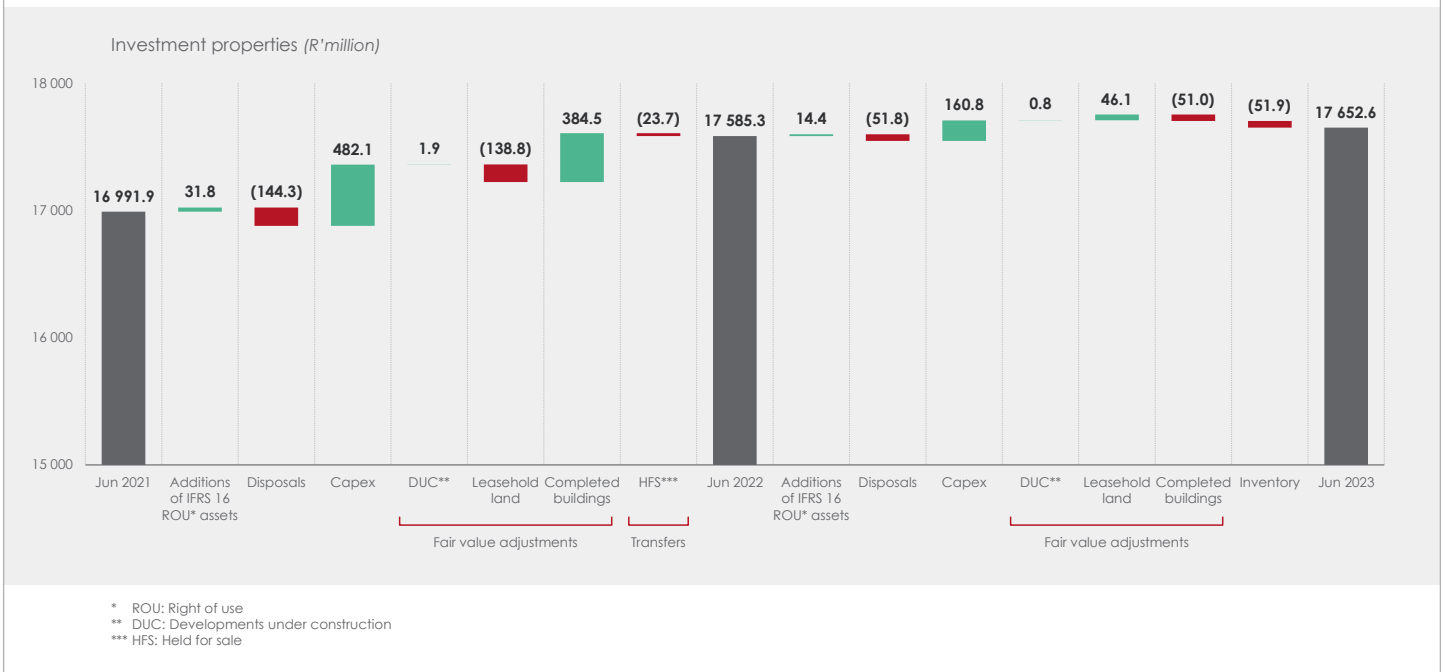
Notes

DIRECT METHOD DISTRIBUTABLE INCOME

R'000	Total	Waterfall City	Rest of South Africa	Other investments
Rental income	2 333 232	1 418 711	914 521	-
Per the income statement	2 332 250	1 417 729	914 521	-
Less: Net lease cancellation fee	982	982	-	-
Property expenses	(943 549)	(578 881)	(364 668)	-
Per income statement	(824 100)	(474 696)	(349 404)	-
Less: Cell C ECL adjustment for cash rental received	(55 017)	(55 017)	-	-
Less: Prescribed utilities	(20 290)	-	(20 290)	-
Less: Leasehold land rental paid	(49 824)	(49 422)	(402)	-
Plus: Depreciation	258	242	16	-
Plus: Sectional title costs	12	12	-	-
Plus: Deferred leasing	5 411	-	5 411	-
Other income	2 754	1 078	1 676	-
Operating expenses	(190 906)	(110 608)	(80 298)	-
Per income statement	(192 265)	(111 447)	(80 818)	-
Less: Rental paid for head office	(2 894)	(1 573)	(1 320)	-
Plus: Sectional title costs	220	220	-	-
Plus: Depreciation	3 493	1 899	1 594	-
Plus: Deferred leasing	540	294	246	-
Other expenses (land holding costs)	(32 568)	(32 568)	-	-
Investment income	71 007	61 865	8 953	189
Dividend income	69 605	-	-	69 605
Finance cost	(799 430)	(469 013)	(330 417)	-
Per income statement	(815 879)	(484 341)	(331 538)	-
Less: Amortisation of interest rate cap	(7 045)	(7 045)	-	-
Plus: Interest on lease liability	23 494	22 373	1 121	-
Current tax	(3 317)	-	-	(3 317)
Distributable income	506 829	290 585	149 767	66 477

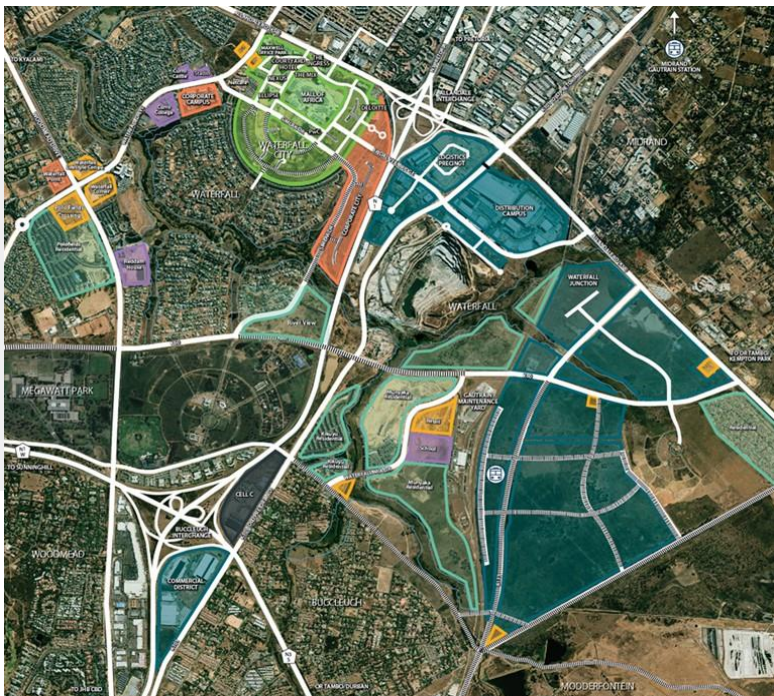
Notes

INVESTMENT PROPERTIES MOVEMENT



Notes

WATERFALL CITY DEVELOPMENT STRATEGY



- KEY**
- Mixed use (retail-experience hubs, collaboration hubs, hotel and residential)
 - Residential
 - Retail
 - Offices
 - Warehousing / Distribution
 - Commercial
 - Educational
 - Future roads

Waterfall City Masterplan

Notes

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Notes

CORPORATE INFORMATION

01**Independent non-executive directors**

P Tredoux (Chairperson)
 HR El Haimer (Lead independent)
 FFT De Buck TP Leeuw IN Mkhari
 GT Rohde S Shaw-Taylor AE Swiegers
 JHP van der Merwe

02**Executive directors**

JR van Niekerk (CEO)
 R Nana (CFO)

03**Company secretary**

W Modisapodi
 wyna@attacq.co.za

04**Attacq Limited**

Incorporated in the Republic of South Africa
 Registration number 1997/000543/06
 JSE share code: ATT ISIN: ZAE000177218
 Approved as a REIT by the JSE
 Attacq or the company or the group

05**Registered office**

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 37 Magwa Crescent
 Waterfall City
 Waterfall
 2090

06**Postal address**

PostNet suite 016
 Private Bag X81
 Halfway House
 1685

07**Transfer secretaries**

Computershare Investor Services (Pty) Ltd
 Rosebank Towers, 15 Biermann Avenue,
 Rosebank, 2196
 (PO Box 61051, Marshalltown, 2107)

08**Sponsor**

Java Capital
 6th Floor, 1 Park Lane
 Wierda Valley
 Sandton, 2196
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09**Head of investor relations**

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Notes



Audited consolidated financial results

for the year ended 30 June **2023**

A decade of development, growth and value creation

X 10 YEARS LISTED
ATTACQ

Performance summary

Investment in Waterfall City of

R2.7bn

by strategic investment partner, Government Employees Pension Fund unconditional with implementation in October 2023

Full year dividend growth of

▲ 16.0%

to 58.0 cps

Distributable income per share increased by

▲ 14.5%

to 71.9 cents

Interest cover ratio improved to

▲ 1.69 times

from 1.58 times

Weighted average trading density growth of

▲ 12.7%

Developments completed at Waterfall City totalling

30 586m²

of gross lettable area, with a total cost at completion of

R543.3m

High occupancy rates of

▲ 92.5%

High collection rates of

▲ 100.7%



Commentary

Introduction

Attacq Limited (Attacq or company or group) is a Real Estate Investment Trust (REIT), based in South Africa and listed on the Johannesburg Stock Exchange (JSE) and A2X Markets, with a vision to create sustainable value for all stakeholders through a value-based strategy, whilst making a positive impact in the communities we serve and driving sustainable environmental solutions in our property portfolio.

Since listing 10 years ago, Attacq has been dedicated to the development and management of thriving precincts in collaboration with like-minded partners and over this period the South African portfolio has grown from only 19 buildings to 52 buildings covering 741 490m² of gross letting area (GLA).

The group has also prioritised the diversification of its portfolio into five managed precincts throughout South Africa, with a multi-asset focus to counter periods of low business confidence and declining economic conditions, and to ensure resilience in the face of the current uncertain impact of financial, governmental, social and environmental changes.

Attacq management are of the firm view that a diverse South African precinct-focused portfolio significantly strengthens their ability to generate long-term value from the portfolio and in living up to their vision of providing future-fit (smart, safe, and sustainable) community spaces. This is underpinned by the support of the communities served by the group's quality real estate portfolio and our commitment to environmental sustainability.

Attacq's focused approach is on: (1) Waterfall City, comprising its completed real estate portfolio, developments under construction and leasehold land; (2) Rest of South Africa, comprising the remainder of its South African completed real estate portfolio; and (3) Other investments, comprising a 6.5% interest in MAS P.L.C. (MAS) and its Rest of Africa retail investments. Going forward, business diversification will be the fourth focus area, achieved through investing in opportunities complementary to our real estate portfolio.

Executive summary

Distributable income per share (DIPS) increased by 14.5% to 71.9 cents mainly due to higher net operating income from the group's South African portfolio and lower finance costs. Excluded from distributable income is an additional trading profit of 3.7 cents per share (FY22: 9.7 cents per share), generated from the sale of Ellipse Waterfall and Waterfall Point sectional title units. The board approved a dividend of 58.0 cents per share for the financial year ended 30 June 2023 (FY23), equating to a payout ratio of 80.7%.

The South African portfolio continued to deliver on its key operational priorities as evidenced by strong trading density growth and increased investment by clients through new brands, upgraded stores and collaboration hub fitouts. The portfolio's occupancy and collection rates remained positive at 92.5% and 100.7%, respectively.

A key highlight of FY23 is the announcement of the Waterfall City transaction with the Government Employment Pension Fund (GEPF), which became unconditional post year end. The introduction of GEPF as a strategic investment partner will enable further development growth within Waterfall City and create long-term value for our stakeholders.

Densification of Waterfall City continued with the completion during the year of the Plumblink head office and distribution centre and the Ellipse Waterfall, phase 2 developments, in total 30 586m² of GLA, at a cost of R543.3 million.

Attacq's interest cover ratio improved to 1.69 times from 1.58 times, with gearing increasing marginally to 37.3% (FY22: 37.2%). In FY24, the debt metrics will see significant improvement due to the utilisation of proceeds from the Waterfall City transaction with the GEPF in the reduction of debt.

General overview

Distributable income

DIPS increased by 14.5% to 71.9 cents per share (cps) for the year ended 30 June 2023.

A breakdown of distributable income per focus area is tabled below:

Distributable income	June 2023		June 2022		Change in cps %
	R'000	cps	R'000	cps	
Waterfall City	290 585	41.2	227 892	32.3	27.6
Rest of South Africa	149 767	21.2	146 128	20.7	2.4
Other investments	66 477	9.5	68 567	9.8	(3.1)
Total	506 829	71.9	442 587	62.8	14.5

The distributable income of the group is closely aligned with cash generated from operations, adjusted for non-recurring income.

Commentary continued

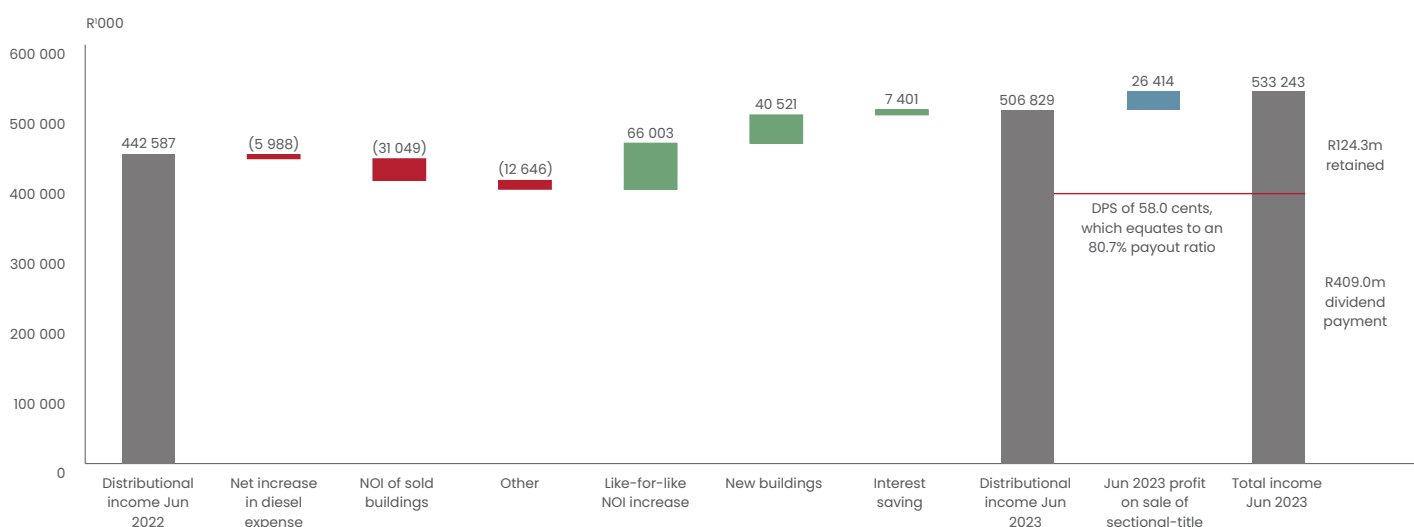
DIPS from Waterfall City increased by 27.6% to 41.2cps (FY22: 32.3cps), due to higher net operating income, lower finance costs, offset by a higher share-based payment expense. The prior period included rental discounts and once-off debt settlement costs. DIPS from the Rest of South Africa increased by 2.4% to 21.2cps (FY22: 20.7cps), due to higher rental income offset by a higher share-based payment expense.

DIPS from Other investments decreased to 9.5cps from 9.8cps due to a higher dividend received from MAS of R69.6 million compared to the prior year of R68.5 million, offset by an increase in expenses.

Profit earned from the sale of 156 sectional title units at Ellipse Waterfall and one at Waterfall Point of R26.4 million (FY22: R68.1 million) has been excluded from distributable income due to its trading nature.

A comparison between the distributable income for the current financial year and prior financial year is depicted graphically below:

Distributable income and dividends



Financial performance

Rental income for the group increased by 7.4% to R2.3 billion (FY22: R2.2 billion) mainly due to completed developments and rental escalations offset by the sale of buildings (Deloitte head office, 50.0% of the Massbuild distribution centre and the Amrod head office and distribution centre during FY22, and the Hirsch premises during FY23). Like-for-like rental income increased by 6.8% (FY22: 2.5%). Gross revenue decreased by 3.4% to R2.4 billion (FY22: 2.5 billion).

Group property expenses, excluding expected credit losses (ECL) and cost of sales of sectional title units, increased by 12.7% to R891.8 million (FY22: R791.6 million) mainly due to an increase in diesel expenses of R43.9 million and repairs and maintenance of R23.8 million. Additional repair and maintenance costs were incurred to improve the retail-experience hub portfolio's energy efficiency and resilience. Property expenses increased by 8.4% (FY22: increased by 8.8%) on a like-for-like basis.

Group net profit from property operations, excluding the IFRS adjustment for straight-line leasing and net proceeds from the sale of sectional title units, increased by 11.7% to R1.5 billion (FY22: R1.4 billion). On a like-for-like basis, net operating income increased by 5.9% (FY22: decrease 0.7%) mainly due to additional repairs and maintenance expenses incurred on the retail-experience hub portfolio during the year.

Total assets increased by 1.0% to R21.8 billion (FY22: R21.6 billion) and total liabilities increased by 1.1% to R9.4 billion (FY22: R9.3 billion). The group's net asset value increased by 0.9% to R12.4 billion (FY22: R12.3 billion) and net asset value per share improved to R17.65 (FY22: R17.49 per share). Earnings per share decreased by 55.9% to 73.8 cents (FY22: 167.3 cents) and headline earnings per share decreased by 38.0% to 81.5 cents.

Commentary continued

Waterfall City and Rest of South Africa completed real estate portfolio

Attacq's South African precinct-focused portfolio is diversified across different asset classes and geographies, and includes five managed precincts with quality counterparties, providing the building blocks for resilience and additional value-added real estate opportunities.

The group's most expansive precinct, Waterfall City, is evidence of the success of its precinct focus strategy. Attacq has uniquely created a smart, safe, and sustainable city through the control and management of the Waterfall City's infrastructure development roll-out and water and energy resilience initiatives. This differentiator provides the ability to mitigate service delivery challenges by local government, providing Attacq with a level of operational resilience.

Operational efficiencies and resilience

Energy management

Attacq focuses on business diversification through integrating environment, social and governance (ESG), business innovation and technology. The Attacq Energy initiative aims to design and implement cost-effective, off-grid and sustainable energy resources to achieve our target of increasing our renewable energy consumption to more than 25% of the total energy mix.

All of Attacq's properties are capable of operating during loadshedding. During the year, the company retrofitted the lighting at all of its retail-experience hubs with energy-efficient LED lights and further installed 1.8MWp of high-income yielding rooftop photovoltaic (PV) systems at Eikestad Mall (630kWp), Waterfall Corner (850kWp) and Waterfall Lifestyle (330kWp). Attacq is currently assessing the feasibility of additional PV systems totalling 5.2MWp.

Water management

Attacq's proactive water management plan focuses on creating water-wise buildings by improving water efficiencies, consumption and resilience and, in doing so, reducing the cost of occupancy for clients.

During the year Attacq installed water monitoring loggers at its municipal supply points, enabling accurate water consumption monitoring and early leak detection. The company is in the process of rolling out a water resilience project to ensure its retail-experience hubs can operate without municipal water supply for up to five days.

Retail-experience hubs

The 12-month weighted average trading density for the total portfolio increased by 12.7% to R3 823m² (FY22: increased by 12.6% to R3 392m²) with increases at Waterfall Corner of 19.3%, Mall of Africa of 17.3% and Eikestad Mall of 13.1%.

The positive retail trade in Mall of Africa resulted in a 91.6% increase in turnover rental and a 71.4% increase in third party income by becoming a preferred destination for exhibitions and advertising. A 10.8% growth in rental income for the year was supported by 21 new brands being introduced, 16 store upgrades, and 33 leases renewed.

The improved turnover performance of Attacq's retail clients is partially attributable to all of the group's retail-experience hubs being able to trade during loadshedding. The turnover performance is further supported by the introduction of new brands and upgraded stores, most notably at Mall of Africa (21 new brands and 16 store upgrades) and Eikestad Mall (14 new brands and 12 store upgrades). The strong turnover growth of the group's clients resulted in turnover rental income increasing by 82.3% to R26.4 million.

Collaboration hubs

Attacq's proactive approach to leasing and client-experience focus, ensured that the portfolio remained resilient with minimal vacant space. Post the Waterfall City rebrand, there has been a heightened focus on stakeholder engagement and improved communication, examples are regular CEO updates to clients and fostering greater client involvement in Attacq Foundation's Rise Against Hunger initiative.

Strong demand for space in Waterfall City continued during the year, with occupancy improving significantly post year end following the letting of 7 697m² of GLA at Waterfall Circle to DP World Logistics FZE Inc (DP World). Waterfall City has secured a quality rental income stream underpinned by the high proportion of international commercial clients, including Estee Lauder, Dell, CipherWave, AbbVie and Cisco.

Attacq's Lynnwood Bridge collaboration hubs are currently fully let with a unique mixture of exclusive stores, entertainment and new restaurant brands which ensure that the precinct remains a destination of choice.

Logistics hubs

Waterfall City provides a modern, safe, clean and scalable logistics precinct that supports future development opportunities to meet clients' green and efficiency requirements in a prime location within the greater Gauteng area. Currently, our logistics hub is fully let.

Commentary continued

Property cost-to-income ratio

The increases in normalised cost-to-income ratios are mainly due to costs associated with loadshedding, the increase in the utilisation of our buildings as more clients returned to the office and the loss of rental income from the vacancy at Waterfall Circle.

The municipal and diesel recovery ratio decreased to 86.9% (FY22: 88.7%).

Property cost-to-income ratio	Normalised ratios*	
	June 2023 %	June 2022 %
Waterfall City		
Net cost-to-income ratio ¹	27.0	22.1
Gross cost-to-income ratio ²	41.5	37.3
Rest of South Africa		
Net cost-to-income ratio ¹	24.5	20.8
Gross cost-to-income ratio ²	40.6	39.3

¹ Calculation: (property expenses per income statement + repayment of lease liability interest + repayment of lease liability capital + municipal recoveries) / (rental income per income statement – municipal recoveries)

² Calculation: (property expenses per income statement + repayment of lease liability interest + repayment of lease liability capital) / rental income per income statement

* Normalised to exclude material lease cancellation fees, discounts granted and ECLs on trade and other receivables

The Waterfall City portfolio's ratios above include the land lease rental obligation. The impact of IFRS 16: Leases has been excluded for the purpose of this calculation.

Occupancy

The 12 863m² (FY22: 10 882m²) of unoccupied retail-experience hub space relates mainly to Mall of Africa (4 556m²), MooiRivier Mall (3 029m²), Brooklyn Mall (2 000m²) and Eikestad Mall (1 189m²).

The 42 929m² (FY22: 47 333m²) unoccupied collaboration hub spaces relate mainly to Waterfall Circle (24 354m²), Brooklyn Bridge Office Park (6 570m²) and the Cell C Campus (4 920m²).

Subsequent to year-end, 16 607m² of the total vacancies of 55 792m² (FY22: 58 215m²) were filled, most of which relates to the collaboration hub space (9 776m²).

Sector occupancy	June 2023				June 2022			
	Waterfall City %	Rest of South Africa %	Total %	Occupied GLA m ²	Waterfall City %	Rest of South Africa %	Total %	Occupied GLA m ²
Retail-experience hubs	95.6	96.1	95.9	295 901	95.0	97.4	96.5	299 114
Collaboration hubs	82.8	87.3	83.9	225 789	80.8	87.0	82.4	221 659
Logistics hubs	100.0	–	100.0	143 603	100.0	–	100.0	136 027
Hotel	100.0	100.0	100.0	20 405	100.0	100.0	100.0	20 405
Portfolio occupancy	91.7	93.9	92.5	685 698	90.5	94.8	92.1	677 205
Add: occupied post year end	2.4	1.9	2.2	16 607	1.8	0.7	1.4	9 995
Portfolio occupancy post year end	94.1	95.8	94.7	702 305	92.3	95.5	93.5	687 200

Commentary continued

Space management

The portfolio's weighted average lease expiry (WALE) increased to 4.5 years (FY22: 3.4 years) with 51.9% of leases, based on GLA, expiring in FY27 and beyond. Our largest 10 clients account for 33.6% of the total effective gross rental income and 33.3% of the total effective GLA.

Leases totalling 88 095m² (271 leases), including 23 collaboration hub leases, expired during the year, of which 82.0% of GLA (or 75.3% of the number of leases) were renewed or are in the process of being renewed. New and renewed leases were signed at a weighted average negative reversion rate of 6.3% (FY22: negative reversion rate of 10.8%) and a weighted average lease escalation rate of 6.5% (FY22: 6.3%). In addition, Attacq early renewed 4 000m² of collaboration hub space in Waterfall City at a total negative reversion rate of 23.1%. Net market rentals achieved in collaboration hubs have stabilised and are growing off this new base.

	New and renewed leases			
Space renewals	Expired GLA m ²	Client retention rate %	Reversion rate %	Escalation rate %
Retail-experience hubs	64 124	86.2	(3.2)	6.4
Collaboration hubs	15 453	54.3	(23.1)	6.7
Logistics hubs	8 518	100.0	6.9	0.0
Total portfolio	88 095	82.0	(6.3)	6.5

Developing Waterfall City, where living works

Waterfall City is the ideal place to work, live and play in the heart of Gauteng. It represents an exceptional development opportunity in South Africa, providing Attacq with a diversified development pipeline for creating smart, safe and sustainable spaces.

Waterfall City is developed on leasehold land with the notarial leasehold rights held by Attacq Waterfall Investment Company Proprietary Limited (AWIC), currently a 100.0% subsidiary of Attacq. AWIC has until the end of the 2040 calendar year to proclaim its leasehold rights, to the extent that it has not already done so. Proclamation entails the formal government gazetting of leasehold land within a township and is predominantly an administrative process.

At 30 June 2023, the group had 860 655m² (FY22: 900 361m²) of development rights remaining. In addition Attacq is in the process of increasing its investment in Waterfall Junction from 23.57% to 50.0%, thereby increasing its effective share of bulk from 141 420m² to 300 000m². Waterfall Junction will soon be launched for top structure development on the completion of servicing phase 1 (total size 156 000m² of bulk).

Attacq is continually reviewing and updating Waterfall City's urban space, responding to ever-shifting client requirements and an evolving economic climate.

Waterfall City was rebranded in October 2022, incorporating the elements of developing a smart, safe and sustainable city. To experience the rebranding, click on the following link: <https://www.attacq.co.za/our-spaces/developments-at-waterfall-2>.

Newly completed developments

During the year, the Plumblink head office and distribution centre and Ellipse Waterfall, phase 2 were completed. In total, 30 586m² of GLA was added to Waterfall City of which 10 663m² represents Attacq's effective share.

Newly completed developments	Total GSA/GLA m ²	Effective GSA/GLA m ²	% pre-let/pre-sold	Practical completion date
Waterfall City – Residential				
Ellipse Waterfall, phase 2 [^]	15 434	3 087	>95.0	Q4 FY23
Waterfall City – Logistics hubs				
Plumblink head office and distribution centre*	15 152	7 576	100.0	Q4 FY23
Total	30 586	10 663		

[^] Attacq has an undivided share of 20.0%; based on number of units of bankable pre-sales; sectional title units

* Attacq has an undivided share of 50.0%

GSA: gross sellable area

Commentary continued

Developments under construction

Developments under construction at year end comprised the following projects:

Developments under construction	Anticipated practical completion date	Total GSA/GLA* m ²	Effective GSA/GLA* m ²	Pre-let/pre-sold %
Waterfall City – Residential				
Ellipse Waterfall, phase 3 [^]	Q2 FY25	13 386	2 677	>40.0
Waterfall City – Collaboration hub				
Nexus Waterfall, building 2 (DP World) [#]	Q4 FY24	5 244	–	100.0
Waterfall City – Logistics hubs				
Amrod head office and distribution centre expansion ^{**}	Q1 FY24	3 435	1 718	100.0
Midi unit logistics development	Q3 FY24	14 641	14 641	–
Total		36 706	19 036	

[^] Attacq has an undivided share of 20.0%; based on number of units of bankable pre-sales; sectional title units

[#] Land sold and developing on behalf of client

* Estimated GSA / GLA of development, subject to change upon final re-measurement post completion

**Attacq holds a 50.0% undivided share

Residential developments

Attacq continued to grow the Waterfall City community through its participation in residential developments.

Ellipse Waterfall

Ellipse Waterfall, located on a prime site opposite Mall of Africa, is a co-development with Portstone Development Proprietary Limited (Portstone). Ellipse Waterfall will, on completion, comprise four deluxe high-rise towers, each named after celebrated astronomers: Newton, Kepler, Cassini and Galileo. The Newton and Kepler towers (phase 1, 270 units), a 50/50 undivided share joint venture with Portstone, were completed during FY21. A total of 236 units transferred to end users by 30 June 2022, with a further 26 units transferred by 30 June 2023.

Cassini tower (phase 2) was completed during the year with over 98.9% of the 185 units sold to date and 130 units transferred by 30 June 2023. The sales and marketing launch of Galileo tower (phase 3, approximately 196 units) was held in November 2022 and to date, 124 units have been pre-sold. The construction of phase 3 commenced before year end. Attacq's interest in phase 2 and phase 3 is 20.0%.

Phase 1 and 2 have achieved a four-star Green Building Council of South Africa (GBCSA) multi-unit rating (by design) certification, with phase 3 targeting the same certification.

Alternative residential developments are being investigated to enhance the city's offerings and to further expand the residential community.

Logistics hub

Plumblink head office and distribution centre

During the year, Attacq completed the Plumblink head office and distribution centre (15 152m² of GLA) which is located on the last remaining site of land parcel 22 (LP22), at a total development cost of R150.9 million and valued at R156.2 million. Attacq and Bidvest Property Proprietary Limited (Bidvest), a Bidvest Limited subsidiary, each have a 50 % undivided share in the property. This development is in the process of applying for a four-star GBCSA certification (by design and as built).

Amrod head office and distribution centre expansion

The Amrod head office and distribution centre (37 938m², LP22) was completed during 2017. The project and building design catered for future expansion at the option of the client and the warehouse facility expansion of 3 435m² of GLA is currently under construction. The rental income from the expansion is based on the final total capital expenditure (a capex-linked yield transaction). The Amrod building is held in a 50/50 undivided share joint venture with Equites Limited.

Commentary continued

Midi units logistics development

In 2019, the group completed construction of midi units in the Waterfall City logistics hub. These midi units, with a generic design and convenient location, were successfully let and to meet market demand, Attacq is speculatively developing an additional three midi units (between 4 500m² and 5 500m²). The new units, with a Q2 FY24 completion date, will include sustainability and cost reduction initiatives like energy-efficient LED lights, rooftop PV systems, rainwater harvesting and back-up water and will extend the logistics hub GLA by an estimated 14 641m².

Waterfall Junction

Attacq, through a joint venture between Sanlam Life Insurance Limited and AWIC, has access to a further 600 000m² of logistics bulk situated on the eastern land parcels 3 and 24 of the greater Waterfall City node and traversed by the planned K113 and K60 arterial routes. The site, Waterfall Junction, is planned as a landmark, safe and sustainable logistics park situated in a prime location corridor in Gauteng for logistics and light industrial clients. The development will consist of six phases, with the infrastructure catering for phase 1 (156 000m² bulk) nearing completion. Attacq has exercised its call option to increase its interest in Waterfall Junction from 23.57% to 50.0%, the increase is awaiting the requisite Competition Commission approval.

Valuations

The investment property value of the South African real estate portfolio increased by 0.4% to R17.7 billion (FY22: R17.6 billion).

Valuations	June 2023 R'000	June 2022 R'000	% change
Waterfall City	11 328 051	11 017 612	2.8
Rest of South Africa	6 296 787	6 483 089	(2.9)
Sub-total	17 624 838	17 500 701	0.7
Developments under construction	43 164	31 419	37.3
Leasehold land	826 347	905 528	(8.7)
Sub-total investment property	18 494 349	18 437 648	0.3
Less: Held for sale	–	(23 700)	(100.0)
<i>IFRS 16 Right-of-use assets</i>	238 579	250 966	(4.9)
Total investment property (excluding straight-lining)	18 732 928	18 664 914	0.4
Straight-lining lease debtor	(1 080 359)	(1 079 595)	0.1
Total investment property (balance sheet)	17 652 569	17 585 319	0.4
Waterfall Junction	97 805	95 264	2.7
Inventory	67 052	48 834	37.3

Completed buildings

All income producing properties were valued externally using the discounted cash flow (DCF) methodology, with the exception of Brooklyn Mall which was valued by the directors using the external discounted cash flow of future income streams. External valuations were performed by Mills Fitchet Cape Proprietary Limited, Sterling Valuation Specialists Close Corporation (Sterling) and CBRE Excellerate CRES (Pty) Ltd.

Discount and capitalisation rates as at 30 June 2023 remained largely unchanged compared to 30 June 2022. The net result of the valuations is a negative fair value adjustment of R50.4 million (FY22: positive fair value adjustment of R468.3 million). The fair value adjustment excludes the IFRS impact for straight-line leasing.

Commentary continued

The largest contributor to the positive like-for-like fair value adjustments was Mall of Africa of R341.6 million (FY22: R430.4 million), offset by negative fair value adjustments in respect of Waterfall Circle of R100.3 million (FY22: R13.6 million) and Brooklyn Bridge of R67.1 million (FY22: R7.9 million positive). The information below is weighted on property values:

Completed buildings	% of total portfolio based on value	Discount rates %	Exit cap rates %	Cap rates %	Average value per GLA R/m ²	Like-for-like value change %
Retail-experience hubs	52.4	12.07	7.63	7.30	30 127	4.0
Collaboration hubs	34.0	12.94	8.59	8.10	22 401	(5.8)
Logistics hubs	10.3	13.00	8.41	8.00	12 666	4.9
Hotel	3.3	13.00	8.75	8.00	28 232	(3.3)
Total portfolio	100.0	12.49	8.07	7.67	23 890	0.3

Developments under construction

Ellipse Waterfall is classified as trading stock and treated as inventory. Nexus Waterfall, building 2 (DP World) is being developed on behalf of the client and excluded from Attacq's investment property. The valuation of the expansion of Amrod head office and distribution centre is included with the main premises under completed buildings. The three speculative mid-unit logistics development is valued at cost at 30 June 2023 as it is in the early stages of development.

Leasehold land

The group carries leasehold land, encompassing both development rights and infrastructure, at fair value. Leasehold land decreased by 8.7% to R826.3 billion (FY22: R905.5 billion), after taking into account transfers to developments under construction, sales to joint venture partners and the reduction of bulk on two sites as part of the bulk optimisation project.

The group has determined fair value with reference to the comparable sales technique, which is in line with international best practice. The output of the comparable sales valuation technique determines the valuation of the leasehold land, being the aggregate of development rights, infrastructure and services, less future cost of servicing and leasehold liabilities. The external independent valuation was undertaken by Vallun Properties Proprietary Limited trading as Valquest Property Valuers & Consultants.

Category	Characteristics	Valuation
Unserviced leasehold land	Unserviced leasehold land with development potential	Land area multiplied by market rate per m ² for unserviced land
Partially or fully serviced leasehold land	Leasehold land with section 82 certificates, a small measure of costs to complete	Land/bulk area multiplied by market rate per m ² of serviced bulk, reduced by future costs of servicing and leasehold liability

Commentary continued

Other investments

Distributable income from Other investments decreased to R66.5 million (FY22: R68.6 million) due to a higher dividend received from MAS of R69.6 million compared to prior year (R68.5 million), offset by an increase in expenses.

Investment in MAS

Attacq holds 46 157 934 shares in MAS representing a 6.5% (FY22: 6.5%) shareholding. The investment in MAS, held in anticipation of capital growth and dividend income, is classified as an investment and is valued at a closing share price of R21.20 per share (FY22: R19.85 per share). The resultant carrying value is R978.5 million (FY22: R916.2 million). Total dividends of R69.6 million were received from MAS during the year, 1.6% higher compared to the prior year (FY22: R68.5 million).

MAS did not declare a final dividend for the year ended 30 June 2023 and no dividend guidance or timing to the resumption of dividends was provided in its results announcement. For further information in respect of MAS' results, refer to the MAS website at www.masrei.com.

Rest of Africa retail investments

At 30 June 2023, the value of the Rest of Africa retail investments increased by 15.4% to R557.2 million (FY22: R482.8 million) as a result of an additional investment of R81.1 million made in AttAfrica Limited (AttAfrica), utilised by AttAfrica to settle external debt, as well as the depreciation of the rand against the US dollar, offset by a decrease in underlying property valuations.

Attacq's strategy, which is aligned with that of its co-shareholder, Hyprop Investments Limited, is to exit these investments by way of an orderly disposal.

The disposal of the group's interest in Gruppo Investment Limited (Gruppo) the owner of Ikeja City Mall is uncertain due to the challenge of raising of funds by the prospective purchaser coupled with the continued US dollar liquidity constraints in Nigeria. Notwithstanding that a conditional sale agreement remains in place to dispose of its interest in Gruppo, given the delays in implementing the disposal to date and the fact that the cause thereof is out of Attacq's control, the group's interest in Gruppo no longer satisfies the IFRS requirements to be reflected as held for sale in the statement of financial position.

The prior discussions for the disposal of the AttAfrica portfolio were terminated. Other disposal opportunities are being pursued at this time.

Attacq does not have any direct debt associated with its Rest of Africa retail investments and future disposal proceeds will be utilised at the group's discretion.

Attacq's Rest of Africa retail investments comprise:

Rest of Africa retail investments	June 2023 R'000	%	June 2022 R'000	%
Cash held by AIH International	3 547	0.6	896	0.2
26.9% interest in AttAfrica, which is invested in three retail properties in Ghana	327 079	58.7	257 319	53.3
25.0% interest in Gruppo, the owner of Ikeja City Mall, Nigeria	226 532	40.7	224 586	46.5
Total	557 158	100.0	482 801	100.0

Commentary continued

Capital structure

Recycling of capital

During FY23, Attacq concluded a transaction for the disposal of 30.0% of AWIC to the GEPF. Attacq shareholders approved the transaction at a General Meeting on 18 September 2023, resulting in it becoming unconditional with an expected implementation date of 17 October 2023. Shareholders are referred to the circular issued on 21 August 2023 for more information.

Liquidity

At 30 June 2023, the group had available liquidity of R1.4 billion (FY22: R1.9 billion), comprising unrestricted cash balances of R606.5 million (FY22: R604.2 million), prepaid access facilities of R550.0 million (FY22: R960.8 million) and undrawn committed facilities of R240.0 million (FY22: R310.0 million). Accordingly, the group has access to adequate facilities and available cash balances to complete its developments under construction and its development pipeline.

Interest-bearing borrowings

The group's debt facilities are spread among three South African banks and three South African institutions, with no exposure to bond markets.

Total interest-bearing borrowings increased marginally to R8.4 billion (FY22: R8.3 billion).

During the year, the group settled R305.2 million of debt facilities from available cash resources. In addition, R1.1 billion of facilities were refinanced early to take advantage of cheaper funding available. The proceeds of the Waterfall City transaction with the GEPF will be used to settle circa. R2.9 billion of interest-bearing debt with the remaining facilities of R6.0 billion being refinanced between two and five years, with a weighted average loan term of 4.0 years. In this respect, credit approved term sheets have been received from lenders and accepted.

The group interest cover ratio (ICR) increased to 1.69 times (FY22: 1.58 times), mainly due to higher net operating income and lower finance costs. Gearing, calculated as total interest-bearing debt less unrestricted cash on hand, as a percentage of total assets less total cash on hand and right-of-use assets recognised under IFRS 16: *Leases*, increased marginally to 37.3% (FY22: 37.2%).

Liquidity and borrowings	Units	June 2023	June 2022
Unrestricted cash balances	R'000	606 534	604 224
Prepaid access facilities	R'000	550 000	960 808
Undrawn committed facilities	R'000	240 000	310 000
Available liquidity	R'000	1 396 534	1 875 032
Undrawn development facilities	R'000	Nil	Nil
Total drawn facilities	R'000	8 384 893	8 281 403
Total weighted average loan term	years	2.9	3.6
Interest cover ratio	times	1.69	1.58
Gearing	%	37.3	37.2

Commentary continued

Cost of debt

The total weighted average cost of debt increased to 10.3% (FY22: 9.4%).

Debt	Units	June 2023 R'000	June 2022 R'000
Total weighted average cost of debt	%	10.3	9.4
Weighted average floating interest rate	%	10.4	7.0
Premium for hedging	%	(0.1)	2.4
Total hedged as a percentage of total committed facilities	%	56.3	83.0
Total hedged as a percentage of drawn facilities	%	60.0	92.6
Weighted average rand-denominated hedge term	years	2.7	2.6

The group adopts a minimum group hedging policy of 70.0%. In addition, there are covenant requirements that stipulate that the minimum group interest rate hedging ratio should always exceed 70.0%. Due to the GEPF transaction, the group obtained approval from the relevant funders to relax the minimum required hedging ratio to 50.0% until the earlier of the implementation of the GEPF transaction or 31 October 2023. As at 30 June 2023, 56.3% of total committed facilities were hedged by way of interest rate swaps and interest rate caps. The weighted average hedge term is 2.7 years (FY22: 2.6 years).

The debt reduction to take place upon implementation of the GEPF transaction in October 2023 will result in the hedge ratio increasing above the group policy's minimum required level of 70.0%.

Due to higher forward interest rates, the mark-to-market valuation associated with interest rate hedges was a net financial asset of R45.6 million (FY22: net financial liability of R45.3 million), a year-on-year movement of R86.2 million (FY22: R392.5 million).

Prospects and guidance

The board is pleased to have reported DIPS growth of 14.5% for FY23 against the guidance given of between 8.0% and 10.0%.

We expect the current challenging market conditions of muted economic activity, high interest rates, growing pressures within the retail environment and ongoing loadshedding to persist into the next financial year. Notwithstanding this, we have a robust and sustainable business, bolstered by the impact of the Waterfall City transaction with the GEPF and coupled with our exceptionally committed employees who will navigate through this challenging environment.

The group expects to grow its DIPS in FY24 by between 8.0% and 10.0% with a dividend pay-out ratio of 80.0%.

This guidance is based on the following key assumptions:

- No contribution to the group's distributable income from MAS dividends
- No material impact on distributable income due to any new developments, acquisitions or disposals
- Forecasted rental income being achieved based on contractual terms and anticipated market-related renewals
- No major changes in vacancy rates
- No unforeseen circumstances such as major corporate tenant failures or further deterioration of the macro-economic environment

The prospects have not been reviewed or reported on by Attacq's auditors.

Commentary continued

Declaration of a cash dividend

The board declared a final gross cash dividend of 29.00000 cents per share out of the company's distributable income. This brings the full year dividend to 58.0 cents per share (FY22: 50.0 cents per share).

The dividend is payable to Attacq shareholders in accordance with the timetable set out below:

	2023
Last day to trade <i>cum</i> dividend	Tuesday, 17 October
Shares trade <i>ex</i> dividend	Wednesday, 18 October
Record date	Friday, 20 October
Payment date	Monday, 23 October

Notes:

1. Share certificates may not be dematerialised or rematerialised between Wednesday, 18 October 2023 and Friday, 20 October 2023, both days inclusive.
2. Payment of the dividend will be made to shareholders on Monday, 23 October 2023. In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant (CSDP) account or broker account on Monday, 23 October 2023. Certificated shareholders' dividend will be deposited on or about Monday, 23 October 2023.
3. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details whereafter the cash dividend will be paid via electronic transfer into the personal bank accounts of certificated shareholders.

In accordance with Attacq's status as a REIT, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No 58 of 1962 (Income Tax Act). The dividend on the shares will be deemed to be a taxable dividend for South African tax purposes in terms of section 25BB of the Income Tax Act.

Tax implications for South African resident shareholders

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT. This dividend is, however, exempt from dividend withholding tax (dividend tax) in the hands of South African tax resident shareholders, provided that South African tax resident shareholders provide the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

- a) a declaration that the dividend is exempt from dividends tax
- b) a written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner
- c) both in the form prescribed by the Commissioner for the South African Revenue Service.

Shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Commentary continued

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20.0%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 20.0%, the net dividend amount due to non-resident shareholders is 23.20000 cents per share.

A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

- a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA
- b) a written undertaking to inform their CSDP, broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner
- c) both in the form prescribed by the Commissioner for the South African Revenue Service.

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

The number of shares in issue at 30 June 2023 and the date of this announcement is 751 551 292 ordinary shares of no par value, which includes 46 427 553 treasury shares. Attacq's tax reference number is 9241/038/64/6.

Events after reporting date

Declaration of dividend after reporting period

In line with IAS 10: Events after the Reporting Period, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements.

The board approved a final gross cash dividend of 29.0 cents per share for the year ended 30 June 2023 (FY22: 50.0 cents per share), amounting to R204.5 million (FY22: R352.6 million). This brings the full year dividend to 58.0 cents per share (FY22: 50.0 cents per share). The full year dividend represents a payout ratio of 80.7% based on the group's distributable income and meets the minimum 75% payout ratio required by the JSE Listings Requirements for a REIT.

Waterfall City transaction with strategic investment partner GEPF

On 5 July 2023, Attacq, AWIC and the GEPF entered into a subscription and sale of shares and claims agreement in terms of which, subject to certain conditions precedent, the GEPF will acquire a 30.0% shareholding in the AWIC by subscribing for new shares and acquiring existing issued shares from Attacq. Attacq will also dispose of 30.0% of its existing shareholder loan and Attacq and GEPF will advance a further R1 billion in shareholder loans to AWIC, R700.0 million from Attacq and R300.0 million from GEPF (Proposed Transaction). Following the implementation of the transaction all shareholder loans extended to AWIC will be interest-free, have no fixed terms of repayment and will be repaid as and when the AWIC board of directors determines that there is free cash flow available.

The final condition precedent was fulfilled on 18 September 2023, being the approval of Attacq shareholders at a General Meeting. The implementation date of the Proposed Transaction is contractually set for 17 October 2023, when ownership of 30.0% of AWIC's equity and shareholder loans will pass to the GEPF against payment of the preliminary purchase price, which purchase price will be finally determined with reference to AWIC's 31 October 2023 accounts, with any adjustments required to the purchase price to be made on or about 12 December 2023. This will result in a non-controlling interest reserve at group level. The maximum consideration payable by the GEPF in respect of the sale shares, the subscription shares, the sale claim and the additional loan is R2.688 billion.

The conditions precedent of the Proposed Transaction included the restructure of AWIC's indirect investment in MAS held via AIM Investco (AIM), be restructured so that it is held elsewhere in the group (AIM Restructure). The AIM Restructure was completed by 11 July 2023, after the conclusion of the following steps relevant to Attacq:

- AWIC distributed, out of its stated capital and on loan account (Distribution Loan) an amount of R1.0 billion to Attacq being the amount of the AIM loan balance created pursuant to a disposal of AIM Investco by AWIC to ARF. This distribution eliminates on consolidation and has no impact on the group results;
- Attacq, AWIC and ARF entered into a loan settlement agreement in terms of which AWIC agreed that ARF would settle its obligations in terms of the Distribution Loan. This results in an increase in the Attacq intercompany loan with ARF and a corresponding decrease in the Attacq intercompany loan with AWIC. The loans eliminates on consolidation and has no impact on the group results; and
- Attacq and AWIC entered into a share buy-back transaction, via loan account, of AWIC shares to the value of the AIM loan previously settled being R1.57 billion. This results in a decrease in Attacq's investment in AWIC of R1.57 billion and a corresponding increase in the Attacq intercompany loan with AWIC. The loans eliminate on consolidation and has no impact on the group results.

Commentary continued

Debt reduction and refinancing

Subsequent to year end, as a consequence of the GEPF transaction, the group has renegotiated its entire outstanding interest-bearing liabilities. Term sheets have been agreed with the lenders and final long-form legal agreements are in the process of being finalised. In total, interest-bearing liabilities will be reduced by a total of approximately R2.9 billion, being approximately R2.2 billion in AWIC, R500.0 million in ARF and Lynnwood Bridge Office Park Proprietary Limited syndicated loan, and R200.0 million in Lynnaur Investments Proprietary Limited. In addition, the refinanced facilities will be at reduced margins from their current levels due to the group's improved credit metrics.

MAS – suspension of dividends

On 4 September 2023, MAS announced that it will not declare a final dividend for the six-month period ending 30 June 2023. No dividend guidance or timing to the resumption of dividends has been provided. For further information in respect of MAS' results, refer to the MAS website at www.masrei.com.

Additional investment in AttAfrica

Subsequent to year end, Attacq invested an additional R40.7 million into AttAfrica which will be used to settle bank debt.

No other significant subsequent events occurred from 30 June 2023 up until the date of the signing of the annual financial statements.

Commitments

Please refer to note 34 of the annual financial statements for future capital commitments on developments under construction and developments in the pipeline. Future commitments will be funded by undrawn banking facilities, cash on hand and proceeds from capital recycling activities.

Issue of shares

No shares were issued during the year.

Change in non-executive directors

Ms F De Buck and Dr G Rohde were appointed as independent non-executive directors of Attacq, effective from 1 February 2023. Ms De Buck serves as a member of the Audit and Risk Committee, and Dr Rohde serves as a member of the Transformation, Social and Ethics Committee.

Announcement

This announcement is the responsibility of the directors and the contents were approved by the board on 27 September 2023. The announcement has not been audited or reviewed by the company's auditors.

The full announcement is available on the company's website at www.attacq.co.za/investor-hub and can be accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2023/jse/isse/ATT/2023FYRES.pdf>

The audited consolidated annual financial statements for the year ended 30 June 2023 is available on the company's website at <https://www.attacq.co.za/wp-content/uploads/2023/09/attacq-annual-financial-statements-september-2023.pdf>.

Audit report

The auditor, Ernst & Young Inc., has issued an unmodified opinion on Attacq's audited consolidated annual financial statements for the year ended 30 June 2023. The audit was conducted in accordance with International Standards on Auditing. The following key audit matter was considered as part of their audit: valuation of investment property, including completed developments, developments under construction and leasehold land.

A copy of the auditor's report together with a copy of the audited consolidated annual financial statements is available for inspection at the company's registered office and on the company's website at <https://www.attacq.co.za/wp-content/uploads/2023/09/attacq-annual-financial-statements-september-2023.pdf>.

Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditor. The auditor does not necessarily report on all the information contained in this announcement. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the audited consolidated annual financial statements for the year ended as at 30 June 2023 from the company's registered office or from the company's website.

On behalf of the board

P Tredoux
Chairperson

28 September 2023

JR van Niekerk
CEO

Company information

Attacq Limited

(Incorporated in the Republic of South Africa)

(Registration number 1997/000543/06)

JSE share code: ATT

ISIN: ZAE000177218

(Approved as a REIT by the JSE)

Independent non-executive directors

P Tredoux (chairperson)

HR El Haimer (lead independent director)

FFT De Buck (effective 1 February 2023)

TP Leeuw

IN Mkhari

GT Rohde (effective 1 February 2023)

S Shaw-Taylor

AE Swiegers

JHP van der Merwe

Executive directors

JR van Niekerk (CEO)

R Nana (CFO)

Company secretary

W Modisapodi

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Sponsor

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Wierda Valley

Sandton, 2196

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